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Congressional Record

PROCEEDINGS AND DEBATES OF THE 76th CONGRESS, THIRD SESSION

Appendix

Washington, the City Beautiful

EXTENSION OF REMARKS
OF
HON. BERTRAND W. GEARHART
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 4, 1940

ARTICLE BY PAUL SCHARRENBERG

Mr. GEARHART. Mr. Speaker, there appeared in the February issue of the American Federationist an article which will be, I am sure, of unusual interest not only to the residents of Washington but to the people of the Nation as well. The conditions which are described, as well as the facts and figures which are cited in the article, an article which the writer has entitled, "Washington, the City Beautiful," are well worthy of the consideration of the Members of this legislative body.

Because the article comes from the pen of one in position of high responsibility, the sordid story of squalid conditions in the Nation's Capital City cannot be lightly regarded. In the light of the importance of the subject which is discussed, I was constrained to ask the unanimous consent of the membership of this legislative body that this illuminating article be reprinted in the RECORD of this day's proceedings.

The author of the article, Mr. Paul Scharrenberg, was for many years secretary-treasurer of the California State Federation of Labor. At the present time he is a legislative representative of the American Federation of Labor, resident in Washington, D. C. His background, coupled with lifelong experience in dealing with social problems, entitle him to be heard in respect to the subject concerning which he writes.

That he is an outstanding expert in respect to the social aspects of our economic system will not be questioned. His contribution to the public welfare includes 9 years' service as a member of the California State Commission of Immigration and Housing, as well as 5 years as a member of the city planning commission of the city and county of San Francisco.

Mr. Scharrenberg's article follows:

[From the American Federationist for February 1940]

WASHINGTON—THE CITY BEAUTIFUL

(By Paul Scharrenberg)

Professional promoters and casual visitors have designated Washington as "The City Beautiful." Beauty is a relative term and no one can deny that Washington has beautiful residential areas, magnificent Government buildings, marble palaces and memorials, and public parks surpassed by few American cities. What is not seen by the casual visitor and what is scarcely known by most residents of Washington is the existence of several extensive slum areas where frightfully overcrowded and unsanitary housing conditions prevail and where ugly poverty stalks stark naked and unashamed.

Washington's poverty is, in the main, confined to the colored population which according to the 1930 census was 132,068, or 27 percent of the population. Because Washington's poor cannot possibly pay the prevailing rent for semisanitary quarters, a large percentage of the submerged is concentrated in alleys and alley life is not easily described. It must be seen to be appreciated. According to the research department of the District of Columbia council of social agencies there are 15,000 so-called dwellings in the Nation's Capital without inside toilet or bath. One of Washington's worst slum sections virtually adjoins the Capitol and the office buildings in which our statesmen discuss bills to promote the general welfare. In that particular section more than a fifth of the "homes" do not have any running water.

The desperate poverty which compels thousands of families to live in overcrowded and insanitary houses also prevents normal life in other respects. A minimum diet is out of the question. Washington's torrid summer heat bears heaviest on the slum dwellers and during the winter months the ever-present family problem is to make a choice between food and fuel, to starve or to freeze. Life under such conditions has its inevitable consequences and a glimpse at recent statistical compilations, plain and unvarnished, gives us the awful truth.

In 1937 Washington's death rate from tuberculosis was 75 percent greater than the average for the United States. The Washington rate for 100,000 persons was 83.8. For the United States it was 53.6 per 100,000 persons. However, this is only half the awful truth. In Washington's poverty-stricken sections the death rate from tuberculosis runs as high as 401 per 100,000 population. This is more than seven times the national average.

The Washington death rate from pneumonia is 42 percent higher than the national average. In the slums deaths from pneumonia have been more than three times the national rate.

In 1937 St. Elizabeths, Washington's big hospital for mental disease, admitted 607 Washingtonians. During the same year the District's rate for population in mental hospitals was higher than in any of the 48 States. In 1938 it cost the District of Columbia $2,440,780 to take care of the indigent insane.

The record of infant mortality tells another sordid tale. In 1937, 747 babies under 1 year of age died in Washington. Although the colored population is less than a third, 407 of these dead in-

fants were Negroes and only 340 were whites. The Negro babies were born in the slums and in many instances the primary cause of untimely death was that mother and babies could not get enough to eat.

Very much more could be said about the manifestations of poverty in the Nation's Capital. The published hearings on the District of Columbia appropriation bill for 1940 contain especially illuminating data. For instance, it was revealed that $65,000 worth of food was purchased for school lunches furnished to needy children only, during approximately 245 school days, from July 5, 1938, to June 30, 1939. Disbursements for labor, transportation, fuel, equipment, and other items incident to the preparation of school lunches are in addition to the $65,000.

Statistics on illegitimate births add a dark column to the unpublished chapter in The City Beautiful volume. In the country as a whole, there were 74,983 illegitimate births in 1937. This is at the rate of 4.02 per hundred total births. In Washington the rate was 8.3, based on a total of 841 such births. The higher rate for Washington is made up wholly by the colored slum residents since the babies born of unmarried white mothers were only 1.4 per hundred, which is considerably below the average national rate.

Child delinquency in Washington also points an accusing finger at poverty and slums. The environment of Washington's submerged affects young as well as old. In 1937 the cases of 840 children were acted upon by the juvenile court. Of these 630 were colored and 210 were whites. Almost half of the total came from the slum sections, although only one-fourth of Washington's children lived there.

Washington's prison population furnishes another interesting commentary on white versus colored offenders. There are slightly in excess of 1,600 persons in Lorton, the District penitentiary. According to Hugh F. Rivers, executive secretary of the parole board, 65 percent of Lorton's inmates are colored and only 35 percent white.

In Washington's city jail the daily average population, by race and sex for the fiscal year 1938 was: White males, 199; colored males, 341; white females, 26; and colored females, 80; the total being 646.

Senator ELLENDER, of Louisiana, has presented some startling comparative figures on this subject. Addressing the Senate on January 14, 1938, he pointed to the respective Negro and white population of these two cities as revealed by the 1930 census:

	Total population	Negro	Percentage, Negro
Washington [1]	486,869	132,068	27
New Orleans	458,762	129,632	28

[1] The current estimate of Washington's population is 627,000 with an increased Negro population in excess of 50,000 over the census figures of 1930.

Then he submitted statistical facts obtained from the superintendents of police in Washington and New Orleans:

"In 1935 New Orleans recorded 22 arrests for murders committed by whites and 26 by colored people; 27 whites and 10 Negroes were arrested for manslaughter; for rape, 7 whites and 11 colored; robbery, 52 whites and 29 colored; aggravated assault, 107 whites and 111 Negroes; burglary, 119 whites, 131 Negroes; larceny, 427 whites, 399 colored; auto thefts, 31 whites, 18 colored. So in the city of New Orleans with a 28 percent Negro population, there were 1,527 arrests—792 whites and 735 Negroes."

Senator ELLENDER made his deadly comparison by citing similar figures for the same year in Washington with a Negro population only 1 percent less than that of New Orleans:

"Murder, 19 whites, 53 colored; manslaughter, 20 whites, 15 colored; rape, 9 whites, 13 colored; robbery, 163 whites, 359 Negroes; assault, 105 whites, 313 Negroes; housebreaking (burglary), 301 whites, 916 Negroes; larceny, 209 whites, 330 Negroes; auto theft, 146 whites and 5 Negroes. This makes the grand total of Washington arrests 2,985. Of this number the Negroes, with only 27 percent of the population, furnished 2,004 cases as against 981 whites."

No one acquainted with Senator ELLENDER would accuse him of deliberately suppressing a part of the awful truth with respect to Washington's crime record. It is quite possible, however, that he did so innocently. The Senator's quoted comparative figures are based upon arrests actually made. But in Washington, during the first half of 1939, arrests were made in only 41 percent of the cases of which the police have records. So we are told in the current report of Dr. James A. Nolan, director of Washington's Criminal Justice Association.

Under the circumstances it is not surprising that even such a violent champion of the District of Columbia as the Washington Post should confess in its editorial columns, September 5, 1939, that "Washington has an unenviable crime record of long standing." Another unenviable record which may be mentioned is the death rate from alcoholism. The Census Bureau is authority for the assertion that, next to Nevada, Washington has the highest alcohol death rate in the United States.

Why do such conditions exist in the Nation's Capital? Why does The City Beautiful, year after year, maintain such awful records in sickness, mortality, and crime?

The District of Columbia has a higher per capita income than any State in the Union. The average per capita income for the entire United States is $432 per annum. Mississippi has the lowest per capita income of any State; i. e., $170. New York State with a per capita income of $700 leads all States. But the District of Columbia leads all States with a per capita income of $966.

This higher per capita income for Washington is based largely upon Government pay rolls. In April 1939 there were 121,993 employees in the executive branch of the Federal Government in the District of Columbia. The total pay roll for these employees for April was $21,458,816, representing an average for the month of $176 per employee. The District of Columbia municipal government has another 14,663 persons on the pay rolls at an estimated total for 1940 of $26,153,000 with an average monthly salary of $148.66.

The Bureau of Research and Statistics (U. S. Division of Public Assistance Research) reports that during April 1939 no less than 23,892 residents of the District of Columbia were employed under various Federal work programs.

Thus, in a total District population of approximately half a million, 160,548 were either on the Federal pay roll, on the pay roll of the municipal government, or on a Federal work pay roll. In other words, the predominating industry of Washington is the Government itself.

Washington manufacturers, according to the 1937 census, employed only 8,714 workers who drew annual wages amounting to $12,848,273. This leaves only the building trades and the various groups which may be roughly classified as service trades employed in hotels and restaurants, places of amusement, retail stores, and finally in communication and transportation. There are no reliable figures as to number or the earnings of those last named, but it is known that many of Washington's lowest paid workers are to be found in hotels and restaurants. For instance, when the minimum wage was fixed for waitresses, several Washington hotels began to substitute Negro waiters for the white girls previously employed. It took weeks of active boycotting, which had general public support, before the white girls were reinstated in their jobs at the established minimum wage of $13.25 for a 6-day week, exclusive of meals. Colored housemen employed by Washington hotels are paid as little as $40 per month. For this wage they are required to work 9 hours every day of the year and supply their board and lodging.

As already stated, Washington has a higher per capita income than any State in the Union. It is reasonably certain also that no other American city of comparable size has so large a percentage of per population on a steady pay roll. And finally, what other city in per population class can boast of a single employer with a guaranteed pay roll of 136,656 employees? Washington alone has such a benefactor. His name is Uncle Sam.

Why, then, is Washington cursed with an undue share of slums, poverty, and crime?

The answer is that the residents of Washington do not have a sense of personal responsibility for civic imperfections. Civic pride, such as exists more or less in every other American city, has never got a foothold among Washingtonians.

Before placing any blame for this deplorable and anomalous condition upon the residents, sometimes mistakenly named citizens of Washington, it is necessary to remove the wholly erroneous assumption that Washington is just another American city. As a matter of fact, the District of Columbia—i. e., the so-called city of Washington—is more akin to an old-time southern plantation, or a medieval feudal estate, where no one had any authority or responsibility except the owner or the feudal lord and such of his servants as may have been delegated with temporary power to carry out his wishes.

Washington is governed by Congress through administrative officials appointed by the President for certain terms. Both House and Senate have a District of Columbia Committee. These committees, among other things, recommend each year the amount the United States will contribute toward the District of Columbia municipal government. Aside from the Capitol and the White House, with their spacious grounds, the United States owns an ever-increasing number of buildings to house the staff necessary for New Deal enterprises. From this fact it would seem that the United States' contribution should have been reasonably increased from year to year. The record shows, however, that the United States' percentage of contribution has steadily decreased from 38.21 percent in 1922 to 15.70 percent in 1939.

The residents of Washington have a fondness for banding themselves together in citizens' associations. But deep down in their hearts they know that a citizen without the franchise is like a fish without water. They can appear before congressional committees to complain and voice grievances, they can bellow and holler before the appointed officials of the District of Columbia government but if snubbed or slighted there is absolutely nothing they can do about it. They have the dubious right "to petition" but that is all. They do not have the glorious privilege of electing anyone and cannot "turn the rascals out" no matter what provocation the appointed rascals may offer.

Take, for example, the manner in which the police take it out of the hide of the voteless "citizens." During 1938 the police made 160,888 arrests for all offenses. Ninety-seven thousand nine hun-

dred and forty-five of these arrests were for traffic violations and $360,481.67 was collected in fines and forfeitures by the traffic courts. Washingtonians know that the police spent a large part of their time decorating autos with police tags. They know that burglars and hold-up men carry on their nefarious work with comparative impunity while the guardians of the peace are having their eyes and ears cocked for the "citizens" who commit minor traffic violations. But all the indignant "citizen" can do is to grin and bear and pay!

It should not be inferred from this recital of wrongs that Washington has no public-spirited citizens and outstanding public servants. There are such, and it was the tireless energy of such men that finally gave to the Nation's Capital its Alley Dwelling Authority and its Small Claims Court.

The point is that sincere and earnest reformers in Washington are laboring under a terrific handicap. When Washington's alleys were laid out, long before the Civil War, it was on the reasonable supposition that the slaves should be housed near the masters' abode. Alley life was intended for slaves and all too many Washingtonians of this day and generation still consider this an ideal arrangement.

In other American cities the reformer can appeal for support to the electorate. If not successful the first time he can and usually does try again and again. But Washington has no electorate. Washington's fate as a municipality is in the hands of a Congress chosen by the entire American electorate. It is paradoxical, but true, that Members of Congress who deliver frequent and lengthy orations extolling the virtues of democracy are not willing to grant the citizen's franchise to residents of Washington. And, believe it or not, the principal point made against enfranchisement is fear that the alley dwellers, the Negroes, will wield the balance of power in municipal elections.

National Transportation Policy

EXTENSION OF REMARKS

OF

HON. U. S. GUYER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

RESOLUTION BY THE KANSAS STATE GRANGE

Mr. GUYER of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution passed by the Kansas State Grange at its sixty-eighth annual session, December 12–14, 1939:

Be it resolved, That we recommend to Congress the adoption of a national transportation policy that will—

1. Provide for continued private ownership and operation of railroads.

2. The preservation of the inherent advantages and essential public service of each form of transportation by fair and impartial regulation.

3. Cooperation between the State and Federal Governments to secure safe, economical, efficient, and adequate service for commerce, mail, and national defense.

4. Encouraging sound financial conditions and fair wages and working conditions in all agencies.

5. Making possible and encouraging the coordination of facilities and services.

We recommend that all forms of transportation assisting the farmer in the marketing of his produce be developed and encouraged to preserve the inherent benefits of each, and we are opposed to any legislation attempting to eliminate competition by discriminating against any one form of transportation to the advantage of another.

Each House of Congress has passed a transportation bill, both of which are now pending before a conference committee of the two Houses. Because of the widespread interest of citizens in this legislation and its Nation-wide effects, we urge that a reasonable time be permitted the interested public to study the bill when reported by the conference committee before its final consideration and enactment by Congress.

We further recommend that transportation legislation, if and when adopted, specifically provide for the movement of agricultural commodities for domestic consumption and for export at rates comparable to those for industrial products for domestic consumption and for export.

We especially urge that no provision of law or regulation permitted thereunder restrict any natural or inherent advantages of any type of transportation where such advantages in rates and services are reflected to the shipping public.

Government Services to Business

EXTENSION OF REMARKS

OF

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

Mr. HARE. Mr. Speaker, for a number of years I have felt that the future economic life of the South is contingent upon enlarged industrial activities and increased markets for their finished products, both at home and abroad. Heretofore we have been largely agricultural, and agriculture will continue to play a most important part in our social and economic life, but with increased population and the use of improved farm machinery, production, years ago, outgrew the capacity for local consumption. Markets for raw material did not increase in proportion to production, and the growing increase of competent labor, coupled with excellent climate, the South furnished a most attractive field for industry. For two generations plants for the manufacture of cotton have been erected just as fast as economic conditions warranted, and we sometimes wonder if the number of plants has not increased just a little faster in proportion than facilities for disposing of their products were provided; consequently production of manufactured products has been at times greater than the capacity for consumption. Naturally, there have been frequent and numerous periods of depression, resulting in starvation wages or absolute unemployment. The problem, therefore, of greater industrial stability is one which has commanded and must continue to command the interest and consideration of all who may be interested in our public welfare. It has been my personal conviction for a number of years that there could be no hope for continued or permanent increased capacity for consumption without enlarged market opportunities and increased industrial activities, because the capacity for consumption, in the last analysis, is dependent upon opportunity for work and regular income. Markets are indispensable. Without them the future will be no different from the unsatisfactory past; without them there will be an accumulation of surplus both on the farm and in the factory, followed by idle hands, idle spindles, and unemployed labor.

Of course, the future industrial activities of the South cannot be confined to the cotton-mill business alone, although it will continue to be our leading and outstanding industry for many years to come. Our investors cannot afford to put all their eggs in one basket. Other industries are increasing and will continue to increase very much in proportion as we are able to increase our foreign and domestic trade, particularly in South American and oriental countries. Unfortunately, the export of cotton fabrics has not increased as much in recent years as the products of other leading industries. For example, the export of manufactured leather goods from the United States increased 177 percent from 1932 to 1938, manufactured woolen goods increased 129 percent in the same period, silk manufactures increased 33 percent, rayon 391 percent, rubber goods 66 percent, glass and glass products 107 percent, steel-mill products 255 percent, household electric refrigerators 224 percent, musical instruments 115 percent, and cotton manufactures 25 percent, which leads us to inquire whether our textile business has been as alert in using governmental agencies to promote trade in foreign markets as other manufacturing enterprises, or whether we have been content to rely upon domestic markets for support, or whether our Government has been partial in its efforts to promote trade for other industries in foreign countries.

It is one of the functions of government to establish and maintain a relationship with other countries that will command the best feeling and trade relations possible, keeping

in mind the preservation of our own markets just as much as good business will permit. In other words, I have felt that if we can arrange to find adequate markets for our manufactured products we can always expect regular work, fair returns, and reasonable prosperity in every activity.

With this idea in mind, I made an effort last fall to find out, if possible, whether our Government is really doing anything within the scope of its authority to promote the business or industrial life of the Nation. I knew Congress had created and was maintaining with adequate appropriations an office in Washington known as the Bureau of Foreign and Domestic Commerce, established primarily for the purpose of promoting our foreign and domestic trade.

I had two or three conferences with representatives of this Bureau and found it was doing rather efficient work in behalf of some business activities but was forced to the conclusion that the possibility for service to our textile manufacturers was much greater than is being utilized. I found further that the Bureau could be of increased service if manufacturers knew and would avail themselves of this service. Therefore, I suggested to the Director of the Bureau to furnish me a statement showing the extent to which this Bureau and other agencies of the Government may assist businessmen and manufacturers in promoting trade in foreign as well as domestic markets.

Mr. Speaker, I shall not attempt to comment upon the report but shall ask unanimous consent to extend my remarks in the RECORD by including therein the reply to this, my request, hoping that business and industry may see an increased opportunity to utilize various governmental agencies for increasing and stabilizing our industrial activities. The report follows:

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, December 18, 1939.

Hon. BUTLER B. HARE,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: In accordance with our very pleasant conversation the other day, I am enclosing basic material covering services rendered to business by Government. As you doubtless know, a majority of the voluntary or nonregulatory services are rendered by the Bureau of Foreign and Domestic Commerce. I sincerely hope that this material will fulfill your needs and trust that you will not hesitate to call on me if at some later date you wish to expand this information more fully.

Incidentally, I hope that the information which Mr. Pickard, Chief of the Textile Division of the Bureau, is sending you will fully answer your requirements regarding the import of bleached cotton goods from Japan and the comparison of imports in previous years.

As we discussed the other day, the dislocations of trade channels abroad and the disruptions of commerce at home necessitate increasing services to American businessmen. There is a vast quantity of material which the Government as a whole, and this Bureau in particular, has available which businessmen could use to advantage. During the past 16 years as directing head of a manufacturing and merchandising organization I myself found it to be a great assistant. However, I believe that you will agree that it is necessary to be able to inform businessmen that this information is available and that this can only be accomplished through personal contact of commercial agents competent to explain the uses of the material and through appropriate published material.

Deeply appreciating the opportunity of a visit with you and your sympathetic interest in the needs of foreign and domestic business, I am

Sincerely yours,

BRUCE BERCKMANS,
Adviser to the Director.

DEPARTMENT OF COMMERCE,
BUREAU OF FOREIGN AND DOMESTIC COMMERCE,
Washington, December 18, 1939.

To: Hon. BUTLER B. HARE.
From: Bruce Berckmans.
Subject: Government services to business.

THE BUSINESSMAN AND HIS GOVERNMENT

When a businessman thinks of government, he immediately thinks of taxes. He thinks that there are too many of them. He invariably thinks his tax bill is too high.

There are other bills that are higher than the tax bill, but he doesn't mind paying them so much. They are itemized. He can see what he is getting. For example, it is easier for a textile manufacturer to pay a bill for $40,000 when it is for 100 looms, than it is for him to pay a bill of $4,000 when that bill merely says "taxes due."

That tax bill needs itemizing. What is the textile maker paying $4,000 for? What is the Government doing with the money to help him in his business that he couldn't do better himself?

First off, the Government is providing for its own existence, and that is absolutely essential to the textile manufacturer's existence. It is so important that he probably never stops to think about it. Because the existence of a continuing Government—of whatever political party—means that commitments may be made and contracts carried out under a single continuing system of law and order.

The textile maker's $4,000 goes to provide security from foreign aggression. It helps build an Army and a Navy protected by which Americans can build and buy and sell in peace.

The Government provides protection for persons and property within the country. It provides for the apprehension of criminals.

"But," our taxpayer might object, "every citizen gets these things from government. Is there nothing the Government does for me particularly? After all, I pay an unusually large tax. I pay wages and purchase raw materials. I am an integral part of the whole economic machine. My well-being and my industry's well-being is essential to the welfare of everybody. Doesn't the Government do anything for me as a textile manufacturer that it doesn't do for me as a citizen?" Yes; it does. Most important of all, it maintains an agency in Washington and offices throughout the country, the principal job of which is to promote this manufacturer's business, to improve his sales, and thereby to help him make larger profits. This is the Bureau of Foreign and Domestic Commerce in the Department of Commerce.

BASIC PROBLEMS SERVICE

There are three principal types of service rendered by this Bureau. They are studies in the basic problems of all business; specific advice on problems of selling goods abroad, international service; and highly specialized aid in specific industry problems, the industries service. Basic problems are simply those problems which are common to all business.

National income: This service includes the compilation of the official Government estimates on national income. National income is the amount of money paid out to individuals each month in each State of the Nation, classified by type of payment, either wages, dividends, or rents and royalties. It is the businessman's best measure of purchasing power.

The studies of this National Income Division show, for instance, that income payments in the whole Nation fell in 1937 to 88 percent of what they were in 1929. In some States the drop was even greater. Massachusetts, for example, had income payments in 1937 which was but 84 percent of the 1929 figures. Income payments for the same year in South Carolina, on the other hand, were 108 percent of their 1929 figure.

This simply means that the people of South Carolina had more money to buy things with in 1937 than in 1929, and that is important not only to the small retailer but also to the manufacturer who wants to locate his plant near lucrative markets.

Marketing research: The Basic Problems Service of the Bureau of Foreign and Domestic Commerce also includes a division devoted to aiding businessmen with their problems of distribution and sales. A cardboard box manufacturer wants to reallocate his sales effort. He writes the Bureau, asks where his type of cardboard box can be expected to sell best. When a large demand for a certain type of marketing information exists this Marketing Research Division goes out and gets that information and publishes the results in pamphlet form. A large number of retailers wanted current information on retail-credit practices and conditions, so an annual survey was undertaken to provide up-to-date data on this important subject.

Foreign-trade statistics: It is important to business also to know the amounts of exports of goods from this country and the amount of imports into this country. Only by knowing the imports of his particular product from abroad can a manufacturer know the extent of his foreign competition. The Government also needed this knowledge to determine tariff policy. So, 205 separate statements are compiled monthly by the Bureau of Foreign and Domestic Commerce, covering all the principal commodities in our export and import trade—from Southern Pine box shooks to bleached cheesecloth.

Business review: Still another Basic Problems Service of this Bureau is the analysis of current business conditions. "How is business?" The answer to this question is of vital concern to men who decide policy in business and government. It is the job of the Bureau's Division of Business Review to supply it. This Division collects, analyzes, and publishes all the available data on construction contracts, steel and automobile production, stock and commodity prices, and similar indicators of business activity.

There is one short coming in this information. No data is available of inventories throughout industry. After all, figures on sales and on production do not mean a great deal if nothing is known about the state of inventories and unfilled orders. It is impossible to figure out how far a locomotive can go—even if its speed and its rate of coal consumption is known—if you don't know how much coal is in the tender.

I see, however, that an attempt is now being made to fill this gap. The Bureau is requesting a large sample of representative firms to report this information periodically. This individual

company data will be pooled to arrive at a measure of inventories for the whole of industry.

With such information, the Bureau can tell businessmen with much greater certainty what the prospects of business are—whether it will improve or fall off—and in what industries this improvement or falling off will take place.

INTERNATIONAL SERVICE

Besides the basic-problems service already outlined, this Bureau maintains an international service. An important part of this country's production is sold in export trade. To aid American manufacturers in entering the export market, the Bureau of Foreign and Domestic Commerce provides experts on the tariffs, financial conditions, laws, and economic conditions of all the countries in the world. If a manufacturer wants to sell shoes in Paraguay, the Bureau can tell him what the duty on shoes entering the Paraguayan market is and what the chances of getting his money out of the country are. It can tell him what the legal and economic situation is as it might affect his shoe sales. And, finally, it can locate a reputable shoe distributor to handle the business for him.

This information is obtained by cooperating closely with the Foreign Service of the State Department. To facilitate this interworking, the Bureau maintains a liaison officer. Through this office go all business' requests for information from embassies, consulates, and commercial attachés in foreign countries. And back through this office come the answers. These are then relayed to business through the Bureau's industrial divisions.

INDUSTRIES SERVICE

The Bureau maintains these divisions to serve the specialized needs of the various kinds of business. There is a foodstuffs division, a textile division, a tobacco division, and others representing all the country's principal industries, each one devoted to the problems of its own industry.

They make it their business to aid both the individual businessmen in their industry and that industry's trade associations. They send out all the information they can obtain of interest to their industry, especially that which comes into the Bureau from the Foreign Service of the State Department. The emphasis is on foreign information because that is virtually a Government monopoly. The data is not available in many cases from any other source. The domestic field, on the contrary, is covered by each industry's trade journals.

A large part of the industry division work is answering inquiries from companies in their industries on matters of interest to these companies. The cotton-goods manufacturer can go to the textile division for any help, advice, or assistance on his own problems. This division will not only mobilize the resources of the Bureau to help him, it will also assist him in his contacts with other Government agencies.

Each industry division is the clearinghouse for that industry's relations with Washington. It is the businessman's first line of contact with his Government.

FIELD SERVICE

Of course most businessmen are in no position to take their problems to Washington, so the Bureau maintains district offices in the principal cities of the country to bring these services to the businessmen. There, in his own city, the individual manufacturer or wholesaler or retailer, large or small, can come and discuss his problems with the Bureau's representatives. Their job is to aid that man in any way possible, because the prosperity of the whole country depends on the well-being of that individual and the millions like him.

This field service is of necessity confined to large cities. There are not enough demands for Bureau services to justify maintaining an office in towns the size of Greenwood, for example. The business of such a community is important, however. The services of government, and of the Bureau of Foreign and Domestic Commerce in particular, should be made available to it. Despite the fact that it represents but a small part of the business of the country, it is nonetheless vital to the economy of its area.

There is but one way that businessmen in towns of this size may be afforded the service available to business in large cities. That is by the Bureau's extending its contact work—getting more funds for its field-service men to travel into small towns and see what the problems of those businessmen are. When such a program is undertaken, government will truly be of service to all business.

OTHER GOVERNMENT AGENCIES SERVING BUSINESS

There are other Government agencies which serve business as a byproduct of their principal function. Most important among these are three other Bureaus of the Department of Commerce—the Census Bureau, the Bureau of Standards, and the Patent Office.

The Census Bureau compiles a census of manufactures every 2 years which gives such vital data as the number of establishments, salaries and wages paid, value of products, and value added by manufacture for all the principal commodities produced in the United States. It is these data which form the basis for much of the market analysis of the Bureau of Foreign and Domestic Commerce. The 1940 census of population and income, the first census to include any income questions, will also aid the businessman through the Bureau of Foreign and Domestic Commerce by giving the national-income section more exact data on purchasing power throughout the Nation.

The Bureau of Standards is tremendously useful to manufacturers in its work of testing products submitted to it for approval. It also collaborates with businesses and with trade associations in establishing standards for various products throughout the industry.

The Patent Office was established specifically to aid business by stimulating invention. Thousands of inventors file applications for patents with this Office every week. The more successful of these new products then go either to promote the business of some established concern or to provide the nucleus for a new business. This inevitably increases employment and generates the flow of income, and from this flow all business benefits.

In the field of labor relations, the Government can also be of extensive service to the businessman. The Conciliation Service of the Department of Labor is charged with the duty of conciliating labor disputes, while the United States Employment Service is equipped to locate for manufacturers workers of any desired background and training. This Employment Service, working in collaboration with the various States, has great and as yet unrealized possibilities of aid to the employer.

In the informational field, the Department of Agriculture is extremely useful to any businessman engaged in the processing of agricultural products. The Bureau of Agricultural Economics in that Department collects and analyzes data on the size and quality of crops from season to season. The Bureau of Mines in the Department of the Interior provides parallel services for the manufacturers of metals and minerals.

Financial services rendered to business by government are increasingly extensive. Most important, of course, is the Treasury Department, which issues currency and cares for the reserves upon which it is based. Business also depends a great deal upon the banking system which was created by the Federal Reserve Act. Also concerned with the health of our banks is the Federal Deposit Insurance Corporation, which was set up after the banking crisis of 1933 to guarantee the deposits in all member banks. These Government contributions to sounder financial institutions cannot be overlooked in any evaluation of government services to business.

At the worst period of the depression, when it appeared that business needed more credit than was available through the usual channels for its continued operation, the Reconstruction Finance Corporation was set up to fill this need. In 1933 it appeared that American export business would need some government subsidy to enable it to enter foreign markets. Congress therefore established the Export-Import Bank to aid in financing and to facilitate exports and imports between the United States and other countries.

Finally, there are other Government agencies which are of great service to business although that service is seldom recognized as such. An outstanding example is the Post Office Department upon which businessmen depend for a large part of their communication with suppliers, customers, and their own organization.

So, if the cotton textile manufacturer's tax bill carried on it all the items of use to him which that tax provides, it would make a long list. The list would be headed by the Bureau of Foreign and Domestic Commerce, the Government's principal agency for promoting business.

This aid to business is a big job, an essential job if business is to function well. And business must run well—it must run better than it ever has before—if the Nation as a whole is to hold onto the better times that now lie within its grasp.

Radicals—Don't Coddle Them—A Spanking

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the League of Republican Women of the District of Columbia, the afternoon of March 4:

Those who under color or cover, or taking advantage of the protective cloak of high official position see fit by their statements and actions to put in jeopardy the rights and liberties of those they are or should be bound to protect and defend, need expect no quarter and to receive no other or different treatment or consideration from me than I would accord any citizen making similar statements.

STARTLING STATEMENTS

The press of date February 22, 1940 (Washington's Birthday), quite generally carried the following startling statement:

"EVERY COLLEGE NEEDS SOME 'REDS'

"SPRINGFIELD, MASS., February 22.—Every college needs a few 'reds,' in the opinion of Dr. Roswell Gray Ham, president of Mount Holyoke College.

"'The experimental tendency of youth is a characteristic that should not be snuffed out,' he told a joint meeting of Kiwanis and Exchange clubs, 'and it is too soon replaced by conservatism.

"'I would be fearful of a college that did not have some radicals.'

"Recalling that Calvin Coolidge once asserted that Mount Holyoke was without a single radical, Dr. Ham added: 'The college was worried for some time by that compliment.'"

While I am dictating this speech along comes advice to the effect that none other than the president of the University of Chicago, Robert Maynard Hutchins, took occasion on the 28th day of February to say, as is reported under a big newspaper headline: "The University Needs 'Reds' Not Athletes."

And he goes on to say: "The trouble with American college youths is that they are much too apathetic. They certainly can stand more Communists in their midst."

Now, I recognize he says this for publicity purposes, and in order to attract attention to his subsequent statement with respect to "reds", who, as he says, "mellow as they grow up and turn into substantial conservative oldsters."

ROTTEN APPLES AND ROTTEN AMERICANS

The trouble with that statement is that it is not true, for a mellow apple rots, as everybody knows. It not only rots, but by contact contaminates the other apples in the barrel. The rotten spot in it is a "rotten spot," and it spreads. A rotten apple is a rotten apple, first, last, and all the time. And a rotten American is a rotten American.

What we need is hand-picked American citizens disinfected against rot of fascism, communism, or any other "ism" which is anti-Americanism. It is just a cheap play for publicity for anybody in such a high place to make such an un-American statement.

AMERICA'S ENEMIES

The enemies of organized, representative, democratic government, of American institutions generally speaking need no such aid, comfort, and support and should have none, direct or implied, from persons who like President Ham or President Hutchins occupy positions of responsibility in high places, either in the church, State, or educational field.

A good portion of the trouble found in the world today and for the unsettled condition of affairs in these United States particularly, may be traced to the irresponsible utterances of those who should have known better than to say such things. Their position is not only indefensible, but reprehensible and in some cases despicable.

The preservation of our liberties and the perpetuity of our form of government are the tremendous issues at stake; our national life and its integrity are vitally involved in the proposed steps to change our form of government; the questions before us strike at the root of our American institutions; they are too momentous and too serious to permit the toleration, unchallenged, of such wisecracks by college presidents or anybody else.

Those who indirectly or by implication suggest approval of those who denounce the carefully built guards which have been put about and around our individual rights and liberties, and those who smile at or condone the efforts of those who talk about the fundamental principles on which this Government rests as outworn, outmoded, and antiquated, should be made to know that these are the very things that have saved for them the liberties they now enjoy.

Those who undertake to make light of the situation that confronts us, and who would straddle or evade the issue, are either too ignorant to realize what confronts them or too indifferent to care. Those who breathe treason always do so ignorantly, insidiously, affably, but dangerously, in their approach.

You are either for America and for our form of government 100 percent or you are against it. Every step away from our fundamental principles of government should not be tolerated, accepted, or approved. They need our opposition and should not have our acquiescence or possible approval. There is no middle of the road. Those who encourage radicals, directly or indirectly, are treading on very dangerous ground and should be held strictly accountable by and to the American people.

NO RADICALS NEEDED

We need no radicals. The world needs liberals, not radicals. A true liberal is one who believes in free government, free enterprise, and free men. The outward expression of the liberal ideas of democratic institutions in the field of government, of economic individualism, and cooperative action in economies, and of freedom, humanitarianism and progress in the life of the individual.

Radicals believe in none of the foregoing principles. Radicals exalt the sovereignty of the state, while they deny the sovereignty of the people. They reject the concept of individual liberty. They would subordinate the individual body and soul to a state machine. They would substitute an all-inclusive planning, regimentation, and control by a centralized bureau for free enterprise, individual enterprise, and competition, as found in Mussolini's corporate state, Hitler's dictatorship, and in the communistic empire of Lenin and Stalin.

It may be, but it should not be, difficult to believe, and it is a fact that democracy is on the defensive. Men in high places should defend, not attack the validity of the principle upon which we have built American civilization. It is no time to forget that no price is too high to pay for liberty, and that planned economies and the authoritarian government, the sine qua non of the radical, is fatal alike to liberty and what we know as civilization. Do I need to point to Russia to confirm my statement? We need liberals, not radicals, for the latter have but one end in view and one thought in mind, both of which would result, if accomplished, in the destruction of the liberties—or those that are left—which we now enjoy.

Now let me call your attention to two editorials recently appearing in Vermont newspapers. The first, "Don't Coddle Them," is from the Randolph Herald and News, edited by the Honorable Luther B. Johnson, former official reporter of the Vermont House of Representatives, State senator, long-time chairman of the State board of education, and one who reflects the sentiment of his constituency with increasing accuracy.

The second, "A Spanking," is from the Bennington Banner, edited by the Honorable Frank E. Howe, former representative from Bennington, one-time speaker of the house of representatives, late Lieutenant Governor of the State, and one whose editorial comments and opinions with respect to matters political, as well as others, are symbolic of the majority state of mind of Vermonters generally.

Here is the Herald and News editorial:

"DON'T CODDLE THEM

"President and Mrs. Roosevelt are playing with fire when they personally hobnob with and partially justify the communistic element largely represented, if not dominant, in this Youth Congress.

"The facts are so well known that no excuses or explanations can make them otherwise. Communism and subversive doctrines are endorsed both privately and openly by many of their members and the organization rather subordinates itself to them; at least it does not squarely reject them. The recent Washington congress demonstrated this.

"Mrs. Roosevelt patted them on the back and the President made the congress a special visitation and address in which he cautioned them against subversive attempts to overthrow the Government, but asserted their right to be Communists, to vote that way or do anything short of constitutional infringements. If he thinks he is going to curb them by talk like that he is greatly mistaken. Why, even Fritz Kuhn, indicted bund leader, and Earl Browder, under prison sentence for passport frauds, sing and shout at patriotic rallies, declaring their Americanism—as they interpret it.

"These people do not need encouragement and approval of any sort from officialdom, much less from the President of the United States and the First Lady. The latter held it quite an outrage when the D. A. R. refused to let Marian Anderson sing in their Washington auditorium, yet she caters to an organization bearing an attractive title, but known to be permeated with communism. If we must have persons of that belief, why encourage them in it? Thus inspired, no one can tell how far they will go."

And here is the editorial from the Bennington Banner exclusive of excerpts from the speech of President Roosevelt to the Youth Congress:

"SPANKING

"According to some of the big-city papers, President Roosevelt administered a 'spanking' to the youth-movement convention in Washington Saturday. Looking over the President's speech and other news details of the story, we are inclined to suspect that he was 'spanking' Mrs. Roosevelt rather more than the silly boys who were trying to show off before grown-up folks.

"We have long admired Mrs. Roosevelt for her vigor and enthusiasm which have enabled her to help along so many good causes that we can easily forgive her for occasionally picking up a crooked stick on her journey through the woods.

"This seemingly Communist youth-movement convention is no serious menace to the peace and dignity of the United States. Most of its members will outgrow its silly ideas when they come to years of discretion. Just now they are chiefly addle-pated semi-adolescents showing off how big and bad and dangerous they are. Probably 2 percent of the people of this country are foolish enough and ignorant enough to accept the teachings that have misled these immature young persons, but Mrs. Roosevelt has had experience enough so that she ought not to have been led into an unfortunate seeming endorsement of principles as absurd as the political ideas of the naked savages of New Guinea. She deserved a spanking and the President seems to have been merely taking advantage of an opportunity that presented itself."

There is more to this story than some folks realize.

OTHER COMMENT

My attention has also been called to the fact that Westbrook Pegler, the widely read columnist, in his Fair Enough column in the Washington Post, made some interesting comments anent the meeting of the Youth Congress and the activities of Mrs. Roosevelt in connection therewith. Among other things he said that:

"The fact remains after the shrill clamor of the so-called Youth Congress and the soft shush of dissenters striking the pavement outside that this organization defiantly harbors groups

which are not merely disloyal to the United States but actively loyal to Josef Stalin, whose dictatorship is, in the words of President Roosevelt, 'as absolute as any other dictatorship in the world.' Mr. Roosevelt is not the first to notice this interesting peculiarity of the Moscow Government, but his remark, hurled unexpectedly at the mass of precocious pets of Mrs. R. had the political effect of that lewd note known as the raspberry."

"In almost every other family," he said, "this would have been sure to call for private discussion running far into the night, and the Roosevelts being human, Mr. Big's impolite salute to his lady's friends may have been the subject of a continued discussion in private. If so, the public may yet be permitted to know how the argument came out, for the White House is a regular port of call on the night-club beat nowadays and is rapidly pulling up toward evens with the Stork Club, and Mrs. Roosevelt's own lack of reticence is both charming and famous."

Concerning the attitude and the real low-down on the policies of the Youth Congress he remarked that:

"Thus, plainly, the Communists in the Youth Congress, to say nothing of the fellow travelers who are only pledges, so to speak, with the right to renege, are not mere critics but opponents of the American form of government and prospective enemies of the Nation. Mrs. Roosevelt has been seen feeding sugar to this Trojan steed—which is not a dashing charger, however, but a sway-backed plug. Her error is not as grave as it may seem, for the congress as a whole is not communistic."

And in regard to what Mrs. Roosevelt had to say and to do about the Youth Congress he comments as follows:

"This one clumsy mistake does not entirely revoke Mrs. Roosevelt's reputation as a smart politician operating in the guise of an enthusiastic novice, but if this were parchesi, instead of politics, at least one of her markers would be set back to scratch. She whooped up the congress and had barely eased out the last ham of the Hollywood internationals before the kiddies began to slide down the banisters and write letters home on the White House stationery.

"The congress was her show and she placed herself in the status of chief lobbyist for a $500,000,000 appropriation just in time to hear the President pronounce a hex on lobbyists and funny-money subsidies. The adventure soon got out of hand with pestiferous hundred percenters pressing for adoption of inopportune declarations of American principle for no reason but to embarrass the patroness and with cops diving into the crowd to pluck those muckers out.

"Stubbornness and overconfidence were Mrs. Roosevelt's fault here. She was in wrong from the start, because even the most generous Americanism does not call for Executive hospitality to anti-Americans, even incidentally. No question of tolerance was involved. Mrs. Roosevelt, nevertheless, chose to risk her personal and official prestige, and, for the first time, lost."

The truth is that both editorial writers and columnists the country over criticize Mrs. Roosevelt for using very "bad judgment" in "pampering" the American Youth Congress.

The Diamond Back, a semiweekly student publication, written by representative youths for youths of the University of Maryland, said on February 14:

"The American Youth Congress is unconstructive in its program and renders mere lip service to democracy, the system it claims to support. The whole attitude of the group is one of criticism, a self-assured criticism that is intolerant of opposition or restraint, and suggests no remedial measures. Its ill-informed leaders mask rash judgment and lack of insight behind the so-called impetuousity of youth. There is an old saying, 'If you must use a hammer, build with it.' The American Youth Congress has never realized the truth of this or attempted to give it a try.

"You cannot harness communism and expect it to work for democracy. The first is the avowed enemy of the second, and if the congress thinks it is working with communism, it will soon find it is working for communism."

Ernest Lindley, on the same day, remarked in his column of the Washington Post that: "The American Youth Congress has washed itself up as an effective political force. After its performance in Washington this week it will be listened to just about as seriously as Earl Browder."

Just what the plain people of the country think about it is pretty comprehensively stated in the foregoing excerpts and in the editorial from the Los Angeles Times, of date February 11:

"President Roosevelt's rebuke to the communistic tendencies of the American Youth Congress in his address to that organization yesterday was the more pointed in that Mrs. Roosevelt was standing at his elbow as he spoke. The First Lady, who has publicly defended her right to entertain radicals at tea at the White House has been an outstanding friend and champion of the congress, even after—or perhaps especially after—Dies committee witnesses testified that the organization is saturated with communism.

"* * * The Youth Congress heard from the President a few plain truths of the kind its members need to hear. Their scattered boos, however, indicated that, so long as they have one stanch friend in the White House, they will pay no attention to rebukes from that source."

And in the editorial from the New York World-Telegram of date the 16th of February:

"The country has place and need for a youth movement—never more so than at the present time.

"But it has no place for a movement that uses pretended interest in American youth and American civil rights as a cover for making traitors among that youth and for aiming eventually to destroy those rights.

"Despite her doubtless good intentions in sponsoring the American Youth Congress and despite her impulsive defense of certain sinister policies of its leaders, Mrs. Franklin D. Roosevelt has not, in our view, succeeded in giving it a clean bill of health.

"Neither do we think Mrs. Roosevelt has been wise in laying herself open to the charge of inviting Communists and their fellow travelers to the White House, which most Americans rightly regard as distinctly different from a purely private dwelling.

"The American Youth Congress needs an unemotional investigation and a thorough housecleaning. The sooner the better."

INDIVIDUAL LIBERTY AND ECONOMIC FREEDOM

This brings me to the consideration of a matter concerning which I am going to talk to you this afternoon for a few minutes about a subject as old as the hills 'round about Jerusalem. I have talked to you about it before, but never was it a more important subject than today and now.

The question which confronts you and me and all of us is whether or not the concept of individual liberty and economic freedom shall live or perish from the earth. If that be a platitude let the New Deal make the most of it.

I am no alarmist and I know that if the American people can be aroused to a realizing sense of where they stand there is no prospect of a black-out of freedom in America. There is, however, a danger of a fade-out, as a result of those policies and pressures which threaten individualism and free enterprise here and everywhere. You will recall that people in other countries have gained civil and religious liberty only after they have fought for and won the right to conduct free business enterprise and to assert their individuality.

Here in the United States today we must for ourselves either maintain free enterprise or accept the alternative and by so doing contribute to the complete break-down and destruction of the democratic ideal and concept of government.

It is axiomatic to suggest that the government of a nation is only the reflex of the individuals who compose it. The nation is the aggregate of individual conditions. Civilization itself is the condition of the men, women, and children of whom society is composed.

The progress of a nation is measured in the sum of individual idleness, selfishness, and vice.

The solid foundations of liberty rest upon the individual, upon him who is the only sure guaranty for social security and national progress. John Stuart Mill once truly observed that "Whatever crushes individuality is despotism, by whatever name it may be called."

We are apt to forget the patient and persevering laborers in all ranks and positions of life; culturers of the soil, explorers of the mind, inventors and discoverers, manufacturers, mechanics and artisans, poets, philosophers, and politicians; all these have contributed toward making nations what they are. One generation building upon another's labors and carrying them forward to still higher stages.

TODAY'S DANGER—PATERNALISM

The danger of today, as has been so well said, is not the loss of liberty by use of force. It lies, rather in the supine surrender of the rights of free men to a seductive, subversive program of paternalism which is gradually changing the form of our Government from a representative democracy to a bureaucratic state, mildly despotic in action, dangerously experimental in conception; a program in which human rights and property rights cease to rest on the firm foundation of established law, and come to depend upon the whims of a temporary majority.

No free government can remain virile if it ignores or attempts to forget the traditions of its history. It is not ignorance to heed the lessons history is ever willing to teach us, but it is just that to ignore them. As Woodrow Wilson so well said, "Every nation must constantly keep in touch with its past; it cannot run toward its ends around sharp corners."

Moreover, to those who hurl the words "reactionary" and "obstructionist" as an epithet, I say to you that no student who makes even a cursory study of history can wisely censure those who protest against state paternalism. The present administration attempts both to ignore the traditions of our Government's history, and to become essentially paternalistic.

The Nation which the Civil War was fought to preserve will have ceased to be when the legislative powers are surrendered to Executives who are but too willing to accept them; when the judiciary strives to find reasons for upholding laws enacted at the behest of noisy minorities; when the plain language of Federal and State Constitutions is given new and strange meanings in order to meet assumed emergencies; when debasement of the currency is adopted as a "sound" financial policy; when the sovereignty of the individual States is disregarded and local self-government becomes an obsolete phrase; when individual initiative is discouraged, the lessons of experience cast aside, and personal liberty, in great measure, becomes a thing of the past; when men are denied to buy and sell the products of their labor in the open market place; to fix the price of goods in which they deal by bargain with their fellows; when the farmer is forbidden to sow and reap, on the land he owns, according to his own best judgment; when every detail of business life of the citizen is ordered by officials not of his own

choosing; when written agreements and contracts cease to have a binding force even upon Government itself. All these things are involved in, will be the ultimate end and result of, and are a part of, the policy and program which the New Deal endorse, and pledge themselves 100 percent blindly to support, like automatons or robots. They cannot successfully deny or defend their position by any means other than by pointing to a program of excessive expenditure of your money and mine.

The framers of our Government knew all about regimentation, planned economy, colonizations, and other features and government schemes, and the futility and folly and failure of them as repeatedly demonstrated in the days that have gone. They knew the story of kings and despots and tyrants, and bureaucracy—the beginning and endings thereof, and they definitely and positively would have none of them. It is only by the subversion and the ignoring of the limitations which these men prescribed in the Constitution which they made, and the assumption and usurpation of unwarranted power and authority that it has been possible for the administration autocratically to tell the wage earner what he may earn, how long he may work; the farmer what and how much he may produce on his own farm; the merchant at what price he may sell his goods; the manufacturer what addition he may make to his plant, how much he may produce; to control the flow of capital and savings; to enter into business in competition with private citizens. They have obliterated State lines. The prerogatives of Congress, in whom is vested the sole power to impose taxes and regulate the value of money, have been usurped. Do you realize that the right to impose taxes, in his discretion, has been granted the Secretary of Agriculture, and the authority to fix the value of money has been transferred to the President, a power so great over the lives of men it has never been enjoyed, save by complete despots. And this is America! It is time to wake up. "The liberty of a people," said Edmund Burke, "has many times been lost in a night." He who loses it, loses all. Human rights and property rights are inseparable.

THE NEW DELIRIUM

The Republican Party is the party of opposition to the crazy theories of the New Delirium, and this program that has been forced upon us. Let me tell those who resent constructive criticism of their plans and policies that whatever in this country is too delicate to discuss or to criticize is too dangerous to be tolerated. Any system, any policy, any institution which may not be debated will overthrow us if we do not overthrow it.

There are none of us that do not favor and approve some of the measures constituting a part of the so-called New Deal: Proper control of market speculation, the regulation and limitation of private profits in the manufacture of munitions or in the preparation for war; the elimination of child labor and sweatshops, some rational plan for unemployment insurance and relief for debt-harassed home and farm owners. But measures looking toward satisfactory solution of the problems just enumerated were under consideration long before the days of the "brain trust" or the New Deal. These propositions are not the ones that give us pause. It is the proposition to socialize the States and for national regimentation that shocks us, and to which we are opposed. Regimentation is anathema to free, independent, home-loving Vermonters. National regimentation violates practical economies and essential liberty if America is to remain America. National price fixing never worked whenever or wherever it has been tried, and it never will.

The suspension of the antitrust laws and the establishment of codes has had and can have but one result, the encouragement of monopoly. The Government should get out of business and the dangerously growing bureaucracy should be stopped. Republicans, as I have said, are opposed to the New Deal plan of delegating nondelegable powers to the President respecting money, tariffs, expenditures, and other factors which create the deadly uncertainties now defeating the very recovery they are assumed to be attempting to accomplish. I am too much a Vermonter to consent to the usurpation of these legislative and judicial powers and prerogatives by the Executive, and the taking over of the rights of the States by the Federal Government without a protest.

Thrift, industry, economy are no longer regarded as essential to the well-being of our people. Millions—yes, billions of dollars—representing wealth dug from the earth and wrested from the sea, brought to public treasuries by the tax gatherers are being wasted in unprofitable expenditure, in an attempt to create a prosperity as unreal and unsubstantial as the dreams of an opium eater.

RESURRECT THE AMERICAN WAY

It goes without saying, therefore, that we must change the administration in order to speed up our domestic economy, to the end that we may look forward to a satisfactory and mounting level of national income; a curtailing of wasteful, wanton spending of the taxpayers' money, and the amendment and repeal of the devastating tax laws now on the books.

We should not be misled or misinformed, nor should we be lulled into any false sense of security by the ephemeral war prosperity, if any, we are now experiencing. Nor should we continue to trade our liberty and freedom of action for special privilege or fixed security, for if we do, free competitive enterprise may not long survive, even if our peace continues. Our goal, that of each and every individual, and particularly that of the Republican Party, is the preservation of the American way of life, of civil and religious liberty, and of economic freedom, than which nothing could be more worth while.

Thomas Alva Edison

EXTENSION OF REMARKS
OF
HON. ALBERT L. VREELAND
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 5, 1940

ADDRESSES BY HON. FIORELLO H. LaGUARDIA, DR. JOHN H. FINLEY, AND J. V. B. DUER

Mr. VREELAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following addresses by the Honorable F. H. LaGuardia, mayor of the city of New York, and Dr. John H. Finley, editor emeritus of the New York Times, before the Kiwanis Club on February 7, 1940.

There is also included an address by Mr. J. V. B. Duer, chief electrical engineer, Pennsylvania Railroad, at the luncheon of the Edison Pioneers, February 10, 1940.

The addresses are as follows:

ADDRESS BY HON. FIORELLO H. LA GUARDIA

Thank you, Mr. President, thank you, gentlemen, Kiwanis today, in honoring one of America's greatest contributions to civilization, Thomas Alva Edison, is doing honor to itself. This continent, set aside by Divine Providence for thousands of years, and kept from the world, surely has a distinct destiny and was so kept aside, it would seem, so that when it was given to the world, it could start on the road of that destiny and make its contribution to civilization.

Our first contribution was a new concept of government. It became contagious in Europe and, since that time, many governments have been established, molded on our pattern. True, there has been a set-back, but that is only temporary, and among the many, many contributions which our country made, outstanding and in a class by himself, is Thomas A. Edison. Unique, in many respects, because he seemed to have developed knowledge of science and a genius without the usual customary background. No one in history has contributed such a long list of useful inventions, and no one's invention confronts man as much every day as the invention of Thomas Edison.

Children born today take the telephone as a matter of course; yet, the transmitter is a direct line from one of Edison's inventions. Now, to turn on the light is just a matter of course; and yet it is one of the most revolutionary inventions in the entire world. All of his inventions were useful, practical, and all did so much to make life better, and people happier.

This great genius was constantly at work and provided or obtained an average of one patent every 2 weeks for 40 years, starting with 1868, and totaling 1,150. Modest, unassuming, thorough, hard-working, industrious, absolutely sure of himself. The name of Thomas Edison will be remembered as long as men live.

Now, in keeping with the perfection of Kiwanis, and your president was very careful to explain it to me, he said, "Of course, Mr. Mayor, in order to pay a proper tribute to Mr. Edison, we had to select a gentleman of culture and refinement"—and my real assignment is to present this gentleman to you, and in keeping with that perfection of Kiwanis, the greatest genius of America, tribute will be paid to him by one of the greatest scholars of America. Your speaker of today stands out without a peer for his culture and his scholarly attainments.

And now, ladies and gentlemen, you will have the pleasure of hearing the scholarly Dr. John H. Finley.

ADDRESS BY DR. JOHN H. FINLEY

Mr. Mayor, gentlemen of the Kiwanis Club, and Mr. Chairman, this is the third time that I have had the honor to address this body, but it is entirely forgotten by your chairman. He doesn't remember that I've ever been here. I thought it was one of the greatest honors that I had ever received. I've seldom been asked to speak a second time where I've spoken once, but I appreciate the honor.

I find, however, that the honor has not come to me from the Kiwanis Club. It's come by way of His Honor the Mayor.

We may say of you, Mr. Mayor, without fulsomeness, what James Russell Lowell said of Dante, that the secret of his power is not far to see. Whoever can express himself with the full force of unconscious sincerity will be found to have uttered something ideal and universal.

Now, I have time to speak about Mr. Edison, with whom I had that one delightful association, but it was only one of many. The next day, he came down here for your great celebration, the thirtieth anniversary of the invention of the incandescent lamp, I believe it was, and I brought his hood down to put upon his shoulders. Mrs. August Belmont assisted me and he took it rather bashfully and then said, "Well, you'll be sending this, too, some

day—the day when even color is transmitted by telephone or otherwise."

I have imagined the Ancient of Days as offering to mortals the supreme distinction of having days in the calendars of time allotted to those whose birth has meant the most to mankind. Looking through my calendar of anniversaries and holidays, I find nearby days assigned to Alexander Hamilton, Benjamin Franklin, Robert E. Lee, Stonewall Jackson, the Rebirth of St. Paul, Martin Luther, as well as saints and Presidents of the United States.

So far, the 11th of February belongs exclusively to Thomas A. Edison. Had he been born on the 10th or the 12th, he would have had to share his day with Charles Lamb on the one side or with Abraham Lincoln, Kosciusko, Peter Cooper, Charles Darwin, the geologist Dana, and George Meredith. As it is, the 11th of February is solely his day among the statesmen, saints, soldiers, immortal men of letters, and scientists in our calendars, for no one in our generation has, by his contribution to the general welfare, established a greater claim to it. I say "our generation," for I have a son who was born on the 11th of February and he may, some day, claim a share of the fame.

But Edison's birthday will be observed by many of those who knew him, but the world may well take thought how it may keep him in its permanent calendar, in lasting, vibrant memory, and thank him for all that he evoked by the magic of his incessant, industrious inquiry from nature, and made it illumine the way of mankind in the dark, lessening and lightening the load of labor and bringing all the peoples of the earth within hearing of one another and so, gradually, healing the hurt of Babel. When he made his entry into his eightieth year on February 11, 1926, I sent him something that I had written about him and I repeated in part at least, as he enters his ninety-fourth. For he sent me the most appreciative word in response. Mrs. Edison (so he told me) said that he had a swelled head for a little time after that, but he was a most modest man.

No living man, perhaps (to no living man), was labor less irksome. His days were long in hours but so filled with inquisitive and creative activity that his labor was all leisure as his leisure was all labor. Time galloped with him. He spent far less of it in sleep than the average who (it is estimated at any rate) sleeps 23 solid years of his 70, if he lives as long.

Edison spent far less time, too, in eating—3 solid years for the average man—but he had a great deal of that left for himself. He ate so little or spent so little time, at any rate. And, by reason of an infirmity in hearing, he spent much less time in listening to the talk of lesser men. His 18-hour day was continuous adventure among the atoms and elements and the moving forces of the universe, not as a scientist but as an experimenter. His wizardry was that of an inquiring mind, asking questions always and applying the answer, as you said, sir, to human uses.

An old professor in Princeton used to—it is said, at any rate—used to take off his hat when he performed an experiment, saying that he was about to ask God a question. God must have been kept busy when Mr. Edison was alive. He asked so many questions, and perhaps he's continuing to ask them beyond that. Perhaps he'll find out a great many things that he didn't find out here before he left.

He lived long enough, however, to hear one of the highest authorities in his own field, and I wish he might have heard the mayor's tribute today, say this: "I think that we may soberly and justly claim that the telegraph, telephone, phonograph, moving picture, and electric light and power—six of the most vital and indispensable agencies of our modern life—owe their existence to Edison's creative genius or have been most profoundly influenced by his work and practical wisdom. He did so much to devise and improve means of human communication and life enrichment that he might, at any rate, have allowed himself a little vacation in order that mankind might catch up with what he had invented. He held that increased leisure, coming as a consequence of increased production, would mean more consuming time; that is, more consumption. One effect of machinery would be, contrary to the general view would be—according to his notions, at any rate—a higher intelligence and another, the release of old men and married women—women with husbands and children—who should not work unless they wanted to, but he didn't suggest that the Government should take care of them. He expected their families to make provision for them. He, himself, did not intend to quit work until the day before his funeral. With his extraordinary vision into the known, he could yet say that he didn't know a millionth of 1 percent about anything. This admission puts him side by side with Socrates, who argued himself the wisest of men, because he knew that he knew nothing; but Mr. Edison's advice would be to millions who now have new leisure to go on seeking to know till the day before the funeral.

As I later wrote to him on the day of his going away from this earth, the whole living world was thinking of him who brought the new lamp to mankind as Prometheus, who carried, you remember—most of you, at any rate—the fire itself to mortals, filching it from the gods in a hollow tube. It burned on hearths and altars, in forges, in torches, in lamps with wicks, till this modern Prometheus caught the new fire into the glowing filament. In countless millions of lamps it lights the night of men, illumines dark corners of the day. As he made his way down the valley of the shadow, these lamps were all alight around the world, giving to him a shining path through the darkness to his apotheosis in the perpetual light of immortality. Not only the towers and temples and mansions of men faced him in bright farewell but the lights in the windows of tenements and cottages as well, and especially the wards of the sick and those who were out upon the seas. His has been a work Promethean, but a Prometheus unbound, who has filled with speared fires and interlumined air that hung over the sea and land as the fleece of fire. I am trying to quote Sheeley here. I wish that he were alive to put Edison immortally beside his unbound Prometheus, who tamed fire, which, like some beast of prey, most terrible but lovely, played beneath the frown of man.

One of my associates said at his going what any man in the world would have been proud to say and what he would have been proud to hear—"Every incandescent light is his remembrance, sir; every powerhouse is his monument; wherever there is a phonograph or radio, wherever there is a moving picture, mute or speaking, Edison lives." If in the body Edison is to vanish from us permanently, he survives in the subtle and mysterious power he made his servants. He is ever living in electricity, sound, light. But we have found that, while he belongs to the whole earth, he belongs especially to America—to the land that gave him his birthplace, his freedom, his opportunity.

Long life to Thomas A. Edison—an American boy who became a world light bringer, and who will be remembered as long as man's voice is heard in this earth, wherein each earth-encircling day shall be a pentecost of speech and men shall hear each in his dearest tongue his neighbor's voice though separated by half the globe.

ADDRESS BY J. V. B. DUER, CHIEF ELECTRICAL ENGINEER, PENNSYLVANIA RAILROAD

Always a great admirer of Mr. Edison, I never had the good fortune to meet him, as doubtless many of you have done, and perhaps have worked with him at one time or another. It was not until after his death that I visited Menlo Park, saw his sealed desk in his laboratory office, the recess where he slept briefly on a cot during the long periods of his investigations, and his working coat hanging beside his desk in the chemical laboratory where he had done a great deal of his work, and through these personal belongings came in touch with his great personality.

It was, therefore, both a privilege and a pleasure to be asked by your association to talk at this luncheon on the development of the electric locomotive from the one built by Mr. Edison in 1880, of which you see the 1882 model on the table, to the modern, high-speed, high-capacity locomotives which we are using on our electrification.

The locomotive which Mr. Edison built was not the first in the country, but it was probably the first to use electric current from an outside generating source, and was therefore the ancestor of most of the electric locomotives operating on the railroads today. It is interesting to note from contemporary accounts that comparatively few, if any, of the practical engineers or railroad men of that day saw the possibilities of this machine and the principles of railroading which it represented. It was not until nearly 13 years later that practical application of this principle came into use on some of the railroads of the country.

Among the first of these railroads was the Pennsylvania, and it is of the development of the electrification of the eastern portion of this railroad that I wish to speak to you briefly.

Electrification work on the Pennsylvania started in 1895 with the electrification of a branch line in New Jersey from Mount Holly to Burlington. It was continued in 1905 with the suburban electrification of the Long Island Railroad, which was followed 5 years later by the completion and opening, under electric operation, of the railroad's new tunnel and terminal system in New York City. Next came the electrification of the suburban service around Philadelphia. Then by successive steps the work was progressed until it now represents probably the largest railroad electrification in the world. It is difficult to realize the progress that has taken place in the comparatively short space of time from the experimental railroad on Mr. Edison's track at the Menlo Park laboratory to the modern, high-speed electrification which exists today between New York, Washington, and Harrisburg on the Pennsylvania Railroad.

Without attempting to go into all the details of the development which has taken place since this work was first started in 1895, I would like to sketch briefly the development of the electric locomotive—a story fascinating in itself.

When the initial step of the electrification of the Long Island suburban service was completed, design work was started on a high-speed, high-capacity electric locomotive for handling the Pennsylvania Railroad's through passenger trains between Manhattan Transfer, just east of Newark, and Sunnyside yard, Long Island, through the North and East River tunnels, which were shortly to be opened. It had been determined to make the change from steam to electric power at Manhattan Transfer for the movement into Pennsylvania Station, New York, and electricity was, of course, to be the motive power through the tunnels to Sunnyside yard, designed to be the service and storage facility for all passenger-train equipment using Pennsylvania Station.

The design of this locomotive followed closely that of the American-type steam locomotive, with a single motor replacing the boiler on top of the frames and operating the wheels through side rods and jack shafts. Two of these American-type locomotives were coupled back to back to form a single unit, as those who developed the design thought that a locomotive approaching in general characteristics the standard steam locomotives of the day would be more satisfactory as a transportation unit than those following more

closely the conventional trolley-car type of design with the motors mounted on the trucks and geared to the axles.

These locomotives, known as the DD1 class, operated for many years between Manhattan Transfer and Sunnyside yard, and are still giving a satisfactory account of themselves in the direct-current territory of the Long Island Railroad both in freight and passenger service.

Our railroad adopted the single-phase system in 1914 to secure the benefits of its high-voltage, high-capacity characteristics for possible use in future through electrification of its lines, and a restudy of the electric-locomotive question was made, and several experimental designs built and tested. Finally, in 1929, 2 locomotives of the 4–6–4 wheel arrangement, known in the railroad classification as P5, were built and tested in the electrified territory, covering approximately 50,000 miles each during the period of the test. As a result 62 additional locomotives of this type were built and placed in service when the New York-Philadelphia electrified service was opened in 1933. Each locomotive was of 3,750 continuous horsepower and was geared to a maximum speed of 90 miles per hour.

During 1933, before the roadway and substation structures for the rest of the electrification between New York and Washington were ready for operation, the operation of these 64 locomotives was closely watched, and during this time four and one-half million locomotive-miles were rolled up in the New York-Philadelphia service. While the performance was in general satisfactory, it was found that certain characteristics of the locomotives, such as their relatively high wheel loads and rigid wheel base, militated somewhat against operation at speeds of over 90 miles per hour, and it was also found that their capacity of 3,750 horsepower, although higher than the capacity of steam locomotives formerly used in this service, was not sufficient to permit securing the full benefits of electrification.

For these reasons, 2 more experimental locomotives were built in 1934, one of the same general characteristics as the P5, with lighter wheel loads, known as the R1 and of 5,000 horsepower, and one of the articulated type known as the GG1, and similar to the locomotives then in service on the New Haven Railroad.

One of the P5 locomotives was selected from regular service and all three locomotives were tested over a test track at high speed, with electrical indicating devices on the journal boxes of the locomotives and other recording devices in the cab of each locomotive as well as on the track, all to determine the riding qualities of each machine and its effect on the track.

These tests showed that the GG1 locomotive was superior to the other two, both in its effect on the track and its riding qualities as a vehicle, and this design was accordingly selected for the additional electric locomotives for the Washington extension of the electrification. During the course of the tests detailed changes in design were made in the P5 engine under test which materially improved its riding qualities and these changes were then incorporated in the other engines of this type.

The service of the first 58 GG1 locomotives proved to be so satisfactory that this design was adopted as standard for additional locomotives purchased from time to time as the necessity for increased units developed. It may interest you to have a brief description of their characteristics:

With a nominal capacity of 4,620 continuous horsepower and geared to a maximum speed of 100 miles per hour, they are capable of handling a 1,200-ton passenger train, or 14 standard-weight Pullman cars, at this speed continuously on level, tangent tracks. Actually they are operated to maximum speeds of 80 miles per hour in our regular passenger service and with much heavier trains.

While the continuous rating of these engines is 4,620, they can exert for short periods of time 8,500 horsepower, giving them excellent accelerating characteristics and enabling them to handle heavy passenger trains over rolling grades, such as exist in our electrified territory, with high average speed and relatively low maximum speed.

Weighing 477,000 pounds, the individual driving-axle load is comparatively light, being 50,500 pounds, and the riding characteristics of the locomotive at all speeds are excellent. A cab is mounted on two trucks, each truck having three pairs of drivers, and a guiding truck. The articulated trucks are fitted with restraining devices between the trucks and the cab and the guiding trucks with similar restraining devices between them and the main trucks. Our tests indicate that this arrangement gives the locomotive the stability of a long, rigid wheel base, while at the same time retaining the operating flexibility of a short wheel base.

Results of operation in passenger service have been so excellent that we are now extending the use of these locomotives to freight service, where on level tangent track they can handle a train of seventy-five 40-ton cars at 50 miles per hour. Owing to the rolling profile over which these locomotives operate in freight service, however, they are actually handling trains of eighty to one hundred 40-ton cars through our electrified territory at speeds ranging up to a maximum of 50 miles per hour.

To those who have not traveled over this electrification or watched it during its growth, it is difficult to give an idea of its magnitude, handling daily, as it does, 100 heavy freight trains, 224 heavy passenger trains, 378 multiple-unit trains, and using 2,500,000 to 3,000,000 kilowatt-hours daily for this service. It presents a picture of uniform high speed, highly reliable railroad operation that it must indeed have been difficult for the railroad men whom Mr. Edison consulted to picture in the light of the railroad operating conditions of that day and age.

While we regard the GG1 locomotive as a very satisfactory and up-to-date transportation unit, progress does not stop, and it may well be that the electric locomotive of 50 years from now will bear as little resemblance to the GG1 as that locomotive bears to Mr. Edison's original machine of 1882.

You may rest assured, however, that whatever the transportation picture of the future, electrification will do its part as well as, if not better than, it is doing its job on the electrification of our railroad and many other railroads of the United States and Europe today.

Administrative Law

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 5, 1940

ADDRESS BY JOHN FOSTER DULLES

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address given on January 14, 1939, at Langdell Hall, Cambridge, Mass., under the joint auspices of the Bar Association of the City of Boston and Harvard Law School, by John Foster Dulles, chairman of the committee on administrative law of the Bar Association of the City of New York, as follows:

Mr. Chairman, Dean Landis, and gentlemen of the Boston bar, you are here, I know, not on my account, but on account of the topic. Everywhere among lawyers there is a growing interest in this new thing we call the "administrative process." Of course, it is not really new. That it seems new is due, on the one hand, to forgetfulness and, on the other hand, to new terms and to new impacts. Actually the administrative process is the oldest thing that there is in the way of government. The simplest and most primitive organization of society involved the vesting in a single person or group of the entire authority of government. Through long experience and often much struggle there has emerged in certain areas a division of the authority into parts independent of each other and checking each other. In this way, it was believed, the freedom of the individual could be insured as against the despotic tendencies of government. But the system of checks and balances is what is really new and it has never become deeply rooted except in the Anglo-Saxon countries. In the United States—which came into being as a revolt against tyranny—we find strongly implanted the conception that one body should make the laws, another administer them, while a third possessed the power to interpret them and control their enforcement.

It is manifestly inefficient to put into separate compartments the three principal ways in which authority manifests itself. But it is an inefficiency which we have measurably accepted, because, with an expanding economy and a laissez faire policy, there was no particular need of a government which was highly efficient. We preferred, and felt we could afford, an inefficiency which was protective against possible tyranny.

But during recent years our world has changed. Society has become vastly more complex. It is only experts who can today trace cause into effect. Our economy is no longer an expanding one. Social and economic problems have become acute and press for solution. The duties and responsibilities of government have enormously increased. Under such conditions government naturally strives to become more efficient, and this is expected of it.

One expression of this urge for efficiency is the administrative agency. Thereby certain fields of human activity are turned over to the ministration of commissions endowed with broad authority to legislate, to administer, and to enforce, within their respective fields. In this way, it is felt, there can be attained an efficiency not obtainable under a system of checks and balances.

The creation by our Federal Government of the Interstate Commerce Commission and the Federal Trade Commission was indicative of the modern trend to which I refer. The proposal to create these Commissions aroused much antagonism, although they were not endowed with what today we would consider to be broad powers. We have gradually become accustomed to these particular Commissions and the fears originally entertained have been allayed.

During recent years the Federal Government has adopted, on a wide scale, the administrative process and has greatly developed its technique with reference to the characteristics of administrative commissions. It has been willing to strain to the limit the constitutional provisions with reference to the delegation by the Congress of legislative power. Indeed, in the case of the N. R. A., delegation was pressed beyond the constitutional limit. The result of these efforts has been the establishment of a large number of Federal administrative agencies—over 40 in number—which govern with broad power various sectors of our social life. Many have been set up with a view to achieving promptly certain reforms. In order to give them a mobility which will permit them to attain more surely and more quickly the desired results, these adminis-

trative tribunals have, to a considerable extent, been endowed with all three of the attributes which we have generally felt it wise to separate, namely, legislative, administrative, and judicial powers. The consequence is an instrumentality of an effectiveness hitherto unknown.

Lawyers have heretofore had to deal primarily with the static. Laws have been passed which constituted, for the time being, a complete and final exercise of the legislative power. Such laws constituted obstacles to action in certain particular ways, but they were fixed obstacles. Today we encounter not a mere obstacle but a weapon which is like a flaming sword. It is not static, but is wielded by skilled hands, directed by astute brains. The flexibility and scope is such that avoidance thereof is impossible and adjustment thereto a difficult problem. Vast fields which touch the lives of us all have been turned over to the ministration or policing of such agencies.

It is not my purpose to deal with the distinctive attributes of the different administrative tribunals. Subsequent lecturers will deal with one or another of the more important commissions. I propose to devote myself primarily to considering some of the general aspects of the problems involved, and in the first instance the attitude which the lawyers should adopt if they are to deal effectively with this new species of being which confronts them at every turn and which is bewildering because of its many facets.

It would, I think, be vain to deny that there exists today fundamental antagonism between lawyers as a whole and these new administrative tribunals. Throughout the country, bar associations—national, State, and local—have set up committees to study the problem of administrative tribunals. The underlying reason for this is a widespread feeling that the tribunals are a menace to personal liberty and a step toward despotism, and that they need to be curbed. Various legislative proposals have emanated from bar associations designed to make impotent the administrative process. I am not in sympathy with such proposals, and in the concluding portion of this talk I shall refer to this aspect of the problem. Before that, however, I think it may be useful to consider certain phases of the situation which are of practical moment to a lawyer who, on behalf of a client, has to deal with the actual situation. All of us would agree that, whatever our personal views may be with respect to the merits of combining in one body legislative, administrative, and judicial powers, such views should not be permitted to prejudice the position of a client. It is then the practical approach and conduct on behalf of a client which I would now consider.

No lawyer can effectively represent a client in dealings with an administrative tribunal unless he gets himself into a state of mind which, on the one hand, frees his advice and action from prejudices, and, on the other hand, involves a recognition which, if it cannot be sympathetic should at least be intelligent, of the attitude of commissions toward their task and toward lawyers who appear before them.

I do not include as "prejudice" the honest conviction of many lawyers that the administrative process is potentially subject to grave abuse. But I do feel that there are many other factors which, often unconsciously, influence a lawyer's attitude toward administrative tribunals and which do create prejudices. The lawyer should, with mental honesty, search his mind to find such prejudices and, if he finds them, seek to eradicate them.

Lawyers have to a very considerable extent been spoiled. They have had in which to operate a field set apart by rules of its own and within which a special form of intellectual exercise and enjoyment was obtainable.

To illustrate what I mean, I may refer to the fact that some years ago I spoke to the honor group of one of our leading preparatory schools. I chose as my topic The Futility of Intelligence. This was a considerable shock to the boys who had achieved high scholastic standing, and, I fear, even more of a shock to their masters. What I sought to develop was that there were very few fields in life within which it was possible to obtain results purely by reliance upon the operation of intellectual processes. Human action is predominantly dictated by custom, mass emotion, loves, hates, appetites, prejudices, and other nonrational factors. In most fields of human activity all of these elements must be taken into account, and results cannot be expected merely because logic would seem to demand it. But there are certain carved-out areas within which results are obtained primarily by intellectual processes and where pure reason holds sway. The game of chess is an illustration. It constitutes a special field governed by certain rules which afford scope for the free and undisturbed exercise of intellectual processes.

The law—outside of jury practice—is a somewhat similar field, and one of its great attractions has been that there are certain rules of the game which in their broad outlines have been long established and which permit a species of intellectual enjoyment obtainable in few other walks of life.

Lawyers, quite naturally, have always sought to maintain their special preserve, and so far as possible to keep the rules unchanged. They have justified themselves by extolling "certainty." It is more important, they say, that law shall be definitely ascertainable than that it do precise justice and equity in each case. Lawyers have ascribed the term "bad law" to those deviations from precedent which result from "hard cases." There is much merit in the doctrine of "certainty." Without reasonable certainty business, for example, is paralyzed. But "certainty" has also, for the lawyer, been a self-serving doctrine and consequently exaggerated.

The bar historically has been conservative, standing against changes which materially modified the rules within which they worked. From time to time important changes have occurred. But they have usually occurred due to pressure from without rather than to reform from within. The introduction of "equity" came when common law had become so rigid that legal technique was almost an end in itself, largely unrelated to justice. Simplification of pleadings, liberalization of rules of evidence have come primarily from pressure from the outside public which, in the face of recurrent failures of justice, demanded less technical procedures.

Administrative bodies represent the most recent and most flagrant intrusion into the lawyers' preserve. Thereby there has occurred an extraordinary change in the rules of the game. The classic separation of legislative, executive, and judicial functions has been cast aside. The law has, in effect, become mobile rather than static. Uncertainty replaces certainty, and much that has been learned over the years has become obsolete. No longer is it possible for a lawyer to sit at his desk and by making logical deductions from past decisions advise his client with confidence as to his rights. All of this is naturally disturbing and upsetting to lawyers and tends to create in them a sullen resentfulness which, unless overcome, will largely disqualify them from effectively representing their clients.

I recall in this connection that some years ago I took bridge lessons from Mr. Milton Work, who was then the leading authority on the game. This was the period of auction bridge and contract bridge was just being introduced as an innovation. Mr. Work felt that auction bridge was already complicated and difficult to master, that he had become a master, and that he would ignore the intrusion of the contract principle. Unhappily for Mr. Work, contract bridge came quickly to replace auction bridge, new authorities appeared upon the scene, and Mr. Work's clientele disappeared. Mr. Work, as I recall, was a lawyer. His attitude was, I fear, typical of our profession. Many lawyers today will similarly lose their clientele if, resentful of the intrusion of innovation, they close their minds to the actual changes which are going on about them and which, for better or worse, must, for the time being, be accepted and understood if the interests of their clients are to be preserved.

It is not only necessary for lawyers to eliminate their own prejudices, but they should also seek to appreciate the point of view of those who man the administrative bodies with which they have to deal. It is always wise to seek to know what the person with whom you have to deal is thinking of you. And we must recognize that if there is prejudice on the part of the bar against administrative tribunals, there is equally prejudice on the part of the administrative tribunals against the lawyers. Prejudice in any quarter is bad. But where prejudice is coupled with power it must be recognized and taken into account as one of the significant elements of the situation.

It comes as somewhat of a shock to a lawyer to learn that many administrative bodies prefer to deal directly with the client and encourage the client to dispense with the interposition of a lawyer. This is a reversal of the usual situation. Normally results can best be achieved and differences can more readily be reconciled if there exists an intermediary skilled in settling differences and able to approach the problem with a detachment which is seldom felt by the person who is himself directly concerned.

The desire to deal directly with the client is not typical of the older administrative bodies. The difference is, however, not wholly explicable by the relative immaturity of recently created commissions. It results from the fact, to which I have already alluded, that such commissions often feel that they have a mission, not to deal judicially with individual cases through the meticulous application thereto of fixed rules, but rather to achieve promptly some broad social reform. The individual case assumes little importance of itself and is to be dealt with primarily from the standpoint of its bearing upon the whole.

Such an approach is alien to the historical approach of the lawyer. He thinks in terms of his particular case and is accustomed to tribunals which adopt a like attitude, disclaiming responsibility for policy. The lawyer is often relatively ignorant of the field as a whole and has no adequate facilities for learning it and appraising the evils sought to be eradicated. Therefore, when the commission meets a lawyer, there is apt to be no constructive joinder of issues. The lawyer is argumentative about facts which to the commission seem unimportant details. The commission knows, or thinks it knows, what is required in the interest of the situation as a whole, and it feels that the lawyer is ignorant of this or, if not ignorant, cannot allow it to sway his professional presentation. The commission feels that the lawyer is adept at concealing that which may seem prejudicial. It is eager to get quickly at the facts in its own way. It is thus not surprising that commissions of certain types are apt to feel that the interposition of the lawyer involves a mere waste of time and that progress can best be achieved by dealing directly with the party in interest.

To revert again to my illustration of a chess game, it is as though the commission felt under mandate to capture the black king. The direct and simple way is, by a snatch of the hand, to take the black king. The lawyer, on the other hand, would make the commission go through the long-drawn-out process of attempting to capture the king by moving subsidiary pieces over a period of hours with the chance that the black king may ultimately escape.

There is also a growing disposition on the part of Government officials to challenge the lawyer's traditional viewpoint that anyone, even though guilty in appearance, is entitled to be represented by competent and reputable counsel. Those who serve the Government generally become identified in spirit with its presumed goals. They loyally and often in the spirit of crusaders seek to advance its ends. Their own mood of self-identification with their own client makes it difficult for them to recall that lawyers can represent their clients dispassionately and without identification with their clients' objectives. They feel that lawyers, through lack of principle or through venality, sell their souls and become an inferior order of being.

In saying what I have said regarding the mental attitude of certain commissions toward lawyers, I am indulging entirely in guesswork. It is not guesswork that commissions which feel that they have a mission to achieve an overdue social objective prefer in many situations to deal directly with the client and to bypass his lawyer. This view has not infrequently been expressed. The reasons for this have never been confided to me, but I have attempted to rationalize them in a way which seems to be natural. I do this not because it is a pleasant topic on which to dwell but because it is important that we should seek to see ourselves as others see us.

From the foregoing I draw certain practical conclusions:

1. The lawyer dealing with a commission should not carry into his work prejudices and resentment which are perhaps natural, but which, in justice to the client, must not be allowed to color the lawyer's judgment and action. He should, for example, be very sure that he does not unwittingly encourage the client to fight a commission, because this will afford the lawyer a chance to vent his general feelings against commissions as such.

2. The lawyer should seek to appreciate the commission's viewpoint and its social objectives. Only thus can he acquire the vision to see what, to the commission, will appear to be the weakness and the strength of his case.

3. The lawyer should not, as a matter of pride, seek always to be the intermediary with the commission. There are times when the client can best deal directly with the commission.

4. The lawyer can perhaps be more discriminating about his clientele. It seems to me that a distinction can be drawn between representing a client in a controversy regarding the past—which has already crystallized—and advising him regarding some projected action. In the first case the lawyer has a duty which cannot be shirked merely because some officials may not like to have their prosecutory task thereby made more difficult. But as regards projected action, the lawyer is under no duty to a prospective client and should weigh the social implications of what he does.

We now pass from the psychological area to more concrete, practical problems. For this purpose we can conveniently classify our problems as between the legislative, administrative, and judicial. The classification is, of course, largely conventional. There is, in fact, no clear dividing line. An order by a commission may readily partake of all three characteristics. Nevertheless, some subdivision is convenient, and that which I have suggested will serve as well as any.

The first task of a lawyer is to know the relevant law. This presents enormous difficulties when the law is made by commissions which enjoy legislative or quasi-legislative powers.

There is, of course, a great difference in the degree of legislative authority accorded to commissions. In the case of the National Recovery Act, the delegation was held to be excessive, and it was largely on this account that the National Recovery Act was held unconstitutional. Despite this decision, by such subsequent acts as the Public Utility Holding Company Act and the Wage-Hour Act, very wide legislative authority was conferred upon the administrative agency. Even where an act does not on its face purport to confer legislative discretion, this often results in fact from the power to interpret and implement. In this respect the administrative agency takes over to a considerable extent what has in the past frequently been referred to as "judicial" legislation. The courts have frequently had to deal with and apply legislation so vague or general in character that interpretation and application inevitably involved a very large amount of judicial discretion. Perhaps the most outstanding illustration was the introduction by the Supreme Court into the Sherman Antitrust Act of the so-called rule of reason. Many other examples could be given wherein the courts, as a matter of judicial interpretation, have applied their conception of the intent of the legislature with reference to particular situations. To a large extent technically equipped administrative bodies have now, with legislative sanction, taken over this task, which formerly, in default of any other agency, devolved upon the courts. Thus, even in the case of a commission to which no legislative discretion has in terms been granted, in fact their interpretative powers may involve a large exercise of quasi-legislative power.

Lawyers have always felt burdened and somewhat aggrieved at the number of court decisions which they have had to consult in order to ascertain the law. They can now read with sympathy and understanding the Second Epistle of Peter, where it is said: "* * * They are again entangled therein and overcome; the latter end is worse with them than the beginning."

Federal decisions for the last 50 years, interpreting such a statute as the Sherman Antitrust Act, are but as a child's primer compared with the opinions, decisions, rules, and regulations of the Securities and Exchange Commission under the acts which it has been administering over the last few years. This Commission has already issued about 6,000 releases. There were 1,649 such releases during the past year, consisting of approximately 25 pages per working day during the year. The Federal Trade Commission, during the past year, issued 1,361 pages of releases. The Federal Power Commission issued, for 1938, 328 releases (445 pages), and the National Labor Relations Board, during the year ended June 30, 1938, issued 766 releases of 1,915 pages. The foregoing statistics apply to only four of the forty-odd Federal administrative agencies.

It is virtually impossible for any single lawyer to keep himself informed as to the state of the law under such acts as the Securities Exchange Act, the Securities Act, Public Utility Holding Company Act, National Labor Relations Act, and Wage-Hour Act. There are, of course, services which supply currently the output of rules, regulations, opinions, and decisions. But even if time can be found to read them, they are often beyond the understanding of one who is without the factual background which points to the substantive purposes which the Commission, by its rulings, sought to achieve. There are a few large law firms with a clientele such as requires and warrants their keeping in more or less constant touch with one or another of the Commissions. Such a firm may be in a position to know with some definitess what the law is with reference to some particular state of facts. But most lawyers and most law firms are not in a position, through their own unaided efforts, to advise with confidence with respect to matters upon which they may be consulted if these matters fall within the jurisdiction of some administrative body.

This is, for a lawyer, a very awkward situation in which to be placed. But it is, I think, safer and sounder for a lawyer to accept the fact of his own ignorance rather than to improvise opinions with a view to bolstering his own self-respect or impressing his client.

Most commissions happily have recognized the difficulty in which lawyers are placed and are prepared to receive and deal courteously with reasonable inquiries.

The Securities and Exchange Commission has from its inception been willing to assist lawyers in elucidating the law and, during the past year, has publicly so announced. For example, by Securities Exchange Act release No. 1861, it said that "persons who have doubt concerning the application of this rule (regarding underwriters) will find the staff of the Commission at all times available for discussions of the scope of the rule and its application to their particular situations." A few days ago, by Utility Holding Company Act release No. 1380, it announced that persons desiring to determine in advance whether a particular transaction fell within the rules, might apply to the Commission for a finding and opinion.

Lawyers who have had occasion to deal frequently with the Securities and Exchange Commission can testify to the unfailing courtesy and patience with which their inquiries have been dealt with. Similarly, the Federal Trade Commission has sought to assist in interpreting the Robinson-Patman Act, which it administers.

A lawyer will not, however, have discharged his duty to his client if he merely informally ascertains and accepts the view of a Commission's staff as to the law. Such inquiry may be a useful preliminary step, or it may be a useful check on the lawyer's own conclusions. But unless the lawyer, at some stage, thoroughly and independently investigates the facts and the law and the rules applicable thereto, and forms his own opinion, he will be advising the client on the basis of legal advice rendered by those who owe no duty to the client. Particularly is it doubtful if lawyers should advise a client to proceed affirmatively on the basis of administrative advice unless such advice agrees with their own judgment.

There is another type of risk in the procedure of getting advance advice as to the law applicable to a given situation. There is the danger that, in truth or in appearance, all relevant facts may not have been disclosed. When this occurs, there may subsequently arise charges of bad faith on one side or the other.

Lawyers should feel under a duty, when they seek the advice of a commission as to the law, to refrain most scrupulously from seeking to gain a favorable opinion on the basis of factual premises which are distorted or partial in material respects. Any other attitude would inevitably lead to a curtailment of that indispensable advice which is now freely given.

If the law, after it has been ascertained, seems to permit of a client doing what he wishes—or more usually some acceptable approximation thereto—the next step is apt to be compliance with certain administrative procedure. If, for instance, securities are to be sold, there must be filed a registration statement, deficiency letters must be met and amendments satisfactory in form to the Commission prepared and filed so that the requisite order of acceleration may be issued. Without this order the administrative process could not keep pace with changes in market conditions. If proxies are sought in the case of a company whose securities are listed, it is necessary to comply with the proxy rules and to file a proxy statement with the Securities and Exchange Commission. Almost all important corporate acts of a public-utility holding company must be submitted to and approved by the Commission. Operating companies may also have to obtain the approval of the Federal Power Commission. Such administrative practice requires not merely an antecedent acquaintance with the law, of which we have spoken, but also a knowledge of the practical work-

ing habits of the Commission. Commissions, as well as lawyers, have their problems. The fields which they are required to cover have enormous scope and there are created for the Commissions administrative problems of a major order. There is, indeed, the risk that in the search for perfection there will be lost, in bureaucracy, the vaunted "efficiency" of the administrative process. The lawyer must, however, help to avoid this, by conforming to orderly procedures. The lawyer should be familiar with and considerate of the practical methods of each commission whose administrative functions he calls into play. The time element is here a most important factor. The lawyer cannot expect to devote weeks to the preparation of voluminous and complicated papers and then expect that the staff of the commission can drop its other business and deal with his particular problem overnight. It is inevitable that there be within every commission a hierarchy. Papers filed must, in the first instance, be examined by subordinates who will sort out the important from the unimportant, consult their next superior on the important, who in turn may have to consult one of the commissioners or the commission itself with respect to very important matters of policy which are involved. All of this takes time and a lawyer practicing before a commission should not ignore this fact. It is a splendid testimonial to the good will and desire to be of service of most commissions that the commissioners and their staffs are, in the main, willing to sacrifice their personal convenience and leisure to working day and night, disregardful of the policy of the Wage and Hour Act, to assist lawyers in meeting a time schedule.

Sometimes, however, lawyers place themselves and their clients in an embarrassing position by prematurely filing with the commission papers which become a public record with consequent public disclosure of the client's intentions. It is often embarrassing to a client to disclose intentions which cannot be carried through because of getting bogged down in administrative difficulties. To illustrate, let us suppose a registered utility holding company desires to refund its 6-percent bonds by selling new 4-percent bonds. It has ascertained that the bankers will underwrite the new bonds (which must be authorized by the stockholders) and the old bonds can be called on the next interest date, say 60 days hence. Thereupon, after study of the proxy rules under the Securities Exchange Act; of the registration rules under the Securities Act; of the rules under the Holding Company Act, there are prepared and filed the necessary papers. Immediately upon filing, the program is announced in the press. The old 6-percent bonds move in the market, up or down, to their call price, and the common stock moves to reflect the anticipated interest saving. But, unhappily, it develops that the "proxy statement" is deemed by the Commission to be inadequate. The registration statement does not "value" capital assets in the way the Commission desires and revaluation will require several months' work by auditors and engineers. The new bonds do not have indenture protection of the kind which the Commission wishes. Obviously, there can be no further thought of calling the old bonds in 60 days and no banker's commitment can be obtained good for several months hence. The whole program must be abandoned, at least for the time being. The market price of the old bonds and stock must again be readjusted, with loss to some holders. There is harmful suspicion that the transaction failed because of the financial weakness of the company or because some "skeleton" has been uncovered. Gossip is rife and seriously harmful. Security holders are critical.

There is no way absolutely to insure against such an outcome. But a considerable measure of insurance is obtainable if, before any papers are filed, they are informally discussed with the Commission. The Securities and Exchange Commission is quite willing to extend this service and to make its contribution toward avoiding a public fiasco. In April 1938 the Commission established a unit in the Registration Division to aid prospective registrants. In August 1938, when proxy rules were promulgated, it announced (Securities Exchange Act, release No. 1823) that it had "adopted the policy of consultation and assistance for the benefit of persons who desire to prepare the material which must be filed under the new regulation." Although I am not aware of any formal announcement on the subject, I do know that they are equally prepared to discuss, in advance, their policy under the Public Utility Holding Company Act. The establishment by the Commission of regional offices is of great help to the lawyer seeking guidance on administrative matters.

Of course, the Commission staff will not do a lawyer's work for him. They will not prepare registration statements or proxy declarations or applications under the Holding Company Act. But they will discuss, in advance, the aspects of a situation which may be troublesome and assist the lawyer to avoid, for his client, public embarrassment.

In addition to their legislative and administrative functions, many commissions also exercise judicial or quasi-judicial functions. Their decisions in these respects may also be subject to review by the courts. I will first speak briefly of judicial and quasi-judicial proceedings before the commissions themselves and subsequently of the possibilities of judicial review.

Judicial or quasi-judicial proceedings before commissions can, for convenience, be divided into two categories: those which are initiated by the commission itself in the exercise of its prosecuting functions, and those which are initiated from without the commission to obtain action by the commission. In cases of the former category, i. e., prosecutions by the commission, the lawyer functions in ways with which he is familiar. He may feel, and usually does feel, aggrieved if the commission is at the same time the prosecutor and judge of his case. There may be features which seem to him unfair, as e. g., that he can secure a subpena only on application to the commission thereby apprising the adverse party in advance of the witnesses he proposes to call, whereas he has no corresponding knowledge. But insofar as the actual practice procedure is concerned, it is usually not dissimilar from that to which he is accustomed in the courts. Witnesses are called, sworn, examined, and cross-examined; objections are made to the admissibility of proffered testimony and it is admitted or excluded, with exceptions noted. No special experience or technique, apart from that of the courtroom, is, as a rule, required.

In the case, however, of proceedings brought to secure affirmative action by a commission, a different atmosphere prevails. Often the Commission is empowered to deny the action requested if in its opinion some broad consideration, for example, "the public interest" or "the interest of investors" will not, in its opinion, thereby be served. The lawyer generally does not know, and in the nature of things cannot know, the entire background of thought which is in the mind of the Commission. He is vaguely aware that considerations drawn from an entirely alien state of facts, which he cannot combat, may be determinative of the result. Typical in this respect were proceedings brought before the Securities and Exchange Commission by corporations seeking confidential treatment of certain information required to be filed with the Commission under the Securities Exchange Act of 1934. Many such proceedings were brought by managements which genuinely and honestly felt that, on the particular facts of their case, disclosure would not serve any public interest and would actually hurt the stockholders through giving information to competitors. It quickly became apparent, however, that the Commission had basic views on such matters, drawn from its general knowledge of the security and corporate field and perhaps based upon a belief that if all made public disclosure the aggregate of such disclosures might be in the public interest, and that from the competitive standpoint the advantages of learning about competitors might cancel out the disadvantages of giving information to competitors. In the face of such an approach, it became virtually impracticable for any one company in any single case to try out the broad question of public interest. This was a task beyond the powers of any individual litigant. Consequently, there gradually came about a general acquiescence, oftentimes grudging, of the Commission's policy. In very few of such cases was the issue fought to a final adjudication.

The Federal Power Commission, to use another example, may permit interlocking directorships "upon due showing * * * that neither public nor private interests will be adversely affected thereby." To prove such a negative is a virtually impossible task.

In such cases the lawyer finds lacking the elements of judicial procedure to which he is accustomed and can only appeal to the discretion of the commission on the basis of such a showing as time and cost will reasonably permit.

The strength of a commission's position as judge and the weakness of the position of a lawyer become apparent if we turn to the field of judicial review. Here again we encounter the distinction we have made between proceedings to secure affirmative action by a commission and prosecutory proceedings by a commission to suspend some privilege or impose some penalty.

Where affirmative relief is sought and denied, such denial is a "negative" order and, according to the present weight of judicial decision, is not, as such, subject to judicial review. See, for example, the decision of the United States Supreme Court in the case of *Federal Power Commission* v. *Metropolitan Edison Co.*, 304 U. S. 375 (1938), where it is said: "Negative orders of the Commission are not reviewable." Lawyers may, with reason, quarrel with the distinction between so-called negative orders and positive orders. They may seek to draw distinctions in particular cases or to secure a reversal by the courts of their past decisions. There are indeed decisions in different circuits which appear to be in disharmony and this week the Supreme Court granted a writ of certiorari in *Pacific Light & Light Co.* v. *Federal Power Commission*, 98 Fed. (2d) 835, which may presage a review of this whole matter. There are also, in certain cases, indirect ways whereby a client, by placing himself in jeopardy or by seeking an injunction, may find a way of getting his case before the courts. But the practical situation at the moment is that, in a case brought to secure affirmative action by a commission and which case is disposed of by a negative order of the commission, there can be no assurance of any right of review on the merits. We have the anomalous situation that only if you win your case before the commission do you have any right of appeal.

This is a practical situation which cannot but influence the nature of a lawyer's advice to his clients. It has a distinct bearing on the expense to which a client is warranted in going to prepare a record in favor of a result which may be denied by a "negative" order.

In the case of final decisions by commissions, which are affirmative, in contradistinction to those which we have termed "negative," there exists the right of review by the court. But as to this the lawyer should not be under great illusions. As a practical matter, it is only in rare cases that court review serves any substantial

purpose. The potentiality of such review is, of course, enormously valuable as tending to lead commissions to comply, at least in form and generally in substance, with those basic procedural requirements of "fair play" which the Supreme Court has several times annunciated, notably in the Morgan case (304 U. S. 1 (1938)), which arose under the Packers and Stockyard Act. Aside, however, from the fact that the possibility of court review thus serves as a salutary influence on commission procedure, review will seldom serve to protect a client against irreparable damage through the prosecuting activity of a commission. The very fact that a commission initiates punitive action is itself of serious consequence to the average client. Such proceedings are usually attended with wide publicity. The goodwill of the client is seriously injured and full advantage of the situation is taken by business competitors and rivals. The proceedings, once instituted, are apt to be very prolonged due to the inexperience and zeal of prosecuting officials and of the examiner and due to their disposition to get into the record evidence of almost anything, however unrelated to the original charge, that counsel for the commission feels may prejudice the client in the eyes of the commission. The cost of the proceedings is apt to be enormous and as part of the cost must be taken into account the distraction from duty of important officials over an extended period of time. The record is made so voluminous that it is almost impossible to expect the Commission itself or any reviewing court to examine it fully, and if much of the testimony admitted is obviously irrelevant, the Commission can protect itself as against appeal to the courts, by the self-serving statement that it has reached its decision without being influenced by any of the immaterial and prejudicial evidence which has been put on record over objection. There is, furthermore, in most cases a presumption in favor of the Commission and some evidence can usually be adduced which, when segregated and marshaled in the Commission's brief, appears, superficially at least, to warrant the result. If the record is so dubious that, as the hearing of the appeal is approached, the Commission begins to feel concern as to the outcome, the Commission can, as permitted the Labor Board by the Supreme Court in the recent Ford case (*Ford Motor Co.* v. *National Labor Relations Board*, 83 L. Ed. 229, decided Jan. 3, 1939), withdraw the record from the appellate court and begin proceedings anew, thereby prolonging the anxiety, expense, and loss of the litigant while the record is patched up.

In an address made last December 30, Mr. Chester T. Lane, general counsel to the Securities and Exchange Commission, in discussing the care which should be exercised by commissions before instituting prosecutory proceedings, had this to say:

"* * * Candor compels me to admit, however, that the remedy of judicial review, in most cases, has no practical content. Business transactions cannot wait upon the exigencies of appeal. The overwhelming mass of administrative determinations are never reviewed by the courts. Time is of the essence. Even appellate procedure within the administrative by no means insures that the unfortunate results of action unwise or arbitrary will be cured. The remedy of appeal is not adequate."

It is important that the lawyer should be well aware from start to finish, and particularly at the start, that "the remedy of appeal is not adequate." Otherwise he may lead his client into a course of action which, in retrospect, will be regretted.

On this note—a rather sad note from the lawyer's standpoint—I conclude my effort to point out certain broad practical considerations to which the lawyer must accommodate himself if he is to handle, to best advantage, the problem of his clients and give them sound advice.

I should like, however, in the time that remains, to consider the attitude toward administrative commissions of lawyers in their own right, as citizens, and not in a representative or fiduciary capacity.

Lawyers, at least to the extent that they are vocal, seem preponderately to be antagonistic to administrative commissions, at least those of the flexible type. What I have already said shows how natural it is that this should be so. I would, however, agree with this viewpoint only to the extent of recognizing that such commissions contain potentialities of evil and regretting that conditions from time to time develop which seems to call for commissions of this type. Generally, they are consequent upon the occurrence, within some area, of deep-seated abuses which are not, and perhaps cannot be, eradicated by self-discipline or ordinary prohibitive legislation. There is nothing unnatural in government attempting to deal with such situations by setting up a mobile, flexible agency, endowed with such broad powers that it is, to a large degree, self-sufficient—without dependence upon cooperation from any outside agency like the courts. This is the procedure which industries have themselves adopted under like conditions. When the baseball industry was threatened by revelation that world-series games were "thrown" by players bribed by professional gamblers, a "czar" was appointed, with broad, arbitrary powers, to be used to restore the confidence of the public in the integrity of the game. When personal scandals, involving the private lives of movie stars, became so shocking that the public was repelled, a "czar" was appointed to rule that industry to the end that public support might be regained.

The New York Stock Exchange possessed powers of the most arbitrary nature. Its disciplinary proceedings were decisive, not subject to court review. Unhappily, these powers were not used to prevent that loss of public confidence, which led to the vesting in the Securities and Exchange Commission of control over trading on public exchanges.

Other abuses had developed in other quarters. The public issuance of securities often occurred under conditions which involved a lack of adequate sense of responsibility on the part of the issuing bankers. This the investment bankers had failed—or been unable—to correct. Conceded and flagrant abuses were characteristic of the management of certain public utility holding companies. In the labor field, the powerful opposition of management to organized labor made inevitable some remedial legislation.

Under existing economic conditions we cannot expect government, where abuses exist and persist, to refrain from seeking effective measures to correct them, and such measures may require—as private industry has by example demonstrated—a large measure of power and a consequent ability to be arbitrary.

If, therefore, the bar would avoid administrative tribunals endowed with large legislative, administrative, and judicial powers it must primarily seek to do so by using its influence to prevent the growth of abuses which call such instrumentalities into being. Individuals may feel impotent and are doubtless usually inadequate to effect reform. But more could have been done than has been done to bring about general realization of the fact that unless abuses are eradicated from within there is bound to be control from without.

If and as administrative tribunals with great power come into being, the bar still has a duty to perform. It is a duty, on the one hand, to seek to make the functioning of such bodies consistent with democracy and the preservation of the basic rights of the individual and, on the other hand, to be vigilant to detect and denounce any violation of such rights.

No one can deny that administrative power, such as is indicated, constitutes a potential threat to democratic institutions. The techniques are precisely those which have been effectively utilized in countries like Germany and Russia, to center all power in government and to deprive the individual of independence. They may readily convert our Government from one of laws to one of men. What I have already said sufficiently illustrates this. There is danger when the mass of rules, regulations, and decrees is such that it is practically impossible for a citizen independently to determine his rights. We approach a government of men, when a citizen must go to some public official and ask what the law is and when, in most cases, he has no practical alternative but to accept the version which is given him. There is danger when there is no safeguard, such as grand-jury action, against the institution of proceedings of so great injury that the mere threat thereof is coercive. There is danger when the prosecutor is himself the grand jury, judge, and petit jury, without effective right of review by any independent, judicial agency.

But because such dangers are inherent in administrative tribunals, we need not assume that they will be realized. Nor do we need to seek to hamstring such tribunals by subordinating their action in all respects to court review on the law and the facts. This is the lawyer's pet formula for rendering impotent administrative tribunals. It is, in my opinion, a device which is impracticable and which, if it proved practical, would involve consequences far worse than those we would avoid.

I believe this device to be impracticable, because I feel the courts will refuse to accept the burden which would thus be sought to be thrown upon them. The courts have already become wary of overruling, or reviewing, administrative decisions. Take, for illustration, the doctrine they have evolved of the nonreviewability of so-called negative orders. The distinction between negative and positive orders is often without present substance. A so-called negative order may in many cases work major substantive damage. Yet the courts still persist in invoking this rule—and recently again did so in the case of *Houston Natural Gas Corporation* v. *Securities and Exchange Commission* (100 Fed. (2d) 5), even in the face of a request by one of the commissioners that the distinction be disregarded and review granted.

It seems to me obvious that the courts are invoking a distinction, originally meritorious but now purely technical, in order to avoid a multiplicity of reviews. I doubt whether even mandatory legislation would serve to induce the courts really to review—on the law and the facts—all decisions of administrative bodies. Yet this was in substance sought by a constitutional amendment submitted last fall to the voters of New York with the sponsorship of the New York State Bar Association—though not of the New York City Bar Association. The amendment was defeated by the electorate.

If the courts were to assume the role of reviewing—on the law and the facts—all decisions of administrative tribunals, the consequences would, in my opinion, be most serious. The courts would have been used to nullify agencies which emerge, and reasonably emerge, out of the democratic process. If the courts are so used, it spells the end of an independent judiciary. We are, after all, a democratic country. The will of the people will, broadly speaking, prevail. The courts can prevent occasional aberrations and excesses which infringe and place in jeopardy the fundamental personal and property rights of the individual. We need the courts for this purpose—we may need them desperately. But we will not have courts of a character to serve us in this emergency if, whenever agencies are created which are novel and effective and, because effective, susceptible of abuse, we throw upon the courts the task of nullifying them. An inevitable consequence would be a limitation of the powers of the courts, or the naming of judges subservient to the will of the Executive.

We must use the court sparingly, and only in clearly justifiable cases, to nullify results sought by the legislative and executive branches of government, in pursuance of the popular will. Otherwise we will lose our courts.

I came to see what I now consider to be the "light" on this subject during the course of the legal fight being conducted by utility holding companies against the constitutionality of the Public Utility Holding Company Act. It was largely for the foregoing reasons that I came to the conclusion that a client, which was a leader in the legal fight, should drop its suit and register. I frankly became fearful of the consequences of possible victory. That my fears were not groundless was dramatically evidenced by the fact that on the very day when the company's president and I were in Washington to tell Chairman Landis of our decision, the President announced his plan for enlarging the Supreme Court.

There are some matters which we must fight out in our popular assemblies and, if we are there beaten, we cannot expect the courts to reverse the verdict. If this had been realized sooner, and by more people, I doubt that the Supreme Court would ever have been endangered.

I would deeply deplore it if those who champion an independent judiciary should jeopardize this by seeking to utilize the courts as the instruments whereby, in advance of any proved necessity, they would render nugatory those administrative agencies which society is seeking to evolve as an answer to the many complicated problems facing us today.

There seems to me little present occasion to assume that because administrative agencies have powers which they may abuse, such agencies should in effect be nullified. Before we adopt such a program we should carefully appraise the self-restraint already evidenced by most administrative tribunals and their evident desire to protect the citizen against abuse through the mistaken zeal of any of their staff.

The Securities and Exchange Commission accepts soberly its responsibility as both prosecutor and judge. Obviously this is not a power which it welcomes as licensing abuse. It would undoubtedly accept as applicable to itself the remarks of Gerard C. Henderson in his book on the Federal Trade Commission (p. 83):

"Clearly from the point of view of organization, the Commission's most important and most difficult task is that of maintaining a distinct separation between its prosecuting capacity and its judicial capacity. This is essential if its decisions are to be fair and just * * *."

In his recent Cleveland address, to which I have already referred, Mr. Chester Lane, the General Counsel to the Securities and Exchange Commission, tells at length of the steps now being taken by the Commission to develop an "opinion section" which, having no contact with the prosecuting attorneys or trial examiners, gives each case independent judicial examination before a decision is rendered. It will, of course, be difficult to create any mere section of the Commission which will not have a certain bias, based on loyalty, in favor of the Commission. It will be unfortunate if those who decide in the first instance cannot weigh the testimony with the advantage of having personally observed the demeanor of the witnesses. It will be difficult for the Commission to sit in judgment on its own action in doing irreparable damage by the perhaps unwarranted institution of a prosecutory proceeding. Perhaps something more drastic than an opinion section may prove indispensable. But it cannot now be said that the desired result is impossible of attainment. Certainly it is being seriously and intelligently sought.

Chairman Douglas recognizes, as did Chairman Landis before him, the inadequacies of the trial examiner system and improvement in this respect is being sought.

I referred previously to a memorandum of one of the Commissioners on the subject of court review. It is by Commissioner Healy and it has received, I think, less attention than it has deserved. In urging upon the court that it review a final negative order of the Commission, he said, among other things:

"* * * such a power of final decision as will result if jurisdiction is refused in this case will in the long run come to be regarded as unfair and will work against the future advancement and retention of the administrative process generally, which to endure should be fitted into our system of supremacy of law. * * * My interest in this matter transcends the instant case and exists largely because I number myself among the sincere proponents and defenders of the administrative process."

It seems to me that lawyers do not need to despair of our Government and to oppose blindly the administrative process, so long as commissioners are imbued with such a spirit as I have described. For in every age and in every country it is the spirit of the people rather than the legal form in which its institutions are cast which essentially determines whether or not freedom will prevail. There are countries to the south of us which have constitutions every phrase of which exudes professions of democracy and freedom. Yet under such constitutions there have flourished the most arbitrary dictatorships. Conversely, we can have true democracy without of necessity being bound to some particular formula for balancing and checking the powers of government. It is interesting to recall that the adoption of our Constitution was vigorously opposed on the ground that it did not adequately separate the legislative, executive, or judiciary departments (Federalist Nos. 47, 48).

I have illustrated my viewpoint primarily by references to the Securities and Exchange Commission. It possesses to the greatest degree a combination of legislative, executive, and judicial powers. But I am confident that the spirit which there prevails is consonant with that of most other commissions and that the leadership which it is displaying in organizing, within itself, curbs on possible abuse, is one that will be gladly followed, in due course, by other commissions.

I know that, in its tasks of internal organization, the Securities and Exchange Commission welcomes the cooperation of lawyers who, while sympathetic with the aims and purposes of the Commission and with the administrative process, can bring to bear viewpoints which the Commission cannot otherwise readily secure. I believe that other commissions are similarly disposed. Here, surely, is an opportunity for the bar to help the administrative bodies to evolve in ways which will free us of most of the perils which our imagination tends to conjure up. While this opportunity remains open, bar associations might suspend efforts, by indirection, to shackle and nullify the administrative process.

It is to the credit of the bar if it is vigilant to defend the rights of the individual and to conserve a freedom from governmental oppression which has been hardly won, and the preservation of which must be our constant concern. As world events so dramatically bring home, there is a constant struggle between efficiency, on the one hand, and, on the other hand, individual freedom and liberty. As there develop economic and political pressures, governments tend to seek more efficient processes. These are often at the expense of some curtailment of individual freedom which, it is contended, involves an inefficiency which we can no longer afford. It is the task of the democracies to find ways of increasing their efficiency without involving any sacrifice of the fundamental rights of the individual. It may be that, if bureaucracy does not stifle efficiency, administrative agencies constitute one of the ways of solving our problem. Certainly the complexities of modern society require that certain fields be dealt with by experts. Certainly these complexities make it impracticable for the Congress to pass legislation which covers all details. To avoid rigidities which might be seriously disrupting, there should be some discretion in the working out of detailed rules. Furthermore, there would seem to be little serious objection to administrative tribunals, within their respective fields, exercising the prerogative of "judicial legislation" which has heretofore been exercised primarily by the courts. The intimate and specialized knowledge possessed by administrative tribunals seems peculiarly to fit them to play this role. It may also be that certain judicial or quasi-judicial matters should, in the first instance, be decided by the administrative tribunal, particularly if the applicable principle of solution must be drawn from a knowledge of the field as a whole. On the other hand, there are certain types of prosecutory proceedings where guilt or innocence depends upon the omission or commission of certain acts and the absence or presence of certain intents, where there would seem to be little reason for the commission acting as both the prosecutor and judge. Such cases, however, represent but a small fraction of the activities of administrative bodies. and certainly they are not in themselves sufficient reasons for opposing generally the administrative process.

An evolutionary remolding of certain administrative procedures is certainly desirable. To an extent this can be accomplished by internal changes, such as we have referred to, possible within the scope of existing statutes. To some extent statutory amendments may be required. If so, these matters can be frankly discussed first, with the commission in question, then with the Congress. Wherever it is felt that excessive and unnecessary power has been conferred, the Congress can be asked frankly to curtail that power Such procedure is certainly more worthy and more apt to be effective than blanket efforts, by measures of indirection, to cripple the entire administrative process.

Wheeler-Lea Transportation Bill

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

RESOLUTION BY UNITED STATES LIVESTOCK ASSOCIATION

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD the following resolution adopted by the United States Livestock Association at the seventh annual meeting February 24, 1940, Abraham Lincoln Hotel, Springfield, Ill.:

9. We oppose any part of the Wheeler-Lea transportation bill S. 2009, which would extend the rate-making powers of the Interstate Commerce Commission to motortrucks and to coastal

and inland waterways carriers; and we urge that action upon any conference committee report be delayed for a period of at least 30 days in order that producers, shippers, and Members of Congress may have full opportunity to study the far-reaching effects of this proposed measure.

Government, the Predatory Partner of Industry

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

EDITORIAL FROM THE NEW YORK JOURNAL

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which was published recently in the New York Journal:

[From the New York Journal]

GOVERNMENT—THE PREDATORY PARTNER OF INDUSTRY

The startling full-page article Ruin in Taxes Bared: Wisconsin's Industries Crippled, by Merryle Stanley Rukeyser, which appeared recently in the Sunday Hearst papers, is the most damning indictment in stark figures of New Deal confiscatory taxation that has yet appeared.

Taxes on legitimate business, it is plainly evident from this article, are not only breaking the back of all private business in the country, but they are actually pulling the States down to bankruptcy—for the less the income of the taxpayers the less the States will ultimately get in taxes.

That means universal bankruptcy if these tax burdens are not lifted.

Here are the cold facts in the matter of Wisconsin: Of 6,845 corporations that operate within the State, taxes taken by Federal, State, and local agencies absorbed all residue from operations and ran the corporations into an operating loss.

In the case of 961 corporations that do business both within and without the State, these companies retained a net gain of only 1.1 percent of their assets.

What incentive have these corporations for continuing business? None!

And here is the incredible fact concerning the combined corporations doing business both inside and outside of the State of Wisconsin, as reported by the income-tax division of the Wisconsin Tax Commission (1938):

These corporations, after meeting all expenses before taxes, paid out in taxes to various units of Government, $112,158,743, which was $20,606,913 more than they earned on operations. There was, therefore, an operating loss, after taxes, of $20,606,913.

This is doing business solely for the tax gatherers.

It is keeping the doors of business open for New Deal tax experiments and those myriad job holders who live on corporate losses.

Further—and worse yet—

These corporations paid out, in 1938, $426,181,666 in wages to 355,440 employees, supporting 930,000 persons.

Of necessity, such blasting taxation tends not only to drive down the wages of those employed in these industries, but undermines their working morale because they do not know when their employers will be compelled to close up shop for good—all due to taxes.

This confiscatory taxation is slowly socializing all our industries.

Former Undersecretary of the Treasury Hanes said the other day that the Government is already 20 percent partner in all business in this country.

It is a partner that produces nothing, that contributes nothing, but that takes all.

The debacle of industry in Indiana, New Hampshire, and Wisconsin and the flight of industries out of New York City and State reveal one formidable fact.

The tax policy of this administration has apparently been aimed deliberately at the erection of a system of European state socialism on the ruins of American industry, done to death not by mobs, strikes, rebellions, fire, or flood, but by the more certain and "legal" bludgeon of taxation that eats up net sales, profits, wages, and jobs.

This suicidal policy must be halted if we are to retain our free system of enterprise.

That is the one and only issue that should concern Americans at the polls next fall.

Wheeler-Lea Transportation Bill

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

RESOLUTION BY THE BOSTON MARINE SOCIETY

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD the following resolution by the Boston Marine Society on the Wheeler-Lea transportation bill:

Resolved, That the Boston Marine Society considers that it would be highly detrimental to the interests of the public to enact legislation by Congress which would place private and contract carriers of bulk cargoes under the supervision of the Interstate Commerce Commission, and that therefore this society earnestly requests that any action on any conference report which may be submitted by the joint Senate and House conference committee on the Wheeler-Lea transportation bill (S. 2009) or any substitute thereof be delayed for a period of at least 30 days after the submission of such report, in order that the public and all persons interested in, or might be affected by the proposed legislation, may have an opportunity to examine the report and express their views thereon.

Stamp Plan As Aid To Use of Eggs

EXTENSION OF REMARKS

OF

HON. JAMES M. SLATTERY

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Wednesday, March 6 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE POULTRY TRIBUNE, MOUNT MORRIS, ILL.

Mr. SLATTERY. Mr. President, I ask for unanimous consent to have printed in the Appendix of the RECORD an article entitled "Stamp Plan Boosts Egg Use," from the March number of the Poultry Tribune of Mount Morris, Ill.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From March number Poultry Tribune, Mt. Morris, Ill.]

STAMP PLAN BOOSTS EGG USE—FIFTY LOW-INCOME FAMILIES ASKED ABOUT EGG BUYING

(By J. H. Florea, Associate Editor)

Surveys by Government workers and others have indicated that income and the quantity of eggs used are closely related. But would low-income families use more eggs, if, in a changing economic world, they suddenly should be placed in a higher income level?

It seemed that the best place to find an answer to that question was among the families using the Federal food-stamp plan now in operation in several cities. So Poultry Tribune interviewers undertook a special survey in Springfield, Ill., where the stamp plan was put into use October 19, 1939.

The answer of the 50 families interviewed was an overwhelming "Yes!" They said they used an average of 1.1 eggs per person each week or 57 eggs per year before stamps were made available, but now use an average of 6.2 eggs per person or approximately 323 per person annually. This is an increase of 560 percent! Surely, poultry raisers should be interested in any plan which can increase egg use like that, and, at the same time, provide a more adequate diet to low-income families.

STAMP PLAN EXPLAINED

For those who are not familiar with the operation of the stamp plan, it briefly is this: People working on W. P. A. projects, and all persons receiving or certified for any form of public aid in the designated area, may buy orange-colored stamps good for the purchase of any foods usually sold in a grocery store. When they buy

orange stamps at the rate of approximately $1 a week per person in the family, they are eligible to receive free, blue surplus-food stamps which can be used only for the purchase of certain foods which have been designated as surplus by the Secretary of Agriculture.

People who do not receive cash relief, but receive food orders instead, are given blue stamps at the rate of 50 cents per week for each member of the eligible family.

The food-stamp plan was first established last spring in Rochester, N. Y., and has since been adopted in several additional cities, with the probability that it will be in use in approximately 150 cities by early summer. The purpose of the plan is to encourage wider consumption of surplus food products by increasing the purchasing power of low-income families. It makes use of the normal distributive channels, and anyone, whether on relief or not, can purchase the surplus products at the same price as can the people who receive blue stamps.

Eggs have been on the list of surplus foods since the plan was first established.

The way egg consumption increased as the income per person increased, even among these low-income families, was striking. This is shown in the following table:

Annual income per person	Average income per person in group	Average number of eggs used per person weekly
$1 to $50	$40.14	4.56
$51 to $100	78.34	5.29
$101 to $150	123.06	6.26
$151 to $200	160.15	8.40
$200 or more	278.22	11.11

Since the average family income among these 50 families was only $550 per year, it might be thought that none of these families still would have as many eggs as they wanted, so we asked specifically, "Would you use more eggs if you had more money? Or do the blue stamps enable you to get all of the eggs you want?" Surprisingly, 8 of the 50 families reported they were getting all of the eggs they wanted, and would not buy more even with higher income. We found that these people who had sufficient eggs were using about 7½ eggs per person per week, or more than an egg a day. We found, too, that 6 of the 8 families had high income in relation to the group as a whole.

All 50 families surveyed in Springfield use blue stamps to buy some eggs, ranging from a low of 10 percent of the stamps up to one family which reported they use "nearly all" of their blue stamps to buy eggs. The average proportion of the blue stamps used for eggs was 28.4 percent, which checks rather closely with surveys in other cities, although it was higher than the city-wide average reported by Springfield officials.

HALF USED NO EGGS BEFORE STAMPS

Even though these families presumably were receiving relief in the form of W. P. A. work or in other forms before the stamp plan was inaugurated, 25 of the families said they were not using any eggs before the blue stamps were made available.

It is questionable, of course, as to whether these families would buy as many eggs if they were spending money earned in industry and which could be spent as they chose. It must be remembered that there were only about 17 food items which could be bought with the blue stamps. If the value of the stamps had been in cash which could be spent for anything, it is doubtful if eggs would have fared so well. This is indicated in studies and reports of the National Resources Committee of the United States Department of Labor, and the Bureau of Home Economics of the United States Department of Agriculture. Speaking before the 1939 meeting of the American Farm Bureau Federation, W. D. Termohlen, chief, poultry section, Agricultural Adjustment Administration, summarized this information in the following table:

Family income affects egg consumption

Annual family income	Weekly per person food expenditure	Annual average egg consumption	Percent of population
$750	$1.67	132	31.64
$750 to $1,250	$1.95 to $2.20	180	27.55
$1,250 to $1,750	$2.54 to $2.83	252	16.81
$1,750 to $2,500	$2.98 to $3.66	324	13.32
$2,500 to $3,500	$3.78 to $4.15	360	5.90
$3,500 up	$4.54 up	456	4.78

Note that the low-income families in this study did not use nearly as many eggs as do the food-stamp users in Springfield.

Termohlen also comments: "It is to be noted that nearly 60 percent of our population falls in the group with a family income of less than $1,250 a year and averages under 15 dozen eggs per capita per year.

THIRTY PERCENT USED IN COMBINATION

When it came to methods of using the eggs, 69.8 percent of the eggs were cooked alone, as in frying, scrambling, boiling, poaching, etc. Incidentally, scrambling seems to be the favorite method of cooking them alone.

Of the 50 families, 20 reported that they used all of their eggs in this manner, and did not use any in combination with other foods. On the other hand, 30 families used a portion of their eggs in combination. The favorite use was in puddings, with baking a close second. Use in salads came third, and milk drinks fourth. Sandwiches, waffles, French toast, pancakes, custards, and other uses also were mentioned.

In this regard it may or may not be significant that the families with the very lowest incomes used a considerably higher proportion of their eggs in combination dishes than did those with larger incomes. Those with annual incomes of $100 or less per person used 37 percent of their eggs in combination dishes, while those with higher incomes used only 15.8 percent of their eggs in combination cookery.

Without similar surveys on egg use by the general population, there is no way of knowing how well these figures may indicate use by other groups. If they should be applicable to other groups, however, it appears there is a considerable opportunity to educate people on the use of more eggs in cookery. When, out of 50 families who apparently need to make their food expenditures go as far as possible, 20 make no attempt to use eggs other than straight, there certainly would seem to be room for some educational work.

POINTS TO WORK TO BE DONE

This survey, in conjunction with many similar studies, leads to at least a few definite conclusions:

1. As the Federal stamp plan is expanded, it may prove to be to the poultry industry one of the greatest boons of any Government measure yet adopted. But to receive that benefit, eggs must be left on the list of surplus commodities which can be purchased with blue stamps.

2. More of the poultry industry's educational effort must be directed at the low-income groups, both because they now use fewer eggs, and also, as Termohlen points out, they form the great bulk of the population. Admittedly, they are harder to reach through the usual channels of advertising and publicity. If, as poultry raisers believe, however, the industry has a product which can be used economically by these low-income families to provide a better diet, that fact needs to be stressed to them, and they need to be shown economical and nutritious ways of using eggs. Most of our efforts in the past have been directed at higher income groups because they are easier to reach, but a large percentage of those higher income families already have reached the practical limit of egg use. About all that can be accomplished there is to prevent them from being lured from the use of eggs to the use of competing foods.

3. It is obvious, of course, that the ultimate solution lies in raising the incomes of these low income families on a sound and permanent basis. Of necessity, progress in that direction is slow, but as income levels do rise, poultry and egg producers stand to benefit.

Foreign Policies and the 1940 Election

EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 6 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. ROBERT A. TAFT

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from Ohio [Mr. TAFT] before the Saturday Discussions Committee of the National Republican Club, New York, N. Y., on March 2, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends of the National Republican Club and of the radio audience:

I hope to discuss today the extent to which foreign policy is likely to enter into the elections of 1940 and how far it is an issue today. I do not think that the details of foreign policy should enter into political campaigns or political debate. Foreign policy in the first instance is the function of the Executive. Although the express powers given by the Constitution of the United States to the President in respect to foreign relations are quite limited, from the beginning of the Government, because of the nature of such

relations, the courts have held that the President's power is predominant in that field. The Nation cannot speak with a multitude of voices. The Supreme Court has said: "In this vast external realm, with its important, complicated, delicate, and manifold problems, the President alone has the power to speak or listen as a representative of the Nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it."

Unless some great principle is involved, therefore, I have never felt disposed to criticize the President on incidental matters, such, for instance, as withdrawing an Ambassador from Germany, not withdrawing an Ambassador from Russia, or sending Mr. Welles to sound out the foreign nations on the subject of peace.

The President has necessarily more knowledge of facts than anyone else can have, and each problem is a practical one, depending largely on the facts of the particular case.

On the other hand, Congress, and particularly the Senate, is given extensive powers and duties with reference to any Government action in the foreign field other than negotiation. Only Congress may regulate commerce with foreign nations. Only Congress may declare war. Only Congress may raise and support armies and provide and maintain a Navy, although the President is Commander in Chief when they are raised or provided. Only Congress has power to act in the field covered by the Neutrality Act involving the embargo of shipments abroad, restraint on American ships, restraint on the loaning of money or credit to foreign nations.

The President is responsible for what this Nation says to foreign nations, but he must be very careful in his statements as to what this Nation will or will not do, because, unlike executives in European countries, he has not the final power to put his foreign policy into effect.

With regard to fundamental questions of foreign policy, I do not at all agree that they should not enter into partisan debate and campaigns. Of course, no man's position should be guided by a selfish partisanship, but then neither should selfish partisanship enter into the discussion of domestic policies. But if the President, for instance, pursues a policy likely to lead us into war, I believe it is the duty of every American who disagrees with that policy to say so frankly and in as loud a voice as possible. No question of foreign or domestic policy concerns the people of this country so much as the possibility of becoming involved in war. The democratic process demands that they have a voice in that policy, but the discussion of foreign policy should certainly take place without rancor or personal recrimination. In that spirit I wish to discuss the position of this country in the world today.

Outside of North and South America today, we see a world at war. Implements of destruction predominate in Europe and in Asia. Cities and helpless civilians are bombed. Ships of belligerents and neutrals alike are sent to the bottom, often without warning, by mines, submarines, and bombs. It is inevitable that our people are intensely interested in these contests, and intensely interested in the question of the extent to which they may affect their daily lives and the future of their children. There is real danger that the entire civilization of Europe, built up through thousands of years, with its historical landmarks and all its tremendous humanitarian accomplishments, may be utterly obliterated.

At the special session of Congress in October, we considered only questions of foreign policy. According to the peculiar rules of the Senate, debate was prolonged for 6 weeks on the amendments to the Neutrality Act, although everything that could be said was probably said in the first 2 weeks. But the delay served one great purpose—it encouraged and developed an intense debate throughout the Nation on the question of American policy abroad. Serious differences of opinion developed as to the proper course which might tend to keep the United States out of the European war. Hardly two Senators took exactly the same viewpoint on all the amendments. But before the session ended, it became apparent that the American people, above everything, were determined to keep out of war and differed only as to the best methods.

There was a serious difference of opinion on the question whether the repeal of the arms embargo would involve us in war. I voted for that repeal and the establishment of the cash-and-carry principle for several reasons. In the first place, I believed that the cash-and-carry principle was more likely to avoid incidents which might lead to a serious dispute between ourselves and one of the belligerents. Unrestricted submarine warfare against American ships and American lives was the cause of our entrance into the World War. I think that reason has justified itself. No American ships have been sunk, and no incidents have arisen likely to lead toward war, whereas practically every other important neutral nation has lost both ships and lives.

I believed that the policy of arms embargo was more likely to promote war than prevent it. As a matter of fact, I proposed the repeal of the arms embargo as long ago as April 25, 1939, before the President recommended it. That policy favors large nations with all the facilities for the manufacture of arms against small nations which do not have those facilities. It favors continental powers with access to resources over the land against sea powers which have always traded with us and relied upon their trade with us. It favors warlike nations which build up their armaments in times of peace against those nations which, hoping for peace and relying on treaties, fail to pour vast sums into armament. In short, it favors the aggressor against the peaceful nation. The attack of Russia on Finland has brought home to the people of this country how much a general policy of arms embargo would assist aggressor nations to wipe out all the smaller neutral nations in the world.

In any event more than 3 months have gone by, and there seems to be no threat today of our becoming involved in the war. Today the President is for peace and keeping out of European affairs. But it is not unfair to point out that public opinion in behalf of peace seems to have changed the President's former attitude toward involvement in Europe. On November 16, 1937, in Chicago, he declared his belief that we should "quarantine" the aggressor nations. In his message to Congress on January 4, 1939, he said: "The defense of religion, of democracy, and of good faith among nations is all the same fight. To save one we must now make up our minds to save all. * * * We have learned that God-fearing democracies of the world which observe the sanctity of treaties and good faith in their dealings with other nations cannot safely be indifferent to international lawlessness anywhere. They cannot forever let pass without effective protest acts of aggression against sister nations. * * * The mere fact we rightly decline to intervene with arms to prevent acts of aggression does not mean that we must act as if there were no aggression at all. * * * There are many methods short of war, but stronger and more effective than mere words of bringing home to aggressor governments the aggregate sentiments of our own people." It is somewhat difficult to see how we can defend religion, democracy, and good faith in other nations by any policy of mere defense of the United States. It is difficult to see how we can protest against international lawlessness effectively by mere defense of the United States. The President can only have intended to propose that this country employ economic sanctions or embargoes against a nation that it does not like while at the same time assisting those that it does like by loans and other material assistance.

The President has done nothing up to this time to return to his earlier policy, but it is somewhat disturbing that in his address to Congress on January 3 of this year he said nothing with regard to maintaining neutrality and emphasized the fact that he was opposed only to becoming involved in military participation in the war. He implies that we still have some duty to interfere abroad when he says: "Of course, the peoples of other nations have the right to choose their own form of government. But we in this Nation still believe that such choice should be predicated on certain freedoms which we think are essential everywhere. We know that we ourselves will never be wholly safe at home unless other governments recognize such freedoms." This language implies a right and duty to interfere in foreign wars because of the character of government adopted by some of the belligerents.

I do not feel, therefore, that the President has wholeheartedly accepted the declared view of the people of this country that we must stay out of war except in defense of our own land. It is right, therefore, to discuss the reasons which lie behind our present determination to stay at peace. I believe those reasons are not based on sentiment or on any ostrich isolationism. They are based on precedent and sound logic.

War is so horrible today that the reasons against it, unless forced by direct national interest, are obvious to all. The glamour and romance of an earlier day, always largely imaginary, have been completely destroyed by the modern methods developed in the World War and since. No man wants to spend months or years himself in the trenches. Every parent dreads the day his or her sons might sail away to war.

But it is said that we cannot stay out, and many people still seem to feel that because we chose to participate in the World War, we must inevitably be drawn into this war. Certainly we can stay out if we are determined and remain determined to do so. We have stayed out of many European wars. If we admit that we cannot stay out, we will be perpetually involved in war, for Europe's quarrels are everlasting. There is a welter of races there so confused that boundaries cannot be drawn without leaving minorities which are a perpetual source of friction. National animosities are traditional and bitter. Only in this country have they been laid aside, and have the different races learned to live together in peace. In George Washington's Farewell Address there is one statement which is as true today as it was then. He said: "Europe has a set of primary interests which to us have none or a very remote relation. Hence she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns."

It is difficult for us to know what is really going on in Europe, or the reasons which underlie the decisions of European governments. I have little sympathy with those who assume to judge all European statesmen, to criticise so-called power politics in Europe, who say in fact, "A plague on both your houses." There is just as much right and wrong in European quarrels as in any other quarrels. When I see the freedom of independent nations like Czechoslovakia, Poland and Finland destroyed, my deepest sympathies are aroused in their behalf. It is contrary to human nature to have no sympathies between contesting European nations. But because we sympathize with one side is no reason why we should run on to the field and try to join in the game.

Of course, we can stay out if we wish to do so. Holland and Switzerland stayed out of the World War, although they were in the very midst of it. We have an isolated position, and it is still isolated in spite of all the improvements on sea and in the air. In fact, developments in this war seem to show that effective aerial attack cannot be made over any considerable distance. I find that

many people who say that we cannot stay out, at the bottom of their hearts, do not wish to stay out. Certainly this argument presents no reason for not trying to stay out.

It has been widely argued that we should enter the war to defend democracies against dictatorships. The President's own expressions even this year have indicated a leaning to this belief. No one can sympathize more than I do with the success of democratic governments against dictatorships. No one desires more strongly than I the end of communism and nazi-ism, but I question whether war is the effective method of destroying them. Our experience in the World War did not indicate that we could interfere in European quarrels and work out any permanent or satisfactory solution. The World War did not save democracy. It resulted in the creation of more dictatorships than the world had seen for many years. Nothing is so destructive of forms of government, particularly forms of democratic government, as war.

Our going to war would be more likely to destroy American democracy than to destroy German dictatorship. There are pending in Congress measures designed to have the Government take over all business and property, fix prices and wages, and regulate every detail of private employment and commercial life. The President already has statutory power to take over the railroads and manufacturing plants in case of war, and the radios and public utilities in case of threatened war. I have little doubt that he would exercise most of these powers. Mr. Edison, the Secretary of the Navy, demands that additional arbitrary powers be granted at once, and we have been warned by Mr. Johnson, the Assistant Secretary of War, that private business would be regulated in every detail by the Government.

In the World War we granted extensive powers, but actually accomplished results largely through cooperation of industry. The so-called mobilization of wealth, however, carried out in a New Deal spirit, might well result in the complete socialization of all property. I doubt whether we would ever see again real operation of private enterprise or real local self-government in the United States. We might retain the forms of democracy, but we would be likely to find ourselves with an absolutely arbitrary government in Washington, and a plebiscite every 4 years to determine who should control it. A government by plebiscite will not long remain a democratic form of government.

I believe we will do the cause of democracy much more good if we maintain our neutrality, and show that a great nation can get through a crisis of this kind without abandoning democratic principles. There is only one way to spread democracy throughout the world—not by the sword but by showing the peoples that under democratic government they are more likely to have peace and happiness than under any other form. Democracy spread through the world in the nineteenth century from our example, and it will do so again.

The third argument that we should enter the war is based on the theory that if France and England are defeated, we will be overwhelmed by Germany and Russia. This view is widely held, and it will be more strongly held if England and France should appear to be losing the war. It seems to me to be an illusion. Hitler is most unlikely to win, whether or not he can be defeated; but under any circumstances he would hardly be free to attack the United States. No dictator has ever dominated Europe for long, and he is inevitably involved in countless difficulties on that continent. France and England won the World War, but Germany has been a thorn in their side for 20 years. The problem of dealing with the other peoples of Europe, even though they are defeated, is one which will absorb the energy of any victor. Furthermore, no one wins a modern war. The victor is only a shade less exhausted than the vanquished. There seems to be no reason why Hitler or any other European dictator should pick a quarrel with the most powerful Nation in the world when he has nothing to gain by such a course.

The best military authorities tell us that we can defend North America and the Caribbean Sea south of us if we maintain an adequate Army and Navy and Air force. The maintenance of a stronger Navy than any navy or combined navies that might attack us is well within our power.

In short, the horrors of a modern war are so great, its futility is so evident, its effect on prosperity and happiness, and democratic government itself, so destructive, that any alternative seems to be preferable except the subjection of this country to physical attack or the loss of its freedom.

The people's determination to stay out of war is so strong that I have little fear of any involvement before the election of 1940, and therefore I hope that there will be no major issue of foreign policy in that election. But if it becomes apparent that the President has reverted to his former views and moves to involve us in the European war, and if the nominee of the Democratic Party sympathizes with that policy, then foreign policy will be the main issue in the 1940 election. I feel confident that the Republican Party will not sympathize with that view and that the nominee of the Republican Party, if elected, will keep us out of war during the next 4 years if it is humanly possible to do so. The Republican Party is a peace party; the Democratic Party may or may not be a peace party.

Congress has before it today two or three other questions of foreign policy. A bill has been prepared authorizing loans to be made to Finland for non-military supplies, so that the Export-Import Bank may loan Finland a total of $30,000,000. In general, I do not approve of giving the Executive power to lend to foreign nations money which our experience shows is unlikely to be repaid. Nor do I favor the idea of loans to countries engaged in actual warfare. But foreign policy is largely a practical question. Every situation is different, and we may even desire to adopt in one part of the world a policy entirely different from that followed in another. Our main guide should be the peace and welfare of the American people.

It seems to me that Finland presents a special case. There is no possible issue involved in the present war except the freedom of a small, independent, and democratic people. With such nations we have always sympathized. We assisted the South American republics struggling for their freedom. We actually went to war because of the oppression of the Cuban people. Certainly we do not wish to be drawn into a war in the Arctic and Baltic Oceans, but such a loan as has been authorized will certainly not involve us in war. The only nation which can object is Russia, and Russia is estopped because it denies that there is a war. I do not even see how a sound objection can be made to the sale of arms to Finland, or the contribution of money for that purpose. Finland alone among the European nations paid its debts to the United States. We have taken more than $5,000,000 of Finnish money, whereas Russia, which should have paid a much larger sum, has completely defaulted. We certainly owe something to the Finnish people.

The far eastern situation presents an even more difficult problem. There is urged on Congress today an embargo on all trade with Japan, with the claim that our trade alone makes possible the continuation of Japan's attack on China.

In the first place, I believe that a change of such importance in normal foreign policy should be initiated by the President and the Secretary of State. Unless with their knowledge of the facts they recommend a policy of embargo against Japan, I certainly do not think that Congress should adopt it. Many considerations are involved, such as the real condition of public opinion in Japan, the possible success of a Japanese attack on the Philippine Islands, the question whether an embargo by the United States would really deprive Japan of any materials which could not be obtained elsewhere. A congressional policy of embargo, without the sympathy of the State Department, would be much more likely to lead to war. I certainly would not be disposed to force any policy of embargo except on the recommendation of the Executive.

While it is not nearly so dangerous a prospect that we may become involved in a war in the Pacific as in the European war, I believe our people desire to avoid any such probability. Frankly, I have not been able to make up my own mind how far the United States can go in assisting China against an unwarranted attack without becoming involved in war itself. A war in the Pacific is even more to be avoided while war exists in Europe, for the two are not likely to remain completely separate and apart. In any event, I feel convinced that the Japanese question should not be an issue in the 1940 election, and I sincerely hope that it will not be.

Another important policy having a bearing on the foreign relations of the United States is that of the reciprocal-trade treaties which are now under consideration in Congress. There is no doubt that these treaties may be made a means of establishing more friendly relations with some foreign nations. On the other hand, as administered, they have at times sacrificed the interests of American producers, farmers, and workingmen. I believe that the old method of making treaties in Congress led to almost prohibitive tariff walls. I believe that Executive tariff making under definite standards is a better method. If tariff making is delegated to the Executive under a proper standard, it is desirable to do it through trade agreements so that we may have some return for concessions that we make.

On the other hand, the present trade agreements have been administered by Secretary Hull, who is a pronounced free-trader, and Congress has imposed no standard to guide his action. Last year I introduced a bill to provide that no treaty should go into effect until it was published and until the Tariff Commission certified that the new rates were not in excess of the difference in cost of production here and abroad. Before such certification, all those concerned should be given a full hearing before the Tariff Commission, which is to make this determination. Some of the violent protests now made may not be justified; others I know are justified. No real opportunity to be heard has been given. In short, I believe in the protective principle, particularly under conditions such as exist in the world today. I see no reason why our farmers, manufacturers, workmen, and minerals should not be protected against depreciated currencies, starvation wages, and foreign subsidy. If there is to be any science regarding the making of tariffs, it must follow a definite standard.

I have tried to outline for you the present situation. I may well emphasize again that each question of foreign policy depends upon the practical conditions which surround it. We may appear to be entirely inconsistent in adopting policies regarding Europe, regarding South America, regarding the Far East; but there is certainly one underlying consistency—that policy is the welfare of America and the American people. Unless our territory is attacked, that happiness is best secured by peace and neutrality. But we all feel some obligation to prevent hardship and suffering throughout the world. We are spending billions to assist Americans in distress. A few millions for relief and foodstuffs for the foreign populations in distress will meet with the approval, I believe, of the American taxpayers, no matter how heavily burdened they may already be.

The Republican Party believes that partisanship should not enter into the discussion of foreign affairs, but it is determined that the policies of the Government shall be guided by the wishes of the people, and not by the doctrinaire theories which have so often dominated the Democratic Party.

The New Deal Record

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

RADIO ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks, I ask unanimous consent to extend in the RECORD an address delivered by Senator ROBERT A. TAFT, of Ohio, on the National Radio Forum over the network of the National Broadcasting Co. on March 4, 1940. The address is as follows:

I have read with interest the statements of New Deal leaders as to their accomplishments during the past 7 years. I listened to Senator BARKLEY on the radio last night and in the Senate today, and to Senator SCHWELLENBACH this evening. Their contention seems to be that we are better off as a people than we were in 1933 by reason of New Deal policies. I have no desire to enter into a partisan discussion. I do not question the good faith of the new dealers in the measures which they have taken; nor do I question their immense energy in pushing forward with their experiments. I only ask you who are listening to this discussion to consider the condition of the American people today, and your own individual position in the light of the New Deal claims. Are you any better off than you were 7 or 10 years ago? If you are, can you trace any improvement to the New Deal?

There is plenty of evidence that most people are worse off than they were 10 years ago rather than better off. National income in 1939, that is, the income of all the people put together, was only $68,000,000,000, whereas for 2 or 3 years prior to 1929 it got up to $80,000,000,000. There were 10,000,000 fewer people then, so that the average income per person is 20 percent less today than it was then. That means a much lower standard of living for everybody. With so many more people, we ought to have a national income of $90,000,000,000 instead of $68,000,000,000. If we had, we would employ the 9,000,000 unemployed.

FARM PRICES GENERALLY DECLINE

Farm prices, which make the farmer's income standard, were in general lower in August 1939 than they were in August 1933, after the first boom, and before any of the New Deal farm-control measures began.

At least 9,000,000 people are unemployed. I notice that Senator BARKLEY said something about there being from seven to nine million unemployed, but the American Federation of Labor figures for January show over 10,300,000. Mr. Nathan, of the Department of Commerce, estimated 10,900,000 unemployed in January. The latest figure available from the National Industrial Conference Board, which was for December, indicated over 8,400,000 unemployed, and there has been a big increase since then. Certainly, these unemployed millions are not better off than when they were at work in 1928.

Then there isn't any doubt that the national debt has increased $21,000,000,000 in these 7 years. Twenty-one billion dollars is a lot of money. It means that every one of 30,000,000 families on an average will have to pay interest and principal on a debt of $700 before we get back to the point where the New Deal started.

GOVERNMENT COSTS INCREASE

Furthermore, the New Deal has certainly increased the cost of government, which all the people have to pay out of their earnings. For 7 years before the New Deal, ending in 1932, that cost was $3,944,000,000 a year. For the last 7 years it has averaged $7,570,000,000, and today it is up to $9,500,000,000, or more than twice what it was before. No wonder your taxes are high; no wonder you have to pay more for bread and other food and clothing because of all the taxes that are imposed on these necessities as they come to you from the producer.

President Roosevelt the other day tried to belittle the size of the debt. According to the Associated Press and the New York Times the next morning, he made the statement that the total owed by the Government was no greater than it was in 1932, because local government debt and State debt had gone down the full extent that Federal debt had gone up. Of course, on this question Mr. Roosevelt just made a mistake. Local and State government debt decreased less than $1,000,000,000, and Federal debt has gone up $21,000,000,000, so the net increase in the public debt is at least $20,000,000,000. That was quite a good-sized mistake.

Then the President said that, after all, the increase in Government debt did not make much difference, because private debt had gone down. Of course nobody knows exactly what private debt is because some people count one thing and some people count another. For instance, some people say that all the deposits in the banks are debts owed by the banks, as in legal theory they are. There has been some decrease in private debt, but it is hard to see how we have gained thereby. In fact, we would be better off if the $5,000,000,000 of excess reserves in the banks were loaned out to people to use to put other people to work. The big difference between public debt and private debt is that private business usually can't borrow money unless it can show that it can earn a return on the money borrowed, and in time pay off the debt. That doesn't cost you or me anything, and the only time it becomes dangerous is when the banks and others get reckless and make bad loans.

TAXES RAISE MONEY

But Government debt almost never pays for itself. Almost the only way the Government can pay interest and principal on its debt is to tax all of us to raise the money for that purpose. If Government debt gets too heavy, there is a tremendous pressure for the Government to print more paper money with which to pay its debts. Once that is done, the Nation is on the road to bankruptcy. So it doesn't help the New Deal any to bring in a discussion of private debt. The fact is that we owe $21,000,000,000 more than we owed in 1932, which we and our children and our grandchildren are going to have to pay off, through higher taxes and higher prices, as far as we can see in the future.

Nearly all the New Deal argument regarding an improvement in conditions is based on a comparison between March 4, 1933, and today. Of course, the country is better off than it was on that particular date. That happened to be the very bottom of the economic depression. We have had a good many depressions in this country, and most of them have followed the same course. There is always a steady spiral downward for several years until the bottom is reached, and then the natural economic forces bring a recovery. Heretofore we have always come out of depressions to a higher income and standard of living than we had before, and we have always come back to a point where every man who wanted a job could get a job, without any New Deal or new Government bureaus. If you want to make a comparison you ought to compare 1939 with some year 7 years after a previous depression. For instance, after the depression of 1893, we had reached by 1900 the highest level of prosperity this country had ever seen. In 1928, 7 years after the depression of 1921, every man who wanted to work had that opportunity.

But with all the New Deal panaceas, we proceeded to have a second depression in 1937, long before we had reached our former prosperity, and today we are still far below where we were in 1928. We came out of past depressions at a much faster rate, without any regulatory action by the Government at all. I certainly agree that the New Deal measures, like relief, alleviated the hardships of the depression, more than the Government did in past depressions; but as far as bringing us out of the depression or doing any permanent good is concerned, the evidence is all the other way.

DEPRESSION WORLD WIDE

Furthermore, we must remember that the depression of 1933 was world-wide, so the Republicans could hardly be blamed for it. They had a hard enough time running things in this country without being responsible for Europe and Asia. There is a very interesting table prepared by the statistical division of the League of Nations. In its December 1939 issue it shows the condition of industrial production in 21 nations as compared to 1929, before the depression. Of the 21, 16 are better off some of them as much as 50 or 60 percent better off. England is 16 percent better off, whereas the United States is 28 percent worse and stands twentieth in the list of 21, only Belgium being comparatively lower. This certainly does not speak very well for the policies the New Deal has pursued in the United States. Apparently we would have been better off today if we had helped along natural recovery instead of regulating everything and everybody.

There is another thing about the low point on March 4, 1933. The bottom of the depression was reached in most places in the summer of 1932, and we also started on recovery until the election of November 1932. After that there isn't any doubt, according to present history, that the failure of President-elect Roosevelt and the Democratic Congress to cooperate in any way with President Hoover started us on the downward road again, when all other countries were improving. There is no doubt that the plans to depreciate the dollar shook the confidence of the people in the banks, and precipitated the bank crisis of February. So when the New Dealers use the figures of March 4, 1933, they are looking at a condition which they had a very large share in creating.

The New Deal promised to help the poor man. With 5,000,000 families on relief, it can hardly claim that it has kept that promise. For 7 years before the New Deal, the average annual wages and salaries paid amounted to $46,700,000,000. In 7 years of the New Deal it has averaged $37,300,000,000, 20 percent less, and more people among whom it has to be divided. Relief just gives a man enough to live on, if that much.

OHIO BEGAN SECURITY IN 1931

The New Deal claims credit for social security, but all the old-age pensions paid up to the 1st of January 1940 were paid under State

laws, the State contributing half the money. We passed our State law in Ohio in 1931, before the New Deal began. The elaborate reserve plan of the New Deal has hardly begun to work, but we have been paying $1,500,000,000 a year in pay-roll taxes, which come right out of the average workman, either from his pay envelope or in the increased price of everything he has to buy.

Now we have the S. E. C., one of the boasts of the New Deal. Certainly we ought to prevent fraud in the sale of securities. But our big interest today is to get people to put more money into business, particularly new business, so that we can build up production and make more jobs. The figures show that in the 7 years before the New Deal there were $3,500,000,000 every year saved and put into new capital issues, enough to put 500,000 more men to work every year. In the 7 years of the New Deal the new capital issues have only averaged $629,000,000, hardly enough to make up for the plant and machinery that becomes obsolete. Too much red tape and Government regulation had a lot to do with this condition.

Yes; we have the National Labor Relations Board, supposed to protect the right of collective bargaining. It could have done a great job, but instead of that it stirred up strife, decided cases without fair hearings, and even discriminated between the unions it liked and those it didn't like. The result is that where strikes before the New Deal averaged 800 a year for 7 years, since the New Deal started they have averaged 2,500 a year in the United States, 3 times as many.

Of course, there are a lot of public works, the only permanent benefits this New Deal administration is likely to leave behind. They are useful, if we can afford them; but you have to remember that $22,000,000,000 is a good deal to pay for them. Most of you are going to have a large deduction from your income to help pay the tax, while the benefit you get from the public works is hard to translate into any equal advantage.

TEACHES LEANING ON GOVERNMENT

Above all, the New Deal has taught everybody in the United States how to lean on the Government, and created a condition where a great many have no way to keep from leaning on the Government. At the same time it has so discouraged people from putting time or money into any new business enterprise that we have stopped the whole process by which America has always grown before. No one will take a chance when the Government is going to interfere with every step of the business process, regulating prices and wages and hours and bookkeeping, and every other practice. No one is going to take a risk of losing when he knows that if he happens to make a success the Government will take most of it away in taxes.

In short, 7 years of the New Deal not only leave us a lot worse off than we were before but have created a condition where apparently we can never move forward again unless we go back to business methods, balance the Budget, confine the Government's activity to keeping the channels of trade free and open, and helping men to start new businesses and build up old businesses as it always used to do. That is the only way you can put more men to work and ultimately get rid of the necessity of relief and emergency benefits and guaranties to the farmer.

Acquisition of British West Indies Possession

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 6 (legislative day of Monday, March 4) 1940

ARTICLE BY JAMES G. STAHLMAN

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an article by the pen of Mr. James G. Stahlman, Washington correspondent for the Nashville Banner, published at Nashville, Tenn., daily, entitled "From the Shoulder." The article comments favorably on a joint resolution introduced by Hon. JENNINGS RANDOLPH in the House of Representatives, and a similar measure introduced by me in the Senate last Monday, March 4, which resolution requested the President of the United States to enter into negotiations with Great Britain for her island possessions in the West Indies and British Honduras in Central America, the purchase price agreed upon to be applied to Great Britain's indebtedness to the United States which now exceed in principal and interest more than $5,500,000,000 in rough numbers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FROM THE SHOULDER

(By James G. Stahlman)

While the President was away on that fishing trip, recommending the strengthening of the Panama Canal, Senator BOB REYNOLDS, of North Carolina, popped a proposal right into the middle of the Senate, that the United States begin negotiation for the immediate purchase of Bermuda.

Bermuda, you know, is owned by England. And England owes us quite a few billion dollars, a hangover from the last great war, popularly known as World War I. So REYNOLDS proposes that we take over Bermuda at so much per acre and let Britain pay for it out of what she owes us for the last war.

Now, that's downright common sense. Some months ago a similar proposal was made in this column, but since the author is best known for his dumbness, the proposal went by the boards. But Senator REYNOLDS is a smart fellow, so the proposal now has some standing in the community and on the floor of the United States Senate. This column proposed that the United States negotiate with England and France for the acquisition of the majority of the possessions of those two countries in the Atlantic, particularly in the West Indies. That's a thoroughly sensible proposal. It ought to be carried out.

Perhaps Senator REYNOLDS' measure is the beginning. At any rate, it opens the question for consideration. The immediate reason for his proposal was Britain's unwarranted seizure and search of United States mails at Bermuda. That course caused Pan American Airways to cancel its regular stop of planes Europe-bound, at Bermuda. Of course, that mail incident is just a minor aggravation. But it has served to bring our attention to the advisability of acquiring Bermuda.

American money is the chief support of Bermuda anyway. It is the Mecca for American tourists. More American dollars than British pour into Bermuda. Except for the Union Jack and the colonial officials, Bermuda is almost an American colony.

The island would serve the United States very well. Aside from being a mid-Atlantic air base for trans-Atlantic mail and passenger planes, it would serve as a strategic point in the Atlantic defenses of the Caribbean and the Panama Canal.

We purchased the Virgin Islands from Denmark for $25,000,000. Bermuda, of course, is worth much more. We could afford to pay much more. We should pay much more. But there is no good reason why we shouldn't acquire Bermuda by outright purchase, and credit Britain with so much on the barrel head on that long-overdue war debt.

Other Members of the Senate are favorable to the Reynolds proposal. The Senator himself predicts the adoption of his resolution. It would authorize the State Department to open negotiations for the Bermuda purchase at once. The resolution ought to pass. The island should be purchased. Britain should not object.

It would be one way of removing part of her war debt. It would also put a lot of Americans in a better frame of mind toward England. That refusal to pay her debts still sticks in American craws. The Bermuda purchase and credit would ease the pain.

Hop to it, Senator REYNOLDS, and more power to you. You're as right as apples.

The 1940 Census

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, March 6 (legislative day of Monday, March 4), 1940

ARTICLE BY BULKLEY GRIFFIN

Mr. MALONEY. Mr. President, I ask unanimous consent that there may be inserted in the Appendix of the RECORD a very interesting article on the 1940 census written by Bulkley Griffin, and appearing in the Hartford (Conn.) Times, and other New England newspapers.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Hartford (Conn.) Times]

WASHINGTON

(By Bulkley Griffin)

So much has been written and spoken respecting the so-called personal-income questions in the 1940 Federal census questionnaire that it may be worth while to see who approved the questions. Apparently the questions were not clandestinely inserted by some

new dealers here. They were discussed—all the questions on the census schedule—in various conferences which included businessmen, college professors, and other outsiders. Director William Lane Austin, of the Census Bureau, told the Senate Commerce Committee about some of these conferences.

Starting just a year ago a general conference on the 1940 population schedule was held here under the chairmanship of Dr. Louis I. Dublin, of the Metropolitan Life Insurance Co. Among those who attended the conference were President David R. Craig, of the American Retail Federation; Secretary Noel Sargent, of the National Association of Manufacturers; Gen. Robert E. Wood, chairman of Sears, Roebuck & Co.; and representatives of both the A. F. of L. and the C. I. O.

"The conference," said Director Austin, "approved the question on the tentative population schedule, which included the income queries, and expressed particular satisfaction with the question relating to migration, employment, unemployment, and economic status."

Last April a conference was held under the auspices of the National Bureau of Economic Research in New York City, which went on record "as strongly recommending the inclusion of such questions (questions on income) in the census," according to Dr. Austin. The National Bureau of Economic Research includes directors from such groups as the American Engineering Council, the American Publishers Association, and the A. F. of L.

From April to July the technical advisory committee of the division of population of the Census Bureau studied proposed questions and unanimously approved of the income questions now on the schedule. This committee included Secretary Frederick F. Stephens, of the American Statistical Association and editor of the American Statistical Journal; Prof. Frank Lorimer, of American University, secretary of the Population Association of America; and Assistant Director P. K. Whelpton, of the Scripps Foundation for Population Research.

The advisory committee of the Census Bureau approved the income inquiries. This committee includes Dr. Murray R. Benedict, of the University of California; Dr. William F. Ogburn, of the University of Chicago; Dr. J. Frederick Dewhurst, of the Twentieth Century Fund; Dr. Robert E. Chaddock, of Columbia University; Paul F. Cherrington, market analyst; and Dr. Willard I. Thorp, of Dun & Bradstreet, former Amherst College professor and now economic adviser to Secretary of Commerce Hopkins. "This committee," stated Director Austin, "which had occasion to carefully consider the questions on the population schedule over a period of more than a year, also unanimously approved the inclusion of the income questions."

After all this the Census Bureau last August used these questions in its test census of two Indiana counties with a total population of 186,000. The questions went over well. "The number of refusals was negligible and the percentage of cases where the informant was unable to supply the information was very small (2.5 percent of employed wage earners in South Bend City)," which was included in the area.

"Thus," said Director Austin somewhat plaintively, "it was only after careful study had been given to the many requests received for obtaining income statistics, both from private business and from Government sources, supplemented by the almost unanimous advice of a cross section of the American public, and by an actual test of the inquiries in a special census, that the population schedule, including the income questions, was presented to the Secretary of Commerce for approval, which was given November 9, 1939."

Dr. Willard L. Thorp, in his own statement to the committee, noted that the demand for income data came from "such organizations as the American Home Economics Association, the National Industrial Conference Board, the Actuarial Society of America, the Population Association of America, also some ministers and church councils, Y. M. C. A.'s, insurance companies, automobile manufacturers, public utilities, labor unions, advertising agencies and market analysts, publishers of magazines and newspapers, and publishers of farm papers."

Anthony Wayne Memorial

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

EDITORIAL FROM THE FORT WAYNE (IND.) NEWS-SENTINEL

Mr. GILLIE. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I wish to include a timely editorial from the Fort Wayne (Ind.) News-Sentinel of March 1, 1940, which I recommend to every Member of Congress. The editorial deals with the proposed construction of a memorial to Gen. "Mad" Anthony Wayne, hero of the frontier days, and points out that it would be fitting and proper to hold dedication ceremonies for such a memorial in conjunction with the celebration of the one hundred and fiftieth anniversary of the founding of Fort Wayne on October 22, 1944.

This newspaper, which has the distinction of being one of the finest published in any city of its size in the United States, has been leading a crusade for a much-needed memorial to General Wayne for several years.

In the beginning there was some disagreement over what form the proposed memorial should take, but sentiment now appears to have crystallized in favor of a memorial of the type provided for in a bill (S. 2441), sponsored by Senator ROBERT A. TAFT, of Ohio, a member of the Federal Anthony Wayne Memorial Commission.

Senator TAFT's bill which, for some reason, appears to be pigeonholed in the Senate, provides for a small initial appropriation with which to conduct a Federal survey of the military route of General Wayne in Indiana and Ohio.

On the basis of this survey, Senator TAFT proposes that a beautiful memorial parkway be constructed along the Wayne route, and that a permanent memorial to General Wayne be erected in the city of Fort Wayne, which was named in his honor.

The bill is a reasonable measure, and I recommend it to the attention of every Member of the House and Senate. Let us take the advice of this editorial. Let us quit stalling and do something to honor the memory of the man who is responsible, more than any other single individual, for the victory over the British and the Indian forces and the preservation of the western country as an important part of the American Republic. Let us enact S. 2441 now.

[From the Fort Wayne (Ind.) News Sentinel of March 1, 1940]

BUT WE CAN'T AFFORD TO STALL

We have said that there's time enough to get an Anthony Wayne memorial under way for dedication ceremonies at Fort Wayne's one hundred and fiftieth birthday, October 22, 1944.

But we have also pointed out some of the apparently inevitable tendency toward delay on the part of Congress and other public agencies, and we have sought thereby to indicate the necessity for concentration of local interest, activity, and enthusiasm upon the business of keeping the project alive in the consciousness of public officials.

As a specific illustration, we cited the instance of the Lincoln Memorial in Washington, D. C., which was not finally dedicated until 1922, or 57 years after the death of the Great Emancipator.

Mention might also be made of the Perry's Victory and International Peace Memorial at Put in Bay, Ohio, commemorating the victory of Commodore Oliver Hazard Perry and his men over the British Fleet in the Battle of Lake Erie, September 10, 1813; also, the northwestern campaign of Gen. William Henry Harrison in the War of 1812; and the more than 100 years of peace that ensued between Great Britain and the United States.

The Doric column of the monument, rising more than 350 feet above the level of Lake Erie, was not completed until June of 1915, or nearly 102 years after Perry's victory, and after several years of preparation, agitation, appropriation, etc.

Even so, the column was only the central part of the whole Perry memorial, which includes adjoining ground, plaques, retaining walls, etc., and final completion of the whole memorial did not come until 1925, after much agitation by both local and national sponsors.

The cost of this entire project totaled approximately $1,000,000, of which the Federal Government contributed $396,164, the remainder being appropriated by the nine States of Ohio, Pennsylvania, Michigan, Illinois, Wisconsin, New York, Rhode Island, Kentucky, and Massachusetts.

Construction of the Perry memorial was under a commission composed of representatives of the Federal Government and all the States which contributed funds, just as the Wayne memorial project is under a commission composed of representatives of the Federal Government and the States of Ohio and Indiana, including Fort Wayne.

These things all take time, and interest, and effort, and cooperation, and vision, and enterprise, and sincerity of patriotic purpose. They don't just happen. So let's get going and keep going, toward the worthy and variously advantageous objective of an Anthony Wayne memorial at the headwaters of the Maumee.

What Perry did on Lake Erie was not really as important as what Wayne did in Ohio and Indiana. But we've got to "sell" that idea to the Federal Government, which includes Representatives from 47 other States. It's a job which will justify no stalling, no avoidable delays, no petty provincialism, no cheap whoopla, no personal or political glory seeking.

If that job is done, and done right, we repeat that its completion is going to repay us handsomely for our time and effort. About 50,000 people visit the Perry Memorial every year. It is a fairly

safe assumption that many times that number would visit a Wayne memorial here—a handsome and well-publicized memorial reached by a broad, well-publicized scenic highway tracing Wayne's military route in Ohio.

If even 100,000 tourists can be brought to Fort Wayne over that route and made to stop and view a Wayne memorial here each year, you can be very certain that at the very least these tourists will spend a hundred thousand dollars here—a hundred thousand dollars that we're not now getting.

And that leaves completely out of the reckoning all the wages involved in the construction project.

Already a commendable beginning has been made here along the lines of registering public opinion with the Congress at Washington.

Comments the Toledo (Ohio) Blade:

"The [Wayne memorial] project * * * is given new impetus by endorsement of the Taft bill by several influential organizations in Fort Wayne. A multiplicity of bills pending in Congress has confused and divided supporters of the general plan and delayed action. * * * The bill introduced by Senator ROBERT A. TAFT, of Ohio, is along broader lines. It provides for a Federal survey of, and preliminary work along, the entire Wayne Trail. An important section of it virtually parallels Federal Highway No. 24, between Toledo and Fort Wayne by way of Defiance, but in its larger aspects this project includes also a memorial structure at Fort Wayne, as well as a parkway, with historic spots well marked, from Cincinnati to Greenville, Fort Wayne, Defiance, Toledo, and Detroit. * * * The ripening of opinion in favor of the Taft bill is exceedingly fortunate. This measure calls for no huge appropriation at the outset, but contemplates a wise and well-rounded development of the project over a period of years, on routes traversed yearly by hundreds of thousands of tourists."

One of the "multiplicity of bills pending in Congress," to which the Toledo paper refers, has been the Jones bill, suddenly passed last week by the House of Representatives.

That bill, like the original Farley bill introduced by Representative GILLIE's predecessor from the Fourth Indiana District, is objectionable only in that it is strictly local in character. Its provisions for a memorial to the Treaty of Greenville, like the provisions for a Wayne memorial to be located in Fort Wayne, could have been—and still can be—included in the blanket terms of the Taft bill.

Meanwhile, rather than criticize Representative JONES and his constituents for their somewhat provincial attitude, the people of Fort Wayne had better reflect upon the fact that the House almost certainly would not have passed the Jones bill unless there had been, over a considerable period of time, an intensive, sustained, and intelligent expression of public opinion in the Greenville community in behalf of a memorial to the Treaty of Greenville.

And the people of Fort Wayne may be very certain that proper consideration of their rightful claim to a memorial to Anthony Wayne (whose whole objective in negotiating the Treaty of Greenville was to cement control of the headwaters of the Maumee) will not be forthcoming unless they direct to Washington enthusiastic expressions of Fort Wayne's claim, and demands for authorization of the Taft bill's proposed survey and for whatever subsequent legislation may be required to effectuate construction of a Wayne memorial here in time for appropriate sesquicentennial ceremonies on October 22, 1944.

Raymond Clapper Denies Roosevelt is "Cheap Politician"

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

ARTICLE BY RAYMOND CLAPPER

Mr. MUNDT. Mr. Speaker, we have heard much the past few days concerning the existence or nonexistence of President Roosevelt's ambitions to become the Democratic nominee for President so that he can have a fling at trying to flaunt the well-established American two-term Presidential tradition. The President's persistent reluctance to take the country into his confidence in connection with his personal ambitions on this point indicates but does not prove that he wants to run again and is trying to whip his party into a subservient acceptance of his desire. How successful his drive may be time alone can reveal.

AS RAYMOND CLAPPER SEES THE SITUATION

Inasmuch as Raymond Clapper has frequently written as a friendly pundit expressing sympathy and indicating support of the New Deal and has been unduly harsh at times in criticizing the Republican Party, his analysis of the "third-term crises"—latest of an unending chain of Rooseveltian emergencies—should provide something in the nature of an unbiased opinion by an experienced observer. It is interesting to read, therefore, that Mr. Clapper definitely prophesies that President Roosevelt will not run for a third time. It is even more interesting to note that Mr. Clapper based his conclusions on the opinion that "President Roosevelt is not a cheap politician." In so doing, Raymond Clapper gives new strength to the third-term tradition by indicating that it would be "cheap politics" for a President to attempt to use his vast political machine and his powers of patronage and pork purveying to keep himself and his family in power. In my opinion, Mr. Clapper strikes an important note in the following column, clipped from the Washington Daily News:

DID HE MEAN IT?

(By Raymond Clapper)

I turn back the page to the night of March 4, 1937. That was the fourth anniversary of President Roosevelt's first inauguration. On this anniversary Democrats were assembled at the Mayflower for their victory dinner, celebrating the 46-State landslide of 1936.

Addressing his fellow Democrats and the entire country, Mr. Roosevelt related that a few days before a friend, who was identified only as "John," called at the White House. Mr. Roosevelt said he told John that he had a great ambition.

The President quoted himself as follows: "I am by no means satisfied with having twice been elected President of the United States by very large majorities. I have an even greater ambition. (By this time, explained Mr. Roosevelt, John was sitting on the edge of his chair.) John, my ambition relates to January 20, 1941. My great ambition on January 20, 1941, is to turn over this desk and chair in the White House to my successor, whoever he may be, with the assurance that I am at the same time turning over to him as President a nation intact, a nation at peace, a nation prosperous, a nation clear in its knowledge of what powers it has to serve its own citizens, a nation that is in a position to use those powers to the full in order to move forward steadily to meet the modern needs of humanity—a nation which has thus proved that the democratic form and methods of national government can and will succeed."

Then Mr. Roosevelt told his audience: "My friends, that ambition of mine for my successor can well be the serious ambition of every citizen who wants his United States to be handed down intact to his children and grandchildren."

Fine words! Fine words that don't mean a thing unless Mr. Roosevelt was sincere. Fine words that are being ground into cheap baloney by what is now taking place.

On the basis of current political developments practically everyone else in Washington has come to the conclusion that President Roosevelt will run for reelection. I do not share that belief, a small fact which doesn't seem to matter.

The belief that Mr. Roosevelt is a candidate is so strong that only the hardiest souls in the Democratic Party have the nerve to struggle against it. Other politicians, regardless of their personal feelings about the wisdom of breaking the third-term tradition, have their own hides to look out for and they are hustling to climb onto the third-term coattails of Mr. Roosevelt before it is too late. A Democratic politician would be in a sad fix if he were caught off base with Mr. Roosevelt running again. Remember the purge.

Now, what did Mr. Roosevelt mean when he spoke of handing the United States down intact to the next generation?

Does he mean to hand it down intact, except for the tradition that after 8 years in power a President shall step aside?

Does he mean to hand it down intact, except by adding a new custom under which a President, after serving two terms, shall permit and tacitly encourage his party organization to rig the machine so that it will turn up a third nomination?

Does Mr. Roosevelt mean that the United States shall be handed down intact except with a new custom under which any self-respecting successor may take it as a personal affront if his party does not renominate him for a third term, as the Democrats did Mr. Roosevelt? Don't think it won't be a matter of personal vanity with any successor to make as good a showing in this respect as Mr. Roosevelt.

How is Mr. Roosevelt to get this third-term nomination? By the kind of thimblerigging that you see going on in Ohio. It stinks like the job that the Taft machine did on Cousin Theodore in 1912. Is Mr. Roosevelt going to make himself the beneficiary of political machines, concerned about their meal ticket, and then try to pretend that he alone can save the country?

Franklin Roosevelt is a politician, but I don't think he is a cheap one.

If Mr. Clapper's contentions are sound, it is quite possible that President Roosevelt's greatest contribution to American growth and continuing self-government may yet be an emphatic renunciation of charges he is trying to draft himself for a third term. By so doing he could add his weight to that of Washington, Jefferson, Jackson, Coolidge, and many other

great Americans in urging that one-man government and one-family dynasties shall never become the order of the day in self-governing America.

The other day an interesting balance sheet was prepared showing benefits and disadvantages to F. D. R. should he run for a third term. Advantages to the President and his family included continued access to the headlines for F. D. R., his wife, and sons; the totalitarian thrill of distorting this government of free men into a government of family mandates; the credit for permanently destroying the Democratic Party and substituting the New Deal party in its stead, with its European philosophy of centralized control, thus wiping out the last vestiges of States' rights, for which the Democratic Party of the South so valiantly stood in former times. All in all, even should his drive for a third term be successful, the fruits of such victory would go far toward destroying credit which the President might otherwise receive from future historians. His eagerness for personal power and family fame would outweigh his services to fellow citizens.

Under the heading of disadvantages, F. D. R. would find an alarmingly long list of items whether his bid for a third term were successful or unsuccessful. In the first place, his announcement, or continued acceptance by silent acquiescence, for a third term would precipitate one of the bitterest campaigns in American history. Important social and economic issues would be obscured by the all-important political issue of whether America, in a world plagued by one-man rulers, should sacrifice its traditions of self-government and yield to the European influence to go dictator.

Even though victorious, F. D. R. could never heal the resentment of Democrats and Republicans alike who would resent this destruction of the American way. Self-government can be sabotaged and destroyed, but it dies slowly, and free men are slow to forgive the political princes who become their masters. Once the third term is accepted in America, a fourth and a fifth become inevitable. It is a short step from continuous reelections to hereditary rulership; it is as easy to shift the mantle of the gods from father Franklin to son James as it is to break a century and a half tradition against perpetual Presidential powers vested in one man. And a family dynasty can be perpetuated without benefit of free elections—even of the Harry Hopkins "if they vote right, we'll feed 'em" variety. The doubtful honor of frustrating the free decisions of a free people is in itself a serious disadvantage to a man whose permanent worth will be evaluated by historians yet unborn. The indictment of such a victory might well be more serious than the implications of defeat in failing to achieve such success.

While it is patently true that under the spur of the New Deal the Democratic Party of Jefferson and Jackson has become but a pale shadow of its former self, it does not seem likely that it has sunk to such low depths that it cannot find within its ranks anybody except the present incumbent in whom it can repose sufficient confidence to lead its campaign for the Presidency. And if it has so lost its former sinew, surely the New Deal party can find some other standard bearer to present its philosophy without having to resort to an attempt to perpetuate one man in power in order to give articulation to its policies.

Its apparent inability to develop new leadership to support its program is in itself, incidentally, a serious indictment of the New Deal position. In its zeal to concentrate power in one branch of government it has drifted too far to the position where it now must rely upon one man to give it a rallying point.

It was by this same gradual drift from centralized political power to personalized political power that Mussolini, Hitler, and Stalin were gradually transformed from leaders of their party to dictators of their states. To assume responsibility for carrying onward a parallel movement in America is a fearful and an awful task. The disadvantages accruing to the politician who would assume such a task for himself pyramid a hundredfold and greatly outweigh any temporary advantages for self or family. Hence, Raymond Clapper's prophecy that Roosevelt will not run again is probably accurate. For the peaceful, regular, upward trend of American processes men of all parties should hope that it is.

What Finland Has Done About Unemployment

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 5, 1940

LETTER FROM E. R. BOWEN

Mr. VOORHIS of California. Mr. Speaker, the following letter from Mr. Bowen, general secretary of the Cooperative League of America, speaks for itself. It shows that unemployment can be overcome without dictatorship, and that, apparently, the business of getting a higher percentage of the consumer's dollar into the hands of the farmer has a good deal to do with the matter. A careful reading of the following letter will give us all food for thought:

CHICAGO, ILL., *February 27, 1940.*

Congressman JERRY VOORHIS,
Washington, D. C.

DEAR CONGRESSMAN VOORHIS: In accordance with our promise, we are quoting below the item we published in our national magazine, Consumers Cooperation, in December 1939, relative to the elimination of unemployment in Finland. The item reads:

"The bulletin of the Bank of Finland reports that in August 1936 there were 996 unemployed in Finland. The bulletin then says in a footnote, 'Owing to the disappearing unemployment the unemployment boards have discontinued the compilation of statistics.'"

Not only has unemployment been eliminated in Finland, but farm tenancy has largely been eliminated. It once reached 62 percent. It was reduced to 27 percent in 1920, and still further reduced to 11 percent in 1929. The elimination of farm tenancy is unquestionably due to the narrowing of the spread between consumers and producers by marketing, purchasing, and finance cooperatives. On this point, note the comparative spread below:

Spread between consumer and producer (1938)

Product	Finland	United States
	Percent	*Percent*
Milk for consumption	23	
Milk for butter	17	57
Milk for cheese	30	
Eggs	17	41
Potatoes	42	57
Pork	25	38

The Finnish statistical report from which the above figures on Finland were taken gives the reason in these words:

"The cost of processing and distributing of agricultural products is relatively low in Finland, thanks chiefly to the general advance of the cooperative movement."

Yours truly,

COOPERATIVE LEAGUE OF AMERICA,
E. R. BOWEN, *General Secretary.*

An Anniversary

EXTENSION OF REMARKS
OF
HON. L. L. MARSHALL
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 6, 1940

EDITORIAL FROM THE OHIO STATE JOURNAL

Mr. MARSHALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial published in the Ohio State Journal under date of March 5, 1940.

[From the Ohio State Journal of March 5, 1940]

AN ANNIVERSARY

This week marks the seventh anniversary of the New Deal. The country is to be regaled with recitals of its accomplishments by ardent proponents, on the one hand, and, on the other, those who oppose it will sum up its failures. Probably both sides will go to

extremes in praising and damning respectively, but from the oratorical flow the country will be able to strike a balanced judgment.

At the outset, it should be noted that what the New Deal has achieved has been at the expense of the country as a whole. Any party choosing to spend the Nation into a staggering debt rather than seek a constructive path to recovery could have done as much. Any individual, with free access to somebody else's huge purse, could buy for himself and those he favored the same results the New Deal has bought for the Nation.

But this is not constructive, and it is not recovery. It has been a palliative which has soothed, perhaps, but has not cured and cannot cure. Mr. Roosevelt took over about a year after the bottom of the depression, which started in late 1929, had been reached and after recovery under normal circumstances had already set in. He took over on pledges of economy that appealed to a vast majority of the people. He promised to curtail Government expenditures, reduce Government bureaus, and to maintain a sound currency at all hazards; he charged the previous administration with having been the most extravagant in our history, and said he would stop the waste. His golden voice assured the people that under him America would head back toward prosperity along paths charted by Jefferson and Jackson.

That was 7 years ago this week. Today every constructive pledge stands repudiated; unemployment is virtually as high as it was on the day Mr. Roosevelt was inaugurated; the public debt has passed the $42,000,000,000 mark, and the end is not in sight. Instead of reducing Government bureaus it created them, until they crowd each other in a confusion of alphabetical designations; promising to curtail wasteful expenditures, the administration has made an all-time record for reckless extravagance based on theories and put through as experiments and against principles of sound economics.

Creating regulatory bureaus and commissions, the New Deal placed hobbles on business that have held it back from any possibility of full recovery. The Securities and Exchange Commission, foisted on the Nation as a protection from questionable financial practices, has all but stopped the flow of venture money into industry, and without such capital, neither business nor industry can progress beyond the static condition in which they have been anchored; the Triple A, flouting the historic fact that all wealth is based on production, has curtailed the output of the soil and plunged the country deeper in debt by taking the wealth we already had and dividing it in order to buy from the farmers the means to enforce its visionary theory of abundance through scarcity. It started to regiment business under N. R. A., but a Supreme Court that had not yet been packed by the President, was wise enough to throw out this communistic act as unconstitutional.

Under 7 years of Rooseveltism there have sprung up in America more leftist organizations than ever existed here in all our previous history. Its own leftist tendencies undoubtedly helped to inspire such pink adolescent groups as the American Youth Congress, which became so radical that the President himself finally had to rebuke it. From top to bottom, this administration has been permeated with this same pink tinge, and often it has crossed the border into actual red.

With 7 years behind it, the New Deal today ranks with the Populist and Greenback parties of the past as colossal flops; the country is no better off than it was in 1933. The delusion that it is, has been created by the expenditure of billions of public money, all of which must be accounted for and all of which is a burden this generation and the next two or three to come, must bear and pay back.

This year the New Deal enters the lists as a party seeking return to power for another 4 years. The people have already begun to express their reactions. The tide definitely is away from continuing this administration and the outlook is that 1940 will either see it unseated or so reduced as to be impotent.

The tide began in 1938 when the off-year elections resulted in notable gains for the Republican Party, both in gubernatorial and congressional seats; the special elections in Ohio a few days ago evidenced that this tide is still flowing. There is real reason for believing that this, the beginning of the eighth year of Mr. Roosevelt and his visionary hybrid party, is also going to see its repudiation by a disillusioned people who no longer are fooled by dreams, theories, and wild experiments.

Printing and Its Contribution to Democracy

EXTENSION OF REMARKS

OF

HON. ROBERT F. JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. JONES of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Senator ROBERT A. TAFT before the Baltimore Association of Commerce and the Graphic Arts Association of Baltimore, at the Emerson Hotel, Baltimore, Md., Tuesday evening, February 27, 1940, commemorating the five hundredth anniversary of the invention of movable type:

Honorable toastmaster and gentlemen:

The legends which become history when the genuine muse fails us declare that this year marks the five hundredth anniversary of the birth of printing—the most exciting achievement in the whole history of invention. Five hundred years ago, in the German city of Mainz, a resourceful craftsman, Johannes Gutenberg, discovered the art of printing from movable, uniform type; a discovery which, more than any other single event, marked the boundary between the night of the Middle Ages and the dawn of the modern world. Gutenberg's invention broke the monopoly which the powerful maintained over knowledge and information, finally making all men equal in their access to news of the world about them. It made books cheap, communicating ideas swiftly to the Western World. Public education, free discussion, scientific inquiry—democracy itself—have flowed from that obscure printing shop in Mainz since the year 1440. It would not be too much to say that the printing press, more than any other factor, has shaped the political and social world in which we live.

Tonight we honor the genius of Gutenberg. We rejoice that a lowly, undiscouraged individual helped powerfully to break the chains of ignorance which weighed the race. But we do more. If we cherish the values which the widespread diffusion of knowledge helped to establish—self-government, freedom of mind and spirit, and objective criticism of all dogma, which characterize our American civilization—then we should turn tonight to a study and appreciation of those values. They need our defense more than at any time since the foundation of our self-governing republic. Reactionary forces are abroad in the world. Grimly fanatical men in Europe, men who rule great and bewildered peoples, hold these values in contempt. Nor do they lack allies in America. It is appropriate that we who esteem these values should gather in the name of Gutenberg to express clearly the reasons for our faith.

I am told that this observance is, or will be, Nation-wide in America. It may well be. No country owes more to the art of printing. In a world beset by war and brutal despotisms that deny the integrity of the individual, we in America stand out peculiarly as the legatees of Gutenberg. And it is doubly appropriate that you of Baltimore should be paying this really magnificent tribute to an event which has influenced your city from its earliest days. In Baltimore the issue of the freedom of the press was fought for and vindicated during the days of our Revolution. Few nowadays are aware even of the name of William Goddard, who founded Baltimore's first newspaper, the Maryland Journal, in 1773. Goddard, a New England Yankee, was likewise a Tory. His royal sentiments angered a majority of the populace, which from time to time handled him roughly. Goddard remained undaunted. Once, when a mob forced him to apologize for publishing Gen. Charles Lee's attack on Washington, he outwitted the patriots by republishing the matter in his next issue. However erroneous and unpopular Goddard's opinions, he was plainly of the stuff of martyrs.

It is fitting also that a city with the literary and scientific traditions of Baltimore should honor this occasion. Baltimore has had a golden age of literature; an age adorned by Edgar Allen Poe; the biographer, Jared Sparks; Edward C. Pinkney; and Samuel Woodward. It has had a golden age of science under the patronage of the Johns Hopkins and other world-famous institutions. It was here, in the Baltimore American, founded in 1799, that the Star-Spangled Banner first was published to the world in 1814. The celebrated Baltimore Sun, which has been devoted to the principles of self-government and the freedom of the individual since its opening issue, came on the Baltimore scene more than a century ago. Moreover, it is Baltimore's distinction that it gave to the world the revolutionary technique of the linotype. That invention, which enormously expanded the facilities of the press, came from the skill of another German, Otto Mergenthaler, who found his New World home in this city.

THE WORLD AS GUTENBERG SAW IT

As heirs of the printing press, it behooves us to pause for a look backward; a glance at the society in which Gutenberg lived, in order that we may understand how far we have advanced since his day.

In 1440 most of Europe was organized politically into a loose confederation of feudal states under the declining Holy Roman Empire. The Archduke of Austria held nominal sovereignty over a host of kings, princes, electors, dukes, counts, and bishops, as well as a few self-reliant free cities. All authority was imposed from above, descending from the emperor through various steps of authority to the subject. The principle of arbitrary control from above flourished everywhere. The material well-being, the religious faith, the life itself of the subject were at the will or whim of his feudal lord. The individual was bound in a chain of loyalties extending from his immediate boss to the imperial throne itself.

The subject's existence was everywhere regimented in detail. From the time he arose in the morning, whether he was a scholar, serf, merchant, or artisan, until he lay down at night, the subject's daily life fitted into a pattern fashioned from above. The cut and color of Gutenberg's clothing, and that of his wife, were fixed by decree. Numerous laws prohibited subjects from dressing "above their station." In the city of Nuremberg the subject was

forbidden to part his hair. In London he could not serve more dishes at a meal than the law allowed. The hours which a subject might spend in a tavern were strictly regulated, as well as the number of drinks he should imbibe. His speech was governed by voluminous laws defining impiety and blasphemy. Regimentation went so far as to specify the thickness of the stick with which a subject might beat his wife.

The condition of commerce was even more depressing. The medieval economy of western Europe was organized into a watertight system known as mercantilism. It was a closed economy. Industrially the guilds controlled production, regulated prices, restricted output, and fixed wages. Production being, in the main, collective, there were few rewards for invention or individual enterprise. Each community sought to be self-contained. The movement of goods and people alike was strictly regulated. Such wealth as existed, which was little, for Europe was poor beyond our imaginings, remained in the hands of a few. If there was little circulation of wealth, there was likewise a minimum circulation of persons from one class to another.

The society in which Gutenberg dwelt was despotic, in part collectivized, and static. It remained so, although decreasingly, for generations. Although by the year 1500 there were a thousand printers scattered through western Europe the effect of their product still was limited by the illiteracy of the masses. Free universal education awaited the establishment of the American state.

But Europe was on the march thereafter toward democracy and abundance. A slow march it was, to be sure. Freedom of industry and commerce only began to supersede ironclad mercantilism in the century after Gutenberg. Gradually individual enterprise replaced the collectivism of the guilds. As mercantilism provided the economic background for feudalism, so business freedom made possible the movement toward political self-government. The new economics vanquished mercantilism. It provided a new dynamics for society. It rewarded the individual, evoked new techniques and improvements in old, cheapened production and distribution, and, above all, provided sufficient aggregations of savings to exploit the resources that the explorers were disclosing in the New World.

The forces set in motion by the easy spread of ideas through the printed page came to a political crisis in the eighteenth century in the great middle-class revolutions of France and the American Colonies. In France the explosive ideas of Voltaire, Rousseau, and Diderot, to name only a few, widely and cheaply circulated, did more to strengthen the people in their assault on the Bourbons than any other single factor. The philosophers undermined the despotic state, giving sound reasons for the transfer of sovereignty from king to people. In these Colonies, the public printers who, from 1765 onward, published the arguments of those Americans resisting George the Third's encroachments, prepared a suitable seedbed of opinion for the decisive act of separation. Benjamin Franklin's sound and resolute views were spread the length of the Colonies by the willing printers. Thomas Paine's one pamphlet *Common Sense*, because of the mechanics of printing, could appear in thousands of counting houses, taverns, and homes within a few weeks. There have been few such effective demonstrations of the power of the printed page to influence public thinking as that pamphlet.

In the troubled period between Yorktown and the inauguration of Washington, the printed word again molded the spirit and the actual form of our new nation. I need only cite the widespread diffusion of the Federalist papers to recall the part played by the printing press in creating our Federal republic and its representative government.

Nor was it an accident that the liberalization of the democratic system in this country and in England followed closely upon the establishment of the cheap daily press about the beginning of the nineteenth century. It was in that press, which rapidly rose to influence, that the agitation went forward in England which culminated in the Reform Acts of the 1830's. The institution of free schools, the enlargement of suffrage, and other measures strengthening the system of self-government in this country followed upon the rise of the daily press early in the last century.

THE FUNCTION OF THE PRESS IN A DEMOCRACY

Throughout the history of our country the press—daily, weekly, and periodical—has fulfilled its dual role, first, providing people with all the information that is available, secondly, serving as a forum for the discussion of issues. We may often criticize the press. It is made up of human beings prone to error like other sinners. The present-day press seems too willing to interest itself and its readers in those issues and those people who put on a show; inclined to follow what is supposed to be reader interest instead of creating reader interest. But the Government, the courts, the universities, the public-school system are likewise run by men and women who admit that they and their institutions are not perfect. Nearly every publication I know expresses its views freely and honestly, without orders from any outsider. I do not at all share the sweeping criticism which has been increasingly heard from those with whom the press happens to disagree. It is a wholesome situation that the detractors of the press are not disbarred by the press from conveying their ideas to the public. The newspapers of America cannot be wholly biased and corrupt when they display the epithets of Mr. Secretary Ickes against themselves on their front pages.

Moreover, I believe that the American press, with all its imputed shortcomings, is the freest and fairest in the world. I can only suggest to the newspaper publishers and editors of this country that they continue as in the past to portray day by day the events and opinions which are of real importance, and publish them without allowing their own views to color the news or the views of the lead writer to color the headlines. The people can make up their own very intelligent mind if all the facts and arguments are before them. This is the great service printing has done to the world and the only way that democracy and self-government have been made possible. A free people must have a free press. The very concept, indeed, of a free, self-governing people is dependent upon the free publication of opinion.

We see in Europe great, intelligent peoples deprived of the opportunity to form a public opinion by the stultification of their press. No matter how enlightened a German may be today, he lacks the raw materials for an opinion on the merits or demerits of his rulers, the justice of this war, or the role of Germany itself in present-day Europe. How can a Russian, regaled with the abusive mendacity of the Kremlin's propaganda mill, be expected to form an opinion on the moral values involved in the invasion of Finland? Even in Great Britain and France as of today, the press is denied the liberty to select its news and views. In the Scandinavian countries, where democracy has flourished with few hindrances, the press increasingly is censored. This condition in Europe gives rise to the circumstance which should be gratifying to every American—that Europeans who wish to obtain an objective picture of events on their continent turn increasingly to the American press and American radio.

THE FORCES OF REACTION AT WORK

As Americans we like to believe that the slow struggle of European civilization upward from the time of Gutenberg reached a political climax in what we call the American system. That system is based on the freedom of the individual citizen. He is not subject to any ruler. He is one of the masters, and the Government officials are his servants. He divides his power among many Federal, State, and local officers, so that no one may acquire arbitrary power over him. He is not even subject in his fundamental privileges to the majority of the people. He has certain inalienable rights.

Under that system, which has afforded the freest possible play to the individual in political life, in business, in the arts, in science, in industry, and agriculture, the United States grew from a small collection of settlements along the Atlantic Seaboard to become the greatest power in the world within a century and a half. That is a truism which cannot be too often stated in times when the American system is vociferously attacked from many quarters.

I have said that forces of reaction threaten the values on which this system rests. Many of the voices raised against it speak in the name of progress and liberalism. No greater misnomers can be imagined. The nineteenth century has been called the liberal century. In that fruitful, expansive span of years, democracy was enlarged, and the physical well-being of the earth's populations enormously improved; great inventions reduced time and space; the free movement of goods and peoples spread civilization everywhere. The impulses of that century were truly liberal, and no one doubts that mankind made greater material advances than in the whole 18 centuries which preceded it in the Christian era. The wealth of the people was multiplied manyfold. Whereas the population of Europe increased only five times between Gutenberg's time and the outbreak of the World War, the wealth of the European people grew one hundred and thirty times.

The nineteenth century rejected the idea of a closed economy. It knew little price fixing, curtailment of production, government fixing of wages. It was not a century of planned economy or political tyranny. The world in general trod that broad highway of progress until the war of 1914. We followed it until the depression of 1929, resulting from that war.

The story of Europe's reversion to the older type of political and economic organization is fresh in your minds. The demoralization brought on by the World War disrupted the weakest countries most. The economy first of Russia, then of Italy, and finally of Germany was ruined. In that order those countries accepted receivership. The modern dictator is in effect a receiver administering a bankrupt and confused state. Great Britain and France, being empires and victorious, required no receivers. The new totalitarian states developed what they call ideologies, or rationalizations, to justify their existence and their behavior. That of Russia was based on Karl Marx; that of Germany on discredited and unscientific theories of race or blood; that of Italy on memories of the early and vigorous Roman Empire.

When the depression of 1929 broke down temporarily the financial foundations on which our economic system was built, a lack of confidence naturally arose in the whole system. New conditions had developed to which the American system of political and economic freedom did not sufficiently adjust itself. Conditions had become more complex, but not, I believe, fundamentally different. It was necessary for the Government to assume more social

obligations. I feel confident that this could have been done, and can be done today, without changing the spirit or the substance of American life.

Because we were slow to act, however, because confidence was at a low ebb, the ideology of the new despotisms of Europe spread to this country and were embraced, consciously or unconsciously, by many people. Some of these rose to influence in the Government. I don't think they fully realized how closely the ideas they promulgated resembled the ideology which characterized society in Gutenberg's time. I do not believe they knew the theory of a planned economy, collective production, restricted output, and price-fixing were instruments which had kept Europe poor until the movement to free the individual politically and economically furnished new energy to Europe. They thought their face was to the future when in fact it was turned back to the Middle Ages.

We abandoned the time-honored methods with which we had emerged from past depressions, and embarked tentatively on the road to a static economy. That road is only, however, I am confident, a detour. When a landslide swept away the section of the main highway, we turned aside for a little way. Being a detour, it has an end. Surely we have the sense to get back on the concrete road beyond the break, and not wander out some wagon-track into the forest.

I have little patience with those who hold that we who maintain our faith in the liberating and expansive nature of our system are advocating reaction and laissez faire. Our faces are set toward the future. It is some of the self-styled liberals of today who face backward toward the guilds and the totalitarian state. We hold that our system still is dynamic. I believe that America still is the land of boundless opportunity. They tell us that we lost our physical frontiers in 1890. Everyone knew that and thought nothing of it until it was erected into a tenet of national defeat within the last few years; but we still have frontiers in America, social and scientific and industrial frontiers. We have new industries, and there are many others, like the airplane industry, ready to go forward if the chains are unbound. The plastics industry throughout the depression has each year multiplied its output, supplying new materials and fabrics for a thousand uses. The South looks forward to the establishment of a paper industry and a starch industry. Strides are being made even in the slow development of housing. The American people are the same people they were, as determined and inventive and enterprising.

THE AMERICAN PEOPLE AND THE DICTATORS

The essential line between Gutenberg's time and the present over wide areas of Europe need only to be stated to be understood. So far as the masses were concerned in the fifteenth century in the feudal subdivisions of the holy Roman Empire, they were serfs of their overlord. So today are they in Germany and Russia. The mercantile economy had no power in the fifteenth century to raise the standards of living of the people; nor has it that power today. Public works and unemployment insurance do not compensate a youth for the lost hope that he may carve out his independent niche in the world.

In the Middle Ages, income and preferment issued from the state. A youth might rise in Gutenberg's time by only one method—gaining the favor of his leader. So it is today in the dictatorships. Some of our young people have been enticed by the apparent efficiency of despotism. They grow impatient of the slow, compromising methods by which progress is made under a democracy. They are more likely than their elders to mistake the temporary for the permanent. They grow impatient with the hard, sustained, self-discipline required if a man is to make his own way. Thoughtful young people who despair of their future may obtain fresh respect for the American system if they study the history of western civilization from Gutenberg's time to the present day.

I have full confidence that the American people are growing less tolerant of foreign ideology and less tolerant of paternalism tinged with pessimism at home. The American distrust of arbitrary and meddling government is deep. In our infancy we fought a long war to vindicate the principle that the state is the servant and not the master of the people. We resisted the arbitrary exercise of power by a foreign monarch. We preferred in 1776, and I am sure we prefer today, that our decisions shall be made in orderly, or even disorderly, fashion by the many, rather than by the ukase of the few.

Fortunately, this country is rich in resources and in political patience. We have always had room for experiment. When those experiments have failed, we have usually abandoned them and resumed the straight road. As conditions have changed, we have adjusted our system to meet the change, without destroying the basic freedom of that system. We have corrected abuses as they developed, whether from the action of greedy individuals, or pressure groups, or the political vagaries of temporary majorities, and we have never gone back. The American temperament prefers advance to retreat.

The place we occupy today would be impossible except for Gutenberg's invention. Printing alone has made it possible for the people to argue and discuss issues. Only through such argument can we attain the truth. We have assumed social obligations to those who cannot attain a decent living under our system as it is. We see today that this can be done without changing our system of free enterprise. It must be done carefully, so that the others who have to bear the burden of this assistance are not weighted down and discouraged. It must be done carefully, because a state which dispenses money to the citizen with one hand always bears a scourging rod in the other.

The pendulum has swung in this country, as in all civilized lands, between the strong, centralized state on the one hand and a minimum of state regulation over the individual on the other. The strength of the individual has depended on education and the freedom of discussion made possible by the art of printing. More and more, except when upset by a great convulsion like the World War, the pendulum has swung each time further away from the concept and practice of the strong state. It is swinging away today in this country, where the press is free. People today are again more inclined to demand that the Government release its controls and abandon its trend toward mercantilism. The time has come again to go forward on the job which has been neglected for some time, the job of building America. Aided by general education, by a free press, our ideal is, and will remain, a free citizen in a state serving his interest.

Wheeler-Lea Bill

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 6, 1940

LETTER FROM W. C. PATRICK

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD a letter from Mr. W. C. Patrick, of the Association of Retired Railway Employees, on the Wheeler-Lea bill, as follows:

ASSOCIATION OF RETIRED RAILWAY EMPLOYEES,
UNIT NO. 7,
Portland, Oreg., February 28, 1940.

Hon. VINCENT F. HARRINGTON,
Representative from Iowa,
House Office Building, Washington, D. C.

MY DEAR REPRESENTATIVE: May I presume to call your attention to various remarks in the Appendix of various issues of the CONGRESSIONAL RECORD concerning the Wheeler-Lea transportation bill, which, as I take it, was passed at the first session of the Seventy-sixth Congress, last year, but to which you have at this present session presented an amendment to same, which, without it, the said Wheeler-Lea bill would most certainly work a great hardship upon all of us old and retired railway employees.

First, I see in the Appendix of the RECORD, page 800, an article by the Honorable C. ARTHUR ANDERSON, of Missouri, which is most commendable in support of us old fellows.

Then again on page 1713 of the February 20 issue, is another article by the Honorable Mr. ANDERSON, followed by the Honorable Mr. ALEXANDER, of Minnesota, who quotes a letter written by Mr. A. F. Whitney, president of the Brotherhood of Railway Trainmen, which is a most worthy letter.

Then again in the RECORD, under date of February 23, there is a most appreciable letter written by yourself. For the action you have shown these oldsters you are their friend, and in behalf of the members of the above-named association I wish most heartily to extend thanks.

I have been in the railroad retirement game since its inception. Have followed it all the way through, and I can attest to the reliability of all statements. I am myself a retired railway conductor, receiving my pension under the Railroad Retirement Acts of 1935 and 1937. Citing my own personal case, can say that I served several of the carriers for 50 years. Was married in 1892 to my present wife, who is now almost totally blind. I have grown too old to go out and seek employment again, and should such a bill as proposed ever get through, what in the world would become of such as I?

I am aware of the fact that the railroad stock and bond holders insist upon being able to clip their usual daily coupons, and when they don't the first thing they do is to send out the word to cut the pay rolls one way or another.

Again I wish to thank you for your great interest in us, and would appreciate it very much if you could and would send me copies at your earliest convenience of both the Wheeler-Lea bill as well as your amendment to same.

Most sincerely yours,

W. C. PATRICK.

Motion Picture Democratic Committee Statement of Policy

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 4, 1940

STATEMENT ADOPTED BY MEMBERSHIP OF MOTION PICTURE DEMOCRATIC COMMITTEE AT MEETING ON JANUARY 30, 1940, BY UNANIMOUS VOTE

Mr. GEYER of California. Mr. Speaker, as anything that is connected with Hollywood is of great interest to everyone, it occurs to me that a statement of policy of the Democratic Motion Picture Committee of Hollywood might be in order. This organization is composed of members of the movie colony and have been very active politically in past elections. Their statement follows:

While our principles remain those upon which the organization was founded, the Motion Picture Democratic Committee feels that, in view of critical changes taking place in domestic and world affairs, a restatement of its policies and program is essential at this time, January 1940.

We are dedicated to the democratic principle of government by the people, of the people, and for the people. Upon this traditional foundation rests all hope for a society which is free, prosperous, and at peace.

At the present time war rages in the world. Powerful influences are at work in our own country for the involvement of America in the conflict and skillful demagogy is clouding the air to this end.

Yet more than peace—desired by the vast majority of the American people—is at stake. Liberty and economic well-being are likewise in jeopardy. War threatens these precious heritages, too.

So the struggle for an enduring peace becomes at the same time a defense of civil liberties and the right to work.

The Motion Picture Democratic Committee intends, therefore, to labor unceasingly within our Nation toward these objectives:

Keep America out of war.

Retain the Bill of Rights.

Increase economic security.

We wish to make our program explicit in terms of National and State legislation.

In the cause of peace, the Motion Picture Democratic Committee—

1. Supports strict neutrality; opposes the extension of war credits and war materials to belligerents as steps which will lead us into war.

2. Opposes excessive armaments as unnecessary to defense.

3. Opposes diplomatic or congressional action tending to involve the United States on either side of the European war or tending to prolong or enlarge the war.

4. Opposes M-day (the mobilization bill) and all such militaristic plans for civil and labor regimentation.

5. Supports the spirit of the good-neighbor policy toward South America, opposes all governmental trends to exercise control over the economic and internal policies of Central and South American nations.

To maintain the foundation of our liberties, the Bill of Rights, the Motion Picture Democratic Committee—

1. Opposes the attempt to hamper freedom with new alien and sedition laws, once rejected by America, in the form of the anti-alien legislation now flooding both congressional bodies.

2. Supports the Senate committee investigating violations of civil liberties, and legislation protecting the civil rights of labor.

3. Opposes the tactics of the Dies committee, which has misused its assignment to investigate un-American activities.

4. Supports all measures guaranteeing full civil rights and privileges to Negroes, Mexicans, Filipinos, and other minorities (such as antilynching and anti-poll-tax legislation); opposes all attempts to abridge the rights of racial, religious, and political minorities.

To promote economic security and social welfare for the majority, the Motion Picture Democratic Committee—

1. Supports the principles of the Wagner Labor Relations Act, defining the industrial rights of labor; condemns attacks upon the act.

2. Opposes use of the Sherman Antitrust Act as an antilabor weapon and use of the Federal Bureau of Investigation as an instrument of labor intimidation.

3. Supports extension of long-term, low-interest Federal credits and debt moratoria to small farmers, farm tenants, and small-business men.

4. Supports protection of public health, the principle incorporated in the Wagner Health Act.

5. Supports legislation providing for slum clearance and for building expansion in low-cost-housing units.

6. Supports adequate old-age pensions, payable in cash.

7. Supports broadening of the National Youth Administration and Civilian Conservation Corps under civilian control to provide better protection of our unemployed youth.

8. Supports a public-works program to employ the unemployed on projects beneficial to the Nation (including cultural projects) at union wages.

9. Supports adoption of a revised tax program, increasing levies on large incomes, corporation surpluses, and abolishing tax-exempt securities.

10. Supports legislation to conserve natural resources.

The Census Questionnaire

EXTENSION OF REMARKS

OF

HON. D. LANE POWERS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

LETTER FROM MRS. ENOS M. HUTCHINSON

Mr. POWERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Mrs. Enos M. Hutchinson, of Hightstown, N. J.:

HIGHTSTOWN, N. J., *February 28, 1940.*

Hon. LANE POWERS,
Washington, D. C.

DEAR CONGRESSMAN: I am very much concerned about the questions which I understand every citizen has to answer, when the census taker calls at their door. I think some of the questions to be asked are really none of the Government's business, and I think it is taking away our liberty as Americans to be made to answer such questions.

I am really worried. I have always worked hard, and paid my just and honest debts, and have attended to my own business, and what I make and what my husband makes, and what we do with our money, and what we have, we think is our own personal business. I am willing to answer some of the questions, which are all right, but when it comes to telling what we both make, what we pay for gas for cooking, what we pay for electric lights, what kind of fuel we use, and how much our home is valued at, and a number of other questions, which are too numerous to mention, I think it is going a little too far.

I have been reading the paper, and see that the Republicans in Washington are doing their best to strike out certain questions, and I think that is splendid, and I do wish they would strike out a lot of the others. I am a Republican and I wish they would get back in office again, good and strong, as I believe the country would prosper, and business would improve greatly, as the people would go back to work, and that is what a great many are hoping for.

I am married and I work in an office as a bookkeeper, and my salary is small, and my husband doesn't have steady work. He is very ambitious and is willing to do anything, and does work very hard when he has it to do.

My father lives with us, and he is nearly blind and hasn't been able to work because of his eyes for the last 4 years and will never be able to work again because of his age. He is 68 years old, and nobody wants you when you are that age these days, and his health is failing, and I am worried about him, and now when we have to answer all of these questions we are afraid what we do make will be taken away from us, and then my heart will be broken, as it is hard enough for us to live now, and we can hardly make expenses, and if they are going to take everything away from us that we do make, I just feel that I can't stand it.

I am appealing to you as our dear friend, and want you to help my husband and I in these trying times and assure us that we won't have to tell our personal business. We are good, true Americans, and love our country, but we want to keep our rights and liberty and do as our Constitution says, to have the right to live and do as we wish.

I would appreciate an early reply from you.

Most sincerely yours,

MRS. ENOS M. HUTCHINSON.

New Hampshire Day at Valley Forge, Pa.

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

ADDRESS OF HON. ARTHUR B. JENKS OF NEW HAMPSHIRE

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of my colleague the Honorable ARTHUR B. JENKS, of New Hampshire, on the occasion of the New Hampshire State Sunday, at Valley Forge, Pa.:

In February, 1938, it was my privilege to come to this hallowed spot, sacred to every American, to participate in a New Hampshire Sunday service, similar to that of today, in this memorial chapel which lends such beauty and grace to Valley Forge.

When last I was here, I dwelt on the part that the valiant sons of New Hampshire took in the American Revolution, but today I want to speak briefly on the peace settlement that followed the close of the Revolutionary hostilities.

In leafing through the pages of history of the Revolutionary period and reading the newspapers of today, recording current events—history in the making—one is somewhat appalled over the striking resemblance of the world turmoil of that day with this. Indeed, one can't escape the discouraging reflection—"Has and will it be ever thus?"

The year 1781 found Great Britain at war with a combination of powers that must have appeared to her then as formidable as the aggregation of adversaries with which she is confronted today; France, Spain, Holland, and the American Colonies were actively fighting England on land and sea, while Russia, Denmark, and Sweden were united in an armed neutrality to oppose British absolutism on the seas.

Largely because of the heavy military tide running against her at that time, hope waned in the hearts of the British people that England would ever be able to subdue her rebellious Colonies across the Atlantic; the doom of this hope was forever knelled with the surrender of Cornwallis at Yorktown on October 19, 1781.

Shortly thereafter an American peace commission was appointed, and negotiations were opened at Paris early in 1782, terminating in the signing of a provisional treaty on November 30, 1782.

Article I of that treaty recognized the 13 American States as "free, sovereign, and independent." Article II defined the boundaries of the new Nation. Article III defined certain American fishery rights. Article IV removed all legal impediments to the recovery of debts between American and British citizens. Articles V and VI restricted future confiscation of loyalist estates and directed the Continental Congress to recommend that restitution be made of loyalist estates already confiscated.

News of the provisional treaty reached the Continental Congress on March 12, 1783.

On that same date John Taylor Gilman, New Hampshire's Delegate in the Continental Congress, wrote to Chairman Weare, of the New Hampshire Safety Committee, informing him of the treaty. Gilman declared "The articles respecting the boundaries of the United States and that respecting the right of fishery are ample, and I believe equal to the most sanguine expectations. These two very important articles are highly pleasing, as are most of the others." This letter from Gilman was the first authentic news of the treaty to be received in New Hampshire—an account of it being printed in the New Hampshire Gazette of March 29, 1783.

On April 9 of that same year Sir Guy Carleton proclaimed the cessation of hostilities between England and the American colonies, and 2 days later the Continental Congress did likewise.

Chairman Weare and the Committee of Safety set aside April 28, 1783, as a day of thanksgiving in New Hampshire. In Portsmouth dawn was ushered in by cannon salutes and the ringing of bells; at 10 o'clock a religious service was held in the North Meeting House, and at noon the proclamation was read from the balcony of the old Province House, amidst a joyous demonstration of cheering and heartfelt gratification over the end of the bitter but victorious struggle for independence. A good old New England banquet then took place in the former royal assembly room, and in the evening there was a splendid ball and a display of fireworks.

On June 18, 1783, Portsmouth Harbor was opened to British ships.

In England, however, the terms of the treaty were regarded as too generous to the American Colonies, which protest resulted in the overthrow of the then Prime Minister, Lord Shelburne, who said: "It is indifferent who understands it (the treaty). The deed is done, and a strong foundation laid for eternal amity between England and America." Nevertheless, the terms of the provisional treaty were approved by Shelburne's successors, effective as of September 3, 1783. Final ratification of the same document was made by the Continental Congress on January 14, 1784.

While under the articles of the provisional treaty many knotty problems remained to be solved and disposed of (the last of which, a fishery dispute, was not finally settled until the first administration of President Cleveland), in retrospect this document shines forth as an American diplomatic triumph.

While American liberty and independence were the great and priceless treasure won through the victory attained by the brave and interpid American colonists, certainly not the least of the byproducts of that victory was freedom from participation in the ever-recurring quarrels resulting from the ancient diplomatic intrigues of European power politics, which render lasting peace on that continent still a bedraggled and forlorn hope. Washington wisely counseled:

"Europe has a set of primary interests which to us have none, or very remote, relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our concerns. Hence, therefore, it must be unwise in us to implicate ourselves by artificial ties, in the vicissitudes of her politics or the combinations and collisions of her friendships and enmities. Our detached and distant situation invites and enables us to pursue a different course. * * * Why forego the advantages of so peculiar a situation? Why quit our own to stand on foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice."

In 1914 when war clouds gathered and broke over Europe, many of us recall the restlessness that developed here in America which, by 1917, raged into a fever of war psychosis that caused us to disregard for the first time the advice of Washington to remain aloof and free from European entanglements. Again the thunder of war is heard in Europe, and the time is approaching when once more we shall be confronted with the decision as to whether or not we shall disregard the advice of Washington.

There are those who try to counter the soundness of his advice by the contention that times have changed, that through inventive genius space has been diminished, oceans have shrunk, and tucks have been taken in world maps, but do not let us overlook the fact that at the time Washington sounded his warning against European entanglements there were still territorial sections of this continent that were under the domination and rule of European governments. Despite the more rapid communication and transportation facilities of our day, Europe was then closer to us than now.

Certainly no thinking person would contend that the shock and eruption of war in Europe leaves us immobile, unaffected, or untouched. There is no gainsaying the fact that war in Europe causes us to suffer an emotional and an economic disturbance that cannot be discounted. We feel it on all sides—our emotions rebel against the ruthless military invasion of small and defenseless countries, cruelly trampled down by the iron heel of stronger and more powerful nations. Because of the necessity of the nations with whom our sympathies lie to arm and defend themselves against annihilation, our industrial and agricultural activities are speeded up, even though we know that when a war-torn and war-weary continent ceases hostilities there will follow here an immediate slowing down of the wheels we have accelerated.

While the present European disturbance has been actively under way only since last September—just 6 months—in a recent statement Secretary of State Hull estimated that if the European struggle were to come to a close now approximately 100,000,000 persons would float out on a world-wide wave of idleness—the 25,000,000 men now under arms, plus the 75,000,000 persons engaged in war work of one kind or another. The United States has its percentage in this enormous group that, sooner or later, is doomed to idleness and readjustment. Indeed, war in Europe does affect us—nor is there any way in which we can shield ourselves emotionally and economically from the tragic jar and jolt of war across the Atlantic.

But let us visualize clearly our part in world affairs. Experience is a harsh and unrelenting teacher. The situation in Europe today proves beyond any shadow of doubt that our participation in the last World War contributed little, if anything, toward the solution of the problems of Europe. I believe that despite anything we can do the wrangle over territorial boundary lines and the balance of power in Europe will continue to shift in blood and smoke until Europe itself finds its own way toward amity and peace. I feel convinced that if the United States again disregards the advice of Washington and becomes involved in another foreign conflict that we will have sacrificed and utterly destroyed our real mission in world affairs. I believe that the greatest contribution we as a Nation can make toward world peace and stability is through the preservation of our own democracy, undiluted by the ravages of war, freely and efficiently functioning, holding steadily aloft the lamp of freedom and the light of liberty. Let us here dedicate ourselves to that mission—let our country heed and be guided by the inspired counsel of the Father of his Country.

Armistice Day

EXTENSION OF REMARKS

OF

HON. SAM RAYBURN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

ADDRESS BY HON. WILLIAM M. COLMER, OF MISSISSIPPI

Mr. RAYBURN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered at Biloxi, Miss., on last Armistice Day by the gentleman from Mississippi [Mr. COLMER]:

Mr. Commander, comrades, distinguished guests, ladies, and gentlemen, I am duly appreciative of the honor which you have bestowed upon me in inviting me to be present and participate with you today in this your observance of the twenty-first anniversary of the signing of the armistice which brought peace to a war-torn world. Here on this historic site where d'Iberville first blazed the white man's path in a New World, we have gathered to observe the cessation of hostilities in the Old World. And incidentally, Mr. Commander, I desire first of all to felicitate you and your comrades upon the fine veteran spirit which you have builded in this beautiful city. I know of no city which is more conscious of its solemn obligation to the veterans who have defended the country's honor and fireside in times of great national crisis. You should justly feel proud of the splendid accomplishments obtained by and for these, the Nation's heroes.

ARMISTICE A NEW MEANING

Today the observance of the armistice should have and does carry a new significance for Americans everywhere. For the past 20 years the countries of the world engaged in that monumental strife of 20 years ago have throughout the world convened in their civic centers and market places and proclaimed their joy and happiness unbound to a peaceful world. But today how different. The veterans of Germany on the one hand, and England and France on the other hand, no longer gather peacefully upon the scene of their victories and in the shadows of their monuments to observe with hilarity and glee this momentous occasion.

They have again advanced to the front with their fingers upon the throats of the common enemy. They have laid aside the peaceful, happy pursuit of normal existence to again engage in the bloody, un-Christian, and deplorable tragedy of war. The sweet bugle call of peace has given way to the sharper and militant call to arms. While ill-fated Belgium, astute Italy, the peace-loving Netherlands, treacherous Russia, and wary Turkey are all armed to the teeth and alertly on the march, of all the major belligerents who participated in the gory strife from 1914 to 1918, which left in its wake a disturbed economy, unstable governments, and changing international boundaries, America alone stands aloof and apart on this great day in world history, enjoying the normal, peaceful pursuit of life, liberty, and happiness.

AMERICA CELEBRATES

Americans everywhere were grateful to Almighty God as they gathered on yesterday officially around the Tomb of the Unknown Soldier in the national cemetery across the historic Potomac from the Nation's Capital, and in every community, whether it was the smallest hamlet or the greatest metropolitan center, that they could continue to celebrate and observe Armistice Day with joyous tidings and light hearts, even as they have the 20 Armistice Days that have gone before. America is not unmindful of the true, if new, significance of this armistice occasion.

RESOLVE TO REMAIN NEUTRAL

Not only are the American people happy over their present status in the new European developments, not only are Americans pleased to realize that they are neutral in this new game of massed murder, but more significant still, the American people are resolved to remain neutral in this new conflagration which promises to sweep the Old World. The days of 1917–18 when America was sending the pride of her young manhood across 3,000 miles of trackless ocean, infested with deadly submarines, to endure the pangs of hell upon foreign soil, are too fresh in the minds of Americans everywhere for this country to be easily drawn into the vortex of this new and possibly more disastrous war. America is resolved, willfully and solemnly, to stay out provided that it is humanly possible to do so with honor.

NEUTRALITY LEGISLATION

To this end the President of the United States, that great humanitarian and statesman, who presently is at the helm guiding the ship of state, Franklin D. Roosevelt, called the Congress into extraordinary session 6 weeks ago to enact neutrality legislation with teeth in it. The Congress having convened, the President, after many conferences with that outstanding statesman, Secretary of State Cordell Hull, laid before it his proposal for such legislation. It is true that there were 6 weeks of debate upon this proposal, but it is equally true that this state paper was given the most careful scrutiny and lengthy consideration to insure that it would do the job. After wise consideration and due deliberation the Congress passed the legislation. And while I have never been one of those who believed that a great nation's neutrality could be made or kept by legislation, rather believing that neutrality is a state of mind, I am nevertheless happy to say to you in all sincerity and candor that in my opinion the legislation which has just been enacted by your national Congress will prove most conducive toward the desired objective of keeping this country neutral during the present disturbance abroad.

THE THREE ESSENTIALS FOR NEUTRALITY

History teaches us that the wars of the past in which this country has engaged have largely come from three things: First, the financing of belligerents abroad by this country; second, the sinking of American ships; and, third, the murdering of American citizens upon the high seas. The President and the Congress realize the truth of these facts. And the Congress wrote into the neutrality legislation a prohibition against financing belligerent countries abroad. Moreover, it provides that American ships should not, under pain of excessive penalties, enter the harbors of belligerent nations. It further provides that the President, in his discretion, might prevent the sailing of American ships in combat zones. The President has already issued a proclamation to carry out this provision. And, lastly, this law prohibits the traveling of American nationals abroad except in the most urgent circumstances. Of course, the legislation also provides that arms and ammunition may be shipped to any belligerent country, but it positively prohibits these implements of warfare from being shipped in American bottoms. With these safeguards to prevent a recurrence of such incidents which carried us into World War No. 1, there is every reason to believe that this country can and will remain neutral.

SACRIFICE

Our Nation is a powerful one. It has the natural resources, the manpower, and the Navy to back up its assertion that it is not a cowardly nation. Moreover, no country has even produced a finer fighting Army than has America when occasion demanded it. When it comes to a matter of sheer courage and national pride, our heritage is as resplendent in its glory as that of any nation on the face of the earth. America is neither afraid nor too proud to fight. But the people of these United States, where democracy, freedom of speech, and liberty are the watchwords of the most humble citizen, realize the folly of war. We in this country, thank God, do not have to goosestep or otherwise march at the bidding of any dictator. But recognizing the folly of war, the love of freedom, and the right to worship Almighty God, a proud, a strong, and a peace-loving people are willing to make the sacrifice in trade and in commercial advancement in order to remain peaceful and neutral. For every American must realize that the hope of continued neutrality and peace in this land must be paid for in the loss of commercial development, foreign trade, and the injury to our merchant marine. By the enactment of this legislation the Government of the United States is making the most tremendous sacrifice and the most colossal restriction upon American shipping and American commerce in behalf of the preservation of peace that has ever heretofore been made by any great government in the history of the world. Again America has said by such legislation that it would prefer, in its willed determination, to stay out of this war, to suffer in its foreign trade and in the upbuilding of its merchant marine, with the attendant losses to domestic economy, rather than to spill the blood of millions of young Americans in another foreign war.

AMERICA AFTER THE WAR

But, Mr. Commander, not being unmindful of the dangers of prophecy on such a perplexing problem as to what might happen in the future, I am nevertheless constrained to opine that the sacrifices to be made by our people in their determination to remain neutral are unquestionably justified as there is reason to believe that the future may hold a brighter tint to be reflected by the rainbow of peace when it should come. It will be borne in mind that if the steady resolution of this country to remain neutral should prevail there will be benefits to bless us after the war. American ships should have command of the high seas when the merchant marine of the belligerent nations will be largely upon the bottom of the sea. A war-ravished world will need our natural resources in increased volume. Our manpower and our war machinery should be intact. Our industry should then hum. And, more significant still, America would then be the most dominant of all world powers. Then, in such event, and not until then, should America wield its influence for world peace and world democracy. To put it differently, if America has any Utopian visions of making the world safe for democracy, let it exert its efforts to that end after the war, heeding the lessons so dearly learned of attempting such a thing during a war.

CONCLUSION

Mr. Commander, I reiterate that peace and neutrality are obtained through the solemn will and resolution of the American people and not through legislation. The American people want no part of this war. They have rightly said that this is not their war and they will have no part of it. They and they alone can declare war. It is true that the President of the United States can recommend to the Congress of the United States that a resolution of

warfare be passed. But the Congress of the United States is subservient to the will of the American people, and just so long as the American people keep their solemn vow and present willfulness to stay out of this war there will be no declaration of war by the Congress of the United States.

If I might be so bold as to leave a parting admonition to you, my comrades, the American people, and those in high places in the Government of the United States, I would admonish you and them in these times of stress to keep your poise, to be discreet in your speech, and maintain your neutrality in statements as well as in legislation. Too often those in high places, charged with the solemn obligation of directing the affairs of state, are inclined to make extravagant and unneutral statements. Intemperate speech is not conducive to neutrality, and friendship abroad cannot be courted with intermeddling and intemperate statements by high officials of the Government.

As one humble Member of the National Congress, I assure you with all the fervor and sincerity of my being that I should be most reluctant to cast a ballot for a resolution that would hurl this country into another gigantic catastrophe such as we witnessed two decades ago. Of course, I realize that a chain of hypothetical incidents could develop whereby this country for its own self-preservation and the maintenance of its national honor would of necessity have to fight in such a war. But at the present I can foresee no such chain of circumstances which might actually develop to that end. But if the time should come and I were called upon to consider such a solemn declaration, I think I should take a most careful and prayerful inventory of the situation. I believe that I could consider the question in all the severity of its seriousness, aloof and uninfluenced by the howls for war of an aroused populace on the one hand and the intrigues of world statesmanship on the other.

Mr. Commander, there is no question about the determination of the American people today to maintain a strict neutrality in the present world chaos of arms. Let us continue in that laudatory determination and, united as one great and powerful people, continue to pursue the paths of peace with the help of Him who guides the destinies of men—the God of our fathers.

The Michelson Portrait of President Hoover

EXTENSION OF REMARKS

OF

HON. U. S. GUYER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

EDITORIAL BY WILLIAM ALLEN WHITE

Mr. GUYER of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial by William Allen White, published recently in the Emporia Gazette:

[From the Emporia Gazette]

(By William Allen White)

We note by the public press that President Roosevelt is asking Congress to appropriate $2,500 to pay a portrait painter to provide the White House a portrait of former President Hoover. We suggest that in order to be quite consistent, our beloved President should hire for that painting job, when the money has been appropriated, none other than Charles Michelson. Charles Michelson was the professional hired Democratic smearer of President Hoover. For 4 long years Michelson devoted himself to distorting the truth by misinterpreting the facts and inventing fiction which presented President Hoover as a human devil without mercy, kindness, courage, or intelligence in time of stress, when Hoover was doing all that any human could do to relieve the calamitous situation in the world crash.

A more cruel and defenseless act was never perpetrated in American politics. President Roosevelt sits in the White House today somewhat because of that unfair presentation of a brave, honest man, as wise as he could be in his generation. If poetic justice is sought or done, the wicked picture made by the Democratic smearers should stand in the White House that future generations may see what malice and political greed combined can do to paint upon the shallow heart of biased partisanship and a nation shuddering with fear, a devil picture that has no basis in truth and only reflects the passing panic-stricken timidity of man.

The Hoover portrait in the White House should stand as Michelson made it, an example and a warning to the American people, an example of their credulity, a warning against a craven heart in time of trouble.

Former President Hoover need have no fear about the portrait that history will paint, and the White House portrait should stand as Michelson made it.

Association of Minnesota County Commissioners

EXTENSION OF REMARKS

OF

HON. R. T. BUCKLER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

ADDRESS BY HON. HJALMAR PETERSEN

Mr. BUCKLER of Minnesota. Mr. Speaker, I have asked for and received permission to extend my remarks in the CONGRESSIONAL RECORD to insert a speech by a former Minnesota Governor.

The people of Minnesota are always interested in hearing what Hjalmar Petersen, a weekly newspaper publisher in the village of Askov, Minn., has to say on public questions and issues of the day. Mr. Petersen is a former Governor of Minnesota and at present is a member of the Minnesota Railroad and Warehouse Commission.

Because his remarks are of general interest not only to the people of Minnesota but to the people of the Nation as well I have asked for and have been given permission to publish in the CONGRESSIONAL RECORD his talk before the annual convention of the Association of Minnesota County Commissioners at the West Hotel in Minneapolis, Minn., on Thursday, February 8, and over radio station WCCO, of Minneapolis and St. Paul later the same afternoon. Mr. Petersen's talk follows:

Two years ago it was my privilege to address the Minnesota State Association of County Commissioners on the subject of local government.

Today, in the light of events that have transpired in Europe during this 2-year interval, we may well consider ourselves privileged to be able to discuss local government anywhere, before any assemblage. The fact that you are here again is reassuring evidence that we still have it in America. The kind of local government you have been administering in your respective counties is a testimonial to your ability and determination to keep it.

With a sense of thanksgiving for our liberties there comes to us the realization of responsibilities graver than any that you and I have ever faced in any test of public service.

Men and women cannot be expected to remain true to democracy unless democracy, in turn, can meet each day's emergencies.

Proper tax assessments and tax spending in all units of government are essential to democracy.

Looking at the State tax situation, it appears to me that it was an unwise move to lower the gasoline tax in the State of Minnesota from 4 cents per gallon to 3 cents per gallon, which law becomes effective September 1, 1940. I believe you will agree with me in this contention.

Assuming that we need about the same amount of money for construction and maintenance of highways, and the gas-tax collections are cut one-fourth, it stands to reason that the needed money must be derived through other sources. It will be passed on to higher motor-vehicle license fees or general property taxes. Either method would be unwise.

In the States of Florida, Louisiana, and Tennessee the State gas tax is 7 cents per gallon, while in Mississippi, Alabama, Georgia, and North and South Carolina it is 6 cents per gallon. Tourists from the Southern States visiting the North Star State would not travel less in Minnesota if the gasoline tax remained at 4 cents. Tourists will not help to pay motor-vehicle-license fees in Minnesota, nor will they pay any of our general property taxes.

The gasoline tax in neighboring States averages up with the 4 cents now being paid in Minnesota, but when we drop to 3 cents on September 1, we will be below the Northwest average.

Thirty-seven States have a 4-cent tax or higher.

Eleven States and the District of Columbia have a lower tax. The average in the United States is 3.96 cents, or to all practical purposes a 4-cent tax.

For more than a quarter of a century improvements were being made in highway building out over the State through the help of the Dunn 1-mill road tax law. Those were the State-aid roads. But, in recent years, even greater improvements have been made through the system of county-aid roads, the money for which is derived from gas tax.

If the price of gasoline dropped 1 cent per gallon when a cent is taken off the State gas tax, and then remained at that price, it would be a somewhat different matter, but the past does not indicate that the price of gasoline is governed by the tax on that product. Figures over a period of years show that the price of gasoline, regardless of high or low tax, is governed by what the traffic

will bear. Twenty years ago the price of regular gasoline was about 30 cents per gallon, and there was no gas tax at that time. In 1924 the price was 26 cents to 28 cents per gallon with a 2-cent State tax, and no Federal tax. Gasoline prices today vary from 18 cents to 19 cents per gallon, which includes a 4-cent State tax and a 1-cent Federal tax. All of which goes to prove that the price of gasoline, regardless of State and Federal taxes, is what the public will pay.

Assuming we need the 4-cent gas tax, this reduction of 1 cent, amounting to over $5,000,000 annually, must be made up in some other form of taxation or our roads will suffer.

Let us not have legislation that tends toward increase in general property taxes, such as the law that decreased the gas tax from 4 cents to 3 cents.

Our highway system is far from completed, as you county commissioners well know. More construction is needed, and there are improvements to be made, as well as maintenance on the farm-to-market roads—the so-called county-aid roads—which receive one-third of the State gas tax. To neglect our highways is poor economy.

Minnesota's outdoor paradise of woodlands and more than 10,000 lakes is a great attraction to vacation seekers. The tourist trade is now one of the State's foremost sources of income. With well-maintained highways and good publicity, through the medium of a tourist bureau head with ability, experience, and wide acquaintanceship, such as we have in Ed Shave, visitors to Minnesota for rest and vacation will increase and make for added business.

The general welfare of the State is adversely affected by a 1-cent reduction in gas tax, amounting to over $5,000,000. It means less employment on road work, inadequate highway maintenance, and no economy realized.

It was the large oil companies who worked for the gas-tax reduction. Through their lobbyists, they argued that the public would benefit by a lower gas tax. Yes; they will lower the price of gas when the tax reduction takes effect September 1, 1940. But my prediction is that the price reduction will be only temporary, and that the oil companies will be the ultimate beneficiaries. The reduction of 1 cent on the gas tax will, in my opinion, result in a $5,000,000 gift to the oil industry.

The price of gasoline was much higher when there was little or no tax on it, and the price was lowered when the tax was applied. Illogical as it may seem, as the tax went up the price went down. Ask any oil company that has been in business 20 years or more.

There is considerable discussion at present about old-age assistance or pension, and naturally we are interested in how it affects our counties and the State.

The Minnesota homestead lien law actually repeals old-age pension as far as home owners are concerned. It is a bad law, in that it discriminates against such of our citizens as have labored for a lifetime to save and build homes. These home-owning citizens do not any longer receive a monthly pension, but instead are given a monthly small loan, for which they must give the State a lien on their property, to be paid after death, or the property taken over by the State. But the old people who have no home still receive the monthly old-age pension, and neither they nor their children have to make any repayments. The persons who have acquired no property receive a higher pension than those owning their own homes. Thus the homestead lien law is a monthly small-loan law for the home owners, while we continue with a pension act for those who have no property.

This is bad legislation in that it penalizes the thrift and frugality that has been an outstanding trait of our pioneers and builders. The State should never do anything which makes home owning less attractive, nor should it strike hardest at those who are the least able to defend themselves, the aged. It is a ruthless law and decidedly unfair in its application. But this is not the only objection to the law, although it is a major one.

Fourteen States, including Minnesota, have a mandatory lien law today. From moneys collected under the Minnesota Lien Act one-half goes back to the Federal Government, the State gets one-third, and the respective county one-sixth. In other words, the 34 States and the Federal Government, which have no mandatory lien laws, are beneficiaries to the extent of the money turned over to the Federal Government from collections on liens in Minnesota and the other 13 States with a like law.

Is that good business for Minnesota? Is it keeping money here in the State where it belongs? Out of every $100 collected on liens, $50 leaves the State and goes to help pay old-age assistance in the 34 States wise enough to impose no such law.

To illustrate, take our neighbor State of Illinois, one of the 34 States which has no mandatory lien law, 139,000 persons receive old-age assistance, against the 65,000 in Minnesota. Over twice as many. Therefore, Illinois receives more than twice as much money from the Federal Government as does Minnesota, and need not return any of it. If there were a uniform lien law affecting all 48 States, there would be no discrimination so far as States are concerned; however, this is not the case, and the present law is not good business for Minnesota.

Three States—Oregon, Kansas, and Florida—that enacted old-age-assistance lien laws later repealed them.

As for the shirking of responsibility by children toward their parents, I doubt there has been much of that. It is easy to cite an outstanding case of a son earning $5,000 a year, residing in New York, and neglecting his parents in Minnesota. But where there may be one or two such cases of a son or daughter earning $5,000 or more annually, there would be 98 who earn far less and would have difficulty in taking care of more than their immediate family needs. No law should penalize 98 percent of the people because of neglect or disregard by 2 percent.

I am not as young as some State officials, but I do not believe that today's youth is calloused toward old age. There may be the occasional young man or woman in Minnesota who does not help his or her parents, but from my own observation I firmly believe that our Minnesota youth still love and honor their parents and heed the time-honored adage respecting youth's duty toward mother and father.

A modest home that has been owned by a family for maybe 30 to 40 years is valuable so long as it remains a home. It may have been built for $1,000, fifteen hundred, or $2,000, and after many years of use could not be sold for much money if that home came into the hands of the State.

The lien clause on homesteads will make for much legal entanglement. The value of the home in dollars being small, there will not be much left for the State after all legal fees are paid, for certainly the Federal Government will not pay legal fees when it does not require a lien on the property.

The lien clause cannot be justified if old-age assistance or pension is compensation on the basis of need for services rendered to society by our aged people. The lien law is decidedly unsocial.

The State of Minnesota acquired plenty of property and, goodness knows, plenty of liability through the State rural credits. Let us not have another such mess.

With so much unemployment as prevails now, it has been necessary for the various States and the Federal Government to make larger tax collections during the past half dozen years than previously.

The State of Minnesota receives far more tax money from the Federal Government than we pay in Federal taxes. During the past 7 years Minnesota has received from the Federal Government nearly $700,000,000, or an average of $100,000,000 a year. In the fiscal year ending June 30, 1939, Minnesota received over $127,000,000, or twelve and one-half million dollars more than during the fiscal year 1938.

This does not take into account loans made by the Federal Government in Minnesota to the amount of over $20,000,000 during the fiscal year 1938 and over $36,000,000 during the fiscal year 1939.

The facts are that the total Federal loans and grants in Minnesota during the fiscal year 1939 totaled $28,000,000 more than during the fiscal year 1938.

It seems that even our youthful State administration needs and gladly accepts the aid of their elders in the Federal Government.

If the State of Minnesota raises $171,000,000 in taxes and spends $170,000,000, but receives Federal money to the extent of over $127,000,000 during 1 year, we come to a realization of the seriousness of our problem, local, State, and National. In the face of these facts and figures, it hardly behooves anyone to boast of having balanced the State budget.

I have presented these facts that we may give serious thought to our financial situation and our everyday problems. I am firmly convinced that the ultimate solutions of our social and economic problems will come, one by one, by and large, from our rank-and-file citizens, you home folks.

Extension of 3½-Percent Interest Rate on Land Bank Commissioner Loans

EXTENSION OF REMARKS

OF

HON. KARL M. LECOMPTE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

RESOLUTIONS FROM IOWA

Mr. LECOMPTE. Mr. Speaker, under leave to extend my own remarks, I include three resolutions on the subject of permanently extending the 3½-percent interest rate on Land Bank Commissioner loans. The resolutions were received from the South Central National Farm Loan Association, of Chariton, Iowa; the Lucas-Wayne Farm Loan Association of Chariton, Iowa; and the Clio National Farm Loan Association of Clio, Iowa.

Be it resolved, That the South Central National Farm Loan Association, of Chariton, Iowa, request the United States Congress to extend permanently the decreased rate of interest of 3½ percent on all Federal land-bank loans, and that the rate of interest on Land Bank Commissioner loans be permanently fixed at 3½ percent. That such low rates of interest materially assist in the stabilization of agriculture and work to the interests of all the people.

Be it resolved, That the Lucas-Wayne Farm Loan Association, of Chariton, Iowa, request the United States Congress to extend permanently the decreased rate of interest of 3½ percent on all Federal land-bank loans, and that the rate of interest on Land Bank Commissioner loans be permanently fixed at 3½ percent. That such low rates of interest materially assist in the stabilization of agriculture and work to the interests of all the people.

Be it resolved, That the Clio National Farm Loan Association, of Clio, Iowa, request the United States Congress to extend permanently the decreased rate of interest of 3½ percent on all Federal land-bank loans, and that the rate of interest on Land Bank Commissioner loans be permanently fixed at 3½ percent. That such low rates of interest materially assist in the stabilization of agriculture and work to the interests of all the people.

Cities With High Power Rates May As Well Start Moving—Or Get Lower Rates

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 6, 1940

ASSOCIATED PRESS ARTICLE FROM ARKANSAS GAZETTE

Mr. ELLIS. Mr. Speaker, for several years I have been interested in the wide variation of power rates in the different parts of this Nation and in the reasons for them. On February 26 there appeared in the Arkansas Gazette an Associated Press article, carrying a Washington date line of February 25, entitled "Public-Owned Utility Rates Among Lowest—Wide Difference In Light Bills," quoting figures released by the Federal Power Commission. It is pointed out, for instance, that the typical residential bill in Little Rock ranges from $1.48 for 25 kilowatt-hours to $8.10 for 250 kilowatt-hours. In Tacoma, Wash., a city about the same size as Little Rock, the price ranges from 95 cents for 25 kilowatt-hours to $3.20 for 250 kilowatt-hours.

Perhaps there is nothing more essential to the modern city of today than electricity at reasonable rates. I have come definitely to the conclusion that cities with high power rates are in the same predicament as a man with acute appendicitis; they must act quickly or suffer the probability of premature death.

Herewith I submit the article which I quote in full:

[From the Arkansas Gazette, Little Rock, Ark., of February 26, 1940]

WASHINGTON, February 25.—The Federal Power Commission published today a survey of electric rates in cities of 50,000 or more population which showed, it said, that publicly owned utilities rendered the lowest bills. The widest differential, 243.5 percent, occurred in the category of typical bills for 100 kilowatt-hours. The municipal plant at Tacoma, Wash., charged $1.70, and the Pennsylvania Edison Co., at Altoona, Pa., charged $5.84.

In the other categories, the Nation's lowest and highest typical bills were: 15 kilowatt hours, Fort Wayne, Ind., 52 cents; Altoona, $1.35; 25 kilowatt-hours, Chattanooga, Knoxville, 75 cents; Altoona, $2.09; 40 kilowatt-hours, Tacoma, $1.10, Tampa, Fla., $2.99; 250 kilowatt-hours, Tacoma, $3.20; Atlantic City, N. J., $9.75; 500 kilowatt-hours, Tacoma, $5.30; part of Boston served by Boston Consolidated Gas Co., $17.10.

In each of these cases the community enjoying the lowest rate was served by a publicly owned utility, while cities with the highest rate were served by private companies. Municipal plants in the three Tennessee cities obtained power from the Tennessee Valley Authority. The rates were those charged January 1, 1940.

The Commission reported that rate reductions in one or more typical bills for residential service were made in 83 cities during 1939 and that no increase in the general level of the bills was found in any of the 191 cities surveyed.

LITTLE ROCK'S TYPICAL BILLS COMPARED

The typical residential electric bill in Little Rock, Ark., ranged from $1.48 for 25 kilowatt-hours to $8.10 for 250 kilowatt-hours, the report showed. This was slightly higher per kilowatt-hour than residential bills in Harrisburg, Pa., which is served by a privately owned company. In Tacoma, Wash., comparable in size to Little Rock, the city-owned utility company charged 95 cents for 25 kilowatt-hours, and $3.20 for 250 kilowatt-hours.

In Austin, Tex., which is supplied by a city-owned utility, the 25 kilowatt-hours bill was $1.50, and the 250-kilowatt-hour charge, $6.95. Austin, comparable in size to Little Rock, had lower bills in all categories except 25 kilowatt-hours.

One hundred and twenty-nine cities of more than 50,000 population were furnished residential electric service in quantities of 25 kilowatt-hours cheaper than rates in effect in Little Rock on January 1, 1938, the report showed, and 154 cities had lower rates for 250 kilowatt-hours.

Of the 191 cities, Chattanooga, which is served by a city-owned company buying power from the Tennessee Valley Authority, showed the lowest bill for 25 kilowatt-hours, 75 cents. In this kilowatt category, Altoona, Pa., served by the Pennsylvania Edison Co., had the highest residential bill, $2.09. In all kilowatt-hour categories, bills rendered by a publicly owned utility were the smallest in the Nation.

Memphis, Tenn., whose consumers are supplied by a municipal-owned company, was sixth among the lowest bills for 25 kilowatt-hours, and twenty-third among the lowest for 250 kilowatt-hours.

The report showed similar comparisons for commercial and industrial electric service. Little Rock commercial bills were $9.25 for 150 kilowatt-hours, or $1 higher than in Harrisburg, the report showed. The bill for the same amount of service in Tacoma was $3.75. A similar comparison was evidenced in listings of typical industrial electric bills.

Deportation of Alien Communists

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

RESOLUTION BY LABOR'S NONPARTISAN LEAGUE OF LOS ANGELES COUNTY, CALIF., AND LETTER BY HON. LELAND M. FORD, OF CALIFORNIA

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution sent to me by Labor's Nonpartisan League of Los Angeles County, and my reply thereto:

Whereas the Department of Labor recently dismissed deportation proceedings against Harry Bridges, west coast C. I. O. director, after Examiner James M. Landis could find no evidence that Bridges was a member of the Communist Party or advocated the overthrow of the Government by force and violence; and

Whereas a bill has been proposed by Representative LELAND FORD requiring the deportation of any alien who sympathizes, associates with, or uses the support of Communists; and

Whereas behind the vague wording of this bill is a thinly disguised attempt to suspend the Bill of Rights in order to secure the deportation of Harry Bridges; and

Whereas the passage of this bill would constitute a menace to the civil liberties now guaranteed by the Constitution to aliens and citizens alike: Therefore be it

Resolved, That we go on record opposing the introduction of this bill as a flagrant and willful attempt to end civil liberties in the United States and deprive the west coast C. I. O. unions of their progressive and militant leader, Harry Bridges; and be it further

Resolved, That copies of this resolution be sent to Leland Ford, House Office Building, Washington, D. C., our Representative in Congress; Senator Sheridan Downey, Senate Office Building, Washington; Senator Hiram Johnson, Senate Office Building, Washington; Raymond J. Kelly, national commander, American Legion, Indianapolis, Ind.; to all affiliated organizations; and the press.

MARCH 4, 1940.

Mr. OLIVER M. HICKEY,
Secretary, Labor's Non-Partisan League, Los Angeles County, Club No. 1, Assembly District 5, Los Angeles, Calif.

MY DEAR MR. HICKEY: This will refer to copy of your resolution sent me, dated February 21, with reference to my bill requiring the deportation of any alien who sympathizes or associates with or uses the support of Communists.

Of course, I could not expect the Labor's Non-Partisan League to agree with any such bill as this on account of their close contact and sympathy for the Communists, to say nothing of the Communist members that may be within the organization, as disclosed by the Dies committee, in which report I believe it was stated that the Labor's Non-Partisan League was simply a front for the Communists.

With reference to the dismissal of the deportation proceedings against Harry Bridges, it may be true that these proceedings were dismissed, but in my opinion, and I believe in the opinion of the public, Mr. Bridges may have been whitewashed but he was never "exonerated."

It seems very singular that Labor's Non-Partisan League, who have such great sympathy for Communists, who in turn preach a doctrine of destruction of the United States, and, of course, with it the Constitution and the Bill of Rights should immediately begin to scream for the help of the Government, the doctrines and the principles of which, in my opinion, they are trying to destroy. How long do you think you or Harry Bridges would last in your beloved Moscow were you to oppose the communistic Government? You know very well that any such opposition to the Moscow Government would bring forth summary execution. The trouble with you people is that you never learned to use your liberty but have abused it.

I feel that I can derive great honor by reason of the quality of my enemies, and I therefore thank God for every damn one of them.

Very truly yours,

L. M. FORD.

Interview With Capt. Alden Howell on His Ninety-ninth Birthday Anniversary

EXTENSION OF REMARKS

OF

HON. WILLIAM H. SMATHERS

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Wednesday, March 6 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE LOS ANGELES EVENING HERALD AND EXPRESS

Mr. SMATHERS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a newspaper clipping taken from the Los Angeles Evening Herald, relating an interview with my uncle, Capt. Alden Howell, my mother's brother, of Los Angeles, Calif., on the ninety-ninth anniversary of his birth on the subject of how to live to be a hundred.

His statements on the longevity of life will be extremely interesting and useful to the Members of the Senate and the readers of the CONGRESSIONAL RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Evening Herald and Express of February 17, 1940]

GIVES ADVICE FOR LONG LIFE—CAPTAIN HOWELL, FAMED CONFEDERATE OFFICER TO BE 99 TOMORROW

Capt. John Alden Howell, one of the few surviving Confederate officers, and a member of a distinguished pioneer Southland family, tomorrow celebrates his ninety-ninth birthday as a "fighting man who smiles when he strikes a blow and smiles—but not so much—when the other fellow hits him."

"Never get mad; never have the blues; never use cuss words; never complain—then you'll live to a ripe old age, maybe a hundred years old, as I'm going to do," he said, laughing.

Captain Howell, who is descended from John Alden, of early American history romance, is a brother of Robert Howell, pioneer banker, who owned Howell Terrace and the famous Howell home which stood at Seventh and Bixel. He is the uncle of Robert Howell's daughter, Mrs. Mark Lewis reigning belle of early society here and once fiesta queen of the city.

"I'm going to cut the cake. I'm going to sing a song I composed, and I'm going to make a speech, and the guests had better like it," chuckled Captain Howell, who makes his home with his son-in-law and daughter, Mr. and Mrs. J. R. Johnston, of 269 South Van Ness.

Some 50 friends of the captain and his distinguished family will gather at the home between 3 p. m. and 5 p. m. tomorrow.

And one of the most honored guests will be the captain's great grandson, Kenneth Brimmer, 6½-year-old student of Page Military Academy.

"I teach him that to cry is to cry alone and to laugh is to have the world laugh with you," remarked Captain Howell.

As he gleefully prepared for his party tomorrow the captain today went through heaps of congratulations, which included letters from a sister, Mrs. B. F. SMATHERS; her son, Senator WILLIAM SMATHERS, of New Jersey; another of her sons, Judge Frank Smathers, of Miami, Fla., and a card from Josephus Daniels, United States Ambassador to Mexico.

HISTORIC HOME

Captain Howell came to Los Angeles about 15 years ago and was a frequent visitor at the historic Howell home before it burned 2 years ago, and so ended a brilliant chapter in early Southland society.

He was filled today with remembrances of the great days of the South.

"I was a captain under Stonewall Jackson," he said proudly, "and I fought in battles where the bullets fell about me like rain. I once heard that George Washington said bullets sounded like music to him, but I never felt that way.

"Once a whole regiment shot at me in a battle in Virginia—and I played dead until they left.

"Another time when I was with Stonewall Jackson, we met and whipped three northern Yankee armies by engaging them one at a time as they approached.

"I fought at Gettysburg with the dead piled in mounds around me."

He chuckled as he recalled a Confederate story of how President Lincoln was advised not to promote General Grant.

"Why not?" asked Lincoln, according to the story. "He wins battles."

"He's a heavy drinker," said the adviser.

"Then tell me what brand he drinks," Lincoln replied, "so I can get some for my other generals."

After being mustered out of the war, Captain Howell went to Waynesville, N. C. He became a lawyer, once got a $1,000 fee, which was tremendous for those days, and, as he puts it, "I never lost a law case."

Later he organized the first bank in western North Carolina and served as its president for 33 years.

While he pursued his career in the South, his brother, Robert, came here more than a half century ago and became a pioneer banker.

LAVISH GATHERING

Robert Howell's home was the scene of some of the most lavish and distinguished gatherings in early Los Angeles.

And carrying on the colorful history of a noble family, a daughter of Robert, Mrs. Lewis, became a social ruler and was one of the very first fiesta queens.

In concluding the interview, Captain Howell, who is first cousin to the late Clarke Howell, editor of the Atlanta Constitution, said:

"The hardest job in my life is the one I began after the age of 80 years—doing nothing."

And for the first time during the interview the distinguished and venerable man seemed depressed—"Doing nothing; that's the toughest job in the world," he concluded.

Seven Years of Conservation

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Thursday, March 7 (legislative day of Monday, March 4), 1940

NEWS RELEASE FROM THE DIVISION OF INFORMATION, DEPARTMENT OF THE INTERIOR

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a news release from the Division of Information of the Department of the Interior with regard to the progress made toward the conservation of American natural resources during the 7 years of the Democratic administration.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

[United States Department of the Interior, Division of Information, March 4, 1940]

The Department of the Interior observed the seventh anniversary of the present administration today by specifying progress made toward realizing America's conservation program.

In 7 years since March 4, 1933, the Congress by legislation, President Roosevelt by Executive action, and the Department of the Interior by deliberate, aggressive administration and policy, have done more to make the Department of the Interior a department of conservation than was accomplished in the prior 91 years of existence, according to Secretary Ickes. He pointed out a sevenfold achievement in progressive conservation in reclamation, grazing, Indian Service, hydroelectric developments in the West, parks, mines, and territorial possessions.

"It is refreshing and encouraging to notice the change of attitude toward national resources that has swept over this country in recent years and now receives the wholehearted support of its citizens," Secretary Ickes said. "As America beholds the rest of the world slaughtering itself as nations fight for resources, and bombs, shells, battleships, battalions, torpedoes, and machine guns speak their national need for oil, lands, minerals, waters, and resources, this country at last realizes its heritage. With out frontiers

gone, this dramatic realization has brought a determination to protect and conserve those resources so that the United States need not do as other nations are doing.

"When the Department of the Interior was established by act of Congress, signed by President James K. Polk in 1849, it was purposely conceived as a department of exploitation. That was considered the need of the country then, as resources appeared endless. But of recent years, by Executive action, legislation, and administration, that policy has been completely reversed and much of the reversal has been accomplished in the past 7 years. Under President Roosevelt, resources have been protected and conserved so that they will last a long while, although our task is not complete as yet. The Federal agencies dealing with such resources as wildlife and waterlife, as well as other resources have been grouped into the Department so that in truth it has become a responsible department of conservation.

"Seven years is but a short time. Yesterday destruction was commonplace. Today, few of us would return to the spoilage that prevailed for so many years. Conservation is here to stay."

Incidentally, in the past 7 years the Department of the Interior has enjoyed a continuing administrative unity of policy and direction for longer than any period heretofore in its history, with one exception. The present head of the Department, in addition to other duties, has served longer as United States Secretary of the Interior than any other individual except Secretary of the Interior Ethan Allen Hitchcock, whose service ended in 1907.

Despite the stupendous preliminary task of gearing machinery to revitalized methods for carrying out the conservation policies of the Nation, seven major points of achievement stand out as figurative candles on Interior's imaginary conservation birthday cake. Swiftly surveyed, these are:

(1) The establishment of prudent grazing practices on 134,000,000 acres of public domain, through the cooperation of the livestock industry of the West.

(2) Increased opportunities for agriculture through irrigation of semiarid lands under the program of the Bureau of Reclamation.

(3) Striking advance in mine safety and development of helium.

(4) A higher degree of self-government and the fostering of native culture for Indians.

(5) Advancement of a broad program for social and economic betterment in the Nation's far-flung Territories.

(6) Greater industrial opportunities in the Pacific Northwest through development of hydroelectric power at the Bonneville and Grand Coulee projects on the Columbia River.

(7) Additional opportunities for public enjoyment in the national-park areas.

Coupled with these beneficial results from the 7 years' activities has been a constant vigilance to prevent encroachment upon the public's right in natural resources on the public domain. An outstanding achievement under this program was the recent victorious outcome of a 5-year battle by the Department of the Interior, involving valuable oil resources in section 36 of the Elk Hills reserve in Kern County, Calif. In this historic contest the public's right was reaffirmed in the ownership of one of the most valuable square miles of land in the world, and reimbursement totaling more than $6,250,000 was ordered paid to the Government by the Standard Oil Co. of California.

Brief review of other accomplishments by the Department of the Interior is afforded by summaries of activities within the various Bureaus since March 4, 1933.

GRAZING SERVICE

One of the newer conservation agencies, established by the Taylor Grazing Act of 1934, this branch of the Department is authorized to protect 142,000,000 acres of public domain against unwise grazing practices. Despite the fact that the first few years following its organization was devoted to preliminary map-making work and a general campaign of education among stockmen of the West, who cooperate in the work through advisory boards of their own selection, already 134,000,000 acres of Federal range are being maintained on sound conservation principles in 52 Federal grazing districts located in 10 States of the West. In addition to activities which involve the issuance of grazing licenses, thereby preventing overgrazing by 11,000,000 head of livestock, the Grazing Service is carrying forward a broad program of range improvements, including construction of stock and truck trails; development of springs, wells, and other watering facilities; rehabilitation and improvement through reseeding of forage crops on the range; and extermination of harmful rodents and poisonous weeds from wide areas of the range land. Adequate provisions for forage and water consumed by wildlife on the public domain also is included in the work of the Service, carried on with the cooperation of more than 90 C. C. C. camps.

BONNEVILLE PROJECT

The Bonneville Power Administration was created by act of Congress on August 29, 1937, for the purpose of building transmission lines and selling power generated by the Bonneville Dam, which at the time was already completed and ready to produce power.

Funds for construction of power lines and substations were not made available until 1 year later, but in the ensuing 16 months power-system construction, which normally would require nearly 2 years, was successfully completed. By January 1940 Bonneville had finished surveys and detailed designs for 640 miles of transmission lines, construction of 2 substations, and construction of 2 complete high-tension power lines, comprising nearly 200 circuit-miles. Preliminary surveys on 200 miles of power line, construction on 3 high-tension lines totaling 335 circuit-miles, and 5 substations were well on the way to completion.

Other outstandings accomplishments during the past 18 months were:

Power contracts were signed for more than 57,000 kilowatts of firm power and additional amounts of surplus energy. Other contracts, bringing the total firm-power commitments to over 100,000 kilowatts, are being actively negotiated. These contracts are expected to yield nearly $1,000,000 in revenue for the fiscal year 1940, and $2,200,000 during the 1941 fiscal period.

By the close of the calendar year 1939 two municipal systems—Cascade Locks and Forest Grove—were being served with Bonneville power. The home, farm, and commercial customers were receiving the benefits of low-cost Columbia River energy in the form of rate reductions ranging as high as 30 to 40 percent.

Bonneville power brought a new industry to the Northwest by the consummation of a contract with the Aluminum Co. of America on December 20, 1939, which guarantees at least $10,000,000 to the Government over its 20-year term. Further evidence that the Government's program of developing hydroelectric resources of the Columbia River would result in industrial expansion in the Pacific Northwest was contained in the signing of a 20-year contract with the Sierra Iron Co., of Nevada, which contemplates the establishment of a plant at Vancouver, Wash., for the manufacture of pig iron.

BUREAU OF RECLAMATION

Completion of Boulder Dam, the highest concrete dam in the world; Bartlett, the highest multiple-arch dam in the world; Parker, the deepest dam in the world; and Imperial Dam, feeding the biggest irrigation canal in the world, are listed among the achievements of this agency of the Department of the Interior during the 7-year period. Altogether, 23 storage dams have been built, creating reservoirs with a capacity of 34,308,494 acre-feet, or 11,000,000,000,000 gallons of water.

Since 1932 the Bureau has completed 3 power plants, with an ultimate capacity of 2,040,000 horsepower, the one at Boulder Dam being the largest operating in the world today.

During the same period 2,293 miles of canals, ditches, and drains have been constructed on irrigation projects which, together with the dam construction, brought about an increase in irrigable acreage from 2,551,479 to 3,782,933. The cumulative value of crops produced on irrigation projects since 1932 has amounted to $658,758,955; in 1933 the crop value was $83,564,446; for 1938 it was $113,463,460.

Reclamation construction since 1932 has raised the number of irrigated farms from 43,377 to 52,552, increased the number of towns and cities on irrigation projects from 227 to 258, and the number of persons living on the farms, or in the towns and cities about them, from 696,440 to 903,897.

During the period from 1933 to 1939 the Bureau started three of its greatest reclamation projects. The Columbia Basin project by irrigating 1,200,000 acres of land will create 30,000 to 35,000 owner-operated farms capable of providing the source of a permanent livelihood to 150,000 persons on the farms and two to three times that number in towns and cities as yet unlocated. The Central Valley project in California will provide needed supplemental water supplies to 2,000,000 acres of rich farming land, 200,000 acres of which is imminently threatened with reversion to desert. The Colorado-Big Thompson project will provide supplemental water supplies to 615,000 acres of land.

NATIONAL PARK SERVICE

A fivefold increase in the number of visitors to national parks, monuments, and allied areas was brought about by activities of the National Park Service during the 7-year period. In 1933 the number of visitors totaled 3,500,000; in 1939 it was approximately 15,000,000 persons. At the beginning of the period there were 117 units included in the National Park System; in 1940 there were 155 units with a combined area of 20,817,228 acres.

Work was inaugurated on three national parkways, a new phase of recreational development, during the last 7 years. These "elongated parks" are the Blue Ridge National Parkway, which, when completed, will connect Shenandoah and Great Smoky Mountains National Parks; the Natchez Trace National Parkway, which will connect Natchez, Miss., and Nashville, Tenn., and the George Washington Memorial National Parkway, which will link together landmarks associated with the life of the first President.

In addition, two memorials to Thomas Jefferson were started, one in St. Louis and the other in Washington, D. C. Acquisition of the historic Chesapeake and Ohio Canal from Georgtown, D. C., to Cumberland, Md., also was included among the accomplishments of the National Park Service.

BUREAU OF MINES

Scientific investigations of outstanding benefit to industry, material reduction in the number of coal-mine explosions, and steady advancement in the training of miners in safety methods constitute the highlights of achievement by the Bureau of Mines during the years following the inauguration of the conservation program on March 4, 1933.

In addition, the investigation of strategic minerals sources, already indicating the existence of three promising new sources of supply of essential minerals, and the design and installation of the only experimental plant in the United States for the continuous hydrogenation of American coals to determine their suitability for obtaining gasolene and oil, were outstanding developments.

The production of more than 38,800,000 cubic feet of helium for use in Army and Navy dirigibles, and its production and sale for medical purposes in the treatment of respiratory diseases, also was brought about during the 7-year period.

OFFICE OF INDIAN AFFAIRS

The 7 years since March 4, 1933, have witnessed a complete reorientation of national policy toward the Indian and of Federal service for the Indian. Through the instrumentality of the Indian Reorganization Act of 1934 the Government has voluntarily divested itself of important arbitrary powers over Indian persons and property and has substituted an increased measure of Indian self-determination. Thus far 192 tribes, with a population of 130,174, have accepted the benefits afforded by that act. Indian tribes or groups numbering 115, with a total population of 115,000, have organized. Many of the groups have received tribal charters of corporation. In addition, more than 40 groups have become eligible for financial assistance through the credit system created by the Reorganization Act.

Not only have the past 7 years seen a halt put to the further loss of Indian lands, but the Indian landed estate has been increased by over 3,000,000 acres, until today it totals 54,839,278 acres.

One of the most dramatic evidences of the progress made in the administration of Indian affairs over the past 7 years is the fact that the Indians, once a dying race apparently destined for oblivion, have today a birth rate estimated to be higher than that of the population at large. Gaining at an indicated annual rate of approximately 1.2 percent on January 1, 1939, the Indian population in continental United States under jurisdiction of the Office of Indian Affairs was recorded as 351,878.

GEOLOGICAL SURVEY

Greatly increased use of aerial photography in the preparation of maps necessary to the national defense form an outstanding feature of the work of this scientific bureau, which pioneered in this branch of topographic work.

The study of the Nation's water resources also constituted an important part of its operations during the past 7 years, together with investigations into the geologic problems surrounding supplies of the metals, minerals, and oils essential to the well-being of every citizen.

Classification of the public lands as to their mineral deposits and their values for water power resulted in reports on approximately 70,000 such cases by the Survey. Through its operations this branch of the Department of the Interior also served to bring about the production, without waste, of oil, gas, coal, potash, and other minerals on the public domain, and supervised the return to the Public Treasury or to the Indians of proper rents and royalties for mineral production amounting to millions of dollars annually.

DIVISION OF TERRITORIES AND ISLAND POSSESSIONS

Five islands in the South Pacific, hitherto unsettled—Canton, Enderbury, Howland, Jarvis, and Baker—have been colonized by the United States as the result of activities under this Division since the inception of the national conservation program in 1933, while an initial step toward possible colonization and development of Alaska was taken in the compilation of a comprehensive report of facts and statistics concerning conditions in the Territory.

A form of democratic government, containing among other progressive features a provision for universal suffrage, was extended to the Virgin Islands. Passed by Congress in 1937, the new organic act contained features of government more liberal than those formerly enjoyed under Danish sovereignty.

PUERTO RICO RECONSTRUCTION ADMINISTRATION

Although in active operation for only 4½ years out of the 7-year period, this agency has carried out a general rehabilitation program in Puerto Rico, where it was estimated that 75 percent of the employable population was without work in 1934. This program, to date, has been responsible for the construction of three low-cost housing developments, providing 849 units (in addition to two developments constructed by the Public Works Administration); development of the rural electrification system; construction of health centers; a soil-conservation program, and resettlement of approximately 10,000 Islanders as small landowners. Two large sugar centrals, vital factors in the Island's economy, now are being operated on a cooperative basis, and 10 new buildings have been constructed for the University of Puerto Rico.

GENERAL LAND OFFICE

Complete reversal of many of its operations, due to the substitution of conservation procedure for earlier land-disposal practices on the public domain, has taken place in the General Land Office since March 4, 1933. Among the activities of this branch of the Department of the Interior has been reorganization of its machinery for better recording, classification, and planning for wise disposition of 750,000,000 acres of the public domain in the United States and Alaska. Protection from overgrazing and other misuse of 50,000,000 acres of public land outside Federal grazing districts has been provided through carefully considered leasing of areas to stockmen, and through extensive land-measurement operations. Institution of a general fire-protection program on public lands in Alaska, suppression of disastrous coal-mine fires in Wyoming, and supervision over timber cutting on 2,500,000 acres of valuable forest lands in tracts of revested Oregon and California railroad grant lands, also form features of this agency's work during the past 7 years.

BITUMINOUS COAL DIVISION

Taking over duties formerly administered by the National Bituminous Coal Commission, this division of the Department of the Interior recently completed the last big hurdle in establishing minimum prices, and this spring will make these prices effective along with marketing regulations for bituminous coal. These are designed to aid the bituminous-coal industry in its effort to stabilize the sale of coal by eliminating ruinous price-cutting and unfair trade practices.

World Affairs

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, March 7 (legislative day of Monday, March 4), 1940

ARTICLE BY IKE HUGHES

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD a very interesting and forceful article pertaining to world affairs by the pen of Mr. Ike Hughes, of Washington, N. C. This article was published in the Washington (N. C.) Daily News, issue of February 13, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (N. C.) Daily News of February 13, 1940]

TO THE EDITOR:

Can you stick your fingers in any part of a fire without getting burned? Would you, with your clothing soaked in gasoline, attempt to pinch out one spot in a raging conflagration?

That is what we would be doing if we attempted to protect Finland from Russia. Finland is a part of Europe and has been a factor in every one of their balance-of-power crises. Finland's relations with Russia have been similar to Ireland's relations with England; for about the same length of time, and with about the same results.

We were persuaded in 1917, largely by what we now know to have been faked propaganda, to take part in a foreign war which was to make the world safe for democracy and end war. Little Belgium was then the gallant nation toward which our sympathies were directed, as they are now drawn to Finland, and both deserve our admiration and sympathy. But both, with Ireland, Poland, Czechoslovakia, and every other part of Europe and the colonies under European control are locked together in a situation which every so often results in a war.

Finland is no happier in her recently gained democracy than Czechoslovakia was; the difference is that Finland has been encouraged to fight while Czechoslovakia was as falsely abandoned by pledged allies as any people ever have been. Those allies were then appeasing Hitler and courting Russia; the very same Russia we have known as a bloody despotism for years but which has only appeared in its true colors to pro-British interests and sympathizers since Stalin joined, or partly joined, hands with Hitler. Proof that the campaign in Finland is as much a part of the general European balance-of-power war as the armies locked along the Maginot line is to be found in the assistance being given Finland by France and England and Italy. Mussolini is certainly no champion of democracy; Mussolini is weakening Russia to protect Italian interests in the Balkans. England and France could, without firing a gun but simply by dragging their guns out of occupied territory, bestow self-rule to millions of subject peoples. They are strengthening a balance-of-power ally which just happens to be a democracy.

If we admit the right of nations to make imperialistic war, and the whole world does admit it, Russia is as much justified in attempting to force Finland to yield strategic positions necessary to her defense as England was in taking Gibraltar from Spain.

That Finland neutral, or friendly to a strong nation at war with Russia and in control of the Baltic, would be a threat to Leningrad is shown by the map. So, no matter what our sympathies may say, we cannot hoot down Russia's claims by simply comparing the size of the two nations. Every nation in Europe is an ally or a potential ally of some other nation. Did England fear that Egypt, Gibraltar, Malta, or South Africa would or could conquer her?

It is not the wrong that Russia does which excites our animosity, it is simply that we don't like Russia now, and we do like Finland. That we are being made the dupes of our liking for Finland and our dislike for communism is as certain as that we were made the dupes of our own emotions in 1917. See the pattern: A war for democracy. That got us the last time and that is what they started with this time. They have flooded the country with Mein Kampf by Hitler and books by gentlemen named Rauschning and Spivak, all

going to prove that there was a German plot to enslave the world. In 1917 there was a book by a German general, Von Bernhardi, predicting exactly the same thing. But what really got us were the faked Belgian atrocity stories. That rage-against-atrocity feeling is exactly the same one that is now being so skillfully aroused against Russia. Atrocity; atrocious conduct; heartless aggression against innocence and beauty; every phrase and thought to which we reacted in 1917 is being used now. And the skids for our entry are being greased with exactly the same soft soap. "Lend them money. We surely can do that much to show our sympathy with the right. How can we do less? They, in a way, are really fighting our battle." It was a lie then, and it is a lie now. They are fighting their own battles, the continuation of a struggle which began more than a thousand years ago and the end of which is not in sight except from a concerted feeling of revulsion among the ordinary, everyday people of Europe. There is not a gun being fired in Europe which is not enlisted on one side or the other of Europe's balance-of-power war. If we send supplies to any European belligerent we are going to end by sending men to support the main alliance. Unless we can realize that what happens in Europe is Europe's sole responsibility we are going to follow the 1917 track of sympathy, supplies, credit, men, death, debt, disgust, and disillusion.

Look at this for a ridiculous picture:

Just a few months ago we trembled before the threat of Germany and Italy. Nothing was too good to say of Russia; Russia was going to block "the world's worst aggressor," Herr Hitler, on that old German road to Baghdad. In the meantime, however, Czechoslovakia had been abandoned, and the "world's worst aggressor" had been tendered an English loan of about $5,000,000,000, just in case. Germany and Italy were totalitarian, and the totalitarian nations were threatening our very life's blood. They were going to mop up the democracies, among whom at the time, strange as it seems, Russia was included as a member in good standing.

Now see:

Mussolini lacks very little of being one of the prime champions of Christian civilization, and Stalin exceeds in black wickedness anything that Hitler every approached.

Why? Because of the shifts of alliances, or apparent or hoped-for alliances, with Great Britain.

We have followed every one of those shifts.

Are we a British colony?

Are we so soundly established and financially comfortable within our own territory that we can afford to lend our strength in foreign wars?

If we hope to pull this country through the present crisis as a democracy, we have got to think about the United States and it alone. We are in no predictable danger of invasion, but we are in imminent danger of dictatorial government. It is as close as a declaration of war.

IKE HUGHES.

Ratification by Senate of Reciprocal-Trade Agreements

EXTENSION OF REMARKS
OF
HON. KEY PITTMAN
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Thursday, March 7 (legislative day of Monday, March 4), 1940

LETTER BY HON. KEY PITTMAN, OF NEVADA

Mr. PITTMAN. Mr. President, I have today offered a proposed amendment to House Joint Resolution 407, a resolution to extend the authority of the President to enter into foreign agreements commonly called reciprocity treaties. This amendment provides that no such foreign agreements hereafter entered into shall become effective until they have been advised and consented to by the United States Senate, two-thirds concurring, as is required in the ratification of all other treaties.

I ask leave to have published as a part of these remarks in the Appendix of the CONGRESSIONAL RECORD a letter that I have this day addressed to the Senator from Colorado [Mr. JOHNSON], a member of the Committee on Finance of the Senate, relative to such amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
Washington, D. C., March 7, 1940.

Hon. EDWIN C. JOHNSON,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have today introduced in the Senate and had referred to the Finance Committee a proposed amendment to the bill for the extension of the foreign-trade agreements. The amendment is in the form of a new section providing that hereafter no foreign-trade agreement shall become effective until ratified by the United States Senate as all other treaties are ratified.

As you showed interest in this amendment, I have supplied you with a copy of it. I would be pleased, of course, if the committee would consider the amendment before making their report.

May I say that I am not concerned with the character of agreements that have been heretofore made by the President. What I am interested in and what I believe the Senate is interested in is the authority that we have granted the President which we propose to extend. The act undoubtedly authorizes the President to enter into an agreement with a foreign country of a character that would come within the definition of a treaty as anticipated by the Constitution. The President is authorized to enter into an agreement with a foreign country to reduce or increase our tariff revenues. This agreement may be made for a period of 3 years and indefinitely extended thereafter if the President so desires.

The Supreme Court has held that a treaty is a contract between the United States and a foreign government affecting public welfare. In some cases it has held that it is a compact between the United States Government and a foreign government affecting public welfare. The question that submits itself to the Senate is, Does the act authorize the President to enter into such a contract or compact? Undoubtedly any agreement that he enters into with a foreign government affects the public welfare because it affects, first, the revenues that Congress has provided that our Government shall receive; second, it may materially affect the prosperity, if not the existence, of certain industries in the United States.

The act authorizes the President to enter into a contract that is binding upon the Government of the United States for a substantially long period of time. It authorizes the President to enter into an agreement that will modify existing law. Certainly no agreement but a treaty authorized in the Constitution has the status of law that can repeal or modify existing law. It is true that the Supreme Court has held that the President may enter into agreements that have not the force and effect of treaties and therefore do not require ratification, as is required relative to treaties.

I do not take issue with these opinions. It is unnecessary to take issue with these opinions, as the law which we now propose to extend empowers the President to enter into contracts with foreign governments for substantial periods of time affecting our public welfare. The law itself authorizes the making of a treaty that shall have the effect of a law and with the power of that law to repeal or modify former laws enacted by the Congress of the United States. If the Senate finds that the President by the law is authorized to make a treaty as anticipated by the Constitution, then it must follow that it is the duty of the Senate under the Constitution to require a constitutional ratification.

Sincerely yours,

KEY PITTMAN.

Flood Defense

EXTENSION OF REMARKS
OF
HON. CHARLES H. ELSTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1940

EDITORIAL FROM THE CINCINNATI POST OF MARCH 4, 1940

Mr. ELSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Cincinnati Post of March 4, 1940:

[From the Cincinnati Post of March 4, 1940]

WE ASK CONGRESS TO HELP US PROTECT OUR HOMES AND OUR FACTORIES FROM ANOTHER FLOOD

To the Senate and the House of Representatives:

On behalf of the people of Cincinnati we address you on the subject of spending.

But, we hasten to assure you, this is not the usual cry of "Roll Out the Pork Barrel."

The people of Cincinnati ask the Government for financial help in protecting a valuable residential and industrial district from a repetition of the disastrous flood of 1937.

The people of Cincinnati are not, however, asking for any 100-percent gift. They have voted to tax themselves $5,000,000 to pay the city's share of flood protection.

The project for which Cincinnati asks your consideration is a barrier dam to protect the Millcreek Valley from the flood waters of the Ohio River.

In this valley live more than 40,000 of the city's 470,000 residents. In this valley are situated factories which represent perhaps 75

percent of this city's capital investment in industry, and which employ 65 percent of its industrial workers. It is truly the city's "meal ticket."

In this valley is a great network of railroads, the key to much of the rail transportation of this part of the Ohio Valley.

In this valley are important machine tool, chemical, and plastics factories whose products would prove invaluable to the Nation in any emergency of war preparation.

The value of all property in this valley is estimated at more than $150,000,000.

The United States War Department engineers have declared that the expenditure of $6,670,000, or an annual cost of $340,000, would return average annual benefits of $1,460,000. Naturally, they pronounce this project "economically justified."

The Ohio River flood of 1937 caused the city of Cincinnati a loss estimated at $65,000,000. The building of the Millcreek barrier dam, together with the measures already taken to protect the city's water and power against flood, will reduce the loss, if the river rises again to the same stage, to a fraction of this sum.

The people of Cincinnati are entirely appreciative of the efforts of Congress to curtail unwarranted spending of Federal funds.

However, we submit that this request of the people of Cincinnati must be regarded as an investment which will pay rich dividends in preventing human tragedy and business paralysis resulting from the recurring floods of the Ohio River.

The city of Cincinnati is willing to dig down in its own pocket to pay its share. The city is unanimous in supporting this project as a worthy one. The city council has paved the way by approving all necessary local legislative measures.

Will you help us protect our people and our industries?

THE CINCINNATI POST,
CARL D. GROAT, *Editor*.

Administration of the Bonneville Power Project

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

ADDRESS BY DAN HALLOWELL

Mr. PIERCE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Dan Hallowell, special representative, Bonneville Service Committee, Portland, Oreg., before Oregon League of Democratic Women, February 28, 1940, at Portland, Oreg.:

In the beginning of Bonneville there was the Columbia River—it had been there quite awhile and it didn't belong to the Portland Electric Power Co., or the so-called first families of Portland—surely no person will dispute the self-evident fact that the river is the inherent property of the people who live within its watershed—or that no man or group of men should have an unfair advantage over another in the bringing to himself the good things the river will accomplish for him. We in this generation have a trust or obligation to those who follow after to pass on to them its benefits in such manner that they too may share equally in them. It is a constant, relentless, mighty thing—this river—whose power for good is just coming into the consciousness of man—no longer does it run, as Mr. Joseph used to say, "unbridled to the sea."

Rising in the Rocky Mountains of British Columbia and flowing 460 miles through Canada by the time it reaches Bonneville the river has become the second largest in the United States and America's greatest potential source of power. Engineers estimate 17,600,000 horsepower. Down in California they make much ado about Boulder Dam and the Colorado River and yet the Columbia at Bonneville flows 10 times as much water at low-water time as flows in the Colorado at high-water time. It is only in the last few years that people have begun to realize that water and rivers are man's greatest treasure. Forests may be cut or burned, oil wells may go dry, soils may be depleted, mines may run out, but the power of a mighty river goes on forever.

Today many people among us are working to bring the benefits of Bonneville power to the city of Portland, and at the same time many people are working and much money is being spent to keep them from it. They want Bonneville for the selfish few. Each day more and more people see the vision and the possibilities for which the late George W. Joseph labored. It is true that the forces of greed, monopoly, and special privilege can no more defeat and prevent the ultimate working out of a great and just plan than they can stop the flow of the Columbia River with their bare hands. Largely as a result of the efforts of Mr. Joseph the Army engineers made preliminary surveys and had them on file, apparently waiting the day when an economic condition should bring forth a great national leader, President Roosevelt. President Roosevelt saw the great and real possibilities in the development of the Columbia River. He has said that its power shall be distributed in the widest possible manner to the greatest possible number of people. Certain paid propagandists of the Portland Electric Power Co. have brazenly tried to deceive the people about President Roosevelt's stand on public distribution of power. They have attempted to twist the truth on the assumption that the people of Portland are fools.

Here is what the President said, and I quote:

"Where a community, or a city, or county, or district is not satisfied with the service rendered or the rates charged by a private utility it has the undeniable right as one of the functions of government, one of its functions of home rule, to set up, after a fair referendum has been taken, its own governmentally owned and operated service. That right has been recognized in most of the States of the Union. Its general recognition by every State will hasten the day of better service and lower rates."

Now let's analyze it. Are you satisfied with the little insignificant reduction that two Portland power companies have recently given you? Are you satisfied to trade your birthright so cheaply away? Now to go back to the quotation, which says: "It is one of the functions of government"—the Oregon P. U. D. law has made a referendum possible—this is still a democracy and the will of the people expressed by their ballot is the law of the land. The Oregon P. U. D. law is the tool that can maintain your birthright.

The Bonneville Act specifies that preference in the sale of power shall at all times be given to such nonprofit public agencies as P. U. D.'s. It is the law that publicly owned systems have first choice of power. Portland Electric Power Co. cannot be sure of getting Bonneville power for longer than 5 years. Suppose the surrounding people's utility districts should continue to increase the use of industrial power with their cheap rates. Then there is always the possibility that there would be no power left for Portland. Here is what the law actually says, and I quote:

"Provided further, That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after January 1, 1941; and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other—the application of such public body or cooperative shall be granted * * * in the case of contract with any purchaser engaged in the business of selling electric energy to the general public, the contract shall provide that the Administrator may cancel such contract upon 5 years' notice in writing, if in the judgment of the Administrator any part of the electric energy purchased under such contract is likely to be needed to satisfy the requirements of the said public bodies or cooperatives referred to in this act."

That is the law. So you see there is real danger that the progressive communities of Oregon and Washington would so far advance industrially that they would need the Bonneville power being sold to these private companies, and so demand it. The Administrator at Bonneville would then be required by law to cancel the contract with the private power companies and, of course, the private power companies would then be forced to go back to their old antiquated methods of production, which would immediately throw them into another periodic spasm of bankruptcy. Portland, its people, and its industry would then be out in the cold. Can you visualize any manufacturer who would be so foolish as to come to Portland to invest his money under these circumstances? Do you wonder why the Aluminum Co. of America went to Vancouver? Why did this new iron company go to Vancouver?

The State of Washington has 28 people's utility districts; 4 now in actual operation; more are forming. They have already cut their rates. Their load factor and demand for Bonneville power is even now increasing. Washington people are alive. They want factories and jobs for their people. Should the people of Portland continue to sleep, they shall wake up some day to find their city of roses a suburb of Vancouver, Wash.

Remember this, that the law of the land requires people's utility districts to sell power without profit; there will be no profit in it for any man. Its operation, its finances, will be regulated by State and Federal law, yet its directors will be selected by you, as you select your school directors—nonpartisan, nonpolitical men of proven business ability, whom you know by the record of their success in their own business. Many progressive businessmen of this city are taking an active part in the people's utility district movement. Do the power companies hope to convince you that there are not five honest, substantial businessmen in this city of Portland with brains enough to hire a competent man to manage the distribution of Bonneville power at cost?

Look here; think of this; why are the power companies in business? To make a profit, are they not? And what profits they make. Right now they are selling you 10 cents worth of power for $1.75. Suppose your grocer should buy a box of Hood River apples for $1 and, having delivered them to your door in his truck, should send you a bill on the first of the month for $17.50? What would you say? Do you think that his argument that he was justified in charging $16.50 for delivering the apples would bear any weight with you? Thank God the grocers in this city are not that kind of people. They, too, have their power problems. They pay on a so-called commercial rate; the mountain labored and didn't even produce a mouse for them. They got no cut of any

kind. Some day just before voting day the power boys will reduce the commercial rates in about the same manner as they have reduced the rates for home consumption. Then there will be a new and greater campaign of newspaper advertising and billboards.

Power company propagandists, the leader of whom is Mr. Walter W. R. May, whose salary is $6,600 a year of the people's money, the same man who pretended to work for Portland's good as manager of the Portland Chamber of Commerce has done a lot of loose talking about the Government taking over private business. They should like to scare independent businessmen, but, in truth, there is no comparison between monopolistic power companies and legitimate private business. In the first place, the power business is not private business; it is public business. People know and generally recognize this truth, that whenever any business is by its very nature an economic monopoly and an absolute necessity to the people, then it should belong to the people.

Some say there are two power companies in Portland; but are there? They charge identical rates; they work, hand and glove, together; they lobby and connive together; they contribute equally in what in the past have been very successful efforts to corrupt our public officers and to curb, regiment, and control our civic organizations. Their consuming desire for profits and fat salaries has completely submerged any truly American hope for better things for anyone other than themselves.

As an illustration of how successful they have been, in 1938 Franklin T. Griffith, then president of the Portland General Electric, was selected as Portland's first citizen. Mr. Griffith comes down from the old days when industrial leaders literally carried a whip over the citizenry. He made it pay, too; $19,500 per year it paid him, plus $16,670 as retainer fees to his legal firm of Griffith, Peck & Coke, plus $4,500 from the Portland Traction Co.; a total of $40,670 per year that we know about; and this—mind you, all this—while local investors lost $18,000,000 worth of their life savings, many of whom are today the objects of charity. L. T. Marvin, president of the Northwestern Electric, gets $12,460 per year. Paul B. McKee, president of Portland Gas & Coke Co., is on the pay roll of the Northwestern Electric Co. at $6,000 per year as special adviser. Makes one wonder if there was any conniving with the Portland Gas & Coke Co. so as not to reduce rates too much and bring electric ranges into competition with gas ranges. James E. Polhemus, now president of the Portland General Electric, got $10,000 as vice president. A total of $109,670 in salaries to top-ranking executives.

Dr. Raver, the administrator of Bonneville, gets $10,000 for the whole job. The city of Seattle paid the late J. D. Ross $7,500 per year. Over a period of years he cut the electric rates in half and left the city an electric production and distribution system worth $62,000,000.

Over $100,000 in salaries to high-powered executives. Meanwhile Portland General Electric is in bankruptcy for the second time in 5 years. Meanwhile thousands of private investors have lost their money in worthless stocks. Old employees have been unceremoniously laid off. There is talk of eliminating pensions and group insurance. A very concerted effort is being made to make power-company employees believe that they will lose their jobs when the people take over. Such is not the record of P. U. D.'s. In Washington practically every power-company employee has been retained by the new P. U. D.; in some cases 100 percent. No competent trained electrical worker need fear for his job with the Portland-People's Utility District. The association of P. U. D. directors for Oregon has publicly gone on record endorsing verbatim the labor provisions for which the unions have asked. The labor clauses in the Oregon P. U. D. law were written by the late Ben T. Osborne. In fact, power-company personnel should welcome the coming of a P. U. D. to the city of Portland because we all know that if rates are cut in half, consumption will soon double and there will be more work and more jobs for everyone.

It is true that power-company money is being lavishly wasted in an attempt to corrupt union officials, but the rank and file will not be led astray. How fearful to contemplate the insidious lobby system maintained to corrupt our politics, both city and State, to bore within our unions, to intimidate the workers, to enter slefishly into our civic activities, to curry public favor, and disguise the efforts of a few grasping men who seek to dominate and regiment our city.

The Portland Electric Power Co. has contributed financially to such strike-breaking organizations as the National Industrial Relations Association and the labor hating National Manufacturers Association. Oregon Business and Investors is a nice-sounding name for a power company subsidized agency to fight Peoples' Utility District. They received in cast last year more than $33,000 from power companies. They seek to control the press. Meanwhile many an unsuspecting businessman paid his $1 per year to what he thought was a worthy cause. In 1938 the Portland General Electric paid $3,669 to the Edison Electric Institute, which is dedicated to fighting the public-power program. What an unfair use of the name of Thomas A. Edison, who actually attended the birth of modern electricity for the use and comfort of all mankind.

There is an item in the power company's report to the Public Utility Commissioner for Oregon of $523,000 for trade extension—$523,000 which they collected from the people of Oregon. How do they use it? They are using it against you now. Do Tacoma, Eugene, or Forest Grove, or Canby need to advertise—to lobby and subsidize and supply whisky to members of the legislature? Yet they talk about keeping the power business out of politics. In Portland it has always been in politics. P. U. D. proposes to take it out of politics.

What is the matter with Bull Run water—finest and cheapest in the United States, is it not? The water department employees are civil service. Their job goes on year in and year out, through change of mayor and city council. No Portlander would want to go back to the privately owned water company with its high rates and disease-producing water. In fact, the city of Portland has in truth a peoples' utility district, for water, right now, and it runs so fine and smoothly we scarcely know it is here. Don't some of you remember some of the things that were said by the private-water company at the time you took over the water business? Are they not saying the same things now? Wasn't a big holler made about taxes? Sure there was, but you wouldn't go back.

However, bear in mind this: That the framers of the Oregon P. U. D. law stopped the tax argument before it started because a people's utility district will pay taxes in exactly the same manner and in the same way that the power companies now pay taxes; in fact, P. U. D. will reduce taxes because it will sell its power for street lighting, for public buildings, for schools, and public use to the city for about half the charge now made by Portland Electric Power Co.

The city of Seattle gets approximately 3 times as many street lights for half the money the city of Portland pays to Pepco. In fact all this noise about taxes paid by private power companies means absolutely nothing because they get all the money back for services—and what poor service it is. Every teacher and most mothers know that the Portland public schools are poorly lighted because the cost is so high. Every person who is forced to walk our streets at night knows how poorly they are lighted. I ask you to look at the death rate of pedestrians at night. Why does the city skimp on street lighting?—because of the enormous cost.

The power companies will get every dollar of value they have invested and perhaps a little more, because while it is true that they have very little good will, they did pioneer the business and they had a potential earning power. Investors in power company stocks and bonds have a much better chance to get their money from the people of Portland than they have to get it from the financial gangsters of Wall Street. The Portland P. U. D. directors will employ competent engineers to survey the properties, and after ascertaining their true worth will begin negotiations. Should the power companies take an unreasonable stand there is always the United States district court. In no case and under no circumstances will there be two competing systems in the city—for the will of the people is the law of the land.

Remember this—that People's Utility District will sell power without profit. The private power company must make a profit. They base their rates on the money they owe, plus the legitimate operating cost; plus the high salaries of their executives; plus the taxes that they collect from you; plus the money they spend for political activities; plus a cut for the holding companies which is Wall Street; plus legal fees for periodical bankruptcy; plus contributions to every Tom, Dick, and Harry that might influence a few votes; and then a profit. Is it any wonder that they cannot reduce rates?

People's Utility District has one simple job. Hire a good, capable engineer to direct the present employees, set aside enough to amortize the cost of the property in 30 years, some for extension of lines and improvement, pass the other savings on to the people. Rates cut in half will increase consumption double in a short while. That is the record of public ownership in other places. Look at Knoxville, Tenn.; Forest Grove, Tacoma, Cascade Locks, and Canby.

Portland has a very important decision to make. Her very future is in the hands of the voters. It is your job to cut through the smoke screen of selfish, subsidized propaganda and get the true facts. Your money and your labor has built Bonneville. Are you going to let the power companies steal it? You must pay for it, why not use it?

Great cities in the past have been dependent upon 4 things: (1) Resources; (2) location; (3) transportation; (4) coal. We have the location, the resources, and the transportation. We never had any coal, now we have. White coal. Rushing, inexhaustible, irrestible, never failing, smokeless, clean, and powerful. And it can be carried instantly from Bonneville to Portland—over a railroad of gleaming wire. It is yours. Do you know what it means? The mighty energy of 17,000,000 horses champing the bit of destiny—eager to help you build a great industrial city. Here at the tidewater of the Columbia, at the head of the Willamette Valley, where the Federal Government is spending $62,000,000 to help us make it the finest and most productive valley on the face of the earth.

For almost a hundred years Portland has been the principal city of the backward colonial empire. There are those who would keep it so. They have defeated the will of the city before. Will you let them do it again? There are in Portland, and you all know them, a certain group of landed colonial aristocracy who are content—they hate competition and energy; things are well with them. They don't need factories or office buildings. They don't need jobs. They don't need schools—their children go east to school. They don't need parks and playgrounds—they don't want anything new. They are perfectly satisfied to sit—pretty confident of the future they are; but how about you?

What Oregon and Portland needs is more people—people who can see the wonderful natural advantages of the Pacific Northwest—and they are coming, thousands each month, from the Great Plains States, from the Dust Bowl, and the crowded cities of the East. Oregon looks mighty good to them. It is truly the promised land. Eager and willing to work they are. Bonneville can find them a job—and you?

That great highway to the inland empire—the Columbia River—where traffic has doubled 17 times in the last year, unlocks one of the world's great storehouses, bursting with wheat and cattle and sheep; 1,200,000 new acres, more than the State of Delaware, just coming into irrigation on the completion of Grand Coulee; minerals beyond the dreams of smug complacency; copper and mercury and aluminum, zinc and lead and tungsten, nickel and borax and iron, phosphates and clay and sulfur, potassium and quartz and gold—waiting to be called into the building of the city which shall be Portland.

Do you think they will ever come to Portland when electric power—your power from Bonneville—is sold in Vancouver and other points along the Columbia at $17.50 as against $59 our manufacturers pay Portland Electric Power Co.?

Let's look back in the pages of history. Such things have happened before. Let's decide that it will not happen to Portland as it did to Milwaukie, Oreg. Once they were nearly equal, Milwaukie and Portland—Milwaukie had the edge a little. The farmers from the Willamette and Tualatin Valleys came to Milwaukee to trade. Then some forward-looking people built the Canyon Road. That turned the tide. They came to Portland, Milwaukie didn't die exactly, but Portland had a new inspiration. She went on to greater things and now what is she going to do about this? Will she take what belongs to her? or will she sit here like a wooden Indian?

It isn't necessary to have all these industries actually in Portland but we must have them in this trade area. Cheap power at tidewater is our advantage. We have locks and terminals and airports, schools and homes and playgrounds, churches and parks and hospitals, 100 miles inland, easily defended in time of war; no finer place on the face of the earth for homes.

Less than a million people in Oregon—1,000,000 people—90 percent of whose income, directly or indirectly, comes from timber and farms. In forest products we exceed the national average by 642 percent. The timber is rapidly disappearing and the faster it goes the scarcer the jobs become.

Three-fourths of the things we use come from east of the mountains—clothes and shoes and hats, tools and jigs and dies, iron and copper and steel, rubber and cars and trucks, plows and hoes and rakes, tractors and combines and seeders, dishes and pots and pans—practically everything we need and use, and yet we sit here worried, and fearful, and timid, listening with dread fears to the confusing half truths put out by Portland Electric Power Co. in their attempt to fool us into trading our very destiny for a pitiful little saving of a few cents a month on a light bill.

President Roosevelt saw the vision of the development of the Columbia River—I quote his words—"Water power of incalculable value for cheap manufacturing and economy and comfort on the farm and in the household."

The Government has done its part. From here on it's up to us. We are at the cross roads. We must choose which road to take. One leads down the narrow, private toll road of Portland Electric Power Co., the other leads up—to better things for the common good of all—the broad public highway of the people's utility district.

Trade—Tradition—Termites

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. STYLES BRIDGES, of New Hampshire, at a Republican rally under the auspices of the Utah Republican State committee, at Ogden, Utah, February 20:

Tonight I should like to speak to you about three "t's," which concern the lives of everyone more than is generally realized—tradition, termites, and trade.

There are three ways of regarding tradition: First, there is the true reactionary, who makes a fetish of tradition, revering it merely because it is tradition. The other extreme is the revolutionary radical, who has no use for the past and would overthrow it for precisely the same reason, merely because it is tradition. In between these two extremes are the vast majority of the American people, who evaluate the past in terms of the present and future. They realize that tradition is of little use unless it will help us in everyday living. But they also know that we have nothing to guide us save past experience. They know that history has taught us certain fundamental truths by which men must live, and certain ideals toward which men must strive if they are to advance. They know that these truths and these ideals will always be distorted either by a selfish few seeking personal gain or by theorists seeking to prove their contentions. In evaluating tradition they seek to separate the true from the false of the past. In their daily lives they seek to preserve these truths from those who would distort them today and to carry forward these ideals.

The American people have an unsurpassed tradition of which they are justly proud. It is a tradition of free men under a free government and a free economy. It has stood the test of time; it has brought the greatest progress the world has ever seen in so short a time, for it is no rigid doctrine that becomes outworn with the years. It is, rather, a spirit, a way of life. It is an ideal that man has set for himself and toward which he must constantly strive if he is to progress. It is the spirit of tolerance and understanding toward one's fellow men, the way of voluntary cooperation with others for the good of all, the ideal of self-restraint, self-development of one's talents and abilities, and of service to one's fellow men. It seeks the encouragement of individual initiative and energy and talent as the way of progress for all. These are the truths; these are the ideals which have been bought with the blood of patriots and martyrs and passed on to each successive generation of Americans as a priceless heritage. These are the truths and the ideals which each successive generation has held in trust and sought to bequeath, untarnished and enriched, to their posterity.

In recent years these principles which have guided the American people in their onward march have been questioned for the first time. Americans have stumbled at times, they have sometimes fallen short of these ideals, but never before have they been ridiculed or discarded as useless, outworn relics of a bygone day. For the first time, termites have sought to undermine the American tradition and way of life. For the first time we have in public office professional reformers, men who delight in experiment for experiment's sake, who relish overthrowing precedent, and who have used their public office as a laboratory in which to perform vivisection upon the American economic system. Many of them are men with "messiah complexes" who "honestly and fervently believe that their mission in life is, at least, to reform the United States regardless of the terms of the statutes, the Constitution, or anything else." These last words are not my own. They are to be found in the report of the House Judiciary Committee last year on the Logan-Walter bill.

These would-be messiahs of the New Deal pay tribute to the Constitution; but to them the Constitution is so elastic as to cover whatever interpretation they decide to give it. Take, for example, the so-called human rights amendment proposed by Thomas R. Amlie when he was a Member of Congress, which provided for the complete socialization of our economy. When Mr. Amlie was questioned by a Senate committee following his nomination to the Interstate Commerce Commission by President Roosevelt, he declared that he thought we had come so far under the New Deal that these same objectives could be achieved without even a constitutional amendment today. Incidentally, when the Senate committee had refused to confirm the appointment of Mr. Amlie, after he had admitted frankly his belief in a collectivist state, he was rewarded by President Roosevelt with an appointment to a soft political job in the Justice Department.

Those would-be messiahs of the New Deal pay lip service to our civil liberties. Yet the newspaper which dares to criticize the administration brings down upon itself a torrent of abuse and vilification. The individual who dares to speak against the New Deal can expect to have a campaign of smearing launched against him, and runs the risk of reprisals. The National Labor Relations Board, from its pinnacle of power, has decreed that freedom of speech is a qualified right, and not to be enjoyed by employers. The right to petition is also denied by the N. L. R. B. The right of appeal is deprived the citizen by this and numerous other New Deal agencies, and by the present Reciprocal Trade Agreements Act.

Most of these professional reformers—amateurs though they may be in the art of government—place capitalism on the list of things they are going to save. And yet their every move is designed to supplant private spending with public spending, private investment with public investment, private employment with public employment, and private control with public control. When New Deal spending first began it was presumably to relieve human distress. Then it was to prime the pump, to stimulate industry until private business could take up the slack. Today there can be no doubt of the fact that public spending is one of the instruments through which new dealers hope to make America over, and that if they are reelected to office this fall—which I do not expect to happen—we would be further than ever from a revival of our system of private economy.

Mr. Roosevelt's recent attempts to justify his spending policies actually reveal the degree of socialization of our economic system since the New Deal took office.

During the years from 1921 to 1930, private debt increased by nearly $48,000,000,000. There is no denying that some of this represented unwise speculation which contributed to the crash of 1929. But by far the greater portion of it represented legitimate investment in productive enterprise. It went into expanding our

economic system and providing employment, thus creating more wealth and a higher standard of living for all. During the same period, the debt of State and local governments increased slightly, while the National Government decreased its indebtedness. Private spending was carrying the load, as it should and must in a private economy.

During the 3 years which followed the crash, from 1929 through 1932, private debt decreased by more than 16½ billion dollars. Private borrowing and spending contracted, and with it private industry. We were in a depression. We needed a revival of new investment in private industry to achieve recovery.

Instead, we have it now from the President himself that since he took office, private borrowing for investment and expansion in business and industry has continued to decrease. The fact private debt has fallen another $17,000,000,000—or more than during the years following the crash from 1929 through 1932—is no credit to the New Deal. Instead, it proves that during the last few years businessmen have lacked the confidence to borrow money to invest in a new venture or in the expansion of a business already established. Instead, it helps to explain the idle cash in the banks and the idle men on relief rolls. Instead, it is evidence that our system of private economy, instead of expanding, has continued to contract ever since the New Deal came into power.

Nor is the fact that the Federal Government and its corporations have increased their debt by over $24,000,000,000, and that the Government has assumed the burden where private industry could not, since Mr. Roosevelt took office, a cause for self-congratulation. Together with the nearly 10,000,000 unemployed, it is rather the greatest proof of New Deal failure to achieve the revival of our private economy. That system is based on private spending, private investment, and private employment. Until we have a revival of these we shall not achieve any true recovery.

What New Deal spending has done is to provide temporary shots in the arm which resulted in temporary spurts, each followed by a recession. After 7 years there can be no possible doubt that such a policy can never bring true recovery. What it has done is to increase the trend toward socialization, to take the Government further and further into the fields of private spending and investment which have always done the job and could do so today if given the chance. As a result, both business and the individual taxpayer are paying the price for public spending that can never bring recovery either of our system of private economy or of prosperity for our people.

This comparison of private and public debt by new dealers—as though it were to their credit—reflects the fact that they cannot or will not see the difference between private debt and public debt, between private investment and public investment, between private spending and public spending. They refuse to recognize that private borrowing generally represents investment in productive enterprise, and thus creates a supply of new wealth in response to the demands of the consuming public. The borrower feels that the chances of success and a fair profit are sufficient to justify his risk in borrowing money he knows that he himself will have to repay.

But Government spending is generally in nonproductive enterprises which add nothing to the wealth of the Nation. Consider the billions we have poured into useless pump-priming projects. They did not result from any demand or potential use for them on the part of the public. Moreover, these spenders of the public's money are not guided by whether or not a venture is likely to prove successful. They are not personally responsible for any losses. These are simply chalked up to present generations in increased taxes and to future generations in burdensome debt.

You can never expect any decrease in spending, debt, or taxation, or any revival of our economic system of private economy from this administration. It is dedicated to the proposition that public spending, investment, and employment must gradually but increasingly replace private endeavor in our economy.

One of the peculiarities of the New Deal mentality is their inability to admit their error, to acknowledge that theories have failed to bring the promised results. In their intolerance of all other views, in their tenacious clinging to their pet theories regardless of human needs, in their refusal to meet conditions squarely, they are as narrow and bigoted as the blackest reactionary that ever lived. If their theories have not succeeded according to their diagrams, it is not the fault of their blueprints, but the fault of the people for not reacting as they had expected. If progress has not followed according to their charts, it is not the blueprint that must be revised to fit human psychology and needs of the people, but the people who must be reformed to meet the specifications of the blueprint. Thus, as private industry failed to revive as new dealers had expected, it was not the fault of their policies. Rather it was the fault of the "selfish few," the "60 families," and of a sit-down strike on the part of capital. On no account could the blame be allowed to rest upon the New Deal. And so we have a dogged persistence in policies that have been proved a failure, and a grim determination to carry them forward at all costs.

It was this determination to brook no resistance that led to the attempted "purge" by which new dealers hoped to assure a "yes man" Congress, just as they had attempted to set up a "yes man" Supreme Court the year before. Today, the "third termites" are busy trying to purge once more. This time it is being done more cautiously and quietly. Tommy the Cork and his friends have learned much from their previous failure. Today the attempt is to purge Jeffersonian Democrats from the delegations to the Democratic National Convention this summer by making sure that only ardent new dealers and advocates of a third term for Mr. Roosevelt are selected as delegates. If Jeffersonian Democrats once again are successful in resisting the purge, the strategy is to make them honorary delegates with no vote, or to invoke a unit rule at the convention by which, if they are in the minority of the State delegation, their vote will be lost.

In one way, the desperate maneuverings of the "third termites" are pathetic. Some are frank in conceding that no other 100-percent new dealer stands much of a chance either of nomination at the convention or of election at the polls. They are clinging desperately to the Roosevelt coattails as their one hope of salvation, for they know that whether the next President is a Republican or a conservative Democrat, their soft jobs and their pet theories will be out the window. You can expect increased propaganda during the coming months that Washington and Jefferson had no objection to a third term and—now that war has broken out in Europe—that Roosevelt is the one man who cannot only save America but work for world peace. Should the President be renominated, new dealers count on his being swept back into office, as he was first elected, on the basis of emergency.

Consistent with the increasingly international outlook of the administration is the reciprocal-trade program, which President Roosevelt championed as never before in his last annual message to Congress. Secretary of State Hull has always been an economic internationalist and has consistently maintained that we must first achieve the economic salvation of the rest of the world before we could be prosperous ourselves. He has crusaded for years for free trade. However, the policy conflicts on all sides with the New Deal program of domestic reform. Indeed, new dealers are divided between those who support the President's political and economic foreign policies and those who want him to concentrate on the task of remaking America.

Today, the Agriculture Department enforces a program of planned scarcity at home by controlling production. The State Department encourages unplanned amounts of imports from abroad.

The Surplus Commodities Corporation spends many millions each year in buying and disposing of surplus food products. The State Department lowers duties on these same products, thus adding to the surplus.

We have promoted this policy of scarcity on the theory that it would raise prices. By this and other artificial methods we have attempted to raise the prices of the farmer—and have failed pathetically. We also passed a Wages and Hours Act to raise the standard of wages. The State Department opens the door to cheap competitive imports from other nations.

Another scheme for raising the general level of all prices was the devaluation of the dollar—another failure. Now the entire philosophy of the reciprocal-trade program is that we cannot expect a healthy foreign trade if we export more than we import, thereby draining the riches of the rest of the world. And yet, by our program of buying gold and silver from all the world, at artificially high prices, far above the world value, we are inviting other nations to part with their silver and gold, thus draining them of these metals and of the wealth Mr. Hull contends with justification that they must have if they are to continue to trade with other nations.

Having increased our gold holdings from approximately $4,000,000,000 to $18,000,000,000 in 6 years, we now have two-thirds of the world's gold. We shall have it all before the forties are over if we continue to buy it at the present rate. And, in the same proportion as we are buying up the world's gold, we are decreasing its true value. The only possible use this hoard can have is if the President decides to use the powers surrendered to him by the Congress to issue money against it, in which every additional ounce of foreign gold will but make the inflation that much more terrible.

It is true that if we stop the purchase of gold suddenly, we shall disrupt the currencies of the world. But it is equally true that if gold and silver are not to become increasingly worthless, if the currencies of the world are to be protected—to say nothing of our own miners and our own currency—this fantastic policy must be gradually curbed.

But to return to the subject of trade. The reciprocal treaties were to be the panacea for the revival of world trade. They were designed particularly to aid the farmer. Not only have they failed of their objectives, but it is becoming increasingly clear that the American farmer—particularly in the West—is the chief victim.

This fact was amply demonstrated by the testimony of Mr. George N. Peek before the Committee on Ways and Means of the House during its hearings on the extension of the Reciprocal Trade Agreements Act. Mr. Peek, the first Administrator of the A. A. A. and an unquestioned authority on agriculture, left the New Deal because of his profound disagreement with its trade policies.

Among other things, he pointed out that competitive agricultural imports increased on an average of more than $43,000,000 a year during the first 5 years of the reciprocal-trade agreements, 1934 through 1938, as compared with the 5 preceding years, 1929 to 1933. At the same time, noncompetitive agricultural imports fell on an average of more than $128,000,000 a year. From 1929 through 1933, the average value of noncompetitive agricultural imports was more than $88,000,000 greater than that of competitive imports. But during the first 5 years of the reciprocal-trade agreements, the value of agricultural imports which competed directly

with the American farmer was more than seventy-two and one-half million dollars greater than the value of those agricultural imports which were not competitive.

From these figures it is apparent that the result of the reciprocal-trade treaties has been to decrease imports which we need and can safely bring into the country without displacing American farms and farmers, and to increase the importation of those products which put American farms and farmers out of work.

On the export side, at the same time that agricultural imports were increasing, agricultural exports declined an average of $251,000,000 a year during the first 5 years of the reciprocal-trade agreements as compared with the years 1929–33, which covered the worst of the world-wide depression.

And still the New Deal goes on subsidizing scarcity, making it impossible for the farmer to recapture the foreign markets that once were his. And, ironically, the farmer himself is paying for these subsidies which are taxed out of business in the increased price that he must pay for industrial goods. Between its domestic agricultural policies and its reciprocal-trade program, the New Deal was going to bring farm prices up to the level of industrial prices. And yet the index of prices received by the farmer has fallen to the lowest since 1934. The ratio of prices he received to the prices he had to pay is also the lowest since the inauguration of the reciprocal-trade program.

An outstanding example of the effect of these treaties, one which directly touches you in Utah, is furnished in the case of wool. Duties both on raw wool and wool manufactures were reduced in the treaty with Great Britain. A detailed comparison of imports for the first 8 months of 1939, compared with the first 8 months of 1938, reveals that various types of wool increased anywhere from 168 percent to over 1,000 percent. The encouragement given by the lowering of the duties is shown by the fact that the total value as expressed in terms of the dollar did not increase nearly so much as the total quantity.

For example, the increase in imported nails was over 2,500,000 pounds, or over 168 percent, but the dollar value increased only 99 percent. The increase in rags was nearly 5,000,000 pounds, or more than 1,009 percent. But the increase in the dollar value was only 767 percent. The increase in manufactured woolen materials was 175 percent. But the dollar value increased only 107 percent. Could anything demonstrate more clearly the danger of opening the doors to cheap competition from abroad?

The yardage of imported woolen goods in 8 months alone was enough to provide two and a half million people with a garment containing 3 yards each. That meant the loss of some $5,000,000 in wages, together with employment for some 5,000 people who might have been employed in its manufacture. Together with the importation of raw wool, it represented some 35,000,000 pounds. Just figure that out in terms of your wool production in Utah.

The American people have achieved a standard of living that is the envy of the world. They have achieved it by the sweat of their brow, by their initiative, and their genius. The poorest in the land are better off than the peons of other nations. But that is not enough. So long as there is mass unemployment, so long as wages and prices are in many instances too low, we can and must achieve far more. But we cannot protect all we have gained thus far; we cannot advance if we permit ourselves to be dragged down to the level of other nations. We cannot afford to sacrifice the American standard of living on the altar of free trade.

We can achieve greater employment and higher prices and wages only if we halt the flow of competitive goods from other nations below the American cost of production. We stand to gain by a reciprocal-trade program only if it is placed on a basis of true reciprocity by which we win a concession for every concession made, instead of gaining from only one nation but giving to all the world. We can increase our export trade only if the reciprocal-trade program is used to bargain the products we have for export for products that we do not produce. We can make concessions to other nations on those things which we do not raise. Since the beginning of the reciprocal-trade treaty, foreign nations have lost an average of more than $128,000,000 a year in exporting to this country noncompetitive agricultural products, products which would not have displaced American labor and American land. This was nearly three times the amount they gained by increasing exports to this country which did displace American labor and American land. In other words, the program as administered has actually benefited neither the American farmer nor the farmers of other nations. On a basis of true reciprocity, it can be made to benefit both.

Upon any party that takes office in 1941 there rests a tremendous responsibility. The next 4 years will not be easy ones. It will take all the strength, all the courage, all the vision at our command to put America back on the road to progress and prosperity. But I believe that the Republican Party will meet that challenge.

First of all is the task of inspiring the traditional American spirit of industry, initiative, and energy for the advancement of all. That spirit has been discouraged, it has been suppressed, it has been thwarted in recent years. But I refuse to believe that it is dead. I do believe that, if released and summoned to the work that lies ahead, the American people will achieve greater conquests and the conquest of greater frontiers and greater human happiness than ever before.

But, if they are to go forward, we must assure them of a constitutional government by law whose purpose is to free them rather than the arbitrary government by officials with the power to tinker with their lives. There will be no doubt in the minds of our people as to the protection of their freedom of speech and press at all times, and of their democratic right to a fair trial, an adequate hearing and appeal at all times. There will be no doubt in their minds as to the protection of the spirit as well as the form of their Constitution and their democratic institutions. There will be no fear that these are being perverted to perpetuate politicians in public office. For the Government of the United States will be returned to the American people. We shall return to them the powers which are theirs under the Constitution to exercise through their chosen representatives, among them the control over their currency and the power to negotiate treaties with other nations.

Under a Republican administration there will be a resurgence of our system of private economy. The savings of our people will not be taxed away and squandered in the name of helping them. Punitive taxation will not prevent the raising of wages and the reemployment of men in an expansion of industry. The citizen will not hesitate to invest his hard-earned savings because of the competition of his Government. He will not be restricted and harassed out of a decent living by Government bureaucrats. Rather he will be confident of government which encourages him to go forward, which stimulates an economy of plenty. Such Government regulation as is necessary will be designed at correcting abuses in our economic system, and not at making it over. Their purpose will be to preserve the freedom and opportunity of the individual to go forward in an economy of plenty, to rise as high as his toil and his talents will permit, and to contribute as much as possible to the wealth and standard of living of others.

Those who hold office will encourage the greatest possible self-government and voluntary cooperation among our people in solving their problems. They will set an example of tolerance and mutual respect. They will conceive of the duty of their office as to serve and not to rule, however benevolently.

Under such a government, I do not doubt that the American people will not only go forward, will not only preserve the precious heritage that is theirs in trust, but will write new chapters to the history of American achievement and add triumphs to an already glorious tradition.

Important Decision Ahead

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

EDITORIAL FROM RICHMOND (IND.) PALLADIUM-ITEM OF MARCH 4, 1940

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include therein a very carefully written editorial which appeared in the Palladium-Item, of Richmond, Ind., on March 4, 1940, on the subject, Important Decision Ahead.

I hope each Member of the House will read this illuminating editorial, as it contains some real food for thought.

The splendid editorial follows:

[From the Richmond (Ind.) Palladium-Item of March 4, 1940]

IMPORTANT DECISION AHEAD

History-making world events should not cause Americans to overlook the grave domestic problems of the United States. The voters of this Nation will make a choice of Government leaders at the polls this year. Opposing parties offer a marked difference in approach to the solution of our difficulties.

The average citizen has become well acquainted with the policies and methods of the New Deal. Eight years of its rule have not brought the correction of fundamental weaknesses.

Widespread unemployment, heavy expenditures for public relief, mounting taxes, and an unbalanced economy remain in the pathway of recovery. Promises of "the abundant life" can no longer be accepted as sufficient.

What is the alternative?

After 2 years of study, the special program committee of the Republican Party, headed by Dr. Glenn Frank, has offered its recommendations. The party will be privileged to incorporate any or all of these recommendations in the national platform this year.

Most important of the statements accompanying this finding is that which declares in favor of an expanded "free enterprise," holding to the view that "our private economy has not come to a dead end."

The New Deal has preached the doctrine of "no new frontiers to conquer," and has sounded a note of fatalism. It has accepted the fact of unemployment and relief, with accompanying heavy expend-

itures, and has attempted to make the people of this country accept the fact as an inevitable condition. Private enterprise and individual initiative have been consigned to the past along with other relics of the "horse and buggy" days.

Frank's committee declared, "The farm program should try to increase interchange of farm and city goods by better correlation of prices." In simple language, that means price levels must match. The farmer must receive pay for his goods on a standard comparable with what he pays for other persons' goods.

"Private enterprise should be encouraged by protective rather than restrictive Government regulation of business," says one of the points, and, "A 20-percent reduction in Federal spending should not be too difficult, and coupled with a higher national income, should bring a balanced Budget in 1942."

These are a few of the essential recommendations offered to correct policies which have kept the farmer's income too low; created a staggering public debt, and allowed unemployment and relief to continue.

Appointments to the Military and Naval Academies

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

REPORT ON SELECTION OF APPOINTEES

Mr. MILLER. Mr. Speaker, under permission granted to extend my remarks, I wish to insert the following report on the method used by a committee acting for me in the selection of principals and alternates to the United States Military and Naval Academies. Several Members of the House have indicated a desire to know just how this method of selection worked, and for that reason I am inserting the report just received from this committee. This method of selection was used in my district for the selection of candidates for the first time last fall.

I know every Member of Congress is interested in securing the highest type of candidate for the Military and Naval Academies. I am greatly pleased with the work done by this voluntary committee, and would highly recommend this method of selection to any Member who has a vacancy to fill in these service academies.

REPORT ON THE METHODS OF THE COMMITTEE FOR SELECTION OF PRINCIPALS AND ALTERNATES TO THE UNITED STATES MILITARY AND UNITED STATES NAVAL ACADAMIES FOR 1940, FIRST CONGRESSIONAL DISTRICT OF CONNECTICUT

The principals and alternates recommended by Congressman MILLER for admission to West Point and Annapolis in 1940 were selected by the following committee which had been appointed by him: Paul M. Grover, chairman, United States Naval Academy, 1926; Dr. William B. Smith, University of Pennsylvania, 1922; James V. Walsh, United States Military Academy, 1920.

In making its plans for selection, the committee endeavored to determine in a practical manner, evidence of those capabilities which would be expected to make the candidates attract followers during and after their training as cadets and midshipmen.

As it was felt that acquired knowledge, and the will and ability to acquire further knowledge, were of material importance, the following examinations were given to the 23 candidates who had survived the committee's scrutiny of scholastic records:

1. An intelligence test.
2. Tests of the new short-answer type on (a) Two years of high-school algebra, (b) English usage.

The results, arranged in order of rank, were considered to be a proper indication of the merits of the candidates in aptitude and scholastic achievement.

On the same plane of importance with knowledge, the committee considered the ability of the candidate to associate with other students and to prevail upon them to acquiesce in decisions against which they normally might offer resistance. An attempt was made to develop this information on each candidate by privately questioning each one on his extra-curricular activities, such as his elective offices, his sports, and his activity in debating societies and school papers.

During the same personal interview, questions were framed and asked to bring out evidences of determination, initiative, and resourcefulness. To obtain a comparison of the degree of development of these qualities and of the ability to lead associates, the following method of rating was used: Superior, excellent, good, average, and below average. The average rating was the committee's concept of the degree to which the quality was evident normally in a high-school senior.

The final selection of principals and alternates was predicated upon the resultant relative merits of the candidates in scholastic aptitude and achievement, in their ability to lead associates and in their evidence of determination, initiative, and resourcefulness.

Profiting by experience, the committee recommends the following procedure for selecting the 1941 principals and alternates to the Academies:

1. The committee will include one additional member who is experienced in selecting boys for preparatory school or college.
2. Initially all candidates will be interviewed both privately and in a group, to determine evidences of the ability to lead associates, and evidence of initiative, resourcefulness, and determination. The same method of rating will be used as was used in 1940.
3. The 10 highest candidates for each Academy, rated after the interviews, will be given the same types of intelligence and scholastic aptitude tests as were used in 1940.
4. The principals and alternates will be selected after weighing the relative merits of the candidates as determined by the interviews and examinations. If necessary, in close decisions, it is suggested that additional interviews be held.

The committee is deeply grateful to the headmaster of Kingswood School in West Hartford for the use of the examination room and proctors, and to the proctors for their assistance in marking the examination papers.

Respectfully submitted.

PAUL M. GROVER, *Chairman.*
WILLIAM B. SMITH, M. D.
JAMES V. WALSH.

Lewis Basks in the Sunshine—His Pickets Walk in Snow and Slush—and Honest Workingmen Pay the Shot

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

EDITORIAL FROM THE BENTON HARBOR (MICH.) NEWS-PALLADIUM

Mr. HOFFMAN. Mr. Speaker, the activities of John L. Lewis and some of his communistic allies are well understood by at least some city editors. One of the more astute, alert, enterprising, and discerning of these is Stanley Banyon of the News-Palladium, published at Benton Harbor, Mich.

An editorial published on March 4 of this year accurately pictures the plight of men who are picketing a newspaper in Chicago. It also discloses how Mr. Lewis, who has a salary of $25,000 a year and an expense account of $1,000 a month, is enjoying himself in Florida, while his pickets in Chicago trudge in snow, sleet, and slush.

Nor should it be forgotten that Lewis' vacation, his salary, and his expense account, as well as the pay of the pickets for their cheerless, useless work, comes out of the pay envelopes of the men who are working.

Lewis collects literally millions of dollars a year from the pay envelopes of the workers. How long will it be before those who enable him to live in luxury will begin to inquire whether he and his cronies are not receiving an exorbitant proportion of the workers' pay checks?

Lewis and others of like ilk have been loud in their denunciation of the large salaries received by business executives. But they accept with alacrity compensation out of all proportion to that received by those who pay them.

The editorial from the News-Palladium of March 4 is as follows:

[From the Benton Harbor (Mich.) News-Palladium of March 4, 1940]

MR. LEWIS WANTS TO BE ALONE

Here are two interesting pictures:

In Chicago, weary, dull-eyed C. I. O. Newspaper Guild pickets trudge back and forth, day in and day out, in front of a Hearst newspaper office. The collars of their overcoats are turned up against the biting wind that makes stinging eddies of the smoke

and grime of drab West Madison Street. The pickets carry placards announcing that members of the Newspaper Guild are on strike.

This has been going on for months. The pickets appear to have become a permanent part of the West Madison Street panorama. Few passersby even glance at the marchers, and within the building the functions of a metropolitan daily go on as usual.

The guild is an affiliate of John L. Lewis' C. I. O. Mr. Lewis is, if you take his word for it, the champion of American labor.

There is another picture.

The local is swanky Miami, Fla.—the Nautilus Hotel at Miami Beach, to be exact. The Nautilus has style and service excelled by none. It is a gathering place of socialites, moneyed nabobs, and rotogravure queens. Few but the rich can enjoy the Nautilus, although it probably costs nothing to walk into the lobby for a quick look around.

Guess who is a paying guest at the Nautilus? Why, Mr. Lewis, none other than the shining knight of the toilers!

To have the means to stop at the swellest Florida hotels is apparently one of the compensations for being a labor leader.

There's something in the check-off system after all.

It seems that Mr. Lewis, who as president of the C. I. O. goes to bat with much attendant publicity, for the downtrodden, also has an expensive limousine, driven by a uniformed chauffeur who pilots the boss around the ritzy boulevards of Miami Beach.

Mr. Lewis went to Miami Beach for a vacation. He's right down there among the rich people. He relaxes. The pickets shivering in Chicago and elsewhere can't. But you don't get anywhere in this life by just walking around in circles. You have to learn how to relax.

When Mr. Lewis settled down at the Nautilus, the city editors of Miami's newspapers thought he was worth an interview. Ordinarily Mr. Lewis gives interviews at the drop of a hat. But remember, he went to Miami Beach to rest. At any rate, the editors sent a squad of overworked reporters around to interview Mr. Lewis, who, according to the published accounts, was "relaxing magnificently," and breakfasting at 11 a. m. The reporters were a little crestfallen when labor's friend refused to see them and complained to the management that since he was paying $38 a day for the privilege of writing home on Nautilus stationery, he should have privacy. He made quite a scene about the whole thing. The minions of the press were disturbing him. So Mr. Lewis complained to the hotel management. He didn't inquire whether the reporters belonged to the union or not. That's a small matter, anyway, when one wants to be alone for $38 a day.

The management is said to have informed Mr. Lewis that the ladies and gentlemen of the press are free to come and go at the Nautilus as they please, but that guests don't have to see the ink-stained wretches unless they want to.

When brickbats were being thrown and windows smashed during the C. I. O. sit-down strike in Flint a few years ago, Mr. Lewis was not among those present. Neither did he join the sit-downers inside the beleaguered automobile plants and share their discomforts. No, the strikers, jobless and payless, were exhorted from afar.

The C. I. O. has campaigned strenuously for members who pay their monthly dues by having the amount deducted from their pay.

Nobody has yet heard of any of the rank and file being able to relax 'neath the Florida palms, with a towncar and liveried chauffeur at beck and call.

A monkey is being made of somebody, but quite obviously that somebody is not Mr. Lewis.

Modern Government Trends

EXTENSION OF REMARKS

OF

HON. ROBERT F. JONES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

RADIO ADDRESS BY HON. ROBERT F. JONES, OF OHIO

Mr. JONES of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on March 4:

I appreciate this opportunity to come into your homes tonight to discuss modern government trends. These modern trends deprive the people of their free thought and action. The dictator gains the exclusive power to think and decide everything for them. The masses lose to governments their rights to freedom of worship, of assembly, of speech, and of press. Hunger and poverty of the people have encouraged this trend.

Socrates, one of the world's greatest teachers, did not attempt to teach people what they should think. Rather with skillful questions he made his pupils partners in discovering truths for themselves. Let us then investigate as partners to see if their problems were not the same as our present problems.

After he leaves New York Harbor, until he reaches Manila, the traveler will report that the world is ridden with classes and special privilege groups. H. G. Wells in his most recent book, the New World Order, describes the class struggle in the British Empire. Millions of citizens of India know that they can never rise above the caste into which they are born. The English commoner holds no false hopes that his son will become the King of England. In Russia the proletariat child will never own an acre of ground, a small business, or a little home. The squalor and hunger of his birth will continue through life. Stalin alone has the alternative to raise his station above the proletariat or to grind and crush him with his tyrannical personal power.

A few months ago Fortune magazine grouped persons generally according to the part they played in our Nation's economy, as its managers, its workers, or its victims, the dispossessed. By a vote of 5 to 1 the American people rejected the idea that class proletariat or plutocrats exist here, rather we regard ourselves as middle class.

In sharp contrast to this view, throughout the world the wars of abstractions, envies, fears, and hatreds are constantly being created against one group for the benefit of another group. Class a man in one group and for no other reason he becomes a mortal enemy of, and expects no mercy from, those in another group. There is little hope to escape these hatreds when the nation inspires them.

It has been said, "Men will continue to commit atrocities as long as they continue to believe absurdities." Belief in absurdities in the modern nations of the world probably started October 25, 1917. Future historians may assign the turning point in modern history to this date. With very little bloodshed the czar had surrendered during this summer. Many political parties, with the weakest of these, the Communists, proposed their candidates.

Lenin wrote in 1917 that the Russian people thought his Communists were a little handful of lunatics. The Communists lost the election by a majority of 6 to 1. When they discovered that every one of their delegates had been defeated, Trotsky says the party council decided that there would be no constitutional convention. They stole from the government 30,000 guns and necessary ammunition. They led soldiers to desert from the German battle front. On the eve of the convention, the Red Guards marched through the streets of Moscow. When the shooting was over there could not be found enough constitutional delegates to hold the convention. Ruthless dictatorship of a conspiracy, conceived in the darkness of a warring nation, stabbed to death the representative government of the people of Russia. Stalin exists today by means of midnight revolutionary tribunals, mass murder of entire political parties, and transportation from their homes of great sections of the population.

Women, ill-clad and unshod, work by the side of men in the railroad yards of Moscow. There is no family unit. Their children, as cattle, belong to the Soviet State.

Stalin chooses whether men mine, plow, or fight for his militaristic machine. For 23 years the people of Russia have been on the bread card of their dictator's commissary. Stalin devours the hope of the individual.

Since 1917, in every country where they have had a revolution, the people have cried out, "We are hungry and cold. Our children are starving. What's the use of a political liberty to us? Let's try a dictator."

Stalin, Mussolini, and Hitler are the answers to the cries. They have abolished constitutions, parliaments, bills of rights, and checks upon the power of the people's representatives.

In 1918 we helped to give Germany a representative form of government. The Versailles Treaty bled the new republic white with reparation payments. Heavy government levies upon German business and the German people made the soil fertile for the growth of communism in Germany.

To fight communism, businessmen and thinking people followed the hue and cry of a Nazi Party. Hitler burned liberty at the stake, chained freedom of worship, freedom of speech, and freedom of assembly.

Are the hunger and oppression of the Nazi and the Communist less painful than the deprivation and abuse of the subjects of the Czar and Kaiser?

Bear in mind that these movements have thrived when the European countries I have discussed were either debt burdened or at war. Their people were oppressed by taxation and confused by personal financial difficulties.

The Socialist Party has had a significant place in the revolutions in Italy, Spain, Russia, and Germany, because they created just enough mess for the Fascists, Nazis, and Communists to worm their way into power. The Socialists attempted to ballot their way to high public office, and then modify the constitution and destroy its safeguards to life, liberty, and property. This is the party of Eugene Debs, Norman Thomas, and the late Blum in France.

The Communists attempted to settle the difficulties of Russia and its people by destroying private property. To achieve this they would annihilate constitutions and all laws.

The Communists destroy the state by revolution. After they take the little home they crush the spirit of the owner by a dictatorship. After that they promise that the dictator will surrender his power to all of the people. In 23 years this has not happened in Russia.

The National Socialist Party, known now as the Nazi Party, called together the Aryan against all minority groups within the borders of the nation. Hitler inspired the Aryan with fear and hatred of

the creed and race of every other group. He develops their prejudices and executes his aims through brute force.

In every one of those movements there is no remedy for the persecuted.

Is there any trend in our Government that would mark us as having anything in common with one of these revolutionary philosophies or theories?

Our Federal debt is fast approaching the $45,000,000,000 limit. No one knows how much debt this country will stand before we have financial chaos. Certainly the new dealers know no more than we. If we follow the pattern of countries where communism, nazi-ism, and fascism have come into power, our greatest danger of "isms" in America will come when the people lose confidence completely in the ability of the Government to pay its obligations. Every day that this administration continues deficit spending the closer we approach to the "isms" we detest.

In the next place, all of these philosophies of government imagine that the political party in power, and especially its party head, has all the wisdom to solve all problems once exclusive power over property, rights, and remedies of the people is granted. If Stalin, Hitler, or Mussolini imagine that a situation needs correcting, without discussion, without explanation, they execute their plans immediately—transplant men, expropriate homes. They can herd men into the army. To oppose them or seek redress from their plans means death.

Our Constitution does not presume that one man and his appointees could have all the wisdom of the Nation. When Washington, Madison, and other framers of the Constitution created the legislative branch of the Government, they created opportunities for statesmanship in both Houses of Congress.

Argument and debate of every bill or plan of the Chief Executive, of any Senator, or Congressman was intended by them to be argued and acted upon by statesmen in each House. Our Republic during the last 150 years has developed statesmen in each House whose sound reasoning exposed the fallacy of the programs of the administration in power.

During this administration one of the branches of Government sought to purge from the Senate men who dared to speak their convictions against the New Deal programs.

The New Deal party leaders sought to defeat those Senators. I do not recall that the charge was ever made that error in judgment was the issue, but the charge was made that the Senators had not cooperated with the party.

The totalitarian states' glorification of the party leader is more important than the great good of the nation. Is glorification of the New Deal party leader more important than solving our problems? This is false patriotism.

The framers of our Constitution intended for the Members of the House and Senate to grapple with the greatest problems of the Nation. This administration has offered, and in many instances has stampeded, legislation granting away discretionary powers to its appointees in the several bureaus of government.

The tariff schedules fixed by one of the Government bureaus is fast ruining some major industries in the United States. Heretofore the tariff laws have provided for appeal to the courts. For example, the farmer and the pottery manufacturer cannot compete with the cheap labor of foreign countries. There is no possibility for them to confront the bureaucrat who draws the schedules or tariff rates. Why? Because this man's identity is a secret. After the aggrieved industry has been summarily dismissed they have no redress to the courts because of the reciprocal-trade law did not provide for such appeal. Several boards and commissions appointed by the Chief Executive make rulings every day having a sweeping effect upon the life and death of small and large businesses and there is no chance to appeal to the court.

In several instances where a record is necessary, the boards and bureaus have wide discretion to charge one price to the Government for a record of the proceeding, and charge a prohibitive price to the small business seeking a carbon copy of the same record.

Deny a remedy or raise its cost so high that a man cannot afford it, the result is the same. The remedy is still unavailable.

You may not care because your job, your property, your liberties or your friends are not involved. The New Deal came to power smearing businessmen. That may please you. Have you thought some subversive group might win high public office merely by hating your race, your creed, your color. Do you want their bureaucrats to deny your right to worship God or restrict the liberty of your race? Do you want to be denied a hearing in the Supreme Court?

In America we want every man equal to his neighbor. We want all citizens with equal rights as individuals before the bar of justice. We want every man to have freedom of press, speech, and assembly and the right to worship God as he sees fit.

We do not want to exchange our liberty for relief, or a name on the Government's bread card. We want to own our own home, our own garden, our own little business, and, in exchange for a few dollars of Federal subsidies, we do not want to lose the right to manage our own farms.

The American people do not want to go down the same financial road to dictatorship that Germany and Italy and Russia traveled. We want to put our economic house in order and make the revenue pay all of our Government expenses.

Pending Transportation Legislation

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1940

RESOLUTION OF THE LEGISLATIVE COMMITTEE OF THE NEBRASKA STATE FARMERS' UNION

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD the following resolution passed by the legislative committee of the Nebraska State Farmers' Union February 15, 1940:

We are opposed to any legislation, State or National, that would have a tendency to increase transportation costs either directly or indirectly. We believe the best interests of agriculture will be served by a continuation of private ownership and operation of our railroads.

We believe that each form of transportation should stand on its own merit and that the rules, rates, and regulations for the various types of transportation should not be made arbitrarily uniform. The competitive features of the different forms of transportation should be preserved rather than destroyed. Rules and regulations that are not necessary for the safety of the public and the protection of property should be greatly modified or eliminated.

Each House of Congress has passed a transportation bill, both of which are now pending before a conference committee of the two Houses. Because of the widespread interest of citizens in this legislation and its Nation-wide effects, we urge that a period of 30 days or more be permitted for the interested public to study the bill when reported by the conference committee before its final consideration and enactment by Congress.

We are opposed to those provisions of the Wheeler-Lea bills now pending before Congress which place the control of rates on waterborne commerce under the control of a governmental rate regulatory body.

The Furnishing of Refrigerator Cars

EXTENSION OF REMARKS
OF
HON. C. ARTHUR ANDERSON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1940

ARTICLE BY HON. C. ARTHUR ANDERSON, OF MISSOURI

Mr. ANDERSON of Missouri. Mr. Speaker, under leave to extend my remarks in the RECORD I include a study which I have made of the possible effect of H. R. 8242, a bill designed to compel the railroads to accept cars supplied by shippers of certain products.

The matter referred to is as follows:

THE FURNISHING OF REFRIGERATOR CARS

The railroad industry must be, and is, ready to furnish all the refrigerator cars that are needed for the transportation of general perishable traffic.

The industry is prepared to meet its full responsibility in this respect with cars of railroad ownership or control, or with those for which they have contracted with private car lines, a combined total of 141,000 refrigerator cars—a supply ample for all needs, including seasonal and extraordinary demands as well as the needs of regular every-day perishable traffic.

Railroad-owned cars are those owned directly by a particular railroad. Railroad-controlled car lines are those owned jointly by two or more railroads. Railroad contract lines are private car lines with which contractual arrangements have been made to supply all the cars needed to meet the needs of the general perishable traffic on a particular railroad or group of railroads.

There are also a few private refrigerator car lines, owning a total of less than 3,000 cars, which have no contracts with railroads, but which, through various methods of solicitation, are serving, to a relatively small degree, shippers of dairy and packing-house products.

Still another group of cars are those used by the meat-packing industry. These represent a situation entirely different from the cars provided for the general perishable traffic. From the beginning of their operations, the large meat packers have provided their own equipment, of the special type needed for the handling of fresh meats and packing-house products, and sufficient for all their own needs. The railroads, therefore, have not had to invest money in equipment held for their use to take care of occasional or sporadic demands.

In recent years, the railroad owned and controlled and contract refrigerator car lines have provided refrigerator cars of this special type suitable for packer service. These cars are available for lease to packers, and scores of such leases are in effect now.

To a somewhat limited extent private car lines without railroad contracts have also provided cars suitable for packer service. These cars are not essential to meet the needs of the traffic, however, since the supply of cars owned by the railroads or their controlled and contract lines is adequate in number, of modern construction, and equipped with the latest developments in the art of refrigeration.

Prior to January 1, 1936, the use of private refrigerator cars by shippers of perishable products was practically unrestricted. On that date, as a result of the findings of the Interstate Commerce Commission in I. & S. Docket 3887, following an extensive study of the entire subject, there was published what is known as rule 36 of the Perishable Protective Tariff. Prior to the effective date of this tariff the selection and application of refrigerator cars to the general perishable traffic was in a most chaotic condition. Under the practice which had grown up, any shipper could establish a private car line of his own, with the result that there were private refrigerator car lines all over the country. Many of them had relatively few cars, some less than 10. With each one of them the railroads not only had to maintain separate car-accounting arrangements, but also to specially handle and distribute their cars for loading, according to the requirements of the individual. This forced thousands of selected moves, extra switching and terminal operations on to the railroads, all of which was most expensive. With the establishment of the tariff rule referred to, these private lines were eliminated so far as general perishable traffic was concerned. Cars in packer service were not disturbed, as these cars are of a somewhat different type and construction and are not generally furnished by the railroads.

One of the objects, and perhaps the principal one, sought by the private car lines was the revenue to be obtained from the railroads in the payment of mileage on movements, empty and loaded. Mileage payments are generally based on such an amount as will compensate for the cost of ownership covering all cars in service. When, however, a private car line has only that number of cars which can be kept in practically continuous movement at the relatively high speed with which perishable traffic is moved, with no stand-by time, mileage payments for those cars are considerably more than the cost of ownership. Shipper-owners and shipper-lessees who rented cars from the private car lines for less than the mileage paid on their movements by railroads, benefited by these excessive earnings from mileage payments.

In I. & S. Docket 3887, the Commission declared such excess payments to be a form of rebate in that the shipper using the cars was able to reduce his transportation costs through the earnings received from the car in which his products were moved. Since January 1, 1936, there have been no such arrangements or leases of private cars, except to meat packers, as previously explained, these leases being supervised under such safeguards as will protect against the practices which the Commission found objectionable.

Since 1936 some shippers have continued to demand that cars of certain private car lines be assigned to their service. The record is not clear as to why these particular cars are ordered. There is a plentiful supply without them. They are not superior in any way to cars which are owned or controlled by railroads, or those of car lines with which railroads have contracted to provide for their perishable transportation requirements. The railroads have served notice that as of a certain date the assignment of these cars to general perishable traffic will be discontinued. What the railroads seek to avoid, in the interest of operating economy, is the extra expensive services involved in the continued selection and specialization required in the handling of these less than 3,000 unneeded cars. In fairness and equity to the car lines which own this equipment, negotiations are under way to acquire their ownership at a fair price.

Attempts are now being made through legislation in Congress to reverse the decision of the Commission in I. & S. Docket 3887 and to force the railroads to accept refrigerator cars with which shippers may supply themselves or, in other words, to establish private car lines of their own. Such legislation would restore the situation previously referred to, with the possibility of hundreds of private-car lines serving no useful purpose, but resulting in much unnecessary specialization and expense on the part of railroads and the setting up of rebates in the form of excessive mileage earnings, which already has been condemned by the Interstate Commerce Commission.

The passage of such a bill would not relieve railroads from providing adequate transportation in case any shipper owning or operating a line under lease should fail to supply and keep available enough cars to meet his requirements for every day of every month of the year, nor would such a bill relieve the railroads of their liability for any damage to the lading in the cars. The passage of such a bill would not relieve the railroads of their obligation to anticipate the requirements of the perishable industry as a whole, and to regulate car supply in such manner as is necessary to meet all such needs.

Passage of the legislation now proposed in Congress would relieve the railroads of none of their present responsibilities. It would, however, greatly increase the cost of handling the general perishable traffic. It would force the building, at heavy cost, of cars which would be used only for the stand-by service of protecting the fluctuations of the traffic. It would force upon the railroads, by reason of the irregular and uncontrolled assignment and use of a variety of other cars to handle the regular traffic, a great increase in unnecessary empty hauls, unnecessary cross hauls of equipment, unnecessary terminal services, unnecessary special car accounting, unnecessary and uneconomical costs of all sorts.

The general responsibility of the railroads to provide and maintain the cars necessary for the protection of perishable products can be met best and most economically by leaving the matter in the hands of the railroads, subject to the regulation and safeguards of the Interstate Commerce Commission. In this latter connection, copy of letter from Joseph B. Eastman, chairman of the legislative committee of the I. C. C., to the Honorable BURTON K. WHEELER, under date of July 17, 1939, is attached.

INTERSTATE COMMERCE COMMISSION,
Washington, July 17, 1939.

Hon. BURTON K. WHEELER,
Chairman, Committee on Interstate Commerce,
United States Senate.

MY DEAR SENATOR: The Chairman of the Commission has referred to our legislative committee your letter of July 10, 1939, requesting comments on S. 2753, introduced by Senator SHIPSTEAD, "to amend part I of the Interstate Commerce Act, as amended, with respect to the use of refrigerator cars." This bill has had the careful consideration of the legislative committee, and I am authorized to submit the following comments in its behalf.

S. 2753 proposed to amend section 1 (11) of the act by adding a provision giving shippers of fresh meats, packing-house products, and dairy products the right to "supply themselves with such safe and adequate refrigerator cars as they deem efficient and proper for the transportation of such products," making it "unlawful for any common carrier to refuse to accept such cars for transportation in interstate commerce of such fresh meats, packing-house products, or dairy products * * *."

Section 1 (11) of the act, which it is thus proposed to amend, read as follows:

"It shall be *the duty of every carrier* by railroad subject to this part *to furnish* safe and adequate *car service* and to establish, observe, and enforce just and reasonable rules, regulations, and practices with respect to car service; and every unjust and unreasonable rule, regulation, and practice with respect to car service is prohibited and declared to be unlawful."

The term "car service" is defined in section 1 (10) of the act as including—"* * * the *use, control, supply,* movement, *distribution,* exchange, interchange, and return of * * * *cars* * * * used in the transportation of property, *including special types of equipment* * * * *by any carrier* subject to this part."

The words italicized are those particularly pertinent to the present discussion.

The law in regard to this matter was succinctly stated in *Use of Privately Owned Refrigerator Cars* (201 I. C. C. 323, 373–374), as follows:

"It is well-settled law that it is the duty of common carriers by railroad to furnish such cars as may be reasonably necessary for the transportation of all the commodities they hold themselves out to carry. That duty, imposed by statute, necessarily implies that the carriers have the exclusive right to furnish such equipment. It is optional with them whether they exercise that right by furnishing cars owned by them, cars owned by other carriers, or cars leased from independent contractors. Under modern conditions, refrigerator cars have become regular equipment.

"A private-car owner, whether he be a shipper or not, has no right to have his cars used as a vehicle for the transportation of freight over the rails of any carrier without its consent. If the carriers have suitable cars and will furnish them on demand, they may refuse to transport shipments in private cars. They are privileged to do so at any time they have, or will secure and furnish, suitable equipment to carry the commodities they hold themselves out to transport (*Armour & Co.* v. *El Paso & S. W. Co.* (52 I. C. C. 240, 246))."

In *Atchison, T. & S. F. Ry. Co.* v. *United States* (232 U. S. 199, 214, 215), the court said:

"Whatever transportation service or facility the law requires the carrier to supply, they have the right to furnish. They can therefore use their own cars and cannot be compelled to accept those tendered by the shipper on condition that a lower freight rate be charged."

S. 2753 proposes to change the law, as thus stated, by giving the shippers of certain specified commodities only the right to supply themselves with such refrigerator cars as they see fit to select and by making it unlawful for any carrier by railroad to refuse to accept such cars for the transportation of the specified commodities. Your attention is directed incidentally to the fact that the so-called Cummins amendment, now section 20 (11) of the act, amplifies the

ancient common-law liability of the carrier as an insurer of the goods transported. The question, therefore, arises whether if S. 2753 should become law it would not, in fairness, be necessary to limit or qualify this liability of the carrier, if the shipper, instead of the carrier, is to be given the right to determine the safety and adequacy of the car for the transportation of his perishable goods.

In our opinion, however, S. 2753 is from all points of view a move in the wrong direction. When cars owned or rented by shippers are used, compensation for their use must be paid by the railroads, and this opens a door to indirect concessions in transportations charges which increases, as we have found from experience, the difficulties of adequate regulation. The use of such cars also promotes unnecessary empty hauls and terminal service and makes it difficult for the railroads to use economically the cars of similar type which they must continue to provide. The following quotation from the case above cited, at page 328, will make clear the latter point:

"By leasing or renting only enough cars to take care of their assured traffic, leaving the carriers to furnish cars to move the remainder, they (the shippers) are able to keep their cars moving most of the time, and the mileage earnings exceed the compensation paid the car owners by substantial amounts."

At present the railroads are in a position to supply most needs for refrigerator cars. One conspicuous exception exists in the case of the so-called brine-tank cars used and supplied by the packers. It would be far better to prohibit this exception and make it necessary for the railroads to furnish these cars also than to move in the opposite direction, as proposed in S. 2753. The situation with respect to the contracts which the railroads have with car-owning companies for the supply of refrigerator and other special types of cars is not in all respects satisfactory, but these conditions would be remedied by the provisions of section 4 (12) and section 19 (7) of S. 2009 in the form in which it passed the Senate.

It is our opinion that S. 2753 ought not to pass.

Respectfully submitted.

JOSEPH B. EASTMAN,
Chairman, Legislative Committee.

A Federal Problem

EXTENSION OF REMARKS
OF
HON. LELAND M. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1940

EDITORIAL FROM THE BAKERSFIELD CALIFORNIAN OF FEBRUARY 28, 1940

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Bakersfield Californian February 28, 1940, which confirms something brought to the attention of the House many times before in respect to the increased number of migrants coming into the State of California:

[From the Bakersfield Californian of February 28, 1940]

A FEDERAL PROBLEM

That the number of automobiles bearing migrants coming into California fell from 57,307 in 1938 to 54,717 in 1939 is in no sense heartening to the people of Kern County and other valley communities. This means 2,500 fewer automobiles, but, nevertheless, the record for the past year shows that 147,000 individuals crossed the border bearing all their household goods in their family cars. This represents a total of 46,182 families while there were 8,535 single men in the trek.

It is idle for State authorities or Federal authorities to discuss the question of housing the flow of migrants into California. That is not the problem involved. If the half-baked plan of building 5,000 new houses under State direction were to be placed in effect, it would mean nothing. The 5,000 would be occupied almost overnight and we should be in exactly the same position as we are today. The proposal to establish these newcomers upon small acreages of land would likewise prove futile. The majority of them, in that case, would still be on relief and would gain residence which would entitle them to the generous California allotment made for the needy.

The migrant problem is one that must be dealt with by the Federal authorities. If there are allotments of land to be made to those who are homeless, such distribution should be in the States in which they live. If there is housing to be provided, it should be constructed in Oklahoma and Arkansas and Texas and other States from which the migrants begin their trek to the West.

It must be obvious to all that the condition which threatens California is a menacing one; it can be ameliorated only by a sane policy which must stem from Washington. The Federal relief granted in Oklahoma and California must be the same; migrant State relief must be measured by the relief in the States which were the former homes of the newcomers. A 3-year limitation will, of course, be helpful but not unless the Federal Government cooperates with the State. If the Farm Security Administration is to continue its policy of placing upon relief all those who cross the borders into California and thus aid them in establishing residence here, it is difficult to see how this State can maintain itself through the years to come.

The fact that 46,000 families came to California in 1939 and must find subsistence in this State, whether there is employment or not, is a menacing problem and if history is repeated in 1940, the government of the counties which attract most of the migrants and the government of the State will be bankrupt. There should be enough influence in California, which makes heavy contribution to the Federal Government in the matter of income and other taxes, to secure action at Washington to bring some relief from the situation which now exists and which threatens the very future life of the State.

Descendants of the American Revolution

EXTENSION OF REMARKS
OF
HON. KENT E. KELLER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1940

ADDRESS BY MAYOR MAURY MAVERICK, OF SAN ANTONIO, TEX., BEFORE THE DESCENDANTS OF THE AMERICAN REVOLUTION

Mr. KELLER. Mr. Speaker, I listened to an address by our former colleague Hon. Maury Maverick, who for 4 years stood on the floor of this House, one of the most aggressive and progressive Members which it has been my pleasure to know or observe. He fought with intense seriousness for everything he believed in. He stuck his neck out and took it on the chin as few men have been compelled to do.

When I listened to the address, which I have just received the privilege of inserting in the RECORD, I could not help but think what a happy growth has taken place in this master of men since he left the floor of this House. His natural sense of humor has developed and blossomed in a way to permit him to say many things which his more serious attitude here as a Member of the House would have been resented by many Members, who would, I am sure, under his happier expression accept and enjoy his sledge-hammer blows at those conditions which he is hammering so powerfully.

That he will return to the United States Congress in due course there can be little doubt. When San Antonio, the then machine-ridden city which constituted the greater proportion of the population of his congressional district, elected him mayor, it was a complete reply to those interests who, through fair means or foul, mostly foul, I am afraid, had prevented his return to the floor here as a Member of this House. Many believe that when the machine kicked him out of Congress it kicked him so high that he will return to the upper House in due course.

He has the great advantage of having a remarkable background of southern ancestry so that his criticisms of present conditions in the South cannot be charged to prejudice or lack of understanding and sympathy of the southern part of our country.

He is probably the most aggressive progressive American politician living today; and, from the commanding position of mayor of one of the well-known southern cities, he is reaching out and stirring public sentiment as almost no other man is doing at the present time.

His ability to give and take in fair fight is one of the great assets of the man who seeks to better conditions. He knows the necessity of pulling down old buildings before building new ones, and he knows how. He knows the necessity of building properly in the place where old buildings stood, and he is a political architect of great vision, foresight, and aspiration. I submit his speech as delivered,

though I am not able to inject into it the peals of laughter which his own cheerful voice and brightly smiling face brought from his audience on this occasion.

The address is as follows:

Ladies, gentlemen, doers of good deeds, sinners, great greatsons of the American Revolution, members of that free pillar of our Republic, the press, my children, my D. A. R. brothers and sisters, I come back to tell thee, to wisen thee up, and deliver thee from intellectual bondage. Once I resided in your fair District; among those who are old and have good memories, there will be some who may remember that I was once a Member of the Congress of the United States. [Laughter.] I have come back to you from the far distant province of Texas from whence come great men; but I come as ye humble messenger, saying unto each and every one of you: Arise! Arise! Thou has naught to lose but thy chains! [Laughter.]

SONS AND DAUGHTERS OF THE AMERICAN REVOLUTION

I realize that in a select gathering of this kind that all cannot really belong to the elect. No doubt a few common people have slipped in. We D. A. R.'s are exclusive—but there are D. A. R.'s and D. A. R.'s. I belong to that select circle which has both sons and daughters, not just daughters. Yes, indeed; otherwise I would not be here.

Now, due to some recent experiences of my own—due to certain happenings in the courthouse—I was asked to talk about poll taxes, but I am not going to talk about the pole cats who tried to smear me. No. Nor will I speak upon another suggested subject—the battle of the C. I. O. and the A. F. of L., of John's sweet disposition, and the mighty intellect of William the Green. Nor shall I discuss the political fortunes of a certain Texas friend of mine—nor the other one either. For, friends, Americans, countrymen, I come to bury no one, for all, all are honorable men. Indeed, the lofty patriotism only possessed by a citizen of that vassal of Wall Street, the great State of Texas, compels me to say that I like not that ribaldry which takes form in vulgar jokes such as—that Johnny is on the spot, and that most everyone hopes that Martin dies.

I am not really here to make a political speech in the sense of praising the Democratic Party for the good reason that I don't know what or where it is; I am not here to tell you that any one political group is better than another. Of course, I still have my ideas, and still love my friends, and dislove my enemies.

No, my friends; I am only a common mayor, from the old Spanish town of San Antonio. No, sir; I am no dignified Congressman who votes appropriations, speaks of mother, home, religion, and free speech, and then votes the Dies committee more money for witch hunts and Fascist and Communist expeditions to put the old Ogpu and the Gestapo to the American people.

POLITICS AND LIBERTY; OUR CORNFIELD ANCESTORS

My subject is about politics and liberty, which is a wide subject, to say the least. My subject might just as well have been, "What the descendants of the soldiers of the American Revolution forgot—or maybe never knew." And so before I treacle over on economics and political science, let me start by talking of ourselves; that is, of the Americans today, who have a heavy load of American ancestors.

Some of us are taking on airs. Our ancestors came from cornfields, forests, rough log cabins. When they died, they were buried in cornfields, and not in fancy mausoleums. Our ancestors wore buckskin, and homespun; not frills and lace. Very few had aristocratic blood. They were common people and knew it, and fought that way.

COATS OF ARMS, NOBLE BLOOD, AND PHONEY ARISTOCRATS

Oh, how some people have changed with the generations. They drag their ancestors out of cornfields and log cabins and put them in mansions and beautiful gardens. That isn't all. They hire genealogists, who find out that the present-day son of the old American stock is, after all, an aristocrat, entitled to one coat of arms for a hundred dollars—and the others at so much per dozen.

Now, how do they get these coats of arms that these phoney aristocrats hang over their false fireplaces, these people whose ancestors had only shooting irons over their fireplaces? They get them by forgetting all realism, by making a little dough, and then getting smug, reactionary, and obnoxiously patriotic.

It happens that I know the economic and military history of several American families. And I am now thinking of one living American, let us say his name is John Smith, who has a trainload of American ancestors. The aforesaid John Smith had about 16 ancestors who fought in the American Revolution—including a general or two, some privates, a captain, and a sea captain. John has found that he has several thousand blood relatives alive today. His research has been extensive and careful.

Now, what I am going to prove is this: That not only well-fed Tories and Bourbons but ordinary people forget all they ought to remember with one good generation of comfort, groceries, and modern plumbing. For this John Smith has visited his hundreds of relatives all over America. Some had their houses dripping with noble blood, which never flowed in Merrie Olde England nor Bonnie La Belle France. And of these people, all are well-heeled economically, or live in hopes of getting well secured one way or the other.

AMERICANS IN FLOPHOUSES, SLUMS, FREIGHT TRAINS

But this same secret investigator of the descendants of the American Revolution finds these same people in sharecroppers' shacks, flophouses, filthy slums, freight trains, migratory camps, farms, everywhere. In fact, there are twenty-odd-million descendants of the American Revolution in every state of life who don't belong to any "swell elegant" organization dedicated to the worship of their revolutionary ancestors.

In the most poverty-stricken areas he has found poor whites who are definitely of old American revolutionary stock—and blood relatives. They are poor, ignorant, and in ill health. They have no coats of arms; but their names are the same as their snooty relatives; and many can tell you the generals, colonels, governors, and members of the United States Supreme Court from whom they are descended.

Well what has happened?

ECONOMIC DEGRADATION, RACE PREJUDICE, THE INDUSTRIAL REVOLUTION

These blue eyes, these Nordic blonds, these cousins of yours and mine, have lost out, and are forgotten in this country today. Strangely enough, many of these hungry people of old American stock—our cousins—have no fight left in them. In the South they have strangled and exploited themselves in their hard and cruel lives by hammering on the Negro; by getting rid of their inhibitions in practicing race superiority, but suffering economic degradation in the process. For their pains, these white cousins of ours get exploited, disfranchised, kicked around, and abused just like the Negro. And in the North they are not much better off. For there, as elsewhere, they have just been run over by the modern machine age.

That's it. That's what has happened.

All of these people have been literally run over by the juggernaut of the industrial revolution. Our early Americans came in a primitive agricultural age. They fought and slashed their way through the forests, built log cabins, schools, and made America great. They owned property, developed individualism, and the Bill of Rights.

But they were men of small property, and their twin ideals were Jeffersonian democracy, or political democracy, and Jacksonian, or economic democracy. And since there was land, every man had a chance to make a living out of this land if he was willing to work.

What has happened in the past 40 or 50 years? While the old American stock stuck to the farm, or drifted to the city, with an agricultural psychology, there came new races upon whom they looked with scorn. These were Italians, Jews, Greeks, Syrians, Poles, Russians, and other strange races. These new races came to the cities. Industry grew. Agriculture declined.

And naturally, since all people grow out of the production of wealth, the old stock withered, and the new came up.

Of the old American stock, an exceedingly tiny minority inherited, or in turn gained, great economic wealth. A number of them also inherited big ideas—the agricultural conception of civilization. This crowd got wilder, more reactionary, more resentful, more bitter, than the fat old lords who sent over the redcoats and the Hessian mercenaries to take shots at our cornfield ancestors. This crowd here in America has finally become so stupid that it is as far away from the present-day American people on the whole as the rich British merchants and nobility of London were during the time of the American Revolution.

PEOPLE FORGET HISTORY

These are the real modern Bourbons, and what they have forgotten, is American history, their own history.

Now, what about the so-called new races? Well, an extremely small portion got extremely rich, and the rest were industrial laborers and joined the C. I. O. or the A. F. of L., or became a part of the great American poor.

The old American minority threw in with the new American minority. Sharing this economic power with them, they allied themselves against the big majority of all the people. They allied themselves against the great mass of farmers and laborers, and it did not make any difference whether they were black or white, Italian or English in background. This minority combine got to the top of the pile, and, by propaganda, soon controlled the American mind.

Oh, how cleverly they took over the free press. The farmer was taught to hate the wicked man of the city, the "red" villain of the C. I. O.—the labor unionist. The city man was taught the farmer is an ignorant, anti-union-labor hater. In the South, as usual, the various big corporations that owned it kept the white people whipped up on the Negro question.

The big corporations hired professors—like sacks of potatoes, as Huey said—and these professors took on Hollywood-Harvard-Cockney accents, and went around the country yammering and clowning before chambers of commerce, ladies' clubs, and schools, getting the citizens' minds off the track.

What is the result?

THERE IS NO MOVEMENT IN AMERICA

It's chaos of mind, race groups, political parties—a national situation wherein there is no worthwhile movement of any kind in America, political or economic.

Propaganda against democracy under the cloak of anticommunism, has worked so well that people are even afraid to say they stand for the Bill of Rights and democracy. The mere defense of freedom of speech has become "communistic." Everybody sees red. To favor the Government giving benefits, as advocated by the father of the Republican Party, Alexander Hamilton, is now dubbed

"communistic." That is, if such benefits are for farmers or laborers; but, of course, the tariff and big loans to banks are excepted and accepted.

THE GREAT FEAR COVERS THE WORLD

Fear politics, fear psychology, are used by the powerful interests—and those who have a little property, or a hope for property, fall for it. Mr. Chamberlain fell for it at Munich; he chose in favor of Mr. Hitler as against Mr. Stalin, and now he has both around the neck of England, France, and the democracies.

Indeed, for 10 years a great fear has come over the people of the world. Since the Russian Revolution—a revolution of which the American people know very little, by the way—anyone expressing anything new has been badgered and persecuted and called a Red Russian Communist. And when Hitler came into power, he engendered more fear—and made the great fear more positive, and more hysterical. Strangely enough, democracies have bowed under the lash and tortuous words of the Fascist press and Fascist dictators. They have cringed as though they were ashamed of democracy!

Rich Frenchmen, Czechoslovaks, Poles, Germans, Englishmen—all fell for it. But because the world has a horror of war, mankind contracted the terrible world disease of the great fear. Hitler taught them all about the "red" menace—and when he got all these chumps of capitalism out of the way he threw in with Stalin. And now the rich as well as the poor face the real menace of combined absolutism and military power.

And we Americans have the same great fear.

What I have said is about psychology, about propaganda, about the recent habit of just throwing away our liberties. In such a case civil liberties didn't seem to mean much, for even if we had them, we would give them away.

What then is the most serious menace today? Isn't it the repugnance, the fear, to think on any idea? You may have the protection of liberties at the point of a machine gun, but liberties will not last long if you have to use dictatorial methods in order to make the people preserve their own Constitution and their own Bill of Rights, instead of using honest, clear thinking.

THE PROGRESS OF LIBERTIES IN THE UNITED STATES

At the same time, I am not saying liberties should be left unprotected. In fact, I am saying that at all cost, even though the people are throwing away their liberties, even though the means of production—and the press—are controlled by the selfish minority, I say our most essential duty is to preserve civil liberties.

Most everybody in this crowd knows the history of our civil liberties. First came the Bill of Rights, protecting against invasion of rights by the Federal Government. But all States were left to disfranchise, abuse, or violate the rights of their own citizens. Then came the fourteenth amendment, saying all men should have due process of law. That was supposed to give liberty to everybody, all over the country; it was supposed to protect your liberties from invasion by any part of the Government, State or Federal, and, I think, from any citizen or group of citizens.

But it was not until the Hague case that liberties were finally fully recognized by the Supreme Court of the United States. The case in effect establishes that the people are entitled to the Bill of Rights, that men and women can assemble, pray, hand out pamphlets, petition the Government, and all that. The Supreme Court thought it out, and thought it out well.

Let's analyze that case.

It rests upon the simple principle that if Mr. Ford, or members of the chamber of commerce, or manufacturer's association can make speeches in a city like Milwaukee, which has a Socialist mayor, then a Mr. Bridges, or Earl Browder, and members of the C. I. O. or the Communist Party can make speeches in Jersey City, dictated over by a boss belonging to the Democratic Party.

All this is reasonable. Let us talk it out—and if we can preserve our liberty of speech long enough, maybe we can keep from killing each other off, and destroying the Nation.

At the same time we must have sense enough to know that in troublesome times—I mean hard times—people fight for their economic rights, whether they are conservatives or radicals, or what not. Even the Dies committee agrees to that.

WHAT IS LIBERTY, AND FOR WHOM?

However, the owner of the means of production, the holder of the economic power, has always had the upper hand, and hence, in plain English, the most liberty. We can all agree, right now, that we are for liberty, and want everybody to have it.

But the question is liberty for whom? Indeed, the slave owners of the South fought for liberty in the Civil War. Who for? For the Negroes, and the seven-eighths of the non-slave-owning white population, known as the poor whites? No! They fought for liberty for themselves, while the poor whites were led to fight against their own liberty, just as the small reactionary minority has many of the common people fighting each other today.

When you talk to a Liberty Leaguer, or some member of a high-sounding organization blatting his ears off about the Constitution, whose liberty is he talking about? Why his own, of course.

And it is here that I hope I make a point. The point is that the conservative ought to be more interested in liberty than anyone else. The minority property interests have always gone too far, have used too much force to protect their ante. They have always tried to keep the status quo by force. And the end has always been that they are deprived of what they have by force.

NO REVOLUTION BUT SOLUTIONS MUST BE MADE

I am not warning of any impending violent revolution. But economic solutions have not been made, and it doesn't look as though they will be. Therefore the conservatives, if history means anything, are the ones that ought to be yelling the loudest for liberty and real democracy. If they don't, violence or dictatorship will surely wipe them out.

And I just brought in the word "democracy."

What is it? Throughout history people have talked about democracy—but they have always meant democracy for a special group, class, or religion. Democracy has been for those that get the benefit—as in Greece, and the South, where the majority of the population were slaves.

But what is true democracy? Well, I'm going to tell you, and I think it is a good definition. Professors may try, but we won't understand. So here is the correct, the maverick, definition:

"Democracy is the right of every man to talk, pray, and think as he pleases, live in peace, and eat regular."

I might say that no such democracy has ever existed, and does not exist now. We have the form of democracy, but as for really having the substance of it, that's something else. But at least we will agree, I hope, that my definition is right.

Everyone can understand the meaning of that definition. It means that a man should have intellectual and spiritual liberty; that his soul should be free; that he should not be killed or have to kill anybody else; and that he should have economic freedom. Economic freedom simply means groceries, and their proper distribution. Economics is whether you eat or not, and that is all. And if you don't eat, you have no liberty.

Now, I promised I wouldn't make a political speech—that is, I wouldn't tell you to vote Democratic or otherwise. And as a new dealer, I admit that too little of a fundamental nature has been accomplished these last few years.

Am I abusing the President? No, indeed, for he has led the American people just as far ahead as they care to go, without any movement, and with very few other leaders who stand out for civil liberties and economic democracy. Don't blame everything on Roosevelt. The misfortune is that America is still in chaos, and there is no sizable group or party that stands for anything at all.

A NATION SHOULD NOT DECIDE AN ISSUE ON ONE PERSONALITY

Into this puzzling situation comes the question of whether or not Mr. Roosevelt will run for a third term. Now, I am for a third term. But I am worried because of lack of a movement and lack of leaders. I think it is a dangerous condition when people are so confused that all they know is that they are for or against a single man.

Before the World War, there was a Socialist movement. There was the Bull Moose Party. But when the war swept over us, not only socialism but all movements were blotted out. To this date no real movement has arisen in America.

In traveling over the country, I find frank and open discussion almost impossible—at least to the extent of anybody really having any toleration, or even listening with mental fairness. It is true you can go to an open forum and talk about public ownership if you want to, but everybody has his mind made up in advance.

But a strange thing to me is that when some government hater wants something done honestly and safely, he sees to it that the Federal Government either owns or controls it. If one of them gets in an airplane—be he Ford or J. P. Morgan or that capiti-capitalist, Wendell Willkie—he wants, first of all, to know whether the plane has been approved by the Federal Government. [Applause.]

THE EXPANDING POWER OF THE FEDERAL GOVERNMENT

In hundreds of our daily contacts, the Government, Federal or otherwise, is doing what you need, and doing what private business cannot do.

Historically, of course, the American was suspicious of government because he was suspicious of the King. Some of our original constitutional debates were funny—some of our forefathers were even opposed to letting the Government operate the Army, Navy, or post office.

Now, I am not going to lead you innocent descendants of the American Revolution astray, nor teach you bad things. I only say that people must begin to study and realize that there is an expanding power of the Federal Government. Take the subject of monopolies: They dominate our life. So our political heroes bombinate about monopolies, and say that monopoly is bad. But why not just say—and let everyone agree on a simple thing—that all monopolies should be owned or controlled by the Government? [Applause.]

To put it in simpler words, that means public ownership of certain industries or their control by the people. But any such simple suggestion that the American people should run their own Government or conserve their own natural resources brings the outraged cry of "communism." And everybody from the elevator boy to big corporation owner begins to tremble with fear.

THE SCANDINAVIAN EXPERIMENT IS SUCCESSFUL

In this situation certainly we Americans ought to try to be as sensible as the Scandinavians. You already know that in Scandinavian countries ownership of a utility might be spread around

in such hands as the King, officially and personally, members of the royal family, cities, towns, and general private ownership. There you have a full combination of royal, official, municipal, and personal ownership; and, moreover, this has proved satisfactory.

Imagine a king being mixed up in a Socialist enterprise. I have often wondered why the chambers of commerce in Scandinavia haven't run their Kings out of the country, or at least have gotten a Dies Committee to smear them and call them red Kings, royal transmission belts, or something like that.

But what do we do? We permit a lot of arrogant, overbearing Federal judges to enjoin us to death. And the National Congress usually lies down and lets them do it. The Government knows, and the people know, and the judges know that T. V. A., for instance, is a legitimate Government agency; and that its functions could not be done except by the Government. Everyone knows T. V. A. was not just building dams, but also provides flood control; besides that, it is a great social program with soil conservation, education, and a myriad of other things. No private corporation on earth could assume these governmental responsibilities; they had to be done by a government and by democratic methods.

But what happened? When T. V. A. began to operate, there was no stopping the big corporations from getting endless injunctions, and it was crippled time after time and year after year.

Here one is likely to ask if I am opposed to the power of the judiciary. No; but the legislature, and not the judiciary, is supposed to run this Government. Moreover, in all such cases in Canada and other democratic nations like our own, the legislatures never permit courts to block the government.

Whether I am in or out of Congress, I still have the right to criticize; and as a private citizen I so criticize Congress. Congress and the legislatures pass their duties on to the courts; and they should take on these duties themselves.

THIS NATION IS AND WILL BE CAPITALISTIC

Now, this is a capitalistic country, and nothing else. At the same time we all admit that there should be a post office, an Army, roads, public transportation in some instances, and a considerable amount of Government assistance in the shape of subsidies for agriculture, shipping, and other lines of business. But any further discussion gets people worried that the "red" revolution is just around the corner.

Let no man worry about capitalism being crushed out in this country. I know that every American is a capitalist. Once I had a colony of some three or four hundred people—it was during Hoover's administration and nobody had any money—and so everybody worked hard and exchanged labor for goods. But the first man who got $5 got drunk, turned capitalist, beat his wife, and began condemning the "reds."

PEOPLE SIMPLY DON'T WANT COMMUNISM

So we might as well admit that America is going to proceed upon capitalistic lines and that there is no danger, if you call it that, and absolutely no possibility of communism in this country, for the simple reason that the people don't want communism.

But here I make a warning to America's "better class." If they don't get "hep" to themselves; if they don't stop their hypocritical yapping about Government interference and Government spending; if they don't see to it that liberty and economic democracy are made possible to the American people, then this country is going on the rocks, just as sure as God made little apples.

Therefore, I say what are we going to do about it? Americans are determined to preserve both capitalism and liberty—but at the same time. Then, if we have any sense, we ought to figure out how to do it before it is too late. Let's do it now, before the time comes when we can do nothing.

All Americans, as far as I know, want what they call democracy; so for the moment let us look at some of the things we need, and some of the things we do don't need, in order to get democracy.

I have already mentioned some of these; but let me set them out. Here they are; let's talk about them and really do something:

I. Civil liberties, MARTIN DIES, and poll taxes. We want the liberties, but not MARTIN and the poll taxes.

II. Economic democracy, or groceries; whatever you call it, we want to eat.

III. Local government—and let's preserve it, but at the same time realize our country is one economic and political unit.

IV. Labor peace, and maybe some leaders ought to be chloroformed, or drowned.

About the first—civil liberties—we have already talked. We know civil liberties are being brutally violated in many places, and always have been, and always will be.

CIVIL LIBERTIES ARE FOR EVERYBODY

All we have to remember is that civil liberties are supposed to be for everybody. We know that since the first World War that people in democracies have been doing more and more to cut their own throats. Now, for example, take the attitude of our American Communists on Finland. Whether these Communists are right or wrong is something else—with the vast overwhelming majority of 90 percent, I am for the Finns. But, nevertheless, I say let the Communists—I mean real ones—blat their ears off, as do Liberty Leaguers or the dodo tories of today.

In the past few years many businessmen have taken the choice of fascism instead of communism, because they thought they had to choose. In Germany the businessman was promptly put in a strait jacket under nazi-ism; as an individual person with liberty, he has ceased to exist.

LET'S FIGHT BOTH FASCISM AND COMMUNISM

So let's not take either fascism or communism. And the boy who had better really watch out is the businessman, for he has the most to lose.

Now, let's talk about MARTIN DIES. What's wrong with his committee? The answer is that its majority action has been cruelly unfair. That's the whole story, and the result of this unfairness is a danger to our constitutional government and the American people.

MARTIN DIES PATRIOTIC AND HONEST BUT DOES NOT GIVE OTHER GOOD AMERICANS EQUAL CREDIT

What about MARTIN DIES personally? I know him; I can give my opinion. In the first place, he is financially honest, and the fact that he may make money on lectures and magazine articles is nothing wrong. I say frankly that were he a soldier in a war I would not be afraid to trust him. I would not suspect his patriotism any more than any German could have suspected the patriotism of Hitler in 1933 in fighting what he thought was a foreign enemy of Germany.

But what I sadly deplore is that MARTIN DIES does not give the same credit to Americans of equal patriotism. He is willing to smear men and women by the thousands, and in a manner strange to American ideals and constitutional practices. He is willing to pin the badge of un-Americanism, by unfair and cruel methods, on anyone else, if this puts him to the top.

THE TORTURE OF THE DIES COMMITTEE

Yes, I know MARTIN DIES. I saw him in 4 years grow from a man who liked to play cruel practical jokes, to become a man who got joy out of practicing plain cruelties on fellow human beings. I doubt if he knew it at first, but he entered the scene when the Americans were bending to the great fear, when reaction was setting in against progress—and he accidentally filled the niche that was waiting for a man of this type.

There is no use in beating around the bush. I know men in high places who are afraid of MARTIN DIES; they live in horror of his unfair torture. I know men who know that MARTIN DIES will not hesitate to blacken their wives' names by calling them Communists simply because these ladies belong to consumer organizations and want to get the American people—and themselves—better products at lower prices.

Mr. DIES knows better, because he is a capable lawyer, of keen intellect. But his love to punish, to hurt, to give pain, to ridicule, to embarrass, make uncomfortable, drives him on in this sadistic course. And if we look at history we find men exactly like him, who have taken advantage of these periods of depression in the human mind, when people have been bewildered and bowed down by sorrow and fear.

I personally know that many of these leading conservative Congressmen are opposed to the methods of the Dies committee, and have said so privately. But they are afraid, so they go along and vote for more appropriations. And I know liberal Congressmen who fear to be called Communists, or fear for their wives or relatives.

There was a time—and this may still be true—when MARTIN DIES was immensely popular with the American people. He gave them the jitters, and whipped them up with the great fear. He was, and is, the symbol and representative of the reactionary forces, a man of great power. But I can report to you that his power is weakening. Men of property know that he has overdone his job, and that such practices will destroy them as well as the democratic power of the people.

I have been told that MARTIN DIES should be ridiculed. But I tell you, he has been taken seriously, very seriously. And it is good to know that three of his democratic colleagues are now bitterly opposed to him, and with fighting spirit.

As a citizen living out in the sticks—I call upon these three men of the Dies committee to keep up the fight. I call upon all men who fear MARTIN DIES to get rid of that fear. For if they continue that terrible fear, America can be destroyed.

We must demand that Congress stop these witch hunts, which are in violation of the decent ideals of democracy, and which have already done so much damage to the free institutions of our country.

The heedless Tories of this country have on the whole accepted Mr. DIES, and have permitted honest liberals and progressives who are patriotic men and women to be smeared and persecuted. Mr. Hearst puts his press at the service of Mr. DIES. Yet the Hearst papers would be the first to be suppressed should the Dies methods be permanently accepted. Indeed, I call upon those heedless, smug people who have whooped up this great example of sadism to turn back the pages of history and take a look. If they do so they will find that people will not endure persecution, humiliation, and the destruction of their liberty and honorable names without returning blow for blow eventually.

To all I say, fight communism—and fascism, too—root out subversive movements; do it with congressional committees if necessary, but let us preserve American methods, constitutional government, and common, ordinary decency and fair play.

POLL TAX DISFRANCHISES WHITE MAN

Now, about the poll tax. Whether or not that is strictly a question of civil liberties I don't know, but I discuss it under that heading. I do so because millions of citizens have been, and are being, deprived of their liberties by the imposition of a poll tax, because poor people haven't got the money to pay.

The original idea of the enactment of the poll tax might have been to exclude the Negro. But today it excludes the white man from the Democratic primaries, and more white men are excluded than there are Negroes in the South. By Supreme Court decision the Negro cannot vote in the white man's primary, where elections are settled. Even omitting the Negro, we still have the disfranchisement of millions of white men.

Why is this? The reason is that those who have economic and financial control of the South do not want democratic suffrage. And why?

Well, because the South is still a colony of Wall Street. The boys in Wall Street have the same high regard for the people of the South as did the lords of trade in London for Americans before the Revolution. They own utilities, banks, mortgage and insurance companies. The South owns about 10 percent of its life insurance, and the North owns 90 percent.

The big boys in the South—the hired hands of the North—come from the land-owning class, or they are the lawyers and representatives of the northern interests. The small number of voters are partially of the same class, the dependents, the employees, hangers-on, and hope-to-be's.

THE POOR WHITES CAN'T PAY, AND DON'T GET POLL TAXES

The so-called menace of the Negro is continually thrust before the poor white. He is assured that all is for white supremacy, and so the disfranchised white either does not get to vote, and if he does, he does so with all the economic prejudices of the people who are exploiting him.

What, then, is the situation? It is that we have a minority of the North, tied in with a smaller minority of the South, controlling all of the South, and disfranchising a vast number of the southern citizens.

The poll tax has always been a source of corruption. By it the political machines stay in power, and by it can persecute anyone who legitimately tries to help voters to qualify.

The poll tax ought to be abolished, and if necessary, by Federal law.

Certainly if the Constitution provides for elections, Congress can make the qualifications. So let us all have as an objective the abolition of the poll tax, and as a means of obtaining both political and economic democracy.

NO LIBERTY IF YOU DON'T EAT

Now, let's get around to discussing economic democracy. We have broken down many economic barriers; political power for the people has increased in the last few years. In spite of witch hunts and persecutions, civil liberties have increased, and particularly under the present Supreme Court. But all of us have come to know that if we haven't got economic liberty, we haven't got any liberties at all. If you haven't got those groceries I have talked about, why, of course, there's no use in living. If you are hungry, underprivileged, with no medical care, and have no decent house to live in and your children can't go to school, then you have no liberty. There is literally no sense in talking about liberty if you can't eat and can't live like a human being.

That, of course, isn't all. If the people of this country are not permitted to eat and have their economic democracy, the country will sooner or later blow up. That is the end of civil liberties entirely, and when it ends, it ends for the middle class, the rich, and the poor alike.

Let no man think otherwise. Remember Thyssen, the German industrialist now exiled, his estates confiscated—worth some three or four hundred million by the way—the very man who financed Hitler. And I mention this so the conservatives, the property owners, can listen. If they want to save their property, their liberty, their stocks and bonds, and their necks, they had better wake up and see that people get jobs and a living.

For the break-down of liberty is the break-down and end of capitalism.

Let those who own, whether big corporations or their lawyers, or the people of property in general, take a look at T. V. A., farm benefits, social security, W. P. A.; yes, especially to W. P. A. Let them think of Scandinavia, and figure that it may be better to try to get along with such democratic decrees than to try to wipe them out. Then possibly we can all be saved.

PRESERVATION OF LOCAL SELF-GOVERNMENT ESSENTIAL

The third thing I mentioned was the preservation of local self-government. To some of our reactionaries this means that our Federal Government shouldn't feed starving people or have any power at all, but leave the people to the mercy of private monopolies and unregulated industrial power. That is certainly not what I mean.

Historically, when we started out two centuries ago we were an aggregation of States, small villages, and agricultural communities. The economic and political interdependence of today was not then a fact.

Each locality did most of its own manufacturing and filled most of its needs.

Today all that is changed and we must recognize the United States and every community in it as one economic unit.

Strangely enough, the economic groups which owe their power wholly to the fact that this country is a single economic unit, want so-called relief, and Federal assistance to people to be abolished—and financial expense, if any, should in some mysterious way be borne by local governments. They keep talking about local self-government. But what they are doing is to destroy self-government.

Let us, therefore, insist that since our country is one economic unit, that it be so governed. In so governing it, we will preserve not only economic democracy for the American people, but local self-government and political liberty as well.

LABOR PICKETING EACH OTHER MONSTROUSLY IDIOTIC

Now we come to the fourth point—a sour and mean one—the matter of labor peace. During my entire term in Congress the C. I. O. and A. F. of L. row went on. It is still going on; it is still a grave nuisance; it is slow-creeping destruction for the American worker and the people.

This is a very difficult question on which to make an unprejudiced, unbiased statement. If you take the side of one or the other, that is, of John Lewis or Bill Green, you make the other one a life enemy, and nothing is accomplished. And I really have no preference in the matter. John Lewis or William Green, as such, mean nothing whatever.

What to do about labor leaders I don't know. Enough has been said about them. The thing that intelligent working people must do is to disregard their leaders whenever they ask them to fight some other labor organization. It is monstrously idiotic to see laboring men picketing each other, and fighting each other.

A few labor leaders chloroformed would help, but that isn't all. The point is, we know nothing of the labor movement. And concerning labor, I think it is not even important to decide whether one is prolabor or antilabor—but that labor unions are here to stay—and must be reckoned with.

IF LABOR UNIONS GO, SO DOES BUSINESS

Labor unions are as much a part of democracy as business itself. There is no point in crying and bellowing about unions. And anyhow, if unions are beaten down or abolished, then the businessman can figure that our system will be such as they have in Germany now.

So, my friends, we who love and understand America, who appreciate the lessons of history, have plenty to do. Not necessarily MARTIN DIES, but his type of psychology has been dominating the spirit of America for some 2 or 3 years. We have buckled and bowed and trembled before the great fear. It is time to throw off that fear, and now I can conscientiously say that I can see some hope for us. Men and women are beginning to stand up and resent this senseless and cruel badgering and persecution of good Americans by smug and ignorant people. And businessmen are beginning to see—at least some of them—that if labor unions go, so do they.

The reactionary forces still hold the upper hand, but many of that group are beginning to find out that democracy cannot be maintained, nor property preserved, by organizations set up by racketeers who piously claim to uphold the Constitution.

WE LOVE THIS EARTH AND WE OWN IT

My friends, I end as I began. Let us remember our ancestors came from cornfields, from the earth, and that the earth belongs to we, the people.

We love this earth, and we own it; we love the Constitution, and we own it; I call upon all men of good will and courage to stand up and fight for what is ours.

If we do, we can preserve this country and be free men and women.

St. Lawrence Seaway

EXTENSION OF REMARKS

OF

HON. CLARENCE E. KILBURN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

Mr. KILBURN. Mr. Speaker, opponents of the Great-Lakes-St. Lawrence Basin project, both here in the House of Representatives and elsewhere, have raised the question that the proposed development of this great project would affect the neutrality of the United States in the present conflict.

In order to set at rest any apprehension on the subject, I would like permission to insert in the RECORD a letter which I have received from the Honorable Cordell Hull, Secretary of State:

DEPARTMENT OF STATE,
Washington, March 6, 1940.

The Honorable CLARENCE E. KILBURN,
House of Representatives, Washington, D. C.

MY DEAR MR. KILBURN: I have received your letter of February 28, 1940, requesting an official statement as to whether the proposed development of the Great Lakes-St. Lawrence Basin project would affect the neutrality of the United States in the present conflict.

In reply, I desire to say that those of us in the executive branch of the Government, whose primary duty it is to safeguard the neutrality of the United States, as a matter of course give the most careful consideration to the effect upon the international position of our country before undertaking any definite action in the realm of foreign affairs. The conclusion of a treaty with Canada for the development of the Great Lakes-St. Lawrence Basin project would not affect in any way the complete neutrality of the United States.

Sincerely yours,

CORDELL HULL.

Therefore it can be readily seen that the opponents of the St. Lawrence seaway project are attempting to mislead the public.

Do You Remember Dr. Wirt?

EXTENSION OF REMARKS

OF

HON. NOBLE J. JOHNSON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

ARTICLE BY GEORGE ROTHWELL BROWN

Mr. JOHNSON of Indiana. Mr. Speaker, under leave to extend my remarks, I wish to include an article by George Rothwell Brown which appeared in the Washington Daily News on March 6, 1940.

[From the Washington Daily News of March 6, 1940]

DO YOU REMEMBER DR. WIRT?—HE WASN'T AS FAR WRONG AS HE SEEMED TO BE

(By George Rothwell Brown)

One memorable anniversary has just passed into history—that of the inauguration of Mr. Roosevelt as President in 1933.

Another anniversary—corollary, one might say, of the first—is at hand.

It was on a March day in 1934 that James Rand read before a House committee a memorandum which had been prepared by Dr. William A. Wirt.

Summoned before a special House committee to tell what he knew of an alleged left-wing plot to "bring on the proposed overthrow of the established American social order," Dr. Wirt touched off the fireworks, and in turn was subjected to such unjust abuse in Congress as has rarely fallen to the lot of an innocent and patriotic American citizen.

Every effort was made by the Democratic majority to break down and discredit Dr. Wirt's disclosure of the intent of the left-wing New Dealers of which he had learned. The Gary (Ind.) school superintendent—since deceased—was all but thrown out of the committee, and for what?

He said he had been told by certain left-wingers that they believed that by thwarting recovery they could prolong the country's destitution until they had demonstrated to the people that the Government must operate industry and commerce.

Well, 6 years have passed, the recovery of the country has been thwarted, and the New Deal has moved a long way toward the operation of industry and commerce. Has this prevention of recovery been the result of ineptitude or design? Which horn of the dilemma does Mr. Roosevelt choose?

Dr. Wirt said he was told that these New Deal reformers would "destroy by propaganda" institutions that had been making capital loans.

"Then they added," he said, "we can push Uncle Sam into the position where he must make these capital loans. And, of course, when Uncle Sam becomes our financier, he must also follow his money with actual control and management."

How nearly has this been brought about in the year 1940?

Dr. Wirt added in his memorandum:

"When I asked why the President would not see through that scheme, they replied: 'We are on the inside. We can control the avenues of influence. We can make the President believe that he is making decisions for himself.'"

"I was frankly told," said Dr. Wirt to the House committee, "that they could make the newspapers and magazines beg for mercy by threatening to take away much of their advertising by measures to compel only the unvarnished truth in advertising. That they could make the financiers be good by showing up at public investigations the crooks in the game, and that the power of public investigation in their own hands alone would make the cold chills run up and down the spines of the other business leaders and politicians."

Said Representative BRUCE BARTON in a speech the other day:

"There are men in the Federal Trade Commission and the Department of Agriculture who hate national advertising. They want to destroy it because national advertising supports the free American press and the free American radio."

Walter E. Botthoff, president of the Standard Rate & Date Service, shortly afterward charged that communism was launching an attack against advertising to destroy America's free press and free speech as a step toward ultimate socialization of the Government.

Bless your hearts, Dr. Wirt told a committee of Congress 6 years ago that he had learned of the existence of precisely that plot. He was denounced and slandered on the floor of the House for patriotically trying to call the attention of Congress to a peril that threatened America's free institutions.

We can now judge Dr. Wirt in the light of what has subsequently transpired. Dr. Wirt said of his informants:

"They were sure that they could depend upon the psychology of empty stomachs, and they would keep them empty."

Has the Roosevelt New Deal kept stomachs empty? It sure has—for 7 long years!

Ask the 10,000,000 unemployed how empty they are.

Does the left wing expect to reelect Mr. Roosevelt by the votes of these empty stomachs?

Yes; that is their hope—their sole hope for a third term. Think it over!

Europe

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

ARTICLE FROM THE NEW YORK TIMES OF MARCH 4, 1940

Mr. SHANLEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article from the New York Times of March 4, 1940:

[From the New York Times of March 4, 1940]

EUROPE—WELLES' CHANCE OF HELPING SEEMS SOMEWHAT BRIGHTER

(By Anne O'Hare McCormick)

BERLIN, March 3.—As Under Secretary Welles leaves Berlin tonight on the third lap of his trip the one thing clear is that this tour will begin only when it ends. It is no paradox to say that for all practical purposes his journey to Europe starts when he returns to Washington. As interlocutor for the President his mandate is simply to listen and report. He can make no commitments and draw no conclusions from his findings in any one capital. Not until he is home again can the information he is gathering be compared, correlated, and studied as a basis for possible action. Thus the American journey—if any—commences where Mr. Welles finishes.

Here he has been given quite extraordinary opportunities to examine varied facets of the German ruling mind. Not only was he received with punctilious courtesy and every mark of honor. He was offered unusual facilities to carry out his mission. No door was closed to him. He was enabled to meet everybody who counts in the regime. Besides Chancelor Hitler and Foreign Minister von Ribbentrop, and other official exponents of foreign policy, he talked for hours with Field Marshal Goering as economic dictator and was taken to Nazi headquarters to see Rudolf Hess as executive head of the Nazi party. In addition he was in contact with Hjalmar Schacht, other important personages outside the government, and several foreign diplomats.

In 3 days Mr. Welles saw more key men—therefore, more of "the works"—than were ever seen by Prime Minister Chamberlain, Lord Halifax, Sir John Simon, or Anthony Eden. Perhaps no foreign statesman except Mussolini has been given a more comprehensive glimpse into the human mechanism that makes this grinding wheel go round. Since of no country do detailed reports convey so little a sense of the incredible whole, in 3 crowded days in Berlin he learned more about Germany than he could learn in a year in Washington.

A TRIP WORTH WHILE

This is the real index of the importance the German Government attaches to this visit. It received such scant press notice that there could be no great popular reaction beyond the anxious interest of countless inarticulate Germans looking for a last-minute miracle to stop the war. The official effort to build up a picture of German strength, solidarity, and determination speaks louder than words the ruling group's estimate of the Welles mission.

From the American point of view a close-up is also important. If the trip does not yield more than a truer measure of the German machine and the handful of men who control it, it will not be a failure. It may yield more. Mr. Welles has not broken his official silence by a whisper, but he was not pessimistic in leaving Berlin.

From various small signs it can be deduced that chances that the trip may produce some result appear to be slightly better now than when he landed in Europe.

The grim impression left by the opening conversation with Von Ribbentrop was apparently somewhat modified by discussions with other leaders. The Chancelor himself was in a quiet mood when he received the President's envoy. Despite reports, nothing of the interview has been revealed by either side, but Hitler is understood to have brushed aside details and confined his talk to broad and general claims. He was more concise than usual, and his tone was expository rather than argumentative or impassioned.

FIRST OUTSIDE VOICE

When one speaks of possible consequences of this inquiry there is no question of large or positive results. Undersecretary Welles is not a mediator, negotiator, adviser, or even a commentator, but simply a reporter commissioned to interview four governments to find out if there is any basis for peace before the war is fought to a finish. There is no reason to assume that any such basis was discovered here. On the contrary, within the past week the Reich Government gave southern neighbors assurances which they interpret as a clear indication that the Germans are ready to move in the opposite direction. Italy's action in calling up additional military classes may be a response to this warning.

For the first time since the war, however, an outsider's voice has penetrated to the inner circles of Berlin. This does not mean it will dispel echoes of their own voices to which Nazi leaders have been listening, or that the calm accents of Mr. Welles will affect in the slightest degree the course decided on. Probably the most it can accomplish is to give pause while Hitler and his coterie wait to hear what the French and British say in reply to questions asked here. Even that is something, for more and more it appears the purpose of the Welles journey narrows down to an attempt to gain time to stave off the irrevocable plunge toward unpredictable disaster. As already suggested in this place, the order existing over great areas of Europe is so fragile that a single tear in the tissue-paper surface means something like anarchy and chaos. People are saying that if nothing happens before April 1, the danger will be progressively less thereafter. On such brief respites do Europe's hopes hang nowadays. Thus Welles is watched as a kind of symbolic figure in a race against time and doom.

Col. Michael de Kovats

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

ADDRESSES BY WALTER L. MILLIGAN, PH. D., AND DR. TIBOR KEREKES

Mr. SHANLEY. Mr. Speaker, it is with particular pleasure that I insert in the RECORD speeches concerning Col. Michael de Kovats, American Revolutionary hero, published by the Hungarian reference library with the assistance of an advisory council, including Prof. Edwin M. Borchard, of Yale; President Nicholas Murray Butler, of Columbia; and Prof. James T. Shotwell.

ADDRESS BY WALTER L. WILLIGAN, PH. D., PROFESSOR OF AMERICAN HISTORY, ST. JOHN'S UNIVERSITY, BROOKLYN

One of the greatest contributions that the United States has made to world civilization is her virtue of holding on and helping others to hold on to those values in life which make human existence bearable.

Tonight we are gathered to pay tribute to one of that great army of patriots who made possible this great American virtue—who made this United States—the only country where the masses of men can still enjoy life, liberty, and the pursuit of happiness.

In the past history of mankind there have been times when human existence seemed unbearable. Civilization appeared to be on the verge of a complete collapse and men lived more like animals than human beings. The culture and civilization of mankind was saved when God gave Moses the Ten Commandments—a rule to guide human conduct. This rule was successful for many years in guiding human relationships, but once more selfishness and materialism dominated human existence. Christ gave the Sermon on the Mount to save humanity again. He preached the doctrine of the brotherhood of man as the article of faith to which men must adhere if life would be bearable. For many years this doctrine reformed the minds and actions of men, but again society began to crumble due to human weakness. Again divine providence provided men with messages that would arouse their faith and courage, appeal to their minds and hearts, and guide their thoughts and actions. This was the Declaration of Independence, issued in 1776.

It was in the year 1776 that 13 small, insignificant colonies jointly issued a declaration of independence which was destined to rock the entire world to its very foundations. It was these Thirteen Colonies who declared: "We hold these truths to be self-evident, that all men are created equal." Not some men, but all men, are created equal. The Declaration of Independence goes on to say "that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness." My friends, men are endowed by their Creator—not a dictator, not a government, but by God. "That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed." If we live up to the pronouncement of this declaration, we will, in respecting the inalienable rights of our fellow men, follow the Sermon on the Mount and the Ten Commandments.

This message was heard at the far corners of the earth. It even reached the small villages on the far plains of Hungary—the home of the renowned Hussars, the greatest horsemen of all time.

It was in the heart of the Hussar country, in a small village, that Michael de Kovats was born on June 12, 1724. It was in this region that the great cavalrymen of the world were trained. It was here that young Kovats learned to know and appreciate what it means to enjoy life, enjoy liberty, and to enjoy the pursuit of happiness. For him it was to ride horses.

Strange as it may seem in light of recent events, Prussia during the Seven Years' War was the victim of the aggressions of Austria, Russia, France, and Sweden. Prussian liberties were endangered, and it was to Prussia that the young Kovats went to join the cavalry of Frederick the Great. However, as the war began to lag and Frederick the Great used his cavalry to collect taxes, to impress men into the army by force, and to collect hostages, Michael de Kovats revolted. This was a prostitution of a great calling. In 1760 Kovats resigned from the cavalry of Frederick the Great and returned home. My friends, this act alone would place Colonel Kovats above the status of a mere brigand or mercenary. He returned his commission to the Prussians and prepared himself for a more noble cause.

It was in 1776 that the immortal words of our Declaration of Independence were heard. It was in 1776 that Michael de Kovats secured permission from Maria Theresa to leave Buda and come to America. He immediately left for France via Italy, and met Benjamin Franklin and Silas Deane in Paris. To these gentlemen he offered his services to fight for the American cause. In Paris at this time several divisions of cavalry troops were being organized. Kovats rendered great service in organizing his former comrades in arms to join the American Revolution.

On January 9, 1788, Kovats' old friend, Count Casimir Pulaski, recommended that the well-known cavalry officer receive a commission to train the American Cavalry in the Pulaski regiment. We read in a letter which Kovats wrote to George Washington that "If Congress will honor me with the regulation of it (the Cavalry), I shall faithfully execute and glory in the honor of such a command, which will also give me an opportunity to show my attachment and fidelity for this country's cause." His commission was ratified in April 1778, and Kovats immediately appealed in the Maryland Journal and Baltimore Advertiser for recruits.

The methods of fighting in America were different than those used in Europe. George Washington never engaged the British Army in a battle according to European standards of fighting. The American strategy was to brush the British flank here and there, ambush, and execute surprise attack.

It was the cavalry which was used through 1778 and 1779 to protect the American infantry as it retreated from one position to another.

In July 1778 the supreme executive council of Pennsylvania sent Colonel Kovats and Colonel Hartley against the Indians. In the middle of August Kovats was sent back to join Pulaski. In September 1778 Washington ordered Kovats to Princeton, N. J., to protect the American Army against the Indians and the loyalists. In October the British carried a devastating raid against the Pulaski regiment, inflicting severe losses on the Infantry. It was Kovats' Cavalry which, amid the cheers of his men, successfully repelled the English and extracted the Infantry from its untenable position.

All during this campaign Kovats never forgot his religious duties. Early in 1778 a minister of the Protestant church in Bethlehem, Pa., noted that the well-known commander of the Hussars attended services. Again it was noted that on April 16, 1778, Count Pulaski and Colonel Kovats attended Easter services.

The British, failing to cut the American Colonies in two in England, attempted to sever the South from the rest of the Colonies. On February 9, 1779, Colonel Kovats was ordered to South Carolina to relieve the pressure of the English troops on Charleston. His legion arrived on May 17, 1779, and bolstered the garrison of the city. It was here that Colonel Kovats received the highest praise from Brigadier General Skelly of His Majesty's Army for leading the best cavalry that the rebels ever had. It was in this battle that Kovats' cavalry, under the command of their intrepid leader, lifted the siege of Charleston and ultimately saved the South for the American cause. It was here that Kovats received a mortal wound and gave up his life for the cause of American liberty.

We are the living benefactors of Kovats' spirit. We are his spiritual successors. He died for the American Declaration of Independence. He died for a noble cause. He died that America might for all time hold onto and help others to hold onto those

values which make human existence worth while. He is one of Hungary's contributions to the establishment of American democracy.

ADDRESS BY DR. TIBOR KERekes, OF GEORGETOWN UNIVERSITY, WASHINGTON, D. C.

This is indeed a red-letter day for us American citizens of Hungarian origin. We rejoice at the sight of such a large gathering at this occasion which honors the memory of one of our race. The knowledge that Colonel Commandant Michael de Kovats so nobly helped the cause of American independence, and that by his self-sacrifice the freedom-loving Maygar race had a definite part in the establishment of the United States, fills our hearts with proud satisfaction.

If any nation appreciates freedom and liberty, it is the Hungarian. It was the destiny of the Maygar race to fight for independence from the beginning of its national history to the very present. Ever since our ancestors at the end of the ninth century occupied the uninhabited lands on the slopes of the Carpathians and in the valley of the Danube this fight for independence became the history of the nation.

First against the Germanizing tendencies of the great medieval emperors, which threatened the absorption of a small race, the extinction of its national characteristics, of its language and institutions. The wisdom of the founders of the Hungarian Kingdom is proven by the fact that this small race survived in its very youth the impact of an already mature civilization.

Then, again, in the thirteenth century this love of freedom asserted itself in the fight against the hordes of the Tartars, who were bent upon the conquest of not only Hungary but also of Europe. The cream of the nation perished in this great conflict, but Hungarian independence, and with it western civilization, were saved.

Perhaps the greatest service which Hungary rendered the Christian world was her struggle with the Turks. When in the early sixteenth century, in the period of the general European division and confusion, caused by the great religious upheavals, the Turks decided upon their European conquest, Hungary unhesitatingly threw herself in the path of the mighty Ottoman forces. In this uneven conflict, Hungary was crushed; together with its heroic King, most of the Hungarian manpower was lost on the great plains of Mohacs in 1526, and from Buda, the proud capital of Hungary, the unfurled Turkish banners announced to the world, that the Hungarian National Kingdom, founded in 1002 by our first king St. Stephen, came to a sorrowful end. The foreign occupation lasted for 150 years, but the spirit of freedom never died in the hearts of the Hungarian people. For 150 years did the oppressed Hungarians hope, pray, and toil for freedom, which once more became theirs with the gradual collapse of the Turkish power at the end of the seventeenth century.

But hardly was the much awaited freedom regained, when a new danger threatened its continued enjoyment. Hungary in her struggle against the Turks enlisted the assistance of the neighboring Hapsburg realm, and entered into a personal union with the Austrian Empire. This meant that the Hapsburg emperors of Austria became kings of Hungary. The crown of St. Stephen, that symbol of Hungarian independence, was to be worn by the Hapsburgs, who by their coronation oath were bound to respect and safeguard the national genius of Hungary. But instead of strengthening the Hungarian national spirit after the ending of the Turkish occupation the Hapsburg rulers embarked upon a policy of centralization with the purpose of merging Hungary into their Austrian realm. The history of Hungary from the end of the seventeenth century to 1848 is an endless struggle against this new threat to her freedom. In this tragic struggle her best blood was dissipated, so was her wealth and her cultural energy. And when in 1848, in final despair, the whole nation rose under the leadership of Louis Kossuth against tenacious Hapsburg oppression, only the overwhelming Russian support given the Hapsburgs could break the Hungarian resistance. After the national rising of 1848 was crushed, a twofold task taxed all the political acumen of Hungary; on the one hand to safeguard, as far as possible, the independence of the Hungarian national state, and on the other, to harmonize the Hungarian national interest with the interest of the Hapsburg Empire, whose rulers had to be reaccepted as rulers of Hungary.

The happiest solution of this great task was the compromise of 1867, the work of the Hungarian sage, Francis Deak. By this compromise a dualistic system of government was established guaranteeing political, cultural, and religious freedom to the Kingdom of Hungary under Hapsburg rule. This compromise remained in force until the great collapse of 1918.

Today, surrounded on all sides by expanding and aggressive totalitarian states, Hungary again faces a critical period of her national existence. Will the world recognize her plight? Will the Christian world extend her a helping hand in her hour of need for all the heroic service Hungary rendered in the past? In this period of malicious propaganda, will the Western World understand that the maintenance of a politically and economically independent Hungary is the only guaranty of a better order in the Danubian Valley? Will the world finally realize that all that Hungary demands is the restoration of her national integrity. "Nem, nem, soha!" is not a battle cry, not a chauvinistic slogan, not a provocation hurled at other nations. It is a statement of fact. Just as Hungary repudiated the Germanization tendencies of the medieval German emperors, just as she saved western civilization from the Tartar hordes, just as she upheld the cross against the grasping Hapsburg rule, so does she repudiate the dictate of Trianon and demands the return of her national territory, which belonged to her for a thousand years.

Ladies and gentlemen, I have mentioned only a few incidents of Hungarian national history to show the love of freedom of the Hungarians, and their willing sacrifice to keep this precious possession. I have cited these incidents from our historical past to assure you that this love of freedom is our precious heritage; that this love of freedom was the reason which brought us into the United States; that this love of freedom made us willing citizens of this country, and for the freedom of this country we are willing to follow the example of Col. Michael de Kovats and make the supreme sacrifice.

Water Pollution Control

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

Mr. DINGELL. Mr. Speaker, supplementing my remarks regarding water-pollution control as intended by the bill S. 685 which I was privileged to make when discussing the rule yesterday, I want to say that the people of my State feel that the rivers, the lakes, and the streams are a God-given heritage which He in his wisdom intended should be passed on for continuous—in fact, perpetual—enjoyment and unrestricted as to use for all of the people. Industries and municipalities have a right to use the pure water from these natural reservoirs with only such restrictions as might be imposed for the public good and as will guarantee against exhaustion, but they have no right to pollute the wholesomeness of the water by dumping raw sewage and industrial wastes or chemicals, or in any other way to convert our rivers into polluted arteries and our lakes into cesspools.

During the many years of our industrial growth in this country, canneries, packing plants, and tanneries, as well as pulp and paper mills and chemical plants, have been the greatest violators of Nature's beauty and purity. Coal and metal mines have been equally as inconsiderate of the public good and as destructive. Considerable progress has been made because of the militant attitude of civic organizations and particularly because of the aggressive and fighting mood of sportsmen who are interested in game and fishing, and other nature lovers who have forced some degree of respect upon some of these industrial boors.

Many industries have voluntarily corrected their ways and have disposed of their refuse in a more sanitary and harmless way. Many have assumed the attitude, however, that they have the right, without any restriction whatsoever, not only to siphon these waters from the lakes and the streams to their use in manufacturing, but they insist upon the singular and unrestricted right to pollute the stream below their industrial plants. This attitude must be curbed. Cities and towns are not without blame. The shortsightedness on the part of city officials in some instances has helped to destroy the beauty and the healthful wholesomeness of our waters. This shortsighted policy has worked in the same destructive direction as the industries disregard of the problem. Ultimately we arrived at the point where the pleasures of millions of outdoor lovers and the fishing of sportsmen was impaired or completely destroyed and wildlife, including animals, wading and migratory birds, were driven away. I cannot be charged with being altogether narrow or selfish in this instance or alone in my advocacy of a strong and effective measure which will abate the nuisance. Sportsmen and out-of-doors men and nature lovers throughout the length and breadth of the land clamor for a real and substantial law to be placed upon the Federal statute books at the earliest possible date. This bill is not what I would have it. It is only a beginning. I am hopeful that in the very near future we might amend it and put some real teeth into it so that the objective might actually

be realized. This is the long view of the problem, but I think we ought to be able to strengthen this bill by amendment here today, and I certainly shall do everything I can to assist in the reinforcement of the Barkley bill, which is before us.

For many years I have been an active member of various sportsmen's and fishermen's groups. The distinguished Speaker of this House has recognized my interest when he favored me with an appointment as a member of the Special Committee on Conservation of Wildlife Resources, a spot much sought after by Members of this House. I have a real interest in this bill, because it is predicated upon the report which was submitted through the President to the Committee on Rivers and Harbors. That report was born of a long and pleasant conversation which I had with the President of the United States at the White House during the Seventy-fourth Congress. Our discussions were specifically upon the question of pollution and the general impairment of the wholesomeness of our waters. The President agreed to respond to a House resolution and agreed to order a Nation-wide survey through the War Department and the Army Engineers which could be submitted to the proper committee. I carried out my end of the understanding by introducing the resolution, and the House speedily sustained me in this instance, and the President carried out his end of the bargain. We know the danger of pollution, and we know the extent of the pollution and its effect not only upon the game and upon the sportsmen, but we are familiar with the tribute paid in health and human enjoyment because of this sinful nuisance by all of our people. It must be said, in justice to industries, that some progress has been made; liberal and generous industrialists have realized the crime of pollution and have in some instances gone all the way to abate the nuisance. Municipalities have made far more and speedier progress in this direction, particularly by the assistance made possible through the Public Works Administration.

I am very pleased to say that I have taken the lead in obtaining the necessary amount of money for the interceptor sewer at Detroit and the vast sewage-disposal project which will practically assure the wholesomeness of the whole lower Detroit River area and extend over a large part of western Lake Erie. I was instrumental in obtaining additional funds by a direct appeal to the President which made possible the completion of the general plan, which includes cities and towns in the lower Detroit River section.

I am pledged, Mr. Speaker, to do everything within my power to aid in the solution of the problem.

National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. ABE MURDOCK

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

STATEMENT BY HON. ARTHUR D. HEALEY, OF MASSACHUSETTS, AND HON. ABE MURDOCK, OF UTAH

Mr. MURDOCK of Utah. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement:

STATEMENT OF REPRESENTATIVES ARTHUR D. HEALEY AND ABE MURDOCK

Believing that the welfare of labor is essential to a sound economy, throughout our service in Congress we have consistently and steadfastly supported labor legislation. We feel that the National Labor Relations Act is the most important of all labor legislation ever enacted by the Congress of the United States. In fact, it is the emancipation of labor and its Magna Carta.

We believe that, while this act may not be perfect, we should be most cautious in adopting any amendments which may have the tendency of impairing the rights guaranteed under this act. We have therefore approached the consideration of amendments firm in the conviction that the right of self-organization and collective bargaining must not be weakened.

Nevertheless, we have striven with open minds and in good conscience to arrive with our colleagues at a sound solution of the complex and difficult problems involved in the administration of this act. We have exerted every effort to agree with the other three members of the committee to whom we accord the same good faith and sincerity of purpose that we claim for ourselves. But we believe that the proposed amendments, agreed upon by the majority of the committee, are in fact emasculatory and threaten the principles, purposes, and objectives of the act.

We call attention to the fact that our disagreement with the majority of the committee resulted from a vote on the question of adoption of the amendments as a whole. We set out the following principal reasons for our disagreement with Chairman HOWARD W. SMITH, of Virginia and the two Republican members of the committee, Hon. HARRY N. ROUTZOHN, of Ohio, and Hon. CHARLES A. HALLECK, of Indiana.

(1) The first amendment deletes the following language in section 1: "the denial by employers of the right of employees to organize and the refusal by employers to accept the procedure of collective bargaining." We could not agree to this amendment because this language has been referred to by the Supreme Court as significant in determining the constitutionality of the act.

(2) The next amendment constitutes a redefining of the term "employee." The particular language that we cannot agree to places the peaceful picket at the mercy of the labor spy, provocateur, and hired thug. Any willful violence, regardless of its pettiness or provocation, would result in a denial of reinstatement to the employee—a sentence to economic death. The only justification for such an unconscionable penalty against the employee would be the imposition of an equal penalty against the employer who is responsible for violence. No such equivalent penalty is contained in the amendment.

(3) The purpose of the next amendment is the separation of quasi-judicial functions from administrative functions. This is attempted to be accomplished by the creation of an Administrator, at a salary of $10,000 a year, empowered to carry out all administrative functions; leaving the Board only judicial functions—or, in other words, setting the Board up as a labor court but denying its orders the fundamental and necessary attributes inherent in court orders; namely, the sanctions necessary to properly effectuate such orders. We direct attention also to the fact that there is absolutely no remedy by appeal, to the Board or otherwise, from an arbitrary or capricious refusal of the Administrator to proceed with a charge made in good faith. The administrative process which has been built up in the United States over a period of 50 years and has functioned efficiently would, in our opinion, be very seriously menaced in a field which immediately and vitally affects the welfare of the great mass of American workers. We were unwilling to take this far-reaching step without necessary safeguards which were not provided in the proposed amendment.

(4) We disagree with a proposed definition of the term "collective bargaining" so drastically restrictive as to undermine the very foundation of the act by specifically excluding most essential elements of genuine and effective collective bargaining such as good faith efforts to compose differences and reach accord. Such a definition would strike at the very heart of the accepted and established meaning of "collective bargaining."

(5) We were unable to agree with the committee on an amendment which may well be styled the "Ripper amendment" and which proposes a drastic reorganization of the Board. We feel that consideration of such an amendment should properly await the conclusion of the investigation. We did, however, in an effort to reach unanimous agreement, propose a five-man board by the addition of two new members. This proposal was rejected.

(6) The thinly disguised purpose of the next amendment, deceptively cloaked as relating to free speech, is obviously to permit the use of the economic weight of the employer to interfere with the free exercise of the right of self-organization. We hold that to attempt legislatively to define free speech in pursuance of ulterior motives is a perversion of the significance of this great constitutional guarantee. Certainly the Supreme Court has historically demonstrated its ability to preserve the amplest exercise of free speech against all legislative or administrative encroachments; and no court has ever held that any infringement of this precious right has yet resulted from this act.

(7) We oppose other amendments proposed which fix the virtually unprecedented limitation of six months for the filing of charges and arbitrarily limit the recovery of back pay to a maximum period of 6 months. We maintain that labor's rights are entitled to equal protection with other property rights and that these drastic limitations on labor's remedies are obviously unfair and discriminatory.

(8) Concerning the amendment which provides that proceedings under the act shall be conducted as far as practicable according to the rules of evidence prevailing in the district courts of the United States, we feel that, in the absence of any showing having been made to the committee of its desirability, we should hesitate to single out this agency, which is set up to safeguard labor's rights, for the imposition of technical rules of evidence. The courts have repeatedly held that administrative decisions must be based upon substantial evidence. We believe, and the courts have held, that this adequately safeguards litigants.

(9) On the question of review of elections and certifications, we believe that the adoption of the Garrison proposal, properly drafted,

would eliminate the desires of litigants to obtain review by the courts of elections and certifications. This solution of the problem we believe to be preferable to throwing open to judicial review all elections and certifications.

(10) We interpose no objection to placing in the statute the provision granting employers the right to petition for elections; provided it is not used as a device to defeat the purposes of the act.

(11) At the present stage of our deliberations, we are inclined to favor the Garrison proposal for amendment to section 9 of the act, under which the Board would be relieved of the duty of determining the appropriate bargaining unit in cases in which two or more bona fide labor organizations are in substantial disagreement or conflict as to the unit. But we seriously doubt that the draft of the majority of the committee accomplishes the purposes of the Garrison proposal.

(12) We believe that the administration of laws by the various administrative agencies would be improved by the creation of an independent body of trial examiners as a career service, as proposed by Dean Garrison.

In conclusion, we wish to state that we cannot acquiesce in amendments which, under the guise of improvement, propose to sacrifice vital rights of labor guaranteed under this act. We will continue to strive to ascertain and recommend genuine improvements in the act or its administration but we cannot approve amendments whose predominant effect would be to eviscerate the act and deprive labor of guarantees which are the fruits of many years of struggle and hardship.

Air Corps Expansion Program

EXTENSION OF REMARKS

OF

HON. EWING THOMASON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

RADIO BROADCAST BY MAJ. GEN. H. H. ARNOLD, CHIEF OF THE AIR CORPS, AND FULTON LEWIS, JR.

Mr. THOMASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio broadcast over WOL, Washington, D. C., March 4, 1940:

PROGRESS OF THE AIR CORPS EXPANSION PROGRAM

FULTON LEWIS. By way of background, you may recall various legislative programs that have been put through Congress in the last few years, for the improvement and the expansion of the air defenses of the United States. There was one particular program of aviation expansion that was put through Congress a year ago, at the request of President Roosevelt, and since that time, the term "Wings Over America" has been changing from a mere expression to a material reality.

Gen. Henry H. Arnold, the Chief of the Army Air Corps, is in charge of this program, and tonight he has consented to make a report of progress, so to speak, to you over this coast-to-coast Mutual network.

General Arnold, what sort of progress are you making in your program of expanding and improving the Army Air Corps?

General ARNOLD. Well, Fulton, first of all don't you think it would be a good idea to give a little background on this Air Corps of ours? Then, after that, I'll try to answer any questions that you may want to ask.

FULTON LEWIS. That's a fine idea, General; go ahead.

General ARNOLD. Although military flying is now approximately 30 years old, its real birth occurred during the period of the World War of 1914–18. It was during this period, that necessity forced the use of the airplane as a weapon. Following the war there was a normal amount of enthusiasm for flying until the year 1927, when, suddenly, the world was startled with the news that a young American, Charles A. Lindbergh, had succeeded in flying, all alone, from New York to Paris. This accomplishment gave a new impetus to flying, and the entire world seemed to become air-minded over night. As a direct result of this attitude on the part of the people, there developed, in a few years, the beginning of our present commercial air lines. The remarkable development of this transportation activity has, in my opinion, contributed greatly to the civilization of the world.

FULTON LEWIS. I don't think there's any question about that, General, but that is commercial aviation. What we want to know is: What has happened to military aviation in the meantime?

General ARNOLD. In the military field we have had our troubles, but slowly and surely there has arisen the realization that the airplane is a most important factor in a nation's defense forces. During the World War the airplane was considered as a supplementary weapon of the ground and sea forces. Since then many changes have occurred. Let me quote you the words of the President, who, last January, in his message to Congress, said: "Military aviation is increasing today at an alarming and unprecedented rate. Increased range, increased speed, increased capacity of airplanes abroad have changed our requirements for defensive aviation." The changes that the President referred to bring out the fact that the military airplane recognizes no barriers of land or sea, and if this new power is unleashed, it can carry a war to those people who, heretofore, have been immune to attack. Because of that, the Congress, in its last session, enacted legislation to improve our aviation defense program. The terms of this legislation provide for an expanded Air Corps of the Army which shall have a strength of approximately 4,600 officers, 45,000 enlisted men, and 5,500 airplanes, all to be in existence by July 1, 1941.

FULTON LEWIS. How will that compare with other nations, General?

General ARNOLD. For many reasons, there can be no direct comparison. However, I might answer your question by saying that this force is considered to be the minimum Army air strength that the United States required for the defense of its frontiers. I would like to emphasize the fact that this organization does not contemplate any expeditionary forces to be used outside of United States territory. It is purely for defense. Such a force is a guarantor of our peace.

FULTON LEWIS. How is the program progressing, General?

General ARNOLD. Very satisfactorily. * * * Your question now brings us back to your first suggestion. As you know, an organization like the Air Corps is a complex and technical structure. To be fully effective it must be balanced in all its parts. For example, airplanes without pilots to fly them are useless; similarly, airplanes with pilots but without mechanics to maintain them are hazardous and also airplanes with sufficient personnel but without bases to operate from are very restricted in their usefulness. So you see, our job in building up the expanded Air Corps has not been simple.

FULTON LEWIS. I can well believe that, General. Would you mind telling us how this balance is being effected?

General ARNOLD. The aircraft industry has responded in splendid fashion, to our demands. Throughout the country production is increasing and I can say that, barring unforeseen eventualities, when July 1, 1941, rolls around, the Air Corps will have its 5,500 new and modern aircraft. New bases are being built. When the program is completed the Army Air Corps will be operating from Alaska, the Philippines, Hawaii, Panama, Puerto Rico, and from numerous stations in the continental limits of the United States. In this connection it is interesting to note that the spread of this air force to such wide areas is indicative of what speed and range mean in the new conception of defense.

FULTON LEWIS. In other words, you are going to be so placed that wherever trouble may arise, you will have defensive forces ready, on the spot.

General ARNOLD. That's exactly right. Modern aircraft are so built, with such speed and range, that it is possible to concentrate the entire force at any place in very short time.

FULTON LEWIS. Now, General, that's all very well, so far as the actual airplanes are concerned, but unless I am very much mistaken, this automatic control of planes hasn't quite reached the point as yet where these planes are going to be able to fly themselves. That brings up the little question of what you are going to do about getting more pilots for the Air Corps.

General ARNOLD. Yes; and that is the interesting part of the job, because it deals with the human element. During the past year we have enlisted in the Air Corps 25,000 additional men who are now learning to be Air Corps mechanics and technicians. To give you some idea of the type of men who have joined the Air Corps, let me remind you of the fact that every one of these lads is young—I believe the average age is 22 years—every one of them has the equivalent of a high-school education, and many of them have attended college. These youngsters have joined the Air Corps not only for patriotic purposes but also because they want to learn something about the aircraft industry, and the Army is the best place to get this education. A great majority of these recruits are now, or will be soon, in schools learning the rudiments of the many trades that the Air Corps practices. To see them is an inspiration, and I am more than happy to report that these men have found an opportunity to learn useful trades, that may be the means of improving their entire careers.

FULTON LEWIS. That sounds like healthy news. Perhaps you have found the answer, in the Air Corps, to the problem which has been bothering so many young men and young women lately—"Where am I going to find useful occupation?"

General ARNOLD. There is no question in my mind on that point. * * * You suggest by your question, the next point in the program that I have in mind—the procurement and training of young men to be officer-pilots of these airplanes. We in the Air Corps can become very enthusiastic on this subject. Let me ask you this question, Suppose some responsible person came to you and said, "* * * I am in a position to offer you a scholarship which is worth $20,000 to do postgraduate work in the newest of sciences—aeronautics. This work involves a period of 9 months of training and then application. During this entire period you will be free of financial worry, as I propose to pay you during your period of training sufficient money to take care of all

of your personal requirements. As soon as you have finished your training period you will be paid a salary which compares very favorably with the salaries of men in similar work."

FULTON LEWIS [with a laugh]. I'm beginning to think I am wasting my time in radio, General. That sounds like the millennium to me.

General ARNOLD. Well, it is not the millennium, but it is a very practical opportunity that's being offered today to young men in this country by the United States Government. Specifically, we obtain our officer pilots for the Air Corps by a system of selection of men between the ages of 20 and 27 who are unmarried and who have finished at least half of the work required to graduate from a recognized college or university. The accepted candidates are sent to the Air Corps training center for 9 months of training as a pilot of military aircraft. As soon as they graduate they are commissioned in the Air Corps Reserve as second lieutenants and then placed on active duty with the combat units of the Regular Army Air Corps, for further training.

FULTON LEWIS. General, you say it takes 9 months to complete their training. How long do they stay on active duty, as officers following graduation?

General ARNOLD. Under the present law a Reserve officer may now remain on extended active duty with the Air Corps for a period of 7 years. However, there are several other points in connection with this plan which I believe are interesting. We have found through many years of contact with the young officers of the Air Corps that they are divided as to their ambitions into two general groups—those who desire to make the Army a lifetime career and those who want to use the Army as a training ground for entry into the great field of commercial aviation.

For the first group, the War Department offers, to a limited number, commissions in the Regular Army Air Corps. Before they can be commissioned in the Air Corps, however, they must be graduates of the Air Corps training center. So you see the college men who start out today as flying cadets are given a chance to compete for a commission in the Regular Army as soon as they are graduated. During the past 3 years more than 600 young Reserve officers have been commissioned in the Regular Army.

FULTON LEWIS. How many will have a chance to become Regular officers in the future?

General ARNOLD. Our present plans provide that approximately 125 vacancies a year, for the next 6 or 7 years, will be open to these boys.

FULTON LEWIS. General, what is the opportunity for those who do not desire to stay in the Regular Army?

General ARNOLD. I can safely say that since the aeronautical industry is one of the fastest growing in the country today the opportunity is almost unlimited. When the Air Reserve officer leaves the Army and returns to civil life he carries with him the stamp of approval of the United States Government. The industry is glad to get men of this caliber. The field is wide, either in the air lines, the airplane and engine manufacturing plants, or the many engineering industries associated with the manufacture of aircraft.

FULTON LEWIS. General, to me personally this is most interesting. I believe the Army Air Corps is offering a career opportunity to young men that exposes a new frontier for youth.

General ARNOLD. One of my officers, in commenting on this very point, said he would rather think of this opportunity as providing a new horizon for youth since the horizon is the farthest thing that an aviator can see.

FULTON LEWIS. Well-turned phrase, General. Let me ask one more question. Many young men listening to this program are naturally going to ask the question, How can I enroll in the Air Corps for flying training?

General ARNOLD. I have tried to make this procedure as simple as possible. At every Air Corps station there is a permanent flying-cadet examining board. In addition, orders require that every corps area have a traveling examining board which tours the area for the purpose of examining applicants. This latter procedure saves the applicant the cost of travel to the permanent board and often is the means of making it possible for some lad to enroll who otherwise would miss out. Any interested young man need only contact one of these boards. Or he may write a letter to the nearest corps area commander or the nearest Air Corps station, or to my office in Washington, and he will be furnished full information.

FULTON LEWIS. General Arnold, you have presented most interesting news, and I am sure that the people of the United States will be glad to received information of this kind from such an authoritative source.

General ARNOLD. Thank you, Fulton. Let me add one thought to what I have said. Normally, the competition for appointment as flying cadets is in great demand and we are forced to apply a priority to the selection of candidates. For the next two classes, entering training in March and May, there remain a few vacancies. Many college graduates are applying for later classes. Men who have recently graduated, and men with less than 4 years of college work, will therefore have their best chance to enroll right now. I would advise these men to lose no time if they have any desire to enter this field. Ten years from now the man who does not fly will be rare indeed. Time flies as well as airplanes.

FULTON LEWIS. Thank you, General Arnold.

Descendants of the American Revolution

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

ARTICLE FROM THE BALTIMORE SUN OF MARCH 6, 1940

Mr. THORKELSON. Mr. Speaker, I insert this article in the RECORD so that the Department of Justice, the Federal Bureau of Investigation, and other intelligence services may be informed of the meeting that was held at the National Press Club on March 5.

The group may call itself liberal, but it is too liberal with the Constitution of the United States, and therefore communistic, pure and simple. In order that the intelligence departments will know what the Communist Party stands for, I quote from A. Cloyd Gill—Post-Office Box 29, Grand Central Annex, New York—author of America's Other 60 Families, the Communist Oath:

I pledge upon joining the Young Communist League, to be a loyal fighter for the everyday interests of the working class and the toiling youth. To further do all in my power to learn and become a conscious leader amongst the young workers, wherever I may be, in the struggle against the boss class and for the establishment of a workers' and farmers' government—a Soviet America.

From the same paper:

COMMUNISM'S OBJECTIVES

1. Abolition of orderly government.
2. Abolition of private property.
3. Abolition of inheritance.
4. Abolition of patriotism.
5. Abolition of the family.
6. Abolition of all religion.

YOUNG COMMUNIST LEAGUE

Program: "We favor the nationalization of the munitions industry. We stand for the abolition of the R. O. T. C. We pledge our aid to the annual student peace strike. We recognize the greater hope and vision of tomorrow—a new social order—socialism! This will mean the building of a new America in which the factories, mines, and natural resources will belong to the people. The Young Communist League has always looked upon the American Student Union as a rallying point of all progressive students, no matter what their political beliefs."

Officers of the Young Communist League are: President, Gil Green; vice president, Angelo Herndon; administrative secretary, Henry Winston; executive secretary, Carl Ross; student director, Celeste Strack; educational director, Francis Franklin.

Earl Browder, general secretary of the Communist Party of the United States of America, has this to say of the Young Communist League:

The Young Communist League, with the assistance of the party, has from the beginning played an important part in building the Young Communist movement and formulating its program and activities. Working modestly, loyally, and energetically, the Young Communists have won a myriad of friends and a secure place in the movement. This work can serve as a model for the older generation.

The Department of Justice has spent considerable time protecting the Communist and persecuting patriotic citizens. If the members of these Departments will now get down to business and reverse the procedure, they will in any event honor their oaths of obligation, which is more than any of them have done to date.

Communism is a threat to our Nation, and the Communist can be apprehended under article III, section 3, because the Communist is the enemy of the United States of America.

No one should be deceived about this organization, because it is purely communistic. It serves little purpose to investigate organizations that are trying to cope with communism, for

they are indeed parts of the majority that is realizing the inefficiency in the Government.

I have inserted this in the RECORD in defense of the Dies and the Smith committees, which I now hope will go right down to the root of communism and expose it in the high places.

It is also my desire to call congressional attention to the deplorable lack of loyalty that exists in the Department of Justice; and I think it is high time that Congress should impeach those who are not living up to their oath of obligation to preserve, protect, and defend the Constitution of the United States. The people are entitled to protection, and that is particularly true as to protection against communism, and no department should waste its time investigating patriotic Americans in order to distract and confuse the public. I do not believe the American people can be fooled much longer. The article is as follows:

[From the Baltimore Sun of March 6, 1940]

MAVERICK ATTACKS DIES, CALLING HIM SADISTIC AND CRUEL, IN CAPITAL SPEECH—ADMINISTRATION LEADERS PROMINENT AMONG SPONSORS OF MEETING—FORMER CONGRESSMAN URGES THREE COMMITTEEMEN TO CONTINUE FIGHT

(By C. P. Trussell)

WASHINGTON, March 5.—Maury Maverick, former big shot of the House's liberal bloc, returned tonight to the Washington scene, breathing fire and directing most of it at a fellow Texan, Representative MARTIN DIES, and his Committee on Un-American Activities.

Now mayor of San Antonio, Mr. Maverick came back under heavy official sponsorship for an address entitled "Politics and Liberty" and under auspices of the Washington chapter, Descendants of the American Revolution, of which he is one. He discussed politics abstractly, came out for a third term for President Roosevelt, denounced poll taxes, Tories, modern Bourbons, Communists, Fascists, and especially his former colleague in Congress.

BRIDGES CHEERED

Harry Bridges, west coast C. I. O. maritime leader, who has figured in both the Dies and Smith committee investigations, was in the audience. He was introduced and got a rousing hand.

Maverick's audience, so big that it completely filled the auditorium of the National Press Club, was composed largely of Government employees and was sprinkled with groups previously identified with the Washington chapter of the American League for Peace and Democracy, which has undergone Dies committee investigation.

The Descendants of the American Revolution, however, is not a successor to the now disbanded league, for it was born 2 years ago as what was described tonight as a "left-wing D. A. R.," which disapproves heartily of the Daughters of the American Revolution. As Maverick told his laughing audience tonight, there are D. A. R.'s and D. A. R.'s.

RESPOND TO DIES ATTACK

To join the new D. A. R. one must either be a descendant of a participant of the Revolution or have descended from one who contributed materially to that cause. It is open to both sexes.

The audience responded vociferously to Maverick's attacks upon DIES, which were as personal as they were scathing. Hisses greeted the name of Representative HOWARD W. SMITH, Democrat, Virginia, chairman of the special house committee investigating the N. L. R. B.'s administration of the Wagner Act, when it was mentioned by Kenneth G. Crawford, president of the American Newspaper Guild, who introduced Maverick.

As Maverick spoke, the Dies committee was preparing to resume its investigations into several fields, including consumer groups and allegedly communistically inclined "names" of the Hollywood movie colony. Today it announced the appointment of a new counsel, Robert E. Lynch, a Washington attorney, and public hearings are scheduled to start up again late this month.

DIES OFF TO FLORIDA

While poll taxes, civil liberties in general, and democracy were dealt with profusely, and the warring between the C. I. O. and A. F. of L. was condemned roundly, amid applause, interest and effort were focused squarely upon the Dies committee. Maverick was buttressed by others, currently on Capitol Hill, who denounced the committee and its operations.

And, as DIES, accompanied by a committee investigator, started for Florida the new D. A. R.'s rally carried on full blast under a list of sponsors that included:

Harold L. Ickes, Secretary of the Interior and frequent adverse commentator of the Dies group and its works.

Oscar L. Chapman, Assistant Secretary of the Interior, whom the committee identified with the American League for Peace and Democracy.

Representative ———, of New York, only American Labor party Member of Congress and national head of the International Labor Defense, another organization to undergo Dies committee probe.

Representative ———, Democrat, Michigan, who recently inserted letters, later admitted to be forged by someone else, into the CONGRESSIONAL RECORD, which appeared to link DIES with William Dudley Pelley, chief of the anti-Semitic Silver Shirt Legion.

Gerard D. Reilly, solicitor for the Department of Labor.

Merle D. Vincent, head of the hearings branch of the Labor Department's Wage and Hour Division.

Senator ———, Democrat, Montana, labor-supported Presidential possibility.

Senator ———, Democrat, Florida.

Senator ———, Democrat, Montana.

Representatives ———, Democrat, New York, ———, Democrat, Washington, and ———, Democrat, Illinois, members of the bloc of which the speaker formerly was a leader.

Representative ———, Democrat, Massachusetts, one of three Dies committee members, figured largely in Maverick's speech.

Charles H. Houston, Negro, representing the National Association for the Advancement of Colored People, who spoke.

Senator ——— and Representatives ——— and ——— spoke briefly.

CALLS ACTION CRUEL

Bluntly, Maverick called upon the three dissenters on the Dies committee, ———, ———, Democrat, California, and ———, Democrat, New Mexico, to continue their internal fight against DIES and the majority of four which he controls.

"What's wrong with his committee?" he asked, and answered:

"Its action has been unfairly cruel. That's the whole story. And this unfairness is a danger to our constitutional Government and the American people.

"What about MARTIN DIES personally? I know him. I can give my opinion. In the first place, he is financially honest. The fact that he may make money on lectures and magazine articles is nothing wrong. And I say frankly that were he a soldier in a war, I would not be afraid to trust him. I would not suspect his patriotism, any more than any German could have suspected the patriotism of Hitler in fighting what he thought was a foreign enemy of Germany.

"WILLING TO SMEAR

"But what I sadly deplore is that MARTIN DIES does not give the same credit to Americans of equal patriotism. He is willing to smear men and women by the thousands, and in a manner strange to American ideals and constitutional practices. He is willing to pin the badge of un-Americanism, by unfair and cruel methods, on any one else if this puts him to the top."

This excoriation of DIES had been received up to this point with absolute silence on the part of the audience. Maverick became more personal and continued.

"Yes, I know MARTIN DIES. I saw him in 4 years grow from a man who liked to play cruel practical jokes to become a man who got joy out of practicing plain cruelties on fellow human beings. I doubt if he knew it at first, but he entered the scene when Americans were beginning to bend before the 'great fear,' when reaction was setting in against progress—and he accidentally filled the niche that was waiting for a man of his type.

CALLS DIES SADISTIC

"There is no use beating around the bush. I know men in high places who are afraid of MARTIN DIES; they live in horror of his unfair torture. I know men who know that MARTIN DIES will not hesitate to blacken their wives' name by calling them Communists, simply because these ladies belong to consumer organizations and want to get the American people—and themselves—better products at lower prices."

DIES, Maverick charged, "knew better," because he was "a capable lawyer, of keen intellect."

"But," he shouted, "his love to punish, to hurt, to give pain, to ridicule, to embarrass, and make uncomfortable drives him on in his sadistic course. And if we look at history, we find men exactly like him, who have taken advantage of these periods of depression in the human mind, when people have been bewildered and bowed down with sorrow and fear."

"HAS OVERDONE HIS JOB"

He knew personally of persons, Maverick said, who opposed the methods of the Dies committee but were "afraid," so "they go along and vote for more appropriations" for that body. He also knew, he added, "liberal Congressmen who fear to be called Communists, or who fear for their wives and relatives."

There was a time, Maverick continued, when DIES was "immensely popular" with the American people, that he "was, and is, the symbol and representative of the reactionary forces—a man of great power." But, he said, he could now report that his power was "weakening."

"Men of property," he observed, "are beginning to see that he has overdone his job, and that such practices will destroy them as well as the democratic power of the people."

URGES OPPOSITION

"I have been told, "Maverick continued, "that MARTIN DIES should be ridiculed. But I tell you that he has been taken seriously, very seriously. And it is good to know that every one of his Democratic colleagues is now bitterly opposed to him and that three of his committee oppose the other four—openly, and with fighting spirit.

"As a citizen living in the sticks, I call upon these three men to keep up the fight. And I call upon all men who fear MARTIN DIES to get rid of that fear. For if they continue to have that terrible fear, America can be destroyed.

"We must demand that Congress stop these witch hunts, which are in violation of the decent ideals of democracy, and which have already done so much damage to the free institutions of our country. * * * The heedless Tories have on the whole accepted Mr. DIES and have permitted their fellow ancestors—honest liberals and progressives who are patriotic men and women—to be smeared and persecuted."

Hook, a speaker, detailed circumstances attending the purchase of the forged letters from a former associate of Pelley with money furnished by Gardner Jackson, lobbyist for Labor's Nonpartisan League, political-action arm of the C. I. O.

TO PROBE GROUP

The committee, Mr. DIES said before leaving for Florida tonight, would investigate the American Committee for Protection of Foreign Born, an organization which held somewhat turbulent conferences here over the last week end. Investigators, he said, already were in possession of information which he wanted to present to his colleagues.

When hearings resume, DIES added, the committee would first hear witnesses from the C. I. O.'s United Electrical, Radio, and Machine Workers of America, which was cited in the last committee report to the House along with nine other C. I. O. unions in which, the committee held, Communist leadership was "entrenched." The electrical workers' union protested and asked for a hearing.

CONSUMER ORGANIZATIONS

After this, DIES said, the committee would investigate the Christian Mobilizers, a group of whose members recently were indicted in New York on charges of plotting overthrow of the Government, the Christian Mobilizers and other allegedly fascistic organizations.

Then, DIES predicted, the consumer organizations would undergo protracted probe.

Bourbon County Grandfathers

EXTENSION OF REMARKS

OF

HON. VIRGIL CHAPMAN

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 1, 1940

ADDRESS BY HON. HARRY B. HAWES

Mr. CHAPMAN. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include a very brilliant and scholarly address delivered at Paris, Bourbon County, Ky., on September 4, 1939, by an illustrious native of Kentucky, a distinguished and beloved former Member of this House and of the Senate, the Honorable Harry B. Hawes, of Missouri, who since his voluntary retirement from the Senate has engaged in the practice of law in the city of Washington. The occasion was the celebration of the sesquicentennial anniversary of the founding of the Kentucky Paris, the seat of historic Bourbon County.

His discussion is of great value in a historical way, as it describes the birth of the Kentucky resolutions of 1798 which were submitted to Thomas Jefferson and out of which grew the first Ten Amendments, called our Bill of Rights.

The Bill of Rights and its effect on democracy within recent years has become one of the principal subjects of discussion, and the whole matter having originated in the old "Ashland District" (so-called after the home of Henry Clay in the environs of Lexington), which I have the honor to represent, causes me to believe that anything that appertains to the historical background of these important documents is worthy of the consideration of Members.

The address is as follows:

Mr. Governor, Mr. Mayor, members of the committee, citizens of Bourbon County, Mr. Cassius M. Clay, a son of Bourbon County, requested me, at the direction of your committee, to address you in your very colorful celebration of the one hundred and fiftieth anniversary of the establishment of your Paris.

The request was accompanied by two prohibitions: The first, not to talk politics; the second, not to occupy more than 30 minutes.

To debar a Kentuckian from talking politics is cruel and unusual punishment, and to attempt to discuss affairs of 150 years in 30 minutes is an invasion of freedom of speech guaranteed by your Bill of Rights.

There is little in my life that entitles me to this high honor—a sentimental journey to the home of my ancestors, of orators, critical housewives, to a territory controlled by traditions of statesmen, soldiers, and comity.

Mr. Clay, in a diplomatic way, explained that the request was made for the sole reason that I had exercised very careful and discriminating judgment in the selection of two great-grandfathers from this immediate vicinity. I agreed they were both able men and each had performed his part in creating the fine traditions of old Bourbon County.

One was George Nicholas, the first attorney general of Kentucky, for whom Nicholasville and Nicholas County are named, and the other, Richard Hawes, who represented your district in Congress, fought in the Black Hawk War and was for about 5 minutes Confederate Governor of Kentucky.

If we could look through the eyes of these two grandfathers, we would have a vision of 1776 and the Declaration of Independence; the formation of the Union of States and its written Constitution.

Most important achievement of all, the addition of the first 10 amendments to the Constitution, called our Bill of Rights, which grew out of the Kentucky resolutions.

We should recall the second war with England and the War with Mexico, when the great State of Texas came into the Union, and the Civil War, when brother fought brother and father fought son, in which more men were killed and wounded, considering the number engaged, than in any war in all history.

We might have gone back of this to 1652, shortly after Jamestown, Va., was established, when another grandfather, Robert Carter, received a grant of land from the English King stretching from the coast as far west as His Majesty's possessions extended, and which would have carried it straight through Virginia and Kentucky, for in that day no one knew just where His Majesty's possessions ended.

Then, through the eyes of just one more generation, the Spanish-American War, which finally drove Spain out of the New World and part of the Orient and brought the sons of the North and the South under the American flag.

And later, the miles and miles of long lines of Confederate soldiers from all over the South in their last great encampment at Louisville were led by a former Confederate soldier wearing a blue United States uniform.

Finally, the World War, which brought death to the old sectional feeling of North and South and forgetfulness of the words "Rebel" and "Yankee."

So today, in Bourbon County, Paris, Ky., the vision of selfish statecraft, of war, of division in families has passed, and the motto on the great seal of your State, "United we stand, divided we fall," survives periods of division.

No single county of Kentucky can be jealous of this special celebration of Bourbon, because Bourbon is the grandparent of all other counties, the rest are offsprings.

One hundred and fifty years ago, all the nations of the earth were ruled by kings and what was called the House of Bourbon ruled in France. With thoughts of Lafayette, of French sympathy in our struggle in 1776, with memory of LaSalle, a Frenchman who first explored the Ohio River, and who probably was the first white man to tread the soil of Kentucky, what better name could have been chosen than Bourbon, connoting, as it does, politeness, chivalry, and comity between men?

Throughout America, the Bourbons who were kings are forgotten, but Bourbon County, Ky., is known to all Americans because its sons have made history in all parts of our Nation.

Shortly after your county was created, a grandfather's clock, as we call it today, crossed the mountains in an ox-cart from Virginia and was set up in the little town of Hawesville. It has crossed back again, this time in a motor, and the interesting feature is that it keeps perfect time, strikes the half hours as well as the hours. Its voice rings through the lower halls of my home, proclaiming the time of this century in the tones of 150 years ago. When modern time-pieces and electric clocks are out of order, this old "grandfather" ticks away, recording the flight of the hours with truth and accuracy and reminding me and mine of Bourbon County.

There was another grandfather—a Scotchman. Unlike the one who put most of his money in a clock, he put most of his in an oak-built, iron-bound liquor chest. That stands near the grandfather clock, and—just confidentially—the bottles it contains are all of quart size—there are no pints or half-pints in its divisions. Neither are there half pints in the citizenry of old Bourbon County. They are, as they were 150 years ago, full quarts of the finest flavor.

Bourbon County witnessed the introduction of the steam engine, the railroad, the telegraph, the telephone, the radio, the electric ice box, the electric stove, the automobile, the airplane.

They have adapted all of these to modern life; and yet Bourbon County has never permitted science, invention, war, peace, or political division to interfere with its fundamental concept of neighborly life, the family fireside, the traditions of the past.

In most old homes will be found the novels of Sir Walter Scott, the Scottish Chiefs, and Thaddeus of Warsaw, and it is said that sometimes Scott's novels are reread every year. This has bred a theory of human companionship which invention has not changed.

One may travel over the world and always find Kentuckians. I have met them in China, in Japan, in India, frequently in the Philippines, throughout Europe, and in every State in the Union, especially in the South, Central West, North and Southwest. This adventuring spirit has not died.

Nearly half a century ago, W. C. P. Breckinridge, then a Congressman from this district, addressed a great audience in St. Louis. The presiding officer was Gov. David R. Francis, himself a stalwart Kentuckian. In introducing Mr. Breckinridge, he called the names of Missouri's Senators and Governors and some of her Congressmen who had been born in Kentucky.

Your silver-tongued orator from the old "Ashland District" replied: "David, we are proud that Kentuckians have played such a prominent, conspicuous, and helpful part in the history of Missouri. It is a source of great pride to me." But with his inimitable smile and in courteous manner, he turned to Governor Francis and said: "But, David, to be fair and frank about it, you must know that Kentucky keeps her best at home."

Bourbon County can call the roll of the soldiers who marched 1,000 miles, half of them without arms, to assist General Jackson at the Battle of New Orleans. One of those who marched to New Orleans wounded an English officer, whom he later brought back to Kentucky where his family nursed the stricken foe and restored him to health. The English officer returned home and, as a token of his appreciation, sent a rifle with gold engravings and silver mountings, which was used by my great-grandfather, my grandfather, my father, and myself. It was one of my prized possessions, showing that even in battle a Kentuckian can carry sentiment to the form of restoring a wounded enemy back to health.

We can recall the Kentuckians who in 1812 marched north to Detroit and fought the Battle of the Thames in Canada. We can call the roll of those who went to Texas with the Stars and Stripes, which they later helped plant over the homes of the ancient Montezumas in Old Mexico.

We can remember, they sent Abraham Lincoln to the North and Jefferson Davis to the South.

We can recount the names of those who followed the Rough Rider over the hills of Santiago, and of those others who died in the faraway Philippines. We can keep in remembrance those who fought and fell at Chateau-Thierry and the Meuse-Argonne, repaying there this Nation's debt to France.

Bourbon County can write its name in books of poetry. It can point to pictures on the walls from its artists. It can sing many songs written by its musicians.

It has its mountains and its mines, its fast-running streams which, 150 years ago, were without pollution and gave the finest inland fishing. It can point to its borders—to the great Ohio, which forms its northern boundary, and to the Father of Waters, the Mississippi, which washes its western shores.

Its Housekeeping in the Blue Grass is still the standard for the culinary art. These old recipes of the housewives are used throughout the land; and if once in a while some humorist refers to the fact that "the corn is full of kernels and the colonels full of corn," we can laugh about it; because, after all, if one must have whisky—well, we know Bourbon is best.

It is best whether in the penny-royal country, where odor keeps the mosquitoes away, or in the blue-grass country, where the mint (with Bourbon) drives the snakes away.

We know that 150 years ago, your open spaces were filled with buffalo and deer, wild turkey and all the game-food birds that fly, and if your orators boast a little and paint pictures with vivid coloring, who can blame them?

I kissed the Blarney stone in Ireland, which is said to give "the gift of gab," but Bourbon County is all one big Blarney stone, which seems to inspire the gift of speech.

Looking back—afraid to mention some of the great names in your history lest I omit many others—I believe that two things stand out in which Kentucky's active, persistent demands have affected all America:

One was their demand for an open passageway down the Mississippi to the Gulf; their persistent and reechoed demand that French Louisiana should be purchased by the United States. It was largely the continued importunities of the frontier Kentuckian that brought about the Louisiana Purchase, thus adding to the Union Missouri and other great States.

The second was the adoption of the Kentucky Resolutions, which might be termed "the infant Bill of Rights." Of its inspiration we have two versions, followed by two historical schools. The one relates that the astute Jefferson desired the first Ten Amendments to originate in the new State of Kentucky—to have them come from the new West, and he brought this about through Wilson Cary Nicholas, residing in Virginia, through his son, George Nicholas, the first attorney general of Kentucky. The other theory is that the Kentucky Resolutions were begotten and born in Kentucky, in the then Bourbon County; that they were the work of the legislators of that day, prompted largely by John Breckinridge, and that they were carried east to Mr. Jefferson and were therefore wholly of Kentucky origin.

But whether born in the brain of Jefferson or in the Bourbon County district, the motivating force came from here.

Today, when kings have gone and self-appointed dictators have taken their places and democracy is on trial throughout the world, the best differentiation of democracy from totalitarianism or dictatorship is found in the Bill of Rights, the first Ten Amendments to the Constitution.

You will agree that, during the last 10 years, when a study of the Constitution was revived, the Bill of Rights furnishes the most human, the most persuasive, the most fundamental concept of democracy.

When religious intolerance stalks through Europe, we find the declaration for religious freedom a conspicuous test and token of liberty and tolerance.

When men are murdered because they disagree with the dictator, we are reminded of the guaranty given us in the Bill of Rights—"a trial by jury."

When property is assailed and thrift attacked, we rejoice that our Bill of Rights provides for "due process of law." But these are subjects too vital and sacred to be properly discussed within the limit of time allotted.

But Bourbon County is entitled to its share and full honor for the birthplace of the Kentucky resolutions, these great principles that men have fought over politically, died for upon the battlefield, and are so essential today if we must have a peaceful Europe and a peaceful Asia as well as a safe America. They are the American Magna Charta.

It was holding to spiritual things—human relationships and liberty—that distinguished these early settlers of yours.

An uncle, who was attorney for one of the railroad systems then trying to stretch across Kentucky, complained that a great-grand-uncle of mine had opposed the railroad right-of-way "Because," he said, "it would disturb his peaceful cattle and destroy his fox hunting." He resisted the railroads as a member of the legislature, and with a shotgun on his own property. Of course, he was wrong, but he had the human point of view.

Ladies of Bourbon! What is to be said of you? Nothing can be added to what nature has portrayed through all the years. But one must be careful. I remember a young friend, a resident of Missouri, speaking of Kentucky, on the steps of the Seelbach Hotel a quarter of a century ago. He said: "She is noted for her beautiful horses and fast women." Then someone punched him with a cane.

Beauty and wit and household skill seem to be a natural product. It is not for me to paint the lily or perfume the rose. And, as for courage, we shall always remember the women who left the blockhouse at Bryan Station to fill pails of water for the defenders of a stockade while a thousand hostile Indians looked on. They did not spill a drop, the Indians had waited for the men to appear.

Once when I was trout fishing in northern New York, a very-well-known and prosperous man, who had been in the Union Army, introduced me to his wife, and, noticing her southern accent, I inquired, "Where are you from?" She answered, "Kentucky." Jokingly I said: "Why did you marry this Yankee?" Her reply was, "I have always hated Yankees and the only way I could get even with one was to marry him."

The grandfathers who had the good fortune to be born in Kentucky and the good sense to remain there and pass over "The Great Divide" within her borders, have bequeathed something fine, for Kentucky still holds her high place in the House and in the Senate, in the courts and in executive office.

But we are not surprised when, like carrier pigeons freed from any place, her former sons and daughters fly back to Bourbon, to the "Old Kentucky Home."

Somewhere someone wrote lines that I memorized years ago. They ran something like this:

"Kentucky the land of the hardy and free,
Where all sweet blessings of Nature agree
To work out in beauty a wond'rous plan
That of old, for her progress, her vet'rans framed
When her land was unpeopled and forest untamed,
Here her hero, Dan Boone, with his axe and his gun,
For his bravery a glorious memory won.
And as the large heart in her bosom grows frisky
So famed through the world are her horses and whisky."

No Surplus, but Shortage of Our Inland Finny Tribe, so Hatch More

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EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

Mr. MURDOCK of Arizona. Mr. Speaker and Members of the House, perhaps it may seem that I am an unqualified spender and that I am deaf to the demands for economy. Such is not the case, for I favor the right kind of economy. However, I am definitely opposed to the wrong kind of economy. Time after time when appropriation bills are before us, and supply bills are being considered by the House, I am reminded of the old saying, "Saving at the spigot and wasting at the bung." That is my notion of economy in reverse.

A few minutes ago when the distinguished gentleman from Massachusetts [Mr. TREADWAY] yielded to me for an observation concerning hatching and distributing fish, I pointed out that all classes of citizens in my State, but particularly businessmen and leaders in the community, were thoroughly behind any movement for more and better fish hatcheries.

Arizona has no Federal fish hatchery, and there is a very great and logical demand for one or more. Let me say that while my voluminous correspondence has been from business and professional men, the same enthusiasm is shared by laborers and farmers alike. Thousands of Arizona citizens are members of game protective associations and are equally insistent on fostering wildlife as in protecting it.

What is more refreshing to the bodies, and I think also the spirit, of the inhabitants of the hot agricultural valleys of Arizona than the opportunity to load the wife and the kids in the old "gas buggy" and run up to the lake for bass fishing, or further up into the hills for trout fishing in some mountain stream? This is a pleasure which the tired businessman now, with his expensive and varied tackle, can enjoy only a little less than he did when, as a barefoot boy, he used a bent pin and a hickory pole down along the river in one of our Eastern States. And I am not so sure but that his fisherman's luck will yield him more ideas than fish and also enlarge his philosophy of life even more than the dimensions of the fish he did not catch. There are some values in this sort of thing which even a genuine C. P. A. cannot compute.

Important as it is to save and foster wildlife in our forests and streams of the Eastern States, where forests have been cut and streams polluted, it is even more important in the Western States before the time when such work must be wholly restorational. The trout streams of the mountains of Arizona are being fished out; they must be replenished. The warm waters of the southern part of the State are ideal for the hatching of eggs and the production of fingerlings to stock the numerous artificial lakes which our irrigation plans have produced.

Our well-to-do men, if they must, can fly over El Camino del Diablo to the Gulf of California, where may be found the finest fishing grounds in the world. Many of our professional men take some chances on the desert, and drive from Phoenix to the Gulf of California in their cars over a dangerous stretch of country in Old Mexico. But "John Public" and his family, who have only a little time off Saturday afternoons or Sundays, cannot go to the Gulf of California, but they do welcome a chance to drive 50 or 60 miles up to a mountain lake for an afternoon fishing.

As many as can are doing that now, and the number is limited only by the available fish supply. Let this supply be increased and the number of citizens profiting will greatly increase also. Such appropriations will yield big returns and will also help to balance the budget—that is, balance the private, individual budget of the sportsman—for so valuable to the sportsman is each morsel of good time that a few hours of this princely sport will cancel out a week's headache at the office or on the farm. Here is a type of investment which the keenest businessmen will approve.

Tax Burden Drying Up Venture Capital

EXTENSION OF REMARKS

OF

HON. GEORGE HOLDEN TINKHAM

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

ARTICLE FROM STANDARD STATISTICS, INC.

Mr. TINKHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from Standard Statistics, Inc.:

ANNUAL REPORTS FOR 1939 REVEAL THAT GOVERNMENT IS TAKING LARGER SHARE OF PROFITS THAN STOCKHOLDERS IN MANY CASES—CUSTOMERS PAY IN HIGHER PRICES AND WORKERS IN LOWER WAGES—TAX BURDEN DRYING UP VENTURE CAPITAL

The 1939 annual reports tell once more the story of mounting taxes. One after another reveals that government, without assuming any of the risks of business enterprise, is now claiming a share of the profits greater in many cases than that accruing to the owners.

Consider, for example, these cases, chosen at random. United States Rubber last year paid the equivalent of over $10.50 a common share in direct taxes, while profits were $2.91 a share. Pacific Telephone paid $9.27 a share in taxes, while earnings were $7.87. Consolidated Edison of New York earned $2.22 a share and paid taxes equal to $4.77. Additional instances of heavy taxes are numerous, including Mathieson Alkali, with taxes $0.61 a share and earnings $1.12; Continental Can, taxes equal to more than 40 percent of net income left for the common stock; Western Auto Supply, taxes $1.57 a share, more than dividends paid, and many others.

Although Federal income is approximating only 75 percent of the rate of outgo, taxes are eating into an ever-larger slice of corporate income, absorbing funds which might otherwise be available for fuller employment of labor and for other productive uses.

CUSTOMERS AND WORKERS PAY ALSO

Typical examples of the tax problem, as brought to light in recently-released annual reports of leading corporations for 1939, provide investors with plenty of food for thought. Mentioned above are a few instances of the burden of taxes on the stockholder. But it is not only the stockholders who suffer; workers' salaries are also held down by the tax burden, and customers must pay more than they would otherwise have to.

Libbey-Owens-Ford Glass Co. had a 1939 tax bill of $2,537,000, equal to $440 for each one of the average number of hourly wage workers employed during the year. Sun Oil's total tax bill of $36,656,000 exceeded wages and salaries paid to its 15,575 employees. Pacific Telephone's taxes, excluding sales and gasoline taxes and taxes chargeable to construction, were equal to $9.27 for each telephone in service.

The utility industry, of course, is one of the most heavily taxed. Detroit Edison now turns over to the taxing authorities approximately 15 cents of each dollar it takes in. Peoples Gas Light & Coke paid in taxes approximately 12 percent of operating revenues. Taxes of Consolidated Edison of New York were almost half as large as all operating expenses.

BURDEN INCREASING

More than one of the annual reports points to the tendency of taxes to increase. New York Air Brake advised its stockholders: "By reason of the constantly increasing heavy burden of taxation, it may be of interest to shareholders to know that total direct taxes charged against income account in 1939 amounted to $309,386, this being equivalent to $1.19 per share of capital stock." Net income equaled $2.88 a share. Detroit Edison's taxes were up 12.8 percent from 1938. Local taxes imposed on Pacific Telephone have increased 64 percent in the past 10 years, while Federal taxes have increased 125 percent. In the same period taxes paid by Consolidated Edison of New York have increased more than 100 percent, and in 1939 they reached a new peak of $54,677,000, or more than a million dollars a week. The company's net income was only 66 percent as large as its tax bill, whereas in 1929 net income was about two and one-half times the tax bill. Taxes of E. I. du Pont de Nemours in 1939, in terms of cents per dollar of sales, were about 33 percent higher last year than in 1938.

UTILITY RATES DOWN

Notwithstanding the handicap of increased taxes, Detroit Edison has lowered rates to consumers to such an extent that if the 1939 electric sales had been priced at the 1928 rate schedule last year's revenues would have been some $10,000,000 greater than actually reported. Successive rate reductions by Consolidated Edison are saving customers in New York and Westchester about $51,800,000 compared with what they would have paid at 1929 rates for their present use of electricity and gas.

Obviously a downward trend in selling prices and an upward trend in taxes cannot exist side by side indefinitely. The utility industry must be gradually approaching a point beyond which further rate reductions will be prevented by the outgo to support government.

HIDDEN TAX LOAD

Heavy as the tax burden on corporations is in terms of dollars, the figures do not tell the whole story. For one thing, payments only by the corporation itself are listed. But United States Rubber, in addition to paying $2,186,000 in social-security taxes, had to deduct another $641,000 from the salaries and wages of employees and pay it to the Federal and State Governments. Detroit Edison had a 1939 tax bill of $8,670,000, and, in addition, State sales taxes paid by its customers as an increment to their bills amounted to $1,131,000.

There has, furthermore, been a heavy increase in accounting expense as a result of new taxes. Detroit Edison, in 1932, paid 4 varieties of taxes; it now pays 10, in addition to collecting the sales tax from its customers. Sun Oil, in its 1939 report to stockholders, itemizes 26 varieties of Federal, State, municipal, and foreign taxes, and significantly remarks: "To explain about all these items would require all the ingenuity of a Philadelphia lawyer; in fact, the legal and accounting work in connection with them demands a large share of the energies of a considerable corps of lawyers and accountants."

Clearly, private capital is providing more and more Government jobs, wages, and overhead costs at the expense of investors and all others whose savings flow into productive channels in the hope of a secure and reasonable return. Industry's formidable tax problem cannot be divorced from the reluctance of capital to venture, as denoted by the mere trickle of security flotations in recent years.

NONREVENUE TAXES

The problem is aggravated by the trend toward use of the taxing power for purposes other than the raising of revenues to finance government. In recent years, taxes have been levied to force distribution of dividends, to control agricultural production and marketing, to force workers to insure themselves against the hazards of unemployment and old age, and in general as a method of sharing wealth and meting out rewards and punishments.

The two things urgently needed are a return to the philosophy that taxation is a method solely of paying for the support of indispensable government functions and an effort to balance governmental budgets by paring the expenditure side rather than seeking new ways of finding funds to meet the demands of pressure groups—of which the Government bureaucracy is the greatest.

HOW TAXES HAVE AFFECTED ONE COMPANY

The following tabulation recently prepared by Jewel Tea Co. depicts the extraordinary growth in its taxes over a period of years. Note that the tax per employee in 1939 was six and one-half times that of the peak wartime year, 1917. Moreover, it was nearly three times as great as in 1929, and was even 50 percent greater than in 1935, only 4 years previously.

Jewel Tea Co. taxes

Year	Total tax	Tax per share	Tax per employee
1916	$78,271	$0.28	$23.79
1917	163,843	.59	47.80
1918	37,691	.13	10.85
1919	28,770	.10	8.59
1920	60,852	.22	19.07
1921	40,057	.14	19.15
1922	59,118	.21	29.68
1923	124,779	.45	62.51
1924	173,509	.62	84.72
1925	178,414	.64	84.44
1926	244,417	.87	115.84
1927	238,246	.85	112.38
1928	247,290	.88	116.26
1929	274,579	.98	116.94
1930	352,253	1.26	138.25
1931	316,609	1.13	120.57
1932	248,457	.89	87.57
1933	426,897	1.52	129.23
1934	589,069	2.10	176.13
1935	676,717	2.42	201.70
1936	850,605	3.04	246.52
1937	991,908	3.54	270.70
1938	1,100,415	3.93	298.22
1939	1,137,256	4.06	313.71

President Roosevelt Has Many Times Denounced Monopoly, and Especially the Kind of Monopoly Aimed at by H. R. 1, a Bill Providing for a Federal Tax on Interstate Chain Stores

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

Mr. PATMAN. Mr. Speaker, the bill that is now H. R. 1 in this the Seventy-sixth Congress was first introduced in 1938 during the Seventy-fifth Congress, and it was then known as H. R. 9464.

November 15, 1937, the President of the United States transmitted a message to Congress. This message is House Document 370, Seventy-fifth Congress, third session. In this message, which concerned the revision of our revenue laws, the President stated:

Small businesses or even those of average size have difficulties of financing and distribution which are not shared by large corporations. Therefore by special tax consideration they should receive more equal opportunity to compete with their more powerful competitors. In this way we may also find assistance in our search for a more effective method of checking the growing concentration of economic control and the resultant monopolistic practices which persist today in spite of antitrust statutes. A further search for additional methods to meet this threat to free competitive enterprise is called for at this time.

HELP SMALL BUSINESS

It will be noticed in this statement that the President refers to giving small business a more equal opportunity to compete with their more powerful competitors, and this should be done through special tax consideration.

CHECK ECONOMIC CONTROL

It should also be noticed that in dealing with the tax question the President suggests that we can find that we may also find an effective method of checking growing concentration of economic control and the resulting monopolistic practices.

LIBERTY OF DEMOCRACY

In the message from the President of the United States to Congress, April 29, 1938, and which is printed and available as Senate Document 173, Seventy-fifth Congress, third session, in regard to strengthening and enforcement of antitrust laws, the President stated:

The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in the essence, is fascism—ownership of government by an individual, by a group, or by any other controlling private power.

CORPORATIONS SO LARGE EVEN GOVERNMENT CANNOT COPE WITH THEM

We have many facts to support the conclusion that some large concerns are now so powerful that they have, in the language of the President, "become stronger than their democratic state itself." It costs the Government $100,000 to prosecute an antitrust suit against a large concern. A few suits and all of the money for antitrust violations is gone. Many of these concerns are so large that not only are the different States, their competitors, and other citizens of our country unable to cope with them in the courts of justice, but they have become so large that even the Government of the United States is unable to properly and adequately enforce laws against them and protect the rights of competitors and consumers.

UNPARALLELED CONCENTRATION OF PRIVATE POWER

The President stated further in this message:

Among us today a concentration of private power without equal in history is growing.

This concentration is seriously impairing the economic effectiveness of private enterprise as a way of providing employment for labor and capital and as a way of assuring a more equitable distribution of income and earnings among the people of the Nation as a whole.

THIS MESSAGE SHOULD BE THOROUGHLY CONSIDERED

This message is 10 pages long and deals with growing concentration of economic power, financial control of industry, the decline of competition and its effects on employment—competition does not mean exploitation, the choice before us, and a program. Anyone interested in this question should certainly read and study this message.

The President in this message stated:

We have learned that the so-called competitive system works differently in an industry where there are many independent units from the way it works in an industry where a few large producers dominate the market.

FARMERS HURT BY FEW BUYERS

It operates in the same way where there are many producers but few buyers. When the large interstate chain stores obtained sufficient control over the farmers' market to control prices, the number of cents that the farmer received of each consumer dollar went down and down and down every year. This is perfectly natural, since the fewer buyers a farmer has for his products, the lower the price he will receive, and these few buyers cannot resist the temptation of going in together and robbing the farmer. The Temporary National Economic Committee disclosed that when two concerns got sufficient control of the dairy industry that they were able to control prices the farmer received less and less for his milk.

REGULATE SELFISHNESS AND PREVENT GREED

Another significant statement in the President's message was:

Government can deal and should deal with blindly selfish men.

H. R. 1 will be before a subcommittee of the Ways and Means Committee of the House for hearings commencing March 27, 1940. If enacted into law, it will prohibit a few men who control a few banks from obtaining control of retail distribution in our Nation. It will preserve private enterprise and build local communities instead of destroying them.

The following notice of hearing is self-explanatory:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, D. C., March 6, 1940.

NOTICE OF HEARINGS

The subcommittee of the Committee on Ways and Means, to which was referred H. R. 1, providing for an excise tax on retail stores, announces to all concerned that on Wednesday, March 27, 1940, at 10 o'clock a. m., it will begin public hearings on this proposed legislation.

The hearings will be conducted in the Ways and Means Committee room in the New House Office Building, Washington, D. C.

Persons desiring to be heard should apply to the clerk of the committee in order to be assigned time on the calendar.

Briefs may be submitted in lieu of or to augment oral testimony, but if such papers are printed on both sides of the sheet, two copies must be filed with the clerk for printing in the record.

MILTON COOPER, *Clerk.*

Colorado-Big Thompson Reclamation Project

EXTENSION OF REMARKS
OF
HON. LAWRENCE LEWIS
OF COLORADO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 7, 1940

STATEMENT BEFORE THE INTERIOR DEPARTMENT SUBCOMMITTEE OF THE APPROPRIATIONS COMMITTEE OF THE HOUSE OF REPRESENTATIVES ON FEBRUARY 14, 1940

Mr. LEWIS of Colorado. Mr. Speaker, the Colorado-Big Thompson reclamation project is not within my congressional district, which comprises the city of Denver only; but the entire State of Colorado and indeed all that part of the West will benefit from its construction and the added wealth in agricultural products which its waters will enable northeastern Colorado to produce. It will not bring new land under cultivation, but it will supplement the present deficient water supply of between 615,000 and 700,000 acres, much of which has been under cultivation by irrigation for 60 to 70 years.

These lands are situated within the Northern Colorado Water Conservancy District in Larimer, Boulder, Weld, Morgan, Logan, Washington, and Sedgwick Counties, in the Second Congressional District so ably represented by my colleague from Colorado, the Honorable FRED CUMMINGS. Included within this Conservancy District are the towns of Fort Collins, Loveland, Longmont, Greeley, Fort Morgan, and Sterling. This Conservancy District includes an irrigated area of approximately 700,000 acres, a population of 165,000 people, and an assessed valuation of $130,000,000.

Repayment of the cost of this project is certain because, by virtue of the powers granted by the Colorado statute under which the Conservancy District was formed, the annual installment repayments to the Federal Reclamation Fund are guaranteed by a mill tax on "all property, real, personal, and mixed," in the Conservancy District and the collection of the water charges by a tax lien on the lands benefited. Indeed, the Colorado statute authorizing the formation of this district is unique in that no other State has adopted this same principle for permitting the formation of districts for irrigation or reclamation districts. The Colorado statute amounts to a zoning law, or improvement district, under which "all property, real, personal, and mixed" is subject to taxation for the purpose of helping to pay for the cost of the irrigation or reclamation projects. This statute is based on the sound principle that such projects are beneficial to all industries and business in the towns and cities as well as to the irrigated farms within the area included in the Conservancy District. It has been upheld by the Supreme Court of Colorado. Even now, while the project is under construction and before any water is or can be delivered, about $50,000 a year is being collected by the district in taxes on "all property, real, personal, and mixed" within the district to assist in the development of the project.

On February 14, 1940, the Interior Department subcommittee of the Appropriations Committee of the House of Representatives granted a hearing to a number of Coloradans concerning this project. Hon. Ralph L. Carr, Governor of the State of Colorado: Hon. FRED CUMMINGS, Representative in Congress from the congressional district in which the lands to be benefited are situated; Mr. Clifford H. Stone, director, Colorado Water Conservation Board; and Mr. Charles Hansen, president, Northern Colorado Water Conservancy District, all made statements.

My statement was as follows:

COLORADO-BIG THOMPSON PROJECT

STATEMENT OF HON. LAWRENCE LEWIS, A REPRESENTATIVE IN THE CONGRESS FROM THE STATE OF COLORADO, FEBRUARY 14, 1940

Mr. LEWIS of Colorado. Mr. Chairman and other members of the subcommittee, at the outset, I wish to emphasize that I share wholeheartedly the view of many Members of the House that the Congress should examine critically all appropriations to the end that we may, at the earliest practicable moment, approximate at least a balance between Federal income and expenditure. As perhaps some of you may know, I have tried to do my part. During the 7 years I have been a Member of the House, I have voted against many billions of dollars of appropriations for worthy purposes, which nevertheless, I was convinced, elementary financial prudence demanded we should either do without or at least postpone. I have voted against appropriations for excellent projects and worthy purposes which would have been of advantage to Colorado. I have done this despite some protests from home. But if the Congress is really going to practice economy, each of us Members must be willing to forego expenditures for some of those things in which his own district and State are interested. None of us, however, should be expected to give up everything of vital interest to his own part of the country. Each of us should do his part. None of us should be expected to do more.

THE RECLAMATION FUND IS A TRUST FUND CREATED BY CONGRESS FOR DEVELOPMENT OF IRRIGABLE LANDS OF FAR WESTERN STATES

None of us men from the far West should be expected to relinquish on behalf of our States their fair share of a trust fund, set up by acts of Congress for the specific purpose of conserving and developing our water resources and of constructing projects to bring water to our arid lands—a fund which is made up of part of the revenue derived from Federal lands in our own part of the country and from cash installment repayments made by our citizens on the cost of Federal projects in our far Western States.

The reclamation fund is such a fund. It was created by the Reclamation Act of 1902 and acts amendatory thereof and supplementary thereto, for the specific purpose of conserving and developing our water resources and of constructing projects to bring water to lands in our Western States which have no water for irrigation or which have only an inadequate supply.

Although not carried on the books of the Treasury as a "trust fund" but merely as a "special fund," I submit that the facts surrounding its creation, the terms of the statute creating it, and the sources from which it is derived and continually replenished, render it beyond question a trust fund. If these facts and circumstances should arise between private citizens, any court of equity would declare it to be a trust fund and would so decree.

The Colorado-Big Thompson reclamation project, to which I wish to call your particular attention, is being constructed with appropriations from the reclamation fund.

With your indulgence, I wish to review certain facts, with which no doubt all of you are familiar, but which, like many familiar things, are frequently overlooked.

It has been about 100 years since any of the States east of the Mississippi River have had within their boundaries any public lands belonging to the Federal Government.

It has been little short of a century since any of the States east of the Missouri River have had any public lands owned by the Federal Government. Texas was never a Federal Territory. It was an independent nation until it entered the Union as a sovereign State. The Federal Government has never owned any public lands within the borders of the great State of Texas.

On the other hand in the States of the far West, in each of the so-called irrigated-land States, an enormous proportion of the area is still owned in fee by the Federal Government.

ABOUT ONE-THIRD OF AREA OF COLORADO STILL OWNED BY FEDERAL GOVERNMENT

In Colorado, for example, approximately one-third of the area of our State is still owned in fee by the Federal Government. This is made up of the national forests, of the national parks, of the grazing districts, and of other Government-owned public lands.

Mr. FITZPATRICK. You do not object to the Federal Government doing that, do you?

Mr. LEWIS. The Federal Government has always owned it. These lands have never been given to our State.

Mr. FITZPATRICK. Would you want to take that over?

Mr. LEWIS. If we could have had these lands much earlier, we should have been glad to have had them. But all tentative offers

made to cede to Colorado all the public lands within our borders were for the surface only. The Federal Government insisted on reserving all of the mineral rights in the lands—the coal, the oil, the gas, the precious and rare minerals under the surface. Moreover, much of the surface of those lands is of little value, except for grazing, because of the lack of water. Because of insufficient precipitation, our rich lands can produce few crops without irrigation. With an adequate water supply they would produce almost anything and would furnish a livelihood and homes for many citizens now without either.

But we are not now complaining about the Federal Government owning so much land in our State because the Congress has done its best to compensate us for not having ceded these lands in fee to us long ago. In order to place Colorado and other far Western States more nearly on a parity with the State of Texas and the Eastern and Middle Western States, the Congress has made to us certain concessions—a share in the revenue derived from these public lands.

RECLAMATION FUND IS MADE UP OF PART OF REVENUE DERIVED FROM FEDERAL LANDS IN FAR WESTERN STATES AND FROM INSTALLMENT REPAYMENTS OF COST OF RECLAMATION PROJECTS ALREADY CONSTRUCTED

By the Reclamation Act of 1902 there was set up the reclamation fund, which is made up in part by some of the proceeds derived from the sale of public lands. A part of the revenue obtained from the royalties on potassium and also a part of the royalties paid to the Federal Government for leases on oil lands go into this fund. And also the annual installment repayments made to the Federal Government by the reclamation districts are added to this fund. Now, that is what makes up the revolving reclamation fund. Congress enacted the Reclamation Act and created this reclamation fund for the express purpose of placing, so far as possible, the irrigated-land States on a parity with other older States of the Union where the public lands were eagerly and promptly taken up by homesteaders because ample water, sufficient to raise crops, came in the snows and rains—where construction of extensive and costly irrigation projects was not necessary to render fertile lands productive.

PRESENT STATUS OF RECLAMATION FUND

Now, let us look at the present condition of the reclamation fund—of this trust fund for the use of the irrigated-land States, including Colorado.

The Colorado-Big Thompson project, according to the Budget for the fiscal year July 1, 1940, to June 30, 1941, is to receive $2,000,000 out of the reclamation fund. The total of the estimates in the 1941 Budget for all construction on those reclamation projects payable out of the reclamation fund amounts to $6,897,000.

It is estimated—and this is a very careful, conservative estimate—that there will be on June 30, 1940, an unappropriated balance of $8,000,000 in that fund, or very nearly that amount, with the accretions which will come into the fund between now and June 30 of this year.

The estimated repayments and accretions to the reclamation fund during the fiscal year 1941 (that is to say from July 1, 1940, to June 30, 1941, the fiscal year for which this committee is formulating an appropriation bill), are as follows:

Repayments by reclamation districts between July 1, 1940, and June 30, 1941, $5,700,000.

This estimate of cash repayments, amounting to $5,700,000, to be made by citizens of our Western States on account of the cost of reclamation projects, is, by the way, a very careful estimate, an extremely conservative estimate——

Mr. FITZPATRICK (interposing). That will be just a little less than the total Budget estimate for this item.

Mr. LEWIS. That is correct. The estimates of repayments in cash on account of the cost of reclamation projects already constructed is only $1,197,000 less than the entire 1941 Budget estimate for construction of new reclamation projects payable out of the reclamation fund.

But this reclamation fund will receive, during the fiscal year 1941, substantial accretions besides the cash repayments on the cost of reclamation projects. The accretions from land sales and from the potassium and oil royalties are conservatively estimated at $3,400,000, making a total of all accretions during the fiscal year 1941 amounting to $9,100,000.

Adding the $8,000,000 approximately, that will be on hand as an unappropriated balance on June 30 of this year, and the $9,100,000 which will accrue to the fund and be paid during this coming fiscal year, we have a total of $17,100,000 in this trust fund.

Now, what are the charges for the fiscal year 1941 against this $17,100,000? As I stated a few minutes ago, the Budget estimate for construction during the fiscal year 1941 amounts to $6,897,000. The cost of operation and maintenance of existing reclamation projects during the fiscal year 1941, payable out of the reclamation fund, is estimated at $907,600. Certain other expenses, chargeable against the reclamation fund, the details of which it is unnecessary to go into, amount to $1,437,400, making a total of $9,242,000 of Budget estimates chargeable against the reclamation fund during the fiscal year 1941.

Deducting that $9,242,000 from the $17,100,000 you have a balance of $7,858,000 on hand, or certain to accrue during the fiscal year July 1, 1940, to June 30, 1941.

AMPLE MONEY IN RECLAMATION FUND TO PROVIDE FOR CONTINUING WORK ON COLORADO-BIG THOMPSON PROJECT

If the Congress should adhere strictly to the Budget estimate and appropriate out of the reclamation fund only $6,897,000 for construction of projects now under way, there would remain in the trust fund on June 30, 1941, an unappropriated balance of $7,858,000 which would be carried over, unused, to the fiscal year 1942. In tabulated form, the situation is as follows:

Estimate concerning reclamation fund, fiscal year 1941

Estimated amount in reclamation fund June 30, 1940, carried over to next fiscal year		$8,000,000
Estimated accretions to reclamation fund during fiscal year July 1, 1940–June 30, 1941:		
(a) Repayments by reclamation districts July 1, 1940–June 30, 1941	$5,700,000	
(b) Land sales, potassium royalties and oil royalties, etc	3,400,000	
		9,100,000
Total of amount in reclamation fund June 30, 1940, plus accretions July 1, 1940–June 30, 1941		17,100,000
Budget estimate for fiscal year July 1, 1940–June 30, 1941:		
(a) Construction	$6,897,000	
(b) Operation and maintenance	907,600	
(c) Other expenses and deductions	1,437,400	
		9,242,000
Balance (over and above Budget estimate for construction and other expenses) available in fiscal year July 1, 1940–June 30, 1941		7,858,000

We submit that out of this trust fund, which was created for the express purpose of constructing new reclamation projects, there should be appropriated to continue construction on projects already under way, more than the Budget estimate for this purpose of $6,897,000.

Mr. RICH. May I interrupt you for a question?

Mr. LEWIS. Yes.

Mr. RICH. You realize, of course, that we have many, many requests, which would more than take up the total amount of the trust fund.

Mr. LEWIS. Perhaps you have, but I think you should devote this trust fund to the uses for which it was created—to helping the States where the Federal Government owns much of the land.

Mr. RICH. The point I wanted to make is this: We have so many requests that the fund would be utilized in a very short time.

Mr. LEWIS. I am glad you asked that question because it brings up the point which I want to make.

COLORADO ASKS FOR AN ADDITIONAL $2,000,000 FROM RECLAMATION FUND FOR COLORADO-BIG THOMPSON PROJECT

This Colorado-Big Thompson project is practically the only reclamation project that we have had in Colorado for 35 years, except some minor projects which were built in part by P. W. A. funds. At this time we men from Colorado are not asking, and we have not asked, for any appropriation out of the general funds of the Treasury for this Colorado-Big Thompson project. We are asking for an additional $2,000,000 over and above the $2,000,000 Budget estimate, making a total of $4,000,000, out of this trust fund, this reclamation fund. We have demonstrated that there is and will be sufficient money in this fund. We have shown where we are going to get the money.

As Mr. Hansen, Judge Stone, and Mr. Cummings have emphasized, this is not a project to bring new land into cultivation; it is to increase, to supplement the deficient water supply for land which has been in use for 60 or 70 years. In passing I may say that the indications are we are not through with the drought which during the last 10 years has intensified the deficiency in the water supply in northern Colorado. It may be we are in the midst of a cycle of drought, such as that of several hundred years ago, which forced the cliff dwellers to move out of southwestern Colorado. There was one period, as shown by study of tree rings in timbers, when the drought lasted for 23 years. This indicates the desperate need for this project to be pushed ahead to completion as rapidly as possible.

1941 BUDGET ESTIMATE FOR COLORADO-BIG THOMPSON PROJECT NOT ENOUGH TO CARRY ON WORK EFFICIENTLY

Now what is the present situation in regard to the Colorado-Big Thompson project? Judge Stone briefly referred to it. The Congress authorized the entering into contracts last year in order to complete the compensating reservoir on the western slope. These contractual obligations already made will absorb a million and a half dollars.

The Budget has allowed the amount of $2,000,000. The balance of $500,000 over and above the contract obligations of $1,500,000 is not sufficient to start work on the main part of the project, namely, the tunnel through the Continental Divide. Furthermore, the Reclamation Bureau has erected work camps at each of the portals of the proposed tunnel, and the Bureau has assembled some expensive expert men and valuable heavy equipment there at Estes Park, on the eastern side, all ready to go ahead. These expert men and this assemblage of equipment must necessarily be dispersed unless a sufficient appropriation can be secured to begin the work of boring the tunnel.

I could argue cogently for more, but I tell you, gentlemen, that what we urgently need is $2,000,000 more than the Budget esti-

mate in order to enable the Reclamation Bureau to do really efficient work on that tunnel during the coming fiscal year. So, instead of $2,000,000, we should have $4,000,000 to carry on efficiently that work, which is so desperately needed.

Now where will we get the money? From the reclamation fund; from the trust fund created for the specific purpose of constructing reclamation projects like this Colorado-Big Thompson project in Colorado; from a fund made up from part of the revenues derived from lands in our Western States and from repayments on the cost of other such projects. I have already demonstrated that there will be carried over from the present year and will accrue during the coming fiscal year an unobligated balance almost four times as large as this $2,000,000 additional for which we are asking.

Mr. RICH. Do you have an estimate or justification from the Budget for that?

Mr. LEWIS. No.

Mr. RICH. Can you get one?

Mr. LEWIS. I do not know.

Mr. FITZPATRICK. Have you tried to get the Budget Bureau to recommend it?

Mr. LEWIS. We certainly will try.

Mr. FITZPATRICK. You know how I feel about the project, but at the present time, under the present situation, it is hard to go over the Budget's recommendations, and it would be nice if you could get a recommendation from the Budget Bureau.

Can you tell us whether or not in any of these projects they have received any money from the W. P. A.?

Mr. LEWIS. Do you mean the P. W. A.?

Mr. FITZPATRICK. No; the W. P. A.

Mr. LEWIS. No; none on large reclamation projects from the W. P. A.

Mr. FITZPATRICK. That aid is given in the form of work. That is different from the P. W. A. where they borrow the money, or where the P. W. A. makes a grant. I was referring to W. P. A. projects.

Mr. LEWIS. No; there has been no W. P. A. aid on large reclamation projects. The Reclamation Bureau is very proud of the record they have made. They have done most excellent, efficient work. For example, they have never had a dam "go out" or fail. There can be no work done by W. P. A. labor on a large project, such as the Colorado-Big Thompson, because it requires men of the highest skill and the operation of complicated machinery.

Mr. FITZPATRICK. I am in favor of the project, and I would like to see more people afforded an opportunity to go on the land and cultivate the soil, instead of having them go into the large industrial centers. I think it is money well invested where you place people on the land or where you bring land into use where the people can make a living on it by raising agricultural products, instead of having them go into the large cities where they cannot make a living. I think that by placing them in that position it would have a beneficial effect on the large cities and industrial centers. It would have a beneficial effect on them if we could help out the farming districts so that our people may have an opportunity to go on the land and make a living from the soil.

Mr. LEWIS. The people of the West certainly love you, Mr. FITZPATRICK, because they realize and deeply appreciate your sympathetic understanding of our problems and your helpful attitude toward us.

Thank you, gentlemen, for your patience in hearing me and your courteous attention.

Our Enlisted Personnel

EXTENSION OF REMARKS

OF

HON. MELVIN J. MAAS

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

ARTICLE BY CAPT. W. C. BARKER, UNITED STATES NAVY

Mr. MAAS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article, written by Capt. W. C. Barker, United States Navy, and published in the February issue of Naval Affairs:

[From Naval Affairs for February 1940]

OUR ENLISTED PERSONNEL

(By Capt. W. C. Barker, U. S. Navy, Chief of Staff and Aide to Commandant Twelfth Naval District)

From time to time there appear in certain magazines and in the press some observations of naval officers concerning the high type of men now comprising the enlisted force of the United States Navy. On occasion civilians have also represented, in print, their opinions and judgments on this subject. These contributions with respect to an interesting and highly important naval matter are without exception complimentary to this splendid organization of selected young men.

We of the Navy appear to accept this situation without much comment or reflection; we feel that such a state of affairs is a natural part of a highly coordinated structure such as our Navy In short we take it for granted that good ships and fine leadership automatically produce fine crews. This is not necessarily so.

Most naval officers have some specialty, many of them an actual technical knowledge, others an absorbing interest in some activity, a sort of hobby to which they devote their spare time or thoughts. Many of these specialists are so-called matériel men, who in general look upon the enlisted men with a casual if not negative interest, under the theory possibly that association with the excellent tools furnished will, through some mysterious process, affect the desired results in their training.

A young officer was once asked if he intended to specialize in gunnery, engineering, or some restricted phase of the profession. He replied, "No; I propose to specialize in becoming a naval officer." The answer is informative in that it suggests a diversified experience, including, let us hope, a full appreciation of the enlisted personnel, their problems, their welfare, the great possibilities for full employment of their youth, enthusiasm and their talents. In return for these bountiful resources the Navy should concern itself more than it does with this human material which constitutes so large a part of the naval weapon.

The point brought out in these introductory remarks is that we have specialists of every kind among our officers, some identified with a very narrow specialty, whereas specialists in the field of enlisted personnel administration and welfare are few and far between. So-called personnel officers on the staffs of force commanders are concerned almost exclusively in routine matters of distribution, promotion, discipline. Little attention is given to welfare, in its broad sense, whereas after all the welfare of our enlisted men and their families should be one ofthe Navy's paramount concerns. I refer in this connection to such important matters, especially ashore, as housing, recreation and social betterment, items vitally affecting morale, which has been too long overlooked or neglected. At some of our navy yards much has been done along these lines; Craven Center and the rest camps at Puget Sound yard are outstanding examples of what may be done in this direction. At the fleet bases, however, where as many as 50,000 men are involved in the project, very little attention is given to their welfare once they get ashore. With the exception of available fleet athletic fields, the facilities of the Y. M. C. A. supply, in a very limited way, the needs of the men for healthy recreation and worthwhile associations.

The results of a policy which fails to recognize the essential and elemental social problems of the men ashore are well known to every commanding officer whose ship bases at San Pedro, Long Beach, and San Diego. We have, in fact, created as these drill bases a situation which invites misconduct of various categories; the easy credit extended to the men, who become desperate for spending money along the pike, has brought about the indebtedness problem, which, along with the automobile and its fruitful possibilities for trouble, have become the Navy's No. 1 disciplinary headaches. We must do something about these factors which, in increasing effect, enter into the fleet's administration. These matters are not adding to the Navy's good reputation; they are in fact creating in the minds of many of the Navy's friends a doubt concerning the quality of our personnel and also some question of the Navy's methods of training the splendid young men entrusted to our care.

I personally have long felt that the Navy is not meeting a primary responsibility and obligation in these respects. At the fleet bases some proper outlet must be provided for the energies and natural social impulses of our young enlisted men. The solution appears to be found in two major projects, costly ones no doubt, but certainly justified when the investment in our large enlisted force is considered. Less than the cost of one destroyer would provide the means for furnishing these essential safeguards. These projects are (a) recreational centers at San Pedro, Long Beach, and at San Diego, and (b) housing development at each of these bases. After all, the families of our enlisted ratings are in some degree one of the Navy's correlative responsibilities, a reciprocal obligation, as it were, in part payment of the loyal and sacrificing services rendered by the men. The first concern of any man of character is the welfare of his family; accordingly, the quality of the enlisted force would automatically improve and their loyalty to the Navy take on a finer meaning were the worries and anxieties of family life ameliorated in some degree. We must realize that a large percentage of the enlisted men are married, endeavoring, outside of duty hours, to live a normal man's life. These married men are the real tried and dependable framework of our ships' companies, the backbone of the Navy, who have made the service a career. They are entitled certainly in fulfillment of this paramount family relationship to the cost of one destroyer.

I well remember once finding a small colony of enlisted men living with their families in caves and shacks along the beach, being driven by high rental costs and other persecutions to such extremities. Such men could not conceivably be expected to be devoted wholeheartedly to their jobs. Such living conditions are necessarily reflected in performance of duty, in mental attitudes, in health, and in a general warped philosophy of life. A corollary of such conditions is the unfortunate effect on the Navy's reputation.

There is a modest housing development in Bremerton which came to my attention recently, which not only appealed to me by reason

of its attractive setting and homelike atmosphere but, and this aspect is of first importance, from the scale of rentals in effect in this dignified project. The proprietor, who was an ex-Navy man, was planning a 50-house program, with rentals just sufficient to carry the undertaking and provide a safe investment. Needless to say this fine man was being harassed and embarrassed by every expedient of law and organization on the part of the local real-estate fraternity. The success of this project is evidence enough of the possibilities of similar developments at the fleet bases under Government auspices.

There are at the present time many Government projects of like purposes, such as those under the Federal Resettlement Program and Housing Administration. Many millions of dollars are being expended in these developments. It appears accordingly that no unusual departure from Federal policy would be involved in providing for these normal and vital needs of our married enlisted men. No public works could be better justified than such a Federal-housing plan for the fleet bases. The effect on the morale and general well-being of the men, resulting from such establishments, would be tremendous. Money so expended would be returned tenfold in loyalty, esprit de corps, and dignified pride of service.

As a parallel project and in the interest primarily of the unmarried men, though available to married men and their families, we should have also at the fleet drill bases recreational centers, comprising on a large scale (a) club facilities, including restaurants, libraries, locker rooms, and reading rooms; (b) athletic fields, gymnasia, pool and billiard rooms, bowling alleys, swimming pools, barber shops; and (c) social facilities for dances, receptions, and parties. These institutions could be made self-supporting by virtue of small revenues obtained from supplies and services furnished. An administrative staff, composed of capable retired enlisted men and Fleet Reservists, would manage these centers. The original investments should be the only financing necessary, and even that might be liquidated in time by means of excess profits, Navy relief contributions, and gifts from philanthropic individuals.

In connection with the establishment of these recreation centers we may visualize endowments from certain sources to cover the initial cost of construction. A Morgan or a Rockefeller could not dedicate his money to a worthier cause; and not much advertising of the suggestion would, in my opinion, be necessary for the discovery of a sponsor, this alternative being resorted to in the event a W. P. A. allocation is not forthcoming.

In developing this vision of a wholesome and dignified solution to one of the fleet's pressing problems and vital responsibilities, it appears that much more is at stake than the physical and moral welfare of the enlisted men. The readiness of the fleet for its mission in the event of war is intimately dependent on the efficiency and fitness of its personnel; the part the personnel plays in battle depends on the methods of training in time of peace and of this training—the conduct of the men while on liberty on shore is a major factor.

The disciplinary losses to the Navy resulting from unhealthy influences at the fleet drill bases are not only large and costly but also a reflection on the Navy's training methods, indicating an indifference on the part of officers to the men's welfare once they have gone ashore and become removed temporarily from the control exercised on board ship. Our present methods of meeting this situation are punitive and not initially corrective or preventive; in brief, an ounce of medicine in timely and early measures is worth a pound of cure. Unfortunately, the cure in our system is disciplinary and does not reach the source of the evil.

The first-year losses occurring during the difficult adjustment period in the life of the recruit constitute a serious indictment of our methods in absorbing new men. These losses may also be interpreted, and with considerable justification, as even evidence of a breach of faith on the part of the Navy in making good on its recruiting publicity and promises. From the writer's own experience as recruiting inspector there is always some embarrassment among recruiting officers in attempting to explain what parents and friends of recruits insist is a definite insincerity and misrepresentation in procurement propaganda. The answer is without question a greater effort on our part to bring the recruits through their first year successfully, and this effort points directly to a program centered in the recreational developments suggested.

The only naval station or base which has taken the matter at all seriously is the navy yard, Puget Sound, where the magnificent Craven Center in the yard and three outlying well-equipped rest camps have made the visits of ships to that yard a profitable and thoroughly enjoyable experience, paralleled in astounding degree with a highly satisfactory record in the matter of liberty breaking and other disciplinary irregularities. These excellent facilities are maintained by the ship's service of the yard, supplemented by ship's service contributions from visiting ships. They are self-supporting, as similar activities at the fleet bases would be after the original cost were provided. One function of this institution at Puget Sound is of particular interest, and that lies in the frequent dances given for the men. These parties are under the supervision of ships' officers, assisted by social-welfare organizations in town. The young ladies attending the dances are sponsored by these organizations. The good order everywhere in evidence and the very attractive and well-behaved group of invited guests invariably occasion favorable comment. Here we have, therefore, a practical demonstration of the value and excellent results of this long-delayed social objective.

Contrast the above picture with the situation at San Pedro, Long Beach, and San Diego. Misconduct of the men ashore in these localities has become a service scandal, and the sole contribution of the Navy to this one of its major responsibilities has been almost entirely a tightening of the schedule of punishments. These cities are notorious in their influences and agencies for evil. These conditions have been built up because of the absence of facilities, under Government control, which would provide a wholesome outlet for the normal recreational and social demands of healthy young men.

I submit that a solution of this problem should be the Navy's No. 1 priority project. I recommend an earnest consideration of the suggestions herewith offered.

Naturalized American Citizens

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Friday, March 8 (legislative day of Monday, March 4), 1940

ADDRESS BY JUDGE ALBERT W. JOHNSON AND EDITORIAL FROM THE SCRANTON (PA.) TRIBUNE OF MARCH 6, 1940

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a notable address delivered by Judge Albert W. Johnson, of Lewisburg, Pa., when he held a naturalization court at Scranton for the purpose of administering the oath to 250 aliens who were being naturalized on March 6, 1940. This address is an able and comprehensive statement of the rights and obligations which come to American citizens under this great charter of liberty.

I also ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Scranton Tribune of March 6, 1940, referring to the address I have mentioned.

There being no objection, the address and editorial were ordered to be printed in the RECORD, as follows:

ADDRESS BY ALBERT WILLIAMS JOHNSON TO NATURALIZED AMERICAN CITIZENS

Ladies and gentlemen, and now my fellow citizens, I congratulate you on your citizenship in the world's greatest Republic. After taking a severe test you have been found qualified for this honor, and on taking the oath you have now acquired the rights and privileges and are clothed with the duties and responsibilities of citizens of the United States. This citizenship is established and governed by the Constitution of the United States, which you have sworn to obey.

This Constitution is the supreme law of the land, the greatest written constitution in existence, a model for other democratic constitutions of the world. It was made by a convention of 54 delegates from the Thirteen Colonies 153 years ago in the city of Philadelphia—the greatest body of statesmen that ever met at one time to establish a government. Of these 54 Members, 31 were lawyers, 12 educated in the best law schools of England and Scotland; 39 had been Members of the First and Second Continental Congresses; and 8 had helped to frame their State constitutions. At least 22 were college graduates, 9 of Princeton, 3 of Yale, 2 of Harvard, 4 of William and Mary, and 1 each from the Universities of Oxford, Columbia, Glasgow, and Edinburgh. Among them were James Madison, called the father of the Constitution; Alexander Hamilton, the author of the Federalist; Benjamin Franklin, probably the most versatile genius of the eighteen century; and George Washington, "the greatest man who ever stood at the forefront of a nation's history." They had studied every known form of government and were familiar with the classics of all times on the subject. The work of this convention may be summed up in the words of Mr. Gladstone, the great English statesman: "The American Constitution is the most wonderful work every struck off at a given time by the brain and purpose of man."

This Constitution is both ideal and practical; ideal as Plato's Republic or Moore's Utopia, providing for the development of the most advanced ideas and visions of the people, and more practical and stable than any other form of government that has ever existed. It is the oldest comprehensive form of government now existing, and its essential provisions will remain for all time, because they are based upon fundamental and eternal principles. The storms which have destroyed other paper constitutions have left almost untouched the fabric of ours. In its construction the ideal of Washington was followed, as expressed by him to the Convention: "Let us raise a standard to which the wise and just can repair. The event is in the hand of God."

Our Constitution is the result of dreams of the human race for liberty and self-government, the work and experience of the greatest students and statesmen of all time, the flower of the world's civilization. Our experience and the results under it show that it is the best form of government for us and should never be changed materially in form or substance. Its principles are not temporary, but they are permanent and eternal.

The spirit and principles of the Constitution will be understood by a study of its fundamental purposes as expressed in the preamble:

"We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

"We, the people of the United States." This Constitution was not established by any class. It was established by all the people and became the Government "of the people, by the people, and for the people," the first great democracy of the world.

"In order to form a more perfect union." By union of the States, power and national government are obtained, and by the States local government is secured; thus we have an indivisible union of indestructible States. This Federal plan or union of the States gives us on the one hand the most powerful government in the world, and on the other hand the freest government with the greatest amount of liberty and opportunity. This Federal plan was our great contribution in government given to the world now followed by many other governments.

"In order to establish justice." The Constitution established a Federal judiciary. A common tribunal for all the people and all the States became necessary from motives both of justice and policy. The establishment of justice for every citizen and every State in the Union was the sublime purpose of the Constitution.

"In order to insure domestic tranquillity." Prior to the Constitution the States were obliged to deal single-handed with rebellions and insurrections. The Confederation has not helped because it had no power to interfere in the internal troubles of any State. The new Constitution gave to the new Government power to keep peace in a State. The promise of the preamble in this respect has been well executed; outside of the Civil War waged to save the Union and test the strength of the Constitution, internal peace has reigned and property and life have been secure from the adoption of the Constitution to the present day.

"In order to provide for the common defense." For 153 years the Union has met every emergency; it not only stood the great strain of the Civil War when one-half of the States of the Union of 1861 attempted to destroy it but it also protected us from external attacks from the War of 1812 to the present day; and under the Constitution the Nation has never lost a war.

"In order to promote the general welfare." The Constitution has brought the Nation from a population of less than 4,000,000, including nearly 1,000,000 slaves, to 125,000,000 citizens; from a state without money or credit to the wealthiest Nation twice over on earth, offering the greatest opportunities to every citizen. Poor boys have become heads of business, leaders of professions, legislators, judges, and Presidents of the Republic. A tree is judged by its fruit, and by this standard the Constitution meets the supreme test.

"In order to secure the blessings of liberty to ourselves and our posterity." Here we have a guarantee of individual liberty by constitutional limitations. Each individual as a responsible moral being has certain "inalienable rights" which neither the State nor the people can take away, among them liberty of the press and speech, religious freedom, enjoyment of property, the pursuit of happiness, and moral and intellectual growth. Surely under the Constitution this has become a land of liberty and opportunity for all.

This Constitution secures for you the rights and privileges secured by no other government or constitution in the world. It provides personal security of life, limb, body, health, and reputation. It provides personal liberty, the right to move about freely without restriction except by the law of the land, and the right of everyone to build a home and to live therein with freedom. It establishes the right to personal property, one of the dearest privileges of the human heart. Communism has been tried for thousands of years, always resulting in failure.

In this land under this Constitution you may worship God according to the dictates of your conscience, and you have the freedom of education. You may freely assemble to discuss personal, local, and national problems. You are free to petition your local State and National Governments for redress of grievances. You are secure in your persons, your houses, papers, and effects from unreasonable search and seizure.

In these great rights enumerated above you are protected, all alike, by the Constitution and the law of the land. The courts are open to you all, the rich and poor alike. No American citizen can be proceeded against for any serious offense without first an indictment or presentment by a grand jury, and all citizens have the right to trial by a jury of his peers.

You will have every important right of a public nature; the right of franchise, the right to vote, to elect officers of your local State and National Governments, and you will have the right to hold all offices, excepting the Presidency of the United States, who must be born an American citizen. Your children will have such supreme right. This right to vote and this right to hold office in this Republic raises every citizen to the stature of a ruler. It was one time said, "It is greater to be a Roman than to be king." It may be said in America, "It is greater to be an American citizen than to be a king."

This citizenship with these rights and privileges place on you duties and responsibilities. You will have the duty to respect, to obey, and to defend the Constitution of the United States. You will have no moral or legal right to attempt in any manner to overthrow it. There is no room in this land for communism, fascism and nazi-ism. The place for communism is in Russia, for fascism in Italy, and for nazi-ism in Germany. This land is the place for true Americans only, who believe in our Constitution and our form of government, which have made us the freest, the happiest, and the most prosperous people on earth.

It is the duty of the citizens of the United States to exercise the franchise honestly, intelligently, and conscientiously. The Constitution and our laws will not enforce themselves; they must be enforced by honest and efficient officers elected by honest and intelligent voters.

You must serve your country in time of peace and also in time of war. You must build homes and help to make this a Nation of homes; you must establish families with the love and ties that belong to the true American family. The home and the family are the source of good citizens. The home need not be magnificent or expensive; it may be very modest, it may be built by your own hand, but it should be healthy and though modest and inexpensive it should be beautiful inside and outside. The grounds should be landscaped and made beautiful—this you can do with your own hands. You can level off the ground and plant trees and flowers and grass. You can paint or whitewash the house and thus make the outside beautiful and the inside can be clean and pictures may be hung on the walls representing high ideals. In this simple way you can beautify your home in which you will live and rear your children, who should be taught to be honest, industrious, and law-abiding citizens. In this way you can make a contribution to your country, greater than the accumulation of wealth. You can go further—you can acquire in most places a little land where you can raise fruit and vegetables and poultry and, in many places, cattle and hogs. In this way you can become independent and maintain and increase your self-respect and add to the peace, good order, and strength of the Nation.

It will be your duty, as it is the duty of all Americans, to seek education for yourself and for your children. Education is necessary in our democracy, for here all the people are rulers.

You can succeed personally and serve the Nation only by work and service. The Nation does not owe every person a living; every person must work for his own welfare and the advancement of the Nation. By honesty, intelligence, and industry every one of you can be successful and happy and you can contribute to the welfare of the State.

It is your duty to serve this Nation not only in time of peace but also in time of war. If the Nation, by decision of Congress, declares war, it will be your duty to serve and defend the Nation against all other nations in the world, and it should be a pleasure for you to defend your country. May you have the spirit of Nathan Hale in the American Revolution who said: "I regret that I have but one life to give for my country."

In conclusion I am very happy to admit you to citizenship and I hope you will live long to enjoy it in "this land of the free and the home of the brave."

[From the Scranton (Pa.) Tribune of March 6, 1940]

JUDGE JOHNSON ON CITIZENSHIP

The admittance of 249 men and women to citizenship of the United States yesterday by Federal Judge Albert W. Johnson was marked by an address of great merit and special meaning by the jurist.

In his career on the bench, Judge Johnson has admitted hundreds of aliens to American citizenship, and upon such occasions he has never been found wanting in lucidly explaining the privileges and responsibilities of United States citizenship. It is in no sense disparaging of his remarks upon similar occasions in the past to state that yesterday's address to the new citizens' class was an admirable summation of the whole case.

The court strongly impressed upon the new citizens that the Constitution of the United States gave them rights not enjoyed by any other people on earth. Judge Johnson said, in part:

"The Constitution secures for you the rights and privileges secured by no other government or constitution on earth. It provides personal security of life, limb, body, health, and reputation. * * * This citizenship with these rights and privileges places upon you duties and responsibilities. You will have the duty to respect, to obey, and to defend the Constitution of the United States. You will have no moral or legal right to attempt in any manner to overthrow it. There is no room in this land for communism, fascism, and nazi-ism."

In these days when the horrors of war are being visited upon so many people, the harbor of American citizenship is likely to be more highly prized than in ordinary times. The protective cloak which the Constitution throws about the citizens of this country is a precious, invaluable garment. It is to be hoped that all who wear it will be ever mindful of its true value.

In connection with Judge Johnson's address the thought arises that it would be a nice gesture if it were possible to have such utterances given permanency in the form of a brochure and presented to new citizens by the court upon the occasion of their embracing American citizenship.

The St. Lawrence Waterway Project

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Friday, March 8 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE WASHINGTON POST

Mr. GIBSON. Mr. President, a few years ago the United States entered into a treaty with the Dominion of Canada for the development of the St. Lawrence waterway. This treaty was not ratified by the United States Senate.

I am informed that a new treaty has been entered into, and that it will be submitted to the United States Senate for acceptance or rejection. I ask unanimous consent that an article which appeared in a recent issue of the Washington Post relating to this treaty be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

THE GREAT ST. LAWRENCE PROJECT—PREMIER HEPBURN, OF ONTARIO, NOW SUPPORTS IT

(By G. Raleigh Parkin)

MONTREAL.—Once more the St. Lawrence deep-waterway question is before the Canadian public, and a draft treaty is reported to be in the final stages of negotiation. No question of public policy placed before Canadians in the last 20 years has been more difficult for the average citizen to form a clear-cut view on than this issue of whether or not to proceed with the creation of the St. Lawrence deep waterway. The scale of the project is so huge, the technical factors involved so intricate, the ultimate cost necessarily somewhat uncertain, and both the immediate and ultimate economic consequences appear so difficult to predict with any accuracy that the ordinary individual is apt to feel helpless, in the face of all these complexities, in forming any definite opinion on its merits.

It was in 1921 that the International Joint Commission recommended that Canada and the United States should negotiate a treaty to enlarge and improve the St. Lawrence waterway. In 1932 a treaty was actually signed, but failed to pass the Senate; while in 1938, when the United States Government again raised the proposal, it became impossible for the Canadian Government to act because of the hostile attitude then adopted by the Ontario government. It has been the complete change in the Ontario government's attitude in recent months which has been the main factor enabling the Dominion Government to resume the negotiations in Washington.

The St. Lawrence deep-waterway project is both a navigation and a power enterprise. The revival of the project at this time despite the heavy expenditures in which the Dominion Government is going to be involved because of the war appears to arise primarily from the desire to proceed with the power enterprise. In addition, the persistent interest of successive Dominion Governments, whether conservative or liberal, in the project would appear to have been greatly influenced by considerations connected with western Canada and the desire now, as in the past where railways were concerned, to develop and maintain transcontinental communication to the full.

It is consideration of power requirements which has made Mr. Hepburn, Ontario's Premier, change from an attitude of complete hostility to one of support. Demand for electric power has been rising in Ontario as elsewhere in Canada and the United States. This has presented Ontario with a problem which will best be understood if a few general facts regarding Canadian water-power resources and Ontario's own position are borne in mind.

Over 90 percent of Canadian electrical output is derived from water power, which has been the mainspring of industrial progress in the two central Provinces of Ontario and Quebec, neither of which has any indigenous coal supplies. Eighty percent of all hydroelectric power in Canada is generated in Ontario and Quebec, and this development in Canada's two central Provinces has been a major factor in investment activity and industrial development. Private enterprise and public ownership have both played important roles in this development. While development in Quebec has been almost entirely by private enterprise, Ontario represents an outstanding example of a development through public ownership, the Hydroelectric Power Commission of Ontario being the most important publicly owned system in Canada and also one of the largest power undertakings in the world.

The existence in one Province—Ontario—of a great system of public ownership whose raison d'etre was to distribute power at cost to an ever-widening range of rural and industrial communties while next door was another Province—Quebec—where the supply of power to similar types of community was in the hands of private enterprise whose raison d'être was the making of profit, has not unnaturally provided the basis for much controversy over the hydroelectric question in Canada.

Specifically, Hydro in Ontario has at intervals been faced with the necessity of deciding between alternative sources from which to obtain the new power to meet the rapidly increasing demands of the last 20 years. These alternatives included the development of certain provincial water powers available without involving the Boundary Waters Treaty; the use of international waters in the St. Lawrence system, which involved the Dominion and required negotiations with the United States; the erection of steam plants, which meant dependence upon imported coal from the United States; the purchase of power from private enterprise in Quebec; and the development of interprovincial waters which required negotiations with government and private interests in Quebec.

During the last 15 years Ontario had adopted a policy of long-term contracts with private enterprise in Quebec. The Ontario government's later repudiation of these contracts and its subsequent unsuccessful attempt, because of the United States Government's opposition, to secure the right to divert certain Ontario waters into the Great Lakes-St. Lawrence system as a basis for power development, is now a matter of history.

Now, Ontario's Hydro officials, faced once more with the necessity of deciding how they will plan to deal with increasing requirements in the next few years, appear to see in the St. Lawrence development a means of satisfying at the same time their more immediate as well as their longer-term needs. The extra requirement that may arise through war-created industrial activity will not be met by the deep-waterway development itself because there would be no chance of this being completed for a considerable number of years. But the negotiation of the treaty would certainly carry with it permission for Ontario to proceed with the diversion unsuccessfully suggested in 1937, and this development could be made a source of power at a considerably earlier date.

The Silver-Purchase Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, March 8 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE WASHINGTON POST

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published in the Washington Post of today under the heading "Our Silver Folly."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 8, 1940]

OUR SILVER FOLLY

At its last meeting in Washington about 2 weeks ago the Federal Advisory Council endorsed Senator TOWNSEND'S bill to discontinue purchases of foreign silver. The New York State Chamber of Commerce followed this week with an appeal to Congress likewise urging cessation of foreign silver buying.

In its resolution the Federal Advisory Council called attention to the inflationary potentialities of the silver acquisitions by stressing the fact that silver purchases increase our already excessively large bank reserves. But that is only one of numerous reasons why the policy should be abandoned. As the New York State Chamber of Commerce says, "Gold has been pouring into the United States in such volume that 'the objective of silver reaching the 1-to-4 ratio of the combined monetary stocks of gold and silver seems presently to be impossible.'"

The alternative aim of raising the price of silver to $1.29 per ounce is equally hopeless. Indeed, the present price of silver is maintained only by Government purchases. Any attempt to dispose of our present great holdings would result in a world-wide price collapse.

The only remaining argument in favor of a program that has been a conspicuous failure as a monetary experiment is that it is a useful instrument of foreign policy. There is no doubt that Mexico, the world's largest silver-producing country, has benefited from our folly. But our relations with Mexico have certainly not been improved by subsidization of her silver industry.

In short, innumerable reasons can be cited in support of Senator TOWNSEND'S bill. It seems impossible to discover any good reasons for not passing it. If there are any, the Department of State and the Treasury have kept the secret from the public.

The First Postmistress

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, March 8 (legislative day of Monday, March 4), 1940

ARTICLE BY W. E. HENNESSEE

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an article from the pages of the State magazine, published at Raleigh, N. C., by Hon. Carl Goerch, entitled "The First Postmistress." In this connection I might add that, in addition to the first postmistress having been appointed in North Carolina by President Washington, North Carolina is the home of the first rural free-delivery route and service in the United States.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the State magazine, Raleigh, N. C.]

THE FIRST POSTMISTRESS—SHE WAS APPOINTED BY PRESIDENT WASHINGTON AND WAS THE FIRST WOMAN EVER TO SERVE IN THAT CAPACITY IN THE UNITED STATES

(By W. E. Hennessee)

In addition to being the home of the first rural free-delivery route and service in the United States, Rowan County has the distinction of having had the first postmistress in the country.

The name of this first postmistress was Mrs. Elizabeth Balfour, and she was appointed to the Salisbury office.

Mrs. Balfour was a native of Scotland and came to America in 1772. Her maiden name was Elizabeth Dayton, but soon after her arrival on these shores this was changed by her marriage to Andrew Balfour, also a native of Scotland, who had preceded her to America.

LIVED IN RANDOLPH COUNTY

The couple lived in Randolph County, which was at that time a part of Rowan. At the first sign of trouble with England Mr. Balfour offered his services to General Washington and served with distinction in the Continental Army. Soon after the beginning of hostilities he reached the rank of colonel, which he retained until his death. He became a close personal friend of General Washington and was engaged in several of the fiercest battles of the war.

Toward the latter part of the war, in March 1782, Colonel Balfour came home on leave. He chose an inauspicious time, for while at home he was murdered at his own fireside by Tory raiders under the leadership of the notorious Colonel Fanning.

Things did not go well with Mrs. Balfour after the death of her husband. They owned a large plantation but their children were small and there was no one to work the land or oversee its cultivation.

Mrs. Balfour's affairs finally became so straitened that mutual friends informed General Washington, then President, of her circumstances. President Washington at once remembered that the post office in Salisbury was vacant and at the same time recalled Colonel Balfour's splendid and patriotic service in the Revolution. He immediately appointed his wife to the office.

The appointment of a woman as postmistress, though against all precedent at a time when woman's place was universally thought to be in the home even though she starved there, met with instant approval with all those knowing the circumstances.

SERVED LONG TERM

Mrs. Balfour was appointed March 31, 1796, and at once assumed her duties. She served the Salisbury office for 26 years, from 1796 to 1822, the longest term ever served at that office.

It is recorded that when Mrs. Balfour entered the present boundaries of Rowan County, at Trading Ford upon the Yadkin River, she drove her own wagon, in which were her children and most of her remaining worldly goods. She was met there by a delegation of leading citizens and escorted into Salisbury. Here she made her home for many years, a beloved and respected member of local society.

Mrs. Balfour never again married. Her children grew up, married, and became the ancestors of substantial citizens of the State and county.

The records show that Mrs. Balfour handled the affairs of the Salisbury office in a most commendable manner and that there never was any complaint about her efficiency.

In addition to being the first postmistress, she also has the distinction of having held the chief executive position in a North Carolina post office for an unusually long period—26 years—although we do not know whether this constitutes a record for the State or not. Anyway, the fact that she was reappointed time and again is sufficient evidence that she was a most capable official.

National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, March 8 (legislative day of Monday, March 4), 1940

STATEMENT BY WILLIAM M. LEISERSON

Mr. WAGNER. Mr. President, I ask unanimous consent that there may be printed in the RECORD a statement made by Mr. William M. Leiserson, one of the members of the National Labor Relations Board, before the Special House Committee to Investigate the National Labor Relations Board, on December 11, 1939. The statement is very interesting, and was made by a man who is probably the highest authority on these questions.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The National Labor Relations Act is a simple law designed to accomplish a simple purpose. It is intended to afford to employees the same right of human association, the same freedom to associate with their fellows for common benefit that employers enjoy in their manufacturers' associations, chambers of commerce, and trade associations. A labor union is nothing more than a trade association of employees. I think the Labor Relations Act is a good law. We shall be proud of it in the future, just as we now are proud of our public schools, compulsory education, and workmen's compensation acts, all of which were vigorously denounced as socialistic when they were first advocated and when the first steps were being taken to put them into practical effect. I do not think that the act needs to be amended in any important respect.

It is indeed regrettable that we should ever have reached a condition that made it necessary for Congress to enact the National Labor Relations Act. Most of the great industrial nations of the world do not have any statutes of this kind. The reason is, apparently, that in those countries it did not occur to the great body of employers that they had the right to deny to their employees the freedom of organization which they claimed for themselves. It may be recalled that a few years ago a judge in England denounced the managers of an American corporation for trying to bring to that country some of our practices of labor spying and coercion directed against employees' organizations.

In this country, however, employers who enjoyed the right of associated activity took it upon themselves to restrain and to interfere with any similar activities on the part of their employees; they felt it was a management prerogative to destroy their employees' organizations. They even appealed to the courts to protect what they thought was their constitutional right to restrain organizational activities of their employees, so that it was necessary for Chief Justice Hughes, in the *Texas & New Orleans case*, to pronounce that employers had no constitutional right to interfere with the right of employees to have organizations represent them in dealing with management.

This decision was made in 1930, and it upheld the constitutionality of the Railway Labor Act of 1926. Two years later Congress found it necessary to declare the public policy of the United States with respect to organization rights of employees. It did this in the following words of the Norris-LaGuardia Act:

"Whereas under prevailing economic conditions, developed with the aid of governmental authority, for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is commonly helpless to exercise his freedom of labor, and thereby to obtain acceptable terms and conditions of employment, wherefore, though he should be free to decline to associate with his fellows, it is necessary that he have full freedom of association, self-organization, and designation of representatives of his own choosing to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection * * *."

It is to be noted that this declaration was adopted before there was any New Deal administration, and that its wording was later incorporated in the National Labor Relations Act.

But the Norris-LaGuardia Act was primarily concerned with unfair labor practices of labor organizations, not with unfair practices by employers. The courts had developed a body of law to restrain improper concerted activities by employees and union leaders which they enforced by injunctions. Many union people have gone to jail for improper conduct under this law, and whatever may be our opinion of the Wagner Act, it is well to remember that no employer has yet gone to jail for violating it, although many have been guilty of violations. I mention this here because of the

charges that are frequently made that the Wagner Act is one-sided and does not protect the employer. There is plenty of law dealing with unfair practices by labor organizations. But in enforcing this law by the injunction process, the courts had developed policies and procedures which Congress saw fit to modify and clarify. It did not, however, take away the right of the courts to restrain improper conduct by labor organizations.

Although the Norris-LaGuardia Act declared the rights of employees to be free from interference and restraint in their organizational activities, it did not implement any administrative machinery by which workers' rights might be protected against trespass by their employers. This Congress undertook in 1934 when it amended the Railway Labor Act of 1926 to afford a full measure of protection to railroad employees. A year later the Wagner Act was adopted extending the same protections to employees in other interstate industries.

Everything that is prohibited to employers by the Wagner Act also is prohibited by the Railway Labor Act. If one is unfair or one-sided, the other is equally unfair and one-sided. If we consider it one-sided to have a law confined to dealing with labor's rights only, then the Railway Act is more one-sided than the Wagner Act, for it prohibits employers from petitioning for elections among employees. Indeed, it excludes them even from being parties to representation disputes among employees. The Wagner Act is more lenient in this respect. The Board makes them parties to representation cases before the Board, and it is permissible for the Board to accept petitions from employers for employee elections. If Congress is to amend the Wagner Act so as to relax or to abolish any of the protection it affords to employees, then it will have to adopt similar amendments to the Railway Labor Act, and perhaps also modify the declared policy in the Norris-LaGuardia Act.

As I had occasion to state to the Senate Committee on Education and Labor some months ago, the three laws—Norris-LaGuardia Act, Railway Labor Act, and National Labor Relations Act—are not disconnected statutes. They are related, built one upon another, and together they constitute one solid structure of congressional policy for the protection of legal and property rights of employees. If one is changed, the others will also have to be changed, and the declaration of the public labor policy of the United States contained in the Norris-LaGuardia Act will have to be modified.

I think it would be a very serious error if Congress were to change its declared labor-relations policy and to amend the Wagner Act in any vital respect. Such a course would involve turning back the pages of our history, retracing the progressive steps we have taken, and going back to the days when labor law was class legislation in favor of employers only. It might be well to remind those who are attacking the Government interference that is involved in the Labor Relations Act that Adam Smith, who first promulgated the doctrine of individual liberty and private enterprise in systematic form, wrote in his Wealth of Nations in 1776 that labor laws were necessary for the protection of working people, because the governing classes were employers and property owners who saw to it that laws were enacted in their favor.

In our own country, until about a century ago, it was not only an unfair labor practice for working people to organize to improve their conditions of employment by bargaining with their employers; it was a crime. The members of a society of shoemakers in Philadelphia in 1806 were found "guilty of a combination to raise their wages," fined, and assessed costs. In 1842, however, the Supreme Court of Massachusetts, reversing a conviction for labor conspiracy, ruled that a combination of employees to improve their conditions is not essentially different from a combination of people to fight the evils of intemperance. As workmen may join together and refuse to work in a shop where liquor is furnished or refuse to work with any employee who habitually uses liquor, the court reasoned, so also may they combine to refuse to work for wages they consider too low or to work with an employee who will accept lower wages.

Other courts subsequently took the same view, and for nearly a hundred years the legality of labor organizations has not been questioned. But until recently the freedom of working people to organize meant only freedom from prosecution by the Government. Employers were free to destroy unions by spying on those who joined them, discharging members, refusing employment to union men, imposing "yellow dog" contracts on employees, and organizing company unions with forced memberships. Management, bargaining collectively for great numbers of stockholders, was protected in its right to insist on bargaining individually with helpless workers in need of jobs.

The legal rights favored the employer, and class strife was the inevitable result. Congress and the States attempted to put employees and employers on the basis of equality before the law in the matter of bargaining, but the Supreme Court declared the early efforts unconstitutional. In the cases of Adair against The United States and Coppage against Kansas, the Court held that an employer's property right in his business included the right to discharge or discriminate against employees for any or no reason. Apparently neither Congress nor the State legislatures could protect employees against employers who used their economic position to trespass on the rights of those who worked for them. Courts could not hear cases of employees discharged for exercising their legal right to join labor organizations.

The labor-relations acts changed all this. The basis for the change was laid by the Supreme Court in 1930 in the Texas and New Orleans case already mentioned, when it ruled that the decisions in Adair against United States and Coppage against Kansas were not applicable because employers had no constitutional rights to trespass on the rights of employees. In making this decision the Court considered a contention of the employer that no property interest was involved in the right of employees to choose their own representatives for bargaining. The answer of the Court was that if it is necessary to show a property interest, then "we are of the opinion that there was such an interest with respect to the selection of representatives to confer with the employer in relation to contracts of service." Citing this decision, a United States district court ruled in 1935 in the Virginian Railway case that "the right of self-organization and representation in the matter of rates of pay, hours of labor, and working conditions is a property right, the loss of which would result in irreparable damage to complainants." This decision later was upheld both in the circuit court of appeals and in the Supreme Court.

In a hundred years, therefore, the labor policy of the United States has been developed and changed by slow steps from one in which organization for collective bargaining was held to be a crime to one in which it is protected by law as a property right with the sanctions that surround private ownership of property. Shall we now undo all this development and retrace our steps so that the property rights thus achieved may be taken away from employees by their employers? Fairness and justice in labor relations cannot be achieved or maintained without regarding the property rights of employees every bit as sacred as the property rights of employers. The three acts of Congress—Norris-LaGuardia, Railway Labor, and Labor Relations Act—together with the supporting decisions of the courts, are designed, I take it, to establish and maintain a national labor policy of treating the employees' property rights as equal in sanctity to the employers' property rights.

Turning now to the specific provisions of the Labor Relations Act, the meat of them is contained in section 8, which lists five prohibited unfair labor practices. These are:

1. Employers must not interfere with, restrain, or coerce employees in the exercise of their right to self-organization, to form or join labor organizations, or to bargain collectively through representatives of their own choosing.

2. They must not dominate or interfere with the formation of administration of any labor organization or contribute to the financial or other support of it. That refers to the well-known company unions.

3. They must not discriminate in hiring, discharge, or any condition of employment to encourage or discourage membership in any labor organization.

4. They must not discharge or otherwise discriminate against employees who file charges or give testimony under the act.

5. They must not refuse to bargain collectively with representatives of employees designated in accordance with the act.

Congress was not original in making up this list of practices. It did not just think them up as a good list to prohibit. It found that employers had been practicing all these things; they had become established practices in American industry in order to prevent employees from organizing and bargaining collectively. Many investigations had established the facts, and there was much complaint against the unfairness and injustice of the practices. Industrial managers had every opportunity to rid themselves of the practices. They would not do so, and the working people of the country turned to their Government to make them get rid of the practices. Certainly the workers did not act hastily in the matter. They waited patiently for many years, and only as a last resort did they use their votes to remove an intolerable condition.

The fifth unfair labor practice makes it necessary that the employer shall know who is the true representative of the employees duly designated and selected in accordance with the act. Section 9 deals with this problem. It provides that a majority of the employees in any unit appropriate for collective bargaining shall have the right to designate or select an exclusive representative of all the employees in such unit. Then it authorizes the National Labor Relations Board to decide in each case whether the bargaining unit shall be the employer unit, craft unit, plant unit, or subdivision thereof. If a dispute arises as to the representation of employees, the Board may investigate and certify in writing the name of the designated or selected representative. In such an investigation the Board must provide for a hearing, may take a secret ballot, or use any other suitable method of ascertaining the choice of the employees.

These provisions of sections 8 and 9 are about all there is to the National Labor Relations Act. The rest is concerned mainly with procedures for carrying the provisions into effect. The National Labor Relations Board is empowered to prevent employers from engaging in any of the listed unfair practices, and the Board is given authority to issue rules and regulations to carry out the provisions of the act. The procedures outlined in the law and elaborated in the Board's regulations work out in the following manner:

An employee, or group of employees, or a union files a charge at any one of the 22 regional offices maintained by the Board covering all parts of the country. The charge must be in writing, and the allegations that an employer has engaged in or is engaging in any unfair labor practices must be sworn to. This charge is then assigned for investigation by the regional director to one of his subordinates known as a field examiner. The employer is notified, and after the evidence in support of the charge has been canvassed he is interviewed and given an opportunity to tell his side of the story. Quite often this brings about conferences which result in a settlement of the case without further procedure.

In many cases the charges prove to be unfounded, and they are then dismissed by the regional director. Provision is made for an appeal from such a dismissal to the Board in Washington. If it appears that the law has been violated and attempts to secure compliance are unsuccessful, a full report is prepared in the form of a request for authorization of a complaint which is forwarded to the Board. In preparing this report the regional director has the assistance not only of the field examiner but also of attorneys on his staff, and the request for authorization of a complaint is signed both by the regional director and by the regional attorney who is in charge of the legal staff at the regional office.

This request is then reviewed in Washington, and if the Board finds it has merit the regional director is authorized to issue a complaint and to provide for a hearing of the charges. A trial examiner is then assigned from Washington to conduct the hearing, and a record is made. On the basis of the record, the trial examiner issues an intermediate report in which he makes findings of fact and recommendations as to what disposition should be made of the case. If he finds that the employer has engaged in unfair labor practices, he recommends such affirmative action as will effectuate the policies of the act.

This report is then served upon all the parties to the case. If the employer complies with the trial examiner's recommendations, the Board ordinarily closes the case. Similarly, if the trial examiner finds that the employer has not engaged in unfair practices and no exceptions are filed, the case is considered closed. All parties are afforded opportunity to file exceptions to the intermediate report, and any party may request oral argument before the Board in Washington.

There is a review division in the legal department of the Board which carefully reviews the whole record in the case as well as the findings of the trial examiner, the exceptions, and the briefs. On the basis of all this and the oral arguments the Board makes its decision. But in its decisions the Board has no authority to punish an employer or any of his agents. It may only order those whom it has found have violated the law to cease and desist from their violations. If, however, an employer has illegally punished employees by loss of employment or wages, the Board may order reinstatement of such employees and refund to them the wages they have lost.

When the decisions and orders of the Board are issued, there are no penalties imposed on the employer if he does not obey them. He may disregard them if he sees fit. Then it becomes necessary for the Board to go to a circuit court of appeals, submit the whole record and all the papers in the case, and show the court that the decision is supported by substantial evidence. If the court so finds, it issues an enforcement order. Then, if the employer refuses to obey, he may be cited for contempt of court.

These procedures, it seems to me, safeguard the rights of employers at every step. They are the same procedures that Congress has provided for the elimination of unfair practices against shippers by the railroads, for the prevention of monopolistic practices and restraints of trade by combinations and trusts, and for the abolition of fraud and deceit in the sale of securities and foods and drugs. The Interstate Commerce Commission, the Federal Trade Commission, the Securities and Exchange Commission, and many other administrative agencies are governed by the same kind of law that governs the activities of the National Labor Relations Board.

It is difficult to understand, therefore, why the procedures of the Labor Relations Act should be subject to such furious attacks, as if they were new and unique in our system of law. When it is remembered, however, that the Interstate Commerce Act and the Federal Trade Commission law, in the early days of their existence, were subjected to exactly the same kind of attacks and criticisms, then perhaps the explanation is to be found in the fact that those who enjoy special privileges from the Government never learn anything from history. They resent the loss of their privileges, and they always use the same arguments against every effort of the Government to provide equal protection of the laws for all its citizens.

If there is nothing in the labor-relations law itself to justify the attacks on it, then is there anything in the administration of the act by the Board and in the work of its staff of 900 people that justifies any of the criticism? That there are faults and weaknesses in administration may be readily admitted. But it is a serious question if those who are opposing the law and demanding that it be revised are not more responsible for these defects than the Board itself. You will recall that after the act was adopted in July 1935 a national committee of 58 leading members of the American bar took it upon themselves to declare the law unconstitutional. More than a hundred court injunction suits tied the hands of the Labor Relations Board, and its work all but came to a standstill. Attorneys advised their clients that it was not necessary to obey the law until the Supreme Court said so. Flagrant violations and defiance of the authority of the Board were excused by allegations of unconstitutionality.

This did not set the working people of the country a very good example of obedience to law, but it did accomplish the purpose of demoralizing the administration of the act. The effects of this demoralization are still being felt, and the obstructive policies of those who are opposed to the act are being continued. There is room for much improvement in the administrative methods of the Board, but the act cannot be made to work altogether efficiently until the opposition to it, and the attempts to weaken it by revisions, have ceased.

It seems strange to me that almost every day we should be reading of attacks on the Board and its personnel, but hardly anyone thinks of attacking or even criticizing the conduct of those employers who have flouted the law of Congress and who have been found guilty of violations that the courts as well as the conscience of the American people have condemned. If we had a little more criticism of those who engage in unfair labor practices and who defy the law of the land, and a little less criticism of those who are honestly trying to carry out their oath of office in enforcing the law, we would get a better perspective on the perplexing problems of labor relations with which the Government has been trying to deal by means of the Wagner Act.

Chairman Madden and Edwin Smith, the other two members of the Board whom the committee is to hear later in the week, can give you a better idea of the operations of the Board than I can. They set up the administrative organization, selected the personnel, and devised the necessary procedures. Their task was unusually difficult because they had to do all these things and carry on all the other work of the Board while they were under fire. They were constantly being attacked and subjected to successive investigations by one congressional committee after another. I have been a member of the Board for only 6 months, and knowing the difficulties of the Board's problems in these months of relative quietness, I must say that on the whole the other members of the Board are to be commended for the good job they have done under very trying circumstances.

It is no accident that out of 19 of the Board's cases that went to the Supreme Court, the positions of the Board were upheld completely in 15. In two cases the Board's decisions were upheld with some modifications, and in only two cases were the Board's decisions reversed. In the Circuit Courts the Board's record has not been quite as good, but it has been excellent nevertheless, and a good many of the Circuit Court decisions against the Board have been reversed by the Supreme Court. This record is due to careful and efficient work on the part of the Board and its legal and field staff and a devotion to duty of the personnel that should receive public commendation instead of the brickbats they have been getting. I do not know of any other Government agency that has had a better record of approval of its work by the higher courts.

This does not mean that all the work of the Board is carried on efficiently, that no mistakes are made, that no wrong decisions are issued, that all the employees are efficient and fully qualified and trained for their jobs. On the contrary, the Board is fully aware of many deficiencies in operations, of troublesome mistakes, doubtful policies, and weaknesses in organization and personnel. The members of the Board, more than anyone else, are constantly criticizing and reexamining methods, policies, and procedures for the purpose of securing improvements in administration and a more prompt and effective enforcement of the provisions of the act.

Because I have had occasion to write some dissenting opinions, there have been public intimations that I was critical of the other members of the Board. As a matter of fact, my remarks have been no different from the criticisms that all three of us have always directed against our own work and that of the employees of the Board. Without internal skepticism of the policies we pursue and without such self-criticism of the work we do, no organization can be kept on its toes to meet the problems that arise every day in an effective manner. It is natural and healthy that the members of a quasi-judicial body should disagree on important problems, just as courts disagree. Such disagreement is a basic condition for progressive improvement.

So far as the complaint cases involving charges of violations of the law are concerned, there is no essential disagreement among the three members of the Board. At times, of course, we view details of evidence differently, but such disagreements are usually ironed out in conferences, so that dissenting opinions in these cases are rarely written. Most of the dissents occur in connection with representation cases and revolve around the question of the appropriate bargaining unit. That the problems raised by this question are extremely complex and bound to develop diverse views is evident from the fact that there have been as many separate concurring opinions as there have been dissenting opinions, and many have concurred in part and dissented in part.

The problems are problems of democracy, and to some extent they are bound to be with us so long as our working people will be free to associate themselves in organizations for mutual benefit and bargaining in any manner they see fit. If we have industrial dictatorship or autocracy, the problem disappears. If we want democracy in industry as well as in government, we must pay the price in possible disputes among free men as to what they consider best promotes their interests.

Among the unions affiliated with the American Federation of Labor as well as among the independent railroad brotherhoods there have been for many years bitter jurisdictional controversies, and the disputes about bargaining units arise out of such differences regarding the jurisdiction of various labor organizations. When the Wagner Act was passed in 1935 we had a united labor movement, and if that condition had continued, the difficulties of the Board in handling representation disputes would have been serious enough. But they would never have reached the proportions and they would not have developed the bitterness of feeling that has come since the split between the American Federation of Labor and the Congress of Industrial Organizations. I doubt if the opposition to the Labor Relations Act itself would have been taken as

seriously as it is now if it had not been for this division in the ranks of organized labor.

I do not regard the problem as insoluble, however. That it is possible to get labor organizations which are fighting among themselves to accept a rule for deciding disputes as to bargaining units in good spirit, and to follow that rule uniformly in all cases involving choice of representatives is evident from the experience under the Railway Labor Act, although the problems under that act are not as complex as they are in the vast field covered by the National Labor Relations Act. The essential requirement for satisfactory adjustment of disputes as to the appropriate unit is that the Government Board shall not undertake to pass judgment on whether organization of employees along the lines of an industrial unit is better than on craft lines, or that craft or plant units are preferable to industrial or other units.

The employees who organize themselves along one line or another believe that the units they prefer are the most effective for their purposes in collective bargaining. It is wrong, I think, for the Government to say that one structure or form of labor organization is more effective than another in accomplishing the purposes of collective bargaining. All forms have their advantages and disadvantages.

But section 9 of the Labor Relations Act provides that in deciding disputes as to which unit is appropriate, the Board shall make its decisions "in order to insure to employees the full benefit of their right to self-organization and to collective bargaining, and otherwise to effectuate the policies of the act." This wording is rather broad; it appears to leave it to the judgment of the members of the Board to decide what form of unit is best to insure the right of self-organization and will best effectuate the purposes of collective bargaining. I do not think Congress intended by this wording to give such large powers to the Board. The intent was rather, it seems to me, that the customs and practices of the employees in establishing their forms of self-organization and collective-bargaining relationships with employers would reveal the preferences of the employees themselves as to the most effective bargaining units, and that the Board would make its decisions accordingly.

This is a matter of interpretation which can be worked out by more experience in administration with the assistance of the courts, as it has been under the Railway Labor Act. I am of the opinion that both the A. F. of L. and the C. I. O., as well as the employers, would agree that it is unwise to vest a government agency with any such authority as would give it a free hand in deciding what form of organization is best for labor bargaining. However difficult it may be to bring together the divided labor camps in a united organization, I think it not at all impossible that both camps could reach an agreement that the practices, customs, and forms of organization established by the employees themselves and by their collective agreements with employers should control the Board in deciding disputes as to bargaining units. If such an interpretation of section 9 were accepted by the A. F. of L. and the C. I. O., and were applied by the Board in deciding disputes as to bargaining units, it is my judgment that much of the difficulty in handling these cases would disappear.

The greatest weakness in the work of the Board is the delay in handling cases. All the members of the Board are of one mind in believing that the complaints on this account are justified, and all of us are devoting our energies to speeding up the process. Progress is being made in this direction and, so far as the handling of election cases is concerned, there has been great improvement during the last few months. But, despite all our efforts, there is still a very large backlog of cases. This is being reduced, however, and our position a year from now promises to be a good deal better than it is now, just as we are now in a much better position than we were 2 years ago.

We have filed with us more than 10,000 cases a year. Considering the careful procedures the law and the Board's regulations require in order to protect every party's interest, the immensity of the task before us becomes evident. Then it should be remembered that in 1937, when the law was upheld by the Supreme Court, the Board had a backlog of practically 2 years' cases because of the injunctions that stayed proceedings and because of the recalcitrant conduct of many of the parties who appeared before the Board. If, since April 1937, we have reduced the backlog of cases to where we are only a year behind, substantial progress has been made.

It is perhaps inevitable that the parties who suffer by the delay should ascribe ulterior motives to the Board and its agents for delaying the cases. They get the idea that the Board delays their cases in order to help other parties. Many of the charges of partisanship directed against the Board stems from this fact. But as the most recently appointed member of the Board, who had no part in selecting the staff, I want to say that as a whole the personnel of the National Labor Relations Board is made up of unusually intelligent, hard-working, sincere and honest men and women. They compare most favorably with the employees of any public or private organization with which I have been associated. I think a great injustice has been done to a devoted body of public servants by the manner in which blanket charges of partisanship and misbehavior have been directed at employees and agents of the Board.

Of course, there may be black sheep among them, and some are inexperienced and untrained. But what private or public organization does not have such employees among its personnel? The Board has had occasion to dismiss employees for misbehavior, and some for incompetence, as is the case with every other big organization. Every time this has happened the new employees have been of a higher caliber, and the level of performance has been thus improved and raised. If there are faults in the work of the staff, I think that for the most part they are due to deficiencies in administrative organization and supervision, lack of training, and lack of experienced direction of the staff by capable and experienced men who are both good administrators and have expert understanding of the problems of labor relations.

Such defects, however, are common during the early years of all large and important undertakings. Some of the departments of the Board's work have developed effective administrative organizations with experienced and capable executives. Other departments have this still to achieve, and there are places where a change in personnel would bring improvement. But full accomplishment in these respects is a matter of time, experience, and financial resources with which to carry on the work. The administrative deficiencies of the Board are no different from those that have been characteristic of all other agencies of the Government in the early years of their existence. And so are the public attacks and criticisms. The Supreme Court and our whole judicial system was not as efficient in the first few years of their existence and did not have the standing that they now enjoy. Neither did the other old and established agencies of the Government. Compared with the early experiences of other governmental agencies, the National Labor Relations Board and the great body of its personnel have records of service to which I think the people of the country will look back in future years with grateful pride.

H. R. 1, a Bill Providing a Federal Tax on Interstate Chain Stores Is a Death Sentence to Monopoly

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EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1940

Mr. PATMAN. Mr. Speaker, the Subcommittee on Ways and Means, the gentleman from Massachusetts, the Honorable JOHN W. MCCORMACK, chairman, which will conduct hearings on H. R. 1, a bill providing for a Federal tax on interstate retail stores, has announced that the hearings will commence March 27. This bill will seriously affect about 20 Wall Street chain-store concerns that are trying to obtain a monopolistic control of retail distribution in the 3,070 counties in the United States. There are more than 7,000 chain-store companies in the United States, and our bill, H. R. 1, will seriously affect only about 20 of them. It is a "death sentence" bill; that is, a death sentence to monopoly in retail distribution.

PRESENT ADMINISTRATION FAVORS INDEPENDENT BUSINESS

The present administration has many times indicated its friendliness toward independent business. The problem is in the hands of Congress. If effective laws to curb absentee ownership are not passed it will not be because the present administration opposes them. How can any Member of Congress listen to the appeals of the President of the United States in behalf of local ownership of business and not be inspired to work unceasingly to that end?

PRESIDENT SAYS LOCAL OWNERSHIP PREFERRED TO ABSENTEE CONTROL

President Roosevelt, in his great speech at the Jackson Day dinner, January 8, 1938, made several very significant statements. In this speech he stated:

I was interested the other day to read the report of a correspondent of a London financial magazine who had recently surveyed conditions in the Middle West and other parts of the Nation. He found a point of view in other parts of the country wholly different from that of the principal financial centers such as New York, Philadelphia, and Chicago. And he found this other interesting development: Wherever an enterprise is controlled locally its managers have a local, independent point of view. But when the business is controlled from great financial centers the local manager takes his cue from what his bosses are saying and reflects the state of mind prevailing hundreds of miles away.

I desire to call your attention especially to one part of the statement, in which he states that where an enterprise is controlled locally its managers have a local, independent point of view:

LITTLE MAN SHOULD BE PROTECTED

In this speech the President also stated:

I have recently described many other activities that should not be tolerated in our democracy—price rigging, unfair competition directed against the little man, and monopolistic practices of many kinds. Call them evils, call them abuses, call them unfortunate

facts. It makes no difference. Give to me and give to your Government the credit for a definite intention to eradicate them. Give to me and give to your Government the credit for believing that in so doing we are helping and not hurting the overwhelming majority of businessmen and industrialists in the United States.

* * * * * * *

The White House door is open to all our citizens who come offering to help eradicate the evils that flow from undue concentration of economic power or unfair business practices—who offer to do all that is possible by cooperative endeavor and to aid in corrective and helpful legislation where necessary.

We know that there will be a few—a mere handful of the total of businessmen and bankers and industrialists—who will fight to the last ditch to retain such autocratic controls over the industry and the finances of the country as they now possess. With this handful it is going to be a fight—a cheerful fight on my part, but a fight in which there will be no compromise with evil—no let-up until the inevitable day of victory.

Please do not overlook what the President said in this statement regarding unfair competition directed against the little man and monopolistic practices of many kinds.

The Freedom of Opportunity Foundation, 222 North Wells Street, Chicago, Ill., is sponsoring this bill. The president of this organization is the Honorable Theodore H. Christianson, who was three times Republican Governor of the State of Minnesota, a former Member of the House of Representatives, and now public relations counsel of the National Association of Retail Druggists. Mr. C. T. Habegger, of Berne, Ind., a clothing manufacturer, is chairman of the board. This organization has authorized the following statement relating to H. R. 1.:

THE CHAINS' CONCERN FOR THE FARMER

It will be recalled that in their statement of public policy, published a year ago, at great expense, in newspapers throughout the United States, the brothers Hartford were emphatic in their profession of solicitude for agriculture. Since entering the political arena they have adopted and made their own the politicians' time-honored appeal—"We just love the farmer." By doing so they have subjected themselves to the test which candidates for office have always had to meet. How sincere are they?

Have chain stores shared their claimed economies with the farmer? Have they "divided up," or have they insisted on the lion's share of the profits of the new partnership?

What will be the verdict of Texas onion growers when they learn from the Federal Trade Commission's report that while they have been getting 12.2 cents of the consumer's dollar the chains have kept 44.39 cents for themselves? Or of Texas cabbage raisers, whose share has been only 14.95 cents, while the chains have retained 37.63 cents?

Will the Florida cabbage grower feel that he ought to be grateful to a system of distribution that has kept 45 cents for itself, for every 11.29 cents that he has received for plowing, planting, cultivating, and harvesting?

What will be the temper of Pacific coast lettuce growers, whose share in the consumer's dollar is only 19.88 cents, when they learn that the chain's "take" is 37.91 cents? And what about the tomato growers? In California they get 23.09 and in Florida 30.03 cents, while the chains' gross profit is 45.22 and 52.17 cents, respectively.

So much for vegetables. What about fresh fruits? California Valencia, California navel, and Florida oranges return to the grower 39.11, 33.23, and 29.65 cents, respectively, of every consumer's dollar, while the chain's margin is 30.18, 31.82, and 34.88 cents. Florida grapefruit pays 23.69 cents to the grower, and 37.47 to the chain distributor.

In the division of the proceeds from California table grapes, the grower gets 28.04 cents and the chain distributor 29.53. Orchardists of the Pacific Northwest get 21.37 for growing a dollar's worth of apples, and the chains get 34.61 cents for selling them. Georgia and Carolina peaches return 31.15 cents to the grower, and 32.3 cents to the chain stores.

It is not our purpose to prove either that the chains get too much or that the growers get too little. But we can understand why the farmer is puzzled and why he is disposed to ask: For whom are the Hartford boys most concerned, us or themselves?

THE CHAIN AND ITS LANDLORD

The chains are working real-estate row hard in their present propaganda campaign. They are making a special effort to rally the support of all owners of rental property against the Patman bill to tax chain stores. Lansing P. Shields, vice president of the National Association of Food Chains, appearing before the Real Estate Association of the State of New York, called the proposed law a menace to the existence of a business which provides landlords "nearly one-third" of their revenue. "Last year they—the chain stores—paid over $450,000,000 in rents," he declared.

Perhaps some of the real-estate men present swallowed the argument "hook, line, and sinker." In the minds of the thoughtful ones, however, some questions must have arisen.

Even if every national chain were put out of business, wouldn't there be independent operators at hand to take over the premises vacated?

Is not the growing number of vacancies, even in the choicest metropolitan areas, due largely to concentration of trade in a smaller number of stores, toward which chain-store operation, and especially the chains' recent entry into the supermarket field, is contributing?

Would not rents decline sharply if the chain-store movement were permitted to grow until chains became the only desirable tenants in high-rental areas?

What business would be left for independent real-estate brokers dealing in property suitable for retail stores if most of the available tenants were large corporations maintaining their own real-estate departments?

A TRAVELING MAN WRITES IN

"I'm a traveling salesman, selling men's wear. Formerly I was sales manager for an independent manufacturer of men's pajamas and underwear. In 1933 our concern's business was liquidated by its owner—a large investment concern. The cash obtained by liquidation was needed to secure control of United Fruit. They threw 1,100 people out of work in Baltimore.

"This liquidation caused only a tiny ripple on the vast sea of commerce. But it changed the lives of each and every one of those 1,100 people, many of whom found employment in similar lines but at the expense of less capable people, who in turn lost their jobs. Most of the 1,100, however, never did secure permanent positions.

"Multiply this one episode by thousands like it during the past 20 years. The result is 20,000,000 United States citizens either out of work or earning so little they are dependent on the charity of friends or relatives, or on relief agencies, for bare existence.

"The traveling salesman today can get business only from a fast-dwindling number of independent merchants. Naturally his income is getting smaller and smaller, and in the near future there will be no further need of traveling salesmen; that means several hundred thousand more added to relief rolls. Yet our United States of America could never have achieved its greatness without the help of salesmen from the pioneer trader to present-day travelers.

"Organize these salesmen as shock troops to get your message across to independent retailers; have them inspire and lead their customers in the crusade.

"Restore competition, which still is the life of business—clean competition creates employment" (Lakewood, Ohio).

NO CHANCE AFTER 50

"When I came to California 29 years ago a 5-acre orange grove properly cared for would net the owner from $2,500 to $3,000 a year. Now, from such a grove one can hardly make expenses, no living. There is now absolutely no chance of citizens over 50 years of age unless they are rich. The chain stores will certainly not employ them. But for the chain stores people of small means could probably succeed in a small business" (San Diego, Calif.).

FARMER'S EYES OPENED

"We had some 'eye openers' ourselves with the chain stores in trying to dispose of some fine quality apricots and avocados. They offered us less than half what our little local store paid us" (Farmer, Camarillo, Calif.).

STOCKHOLDER, BUT—

"Our family owns a few shares of chain stock, but we are all against them and their vicious methods. You can add this letter to your file of letters that have not been prompted by any organization. Just a sincere desire to see evil methods abolished" (Fort Thomas, Ky.).

The Eagles' Ludlow Stabilization-of-Employment Plan

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

Mr. LUDLOW. Mr. Speaker, the Fraternal Order of Eagles has an unchallenged and unchallengeable record of humanitarian service. Other organizations of a social nature may think they are fulfilling their mission in the world when they give themselves over to ease and pomp, amusement, and luxury, but the Fraternal Order of Eagles has a different outlook on life. It is not looking for anything soft and easy. Its motto is service, and it is always reaching down to lift humanity to higher and happier levels of living. It is the best friend of the common people, millions of whom have been helped by its beneficent activities.

The poor and the underprivileged are the special objects of its solicitude. It was fostering sentiment for old-age pensions and was crystallizing that sentiment into statutes in various States when the idea of substituting pensions for the poorhouse brought only sneers and contumely from the

idle rich and it has done more than any other organization or influence in America to protect our old people and to make life's evening serene and secure. Likewise it was the Fraternal Order of Eagles that did the spade work for the stabilization of industry and while the bill which it brought forth years ago on that subject has never been enacted into law the idea has so grown in popularity and favor that many authorities, both governmental and industrial, have in the course of years been won over by the indubitable soundness of the plan and have given their sanction to the principle involved. That principle, if enacted into law, would create a governmental mechanism that would operate constantly to balance production and consumption, keep employment at a regular flow and give labor steady jobs at a saving wage.

The Eagles' magazine for March, in an editorial written by its gifted editor, Hon. Frank E. Hering, presents a most interesting narrative of the progress that has been made by the Eagles' stabilization plan since December 1, 1930, when, as the spokesman for the Fraternal Order of Eagles, I introduced the first bill on this subject in the National House of Representatives. The editorial is entitled "We Were Right! Labor, Capital, and Government Consider Ways to Stabilize Employment." It is as follows:

EDITORIAL SHOWING HOW THE EAGLES' LUDLOW STABILIZATION PLAN HAS BEEN VINDICATED

After 10 bitter years of the great depression, the people of the United States no longer ask for a "way out" of this depression. Today, the country asks for a "way out" of all depressions. It asks for insurance against the reliving of the tragic years that began in October 1929 and continue even to this day.

A "way out" was actually offered to the country a few months after that fateful day in October 1929. Yes; a "way out" similar to that which Government and financial and labor leaders are now agreed must be taken if our country is to pull itself permanently out of depressions. That "way out" is the plan set forth by the Fraternal Order of Eagles in the Eagles' Ludlow bill.

Here is a brief history of the bill: In August 1930 the Grand Aerie unanimously adopted a resolution which declared that "the economic stability of our country is based upon the right of every American adult to work continuously at a saving wage." To put this resolution into effect, the Grand Aerie commissioned four past grand worthy presidents—Conrad H. Mann, Frank E. Hering, Otto P. Deluse, and John M. Morin—to prepare and to introduce in Congress a bill that would have in purpose to stabilize employment; to insure a saving wage to the industrious worker; and to protect the dollars of the honest investor.

The bill that these Eagle leaders prepared is what is known as the Eagles' Ludlow bill. It was first introduced in the House of Representatives on December 1, 1930, by an Eagle Congressman, LOUIS LUDLOW, of Indiana. On December 3, 1930, an Eagle Senator, John J. Blaine, of Wisconsin, introduced an identical bill in the Senate. Soon thereafter members of the Eagles' stabilization of employment commission went before various committees of both Houses of Congress to urge adoption of the bill. These committee hearings were held on December 17, 1930, December 11, 1931, and March 2, 1932. After the last hearing a subcommittee of the House, appointed to study our bill, unanimously recommended that the Eagles' Ludlow bill be adopted.

What does this bill seek to do? It provides for the creation of a Federal Industrial Commission of five members, to be appointed by the President, by and with the advice and consent of the Senate. Members of the Commission would be men chosen for their thorough knowledge of the problems of labor, industry, agriculture, and commerce. Through surveys and investigations, the Commission would analyze economic problems in the light of both group and national interests. For instance, the problems of labor would be studied not only as they affect the workingman but also as they affect the farmer, the merchant, the professional man, and the investor who puts his savings in business.

From these studies, the Commission would make recommendations to the President and the Congress as how best to balance production and consumption in industry and agriculture; to encourage capital; and to give to labor steady jobs at a saving wage.

In other words, what the Fraternal Order of Eagles is really saying in its Eagles' Ludlow bill is this: We can prevent depressions. But to do the job, we need two things. First, we must have cooperation among labor, capital, and Government. Secondly, we must have a Commission of unbiased men who will see to it that whatever Government, or business, or labor undertakes to do is for the good of all rather than for the good only of a group, or some special interest. Such an agency is the Federal Industrial Commission that the Eagles' Ludlow bill advocates.

Today, the Eagles' Ludlow bill is where it was 10 years ago—awaiting congressional action. There is, however, one important difference: Labor, capital, and Government—grown wiser through experience—are now convinced that unemployment can be solved only by such a plan as is set forth in the Eagles' Ludlow bill. Here are the proofs for this assertion.

On January 17, 1938, the National Association of Manufacturers advocated "the formation of a committee on a national policy of coordination and cooperation" in industry.

On April 29, 1938, President Roosevelt asked for a "bureau of industrial economics which would warn against the dangers of temporary overproduction and excessive inventories."

On June 16, 1938, the Temporary National Economic Committee was created. Its chairman is Senator JOSEPH C. O'MAHONEY, of Wyoming. The first recommendation made by the Committee was "the establishment of a Federal industrial-research bureau to make constant studies of economic trends." More recently—on February 6, 1940, to be exact—Senator O'MAHONEY announced that the Temporary National Economic Committee would hold an economic hearing "in which employers, employees, and the investing public may be represented."

On June 23, 1939, Congress appropriated $225,000 to be used by Secretary of Commerce Harry Hopkins "to hire business experts to advise him on industrial economics." The administration hopes that this group of experts will be the nucleus of a projected Bureau of Industrial Economics, which will become "a vast and vital storehouse of data to assist operations of American business and guide businessmen in planning their future courses."

On January 16, 1940, Senator ROBERT F. WAGNER, of New York, proposed in Congress the creation of a council representing "employers, employees, and the general public," which will study "our foremost domestic problem—full employment security."

On January 28, 1940, Donald R. Richberg, former N. R. A. Administrator and onetime member of the President's inner circle of advisers, wrote in the New York Times: "Our economic system is working badly because * * * we have not established the ways and means of cooperation between business managers, workers, property owners, and Government. * * * We should establish a national institution for statistical information, research, and long-range planning that would cooperate with the representatives of investors, managers, and workers in promoting a healthy expansion of business and in planning for the steady increase of production and employment."

On January 29, 1940, the 2,400 delegates to the golden jubilee convention of the United Mine Workers of America unanimously adopted a resolution urging the "White House to call a conference of labor, industry, agriculture, and Government to solve unemployment."

On January 31, 1940, the executive council of the American Federation of Labor, speaking for 4,000,000 American workingmen, made this formal declaration: "The American Federation of Labor has come to the conclusion that it would be suicidal for this Nation to continue groping in the dark about unemployment. * * * We recommend that efforts to reduce unemployment be integrated. To this end, we urge Congress to create a national advisory council on unemployment which would have representatives of Government, business, labor, farmers, and consumers. Such a council could bring about unity of purpose and unity of action on a constructive program."

Labor, business, and Government have been slow to recognize the soundness of the Eagles' plan for stabilizing employment; they have been too busy knifing one another in the back to see the wisdom of our proposal. Business tried retrenchment, and labor suffered. Labor tried the only weapon at its command—the strike—and business suffered. Government tried relief and work projects—at a huge cost to taxpayers. In the past 8 years the Federal Government has spent $66,000,000,000. That is the same amount of money that 28 administrations—from George Washington's to Woodrow Wilson's—spent in 131 years.

Yet 10,000,000 persons are still without jobs. Millions more have jobs, but are without job security. We still do not have stabilization of employment.

However, after 10 years of groping in the dark, the country is beginning to see the light. All sane thinking and planning for the curing of our sick economy are now patterned after the economic principles set forth in the Eagles' Ludlow bill.

The Farm Situation

EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Saturday, March 9 (legislative day of Monday, March 4), 1940

ADDRESS BY THE PRESIDENT

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered last night by the President of the United States to the farmers of the country assembled at the A. A. A. farm dinners.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As I listened to the remarks of Henry Wallace and Jim Farley just now, and in my mind's eye saw the hundreds of groups of farmers and their friends meeting throughout the country, my memory went back to the scenes of other years.

I remembered the day in September 1932, when, at Topeka, Kans., under the very hot sun that beat down on the steps of the State Capitol, I talked with an audience of farmers about the farm problem. I gave them my pledge that, if I were called to serve in the White House, I would take the lead in action to reverse the process of agricultural decay which had been eating at our national foundations for many years.

And I have sought consistently and constantly to keep that pledge. Four days after I took office in 1933, while the banks of the country were still closed, and we were sternly wrestling with the question of how to get them open again, I called the conference of farmers and leaders of farm organizations to which Secretary Wallace has referred. Seven years ago tonight the call went out to farm leaders by wire and by telephone to convene here in Washington on March 10.

A FAR-REACHING DECISION

Well do I remember the historic conference at the White House that followed. In that grave emergency past disagreements were forgotten and all the farm groups quickly united on a new farm plan.

The adoption of that plan in its essential outlines by the Congress marked a far-reaching decision in our national life. We stopped asking agriculture to pay the bill for industry's high tariff. We decided that as a Nation we would no longer promote commerce and industry at the expense of agriculture. We decided that as a Nation we would abandon the policy of rural neglect.

That old policy of neglect had brought on 10 years of depression on our farms and had contributed greatly to depression in the cities. It had hastened the bank panic which in February and early March 1933 paralyzed business all over the United States.

In the 7 years that have elapsed since that time the national farm program has properly undergone a continual evolution. That first piece of legislation—the Agricultural Adjustment Act of 1933—was a long step forward, but it was not perfect. As the years went by, weather conditions changed, market conditions changed—yes, and even court conditions changed. So that provisions of the farm program have been correspondingly changed.

CALLS CONSERVATION A NECESSITY

We have learned from experience, and have gradually adapted the program more and more closely to the needs of the individual farmer, to the needs of the Nation, and to the needs of the land itself. We realized that we had reached our last frontier of new lands, and had no choice but to conserve and rebuild our existing soil.

All through these 7 years one fundamental feature has run like a thread through the successive adjustment and conservation and ever-normal-granary programs. That is the essential policy of localized control, with the program run by committees of farmers elected by farmers—and that goes for farmers regardless of what party they happen to be enrolled in.

Experience has amply borne out the wisdom of the safeguards with which those county associations and committees were surrounded. In 3,000 counties—practically all the counties of the Nation which are not occupied wholly by cities—they win respect and they deserve respect. None but those farmer committeemen themselves will ever know how they have sweated over details of the program, how they have sacrificed their own personal interests and their leisure as they spent thousands of hours and drove thousands of miles to make the program succeed.

STRESSES TRADE-PACT AIMS

Back of these committeemen, helping them in their work, giving support to the program, have been some of the great general farm organizations. Not only in the farm communities but right here in Washington these organizations have helped to shape and perfect the successive farm laws.

When we launched the national farm program 7 years ago we hoped that recovery in the United States would be accompanied by a great revival of our trade with other countries.

I wish I could tell you tonight that the whole world had been restored to prosperity and friendly commerce. I wish I could tell you that the markets which your fathers and grandfathers once enjoyed were again open to receive more of your wheat, your pork, your lard, your cotton, your tobacco, and your fruit.

I can tell you this—that we have done many things which have helped the situation. Through our reciprocal-trade program we have tried to spread our good-neighbor philosophy through many nations of the world. That program has brought results—results not only in better markets for our industrial goods but in better markets for our farm goods—results which are mathematically proved in terms of pounds and bushels and dollars and cents. If Congress consents, we shall continue that useful work.

BLOW TO COMMERCE FROM WAR

But in spite of all we have done to help preserve and restore peace in the world, the bitter truth is that the world is not at peace. As I speak to you tonight, guns are thundering on the battlefields of Europe and Asia. Ships that ply the seas are exposed to the hazards of bomb and torpedo.

In the midst of a world at war, we find that the foreign commerce we had managed to achieve is rudely disturbed. Some people may say, "What of that? Does not our domestic trade comprise 90 percent of all our business?" Yes; that is true for the Nation as a whole. But for some industries export trade accounts for considerably more than 10 percent of sales. In agriculture, for example, that is true of cotton, tobacco, apples, lard, wheat, and other products. And all agriculture is certain to be seriously affected if our export market disappears.

So it is more than ever important for farmers to have a government in Washington that is looking out for their interests—not just by uttering glittering generalities but by specific policies and concrete action. It is more than ever important to maintain a national farm program that can be adapted to meet whatever emergencies arise—whether they are emergencies of drought or of lost markets overseas. It is more than ever important to have a government in Washington that can act to protect the interests of our farmers as well as our businessmen when foreign-trade conditions are upset.

HAILS FARM PLAN AS DEMOCRATIC

In Europe economic failure has led in some lands to dictatorship. In America we are using the tools of democracy to make our economic system efficient, to preserve our freedom, and to keep away even from any talk of dictatorship. The national farm program is American democracy's response to agricultural distress. And any unprejudiced person who knows anything about the subject not only admits but proclaims the fact that our national farm program was democratically conceived and is being democratically conducted with the active help of our farmers themselves.

Furthermore, they proclaim that they know—that their Federal Government counts on farm aid and farm advice to improve that program through the process of actual experience as the need arises. That I call a truly democratic process of government.

These are troubled times we of this generation are living through. Some of us, I know, are tempted to give way to doubt and fear, even to despair.

But when we are beleaguered by thoughts like these, let us remember how the Nation has come through its dark hours of the past and take courage. Think of Adams and Jefferson and Madison as they guided the Nation through the confusion of the Napoleonic period, with ships rotting at the docks and millions of dollars of farm products stored on the wharves of the Atlantic seaboard. Think of Lincoln as year after war-torn year he sheltered in his great heart the truest aspirations of a country rent in twain.

We believe our beloved United States will come through all its trials and tribulations of the present. Ever since 1929 the people of the United States have demonstrated the stuff of which they are made.

ACCLAIMS RESPONSE TO PROGRAM

One of the reasons we know we shall win through is the national farm program, the inception of which you are commemorating tonight. The farm program is a splendid example of what 6,000,000 American families can do when they have the will and leadership to do it.

The farmers have had a long, hard struggle to get laws and programs which give them an opportunity to obtain economic and social justice, to make it possible for them to conserve the good earth which, next to our people and our tradition of freedom, is our greatest heritage.

I am happy in the thought that American farmers have gone part way along that road to economic and social justice, even though they have not reached the goal. I am happy in the thought that American farmers understand full well that other great groups, such as industrial and retail groups in the cities, great and small, such as the small-business men of the Nation, have not yet attained the goal of social and economic justice even though in these 7 years they have made undisputed progress toward it.

Many years ago I was told by men of experience in State and National affairs that American farmers could never agree on a program. I did not share that pessimistic belief. My friends and I went out to disprove it and the farmers of America showed clearly that we were right. To them goes the honor and the glory.

In the spirit of progressive action that has animated these American farm families all of us tonight can face with confidence whatever difficulties the future may hold.

Dedication of Tablet to President Theodore Roosevelt

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Saturday, March 9 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask unanimous consent to have inserted in the CONGRESSIONAL RECORD a speech delivered

by me on the occasion of the dedication of a tablet to the late President Theodore Roosevelt at Montauk, N. Y., on August 13, 1939, 3 weeks before the breaking out of the present war in Europe.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is with pleasure that I greet those of you who have come today to this hallowed spot to rededicate it, this time with formality and ceremony, where the heroes and patriots of the Spanish-American War enacted an immortal chapter in the history of our country. The presence of some of the men who served in that conflict under the leadership of that indomitable and gallant American, Theodore Roosevelt, must of necessity serve to inspire us all in a renewed appreciation of the worth and pricelessness of American citizenship, as well as to inspire us with a consciousness of the gratitude our Nation feels for their valor and self-sacrifice.

Montauk Point and Theodore Roosevelt are inevitably identified with the story of the Spanish War. It was here that the veterans of that war came, after it was over, wounded, diseased, emaciated, even dying, on their return from Cuba. It was here they were herded and isolated like lepers by a Government that feared contagion and disease might be carried by them from the foreign soil where their glorious exploits were recorded in the name of liberty. They were heroes, gallant soldiers—all. They had been sent overseas to fight the cause of their country. But they returned to this beautiful countryside, surrounded by the antiseptic sea, to be purified and purged of the diseases, which are some of the concomitants of war.

Here, too, came one of the great leaders of the Spanish War, Theodore Roosevelt, later a distinguished President who gave generously of his great talents in time of peace, as he had given so tirelessly of his great energies in time of war. He possessed many outstanding attributes. Strength of character, personal courage, a nimble and alert mentality, great capacity for leadership—all were combined in this rugged American. But there is one quality of heart and mind, one attribute of his basic character that seemed to stand out in clear relief from all his other attributes of greatness. It was his intense love of country. Call it patriotism, call it nationalism, call it isolationism, call it pro-Americanism, or by any other name. In essence, it embodied his pride and deep-burning love for the institutions of America; his determination to exalt the democratic system of government and protect it against every possible enemy.

We can well afford to emulate his spirit of pro-Americanism today. Throughout the world, old forms are crumbling; monarchy has almost entirely disappeared. Religion is under challenge. Ruthless leaders commanding the absolute powers of ancient kings have appeared on the horizon determined to throttle democracy, stifle religion, and destroy liberty. In many places today, fundamental rights of person and property, believed by us for over a century and a half to be vital and necessary ingredients in the free existence of the individual, have been arbitrarily stripped from the people, until millions are living in a condition infinitely more abject than the ancient feudal vassal.

In this clash of ideas and theories between totalitarian states, between Communists who would destroy God, human liberty, and the age-old validity of private property and fascism, which also seeks to expunge many elementary concepts of freedom and which would, like communism, merge every citizen immutably into an insensible superstate, the foundations of popular democratic government are threatened. Certain of the nations embracing these new and untested systems are not content with adopting them for themselves. They seek by fomenting poisonous propaganda to foist their ideas on others; to bring other governments and other peoples under the almost imperial sway of dictatorship of the mind, of the body, of the very life of the individual and of the entire economic system. In self-defense against the threatened inroads of territory, markets, and ideology, still other nations of the world, in some cases democratic in form and sympathy but often imperialistic in practice and tradition, have found it necessary for self-protection, indeed, for self-preservation, to build up unprecedented and costly arrays of military, naval, and aerial strength. This mad race in armament arising, in part, as a natural consequence of a world system of power diplomacy in which it has been the wise policy of this Government in the past to disavow and carefully avoid, still continues with unabated speed on a scale never before encompassed in the history of the world.

Where such ominous trends may lead our sorry world, already disillusioned by the tragic failure of the last war to save democracy either for the world or its people, already aware of the menacing revival of old jealousies, envies, and quests for territory and commercial domination, no prophet of our day can foretell. When another frightful holocaust of blood and treasure will be visited upon the helpless and the weak who live in constant dread of another war forced on them by ruthless, ambition-crazed leaders, no one can know.

Against this forbidding spectacle of world disorder, in what may well be the death struggle of European civilization as we have known it, of this clash of philosophies of conquest, doom, and godlessness, our country alone stands as a beacon light and immovable bulwark, as the hope and light of the democratic way of national and individual life.

It is fitting today, when our feelings and attentions are vividly directed to the sacrifices of our brave and gallant rough riders, when we shudder again at the trials and grief they underwent for the cause of their country, the wounds, the disease, the horrors of slaughter and bloodshed, that we should in acknowledging the Nation's debt of gratitude to them take firm resolution that these things shall not happen again.

Let us resolve here and now in the spirit of rededication to the ideals and principles under which we have lived over 160 years in a prosperity, happiness, and self-sufficiency unparalleled in world history that we shall never again by our voice and vote send clean, upright, ambitious American boys to bloodshed, disease, and slaughter to save one inch of foreign soil.

Let us resolve in the solemnity of this occasion which perpetuates on this spot the patriotism and gallantry of Theodore Roosevelt and the brave men of his command to adhere to his intense pro-American principles—pride and faith in our country, appreciation for the blessings of liberty and justice it has given its citizens, and a determined intention to defend it against its enemies both from without and within our borders.

If the time comes when America needs its sons to defend it against foreign aggression, let there be no doubt that we will rally to the cause of defense of our America. Let us be prepared for any eventuality which may arise out of present unsettled conditions in the world about us. No American has championed the policy of preparedness more than Theodore Roosevelt. Our Navy and armed forces must be ready to protect our homes and our people. But we are not willing as a nation to fight again on foreign soil, to spend our money, to waste our substance, to sacrifice the best and finest of our youth in the hopeless maze of jealousies and conflicts that beset other nations of the world.

Let us fully appreciate that our primary concern is for the solution of our own grave domestic problems which affect our fellow citizens in almost every strata of American life. Let us keep America for our descendants, inviolate alike in territorial integrity and political independence, a government of laws by men, free from the insidious influences of both dangerous radicalism and stagnating reaction; a nation where equal opportunity for all is protected, where free enterprise and ambition is encouraged, and where human liberty may find a permanent shelter. In that faith of our fathers, under the auspices of omnipotent Providence, democracy and freedom will live forever.

Agriculture

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Saturday, March 9 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY EDWARD A. O'NEAL

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered today by Edward A. O'Neal, president of the American Farm Bureau Federation, over the National Broadcasting Company Farm and Home Hour.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Once more it becomes necessary for the American farmer to urge on the Nation and Congress the necessity of fulfilling its promises to him.

We are told that the Senate of the United States will start its consideration of the agricultural appropriation bill on Monday. The committee agreed yesterday to include $212,000,000 for parity payments and eighty-five million additional for section 32. This is not enough to raise agriculture to parity.

We are greatly disappointed that the committee is willing to go only one-third of the way. It has provided only one-third of the additional funds needed.

This will be especially hard on the producers of surplus crops that are considerably below parity, particularly corn and cotton. In the 5-year period 1931–35 the average cash income of the 13,000,000 farm people in the 10 principal cotton-producing States was only $95 per year. Based on December 15 prices, and allowing for conservation payments, we need $242,000,000 additional to bring parity to the cotton growers, and two hundred and eighteen million additional to bring parity to the corn growers. I'm hoping the Senate will go further and provide the full amount of funds that are needed.

This is a critical time for farmers. They now have the most comprehensive and effective program ever enacted for agriculture. But the success of this program depends upon adequate funds to finance it. Farmers are now looking to Congress for the funds needed to make their program fully successful. The success of

this program on which the welfare of the Nation depends hangs in the balance.

Last week the board of directors of the American Farm Bureau Federation met here in Washington. The members of this board represent 39 States and nearly 2,000,000 farm people. They expressed their views in positive and specific terms.

They said, "We reaffirm our uncompromising support of the broad principles of the Agricultural Adjustment Act of 1938." They said that the methods provided in this legislation are sound and that if sufficient funds are appropriated the parity price and parity income objectives of this legislation can be achieved. They pointed further to the fact that the national economic welfare is dependent upon restoring agriculture to parity, and they insisted that appropriations sufficient to make the law fully effective be made. They pointed out that careful study of the facts shows that $607,000,000 will be required to enable the farm program to achieve full parity for the basic commodities. They also insisted upon an appropriation of an additional $100,000,000 for the removal of farm surpluses. This one hundred million, together with the $100,000,000 estimated revenue from 30 percent of customs receipts, as authorized in section 32 of the A. A. A., would make available a total sum of $200,000,000 to dispose of surpluses, at home and abroad, of other farm commodities, especially dairy products, fruits, and vegetables, to bring them to parity. The cost of purchase and distribution of surpluses to low-income families should be paid out of relief funds, and not out of funds appropriated for agriculture. The welfare of producers of dairy products and fruit and vegetables will be greatly affected by the decision of Congress with respect to an adequate appropriation to right the wrong of surpluses on the farm and hunger in the cities.

Responsible leaders of Government have asked Farm Bureau leaders to suggest possible sources from which the needed revenue can be obtained. It is our belief that, if properly adjusted and directed to basic needs, an appropriation of $707,000,000 can be provided within the present Federal Budget recommendations and within the statutory debt limitations.

We believe that the need for larger appropriations for agriculture is so urgent and so manifestly in the public interest as to justify reducing the size of some other appropriations in order to provide funds for agriculture. Without intending to single out any particular Budget item but using it as the most obvious example, we suggest that from the Budget amount for national defense could be taken most, if not all, the requirements of agriculture.

If Congress shall find it impossible to make readjustments within the suggested items in the Budget and within the statutory debt limitation, the American Farm Bureau Federation proposes that the Congress consider the adoption of an excise tax on manufacturers' sales, and that section 303, which authorizes parity payments, be amended to cover the revenue from such tax into a fund so as to provide a permanent source of revenue for parity payments as they may be required—in the same way that 30 percent of import revenues are earmarked for use under section 32 of the A. A. A. Such a tax would be a measure of tariff equalization.

Because farmers have had to come to Congress every year for the past several years and ask for appropriations for parity payments, some people believe that the national farm program is just a temporary measure.

It is not temporary; it is the end toward which American agriculture has been striving for nearly 20 years. It is working effectively to the extent that funds have been provided for it.

For a program so firmly established in law and policy so generally agreed to it is ridiculous that an an annual fight must be made to obtain the money required to carry out the program.

Why must this parade go on year after year? What other great industry in this country is called upon annually to justify to Congress the appropriation of the funds which the Congress itself has declared, as a matter of policy, shall be forthcoming to it?

There is none. Certainly the manufacturing industry is not required each year to justify its need for the protective tariff which Congress had declared shall be the policy of this country. The tariff program for industry is a permanent policy. We are not called upon each year to enact enabling legislation to carry out that program. Neither is labor called upon each year to enact legislation to protect the wages and hours of labor. The objective of obtaining parity prices and parity income for American farmers as set forth in the Agricultural Adjustment Act is no less the declared policy of this country. It, too, is a permanent program.

It is time the farmers of the United States, no less than the Congress, come to see that the agricultural adjustment program is not some temporary stopgap enacted to meet an emergency, but that it is permanent. It has developed over a period of at least 20 years on principles that are fundamentally sound. If the $607,000,000 are made available, which careful study indicates will have to be appropriated if the provisions of the 1938 act are to be fully effective, we can achieve the goal of parity prices and parity of income.

It is our firm conviction that unless the parity position promised to agriculture in this act is more nearly achieved than it has been in the past, the economic well-being of the Nation as a whole will continue to suffer.

Some people have assumed that the war would solve agriculture's problems, and that wartime prices and wartime demand would relieve Congress of its responsibility for providing equality for agriculture.

What are the facts? The initial speculative boom has already been deflated. Agriculture as a whole has profited but little from the war; to some farm groups it has been an economic disaster. The warring nations have large supplies of farm products, and the normal export markets of large groups of producers have been greatly restricted as a result of the war.

Compared to the money proposed for Army and Navy appropriations for national defense, the amount asked by agriculture is modest indeed. I say our first line of defense is an economically sound agriculture, which can do its full part in bringing complete economic recovery for the Nation. Yet we are told that despite this situation we must economize in appropriations for restoring the farmers to a just parity in order that we, too, may pour additional hundreds of millions into building machines of death. We will build beyond parity in battleships and airplanes. Yet we hesitate when the suggestion is made that we spend a sum not half so large as that paid for national defense in order to insure something like an adequate standard of living for the producers in our basic industry.

The fact that industry is benefiting while agriculture is suffering as a result of the war situation increases the disadvantage of agriculture. This is an important added reason for adequate appropriations for agriculture.

Furthermore, there is no immediate prospect for improved foreign demand for farm products. World supplies in several important farm commodities are at record levels this year. The largest world carry-over of wheat in history is in prospect for 1940. The present strength of wheat prices in this country is due not to the war but to drought and the prospects of a short crop. The present world supply of American cotton is 25,000,000 bales. One-third of our tobacco export market has been cut off as a result of the war. Farmers are doing their part in liquidating excessive surpluses and yet maintaining adequate reserves against scarcity. The Government should do its part in safeguarding farm prices and farm income.

Some people criticize these appropriations as subsidies to agriculture. The truth is, farmers have been subsidizing the public for years. Secretary Wallace recently stated that "had farm prices been in line with other prices during the last 10 years farmers would have had more than $20,000,000,000 additional cash income, an average of more than $2,000,000,000 additional cash income per year. This indicates the extent to which farmers have subsidized the rest of the public since 1929."

That ends the quotation.

Senator CAPPER in a recent statement called attention to this $2,000,000,000 annual tax on American agriculture to subsidize the public, and ably quoted what the philosopher Benjamin Franklin wrote from England 200 years ago about the situation of farmers there. Franklin said:

"You say poor laborers cannot afford to buy bread at high price unless they had higher wages. Possibly. But shall we farmers afford our laborers higher wages if you will not allow us to get, when we might get it, a higher price for our corn?

"But it seems we farmers must take so much less that the poor may have it so much cheaper.

"This operates, then, as a tax for the maintenance of the poor. A very good thing, you will say. But, I ask, why a partial tax? Why laid on us farmers only? If it be a good thing, Messieurs the Public, take your share of it by indemnifying us a little out of your Public Treasury."

I'm afraid this philosophy still exists among a large number of our people. Some city people seem to take the attitude that farmers have an obligation to feed and clothe the Nation regardless of price. Is there any other group of producers supplying the needs of consumers regardless of price? Is any other group of producers expected to supply the needs of consumers regardless of price?

Right now large groups of farmers are selling products at a loss. Farmers in general, through the farm program, are carrying huge reserves of essential commodities that protect the consumer against the danger of scarcity prices in case of crop failure. While farmers are willing to do their part in providing this protection for consumers, they realize it is essential that this feature of the program be permanent so that these reserves will not depress market prices. They realize that both producers and consumers benefit from the stability provided by these reserves. But they do feel that they should not be penalized for providing this protection for consumers. In order to protect the ever-normal granary for the benefit of consumers and to protect prices for producers, funds must be provided on a permanent basis to continue the program effectively so that farmers will not be penalized.

Moreover, farmers are now engaged in the greatest conservation efforts the Nation has ever seen. This is work which farmers are doing for everyone. Whatever the cost, the Nation has got to conserve its soil. Farmers will have to do it if it is done at all, and farmers can't do it unless they have adequate incomes.

The enemies of our national farm program are fighting these appropriations in the name of economy. In some instances the plea of economy is just a smoke screen for the real purpose, which is to cripple and destroy this program. There are some, however, who are genuinely interested in economy. Let me assure all who are interested in real economy that the most effective way to balance the National Budget is to raise the national income by restoring American agriculture to parity of purchasing power with industry and labor.

Think what full equality for agriculture during the last 10 years could have meant to national welfare. In the last 7 years cash farm income has risen from four and one-half billions to eight and one-half billions, and national income during the same period has risen from forty billions to sixty-eight billions.

I placed in the record of the hearings of the Senate and House Appropriations Committees estimates submitted by President Roosevelt in his 1940 Budget message to Congress, which showed that an $85,000,000,000 national income would yield about eight and one-half billion dollars in Federal revenue, or enough to balance the Federal Budget without increased taxes.

There is much evidence to demonstrate that raising farm income to full parity would result in increasing the national income from $70,000,000,000 to $85,000,000,000, and that this increased purchasing power would provide enough added jobs for workers so that relief funds could be reduced by at least $800,000,000 annually.

During the last 7 years, payments to farmers have amounted to a little over $3,000,000,000. These payments have been a major factor in making possible an increase in our farm income during this period of about $20,000,000,000. The increase in farm income, in turn, has helped to increase national income during this period by a total of $130,000,000,000. Every dollar of increased farm income has been accompanied by an increase of more than six times as much in the national income.

Agriculture is one of the three pillars that support our whole economic structure. Industry and labor are the other two. When these three pillars all reach the proper height on the parity scale the economic structure which they support is in good balance. When agriculture is down the economic structure is out of balance and fails to function as it should. When labor demands more than its share, and industry exacts a greater share, the economic structure is thrown out of balance, ultimately damaging all three groups and the welfare of the whole Nation.

Right now the prime need is for increasing the height of the agricultural income pillar. We know it will increase national income and bring our whole economic structure into better balance.

Right now we hear prominent candidates talking and promising parity for agriculture. It takes more than mere promises to get parity. The immediate question is, Will they and their party associates in Congress vote now for full parity for agriculture? Many of their associates belong to the economy bloc in Congress, and they have shown recently they were not willing to give the farmers full parity. They talk economy and Budget balancing, but they do it at the expense of the farmer. They can't be for this kind of economy and for full parity to agriculture at the same time.

For more than a decade, beginning in the early 1920's under Republican administrations, farmers worked on a nonpartisan basis for a program of equality for agriculture, but farmers were unable to get this program carried out in spite of a sympathetic Congress. Under the succeeding Democratic administration for the next 7 years, in which we have made great progress, farmers at last obtained the adoption of a program which is capable of bringing agriculture to full parity, but Congress has failed to provide adequate funds to make the program completely effective.

Farmers are now looking to Congress for the needed funds to make their program fully successful and they are going to hold Members of Congress accountable for their decisions in this vital action. The time has come to vote for parity and not just talk about it.

Those who say they are for parity to the farmer now have the chance to prove their sincerity by working for and voting for parity—not 75 percent of parity or some other fraction of parity. All farmers ask is that their prices be brought into balance with industrial prices and industrial wages.

In the fight for the parity payments in the past 2 years, you will recall how narrow was the victory in the House. The House Appropriations Committee this year refused parity payments for farmers. The agricultural appropriations bill was passed without additional funds for parity or for surplus removal. If the Senate votes for the additional appropriations we will still have a hard fight in the House when it goes back for final vote. The enemy is again strongly entrenched and we have a real fight on our hands. Congress, in pledging farm parity, made a sacred contract with millions of farmers. It is up to you to tell your Members of Congress that you are holding them to their pledge.

Political Activities of Federal Employees

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Saturday, March 9 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE WASHINGTON DAILY NEWS OF MARCH 8, 1940

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a newspaper account from the Washington Daily News of Friday, March 8, 1940, showing the recent ruling of the Attorney General of the United States on the act passed by the last session of the Congress, relating to political activities of Federal employees.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of March 8, 1940]

HATCH ACT RESIGNATIONS ARE "FINAL," SAYS JACKSON

(By Fred W. Perkins)

Attorney General Jackson is as fully disposed to strict enforcement of the Hatch Act as was his predecessor, Justice Murphy.

He has decided, it was learned today, that when Federal employees resign to engage in political activity, such as running for elective office, they cannot get their old jobs back again.

It is understood the Attorney General's position is that the attempted practice of resigning "temporarily" to engage in purely political activity is an attempted evasion of the Hatch Act and if permitted would destroy the effectiveness of that statute.

STARTED BY MURPHY

Thus Mr. Jackson follows a policy stated by Mr. Murphy—that "Hatch law resignations are final." When a Federal employee quits to go into active politics he "stays quit." He might be reappointed eventually to his former position or some other, but only after the lapse of a period long enough to cut connections between the two tenures of public office.

This is one of the vital problems put up to the new Attorney General by Democratic politicians in an effort to soften the rigorous rulings of Mr. Murphy. It is understood that Mr. Jackson refuses to reverse the Murphy policy, and that he has President Roosevelt's backing.

Among the cases that have arisen in the "temporary resignation" class are two from the United States district attorney's office in Pittsburgh. Last September District Attorney Charles F. Uhl was forced under the Hatch Act to resign, because he was running for a judgeship, and Assistant District Attorney John D. Ray gave up his position so that he might run for a State office. Both were defeated.

Bethlehem Steel Co. 1939 Income

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Saturday, March 9 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE ST. LOUIS STAR-TIMES

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a United Press dispatch from the St. Louis Star-Times with reference to the annual statement of the Bethlehem Steel Co., showing that in 1939 it had the best year since 1929.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis (Mo.) Star-Times]

BETHLEHEM STEEL 1939 INCOME EQUAL TO $5.75 PER SHARE—COMPARES WITH DEFICIT OF 70 CENTS ON COMMON STOCK IN 1938, PRESIDENT'S REPORT SHOWS

BETHLEHEM, PA., March 6.—Eugene G. Grace, president of Bethlehem Steel Corporation, today issued formal reports to stockholders and to employees on the company's second best year since 1929 and looked "to the future with confidence."

The report on 1939 operations to employees, now a regular part of the corporation's routine, was sent to 110,000 workers, a record high total. It showed a gain of 25,000 employees for the year 1939 and disclosed that the company paid a record high average wage of 91.6 cents per hour.

Antilynching Legislation

EXTENSION OF REMARKS

OF

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Saturday, March 9 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE GREENVILLE (S. C.) NEWS

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial

from the Greenville (S. C.) News entitled "Weak Lynch Bill Argument."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Greenville (S. C.) News]

WEAK LYNCH-BILL ARGUMENT

Sponsors of the Federal antilynching bill in the United States were not fortunate in the two Negro witnesses who appeared before the Judiciary Committee Tuesday in behalf of the measure.

Of the Negro Communist and associate editor of the Communist paper, the Daily Worker, Benjamin J. Davis, who appears to have sought an opportunity to be heard chiefly for the purpose of making insulting remarks about the Vice President and various Members of Congress, little needs to be said. There will be general agreement with Senator VAN NUYS that his argument for the bill was more of a liability than an asset.

Of a different nature entirely were the arguments of John P. Davis, representative of the National Negro Congress, who submitted a prepared statement designed to present a plausible claim that the lynch spirit is rampant and unchecked in South Carolina in the activities of the Ku Klux Klan.

When the committee learns, as it no doubt will, that this statement leaves the absolutely false impression that nothing whatever has been done to curb and punish violations of the law in this State by masked and hooded bands, it will realize that its witness has been very much less than fair in the presentation of his case.

All South Carolinians know that State and local officers strongly backed by emphatic expressions of public opinion in all parts of the State, have acted vigorously to apprehend persons guilty of assaults upon the persons of citizens by hooded bands—whether or not they were members of the Klan is not a matter of exact public knowledge, nor does it matter. Some arrests have been made in connection with a case of that sort at Anderson, and thoroughgoing investigations have been put under way by State law-enforcement agencies acting under the direct instructions of the Governor with the purpose of bringing to justice all who were directly concerned or indirectly instigated such acts of lawlessness in the State. Among those taken in custody by officers in this connection was a high official of the Klan, and further developments in the case are expected.

It is a matter of common knowledge in South Carolina that since the arousal of a strongly condemnatory public opinion over such acts of lawlessness and the initiation of vigorous law-enforcement steps, no further such acts have come to public knowledge. Knowing these things, and realizing that both the officers of the State and the citizenship are determined to see that law is enforced in an orderly manner, South Carolinians have reason to resent the false implication that the Klan or any other organization is being permitted to engage in activities of "lynch spirit" characteristics with no effective move to check them.

Amendments to the National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

Mr. HOFFMAN. Mr. Speaker, any law, to justify its existence, must operate equitably upon all those who fall within its provisions.

The N. L. R. A. was put upon the books, so it was declared, to lessen the causes of industrial disputes affecting interstate and foreign commerce. The principal instrumentality by which this was to be accomplished was collective bargaining.

Because ordinarily the employer had far greater economic power than did the employee and because the employer might, and sometimes did, arbitrarily discharge an employee who had for years followed one line of employment, and the power of discharge placed the future economic welfare of the employee at the mercy of the employer, they did not stand on an equal footing. It was therefore found necessary that some Federal law be placed upon the books which would prevent arbitrary discharge of employees.

The right to bargain collectively had always existed, but it was said could not be commonly exercised because of the refusal of employers to bargain with representatives of their employees.

If the theory of the law had been followed, the result would have been salutary.

While much of the criticism of the present act may be justly charged to the manner in which it has been administered, the law itself is unfair in several particulars.

The Smith committee was first given $50,000 and subsequently another $50,000 to carry on investigations to determine whether the law had functioned properly, and, if not, what should be done to remedy the defects. That committee has made a thorough investigation. In my judgment it has functioned judicially and fairly. It has recommended certain amendments which will do much to make the law better.

Last year, reading the decisions of the Board and of the courts, I reached the conclusion that, while part of the injustice growing out of the operation of the law was due to the construction placed upon it by the Board and by the courts and by the biased action of the Board, there were certain fundamental defects in the law itself which must be corrected before industrial peace would be on its way.

To make these corrections, on March 13, 1939, H. R. 4990 was introduced. There is no claim that this bill is perfect, or anywhere near perfect, for I had neither $50,000 nor $50 to spend in research. The claim is made, however, that sound common sense, past experience, and a reading of the court decisions will show that the changes suggested by H. R. 4990 are basically just.

To show the original act, the amendments proposed by the Smith committee, and the changes proposed by H. R. 4990, I have caused to be printed the law and the two bills in parallel columns.

At this time an attempt will not be made to compare the act and H. R. 4990 and H. R. 8813. Suffice it here to call attention to one definition. As defined in the National Labor Relations Act, a "labor dispute" has been held to include—and please read this carefully—the refusal of an employer to hire a man seeking a job. As proof of this you need but read *New Negro Alliance* v. *Grocery Co.* (303 U. S. 552), decided on March 28, 1938.

A labor dispute has been construed to mean a dispute between a union and employees who do not belong to that union but who the union insists shall join. As proof of this, read the case of *Fur Workers' Union* v. *H. Zirkin & Sons, Inc.*, decided March 27, 1939, and reported in One Hundred and Fifth Federal Statutes, second edition, page 1, affirmed by the United States Supreme Court on December 11, 1939.

True, this particular decision arose under the Norris-LaGuardia Act, but the same definition has been adopted by the Board and the Courts in cases arising under the N. L. R. B. But two are cited: *Lauf v. Shinner* (303 U. S. 323), *Senn* v. *Tile Layers Protective Union* (301 U. S. 468).

As a local illustration of this last contention, we all well recall that here in Washington A. F. of L. pickets marched in front of a store being rebuilt at 703 H Street NE., because work was being done by members of a C. I. O. union. In retaliation the C. I. O. picketed an A. F. of L. job at 713 H Street.

Another case happening this year here in Washington is where members of one union did a paint job at a store on F Street. Members of another union picketed, and, in retaliation, the first union picketed Jelleff's, where a construction job was being carried on by the second union—an absurd, intolerable situation in which the public and the innocent employer were made to suffer.

Within the shadow of the Capitol is a third illustration, where pickets, who never worked in the cafeteria, conducted in the Methodist Building by a woman who is endeavoring to make a living, are picketing her place of business at a time when not one single employee is on strike or has pending any demand as to wages, hours, or working conditions.

The following is most respectfully and humbly submitted for the convenience of those Members of the House who care to make a comparative study of three of the propositions which will come before the House or the House Committee on Labor, for consideration.

The following statement will show the NLRB, the amendments proposed to that act by H. R. 4990, introduced on March 13, 1939, and the amendments proposed by H. R. 8813, introduced on March 7, 1940:

National Labor Relations Act (Public, No. 198, 74th Congress)	*H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)*	*H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)*
An act to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes.	A bill to repeal the National Labor Relations Act and to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, to create a National Labor Relations Board, and for other purposes.	A bill to amend the National Labor Relations Act.
Be it enacted etc.	*Be it enacted etc.*	*Be it enacted etc.*, That this Act may be cited as the National Labor Relations Act Amendments of 1940.
		SEC. 2. Section 1 of the National Labor Relations Act (including the heading thereof) is amended to read as follows: (See Sec. 16 of N. L. R. A., Sec. 17 of H. R. 4990)
FINDINGS AND POLICY	FINDINGS AND POLICY	"FINDINGS AND POLICY
SECTION 1. The denial by employers of the right of employees to organize and the refusal by employers to accept the procedure of collective bargaining lead to strikes and other forms of industrial strife or unrest, which have the intent or the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.	SECTION 1. It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by furthering the development of friendly and mutually fair labor relations, by protecting the practice and procedure of collective bargaining and by protecting the exercise by all workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.	"SECTION 1. The failure to bargain collectively between employers and employees leads to strikes and other forms of industrial strife or unrest, which have the necessary effect of burdening or obstructing commerce by (a) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (b) occurring in the current of commerce; (c) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods from or into the channels of commerce, or the prices of such materials or goods in commerce; or (d) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing from or into the channels of commerce.
The inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce, and tends to aggravate recurrent business depressions, by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries.		"The inequality of bargaining power between employees who do not possess full freedom of association or actual liberty of contract, and employers who are organized in the corporate or other forms of ownership association substantially burdens and affects the flow of commerce, and tends to aggravate recurrent business depressions, by depressing wage rates and the purchasing power of wage earners in industry and by preventing the stabilization of competitive wage rates and working conditions within and between industries.
Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest, by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees.		"Experience has proved that protection by law of the right of employees to organize and bargain collectively safeguards commerce from injury, impairment, or interruption, and promotes the flow of commerce by removing certain recognized sources of industrial strife and unrest, by encouraging practices fundamental to the friendly adjustment of industrial disputes arising out of differences as to wages, hours, or other working conditions, and by restoring equality of bargaining power between employers and employees.
It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by encouraging the practice and procedure of collective bargaining and by protecting the exercise by workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection.		"It is hereby declared to be the policy of the United States to eliminate the causes of certain substantial obstructions to the free flow of commerce and to mitigate and eliminate these obstructions when they have occurred by protecting the exercise by workers of full freedom of association, self-organization, and the designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."
DEFINITIONS	DEFINITIONS	
SEC. 2. When used in this Act—	SEC. 2. When used in this Act—	
(1) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy, or receivers.	(1) The term "person" includes one or more individuals, partnerships, associations, corporations, legal representatives, trustees, trustees in bankruptcy or receivers.	
(2) The term "employer" includes any person acting in the interest of an employer, directly or indirectly, but shall not include the United States, or any State or political subdivision thereof, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as an employer), or anyone acting in the capacity of officer or agent of such labor organization.	(2) The term "employer" includes any person acting in the interest of an employer, directly or indirectly, but shall not include the United States, or any State or political subdivision thereof, or any person subject to the Railway Labor Act, as amended from time to time, or any labor organization (other than when acting as employer), or anyone acting in the capacity of officer or agent of such labor organization.	

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

(3) The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse.

(4) The term "representatives" includes any individual or labor organization.

(5) The term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(6) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia, or within the District of Columbia or any Territory, or between

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

(3) The term "employee" shall include any employee, and shall not be limited to the employees of a particular employer, unless the act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of any employer's unfair labor practice, as defined in section 8 hereof, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, or any individual who has been discharged for any cause other than lawful union activities or whose work has ceased in violation of a valid contract, or laid off for lack of work, inefficiency, misconduct, or other good cause.

(3) The term "any individual employed as an agricultural laborer" shall include any person engaged as an employee in farming in all its branches and, among other things, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities (including commodities defined as agricultural commodities in section 15 (g) of the Agricultural Marketing Act, as amended), the raising of livestock, bees, fur-bearing animals, or poultry, eggs, baby chicks, and poults and any practices (including any forestry or lumbering operations when it is performed in connection with bona fide farming) perform by or for a farmer or on a farm as an incident to or in connection with such farming operations, including preparation for market, delivery to storage, or to market or to carriers for transportation to market; and shall also include employees of establishments engaged in ginning or compressing of cotton, or canning or freezing during the harvesting season from their raw or natural state, or pasteurizing, or drying, or preparing in their raw or natural state, of any agricultural or horticultural commodities for market, or making cheese or butter or any other dairy products, and such packing or handling or storing as is used in connection therewith or is incidental thereto, when such establishment is located (1) at a point where the major commodity used in such establishment is normally produced in commercial quantities within a radius of fifty miles thereof; and (2) within the general territory in any region of the United States where the farming district or districts are located from which such commodity is produced and within or in close proximity to any such farming district; or at such place in the general territory in proximity to such farming district, where such commodity is produced (but outside of any metropolitan industrial city) as is necessary to obtain reasonable, available, and adequate transportation, water power, or other required operating facilities; and (3) such establishment is engaged in the above operations on products produced from any farming district within the same general territory.

(4) The term "representatives" includes any individual or labor organization.

(5) The term "labor organization" means any organization of any kind, or any agency or employee representation committee or plan, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

(6) The term "commerce" means trade, traffic, commerce, transportation, or communication among the several States, or between the District of Columbia or any Territory of the United States and any State or other Territory, or between any foreign country and any State, Territory, or the District of Columbia or within the District of Columbia or any Territory or between

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

SEC. 3. (a) Section 2 (3) of the National Labor Relations Act is amended to read as follows:

"(3) The term 'employee' shall include any employee and shall not be limited to the employees of a particular employer, unless the act explicitly states otherwise, and shall include any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, and who has not obtained any other regular and substantially equivalent employment, but shall not include any individual employed as an agricultural laborer, or in the domestic service of any family or person at his home, or any individual employed by his parent or spouse, and for the purposes of the provisions of section 10 (c) relating to reinstatement by any employer, does not include any employee who a preponderance of the testimony taken shows has willfully engaged in violence or unlawful destruction or seizure of property in connection with any current labor dispute or unfair labor practice involving such employer, or in connection with any organizational activities of a labor organization among employees of such employer. For the purposes of this subsection, 'agricultural laborer' means any person employed in performing 'agricultural labor' as that term is defined in section 1426 (h) of the Internal Revenue Code, as amended."

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

(7) The term "affecting commerce" means in commerce, or burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute burdening or obstructing commerce or the free flow of commerce.

(8) The term "unfair labor practice" means any unfair labor practice listed in section 8.

(9) The term "labor dispute" includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

(10) The term "National Labor Relations Board" means the National Labor Relations Board created by section 3 of this act.

(11) The term "old Board" means the National Labor Relations Board established by Executive Order Numbered 6763 of the President on June 29, 1934, pursuant to Public Resolution Numbered 44, approved June 19, 1934 (48 Stat. 1183), and reestablished and continued by Executive Order Numbered 7074 of the President of June 15, 1935, pursuant to Title I of the National Industrial Recovery Act (48 Stat. 195) as amended and continued by Senate Joint Resolution 133 approved June 14, 1935.

NATIONAL LABOR RELATIONS BOARD

SEC. 3 (a) There is hereby created a Board, to be known as the "National Labor Relations Board" (hereinafter referred to as the "Board"), which shall be composed of three members, who shall be appointed by the President, by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of 1 year, one for a term of 3 years, and one for a term of 5 years, but their successors shall be appointed for terms of 5 years each, except that any individual chosen to fill a vacancy shall be appointed only for the un-

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

points in the same State but through any other State or any Territory or the District of Columbia or any foreign country.

This act shall not apply to any person whose sales in "commerce" (as defined herein) during the calendar year preceding the date of filing a complaint or petition relating to that person were less than 50 per centum of that person's total sales.

(7) The term "affecting commerce" means in commerce, or substantially burdening or obstructing commerce or the free flow of commerce, or having led or tending to lead to a labor dispute substantially burdening or obstructing commerce or the free flow of commerce.

(8) The term "unfair labor practice" means any unfair labor practice listed in section 8.

(9) The term "labor dispute" includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, provided the disputants stand in the proximate relation of employer and employee.

(10) The phrase "collective bargaining" for the purposes of this act shall be understood to mean the meeting together, on written request of one of the disputants, on a reasonable number of occasions and for a reasonable length of time, the reasonableness of the number of meetings and the length of the negotiations to be determined by taking into consideration the views of the parties to the negotiations and the prospects of an agreement, of the employer and his employees, through accredited representatives voluntarily chosen by them, with the full and free oportunity for negotiating concerning the terms or conditions of employment.

(11) The term "National Labor Relations Board" means the National Labor Relations Board created by section 3 of this act.

(12) The term "old Board" means the National Labor Relations Board established by Executive Order Numbered 6763 of the President on June 29, 1934, pursuant to Public Resolution Numbered 44, approved June 19, 1934 (48 Stat. 1183), and re-established and continued by Executive Order Numbered 7074 of the President of June 15, 1935, pursuant to title I of the National Industrial Recovery Act (48 Stat. 195), as amended and continued by S. J. Res. 133, approved June 14, 1935.

NATIONAL LABOR RELATIONS BOARD

SEC. 3. (a) There is hereby created a Board to be known as the National Labor Relations Board (hereinafter referred to as the Board), which shall be composed of three members, one representing the public, who shall be appointed by the President, by and with the advice and consent of the Senate, after the date of enactment of the National Labor Relations Act of 1939, for terms of 5 years except as hereinafter provided, but each member of the Board in office on such date shall continue to serve as a member of the Board until February 1, 1940. Each member

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

(b) Section 2 (11) of such act is amended to read as follows:

"(11) The term 'Administrator' means the Administrator of the National Labor Relations Act provided for in section 3 (d)."

(c) Section 2 of such act is amended by adding at the end thereof the following:

"(12) The terms 'collective bargaining' and 'bargain collectively' shall be deemed to include the requirement that an employer or his representatives meet and confer with his employees or their representatives, listen to their complaints, discuss differences, and make every reasonable effort to compose such differences, but shall not be construed as compelling or coercing either party to reach an agreement or to submit counterproposals."

SEC. 4. (a) The heading of section 3 of the National Labor Relations Act is amended by adding at the end thereof the following: "; ADMINISTRATOR OF THE NATIONAL LABOR RELATIONS ACT".

(b) Section 3 (a) of such act is amended to read as follows:

"SEC. 3. (a) There is hereby created a Board, to be known as the National Labor Relations Board (in this Act called the 'Board'), which shall be composed of three members, who shall be appointed by the President, by and with the advice and consent of the Senate. One of the original members shall be appointed for a term of 1 year, one for a term of 3 years, and one for a term of 5 years, but their successors shall be appointed for terms of 5 years each, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

expired term of the member whom he shall succeed. The President shall designate one member to serve as chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

(b) A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board, and two members of the Board shall, at all times, constitute a quorum. The Board shall have an official seal which shall be judicially noticed.

(c) The Board shall at the close of each fiscal year make a report in writing to Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all moneys it has disbursed.

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

of the Board so appointed shall be qualified by previous experience for the representative capacity in which he is appointed. No one shall be eligible to appointment hereunder if he shall have been an employer or shall have been on the pay roll of a labor organization within a period of 2 years prior to the effective date of such appointment. Upon the expiration of the terms of the members of the Board in office on the date of enactment of the National Labor Relations Act of 1939, the successors to such members shall be appointed one for a term of 1 year, one for a term of 3 years, and one for a term of 5 years, as designated by the President at the time of nomination, and thereafter each member shall hold office for a term of 5 years from the expiration of the term of his predecessor, except that any individual chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed. The President shall designate one member to serve as the Chairman of the Board. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office, but for no other cause.

(b) A vacancy in the Board shall not impair the right of the remaining members to exercise all the powers of the Board, and two members of the Board shall, at all times, constitute a quorum. Vacancies shall, however, be filled as promptly as possible in order to preserve the representative characteristics of the Board. The Board shall have an official seal which shall be judicially noticed.

(c) The Board shall at the close of each fiscal year make a report in writing to Congress and to the President stating in detail the cases it has heard, the decisions it has rendered, the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board, and an account of all money it has disbursed.

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

term of the member whom he shall succeed. The President shall designate one member to serve as Chairman of the Board. Not more than two of the members of the Board shall be members of the same political party. Any member of the Board may be removed by the President, upon notice and hearing, for neglect of duty or malfeasance in office but for no other cause. It shall be the duty of the Board, as hereinafter provided, to hear and determine complaints made and filed with it by the Administrator charging persons with engaging in unfair labor practices, to hold and supervise elections to ascertain representatives who have been selected for the purposes of collective bargaining, to determine units appropriate for the purpose of collective bargaining, and to exercise such other functions as are conferred upon it by this act."

(c) Section 3 of such act is amended by adding at the end thereof the following:

"(d) There is hereby established an Administrator of the National Labor Relations Act. The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate of $10,000 per annum. He shall not engage in any other business, vocation, or employment. The Administrator may appoint, without regard to the provisions of the civil-service laws but subject to the Classification Act of 1923, as amended, an executive secretary, and such attorneys and regional directors, and may appoint such other employees, with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as he may from time to time find necessary. The Administrator may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this subsection may, in the discretion of the Administrator, appear for and represent the Administrator in any case in court. In case of a vacancy in the office of Administrator, or in case of the absence of the Administrator, the President shall designate the officer or employee of the Administrator who shall serve as Administrator during such vacancy or absence. Expenses of the Administrator, including all necessary traveling and subsistence expenses incurred by the Administrator or employees of the Administrator under his orders while away from his or their official station shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Administrator or by any employee he designates for that purpose. It shall be the duty of the Administrator, as hereinafter provided, to investigate charges of unfair labor practices, to issue complaints if he has reasonable cause to believe such charges are true, to prosecute such complaints before the Board, to make application to the courts for enforcement of orders

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

SEC. 4. (a) Each member of the Board shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint, without regard for the provisions of the civil-service laws but subject to the Classification Act of 1923, as amended, an executive secretary, and such attorneys, examiners, and regional directors, and shall appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress. The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed. Attorneys appointed under this section may, at the direction of the Board, appear for and represent the Board in any case in court. Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor.

(b) Upon the appointment of the three original members of the Board and the designation of its chairman, the old Board shall cease to exist. All employees of the old Board shall be transferred to and become employees of the Board with salaries under the Classification Act of 1923, as amended, without acquiring by such transfer a permanent or civil service status. All records, papers, and property of the old Board shall become records, papers, and property of the Board, and all unexpended funds and appropriations for the use and maintenance of the old Board shall become funds and appropriations available to be expended by the Board in the exercise of the powers, authority, and duties conferred on it by this act.

(c) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members or employees of the Board under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it designates for that purpose.

SEC. 5. The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place. The Board may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States. A member who participates in such an inquiry shall not be disqualified from subsequently participating in a decision of the Board in the same case.

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

SEC. 4. (a) Each member of the Board shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board shall appoint, without regard for the provisions of the civil-service laws but subject to the Classification Act of 1923, as amended, an executive secretary and such attorneys, examiners, and regional directors, and shall appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as it may, from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress: *Provided, however*, That the Board shall not appoint any person to any position who is not at the time of such appointment an American citizen.

The Board may establish or utilize such regional, local, or other agencies, and utilize such voluntary and uncompensated services, as may from time to time be needed: *Provided*, That persons or agencies so utilized do not at the same time represent any party to any controversy under the terms of this act before the Board, either personally or through partners.

(b) Upon the appointment of the three original members of the Board and the designation of its Chairman, the old Board shall cease to exist. All employees of the old Board, who shall be for that purpose so designated as employees by the Board, shall be transferred to and become employees of the Board with salaries under the Classification Act of 1923, as amended, without acquiring by such transfer a permanent or civil-service status. All records, papers, and property of the old Board shall become records, papers, and property of the Board, and all unexpended funds and appropriations for the use and maintenance of the old Board shall become funds and appropriations available to be expended by the Board in the exercise of the powers, authority, and duties conferred on it by this act.

(c) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members or employees of the Board, under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it designated for that purpose.

SEC. 5. The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place. The Board may, by one or more of its members, or by such agents or agencies is it may designate, hold hearings necessary to its functions in any part of the United States; except that in connection with duties relating to the prevention of unfair labor practices, as defined in section 10 hereof, the Board shall act only in a judicial capacity in disposing of complaints under that section, and shall not, directly or indirectly, by its employees or otherwise, assist either the complainant or respondent by conducting investigations or acting as advocate for any party to the issue.

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of the Board, and to exercise such other functions as are conferred on him by this act. The Administrator shall be made a party to all proceedings before the Board, and shall present such testimony therein and request the Board to take such action with respect thereto as in his opinion will carry out the policies of this act. Any function which may be exercised by the Administrator may also be exercised by any officer or employee or agency of the Administrator designated by the Administrator for that purpose."

SEC. 5. Section 4 of the National Labor Relations Act is amended to read as follows:

"SEC. 4. (a) Each member of the Board shall receive a salary of $10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. The Board may appoint, without regard for the provisions of the civil-service laws but subject to the Classification Act of 1923, as amended, an executive secretary, a secretary to each member, and such attorneys and trial examiners, and may appoint such other employees with regard to existing laws applicable to the employment and compensation of officers and employees of the United States, as it may from time to time find necessary for the proper performance of its duties and as may be from time to time appropriated for by Congress. Nothing in this act shall be construed to authorize the Board or the Administrator to appoint or employ individuals for the purpose of conciliation or mediation or for statistical work.

"(b) All of the expenses of the Board, including all necessary traveling and subsistence expenses outside the District of Columbia incurred by the members or employees of the Board under its orders, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the Board or by any individual it designates for that purpose."

SEC. 6. Section 5 of the National Labor Relations Act is amended to read as follows:

"SEC. 5. The principal offices of the Board and of the Administrator, respectively, shall be in the District of Columbia, but they may exercise any or all of their respective powers at any other place. The Board may, by one or more of its members or by such trial examiner or examiners as it may designate, conduct hearings in any part of the United States. The conducting of any such hearing by a member shall not disqualify such member from subsequently participating in a decision of the Board in the same case."

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SEC. 6. (a) The Board shall have authority from time to time to make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act. Such rules and regulations shall be effective upon publication in the manner which the Board shall prescribe.

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities, for the purpose of collective bargaining or other mutual aid or protection.

SEC. 8. It shall be an unfair labor practice for an employer—

(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

(2) To dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That subject to rules and regulations made and published by the Board pursuant to section 6 (a), an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay.

(3) By discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization: *Provided*, That nothing in this Act, or in the National Industrial Recovery Act (U. S. C., Supp. VII, title 15, secs. 701–712), as amended from time to time, or in any code or agreement approved or prescribed thereunder, or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization (not established, maintained, or assisted by any action defined in this Act as an unfair labor practice) to require as a condition of employment membership therein, if such labor organization is the representative of the employees as provided in section 9 (a), in the appropriate collective bargaining unit covered by such agreement when made.

(4) To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this Act.

(5) To refuse to bargain collectively with the representatives of his employees, subject to the provisions of Section 9 (a).

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

SEC. 6. (a) The Board shall have authority from time to time to make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act. Such rules and regulations shall not favor or discriminate against any party to any controversy to which this Act is applicable and shall be effective upon publication in the manner which the Board shall prescribe.

RIGHTS OF EMPLOYEES

SEC. 7. Employees shall have the right to self-organization, to form, join, or not to join a labor organization and shall have the right to assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection: *Provided, however*, That employees, in exercising the foregoing rights, shall not by force, intimidation, or otherwise, except by peaceful argument, interfere with the right of any other employee to continue in his employment or to join or to refuse to join any labor organization.

SEC. 8. (a) It shall be an unfair labor practice for—

(1) Any person to threaten, restrain, or coerce employees in the exercise of the rights guaranteed in section 7: *Provided*, That nothing in this section shall abridge the freedom of speech or of the press.

(2) Any person to dominate or interfere by threat, restraint, or coercion with the formation or administration of any labor organization or any employer to contribute financial or other support to it: *Provided*, That nothing herein shall prohibit employers, individually or collectively, from furnishing housing, heating, lighting, and other facilities without charge for meetings relative to activities of such organizations, provided no discrimination is exercised among their employees in offering such facilities: *Provided further*, That an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay: *And provided further*, That nothing contained herein shall prevent any employee or employees, of their own initiative, discussing any problem of common interest with their employer; or any employer discussing with any employee or employees any such subject if in connection therewith labor practices prohibitions herein contained are observed.

(3) An employer by discrimination in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization.

(4) To discharge or otherwise discriminate against an employee because he has filed charges or given testimony under this Act, unless such testimony be proved to be willfully false.

(5) To refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a).

(6) To deduct from the wages of employees any dues, fees, assessments, or other contribution payable to labor organizations, or

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

SEC. 7. Section 6 of the National Labor Relations Act is amended to read as follows:

"SEC. 6. The Board and the Administrator, respectively, shall have authority from time to time to make, amend, and rescind such rules and regulations as may be necessary to carry out their respective functions under this Act. Such rules and regulations shall be effective upon publication in the manner which the Board or the Administrator, as the case may be, shall prescribe."

(Section 7 not amended by H. R. 8813.)

SEC. 8. (a) Section 8 (1) of the National Labor Relations Act is amended to read as follows:

"(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7, but nothing in this section or in this Act shall be construed or interpreted to prohibit any expressions of opinion with respect to any matter which may be of interest to employees or the general public, provided that such expressions of opinion are not accompanied by acts of coercion, intimidation, discrimination, or threats thereof."

(b) Section 8 (5) of such Act is amended to read as follows:

"(5) To refuse to bargain collectively with the representatives of his employees, subject to the provisions of section 9 (a), except that such refusal to bargain collectively with any such representative shall not, unless a certification with respect to such representative

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

to collect or to assist in the collection of any such dues, fees, assessments, or other contribution, unless such deductions have been authorized in writing by the employee from whose wages such deductions are made.

(7) Benefits under this Act shall not accrue to individuals or organizations who support or participate in strikes without presentation of written demands or grievances and reasonable oportunity for their consideration; strikes in violation of employment agreements, including agreements to accept an arbitration award; strikes accompanied by repeated or systematic acts of violence and intimidation; sit-down strikes, or other strikes which involve illegal occupation of property; general strikes.

(b) It shall be an unfair labor practice for a labor organization, or any officer or officers of a labor organization, or any agent or agents of a labor organization, or anyone acting in the interest of a labor organization, or for an employee, or for employees acting in concert—

(1) To interfere with, restrain, or coerce employees in the exercise of the rights guaranteed in section 7.

(2) To threaten, intimidate, restrain by force or threat, or coerce any employee, directly or indirectly, for the purpose and with the intent of compelling such employee (a) to join or to refrain from joining any labor organization; (b) to continue or to suspend or to cease his employment; (c) or for the purpose or with the intent of influencing or affecting his selection of representatives for the purposes of collective bargaining.

(3) To resort to or engage in, during the course of any labor dispute and in connection with such dispute, any act or practice which is a violation of any criminal law effective in the jurisdiction in which such act or practice occurs.

(4) To interfere by threat, intimidation, or force or threat of force, with the exercise of the right by any employee to continue at his work or to go to or from his place of employment.

(5) To strike in violation of a valid contract or agreement.

(c) It shall not be considered an unfair labor practice for an employer to discharge or to refuse to reemploy any person who, under the terms of this Act, is guilty of an unfair labor practice; nor shall it be considered an unfair labor practice for an employer to refuse to bargain with any organization or employee who fails to recognize or be bcund by the official certificate of collective bargaining representatives issued under section 9 hereof.

(d) It shall not be considered an unfair labor practice for an employer to fail to reach an agreement after it has bargained collectively.

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is in effect under section 9, be an unfair labor practice in any case where any other such representative (not established, maintained, or assisted by any action defined in this Act as an unfair labor practice) has made a claim that it represents a majority of the employees in a conflicting bargaining unit."

REPRESENTATIVES AND ELECTIONS

SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes, shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right at any time to present grievances to their employer.

REPRESENTATIVES AND ELECTIONS

SEC. 9. (a) Representatives designated or selected for the purposes of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit [who are members of the organization whose representatives have been so designated or selected for the purposes of collective bargaining,] for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or a group of employees shall have the right at any time to present grievances to their employer; bargain collectively for themselves individually, for the members of their organization, provided it is not company dominated, [and provided further that they do not belong to the organization whose representatives have been designated for the purposes of collective bar-

SEC. 9. Section 9 (including the heading thereof) of the National Labor Relations Act is amended to read as follows:

"REPRESENTATIVES AND ELECTIONS

"SEC. 9. (a) Representatives designated or selected for the purpose of collective bargaining by the majority of the employees in a unit appropriate for such purposes shall be the exclusive representatives of all the employees in such unit for the purposes of collective bargaining in respect to rates of pay, wages, hours of employment, or other conditions of employment: *Provided*, That any individual employee or group of employees shall have the right at any time to present grievances to their employer.

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(b) The Board shall decide in each case whether, in order to insure to employees the full benefit of their right to self-organization and to collective bargaining, and otherwise to effectuate the policies of this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof.

(c) Whenever a question affecting commerce arises concerning the representation of employees, the Board may investigate such controversy and certify to the parties, in writing, the name or names of the representatives that have been designated or selected. In any such investigation, the Board shall provide for an appropriate hearing upon due notice, either in conjunction with a proceeding under section 10 or otherwise, and may take a secret ballot of employees, or utilize any other suitable method to ascertin[1] such representatives.

[1] So in original.

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gaining,] and to enter into contracts with the employer as individuals or as an organization.

(Note—The words in brackets in Section 9 (a) are not in H. R. 4990, but will be proposed as an amendment.)

(b) The Board shall decide in each case within twenty days after the taking of testimony whether, in order to insure to employees the full benefit of their right to self-organization and to collective bargaining, and otherwise to effectuate the policies of this Act, the unit appropriate for the purposes of collective bargaining shall be the employer unit, plant unit, or any subdivision thereof: *Provided*, That if the majority of any craft union within a plant or employer unit signify its wish for the craft unit, the Board shall designate the craft unit as the unit appropriate for the members of that union: *Provided further*, That without prejudice to the preceding provision if the majority of the employees of any plant within an employer unit signifies its wish for the plant unit for voting or representation in preference to the employer unit the Board shall designate the plant unit as the unit appropriate for collective bargaining for the employees of that plant: *Provided further*, That any such unit or subdivision may by majority vote in secret ballot obtain recognition as the appropriate bargaining unit. Such election shall be called by the Board within five days after receiving a petition signed by 20 per centum or more of employees who are members of such unit or subdivision, or when petitioned by the employer.

(c) Whenever a question concerning commerce arises concerning the representation of employees, the Board shall recognize such controversy and certify to the parties in writing, the name or names of the representatives that have been designated or selected. Prior to such certification, the Board shall provide for an appropriate hearing upon due notice, either in conjunction with a proceeding under section 10 or otherwise, and must thereafter within ten days after such hearing take a secret ballot of employees, with adequate opportunity for all employees concerned to vote secretly in order to determine the views of the majority, if any, desiring representation under section 9 (a) hereof, and the Board shall certify as representatives for collective bargaining those persons receiving a majority vote of the bona fide employees employed in the plant where the vote is taken. All facts developed from such hearing and used in connection with the purposes of this Act shall be made public.

On written petition filed by any employer the Board shall cause an election to be held by secret ballot to determine collective-bargaining representatives, as set forth under section 9 (a), within twenty days from the date of the filing of such petition.

When representatives for collective bargaining have been chosen under the terms of this Act, the result shall be binding for one year, unless a labor organization representing, or a group of employees numbering, at least 20 per centum of those employed in the unit in which the vote was taken, or the employer, shall file a petition with the Board or its representative showing a substantial change of sentiment in the unit for which representatives were chosen as to the choice of such bargaining representatives.

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"(b) The Board shall upon application under, and subject to the provisions of, subsection (c) of this section determine in each case whether, in order to insure to employees the full benefit of their right to self-organization and to collective bargaining, the unit appropriate for the purposes of collective bargaining shall be the employer unit, craft unit, plant unit, or subdivision thereof.

"(c) Whenever written application is made to the Board under oath—

"(1) by an employer alleging that two or more representatives have each presented to him a claim with respect to the same bargaining unit that it represents a majority of his employees in such bargaining unit, that none of such representatives is a labor organization established, maintained, or assisted by any action defined in section 8 as an unfair labor practice, and that such employer intends to bargain collectively with the representatives designated for that purpose by the majority of his employees in the unit determined by the Board to be appropriate for the purposes of collective bargaining when such representatives are ascertained, or

"(2) by employees, or a representative representing employees, of any employer who constitute not less than 20 per centum of the employees in the bargaining unit claimed to be appropriate for the purpose of collective bargaining, alleging (A) that a controversy has arisen among the employees in the unit so claimed as to who have been designated their representative or representatives for collective bargaining, or whether the majority of the employees in such unit have designated a representative or representatives for collective bargaining, or (B) that a controversy has arisen as to the unit or units appropriate for the purposes of collective bargaining, and (C) that they are not members of, or that such representative is not, a labor organization established, maintained, or assisted by any action defined in section 8 as an unfair labor practice,

the Board shall give due notice to interested persons of the filing of such application and set the question for hearing within a reasonable time either in conjunction with a proceeding under section 10 or otherwise. Any interested person may file with the Board an intervening application, which shall be under oath and be in such form and contain such allegations as the Board may by rules and regulations prescribe. If upon the evidence adduced at the hearing the Board finds that the allegations of the application are true and that the question is one affecting commerce, it shall, subject to

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(d) Whenever an order of the Board made pursuant to section 10 (c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section, and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under subsections 10 (e) or 10 (f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and proceedings set forth in such transcript.

PREVENTION OF UNFAIR LABOR PRACTICES

SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in section 8) affecting commerce. This power shall be exclusive, and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board, or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint stating the charges in that respect, and containing a notice of hearing before the Board or a member thereof, or before a designated agent or agency, at a place therein fixed, not less than 5 days after the serving of said complaint. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Board in its discretion at any time prior to the

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(d) Whenever an order of the Board made pursuant to section 10 (c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section, and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under subsections 10 (e) or 10 (f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and proceedings set forth in such transcript.

(e) Before the Board shall issue any order certifying representatives for collective bargaining, the labor organization or representatives seeking certification shall qualify by filing with the Board a sworn statement setting forth the following information, which shall be brought up to date at least annually and whenever during any year any substantial change occurs in any of the facts set forth in the statement: (1) The official name or title of the labor organization or collective-bargaining agency; (2) the date established; (3) a copy of the constitution or articles of organization and of any bylaws in effect; (4) the names of all officers of the organization, with the certification that each is an American citizen; (5) the official address or principal place of business of the organization; (6) the names and addresses of the individuals who will actually function in collective bargaining with the employer, the majority of whom shall be bona fide employees of that employer, with the certification that each is an American citizen, the Board to be notified of any changes in the identity of the individuals who will function thus and those changes to be in accordance with the foregoing provisions; (7) a statement that its members are a majority of the employees in the bargaining unit in which such representatives were chosen.

PREVENTION OF UNFAIR LABOR PRACTICES

SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in section 8 (a)) affecting commerce. This power shall be exclusive, and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Board, or any agent or agency designated by the Board for such purposes, shall have power to issue and cause to be served upon such person a complaint which shall contain (1) a short and plain statement of the grounds upon which the Board's jurisdiction depends; (2) a short and plain statement of the charges against the respondent, stating the relief to which any of respondent's employees claim to be entitled; and (3) a demand for judgment for the relief to which the Board deems respondent's employees entitled. Relief in

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the provisions of subsection (e), by order determine the unit appropriate for the purpose of collective bargaining, which shall in no case be larger than the largest unit claimed in an application filed by employees or representatives in the proceeding. After determining the unit appropriate for collective bargaining, the Board shall take a secret ballot of employees in the unit so determined and by order certify the name or names of the representatives which a majority of the employees voting have designated or selected as their representative or representatives for collective bargaining. Such certification shall be effective for 1 year from the date of the entry of such order.

"(d) Whenever an order of the Board made pursuant to section 10 (c) is based in whole or in part upon facts certified following an investigation pursuant to subsection (c) of this section, and there is a petition for the enforcement or review of such order, such certification and the record of such investigation shall be included in the transcript of the entire record required to be filed under subsections 10 (e) or 10 (f), and thereupon the decree of the court enforcing, modifying, or setting aside in whole or in part the order of the Board shall be made and entered upon the pleadings, testimony, and the proceedings set forth in such transcript.

"(e) Whenever two or more representatives in applications filed in a proceeding under subsection (b) have each alleged with respect to conflicting bargaining units that a majority of the employees therein have authorized such representative to be their representative for collective bargaining, the Board shall make a finding to that effect and shall not have any power to determine the unit appropriate for the purposes of collective bargaining until such representatives have by written agreement settled the dispute between them as to the appropriate unit, or to determine any unit to be appropriate for such purposes which is not specified and agreed upon in such agreement as being appropriate for such purposes. For the purposes of this subsection 'representative' does not include a labor organization established, maintained, or assisted by any action defined in this act as an unfair labor practice."

SEC. 10. Section 10 (including the heading thereof) of the National Labor Relations Act is amended to read as follows:

"PREVENTION OF UNFAIR LABOR PRACTICES

"SEC. 10. (a) The Board is empowered, as hereinafter provided, to prevent any person from engaging in any unfair labor practice (listed in section 8) affecting commerce. This power shall be exclusive, and shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, code, law, or otherwise.

"(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Administrator shall investigate such charge, and if he has reasonable cause to believe such charge is true, he shall issue and cause to be served upon such person a complaint stating such charge, except that the Administrator shall not have power to issue a complaint stating a charge of any unfair labor practice which occurred more than 6 months prior to the date on which such charge was filed with the Administrator. Upon the filing by the Administrator of such complaint with the Board, the Board shall set the case for hear-

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issuance of an order based thereon. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the place and time fixed in the complaint. In the discretion of the member, agent or agency conducting the hearing or the Board, any other person may be allowed to intervene in the said proceeding and to present testimony. In any such proceeding the rules of evidence prevailing in courts of law or equity shall not be controlling.

(c) The testimony taken by such member, agent or agency or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon all the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be served

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the alternative or of several different types may be demanded: *Provided*, That within 30 days following the commission of any unfair labor practice (listed in section 8 (a)) affecting commerce by any employer, any employees considering themselves aggrieved must serve on said employer in writing, a short and plain statement advising said employer what unfair labor practice he is accused of having committed and the kind of relief desired from said employer by said employees; and that the failure of any employee to make and serve upon the employer such a statement within the said period shall constitute a waiver of any and all rights of redress under this act against said employer for such violation: *Provided further*, That if an employer shall fail, within 30 days after receiving such a statement from any of his employees, to adjust satisfactorily said differences with such employees, thereafter such employees may within 60 days file a charge with the National Labor Relations Board against said employer, which charge shall be limited to the unfair labor practices of which the employer was accused and to the relief requested by said employees in their statement to the employer: *And provided further*, That no complaint shall issue from the National Labor Relations Board against any employer charging him with engaging in any unfair labor practice which has occurred more than 6 months prior to the date of service of the complaint upon the employer, and that such complaint and any amendments thereto shall be limited to the unfair labor practices alleged and to the relief requested by said employees in their charges filed with the National Labor Relations Board. Before answering to a pleading the respondent may within 15 days after the service of the complaint upon him, move for a more definite statement or for a bill of particulars of any matter which is not averred with sufficient definiteness or particularity to enable him properly to prepare his answer or to prepare for hearing. The motion shall point out the defects complained of and the details desired. Upon motion made by a respondent before answering said complaint within 15 days after the service of the complaint upon him, any redundant, immaterial, impertinent, or scandalous matter may be stricken from said complaint. Said complaint shall be accompanied by a notice of hearing before the Board or a member thereof or before a designated agent or agency at a place therein fixed, not less than 20 days after the serving of said complaint. Any such complaint may be amended by the member, agent, or agency conducting the hearing or the Board in its discretion at any time prior to the termination of such hearing. The person so complained of shall within 20 days of the receipt of a copy of such complaint file an answer to the original or amended complaint and shall appear in person or otherwise and give testimony at the place and time fixed in the complaint. Any employee, labor organization, or group with members employed by the person so complained against shall have the right, in the discretion of the member, agent, or agency conducting the hearing of the Board, to intervene in the said proceeding and to present testimony. In any such proceeding the rules of evidence prevailing in courts of law or equity shall be substantially followed but shall not be absolutely controlling.

(c) The testimony taken by such member, agent or agency, or the Board shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon all the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue and cause to be

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ing before the Board or a member thereof, or before a designated trial examiner or examiners, at a place which the Board shall fix, not less than 15 days after the serving of such complaint. Any such complaint may, with the approval of the Board, or with the approval of the member, examiner, or examiners conducting the hearing, be amended by the Administrator at any time prior to the issuance of an order based thereon. The person so complained of shall have the right to file an answer to the original or amended complaint and to appear in person or otherwise and give testimony at the place and time fixed by the Board. In the discretion of the Board, or the member, examiner, or examiners conducting the hearing, any other person may be allowed to intervene in the said proceeding and to present testimony. Any such proceeding shall, so far as practicable, be conducted in accordance with the rules of evidence applicable in the district courts of the United States under the Rules of Civil Procedure for the District Courts of the United States, adopted by the Supreme Court of the United States pursuant to the act of June 19, 1934 (U. S. C., title 28, secs. 723–B, 723–C).

"(c) The testimony taken by the Board, member, examiner, or examiners shall be reduced to writing and filed with the Board. Thereafter, in its discretion, the Board upon notice may take further testimony or hear argument. If upon the preponderance of the testimony taken the Board shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue

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on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action, including reinstatement of employees with or without back pay, as will effectuate the policies of this act. Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon all the testimony taken the Board shall be of the opinion that no person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.

(d) Until a transcript of the record in a case shall have been filed in a court, as hereinafter provided, the Board may at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

(e) The Board shall have power to petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the Supreme Court of the District of Columbia), within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court a transcript of the entire record in the proceeding, including the pleadings and testimony upon which such order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its member, agent or agency, shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board as to the facts, if supported by evidence, shall be

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served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the policies of this act. If reinstatement of employees with back pay is required by such order, then back pay shall be for a period terminating on a date not exceeding 30 days after the case is argued and submitted; except that, if the order is appealed by the employer, the added time required may be considered in connection with back pay.

Such order may further require such person to make reports from time to time showing the extent to which it has complied with the order. If upon all the testimony taken the Board shall be of the opinion that no person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint.

If the Board shall find, as part of its findings of fact in any proceeding before it, that the party or parties filing the charges upon which the complaint was based have engaged in an unfair labor practice (listed in section 8 (b) in connection with or as a part of the actions forming the basis of the complaint, such findings shall constitute a complete defense to the complaint and no order shall issue thereon against the respondent; nor, if such party or parties is a labor organization, shall the respondent be held to have violated the act for refusal to recognize or to bargain collectively with such organization as the representatives of his employees during any part of the term for which it was designated or certified as a collective bargaining agency for his employees subsequent to the commission of such unfair labor practice by such party or parties.

(d) Until a petition for the enforcement of such an order or a petition for the review of such an order shall have been filed in a court, as hereinafter provided, the Board may, at any time within 30 days after the making of such order, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it.

(e) The Board shall have the power to petition any circuit court of appeals of the United States (including the Court of Appeals of the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the Supreme Court of the District of Columbia) within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall certify and file in the court a transcript of the entire record in the proceeding, including the pleadings and testimony upon which order was entered and the findings and order of the Board. Upon such filing, the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, or enforcing as so modified, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its members, agent, or agency, shall be considered by the court unless the failure or neglect to urge such objection shall be excused because of extraordinary circumstances. The findings of the Board as to the facts, if supported by the preponderance of

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and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action requested in the complaint, which may include reinstatement of employees with or without back pay, as will effectuate the policies of this act. Such order may further require such person to make reports from time to time to the Administrator showing the extent to which he has complied with the order. If upon the preponderance of the testimony taken the Board shall not be of the opinion in the case of any person named in the complaint that such person has engaged in or is engaging in any such unfair labor practice, then the Board shall state its findings of fact and shall issue an order dismissing the said complaint as to such person. No order of the Board or of any court requiring the payment by an employer of money by reason of a finding that such employer has engaged in or is engaging in any unfair labor practice shall require such payment with respect to a period longer than 6 months, or with respect to a period which when added to any previous period with respect to which such payment was required either by the Board or by any court by reason of the same finding, is longer than 6 months. In case the testimony taken is taken before a member of the Board, or before an examiner or examiners thereof, such member, or such examiner or examiners, as the case may be, shall issue and cause to be served on the parties to the proceeding a proposed report, together with a recommended order, which shall be filed with the Board, and if no exceptions are filed within 20 days after service thereof upon such parties, or within such further period as the Board may authorize, such recommended order shall become the order of the Board and become effective as therein prescribed.

"(d) Until a transcript of the record in a case shall have been filed in a court, as hereinafter provided, the Board may, at any time, upon reasonable notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any finding or order made or issued by it or by any member, examiner, or examiners thereof.

"(e) The Administrator shall at the request of the Board, or may on his own motion, petition any circuit court of appeals of the United States (including the United States Court of Appeals for the District of Columbia), or if all the circuit courts of appeals to which application may be made are in vacation, any district court of the United States (including the District Court of the United States for the District of Columbia) within any circuit or district, respectively, wherein the unfair labor practice in question occurred or wherein such person resides or transacts business, for the enforcement of such order and for appropriate temporary relief or restraining order, and shall file in the court a transcript of the entire record in the proceeding, certified by the Board, including the pleadings and testimony upon which such order was entered and the findings and order of the Board. Upon such filing the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction of the proceeding and of the question determined therein, and shall have power to grant such temporary relief or restraining order as it deems just and proper, and to make and enter upon the pleadings, testimony, and proceedings set forth in such transcript a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board. No objection that has not been urged before the Board, its member, examiner, or examiners shall be considered by the court, unless the failure or neglect to urge such objection shall be excused because of extraordinary

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conclusive. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its member, agent, or agency, the court may order such additional evidence to be taken before the Board, its member, agent, or agency, and to be made a part of the transcript. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which, if supported by evidence, shall be conclusive, and shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(f) Any person aggrieved by a final order of the Board granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Board, including the pleading and testimony upon which the order complained of was entered and the findings and order of the Board. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e), and shall have the same exclusive jurisdiction to grant to the Board such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board; and the findings of the Board as to the facts, if supported by evidence, shall in like manner be conclusive.

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the evidence, shall be conclusive in cases where no affirmative action is required by the order of the Board; in all cases where affirmative action is required by such order of the Board, the findings of the Board as to the facts shall be prima facie evidence of the facts therein stated. If any party shall apply to the court for leave to present additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to present such evidence in any prior hearing, the court may order such additional evidence to be taken before the Board, its member, agent, or agency, and to be made a part of the transcript. The Board may, within thirty days, unless, on reasonable cause shown, further time appears to be necessary, modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which, if supported by the weight of the evidence, shall be conclusive in cases where no affirmative action is required by the order of the Board, and shall file its recommendations, if any, for the modification or setting aside of its original order. In all cases where affirmative action is required by the order of the Board or the modified order of the Board, the new or modified findings of the Board as to the facts shall be prima facie evidence of the facts therein stated. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

(f) Any person and any employee or the representative of an employee employed in the unit designated by the Board under section 9, feeling himself aggrieved by a final order of the Board or by the issuing of a certificate or the making of any order by the Board, a member or representative thereof under section 9 of this Act, may obtain a review of such order or certificate in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in any district court of the United States wherein such person resides, transacts business, or where the unfair labor practice is alleged to have occurred, if all the circuit courts of appeals to which application may be made are in vacation, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Board, and thereupon the Board shall forthwith certify and file a transcript of the entire record in the proceeding, including the pleadings and the testimony, certified by the Board. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Board under subsection (e), and shall have the same jurisdiction to grant to any party to the proceeding such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board; and the findings of the Board as to the facts, if supported by the weight of the evidence, shall in like manner be conclusive in cases where no affirmative action is required by the order of the Board; in all cases where affirmative action is required by such order of the Board, the findings of the Board as to the facts shall be prima facie evidence of the facts therein stated.

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circumstances. The findings of the Board as to the facts shall be conclusive unless it is made to appear to the satisfaction of the court (1) that the findings of fact are clearly erroneous, or (2) that the findings of fact are not supported by substantial evidence. If either party shall apply to the court for leave to adduce additional evidence and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the hearing before the Board, its member, examiner, or examiners, the court may order such additional evidence to be taken before the Board, its member, examiner, or examiners and to be made a part of the transcript. The Board may modify its findings as to the facts, or make new findings, by reason of additional evidence so taken and filed, and it shall file such modified or new findings, which shall be conclusive unless it is made to appear to the satisfaction of the court (1) that such findings are clearly erroneous, or (2) that such findings are not supported by substantial evidence, and the Board shall file its recommendations, if any, for the modification or setting aside of its original order. The jurisdiction of the court shall be exclusive and its judgment and decree shall be final, except that the same shall be subject to review by the appropriate circuit court of appeals if application was made to the district court as hereinabove provided, and by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

"(f) Any person aggrieved by a final order of the Board (including a final order under section 9) granting or denying in whole or in part the relief sought may obtain a review of such order in any circuit court of appeals of the United States in the circuit wherein the unfair labor practice in question was alleged to have been engaged in or wherein such person resides or transacts business, or in the United States Court of Appeals for the District of Columbia, by filing in such court a written petition praying that the order of the Board be modified or set aside. A copy of such petition shall be forthwith served upon the Administrator, and thereupon the aggrieved party shall file in the court a transcript of the entire record in the proceeding, certified by the Board, including the pleading and testimony upon which the order complained of was entered and the findings and order of the Board. Upon such filing, the court shall proceed in the same manner as in the case of an application by the Administrator, under subsection (e), and shall have the same exclusive jurisdiction to grant to the Administrator such temporary relief or restraining order as it deems just and proper, and in like manner to make and enter a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part the order of the Board; and the findings of the Board as to the facts shall in like manner be conclusive, unless it is made to appear to the satisfaction of the court (1) that the findings of fact are clearly erroneous, or (2) that the findings of fact are not supported by substantial evidence.

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(g) The commencement of proceedings under subsection (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified or setting aside in whole or in part an order of the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (U. S. C., Supp. VII, title 29, secs. 101–115).

(i) Petitions filed under this Act shall be heard expeditiously, and if possible within ten days after they have been docketed.

(No. similar section in N. L. R. A.)

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

(g) The commencement of proceedings under subsection (e) or (f) of this section shall operate as a stay of the Board's order, and the court in its discretion upon good cause shown may suspend the accrual of the remedial financial damages against the respondent during the pendency of the appeal.

(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified or setting aside in whole or in part an order of the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (U. S. C., Supp. VII, title 29, secs. 101–115).

(i) Petitions filed under this Act shall be heard expeditiously, and if possible within ten days after they have been docketed.

(j) Any labor organization with members or any employee employed in the unit designated by the Board under section 9 aggrieved by a certification for collective bargaining purposes or an order of election by the Board under section 9 (b) or (c) may obtain a review of such certification or order of election in any circuit court of appeals of the United States in the circuit wherein the labor organization thus aggrieved has its principal office or place of business, or in the Court of Appeals of the District of Columbia, by filing in such court a written petition praying that such certification or order of election of the Board be modified or set aside.

(k) A settlement between the Board or anyone acting under its authority and any person charged with an unfair labor practice, approved by the Board, shall foreclose further action upon the same issues as long as the terms of the settlement are adhered to by such person: *Provided, however,* That a settlement between the bargaining agent designated by the Board and any person charged with an unfair labor practice, or any settlement between the Board or anyone acting under its authority, and any person charged with an unfair labor practice, or any settlement entered into by the Board or anyone acting under its authority, and any person charged with an unfair labor practice and the bargaining agent designated by the Board, shall not foreclose nor prevent any labor organization with members or any individual employed in the unit designated by the Board under section 9 from obtaining a review of any certificate or order issued by the Board under section 9 or section 10.

(l) Whenever any person aggrieved shall seek a review of any order or certification or final order made by the Board in either a representation or a complaint case, or whenever any person who is a party to any proceeding before the Board, any member of the Board, or any of its agents, shall so request, the Board shall furnish a daily copy of the transcript of the testimony taken, at the same price that is charged for like service to the Board or any governmental agency, and at no greater charge than the customary commercial rate for like service.

PROCEEDINGS IN DISTRICT COURTS (NEW SECTION)

SEC. 11. (a) Notwithstanding anything to the contrary hereinbefore or hereinafter, the district courts of the United States shall have jurisdiction in all cases that shall be removed to said courts from the National Labor Relations Board as hereinafter provided.

(b) Any person against whom any proceeding has been or shall be instituted before the Board may at any time within twenty days after the service of the complaint upon such person file a petition for removal in the appropriate district court, alleging the institution of such proceeding and attaching thereto a copy of such papers as may have

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"(g) The commencement of proceedings under subsections (e) or (f) of this section shall not, unless specifically ordered by the court, operate as a stay of the Board's order.

"(h) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part an order of the Board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by the Act entitled 'An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes', approved March 23, 1932 (U. S. C., Supp. VII, title 29, secs. 101–115).

"(i) Petitions filed under this Act shall be heard expeditiously, and if possible within ten days after they have been docketed."

(No similar section in H. R. 8813)

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

been served upon such person in the proceeding, and praying that said proceeding be removed to said district court whereupon such court shall, as of course, and without requiring bond or undertaking, issue its order staying such proceeding before the Board and requiring the Board to certify and send to such court all pleadings and papers filed with the Board in such proceeding.

(c) Upon the filing in any district court of such petition for removal as provided hereinbefore, the court shall consider promptly, and if possible within ten days after docketing, the matter or matters presented to it, upon the proofs and allegations of the parties and without regard to any proceeding had prior thereto, and after hearing if the court shall be of the opinion that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the court shall state its findings of fact and shall issue and cause to be served on such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action, including remedial-severance pay, but not including reinstatement of employees against the will of the employer, as will effectuate the policies of this act. Such order may further require such person to make reports from time to time showing the extent to which he has complied with the order. If upon all the testimony taken the court shall be of the opinion that no person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the court shall state its findings of fact and shall issue an order dismissing the said complaint. If the court shall find, as part of its findings of fact in any proceeding before it, that the party or parties filing the charges upon which the complaint was based have engaged in an unfair labor practice enumerated in section 8 (b) in connection with or as a part of the actions forming the basis of the complaint, such findings shall constitute a complete defense to the complaint and no order shall issue thereon against the respondent; nor, if such party or parties filing the charges upon which the complaint was based is a labor organization, shall the respondent be held to have violated this Act for refusal to recognize or to bargain collectively with such organization as the representatives of his employees during any part of the term for which it was designated or certified as a collective bargaining agency for his employees, subsequent to the commission of such unfair labor practice by such party or parties.

(d) Jurisdiction in the case of a proceeding that shall have been removed from the Board as provided hereinbefore shall be in the district court of the judicial district where the petitioner for such removal resides or engages in business, or where the proceeding before the Board was instituted.

(e) Such proceeding in the district court shall be governed by the same rules, including rules of evidence, as may at the time be applicable in a suit in equity in the district court. Any party to any such proceeding shall have the same right of appeal and upon the same terms and conditions as in a suit in equity in the district court to which such proceeding is removed.

(f) For the purposes of this section, the term "district court" shall mean any district court of the United States, including the district courts of Alaska, Hawaii, Puerto Rico, Canal Zone, Virgin Islands, and the District of Columbia, and the supreme courts of Hawaii and Puerto Rico, and the United States Court for China.

(g) The President of the United States is authorized, upon request by the Chief Justice of the United States, to appoint from time to time, by and with the advice and consent of the Senate, such additional district judges

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

INVESTIGATORY POWERS

SEC. 11. For the purpose of all hearings and investigations, which, in the opinion of the Board, are necessary and proper for the exercise of the powers vested in it by section 9 and section 10—

(1) .The Board, or its duly authorized agents or agencies, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. Any member of the Board shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter under investigation or in question, before the Board, its member, agent, or agency conducting the hearing or investigation. Any member of the Board, or any agent or agency designated by the Board for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing.

(2) In case of contumacy or refusal to obey a subpena issued to any person, any District Court of the United States or the United States courts of any Territory or possession, or the Supreme Court of the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from

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as may be necessitated by the enlarged jurisdiction conferred upon the district courts of the United States by the terms of this section.

(h) If and to the extent that any provision of this section shall conflict with any provision of any other section of the act as amended or of any other statute of the United States, the provisions of this section shall be controlling.

INVESTIGATORY POWERS

SEC. 12. (1) Any member of the Board shall have power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to any matter in question, before the Board, its member, agent, or agency conducting the hearing. The Board is required to issue subpenas upon the request of any party interested: *Provided*, That the Board or its agent may require a statement in writing that the parties subpenaed have knowledge pertinent to the question at issue.

Any member of the Board, or any agent or agency designated by the Board for such purposes, may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing.

(2) In case of contumacy or refusal to obey a subpena issued to any person, any district court of the United States or the United States courts of any Territory or possession, or the Supreme Court of the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the judisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the Board shall have jurisdiction to issue to such person an order requiring such person to appear before the Board, its member, agent, or agency, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prose-

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

SEC. 11. Section 11 (including the heading thereof) of the National Labor Relations Act is amended to read as follows:

"INVESTIGATORY POWERS

"SEC. 11. For the purpose of any proceeding before the Board, or before a member, examiner, or examiners thereof, or for the purpose of any investigation provided for in this Act—

"(1) The Board, or any member thereof, or any trial examiner shall, upon application of the Administrator or of any party to such proceeding, whether before or during any hearing in the case of any such proceedings, forthwith issue to the Administrator or to such party, as the case may be, in the name of the Board, subpenas requiring the attendance and testimony of witnesses or the production of any evidence in such proceeding or investigation requested in such application. Within five days after the service of a subpena on any person requiring the production of any evidence in his possession or under his control, such person may petition the Board or its duly authorized agent or agents to revoke, and the Board or such agent or agents shall revoke, such subpena if in its, his, or their opinion, as the case may be, the evidence whose production is required does not relate to any matter under investigation, or any matter in question in such proceeding, or if in its, his, or their opinion, as the case may be, such subpena does not describe with sufficient particularity the evidence whose production is required. The Administrator or any member of the Board or any examiner or examiners designated by the Board for such purposes may administer oaths and affirmations, examine witnesses, and receive evidence. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof at any designated place of hearing.

"(2) In case of contumacy or refusal to obey a subpena issued to any person, any district court of the United States, or the United States courts of any Territory or possession, or the District Court of the United States for the District of Columbia, within the jurisdiction of which the inquiry is carried on or within the jurisdiction of which said person guilty of contumacy or refusal to obey is found or resides or transacts business, upon application by the person to whom such a subpena was issued by the Board, shall have jurisdiction to issue to such person so guilty of contumacy or refusal to obey an order requiring him to appear before the Board, its member, examiner, or examiners, or before the Administrator if the subpena so directs, there to produce evidence if so ordered, or there to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by said court as a contempt thereof.

"(3) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Board, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prose-

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

prosecution and punishment for perjury committed in so testifying.

(4) Complaints, orders, and other process and papers of the Board, its member, agent, or agency, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Board, its member, agent, or agency, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(5) All process of any court to which application may be made under this act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

(6) The several departments and agencies of the Government, when directed by the President, shall furnish the Board, upon its request, all records, papers, and information in their possession relating to any matter before the Board.

SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both.

LIMITATIONS

SEC. 13. Nothing in this act shall be construed so as to interfere with or impede or diminish in any way the right to strike.

SEC. 14. Wherever the application of the provisions of section 7 (a) of the National Industrial Recovery Act (U. S. C., Supp. VII, title 15, sec. 707 (a)), as amended from time to time, or of section 77B, paragraphs (l) and (m) of the act approved June 7, 1934, entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States' approved July 1, 1898, and acts amendatory thereof and supplementary thereto" (48 Stat. 922, pars. (l) and (m)), as amended from time to time, or of Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183), conflicts with the application of the provisions of this act, this act shall prevail: *Provided*, That in any situation where the provisions of this act cannot be validly enforced, the provisions of such other acts shall remain in full force and effect.

SEC. 15. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 16. This act may be cited as the "National Labor Relations Act."

Approved, July 5, 1935.

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cution and punishment for perjury committed in so testifying.

(4) Complaints, order, and other process and papers of the Board, its members, agent, or agency, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served.

The verified return by the individual so serving the same, setting forth the manner of such service, shall be prima facie evidence of the same, and the return post-office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be prima facie evidence of service of the same.

Witnesses summoned before the Board, its member, agent, or agency, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

(5) All process of any court to which application may be made under this act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

(6) The several departments and agencies of the Government, when directed by the President, shall furnish the Board, upon its request, all records, papers, and information in their possession relating to any matter before the Board.

(7) Employees and employers shall have the right to request a change of agent or agency when such request is accompanied by the filing of affidavits or prejudice.

SEC. 13. Any person who shall willfully resist, prevent, impede, or interfere with any member of the Board or any of its agents or agencies in the performance of duties pursuant to this act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both.

LIMITATIONS

SEC. 14. Nothing in this act shall be construed so as to interfere with or impede or diminish in any way the right of employees individually or collectively to quit work, to refuse to go to work; or to go to work, or to continue at work.

(Same as N. L. R. A.)

SEC. 15. Wherever the application of the provisions of section 7 (a) of the National Industrial Recovery Act (U. S. C., Supp. VII, title 15, sec. 707 (a)), as amended from time to time, or of section 77B, paragraphs (l) and (m) of the act entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto" (48 Stat. 922, pars. (l) and (m)), as amended from time to time, or of Public Resolution No. 44, approved June 19, 1934 (48 Stat. 1183), conflicts with the application of the provisions of this act, this act shall prevail: *Provided*, That in any situation where the provisions of this act cannot be validly enforced, the provisions of such other acts shall remain in full force and effect.

SEC. 16. If any provision of this act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

The National Labor Act approved July 5, 1935 (49 Stat. 449), is hereby repealed.

SEC. 17. This act may be cited as the "National Labor Relations Act."

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

cution and punishment for perjury committed in so testifying.

"(4) Complaints, orders, and other process and papers provided for in this act may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post-office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Administrator or before the Board, its member, examiner, or examiners, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"(5) All process of any court to which application may be made under this act may be served in the judicial district wherein the defendant or other person required to be served resides or may be found.

"(6) The several departments and agencies of the Government, when directed by the President, shall furnish the Administrator, upon his request, all records, papers, and information in their possession relating to any matter before the Board."

SEC. 12. Section 12 of the National Labor Relations Act is amended to read as follows:

"SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with the Administrator or any member of the Board or any of their agents or agencies in the performance of duties pursuant to this act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both."

(H. R. 8813 does not propose an amendment to Sec. 13 of N. L. R. A.)

(H. R. 8813 does not propose an amendment to Sec. 14 of N. L. R. A.)

(See Section 1 of H. R. 8813.)

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

EFFECTIVE DATE

SEC. 13. (a) As used in this section—

(1) The term "old act" means the National Labor Relations act in effect prior to the enactment of this act.

(2) The term "new act" means the National Labor Relations Act, as amended by this act.

(3) The term "old Board" means the National Labor Relations Board created by section 3 (a) of the old Act.

(4) The term "new Board" means the National Labor Relations Board created by section 3 (a) of the new act.

(b) The amendments made by this act shall take effect on the ninetieth day after the date of its enactment, except that prior to such ninetieth day the President may appoint the new Board and the Administrator, and they may exercise their respective powers under such amendments of employing necessary personnel and making rules and regulations to carry out their respective functions.

(c) Effective as of the expiration of the eighty-ninth day after the date of enactment of this act, the old Board is hereby abolished.

(d) All orders issued by the old Board and in effect at the time the old Board is abolished shall continue in effect until superseded or revoked by the new Board, or if modified by the new Board, shall continue in effect as so modified, and all such orders may be enforced by the Administrator or reviewed by any person aggrieved thereby in the same manner and to the same extent as if issued by the new Board under the new act, except that the validity of such orders and the effect given to the findings of fact (including new or additional findings of fact by the new Board) upon which they are based shall be governed by the old act in the same manner and to the same extent as if this act had not been enacted. All proceedings and investigations pending before the old Board under section 9 of the old act at the time of the abolition of the old Board shall be continued by the new Board in the same manner, and shall be subject to the provisions of the new act to the same extent, as if an application had been filed with the new Board under section 9 (c) of the new act, and all petitions for such investigations shall, within twenty days after the abolition of the old Board, be amended accordingly, or dismissed. Subpenas issued by the old Board under section 11 of the old act shall remain effective, but the issuance of such subpenas may be revoked by the new Board, and such subpenas may be enforced by the persons to whom they are issued, in the same manner and to the same extent as if issued by the new Board under section 11 of the new act. No proceeding in any court for the enforcement or review of any order of the old Board shall abate by reason of the abolition of the old Board, but the Administrator shall be substituted as petitioner or respondent, as the case may be, and the validity of such order, and the effect given to the findings of fact (including modified or new findings of fact by the new Board in case the court orders additional evidence to be taken before the new Board) shall be governed by the old act in the same manner and to the same extent as if this act had not been enacted. In the case of any proceeding pending before the old Board under section 10 (b) of the old act at the time of the abolition of the old Board in which a charge has been made but no complaint issued, such charge shall be transferred to the Administrator, and shall be acted upon by him under, and shall be governed by, the new act in the same manner and to the same extent as if such charge had been made to him under the new act. In the case of any proceeding pending before the old Board under section 10 (b) of the old act at the time of the abolition of the old

National Labor Relations Act (Public, No. 198, 74th Congress)—Continued

H. R. 4990 (introduced by Mr. Hoffman on March 13, 1939)—Continued

H. R. 8813 (introduced by Mr. Smith of Virginia on March 7, 1940)—Continued

Board in which a complaint has been issued but in which a hearing has not been commenced, the time and place of hearing fixed in such complaint, or such time or place as extended or modified by the old Board shall be ineffective. The Administrator shall file such complaint with the new Board, and the new Board shall fix the time and place for a hearing thereon in accordance with the new Act. Such proceeding, and every other proceeding pending before the old Board under section 10 (b) or 10 (c) of the old Act at the time of the abolition of the old Board in which no order has been issued shall be governed by the provisions of the new Act, except that in any such proceedings wherein a hearing has been commenced or completed prior to the abolition of the old Board, the rules of evidence prevailing in the courts of law or equity shall not be controlling. In the case of any proceeding pending before the old Board under section 10 (b) or 10 (c) of the old Act at the time of the abolition of the old Board wherein an order has been issued and wherein the new Board directs the taking of additional testimony, and in the case of any proceeding for the enforcement or review of any order of the old Board pending in any court at the time of the abolition of the old Board wherein the court orders the taking of additional testimony before the new Board, the rules of evidence prevailing in the courts of law or equity shall not be controlling in the taking of such testimony.

(e) All files, reports, records, documents, papers, and property (including office furniture and equipment) under the control of the old Board shall be distributed, upon the abolition of the old Board, between the new Board and the Administrator in such manner as the President may determine.

The Farm Credit Administration

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

Mr. PIERCE. Mr. Speaker, the attention of Members of the Congress is being drawn to the affairs of the Farm Credit Administration because of the introduction of a bill to reinstate it as an autonomous agency, and to break the connection with the Department of Agriculture established through the reorganization bill passed by this Congress. I think the change, following our legislation, has been an improvement. I believe farm-credit matters will be handled more satisfactorily under the new plan. I desire to state my reasons for supporting the change and urging that there should be no interference with the present organization. I have had some experience with the Farm Credit Administration and with farm-credit legislation, as I have been a member of the Agriculture Committee during my four terms in Congress. For several years I was president of a local farm-loan association under the Federal land bank. I was, also, at one time, a borrower so may speak from the borrower's point of view. I have, however, had no relation to the organization as a borrower during my service in Congress.

My section of the country is served by the Federal land bank at Spokane, so many of my illustrations are drawn from my experience with the organization in that district—the twelfth farm-credit district. Most of the farmers from my congressional district have had experience with Federal farm loans. The road to Spokane is much traveled by farmers of the Northwest. Those who "go to Spokane" have impressed upon them, not only the importance of an efficient farm credit system, but also the difficulties in connection with it, and its shortcomings from the farmer's point of view. Officialdom tends always to become dictatorial and somewhat intolerant of the suppliants who must come before it, begging relief from burdensome financial situations. All the difficulties are not, however, to be traced to the personal deficiencies of the officials, but were inherent in the system as it was organized and previously administered. I regret that the Congress has this matter again before it, as it should have been settled permanently by the action already taken; but, since malcontents are apparently determined to disturb the orderly functioning of the Farm Credit Administration, I am convinced that such a statement as I am about to make should be written into the RECORD.

FARM CREDIT ADMINISTRATION TRANSFERRED

On July 1, 1939, the Farm Credit Administration was transferred to the Department of Agriculture, pursuant to an act of Congress, following recommendation by the President, as part of a plan of governmental reorganization. Even before the transfer became effective, a vigorous campaign was commenced by those entrusted with the supervision of the Farm Credit Administration, to defeat the transfer and continue the independent status of the agency. Delegations waited on the President, and employees of the Farm Credit Administration called upon a large number of Congressmen. Despite these efforts, I failed to observe any serious question in this House as to the desirability of consolidating the administration of Farm Credit agencies with a Government department equally responsible for the welfare of farmers. The Department of Agriculture is the governmental agency closest to the farmers. It has operated exclusively in the interests of agriculture.

The Secretary of Agriculture apparently tried to go along with the dissatisfied officials of the Farm Credit Administration. He had issued a preliminary order on June 3, 1939, providing that the Farm Credit Administration would continue to function as an autonomous agency after the

Reorganization Act became effective, except that it would report to the Secretary rather than to the President. This order stated that it was issued with the concurrence of the President and was subsequent to the approval by the Congress of Reorganization Plan No. I.

OFFICEHOLDERS DEFY THE LAW

For a time there was no further complaint by officials of the Farm Credit Administration, but farmers and farm groups in several areas, hopeful of better things, began forwarding sharp protests against prevailing practices. They wanted to know why something could not be done to modify onerous policies and previous practices of land banks. Then, on September 26, 1939, the Comptroller General ruled that Secretary Wallace could not continue the Farm Credit Administration in an autonomous status. The ruling pointed out, and properly so, that the Reorganization Act of 1939 and reorganization plans approved pursuant to it are law and cannot be modified by Executive order or delegation by a Cabinet officer. When, following that ruling, the Secretary of Agriculture set about complying with the law, another storm of protest emanated from the Farm Credit Administration. The Governor, Mr. F. F. Hill, resigned and submitted statements to the press calculated to show that the national financial structure was imperiled because of the consolidation and the reduction in his power and authority. Representatives of some farm organizations have been actively and prominently identified with a movement to regain an independent status for this agency. It is, however, my understanding that their farmer members have not expressed themselves. No resolutions have been received by me from farmers in my section of the country in opposition to the change.

I call attention to these developments because it is one of the few times that minor executive officials of agencies of the Federal Government have set out to defy both the Congress and the President by an open, undisguised lobbying campaign. I assumed that when Mr. Hill's resignation was accepted and the present Governor, Dr. Albert G. Black, was appointed and confirmed by the Senate those gentlemen who have enjoyed high-salaried positions in the Farm Credit Administration would be content to abide by the decision of Congress. But such was not the case. Since January 1 several resolutions opposing the transfer have been received in Washington from national farm-loan associations, production-credit associations, and other groups closely affiliated with the Farm Credit Administration. The number of resolutions has not been large enough to be representative; the important fact is that they have been inspired. Inspired, not by farmers who loved the system but by officeholders who wanted no interference with their determination of the national agricultural credit policy.

THEY INCITE FARMER OPPOSITION

I have before me copies of two letters. One of them is addressed to the members, officers, and directors of all national farm-loan associations in the twelfth farm-credit district, and is signed by Mr. E. M. Ehrhardt, who recently resigned as president of the Federal land bank at Spokane. This letter was apparently sent to all the borrowers of the Federal land bank in Oregon, Washington, Idaho, and Montana. I assume that it was mailed under Government frank, possibly 40,000 copies. It is dated January 12, 1940. The concluding paragraph of the letter reads as follows:

> Some of you may feel that we have talked too much in these letters and in our meetings about the necessity of zealously guarding the cooperative feature of the land-bank system, but we must say again emphatically that this is a matter of gravest importance. We believe it is up to the members, officers, and directors of national farm-loan associations to see that their cooperative credit system establishes its permanent place among the institutions of this country. All during the period of hard times there have been many contentions for more direct Government loans in larger amounts and upon more liberal terms than can be made through a cooperative land-bank system. The hazard of the dependence upon direct lending of Government funds as a permanent system, with all of its attendant economic, social, and political consequences, has been mentioned in previous letters. American farmers, in all probability, will have the kind of system they want. It is up to them to say whether or not we shall lay a new pipe line to the Federal Treasury or keep the one we have, which leads to the private money markets of the world. There are many implications, too many, in fact, to discuss in a letter, but the matter merits your earnest study and consideration, for in our opinion the voice of the members of national farm-loan associations will have great weight in the determination of this question.

I call attention to the sentence about the "pipe line which leads to the private money markets of the world." "Aye, there's the rub." Shall farm credit be returned to banker and insurance company control in the big money centers?

When this letter was received by the associations there was only one way in which it could be interpreted by them. That is, they were expected to send resolutions to their Congressmen asking restoration of the independent status of the Farm Credit Administration. This letter followed immediately one addressed on January 2, 1940, to all national farm-loan associations and production-credit associations by Mr. F. F. Hill. Permit me to call your attention to the following statement in that letter:

> There is only one issue in the situation, so far as I am concerned. That issue may be stated as follows:
> Should the Farm Credit Administration be reestablished as an independent Federal agency supervising cooperative credit institutions set up to serve agriculture or should it become part of a large department of Government responsible for the administration of a great many other programs, some of which, regardless of the intentions of administrators, may tend to weaken and perhaps ultimately destroy the cooperative credit system.

FARM BORROWERS MISLED

It is generally recognized that the success of any agricultural credit program depends largely on the success of other programs designed to adjust, improve, and stabilize agriculture. Those "other programs" which Mr. Hill views with alarm are the ones on which farm credit depends for its solvency. But, more importantly, what responsibility of the former Governor compelled him to circularize associations of farmers in regard to this issue? It is generally supposed that Members of Congress represent the people of their districts. This is not the function of the appointed officials of the executive branch of the Government. If Mr. Hill as Governor—and he was still on the pay roll at that time—or presidents of the land banks are going out to campaign in the country against acts of Congress they dislike, they should run for elective office and not use the privileges of appointive posts to indulge in what is clearly a campaign against an administrative order of the Secretary of Agriculture.

It is not surprising that there have been some resolutions in opposition to this consolidation. It is surprising that there have not been more in view of the campaign which has been carried on. These documentary records tell only part of the story. In my district, false stories have been circulated that the Department of Agriculture intended to deny any loan to a farmer who did not participate in the agricultural-adjustment program and that farm-credit agencies were to be converted into instruments for relief. The Reorganization Act changed no functions of Farm Credit. Its loans must be made under the provisions of the Farm Credit Act, as has been the case in the past. If that act is changed, the change will be made by Congress, and again, it may be observed, that it is for Congress to determine such changes, and it is not the function of disappointed officeholders of a Federal agency to legislate. Unfortunately this Congress may be called upon to consider proposals to restore the Farm Credit Administration to an independent status. Congress will then again become interested in the future policies and administration of Farm Credit. It seems important to me and to the welfare of our greatest industry that we examine the real issues and study the situation before we give credence to the inspired protests emanating from those whose authority may have been lessened.

SOUNDNESS DEPENDS ON CONGRESS

The claim is made that the land-bank system as it has been conducted is sound. That claim is based on the fact that land-bank bonds sell readily at low rates of interest. That is true, but the favorable market situation which has

been developed for these bonds is not due to the condition of the mortgages securing the bonds, which are delinquent 20 percent or more, but rather to the fact that the investors know that the land banks are so close to the Government their bonds will probably never be defaulted.

In January 1932, when the land-bank system was virtually bankrupt, Congress voted $125,000,000 additional capital stock, and I have no doubt that we would do so again if necessary, though none of that appropriation had been repaid to the Government on December 31, 1939. So it seems farfetched to contend that land banks are sound, independent financial institutions. If Federal support had been withdrawn at any time after their establishment, they would have been bankrupt. The same holds true today. The Federal Government, having created the land-bank system and having financed it for almost 24 years, has a direct and responsible interest in its policies. When some of those policies are exposed to the light of public discussion, such changes as have recently been made in the Farm Credit Administration will appear to have been fully justified. These new policies have aroused in my mind a hope that the Secretary of Agriculture will give effect to the real purpose and intent of Congress when it passed the Farm Credit Act. I am convinced that the change will relieve the distress of hundreds of thousands of farmers who have been subjected to policies and practices in credit operations more ruthless than the practices of any private bank or insurance company. These practices were as crushing to the farmers as the vicious practices of some money lenders, which led to the creation of the land-bank system in 1916.

GROWTH OF FEDERAL FARM CREDIT

In the two decades since Congress created the Federal land-bank system, the country has experienced two periods of acute depression, 1920–22 and 1929–33. On each occasion the Federal land-bank system has been called upon to assume additional responsibilities in connection with agricultural financing problems. The development has placed the Federal land-bank system in a dominating position among mortgage institutions. Today the Federal land bank and land bank commissioner hold about 40 percent of the total farm-mortgage debt. In 1918 the total farm-mortgage debt was $7,160,085,000. Of this amount the Federal land banks held 0.6 percent. In 1938 the total farm-mortgage debt was $7,121,093,000, of which the Federal land banks and the land bank commissioner held 38.2 percent.

The land-bank system has acquired large holdings of real estate. In the Spokane district alone it holds at this time 928,895 acres of farm land, or 2,764 farms. Today the Federal land banks and land bank commissioner dominate the agricultural mortgage field and hold in their hands the financial welfare of American farmers. Consequently, if the National Government is to make real progress toward solving the problems of agriculture, credit practices of the farm-credit system must be in harmony with policies of the Federal Government. This, I think, is true whether or not it corresponds to the personal desires or convictions of a Farm Credit Governor or a land bank commissioner.

It is high time that the Congress reexamine the farm-credit structure, built up over the past 20 years, to determine whether the program intended by farm-credit laws has been carried out. It is imperative that attention be given by Congress, the creator of the system, to the protests of farmers against harsh collection policies, widespread foreclosures, and deficiency judgments.

BUSTED BANKERS RAN THE SYSTEM

As a standard by which to determine changes that should be made by the Secretary of Agriculture and the new Governor, it is advisable to review the standards of administration and policy of our various credit agencies. The background, training, and habits of many of the present officials of the banks operating under the Farm Credit Administration has been limited to the private commercial banking field. Many of them were former officials in local private banks which were forced to close in 1932 and 1933; in short, they were busted bankers who had political pull but little conscience. In many cases they were not in sympathy with the system and were not able to distinguish the difference in purpose between a commercial bank dealing in short-term credits and a great national agricultural credit system which was intended to be responsive to the needs of individual farmers. Too often, these bankers, because of their inflexible attitudes, carried into the farm-credit system policies and methods which were not adaptable to such a system nor beneficial to the great industry which it was created to serve. This not only prevented the system from rendering a full measure of service to those for whom it was intended, but oftentimes these policies operated to weaken the system itself. Now a new era in administrative policies is indicated by the actual, rather than nominal, transfer of the Farm Credit Administration to the Department of Agriculture.

One phase of financing in the 1920's which affects the present agricultural credit situation was the method by which a substantial part of existing farm indebtedness was incurred. The agents of large mortgage-loan and life-insurance companies, the branches of metropolitan banks and the local units of chain banking systems, as well as some local independent banks, were making farm loans in many parts of the country for which they received substantial commissions or bonuses. The natural tendency was to saddle the farmer with just as much indebtedness as he was willing to accept. If he fell behind in his payments, the debt was not usually liquidated through foreclosure, but was compounded by making a new mortgage and adding delinquent interest and service charges to the principal until many farms were hopelessly indebted. This was not an instance of a credit institution advancing new funds to an enterprise on the supposition that the original indebtedness might be paid from increased earnings. It was merely saddling men with additional indebtedness beyond their ability to pay. That private banking could not survive such practices was very much in evidence in 1933. This indebtedness was passed on to the Federal Government, when the Farm Credit Administration, through commissioner loans, commenced refinancing the same bad loans which had nearly wrecked private institutions.

COLD-BLOODED FORECLOSURES

The governmental refinancing program of 1933 and 1934 undoubtedly saved large numbers of farm homes. Since it was done under pressure, it was to be expected that mistakes would be made. The fact stands out, however, that thousands of American farmers are now attempting to carry mortgage debts much larger than they can ever hope to pay out of farm income, even in times of greatest prosperity. I do not know how many of them there are throughout the country. I know of several such cases in my own district. The Farm Credit Administration, it seems to me, should immediately take steps to ascertain cases in which farmers are indebted beyond their capacity to pay out, and make some adjustment.

Nothing is to be gained by forcing those unfortunate borrowers through foreclosure and putting them on the relief rolls, as has been the practice of the Farm Credit Administration for the past few years. So far, in such cases land-bank policies have, I fear, been too severe. Fortunately new policies in regard to foreclosures have now been announced. Farmers who were foreclosed under such circumstances have not been permitted to repurchase the farms which have been their homes. One of the dogmas of the mysterious ritual of land-bank credit has been to refuse resale or lease of the property to the unfortunate borrower or any of his relatives. The only apparent requisite for the new purchaser was that he be an entire stranger to the land, or a covetous neighbor who had secured the cooperation of the land bank. In other words, land-bank policy has said that because a farmer failed once he is to be forever barred from farming. If such a policy were adopted with respect to bankers, the exodus of personnel from farm-credit institutions would be classic, and would leave them short of operating officials.

DEFICIENCY JUDGMENTS

Not only was the foreclosed borrower barred from acquiring a farm in which the land bank had an interest, he was usually subjected to a deficiency judgment, because the bank could not sell his farm for as much as he owed. Deficiency judgments have, in many instances, been kept alive for years so that whatever the farmer acquired was subject to seizure. What man would have the courage to start over again under such circumstances? The natural reaction is for him to take a resentful attitude and to conclude that the Government owes him a living. In cases such as that, the Government has a definite interest. Consider the fact that, in 1938, there were 10,500 foreclosures taken by the Federal land-bank system; 10,500 families may have been forced on relief by an agency of the Federal Government. There were 4,650 cases left pending at the end of the year. In 1939, 12,963 foreclosures were taken by the Federal land banks and the Land Bank Commissioner and 3,424 were pending at the end of the year. Could that be the sound banking to which Mr. Hill referred in his circular letter? If it is, let me again point out that the Federal land bank at Spokane now owns 2,764 farms or 928,895 acres of farm land. The bank estimates it will lose $4,790,797 on that land, and to that amount may be added $10,946,500 of losses incurred on real estate transactions prior to December 31, 1939, by the Federal land bank at Spokane. If solvency of a bank is any factor, this type of banking is not sound. I wonder how many of these loans would have been repaid if the borrowers had been given a chance? Knowing how deficiency judgments crucify the farm debtor, I have hoped, in Congress, to secure modification of the Federal land-bank law to prevent any court granting deficiency judgments in such foreclosures. Failure to secure such just and constructive legislation as was proposed in my bill has been due to the uncompromising rigidity and harshness of the Farm Credit Administration officials in Washington. When States have enacted or proposed such acts, these farm-credit dictators have demanded repeal of laws or cessation of activity for them, on penalty of withdrawal from the State of all Federal farm credit. These same financial dictators set up by our Government have refused to consider legislation allowing compromise of excess Federal loans.

LAND-BANK COLLECTION POLICIES

The collection policy of land banks reduced to its essentials is this: For every $1,000 a farmer borrows he agrees to pay back somewhat more than $2,000 in yearly installments over 34 years. He cannot pay it in advance for the first 5 years, and after that he is discouraged from paying more than his annual installment. If he has a good crop year and can pay more than is due it is counted against payments at the end of the pay periods, 25 or 30 years hence. The average man does not want to invest the fruits of his toil that far ahead, so if there is a surplus of farm income it is spent some other way. If a year of drought, or insect pestilence destroys a crop, however, and the borrower cannot meet a payment he is subjected to a penalty interest rate which may be as high as 8 percent, though 6 percent is usual. The following year he owes two annual payments plus penalty interest on the one which became delinquent. If there are 2 or 3 years of bad crops the land-bank borrower finds that he owes in one lump sum an amount he could not pay in his best year—and all the while that sum is accumuating penalty interest.

It must be remembered, and the fact should be stressed and printed in capitals, that the Federal land bank, while levying these penalties impossible for payment, retains, presumably as an investment in stock of the land bank, without crediting interest, 5 percent of the amount originally lent the delinquent borrower, when, in fact, the borrower from the Federal land bank has actually been obliged to pay a bonus of 5 percent to get his loan. Through all the 30 or more years the farm borrower actually pays interest on the 5 percent exacted from him and actually surrendered to the system. This should be reversed and interest should be paid him for money lent the system. It is the theory, probably unsound, that he surrenders 5 percent of his own loan to guarantee his neighbor's loan. It is the supposition that the borrower has that much stock in his local association and that it may be repaid when he finally settles his loan. As a matter of fact, he is the only private citizen who furnishes capital to this institution without receiving interest and he is then penalized to the tune of 6 percent, possibly 8, if he fails to pay his installment. There should be legislation, immediately, correcting this abuse, and crediting on the farmer's debt to the land bank the amount of this enforced stock subscription.

VICTIMS OF THE SYSTEM

In Malheur County, Oreg., a farmer who is indebted to the land bank, makes an annual payment of $197.50. He had paid on his loan for several years without substantial difficulty, but in 1934 drought destroyed his crop and he could not pay. The following year the land bank sent him a bill for two annual payments plus interest on the delinquency—a little over $400. This was an amount which would have been difficult in a good year, and his crops were not good in 1935. Nevertheless, the land bank hounded him for payment. He received threats of foreclosure and collectors visited his farm. Finally, he took the only way open to him and sold some of his horses to meet the payment. In other words he dipped into operating capital. A few weeks ago that farmer stated that this one experience virtually ruined him, and that he was doubtful that he could ever again catch up to where he was in 1934. When depreciation is allowed to begin on a farm it is almost impossible to stop it.

On cattle ranches I have seen fine herds depleted and pastures ruined by pressure for the annual payment on Farm Credit indebtedness. In the dairy sections of Wisconsin and Minnesota dairy farmers have sometimes been forced to sell half their herds to meet installments; then, having liquidated their only means of making an income, they must stand helpless with their farms and homes going to foreclosure. The same situation can be duplicated countless times wherever land-bank loans exist. If a borrower once misses a payment, he is forced to "mine" his farm through cash cropping, failure to make necessary repairs, or selling livestock. It is thus made progressively more difficult to meet subsequent payments, until foreclosure is inevitable.

UNSOUND BANKING PRACTICES

The practices cited do not, in my judgment, constitute sound or intelligent banking. They would be condemned by any successful private bank. No one has ever heard of an institution like the Chase National Bank tearing up a railroad track and selling it to meet a payment on a mortgage. Such an institution would be more likely to advance additional funds for track maintenance, because without it the borrowing railroad company could never make any money to pay the debt.

Likewise, the farmer who is forced to mine his soil or liquidate his operating capital can never pay his debt. Furthermore, when the bank finally gets the property, its value has usually declined well below the value of the mortgage. Land-bank collection policies have literally killed the goose, the cow, and everything else which produces agricultural gold. It would be well for the Congress to see to it not only that Farm Credit stays in the Department of Agriculture, but that immediate action is taken to put some agriculture into Farm Credit.

The lack of adjustment of credit policies to agricultural needs may have something to do with the fact that 126,971, or 28.9 percent, of all land bank commissioner borrowers were delinquent on December 31, 1939. One hundred and twenty-seven thousand and eighty-two borrowers, or 20.5 percent of all land-bank borrowers were delinquent at the same time. In both cases delinquency increased over the year 1938. At this time the rate of delinquency in the Pacific Northwest is 21 percent. Of a total of 56,934 land bank and commissioner loans, 12,222 are delinquent. The average rate of delinquency is $455.51 per borrower. In terms of dollars, delinquent loans in that district amount to $27,646,520 out of a total of $138,433,656 in loans.

NEW POLICIES DEMANDED

These facts lead me to believe that there are three major points on which policy with respect to farm mortgages urgently

needs reconsideration by the Congress, as well as by the Department now charged with the responsibility of administering the system.

First. The alarming and widespread foreclosures remove good farmers from their farms and place them on relief rolls.

The policy which has brought this about is damaging to the banks and to the Government, and it creates a body of resentful and suspicious citizens. In its trail follows the write-down of the mortgage value for resale, the depreciation of the land and improvements during foreclosures and the period of redemption, the administrative expense of foreclosure and resale, and the burden which must be borne by W. P. A., the Farm Security Administration, or some other public agency in caring for the foreclosed victims. Since the agency has been placed under Secretary Wallace, I understand foreclosures, in all but the bad-faith cases, have been suspended. Some more permanent solution must be worked out.

Second. Deficiency judgments, about which I have already spoken, must be abolished. These judgments which are taken against a foreclosed borrower if the sale of the property does not satisfy the debt, are a curse in our economic structure. The judgment may be taken either against the foreclosed borrower or against previous owners who held the land subject to the same mortgage. In one case which occurred in the State of Washington, a land-bank borrower died, leaving the mortgaged farm to his widow. She was unable to farm the place and sold her equity. She moved to a city and commenced working at whatever menial tasks she could secure. After several years she had acquired a boarding house and was making a small income. The land bank at Spokane foreclosed the mortgage on the farm she had once owned. There was a deficiency, and that widow was forced to pay it at $30 per month. In Jefferson County, Oreg., I personally observed a similar case of the collection of a deficiency by the Spokane land bank. In my opinion, the deficiency judgment procedure is neither fair nor necessary. It is but one step removed from imprisonment for debt. It has no place in civilized society. The Farm Credit Administration should take the lead in removing it from our agricultural credit system. I hope it will do so. I will make another attempt to secure action by this Congress, knowing that it may not now be thwarted by unsympathetic officials in the Farm Credit Administration.

Third. Collection policies must be changed. If a man owes you one or two thousand dollars, the time to collect it is when he has it. It does you no good to press him hard when he is broke. That statement is probably not included in textbooks on banking, but it ought to be, because it is recognized as a fundamental principle of sound banking by every successful banking institution in the world. If there were a possibility of making a profit by removing farmers from their farms and selling the properties in the open market, land-bank policies would be less open to condemnation, but experience has abundantly demonstrated that almost uniformly through the country land banks are losing money on foreclosing and selling farm homes. Let us have no more of the handbills and blatant advertising of "finest farm lands" for sale by the Federal land banks. Shame on a system which would take such lands from the farmer who has paid taxes on them for years, enriched them by his labor, and slaved through our depressions to hold them. It is only natural that the man who owns a farm, who has made it his home throughout most of his life, values the place more highly and farms it more advantageously than does a stranger. In the vast majority of cases the best credit risk on any farm is the man who owns it and understands it, who has put his life's toil into it and has raised his family upon the bounty of its production. There are no end of cases to be cited to demonstrate that arbitrary collection policies prosecuted by absentee officials of land banks have forced the liquidation of the only means a borrower has to make a living. Dairy herds have been sold, herds of cattle have been reduced to the lowest grade stock, buildings have fallen into disrepair, and land has been exhausted by cash cropping to meet the rigidly inflexible annual mortgage payment.

BENEFICIAL POLICY CHANGES SUMMARIZED

I think it is safe to say that, for the last 15 years at least, it has been fairly well recognized that the land banks should, first, give greater consideration to scaling down or refinancing indebtedness where property is overloaned; second, give greater service and agricultural guidance either on its own initiative or in cooperation with other Government agencies; third, provide for repayment of indebtedness on the basis of farm income rather than a fixed scale of payment, and by that I mean a variable-payment contract which calls for a reasonable share of the income of a farm as an annual offset against principal and interest indebtedness; fourth, return to the forest or public domain land which is unsuited to agricultural use instead of foreclosing one borrower and selling it to another, only to foreclose him and sell again, providing a recurring, never-ceasing method of destroying the lives and hopes of a certain number of farmers.

I do not recommend reconsideration of these policies exclusively as an aid to agriculture but as an aid to the farm-credit system itself.

THE SYSTEM VERSUS THE FARMERS

Whatever success the Farm Credit Administration has had in collection of principal and interest in the past few years has not been due to their policies nor to their initiative but rather to the beneficial effects of the laws passed by the Congress since 1933. I refer particularly to those important acts worked out by the Department of Agriculture, which now, very fortunately, assumes responsibility for administering the farm-lending system.

The phrase "sound banking" which has been used so frequently in recent discussions refers only to the welfare of the banks themselves. The borrower's welfare is in fact the bank's welfare, and the situation of the borrower has been largely disregarded under present practices. We are not confronted with a question of preserving a sound cooperative credit system so much as with the necessity of determining whether the system is sound at all, and I think we might well inquire whether it is even cooperative.

OFFICIALS OPPOSED LOWER INTEREST RATES

I always recall with bitter resentment that it was upon the advice of such a controlling group that the President twice vetoed the bill Congress passed reducing farm-loan interest rates to 3½ percent. The Congress then passed this over the veto, compelling friends of the administration, much against their wills, to vote to override the veto. At my last conference with the Farm Credit Governor and the Land Bank Commissioner, in August 1939, I pleaded with them to recognize the needs of agriculture and not continue their opposition to lower interest rates. They were insistent on continuing the higher rate though railroads were then getting Government money for 2¾ percent.

THE BORROWER'S SHARE IN ADMINISTRATION

When the Farm Credit Act was passed provision was made that local associations of any 10 or more borrowers should be formed and incorporated under Federal law, to be known as national farm loan associations. Each borrower was required to purchase an amount of stock in the local association equivalent to 5 percent of his loan. I repeat, he received no interest on this so-called "investment," but he paid interest on it. The association in turn subscribed to a like amount of stock in the Federal land bank. The association was to have an income in the form of dividends on the stock it purchased in the Federal land bank. With that income it was to establish a dynamic local administrative agency which would meet the day-to-day problems of credit and offer solutions based on first-hand knowledge of the borrower's circumstances. It was also to guide credit policy in any given area on the basis of conditions in the area. Such important elements of credit as the character of the borrower and his ability to handle credit were to be determined by the local board of directors who were to be substantial citizens of the community.

In theory the Federal Farm Loan Act contemplated a cooperative system, but administration of the land banks has prevented the theory from becoming effective. It is sometimes claimed that members of local associations have a voice in selecting the directors who administer each of the land banks, and thus may, indirectly, affect its policies. This claim is absurd. The borrower who is called to the annual meeting of the local association is given a slate already prepared and has no alternative but to vote for those originally selected by processes unknown to him. It is not popular nor people's government, and it is not democratic nor cooperative. An occasional rebel candidate is severely punished, and he must command considerable capital and make heavy personal sacrifices in order to be heard at all. The head official in Washington has power to name directors who will cast the weight of the board in favor of his policies. Cooperative? I should say not. A borrower has about as much chance to cooperate as has the holder of the smallest policy in one of the great so-called "mutual" life-insurance companies.

FINANCIAL STATUS OF ASSOCIATIONS

Most of the local associations are now seriously indebted to the land banks, and their stock cannot be liquidated to make it possible for the individual borrower who has paid off his loan to get back the value of his stock. In the Spokane district there were once 600 of these local associations. At the present time there are 275, of which only 70 are solvent. One hundred and eight of the associations in the Spokane district are indebted to the land bank for more than 100 percent of their stock. That may be attributed to bad economic conditions, but it is certainly due, in part at least, to the policies land banks have adopted with respect to their associations. Most responsible officials within the system itself will admit that land banks have tried to conduct the entire credit operation from the central office. Far too frequently the recommendation of a local board of directors, familiar with local conditions, has been disregarded in making a loan. Their requests for forbearance in meritorious cases have been ignored. Where pressure for payment is heavy, the farmer mines the soil and frequently foreclosure has been pushed to completion only to find that the farm involved has deteriorated so it is no longer worth the amount of the indebtedness. Although the associations have had but a very small part in deciding who should get a loan and how that loan should be serviced, they are held liable for any losses incurred by the bank up to the full amount of their stock in the association. Under the indemnity agreement, the slightest obligation any borrower has to the land bank must be paid before any other borrower can liquidate his stock, even though his own loan is paid. So, for practical purposes the framework of policy has operated to destroy the financial integrity and the basis of personal responsibility as well as the interest of the local cooperative associations. The local associations have been given no real source of income, although millions of dollars have been spent by the land banks employing high-salaried officials to try to do the things which could better be done by a local group of farmers.

Nationally, here is the situation of the national farm loan associations. On June 30, 1939, there were 1,267 associations with no capital impairment; 320 associations with very slight impairment; 1,116 with impairment ranging from 5 to 100 percent; and 1,187 having impairment exceeding 100 percent. Those having very slight impairment, and with a capital stock of $15,411,400, owed on December 31, 1938, $915,800; those with impairment from 5 to 100 percent and capital stock of $30,219,600, owed $13,072,600; and those with impairment of over 100 percent and capital stock of $19,672,400 owed $77,366,200. These figures include estimated losses from currently delinquent loans as well as established losses. The total loss actually established on the books since organization of the system was approximately $36,492,000 on December 31, 1938.

SYSTEM MUST BE MADE COOPERATIVE

I do not feel that a far-flung system of agricultural credit can succeed unless farmers who borrow from the system are permitted to participate in its operation, its administration, and the formation of its policies. Responsible officials in the Spokane bank have said repeatedly that the national farm loan association is nothing more than a name. Its functions have been curtailed, its powers have been destroyed, the real basis of its usefulness has long since been forgotten by a group of administrative officials more interested in private banking business and in holding their jobs than in the credit structure of agriculture.

I should like to call upon the Secretary of Agriculture and the new Governor of the Farm Credit Administration to do something about making effective the cooperative features of the land banks. It is utterly hopeless to try to get cooperative administration from a group of bankrupt, downtrodden, nominal associations. If the farm-credit system is to get out of the financial hole in which it now finds itself, the cooperative effort of its hundreds of thousands of borrowers is absolutely necessary. The more I hear about preserving our sound, cooperative, agricultural credit system, the more I am convinced it is not sound; it is not cooperative; and it will not be either sound nor cooperative so long as the concepts of its administration disregard fundamental principles of the farming business and follow classical concepts of banking. A change is needed, and I hope the Secretary of Agriculture will be able to make that change.

The men who have been in charge of the administrative policies of the Farm Credit Administration have always subordinated the interests of the farmer to other groups, even to the extent of questionable legality. There is, of course, no doubt that those who have invested money in farm-loan bonds issued by land banks should be given proper protection. But let us never forget that the main purpose of the Farm Loan Act was relief to agriculture and not the extorting of unreasonable and unlawful rates of interest from farmers.

JOINT-STOCK LAND BANKS DEFRAUDED FARMERS AND BONDHOLDERS

Most of us know the history of the Farm Loan Act. The abuses of usury as well as extortionate charges and exactions of private lenders led to the enactment of this act, in 1916, after a commission had toured Europe to examine European land-credit systems, and after extensive hearings had been held.

Let us examine the operations of a particular type of land bank resulting from the act—namely, joint-stock land banks—and see how a group of dictatorial and willful men guiding the policies of the Farm Credit Administration have allowed the joint-stock banks to treat farmers. I discuss these banks in order to show what practices have been tolerated by those in control. These joint-stock banks were organized to offer bigger loans. They were sheltered under the umbrella of the Federal Farm Loan Board. People felt that they had a definite relation to the Government which supervised their activities, though they owed their origins to the profit motive. These banks had the same tax exemption given to Federal land banks—complete, except from taxation of their real estate. It was because of this exemption and other advantages that these banks were prohibited by law from charging a rate of interest on farm mortgages taken by them which should exceed by more than 1 percent the rate of interest paid to bondholders. In other words, the "spread" for administrative expenses and profits was limited to 1 percent.

In this connection it may be of interest to refer to certain statements made in the Congress while the Farm Loan Act was under consideration. In the reports accompanying the introduction of the bill the Joint Committee on Rural Credits said, among other things:

The land banks are permitted to charge farmers 1 percent more for interest than they pay bondholders. For example, if the current rate on farm-loan bonds is 4 percent, the bank may charge not to

exceed 5 percent to farmers who borrow. This margin of 1 percent on the amount of unpaid principal outstanding is available to the bank for expense and earnings.

During the course of the remarks of Senator Hollis in presenting the bill to the Senate it was said:

The entire expense and profit must come out of the 1-percent difference between the amount that the farm-loan bonds carry and the amount at which the money is loaned to the farmer.

Nothing could be much clearer than this.

After the economic depression had been in existence for some time, interest rates fell about as low as they have ever been in this country. Accordingly these joint-stock land banks proceeded immediately to call outstanding issues of bonds, paying on an average approximately 5 percent, and to pay off such bond issues by issuing new bonds carrying an interest rate, generally speaking, of about 3 percent. Thus, if a joint-stock land bank had $2,000,000 in bonds outstanding and was operating on a legal income of $20,000—1 percent of $2,000,000—by such device they increased their tax-exempt income from $20,000 to $60,000, since no reduction was ever granted any farmer whose 6-percent mortgage was part security for their issue of bonds. The figures are not available to me at this time as to just how much money the American farmer has lost as a result of such refunding transactions of the joint-stock land banks. It runs into millions, however, and one of the first things which should be done should be to compel these banks, and also the Federal land banks, to pay back moneys extorted in such manner from the farm classes of this country.

WHO GOT THE PROFIT?

It may be said that it was necessary to keep the old interest rates on farm mortgages because if such reductions were made in mortgage rates upon such refunding transactions at the lower interest rates the banks would go into receivership. If these banks have been unable to keep their own houses in order, certainly it has not been the fault of the farmer. But even granting that such argument would have some weight, attention is drawn to the policy of the Farm Credit Administration in connection with refunding activities. The Farm Credit Administration would never allow any joint-stock land bank to refund any bond issues unless the appraisal made by its own appraisers showed that, even if the refunding transactions were not allowed, the bank would ultimately pay 100 cents on the dollar to every bondholder. Hence, it is obvious where the profits have gone—they have gone into the pockets of the stockholders and the officers of the joint-stock land banks. It certainly carries the theory of protecting invested capital to a very far extent when the stockholding class is allowed to extort illegal interest from the farming class with the approval of the Government agency which is supposed to protect him.

Similar refunding transactions have been effected by the Federal land banks. No matter what few extra phrases may have been incorporated into the act which may purport to give the Farm Credit Administration, or the Governor thereof, the complete power over interest rates, there is no denying the fundamental premise that the spread between what the farmer paid and what the bondholder received as interest should never be more than 1 percent. This has been well known among farm organizations. As a matter of fact, certain farm organizations took the position that Federal land banks, upon refunding their farm-loan bonds at lower interest rates, should pass these savings on to the farmer. They have never done so and never intended to do so.

There is no amendment necessary to the statutory set-up of the Farm Credit Administration, and the institutions which it supervises, to compel the return of surplus interest payments taken from the farmer by such refunding practices. The only thing which is necessary is to have in control of policies of such an organization a group of men who will carry out the full intent of the Congress when it passed the Federal Farm Loan Act. It certainly has not had such a group in control up to the present time.

SPECULATORS WERE FAVORED

There is another point which might be of interest in this connection. When these joint-stock land banks went into receivership, in a number of instances the assets of a bank, after they had been administered for a certain while by a receiver, would be sold, at an enormous discount, to private speculators. In this connection, study should be made of receiverships handled by the Farm Credit Administration. The exact amount of discount on these assets cannot now be stated, but we may fairly assume that these assets were sold at 50 cents on a dollar. The speculators who bought these assets never, of course, reduced the principal of the mortgages so bought, and never gave the farm borrower the benefit of the discount at which the purchase was effected.

FARMERS DENIED REFINANCING PRIVILEGES

In my own section we had a joint-stock land bank which became insolvent. The proposition was advanced that the farm borrowers and former farm owners who had been foreclosed should join themselves together as a cooperative and borrow from the Bank for Cooperatives enough money to pay the bondholders what the appraised value of the assets amounted to and purchase all the assets of the insolvent bank. Then each former mortgagor or former owner could refinance his mortgage at the deflated value and in that way the loans received by the cooperative would be paid off. In such manner the deflation in values brought on through economic necessity would be passed on to the farmers.

I am advised that this plan was presented to his superior by one of the members of the legal section of the land bank division of the Farm Credit Administration but it was completely disregarded. The general attitude of responsible Farm Credit officials seems to have been that a group of farmers seeking to take advantage of deflated values constituted a conspiracy. A group of bankers doing the same thing constitutes good business and sound banking.

THE BONDHOLDER BOGEY

The instances cited are but typical of the philosophy which has been characteristic of the Farm Credit Administration. Whenever any change of policy has been suggested as an aid to agriculture, a hue and cry has been raised about the bondholders. Whether we are willing to recognize it or not, bondholders are interested in farm-credit bond issues simply because they are as good as guaranteed by the Treasury. I, for one, am ready to write that guaranty into the law and to destroy for all time to come this fallacious but effective argument which everlastingly is the basis for making credit persecution out of what Congress intended to be credit aid.

The basic reason for placing the Farm Credit Administration in the Department of Agriculture and the philosophy of the reorganization bill was to reduce administrative costs of governmental and semigovernmental agencies by eliminating duplicating services and unnecessary overhead. When the false issues now being created by vociferous but uninformed groups are cleared away, I think we shall recognize that we now have an unparalleled opportunity for reorganization of the farm credit system in the interests of economy and of the farm borrower.

EXCESSIVE OVERHEAD COSTS, RED TAPE

In Farm Credit there are 7,649 active separate and distinct corporations, the existence of each of which involves an expense. A production credit association is organized by the Production Credit Corporation in a district. When it makes a loan, it sends that loan to the Federal Intermediate Credit Bank for discount. If production credit is needed by a group of farmers rather than by just one, they must go to the bank for cooperatives; and if the loan is made, it is sent to the Federal Intermediate Credit Bank for discount. Thus we have three well-staffed, expensive banks engaged in the work of one.

The Federal land banks with their far-flung organization have been engaged in making first-mortgage loans. When the land bank commissioner's fund was created by Congress

to permit second-mortgage loans, the land banks were designated to act as agent in making those loans. Subsequently we find that resident vice presidents of the Federal farm-mortgage corporations have been established in all the districts, duplicating the land bank's administration of Federal farm-mortgage funds.

Another deterrent factor which I have observed is that within the individual land banks there has been evolved the most complicated procedure and the worst red tape which winds up any activity of the Federal Government.

The annual cost of operating the 12 lands banks was $21,793,100 in 1939. During the same year the cost of operation of the Federal intermediate credit banks was $1,552,800; the Production Credit Corporation, $1,343,000; the banks for cooperatives, $990,100. The total administrative bill of the 12 regional offices of these 4 institutions was $26,679,000. I doubt that any agency which must operate on appropriated funds spends a comparable amount for a comparable service. It can and has been said that this money does not come out of the Federal Treasury, but it does come out of the income of farmers with the consent of the Federal Government, and I hope that the new administration of the farm-credit system will make a careful examination of procedures and organizations with a view to elimination of this useless, wasteful, and unjustifiable expense to the farmers of the country.

HOPE FOR THE FUTURE

I hope that the association of farm-credit agencies with the Department of Agriculture will give them a realization of conditions affecting agriculture and an understanding that credit must be adjusted to agricultural needs. I hope that policies may be revised so that the farm-credit organization may be looked upon as an agency of service and not one of destruction. I hope that one of the effects of the reorganization will be to give to the hundreds of thousands of farm borrowers a voice in the administration of the credit system they helped to create and for which they are paying the bills. I hope, finally, that administrative officials of the Farm Credit Administration will, in the future, be encouraged to devote their efforts to the sound, helpful, cooperative administration of credit and that they will not find it necessary to devote their time and energy to lobbying for the preservation of their own jobs. I hope, also, that they will cease to influence the President to veto bills for lower interest rates to farmers, while making possible huge earnings for dishonest speculators. I hope, finally, that they will cease to "bear down with terrific oppression upon that class which derives its sustenance from the soil" and that they will help us to put an end to deficiency judgments on farmers in favor of an agency of the Federal Government which should protect them. That would, indeed, be a real farm-aid program.

LEGISLATION NEEDED

More than 6 years ago I made two speeches in this House on the defects of the Federal land bank system. In those speeches I outlined some of the features of farm legislation which I regarded as absolutely necessary. I insisted that interest should be decidedly lower. The statement I made at that time was that the farmer could not pay interest exceeding 2 percent and that a borrower should not be expected to have 5 percent taken from the face of his loan to guarantee his neighbor's loan in the same association. Bills to that effect were then introduced into the Congress.

On the 4th of March this year the chairman of the House Committee on Agriculture introduced H. R. 8748, which incorporates many of the features I advocated 6 years ago. Under this pending bill, interest is to be 3 percent, and the Government is to furnish the money directly to the farmers without any of the subterfuge such as has been used. The pending bill is a vast improvement over the existing law, and will be of incalculable value to the farmers who are obliged to have financial help. Deficiency judgments are therein abolished except in bad-faith cases. I have been contending for many years for this reform.

A bill has been introduced into the Senate, sponsored by several Senators, to reinstate the Federal Farm Credit Administration as an independent agency. This unquestionably has the backing of the Wall Street group. The big insurance companies in New York have again actively entered the best farm loan field and are offering loans at from 4 to 4¼ percent. This group of bankers and financiers is very anxious to keep the interest rates high, so they, very naturally, want no fundamental change in the farm-credit law. They want local associations to continue to take 5 percent of the borrower's money to buy stock in an association. They know this makes the farmers prefer the insurance-company loan, as they have resented what actually was a bonus. In rare cases only has the borrower been able to realize anything from the 5 percent exacted of him when he takes the loan. Those in opposition to the administration are trying to make a political issue out of this.

So the fight has really advanced until it is a contest between those urged on by the Wall Street bankers, who are determined to regain the old system under an independent head, with a pipe line to Wall Street, and those like myself, who are very anxious to make of the farm-credit system a really cooperative institution, farmer controlled, and of greatest value to the farming communities of the country.

The Department of Agriculture has not yielded to "frenzied finance" as have some other agencies of the Government.

Banquet of the Associated Young Democrats of Baltimore County

EXTENSION OF REMARKS

OF

HON. WILLIAM P. COLE, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ADDRESSES BY HON. HERBERT R. O'CONOR AND HON. JAMES A. FARLEY

Mr. COLE of Maryland. Mr. Speaker, on Thursday, March 7, at the armory in Towson, Baltimore County, Md., which is the town where I was born, reared, and now live, a great nonfactional banquet and dance was held under the auspices of the Associated Young Democrats of Baltimore County, which is affiliated with the Young Democrats of Maryland and the Young Democrats of America. Their president, Mr. Harry J. F. Korrell, presided, and Hon. James J. Lindsay, also a member of the club and State senator of Baltimore County, acted as toastmaster.

In addition to the short address which I delivered, the meeting was attended by the Honorable GEORGE L. RADCLIFFE, United States Senator of Maryland, and addressed by the Honorable Howard Bruce, Democratic national committeeman of Maryland, and by the Honorable Herbert R. O'Conor, the distinguished Governor of Maryland, who welcomed and introduced the guest speaker of the evening, the Honorable James A. Farley, Postmaster General of the United States, who delivered the principal address.

Printed as a foreword to the menu of this occasion was the following:

The Associated Young Democrats of Baltimore County were organized in December 1937, with an original membership of about 40, which has grown to more than 1,250. The purposes of the organization are to stimulate in young people of Baltimore County an active interest in governmental affairs, to increase the efficiency of popular government, to foster and perpetuate the ideals and principles of the Democratic Party, and, through its administration, provide the highest degree of social justice and welfare, together with efficiency and honesty in government.

As an organization, the Associated Young Democrats of Baltimore County take no part in, and are pledged to no candidate or candidates in, any party primary, although there is no restriction on

individual members, as such, pursuing the dictates of their own inclinations. The Associated Young Democrats, however, individually and collectively, are, in the spirit of true democracy, pledged to loyally support the nominees of the party.

I congratulate the young Democrats of my home county upon the ability, determination, and courage displayed, not only in arranging such an affair but in having Postmaster General Farley as their guest speaker, thereby bringing to the people of Maryland one of the most convincing and logical speeches it has been my pleasure to hear.

I am especially indebted to Postmaster General Farley for his kind references to me.

In my remarks I referred to the administration of the Post Office Department of this Government by Postmaster General Farley, during which time he has taken it out of the red until today, the first time in many years, the Department is operating at a profit. I referred to Postmaster General Farley as one of the most popular Cabinet members with the Congress and, finally, as the very effective and capable chairman of the Democratic National Committee. But for the fact the distinguished Governor of Maryland, who introduced Postmaster General Farley, and whose remarks I shall insert herein, covered the life and service of this distinguished Democrat so well, I would incorporate at greater length my own remarks. With permission of the House, Mr. Speaker, I insert at this point the two addresses referred to above—that of the Honorable Herbert R. O'Conor, who welcomed and introduced Postmaster General Farley, and Postmaster General Farley's address of the evening:

ADDRESS BY GOVERNOR HERBERT R. O'CONOR

It is a distinct privilege for us to have as our guest this evening one of the outstanding men in public life in America, who, possibly beyond all other representatives of our Government, is known individually to many thousands of the residents of these United States. He is, we are pleased to observe, particularly well known to Marylanders, for we have had opportunities to entertain him before. It can be said, I believe, that there is no man who could come to address this or any other representative Democratic gathering in our State who would be welcomed more cordially for his own personal traits than our guest of this evening.

No organization is more worthy of such an honored guest and speaker as we have this evening than your own group, the Associated Young Democrats of Baltimore County. It was my personal good fortune 2 years ago to be a guest and speaker at your first annual banquet, a banquet which launched your group on an era of progress that really has been astonishing. As I recall it, there were only about 250 members at that time. Now your ranks number well over a thousand, and through your affiliation with the State and National Associations of Young Democrats you are an integral and important part of one of the most influential groups of our political life today.

Recently during a newspaper interview in Florida, I volunteered the statement that Mr. Farley is the outstanding political strategist of our times. Through a slight misunderstanding of a word, the Associated Press dispatch quoted me as describing him as the outstanding strategist of all times. While I realize that that is taking a good deal of territory, I am willing to accept the amendment. Certainly the memory of Mr. Farley's remarkable achievement in the field of national politics, preliminary to the 1932 election, stamps him as a political organizer and leader of the first order. While campaign managers of other leading candidates then in the field publicly proclaimed the availability of their respective candidates, Mr. Farley quietly, but most effectively, was lining up in each State the all-important votes for Mr. Roosevelt. When the other candidates and their managers finally reached the climax they found that Mr. Farley had harvested the bulk of votes and that it was too late for them to attempt to undo his efforts. Since then, I need not cite the additional proofs he has given of his extraordinary ability in this respect.

There is no man within the ranks of the Democratic Party today who has done more telling personal-contact work with the responsible Democratic leaders throughout the country, and more particularly with thousands upon thousands of individual voters. By his personal efforts he has contributed enormously to the present high estate of the Democratic Party throughout the Nation. Yet, loyal Democrat that he is and party man to the core, few there were, even among his political enemies, to question the sincerity of his recent declaration at Winston Salem, N. C., when he went on record definitely as saying: "I would like to make it perfectly clear, without pretense of flag waving, that I am partisan in politics and honestly devoted to the success and welfare of my party. I also want to make it clear that if at any time I am confronted with the issue of the welfare of my party, on the one hand, or the welfare of my country on the other, that issue has already been decided. I love my country better than I love the Democratic Party. It is my constant hope that I will never be confronted with such an issue, but if it should come in this hour of international chaos, I owe too much to America to sacrifice my first loyalty upon the altar of party expediency or party fealty."

In his work of building up the Democratic Party during these last 8 years Mr. Farley has been called upon to be not only an organizer but a diplomat in the truest sense. He has been an inveterate traveler in the interests of the Democratic Party and he has shown a "social ability," if I may term it so, that is truly extraordinary. Those of us in public life in Maryland who are called upon to make many contacts throughout the year in various parts of the State can appreciate, possibly more than the average nonpolitical person, Mr. Farley's ability to meet people just once, under ordinary conditions, and then not only to remember them months and even years later, but to be able to greet them by their first names.

So highly publicized have been his political activities over this period of years that one might be tempted to forget the other side of his versatile nature—namely, his well-developed grasp of the fundamental economic issues that face our country today. Along these lines I would like to call attention to the same Winston-Salem speech, wherein Mr. Farley presented, impressively and intelligently, his concept of the responsibilities of employers and employees in industry, of stockholders, and lastly of the proper attitude of government toward industry. Striking out strongly in defense of the profit motive and of the system of free enterprise, which have been the bases of the economy of our democratic Government, Mr. Farley went on to say that he would allow government only to occupy the status of an umpire and not that of dictator or usurper. While some residents of our country, both in public office and out, may feel that there is an antipathy between government and business, Mr. Farley definitely does not share this view. He dismissed with scorn the erroneous view that government and business are naturally arrayed in hostile camps and asserted the contrary doctrine that there can be no sane and durable prosperity unless all the elements—government, industry, labor, and agriculture—work together for the common good.

In his own particular sphere of the business management of the Government, the Post Office Department, Mr. Farley has given a convincing demonstration of what quiet business efficiency can accomplish. During all of the 8 years that he has been the head of this Department there has been general approval of the conduct of its affairs. During this span of 8 years the modern problem of airplane transportation of the mails and the overseas expansion of airplane mail delivery has been met and is being solved in the same quiet and efficient manner. Where publicity is desirable and where new avenues of revenue legitimately can be found, Mr. Farley has been alert to make use of them. I refer to the many interesting issues of commemorative stamps that have been brought out by the Post Office Department in the past few years—issues that have been eagerly sought by interested persons all over the world.

Over the past several years, in great measure as an acknowledgment of the splendid qualities of public and political enterprise shown by Mr. Farley, his name has come forward prominently for consideration as a possible nominee for the Presidency of the United States. This development has occasioned wide interest among Democratic circles everywhere and has elicited much comment from newspapers throughout the country.

I quote from one southern paper, which said: "If James A. Farley is a candidate for high office in this land, we believe that he has stated an attitude toward fundamental problems which should, in that respect at least, qualify him for any position of solemn trust to which he might aspire. We do not know his plans. There are things we do know however: That he is an inspiration and an example for every mother's son in his personal habits; that his honesty is as long as the tall shadow which he casts over the length and breadth of this land; that his word is as steadfast as the smiling sky above him; and that his growth in stature as a man and as a leader has been an American phenomenon. No; we do not know what will happen at the Democratic National Convention, but we do know that Jim Farley and his views will not be ignored there, and that his strong voice will sing loud in the chorus which shapes our country's destinies. And practical politician or not, we salute him as a statesman."

Mr. Farley is a public servant whose official and personal conduct are beyond reproach, whose business ability and integrity are conceded universally, whose political sagacity is acclaimed within his party and respected by his opponents, whose reputation as an interpreter of the American mind and as a prophet of political futures ranks him absolutely in a class to himself. I know that in presenting such a remarkable person to this group I am delivering him into the hands of his friends, and it is therefore my great and valued privilege to announce to you your next speaker—Postmaster General of the United States and the Chairman of the Democratic National Committee the Honorable James A. Farley.

ADDRESS BY JAMES A. FARLEY

Mr. Toastmaster, I thank Governor O'Conor very much for the flattering and, I hope deserved, tribute which he has paid to me. It is a real pleasure for me to be in the home town of my friend, Congressman "BILL" COLE. Congressman COLE is one of the most conscientious, able, and efficient Members of Congress. You are fortunate in having him as your Representative.

Maryland supplies a fine forum for a political discussion, especially so when the program is in the hands of its young men and women voters.

While normally Democratic, the Free State has a rare sense of political independence, and the party hoping to capture its electoral

vote must first present a convincing case to the public. This is our task in the Presidential year of 1940, and with your good help, Maryland should once again be found on the right side of the political ledger on the 5th of next November.

A healthy sign in the last few years has been the growing influence of Young Democratic Clubs in national affairs. Your organization is still relatively young. When first organized, the clubs had a wealth of enthusiastic members who wanted to play a useful part in public affairs, but without very definite notions on the best way to accomplish their purpose. That is far from the fact today. Your organization has found a place and a purpose, and the political observer who tries to gage the prevailing tides must make ample reckoning for the power and the influence of the Young Democrats.

It is a fine thing also that you have had the good sense to look beyond immediate needs to the general welfare. Youth has its problems, but these cannot be set aside in a separate compartment and given treatment without considering the needs and aspirations of other citizens. You have escaped the danger of becoming a class group whose sole purpose is to agitate for special favors of its own.

The Young Democratic Clubs have lived up in splendid fashion to the ideals of those who brought them into being. The primary purpose was to fuse the energy, the zeal, and the courage of youth into the party councils, and to create a means by which young voters could cooperate with their elders on a common footing. This purpose has been realized and the outcome has been fortunate both for the party and for the Nation.

The political atmosphere is always confusing just before a national election and this year is no exception. In the bustle and excitement caused by the conflicting claims of rival candidates, we are apt to lose sight of fundamental issues. Yet, when the preliminaries have been disposed of, two outstanding questions will remain for the disposition of the voters at next fall's election. These are: First, has the Democratic Party measured up to its responsibilities? Second, has the Republican Party recovered its balance and regained the power of leadership?

It may be well to consider the second question first. After the disastrous defeat of 1936, the master minds of the G. O. P. reached the unhappy conclusion that the party needed something positive and constructive to recapture public confidence. The practice of condemning everything undertaken by the Roosevelt administration had been a flop. In other words they recognized that the time had come to go through the bankruptcy wringer, get rid of liabilities and frozen assets, and start business afresh with a new line of goods.

Dr. Glenn Frank was appointed a kind of friendly receiver to see what could be done. He was given the job of picking the best Republican brains in the hope that something might be found out of which to fashion a program. He was given a couple of hundred helpers because the task was great.

After a lapse of some two and a half years, Dr. Frank's committee recently made its report. Although the full text was made public by the Republican National Committee, that cautious body quickly disclaimed responsibility for its contents. The committee pointed out that the findings of the Frank committee were not official—it was merely a sort of amateur or extra-legal group engaged in a pleasant pastime. The report was nothing more than a trial balloon which might or might not be accepted by the Republican Party.

Under these circumstances it might be unwise to attack the findings of the Frank committee because the Republicans might respond that they disliked them also. However, to be honest, it must be conceded that the tone of the report was a refreshing substitute for the fountain of muddy oratory which has gushed forth from G. O. P. sources during the course of weary years. The Frank committee acknowledged that the country has problems and that something should be done about them.

In fact, the Frank committee went further. In effect, it placed the stamp of approval upon many of the measures which the Republican leaders did their best to stifle in Congress and have been condemning ever since. The Frank committee report is a long step forward from the Republican platform of 1936—and a step in the direction of Democratic policies. This is true in several respects, most of which have been pointed out in the daily press. Among other things, it is ironic to recall the bitter fight waged by the Republicans against the social-security program in the 1936 campaign—in view of Dr. Frank's recommendation for extending the system. This thought inevitably brings into question the sincerity of the Republicans in their new-found liberalism.

But the outstanding fact is that this canvass of the best Republican brains, embodied in the Frank report, has failed to uncover a single new idea or approach for dealing with national problems. Everything suggested is either an adaptation of what the Roosevelt administration has already done or a return to the methods that prevailed in the good old days. After years of trying, the Republicans can think of nothing more exciting to offer the voters than a modified New Deal.

The progressive outlook of the Frank committee on labor, the farm, tariff, and foreign policies is unique in G. O. P. circles, but it may not last long. When the Old Guarders gather in the back room at the Philadelphia convention this coming June, I fear for the fate of Dr. Frank's noble brain child. If it survives at all, it will probably be scarred and marked beyond recognition. And the task of framing a platform on which the party can unite won't be any harder than the task of finding a standard bearer.

There are three eminent gentlemen who seem to have the edge in the spirited contest for the Republican Presidential nomination. Their divergent viewpoints cast a revealing light on the confusion of thought in party ranks. One of the three aspirants, after a tremendous preliminary build-up, tossed his hat in the ring by coming out boldly for optimism and against pessimism. In his forthright appeal for the brighter side of life, the spirit of Pollyanna still carries on.

Another prospective candidate has arrived at the profound conclusion that most of the Democratic program is excellent, but he thinks it would be a good idea to assign him the task of administering it. The third candidate, frank but cautious, has let it be known that he will throw out just as much of the Democratic program as he dares.

Two of these Republican candidates are Members of the United States Senate. They are in hearty accord in suspecting the motives of the Chief Executives, yet they are far apart on the best way of circumventing his deep designs. On the administration's neutrality program, on Finnish relief, and on other highly controversial matters they have found it advisable or expedient to cast their votes on opposite sides.

I almost overlooked Mr. Hoover. That he is willing to make the supreme sacrifice and enter the lists, no one doubts for a moment. Unfortunately, the ground swell of popular demand for his candidacy has failed to get under way. But undaunted and undiscouraged, Mr. Hoover still goes forth to the political wars, proclaiming that he had the depression licked in 1932 until the Democrats took over the controls and spoiled it all. He makes the plea that, although he failed to see the depression coming when he peeked around the corner, he delivered a knock-out blow the minute he sensed its presence. The public has a different viewpoint.

In bygone years, when the G. O. P. was in the majority with a comfortable margin to work on, the selection of a Presidential standard bearer was a fairly easy task for the party managers and operators. They had a formula and a standard pattern which seldom varied. The candidate ultimately selected, regardless of popular feeling, had to be solid, substantial, and "safe." In other words, they picked a man who delivered a good front-porch speech, talked in pleasing generalities, and responded readily to the notions and suggestions of those who put across his nomination. They wanted a figurehead instead of a leader, and usually they got what they wanted.

A goodly portion of the Republican leaders still yearn to employ the old formula, and certainly their wish is seconded by the solid citizens who supply the party war chest. They long once again for a "safe" President—meaning, of course, a Chief Executive who will do their bidding and let things drift. Some of the more thoughtful, however, are keenly alive to the dangers of such a course. The country is not in the mood, in this time of troubled world affairs, to ratify a Presidential candidate who was selected not because of his talent for leadership but because of his lack of it.

So the search for a likely Republican candidate goes forward. It may be that between now and convention time the miracle will happen. The ideal candidate may spring forth from some hidden corner ready to give voice, fire, and purpose to his party. Unless the unexpected does happen, however, frankly I see small reason for concern among us Democrats. The opposition candidates already in the field are hardly the type to cause you sleepless nights or anxious days. Far from fanning the flame of public enthusiasm, they have failed to excite even a flicker of popular approval.

The plain truth is that after 7 years out of power the Republican Party has failed to develop leaders of outstanding national caliber. The party has wasted too much energy in obstructing the program of the administration and devoted too little attention to the larger task of building up something constructive and worth while. It has become a negative force instead of a positive force, and therefore it must rely for success at the polls not on its own merits but on the errors and mistakes of the opposition.

This brings us to the other question, Has the Democratic Party lived up to its responsibilities?

The record of the administration must be measured against the magnitude of the public problems which it faced upon assuming direction of Federal affairs. These are abnormal times and the public was well aware of that fact when it voted the Republican Party out of office in 1932 by a substantial majority. The people demanded a change because they were tired of inaction, caution, timidity, and hesitation. The Nation's economic machinery had broken down and something more than platitudes was necessary to set it running again.

The Democratic Party, in the intervening years, has borne the burden of many complaints and criticisms. Undertaking a massive job of reconstruction under the most trying circumstances, the party leaders, from President Roosevelt down through the lists, have been accused of almost every known crime on the political calendar. That is, all but one. No one has charged that the party has tried to evade responsibility, that it lacked the courage and the purpose to do what was considered best for the public interest. On the contrary, the party has gone bravely forward, facing difficult problems instead of ignoring them, honestly trying to accomplish the greatest good for the greatest number. It has provided leadership when leadership was badly needed, and it has made a sincere effort to live up to the principles of its illustrious founders, Jefferson and Jackson.

The Democratic Party has written into law a series of enactments that will never be undone because they bear the full approval of the American people. The stabilization of the banking system, the insurance of bank deposits, the Social Security Act, the policy of Federal aid for agriculture, the restraints on reckless stock speculation; these are not crackpot ideas that were foisted on the public by dreamers and visionaries. They were born in the needs of the great mass of humble citizens and their adoption as wise Federal policy should have been accomplished years before it was.

These basic reforms will live because they have behind them the solid weight of public approval. If the opposition party dares to advocate their repeal, we welcome the contest on that issue.

About the time the Republican Party was fumbling its way out of power, an unhealthy loss of faith in democratic government was beginning to make itself felt in this country. The idea was given voice by a Republican Member of the United States Senate, who stated openly that perhaps a dictator might be necessary to pull the country out of the economic doldrums. Like many others, he had watched developments abroad and formed a false impression of the efficiency of despotic government. He also realized the fundamental inability of his own party to cope with the problems at hand.

This discontent with popular government has long since disappeared for two excellent reasons. The first is that dictatorship abroad has run its inevitable course and the unhappy results are there for all to see. The second is that the process of democracy in this country has been vindicated by the wise use of public power.

The old idea, too widespread at one time, that the Government cares nothing about the welfare of the average citizen has been dissipated. The administration has been sensitive to human needs and has moved with resolute purpose to undo social and economic wrongs. The result has been a wholesome revival of popular faith in the Nation's ability to solve its problems within the framework of free institutions.

The task of restoring a shattered economic system was only one of the problems which the Roosevelt administration faced upon coming to power. That in itself was a work of almost superhuman proportions. In addition, there was the supreme duty of keeping this Nation at peace in a world torn by a succession of bloody wars. These wars have not only interrupted the normal channels of trade but they have thrown up a constant stream of grave and perplexing international problems.

No one doubts the fervent desire of the American people to remain at peace. At the same time, every fair-minded individual realizes the heavy duty which rests upon those responsible officials who must deal with foreign nations at a time when the passions of war are burning at fever heat. Nations, like individuals, are prone to impose on the rights of others under the stress of strong emotions.

The skill and foresight with which President Roosevelt and the State Department under Secretary Cordell Hull have handled foreign affairs constitute a bright page in the Nation's diplomatic annals. The United States has been kept free from even a suspicion of entanglement without forfeiting any of its basic rights or the respect of other nations. At the same time, the beacon of peace has been held aloft for all the world and the Nation's moral influence has been invoked in a constant effort to restore friendship and good will between the nations.

In looking back over the past 7 years, the record shows that the Democratic Party has given the Nation what it needed most—constructive leadership. Over the stubborn opposition of a minority party, with its roots still buried in the past, the Government has been brought abreast of the times and made responsive to the needs of a people living in an industrial age. The mistaken notion that things will be all right if nothing is done, has been supplanted by the sane and sensible policy of correcting social and economic evils at the source.

Despite all the criticism that has been directed against the administration, the fact remains that the United States has weathered the storms of this crucial era in human affairs better than any nation on the globe. The Government has used its energies to raise the standards of living and to conserve the great storehouse of natural resources. The substance of the Nation has not been wasted in war or destruction. The morale of the people has been lifted and the heritage of free institutions preserved intact.

This fortunate position has not resulted from blind chance. The condition of the country would be far different from what it is if weaker hands had been at the controls. Democracy is the finest system of government ever devised by man, but it is not self-operating. The destiny of the Nation is still bound up closely in the quality of its leadership.

The Presidential campaign will soon be here. We have a story to tell and the outcome may well depend upon the vigor and resourcefulness displayed by us in getting the facts before the public. And please remember, the facts are on our side.

The country wants a continuance of sane and progressive government. The electorate will never willingly return to the old haphazard method of drift and reaction. The opposition knows the temper of the public; it will offer a diluted form of the Democratic program in the guise of something new. We must be prepared to meet that type of campaign.

As members of the Young Democratic Club, you compose a loyal corps in the Democratic army. The success of the party in recent national elections has been due in large measure to the devoted efforts of the humble soldiers in the ranks. They carried the message into every hamlet, village, and town; worked and labored for the cause, and never wearied of the strife. This year we want you back at your posts of duty, shouldering the burden with the same untiring loyalty and zeal.

As members of the party, you have a healthy curiosity concerning the identity of the party nominees. You are not alone in that respect—several millions of worthy citizens have a similar curiosity. I can only advise the exercise of patience and restraint until the Chicago convention has completed its deliberations. But you may rest assured that the nominees will be worthy of the party, and worthy of the high offices to which they aspire.

The first requisite for victory is a united and militant party. That is your job and mine, and if we do the part well, there can be no doubt about the outcome of the November election.

Work Performed by Wyoming Young People Eligible for National Youth Administration Work and Assistance

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

LETTER FROM ERNEST P. MARSCHALL

Mr. SCHWARTZ. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a communication from Mr. Ernest P. Marschall, State administrator of the National Youth Administration for Wyoming, and a county and State tabulation in reference thereto. This letter and the tables, covering the last 6 months of 1939, show in detail the amount and character of work performed by Wyoming young people eligible for N. Y. A. work and assistance. Three significant items in the report show that State sponsors contributed over one-third of the total expenditures, that the turn-over of those employed averages 100 percent annually, and that more than one-half of the terminations during the 6 months covered by this report were youths going into private employment, and that the work performed and the character thereof did not displace private jobs.

There being no objection, the communication and tabulation were ordered to be printed in the RECORD, as follows:

FEDERAL SECURITY AGENCY,
NATIONAL YOUTH ADMINISTRATION FOR WYOMING,
Cheyenne, February 7, 1940.

Senator H. H. SCHWARTZ,
Washington, D. C.

DEAR SENATOR SCHWARTZ: I am enclosing a summary of N. Y. A. activities for the first 6 months of the fiscal year, which was prepared for the State advisory committee. I am sure this information will also be of interest to you.

Many worth-while projects have been completed or are in the process of construction in all parts of the State. Community buildings have been completed at Fort Francis E. Warren and at Casper. The building at Fort Warren is being used by the young people of the fort for their community center. The Boy Scouts and Girl Scouts from the town of Cheyenne have also been invited to use this building. The community building at Casper is being used by all age groups in North Casper and is meeting a real need. A third building is in the process of construction in the new city park at Sheridan. This building is approximately 95 percent complete and will be used for young people's work in Sheridan.

The construction of a park has been started for the town of Lusk. Many hundreds of trees and shrubs were planted during the summer, a concrete tennis court was constructed, part of the bank of the Niobrara River riprapped with rocks, a footbridge built across the river, and many other improvements made. This project will provide work for several years.

In the town of Manville, youth workers at present are making dressing rooms under the stage and building a permanent coal house. At Evanston they have erected an ornamental wire fence around the grade school and at present are remodeling the basement at one of the grade schools.

Last summer N. Y. A. workers made possible recreational programs in many towns in the State, the communities hiring a full-time supervisor to direct these activities. Outstanding recreational programs were conducted with this arrangement at Buffalo and Kemmerer.

The shop projects located in many towns of the State have proved of outstanding value, constructing playground equipment, repairing furniture for the schools, and many other types of work.

Public offices in all counties of the State except Sublette have received valuable help from the stenographic and clerical project.

Library facilities have been made available in many sections of the State where they have never had such facilities before. The circulation of these libraries during the month of December was approximately 25,000 volumes.

In no case has the employment of youth workers caused a person who would normally be employed for this work to be displaced.

You will note that 326 youths were terminated from youth-project work during the first 6 months of the year. Many of these youth have received private employment as a direct result of their work experience with the National Youth Administration. The number of youth leaving projects will be approximately 60 percent of the average monthly employment for that period. This would indicate that the turn-over in a year's time is over 100 percent.

Many young people have been kept in high school and college due to the fact that they could earn a small amount of money and thus earn enough for clothes, supplies, and other incidentals that are necessary with a school education.

At the present time funds are not sufficient to take care of the number of out-of-school youth certified for N. Y. A. employment or the number of students making application for the student-work program. I have attempted, insofar as possible, to make the allotments to the counties and schools on the basis of the actual need in those places.

I will be glad to answer questions regarding any particular project in which you may be interested in the State. The brief description of projects given above has been a sampling to show the type of work that is being performed. Sections of the State not mentioned above have projects that are just as worth while as those I have given.

Yours sincerely,

ERNEST P. MARSCHALL,
State Administrator.

National Youth Administration for Wyoming—summation of activities July 1, 1939, to Dec. 31, 1939

County—Project description	Cooperating agency	Expenditures		Average number of youths employed monthly
		Federal	Cosponsors	
1. ALBANY				
Nursery schools	University of Wyoming	$246.58	$64.00	3
Steno-clerical	County superintendent	2,008.31	1,278.58	13
Recreational	School district No. 1	641.60	225.25	6
Shop	City of Laramie	1,028.73	2,428.95	12
School-work program		424.25	None	20
Total		4,349.47	3,996.78	54
2. BIG HORN				
Street signs	Town of Lovell	112.00	299.60	2
Steno-clerical	County superintendent	808.82	995.21	10
Recreation	do	370.58	530.75	4
Library service	County library	752.87	1,153.98	9
Mosquito control	Town of Greybull	118.94	491.29	3
Landscaping	Burlington schools	None	None	0
School-work program		564.75		30
Total		2,727.96	3,470.83	58
3. CAMPBELL				
Steno-clerical	County high school	880.88	471.30	11
Library service	County library	261.45	208.24	3
Recreational	County high school	468.58	146.95	3
Shop	do	56.00	32.54	3
Sewing	County Red Cross	None	None	0
School-work program		570.00	None	24
Total		2,236.91	859.03	44
4. CARBON				
Recreational	School district No. 1	None	None	0
Steno-clerical	do	552.51	80.00	6
Library service	County library board	152.25	29.70	2
School lunches	School district No. 9	164.08	None	2
Landscaping	School district No. 18	14.00	None	1
School-work program		390.00	None	19
Total		1,272.84	109.70	30
5. CONVERSE				
Steno-clerical	School district No. 17	352.22	None	4
Recreational	do	351.01	125.00	4
School-work program		332.40	None	14
Total		1,035.63	125.00	22

National Youth Administration for Wyoming—summation of activities July 1, 1939, to Dec. 31, 1939—Continued

County—Project description	Cooperating agency	Expenditures		Average number of youths employed monthly
		Federal	Cosponsors	
6. CROOKS				
Steno-clerical	Superintendent of schools	$534.48	None	6
Library service	County library	222.46	None	2
Recreational	City of Sundance	59.00	None	1
Road project	do	266.08	None	3
Shop	Crook County	None	None	0
Sewing	City of Moorcroft	14.00	None	1
School-work program		370.80	None	22
Total		1,466.82	None	35
7. FREMONT				
Steno-clerical	County superintendent	1,786.19	$596.40	19
Recreational	do	204.02	139.10	3
Homemaking	County welfare	322.89	None	4
Library service	Lander Library	603.77	429.40	7
School lunches	County superintendent	132.00	None	3
Milk testing	Vocational agricultural department.	56.00	36.75	2
Landscaping	Wyoming troop No. 1, One Hundred and Fifteenth Cavalry	198.86	294.50	3
School-work program		506.75	None	30
Total		3,810.48	1,496.15	71
8. GOSHEN				
Steno-clerical	County superintendent	2,341.12	2,509.77	30
Recreational	City of Torrington	549.30	292.17	6
Library service	do	440.93	530.57	5
Homemaking	St. Joseph's Orphanage	308.86	346.60	4
Shop	City of Torrington	380.09	395.39	5
School-work program		846.00	None	46
Total		4,866.30	4,074.50	96
9. HOT SPRINGS				
Library service	Thermopolis High School	109.77	151.19	1
Nursey schools	County welfare department	192.60	None	2
Steno-clerical	County superintendent	794.03	471.81	6
Recreational	Thermopolis High School	1,008.03	142.50	4
Shop	do	118.58	297.40	1
School-work program		329.25	None	25
Total		2,552.26	1,062.90	39
10. JOHNSON				
Library service	County library	113.65	None	1
Steno-clerical	County superintendent	717.08	None	8
Recreational	City of Buffalo	234.22	None	5
School-work program		248.50	None	12
Total		1,313.45	None	26
11. LARAMIE				
Community building, started previous year, completed December 1939.	Commanding general, Fort Warren.	593.66	943.55	8
Recreational	School district No. 1	1,015.66	2,310.00	8
Homemaking	County welfare	81.77	55.00	1
Library service	School district No. 1	206.18	169.07	2
Steno-clerical	do	3,638.30	2,061.10	24
Nursery schools	do	330.78	None	5
Shop	U. S. Army and State departments.	624.88	362.95	12
School-work program		682.06	None	46
Total		7,173.29	5,901.67	106
12. LINCOLN				
Steno-clerical	City of Kemmerer	2,315.52	912.44	23
Recreational	do	1,272.67	465.68	9
Homemaking	County welfare	222.60	110.00	4
Library service	School district No. 1	154.00	108.75	4
Shop	City of Kemmerer	45.29	115.60	1
Constructing recreational facilities.	City of Kemmerer and school district.	229.60	861.96	4
School lunches	County superintendent	224.00	87.96	5
School-work program		406.15	None	20
Total		4,869.83	2,662.39	70
13. NATRONA				
Nursery school	School District No. 2	245.59	None	3
Steno-clerical	do	1,342.58	506.00	16
Library service	Natrona County	568.92	524.50	7
Recreational	City of Casper	882.47	591.65	11

National Youth Administration for Wyoming—summation of activities July 1, 1939, to Dec. 31, 1939—Continued

County—Project description	Cooperating agency	Expenditures		Average number of youths employed monthly
		Federal	Cosponsors	
13. NATRONA—con.				
Sewing	Red Cross	$166.90	$81.23	2
Shop	City of Casper	1,145.81	678.42	6
Landscaping	do	283.48	165.85	4
Constructing community building, started 1938, completed December 1939.	do	1,053.65	1,239.73	13
School-work program		830.30	None	40
Total		6,519.70	3,878.38	102
14. NIOBRARA				
Recreational	City of Lusk	595.58	1,129.50	9
Steno-clerical	do	727.30	848.30	8
Library service	do	270.90	120.00	3
Remodeling education building.	School district No. 2	118.00	None	8
School-work program		354.60	None	16
Total		2,066.38	2,097.80	44
15. PARK				
Steno-clerical	County superintendent	721.09	493.72	7
Recreational	do	28.00	16.00	1
Library service	County library	257.95	370.95	3
School lunches	Powell High School	109.20	None	4
Constructing, pole marking, Rural Electrification Administration.	Park County rural electrification administration.	163.54	135.48	2
School-work program		351.00	None	16
Total		1,631.68	1,016.15	33
16. PLATTE				
Steno-clerical	School district No. 9	1,019.65	932.53	12
Recreational	do	162.84	192.00	2
School-work program		484.05	None	23
Total		1,666.54	1,124.53	37
17. SHERIDAN				
Constructing community building.	Boys work council	1,283.21	116.95	13
Nursery schools	Sheridan city schools	202.47	None	3
Steno-clerical	Sheridan County schools	2,197.64	884.00	24
Homemaking	County welfare	233.54	None	3
Recreational	City schools	506.83	176.65	7
Library service	County schools	146.54	166.07	2
Public health and hospital work.	Sheridan County Memorial Hospital.	128.24	119.55	2
School lunches	County superintendent	None	None	0
Shop	City schools	92.96	42.11	1
Constructing ice rink	City of Sheridan	None	71.51	0
School-work program		735.82	None	39
Total		5,527.25	1,576.84	94
18. SWEETWATER				
Steno-clerical	School district No. 4	1,050.08	70.00	12
Library service	County library	616.35	25.00	9
Recreational	School district No. 4	42.34	None	1
Constructing recreational facilities.	School district No. 1	96.83	None	2
School-work program		661.30	None	33
Total		2,466.90	100.00	57
19. SUBLETTE				
School-work program (No out-of-school work program).		120.00	None	5
20. TETON				
Recreational	School district	28.00		
Steno-clerical	County welfare	14.29	None	2
School-work program		36.00	None	1
Total		78.29	None	3
21. UINTA				
Constructing school fence.	School district No. 1	186.09	None	5
Steno-clerical	F. E. Shaw and Co., clerk	1,458.34	542.10	16
Recreational	Lions Club, Dr. Goodman	213.54	None	3
Library service	Library	None	None	0
School lunch	County superintendent	84.00	None	2
School-work program		372.90	None	18
Total		2,314.87	542.10	44

National Youth Administration for Wyoming—summation of activities July 1, 1939, to Dec. 31, 1939—Continued

County—Project description	Cooperating agency	Expenditures		Average number of youths employed monthly
		Federal	Cosponsors	
22. WASHAKIE				
Steno-clerical	County superintendent	$379.44	$331.94	4
Library service	Women's clubs	298.69	502.50	3
School-work program		144.00	None	6
Total		822.13	834.44	13
23. WESTON				
Shop	City of Newcastle and county commissioners.	84.02	191.70	2
Roads and streets	County commissioners	126.00	175.08	2
Steno-clerical	County superintendent	692.69	483.00	8
Library service	do	106.82	611.15	1
Recreational	Newcastle schools	68.35	135.00	3
School-work program		266.65	None	14
Total		1,344.53	1,595.93	30

Summary, July 1, 1939, to Dec. 31, 1939, inclusive

Program	Federal fund expenditure	Sponsors' contribution	Average number of youths employed monthly
Out-of-school work program	$52,205.98	$36,525.12	542
School-work program	10,027.53	None	516
College and graduate work	10,178.90	None	202
Grand total	72,412.41	36,525.12	1,260

Report of youths terminated from N. Y. A. work projects in Wyoming, July 1, 1939, to Dec. 31, 1939

Line No.	Item of employment change	Number of youths		
		Total	Male	Female
(1)	(2)	(3)	(4)	(5)
1	Total terminations	326	131	195
2	Private employment—total	158	89	69
3	Public employment—total	30	17	13
4	Works Projects Administration, Civilian Conservation Corps	19	13	6
5	Other	11	4	7
6	Attend school	29	10	19
7	Loss of eligibility	20	8	12
8	No job on program available	23	2	21
9	Disciplinary reasons	5	4	1
10	Marriage	34	0	34
11	Other reasons	27	1	26

American Forum of the Air

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

RADIO ADDRESSES BY HON. ROBERT A. TAFT, OF OHIO, AND HON. JAMES F. BYRNES, OF SOUTH CAROLINA

Mr. CELLAR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following program of the American Forum of the Air:

Announcer MCCORMICK. The American Forum of the Air.

Listeners from coast to coast once more are invited to hear another forum broadcast emanating from the broadcasting studios of the new Department of the Interior Building in Washington, D. C., presented by WOL in cooperation with WOR.

The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting

educational radio programs which present national problems, temperately discussed by leaders of various schools of thought and conducted under nonpartisan and nonpolitical auspices.

Tonight's American Forum of the Air will be presented in two parts.

Under the direction of the chairman, Theodore Granik, pioneer in educational radio discussion and newspaper columnist, you will first hear the formal presentation of opinion of both sides, followed by an extemporaneous panel discussion.

And now your chairman, Theodore Granik.

Chairman GRANIK. Thank you, Mr. McCormick.

National leaders continue to weigh the vital problem of Government spending, which has flared into heated controversy over the past several weeks.

The fight was begun in December, when Senator ROBERT A. TAFT, of Ohio, on a campaign tour through New England, said that the Budget must be balanced if we are to maintain national solvency, and that it can be balanced in 2 years at a level of about $7,000,000,000.

President Roosevelt immediately took up the challenge. He said in a press conference that he would be interested in seeing a plan for balancing the Budget, and offered Senator TAFT a handsome prize if he could show how to do it. From this point the press battle was on.

On the issuance of the new Budget, Senator TAFT answered the President's request for a specific program, citing several fields in which he believes major savings can be achieved. Last week the President again came to the defense of deficit spending, stating that the New Deal policy will bring the national income to the $80,000,000,000 level, so that revenues will increase and the Federal income will balance expenditures.

As public controversy on the subject continues, we have arranged a discussion this evening on How to Balance the Federal Budget. The participants tonight do not differ in their desire to achieve prosperity and wipe out unemployment as quickly as possible. They probably differ, however, in their views as to the desirable means to this end.

The President in his Budget message contrasted the strenuous but unsuccessful efforts to maintain a balanced Budget at a relatively low level of expenditures in the years 1931 and 1932, with the fiscal policy followed since 1933.

In his words, "Following 1933 the fiscal policy of the Government was more realistically adapted to the needs of the people. All about were idle men, idle factories, and idle funds, and yet the people were in desperate need of more goods than they had the purchasing power to acquire.

"The Government deliberately set itself to correct these conditions by borrowing idle funds to put idle men and idle factories to work." Following a résumé of the relation of fiscal policy to business conditions since 1933, the President concluded: "Government must have the wisdom to use its credit to sustain economic activity in periods of economic recession and the courage to withhold it and retire debt in periods of economic prosperity."

Opponents of the Government's spending philosophy maintain that the recession of 1937 was the direct result of such a policy, and that a continued unbalanced Budget will bring inflation, with resulting ruin to our political and economic systems. And the report of the National Economy League states that deficit spending has not cured unemployment, because it has discouraged the private capital investment needed to put men to work; that continued deficits have resulted in a new high level of spending from which it will be difficult to retreat and which cannot be covered by taxes under our present laws, even in boom years; and that our public debt will become unmanageable unless provisions are soon made for debt retirement.

And so tonight, to pass upon the merits of these conflicting viewpoints, we have invited several distinguished authorities on the subject. We will hear first from Senator TAFT. He will be followed by Senator JAMES F. BYRNES, of South Carolina.

We will then have an informal panel discussion.

Our panel members are: Senator Josh Lee, of Oklahoma; Congressman Robert F. Rich, of Pennsylvania; Ernest Lindley, newspaper columnist; and Ernest Angell, chairman of the National Economy League.

And now our opening speaker—Senator TAFT.

ADDRESS BY SENATOR ROBERT A. TAFT

Friends of the radio audience, the United States Government today is pursuing the deliberate policy of spending money vastly in excess of its income. There is no more dangerous policy for any government to pursue. Our deficit for the year ending July 1 will be about $4,000,000,000. That means that every day, every 24 hours the United States Government is spending over $10,000,000 more than all the money it takes in in taxes. We have grown used to astronomical figures, but $10,000,000 is still a lot of money in anybody's language. It is as much as the total assessed value of many a small American city; as much, for example, as the valuation of Athens, Ohio, or any other American city with a population of about 10,000 people. Three days of this spending consumes as much wealth as the value of all the farms and farm buildings in any typically rich agricultural county, such as those we have in Ohio, Indiana, and Illinois. Yet every day we are adding to the debt of the Government, and that means the debt of all the people, $10,000,000, on which we have to pay interest until we finally have to pay it back.

A month ago in Chicago, I stated in detail how I thought the Budget ought to be balanced, and I said that the first requisite was the President shall actually wish to balance it. Then came the President's new Budget message for the year beginning July 1, 1940, which sounded for a moment like a movement toward economy. But today we see that the new Budget is not economy, but a political maneuver, and the President has openly espoused again the discredited theory that the American people can spend themselves into prosperity.

An analysis of the new Budget shows that the expenditures recommended are actually greater by $30,000,000 than those recommended in the Budget a year ago. Decreases in relief, public works, and agricultural expenditures have been more than made up by other increases, especially those for national defense. The new Budget proposes smaller expenditures, it is true, than the actual Government bill for 1940, but that is because those expenditures were increased after the Budget by supplemental estimates from the President and congressional appropriations. In 1939 the President estimated a deficit of $3,326,343,200. This year's estimate is $2,876,231,570. That hypothetical reduction, however, is caused by an estimate of increased tax receipts, which may or may not occur.

The Budget message estimated the deficit at only $2,176,000,000, because the President proposes to transfer back from Government agencies $700,000,000 of capital which was advanced to them years ago, and which it is said they do not need. Some of them, like the Farm Credit Administration, probably do need the capital, but, in any event, it is certainly not real income, will not recur in future years, and does not reduce the real deficit.

Then the President, in his Budget message, recommended increased taxes of $460,000,000 without specifying the kind of tax. It was represented that these taxes were to pay increased national defense expenditures, but it appears that if this exact amount is levied, it will hold the national debt on July 1, 1941, to $44,932,000,000, or just under the debt limit.

In short, the whole Budget is designed, apparently, for the purpose of avoiding an increase of the debt limit before the next election. The administration is terrifically concerned that a debate on raising the debt limit would center the attention of the people on the situation into which we have come, and the question whither we are going. The administration is afraid that if this question is made prominent in the campaign, the people will realize the fatal end to its extravagant policies.

Congressional leaders have declared their opposition to levying additional taxes, which is not so easy to do, particularly in an election year. There is only one other way to avoid an increase in the debt limit, and that is to reduce expenditures by $460,000,000. In my judgment, it would be an easy task if the Democratic leaders in Congress had the real cooperation of the President. But they do not have that cooperation, and his public statements, since the Budget message, show that he is again openly espousing the spending theory. He is determined that the Budget figures shall not be cut. He vigorously protested the elimination by Congress of two bureaus which the Government could well do without. He protested cuts in the agriculture bill. Nor has he made any protest whatever against budgetary increases initiated in Congress. We have, on the contrary, evidence that he would like to see the farm and public works appropriations increased. There is not the slightest fear in Congress that he would veto such increases. In short, the President's Budget apparently must be taken, not as his maximum, but as a minimum below which he is vigilant to see that Government expenditures must not go.

The advocates of economy in Congress are hopelessly handicapped by the President's attitude. I fear that we have little chance of avoiding, by legitimate means, an increase in a debt limit already stupendous. We hear talk here in Washington of alternative measures. Certain New Deal economists, it is said, hope to avoid that increase by issuing silver certificates. That would be currency inflation pure and simple. After all, the increase in the debt limit is a necessary result of the deficit policy. Until that is cured, the debt is bound to increase, limit or no limit. The responsibility for that increase, whenever it occurs, rests squarely on the spending policy of the present administration.

In spite of occasional lip-service to economy, the President, in his Hyde Park statement of February 5, made it clear that he is again an unquenchable advocate of the strange theory that the Government can spend itself into prosperity. He made it clear that he was not in favor of balancing the Federal Budget by the reduction of expenditures. He attributed the depression of 1937 to what he called a "sharp and sudden reduction in Government spending" in that year. He attributed the increase in national income between 1932 and 1939 to Government spending, although we have no evidence of any kind that Government spending produced that rise in income. He compares the year 1939, 7 years after the bottom of the depression, with the very bottom year of that extraordinary world catastrophe. We have had many depressions in this country. Always before this, the national income—without the dubious hypodermic of Government spending—has rapidly recovered, climbing to a higher level than before the depression. There is always an inevitable reaction toward increased business prosperity, with or without Government spending. To be fair, the calendar year 1939 should be compared to some period 7 years later than the bottom of previous depressions, such as the year 1900, 7 years after the depression of 1893; or 1928, 10 years

after the depression of 1921. We might even take 1910, 3 years after the panic of 1907. In 1900, in 1910, and in 1928, we had returned to a prosperity far surpassing that which preceded the depression.

During the first 29 years of the twentieth century, our income increased, not in proportion to population growth, but at a much faster rate, namely 4 percent per annum. If that growth had continued to 1939, our income last year should have been $112,000,000,000 instead of $68,000,000,000, or 65 percent greater than it actually is. For several years before 1929 the national income averaged $80,000,000,000, which we have never been able to approach again. If this income had increased only as fast as population, our income today should be 90 billions instead of 68 billions, or 32 percent greater than it actually is.

Certainly actual results are no recommendation of the spending theory. Instead the principal result of a 20-billion-dollar increase in debt was the new depression of 1937. This was not caused by any sudden and drastic curtailment in Federal spending, as stated by the President. In fact, there was no such curtailment. In fact, the figures show that from 1933 to 1938 there was a steady increase every year in Government expenditures, apart from the dislocation caused by bonus payments.

In my opinion, the depression of 1937 was caused by the too rapid increase in taxes, wages, and all other costs, which was stimulated by, and directly resulted from, the policy of the Federal Government.

Take the railroads. Their costs increased tremendously, and, of course, they could not raise their rates. The margin became less and less, so that by the summer of 1937 they had to eliminate not only new capital expenditures but even maintenance and replacement. The same was true of the utilities. Other industries, like the hotel industry and the automobile industry, could legally raise their prices, but they would have been unable to sell their product at increased prices, so that they also were compelled to eliminate all plant expansion and even normal replacements. It was the capital-goods industry which collapsed in the summer of 1937, and it collapsed because every other industry in the United States was forced by Government policy to stop spending for permanent plant.

Of course, the capital-goods industry at best has been completely discouraged by Government policy, because excessive regulation of business and the whole tax policy of the Government has discouraged all investment by individuals, and even the reinvestment of earnings by corporations to expand their business. The Government insisted that dividends be paid out so that the money might be spent for consumption. In short, the depression of 1937 was a direct result of the spending philosophy.

There is no evidence that a policy of Government spending has more than the most temporary effect on the economy of the country. Four billion dollars is a lot of money, but it is nothing compared to the increase in national income which could be produced by the encouragement of private industry, the investment of money in new enterprises, and the restoration of a free economy. We must restore a condition in which every man of energy and ambition in this country can see some chance of success if he starts out for himself and puts his time and money into building up his own business. Only in that way has this country increased its income and living standards for 150 years. Government spending is no substitute for that policy.

The policy must be abandoned; the Budget must be balanced. A continuous policy of unbalanced Budgets has always resulted ultimately in inflation of the currency. The longer the Budget remains unbalanced, the harder it is to balance, because the country adjusts itself to deficit spending as a drug addict adjusts himself to morphine. Vast groups come to rely on Government subsidy. Additional taxation becomes harder and harder to impose.

No one can say how much debt this country can safely stand, but there is a danger point somewhere, and it is determined as much by psychological causes as by figures. The burden of paying the interest and principal becomes greater and greater until finally the people ask why they should burden themselves with tremendous taxes to pay for the sins of past governments. Already many people are asking why we cannot pay our bills in greenbacks, which bear no interest, instead of with Government bonds.

When that point is reached, and it has been reached in every country which has failed to hold its expenses within its income, inflation of the currency has begun. That inevitably produces rapidly rising prices, which hit the poor man harder than the well-to-do. This makes the Government Budget still harder to balance, and more currency is printed. Prices continue to rise until, as in Germany, it costs $1,000 to buy a pair of shoes.

Of course, this means the wiping out of all savings. It reduces the men on fixed salaries to penury. A man still has dollars in the savings bank, but they are not worth anything. After life insurance has been paid for a lifetime, the widow will find that she gets a check for dollars, but the dollars won't pay the light bill. Of course, every endowed institution is ruined, and universities can only be continued with aid and direction from the Federal Government. The only man who makes any profit out of this condition is the speculator. It means a complete break-down of the whole business system, a reduction in real income, and a depression which will make the depression of 1932 look like Coolidge prosperity.

The law of inflation simply means that we cannot have something for nothing. If we don't pay our bills as we go in the normal manner, we pay them by the destruction of savings. Inflation not only destroys the business system, but it would almost certainly destroy our political system. There would be no alternative except a government-regulated totalitarianism. It is no accident that dictators flourish in Russia and Germany. A dictator is simply a receiver, called in when people believe that their economic and political system is bankrupt. We can't call in a receiver and retain the freedom and liberty of the individual which are guaranteed by the Constitution of the United States.

The Budget must be balanced. It can only be balanced if the President of the United States abandons the spendthrifty fallacy, and shows a real desire for economy and sound business principles in Government. The present policy is insane. It is not only utterly vain, but, if continued, will completely destroy the America which we have known for a hundred and fifty years.

Chairman GRANIK. Thank you, Senator TAFT. You are listening to the American Forum of the Air presenting a discussion on How to Balance the Federal Budget.

You have just heard Senator ROBERT A. TAFT, of Ohio. And now we present Senator JAMES F. BYRNES, of South Carolina.

ADDRESS BY SENATOR JAMES F. BYRNES

A few weeks ago Senator TAFT undertook to qualify for a prize by specifying how he would balance the Budget. He would balance it not by levying additional taxes but by reducing expenditures. He was boldly specific on a few small items and magnificiently vague on the larger items.

Starting to reduce the Budget from $9,000,000,000 to $7,000,000,000, he marked for destruction a number of highly useful agencies. The list sounded as if it would save big money. It included agencies like the Disaster Loan Corporation, which made relief loans to the flood sufferers in the Ohio Valley and the tornado sufferers in New England. It is maintained as a part of the R. F. C. to collect the money due on those loans. I have examined the Budget submitted by the President for the next year. If you eliminate the amounts asked for all of the agencies Senator TAFT wants to abolish, you would save out of next year's Budget $5,328,000. That would make it necessary for the Senator to cut out of the Budget an additional $1,995,000,000.

He suggested that public works be ended. Well, there is no request for P. W. A. for the next fiscal year. He said he would make some cuts in agricultural appropriations, but he did not say what appropriations. He would take it out of the hides of the farmers, but he would not specify what part of the hide. He came out flat-footedly in favor of eliminating waste. We are all in favor of cutting out waste, just as we are all in favor of America for Americans and in favor of the women, God bless them!

As to national defense, constituting almost one-fourth of the total Budget, Senator TAFT said it should be "subject to critical analysis." Of course, it should. And so should every request for any purpose. But you cannot balance the Budget merely by analyzing requests. The only other specific reduction the Senator made was in the appropriation for work relief. The President asked for $1,000,000,000 for next year. Senator TAFT said he would cut it to $750,000,000. That means a saving of $250,000,000. It leaves the Senator's Budget unbalanced by the sum of $1,745,000,000.

Now, let us subject to critical analysis his suggested cut in relief appropriations. For this fiscal year ending June 30, the Federal Government will spend $1,400,000,000 for relief work. Senator TAFT would cut this in half for the next fiscal year beginning July 1. That means he would dismiss from the rolls one-half of the people who are now working.

The day after Senator TAFT made his proposal, Republican Governor James, of Pennsylvania, complained about the cutting of the W. P. A. staff and work in Pennsylvania. Then Mr. Thomas Dewey, another Republican who has talked a great deal about balancing the Budget, became envious of Mr. TAFT talking about economy. He declared he believed in reducing expenditures in the "hard way," and cited figures to show that as district attorney he spent a couple of hundred thousand dollars less a year of the taxpayers' money than his predecessor. But he forgot to tell us that in order to bring about that reduction of expenses in his office he had gotten $90,000 from W. P .A. He forgot to tell us that he had written to Harry Hopkins that the discontinuance of this W. P. A. project in his office would be "nothing short of a calamity in the administration of criminal justice in New York County." That certainly is one W. P. A. project that the Republicans will not call "boondoggling."

Hopkins could not cause a calamity in the administration of justice in New York, so he let Dewey keep the W. P. A. workers—and Jimmy Hines was convicted. Now, if because Hines goes to jail Dewey goes to the White House, I declare Harry Hopkins should be Vice President.

I do not know when Senator TAFT reached the conclusion that the unemployment situation was such that we could safely cut to $750,000,000 the appropriation for work relief. On June 28, 1939, just 7 months ago, there was introduced in the Senate a bill, S. 2721, which provides that for relief and work relief "there is hereby authorized to be appropriated for the fiscal year ending June 30, 1941, the sum of $1,250,000,000." That is the same year for which Senator TAFT now says the appropriation should be $750,000,000. That bill was introduced by three Senators. One was Senator BARBOUR, of New Jersey, who, I understand, is a supporter of District Attorney Dewey. The second Senator was the Senator from Michigan [Mr. VANDENBERG]. The third was the distinguished Senator

from Ohio [Mr. TAFT]. That bill is pending before the committee of which I am chairman. Because it represented, as I thought, the collective wisdom of the Republican Presidential candidates, I studied it. I looked forward to the day when they would ask for a hearing. They have not asked, and now Brother TAFT has run out on them.

When this bill was introduced last June, the amount appropriated for work relief for the current year was $1,400,000,000. Some suspicious persons might think that these candidates fixed their figure at $1,250,000,000 just to show they were more economy minded than the President. And they might suspect that when the President in his Budget estimate for the year beginning next July 1 asked only $1,000,000,000 for relief work, Candidate TAFT had to have an issue and, therefore, quit Candidate VANDENBERG and fixed the relief figure at $750,000,000. But I do not believe that. I believe Candidate TAFT was sincere. He is a wonderful fellow. He just changed his mind. I believe that Candidate VANDENBERG was sincere. He, too, is a wonderful fellow. I am confident that when the relief bill is considered he will move to increase the amount from $1,000,000,000 to $1,250,000,000. I am going to oppose it and rely upon Senator TAFT to help me defeat the Vandenberg amendment. But I warn him now that if Dewey still has those W. P. A. workers in his office, he will be found working against us.

The Budget should be balanced. It requires, however, the services of a surgeon and not a blacksmith. We cannot balance the Budget in 1 year. We should profit by experience. In 1937 we made a too drastic reduction of Government expenditures in a short period, and by doing so, delayed recovery. There must be a gradual reduction.

We cannot balance the Budget by indulging in generalities about lack of confidence. If there is lack of confidence, how did we during last December produce more goods than ever before? Lack of confidence exists principally among the Republican politicians. The figures published by the Federal Reserve Board last week show that during the last quarter of 1939 industry produced more goods than it did in the last quarter of 1929, the boom year of all time. We produced more with 1,000,000 less persons employed. That was due to machines displacing workers. You will appreciate the unemployment problem when you consider that we had 1,000,000 less people at work than in 1929, and at the same time we had 5,750,000 more people of working age. Should we cut $2,000,000,000 out of the Government's Budget today we would further increase unemployment. We would impair the purchasing power of the people, retard recovery, and reduce the amount of taxes to be collected next year. But under our program, with business improving and the national income increasing, we will have increased revenues and can balance the Budget without destroying activities of the Government which the people demand and which are essential to the welfare of the Nation.

Under the Democratic administration remarkable progress has been made in increasing the national income. In the fiscal year 1939 the national income was up 71 percent, compared with the last Republican fiscal year of 1932. Cash farm income was up 82 percent. On the business page of your newspaper you will find a statement of increased sales and increased net profits by every well-managed corporation reporting.

If newspapers would publish on the first page the reports of the net earnings of the industries of the Nation, instead of the pessimistic prophecies of politicians, there would be a further increase in confidence and a further increase in employment.

The Government has spent money; but this money has gone to build up our national resources, to conserve the health and morale of our citizens. It has made possible the reduction of the debts of many local governments. It has built courthouses, hospitals, roads, airports, sewerage systems, and paving projects, which were formerly constructed by local governments with taxes levied upon the homes of the people.

If you ask Senator TAFT about the part of the national debt represented by loans to business enterprises he would have little complaint. He would object to that part of the debt which was incurred by the appropriation of $5,000,000,000 for public works in March 1935. Well, when that bill was voted upon in the Senate, had every Democrat left the Chamber, the bill would have been passed, 13 Republicans having voted for it and only 10 against it. On the $3,000,000,000 public-works bill of June 1938, 7 Republican Senators voted for and 7 against it. I think it was justified. You may think differently. But, even if you do, I think you will agree with me that the Republican Party can with poor grace complain of a debt they themselves helped to create.

The President in his Budget message recommended a reduction of expenditures for the next fiscal year of $675,000,000. This is a conservative Budget. He wisely gave warning that the Budget was based upon the assumption that current levels of business would be maintained and that if conditions changed, the appropriations for work relief and agriculture might have to be modified.

The Democratic Congress has reduced some appropriations below the estimate of the President. I am confident the total will not exceed the estimate of the President. But we are not going to accept the advice of Republican Presidential candidates and make the entire reduction at the expense of the farmers and the unfortunate unemployed of the Nation.

Chairman GRANIK. Thank you Senator BYRNES. You are listening to the American Forum of the Air presenting a discussion How to Balance the Federal Budget.

You have just heard Senator JAMES F. BYRNES, of South Carolina. This concludes the first part of tonight's presentation.

Announcer MCCORMICK. Immediately following station identification we shall continue with the extemporaneous discussion.

This is the Mutual Broadcasting System.

This is the American Forum of the Air originating in the broadcasting studios of the new Department of the Interior Building in Washington, D. C., and presented over the Mutual network by WOL in cooperation with WOR.

We return you to the chairman, Mr. Granik.

Chairman GRANIK. And now as part two of tonight's broadcast of the American Forum of the Air we present an informal panel discussion. Our panel participants are: Senator Josh Lee, of Oklahoma; Congressman Robert F. Rich, of Pennsylvania; Ernest Lindley, newspaper columnist; and Ernest Angell, chairman of the National Economy League.

Mr. Lindley will open the discussion.

Mr. LINDLEY. Thank you, Mr. Granik.

First let me say that I am a Federal taxpayer, not a big one but enough of a one to know it when March 15 comes around, and also that I have some savings invested in Government bonds and in insurance, so that nothing that Senator TAFT nor anybody else may say here can intensify my opposition to a superinflation.

So I pricked up my ears a few weeks ago when Senator TAFT announced that he knew how to balance the Budget. I have here a copy of his speech on January 5, the speech to which Senator BYRNES referred. That speech was entitled "Mr. President, Here Is How to Balance the Budget." I read that speech with care and took the trouble to add up the savings Senator TAFT proposed to make. It is a long speech and I was a little more generous than Senator BYRNES; whenever Senator TAFT was vague I gave him the benefit of the doubt and made a reduction, but when I got through I found he had subtracted only $320,000,000 from the total of the Federal Budget, as submitted by the President.

Now that Budget as by the President for next year is out of balance by $2,176,000,000. After subtracting these savings of Senator TAFT, I found that Senator TAFT's Budget was still out of balance by $1,756,000,000. Here, perhaps, I am a little more exacting than Senator BYRNES, because Senator BYRNES only tried to get Mr. TAFT down to $7,000,000 whereas I am trying to get him to balance his Budget.

Well, of course, my spirits picked up tonight when I saw an advance copy of his speech and saw the words "Senator TAFT resumes Budget balancing." I have listened with care and I don't see that he has made another dollar's worth of progress toward balancing the Budget. It seems to me there is no way we could spend these next few minutes more profitably than to ask Senator TAFT where he is going to make that additional $1,756,000,000 worth of savings to bring about the balanced Budget. So I will ask him that.

Senator TAFT. The statements made by Senator BYRNES and Mr. Lindley are so very far from an accurate copy of the speech I made that it is hard to cover a speech which lasted half an hour in a few moments.

My first suggestion was that every bureau be cut by 25 percent, which was what Franklin D. Roosevelt said should be done when he was running for election in 1932. That would take care of nearly $1,000,000,000. The reduction in relief is from $1,125,000,000 to $750,000,000, which is $375,000,000 for that alone. Incidentally, it does not mean a reduction of the men on the rolls, because what I proposed was that a complete change be made in the system—that all relief be returned for administration to the States and local governments—and if that is done the average cost per case will be considerably less than one-half what it is today. There will be more men on the rolls, there will be a more adequate care of relief, there will be more people taken care of, and no hiatus; you will take care of the transients, you will take care of the people who aren't able to engage in work or be included in an expensive work program like W. P. A., and you will handle the thing more effectively.

Answering Senator BYRNES again, the reduction which last year we proposed was to an appropriation for that kind of a system of $1,250,000,000. At that time the Federal Government was spending $2,250,000,000. The Federal Government has found that the requirements have been reduced in these last 8 months until today they are estimating a W. P. A. cost of $1,125,000,000, and on the same basis we propose to cut from $1,125,000,000 because of improved conditions in employment to $750,000,000.

The farm appropriations this year are well over $1,000,000,000, and in the statement I made I said that every beneficiary of the Federal Government is going to have to participate in the reductions that are made in Federal Government expenditures, and from that billion dollars there could be a reduction, I would think, of several hundred million dollars.

The House has made some reductions already from that figure proposed by the President.

I think that the Senator quoted some dozen or so bureaus which I mentioned merely as examples. I say the Federal Government is full of bureaus which can be entirely eliminated. Of course, they are all performing nice functions, but if you haven't got the money to pay for the things you would like to have, you don't have them that year, and the Federal Government is in exactly the same position as the average individual. If you haven't got the money to pay for things, you can't have them simply because they happen to be nice things to have.

Senator BYRNES. Senator, would you not agree that the relief bill passed early in June 1939 provided only $1,400,000,000 for work relief for the year beginning July 1, 1939?

Senator TAFT. One billion four hundred twenty-five million as I remember it, yes; and at that time I remember when that figure was reached by the committee, I, at least, whether we adopted a new bill or not, proposed $1,000,000,000 instead of $1,250,000,000, but whether it was carried through on the bill I don't know.

Senator BYRNES. I understood you to say a moment ago that when you introducted the bill the expenditures for relief were at the rate of more than $2,000,000,000.

Senator Taft. Two billion two hundred and fifty dollars was the cost of relief ending July 1939.

Senator BYRNES. The date you introduced the bill was June 28, 1939, after the relief bill had been passed for the fiscal year beginning July 1, because it was only 2 days before the end of the fiscal year.

Senator TAFT. No; I think the Senator is mistaken. As I remember, the bill was introduced early in the session.

Senator BYRNES. I will hand the Senator the bill.

Senator TAFT. We then introduced an amendment, you will remember, to the relief bill itself.

Senator BYRNES. I will hand you the Senator's own bill S. 2721.

Senator TAFT. We introduced then an amendment to the relief bill, if you will remember. As I remember it, we made an appropriation of $1,000,000,0000 at that time and a reduction from $1,425,000,000.

Representative RICH. Ladies and gentlemen of the radio audience, I don't want Senator BYRNES and Senator TAFT to take all the time, and I can't help but feel that Senator BYRNES and Mr. Lindley were trying to keep Senator TAFT from going into the President's chair. Senator BYRNES said a few moments ago that he was in favor of balancing the Budget and that balancing the Budget required a surgeon, not a blacksmith. I want to take exception to that and say that balancing the Budget needs good sound businessmen and statesmen, and not New Deal politicians.

I want to say that the way to balance the Budget is to get at and balance the Budget.

Now, I am not running for President and never expect to get in the President's chair, so I have no fear in making some suggestions as to what we can do to balance the Budget. The first thing I would do would be to stop making these great large lump sums for relief available to the President and put relief back to the States and local communities, with aid from the Federal Government. We have given the President of the United States since 1933, in 7 years, over $17,323,000,000, the largest amount of money that was ever put into the hands of any one man in the history of the world, and there never has been so much waste and extravagance in the history of the world as there has been in administering these funds in the guise of relief.

Then I would eliminate the Electric Home and Farm Authority, I would eliminate the Export-Import Bank of Washington, eliminate the Federal Emergency Relief Corporation, the Federal Housing Administration, the Federal Subsistence Homestead Corporation, National Labor Relations Board, the Puerto Rican Reconstruction Administration, the Tennessee Valley Associated Cooperatives, the War Minerals Relief Board. They have been 20 years in operation; it is time to get rid of them.

As Senator TAFT said a few moments ago, we must start to balance the Budget, but I see nobody in the administration and nobody on the Hill that is trying to balance the Budget. Let's eliminate the Division of Press Intelligence, one of the greatest propaganda agencies, that is costing the taxpayers of this country money, and they will never be able to pay it if we don't get rid of some of these agencies that are squandering the Federal funds with no thought of trying to get down to a balanced Budget.

Let's restore to the people of this country freedom and opportunity. Opportunity for the businessmen of this country was the thing that made this country great, and the business people of this country, if given the opportunity, will put men back to work and not politicians.

I want to say in 1933 we had 563,000 employees in the Government, and today we have 987,000—an increase of 423,000. It seems preposterous that we should have these employees to this number and we are never going to restore the confidence of the people of this country until we eliminate a great many of these employees, and we can do it in good sound orderly fashion and put them back into the hands of industry and we will give them employment.

I am sorry I have to stop now because I could enumerate a hundred other articles.

Chairman GRANIK. Senator LEE.

Senator LEE. My good friend, Mr. RICH, surely could tell you all about cutting down and cutting out a number of Government agencies, but he still would be far short, as is Senator TAFT, of balancing the Budget. All of those added up that he has enumerated amount to some $100,000,000, but it does not balance the Budget.

Now, the President is making an effort on a sensible scale to balance the Budget. He even recommended to Congress this year taxes to pay additional expenditures, if we vote those additional expenditures. He gave us a budget. Do you know what a budget is? On one side of the ledger is what the Government does for the people; on the other side of the ledger is what the people do for the Government.

Now, Senator TAFT and Mr. RICH have been telling us how much we owe ourselves in here, but each time their radio time ended before they got around to telling us what to do about it. This $17,000,000,000 that Mr. RICH refers to was paid to the people, of course. He said it was given to the President, but the President passed it on to the people and it brought us out of a Republican depression. I remember when those folks—poor people, hungry men—were sitting around the street corners counting the wrinkles in their stomachs and that year, 1938, the Republicans tried to feed them on the Constitution, and it is obvious this year that they are going to try to feed them the old dried Budget. They can't eat that thing. I suggest to Mr. TAFT, if he cuts the spending 25 percent, doesn't he believe that will also reduce the general income of the country? Certainly it will; and that will reduce the revenue of the Government, and he will have to cut the expenses another 25 percent. That will reduce the revenue of the Government, and he will have a vicious spiral of descending income, and the people will be back where they were the last time the Republicans had the power of government in this country.

I remember those freight trains going through covered with hungry men, their empty stomachs flapping like a pair of rayon bloomers in an Oklahoma windstorm, and these folks are going to feed them the Budget and perhaps sprinkle it a little bit with the Constitution this time.

This money is not lost. It comes right back. The thing this Government is doing is forcing money from Wall Street out to Main Street and forcing it into circulation. That does not make less money in the country. It makes more money by having it in circulation.

Mr. ANGELL. Mr. LEE, you have said what the administration is doing, and I am speaking from a nonpolitical point of view just as a citizen, and I am not concerned one iota whether it is the Democrats or Republicans who are responsible for the present level of spending and boosting the debt up to $42,000,000,000. I think the men who put the debt up to that level and caused these vast appropriations to be made have got the responsibility of seeing that they are cut down. You said just a moment ago, sir, if I understood you, that this deficit spending policy was having the effect of pushing the money out from Wall Street into the country and making it work. I have before me the Federal Reserve Bulletin of January 1940, which shows that while the amount of money in the banks, the deposits, is just as much now as in 1929, the last big year, that the money turns over more and more slowly. From 1933 to 1937, the first 4 years of the full deficit spending policy, money in the banks turned over on the average 16 times a year. In 1938 it dropped down to 14 times a year, and in 1939 it has dropped down to 13½ times a year. That is just the trouble with that policy that you gentlemen here are advocating. It doesn't work, sir. You still have 9,000,000 unemployed walking the streets, and they are being carried by the 45,000,000 workers.

Senator LEE. What would you do with those unemployed, Mr. Angell?

Mr. ANGELL. I would see that your Budget is balanced within a period of 2 years; yes, sir, because balancing the Budget more than any other one single thing, an attitude of the Government toward balancing it, in my opinion, will restore the confidence, get the money out of the banks. It will provide the jobs; it will take the 8,000,000 unemployed off the backs of the 45,000,000 employed today.

Representative RICH. Mr. Angell, Mr. LEE never saw anyone starve during a Republican administration, and you aren't going to see anyone starve in a Republican administration.

Senator LEE. Mr. Angell, it isn't confidence business needs today; it is cash customers, and there can't be cash customers when you have 9,000,000 unemployed, and you are proposing and Senator TAFT is proposing to cut off half of those on W. P. A. What would you do with them? How would you take care of them? What are you going to feed them? What are you going to give them to pay rent with, Congressman RICH?

Representative RICH. We are going to pay them for raising produce, so we will have a land of abundance, instead of burning the wheat and killing the pigs and plowing down the cotton; that is what we are going to do, give them a land of plenty.

Senator LEE. How are you going to balance the Budget if you are going to pay them? What are you going to pay them with?

Representative RICH. We are going to pay them because the people in this country will have confidence.

Senator LEE. Are you going to pay them with confidence?

Representative RICH. They will have confidence because we have a balanced Budget. Any time you get a New Deal professor talking that is the argument he puts up, but we want to get down to scund, fundamental principles. Let me ask Mr. Angell the effect of the debt and taxes on the workers of the Nation.

Mr. ANGELL. I am glad you mentioned that, Mr. Rich. I think some thought should be given to that, when you consider that an American family, on the average, with an income of $1,500 a year, now pays about $185 a year in taxes, and that doesn't mean income taxes, that means taxes on the land where the house lies in which he lives, or the apartment; it means taxes on the clothes that he and his family wear, taxes on the food they buy, taxes on the tobacco and beer they consume; and if you have that proportion of income which is paid out in taxes, it is time to stop the method of spending which has produced taxes at

that level; and the taxes have risen—they have just doubled in 8 years.

Mr. GRANIK. I think Senator TAFT wants to say a word.

Senator TAFT. I want to say I have looked over the bill Senator BYRNES gave me and I find the bill nearly a year ago authorized to be appropriated for the fiscal year 1940 the sum of $1,250,000,000. That, of course, was nearly a year in advance of the time that appropriation would actually be made, and, of course, no one could tell what the conditions might be at that time, so that $1,250,000,000 was an outside figure, and it is entirely consistent with my present position at this present time, that $750,000,000 would be sufficient to take care of the form of relief which this bill proposes.

Senator BYRNES. What the Senator says is that he fixed his figure of $1,250,000,000 to cause him to believe that amount would be appropriated but it is entirely consistent to say now he would give them but $750,000,000.

Mr. LINDLEY. I have been wanting to get back to Senator TAFT because when he stopped working on the Budget, according to my figures, he was still a billion dollars short of balance, although, meanwhile, he would cut old-age pensions 25 percent, the Civilian Conservation Corps 25 percent, veterans' pensions and benefits and all other items in the Budget 25 percent, and still wasn't anywhere near a balance. I think we are entitled, in view of his pledges, to have him show us how to balance this Budget and give us a little more information on it.

Senator TAFT. The present Budget is $10,000,000,000. If you save 25 percent in the divisions which can be saved, you can save $1,000,000,000 on about $4,000,000,000 worth of expenditures representing these various departments.

It takes the Budget commissioner a year to make this Budget up. You can't hope for me to go through 5,000 pages and tell you each item. I only ask anyone to read the statement I made before, and on the basis of that statement, with those reductions in public works, in farm appropriations, in relief, in every Government department, that $2,000,000,000 can be saved.

Senator BYRNES. May I call attention to the fact that in the Budget the item of interest on the public debt is a billion dollars. Would he cut that 25 percent? The amount paid to veterans is approximately a billion. Is he going to cut that 25 percent? The national defense is almost $2,000,000,000.

Senator TAFT. Yes; I would cut national defense 25 percent. I think the increase of $460,000,000 in national defense is wholly unjustified.

Senator BYRNES. While the world is on fire, you would take one-fourth of the Navy from the sea and one-fourth of the men out of uniform! The American people will not do it.

Senator TAFT. Mr. Senator, at the present time we are spending at the rate of $1,425,000,000 for the Army and Navy. In 1934, 5 years ago, we were spending $550,000,000. We have increased it two and a half times, and this Budget includes a further increase of over $400,000,000, which I think is wholly unjustified by present conditions. Four hundred million of my saving can well be taken out of the proposed appropriation for the Army and Navy.

Representative RICH. I would like to ask my good friend Senator LEE this question: If from 1789 to 1920, 131 years, the Government spent only $66,000,000,000, and we had five great wars, and that included the World War, how he can justify the present administration from 1933 to 1941, in 8 years, spending $65,721,000,000. Where have you restored the confidence of the American people, and how are you going to get business on its feet in this country and put people back to work and take them off the relief rolls of this country if you are going to squander and spend money in that ridiculous fashion?

Senator LEE. It took that much money to regain the confidence of the American people in the Government after the Republicans had had it a while.

The essence, it seems to me, of Senator TAFT's proposal is if everybody will grit their teeth and do without long enough, we can balance this Budget, if we will stop spending everywhere except in Cleveland, Ohio; and that if you just cut off and do without, why, we can balance the Budget. It reminds me of the Dutchman who was trying to teach his mule to live on briars and effect a great saving. After the experiment was over the Dutchman said: "He died before he got used to it, but he would have been all right if he had ever got used to it."

Mr. ANGELL. I think this problem of the rise of the taxes, gentlemen, is one of the most serious ones which you have to consider, and I say "you"—those of you who defend spending at this present level and say, in effect, never mind because once we get the national income up to eighty or eighty-five billion dollars, then we can balance the budget. But you haven't a Chinaman's chance, as far as I see, of getting the national income up to eighty or eighty-five billion dollars because you have idle money in the banks, taxes rising every year, and the burden is becoming so bad that you can't find additional money for taxes. Every serious student of the problem, I think, is agreed that you can't raise now any substantial additional amount of money by taxes unless you lay it on the goods of wide general use where the incidence is upon the small man, and the burden is going to be increasingly terrific upon him. Your taxes have increased from sixty or seventy dollars per person about 10 years ago until they are about $113 for every American in this country.

Senator LEE. Mr. Angell, wouldn't the revenues decrease if you cut 25 percent off all Government expenditures now?

Senator TAFT. Senator LEE, it seems to me that the idea of trying to build up the national income by going out and trying to borrow money and pouring it out in order to prime the pump has been so disapproved by actual results that I am surprised that any responsible official would advocate that theory today.

Senator LEE. Senator TAFT, following that program, the increase in value, in paper value, on the stock market alone would have paid the cost of Government spending. Now add to that the national income of $68,000,000,000 as against forty-two billion which it was when we took over——

Representative RICH (interposing). Senator LEE, don't you know the Bureau of Engraving and Printing has been running for 24 hours a day printing money, and I would like to know from you what we have got to back it up when the President has all the gold buried down in Kentucky; it is no good to anybody and they are now buying up silver and we are giving the advantage to all the foreign countries in this gold and silver we are purchasing, and what is this paper money worth? It won't be able to buy anything in a very short time. It will probably be as worthless as anything you can get hold of.

Mr. LINDLEY. So far as I might note, Congressman RICH, it buys more than the dollar did even in 1929. We are still below the price level of 1929, so I don't think we need to worry about that superinflation quite yet.

Senator BYRNES. This morning's newspapers carrying the figures of the 250 corporations first reporting upon net earnings for the last quarter of the fiscal year showed a tremendous increase. Every day the business page of the newspapers brings the same story. From these increased net profits there will come increased revenues, expected by this administration.

Senator TAFT. Senator BYRNES, don't you know if it were increased 25 percent, you would only get $520,000,000 instead of the three billion needed to balance the Budget.

Mr. LINDLEY. May I point out that on March 3, 1933, when the Republican Administration went out of office, the cost of carrying the national debt took 1.77 of every cent out of each dollar of the national income, and in 1939 the income had expanded so that the interest on the national debt took only 1.45 percent of the national income, so the national debt actually was lighter in relation to our ability to pay last year and this year.

Senator BYRNES. I agree with my friends only as to this point. We should do everything possible to balance the Budget. We should do everything possible to reduce expenditures of the Government. But we should do it in such a way that we will not destroy those activities essential for the welfare and happiness of the people.

Representative RICH. I say that is all right, too, but I am telling you this administration is making no efforts to balance the Budget, and it is going to mean the ruination of this country unless they do; I am telling you, you will see the greatest wreck this Nation has ever seen unless we can get down to sound fundamentals and begin to save the dollars; and if you save the dollars you will find the billions will take care of themselves.

Senator LEE. How are those on relief going to save any dollars?

Representative RICH. We will take care of them.

Mr. ANGELL. Well, Senator LEE, when you push the total Government debt for the fiscal year 1930, the last big year, as you call it, of Republican financial success, from thirty-four billion of Federal, State, and local debt, up to sixty-six billions, and after 7 years you still have eight or nine million unemployed on the streets, I think the system of spending your way back to prosperity has been proven a great failure.

Senator LEE. Is there less wealth in the United States today than there was when we took over the Government after the Republicans had it, or more wealth?

Representative RICH. There is less happiness, I can say that.

Senator BYRNES. Less happiness among the Republican politicians, but not among the people.

Representative RICH. Don't worry about the Republicans. They will be back here next year to save this Nation.

Chairman GRANIK. Thank you, gentlemen. You have been listening to the American Forum of the Air presenting a discussion on How to Balance the Federal Budget.

Our opening speakers were Senator ROBERT A. TAFT, of Ohio, and Senator JAMES F. BYRNES, of South Carolina. Immediately following was an informal panel discussion. Our panel members were Senator Josh Lee, of Oklahoma; Congressman Robert F. Rich, of Pennsylvania; Ernest Lindley, newspaper columnist; and Ernest Angell, chairman of the National Economy League.

And now for a final word from Mr. McCormick.

Announcer MCCORMICK. Thank you, Mr. Granik.

Another broadcast in this season's series of the American Forum of the Air comes to a close. These programs emanate from the studios of the new Department of the Interior Building in the Nation's Capital.

The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational broadcasts which present national problems, discussed under nonpartisan and nonpolitical auspices.

This program was arranged by Theodore Granik, who presided as chairman.

Next Sunday at this same time Mutual will bring you another forum which you are invited to attend. Address your comments to Mr. Granik in care of radio station WOL, Washington, D. C.

Stephen McCormick speaking.

This is the Mutual Broadcasting System.

Looking Forward

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA, TO BETA CLUBS OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an address which I delivered at Raleigh, N. C., last Saturday night, March 9, at the annual banquet of the members of the North Carolina Beta Clubs entitled "Looking Forward," at which time there were more than 1,100 boys and girls of high-school age in attendance. This was the largest banquet ever held in North Carolina and my address was broadcast over radio station WPTF, Raleigh, N. C.

The Beta Clubs are made up of high-school boys and girls who have been successful in obtaining honor grades, and every one of the 100 counties of North Carolina was represented at this annual meeting of the Carolina Beta Clubs at the Sir Walter Hotel at Raleigh, N. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, members of the Beta Clubs, ladies and gentlemen, when some weeks ago your State director and my friend, William Watkins, wrote me inviting me to address you on this occasion, I became very much interested and immediately expressed a willingness to be with you because I recognized an opportunity to talk to an intelligent group of our high-school students; the young men and women upon whom the responsibility of continuing our present democratic form of government and preserving our institutions will rest in the years to come.

I might say in the beginning that I have had an opportunity to look over the purposes and methods of the national Beta Clubs. I want to congratulate your State and National officers for the wonderful job they are doing in the matter of the development of these clubs because their purpose is of the highest order, and unquestionably they are aiding thousands upon thousands of young boys and girls throughout the country to see the real value of an education.

Any organization which has as its object the encouragement of effort, the promotion of character, and the stimulating of achievement among its members is certainly worth while. I am sincerely glad to learn that the work of the Beta Clubs is now in its sixth year in North Carolina and has been extended into more than 300 high schools and into literally every part of the State. I am likewise proud of the fact that in North Carolina the Beta Clubs' work in all probability has progressed further than in any other State. Your members and your officers should be justly proud of the fine progress you are making, and I wish now to publicly congratulate each and every one of you.

For a few minutes let's discuss two of the objectives of your clubs, namely, effort and character. It is an old axiom that nothing worth while is accomplished without effort on the part of the individual. There never was a more truthful saying. You young men and women are living in a wonderful age; an age where everything is highly specialized and where competition is greater than it has ever been before. For that reason unless you are prepared educationally and physically to meet successfully this competition you are surely going to fail. Without an education your task will be almost insurmountable. Every opportunity possible is being given you by your State and your respective counties in the matter of your obtaining the best education possible. Your fathers and mothers daily are now, and will later to a larger degree, make great sacrifices so that you may be able to equip yourselves to go forward in a busy, busy world. You owe it to them and to yourself not to fail. It is up to you. No one can help you unless you put your shoulder to the wheel.

There are some who will tell you that you can live by the sweat of someone else's brow. That cannot happen permanently. You should make up your minds now that you will live by the sweat of your own brow and by your own fortitude and perseverance. There are those who will promise that they will give you economic security and save you from work and study. They cannot do it. There are those preachers of despair who will tell you that you are "underprivileged" and that you should rely on others to create jobs and opportunity for you. They are preaching false doctrines and giving you false promises and are closing from your vision the broad and beautiful view of the countless opportunities in every field that American liberty, American equality of opportunity, American justice, American kindliness, American courage, and unrivaled American resources hold out to those of you who say, "I will study, I will give my best, I will succeed." So much for effort.

Now a few words about the greatest attribute of all—character. This is a word which has a great many meanings and on which many different constructions are placed. Webster tells us that character is the sum of qualities or features by which a person or thing is distinguished from others, or is the aggregate of distinctive mental or moral qualities belonging to an individual or a race as a whole. Character is fundamentally that which a person or thing really is as distinguished from reputation.

It is interesting to note that one of the primary objects of your National Beta clubs is to "promote character." Why does this organization make this one of its most important principles? Because its officers know that if it can develop character in the youth of our Nation that the future of the Nation will be secure because then they will have the moral fiber to proceed down the turbulent road of youth and be able to resist the evil temptations that will beset them on every side. If our present youth fail in their great responsibility then our country must of necessity fail.

Your Beta clubs are also interested in strengthening character in our youth because the organization knows only too well what a strong deterrent to crime good character is. The files of the Federal Bureau of Investigation give us some very interesting statistics relative to the part youth plays in the crime of our Nation. It seems that more persons 19 years of age are arrested yearly than any other age, followed by the ages 18, 22, 21, and 23. Also that approximately 19 percent of all persons arrested in the year 1939 were under 21 years of age, in other words, one out of every five arrested were minors.

The seriousness of the youth problem in crime is reflected by the fact that while only 19 percent are under 21, this figure constitutes 12 percent of all persons arrested for homicide, 29 percent for robbery, 45 percent for burglary, 32 percent for larceny, and 52 percent for auto theft. During 1939, 155,416 persons of all ages were arrested and fingerprinted for robbery, burglary, larceny, auto theft, embezzlement, fraud, receiving stolen property, and arson. Of these, 51,186, or 32 percent, were less than 21 years of age. The Bureau's figures, I am sorry to tell you, also show that crime among the youth of our Nation is on the increase, because while in 1939, 32 percent of the violators were under 21, in 1938 the figure was 31 percent, while in 1936 it represented only 28 percent. These figures show only too clearly that these youngsters did not possess the strength of character to prevent them from committing crime. In other words, they could not resist temptation.

I do not know what your dreams are, and it probably will not be for me to experience the unmeasured lengths of your adventures. In any case, I am quite certain that I believe in your right to have your dreams and your adventures.

While I try to be unconscious of the passing years, I am still vaguely aware of the mortality tables. They tell men of my age that, on the average, you will be here long after we are gone. That means that our work, our capital, our institutions, and even our reputations will be left in your hands. You will unquestionably inherit a good deal of difficulty and confusion, but you will also be the inheritors of things which have cost blood and sacrifice to win and which you will find still worth preserving. Unfortunately, there are thousands of persons living in our country today, enjoying every protection of law that you here in North Carolina enjoy, who neither respect our institutions nor are interested in their preservation.

The time is rapidly approaching when you as the future custodians of our Government must give some thought to these groups, and we must devise ways and means to hold them in check. To my way of thinking, these dispensers of these foreign idealogies present our greatest national menace today. They are in our midst, many times unseen, but, like termites, are boring in—constantly boring, you might say, to the very foundations of our Government with the avowed purpose of destroying it in its present form.

Recently there was held in Washington a convention of the American Youth Congress, and as I stand before you this evening I cannot but reflect in my own mind the vast difference in the type of individuals who are now facing me, and some of those young men and women who came to Washington with the Youth Congress making various demands on Congress, some of which were ridiculous in their inception. I know it will interest you to learn that a number of the affiliated organizations of the American Youth Congress are definitely and publicly communistic in their undertakings. Can you conceive of an audience of North Carolina youth booing the Chief Executive of our Nation, because he dared tell them to proceed with caution in their demands

and in the adoption of resolutions and petitions, about which, as he said, they knew very little. No, my friends, we are a proud people in North Carolina, we are proud of the fact that in our veins courses the purest American blood of any people of any State in the Union, and for the reason that it is the purest we must zealously guard it to see that it does not become diluted by infiltration.

The ranks of the "isms" in this country are growing: some of them are becoming bolder in their public utterances and with their violent castigations of our Government and its institutions. The irony of the whole scheme is that they are protected under our Constitution and by the law of the very Government they are denouncing and advocating its destruction. Mind you, however, it would be well for them to take heed of the day of reckoning as was so aptly put by the distinguished Speaker of the House of Representatives, Hon. WILLIAM B. BANKHEAD, on the occasion of the celebration of the one hundred and fiftieth anniversary of our first Congress when he said, "There are evidences of certain sinister influences and minorities now seeking to sap and mine the pillars of this temple of freedom. We may have been too generous in our hospitality to them. We may have been too tolerant of some of their recent manifestations of subversive treachery. We have sought with rather grim patience to respect the guaranty of freedom of speech, but it may be only fair to admonish all such groups that they take counsel of their prudence lest by going one step too far it will be too late to escape the wrath and indignation of all real Americans." I say, my friends, they had better take counsel now.

I urge upon you patient and most careful evaluation of the economic and political changes now confronting us. Avoid snap judgment and quick conclusions. Of course, the wisdom that usually comes with age cannot replace the impetuosity of youth. At least hesitate before casting aside age-worn forms. The way of democracy may be long and arduous. It is, however, the only safe way. There is no short cut either by way of dictatorship, autocracy, communism, or fascism. The Bill of Rights, our Constitution—our democracy is still worth preserving—the democracy of Washington, Jefferson, Jackson, Lincoln, Cleveland, and Franklin D. Roosevelt must be saved.

Ladies and gentlemen, at this very hour our beloved country is passing through a very very grave period of history. We need only to pick up our daily newspapers and glance at the glaring headlines which appear, to realize the gravity of the situation. At any moment Europe may be catapulted into a catastrophe the like of which the world has never known and the danger insofar as we are concerned is that we may inevitably be enmeshed and drawn into it. This I fervently hope and pray will never be the case, because as I have many times stated both on the floor of the United States Senate and elsewhere, the quarrels and wars of the old world are not our quarrels, and while we cannot believe in the principles of Hitlerism and Stalinism I do firmly believe, as I am certain you do, if we want to do what is best for our people, for the present generation, and for all posterity in the years to come, we will stand squarely and firmly on the ancient doctrine of keeping America out of Europe and Europe out of the western hemisphere. I never felt as strongly about anything in my life as I do on this subject, and I am happy to be able to discuss with you, the present flower of our youth and the future fathers and mothers of our great State, this momentous question. The reason I am taking this stand and the reason I am fighting for a hands-off policy in Europe and a program of America for Americans is because I am interested in each and every one of you, your brothers and sisters, and the boys and girls in every State of this Union. Don't think it's an easy matter. If you could only know of the abuse and unfair criticism that is being heaped on my shoulders daily on account of my outspoken stand on these great questions you would realize what I mean when I say it is not an easy matter.

I realize only too well that if we become embroiled in another world conflict that the very lifeblood of our Nation, our young men, will be destroyed for an entire generation. I know in addition to that great sacrifice that our present economic system will be so badly shaken that there is no way of foretelling what the ultimate result along that line will be. Europe is heading for the bloodiest of all wars and there are some in this country who are determined that we shall take our place on the firing line with one side or the other. This I am determined shall not happen because I want to protect you and to save our present form of democracy, and to preserve our ideals and our institutions which our forefathers fought and died for, so that we would have a republic that would be the envy of the whole world. I have stated publicly before and I again now pledge you that I will never as long as I am a Member of the United States Senate cast my vote to send a single son of an American mother across the waters of the Atlantic to any foreign shore to fight for any European country regardless of who that nation shall be, or what the excuse. I say to you that we should read and reread the messages of Washington and Jefferson with respect to entangling foreign alliances and we should follow in their footsteps if our Nation is to be preserved. Now is not the time to turn our backs on their doctrines and warnings. There has never been a time in our Nation's history which was more fraught with national danger than is the present. This is no time for sentimentalists. We should weigh with the greatest care every step we take insofar as our dealings with foreign nations are concerned if we are to avoid embroilment and all the resultant suffering and hell.

Has it ever occurred to you that as the result of our very brief participation in the last World War in addition to offering up to the god of war over 100,000 of our young men, who paid the supreme sacrifice, that it has cost us in dollars and cents up to the present time nearly $70,000,000,000, and this figure is growing annually? In addition to this, thousands and thousands of our veterans are forced into hospitals yearly for treatment for wounds and diseases received as the result of their service. The United States Veterans' Administration is constantly building at tremendous expense to the Government, enormous hospitals to provide care for these veterans. And still there are those who daily tell us that there is no way we can stay out of another world war, and that we ought to take sides and go to war—for what?—a repetition of what I have just cited above, only many times worse. Let's be wise. Let's profit by experience. Let's make up our minds now that we are not going to permit ourselves to become involved in another European catastrophe regardless of who wants us to do so.

Now, just a few words with respect to my program of America for Americans. As you perhaps have no doubt noted from the columns of the press, from time to time, I am referred to as an "isolationist." In plain everyday North Carolina language that merely means that I believe that we should mind our own business and let other countries mind theirs. It also means that I feel just a little more kindly toward our own good North Carolina boys and girls than I do toward the boys and girls of Germany, England, France, or Russia. It means that I believe that our Government's first consideration should be toward the education and welfare of our own good people here in North Carolina and the other States of the Union than toward the masses of the entire world. Because I see fit to have very deep-rooted convictions on such important subjects, I am referred to by certain groups and individuals, from time to time, as one of the most dangerous men in American public life, and only recently have been labeled an arch enemy of democracy. Now, these indirect stigmas and intended insults do not personally disturb me because, as you know, I can take it.

However, there is one thing which does disturb me and that is this question of democracy that I am reported to be attempting to destroy. I believe I have a pretty clear conception of just what American democracy is, and I am confident that my understanding of that word is acceptable to the majority of our people. Of course my interpretation does not permit of my agreeing to the proposition as put forth by some, namely, wholesale admission of foreigners to our country at a time when we have approximately 12,000,000 of American citizens out of employment.

In addition to the aforementioned unemployed there is the problem of the student; the young boy and girl finishing high school or college. Statistics disclose that every year approximately 750,000 young men and women are completing their education and then are faced with the problem of securing employment. We are also told that the economic situation has become so grave now that only one out of every three of these youngsters who start down that long trail of "seeking a job" will be successful in the next several years. This problem presents one of the strongest arguments as to why we should not permit the continued influx of foreign-born to our country to further handicap the breadwinners of our American families, and also to add to your own difficult problem. This is not a proposition of one being heartless, as some would have you believe is the case in my position. My convictions in favor of our own citizens, our own boys and girls, are so strong that I have been forced to put aside every vestige of sentiment and treat the whole matter very forcibly.

You must remember, my young friends, that there are those in this country who would bring every refugee of the world into our country regardless of what the result would be insofar as you and all the rest of the American youth are concerned. They would lead you to believe that our country is big enough to absorb the masses of the world and that when these hundreds of thousands come here that their mere being here will aid us in our fight for a complete recovery from our economic ills. I cannot just see the logic of such argument, and because I have seen fit to disagree with these parties they are now calling me, as I said a few minutes ago, "the arch enemy of democracy." Well, regardless of what these critics think of me, I intend to pursue my well-known policy of deportation of all criminal aliens now in our midst, fingerprinting and registering of all aliens, and the restriction of all immigration for a period of 10 years or until such time as our American citizens have secured employment and have been taken from the relief rolls. That's my case. I submit it to you as a jury of American youth. Do you think I am an "arch enemy of democracy" because I want to make it easier for you to secure a job when you finish your education?

There never has been a time in the Nation's history when the Government itself has been more keenly alive to its responsibility of educated youth. Franklin D. Roosevelt is interested in our youngsters, and under his able guidance and leadership he has fostered legislation to help them. Unquestionably, he has done as much, if not more, for the youth of our land than any man who ever occupied the White House. I refer, of course, to the part the administration's agency, the National Youth Admin-

istration, is playing throughout the country in extending a helping hand to thousands upon thousands of youngsters who are endeavoring to secure an education, who otherwise would be deprived of that opportunity. It is indeed a revelation to turn back the pages for a few years and take stock of the great strides which have been made in our own State in erasing illiteracy. We have a fine school system in North Carolina. One of the best, and its success is due largely to the fine administration of my kinsman, Clyde Erwin, superintendent of public instruction, as well as my good friend and our distinguished Governor, Hon. Clyde R. Hoey, and the thousands of sincere and conscientious teachers in the State.

My young friends, the whole problem rests in your hands. If you want an education the means are available. Seek and you shall find. It is your responsibility. No one can make you get it. Yours will be the reward. You should be proud in the knowledge that you are living in a wonderful period of the history of our State and Nation. You, and each of you, have an important part to play in the destiny of our country. You are an integral part. Yours is truly a great responsibility. There is no one who can foretell what the future holds in store for us as individuals or as a Nation. You must do your part to see that our Constitution and our Government is preserved so that the sacrifices of those who have gone before us were not made in vain.

In conclusion, I want to say to you, the members of the various Beta clubs, that it has been a real pleasure and an honor to speak to such a fine group of upstanding young men and women. I am confident that if all our youth had the courage, the understanding, and the determination that you do, that our future would be to the highest degree secure. I beg of you in the words of that sacred commandment, "Honor thy mother and thy father, that thy days may be long upon the earth which the Lord thy God has given thee," never forget the teachings of your youth; be true to the great trust that your parents have placed in you, and grow into strong, honorable men and women, and take your respective places in a turbulent world where your mere presence will be an inspiration to others who follow in your footsteps.

I thank you.

The Farm and City Partnership

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. JAMES A. FARLEY

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting and timely address on the subject, The Farm and City Partnership, delivered by Postmaster General Farley on the occasion of the anniversary farm dinners, held in several hundred counties of the United States and broadcast by the National Broadcasting Co., the Columbia Broadcasting System, and the Mutual Broadcasting System.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I consider it a privilege and an honor to be invited to speak to you tonight on the occasion of this farmers' anniversary celebration. Let us hope that the occasion may become an annual one, and that it may grow into a national holiday worthy of the dignity of agriculture. The first Monday in September is always set aside as Labor Day. Why should we not set aside the first Saturday or Monday in March as farmers' day?

Secretary Wallace has talked to you about the farm program. My job has been to supervise the carrying of the mails. But I know, from the experience of our Post Office Department, that something has been happening out on the farms in the years since 1933. The amount of mail addressed to, and sent by, persons on rural routes has increased substantially during that period. I would judge from the increase in the farmers' mail, and especially the number of parcels received by farmers, that they have more money to spend than they used to have. And so I am not surprised when Secretary Wallace tells me that cash farm income for the Nation as a whole has increased from $4,700,000,000 in 1932 to $8,500,000,000 in 1939—almost double what it was.

Those are significant figures. When agriculture in any State is prosperous, that whole State is prosperous. The farmers' income from corn and hogs and beef and grain and dairy products soon finds its way into town and the entire State hums with life and activity. That activity is transmitted to the industrial centers and the financial centers. Even the stock market is affected by it, and investors all over the country share in the benefit.

Because of the close relationship between farm prosperity and city prosperity, the cities have every reason to support an effective farm program. Unfortunately, some urban interests—journalistic and political and financial—have been blind to this close relationship and have opposed nearly everything the farmers have tried to do. But, on the other hand, many people in the cities have understandingly supported the farmers in their efforts for economic security and economic justice. I believe the farmers have special reason to feel kindly toward those urban Representatives in Congress who have consistently voted for farm laws. After all, farmers constitute only 25 percent of the total population, and no farm program depending on Government authority or Government funds can last long without the consent of at least some of the people in the cities and towns. I myself have felt that the farm program is in the long-time interests of the cities themselves, and I have done what I could to spread an understanding of that fact among my city friends, in Congress and elsewhere.

I believe that one of the reasons why the farm program has commanded such strong and nearly universal support from the farmers is the fact that its administration has been kept out of politics.

When the program was launched, back in 1933, a fundamental decision had to be made. The President, the Secretary of Agriculture, and the majority in Congress had to choose whether to follow the old political tradition of using such a program for partisan advantage. The decision was made—and I believe it was made right—to keep the program out of politics. No farmer, regardless of his political affiliation, is barred from serving on the community and county committees which run the program. Years ago the articles of the farmers' associations were so drawn as to prevent these associations from being used by committeemen or others for political purposes.

We are proud of this record, which is a precedent in unselfish public service for either political party.

Nevertheless, such public-spirited policies carry the danger that farmers may take the continuance of this program for granted, that they may pay little attention to the votes in Congress which keep it going, or to the views of the men and parties seeking office.

These farm policies form one of the great developing issues of the Nation. In this country we hammer out such new ideas on the anvil of politics. It is the way of democracy. This farm program which you are fashioning will be the object of political attack and counter attack for many years. If it can outlive the onslaughts, the program will survive and become a part of our American way of doing things.

The best evidence that farmers are on the alert to guard their program is found in these dinners tonight. This anniversary celebration of 7 years of achievement gives the Nation hope that the national farm program can and will be carried forward, in the useful service of all the people.

The Late Henry W. Grady

EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

ADDRESS BY JOHN TEMPLE GRAVES 2D

Mr. BANKHEAD. Mr. President, I request unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an address delivered to the Atlanta Historical Society at Atlanta, Ga., on October 28, 1939, by Hon. John Temple Graves 2d, on the fiftieth anniversary of the death of Henry W. Grady. Mr. Graves is an outstanding, unusually well informed and able columnist for a number of newspapers. Mr. Graves has developed in a clear way that while Henry Grady preached the doctrine of love between the North and South, he did not abandon his right or his disposition to defend the South as a section when circumstances called for that treatment.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Without the Atlanta Constitution this occasion could never have been complete. I salute Mr. Jones as the present-day architect of a

page upon which once were gathered Joel Chandler Harris; my uncle, Bill Arp; Betsy Hamilton; Frank Stanton; Clark Howell; and Henry W. Grady. I salute him, too, as a representative of the profession Henry Grady enlivened and loved and never forsook.

For me to come before the Atlanta Historical Society with history of an immortal Atlantan is to bring a very small coal to a very great Newcastle. There is nothing I can tell you about Henry Grady which you don't know better than I do, and I shall not try. I shall attempt only to remember him a little in your company, and subject to your correction. And for my text—if a printer's devil may take one—I shall choose the words graven in the stone that honors him here: "And when he died he was literally loving a nation into peace." That they are words spoken by my father makes them dear to me and no less relevant to my thought tonight.

"Loving a nation into peace." We think of Grady as the great peacemaker, and so he was; but some of us have thought of him as a subordinator to peace of the regional differences, the regional problems, needs, opportunities, history, and way which marked and still mark the South—and that he was not. We think of him as reversing the path which John C. Calhoun trod, of leading the South back into a Union from which Calhoun had let it out, and so he did, but some of us have thought of him as proving with his own health a certain unhealth in Calhoun, of dissipating with his buoyant nationalism a sectionalism which had been unnecessary and unwise, and that he did not. He died loving a nation into peace, yes; but he was seeing more and more and he was saying more and more that it must be a peace based upon appreciation of America in all its parts, upon justice and generosity and understanding for a part called the South. "There is sectionalism in loyalty (to the Republic) as in estrangement," he said in his last word to New England.

In the difference between Henry Grady's first speech to New England—the one in 1886—and his second in 1889 just before he died, there is evidence that he was undergoing a change like the one which came to Calhoun, a change from a nationalism which cried down regional differences to a nationalism which demanded recognition of regional differences. We think of Calhoun as the great nullificationist, the secessionist, the spinner of fine-spun theories for the South, the champion of southern rights against national rule. But in the beginning there was no more Nation-minded man in the whole country than John C. Calhoun. When he came to Congress from South Carolina in 1810 and was made chairman of the Committee on Foreign Affairs, he was a sort of superpatriot, an American of Americans. He it was who introduced the resolution for war on England in 1812. He it was who made himself so invaluable in conduct of that war that he was called "the young Hercules who carries the war on his shoulders." Then and thereafter, for many years, he was a big navy man, a friend of the national bank, a champion of Federal internal improvements. He was for the protective tariff. He spoke over and over again of national unity, deprecating sectionalism and what he of all people called "refined arguments on the Constitution." He was Monroe's Secretary of War, Vice President under John Adams and Andrew Jackson—and Adams said of him in those days: "He is above all sectional prejudice more than any other statesman of the Union with whom I have acted." He was no professional southerner, provincialist, secessionist. It was not his natural bent or thought, but the excesses of the North in rivalry with the South, of industry serving itself at agriculture's expense, that turned him finally in Jackson's term from nationalism to regionalism, from America as a whole to the South in particular, from scorn of fine-spun theories about the Constitution to theories spun masterfully fine in the interests of South Carolina and the defense of the South. It was these things that produced his eventual nullification doctrine, his theory of secession, his call for southern blocs to defend southern rights. He opposed tariff and other excesses as "making geographic divisions of a nation," "making two of one nation," and it was only when he saw the division made and the two created that he gave his genius and his heart to his own half. It was 90 years ago last January that John Calhoun called southern Senators and Representatives into a meeting at Washington and begged them to hold southern rights paramount over party allegiance. He predicted with uncanny prescience a tragic era for this section if the North had its way, but his fellow southerners were unconvinced and only a minority of them would sign his manifesto. A political stand which might have saved the bloody stand at arms 12 years later was not taken. When Calhoun died in 1850 his last words were, "The South, the poor South."

That was on March 31, 1850. Fifty-four days later, in Athens, Ga., Henry W. Grady was born. And 39 years later Grady was to die with words of that same South upon his own lips: "Tell her (his mother) if I die, that I die while trying to serve the South, that land that I love so well." He was only 39 years old, and "loving a nation into peace." Calhoun was 39 when Adams said of him that "he is above all sectional prejudice more than any other statesman with whom I have acted." Would Henry W. Grady, if he had lived, have gone the way of John C. Calhoun? I believe that he would—and that he would have succeeded in regionalism as Calhoun had to fail. I believe he would have gone that way and that his speeches prove it. I believe he was already going that way, and that the proof is in the difference between his speech to the New England Society of New York on December 22, 1886, and his speech to the Boston Merchants Association in December 1889, the speech that made him famous and the speech that killed him.

"It was writ of all his living that the noble fires of his genius were lighted in his boyhood from the gleam that died upon his father's sword." My father said that of him, too. Gallant, dramatic, with a healthy and high-hearted sense of the war as a thing as decisive of the South's economic and social destiny as it had been of his father's mortal one, he came before the New Englanders and told them the South would come back in whole heart to the Union of States. It was the speech of a man totally freed of all bitterness, all prejudice, all antagonism. It was the speech of a nationalist who could name Abraham Lincoln the typical American—"came he who stands as the first typical American, the first who comprehended within himself all the strength and gentleness, all the majesty and grace of this Republic—Abraham Lincoln." It was the speech of an Atlantan willing even to break bread with William Tecumseh Sherman—"I want to say to General Sherman, who is considered an able man in our parts though some of our people think he is kind of careless about fire, that from the ashes he left us in 1864 we have raised a brave and beautiful city." It was the speech of one who renounced Negro slavery and southern theorizing, who welcomed the North to the South, who wiped out the Mason and Dixon's line, who believed that the South was about to make a profit of defeat: "We have found out that in general summary the free Negro counts more than he did as a slave. * * * We have sowed towns and cities in the place of theories, and put business above politics. * * * We have learned that one northern immigrant is worth 50 foreigners. * * * We have wiped out the place where the Mason and Dixon's line used to be. * * * The South found her jewel in the toad's head of defeat."

It was Calhoun again, putting his youth against "geographic divisions of a nation," against "making two of one nation," and believing the division would not be. It was Calhoun again, too, with something in his soul ready to stand for his own half of the Nation if division should persist or come. The last words of that New England society speech were significant: "Now, what answer has New England to this message? Will she permit the prejudice of war to remain in the hearts of the conquerors when it has died in the hearts of the conquered? Will she transmit this prejudice to the next generation, that in their hearts, which never felt the generous ardor of conflict, it may perpetuate itself? Will she withhold, save in strained courtesy, the hand which, straight from his soldier's heart, Grant offered to Lee at Appomattox? Will she make the vision of a restored and happy people, which gathered above the couch of our dying captain, filling his heart with grace, touching his lips with praise and glorifying his path to the grave? Will she make this vision on which the last sigh of his expiring soul breathed a benediction, a cheat and a delusion? If she does, the South, never abject in asking for comradeship, must accept with dignity its refusal."

But for these final words of warning, the Grady speech sounded no sectional or regional note. Its nationalism was so perfect and complete that some of Mr. Grady's critics in the South interrupted the country-wide acclaim with sour talk of a sell-out. But in their hearts they knew that it was the soul of a man who loved both America and the South and who believed the one capable of including the other in amity and love that had spoken.

Did something come over Henry Grady in the 3 remaining years he was to be permitted to live, something to tell him that the South was as much in need of his championing as the Nation was of his love? I believe it did, and that it was not disillusion, for his was too buoyant and optimistic a nature for that, but an increasing conviction that if the South was to contribute as it should to the Nation it must be free to express itself and its special circumstance and that this freedom needed championing against the North. "If then it be provincialism that holds the South together," we find him saying at Dallas on October 27, 1888, less than 2 years after the New England dinner, "let us outgrow it; if it be sectionalism, let us root it out of our hearts; but if it be something deeper than these and essential to our system, let us declare it with frankness, consider it with respect, defend it with firmness, and in dignity abide its consequence."

And a year later, when he came once more before a great New England audience for the speech he said was to be his greatest and may have known would be his last (he was ill already), the note of national love was still there, but there, too, was another note, not to be found in his first speech, a note of challenge, a suggestion that the South would take its stand: "We wrested our State government from Negro supremacy when the Federal drumbeat rolled closer to the ballot box and Federal bayonets hedged it deeper about than will ever again be permitted in this free Government. But, sir, though the cannon of this Republic thundered in every voting district of the South, we still should find in the mercy of God the means and the courage to prevent its reestablishment." "Meantime," he went on, "we treat the Negro fairly, measuring to him justice in the fullness the strong should give to the weak, and leading him in

the steadfast ways of citizenship that he may no longer be the prey of the unscrupulous and the sport of the thoughtless." And then he challenged the North's understanding of the South's way with the black man even as your own Margaret Mitchell was destined to do it in immortal fiction nearly half a century later: "The love we feel for that race you cannot measure nor comprehend."

We need not comment here on the race problem or any other southern problems as Mr. Grady saw them, on whether he saw them rightly, on whether they are today what they were then. The comment is only on the fact that in his last speech, delivered so shortly before his death that the North had not time to digest it before it was absorbed in eulogy of a great man dead, he was a challenging, aggressive, stand-taking man of the South—a southern regionalist, if you will, still loving a nation into peace, but instructing that love in the regional condition, problem, and task it must serve.

If this is true, if this was his trend as it had been Calhoun's, and if he had lived on, we may believe that he would have anticipated with a more shining leadership and imbued with a more buoyant and optimistic spirit the southern regional effort of today. We may imagine him invoking the South as he did at Dallas to science and self-help, to the liberal way and the progressive day. And we may picture him come back to Boston and pleading with the Nation, in an eloquence still unmatched, for justice, generosity, and restraint in policies toward the South—for No. 1 tenderness from tariff makers, No. 1 fairness from makers of freight rates, No. 1 delicacy in administration of the wage-hour law lest it destroy more southern wages than it increases, No. 1 restraint as the South goes still about its business of solving a race problem more difficult and extensive than any other people anywhere have known. We may even guess what he would say to his southern people and put it into our own lame words: "Here at your feet," he might say, "is your new South, your promised land, if you till it and have the benefit of the tilling. This is your promised land if you supplement what God and history have given it with what you can give it; if you walk upon it in ways of science; if you balance its agriculture with industry and its cotton with food. This will be a new South indeed, a promised land for a Nation entire, if you educate your children in grace to inherit it; if you trust it enough to put your own gold into it; if you do justice in it among yourselves; if you hold its laborer worthy of his hire, its farmer of his crop, its merchant of his fee; if you honor its laws and make a meeting among yourselves for its tasks. Here your new South is a promise to North, East, and West if they are persuaded to be generous and just, if you take your stand for your entitlements against other lands, if your goods go as freely as others to the markets of the land, if no distant tax burdens you when you buy and limits you when you sell, if the rent of gold is no more for you than for your fellows, and if the fruit of your possessions is permitted to fall into your own laps.

"He died loving a nation into peace." Whatever time might have done to his nationalism, it would never have turned his heart from the Nation; not have altered the essential Americanism of his spirit. He was such a happy man, so full of sentiment, so golden-hearted at home and with his friends, so out-of-door minded, so red of blood, so aggressive and kind, full of such confidence in his country, his South, his own powers. In him was the spirit of America at its healthiest, bravest, and best, and beyond all the limitations of regional competition that might have come over him, we may believe that this spirit would have been tonic to us today against the sickness of democracies, talisman in the task of proving and holding America against hateful philosophies across the sea. In Grady the inexhaustible soul of man that comes from God and goes to God, that survives because it will not die, had its specimen. "The German bombs have no effect on us," cried Warsaw's immortal mayor in the midst of the siege last month. "They have no more effect on us; we are accustomed to them." It was a whistle in the awful dark, a shout of defiance as death closed in. The supernatural refused to be summoned. Mind did not conquer matter, nor the spirit of Poland the iron and steel of Adolf Hitler. But in that spirit, in that cry was the hope of the world, and the secret of its success. The spirit of man may not yet overcome matter in hand-to-hand fighting, but it persists in belief that it can, in shouting that it will. Defeated infinitely through infinite years, it lives on, and in its living is the source of all we associate with civilization and all we know as God. It will survive the fall of Warsaw. It will survive all the murder and destruction yet to come. Guns cannot shatter it, or submarines sink it, or dictators order it down. Take away a thousand years of its progress, and it begins at the taking-off place. Rob it of nine-tenths of its world, and it goes to work on the remaining tithe. And, in the end, it conquers because it cannot be defeated, because it can no more be destroyed than machine guns can "wound the loud winds" or torpedoes "kill the still-closing waters."

America needs Henry Grady at this hour not for unity alone but for recovery of its immortal soul, of its sense of life abounding, of the spirit that set it on its way 163 years ago. Let us salute, then, the great heart that was loving a nation to peace. And let us salute in memory as dear the buoyant spirit that was living a nation into health.

Farm Benefit Payments, and Farm Operation by Bankers and Insurance Companies

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

ARTICLES FROM THE NEW YORK TIMES, THE WASHINGTON POST, AND THE WASHINGTON DAILY NEWS

Mr. LEE. Mr. President, I have several times called attention of the Senate to Government benefit payments made under our farm program. Here is an article from the Tuesday, March 5, New York Times, headed:

The Life Companies Get Most A. A. A. Gains.
Chief 1937 beneficiary reported as Metropolitan Life, with $257,095 payment.
$231,158 paid Prudential.

It is stated in the article that the average payment to 3,750,000 farmers was $75. How does that compare with the payment to one life-insurance company of $231,158 and to another insurance company of $257,095?

Mr. President, I ask unanimous consent that this article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 5, 1940]

BIG LIFE COMPANIES GET MOST A. A. A. GAINS—CHIEF 1937 BENEFICIARY REPORTED AS METROPOLITAN LIFE, WITH $257,095 PAYMENT—$231,158 PAID PRUDENTIAL—TOTAL DISBURSEMENTS FOR YEAR PUT AT $325,856,887—AVERAGE OF $75 TO 3,750,000 FARMERS

WASHINGTON, March 4.—The biggest single beneficiary of the New Deal's farm program in 1937 was the Metropolitan Life Insurance Co. An Agriculture Department report to Congress revealed today that it received $257,095 in A. A. A. benefits on farms which it owns.

Nearly all the top payments went to life-insurance companies and banks, which have become large-scale owners of farms through mortgage foreclosures.

More than 20,000 farmers and corporations received A. A. A. benefit payments of $1,000 or more for complying with the 1937 program. Most of the checks were sent out in 1938 and 1939, since payments usually lag more than a year.

The report disclosed that 272 farmers and corporations received more than $10,000 each and 594 received $5,000 or more. Total payments for 1937 were $325,856,887.

The payments were obligated before Congress amended the Agricultural Adjustment Administration Act in 1938 prohibiting the payment of more than $10,000 to any person or corporation. The limitation became effective last year.

Agriculture Department officials said that "very few" of the large corporations had ceased cooperating in the farm program because of the limitation. It has resulted, they said, in larger payments to small farmers.

A. A. A. officials said that the average check sent 3,750,000 farmers who participated in the 1937 program was $75. Since then the average has increased, partly because nearly $500,000,000 was provided by Congress for such payments in both 1938 and 1939.

There were 11 payments of more than $100,000 each, and 12 of $50,000 to $100,000. After the Metropolitan Life Insurance Co., the next largest payments went to the Prudential Insurance Co. of America, $231,158, and the Equitable Life Assurance Society of the United States, $206,962.

Other payments of more than $100,000 were:

Travelers Insurance Co. of Connecticut, $211,521; Union Central Life Insurance Co. of Ohio, $166,280; Mutual Benefit Life Insurance Co. of New Jersey, $161,110; Northwestern Mutual Life Insurance Co. of Wisconsin, $156,444; John Hancock Mutual Life Insurance Co. of Massachusetts, $147,647; Federal Land Bank of Omaha, Nebr., $134,139; King Ranch of Texas, $122,140; and the Federal Land Bank of St. Paul, Minn., $103,925.

Mr. LEE. Mr. President, I also ask unanimous consent to have printed in the Appendix of the RECORD two articles, one from the Washington Post of Sunday, March 10, and the other from the Washington News of Saturday, February 17.

The one from the Washington News bears the headline "Life Insurance Firm Biggest United States Farmer," and the article from the Washington Post has the headline "Banker Beats Pen Into Plowshare—Loan Organizations Farm 29,000,000 Acres, Employing Agriculture Experts."

These two articles show the tendency of foreclosure which is forcing the family farmers off the land and replacing them with large-scale operations. We are responsible for this tendency by making payments to big-scale farmers as high as $257,095, while the average payment to 3,750,000 little farmers is only $75 each.

I ask unanimous consent that the two articles be printed in the Appendix of the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 10, 1940]

BANKER BEATS PEN INTO PLOWSHARE—LOAN ORGANIZATIONS FARM 29,000,000 ACRES, EMPLOYING AGRICULTURE EXPERTS

(By William Pinkerton)

Bankers and insurance men are farming 29,000,000 acres.

Watching want ads for every chance to sell at a paying price, both Government and private lenders have been forced by necessity to learn the farming business.

Altogether they have $1,000,000,000 worth of farms on their hands, and a farm lying fallow is a costly asset.

Scientific book farmers from the agricultural colleges have been thrown into the breech to supervise tenants who sow and reap on defaulted farms. Some signs show that the farm-management experts are making these unwanted lands pay their way in the portfolios of investment houses.

Both the Government and private business were thrown into "institutional farming" by the depression's deep corrosion on agricultural credit.

LOAN FIRMS OWN NEARLY 3 PERCENT OF FARMS

Government figures show that, as of 1 year ago, the farm-loan outfits who became big-time farmers overnight shared ownership of somewhat less than 3 percent of the Nation's farm land as follows:

Federal land banks, $139,440,000.

Life-insurance companies, $702,861,000.

Joint-stock land banks (in liquidation), $53,885,000.

Commercial banks, $49,143,000.

State credit agencies (North Dakota, South Dakota, Minnesota), $73,301,000.

Economists say the situation changed little during 1939. The totals above represent farms actually owned—lock, stock, and barrel—by the banks and insurance companies. Aside from this there were more than $7,000,000,000 of farm-mortgage loans outstanding in the United States.

The new job of running farms on a wholesale scale took a special type of man. As Glen E. Rogers, farm-loan manager of the Metropolitan Life Insurance Co., remarked:

"A man to be competent to lend money must have more or less of a banking instinct. A man to manage farms must have an intricate knowledge of agriculture."

Mr. Rogers might be called the biggest farmer in the United States. He runs $79,800,000 worth of farms, although this represents only 1.7 percent of his company's assets.

TENANT ENCOURAGED TO HUSBAND LAND

Rogers said only 12½ percent of their sales put farms in the hands of persons whose business is not farming.

Although the land banks try to get tenants who eventually will qualify as owners, every lease has a clause ending the tenant's rights if the farm is sold.

To encourage the tenant to husband his land carefully despite the danger of being dispossessed, land-bank leases now carry a promise to compensate the farmer for soil improvements made during his stay on the farm.

The lenders who have become big farm owners because of the depression maintain that their policy has been to foreclose only when a farmer was beyond hope of paying off his debts or when he showed bad faith in his dealings with the lender.

[From the Washington (D. C.) News of February 17, 1940]

LIFE INSURANCE FIRM BIGGEST UNITED STATES FARMER

Federal Monopoly Committee evidence indicated today that "active competition" among insurance companies for farm mortgages during the period following the World War made those companies "the largest farmers in the United States."

Records of the 26 largest life insurance companies revealed that, through ownership and mortgages, they control vast areas of farm land, especially in the Middle West. A year ago those 26 companies held mortgages totaling $755,447,000. Nearly 70 percent of that—$508,019,000—represents mortgages in Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, and Nebraska.

Securities and Exchange Commissioner Leon Henderson argued with officials of the Metropolitan Life Insurance Co. late yesterday that the boom in farm mortgages held by insurance companies was a result of "active competition" among them during the years from 1918 until 1929.

During that period, he said, money was borrowed on farms which had been greatly overvalued by insurance agents eager for commissions. During the wave of foreclosures that followed 1929 the Government was forced to step in, he said, and the only solution now to the mortgage problem is to raise the level of farm prices.

Glenn D. Rogers, manager of Metropolitan's farm-loan division, denied the company had any general problem of overvalued mortgages. He scoffed at suggestions that it might have difficulty in getting rid of poor land which had been foreclosed because of too high a valuation.

Mr. Rogers told the committee that his company is the "largest farmer in the United States." He said, "We own more farm land than anyone else."

He said Metropolitan owned approximately 1,430,000 acres of farm land, which represents an investment of $79,800,000. This land is in 7,531 farms which average about 200 acres each. In addition, he said, the company holds mortgages on 13,000 farms, representing an investment of $74,000,000.

According to the Census Bureau there were 6,812,350 farms in the United States in 1935. Metropolitan's holdings through ownership and mortgages would amount to about three-tenths of 1 percent.

According to records before the committee, the 26 largest insurance companies owned $529,392,000 of farm real estate a year ago. That figure was admitted asset value. The Census Bureau reported in 1935 that the total value of all farms in the United States was close to $33,000,000,000, which would give these 26 companies ownership of nearly 1½ percent of all farm land in the country.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

LETTER FROM HON. E. P. THOMAS, PRESIDENT OF THE NATIONAL FOREIGN TRADE COUNCIL

Mr. BILBO. Mr. President, I was hopeful that the deficiency bill would not be finally acted upon until tomorrow. I have been ill and have not had an opportunity to read it. It has been before the Senate only a short time.

I ask unanimous consent to place in the Appendix of the RECORD a letter to the chairman of the Finance Committee, Mr. HARRISON, who has given his consent to have the letter printed in the RECORD. It is a letter from Hon. E. P. Thomas, president of the National Foreign Trade Council. He has some very valuable information in support of the reciprocal trade agreements program.

There being no objection, the letter was ordered to be printed in the RECORD, as follows.

Hon. PAT HARRISON,
Chairman, Senate Finance Committee,
Washington, D. C.

DEAR SIR: On behalf of the National Foreign Trade Council I respectfully submit for consideration by your committee the grounds on which the council supports the Joint Resolution 407 for the renewal of the Reciprocal Trade Agreements Act.

The National Foreign Trade Council was formed in 1914 for the purpose of coordinating national activities directed toward the promotion of American foreign trade. Its membership is Nation-wide and comprises manufacturers, merchants, exporters and importers, railroad, shipping, and airline services, banking, insurance, education, etc., representing the diverse interests concerned directly or indirectly in the promotion of the Nation's foreign commerce.

Since its formation, the council has organized annually the National Foreign Trade Convention, with an average attendance of 1,200 delegates from all sections of the country. The final declaration of these conventions constitutes the approved policy of the delegates in respect to questions relating to foreign trade.

At the close of the Great War the convention unanimously advocated a bargaining tariff, as opposed to unilateral tariff making by the Congress. Attached are copies of the declarations of successive conventions of the council, in support of the present foreign commercial policy initiated in 1934 by the Reciprocal Trade Agreements Act.

Although opinion in the United States had been gradually forming in favor of reciprocal-tariff bargaining, it required an emergency of exceptional proportions—the world-wide depression that followed the crash in 1929—to turn the attention of the Congress to the enactment of measures which would give greater flexibility

to tariff-making procedure and more scientific adjustment of our external economy to the realities of a changed world economy.

A study was made by the United States Tariff Commission in 1933, in response to Senate Resolution 325 of January 28, 1933, followed by a report containing a list of more than a thousand dutiable items more or less noncompetitive or unsuited for domestic production, and including also those imports which represented less than 5 percent of our total domestic production. This gave promise at the time that without detriment to any domestic product, numerous noninjurious import concessions could be made by the United States in the interest of an expanded production in our export industries.

The council, accordingly, supported the act of 1934 and, based on the favorable results shown, supported its renewal in March 1937. The council now supports the proposal in the Senate for a further time extension.

It is too great a strain on human credulity to be told that the favorable results shown by the operations of the act—as in the case practically of all existing agreements—are a mere coincidence, especially when the lower rates of trade increases in relation to our trade with nonagreement countries are reported with a similar coincidental regularity.

In 1933, according to the statistics of the Department of Commerce, the total foreign trade of the United States amounted to slightly over $3,000,000,000, compared with over nine and one-half billion dollars in 1929. In 1937, at which the Reciprocal Trade Agreements Act had been in operation for 3 years, our total foreign trade amounted to nearly six and one-half billion dollars. During this period, also, our exports to trade-agreement countries showed an increase of 61 percent, as compared with the value in 1934–35, and our exports to nonagreement countries showed an increase of 38 percent. Our national income during this period rose by more than one-third, factory pay rolls by about one-half, and a rise in farm income of about one-half.

The Secretary of State and other Government officials have appeared at these hearings and presented figures showing the advantages that have been derived, both by American industry and American agriculture, from the agreements entered into with 21 countries. As a result of these hearings it should be possible to establish clearly all the facts in the case so that your committee may arrive at sound conclusions based upon these facts. The proposal to allow the present act to expire and to revert to congressional unilateral tariff making, displays a significant unwillingness to be bound by the official record of the benefits obtained by the country from the operations of the present act.

If conditions in 1933 were found to be of the nature of an emergency that called for decisive steps in securing enactment of the Reciprocal Trade Agreements Act, it is certain that the situation at present is not one for less concern as to the adverse effects upon our slowly recovering foreign trade of a reversal of our tariff policy, at a time when international relations are so highly complicated by another European war.

It is the firm conviction of American businessmen engaged in foreign trade that under continued emergency conditions Congress should not now reverse its own tariff policy. Whatever may be done at the close of the war to review the entire situation, in the fuller light of world-trade conditions then existing, the Congress of the United States should refrain at this time from making any changes in tariff policy.

Self-interest alone makes it incumbent on the United States to participate actively in the leadership that will be required when peace comes, in formulating plans for the reconstruction of the shattered world economy, by which all countries may liquidate the losses incurred by another war and find their way back to a well-ordered system of peacetime exchange of goods and services. With this end in view, it is of the highest importance that we maintain the principles and practices embodied in the Reciprocal Trade Agreements Act—to which the League of Nations, the International Chamber of Commerce, and 21 countries representing 60 percent of the world's total trade, have already subscribed as giving highest promise of success as an alternative to economic nationalism and its numerous discriminatory restrictions on freedom of international commerce.

In view of the changes that already have taken place in the pattern of world trade, as a result of the wide chasm existing between the foreign-trade policies of totalitarian nations and those of democratic countries, and in view of the changes that are likely to arise as a result of the proposals for a system of economic federation of European nations after the war, it is essential that the United States present a united front in support of its foreign-trade policy. In view of these possible changes in economic relationships throughout the world, we should avoid further experimentation at this stage in American tariff-making which would expose America's foreign trade to the uncertainties bound to arise by reversion to congressional unilateral action.

The argument that Congress alone has the right to make tariff changes is not in question, seeing that the present procedure had the sanction of Congress and that it retains the power of review by the time limit applied by it to the act. After a severe depression which still is in course of liquidation, industrial and agricultural interests of this country are wholly unprepared for any disturbing changes relating to tariff-making powers which would distract the minds of those engaged in meeting and surmounting wartime foreign-trade problems. This applies particularly to Latin American trade, which at the present time is engaging the serious thought and attention of both Government and business. Having won these countries at successive Pan American conferences to the support of the principles and practices of our reciprocal trade agreements program, we should not, by abandonment of the present trade-agreement system, weaken the economic ties between the other Americas and the United States and again leave them exposed to the economic domination of European totalitarian nations after the war has ceased and when competition again becomes acute.

In submitting this statement for your consideration, I quote from the unanimous declaration of the 1939 convention, attended by 1,207 delegates, as follows:

"This convention continues its support of the reciprocal trade agreements program as the most logical and effective method of permanently strengthening America's trade relations. The Convention urges the negotiation of further agreements, especially with Latin-American countries, as a practical contribution to intercontinental economic solidarity. It is axiomatic that we can increase exports to Latin America only if we buy more of its products. We believe this can be accomplished without injury to our domestic production.

"The results to date of existing trade agreements have been encouraging. The value of American trade with the countries with which reciprocal agreements have been concluded has shown a greater rate of growth than that with the nonagreement countries. We look forward with confidence to the maintenance of the trade-agreement principles during the present conflict in Europe and after its conclusion."

The attitude of the National Foreign Trade Council on the question of renewing the Reciprocal Trade Agreements Act in its present form has been summarized by our chairman, Mr. James A. Farrell, in the following words:

"The great problem before the United States is the character of international trade after this war. Our foreign-trade policy has been devised with the object of counteracting the totalitarian trend toward bilateralization of trade. It seems to me most unwise at this stage to weaken American efforts in this direction by a reversal of our tariff-making policy, when it is so necessary to avoid unnecessary changes which would add to the difficulties created by the war. It should be our aim to consolidate our position in world trade and to postpone to the close of the war review of our trade-agreement policy in the light of conditions then prevailing."

Respectfully submitted for consideration by your committee, I am,

Yours very truly,

E. P. THOMAS,
President.

Railroad Land Grants

EXTENSION OF REMARKS
OF
HON. MORRIS SHEPPARD
OF TEXAS
IN THE SENATE OF THE UNITED STATES
Monday, March 11 (legislative day of Monday, March 4), 1940

LETTER FROM T. C. ELLIOTT

Mr. SHEPPARD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter written to me by Mr. T. C. Elliott, of 3032 Porter Street NW., Washington, D. C., on the subject of railroad land grants.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 10, 1940.*

HON. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: As you perhaps know, I have been interested in the subject of railroad land grants for a great many years. I am particularly interested in the current legislation pending before the Congress in bills S. 2009 and S. 2294.

Bill S. 209 has for its principal purpose the placing of the water carriers under more adequate Federal supervision and control and was passed by the Senate with such purpose primarily in mind. However, when the bill reached the House it was considerably modified and amended. Among some of the amendments placed in that bill by the House was a provision which eliminates or destroys the Federal Government's right to have reduced rates and fares on the transportation of its property and troops.

Owing to an equity loss of over $400,000,000 being involved in the amendment added by the House with respect to eliminating the present rights accruing to the Government because of the assistance it rendered in the building of certain railroads, it is believed you should be fully advised before the Congress permits such a grave injustice to be done.

It has been my privilege to know of and observe what has been taking place in a legislative way between the Federal Government

and the railroad interests for the past several years with regard to this railroad land grant question. The whole history of such legislation and the dealings between the Government and the railroads has, apparently, been a one-way proposition from 1850 to 1940, in that the Government has been required to give and make concessions beneficial to the railroads and the railroad interests continually coming back to the Government for more favors and concessions until it has reached the present status of their asking that all Federal rights be foregone and withdrawn.

If the contentions and statements set up by the railroads and their interests, and which the House of Representatives must have relied upon for its action, were based upon fact, then there would be some excuse or reason for the Government to make the sacrifice of its equity rights, but such is not the case. It is correct to say that the data submitted by the railroad interests is not and cannot be sustained by historical facts.

The principal factors upon which the railroads are basing their claims to have the Government withdraw its land-grant rights are as follows:

1. They are contending that the lands granted to them were of little and insignificant value.

Answering the contention of the railroads with respect to the value of the lands which were granted by the Federal Government toward the building of certain railroad lines, it is quite correct to say that such contentions are erroneous and cannot be substantiated.

The facts are that such lands were allotted to the railroads without the price, value, or cost being set, established, or even estimated. It was just a simple matter of the Government setting aside so many sections of the public lands on either side of the railroad to be later established by survey. It is, therefore, easy to see what happened, for, in following the natural human practices, such surveys and railroads were run through the most valuable lands.

Under such circumstances and conditions, the only reasonable way in which the value of said lands may be determined is by ascertaining the amounts received by the railroads—this figure has been stated by representatives of both the railroads and the Interstate Commerce Commission as $3.05 per acre. This figure produces a value to the railroads of over $400,000,000.

It is believed that this $3.05 per acre more nearly represents the actual facts than the prices alleged to have been stated by such eminent statesmen as Stephen A. Douglas and Thomas H. Benton, and of the 94½ cents per acre alleged by the railroad interests as being the proper figure to use. These values and differences have considerable bearing upon the question as to whether or not the Government is justified in surrendering its present rights.

2. Contention is being made that the purpose for which the lands were originally granted has long since been met, in that the Government has been reimbursed over and over many times their value from the reductions in transportation costs it has received from the railroads.

In answer to this contention it must be said that under no stretch of the imagination, mentally, physically, politically, or otherwise, can such statement be sustained by facts.

The data and facts in contradiction to the above contention of the railroads are as follows:

The 130,000,000 acres already deeded (patented) with some ten or twelve more millions to be claimed from the Government by the railroads have a value of over $400,000,000 which has accrued to the railroads. This amount or sum placed at a very low minimum of 4 percent interest would show an income due the Federal Government of $16,000,000 annually. This amount running for a period of 80 years (without considering compound interest) would produce a sum of $1,280,000,000, plus the principal of $400,000,000, equals $1,680,000,000. From this deduct the amount of benefits received by the Federal Government from 1850 to 1940 of $168,000,000 and it leaves a balance due the Government of one and one-half billion dollars.

3. Contention is being made that because of the adequacy of the national defense, it should be used as a factor by the Government in eliminating its land-grant rights.

This contention must be considered from different sides. The availability of rail transportation during war periods is, no doubt, of considerable value to the Government. However, it is not the only thing useful and necessary to the Government in time of war, for it is quite essential that the farms, factories, highways, and commerce of most every kind and description operate and function during such times.

With particular respect to the position or status of the railroads in case of war, the fact should be kept clearly in mind that the properties of the railroads must be protected by the Government. This has been the actual conditions experienced during the long period of time when it was necessary to maintain the armed forces of the Government in the sections of the country ravaged by the Indians and the desperadoes, and it no doubt cost the Federal Government many millions of dollars to give such protection during that time.

4. Contention is being made that because of the settlement of the country and the increase in population and taxes through the building of the railroads, it justifies consideration being given toward giving up its land-grant equities.

This contention can be adequately answered by showing just what the railroads contributed toward their actual building of these so-called land-grant lines and what part of such costs was supplied by the Federal Government.

In this connection it is proper to quote from a speech made in the House of Representatives on May 23, 1872, by Congressman Jackson Orr, of Iowa, in which he stated that the price at which lands granted by the Federal Government were being sold, i. e., $7.04 per acre, the railroads will have severally received, per mile, as follows:

Burlington & Missouri	$15,067.90
Chicago, Rock Island & Pacific	12,307.19
Iowa Falls & Iowa City	24,550.00
Cedar Rapids & Missouri River	24,828.00
Dubuque & Iowa City	25,268.00
St. Paul & Sioux City	53,768.78

What has been stated above by Congressman Orr substantially applies to the contributions made by the Federal Government with respect to that portion of the land-grant mileages on the lines of the great systems of the Northern Pacific, Union Pacific, Southern Pacific, and the Santa Fe; and there should be no doubt in anybody's mind that such liberal sums were sufficient to build such lines lock, stock, and barrel—complete.

5. Contention is being made that these Government land-grant rates are a confusing element in the rate structure of the United States.

The question of contractors bidding on contracts and in the furnishing of supplies to the Government is somewhat mixed up; however, inasmuch as the Federal Government has complete ownership in these particular land-grant lines insofar as investment and the privilege of transporting its property and troops at reduced rates are concerned, there is no reason or justification for its not claiming the benefits of such investment and rights.

It might be well to bring out in connection with this part of the question the fact that quite a large percentage of the complaints of bidders for sale of supplies to the Government is based wholly on the matter of their being unable to determine what their competitors are likely to bid. This particular factor is one of the best means available to prevent collusion in bidding.

6. Contention is being made that because of great distress and the inability of the railroads to properly meet their obligations and to function the Government should surrender its further claims to reduced land-grant rates.

It is only fair that the Representatives in Congress should know the facts as to this particular contention. The lines of the Northern Pacific, Union Pacific, Southern Pacific, Santa Fe, and the Illinois Central received about 80 percent of all the lands granted by the Government for the purpose of building railroads; therefore, it would most certainly not be correct nor proper to contend or say that any of these lines were in receivership.

Even though the financially able lines just mentioned, together with all the other railroads (including some high class along with the weak ones), constitute only 14,410 land-grant miles in a total of 240,000 miles for the whole United States, or just 1 land-grant mile to 16 miles that are not land grant. In this connection the fact should not be overlooked that under present or existing laws the Government is entitled to receive reduced rates on its traffic only on the land-grant mileages.

7. Contention is being made that, because of land-grant rates, the Government takes advantage of the railroads by applying rates over unreasonable and unusual routes.

The answer to this contention is that the governmental authorities are not applying nor attempting to apply rates for Government transportation over or via any route or routes not specifically authorized by the carriers themselves. It is correct to further state that to apply a rate or fare over any route or routes not authorized by the railroads would meet with an abrupt reversal upon appeal to the Court of Claims.

It is quite true to say, however, that rates in numerous instances are being applied and claimed by both commercial shippers and the Federal Government over routes which are unreasonably long and apparently unprofitable, when compared with shorter distances between the same points; this condition is brought about because of the manner in which the railroads publish their rate tariffs and leave available to the shipping public such unreasonably long and roundabout routings. The remedy to this situation is for the carriers to restrict their routings or to compel such restrictions by legislative enactment.

A SOLUTION

A just and reasonable solution to the confusion into which the railroads have seemingly thrown the Members of Congress concerning this land-grant question would be not to take the action contemplated in the present House amendment but to approach the subject in a more consistent and orderly way. It seems, therefore, that a more consistent and rational way is along the lines laid down in the bill introduced by you, i. e., S. 2294. That bill provides that data and information be secured by the General Land Office concerning the values, disposition of lands, etc., covering this whole land-grant matter. Not until Congress is in possession of such information will it be able to reasonably and consistently wipe out a governmental equity of over $400,000,000.

With respect to your particular bill, S. 2294, which appears to provide a safe path for the Congress to follow, it is also correct to say that substantially the same provisions contained in your bill have actually been twice passed by the House of Representatives, namely, H. R. 10641, Seventy-fourth Congress, and H. R. 1530, Seventy-fifth Congress.

I have tried to state the facts as they actually exist, but the provisions of your bill, S. 2294, make it possible to verify the truthfulness or falsity of every sentence and word contained herein. It is because of our long years of friendship and with the thought in mind that you might be able in some way to use this information to protect the interest of the Government that has prompted the submission of this communication.

Yours very sincerely,

T. C. ELLIOTT.

Loans to Wyoming Farmers and Ranchers by Farm Security Administration

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

LETTER FROM C. B. BALDWIN

Mr. SCHWARTZ. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a communication dated February 16, 1940, from Mr. C. B. Baldwin, Acting Administrator of the Farm Security Administration, giving in some detail the number, amount, and present status of loans made to farmers and ranchers in Wyoming by the Farm Security Administration. Significant features of this report show that repayments are being made in a satisfactory manner; that longer-term written leases are being secured by tenant farmers in place of oral yearly terms, thus giving the tenants inducement to practice better soil conservation; also, that diversified farming is displacing the one-crop system to an increasing extent.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

FEBRUARY 16, 1940.

Hon. H. H. SCHWARTZ,
United States Senate.

DEAR SENATOR SCHWARTZ: We have just completed a Nation-wide survey of the progress being made by Farm Security Administration borrowers, and I felt that you might be interested in the figures for the State of Wyoming.

We are proud to report that F. S. A. borrowers not only have increased their net worth and annual income, but also are making satisfactory progress in the repayment of their loans.

The survey showed that the 2,942 standard rehabilitation borrowers in your State had an average net income last year of $810.82 per family, as compared with $493.52 in the year before they came to F. S. A. for help. This represents an increase of 64 percent.

Moreover, these families increased their average net worth—over and above all debts—from $1,726.70 before they came into the F. S. A. program, to $2,322.61 at the end of the 1939 crop year, a gain of 35 percent.

In other words, these families not only have added $1,753,167 to the wealth of their communities, but they also have increased their annual incomes by a total of $933,493. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other businessmen of the State.

At the same time, the survey showed that the borrowers in your State already have repaid $1,866,052 into the Federal Treasury as installments on loans totaling $7,450,644. The typical rehabilitation family in Wyoming has borrowed $2,532.51, and already has repaid $634.28. Since much of the money loaned does not fall due for 4 or 5 years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant, because, according to normal business standards, our borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else; and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations; and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting, instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged $114.96 per family, or a total of $338,212, over a 4-year period.

Often it has been necessary to work out an adjustment of the family's old debts before rehabilitation could be successful. Local farm-debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure, and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts. This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totaling $1,753,430 have been negotiated for the farmers in Wyoming. This represents a scale-down of 34.8 percent. As a direct result of these adjustments, $50,600 in back taxes has been paid to local governmental agencies.

In helping rehabilitation borrowers to plan their farm operations, we always urge them to get away from one-crop farming, and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in your State produced $712,788 worth of goods for home consumption last year, as compared with only $467,307 worth before they came into F. S. A. program.

These families canned 605,758 quarts of fruits and vegetables last year, or an average of 206 quarts per family. They also produced 1,314,839 gallons of milk for home consumption, an average of 447 gallons; and 131,066 tons of forage, an average of 44½. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which come to F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start we have made every effort to assist them in getting adequate size farms. Consequently, the borrowers in Wyoming are now operating an average of 986 acres, or an increase of 219 acres since they came on the program.

Another main objective of F. S. A. is to help tenants and sharecroppers get more secure land-tenure arrangements so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 1,558 tenants in your State have obtained written leases in place of verbal agreements.

In making the survey our field workers found that there are 1,919 families in Wyoming which are eligible and in need of rehabilitation loans, but have been unable to get them because of our limited funds.

Aside from the rehabilitation program the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties, because of the limited funds available, we had made eight such loans in Wyoming, totaling $71,000, up to the end of the last fiscal year. This year we are expecting to make about five Bankhead-Jones loans in your State, totaling approximately $48,000.

This has been a rather detailed report, but I felt that the information might be useful to you. If you would like to have any further details about our program, I hope you will let me know.

Sincerely,

C. B. BALDWIN,
Acting Administrator.

Revenue and Governmental Costs in West Virginia

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

LETTER BY HON. RUSH D. HOLT, OF WEST VIRGINIA

Mr. HOLT. Mr. President, I ask unanimous consent to have printed in the RECORD a letter written by me relative to the revenue received by and amounts expended for governmental purposes by West Virginia.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEAR FRIEND: I was sent a copy of a Federal Government publication entitled "Financial Statistics of States." This publication of

the Census Bureau covers the cost of government in 1932 and in 1937 for the 48 States.

As has been my custom, I desire to bring to the people of West Virginia facts about government, particularly data about our State.

In 1932 West Virginia ranked thirty-eighth in the per capita revenue collected. By 1937 our State had risen to a tie for twenty-first. In 1932, 37 States collected more from the people than our State, while in 1937 only 20 States collected more.

In 1932 the average for the United States was $17.27, while the West Virginia figure was only $13.73. By 1937 the United States average had increased to $31.69 while West Virginia increased to $32.70. Reducing this to percentage, the increase for the entire country was 84 percent, while the increase for West Virginia was 138 percent. Another table shows the per capita net debt of the 48 States. The average for the United States in 1937 was $18.90, while the average for West Virginia was $41.11.

The cost payments for government in the United States in 1932 was $13.40 and for West Virginia $10.20. In 1937 the United States figure was $21.23 and the West Virginia figure $21.65. The increase for the United States was 58 percent and the West Virginia increase 112 percent.

Here is the per capital expenditure for West Virginia State government for the past 20 years as shown by our own State audit:

1920	$5.10
1921	7.42
1922	9.61
1923	15.66
1924	16.92
1925	18.67
1926	18.43
1927	18.44
1928	21.41
1929	17.12
1930	21.70
1931	23.21
1932	20.41
1933	16.28
1934	21.32
1935	25.89
1936	26.97
1937	30.62
1938	33.65
1939	34.90

The increase from 1920 to 1929 was $12.02; from 1930 to 1939, $13.20; and the increase in 1930, $4.58 for a total increase of $29.80 in 20 years. Some individuals feel that taxes have been reduced, but figures dispute this. The difference is that the burden has been shifted to indirect and hidden taxation.

Sincerely,

RUSH D. HOLT.

The Clapper-Weir Controversy

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

ARTICLES BY RAYMOND CLAPPER AND STATEMENTS BY ERNEST T. WEIR

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Mr. Raymond Clapper which appeared in the Scripps-Howard newspapers of February 27; a statement made by Mr. Ernest T. Weir in reply to it on February 29; a second article by Mr. Clapper on March 2; and the reply made to it by Mr. Weir on March 4.

I am making this request because a number of my constituents have asked for a complete statement of the discussion of Mr. Clapper and Mr. Weir. I am seeking to make available to them and others who may be interested an exact record of what has been said.

There being no objection, the articles and statements were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of February 27, 1940]

REPUBLICAN ANGELS ABOUT TO MISS BOAT—WEIR, OTHER FUND RAISERS MAY WALK PLANK, FOR THEY AIM ONLY AT ROOSEVELT

(By Raymond Clapper)

MIAMI, FLA.—Actions speak louder than words, particularly in politics. Therefore, it is well to note, not what Republicans say, but what they do, as the more revealing guide to what is coming.

Dr. Glenn Frank sounded many long and beautiful words about the Republican program in his recent report. He offered the party a nobly phrased, broad-minded course, which recognized that times have changed.

He urged the Republican Party to move up into the procession and accept most of the basic reforms of the Roosevelt Administration, with the addition of more efficient administration and modifications to remove some of their irritating and obstructive features.

That was all very well—if the words meant anything, if they were to be taken seriously by the Republicans. There was a noticeable lack of enthusiasm for the Frank report among Republican spokesmen, most of whom lapsed into silence.

NAME NEW DEAL FOE

Then came the first significant action. It was the appointment of the hard-bitten, tough foe of New Deal reforms, Ernest T. Weir, head of the National Steel Co., as chairman of the Republican finance committee.

He and his friends are to raise money to run the Republican Party, at least through the nominating convention. They already have raised about $600,000 toward taking the party out of hock from the 1936 campaign.

Mr. Weir and his fellow millionaires are digging into their pockets to pay the piper. Unless they suddenly have gone soft, they are going to call the tune. And the tune won't be one that President Roosevelt or any of his sympathizers like.

Recently Mr. Weir denounced the New Deal as something that came "out of the same box as nazi-ism, communism, fascism, and all of the other foreign 'isms.'" His tune will be the tune of good old rugged individualism, and none of this new dealish nonsense in the Glenn Frank report that would pamper our citizens and make them too lazy even to try to become millionaires.

KEEPS DEAD ECHO

I don't want to pick on Mr. Weir or to seem to be making a personal devil out of him. In the class which he represents he stands as one of the ablest and one of the most successful, a man who is honest and courageous about the things in which he believes, one not inclined to sacrifice principles for expediency.

I'm just sorry that a man like Mr. Weir doesn't get behind the Glenn Frank report and make the Republican Party into a live, going concern again instead of trying to keep it a dead echo of other days. All these millionaires around here, crying about how Mr. Roosevelt has ruined the country, their salty tears dripping on the polished decks of their yachts, living mighty well for people who have been ruined—they would listen to a man like Mr. Weir.

But he and they see in what has occurred in the last 7 years only an attack upon themselves, an attempt to take something away from them.

COMPLAINS ABOUT F. H. A.

One man here was complaining about F. H. A. I notice that residential construction, much of it financed through F. H. A.-guaranteed mortgages, rose 40 percent last year above 1938.

But my friend said that in this activity the Government was compelling owners of real estate to pay taxes to subsidize, or guarantee mortgages on, new housing which would compete with his apartment houses and undermine his rents.

"I have to help pay the Government to finance my competition," he said. Of course, he would prefer to have fewer houses and apartments built.

Men who are financing the Republican Party see only Mr. Roosevelt and not the conditions of which he is the creature, not the creator. They couldn't see it in 1932 nor again in 1936, and it looks as if they are going to miss the boat again.

Certainly they are having trouble finding the gangplank. And if they don't watch out they'll wind up again by walking that other plank, which has nothing at the end except deep water.

FEBRUARY 28, 1940.

Mr. RAYMOND CLAPPER,

Care of Scripps-Howard Newspaper Alliance, Washington, D. C.

DEAR MR. CLAPPER: I have just seen your February 27 dispatch, written from Miami, Fla., in which you use my name as a springboard for an attack on the Republican Party. Since your article is in the same vein as some other statements that have appeared in sufficient numbers to indicate the beginning of a sniping campaign against the Republican Party, I cannot permit your observations to go unanswered.

The point of your contention seems to be that my appointment as chairman of the Republican national finance committee demonstrates that the Republican Party is insincere and hypocritical in promulgating the report of the Republican program committee. You contend this report proposed to the Republican Party a "nobly phrased, broad-minded course which recognized that times have changed." But, you assert, this means nothing, because men of my "class" are in control of the party and will have "none of this new dealish nonsense in the Glenn Frank report." Finally, you make this statement:

"I'm just sorry that a man like Mr. Weir doesn't get behind the Glenn Frank report and make the Republican Party into a live, going concern again instead of trying to keep it a dead echo of other days."

Now, the truth of the matter is, Mr. Clapper, that you made no effort whatever to ascertain my views regarding the Glenn Frank

report. As a matter of fact, I not only fully approve the Glenn Frank report but I did all I could many months ago to encourage the adoption of exactly that kind of a report. Had you taken the trouble, Mr. Clapper, to ascertain my attitude in this matter, I would have given you from my files a copy of a letter which I wrote to Glenn Frank on September 22, 1938, in which I said:

"I received your favor of the 16th with which you enclosed copy of your statement made recently to the Republican program committee. I have gone over this with the most careful consideration because, frankly, I believe the ultimate product of the work of your committee is vital to the Republican Party and to the matter of again securing good government in the United States.

"You are just as aware as I am that millions of people came to believe that the Republican Party was reactionary, strictly controlled by small groups of the rich and the important, and that it had entirely grown away from proper understanding of the necessities of the rank and file of people. Mr. Roosevelt and his new dealers have, of course, preached this doctrine continuously and it is today, in these fall campaigns, their main point of attack.

"Therefore, we must tell the people what the party stands for; and the party must become more understanding about the aims and ambitions and thoughts of the people. It must again be a party of the people and not of any special interests.

"I am convinced from reading your statement that you have a clear understanding of all of this, and I am more hopeful now than ever that you will eventually bring out a document that will be a foundation on which the rejuvenated Republican Party can stand and that will meet with the approval of the great mass of voters."

This letter shows not only that I am behind the Glenn Frank report but that I have supported the principles which the report enunciates from the days when the work first started.

In your Miami, Fla., article and previously you hold me up to scorn for asserting, as you phrased it, that the New Deal is something that came "out of the same box as nazi-ism, communism, fascism, and all the other foreign 'isms.'" This phrase is torn from the context of a speech I made recently and I would like your readers to see the phrase in its proper setting. For that reason I quote the paragraph in which this phrase appears, as follows:

"What has happened here has been part of a world trend. Americans, too, have succumbed to the false notion that a sick economy could be cured by surrendering to one man and his small group of hangers-on, the power to impose their will on an entire nation. And just the same as its European counterparts, the New Deal has resorted to the methods of collectivism—has built its power at the expense of individual freedom. Make no mistake about it, fascism, communism, nazi-ism, and New Dealism all came out of the same box."

When my words are read against the background of the entire speech I do not believe they are far removed from your recent contention in criticizing the movement for a third term that: "If you preserve democratic processes, you preserve everything; you save the tools. Sacrifice them to any specific end and you may find that the price was disastrously high," and your other recent contention that "we are seeing exactly how power entrenched in the White House operates through gang politics to perpetuate itself."

I do not condemn everything that this administration has done but I do believe that the New Deal, in your words, has made too many "sacrifices to specific ends" and that the price for what is good in the New Deal has been disastrously high. Moreover, I am convinced that if the New Deal is continued for 4 more years nothing can stop it from consolidating these specific sacrifices into the one big sacrifice that will be the end of American freedom and of the hope of American progress and prosperity.

I pass over your indictment of me as a millionaire. By American standards for 150 years it has not been an evil thing for a man to accumulate wealth by honest industry which contributes to building our Nation and increasing our standard of living. Neither you nor anyone else can point to a single penny that I have gained dishonestly or by any other method than through my labor. Furthermore, the Republican Party has no monopoly on wealthy men. The New Deal's Astors, Biddles, Cromwells, Davies, Drexels, Earles, and Roosevelts, thanks to the fortunate circumstance of aristocratic birth, have never had to worry about where the next meal was coming from. Incidentally, there was a time in my life when I did have this worry.

Sincerely yours,

ERNEST T. WEIR.

[From the Washington Daily News of March 2, 1940]

ATTENTION MR. WEIR

(By Raymond Clapper)

DEAR MR. WEIR: I find that your letter to me of February 28 has been distributed as a general press release by the Republican National Committee. Therefore, the controversy must be of more public interest than I had assumed.

Nothing is more important, in a system of private enterprise, than that government and business have reasonable working relations with each other. Our system rests fundamentally upon private enterprise. But sometimes conditions reach a point where government must do certain things to cushion the effects of maladjustments. In response to public demand, and I think to real public need, we have adopted Federal guarantees for collective bargaining, for wage and hour protection in the bottom levels, for old-age and unemployment insurance, for stock-market regulation and supervision of those who handle the invested funds of the public.

But many businessmen fought most of these and did everything possible to prevent their enactment. I believe you fought Government efforts to protect collective bargaining. Only 2 months ago you said "Fascism, communism, nazi-ism, and new dealism all came out of the same box."

Hence, when the Glenn Frank report was issued, accepting most of these reforms in principle, I said it would be fine if you got behind this report and pushed it. But I doubted if you would in view of your recent speech linking the New Deal as of common origin with communism and nazi-ism.

I am happy to have you say that I am wrong, because a leading and highly respected industrialist like yourself can do much. As you go about in your capacity as chairman of the Republican Finance Committee, collecting funds, you can induce your business friends to see the light also. For I suspect that some of them are still loyal to the Mr. Weir of old, when you were fighting collective-bargaining legislation and before you saw the great light.

The La Follette Civil Liberties Committee report asserts that you were prominent among antiunion forces and that your Weirton Steel Co. "purchased large quantities of munitions in 1933 during a strike and, in 1934, when there was a threat of a general strike on the issue of union recognition. Weirton Steel Co., it will be remembered, was instrumental in incapacitating the National Labor Board and the N. I. R. A. when it refused to comply with the Board's order for an election to determine employee representation, and obtained an injunction against the Board."

You were singled out as an unfortunate example of an antiunion employer by William Green, president of the A. F. of L., in his recent book, Labor and Democracy.

Mr. Green says: "Among the employers whose cases were heard by the Labor Board (the first Board under N. I. R. A.) were men like Ernest T. Weir, of the Weirton Steel Co., who met labor with everything to take and nothing to give. These men were determined from the outset to prevent at all costs any and all forms of workers' exercise of their rights. Their decisions were made and their minds were made up not to yield an inch of power or privilege to which they clung. It was interesting and significant that there were relatively few employers with practical direct experience in management who were so recalcitrant and unbending."

So when you say you fully approve of the Glenn Frank report, I assume that the past is to be forgotten and you now subscribe to the report, including this passage: "The right of the American worker to organize under leadership of their own choosing and to bargain collectively with management is essential to protect the interests of the workers. It is proper that a right so basic should be guaranteed by law."

It is encouraging that you have come to a more broad-minded attitude about these questions because nothing could be more salutary than revival of the Republican Party on a basis that would inspire public confidence. The country as well as the party has suffered from the stupidities of the opposition in recent years.

NOTE.—I hope you will induce the Republican National Committee to grant me the courtesy of giving this reply the same circulation which it gave your letter to me.

Sincerely yours,

RAYMOND CLAPPER.

MARCH 3, 1940.

Mr. RAYMOND CLAPPER,

Scripps-Howard Newspaper Alliance, Washington, D. C.

DEAR MR. CLAPPER: I have received the letter addressed to me which you published as your column in various newspapers on Saturday, March 2. In any debate, I realize that a newspaper columnist always can have the last word if he wants it and, so far as I am concerned, this reply to your letter is my final word on the episode.

In your first column on this subject you cast doubt on the sincerity of the Republican Party's promulgation of the Glenn Frank report because, you said, the words of this great progressive document were offset by the Republican Party's action in making me its finance chairman. You further said you hoped I would get behind the Glenn Frank report. I then submitted to you and the public documentary evidence that I not only fully endorsed this report but that, almost a year and a half ago, I urged that exactly this kind of a report be formulated.

Now, in your most recent column, you come back and say, in effect, that if I now favor the report, my present attitude must represent a great change of heart from the past. You charge me with having been opposed to the principle of collective bargaining. To support this charge you resort to quotations from the La Follette committee report and from William Green, president of the American Federation of Labor.

From your experience in Washington, Mr. Clapper, you must know that the proceedings of the La Follette committee were biased and unfair, and that it heard only one side of the question.

And the quotation you use from the La Follette report is grossly and provably inaccurate.

You quote a statement that you could easily have ascertained to be untrue, namely, that the Weirton Steel Co. obtained an injunction against the original Labor Board. Your newspaper files show the fact to be that the Government sought an injunction against the company, that the company resisted and was upheld in the courts. Your newspaper files also show that this whole matter was subsequently fully tried in the courts, that the company was vindicated in every respect by the final decision and that the Government did not appeal this decision.

It is because of this action in opposing the original Labor Board in the courts that William Green says that I was "recalcitrant and unbending" in the quotation you published in your column.

As a newspaperman who aims to be objective, Mr. Clapper, do you consider it fair to present opinions from partial sources without at least presenting at the same time the actual facts as they appeared several years ago in the very newspapers for which you write? The full circumstances of the Weirton case are in the files of those newspapers as well as statements published later by Gen. Hugh Johnson, who was head of the N. R. A. and active in opposition to the company at the time, that in this case the Labor Board gave the Weirton Steel Co. one of the "dirtiest" deals of any company in the country.

I have never been opposed to collective bargaining. On the contrary, I have publicly stated many times that I am a thorough believer in the principle of collective bargaining. For instance, on February 12, 1934, speaking before the Catholic Conference on Industrial Problems, at Pittsburgh, I said, "I heartily approve of the provision for collective bargaining guaranteed to employees in section 7 (a) of the National Industrial Recovery Act." In this same address I also said:

"The expression of the rights of collective bargaining in an act of Congress puts a new responsibility upon the Government as well. If collective bargaining and rights of employees are to be regulated by the law of the land, then governmental agencies must be created to enforce such rights. For my part I have no objection to the creation of such agencies provided they are fair and impartial."

I invite the most careful examination of the relations of my companies with their employees who, incidentally, have an effective collective bargaining organization of their own choosing. I believe that most employees—who after all are more vitally affected by labor relations than labor professionals and labor theorists—would say that those labor relations are best which produce most for the men who work for a living. In this connection I would like to point out that National Steel Corporation employees have always been paid the highest wages prevailing in the steel industry. Furthermore, through the entire depression there was not another steel company in which employees worked more hours or received more dollars in their pay envelopes.

No, Mr. Clapper, my record is clear. I have not opposed collective bargaining. I did oppose from the beginning and now oppose the way the Labor Board attempts to force employees into national unions, irrespective of their wishes. I am opposed to the Labor Board and the Wagner Act in its present form and as it is being administered. I am happy to say that as a result of the shocking revelations of the Labor Board investigation a great many others are now beginning to see the Labor Board and the Wagner Act in the same light in which I had reason to see it when our companies were attacked some time ago.

My crime has been to oppose on principle a badly constructed, evilly administered law which I believe harmful to employees, employers, and the country at large. Naturally all those in and out of Government who were seeking to turn that law to their own advantage have tried to impute to me every possible bad motive in order to bolster their own case and in order to arouse and direct against me the force of public opinion. As I say, it is natural to expect this from them, but from you, Mr. Clapper, I believe I have the right to expect something more than the presentation of statements from professional labor leaders and anti-business elements in government as uncontroverted facts.

Finally, so that the record may be clear, I will say that for years I have fully subscribed to the principle of the statement in the Glenn Frank report to which you call attention in your column as follows:

"The right of the American workers to organize under leadership of their own choosing and to bargain collectively with management is essential to protect the interests of the workers. It is proper that a right so basic should be guaranteed by law."

I understand that you did not think it right for the Republican National Committee to issue my first letter for publication. You will recall that in the period between the middle of December and last Tuesday, you gave me the dubious honor of mention in your column on about six occasions. I made no answer to any of these because I considered them personal attacks and was willing to take the gaff. Your columns of last Tuesday, Thursday, and yesterday, however, I considered harmful and unjustified reflections on the Republican Party, which I could not allow to go unanswered.

Very truly yours,

ERNEST T. WEIR.

Intercoastal Freight Rates

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

STATEMENT BY PACIFIC WOOL GROWERS

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by R. A. Ward, general manager, Pacific Wool Growers, before the port commissioners of the port of Portland, Oreg., March 5, 1940.

The producers of wool residing within that area, which can ship by water via the Panama Canal to Boston cheaper than they can ship all rail, are vitally interested in the maintenance of an adequate intercoastal freight service which will enable them to ship wool to the Atlantic seaboard.

In 1939, 74,025,280 pounds of wool moved through the Panama Canal via intercoastal carriers. That amounts to 58.94 percent of the total shorn wool produced by the eight States involved. These States, with their production of wool, are as follows:

	Pounds
Arizona	4,853,000
California	28,933,000
Idaho	16,426,000
Montana	26,600,000
Nevada	6,192,000
Oregon	17,072,000
Utah	19,444,000
Washington	6,074,000

The intercoastal carriers, by schedule filed and becoming effective March 16, 1940, propose a uniform increase of 25 cents per hundredweight on wool and mohair. Through proper organizations we have petitioned for suspension of this increase. However, we are vitally interested in the maintenance of sufficient intercoastal ships to serve the needs of the agricultural producers of the eight States involved. We are informed that one reason for the increase is that the intercoastal carriers have sold or time-chartered so many ships that there are an insufficient number remaining to take care of the normal intercoastal traffic. We understand that at least 23 intercoastal ships, with a net tonnage of 83,275 tons, have been sold; that the sale of 6 more are pending, which will remove an additional 21,278 tons capacity; and that at least 4 boats have been diverted from Pacific-coast service to other runs. We also understand that other boats have been time-chartered, but we cannot give statistics on this point.

We believe it is very possible, with the continuation of the war, the destruction of foreign shipping, and the sale or time charter of additional boats, that the condition may become so acute that there will not be sufficient ships available for the intercoastal service to carry our agricultural and forest products, and that, as a result, producers may be forced to ship wool and other commodities all rail at a greatly increased cost to producers.

We understand that one of the main objectives of the Merchant Marine Shipping Act, 1936, is "the maintenance of a merchant marine (a) sufficient to carry its domestic water-borne commerce. * * *" The increasing shortage of ships and space in the intercoastal trade, and the attempted increase of intercoastal domestic rates, have created a national emergency.

As we understand it, documentation of United States ships for intercoastal trade provides the intercoastal carriers with certain privileges such as prohibiting the carrying of intercoastal commerce by any foreign ships. To us it seems that this places a certain responsibility upon the American flag intercoastal carriers in that if they have these certain privileges they should not be permitted to take advantage of the war situation to deprive the domestic producers of an adequate intercoastal service.

It seems neither equitable nor legal for the United States Maritime Commission to allow steamship operators to take advantage of the emergency condition. However if it is legal for them to do so, it would seem that it is the duty of the Maritime Commission to provide sufficient ships to take care of the domestic intercoastal commerce to the end that domestic producers and others may not be deprived of this method of transportation and be forced to accept lower prices for their commodities as a result of having to pay much higher transportation costs.

Therefore, this organization urges all agencies affected by the shortage of ships to join in a petition to the Maritime Commission urging that sufficient ships be made available. In the event that the present law does not permit of this, we urge that all agencies affected join in having a bill passed by Congress which

will provide the necessary amendment to the present law which will enable the Maritime Commission to make available ships to take care of the reasonable needs of all intercoastal commerce.

Respectfully submitted.

PACIFIC WOOL GROWERS,
R. A. WARD,
General Manager.

Foreign Silver Purchases by United States Government

EXTENSION OF REMARKS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

RESOLUTION AND REPORT BY THE EXECUTIVE COMMITTEE OF THE CHAMBER OF COMMERCE OF THE STATE OF NEW YORK

Mr. TABER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report of the executive committee of the Chamber of Commerce of the State of New York:

FOREIGN SILVER PURCHASES BY UNITED STATES GOVERNMENT

To the Chamber of Commerce:

The executive committee offers the following resolution:

"*Resolved,* That the Chamber of Commerce of the State of New York reaffirms its opposition to the purchase of foreign silver by the United States Government, as expressed in its resolution adopted November 3, 1938, and urges upon Congress and the President the prompt enactment of the Townsend bill, which would end the authority of the Secretary of the Treasury to purchase silver which was not of domestic origin."

A bill (S. 785) to end purchases of foreign silver by the United State Government, introduced by Senator JOHN G. TOWNSEND, Jr. of Delaware, is now before the Senate Banking and Currency Committee. The measure, which amends the Silver Purchase Act of 1934, does not affect the continued buying of domestic silver. It has been approved by a subcommittee, but the full committee has withheld action on the ground that the proposed legislation involves foreign policy.

At the end of last year the United States Treasury held approximately 2,930,000,000 ounces of silver, according to the annual silver bullion report of Handy & Harman. Mose of this silver was acquired under the act of 1934. More than four-fifths of it came from abroad. The foreign silver in the Treasury stocks had a cost value of $941,100,000, or an average of 52 cents an ounce.

The Silver Purchase Act, which was renewed last year, directs the Treasury to purchase both foreign and domestic silver until the Government's silver holdings equal one-fourth of the total monetary stocks of both gold and silver, or until the market price of silver reaches the statutory price of $1.29 an ounce.

On December 31 last the Government's gold stocks totaled $17,643,400,000 and its silver stocks $3,779,500,000, making the silver holdings only 17.6 percent of the combined gold and silver stocks. In other words, the Treasury's silver stocks, at the statutory value of $1.29 an ounce, were still $1,576,200,000 short of the goal set by the act of 1934. The alternate goal of the world price of silver reaching $1.29 an ounce is equally far away. While the Government is paying domestic producers 77.11 cents an ounce, the New York open market price is 34.75 cents an ounce.

The present price the Government pays for American-mined silver was fixed by an act of Congress approved on July 6, 1939. For the first time since 1873, the mints by this law were opened to the unlimited coinage of domestic silver at a fixed price. It assured American producers of a permanent stable market for their silver at a price more than double the present open market price here. This act still left on the statutes legislation compelling the Treasury to purchase foreign silver. Since last July the Treasury has been paying 35 cents an ounce for foreign silver.

The chief arguments advanced in 1934 to justify purchases of foreign silver can be put forth no longer. China, who was to have been one of the chief beneficiaries of the American silver policy but instead became a victim, has been drained of silver. Even the most ardent silverites now admit the failure of the attempt to raise the price of the white metal to $1.29 an ounce and, with gold continuing to flow into the United States in such volume as it has in the last few years, the objective of silver reaching the 1 to 4 ratio of the combined monetary stocks of gold and silver seems presently to be impossible.

More recently there has been a tendency to defend the purchases of foreign silver on the ground that it was a "good neighbor" policy of particular benefit to Pan America. That it has been of direct economic benefit to Mexico, which is the world's largest producer, there can be no question, but there is no evidence that it has helped to promote Mexico's good-neighbor relations with the United States.

Senator TOWNSEND is authority for the statement that "barely one-fifth of the silver bought by this country since the end of 1933 has come from Latin American countries. * * * Of the $237,000 we have paid for Latin American silver since 1933, $217,000,000 has been paid to Mexico. Only 2 percent of this country's expenditures for foreign silver have gone where they could in some roundabout way promote pan-Americanism outside of Mexico since the Treasury's purchase of foreign silver began."

On February 20 last the Federal Advisory Council of the Federal Reserve Board voted unanimously in favor of discontinuance forthwith of foreign silver buying by the Treasury, "particularly in view of the fact that silver purchases increase the already excessively large bank reserves."

Every ounce of foreign silver the Government purchases adds to the inflation possibilities of the Treasury's holdings, because of the so-called profit of seigniorage which the Treasury puts aside for itself when it pays out silver certificates to foreigners. On February 19 last, for example, this amounted to 1,230,000,000 ounces of silver against which, at the statutory value of $1.29 per ounce, the Treasury had the authority, if it desired to do so, to issue nearly $1,600,000,000 of American currency.

Further purchases of foreign silver by the Treasury cannot be justified on any ground, in the opinion of your committee. The American mines produce silver considerably in excess of domestic requirements. Even if all domestic and foreign sources of silver should be depleted, the Treasury with close to 3,000,000,000 ounces in its vaults could meet the present consumptive demands of the arts and industries in this country for the next 100 years.

Chairman Marriner S. Eccles of the Federal Reserve System has testified that he did not know of anything "that tends to destroy ultimately the domestic silver industry as thoroughly" as the purchase of foreign silver. There was nothing to justify our continued buying of such silver from a monetary or credit standpoint and it was almost useless as an international reserve, in his opinion.

The huge quantity of the white metal now held by the Government is both a white elephant on its hands and a potential menace to the stability of the world's economic structure. The present price of silver is maintained only by purchases of the American Government. If the Treasury attempted to dispose of any sizable part of its holdings, it was pointed out in a survey made by the chamber in October 1938 there would be a price collapse of world-wide proportions.

RICHARD W. LAWRENCE,
President.
CHARLES T. GWYNNE,
Executive Vice President.

Attest:
B. COLWELL DAVIS, JR.,
Secretary.
NEW YORK, March 7, 1940.

Opera for the Masses

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. CELLER. Mr. Speaker, to countless millions, through the centuries since its first development, an aura of magic has always surrounded the word "opera." To the imaginative it conjures heroic episodes, magnificent spectacles, great tragedies of love, the artful comedy of buffoons—accompanied by glorious orchestral effects. Even the protagonists of these musical dramas have grown legendary with the years. There are few living today who have not heard of the remarkable talents of such artists as Jenny Lind, Adelina Patti, Lillian Nordica, Nellie Melba, the immortal Caruso, and the great Chaliapin.

In attempting to trace the history of opera Hendrik W. Van Loon has concluded that this form of musical entertainment grew out of a combination of minstrelsy, oratorio, and masks, which flourished during the fourteenth and fifteenth centuries.

While a few historians may differ, sufficient authorities agree that we have to thank a certain Jacopo Peri, a Florentine composer, and Ottavio Rinuccini, another member of the Camerata, for the earliest known opera—Dafne. Because such a production was costly—and we have this same

complaint today, but under different circumstances—the enjoyment of the new musical form was confined chiefly to the upper classes and royalty.

Perhaps the first opera to receive public attention was the musical setting of the story of Orpheus and Eurydice. The libretto was written by Rinuccini and was scored by Perio and Caccini. Composed for the marriage of Henry IV of France to Maria de Medici, this work, under the title of "Eurydice," was performed in Florence in 1600.

Public approbation was instantaneous and continuous. Thereafter, nearly all Italian composers strove for recognition in this field. The popularity of the lyric drama soon spread to Germany, France, and England. An intense rivalry developed among the various royal houses in order that their courts might be regarded as sponsoring the most celebrated singers and composers.

Opera has served mankind well. It has aroused, even in the humblest, a music consciousness which would otherwise be latent. Longfellow expressed a recognized truth in seven words: "Music is the universal language of mankind."

Music meets a deep-rooted spiritual and cultural need in man. The opera has been influential in serving these needs and recognition thereof is expressed in America today by the growing public demand and interest.

I have been an opera fan since childhood and I have regularly attended the Saturday evening performances for two decades. I have been enthralled by the splendid work performed by the Metropolitan Opera Co. I know of no greater respite, no greater surcease from the trials and tribulations of life than listening to and witnessing the delightful operas of Puccini, Verdi, and Wagner. At this particular time, I am attending the Ring cycle. I cannot adequately express how thoroughly I enjoy Das Rheingold, Die Walküre, Siegfried, and Die Götterdämmerung. To me, they are always stimulating and provocative of a new and deeper interest. In fact, I have never yet been able to plumb the depths of Wagnerian opera. For sheer joy, I know of nothing that surpasses Tristan und Isolde. I could sit for hours and listen to the music of Madame Butterfly, Tosca, and Rigoletto.

There are so many fine artists on the roster of the Metropolitan singers it would seem unjust to indicate a preference. They are all preeminent. Mr. Edward Johnson, the director, deserves unreserved praise for his admirable efforts.

The Metropolitan Opera in New York has announced that more than 10,000,000 persons listen to the opera broadcasts each Saturday during the season. This is a truly impressive audience. These broadcasts have been given during the past nine seasons.

In commenting on the financial crisis now facing the Metropolitan, Mr. David Sarnoff of the National Broadcasting Co. said:

> Over this same period of 9 years the National Broadcasting Co. has paid directly to the Metropolitan Opera Association $1,000,000 for the privilege of bringing grand opera to its radio audience. This has been an important and necessary source of income to the Metropolitan. The National Broadcasting Co. will continue to pay the Metropolitan Opera for the opportunity to broadcast these programs.

While 3,500 school children sit and listen to a junior performance in the Metropolitan Opera House in New York, it is broadcast to 80,000 schools throughout the country, with some seven million children listening in.

When one considers the musical benefits that these children are securing by this method of education, it is impossible to concede that Americans will permit such a cultural advantage to wither and die from lack of adequate financial aid. It is safe to assume that not more than 10 percent of these youngsters will ever be fortunate enough to attend an opera in New York. These broadcasts will remain their only contact with the glamorous world of great operatic tradition. Enjoyment of the best in music and musical talent available has been brought to every section of the country, including farm homes and the isolated rural communities.

The campaign to make opera a civic enterprise should gain the instant support of every citizen. We should welcome the opportunity to carry on a splendid institution, particularly since the program for its continued maintenance has been broadened to include a more democratic operation. Funds are now being gathered for this purpose. Contributions are in order.

Although opera in America is more than a century old, the Metropolitan, with more than 50 years of continuous history, is this country's only major operatic enterprise. It is the world's greatest opera today, with the finest orchestra. It has experience and a roster of great artists. Its leadership should be effective in any broad extension of operatic service to the country. To date, however, the opera has had no permanent home of its own, but has been dependent upon private sponsorship.

As I understand it, the first step in this present campaign is to transfer the opera from private sponsorship. In order to do so, the opera-producing organization must pick up an option to buy the Metropolitan Opera House for $1,970,000, of which $500,000 will be payable in cash by May 31, 1940. This alone will simplify a complicated situation which has existed through the years, due to the fact that use of parterre boxes was reserved exclusively for individuals and estates owning an interest in the realty, per se, of the house. It is planned to eliminate such boxes and thus an increase in revenue will ensue.

It is hoped that contributions will come in in goodly numbers to permit the Metropolitan Opera House to buy the opera house from its socialite landlords, and to the further end that the so-called "diamond horseshoe" will be given over to the public. But the music lovers must do their share. Within a month of the drive there was netted over $300,000, including $70,000 from the Juilliard Foundation. Small contributions have been reported, in the sum of a dollar and upward, from miners, sailors, truck drivers, waiters, and music critics. A $10,000 gift came from Switzerland. Ex-King Alfonso of Spain has agreed to send a substantial check. He probably is not unmindful of the time when $50,000 was raised at the Metropolitan Opera House for the benefit of the University of Madrid.

With an adequate opera house of its own, and with opera production in recent seasons on an increasingly self-sustaining basis, the Metropolitan Opera Association will be in an excellent position to go forward as an undertaking on a national scale.

I am informed that the program of development is as follows:

To acquire and modernize the present opera house and hold it as in public trust.

To strengthen the financial position of the operating company.

To increase the educational work of the opera, both in the teaching of music and in widening the field of music appreciation.

To insure the fullest possible use of radio and television, when the latter becomes practicable.

To broaden the opportunities for young American talent.

To bring the opera to the largest possible audiences, both in and out of New York City.

To encourage and stimulate the preservation of world opera by continuing in this country the musical development which has been checked abroad by the war.

Needless to say, such a program should have a widespread appeal to the public. This campaign must succeed. As a devotee of the opera, I cannot concede the remote possibility of failure. I cannot envisage a highly developed culture without the Metropolitan Opera. I urge each and every one who has found enjoyment in the opera broadcasts or who has attended the performances at the Metropolitan in New York, to give heed to the urgency of immediate financial assistance to this great American institution.

Trade Agreements

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

RADIO ADDRESS BY HON. ROY O. WOODRUFF, OF MICHIGAN

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address which I delivered the other evening:

First, I wish to thank the Columbia Broadcasting Co. for this 15 minutes on the air. Columbia is most generous and I appreciate the courtesy.

Ten million American men and women are still unemployed and the greatest need in the country today is for jobs. This is a problem of economic recovery. Uppermost in our minds is achieving a permanent and complete recovery without further unnecessary delay, and upon this foundation building a renewed faith in the permanency of our economic and political liberalism. We think of little else. To accomplish this, every avenue that promises to contribute to this end must be explored, and by those who envision a restored America—not those who blindly see a future in which unemployment and relief become a permanent condition with our people.

The New Deal's insistence, on the one hand, that it has promoted recovery, and its insistence, on the other hand, that it will need another 4 years to do what it has failed to accomplish in twice that time, and then preaches the doctrine that W. P. A. and relief will always be with us, indicates its incapacity properly to meet the responsibility now resting upon it.

The specific aspect I have in mind for discussion tonight is the New Deal's so-called "reciprocal trade agreements program. I emphasize the word reciprocal, because reciprocity was an accepted feature of American foreign-trade policy before the turn of the present century, but has completely disappeared under the administration of the present law.

The one major issue presented, to which I shall address myself at this time, concerns the discriminations against our foreign commerce by nations with which we have negotiated trade agreements, and also discriminations by nonagreement nations to which we extend all benefits we grant to the nation with which we enter into agreement.

Every one of these nations are supposed to give to us reciprocal treatment by extending to us every benefit they give to any other nation through bilateral agreements or otherwise. In this connection it should be stated that when we sign with another nation an agreement wherein each extends to the other certain concessions and benefits we immediately extend to every other nation in the world, except Germany, and without exacting anything in return, all the benefits or concessions we have given the nation with which we have agreed. We are the only nation in the world which consistently follows this foolish policy.

The major purpose of the Trade Agreements Act passed in 1934 was to increase the volume and area of multilateral trade through the elimination of trade barriers. Multilateral agreements are those entered into by more than two nations. Bilateral agreements are those entered into and beneficial to two nations only. Under conditions of multilateral trade nations buy and sell on the basis of competitive price. Nations buy in those markets where they can obtain the best terms and the best goods. They sell wherever they have a price advantage. Thus, to increase multilateral trade would mean increasing the share of world trade carried on without benefit of government schemes designed to gain an artificial advantage over a competitor.

The New Deal hoped to increase the area given over to multilateral trade by encouraging foreign nations to remove the various obstacles to competitive trade and to refrain from entering into additional bilateral trade agreements. The United States stood to gain from such a program.

Theoretically we and every nation in the world, were it possible to bring it about, stand to gain by freeing world trade from such controls as import quota and license schemes, exchange restrictions, purchase agreements, import monopolies, and other devices which tend to encourage bilateral trade. There is no question but that we would benefit from any program which successfully opens foreign markets to our commerce and removes existing discrimination against our trade.

Unfortunately, the New Deal trade-agreements program has not achieved its objectives. After 5 years of this program, foreign nations, including both agreement and nonagreement, are negotiating bilateral agreements in constantly increasing numbers. This is indicated by the fact that, while only 290 existed in June 1935, more than 1,400 such bilateral agreements have been entered into since that time, according to a report made to me by the United States Tariff Commission within the past month. A great many of these discriminate against our trade.

While the New Deal claims a slight advantage here and there as a result of its program, it has not been able to disprove my contention that foreign countries are moving faster than ever toward complete bilateral trade or barter and away from the Hull program, and that American commerce is discriminated against on every hand in the markets of the world. In fact, evidence presented during 3 weeks of hearings substantiated my position, and among other things, showed that countries with which we have negotiated agreements are among the worst offenders. Only partial data are available, but such data are sufficient to show that 11 trade-agreement countries had 33 clearing agreements, 49 clearing and payments agreements, and 26 payments agreements in force as of March 1, 1939. In addition, 7 Latin American countries with which we have agreements practice some form of exchange restriction. Thus, a veritable network of exclusive agreements or barriers has grown up around the very markets in which the United States was guaranteed equal treatment. The seriousness of the situation is well summarized by a study of the Tariff Commission report published in 1937. Therein it is stated, and I quote:

"The increased use * * * of quota restrictions on imports, of governmental control over the distribution of foreign exchange, and of clearing and compensation agreements between various pairs of countries has tended to reduce the value of equal tariff treatment and of the most-favored-nation guaranty."

I further find that the Department of Commerce has also concerned itself with this problem. And it is about time it did if it really wishes to protect American commercial interests. In the Annual Report of the Secretary of Commerce for 1939, he pointed out that obstacles to foreign trade became even more numerous and more complex during the past year than in preceding years. Rather belatedly he noted that various forms of exchange restrictions imposed by foreign governments have created a problem of obtaining effective payments in dollars quite apart from ordinary difficulties of securing and holding foreign markets for American products. He further observed that restrictions were not only placed upon the free conversion of foreign currencies into dollars but also the requirement that exchange allotments must be obtained before goods are passed through customs or even before goods are ordered. I now quote from the Annual Report of the Secretary of Commerce:

"Imports from the United States are frequently on a different footing from shipments originating in other countries, notably in instances in which clearing and compensation agreements are in effect, or in which bilateral trade results in an excess of exports from this country, and special regulations are sometimes applied to the importation of particular commodities. * * * The situation has been rendered the more confusing during recent times by political dislocations in central Europe and Asia and by the formation of trade areas and currency blocs to which access from outside areas is completely or partially closed by the use of extraordinary control devices."

This condition is to be deplored. It postpones the day when we can hope to regain markets that are so sorely needed if the American farmer and laborer are to prosper. As every farmer in this country knows, the major thing lacking in 1932 was finding increased outlets for surplus American farm products and regaining, in part at least, our place in world agricultural trade, a place that we had lost largely as a result of Europe's movement toward self-sufficiency and totalitarianism.

But the situation grows progressively worse. Farm exports totaled $683,000,000 during the fiscal year 1939, compared with $752,000,000 in 1932, or a drop of 10 percent in the total value of our farm exports. In terms of volume, farm exports declined 35 percent between 1932 and 1939. Cotton exports dropped 50 percent; wheat exports, 15 percent; cured pork products, 22 percent; and lard exports, 56 percent. These, it might be noted, are the very farm products markets for which were promised the farmers from its very inception by the advocates of the New Deal trade-agreements program.

Three years ago, when Secretary Hull appeared before the Ways and Means Committee of the House of Representatives and asked that we approve an extension of the act for another period of 3 years, he regaled the members of the committee with claims of great benefits we had received as a result of two and a half years' operation of the act. However, it was only after being repeatedly and insistently pressed for a bill of particulars of these benefits that the Secretary finally stated that the law had resulted in "softening the mind of the world toward peace." He mentioned no concrete benefits accruing to us.

Of course, everyone must realize that, because of the wars which had already begun since the inception of the trade-agreements program, and because of those that have developed since 1937, that if there is anything this program has utterly failed to do it is to soften the mind of the world toward peace or to influence in the slightest degree the bringing of peace to this troubled world. The act under discussion not only has completely failed in this respect, but it holds no hope whatever for future success.

I have pointed out that the major reason for the failure of this New Deal program lies within the New Deal itself. It negotiates trade agreements in an atmosphere of sweetness, heretofore unknown generosity, wishful thinking, and foolish disregard of the immediate and crying needs of our own people. It assumes that foreign nations are looking to our interest before protecting their own interest. It, in fact, holds out to the world the hand of

brotherly love, at the same time permitting foreign nations to discriminate against our trade, while we hold in our hands, unused, the power with which to end this discrimination.

By the act itself the President is authorized to withhold from all nations which discriminate against our commerce every benefit or concession granted to other nations in these agreements. In only one instance has he exercised this authority. He secured prompt results in that instance. Why has he discontinued the exercise of this authority, when by using it he could secure for us new markets for our products and greater respect from other nations?

Why has the administration refused to use as trading stock with other nations the American market for the things we need but which we do not produce in this country? During the past year we have imported such products to the value of approximately $1,400,000,000, all of which came into the country free of duty. We give this great market free of charge—and we do our bargaining by opening our gates to those products of which we produce enough or more than we need.

So far as I know, the United States is the only nation in the world which pursues this unwise policy.

Trade is competitive, and I know of no merchant on any main street in this country who attempts to increase his volume of trade by encouraging his competitors to gain and to keep an unfair advantage.

Nations, in trade, are more or less like individuals. When they depart from common sense and common fairness, they depart also from success. This Nation must sooner or later return to the common-sense method of conducting its foreign trade if this country is to prosper.

United We Stand

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ADDRESS BY HON. LOUIS JOHNSON, THE ASSISTANT SECRETARY OF WAR

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Louis Johnson, the Assistant Secretary of War, on the occasion of the ninety-sixth George Washington anniversary celebration of B'nai B'rith, New York City, February 25, 1940, broadcast over Station WOR and Mutual Broadcasting System.

Sons of the Covenant, you have fought by my side on the battlefields of France. You have marched with me, shoulder to shoulder, in the ranks of the American Legion. You are standing behind me in my efforts toward a strong America. I therefore welcome the opportunity to be with you on this occasion when you do honor to George Washington—the Father of his Country.

He was, indeed, an ideal father. He understood the heart and the mind of his children. He knew that the Jewish citizens of his day, who had found in this country a refuge from Old World persecutions, had fought, bled, and died in the American Revolution. He was familiar with the military services of David Franks, of Manuel Mordecai Noah, of Mordecai Sheftall, and others who had served honorably in the Army. He never forgot the contributions of Robert Morris, Haym Salomon, and others of the Jewish faith, who had pawned and mortgaged their worldly possessions to obtain needed munitions in a struggle for spiritual freedom. He was determined that the benefits of the new Nation would be distributed equitably among all of its citizens without any regard to race or creed.

How beautifully, how tenderly, and how fully he expressed his views on this subject in his letter to the Hebrew congregation of Newport, R. I. Although written in August 1790 it may still be taken as an epitome in religious and racial tolerance. Let us read just a few sentences:

"All possess alike liberty of conscience and immunities of citizenship. It is now no more that toleration is spoken of as if it was by indulgence of one class of people that another enjoyed the exercise of their inherent natural rights, for happily the Government of the United States which gives to bigotry no sanction, to persecution no assistance, requires only that they who live under its protection should demean themselves as good citizens in giving it on all occasions their effectual support."

How fortunate are we in America to have had a character of the strength and the nobility of George Washington to guide our Republic through the trying days of its infancy. Of his significance to the world too many eloquent eulogies have been pronounced for me to try one of my own. May I repeat what I regard as the highest tribute that has yet been paid to him?

"Though separated from this world, he lives in the center of our hearts; his name is a talisman of power, the watchword of freedom, the emblem of patriotism, the shout of victory. It casts around us a halo of glory, for it continues to receive the homage of mankind. There have been many figures, there have been many heroes, there have been many legislators—there is but one Washington."

Thanks to George Washington and his loyal compatriots, we have a glorious heritage in which your forefathers and my forefathers—Catholics, Jews, and Protestants—have played a vital role. We are indeed a melting pot and we are proud of the mixed blood of Europe that flows in our American veins. We may differ in opinions, in beliefs, and in theories, but on the fundamentals of free speech, of freedom of religion, of tolerance, and of the other principles of the Bill of Rights we are overwhelmingly agreed, in fact, almost unanimous in our views.

When the American ideals that we have held dear have been assailed, we have marched forward as one—not as Jews nor as gentiles, not as Republicans nor as Democrats, not as artisans nor as farmers, but simply as Americans. Such unity, not imposed by edict from above but manifested from the heart and from the spirit within, is our greatest asset in a world torn by internecine struggles.

Providence, the one universal God that all of us worship, indeed has been kind to us. He has surrounded us with wide and deep oceans to help us keep aggressors at long arm's length. He has provided us on our continent with an abundance of natural resources. He has placed unlimited opportunities at our disposal. To be an American in 1940 is, indeed, a rare privilege. Consider for a moment our good fortune.

Here we are gathered together in a great metropolitan hotel. No antiaircraft guns are mounted on its roof, no barricades of sandbags are set up at its door. It is Sunday today. Some of you attended Jewish services in a temple this morning, some of us went to a Protestant church, or perhaps to a Catholic cathedral. Others, perhaps, merely sat by the radio and heard the broadcast of a sermon. Each of us, in short, worshiped God on this day in the way that he chose and there was none to deny us that right. There are not many countries left in this world where such freedom of conscience exists. In America freedom of conscience is not merely tolerated. It is encouraged.

These remarks of mine are broadcast over a Nation-wide hook-up, but, aside from restrictions of libel and good taste, I may say anything I please. Can you imagine a radio talk anywhere in Europe today "without the aid of censor"?

On our way home this evening we will move along streets which are well lighted. We will face no threat of a black-out; we will eat what we want, and even to excess, if we so desire. Our food is not rationed. Our fuel supply is not regulated. Our gasoline is not allocated by higher authority.

We have blessings without number; but unless we stand on guard to protect our rights, our possessions, and our way of life, the America that George Washington and his generation bequeathed us may not be passed down to posterity. There is no use fooling ourselves. A pack of vicious wolves has been loosed upon the civilized world. War, accompanied by pestilence, hate, greed, and intolerance, has spread over a large part of the universe. It must not reach us. It will not reach us if united we stand on the true and tried principles of Americanism. It will not come to plague us if we carry on our duties as citizens of this great Republic.

The first solemn duty of a good American citizen is to uphold the Constitution. It is the one assurance of the security and the perpetuation of the free institutions of America. It protects our lives and our property. It guarantees us freedom of the press, freedom of conscience, and freedom of speech. It encourages tolerance and understanding. It promotes happiness and prosperity. Above all, it aims to establish justice.

What is that quality of justice which all civilization seeks yet never seems to attain? It is above all the rule of reason. We find justice in the man who conducts his life on a rational basis, who is not dominated by his ambitions, who has no prejudices, who keeps his passions under control, who is healthy and strong, but never uses his power to bully the weak. We find justice in that state where the law courts "do not respect the person of the poor nor honor the person of the mighty," where "they hear the small as well as the great." The just state is governed by no dictator nor by any oligarchic clique. It keeps itself strong but it does not use its army or its navy for aggressive purposes.

Nowhere in the world is the ideal of the just state more closely approximated than in our own country, and it is up to you and to me and to all men and women to keep faith with the American tradition of justice.

The second important duty of an American citizen is to obey and respect the law of the land. We have in our country orderly processes of legislation, administration, and repeal. So long as a law is on our statute books we must abide by it and we must enforce it. Failure to live up to a particular law because it may prove distasteful to you as an individual merely leads in the long run to disregard of all laws. "The highest test of good citizenship is obedience to all laws."

The views of the Father of his Country on this subject are worthy of the thought and the consideration of every American citizen. In his farewell address, George Washington said:

"Respect for its authority, compliance with its laws, acquiesence in its measures, are duties imposed by the fundamental maxim of true liberty. The basis of our political system is the right of the people to make and alter their Constitution and Government, but the Constitution which, at any time, exists till changed by an explicit and authentic act of the whole people is sacredly obligatory

upon all. The very idea of the power and the right of the people to establish government presupposes the duty of every individual to obey the established government."

There are other duties incumbent upon an American citizen. He should respect the rights of others to assure the enjoyment of his own. He should conform his conduct to the best interests of society. Above all, an American citizen should be prepared to place service to his country above service to himself. Well may he adopt the motto Daniel Webster, who said:

"I live an American; I shall die an American; and I intend to perform the duties incumbent upon me in that character to the end of my career. I mean to do this with absolute disregard of personal consequences. What are the personal consequences? What is the individual man with all the good or evil which may betide him in comparison with the good or evil which may befall a great country, and in the midst of great transactions which concern that country's fate? Let the consequences be what they will, I am careless. No man can suffer too much; no man can fall too soon, if he suffer or if he fall in the defense of the liberties and Constitution of his country."

To members of the B'nai B'rith spread throughout the country, many of them fellow veterans of the World War, the importance of patriotism and the duty to place country above self-need hardly be emphasized. Our minds are rich with memories of comrades, not only of Jewish origin, but of all creeds and faiths, who gave their lives during the World War in defense of our liberties and our Constitution.

In 1917–18, we were welded into a united Nation in the face of a common foe and won a glorious victory. Today, by the combined efforts of all clear-thinking and loyal citizens, we can and we will maintain the American way of life. We will defeat the forces of bigotry and intolerance.

"All our strength is in our union,
All our danger is in discord;
Therefore, be at peace henceforward
And as brothers, live together."

In closing, may I repeat to you members of the B'nai B'rith the prayer of the Father of his Country in whose honor we have met today:

"May the same wonder-working Deity who long since delivered the Hebrews from their Egyptian oppressors, and planted them in the promised land, whose providential agency has lately been conspicuous in establishing these United States as an independent nation, still continue to water them with the dews of heaven, and to make the inhabitants of every denomination participate in the temporal and spiritual blessings of that people whose God is Jehovah."

St. Lawrence Seaway Project

EXTENSION OF REMARKS
OF
HON. PIUS L. SCHWERT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

LETTER AND RESOLUTIONS OF THE CENTRAL COUNCIL OF CITIZENS AND TAXPAYERS ASSOCIATION OF CHEEKTOWAGA, N. Y.

Mr. SCHWERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the two following resolutions in opposition to the St. Lawrence seaway and power project sent to me by the Central Council of Citizens and Taxpayers Association, of Cheektowaga, N. Y., and the Committee on Niagara Frontier Planning Board of the Board of Supervisors, Niagara County, N. Y.:

CENTRAL COUNCIL OF CITIZENS
AND TAXPAYERS ASSOCIATION,
Cheektowaga, N. Y., March 7, 1940.

Hon. PIUS L. SCHWERT,
Congressman, Congress Chamber, Washington, D. C.

DEAR SIR: At our regular monthly meeting held March 6, a very lengthy debate was held and an agreement was reached to oppose the proposed St. Lawrence seaway project on the grounds:

First. That the funds expended for this purpose will not bring returns.

Second. That it will threaten economic labor, and the transportation situation in this State and the entire United States.

Third. That the power today, and more so years after, can be produced much cheaper with Diesel engines than water.

Fourth. That the tremendous cost of this project would benefit Canada more than the United States: Therefore be it

Resolved, That this council will go on record objecting to such undertaking and ask you to oppose same.

Very truly yours,

CENTRAL COUNCIL,
ISIDORE J. MAZUROWSKI,
Secretary.

The committee on Niagara Frontier Planning Board offered the following report and moved its adoption:

To the Board of Supervisors of Niagara County.

GENTLEMEN: Your committee on Niagara Frontier Planning Board report and offer the following resolution:

"Whereas the administration in Washington is making efforts toward consummation of the St. Lawrence Seaway and Power Treaty between the United States and the Dominion of Canada; and

"Whereas if such treaty is signed by both parties the administration in Washington is expected to submit it to the United States Senate for ratification; and

"Whereas the St. Lawrence seaway and power project threatens the economic security of labor, transportation, and industry in both the State of New York and the United States as a whole; and

"Whereas the tremendous cost of the St. Lawrence seaway and power project would in no way be justified on the part of either the United States or the Dominion of Canada at this time, even if there were any economic soundness in the scheme; and

"Whereas an alliance with the Dominion of Canada, a belligerent country, in this period of war would not be in accordance with the spirit of neutrality, which the United States must maintain; and

"Whereas there is before Congress of the United States a resolution, submitted by Representative MARTIN J. KENNEDY, of New York, which calls for a legislative survey of the St. Lawrence seaway and power project, and a further resolution submitted by Representative J. FRANCIS HARTER, of New York, which calls for the Committee on Foreign Affairs to hold, forthwith, public hearings especially concerning the aspects of the aforementioned project to encroachment on the neutrality of the United States: Be it

"*Resolved*, That both Houses of the United States Congress are herewith respectfully petitioned to immediately adopt the resolutions introduced by the Honorable MARTIN J. KENNEDY and the Honorable J. FRANCIS HARTER of New York; and be it further

"*Resolved*, That duplicate originals of this resolution be forthwith transmitted to the Honorable Franklin Delano Roosevelt, President of the United States, Hon. JOHN H. BANKHEAD, Speaker of the House of Representatives, and the Honorable JOHN NANCE GARNER, Vice President of the United States, and to the Honorable ROBERT F. WAGNER and Hon. JAMES M. MEAD, Senators from New York State, and the three Congressmen representing the Niagara frontier."

Respectfully submitted.

JOHN H. NORTHRUP,
LOUIS M. HAGEMAN,
GEORGE S. GRIMM,
Committee.

The report was adopted.

STATE OF NEW YORK,
County of Niagara, ss:

This is to certify that I, the undersigned, clerk of the Board of Supervisors of the County of Niagara, have compared the foregoing copy of report with the original report now on file in the office, and which was passed by the board of supervisors of said county on the 5th day of March 1940 and that the same is a correct and true transcript of such original report and of the whole thereof.

In witness whereof, I have hereunto set my hand and the official seal of the board of supervisors, this 5th day of March 1940.

[SEAL] M. B. PREISCH,
Clerk, Board of Supervisors.

I Am a Candidate for Reelection

EXTENSION OF REMARKS
OF
HON. JOACHIM O. FERNANDEZ
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. FERNANDEZ. Mr. Speaker, I beg leave to extend my remarks in answer to thousands of letters and communications I have been currently receiving from my people as to my disposition to again run for Congress, due to the present political situation in Louisiana. First, I want to mention that, although I did not support the candidacy of the Honorable SAM H. JONES for Governor of Louisiana, and my district gave a majority of over 17,000 against him, shortly after it became apparent that on the basis of rural returns Mr. Jones was Louisiana's next Governor I offered my congratulations to our Governor-elect and offered my wholehearted cooperation

for the uplift of our State and its people. Yes, Mr. Speaker, although my district gave a majority against Governor-elect Jones, I am happy to say that I am always inclined to recognize the will of the majority under our democratic form of government.

I have always been identified with the progressive elements in Louisiana, having supported those candidates and administrations in Louisiana that I thought would react to the benefit of the masses in every shape and form.

In 1920 I was elected as a Delegate to the State Constitutional Convention, a body elect, assembled under the regime of Governor Parker to revise our State Constitution. In 1924 I was elected as a State Representative from the Ninth Ward of New Orleans on the Honorable Henry L. Fuqua ticket, endorsed by the Old Regular Organization; and in 1928 I was elected to the Louisiana Senate from the Fifth Senatorial District, comprising the Eighth and Ninth Wards in New Orleans. Then in 1930 I was elected as a Member of the Seventy-second Congress, and have been reelected to the Seventy-third, Seventy-fourth, Seventy-fifth, and Seventy-sixth Congresses. I say in humility, Mr. Speaker, that I hope to be reelected to the Seventy-seventh Congress in the primary election to be held in early September this year, as I am a candidate for reelection to Congress.. I base my appeal to the people of my district, which includes the greater part of New Orleans, from Julia Street to the St. Bernard Parish line, and St. Bernard and Plaquemines Parishes, on my past performances as their public servant in all of my political career. I believe I have merited the confidence that my people have so generously and beneficently reposed in me.

Equally I make my appeal for reelection on the policies I have pursued as a public servant in Congress, and on accomplishments which I show below:

POLICIES OF MY OFFICE

Always to give the best in response to all calls, communications, and inquiries, and answering all mail, calls, and inquiries that require such response. Always to see the public mostly every day while in New Orleans, and to see those from my district who may journey to Washington, or who may be living in Washington or nearby due to Federal or other employment there.

Always to vote on measures, as God gives me the light to see the right, for the benefit of the majority of my people.

Always to treat capital and labor fairly and equitably and, in my consideration of legislation, knowing that the harmony of both these American giants is absolutely essential to a successful economic structure in our democracy.

SOME OF MY ACCOMPLISHMENTS

Constructively agitated the new Federal building, which is nearing the stages of completion in New Orleans, having introduced a bill therefor and urged administrative procedure therefor many years ago—since 1931. Also the new post office and Federal building in Arabi, St. Bernard Parish, now completed and occupied.

Successfully sponsored a bill and appropriation for a new lighthouse supply depot on the Industrial Canal at North Robertson Street.

Successfully sponsored a bill in Congress for relinquishment of certain land on the river front owned by the Federal Government, near the New Orleans Federal jail, so as to pave the way for extension of the levee at that point, the shifting of the railroad tracks, and expansion of the old French Market, which has been modernized and which is now a landmark of the Nation.

Obtained many extensions of city mail and rural mail-carrier service in my district, and installation of mail boxes.

Done my part in Congress as a member of the Appropriations Committee to secure funds for the Public Works Administration; and to help finance such structures in New Orleans as the Charity Hospital and many new schools, particularly the Francis T. Nicholls High School, which was just completed this term of school, which is situated on St. Claude Avenue and Alvar Street; new fire engine houses in New Orleans, and a new branch library on Alvar Street, opposite the McCarthy Square.

Always supported the President's recommendation for full appropriations for Work Projects Administration and sought out funds for State and city projects, including such improvements as conditioning of the Florida Avenue Bridge over the Industrial Canal, widening of St. Claude Avenue, paving of North Claiborne Avenue, Franklin Avenue to the lake, Canal Boulevard to the lake, Frenchmen Street to the lake, and many other streets; likewise Marconi Drive to the lake from City Park; and also funds for further development of the New Orleans Airport on our beautiful lake front and for the erection of a beautiful concrete stadium in City Park and the many improvements in City Park and extension of this great park to Lake Pontchartrain shores by W. P. A. labor and funds, including the local government's share; likewise for W. P. A. labor in further development of our lake-front parkways and driveways and for a safety harbor for small shipcraft near the Southern Yacht Club at West End. Helped obtain allocations for playgrounds in New Orleans by W. P. A. labor. In addition I supported legislation to provide jobs under W. P. A. for the white-collared class and supported funds and allocations for such projects in my district and for our State as a whole.

FLOOD-CONTROL AND RIVERS AND HARBORS FUNDS

Always voted maximum funds for flood control of the Mississippi River and Bonnet Carre Spillway.

Sponsored amendments and resolutions in Congress for the improvement of Bayous Ysclosky, St. Malo, and La Loutre; also Bayou Dupre, which meets the Violet Canal; also Bayou Terre-Aux-Boeuf, for the benefit of small fishermen's crafts, which improvements do not interfere with railroads in the least.

NATIONAL YOUTH ADMINISTRATION AND CIVILIAN CONSERVATION CORPS

I supported and voted for maximum funds, as recommended by the President, for the construction and operation of the National Youth Administration to aid the youth of my district, State, and Nation, so as to train these boys for a start in life. Aided the establishment of the present N. Y. A. training center in Algiers. The N. Y. A. also provides work scholarships at colleges and universities.

Supported and voted for the Civilian Conservation Corps, which likewise takes care of a limited number of young men between the ages of 17 and 25, and which Corps conducts and operates very useful work in conserving the soil of our land, its watersheds, and the shrubbery, grass, and trees necessary; in addition to their ability to establish parks, build roadways, and other public improvements work necessary to a people inhabiting such areas.

ALGIERS NAVAL STATION

I have always sought to maintain the United States Navy Yard at Algiers, and will not relent in my efforts therefor.

SECURED AID FOR MUSKRAT TRAPPERS

Obtained aid for all the needy muskrat farmers of my district. Under this project over 300 farmers are obtaining aid and these trapper-farmers are on their way to owning their own land through the cooperation of the Federal Government.

WHAT I STAND FOR AND WILL FIGHT FOR—VETERANS

I supported all veterans' legislation, which was of a worthy nature, and voted for the bonus bill over the President's veto. I stand for liberalizing the present World War Veterans' rating schedule of 1925 and 1933 by 20 percent, at least, and am for restoring disability allowances on non-service-connected cases, when the veteran is disabled at least 25 percent on a liberal rating schedule. I am for paying these non-service-connected disability cases at the rate of 50 cents for each degree of disability, or $12.50 for 25 percent disability; which would change the present pension rate from $30 to $50 for permanent and total disability, non-service-connected, to the World War veteran who is so disabled. I am also for taking care of the widows, minor children, and dependent parents of World War veterans who expire from

life having no service-connected disability, on a moderate basis, as these dependents are not now covered by law. I am for other good amendments to existing veterans' laws.

LABOR

I have supported labor 100 percent, as all measures on labor were reasonable and fair. I am for Federal protection of the right to collective bargaining and will not vote to give an unfair advantage to either side. I reserve the right to measure this fairness by my standard, which is fair to all concerned under American occupational and economic conditions.

RAILROAD LABOR, MOTOR CARRIERS, WATER TRANSPORTATION

I am for railroad labor and will not support transportation legislation that may involve any mergers, except as is already permissible by law, or when one line would have to abandon its operation and cause thousands of men to lose their jobs, whereas, if a merger, would save many of these jobs. I am for no union of terminal facilities unless such union by railroads would safeguard the employment of railroad workers and cause them to be retained in employment. Nor would I take action that would be unfair to water and motor carriers.

SOCIAL SECURITY

I voted for and support social security. I want to see old-age pensions paid at 55 years. Give the man or woman working the right to retire at 55 if they wish; and give the unemployed or disabled person at 55 assistance for old-age security instead of 65.

I am for decentralization of the wealth of the Nation to the extent that it will help the vast mass of underprivileged of our country. I would like to see the employable head of the working family, which averages five persons to the family, earn at least $200 a month, both in city or town, and on the farm. If the vast multitudes of our American families who are undernourished, insufficiently clothed, and ill-housed had such an income, I am sure they would be glad to spend 85 or 90 percent of that income a month so as to insure success of such a plan by keeping the money revolving; provided a safeguard is placed so as to prevent the money from freezing at the top or getting concentrated into the hands of a few by proper income-tax law. With most of the people in our city and other cities earning under $100 a month, and with thousands only earning a couple of dollars a week, or $30, $40, $50, $60, or $75 a month to take care of families of dependents, and the man on the farm only earning $1 or $1.50 a day, is there any wonder why the ills of America are not soothed?

FEDERAL EMPLOYEES

As I have supported all reasonable legislation in the past for the benefit of Federal employees, I will continue to do so in the future. I believe that there are many in various branches of the Federal service who are entitled to a promotion and better classification.

W. P. A. LABOR

I am for repealing the provision of work-relief law that a person who has worked 18 consecutive months must be laid off; and I am for giving preference also to wives or widows of war veterans on projects of the Work Projects Administration, in addition to war veterans.

COMMENDATORY

I have hundreds of letters from people in every walk of life, as well as labor and business people, commendatory to my services as a Member of Congress. I have always strived, although humbly so, to give the best that is in me, fairly and squarely for all concerned.

PRIMARY ELECTION IN SEPTEMBER FOR CONGRESS

Yes, Mr. Speaker, I wish to thank my many friends who are interested in my candidacy for their kind offer of support in the coming September primary.

If any organization in New Orleans brings out a candidate against me, it will be purely upon a factional basis. If the State administration brings out a candidate against me, in view of my independence of action in all of my political career, that faction will not be true to its promises "not to build up another political State machine"; for if the State administration makes a fight against me they can be truthfully charged with trying to build up the machine they so much decried in their candidate's recent campaign for the Governorship. I have offered my good will to the new State regime that will take office in May, and I have offered my good will to the Old Regular Democratic Organization of New Orleans.

I beg leave to say, Mr. Speaker, I thank you.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

STATEMENT OF MR. L. J. TABER, MASTER OF THE NATIONAL GRANGE

Mr. GEARHART. Mr. Speaker, continuing his valiant fight against the joint resolution to extend for another 3 years the so-called reciprocal trade agreements program, Mr. Louis J. Taber, master of the National Grange, appeared on March 4 last before the United States Senate Committee on Finance and delivered another devastating denunciation of this legislative move.

Because of the facts and figures he cites, the arguments he advances against the renewal of this much-abused authority, I deem it a privilege to offer for inclusion in the CONGRESSIONAL RECORD the text of Mr. Taber's statement, which is as follows:

In appearing before the Finance Committee, I want to make it clear that the National Grange continues its opposition to the renewal of the Reciprocal Trade Agreements Act for another period of 3 years. Before the Ways and Means Committee, on the 25th of January, the views of the National Grange were presented in an extended brief. To conserve the time of the Committee, we but reemphasize some of the compelling reasons why this act should not be continued.

We oppose the passage of this legislation, in its present form, for six general reasons:

1. Since this act was passed, the exports of agricultural commodities have been reduced and the importation of competitive farm products has been increased.

2. The general effect of reciprocal treaties and the legislation itself has had a depressing effect on the agricultural price level, and reduced farm income.

3. This legislation has reduced import duties and customs receipts. It violates the constitutional provision that revenue legislation should originate in the House of Representatives.

4. It affects both domestic and foreign commerce, a responsibility belonging to the Congress of the United States.

5. These trade agreements are in fact treaties and, as such violate the constitutional requirement which calls for ratification by the United States Senate.

6. With the adoption of acreage limitation for the farmer, and wage and hour restrictions in labor and industry, we should not permit importations from countries where wages are lower or hours are longer, or where the farmers have no limitations on production.

We want to make it clear at the outset that the attitude of the National Grange on this question is not a matter of recent development. Under a former administration the Grange opposed the reciprocal-treaty program between the United States and Canada, because we were convinced that it would be detrimental to the best interests of the American farmer. In 1934, when this legislation was pending before Congress, we registered our opposition, because it was feared that it would work out to the disadvantage of the American producers. In 1937 the Grange registered a protest before both the Ways and Means Committee and the Finance Committee against the extension of the provisions of the act at that time.

For many years the National Grange has continuously and unanimously declared in favor of the American market for the American farmer to the limit of his capacity to efficiently supply the same.

This information is given to emphasize the fact that the Grange has always been nonpartisan in its approach to this question. Our resolutions are adopted at the annual conventions with delegates present from the North, the South, the East, and the West. And our position on this question has always been approved in an overwhelming manner. For more than 50 years the Grange has led the fight for tariff justice. Our fathers demanded tariff for all or tariff for none. When the Farm Board legislation was being enacted, the Grange appealed to this body to include the export debenture or some other method of bringing tariff justice to agriculture. At our last annual session, held at Peoria, Ill., in November, the Grange again went on record in opposition to the extension of the trade-treaty program in its present form. We are glad to note that every farm organization is now opposed to the passage of this act without some type of corrective amendment.

As advocates of the trade-agreements program have placed so much emphasis on the importance of our export market and have minimized the disastrous effects of competitive imports, we feel it necessary to call attention to the fact that the trade-agreements program has not increased the percentage that our farm exports have to the total value of goods shipped abroad. In 1934 the percentage of agricultural to total exports was 32.1. After 6 years of reciprocal treaties, according to the latest data available, our agricultural exports for 1939 were but 21 percent of the total, the lowest in the entire history of the Republic.

On the other hand, agricultural imports remained at approximately 50 percent of the total in value of all goods imported into the United States.

AGGRAVATES FARM SURPLUS PROBLEM

As we are all well aware, the surplus problem has been the most difficult with which American agriculture has been faced since the close of the World War. In our efforts to solve this question, Congress passed the Agricultural Marketing Act of 1929, the Agricultural Adjustment Act of 1933, and the various subsequent acts that were passed in this connection. It stands to reason that this problem cannot be solved, but that it will be aggravated by importing foreign surplus of competitive farm commodities and piling them on top of the American surpluses.

In appraising the workings of the Trade Agreements Act from the standpoint of the farm population, it will be recalled that in 1932 Mr. Roosevelt made an address in Baltimore, during the course of which he declared:

"I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

Nevertheless, the tariff has been reduced on approximately 200 items coming under the agricultural schedule. In numerous instances the rates have been reduced on commodities of which we have troublesome surpluses. While the Surplus Commodities Corporation has been buying up these surpluses in an effort to stabilize the price level, the Department of State, in one trade agreement after another, has been lowering the duties on items that the Surplus Commodities Corporation has been buying and distributing among families on relief. With the permission of the chairman, I should like to insert in the record at this time a table, giving a list of 18 selected commodities having a bearing on this question.

Purchase of selected agricultural commodities by the Federal Surplus Commodities Corporation, and imports of those commodities, fiscal years 1938 and 1939

Commodity	Quantity purchased	Amount spent	Imports	
			Quantity	Value
Apples, fresh ..... bushels	6, 180, 847	$4, 978, 816	52, 000	$90, 000
Beets ..... pounds	17, 858, 256	149, 383	1, 000	(1)
Cabbage ..... do	152, 706, 155	1, 562, 503	339, 000	8, 000
Carrots ..... do	7, 612, 950	72, 379	270, 000	3, 000
Cauliflower ..... do	793, 576	17, 968	39, 000	[2] 1, 000
Celery ..... do	20, 391, 300	381, 384	96, 000	3, 000
Cheese ..... do	3, 445, 500	478, 211	110, 167, 000	23, 584, 000
Eggs ..... dozen	11, 319, 300	2, 255, 659	551, 000	106, 000
Fish ..... pounds	3, 677, 398	262, 966	658, 345, 000	60, 259, 000
Grapefruit ..... do	188, 441, 360	2, 524, 313	12, 753, 000	155, 000
Grapes ..... do	15, 830, 826	319, 489	[3] 771, 000	1, 050, 000
Milk, fluid ..... gallons	18, 440, 847	4, 229, 949	22, 000	5, 000
Peas:				
Canned ..... cases	864, 192	1, 427, 780	[4] 1, 610, 000	165, 000
Dried ..... pounds	6, 000, 000	122, 813	4, 616, 000	183, 000
Fresh ..... do	77, 940	2, 808	4, 582, 000	223, 000
Potatoes, white ..... bushels	6, 579, 548	4, 286, 457	[5] 1, 697, 100	1, 444, 000
Raisins ..... pounds	50, 199, 000	2, 137, 251	825, 000	92, 000
Rice, milled ..... do	85, 948, 000	2, 861, 207	[6] 137, 024, 000	2, 294, 000
Tomatoes, fresh ..... do	20, 741, 815	465, 259	120, 692, 000	2, 633, 000
Wheat cereal ..... do	106, 550, 500	1, 942, 517	(1)	(1)
Total		30, 479, 112		92, 298, 000

[1] Not available.
[2] Jan. 1–June 30, 1939; not separately classified previously.
[3] Cubic feet.
[4] Pounds.
[5] Includes seed potatoes.
[6] Broken rice.

Source: Annual reports of the Federal Surplus Commodities Corporation, fiscal years 1938 and 1939; Foreign Crops and Markets, Nov. 17, 1939.

As this table shows, during the fiscal years of 1938 and 1939, the Surplus Commodities Corporation spent $30,479,112 in buying up surpluses of the commodities listed in the table. During the 2 years in question our imports of these same commodities were valued at $92,298,000. It should be understood that these figures apply only to the commodities listed in the table to which I refer. This list, of course, is not all-inclusive and could easily be lengthened.

We all approve of the work that has been done by the Surplus Commodities Corporation under the conditions prevailing during recent years. The Grange has supported the appropriations made by Congress for this work. But who would go so far as to say that the Government should buy up not only our own farm surpluses but foreign surpluses that have been imported and give them away?

It is being continually dinned into our ears that if we want to sell to other nations, we must buy from them, and that trade is a matter of give and take. No sensible person will dispute the soundness of that proposition, which is self-evident. It is well to remember in this connection that the United States has the biggest free list of any nation in the world. During the calendar years of 1938 and 1939, 61 percent of all our imports entered the country duty free. It would seem therefore that with the exercise of a little ingenuity and "Yankee trading" skill, we should be able to find an outlet for some of our own surpluses without pursuing a policy that results in flooding our markets with commodities that we do not need and of which we already have more than enough.

Certainly we should take from other nations the things that we need and do not produce at home. That is exactly what we have always done, but, most emphatically, we should not make it easier for other nations to send us the things we do not need and of which we already have a surplus.

Labored efforts have been made by the supporters of the trade-agreements program to convince the farmers of the country that they are being benefited by it and that our imports of agricultural commodities are so small as to render them inconsequential.

IMPORTS DISPLACE VAST AMERICAN ACREAGE

Nothing could be further from the truth. According to official Government statistics, our imports of competitive farm products for the fiscal years of 1937 and 1938 averaged $537,198,000 annually. Let us now consider the acreage of American farms displaced by those competitive imports. According to the Department of Agriculture, the average acreage under cultivation in the United States for the fiscal years of 1937 and 1938 was 341,475,850. The average value of the crops grown on this total acreage for the 2 years in question was $5,524,015,000 per annum. The average value of crops grown per acre was $16.02. By dividing this figure into the value of our competitive farm imports for the period under consideration, it will be seen that the acreage displaced on American farms was 33,533,000 per year.

The total value of all the farm crops grown in the imperial State of Texas during 1938 was $302,957,000. During the same year the total value of all crops produced in Iowa was $310,166,000. During 1938 the total farm value of all the crops grown in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania was only $393,521,000. The value of all farm crops grown in Missouri, North Dakota, South Dakota, Nebraska, and Kansas during 1938 was $529,668,000, which was $7,530,000 less than the value of the competitive farm products imported during that year. I want to make it plain that the figures quoted in this connection refer solely to crops and do not include the value of livestock and poultry products.

The 33,533,000 acres of cultivated land displaced by competitive farm imports amounts to more than the reduction in acreage that has been brought about since 1933 in connection with the corn- and cotton-control programs. In the case of corn, the reduction amounts to 14,171,000 acres. The reduction in cotton acreage between 1933 and 1938 was 15,230,000, giving us a total reduction of 29,401,000 acres for the two crops.

Thus we have the spectacle of the Government, under the guise of soil conservation, paying the farmers of the country approximately $500,000,000 a year to reduce acreage and production, while permitting and even encouraging competitive imports of farm products valued at the same amount.

It is important to keep in mind the fact that our imports are priced on the basis of foreign costs. The import figures do not include the cost of transportation, insurance, and customs duties. If these items were added, the total import figures would be much higher.

Then, too, it must not be forgotten that competitive imports are always offered at a lower price than that which prevails at home. These imports place a ceiling, so to speak, on our price level, rendering it virtually impossible for domestic producers to secure prices commensurate with our higher costs of production and the American standards of living.

TREMENDOUS DROP IN COTTON EXPORTS

When the trade-agreements legislation was passed 6 years ago, the hope was held out to our farmers that under this program an export market would be found for our unwieldy and price-depressing surpluses. But all the rosy and alluring promises that were made in this connection have not been fulfilled.

In support of this statement, let me cite the fact that during the fiscal year ending July 1, 1934, we exported 8,366,000 bales of cotton. During the fiscal year ending July 1, 1939, our exports

amounted to only 3,605,000 bales, showing a loss of 4,761,000 bales. Roughly speaking, therefore, our cotton exports have been more than cut in half. During the fiscal year ending July 1, 1934, our exports of pork and pork products amounted to 705,981,000 pounds. For the fiscal year ending July 1, 1939, exports of these products totaled 350,372,000.

Our exports of wheat, including flour, increased from 35,000,000 bushels in 1933 to 115,734,000 bushels for the year ending July 1, 1939. However, most of the wheat we have exported has gone out of the country under a subsidy and not under the workings of the reciprocal-trade agreements. The same has been true with reference to cotton during the past year.

Our exports of leaf tobacco showed an increase of 111,700,000 pounds, as between the fiscal year ending June 30, 1934, and June 30, 1939. However, since the outbreak of the new European war, Great Britain, one of the countries with which we made a trade agreement, which formerly took the bulk of our tobacco exports, has made arrangements to buy most of her tobacco in Turkey, so that this export market will be lost to us.

Summing it all up, during the fiscal year ending June 30, 1934, the last year before the reciprocal-tariff program went into effect, our exports of farm commodities totaled $787,343,000. Our agricultural exports for the fiscal year ending June 30, 1939, amounted to $682,962,000. This shows a loss of farm exports amounting to $104,381,000. On the other hand, during the fiscal year ending June 30, 1934, our imports of farm commodities totaled $998,616,000. This shows an increase in imports of $159,664,000.

In the light of all this it is difficult to see how it could rationally be argued that the workings of the trade-agreements program has been beneficial to agriculture.

When the Reciprocal Tariff Act was passed in 1934 it was viewed as an emergency measure and was made self-repealing at the end of 3 years. But it was renewed for another period of 3 years in 1937, and now the proposal is to extend it for still another term of 3 years, on the theory that we are still confronted with an emergency. It seems to us that any situation which persists for a duration of 9 years cannot properly be classified as an emergency, but must be regarded as a settled condition.

AN UNSOUND AND DELUDED POLICY

Among other things, the Grange objects to the unconditional most-favored-nation policy that has been pursued in the making of the reciprocal-trade agreements that are now in effect. The nations that are benefiting by our generosity in this connection are not responding but are making bilateral agreements among themselves. A policy under which we gain concessions from one country while making concessions to virtually all other countries producing and exporting a given commodity places us at a distinct disadvantage. Moreover, each new agreement we make under this policy, generalizing tariff reductions to the rest of the world, leaves us with so much less bargaining power when it comes to making future agreements.

Again, proper steps have not been taken to protect American interests against foreign currency depreciation under the workings of these agreements. This is placing us at a further disadvantage in our foreign trade relations.

Many domestic producers resent the fact that appeal to the courts is barred under this legislation by virtue of the provision that section 516–B of the Tariff Act of 1930 does not apply in matters relating to reciprocal-trade agreements. Nor is it any longer necessary to make fact-finding investigations regarding the difference in the cost of production as between this and other countries before changing tariff rates, as was the case under section 336 of the Tariff Act of 1930.

If this legislation is to be reenacted, it should certainly be amended so as to call for congressional ratification of any future trade agreements that may be made thereunder. Every agreement we make affects the revenues of the Federal Government, and it is expressly provided in the Constitution that all matters relating to taxation must originate in the House.

Since 1934 we have reduced the duty on imports of sugar from Cuba from 2 to 0.9 cents per pound. Between September 3, 1934, and December 31, 1939, the Treasury sustained a loss of revenue in this connection amounting to $133,924,000. In the meantime, the retail price of sugar to the consumer has not been reduced to the extent of a single mill. The chief beneficiaries have been two of the biggest banks of Wall Street, which own the major portion of the Cuban sugar industry. All this was done in violation of the constitutional principle that revenue legislation must originate in the House.

Viewing these agreements as treaties, which they really are, it is interesting to keep in mind the fact that in 16 of the 22 countries with which we have dealt, they were subject to some form of parliamentary ratification. Those who take the position that the United States Senate cannot be trusted to perform its proper functions in this matter not only turn their backs upon the Constitution, but they betray their lack of faith in the processes of popular government.

American Merchant Marine

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

EDITORIAL FROM THE NEW YORK JOURNAL OF COMMERCE

Mr. BLAND. Mr. Speaker, pursuant to leave granted to me to extend my remarks in the RECORD, I include an editorial which appeared in the New York Journal of Commerce for March 6, 1940, with respect to the success which has attended the efforts of the United States Maritime Commission and our American ship operators in adjusting United States shipping to the difficult and abnormal conditions which have resulted from the European war. For a time it appeared that the necessity of withdrawal of our ships from the trades they had developed over a period of years would be a blow from which the lines affected could hardly be expected to recover, and that the business of operating ships under United States registry would not for many years be an attractive occupation.

The sane and far-sighted treatment which has been given to the problem now makes it appear that our merchant marine not only will survive the disaster but will to a great extent rejuvenate itself during the period of restriction. The modern and efficient vessels which are being constructed to replace the obsolete ships which it has been necessary to dispose of should place their operators in excellent position to secure a fair share of the international carrying trade as soon as war conditions cease.

The manner in which the Maritime Commission has handled the difficult problems and the cooperation which has been accorded by the vessel owners has justified the faith of those of us who sponsored and worked for the Merchant Marine Act of 1936. Criticisms have been unfounded, but regardless of unjust criticism, the Maritime Commission has gone ahead with its patriotic and splendid work.

The editorial to which I referred follows:

A PROSPEROUS MERCHANT MARINE

The American merchant marine has completed the very difficult adjustment to wartime conditions with notable success. Whereas, at the time of the enactment of the Neutrality Act, it appeared that a body blow had been struck at our shipping, through a combination of shrewd management and favorable conditions the American merchant marine can now look forward not only to a period of prosperity while the war lasts, but also to regaining without delay its position on the North Atlantic routes, from which it is now barred by the Neutrality Act, as soon as the conflict ends.

Last November, 86 American-flag ships operating on trans-Atlantic routes were forced out of these services by the revised Neutrality Act. All of these ships have now either been put into service on other routes on a charter basis or sold. In either event, because of the tenfold increase in ship values since the outbreak of the European war, the transactions have been consummated on a very remunerative basis. Funds have thus been made available to finance the acquisition of new ships which will be needed after the war, if American shipping is to hold its own under the very keen competitive conditions that will undoubtedly prevail at that time.

The American shipping lines affected by the Neutrality Act have not only completed arrangements to keep all these ships in operation, but they have, for the most part, also taken effective measures to preserve their position on the trans-Atlantic routes, through chartering neutral tonnage or through becoming agents for the foreign buyers of their ships. The United States Lines, for example, has turned over eight vessels to a Belgian corporation for which it acts as agent. This enables it to keep intact its large shore organization in the United States, so that the United States Lines could itself readily reenter the North Atlantic route, from which it is now barred, with new ships now being built by the United States Maritime Commission, once the war is at an end.

The existing prosperity of the American merchant marine is a testimonial to the soundness of the program embodied in the Merchant Marine Act of 1936. At a time when congressional and popular sentiment was dubious about the wisdom of reviving the American merchant shipping through a subsidy program, advocates of this legislation pointed out that it was needed to safeguard American trade in the event of war abroad, as well as to provide a naval auxiliary. There can be no question about the fact that our merchant marine is a boon to American foreign trade at this time. Available freight space is booked almost solid, and this condition promises to continue unchanged for the duration of the war.

Furthermore, the cost of the subsidy program to the Government will probably be reduced, because of the provision of the Merchant Marine Act authorizing the Maritime Commission to recapture earnings above 10 percent on the capital of the lines, up to the amount of the Government subsidy received by them.

Needless to say, with the end of the war a world surplus of shipping and a very sharp decline in rates are to be expected. However, the American merchant marine will be in a strong position to meet all competition offered at that time because of the great ship replacement program now under way, and because of the strengthening of the financial position of American shipping lines made possible by wartime earnings.

The Army Medical Library

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ARTICLE AND EDITORIAL FROM THE WASHINGTON POST

Mr. SHANLEY. Mr. Speaker, Washington is fast becoming a treasure house of priceless masterpieces of historic documents and unbelievably valuable books, documents, manuscripts, and folios. In this respect the various art galleries are known to all the world, as is the Congressional Library, but latterly there has come into the ken of eclectic scholars the realization that there is another citadel of vast importance in the Army Medical Library. Few have caught the significance of this stronghold of learning with more trenchant analyses than writers in the Washington Post. One is an editorial on February 10, 1940, and the other in a signed article on Sunday, February 11.

I ask unanimous consent to include both in the RECORD in extension of my remarks, as follows:

[From the Washington Post of February 10, 1940]

PRICELESS AND UNIQUE

Few Washingtonians realize that in this city is to be found what experts agree in defining as the most valuable medical library in the world.

The description may sound exaggerated. But it seems to be the unanimous opinion of the physicians from every State and many countries who constantly utilize the facilities of the Army Medical Library at Seventh Street and Independence Avenue SW. And the far-flung reputation of this library was well attested when, at its centennial celebration in 1936, messages of congratulation poured in from over 200 foreign institutions of learning.

Local ignorance as to the importance of the Army Medical Library is not surprising. Its work does not lend itself to general publicity, and its quarters are such as to repel rather than attract attention. Nowhere else in the United States, perhaps, is so priceless a scientific collection so miserably housed. The building is old, ill-equipped, terribly overcrowded, and not even adequately fireproof. It also contains the Army Medical Museum, where inflammable materials are necessarily stored in connection with the preparation of specimens.

In these unworthy surroundings is to be found a collection, gathered over more than a century of continuous effort, which is both priceless and unique. The Army Medical Library possesses, either in original, in reprint, or in photostatic copy, virtually every medical publication produced since the invention of printing.

There are files of unpublished letters from the most distinguished doctors of modern times. Aside from manuscripts and documents, the collection numbers close to a million volumes, all now subject to unnecessary deterioration because of the total absence of modern preservation facilities.

Over and above the books and papers there is, in the great Index Catalog of the Army Medical Library, a world-famous adjunct to medical research. Here, kept constantly up to date by the little staff, is a complete bibliography in five languages on everything pertaining to medicine, surgery, and allied subjects. Practically all of the vast material covered in this recurrent catalog is available at the library.

Within the next month, as part of the hearings on the War Department appropriation bill, a subcommittee of the House Appropriations Committee will consider a modest estimate of $600,000, designed to purchase a site and prepare plans for a new building which will more adequately house the Army Medical Library and Museum. Whatever the needs of other forms of national defense, there is no part of the current Army estimates more worthy of public support than this relatively tiny item.

Nearly two years ago Congress authorized a new building to replace the present antiquated Army Medical Museum, erected in 1887. Economy of a glaringly penny-wise pound-foolish variety has heretofore blocked action under this authorization. In view of the long delays and the urgent need in providing this new building, the least that can be done at this session is to make a start in a matter so patently overdue.

[From the Washington Post of February 11, 1940]

NEGLECTED TREASURES

(By Joseph M. Lalley)

PLIGHT OF THE ARMY MEDICAL LIBRARY

In Independence Avenue, just beyond the old building of the National Museum, is another of those dismal brick facades, which like the bronze brigadiers, fill Washington with so many mournful examples of how the sins of the fathers are visited upon the generations. But this particular facade is also an illustration of how one generation may neglect its most precious heritage from another.

For this ugly, almost squalid, building is the repository of one of America's chief contributions to the well-being of humanity. We have it on the authority of the late Dr. William H. Welsh that the Army Medical Library and its work have been of even greater importance to medical science than discovery of anaesthetic surgery or the conquest of yellow fever. But this is a fact better realized in Paris, or London, or Berlin, or Tokyo, or Rio than in Washington.

There are many great medical libraries in the United States—at Yale and Harvard and Johns Hopkins and Chicago, for example. But neither on this continent nor abroad is there any that is even remotely comparable to the one here in Washington. Within its dingy walls is a congeries of medical information of well-nigh cosmic completeness. Here the student can find either in original or (what will serve his purpose as well) in reprint or photostat copy, virtually anything of importance ever written in any civilized language, living or dead, relating to any phase or division of medicine or surgery.

One function of this library is of such heroic magnitude that Diderot himself would have been aghast at the audacity of it. This is the compilation and publication of the index catalog now in its fifty-first volume and to continue, it is hoped, ad infinitum. It is probably the nearest thing in existence to that "world brain" wistfully envisaged in the daydreams of Mr. H. G. Wells. Together these volumes form an exhaustive bibliography of whatever by any courtesy can be called medical literature.

Since 1880 these volumes have made their appearance at the rate of about one a year, though from time to time publication has been interrupted by epidemics of congressional parsimony. A volume nowadays comprises about 1,000 pages and comprehends only such references as may be grouped under a single initial letter. Sometimes references under a single classification—such as "Blood" for example, in volume B—will occupy between 150 and 200 pages. About 12 years are now required to complete an alphabetical series.

The first series, begun in 1880, covers everything between the invention of printing and the publication of the respective volumes. Each volume of each subsequent series has, therefore, taken up precisely where its predecessor of the same index letter left off. The current series is the fourth.

The hiatus between volumes of the same letter was formerly bridged by the privately subsidized publication of an Index Medicus, but this had to be abandoned after the stoppage of funds. So there are now only the quarterly cumulative indexes published by the Journal of the Americn Medical Association and the library's card catalog of some 4,000,000 cards.

Despite the enormous and ever-enlarging scope of this work, an incredible standard of typographic exactitude is maintained. Successive galley and page proofs are examined almost microscopically for such flaws as wrongly slanted accents, missing umlauts, interloping commas. Titles may appear in English, French, German, Italian, Spanish, or Portuguese, but those from other languages are translated into English. Where necessary—as, for example, from the Russian or Turkish—the names of authors are transliterated as closely as the Roman alphabet permits. Proof-correction costs are sometimes as high as $1,000 a volume.

Besides thousands of medical books, the library collects, classifies, and indexes each year the contents of about 2,000 medical and scientific journals in 18 languages, and steadily augments its piles of hospital, insane asylum, public health reports and its treasuries of clinical statistics.

When a group of index cards has been incorporated into the index catalog and the last proof has been approved, the cards

are destroyed. Otherwise Washington must one of these days find itself as completely buried beneath layers of pasteboard as it was once buried under the pleistocene glaciers.

A thousand copies of each volume of the index catalog are printed and are distributed among all the important medical and general reference libraries of the world. They pass without challenge through blockades and across fortified and guarded frontiers.

But, important as it is to the world and to humanity, the index catalog is only half the story. The library collection is the other. This is not merely the largest collection in the field, it is larger than many great general collections. It amounts now to about a million items, whereas the Yale Library has something like a million and a half. Harvard's something over a million and a quarter, and Princeton's something more than 700,000.

Nor is the Surgeon General's Library merely of scientific interest. It has treasure for the bibliophile, antiquary, the humanistic scholar, the historian, the sculptor and painter, and even, indeed, for the common reader. Of the 600 known medical incunabula (books published between A. D. 1438 and 1500) the library possesses 450, including De Medicinus Universalibus, commonly thought to be the first wholly medical work printed anywhere.

There is a collection of fourteenth century manuscripts, many of which have never been put into modern English. There is an impressive collection of rare sixteenth and seventeenth century books (the germinal age of scientific medicine), including the famous Religio Medici of Sir Thomas Browne. There is a complete file of all the theses published at the University of Paris. There are large files of letters, other biographical morsels relating to such illustrious medicos as Osler, Oliver Wendell Holmes, Lister, Charcot, Reed, and a hundred others, and thousands of portraits. Finally there are the immense actuarial files that formerly belonged to the Prudential Life Insurance Co.

The sum value of all this stuff—some of it irreplaceable—is probably beyond any reckoning. For years it has all been housed in the mean and obsolete edifice that it shares with the Army Medical Museum. The selectmen of almost any fairly prosperous village might look down their noses at such a building were it offered as a home of the local circulating public library. It is certainly not fireproof, the roof frequently leaks, and it is so desperately cramped inside that there are few places where one can extend an elbow without bruising it against a bookshelf.

Twenty years ago the wretched inadequacy of these quarters was apparent to every visitor. Five years ago it appeared that the physical limits of possible shelf expansion had been reached. But the present librarian, Col. Harold W. Jones, by curtailing the already meager space available to readers and by arranging books along corridors and in the basement somehow managed to accommodate the new acquisitions. But now only the roof and the sidewalk remain—and the spaces occupied here and throughout the building by buckets of water.

These buckets, of course, would be of precious little help in the case of a serious fire. That is not their purpose, however. They represent an effort by the librarian to mitigate ravages that an ancient steam-heating system makes upon priceless binding, parchment and paper. Here are no air-conditioned vaults and stack rooms, no such apparatus for the treatment and preservation of books and documents as is available in the Library of Congress and The National Archives. Some of the more valuable bindings are rubbed occasionally with lanolin or some other preparation, but that is about all that is possible in the circumstances.

Six months ago Surgeon General Magee reported to the Secretary of War that the point has at last been reached where "by no stretch of the imagination can any more books be received unless something is done." That is a way of saying that unless the library is provided within a year or two with new quarters it must suspend its most valuable function and resign the high and unique role it occupies in whatever may be left of modern civilization. Ultimately it may mean that the collection must be dispersed.

Two years ago Congress authorized the expenditure of $3,750,000 for the construction of a new building for the Army Medical Library. This benignant gesture was merely an imprimatur. The Secretary of War is now free, within the limits of that sum, to have a new edifice built for the library—whenever and if ever he gets the money. He has not got it yet.

The new War Department budget, however, does contain, among the Surgeon General's estimates, a special item of $600,000 for the acquisition of a site. But with Congress in its present temper, and with the estimates for national defense tremendously swollen, the fate of this item appears precarious.

The Army, of course, is vastly proud of the library and of the world-wide éclat that surrounds it. Throughout the all 103 years of its history it has been an Army enterprise, and it was an Army surgeon, Col. John Shaw Billings, whose genius conceived the index catalog and whose devotion and energy transformed a slender and unimportant collection of books to one which in its field surpassed both the Bibliothèque Nationale and the London Museum.

All the same, it is unlikely that many high officers outside the Medical Corps, give any great attention to the concerns and difficulties of the library. None of them, of course, would dream of parting with it. No military finance expert, probably, would think of interfering with the $61,000 the library receives annually for the wages of its incongruously meager staff, or the funds it obtains for the purchase of its books or with the $30,000 or so that pays for the publication of index catalog. But when, in the course of the hagglings with the congressional committee, it may mean the difference between a few extra tanks or bombing planes there may be a temptation to let the library wait another year for a new home.

But it has already waited too many years, and can wait no longer.

Lower Living Standard Exists Under New Deal Than American People Enjoyed 15 Years Ago

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ARTICLE FROM THE NEW YORK SUN

Mr. KNUTSON. Mr. Speaker, under permission granted I insert an article that recently appeared in the New York Sun which presents a picture of our economic position that is all too often overlooked by the American people.

LOWER LIVING STANDARD EXISTS UNDER NEW DEAL THAN AMERICAN PEOPLE ENJOYED 15 YEARS AGO—FEDERAL JOB HOLDERS AND BANK DEPOSITORS ONLY ONES TO CELEBRATE—GOVERNMENT SCALE LAVISH—CONSUMER, FARMER, AND BUSINESSMAN FIND LITTLE REASON TO JOIN ROOSEVELT ANNIVERSARY PARTY

(By Phelps Adams)

After 7 years of the New Deal, the American people are adjusting themselves to a lower standard of living than they enjoyed 15 years ago, while the American Government is operating on the most lavish scale in peacetime history, a survey made by the Sun revealed today.

As new dealers prepared to celebrate, on Monday next, the seventh anniversary of President Roosevelt's inauguration, and to cheer for a third time, a study of the Nation's economic condition indicated that there are only two major groups in all the land who will have any compelling reason to join that celebration—the bank depositors and the Federal job holders.

The consumer, the farmer, the laborer, the businessman, and old John Public, in general, will have little occasion to participate in the festivities. They have in most cases less money, fewer opportunities, and more burdens than they had in those normal pleasant years of 1925 and 1926 that nestled peacefully between the war hysteria of 1919 and the exploded bubble of 1929.

SHOWS NEW DEAL FAILURE

For those who want the cold, hard, inescapable facts, together with the sources from which they were derived, the table published in adjoining columns will give a comprehensive picture of the way in which the fortunes of the American people have fared under the Roosevelt administration.

That table shows the average economic condition of America during the 7 lean years of the New Deal and during the 7 preceding years, which seem fat by comparison, although they, too, fell far below the standards which the Government's own statistical agencies regard as normal.

On closer study, however, it reveals more than that. It shows the utter failure of one New Deal experiment after another and the complete frustration of the "brain trust's" long-range schemes for a planned economy.

Although committed by the party platform to a sound currency, the first experiment which the New Deal tried was inflation. The table shows the result. The dollar figures in the first column refer to good, old-fashioned 100-cent dollars redeemable in gold. Those in the second column refer to New Deal dollars worth only 59 cents; but even on this basis the unbroken grip of depression is clearly revealed. The various economic groups have fewer 59-cent dollars today than they had 100-cent dollars before.

TURNED TO PUMP PRIMING

Next the New Deal turned to pump priming and deficit spending, piling up debts and taxes in the hope of raising the national income; but, as the table shows, they failed again. The American people have had nine and one-quarter billion dollars less national income to spend each year than they had before the New Deal.

To solve the problem of unemployment, the Roosevelt academicians launched a share-the-work program, decreeing a shorter working week. No luck. Throughout the 7 New Deal years there has been an average of ten and one-half million unemployed workers, and today there are still ten and one-third million.

To increase consumer purchasing power the administration strove desperately to raise wages, but today the wage earners and the salaried workers get $9,300,000,000 a year less in their pay envelopes than they did in the 7 years before Roosevelt.

STRIKES HAVE INCREASED

Beyond that he has been plunged by the Wagner Act into an industrial war unparalleled in American history. The number of strikes has increased 215 percent in the Roosevelt era, while the number of workers who have suffered from these strikes has almost trebled.

Under its social-welfare program the New Deal has spent, on the average, a pitiful $36,000,000 a year for better housing for the submerged third; but private residential building has declined 60 percent in the same period.

Today private sources spend $4,000,000,000 less on the construction of homes, factories, and similar buildings than they did each year prior to 1933.

And as for business and industry, theirs, indeed, has been a sad estate under the Roosevelt administration. Unfortunately, the Federal Reserve Board has no figures which will afford a contrast of the 7-year periods in the number of business and commercial failures.

The only statistics available on this subject included all real estate and financial failures up until the advent of the New Deal, but ignored bankruptcies in these fields thereafter.

FAILED TO SURVIVE NEW DEAL

The reports of Dun and Bradstreet, however, show that 83,533 firms which had apparently survived the depression were unable to weather the New Deal failed for a total of nearly $2,000,000,000.

Dividends paid by corporations shrank to the tune of one and one-third billions, while new capital invested in productive enterprise dwindled from a pre-New Deal average nearly four billions a year to an infinitesimal three hundred and seventy-one millions in 1939, under the pressure of hostile Government competition, punitive tax legislation, and the Securities and Exchange Act.

And throughout this period the Government at Washington extended its long arm further and further into territory that had previously lain beyond the scope of its operations, seizing new powers, and exercising new controls until today it takes almost twice as many Federal employees to perform the task of Government as it did in 1933 when President Roosevelt assumed office.

BANKS ARE SAFER NOW

In one field only has the President achieved real and substantial success, for although Americans have less money today than they had under other administrations at least they have a safer bank in which to put it.

During the 7 years before the Roosevelt inauguration an average of more than 1,100 banks failed annually. In 1933, of course, the toll was enormous. Some 4,000 banks closed during the Roosevelt bank holiday in March had not reopened their doors by the end of the following June, but since that year the average number of bank failures has been below 50, and because of the Government insurance provided the loss to depositors has been negligible.

This then is the record of the New Deal in domestic affairs as it celebrates its seventh anniversary. No new program is in the making, and no new legislation, aimed at the fundamental problems it has failed to solve, has been placed before Congress. So far as it ever will be completed under the President's present term of office the New Deal stands in its finished form today.

CONTROVERSY HAS RAGED

For at least 5 of these 7 years, controversy has raged over the question of whether such recovery as has been experienced since the nadir of 1932 has been due to, or in spite of, the panaceas advanced by President Roosevelt and his brain trusters.

On this question the monthly statistical bulletin published by the League of Nations sheds significant light. In the December issue is a table showing the degree of industrial recovery experienced by each of 21 nations up to the close of year 1938.

In 17 of those countries the wheels of industry were humming much more rapidly and more profitably than they were in the peak year of 1929.

The list, published below, shows the percentage by which industrial production in each nation rose or fell from the level of 1929:

NATION	*Percent change*
Latvia	+74
Japan	+73
Greece	+65
Finland	+56
Bulgaria	+55
Sweden	+46
Estonia	+45
Chile	+37
Denmark	+36
Rumania	+32
Norway	+27
Hungary	+26
Germany	+26
Poland	+18
United Kingdom	+16
Netherlands	+ 4
Italy	− 2
Canada	−10
France	−24
United States	−28
Belgium	−30

Neighboring Canada had enjoyed 25 percent more recovery than had the United States, while Great Britain chalked up 62 percent more. And among 21 nations of the world, the United States stood twentieth.

SEVEN PRE-ROOSEVELT YEARS CONTRASTED WITH THE 7 UNDER THE NEW DEAL

WASHINGTON, *March 2.*

The following table shows what the New Deal has done during its 7 years in power for the American Nation as a whole and for the major economic groups which it comprises.

Recently at Hyde Park the President presented a series of figures showing the progress of recovery since 1932. Of course, a comparison with the boom year of 1929 would have yielded an extremely depressing picture.

Since neither of these methods affords a fair and helpful gage, there is presented in the table below a comparison of the 7 pre-New Deal years—4 of prosperity and 3 of stark depression—and the 7 New Deal years of recovery.

The comparison covers every field that the President mentioned in his statement, together with a number of other economic fields which he ignored, including that in which the New Deal scored its greatest achievement—the curtailment of bank failures:

	Average of 7 pre-New Deal years, 1926 to 1932, inclusive	Average of 7 New Deal years, 1933 to 1939, inclusive	Percent change
General:			
National income (1-A)	$69,062,000,000	$59,783,000,000	−13
Number unemployed workers (2)	4,820,000	10,617,000	+120
Federal tax burden (3-B)	$3,647,000,000	$4,331,000,000	+19
Cost of Federal Government (3-B)	$3,944,000,000	$7,570,000,000	+92
Change in public debt in 7 years (3-B)	−$1,029,000,000	+$20,985,000,000	
Change in per capita public debt (3-B)	−$21.98	+$152.41	
Number of bank failures (6-C)	1,128	613	−46
For labor:			
Weekly pay roll of factory workers (5)	$169,252,000	$148,334,000	−12
Total nonagricultural employment (5-J)	33,822,000	32,135,000	−5
Number of strikes (5)	795	2,505	+215
Numbers of workers affected (5)	301,600	1,176,500	+291
For business and industry:			
Index of industrial production (6-E)	98	93	−5
Average of 60 bond prices (7-G)	93.8	85.4	−9
For the consumer:			
Wages and salaries (1)	$46,700,000,000	$37,300,000,000	−20
Interest received by individuals (1)	$5,200,000,000	$4,900,000,000	−6
Dividends received by individuals (1)	$4,860,000,000	$3,740,000,000	−23
For the farmer:			
Cash income from sales (4)	$9,043,000,000	$7,255,000,000	−20
Benefit payments from Federal Government (4)	0	$442,000,000	
Total farm income (4)	$9,043,000,000	$7,697,000,000	−15
Cost of running Department of Agriculture (4)	$161,738,000	$831,455,000	+414
Value of agricultural exports (1)	$1,420,000,000	$738,000,000	−48
Value of agricultural imports (4)	$1,729,000,000	$1,074,000,000	−38
Commodity price index (5-D)	$87.3	$77.7	−11
Index of 420 common stocks (7-D)	122	87	−29
Amount of new capital issues (8)	$3,520,000,000	$629,000,000	−82
All exports, dollar value (1)	$3,990,000,000	$2,597,000,000	−35
All imports, dollar value (1)	$3,369,000,000	$2,134,000,000	−37
Dividends paid by corporations (10-F)	$7,277,000,000	$5,961,000,000	−18
Residential building, index (6-E)	79	32	−60
Private construction (1)	$6,410,000,000	$2,322,000,000	−64
Government construction, Federal, State, local (1-H)	$2,357,000,000	$1,890,000,000	−20
Department-store sales (1)	$3,931,494,000	$3,256,339,000	−17
Cars of revenue freight loaded (9)	45,766,000	32,844,000	−28
For the Federal job holder: Number employed in executive departments (11)	558,300	771,830	+38

NOTE.—(A) Figures for 1926, 1927, and 1928, unavailable at Department of Commerce, supplied by National Bureau of Economic Research. (B) Fiscal years. (C) Technically, bank suspensions. (D) 1926 average equals 100. (E) 1923-25 average equals 100. (F) Figures for 7-year periods unavailable, comparison is for 5-year periods. (G) Priced from average yields. (H) Excludes W. P. A. (J) Excludes all work relief.

Source: (1) Department of Commerce. (2) American Federation of Labor. (3) U. S. Treasury Department. (4) Department of Agriculture. (5) Bureau of Labor Statistics, Department of Labor. (6) Federal Reserve System. (7) Standard Statistics. (8) Commercial and Financial Chronicle, adjusted by the Federal Reserve to eliminate investment trusts and holding companies up to 1930. (9) Association of American Railroads. (10) Bureau of Internal Revenue. (11) U. S. Civil Service Commission.

Sauce for the Goose But Not for the Gander

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

COMMUNIST SUPPORTERS LODGED AND TRANSPORTED AT WASHINGTON AT GOVERNMENT EXPENSE—MEMBERS OF UNITED BOYS' BRIGADES OF AMERICA DENIED SHELTER AT BALTIMORE

Mr. HOFFMAN. Mr. Speaker, the House today voted to table Resolution 402, through which I sought information as to the authority under which members of the American Youth Congress, which permits Communists among its adherents, were transported and lodged at Fort Myer at Government expense.

The War Department reported that the request for this entertainment by the War Department came from the White House and that the shelter was given because there was an emergency; that is, that the young delegates did not have shelter.

The fact is that two hotels, the Ebbitt and the Grafton, had been asked and had agreed to take care of 500 of these delegates, but that the accommodations were not used, evidently because some of the young folks were later quartered, at Mrs. Roosevelt's request, at the Shoreham, some at the Industrial Home, and some, if the Washington Post be correct, at Fort Myer.

The amount involved is trifling. The principle involved is vital. It is this: Can a member of the White House family order or request accommodations and transportation for the members of any and all organizations which come to Washington?

As bearing upon that question, I read from certain correspondence having to do with the request of the United Boys' Brigades of America for like accommodations. First is a copy of a letter written to Walter A. Koerber, national commander of the United Boys' Brigades of America, dated May 13, 1939, and signed by Maj. Gen. E. S. Adams, The Adjutant General, which states, in substance, that the War Department is without authority to donate, loan, or sell Federal property for any purpose, except as may be specifically provided by Congress. This was in answer to the request, for the use of the United Boys' Brigades of America, of Army cots and blankets to be used in Baltimore on the 20th and 21st of May, 1939.

I also insert a letter of February 15, 1940, written to a Member of the House of Representatives on this same subject. Among other things, this letter states that the writer cannot understand why members of the American Youth Congress, an organization which harbors Communists, received at Fort Myer accommodations which were denied to a patriotic and religious organization.

The correspondence forwarded to me by Mr. Walter A. Koerber includes a letter purporting to have been written by the First Lady of the Land, Mrs. Eleanor Roosevelt, in which she states that the Fort Myer accommodations were granted "as an emergency for 150 boys who had no place to sleep."

No one would suggest that the boys should not be taken care of, but certainly in Washington, where ample funds are available for relief, it is not necessary to run counter to either the statutes of the Federal Government or the instructions given the War Department.

Other letters referring to the same matter are here inserted and these letters are as follows:

UNITED BOYS' BRIGADES OF AMERICA,
Baltimore, Md., March 9, 1940.

The Honorable CLARE E. HOFFMAN,
House of Representatives, Washington, D. C.

DEAR MR. HOFFMAN: I enclose herewith copies of letters which I am sure will be of interest to you in connection with the House Resolution No. 402, which you recently submitted, and which I understand has been referred to the Committee on Military Affairs.

Respectfully yours,

W. A. KOERBER,
National Commander.

Enclosures.

MARCH 9, 1940.

Hon. ANDREW J. MAY,
Chairman, Committee on Military Affairs,
House of Representatives, Washington, D. C.

DEAR MR. MAY: I understand from Congressman COLE that Congressman CLARE E. HOFFMAN, of Michigan, introduced House Resolution No. 402, which has been referred to your committee.

Enclosed is a copy of a letter which I wrote to Congressman COLE on February 15, 1940, together with a copy of a letter which I have received from Mrs. Eleanor Roosevelt.

You will also find enclosed several pages which I have taken from the Life magazine dated February 26, 1940. I thought this information might be useful to you. I didn't want to bother Congressman COLE after he has been so kind to us, therefore, I am taking the liberty of sending these items direct to you.

I would appreciate your letting me know just what the outcome of this investigation is so that I can in turn report to the members of my organization.

Thanking you in advance, I am,

Respectfully yours,

W. A. KOERBER,
National Commander.

[WAKoerber*smh]
cc/Congressman Clare E. Hoffman.
Enclosures.

[Copy]

FEBRUARY 15, 1940.

The Honorable WILLIAM P. COLE, Jr.,
House of Representatives, Washington, D. C.

DEAR MR. COLE: On May 15, 1939, I forwarded you a letter requesting your assistance in borrowing 200 cots and blankets to provide sleeping accommodations for members of our organization, who are boys ranging in age from 12 to 18 years, coming from various cities in the eastern part of the country. I informed you at that time that we had permission to use the Richmond Market Armory for sleeping quarters for the boys, but that they had informed us that they could not lend us the cots. Before I wrote to you I wrote to President Roosevelt and he referred my letter to Maj. Gen. E. S. Adams of The Adjutant General's office. I am enclosing a copy of Major General Adams' reply.

As outlined to you previously, our organization has trained thousands of boys during the past 50 years, teaching these boys to be loyal to their church and to be patriotic citizens. We have never asked the Government for any assistance financially or otherwise, nor do we receive or have we applied to the local community funds for assistance. No one connected with our organization receives any compensation for his service. We are entirely self-supporting. We do not organize into a body and proceed to Washington, like the American Youth Congress has, to demand subsidies from the Government.

My reason for again writing you on this subject is that I have received information to the effect that members of the American Youth Congress through Mrs. Roosevelt were given sleeping accommodations at Fort Myer, and that the organization was allowed to use the cots and blankets. This has puzzled me considerably, for I understood from the various sources that these cots and blankets could not be used unless the permission of Congress is received. Just what the American Youth Congress received at Fort Myer is what we were trying to secure here in Baltimore. I made it clear that we would not move any of the cots or blankets out of the armory and that they would be used right in the armory. As national commander of our organization, I wish to protest the favoritism that has apparently been shown the American Youth Congress through the influence of Mrs. Roosevelt.

I thought you might be interested in receiving this information. If you have ever handled a group of boys you can well realize what the reactions are when the boys in our organization find that members of the American Youth Congress, in which there are a number of Communists, receive help from the Government, yet our organization, which is a patriotic and religious organization, is denied the same request.

Thank you again for your cooperation in attempting to secure the cots and blankets for us. I realize that the time was very short, and that it would have been impossible as stated in your letter, to put this before Congress and get action on the bill within 5 days.

With kindest regards, I am

Sincerely yours,

WALTER A. KOERBER,
National Commander.

MAY 13, 1939.

Mr. W. A. KOERBER,
National Commander, United Boys' Brigades of America,
512 Overbrook Road, Baltimore, Md.

DEAR SIR: I am requested by the Secretary of War to acknowledge the receipt of your letter of the 11th instant addressed to the President, which was transmitted to the War Department, relative to Army cots and blankets desired for use at the national convention of the United Boys' Brigades of America, being planned to be held in Baltimore, May 20 and 21 next.

The War Department is without authority to donate, loan, or sell Federal property for any purpose, except as may be specifically provided by Congress, and it is therefore regretted, in the absence of legal authority applicable to this purpose, that the Department is unable to accede to your request.

Very truly yours,

E. S. ADAMS,
Major General, The Adjutant General.

FEBRUARY 26, 1940.

MY DEAR MR. KOERBER: The use of the Fort Myer riding hall was granted as an emergency for 150 boys who had no place to sleep. I was told they could probably not have cots, but tanbark is soft.

I do not know what was done eventually, but I am sure regulations were strictly adhered to.

Very sincerely yours,

ELEANOR ROOSEVELT.

Handling of Prisoners by Federal Bureau of Investigation

EXTENSION OF REMARKS
OF
HON. AARON LANE FORD
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. FORD of Mississippi. Mr. Speaker, recently charges have been made that the F. B. I. has mishandled certain prisoners during the course of an arrest in Detroit, Mich. I have it on the best of authority that all investigations conducted of the alleged violations were made with the full consent and approval of the Department of Justice and upon the instruction of officials of that Department. Based upon the facts obtained, the testimony of witnesses before the grand jury resulted in the return of an indictment. The court issued secret warrants of arrests for three reasons: First, some of the prisoners accused, it was indicated, used different names at different times; second, all of the accused were not permanently residing in a particular place; third, it was necessary that the arrests be made simultaneously in order for all of them to be made effectively and to save money and expenses looking for those who might escape arrest.

I have been informed that the arrests occurred in the forenoon at about 5 a. m. The arrested persons were carried to a temporary place of detention and there given food and, in fact, they were examined by a competent physician as to their welfare. The prisoners were arraigned on the same day, as soon as it was possible for a commissioner to be available to conduct the hearings. They were then delivered, following this hearing, on the same day into the custody of the United States marshal, and from that time on they were out of the custody and control of the F. B. I. At no time was there any request by the prisoners, according to my reliable source of information, for an attorney. An attorney did call at the place of temporary detention and request permission to see certain of the prisoners and he was promptly given that permission.

The facts recited clearly indicate a commendable type of action which might well be followed by all law-enforcing officers. There was no indication and no basis for any charge of third-degree activity, of duress, of improper action, or any interference with civil liberties. Everything was done, and even more than the law requires, for the safety and the comfort of the prisoners while making sure that they were taken into custody and properly restrained in accordance with legal authority.

The Federal Bureau of Investigation does not make use of third degree. They recognize duress and brutality in the handling of prisoners as a relic of the days of barbarism. They teach the highest standards of ethical principles and practices. They believe in these high standards, and they practice them. The F. B. I. has, in fact, set a standard for the world in efficient, honest, capable, legal, and ethical law enforcement. Representatives of Scotland Yard and the Royal Canadian Mounted Police have come to Washington and studied at this center and clearing house which sets the standards for law enforcement. It is my firm opinion and conviction that the citizens of the United States and of the civilized world are indebted to Director John Edgar Hoover, of the Federal Bureau of Investigation, for the high standards of efficiency and propriety which he has established and maintained in the conduct of the Federal Bureau of Investigation.

Have We Helped the Wheat Farmer?

EXTENSION OF REMARKS
OF
HON. THOMAS D. WINTER
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. WINTER. Mr. Speaker, the immediate effect of the outbreak of the war in Europe was to lift wheat prices above previous levels. The weighted average cash price of wheat at Kansas City jumped in 1 week's time from 67.5 cents for the week ending September 2, 1939, to 87 cents for the week ending September 9, an increase of 28.9 percent. The United States farm price of wheat increased from 54.5 cents in August to 72.7 cents in September, or 33.4 percent. In view of this and in view of the uncertainty of the future effect of the war on the American wheat farmer, it is time we studied the relative merits of the A. A. A. restriction program to discover whether that program has materially benefited the American wheat farmer and whether it is the best possible approach to our peacetime problem.

The original A. A. A. Act was passed on May 12, 1933. The farm price of wheat on May 15, 1933, was 59 cents a bushel. This compares with 54.5 cents a bushel on August 15, 1939, the last price available before the outbreak of the war. Thus, the price of wheat was 4½ cents less after six years of the A. A. A., a decline of 8 percent. This does not take into consideration slightly higher prices resulting from the wheat loans. Nor does this take into consideration increased prices paid by farmers. Prices paid by farmers increased 17 percent between May 1933 and August 1939. Thus the purchasing power of a bushel of wheat in August 1939 was 21 percent less than in May 1933.

While the first Agricultural Adjustment Act was passed on May 12, 1933, the first wheat program was not announced until June 16, 1933. On June 15, 1933, the farm price was 58.7 cents a bushel. On August 15, 1939, 6 years later, the farm price was only 54.5 cents a bushel, or 7.2 percent less.

The same is true of market prices. The Chicago price on June 16, 1933, the date on which the program was announced was 73⅞ cents a bushel. The price of wheat on the same market for August 15, 1939, was 65 cents a bushel, a drop of 12 percent.

The major objective of the first A. A. A. was to raise wheat prices to parity. In May 1933 the farm price of wheat was 41 percent below parity. In August 1939 the farm price was 50.7 percent below parity.

Another New Deal objective was to increase wheat exports. Wheat exports, including flour, during the fiscal year ended June 30, 1932, amounted to 136,000,000 bushels

compared with 116,000,000 bushels in 1939. Thus, wheat exports decreased 15 percent in spite of the taxpayers' subsidies which averaged 30 cents a bushel to force wheat into foreign trade.

Another objective of the New Deal was to raise farmers' income from wheat. As heretofore stated, the original Agricultural Adjustment Act was passed on May 12, 1933, and the first program for wheat was announced on June 16, 1933. The first adjustment program for wheat, however, applied to the 1934 crop, and the first commodity loan for wheat was not announced until 1938. Farm income from wheat increased from $304,630,000 in 1933 to $396,677,000 in 1939, an increase of 30 percent. Prices paid by farmers, however, increased 12 percent between 1933 and 1939. If this is taken into account, the purchasing power of the farmers' wheat income increased only 16 percent, including gains resulting from the wheat loans.

Another objective of the New Deal was to reduce the 1932 wheat surpluses. As already noted no wheat-adjustment scheme was effective during 1933. Total supplies of wheat on July 1, 1932, were 1,132,410,000 bushels; on July 1, 1933, 929,778,000 bushels, compared with 1,026,924,000 bushels on July 1, 1939. Total United States wheat stocks were 375,000,000 bushels on July 1, 1932, compared with 295,000,000 bushels on July 1, 1939. Stocks of wheat on United States farms totaled 93,769,000 bushels on July 1, 1932; 82,882,000 bushels on July 1, 1933, compared with 90,838,000 bushels on July 1, 1939.

This last-mentioned objective was to be achieved by ordering a reduction in crop acreage, thereby limiting production. Acreage seeded to wheat in 1932 totaled 65,913,000 acres, compared with 64,595,000 acres in 1939, a decrease of 2 percent. Production in 1932 totaled 756,927,000 bushels, compared with 754,971,000 bushels in 1939, a reduction of only 0.3 percent.

H. R. 8264—Revised Townsend Old-Age Pension and National Recovery Bill, to be Financed by Gross Income Tax

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

RADIO ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON, DELIVERED BY ELECTRICAL TRANSCRIPTION AT WASHINGTON, D. C., MARCH 7, 1940

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks, I insert the address delivered by me by electrical transcription at the invitation of Dr. Francis E. Townsend, at Washington, D. C., March 7, 1940.

The address is as follows:

Friends and fellow citizens, as one of the very first Members of Congress to become interested in the Townsend old-age pension and national-recovery plan, I can speak with some knowledge of the progress which has been made in advancing this legislation. We have traveled a long distance on the road toward our ultimate goal since I placed in the CONGRESSIONAL RECORD on April 4, 1934, the first statement and explanation of the Townsend plan.

Last year 101 Members of the House of Representatives supported it on a roll-call vote as compared with the 4 Members of the House and myself who met with Dr. Townsend in my office when he first came to Washington, D. C., in 1934, less than 6 years ago. On this record vote, the bill received the support of all the Representatives from Washington, Oregon, Montana, North and South Dakota, of 16 out of 20 from California, of 7 out of 9 from Wisconsin, of 4 out of 5 from Florida.

It is my privilege now, as during the past 6 years, to serve on the steering committee. I addressed the great Townsend conventions at Chicago, Cleveland, and Indianapolis, and am looking forward to being at St. Louis this year, which will undoubtedly be the greatest convention we have ever held.

My friends, in the case of the Townsend plan as with all major legislation, changes in its terms and provisions have been made from time to time to improve the legislation and render it more practicable and workable and less objectionable. I believe that the pending revised bill, H. R. 8264 and S. 3255, are the most meritorious which we have as yet sponsored. It represents the results of 6 years' experience with this legislation. It is a bill with which no well-informed, fair-minded student of this subject can find any serious fault.

The revised bill now provides for a 2-percent tax upon all gross incomes, except wages and salaries of workers, up to $250 per month, which are exempt, and also gross incomes of business and agriculture up to $3,000 annually, which are also exempt. Consequently the wage earners, small farmers, and small-business men will not have to pay any tax or even file a return. This exemption of the low-income group completely overcomes the alleged objection urged against previous bills that those least able to pay were being taxed. We do not propose to tax that group at all under the current bill.

There is very little if any real difference between a gross-income tax as now contemplated, and a transactions tax, which has been the tax formula heretofore. A gross-income tax is a term more generally understood and has been legally defined and sustained by the decisions of the courts. A gross income tax can also be computed more readily. A gross income tax also approximates more closely the Hawaiian tax system, which has been cited as proof of the soundness and feasibility of the revenue feature of the Townsend plan. In fact, the Hawaiian tax is an out-and-out absolute gross income tax, also payable monthly.

The gross income tax is also very similar to a gross sales tax, for all practical purposes the two are the same. We already have such taxes operating successfully in 27 States and in New York City. The State of Indiana during the past 6 years has made the most notable success of this form of taxation. France, Hungary, Germany, and Russia have also demonstrated abroad the success of this type of tax as a revenue-producing measure. The gasoline tax is undoubtedly the most successful and satisfactory tax in existence and has proven such a prolific source of revenue that this tax is generally considered to have made possible the construction of our modern highway system in this country.

Nobody knows to a certainty what the present total gross income amounts to, but based upon figures compiled by the Federal Reserve System and the Bureau of Foreign and Domestic Commerce a reasonable estimate would be about $360,000,000,000. If we deduct $60,000,000,000 to cover the exemptions, which would be a liberal deduction for that purpose, it would leave approximately $300,000,000,000 subject to the gross income tax of 2 percent and yield $500,000,000 the first month. This would be sufficient revenue to pay 10,000,000 of our senior citizens of the age of 60 and past the sum of $50 per month, or $100 per month per couple. The required spending of $500,000,000 per month for the necessaries of life would multiply and turn over during the month at least half a dozen times, and cause the expenditure of several billion dollars and increase the monthly gross income of the Nation, and the 2-percent tax yield thereon accordingly. The gradual increase would continue to occur each month, and as the volume of business turn-over and gross income increases, the amount of tax revenue collected and available for pensions would increase proportionately, until the maximum sum of $200 per month is attained.

These facts suggest, it seems to me, another sound argument in favor of the Townsend plan. One of our most pressing problems today arises from idle capital, idle dollars, as well as idle labor. We have too large an accumulation—ever growing larger—of earnings and savings from earnings—capital formation, which is remaining unspent, being withdrawn from circulation. Through the collection monthly of a gross income tax of 2 percent, as proposed, and its repayment in the form of pensions, we would draw off or divert at the source and immediately cause to go back into circulation for the purchase of necessaries of life $500,000,000 the very first month and a steadily increasing sum each month thereafter. Students of the velocity of money consider, as we have already noted, a turn-over of six times a month to be very conservative and that it would probably turn over much more often than that. In the course of a year the increase in gross business turn-over could easily amount to twenty to thirty billion dollars and act as a tremendous stimulus and impetus to business, industry, and agriculture. These idle dollars put to work would put idle men to work.

My friends, according to every poll of public opinion, the vast majority of the American people favor a Federal old-age pension, uniform in every State. We do not and cannot have that under the present Social Security Act, which is a Federal-State contributory system. According to the latest official records, the average old-age assistance payments being made in the various States range from $6.15 in Arkansas, $6.92 in Mississippi, $7.40 in South Carolina, etc., to $22.10 in Washington, $28.56 in Massachusetts, and $32.43 in California, etc., and the average for the 48 States of the Union is $19.55. This disparity and discrimination between our senior citizens resulting from place of residence cannot be justified on any grounds.

The Townsend Plan, on the other hand, is Federal in scope, would provide liberal uniform pensions to our senior citizens in every State without any discrimination and would exempt those

least able to pay from contributing to the cost. It would require no borrowing or going into debt and would operate upon a strictly cash pay-as-you-go basis. At the end of every month the money would be collected and forthwith disbursed to our senior citizens who would immediately turn it right back into the channels of trade and business and thereby augment and increase our domestic market for the products of the farm, the factory, the mine, and the forest. There is not a single sound, valid argument that can be urged against it and it will become the law of the land.

Messages to the Fourth Annual Conference for the American Committee for Protection of Foreign Born

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

MESSAGES FROM VARIOUS SOURCES

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I wish to have printed in the Appendix the different messages that were received by the annual conference for the American Committee for the Protection of Foreign Born.

The messages follow:

THE WHITE HOUSE,
Washington, January 9, 1940.

DR. WILLIAM ALLAN NEILSON,
Cochairman, Committee of Sponsors, Fourth Annual Conference of the American Committee for Protection of Foreign Born, Suite 1505, 79 Fifth Avenue, New York, N. Y.

MY DEAR DR. NEILSON: On the occasion of its fourth annual conference, I am glad to greet the American Committee for Protection of Foreign Born. It has undertaken the task of assuring fair play to the foreign-born within the United States. Every American wishes it success.

Every American takes pride in our tradition of hospitality to men of all races and of all creeds. One of the great achievements of the American Commonwealth has been the fact that race groups which were divided abroad are united here. Enmities and antagonisms were forgotten; former opponents met here as friends. Groups which had fought each other overseas here work together; their children intermarry; they have all made contributions to democracy and peace.

Because of the very greatness of this achievement, we must be constantly vigilant against the attacks of intolerance and injustice. We must scrupulously guard the civil rights and civil liberties of all citizens, whatever their background. We must remember that any oppression, any injustice, any hatred, is a wedge designed to attack our civilization. If reason is to prevail against intolerance, we must always be on guard. We welcome, therefore, the work to maintain the rights of the foreign-born.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

MESSAGE OF THE HONORABLE CORDELL HULL, UNITED STATES SECRETARY OF STATE, TO THE FOURTH ANNUAL CONFERENCE OF THE AMERICAN COMMITTEE FOR PROTECTION OF FOREIGN-BORN

I am glad to extend my greetings to the Fourth Annual Conference of the American Committee for Protection of Foreign Born and to wish the committee full success in the achievement of its purposes.

Equality before the law and equality of opportunity are among the most cherished traditions of our Nation. They are an essential part of the foundation of our democratic institutions. They cannot survive if they are to be denied to some groups of our citizens merely because of the fact of birth outside the country's frontiers.

Our Nation has grown strong, spiritually and materially, because it has been founded upon the great moral principles of tolerance, justice, and fair play to all. Our national existence is a successful vindication of the idea that, in an asylum of freedom, barriers of race, of religion, of language, and of other differences which breed antagonism and conflict elsewhere, disappear in an effort for the common good. If our Nation is not to decline and decay, we must not permit these barriers to reappear in our national life.

THE SECRETARY OF THE INTERIOR,
Washington, December 21, 1939.

DR. WILLIAM ALLAN NEILSON,
Cochairman, Committee of Sponsors, American Committee for Protection of Foreign Born, 79 Fifth Avenue, New York City.

MY DEAR DR. NEILSON: The efforts of the American Committee for Protection of Foreign Born in defense of the best American traditions deserve the support of all men of good will. It seems to me to be self-evident that any attack on the foreign-born is, in the last analysis, an assault on the liberties of all American citizens. For, as President Roosevelt has said recently, all of us are immigrants or the descendants of immigrants.

I wish the fourth annual conference every success in the realization of its enlightened program.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,
Washington, January 23, 1940.

DR. WILLIAM ALLAN NEILSON,
Cochairman, Committee of Sponsors, American Committee for Protection of Foreign Born, Suite 1505, 79 Fifth Avenue, New York, N. Y.

DEAR DR. NEILSON: I wish to thank you for calling to my attention the call for your fourth annual conference of the American Committee for Protection of Foreign Born. Open discussion of the problem of protection of foreign-born I consider both timely and necessary. As we strive to keep out of the European war now in progress, we shall have many difficult economic and social problems to deal with. They will call for new ways and new vision, but they need not at all call for undemocratic proceedings by Government or private agencies. In our civilization there can be no place for hatreds, for intolerance, for cruelties. Ever since the days of Columbus, the foreign-born have been making a new civilization in America and all of us are made of foreign blood and come with foreign inheritance of some form or other. You may add my voice to that of your conference in saying that we must have none of the mad demagogic sport of hunting down foreigners merely because they are foreigners.

Sincerely yours,

HENRY A. WALLACE, *Secretary.*

THE ATTORNEY GENERAL,
Washington, December 20, 1939.

DR. WILLIAM ALLAN NEILSON,
Suite 1505, 79 Fifth Avenue, New York City.

DEAR DR. NEILSON: It is an unfortunate fact that in times like the present there is an increasing tendency to look with suspicion upon individuals of alien birth. I am glad that your group is continuing to remind Americans that the democratic way is to judge a man not on the basis of events in other lands or the accident of birth, but by his own qualities and worth as a member of the human family.

Sincerely,

FRANK MURPHY.

NATIONAL YOUTH ADMINISTRATION,
Washington, D. C., December 14, 1939.

DR. WILLIAM ALLAN NEILSON,
Cochairman, Committee of Sponsors, Fourth Annual Conference, Hotel Annapolis, Washington, D. C.

DEAR DR. NEILSON: I am very glad to indicate my support for the purposes of the Fourth Annual Conference of the American Committee for Protection of Foreign Born.

As a country founded on the principle of social and economic opportunity for immigrants from the Old World, I think we would relinquish a fundamental aspect of our tradition of freedom and opportunity for all were we to accept the principle of discriminatory legislation directed toward the foreign-born. It seems to me axiomatic that the civil liberties of all of us are in danger when it is possible to single out any one group and deprive them of the rights which are now guaranteed to all.

Sincerely yours,

AUBREY WILLIAMS,
Administrator.

CITY OF SAN ANTONIO,
February 20, 1940.

HON. ERNEST HEMINGWAY,
Cochairman, American Committee for Protection of Foreign Born, 79 Fifth Avenue, New York, N. Y.

DEAR MR. HEMINGWAY: Please convey to those attending the Fourth Annual Conference of the American Committee for Protection of Foreign Born my regret at being unable to be present.

Any movement which seeks to insure the rights of minorities, racial, national, religious, social, or political, has my unqualified support and approval.

I join you in the hope that our constitutional democracies may never be disgraced. The United States is now almost the last remaining Nation where the foreign-born may live in safety and in peace. We shall never establish concentration camps here nor encourage the persecution of the foreign-born.

Very truly yours,

MAURY MAVERICK, *Mayor.*

CITY OF NEW YORK,
OFFICE OF THE MAYOR,
February 27, 1940.

DR. WILLIAM ALLAN NEILSON,
American Committee for Protection of Foreign Born, Fourth Annual Conference, March 2 and 3, 1940, Hotel Annapolis, Washington, D. C.

MY DEAR MR. NEILSON: I take pleasure both personally and as mayor of the city of New York in extending sincere greetings to the Fourth Annual Conference of the American Committee for Protection of Foreign Born.

I feel that it is most appropriate that New York City should voice its greetings to this conference, which deserves the support of every sincere American. The United States of America, founded by aliens and built up through the passage of years equally by the generations of American children of the first aliens and the continued influx of hopeful and ambitious immigrants, is richer in every sense of what these various stocks in its midst have contributed to the rich and varied pattern of American life.

It is to the courage of the first pilgrims and the faith and labor of the immigrants who followed them that we Americans owe the security of our democracy. It is only by proclaiming and living up to a creed of harmony on the common basis of American citizenship that we can preserve this democracy.

Very sincerely yours,

FIORELLO LAGUARDIA,
Mayor.

UNITED STATES DEPARTMENT OF LABOR,
IMMIGRATION AND NATURALIZATION SERVICE,
Washington, March 2, 1940.

Fourth Annual Conference, American Committee for Protection of Foreign Born, Hotel Annapolis, Washington, D. C.

MEMBERS OF THE CONFERENCE: Your discussions are being held at a time when there is much confusion of thought in the minds of many persons concerning what is commonly called our immigration problem. Therefore I am happy that such an ably led and sponsored group of citizens is meeting in the Nation's Capital today to consider the true facts with regard to immigration.

Many people seem to think that this country is being overrun by alien hordes, some admitted legally and others illegally; they think in terms of the era of unrestricted immigration which came to an end in 1921.

It is an interesting fact, and one which may have a bearing on your deliberations, that during the 9 fiscal years between July 1, 1930, and June 30, 1939, the excess of immigrants legally admitted to this country for permanent residence over similar immigrants departing permanently for foreign countries was only 19,398. During that same period an actuarial calculation of the number of deaths which must have occurred among the unnaturalized population of this country amounts to 901,334 individual deaths. In other words, the unnaturalized immigrant population of this country saw a net increase of only 19,000 individuals but was during the same period reduced through deaths by over 900,000 individuals. During that period we naturalized 1,282,604 eligible applicants for citizenship, while an estimated number of 237,100 alien children derived citizenship from the naturalization of their parents.

As far as concerns aliens legally admitted to the United States, therefore, the problem of the alien in our midst is obviously a decreasing one. You hear many sensational stories about the number of aliens illegally in this country, and on that point I can only comment that the Immigration and Naturalization Service of the Federal Government is a highly trained career service doing what many eye-witnesses are glad to vouch for as a highly creditable performance of law enforcement, both at our ports of entry and along our borders between such ports. We cannot pretend that there is no illegal entry into this country, but we confidently believe that it is strictly limited and ably combatted and does not represent a serious population problem.

In welcoming you to Washington, I give you these facts as unquestionably having an important bearing on the subject of your deliberations.

With best wishes for the success of your conference,
Yours sincerely,

JAMES L. HOUGHTELING,
Commissioner.

War Department Civil Functions Appropriation Bill

EXTENSION OF REMARKS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. BLAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following supplemental statement relative to labor restrictions in the Canal Zone, with particular reference to the appropriation for the maintenance and operation of the Panama Canal in H. R. 8668.

When bill H. R. 5129, providing for additional facilities for the Panama Canal, was under consideration in the House during the first session of the present Congress, I reviewed at length the employment policy of the Panama Canal, which was established by President Theodore Roosevelt and has been controlled by his successors in accordance with laws enacted by Congress. Congress has been kept fully informed as to the policy which has been evolved from long experience to meet the particular needs of the highly specialized organization established for maintaining and operating the Panama Canal, in a territory far removed from the United States and set down in the midst of the Republic of Panama in the Torrid Zone.

The provision in question involves objections far more serious than if it were to be applied only to a temporary construction force. A change of policy of the nature of this proposal should not be made without full hearings by the appropriate legislative committee, working out each problem in connection with it, in order that the Congress may be fully informed as to its far-reaching effects.

The contract referred to by the gentleman from Missouri [Mr. WOOD] involved N. R. A. funds allotted to the Army and the wage scales established by P. W. A. I have no knowledge of the labor policies pursued by the particular contractor, but the Panama Canal Administration was not involved in any manner. We are now dealing with funds for the maintenance and operation of the Panama Canal, and dealing with men who have been in the Canal organization since construction days, more than a quarter of a century ago, and dealing with an employment policy evolved from the necessities of the situation and our international obligations.

Exception is taken to the statement that the inspection made by P. W. A. investigators found that "the normal productivity of these men is not more than 33 percent of that of a skilled American workman." The Governor of the Panama Canal made an investigation of this question, and the following is quoted from his statement relative thereto:

> In this investigation each department head was required to carefully analyze his organization to see how many Americans would be required if a specified group of native workers amounting to about 3,600 were replaced by Americans. These department heads have had long experience with the Panama Canal and the work to be done, and the result of this investigation shows that the number of Americans would be only about 10 percent less than the number of native workers replaced. It is the considered judgment of the Panama Canal Administration that a saving of 10 percent is the very maximum, and the actual number saved depends entirely on the positions which are replaced. Another detailed survey made of another list of positions showed that a saving of only 3 percent in numbers could be secured. This matter is very important, because the proponents of the proposed amendment to our appropriation bill use absurd figures and thereby reduce the estimated cost of replacement.

I requested Panama Canal officials to advise me as to the probable effects of the application of the labor restriction in question to the War Department civil functions appropriation bill. The following is quoted from a statement by the Governor of the Panama Canal:

> The number of employees who would be affected by this amendment cannot be determined within a reasonable approximation without a detailed occupational survey and analysis. If 500 are found to be the number to be displaced, it would require 500 new American employees to replace them, and the initial capital outlay to accomplish this would amount to $3,500,000, with a continuing cost of $850,000 per annum, exclusive of interest on the capital cost. If the number is considerably larger than 500 there would be additional costs for the development of new town sites, utilities, etc. Congressman LANHAM, who proposed the amendment, stated that, based upon authority he considered entirely reliable, the amendment would permit the employment of from 3,500 to 5,000 Americans to take the places of the 3,500 to 5,000 natives of the Tropics who would be displaced.
>
> In connection with legislation pending in 1935, Governor Schley made a very careful survey and analysis of the matter on the basis of which he estimated that it would require 3,144 Americans to replace 3,245 natives and that this would involve an initial capital expenditure of $26,525,000, or $8,400 for each new American employee. The continuing cost has been estimated at $5,000,000 per annum. Such increased cost would require a large increase in

tolls if the Canal is to continue on a self-sustaining basis. If the estimates made by Mr. LANHAM as to the number to be replaced are even approximately correct, it will be impossible to carry out the legislation within the time specified in the amendment.

Most of the native employees who might be affected have served the Canal faithfully for a period of from 10 to 35 years and at the low rates of pay generally prevailing in the Tropics. These employees and their dependents would be thrown on the Republic of Panama without means of support. Studies indicate that there are about 4 dependents for each native employee so that if 3,500, the minimum number estimated by Mr. LANHAM, would be displaced, approximately 17,500 persons would be thrown on the Republic of Panama in practically destitute circumstances.

The Panamanian newspapers are bitter in their comments upon the amendment, which they regard as a deliberate infringement of rights guaranteed by the recent treaty. Responsible Panamanian officials are also at a loss to understand the violation of this obligation and fully expect that the situation will be corrected promptly.

Legislation for the maintenance and operation of the Panama Canal containing this labor restriction does not conform with the treaty obligations of the United States. This is emphasized in the following letter which I received from the Acting Secretary of War February 29, 1940:

WAR DEPARTMENT,
Washington, February 29, 1940.

Hon. S. O. BLAND,
Chairman, Committee on Merchant Marine and Fisheries,
House of Representatives, Washington, D. C.

DEAR MR. BLAND: I have been advised that efforts will be made to amend the War Department civil functions appropriations bill to include a labor restriction similar to section 7 of bill H. R. 8438, making appropriations for the Navy Department for the fiscal year 1941.

Section 7 of bill H. R. 8438, as it passed the House February 16, 1940, provides:

"No part of any appropriation contained in this act shall be used, directly or indirectly, after January 1, 1941, for the payment of any civilian for services rendered by them on the Canal Zone while occupying a skilled, technical, clerical, administrative, or supervisory position, unless such person is a citizen of the United States of America."

The application of such an amendment to the War Department civil functions appropriations bill would violate the treaty concluded with the Republic of Panama March 2, 1936, which was proclaimed by the President July 27, 1939. The Government of the United States stands committed to the Government of the Republic of Panama to maintain as its public policy the principle of equality of opportunity for employment on the Panama Canal all Panamanian citizens with those of the United States, and to favor such measures as may be necessary to put this policy into effect.

This question was thoroughly discussed during the negotiations which resulted in the general treaty between the United States and Panama on March 2, 1936. At the time the general treaty was signed, and as an accompaniment thereof, the Secretary of State addressed a note to the Panamanian negotiators in which he stated:

"The Government of the United States of America, in recognition of the special relationship between the United States of America and the Republic of Panama with respect to the Panama Canal and the Panama Railroad Co., maintains and will maintain as its public policy the principle of equality of opportunity and treatment set down in the order of December 23, 1908, of the Secretary of War, and in the Executive orders of February 2, 1914, and February 20, 1920, and will favor the maintenance, enforcement, or enactment of such provisions, consistent with the efficient operation and maintenance of the Canal and its auxiliary works and their effective protection and sanitation, as will assure to Panamanian citizens employed by the Canal or the railroad equality of treatment with employees who are citizens of the United States of America."

This note was before the United States Senate when the treaty was ratified July 27, 1939.

The pertinent parts of the Executive orders referred to in the Secretary of State's note read as follows:

Executive order of the Secretary of War, dated December 23, 1908:

"By authority of the President, it is ordered:

"That the Executive order of February 8, 1908, restricting the personnel of gold employees to American citizens be amended to read as follows:

" 'On and after this date the employment by the Isthmian Canal Commission of skilled laborers, clerks, and all others who have heretofore been known as gold employees of the Commission shall be restricted to American citizens and citizens of Panama, except where American or Panamanian labor or services of the character required is not available.

" 'Foreign employees now upon the pay roll of the Commission shall not be affected by this order, save in the event of any reduction of force preference shall be accorded to American citizens and citizens of Panama.'

"Executive order dated February 2, 1914:

"6. All employees who receive over $75 per month or over 40 cents per hour must be citizens of the United States or the Republic of Panama, and such citizens will be given preference for employment in all grades. Aliens may not be employed in such grades unless—

"(a) They have occupied similar positions during the construction of the Canal for 2 years or more; or

"(b) In case of emergency, in which latter case they must be replaced by citizens of the United States or Republic of Panama as early as practicable.

"Executive order dated February 20, 1920:

"I. That the Executive order of February 2, 1914, be so amended that paragraphs 6 and 20 thereof shall read as follows:

" 'PARAGRAPH 6

" 'All employees who receive compensation at the rate of more than $960 a year or 40 cents an hour must be citizens of the United States or the Republic of Panama, and such citizens will be given preference for employment in all grades. Aliens may not be employed in such grades unless (a) they have occupied similar positions during the construction of the Canal for 2 years or more, or (b) in case of emergency, in which latter case they must be replaced by citizens of the United States or Republic of Panama as early as practicable.'

"In a radiogram just received the Governor of the Panama Canal states that such restrictions in the War Department civil functions appropriations bill 'would directly conflict with the commitments of our Government with respect to employment of Panamanians. The adoption of such an amendment would necessitate the discharge on January 1, 1941, of a number of persons on the pay roll of the Canal who are Panamanians and many of whom have been employed for a number of years.' He further states: 'The restrictions in the Third Locks Act which would exclude Panamanians from a large number of positions and the provisions of other bills now under consideration which would impose restrictions against the employment of Panamanians have been very severely attacked in the local press for many weeks, although the Panamanian Government and the press are assuming that, by reason of President Roosevelt's assurances to the Panamanian Government, steps will be taken to secure adoption of an amendment which will remove application of these restrictions against Panamanians and to bring this legislation into line with the commitments of our Government in the 1936 treaty with respect to the employment of Panamanians.'

"The Governor also states: 'In view of the President's commitments as to the eligibility of Panamanians to obtain employment in any capacity with the Canal, the community of interests which exists between the Governments of the United States and Panama, and in view of the fact that the enactment of this legislation would most seriously retard the measures now under way for safeguarding the locks and other vital structures of the Canal, it is considered that the utmost endeavor should be made to secure the elimination of these amendments from all appropriation bills for expenditures within the Canal Zone, and more particularly from the civil functions bill."

The President, in a statement made August 11, 1939, on approving bill H. R. 5129, authorizing construction of additional locks, called attention to a somewhat similar labor restriction which was applicable to new personnel only and did not require the discharge of persons then employed. He stated that the provision included in that bill was a violation of the treaty with Panama and that he proposed to request the Congress to amend the law so as to bring it into conformity with the commitments entered into with Panama.

The Governor of the Panama Canal has called my attention to the fact that if the labor restriction in section 7 of bill H. R. 8438 were incorporated in the War Department civil functions appropriations bill, it would require the discharge of many employees who have served the United States faithfully for many years, and that to discharge them and eject them from the Canal Zone in practically destitute circumstances would be inhumane and unjustifiable. He pointed out that their status as aliens is generally due to their inability to acquire citizenship by virtue of their residence in the Canal Zone, since the naturalization laws do not apply there.

A restriction of this nature would, in effect, make an important change in the Government's policy of maintaining and operating the Panama Canal, which has been in effect successfully for more than 25 years. Such a change in policy should not be made without full hearings, in order that the Congress may be fully informed as to its far-reaching effects. It would affect the regular operating force of the Panama Canal, and therefore is much more objectionable than if applied only to a temporary construction force.

Sincerely yours,

L. D. GASSER,
Acting Secretary of War.

The statement of the President of August 11, 1939, accompanying his approval of bill H. R. 5129, which became Public, No. 391, Seventy-sixth Congress, authorizing the construction of additional locks is, in part, as follows:

In view of the special relationship which exists between the United States and Panama on acccunt of the Panama Canal, the Canal administration and the Panama Railroad Co. have for many years granted facilities for employment to Panamanian citizens which were not generally extended to the citizens of other countries.

* * * * * * *

A provision of H. R. 5129 authorizing and providing for the construction of additional facilities on the Canal Zone, etc., pro-

vides "that all new personnel in such construction work occupying skilled, technical, clerical, administrative, and supervisory positions shall be citizens of the United States." It is my opinion that this provision is at variance with the policy to which this Government pledged itself in its note to the Government of Panama of March 2, 1936, the date of the signing of the general treaty, since the order and Executive orders specifically provided equal opportunities for employment of Panamanian citizens in the very categories in which employment would be denied them under the quoted provision of H. R. 5129.

* * * * * * *

I am giving my approval to this important bill which, by authorizing the construction of a third set of locks, will enhance not only our own security but that of this hemisphere. I propose, however, to request the Congress at its next session to amend the present law so as to bring it into conformity with the commitments entered into with Panama which pledge to the citizens of Panama opportunity and treatment in employment in the Canal administration and the Panama Railroad Co. equal to that offered to citizens of the United States.

Cooperation by Wyoming Ranchers and Farmers With Farm Program

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

LETTER FROM LEROY MOORE, OF ROSS, WYO.

Mr. SCHWARTZ. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a letter and an attached table from Mr. Leroy Moore, of Ross, Wyo., chairman, Wyoming A. A. A. State committee, showing the extent and result of cooperation by Wyoming ranchers and farmers with the general farm program in 1939, and in some activities during the years 1936–39.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION,
Ross, Wyo., January 2, 1940.

Hon. HARRY H. SCHWARTZ,
Senate Office Building, Washington, D. C.

MY DEAR SENATOR: I tried to contact you while here but felt you were busy on other important affairs, so did not run you down and am taking this opportunity of reporting on the benefits of the Triple A program in Wyoming and the cooperation we are receiving.

In our State we have an area of 62,460,160 acres, and only 28,000,000 acres are private or State lands and subject to participation. These acres are divided into 17,400 farms and ranches, peopled by some 74,000 of our population. These farms and ranches are divided roughly into 26,000,000 acres of range lands and 2,000,000 acres of croplands.

In our 1939 program we have 11,000 farmers cooperating on 4,300,000 acres of crop and noncrop pasture land and 2,200 ranchers cooperating on 15,300,000 acres of strictly range land or 83 percent of our farmers and farm lands and 68 percent of our ranchers and range lands are distinctly in the program.

From the beginning of 1936 to and including payments to be made for the 1939 program there has been expended in Wyoming the total sum of $10,527,148 to cooperators, State and county employees, divided into 43,700 payments, totaling $9,872,700 to cooperators and salary and per diem $654,465 to State and county 680 employees.

To the following extent our farmers are cooperating under the programs:

BEETS

Beets, which come under the Sugar Act of 1937 rather than under the Triple A, were grown by 1,800 farmers on 53,000 acres of lands, who have earned by their cooperation in the years 1936 to and including 1939 approximately $3,672,995.

WHEAT

We have a State allotment of 330,000 acres; some 5,000 cooperating wheat farmers have been allotted 185,000 acres. They planted 150,000 acres for the 1939 crop, and by their cooperation earned a conservation payment of $374,000 and a parity payment of $240,000. They also took out 320 insurance policies on their crops, insuring 24,951 acres at a cost of 29,961 bushels of wheat and developed losses on 218 of these farms, and they received 87,080 bushels in indemnities. Also, 323 loans were made on the 1938 crop for $276,500, which saved our farmers fully $50,000 by enabling them to carry over the wheat until 1939 and a higher market. We now have 319 loans on 1939 wheat for $231,832 and have written 900 policies under the Federal Crops Insurance Corporation plan on our 1940 crops, insuring 70,727 acres at a cost of 108,094 bushels for anticipated production of 432,300 bushels.

AGRICULTURAL CONSERVATION PROGRAM

This phase of the program has been participated in to the extent of 35,815 cooperators during the program years of 1938–39, inclusive, and this year we have over 11,000 farmers cooperating on 1,800,000 acres of cropland, and they have earned during this time $3,672,995 by planting and maintaining perennial legumes and grasses, planting and maintaining forest trees, reseeding run-down pasture lands, and other soil-conserving practices.

RANGE CONSERVATION PROGRAM

Under the range section of the conservation program we have had very satisfactory cooperation. The present program got off to a late start in 1936 and our participation was not large except for a few eastern Wyoming counties; since then we have steadily worked to make it fit Wyoming and now have more than 68 percent of our ranchmen and our range lands enrolled. Under still further improvements written into the 1940 program, am sure will have better than 80 percent of our ranchers cooperating.

In the years 1936–39, inclusive, we have had 7,848 ranchers participate and earn $1,985,314 by constructing 6,915 reservoirs for stock-water purposes on 4,250 ranches, drilling 952 wells on 838 ranches. Developing 2,416 springs and seeps on 1,486 ranches and other conservation practices.

On the whole the Soil Conservation and Domestic Allotment Act of April 27, 1935, and as since amended by the acts of February 29, 1936, and the Agricultural Adjustment Act of February 1, 1938, have worked for the betterment of conditions on Wyoming farms and ranches and have met Wyoming conditions unusually well. The program fits the eastern half of our State much better than the western half, especially on range, and fully 90 percent of the farmers and ranchmen in that area are in cooperation.

The present program is not perfect by any means but has enabled the farmers and stockmen to do things they could not on a whole hope to do under present economic conditions. Improved our ranges immensely, made living conditions better for farm and ranch families, and vastly improved their economical position.

I feel I am speaking for the majority of Wyoming agriculturists when I state they welcome an agricultural program. They feel this is by far the best yet offered and almost unanimously wish to relieve the National Treasury of future costs as much as possible by putting each commodity that we produce in surplus on a self-sustaining basis by some form of processing tax.

For more detailed information am enclosing a more complete report, which I recommend for your consideration, and any further information on any special phase of the program you may require will be gladly furnished.

Very truly yours,

LEROY MOORE,
Chairman, Wyoming A. A. A., State Committee.

[Enclosure]

WYOMING

I. Number of farms participating

1936	6,245
1937	9,183
1938	9,374
1939 (estimated)	11,013
Number of census farms[1] (1935)	17,487

II. Number of ranches participating

1936	1,392
1937	2,158
1938	2,115
1939 (estimated)	2,183

[1] Includes farms and ranches.

III. Practices carried out by farms participating in the 1936, 1937, 1938, and 1939 agricultural conservation programs[1]

Practice	Years				Total
	1936	1937	1938	1939	
Seeding legumes and grasses...acres	115,247	123,749	128,139	140,000	507,135
Protecting summer fallow.....do	17,488	71,453	74,980	85,000	248,921
Planting and maintaining forest trees.....acres	94	379	374	400	1,247
Control of noxious weeds.....do		356	1,727	2,200	4,283
Reseeding noncrop pastures...do		1,963	50,707	61,500	114,170
Strip cropping.....do		12,253	20,442	30,000	62,695
Application of phosphate...pounds			51,658	60,000	111,658
Renovation.....acres			67,815	70,000	137,815
Deferred grazing on noncrop pastures.....acres			132,912	150,000	282,912
Reservoirs on noncrop pastures cubic yards			359,496	359,496	718,992

[1] Above figures are actual for all years except 1939. 1939 estimates are based on better than 80 percent actual figures.

IV. Practices carried out by ranches participating in the 1936, 1937, 1938, and 1939 range conservation programs[1]

Practice	Years					
	1936	1937	1938	1939	Total	Number ranches
Contouring.....acres	678	900	1,000	905	3,582	44
Development of springs and seeps.....number	930	890	291	305	2,416	1,486
Pits or reservoirs.....do	702	1,493	2,350	2,370	6,915	4,250
Wells.....do	200	188	281	283	952	838
Artificial reseeding.....acres	1,579	1,249	14,130	16,600	33,558	250
Fences.....rods	196,758	105,381			302,139	747
Rodent control.....acres		309,569			309,569	280
Deferred grazing.....do		827,579	1,525,457	1,634,200	3,987,236	2,121
Spreader terraces.....linear feet			116,963	139,100	256,063	129
Spreader dams.....number			125	133	258	62

[1] Above figures are actual for all years except 1939. 1939 estimates are based on better than 80 percent actual figures.

V. Cropland on participating farms (agricultural conservation program)

Years	Acres	Percent of total cropland
1936	971,056	45
1937	1,454,947	67
1938	1,499,059	69
1939	1,803,800	83

2,173,000 acres estimated total cropland in the State.

VI. Range land on participating ranches and farms

Year	Acres	Percent of total range land
1936	5,819,512	26
1937	12,243,618	51
1938	14,911,865	64
1939	15,303,500	68

VII. Payments made to operators in Wyoming under the Agricultural Adjustment Administration

	Years				
	1936	1937	1938	1939	Total
Farm	$900,371	$1,030,158	$892,845	$1,150,000	$3,973,374
Range	199,059	405,328	632,927	748,000	1,985,314
Sugar beet		1,157,714	1,315,281	1,200,000	3,672,995
Parity payments				241,000	241,000
Amount paid employees: Whole and part-time employees and committeemen, May 1936, to and including November 1939					654,465
Total	1,099,430	2,593,200	2,841,053	3,339,000	10,527,148

VIII. Crop insurance

	1938	[1] 1940
Number policies	321	905
Premiums in bushels	29,961	108,094
Insured acres	24,951	70,727
Insured production.....bushels	209,339	440,734
Indemnities paid.....do	87,080	
Do.....number	558	

[1] Includes only applications obtained during winter wheat campaign.

IX. Wheat loans

	1938	1939
Farm-storage loans	126	106
Warehouse-storage loans	197	213
Total loans	323	319
Farm storage.....bushels	143,319	109,734
Warehouse storage.....do	288,103	213,642
Total.....do	431,422	323,376
Total loans	$276,499	$231,832

X. Personnel (as of Dec. 1, 1939)

State office employees	55
County office employees	133
County committeemen	69
Community committeemen	426
Total committeemen and employees	683

A Few Men Controlling a Few Banks Control the Corporate Wealth of the Nation

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

Mr. PATMAN. Mr. Speaker, a majority of the money-making businesses of this Nation are now controlled by a few men who own and control a few banks. I made this same statement on the floor of the House in the early part of the year 1938, and the Honorable Bertrand Snell, who was then the minority leader in the House, attempted to criticize me for the statement. On February 17, 1938, he attempted to show in a speech on the floor that my statement was misleading; that while a few large concerns own much of the business and industry of the country, they are corporations—according to his contention—and the stock is owned by people all over the country. In other words, that the stock was not concentrated into the hands of a few but it was widely owned by people in every nook and corner of the Nation. He listed a number of companies of the greatest wealth and gave them as examples of companies that were owned by such a large number of people throughout the country. I took it upon myself to contact these corporations and ask them for further information. In compliance with my request, I was furnished the information as to the number of shares of stock held by people in each State and the number of people who owned this stock in each State, as well as the par value. The information was obtained for the following-named corporations, as of the dates mentioned and assets after the names of the corporations:

Assets

American Telephone & Telegraph Co., Dec. 15, 1937	$2,978,500,000
General Motors Corporation, Dec. 31, 1937	1,598,000,000
Pennsylvania Railroad, Dec. 31, 1937	2,322,400,000
United Gas Improvement Corporation, Feb. 1, 1938	837,600,000
Standard Oil Co. of New Jersey, Dec. 31, 1937	2,044,600,000
North American Co., Mar. 2, 1938	931,600,000
Packard Motor Car Co	49,400,000
Socony-Vacuum Oil Co., Inc., Feb. 21, 1938	923,400,000
Pacific Gas & Electric Co., Jan. 31, 1938	764,300,000
Standard Oil Co. of Indiana, Feb. 15, 1938	724,600,000
Armour & Co., Illinois, Dec. 31, 1937	307,200,000
Du Pont de Nemours & Co., June-August 1936	610,500,000
National Dairy Products Corporation, Nov. 29, 1937	199,700,000
Commonwealth Edison Co., Nov. 10, 1937	824,300,000
American Waterworks & Electric Co., Inc., Mar. 15, 1938	399,500,000
New York Central Railroad, Dec. 31, 1936	1,822,000,000
American Tobacco Co., Dec. 10, 1937–Feb. 10, 1938	276,700,000
Swift & Co	306,500,000
Total	18,120,600,000

The above figure of $18,120,600,000 is 15.1 percent of the estimate of $120,000,000,000, which was the estimate of the wealth of all nonfinancial corporations as of December 31, 1936.

ONLY INFORMATION OF ITS KIND AVAILABLE

Volume 83, part 6, of the CONGRESSIONAL RECORD, contains the tables which I inserted at that time. At page 6415 of this RECORD will be found a list of the 24 major American companies, showing stockholders, employees, and directors with banking connections, which were referred to by Mr. Snell in his criticism. Following this statement will be found the distribution of stockholders and shares of Ameri-

can Telephone & Telegraph Co. and the other 17 companies that furnished me the information about the number of stockholders and the number of shares in each State and the par value. I will not reproduce it here. It is too long. It is unusual information, and I believe it is the only information of its kind available.

However, I have had prepared one statement which shows the total number of shares of all these corporations that were held by citizens of each State. The statement also discloses the per capita shares of stock in each State and the percent held in each State. The table for the 18 large corporations by States is as follows:

Capital stock distribution of 18 large corporations, by States

State[1]	Population[2]	Shares of stock		Percent held[4]
		Total[3]	Per capita	
Delaware	261,000	21,264,553	81.50	8.67
New York	12,959,000	89,827,550	6.93	36.59
Pennsylvania	10,176,000	31,571,223	3.10	12.86
Massachusetts	4,426,000	13,477,123	3.05	5.49
New Jersey	4,343,000	11,204,161	2.58	4.56
Michigan	4,830,000	11,149,203	2.31	4.54
Connecticut	1,741,000	3,986,366	2.29	1.62
Illinois	7,878,000	17,159,901	2.18	6.99
Rhode Island	681,000	1,418,023	2.08	.58
California	6,154,000	11,611,011	1.89	4.74
New Hampshire	510,000	887,061	1.74	.36
Florida	1,670,000	1,786,982	1.07	.73
Vermont	383,000	400,678	1.04	.16
Maryland	1,679,000	1,662,076	.99	.68
Maine	856,000	800,590	.94	.33
Ohio	6,733,000	5,637,914	.84	2.30
Nevada	101,000	79,893	.79	.03
Missouri	3,989,000	3,055,103	.76	1.25
Colorado	1,071,000	817,310	.75	.33
Wyoming	235,000	170,560	.73	.07
Wisconsin	2,926,000	1,793,082	.61	.73
Virginia	2,706,000	1,607,791	.59	.66
Oklahoma	2,548,000	1,334,527	.52	.54
Indiana	3,474,000	1,745,367	.50	.71
West Virginia	1,865,000	827,901	.44	.34
Texas	6,172,000	2,358,906	.38	.96
Arizona	412,000	152,536	.37	.06
Kentucky	2,920,000	1,026,381	.35	.41
Minnesota	2,652,000	923,654	.35	.38
Washington	1,658,000	517,194	.31	.21
Iowa	2,552,000	772,452	.30	.32
Oregon	1,027,000	293,367	.29	.12
Montana	539,000	151,295	.28	.06
Kansas	1,864,000	487,201	.26	.20
Utah	519,000	131,369	.25	.05
New Mexico	422,000	104,961	.25	.04
Louisiana	2,132,000	493,844	.23	.20
Nebraska	1,364,000	319,414	.20	.13
Tennessee	2,893,000	539,248	.19	.22
North Carolina	3,492,000	630,931	.18	.26
Georgia	3,085,000	463,489	.15	.19
South Dakota	692,000	96,895	.14	.04
Idaho	493,000	57,522	.12	.02
North Dakota	706,000	72,527	.10	.03
South Carolina	1,875,000	172,479	.09	.07
Alabama	2,895,000	199,110	.06	.08
Mississippi	2,023,000	123,090	.06	.05
Arkansas	2,048,000	103,914	.05	.04

[1] Arranged in order of per capita holdings.
[2] 1937 midyear census estimate, U. S. Statistical Abstract 1938 (p. 9).
[3] Obtained by consolidating State reports of 18 large corporations inserted in CONGRESSIONAL RECORD, (vol. 83, pt. 6, p. 6415–22).
[4] Percentage of total shares of these corporations held in the 48 States, excluding the District of Columbia.

(Thomas R. Baldwin, Mar. 4, 1940.)

The following table discloses the number of shareholders in each State and the number of shares held by each holder in these 18 large corporations:

	Number of shareholders	Shares per holder
Delaware	18,166	1,171
New York	465,314	193
Oklahoma	8,355	160
Michigan	74,496	150
Florida	15,589	115
Texas	22,277	106
Pennsylvania	352,044	90
New Jersey	143,627	78
Illinois	229,507	75
Virginia	22,842	70
Ohio	80,591	70
Rhode Island	21,407	66
Connecticut	61,868	64
California	171,747	63
Missouri	48,610	63
Massachusetts	229,868	59
West Virginia	14,546	57
New Mexico	1,867	56
North Carolina	11,699	54
Kentucky	19,238	53
Indiana	32,688	53
Wyoming	3,348	51
Colorado	16,183	51
Nevada	1,611	50
Louisiana	10,126	49
Tennessee	11,080	49
Arizona	3,217	47
Kansas	10,467	47
Maryland	35,436	47
Minnesota	22,580	41
Wisconsin	40,469	40
Utah	3,572	37
Nebraska	8,729	37
Washington	14,148	37
New Hampshire	24,255	37
Iowa	21,076	37
South Dakota	2,667	36
Mississippi	3,424	36
Alabama	5,504	36
Maine	22,135	36
Arkansas	2,959	35
Vermont	11,586	35
Georgia	13,095	35
Montana	4,477	34
Oregon	8,699	34
South Carolina	5,196	33
North Dakota	2,295	32
Idaho	1,994	29

In Dr. Prescott Webb's book on Divided We Stand, the United States is divided up into three sections—North, South, and West—for the purpose of showing that most of the wealth is owned in the North. I will use the regional lines used by Dr. Webb in his book and insert herewith a table, which shows how this stock is distributed between the North, South, and West. The table is as follows:

Capital stock distribution of 18 large corporations, by regions

Region[1]	Population (thousands)	Number of shareholders	Shares			Percent held
			Total	Per capita	Per holder	
North	73,049	1,935,723	218,736,080	2.99	113	89.1
South	35,776	157,575	10,334,066	.29	66	4.2
West	19,805	263,376	16,397,582	.83	62	6.7
Total	128,630	2,356,674	245,467,728	1.91	104	100.0

[1] This manuscript supplements one entitled "Capital Stock Distribution of 18 Large Corporations, by States."
North: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Delaware, Maryland, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri. South: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Texas. West: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Montana, Idaho, Wyoming, Colorado, Utah, New Mexico, Arizona, Nevada, Washington, Oregon, California.

Since California holds 4.74 percent of the stock, the other Western States hold less than 2 percent of the stock of these 18 companies, which is considered typical of all large corporations.

DR. WEBB'S BOOK

Dr. Walter Prescott Webb is a professor of American history at the University of Texas, Austin, Tex. He is the author of the book Divided We Stand—the Crises of a Frontierless Democracy. This book was published in 1937 and has attracted a great deal of attention. It should be read and studied by every person in America who is interested in economic justice and freedom of opportunity for all the people.

In Dr. Webb's book he was able to use but one example of sectional distribution of stockholders, and that was the example of the American Sugar Refining stock, as of December 5, 1935. That distribution, shown by Dr. Webb in his book on page 43, follows very closely the distribution that I have prepared of the 18 large corporations. I repeat, this type of information is very scarce and difficult to obtain.

NOT INTENDED TO CRITICIZE NORTHERN OWNERSHIP OF BUSINESSES THAT CANNOT BE OWNED LOCALLY

This information is given, not for the purpose of criticizing northern ownership, except to point out that local privileges and local opportunities should be retained by the people in the South and West. Further, it is in the interest of the North that these opportunities and privileges be maintained by the people in the local communities. An effort is now being made by a few men who own a few banks in New York to acquire control over retail distribution in all the counties of the United States.

EVILS WILL RESULT IN INJURY TO NORTH

Very few of us have a thoroughgoing idea of the vast extent of empire controlled by the North, nor need I add here, parenthetically, that I am not indulging in carping criticism of the North, for that is idle occupation. But I am most diligently directing my effort and attention to curing the North of monopolistic evils that threaten the complete and final ruin of many southern and western sections and which will result in great injury to the North.

We gain a comprehensive picture of northern influence and power upon examination of the following brief facts:

Railroads: Construction of railroads, as far back as 1860, was based on plans to make the West tributary to the North. From that time until the present practically all railroads were built to feed the North and incidentally to kill the flourishing river traffic that had so long nourished the South.

Tariff: Daniel Webster said of the Tariff Act of 1828:

> This bill, if adopted as amended, will keep the South and West in debt to New England for the next hundred years.

We could now accuse Mr. Webster, Dr. Webb says, of being short-sighted. He might well have said "for the next 200 years."

Pensions: Following the War between the States, of a total amount of slightly less than $8,000,000,000, approximately $7,000,000,000 went to the North and $1,000,000,000 to the South and West combined. It was pension money that caused the rise in manufacturing and industry in the North.

Patents: Still another subsidy received by the North came in the form of patent benefits, because practically all machinery and patents are owned by northerners. Patents protect the owners from domestic competition as tariff protects owners from foreign competition.

Dr. Walter Prescott Webb estimates that 90 percent of the effective money-producing patents are held in the North. Much of the statistical information used in this statement is obtained from Dr. Webb's book.

Corporations: Approximately 200 corporations of the United States own 25 percent of the national wealth and over 50 percent of the entire corporate wealth of the Nation. Of the 200 corporations, 180 are in the North, 9 are in the South, and 11 in the West.

Insurance: Citizens of the United States have about $105,000,000,000 worth of life insurance on the books. Of this amount 95 percent is in the hands of northern companies. There are 14 companies, all located in the North, with over a billion dollars' worth of business. Seventy-five companies have over $200,000,000 each of insurance and together hold $93,000,000,000 of the $105,000,000,000 in force. Fifty-five of these companies are in the North, 14 are in the South, and 6 are in the West. The North has $27 of insurance for each dollar held in the South, and $65 for each dollar held in the West, and it has 19 times as much insurance as the other 2 sections combined. The life-insurance budget is approximately $5,000,000,000 annually. Out of each $100 of this income the North received $96.10, the South only $2.50, and the West a paltry $1.40. The South and West furnish 30 percent of the total insurance in America. They hold only 5 percent. This means that they send $5 of their insurance money North for each $1 they keep at home.

Since this information regarding insurance was compiled by Dr. Webb, the Temporary National Economic Committee has disclosed in part 4 of its report, which is on life insurance, that the 16 largest life-insurance companies have 80.6 percent of the assets of the 308 life-insurance companies reporting. This information is contained on page 1514 of this report. On the same page it is disclosed that 6 large life-insurance companies in New York City and in Newark, N. J.—which is just across the river from New York City—have assets amounting to 56.9 percent of the total assets of 308 life-insurance companies in the United States reporting.

Income: The North's percentage of excess of income over disbursements, of the 75 leading insurance companies, is greater than its proportion of income. Out of each $100 the North gets $97.50, the South gets $1.84, and the West trails with but 76 cents. Where the South made a gain of $1, the North gained $53; where the West made a gain of $1, the North gained $128.50.

LARGE CORPORATIONS

Out of every $100 paid in dividends to stockholders of the large corporations, $90.97 is paid to the North, $4.55 to the South, and $4.46 to the West.

MOST OF NATURAL WEALTH IN SOUTH AND WEST

Dr. Webb's book discloses that the South and West have within their boundaries most of the natural wealth of America. Leaving aside the fact that they comprise nearly 80 percent of the area, they produce all the gold and silver, 95 percent of the oil, 45 percent of the coal, 90 percent of the lumber, and 63 percent of the agricultural dollars. In the face of all this they hold at the most liberal estimate less than 20 percent of the money, and probably less than 5.

Ancient feudalism was based on the ownership or acquisition of land, but contemporary feudalism is based on finance and capitalism. A glance at the roster of large-scale corporations will show that in almost every line of business, from sugar to petroleum products and from telephony to 10-cent stores, the home office stands grandly on granite pillars somewhere in the North.

And so we view a picture of nearly one-way traffic, with American dollars rolling across country, from the sunny orange groves and succulent apple orchards of the long Pacific coast and from the cotton and oil fields of the South, to the cashier cages in the Northern States.

IN INTEREST OF NORTH FOR PRIVILEGES TO BE DISTRIBUTED

I have no desire, and I repeat for emphasis, to criticize northern ownership except in point of robbing the South and West of local privilege and local opportunity, for it is only by giving the South and West these opportunities and privileges—and maintaining them—that all sections, including the North, can and will prosper.

Figures from the statistical abstract of the United States show that of nearly $14,000,000,000 of insurance written in 1931, a total of 69.4 percent went to the northern companies, whereas the southern companies had only 15.9 and western companies a shade less with 14.7 percent of the business.

I have shown you the figures for life insurance and I can add, without further discussion, that the same sort of story is to be found in scores of other lines of business, including a very close parallel in the fire- and casualty-insurance field.

MUST RESTORE LOCAL PRIVILEGES

It is utterly obvious that, unless local privilege and opportunity are restored to the South and West, we cannot continue to support the Wall Street interests that are so typical of the North and its octopus tentacles of monopoly.

IT IS IN INTEREST OF NORTH FOR SOUTH AND WEST TO LIVE

Finally let me put the picture up for your inspection in the extreme light: In an emergency, and estimated on the basis of $30 a month for each individual, every person in the North could live for 14 months, and here, for the first time, the West supersedes our Southern area, for the western people could live for 7½ months, whereas the southerners could only go for 2 months and 18 days on their savings. I quote these figures from Webb—page 41. Nor can I refrain from a direct reference to the closing words in his volume Divided We Stand. The case is stated most succinctly:

> That the North has the advantage we all admit. But when it faces the effects of its increasing drive for profits, the North

will realize that the desire of the South and the West to live and share in the national prosperity is not only natural and legitimate for them, but is essential to its own continued prosperity.

ABSENTEE OWNERSHIP OF LOCAL BUSINESS BAD

Absentee ownership of any business that can be conducted and owned by local people is a dangerous thing for the country. H. R. 1, the Federal chain-store tax bill, which will seriously affect about 20 New York interstate chains, out of 7,000 chain-store companies in all, will be considered by a subcommittee of the Ways and Means Committee of the House, commencing March 27. The object of this bill is to give local people an opportunity to own and control local business and to prevent a few men, who own and control a few banks in New York, to carry out their conspiracy to get control of the retail distribution of this country. It is not in the interest of New York or the North for retail business to be owned and controlled by a few men in New York City or any other city.

STANDARD OF LIVING IN ANY STATE DETERMINED BY AVAILABLE MONEY AND CREDIT

I call your attention particularly to the excess reserves of banks. Where are these excess reserves? The answer is, They are located in a few banks, mostly in New York City. A few banks in New York City have more than $3,000,000,000 of the $5,640,000,000 excess reserves in all member national banks. These large banks will not make loans to small business; they make loans only to large business concerns; they will make loans to interstate chain-store companies, but they will not make loans to their competitors.

Imagine the disproportion when you consider that out of every $100 in excess reserves, $85.55 is in the North, $6.84 in the South, and $7.61 in the West. Notice, too, where the combined savings of the country are held.

Do not fail to consider the fact that demand deposits represent our money. All purchases of food, wearing apparel, durable goods such as lumber and hardware, and even luxuries such as jewelry have a direct relationship to the per capita demand deposit in banks, because demand deposits represent our money. In other words, in States where the per capita demand deposits are high, the people buy more comforts, necessities, and luxuries of life than they do in a State where the per capita demand deposits are low. The standard of living in a State is determined by the available credit and money in that State.

With the assistance of the Comptroller of the Currency and using the same regions for the North, South, and West that are used in Dr. Webb's book, tables have been prepared showing the deposits in banks in the different regions.

The following tables are self-explanatory:

TABLE 1.—*Time and savings deposits in all classes of active banks in the United States, by regions, June 30, 1939* [1]

Region	Population [2] (in thousands)	Time and savings deposits (in thousands)	Per capita	Percent of total time and savings deposits
North	73,975	$21,005,209	$283.95	81.16
South	36,151	1,637,246	45.29	6.33
West	19,959	3,238,120	162.24	12.51
Total	130,085	25,880,575	198.95	100.00

[1] Exclusive of possessions. [2] As of June 30, 1938.

TABLE 2.—*Demand deposits in all classes of active banks in the United States, by regions, June 30, 1939* [1]

Region	Population [2] (in thousands)	Demand deposits (in thousands)	Per capita	Percent of total demand deposits
North	73,975	$30,041,161	$406.10	78.35
South	36,151	4,292,040	118.73	11.19
West	19,959	4,012,073	201.02	10.46
Total	130,085	38,345,274	294.77	100.00

[1] Exclusive of possessions. [2] As of June 30, 1938.

TABLE 3.—*Reserves of member national banks in the United States, by regions, June 30, 1939*

Region	Reserves (in thousands)			Percent of total		
	Held	Required	Excess	Held	Required	Excess
North	$4,511,543	$2,629,944	$1,881,599	70.99	76.44	85.55
South	489,143	338,596	150,547	8.67	9.84	6.84
West	639,381	472,057	167,324	11.34	13.72	7.61
Total	5,640,067	3,440,597	2,199,470	100.00	100.00	100.00

Joe Martin and the People

EXTENSION OF REMARKS

OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ARTICLE BY HUBERT KAY

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hubert Kay, appearing in the March edition of the Reader's Digest condensed from Life, in reference to the accomplishments of our distinguished minority leader, Congressman MARTIN:

[From the Reader's Digest for March 1940]

JOE MARTIN AND THE PEOPLE

(Condensed from Life)

(By Hubert Kay)

JOSEPH WILLIAM MARTIN, Jr., minority leader of the House of Representatives, is a blacksmith's son who never got to college. Middle-sized and middle-aged, with a Yankee-Irish tongue which slips occasionally into folk errors of grammar, there is nothing of the messiah about him. If you met him walking down the street in North Attleboro, Mass., being first-named by everybody he meets, you could hardly mistake him for anything but what, at base, he is—a plain, hard-working, popular businessman-politician. Yet at this moment America has no more significant citizen.

It is one thing to believe ardently in the glorious idea of democracy. It is quite another to put up with the processes of democratic government, which, based on compromise of many conflicting wills, are often exasperatingly slow and inefficient. JOE MARTIN exemplifies the democratic belief that it is better for the people, by slow debate and compromise in Congress, to make their own decisions than to have decisions made for them by Executive decree.

Elected to Congress in 1924, after six terms in the Massachusetts Legislature, JOE MARTIN was a rear-row private in the army of smug Republican elders who marched invincibly through the 1920's. Then came depression. In 1932 he saw his party lose control of Congress and the Presidency. He heard a confused and frightened people hail the new President as the Nation's savior, saw Congress surrender its powers to the Executive. From White House to Capitol Hill came a steady procession of deep-changing bills written by closest advisers and labeled "Must." The Republican press shouted "rubber stamp" at Congress, but it was no use. The people wanted action, and they were getting it.

MARTIN made himself useful to Minority Leader Bert Snell, tried to rally his colleagues into effective opposition. But that was no use, either. In the massacre of 1936 the House Republicans dwindled to a corporal's guard of 89, too puny and demoralized to do anything but gloom about "dictatorship," "bankruptcy," and "the American way of life."

Then things began to happen. First came the Supreme Court packing bill of 1937, then recession, increased unemployment, politics in relief. The "purge" of the 1938 primaries split Democrats wide. Our citizens began to feel uneasy about the soaring national debt.

Two other influences worked deeply to turn United States political winds—the hated example of one-party governments abroad and the historic tendency of the American people to swing back to their normal calm conservatism after a bellyful of jitters and reform. In 1938 the voters elected 80 new Republican Representatives, 8 new Republican Senators, 12 new Republican Governors.

As chairman of the Republican congressional campaign committee, JOE MARTIN had done much to encourage the swing of public opinion toward his party. Shrewdly and tirelessly he combed the field for able new candidates, concentrated his fire and funds in districts where Republicans had at least a fighting chance to win, swung

around the country and kept in touch with candidates by long-distance telephone. When Congress convened in January 1939 JOE MARTIN, now ripe in congressional experience, was promptly chosen leader of the sizable Republican minority.

The way JOE MARTIN performed his job made the biggest United States political news of 1939. Crying a pox on carping generalities, Leader MARTIN appointed committees of Republican Congressmen to go out and consult the experts and the country, bring back fact-filled reports on such major issues as national debt, extraordinary powers of the President, national defense, agriculture. From these the party conference decided its stand and party spokesmen drew their arguments. Result: When Republican debaters took the floor last year they knew all the questions and most of the answers.

The party whip, HARRY ENGLEBRIGHT, of California, saw to it that Republicans were always on hand when needed. Once, as a vote drew near, Speaker BANKHEAD looked out on row on row of alert Republicans, saw Democratic benches near empty, cried in despair: "We cant's vote. We haven't got the Democrats on the floor."

When Republicans lacked votes to win, Leader MARTIN did not hesitate to line his team up in working partnership with like-minded Democrats. Senator Minority Leader MCNARY followed the same coalition strategy on his side of the Capitol. The result was to give the New Deal, for the first time in its career, that indispensable checkrein of democratic government—a vigorous, intelligent opposition.

MARTIN does not drive. He leads. He is not boss, but the captain of a team. Even the greenest Republican Congressman is encouraged to air his views in party councils. No one of them is ever told how he must vote on any bill. If a man's convictions stand in the way of his going along with the party, no discipline is threatened. Leader MARTIN may try to persuade, but he will not command. In return he wins loyalty and a willingness to compromise individual viewpoints whenever possible. "They give me the borderline decisions," says JOE.

No spotlight-grabber, JOE MARTIN is still not so well known to the public as he will be, but he is enormously liked and respected in Washington, is known as the man without a single congressional enemy. Fifty-three leading Washington correspondents, grading Senators and Representatives on the basis of industry, integrity, intelligence, and influence, rated MARTIN ablest, with a mark higher than the No. 1 Senator, Nebraska's NORRIS. When he made his first speech of the 1939 congressional session—an undramatic request that some of the Government's surplus cotton be stored in New England warehouses—he received loud and long applause from both sides of the House.

Campaigning and consulting with other Congressmen have given MARTIN a wide familiarity with the Nation's problems. His political views—on the need for business encouragement, economy, keeping out of war—are those of most middle-of-the-road Republicans. Never in debt in his life, he took 5 years to save the first $1,000 with which he bought into the North Attleboro Evening Chronicle. Boosting the Chronicle's circulation from 800 to 2,800, he has made it pay regular 10-percent dividends. He believes wholeheartedly in the system which gave him his chance, and thinks the country's greatest need is a government which businessmen can be sure also believes in that system.

JOE MARTIN'S father was a $15-a-week hired hand in the village smithy of North Attleboro. JOE was the eldest boy of eight children. After high school he was offered a scholarship at Dartmouth but decided to work a year first and got a job as a $10-a-week reporter on the Attleboro Sun. He never went back to school.

At 24 he chipped in with friends to buy the Chronicle, became editor and publisher, sent his two youngest brothers through Dartmouth. In time he became majority stockholder.

Starting in politics as manager of a friend's campaign for the Massachusetts Legislature, Joe ran for it himself in 1911, went to the lower house at 27, moved up to the senate for three terms, then back to his paper.

If a photographer could have been on hand at the high moments of JOE MARTIN'S life these are two pictures he would have taken:

Scene 1. Office of the president of the Massachusetts Senate; time, 1915. The sharp-featured, poker-faced Republican President has summoned the new Republican senator to discuss a pending bill. "Could you vote for this bill for me?" he asks. "I could, Mr. President," says JOE MARTIN to Calvin Coolidge, "but I won't."

Scene 2. Office of the President of the United States; time, December 1939. Minority Leader MARTIN has dropped in to discuss the coming session of Congress. "Joe," says the President, "don't you think we ought to have a short session?" "No, Mr. President, I don't," says JOE MARTIN to Franklin Roosevelt. "Why not?" "I want action," says JOE MARTIN. Both men laugh.

Between sessions of Congress Joe drops in every day at his newspaper office to chew the rag with cronies and callers. Almost every afternoon he drives around his district to find out what his constituents are thinking about. He has had no patronage to distribute for 8 years, but at election time he always runs well ahead of his ticket, with many a Democratic vote.

In 1938 the New Deal tried to "purge" him. "They sent an extra $50,000 of relief money into my district," MARTIN relates with relish, "and they got the W. P. A. workers to wear buttons and sign pledges to vote for the Democratic candidate, who was State employment director of W. P. A. Well, I'd speak at a meeting where there were a lot of those fellows and I'd look at their buttons and say: 'To think that they would do that to you here in America; that they would brand you like cattle.' Then I'd see them look mad and start taking off their buttons."

At 55 JOE MARTIN is still black-haired, bright-eyed, quick moving. A bachelor, he lives at North Attleboro with his invalid mother, widowed sister, and a brother; at Washington, in a modest two-room apartment. Politics, involving endless meetings and talk with constituents, colleagues, and reporters, is almost his whole life.

JOE MARTIN, whose favorite word is "confidence," faces the future with plenty of it. He thinks there is an excellent chance that the people will elect a Republican President in November; is sure they will elect a Republican House. "Even if Roosevelt runs," says JOE MARTIN, "I think a good many people who vote for him will want to take out a little insurance by voting for a Republican Congressman."

If enough do, JOE MARTIN, the blacksmith's son, is practically a sure bet for what has been and can be again the No. 2 post of power and influence in the United States Government, the Speakership of the House. There is even considerable talk that if the leading Presidential candidates should deadlock at the Republican convention this summer, JOE MARTIN may be nominated for the No. 1 job.

That prospect startles some of MARTIN'S warmest friends. Put JOE on a pedestal and he inspires no awe. Measured by a Wilson or Hoover in intellectual depth or by a Franklin Roosevelt in intellectual flexibility and personal magnetism, he looks small. Where he belongs is in the center of a group picture. There he presents with complete clarity the issue of government of and by, as well as for, the people, as opposed to the dominance, however benevolent, of a great man. That is JOE MARTIN'S significance for America in 1940.

Jobs the Prime Problem

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

REVIEW OF SPEECH OF MILO PERKINS BY CHARLES G. ROSS

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks, I include below a summary by Mr. Charles G. Ross of a most challenging speech delivered in Des Moines, Iowa, by Hon. Milo Perkins, in which Mr. Perkins discusses the problems of unemployment, the farmers' income, and the importance of enabling our people to consume the abundant production of our country. I hope every Member will read this:

JOBS CALLED THE PRIME PROBLEM—FARM SURPLUSES A PART OF MOST VITAL ELECTION ISSUE

(By Charles G. Ross)

The problem of what's the matter with the country, from whatever angle you view it, gets down in the end to the matter of unemployment. Along with the new ideas and the new tools of Government that this administration will hand along to the next, there will go this terrible legacy—barring an economic miracle—of some 10,000,000 unemployed. Till the deep-seated ailment represented by these figures is cured, or at least greatly alleviated, there can be no real health in our economy. If the evil of unemployment can be ended, we shall have no trouble in taking care of the lesser of our ills.

These are truisms, and precisely because they are, there is danger that their significance will be overlooked or forgotten in our preoccupation with the sideshows of the political campaign and at the moment with foreign affairs. No national candidate seeking the favor of the people should be allowed to dodge the great underlying domestic issue of unemployment.

IS RELATED TO FARM ILLS

What has brought this problem of unemployment to the top of the writer's mind is a speech which Milo Perkins, president of the Federal Surplus Commodities Corporation, made recently to a farm institute at Des Moines. We are accustomed to think of the farm problem as one thing and the problem of getting men back to work in industry as something entirely different. Mr. Perkins shows vividly how interrelated are the two.

He approaches the subject from the angle of the farmer. The farmer's troubles stem from his production of more than he can sell in the present market at a profit. There are three reasons behind this condition. One is the fact that scientific methods have enabled the farmer, without extra labor, to make two blades of grass grow where one grew before. He doesn't know where to sell that additional blade.

AND FOREIGN TRADE LOSSES

The second reason pointed out by Mr. Perkins is the dislocation of our foreign trade. Incidentally, he says that the present war is certain to hurt our agricultural exports in the long run,

and he fears that after the war things will be even worse. This is the unhappy prospect because the allied nations, fighting fire with fire, are going more and more on a totalitarian basis and adopting centralized controls of their foreign trade. After the war, Mr. Perkins thinks, we are likely to find ourselves in a world reluctant to give up its barter economics.

The third great cause of farm surpluses has to do with the 10,000,000 unemployed. Here is where the plight of the farmer and the plight of the jobless industrial worker are seen to be integral parts of the same problem. For the term "surpluses," as Mr. Perkins says, is simply a "smug, polite name for a shocking amount of underconsumption."

THE CASE IS STATED

He states the case very simply and very graphically. Notwithstanding the fact that industrial production rose last December to the 1929 level, we continued to have an army of unemployed not much smaller than that of the bleak days of 1932–33. The reason for this was twofold: The growth of population and the increased output per worker—something like 20 percent in the last 10 years. We have been smart enough to make amazing mechanical improvements. Are we going to be smart enough to provide jobs for the jobless? Mr. Perkins does not exaggerate when he says that "On our answer to that question—not in words but in jobs—hangs the future of our industrial democracy. In other lands it has lost its race against time; if we have the courage to make it work here, then we shall be in truth a chosen people."

We can produce almost anything. The problem is to learn how to distribute what we produce so that we can wipe out this "black plague of the twentieth century"—underconsumption. Ahead of us is a job of "national pioneering" which has barely been started.

HULL'S POLICY HELPS

The trade-agreements policy of Mr. Hull is excellent; we need all the foreign outlets we can get, both for our farm and our industrial products. But there's a tremendous potential market here at home beside which the foreign market at its best shrinks into insignificance. Mr. Perkins tells some of the possibilities from the viewpoint of the farmer with the miscalled surplus. A few of his figures will illustrate the point.

In 1935–36 nearly two-thirds of all the families in the United States had incomes of less than $1,500. The average for this group was $826 a year—$69 a month for the whole family. "That," says Mr. Perkins, "is the story of underconsumption in one figure."

Some utopian figures could be given, but let's see what would happen if all the families getting less than $100 a month in 1935 had been able to raise their incomes to that level. The increase in expenditures for food would have been $1,900,000,000. The national food bill would have been increased over 14 percent, farmers would have received directly nearly a billion more in income, the extra demand would have increased their income by a large additional amount, the improvement in the farmers' status would have contributed to the general well-being, industrial unemployment would have been decreased.

To provide jobs for the jobless in private industry and so end underconsumption—that's the crux of the great economic problem that bedevils us, and none of those holding or seeking national power should be allowed to forget it.

Resolutions of United States Livestock Association

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

RESOLUTIONS OF THE SEVENTH ANNUAL MEETING

Mr. REES of Kansas. Mr. Speaker, under leave given me by unanimous consent of the House to extend my remarks, I am including herein the resolutions adopted by the United States Livestock Association, at its seventh annual meeting, held in Springfield, Ill., recently:

1. Whereas after careful consideration it is believed by this assemblage that the direct buying of slaughter livestock by packers is detrimental to the general welfare of the entire population of these great United States, and is particularly detrimental to the growers and feeders of livestock, therefore in an effort to correct this condition in fairness to terminal market packers, interior packers, and the growers and feeders of livestock alike: Be it

Resolved, That the directors, officers, governing board, and each individual member of the United States Live Stock Association be and are hereby urged to join with others in sponsoring an effort or movement, the object of which is to establish, or cause to be established, where not already established, Government-posted, supervised livestock markets, at which, or through one or more of which newly established markets or already established markets all slaughter livestock shall be offered for sale; and where all slaughter livestock acquired by packers who do an interstate business shall be purchased through open, competitive bidding. Said new markets to be established only at or within livestock driving distance of any packing or slaughter plant having no such market, where livestock slaughtered has, or products from them may, enter into interstate commerce: Be it further

Resolved, That this resolution be spread on the records of the United States Live Stock Association and a copy of it be forwarded to other organizations, requesting similar action, and a coordination of effort to bring about the desired objective.

2. We recommend that so long as disparity of prices of livestock and livestock products and industrial products in the United States exists, that full and adequate tariff protection be accorded our domestic producers; that Congress continue its vigilant guard against imports of livestock and its products from Argentina or other countries infected with disease; further that no changes be made in tariffs or trade agreements involving livestock and livestock products without a full hearing before a tariff commission on which the United States livestock producer interests are represented.

3. Should it become necessary to tax agricultural commodities for the purpose of financing a farm program we oppose the imposition of any special taxes on livestock or its products which would give competitive products an advantage in the market.

4. We oppose the practice of packers in acquiring their livestock away from competitive bidding, and we condemn their feeding operations in livestock, as these depress basic values.

5. If Congress is unable to equitably amend the Packers and Stockyards Act so as to make its provisions applicable to and binding on all parties concerned in the marketing, processing, and distribution of livestock and its products, then we favor the repeal of the act itself, as well as the packers-consent decree.

6. We urge passage of a national animal theft bill designed to curb the interstate traffic in stolen livestock, and the cooperation by the various States in the policing and regulation of community auction sales for the adequate protection of patrons and the livestock industry in general against unsanitary practices or other conditions detrimental or harmful to the livestock industry.

7. We recommend the passage of the truth-in-fabrics bill.

8. We recommend that handling and processing of livestock be exempted from wage-hour provisions of the Fair Labor Standards Act.

9. We oppose any part of the Wheeler-Lea transportation bill, S. 2009, which would extend the rate-making powers of the Interstate Commerce Commission to motortrucks, and to coastal and inland-waterways carriers; and we urge that action upon any conference committee report be delayed for a period of at least 30 days in order that producers, shippers, and Members of Congress may have full opportunity to study the far-reaching effects of this proposed measure.

10. We believe that railroads should continue as private enterprises; that all transportation agencies be allowed to develop their natural, inherent advantages; and that efforts should be made to coordinate facilities and services under conditions of competition designed to preserve the public interest.

11. We urge the adjustment of transportation rates on livestock and its products, to give free and equitable access to all markets of the country.

12. We recommend that revenue from taxes on motor vehicles and motor fuels be used only for the purpose of building, maintaining, and policing of public highways.

13. We oppose all such trade barriers as ports-of-entry laws and nonuniform motor-vehicle laws. We urge all States to adopt the uniform code for regulation of traffic.

14. We oppose any motor-vehicle tax or law which is aimed to increase the cost or restrict the use of highway transportation in order to equalize competition between it and other forms of transportation.

15. Regulation of transportation should be in the interest of the shipping public and not for the purpose of benefiting one transportation agency or restricting another. All types of transportation should be permitted to develop fully so that the public may have more, better, and less expensive transportation to choose from. We would prefer elimination of some railroad regulation instead of adding more regulation on water and motor transportation.

16. We condemn the growing tendency of Federal authorities to promulgate orders in star-chamber fashion having the force of law without adequate hearing and impartial consideration of evidence, Therefore, we urge immediate enactment by Congress of legislation designed to correct this evil already approved in committee of House of Representatives.

17. Inasmuch as the Secretary of Agriculture has frankly advised Congress he is unable for lack of time to adequately perform all duties cast upon him by such important legislation as the Packers and Stockyards Act, we recommend that the act be amended to provide for the appointment of a livestock commission of five experienced stockmen who shall exercise the important functions conferred upon the Secretary under said act. We vigorously condemn pending legislation authorizing the Secretary to delegate his quasi-judicial powers under said act to assistant secretaries or other subordinates.

18. We request the Bureau of Animal Industry to cooperate with other active interests in determining the causes, methods of prevention, and treatment of shipping fever.

19. We commend the great work being done by the National Live Stock and Meat Board in increasing consumption of meats in the United States and urge that stronger financial support be given the Board.

20. We approve the efforts of the National Live Stock Loss Prevention Board to reduce bruising and crippling of livestock.

21. In view of the ruinously low prices of hogs, the disparity between their price on the hoof and over the block, and the apparent inability of the Department of Agriculture to discover any relationship between these conditions and present packer methods of purchasing the major portion of the hog supply in noncompetitive channels, we urge a thorough and complete congressional investigation of the meat-packing industry.

22. We take this occasion to lament the passing during the past year of a loyal member of our organization—Sherman Houston. He was a great leader in the industry and of outstanding integrity. We regret the loss of his counsel and help. The executive secretary is directed to furnish his family with a copy of this resolution.

23. We thank the Springfield Chamber of Commerce and the mayor and city officials of Springfield for the courtesies and hospitalities extended during this convention. We also express the appreciation of this body to President Dan Hildebrand, Executive Secretary Glenn Stebbins, and the executive committee for their untiring efforts on behalf of the association during the year.

Accomplishments of the Roosevelt Administration

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 11 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. ALBEN W. BARKLEY, OF KENTUCKY

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the RECORD an interesting and instructive address delivered by the senior Senator from Kentucky [Mr. BARKLEY] on the American Forum of the Air, at the National Press Club Auditorium, on March 3, 1940, his subject being the accomplishments and victories of the Roosevelt administration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, it is manifest that in the brief time at my disposal I cannot attempt a detailed recital or discussion of all the momentous things which have transpired in the Nation or the world since March 4, 1933.

These have been crucial years in the history of our country, and the wisdom or folly of those who have guided our affairs through these years will be measured not alone by temporary results but even to a greater degree by the long-range, far-sighted, and permanent effect of these events and activities upon the future course and welfare of our country.

In attempting to catalog and appraise the achievements of these 7 years under President Roosevelt, it is necessary to distinguish between two kinds of results.

Into one category fall those concrete, visible, material activities which enter into our daily life and are at once recognizable by the acute senses.

Into the other category fall those things which gradually and almost unconsciously affect our mental and spiritual attitude toward the problems of humanity.

Among all the immense and gratifying accomplishments and victories of the Roosevelt administration, those registered in the latter field are calculated to be far more important and permanent in their effect than even the incalculable and indispensable material improvements which have been wrought in every section of the country.

Due largely, if not entirely, to the New Deal, there has been a fundamental and lasting evolution, or, if the word does not offend you, revolution in the social and political thinking of the American people.

No longer do they regard their government as a sort of unapproachable Olympus where dwell the Jupiters of political power, unmindful of, or indifferent to, the lives or welfare of those beneath them, which in his Odyssey has described as follows:

"Olympus the reputed seat
Eternal of the gods, which never storms
Disturb, rains rench, or snow invades, but calm
The expanse and cloudless shines with purest day.
There the inhabitants divine rejoice forever."

No longer do they regard their government as an abstract, and yet sometimes very concrete, agency for collecting taxes and holding office.

The people had become so accustomed to being told that they were rugged individualists that many of them believed that in order to preserve rugged individualism they must become ragged individualists.

During the 7 years of the Roosevelt administrations they have come to realize that their government is their servant, their agent, their organized and collective instrument, and that in order to justify itself it must place its experience, its prestige, and its power at their disposal and their service in solving their daily problems insofar as government can or ought to do it.

How has this Government justified itself in the past 7 years?

At the very outset, on the very day of his inauguration, the President was confronted with the most desperate financial situation that ever confronted the Nation. On that day one could almost realize that his voice and the applause of the multitude who listened were almost muffled by the sound of crashing banks all over the Nation.

In the 4 years preceding that inauguration 6,035 banks had suspended in the United States. This does not include 3,413 banks which could not qualify for reopening after the bank holiday. When the President, in order to arrest this banking panic, ordered a bank holiday, the whole country applauded. As rapidly as possible following the bank holiday banks were reopened when their strength justified it; the Federal deposit insurance law was enacted guaranteeing the deposits of all depositors up to $5,000. The guaranty of bank deposits is now accepted as a permanent policy of our Government, and no man in his right mind would recommend its repeal.

We now have the strongest and safest banking system in our history or in the world, and our bank deposits are today the largest in the history of American banking.

When Roosevelt was inaugurated there were between thirteen and fifteen million workers out of employment in the United States. In addition in the past 7 years a net increase of 5,000,000 workers has been added to those unemployed in 1933. It is estimated that there are now between 7,000,000 and 9,000,000 unemployed in the United States. If you subtract the 5,000,000 new workers from this number, you have a net of 4,000,000 whose reemployment the New Deal might be said not to have reemployed; and if you subtract from this number the 1,500,000 fewer workers required in 1939 to produce the same quantities of products produced in 1929, you get a net of 2,500,000 unemployed workers today whose reemployment has not been brought about by the New Deal. Many of these, by reason of age or physical condition, are not employable.

By any method of calculation, it cannot be denied that we have made tremendous strides in the solution of the question of unemployment, though I confess that neither we nor anybody who criticizes us has found the final solution or answer to the question of unemployment.

During the past 7 years through our work programs, through the Civilian Conservation Corps, Farm Security, National Youth Administration, the Reconstruction Finance Corporation, and other agencies and activities such as the Rural Electrification Administration, Soil Conservation, Flood Control, Public Health, and others, the New Deal has brought to every community of the Nation physical improvements of a permanent character which have vastly elevated the social, moral, and intellectual opportunities of the people which they could not have obtained in any manner without the aid of the Federal Government.

Seven years ago the farmers of America were selling their products far below the cost of production, and their farms were being sold from under them at a rate never before witnessed. During these 7 years the Roosevelt administration has revived the Farm Credit Administration for the service of American farmers, has saved their homes, reduced their rates of interest, increased their markets, increased the price of their products, and raised their cash income from $4,682,000,000 in 1932 to $7,712,000,000 in 1939 without benefit payments, and with benefit payments to $8,519,000,000, an increase of 82 percent.

Prior to 1933 the American investor had no reliable source to which he might repair for accurate information concerning the securities in which he might invest his savings, and because of this, and because of high-pressure methods and official encouragement from high places in the Government of the United States billions of dollars were sunk in spurious and worthless stocks and bonds by the people of the United States.

During the past 7 years the Roosevelt administration, through those policies which have come to be known as the New Deal, has established the Securities and Exchange Commission, where securities are to be registered with full information concerning them and the companies issuing them for the information of the American people. It is being said by our critics that fewer securities have been issued since the Commission was established than at some periods before. But it is also true that fewer Americans have been defrauded of their lifetime's savings since the Commission was established.

Seven years ago industry was flat on its back. Factories were paralyzed, credit had vanished, pay rolls were the lowest in two decades, and businessmen and industrialists came to the Government, like everybody else, to obtain relief.

In the last 7 years the Reconstruction Finance Corporation has loaned to business more than $7,000,000,000. During the same period the Government has loaned and expended for the benefit of business and those who work for business and industry an

equal amount, which has been reflected in the increased output and profits of business, as recorded on the financial pages of every newspaper in the United States.

Seven years ago the wages and salaries received by the people of this country amounted to $2,403,000,000 for the month December (1932). In December 1939 they received $3,888,000,000, an increase of 62 percent.

Seven years ago weekly factory pay rolls were $80,384,000 for December (1932). Last December they were $197,000,000, an increase of 145 percent.

Seven years ago (1932) the dividends received by individuals in the United States amounted to $2,745,000,000. In 1939 they received $4,253,000,000, an increase of 55 percent.

In December 1932 total nonagricultural employment in this country amounted to 27,245,000; in December 1939 it was 34,940,000, an increase of 28 percent, and this latter figure does not include the 2,727,000 persons employed on W. P. A., N. Y. A., and C. C. C. projects.

In 1932 the Federal Reserve Board index of production was 64 percent of normal, while in 1939 it was 105, an increase of 64 percent.

In 1932 the total income of the American people was $40,039,000,000, while for 1939, according to the Department of Commerce, it was $68,500,000,000, and according to the Alexander Hamilton Institute, which, if names count for anything, ought to be a good Republican source, it was $71,700,000,000, which, in purchasing power, was equal to the $82,000,000,000 of 1929.

During the 7 years of the New Deal we have shortened the hours of labor, increased its unit of compensation, given it a forum for the exercise of the right of collective bargaining, regulated and reduced the abuses of child labor, and have seen to it that no man, nor his wife nor his children, should go without food or clothing or shelter in these United States.

During these 7 years the New Deal, under the leadership of the President, has inaugurated the reorganization of the overlapping bureaus and agencies of the Government, which other Presidents had sought for 40 years.

During these 7 years it has, in cooperation with States and local communities, made possible the construction and improvement of hundreds of thousands of homes throughout the Nation, as well as their preservation from the chant of the auctioneer, through the Farm Credit Administration, the Home Owners' Loan Corporation, the Federal Housing Administration, the United States Housing Authority, the Farm Security Administration, and other agencies and activities which may have been thought of prior to the New Deal, but which never reached the statute books or the records of any other administration.

Seven years ago we were operating under an outrageous and prohibitive tariff system which it took 19 months of logrolling to enact through the Congress, under which our export trade had dwindled from more than $5,000,000,000 to little more than $1,000,000,000. Under the New Deal we now proceed under an enlightened policy of reciprocal cooperation, which was being advocated by the great McKinley on the very day of his tragic assassination, and under which we have found increased markets for American products and increased employment for American labor.

Seven years ago, this Republic was viewed with fear and suspicion by our sister republics in the Western Hemisphere. Today there exists a more universal confidence, respect, and genuine understanding and cooperation throughout the western world than has ever existed before. And while, in wide areas of the earth in Europe and Asia, military conflicts are in progress and the subjugation of innocent peoples is on the march, and the democratic ideals of popular government are under attack by autocracy and brutality, we have preserved the peace of America, and we have preserved the respect of mankind, and we have not only preserved the democracy for which our forefathers fought and died, but we have made it the handmaid and the servant of 130,000,000 free American citizens, without the assistance and sympathetic cooperation of whose Government they can no more battle or overcome the economic forces which besiege them than can they hold back the tides of the ocean with a broom.

These are some of the things which the New Deal has accomplished in 7 years. No other similar period, and no other administration, regardless of political persuasion, has accomplished so much; and in my opinion none will.

America—Spent or Saved?

EXTENSION OF REMARKS

OF

HON. ROBERT B. CHIPERFIELD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. CHIPERFIELD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. STYLES BRIDGES, of New Hampshire, at a dinner meeting of the Lincoln Club, of Phoenix, Ariz., Wednesday, February 21, 1940:

It is a pleasure to be in Arizona. Yours is a man-made State in the desert. Through ingenuity, hard work, and cooperation, you in Arizona have made the desert bloom. You have developed agricultural industries that would otherwise have been impossible. Perhaps nowhere in the United States is there a State that stands as a greater monument to the triumph of human genius and labor. It is a tribute, too, to the spirit with which Americans have always surged forward to the conquest of new frontiers, overcoming the obstacles that faced them, and making fruitful a land that had been barren before. It is a symbol of the American way of progress.

Tonight I am going to ask you nine questions. They are questions which you and Arizona and the American people should ask yourselves before you go to the polls this fall. They are questions that go to the very heart of Americanism. They will be answered by the vote of the people next November, and upon that answer largely depends the future of this Nation.

Do you believe that we have reached the peak of individual attainment in this country?

Do you believe that the American people, now that our population numbers some one hundred and thirty million, are incapable of voluntary cooperation for mutual advancement, and that they must therefore be brought into line by the Government and made to pull together?

Do you believe that our economy has reached its maximum development in individual hands?

Do you believe that our economic system which was privately built, has now grown too complicated; that it must now be gradually taken over and administered by the Government?

Do you believe that our economic system has reached a point at which it can no longer provide work for all of our people, and that they must therefore look increasingly to Government relief and subsidy for support?

Do you believe that any people can long spend more than they create?

Do you believe that as our population grows and our lives are drawn closer together, that we must gradually abandon more and more of the liberties so closely identified with the American citizen in the interests of others?

Do you believe that the demands of life tomorrow will require the ever-increasing surrender of private power to public hands of the rights of local and State governments to the Federal Government, thus centralizing more and more control in Washington?

Do you believe that the constant growth of boards and bureaus, commissions and agencies to plan and direct our lives is inevitable?

Such a philosophy means the ultimate abandonment of the American way of life. It means the gradual abdication of the powers which our forefathers paid with their lives and fought to pass down to future generations as a priceless heritage. It means the eventual repudiation of all those human qualities which men have always honored in one another—industry, initiative, thrift, and self-reliance. It means the rejection of the way in which your forefathers and mine built up the greatest nation on earth. It means the adoption of the philosophy that America is spent, that we can no longer expect to advance in the way of past progress. It means the adoption of values and standards that are not only alien to America but have always been repulsive to her people in the past.

The American people do not accept this philosophy today. They do not believe that America is spent, and they are determined to preserve their tradition of a free government and a free economy. And yet this is the philosophy that has guided their Government for 7 years. It is the underlying philosophy of New Deal legislation.

The New Deal has adopted a slogan to justify its spending policies. They call it "spending to save"—presumably our free institutions. They talk about "balancing the human budget," as though they were doing so in the same proportion that they are throwing the financial Budget of the Nation further and further into the red.

According to the Treasury statement of February 15, the national debt is approximately forty-two billion two hundred and sixty-five million. That is over two and a half billion more than it was a year ago. Since the beginning of the fiscal year 1940, which began last July 1, we have accumulated well over four hundred and four million more in deficits so far this year than we did for the corresponding period in 1939.

For the fiscal year 1933, during which Mr. Roosevelt became President, Federal receipts were $16.54 for each person. For 1939, the last complete fiscal year, they had risen to $43.21 a person. For the fiscal year 1933 Federal expenses were $41 a person. For the fiscal year 1939 this has risen to $70.65 per capita. In other words, great as expenses have been—the increase of 1939 over 1933 was one of nearly 73 percent. The proportional increase in receipts—and this means the burden of taxation—has been even greater, for it amounted to nearly 148 percent. Yet during the same period the Federal debt for each person has risen from a little over $179 per capita to approximately $325 today.

In 1933 Phoenix had an estimated population of nearly 51,000. In 1933 your share of the public debt was a little over nine million. Today your share of the national debt is over sixteen and one-half million, and that does not allow for the increase of your population during the last 7 years.

New dealers would like to have you think that the taxes you have paid and the debt that has been accumulated for you within

the last 7 years has been spent to relieve human suffering. But listen to a few figures released by the Civil Service Commission concerning the number of Government employees and their pay roll on January 1 of this year:

On January 1, 1939 there were less than 920,000 executive department employees. On January 1, 1940, there was an all-time high of over 987,500 employees. That was an increase of over 68,000 in a year. The monthly pay roll went up more than $10,250,000. On a yearly basis, this would be an increase of nearly $2,000,000,000 a year.

When the President introduced the reorganization bill, the plea was that the consolidation of various departments he proposed to make would be in the interests of economy. That bill went into effect on July 1, 1939. The economy that had been effected by January 1 of this year was the addition of more than 61,500 employees in the space of 6 months. In other words, nearly 90 percent of the increase of the past year has come since the President began reorganizing the various departments of the Government in the interest of economy.

And so we have gone on year after year, going into debt almost half of the billions we were spending and adding to the number of bureaucrats who were to solve our problems for us. And today we have nearly 10,000,000 unemployed, or approximately 1 out of every 13 of our people. England, in its darkest days during the depression, had 1 out of 16 of her people unemployed. When Hitler took over Germany, 1 out of 11 of the population was out of work. The United States has been constantly slipping as compared with other nations in recovering their position of 1929. Last summer, according to the estimate of the League of Nations, we ranked eighteenth among the nations of the world. In the latest estimate, the United States ranks twenty-first, trailing all of the nations included in the League study, except France. Instead of solving the problems of industry, agriculture, or labor by our extravagance, we have only placed upon them the burden of crushing taxation and mortgaged them with debt—and been slipping backward.

But our wealth and the wealth of future generations is not all that we have spent. The New Deal policies have also been justified in the name of saving democracy. Yet, instead of saving democracy, have we not been spending it in recent years? Principles and spiritual values can be spent as well as money. Democracy can be dissipated no less than savings and wealth.

Is democracy not being spent when we have surrendered to the President and to countless irresponsible boards and bureaus powers which heretofore have rested solely in the people, and have vested in its members the arbitrary power to write legislation and by decree? Are not our civil liberties being spent when these bureaucrats have the power to try the citizen in any way that they see fit and to deny him the very rights which have always been the American's proudest boast, at the same time depriving him of the right of appeal?

If this seems an exaggeration, consider with me a few of the rulings of the National Labor Relations Board. Today, according to the decision in the Standard Hat Co. case, an employer would be unwise to risk telling his employees that they have the right to join a union or to withdraw at any time they choose unless he protects himself by adding that they may also join any union they wish. From the ruling in the Adams Bros. Sales Book Co. case, an employer is apparently responsible not only for any antiunion statement that he or one of his supervisory officials might make, but for any antiunion remark made by any one of his employees who for any reason may be said to be associated with him in the minds of his workers. Judging from the Yale & Towne case, any statement, whether written or oral, which, although containing no threats of discrimination, even dares to suggest the insincerity of an outside union or the absence of its need, may be considered an unfair labor practice. According to the Board's decision in the Vincennes Steel Corporation case, an employer would do better actually to discourage the formation of a company union rather than run the risk of the accusation that the union is company dominated. If such a union should be formed entirely on the initiative of his employees, it is to his interest to disavow any connection with it publicly. Under such conditions, freedom of speech and press for the employer and the assurance of genuine opportunity of collective bargaining for the employee simply does not exist.

The Board proceeds as it pleases and decides what evidence it will or will not accept. And it is becoming increasingly clear that unless Congress curbs the powers of such agencies the citizen will have even less opportunity for redress in the future than in the past. According to the Labor Relations Act, the findings of the Board are to be final only when supported by evidence. However, a decision handed down on February 12 by Justice Black in the Waterman Steamship case would seem to nullify this provision. A circuit court of appeals had reversed the decision of the Board on the grounds that its verdict had been based not on evidence but merely on suspicion. In his decision Justice Black admits that there is reason to question the facts as presented by the Board, and yet he rebuked the lower court for presuming to judge the facts of the case.

"It is of paramount importance," he declared, "that courts not encroach upon the exclusive power of the Board. As it did in setting up other administrative bodies, Congress has left the questions of law which arise before the Board—but not more—to the traditional review of the judiciary."

Judging from this decision, governmental boards and bureaus such as the N. L. R. B., which act as judge, jury, and prosecutor, are to have the exclusive right to select the facts upon which they wish to have any decision test. No matter how flimsy the evidence, no matter what human rights may be involved, the lower courts are apparently instructed to accept the facts thus presented without question and to confine themselves solely to questions of law. The citizen is apparently to be denied the protection of the courts in such a case. The threat to his constitutional rights and to his liberties is clear. The need for congressional reform of these agencies to assure fair rules of procedure and of evidence is more than ever necessary if the citizen can no longer appeal to the courts against injustice. The Frankenstein of dictatorial bureaucracy must be controlled if government is to remain responsible to the people, if the civil liberties essential to freemen are not to be dissipated.

Are we not spending our system of free economy when Government extravagance drains from it in taxes the money that might have gone into expanding business and providing greater employment and increased wages? Are we not spending it when the money squeezed from it in taxation is put into competition with it, replacing private investment with public investment, private loans with public loans, and private employment with public employment? Are we not spending our private economy when regulations of the Securities and Exchange Commission choke off flow of investment into legitimate enterprise? Are we not spending it when enterprise is placed in a strait jacket of repressive regulations by bureaucratic decree, when it lives in uncertainty as to what new ruling will be handed down tomorrow that may put it out of business?

I was talking recently to an old friend whom I had not seen in some time. When I asked him how his business was going, he replied:

"Well, I used to take pleasure in each day's work. It was something of an adventure, and I had at least a 50-50 chance of success. Today, all the joy of working has gone. I have all the headaches and the losses, and if by any chance I should happen to make a few cents' profit, I know the Government will get it."

Today men and women all over the country are feeling that same way. In destroying all incentive, all hope for success, are we not spending the very spirit of initiative and energy that has built America?

Then, too, are we not dissipating our wealth by the policy of buying all the silver and gold the world will sell to us at prices so high above the world level? Our Treasury vaults are bulging with some 3,000,000,000 ounces of silver and over 515,000,000 ounces of gold, only a small fraction of it mined in America. We now hold two-thirds of the world's gold, valued at more than $18,000,000,000. Year after year we have more than subsidized our exports to other nations by our purchase of these metals. No one knows what to do with the hoard. Every dollar of the American taxpayer that is spent to buy more of these metals decreases the true value of the hoard that we already have. Every dollar that we spend to stabilize the rest of the world now increases the amount of these metals that the President can use for inflation whenever he decides to exercise this power. And every dollar that we go into debt increases the danger of this, so long as he retains complete control over the Nation's currency. We are expending our wealth—more than three billions of it during the past year—to subsidize other nations today but impoverish them tomorrow; to decrease the true value of our own silver and gold mines in our Western States; and to invite disaster if our present monetary and fiscal policies are continued. Unless the soundness of our currency is safeguarded by the gradual reduction of this foreign purchase program and the setting of our financial house in order, we in America will indeed have dissipated our wealth.

Then, again, are we not spending our standard of living when we adopt policies designed to make it increasingly difficult for our American farmer and worker to compete for the markets of the world, and at the same time open the doors to the importation of cheap competitive goods that displace American farmers and workers and American farms and factories? That has been the net result of the administration policy of restriction at home, particularly of agriculture, combined with its reciprocal trade program.

The United States is now the greatest free-market country in the world. Two-thirds of the products we import are on the free list. Of the remaining one-third on which duty is charged, we have reduced the tariff on 42 percent. And, despite administration assurances that no general downward revision of the tariff schedules was contemplated, we have reduced them by an average of 38 percent. One third of the reductions or more than 11 percent of all goods, free and dutiable, have been reduced by the full 50 percent allowed by the act.

The Raw Materials National Council has estimated that agricultural imports from other nations displaced nearly $2,000,000,000 worth of American agricultural products in 1939 alone. To have raised these products in the United States would have taken nearly 44,000,000 acres of farm land. By contrast, only 35,000,000 American acres were used to produce farm products for exportation to other nations. And these exports were valued at only $655,500,000.

Administration officials will tell you that the American farmer enjoys 92 percent, or 95 percent, or 97 percent of the domestic market for a given commodity. What they do not tell you is that, due to cheap labor abroad, the value of these products would have been as much as three times greater had they been produced in the United States. What they do not tell you is that, because domestic trade represents approximately 93 percent of our total production, if you cut that by so much as 2 percent through

the importation of competitive goods, you would have to increase your exports by approximately 30 percent to make up the difference. Instead, under the reciprocal-trade program, exports of agricultural products have been falling even faster than the importation of competitive farm products has risen.

You in Arizona are directly affected by the importation of cattle. In 1939 we imported 754,000 head of live cattle. Not only was this an increase of 330,000 over the year before, but it represented almost 10 percent of the inspected slaughter in this country. The duty on cattle had been reduced in the treaty with Canada; but because these concessions apply to all the world, it permitted the inflow of cattle from other nations at the same rate, although they had given no concession to us. You in Arizona have developed a fruit industry. The duties on innumerable types of fruits have been reduced. The tariff on dates, for example, was lowered by nearly 27 percent in the treaty with Canada.

We can preserve the American standard of living only if we safeguard it against the competition of cheap foreign goods below the American cost of production. We can preserve it only if we return to the spirit of true reciprocity, as set forth by President McKinley. It was he who declared:

"The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people but tend to increase their employment."

Under such a policy the reciprocal-trade program can be used to stimulate exports and at the same time encourage the importation of foreign products which do not displace American labor and American land. Under such a policy, the benefits can be reciprocal without injuring either.

A program of trade treaties should be continued, but it must be done in the democratic way. The citizen must be provided the opportunity for more adequate hearings than he is now afforded before a "buffer" committee which has nothing to do with the negotiations. He must have restored to him his right to appeal which was denied to him by the Reciprocal Trade Act. And he must have restored to him the same right that he has to pass on other legislation and other treaties through his representatives in Congress.

We can no more save democracy and our system of free economy by dissipating them than we can save our wealth or our natural resources by destroying them. We can save our civil liberties only by guaranteeing them to every citizen alike. We can save democratic government only through a return to a limited government of laws responsible only to the people. We can save the national credit and the savings of our people only by sound fiscal policies on the part of the Government. We can preserve a free economy only by preserving the freedom and opportunity of the individual to exercise his energy and his genius, not only for his own advantage but to contribute to the enrichment of life for all. We can go forward only by encouraging the human qualities that have always made for success—industry, initiative, and thrift. Simple as it seems, we need to remember that we can only save by saving. If it be conservative to conserve all of these things, upon which the liberties and the prosperity and the progress of the American people depend, then America has need of a conservative Government today.

The Republican Party proposes to conserve our democratic form of government by removing the power of those in office—according to the President himself—to provide shackles for the liberties of the people. It will conserve the principle of self-government by returning to the people those powers which can and should be administered in their respective States and communities. It will conserve the democratic conception that a public official is a public servant by nominating men whose purpose is not the regulation nor the reformation of the lives of our people, but the fair and impartial administration of the law, not for the benefit of any one group but in the interests of all.

The Republican Party proposes to conserve our system of free economy by freeing business from the shackles that now bind it—punitive taxation, restriction for reform, and the fear of what those in public office will decide to do next. It will remove every obstacle to private spending, private investment, and private employment as the trinity of a private economy. It will conserve the right of the worker to work and to rise as high as he is able; the right of the unemployed to work for themselves and their families instead of for the Government; the right of the farmer to fair prices and a prosperous domestic market in the only way that they can be conserved—through the revival of an expanding economy of plenty. It will enable our people to achieve the more abundant life, not destruction and scarcity, not by distributing as bounty of the Government a portion of what has been taken from them in taxes, but by enabling them to create more wealth and earn the highest standard of living of which they are capable. It will promote the partnership of capital and labor by assuring the right of genuine collective bargaining and equal justice and equal rights of both. It will promote the unity of all of our people—the farmer, the worker, and the businessman alike—in the democratic spirit of mutual tolerance and respect, sympathetic understanding and voluntary cooperation.

A conservative program? Yes. But it is a program for conserving the human rights and the free institutions which the American people have always prized most dearly. It is a program for conserving the way of life which has brought the greatest progress and the greatest human happiness the world has ever known. But it is more. It is a program for conserving the moral values and the spiritual ideals toward which men have struggled through the ages. It is a program based upon the faith that the American people are not spent, but will go forward, as they have in the past, to give light and inspiration to the rest of the world.

Report of Frank Republican Program Committee

EXTENSION OF REMARKS

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

EDITORIAL FROM THE NATION OF MARCH 9, 1940

Mr. THOMAS F. FORD. Mr. Speaker, if the Frank Republican Program Committee's report is to be the basis for the Republican platform of 1940 it is my fixed conviction that the Democrats have nothing to fear. If "imitation is the sincerest flattery," we have here a brilliant example.

It is my understanding that this group of "best minds," this imitation "brain trust," spent in excess of a year preparing this report.

If original thinking was the objective, it seems to have completely failed.

To me it looks as though the mountain labored and brought forth a very timid and frightened little mouse.

The best analysis I have seen of this herculean effort is an editorial which appeared in The Nation for March 9, 1940, which I am placing in the RECORD.

[From The Nation of March 9, 1940]

FRANK BUT NOT CANDID

The easiest way to summarize the report of Glenn Frank's Republican program committee is to say that it comes out for the New Deal with ifs and buts. The report was intended to serve as an arsenal for the 1940 campaign, but the weapons supplied seem chiefly boomerangs. The Democrats could find no more graphic testimonial to the permanent character and historical importance of the changes associated with Mr. Roosevelt's Presidency. Read in the light of the "rugged individualism" campaign of 1932, the report shows the extent to which the Republican Party has been forced to accept the leadership, not of Mr. Hoover or of Mr. Landon but of Mr. Roosevelt. The intent to sabotage his reforms is clear enough to one who reads this program carefully—and between the lines—but the report is nevertheless forced to pay him the tribute of endorsing the principle of virtually everything he has done. Mr. Hoover still belongs to the Republican Party, but the Republican Party no longer seems to belong to Mr. Hoover. It accepts collective bargaining, relief for the unemployed, social security, soil conservation, subsidies for agriculture, reciprocal-trade agreements, regulation of stock markets, Government "yardstick" competition where necessary, minimum-wage and maximum-hour legislation, and even the impossibility of returning to the gold standard at this time. In what, then, does it differ from the policies of Mr. Roosevelt?

IMITATION SINCEREST FLATTERY

It differs only as the plugged nickel does from the genuine. This program is no doubt honest in its implied pledge to keep New Deal legislation on the statute books, but there are more ways than one to skin a statute. The Republican administrations which followed Wilson's repealed neither the Clayton Act nor the Federal Trade Commission Act. The Federal Trade Commission continued in existence, but it soon became a means not of policing industry but of extending old-age assistance to some of the Grand Old Party's deserving poor. New Deal reforms are susceptible to the same treatment. It may be that we are oversuspicious. It may be that Ernest T. Weir, who has just been appointed chairman of the Republican national finance committee, is preparing to pass the hat among his Wall Street friends on the basis of a frank pledge to carry on the New Deal. We have too high an opinion of Mr. Weir's astuteness to believe it. The program shows that the contributors will get their money's worth if the Republicans win. Its position on the Securities Act is an example. The Glenn Frank "brain trust"—another Democratic imitation incidentally—thinks "full disclosure" on security sales "as vital as protecting consumers against adulterated or poisonous foods." But they believe sellers of securities are being asked to disclose too much. The reference to protecting consumers against adulterated foods is itself a wink that potential contributors will not be slow to understand.

A PROGRAM OF IFS AND BUTS

Similarly, the ifs and buts on collective bargaining and the Wagner Act are sufficient to give business all the amendments it has been asking. Without saying so, the report implies repeal of the Wage and Hour Act, for it proposes wage and hour protection only

where collective bargaining is not possible. The program committee does not object to Government "yardsticks" in the power industry, but its proposals on accounting methods and delimitation of territory will not antagonize Mr. Willkie.

It approves reciprocal-trade agreements, but recognizes with equanimity that "the present trend toward national self-sufficiency" may require another and bigger dose of Hawley-Smootism. It agrees that the unemployed must be fed, but wants "local forces" to determine relief allowances and methods. It is for social security but objects that pay-roll taxes do not represent taxation on the basis of ability to pay. It is for taxation on the basis of ability to pay, but wants lower taxes on higher incomes. It wants a balanced Budget, but it proposes reduction in the higher individual surtax rates, repeal of the capital-stock and excess-profits taxes, and abolition of the normal tax on dividends. It is true that these tax proposals are coupled with elimination of tax exemption on future issues of Government bonds, but this reform would have its compensation in the higher interest rate. Mr. Weir should not find it difficult to raise money for the campaign on the basis of this program. Contributions might well represent a self-liquidating investment.

HALF TRUTH, JUGGLED FIGURES, STACKED CARDS

There are more half truths, juggled figures, and stacked cards in this report than we can attempt to set straight in this editorial. There are proposals of the purest throttle-bottom variety, such as the suggestion that corporations make annual reports to their workers as well as their stockholders. There are passages of unconscious humor Max Beerbohm could hardly surpass. The 200 experts, after 2 years of work, have reached some profound conclusions. "Expenditures," they decide solemnly in one passage, "are at the heart of most fiscal problems." This is, indeed, a discovery. There are analyses which one would ponder respectfully if they came from Norman Thomas but which are pure non sequitur in the context of republicanism. Of such are the discovery that the farm problem would be solved of itself if every American family enjoyed a decent diet and the discovery that there would be a boom in building and in household accessories if every American family had a decent home. But how are we to enable every American family to afford a decent diet and a decent home? On this new version of the full dinner pail and two cars in every garage the experts are silent. And in that silence, now as in 1932 and 1936, lies the New Deal's opportunity.

W. P. A. Workers Appeal Through Paid Advertisements to Private Industry for Jobs

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

Mr. COCHRAN. Mr. Speaker, I read with a great deal of interest in the Washington News last Thursday an editorial entitled "Message to Industry." This is a message from W. P. A. workers of New York City to private industry. It was in the form of an advertisement in a New York paper paid for by W. P. A. employees, who forcibly pointed out their desire to secure private employment.

Much has been said about the W. P. A. worker being satisfied. Anyone who knows what confronts a man with a family employed by W. P. A. is fully aware that 95 percent of them are anxious and willing to accept private employment. W. P. A. is only a headache to these workers, but when private industry offers no inducement to them they are by necessity forced to appeal for work to W. P. A.

Mr. Speaker, this is a most interesting editorial and I include it as part of my remarks. The editorial follows:

[From the Washington Daily News]

MESSAGE TO INDUSTRY

Three hundred W. P. A. workers in New York City bought newspaper advertising space the other day to address "A Message to Private Industry."

"Our salaries are paid by your taxes, but we would prefer employment direct by you," the message said. "Unfortunately, there seems to be some misunderstanding about this. Most of us have found, through bitter experience in seeking private work, that a record of employment with the W. P. A. is often construed to indicate lack of character, ability, initiative, or intelligence.

"We believe it is time something was done to dispel this belief. * * * We are unanimously willing and anxious to secure private employment. We believe that among us you can find the man or woman to fill, to your complete satisfaction, any job which you may have to offer. All we ask is that you give us a chance."

Certainly that statement indicates presence of character, ability, intiative, and intelligence among the men and women who made it. It should, and it probably will, bring many offers of private jobs to their unofficial "W. P. A. Employees Placement Association." We hope it will help to overcome the widespread prejudice against hiring persons who have been on W. P. A.

There is bitter irony in the fact that W. P. A., dedicated to keeping the unemployed fit and ready to return to private industry, so often closes the door it is meant to prop open. Part of the blame can be laid to the management of W. P. A., part to the cruel jokes about shovel-leaners, part to the presence on the rolls of many who are content to regard work relief as a career. But there are many more who are as eager to get off W. P. A. as any taxpayer can be to get them off, and their plea for a chance deserves the active, sympathetic attention of private industry.

Democratic Senators on Record as Being Opposed to Tariff Making by the Executive

EXTENSION OF REMARKS

OF

HON. FRANK CROWTHER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

JOINT STATEMENT ISSUED ON SEPTEMBER 29, 1929, BY DEMOCRATIC MEMBERS OF SENATE FINANCE COMMITTEE ATTACKING PRINCIPLE OF PERMITTING PRESIDENT TO PASS UPON TARIFF RATES

Mr. CROWTHER. Mr. Speaker, under leave to extend my remarks, I include the following public statement issued on September 29, 1929, by the Democratic members of the Senate Finance Committee, many of whom are still members of that body. The statement was originally published in the CONGRESSIONAL RECORD of October 2, 1929, and is of particular interest at this time, when the question of tariff making by the Executive is again an issue. With but one exception, all of the signers are still Members of the Senate.

It should, of course, be kept in mind that the following statement is directed at the so-called flexible tariff, which is a very mild delegation of authority compared to that under the present Trade Treaty Act. Under the flexible tariff the President is bound by a congressional rate-making formula, and, as the Supreme Court said in the Hampton case upholding its validity, he merely exercises an administrative authority in applying the legislative rate-making formula to the facts, as found by the Tariff Commission. Under the Trade Treaty Act, however, the President exercises complete discretionary authority in rate making, being bound by no such formula as is contained in the flexible tariff.

The joint statement follows:

JOINT STATEMENT ISSUED BY DEMOCRATIC MEMBERS OF SENATE FINANCE COMMITTEE ATTACKING PRINCIPLE OF PERMITTING PRESIDENT TO PASS UPON TARIFF RATES

September 29, 1929, the eight Democratic members of the Senate Finance Committee issued a public statement in which they attacked the principle of permitting the President to pass upon tariff rates as being unconstitutional and a menace to the democratic form of government. The statement follows:

"A question of far-reaching consequence transcending considerations of party prompts us to issue a public statement in relation to the so-called flexible provisions of the tariff bill now pending before the Senate.

"The question involved is one that in our opinion strikes at the very roots of constitutional government. It concerns the preservation unimpaired or the abandonment of the power of levying taxes by that branch of the Government which the forefathers agreed should alone be charged with that duty and responsibility.

"Whatever argument could be advanced during the war and immediately following for delegation to a degree of the taxing power to the Executive unquestionably no longer exists. To incorporate now in the law any recognition of a right of the Executive to impose taxes without the concurrence of the legislative branch is without justification.

"Authority in the Executive to make the laws that govern the course of commerce through taxation is especially objectionable. It is an entering wedge toward the destruction of a basic principle of representative government, for which the independence of the country was attained and which was secured permanently in the Constitution.

"There is no issue here as to the integrity of any Executive who has had or may have extended to him the exercise of this power. The issue is one of taxation by one official, be he President or monarch, in contrast to taxation by the representatives of the people elected, entrusted exclusively with the power to seize the property of the citizen through taxation. If proof were needed that the danger which the forefathers foresaw is inherent in this issue, a mere casual inquiry into the methods employed, selfish influences used, sinister schemes and contrivances brought to bear, one need but examine the record.

"The principle is: Are taxation laws and their application to be made virtually in secret, whatever may be said about a limiting rule, or are they to be enacted by the responsible representatives of the people in the Congress, where public debate is held and a public record made of each official's conduct?

"The arbitrary exercise of the taxing power, all the more dangerous if disguised and not obvious, in its basic character is tyranny. Resistance to the impairment of this popular right has largely occasioned many of the wars and revolutions of the past.

"An issue of this importance should not be associated with the opinions or necessities of those interests, States, or sections that directly profit by some rate schedule in the body of the tariff act. With respect to the principle here at stake, any trading or log-rolling is especially unjustifiable and indefensible. Neither should we be unduly influenced by the attempt to divert attention from this momentous issue by condemnation of and emphasis upon the dilatory and unsatisfactory results of congressional procedure.

"No one seeks to prevent or in any way to interfere with the investigations and reports of the Tariff Commission in connection with emergency tariff legislation. The point is, we emphatically insist that final action and responsibility based on Tariff Commission reports shall be taken by the Congress.

"For the purpose of preventing apprehended congressional delay an amendment has been made providing for the submission of the reports to the Congress by the President, and, furthermore, an amendment will be presented strictly limiting action by the Congress to matters germane to the particular subject matter or rates recommended by the President after investigation by the Tariff Commission.

"We do not hesitate to say that if this extraordinary and what we believe to be unconstitutional authority passes now from the Congress, it is questionable if there will ever again be a tariff bill originated and enacted by the Congress.

"It is our solemn judgment that hereafter all taxation through the tariff, and regulation of commerce thereby, will be made by the Executive. It is the inherent tendency of this tariff-changing device and the apparently conscious purpose of its proponents to use it to keep the tariff out of Congress where it is such an embarrassing business, as everyone knows, to the party that profits politically by it. So also it will be of distinct advantage to the interests that are the direct beneficiaries of the tariff.

"In an age where there has been a steady tendency to rob the individual citizen of his power and influence in his Government through bureaucracy, we deem it our duty to vigorously protest any further encroachments in this direction, and especially with respect to taxation.

"In the hope of arousing the people, regardless of party, to take a broad, public view of this important public question, we make this appeal.

"FURNIFOLD M. SIMMONS, of North Carolina.
"PAT HARRISON, of Mississippi.
"WILLIAM H. KING, of Utah.
"WALTER F. GEORGE, of Georgia.
"DAVID I. WALSH, of Massachusetts.
"ALBEN W. BARKLEY, of Kentucky.
"ELMER THOMAS, of Oklahoma.
"TOM CONNALLY, of Texas."

New C. C. C. Head Measures Up

EXTENSION OF REMARKS
OF
HON. MARY T. NORTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

EDITORIAL FROM THE BOSTON HERALD TRAVELER OF FEBRUARY 29, 1940

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Herald Traveler of February 29, 1940:

[From the Boston Herald Traveler of February 29, 1940]

NEW C. C. C. HEAD MEASURES UP

A good man from New Jersey has succeeded a good man from Massachusetts as director of the C. C. C. James J. McEntee has succeeded the late Robert Fechner. McEntee was Fechner's executive assistant.

The importance of this information lies in the fact that McEntee becomes the head of a Nation-wide activity which maintains 1,500 camps and an average enrollment of 300,000 young men. Continuous outside pressure is brought to bear on C. C. C. to militarize the outfit. From the outset, President Roosevelt and Director Fechner opposed every move to militarize the corps. The new director, McEntee, is equally opposed.

The American public should give full support to the policy of a nonmilitary civilian conservation corps. To militarize the C. C. C. would be to betray those hundreds of thousands of young men who in good faith entered the corps. No government with an ounce of respect for itself would take advantage of the financial need of some of its people and transform these particular young men into cannon fodder.

Director McEntee and the late Robert Fechner were close friends as well as official associates. McEntee is made of the same kind of fighting stuff that marked the brilliant career of Fechner. McEntee is a good organizer, is easy-going and good-natured, and has little use for red tape. In short, the new head of the C. C. C. appears to merit the confidence of the American people.

United America—Part 6

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. THORKELSON. Mr. Speaker, article II, section 1, states:

The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years, and, together with the Vice President, chosen for the same term, be elected, as follows:

The remainder of section 1 describes the procedure, giving rules and regulations, under which the President and Vice President are to be elected and conducted into office. From this section I shall quote two paragraphs, the first of which pertains to qualifications for President:

No person except a natural-born citizen, or a citizen of the United States at the time of the adoption of this Constitution, shall be eligible to the office of President; neither shall any person be eligible to that office who shall not have attained to the age of 35 years and been 14 years a resident within the United States.

I have taken the liberty of quoting this paragraph in order to show the danger of amending the Constitution. No one can deny that it was a wise provision to exclude all but a natural-born citizen to fill the chair as President of the United States, and no one can deny that it was extremely unwise to destroy this provision, as was done when the seventeenth amendment was adopted. We are, however, faced with this unfortunate situation today, for we are indeed a "democracy" instead of a democratic republic, as set forth in the Constitution of the United States.

Fifty-one percent of the voters now elects all officials and the same 51 percent determines who shall be President of the United States, for the majority now rules. This has already been explained in previous remarks on "A United America," and was also mentioned last year when I introduced House Joint Resolution 331, for the repeal of the seventeenth amendment.

I am fully convinced that we are heading for internal strife, disintegration, and complete destruction of the Government unless we repeal the seventeenth amendment, and so restore State representation in the Senate of the United States. The resolution for repeal of the seventeenth amendment is now in the Judiciary Committee of the House, and I hope someone will introduce it in the Senate. It would be very interesting to have this resolution reported out, so that it might be discussed in open debate on the floor of both Houses.

The people who are interested in restoring sound government should insist that this resolution be passed in both Houses, so that it may be presented for consideration to

the various States. It is only in this manner that constitutional government can again be established in this Republic of the United States of America. It is extremely important to the people of every State that their State be represented in the Senate of the United States.

I am one of those who believe in strict discipline and faithful execution of all orders by the highest as well as the lowest, not only in the military establishments but also in civilian government. I also maintain that no leniency should be extended to anyone who violates his oath of obligation "to preserve, to protect, and defend" the people's rights and the Government of the United States. I believe he or they should be held strictly accountable for all violations and infractions of obligated duty to the people of our Nation.

I maintain that the President of the United States occupies a much more important position than other public officials, for he should set an example for others to follow. This is clear as we read article II, for he has obligated himself not only "to preserve, to protect, and defend the Constitution," but also to see that the Constitution is faithfully obeyed. I shall now quote the second paragraph, to which I have already referred:

> Before he enter on the execution of his office, he shall take the following oath or affirmation: "I do solemnly swear [or affirm] that I will faithfully execute the office of President of the United States, and will, to the best of my ability, preserve, protect, and defend the Constitution of the United States."

The President, after subscribing to this oath, is obligated to carry out sections 2, 3, and 4 of article II, which I shall now quote:

> SEC. 2. The President shall be Commander in Chief of the Army and Navy of the United States, and of the militia in the several States, when called into the actual service of the United States; he may require the opinion, in writing, of the principal officer in each of the executive departments, upon any subject relating to the duties of their respective offices, and he shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment.
>
> He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate and, by and with the advice and consent of the Senate, shall appoint Ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law, but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.
>
> The President shall have power to fill up all vacancies that may happen during the recess of the Senate, by granting commissions which shall expire at the end of their next session.

No one should fail to note that the only power granted to the President in article II, exclusive of Senate approval, is the "power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment," and please be reminded that this is the only power granted to the President by the Constitution without Senate approval. It follows, therefore, that all power now vested in the President by Congress is unconstitutional, and a power that Congress had no constitutional right to transfer to him or to the executive department. This should be clear to even the most obtuse Member of Congress.

The President is, of course, Commander in Chief of the Army and Navy and of the State militia when called into active service, and to this no one can object. The President, however, must bear in mind that he and the Army and Navy are subservient to the Congress of the United States, a fact that is clearly set forth in article I, section 8. It may be enlightening for some of the Members in Congress when I state at this point that Congress, the President, the Army and Navy, including the other Federal branches and all Federal departments, are subservient to the people of this Nation and must not interfere with the people's rights or jeopardize national security.

> SEC. 3. He shall from time to time give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient; he may, on extraordinary occasions, convene both Houses, or either of them, and in case of disagreement between them, with respect to the time of adjournment, he may adjourn them to such time as he shall think proper; he shall receive ambassadors and other public ministers; he shall take care that the laws be faithfully executed and shall commission all officers of the United States.

Section 3 provides that the President may "give Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary," and I believe Members of Congress look forward to this information with keen interest, hoping that his recommendation will be in accord with the Constitution of the United States. This is no more than what may be expected, for we find in the same paragraph a command to the President, that "he shall take care that the laws be faithfully executed"; and what law is more important than the Constitution of the United States?

This question now arises, Has the President taken care that the Constitution is faithfully executed? Has the President advised Congress not to enact, and has he refused to approve and sign, unconstitutional legislation? The answer is "No." It is, therefore, clear that he, as well as some Members in Congress, have violated their obligation "to preserve, to protect, and defend the Constitution."

The people should make it their business to inform themselves of what is happening to their liberties and rights when Congress enacts unconstitutional legislation. Industry, as well as labor, should awaken and rub their eyes so that they may be able to read the new formula—war and regimentation—which is rising over the international horizon. Our business people should know by this time that there is no rhyme or reason for the condition in which we find our business structure today. They should know that all is being deliberately planned by the internationalist, so that he and his sympathizers may acquire ownership of all valuable sources of national income. Labor should understand that when the internationalist takes charge, as he hopes to do, there will be no collective bargaining or freedom of labor, for he, having control of business, no doubt hopes to wield policing power as well as a weapon of enforcement, and it is such price we will pay for neglecting our own Government.

More than 50 Government-owned and operated corporations destructive to business and labor have been set up by special legislation and approved by the President of the United States. Congress also has enacted the Gold Reserve Act, the stabilization fund, the Social Security Act, Reorganization Act, emergency acts, emergency legislation, international banks and banking acts, taxation of public officers and employees, the Hatch Act, and many others, all of them unconstitutional.

The fact that Congress has blindly enacted unconstitutional legislation is in no sense an excuse for the President to sign or approve such acts, for he too has obligated himself to respect the Constitution of the United States. I have raised this issue to show how important it is for the people to watch the actions of Congress and insist that the Senate and the House honor their obligation, which is "to preserve, to protect, and defend the Constitution of the United States." It is only in this manner that our Nation can survive.

There is one law which the President has obligated himself faithfully to observe and to enforce, and that is the Constitution of the United States. I often wonder if, when he is signing unconstitutional legislation, section 4 ever comes to his mind:

> The President, Vice President, and all civil officers of the United States shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

I have often wondered in the past year what would actually happen to many officials now employed in the Federal Government if the majority in Congress were composed of real patriotic statesmen instead of international dupes. It would just be too bad for these international racketeers, who are now waxing fat on the taxpayers' money.

I understand about 3,000 attorneys are employed by the Federal Government in the District, and I presume that many of them spend their time drafting much of the queer

legislation that reaches the floor of the House. This legislation is packed into pages and pages of pamphlets and must be considered by the House in 8 or 10 hours, when for understanding it should actually require a week of study. This "must" legislation is supposed to be passed as is, for the rules of the House permit no intelligent separation of these pathological brain babies of "hot dog" attorneys.

Members of Congress, instead of being cowed by this stuffed legislation and worried over what the people think back home, should hurl it back into the teeth of those who wrote it, and ask that each measure be presented in separate form so that it could be rejected at the usual congressional leisure. The idea of using sound legislation and appropriations as a vehicle to carry unsound laws and wasteful squandering of money cannot be condemned too severely.

I realize that some of these experts may wish to take issue with my statements, and let it be understood that I welcome such action. I shall only ask that arguments on the constitutionality of legislation be based on the Constitution itself, and not upon some flimsy flight of imagination, which at some time in the past may have infiltrated the cerebral cells in the cranium of some Justice of the Supreme Court. It is a foregone conclusion that when interpretation of constitutionality is based upon decisions rendered by previous interpretations, the last opinion is so far removed from the original document that all relationship is lost, and bears, therefore, about the same resemblance to the Constitution as the smallest twig of a branch bears to the trunk of a tree.

All unconstitutional laws which now have become a burden to industry, business, and labor are written into the statutes either because of legal ignorance or willful evasion of the Constitution of the United States. Such laws should be repealed, for they have become a nuisance and are in many instances employed to persecute the people. In addition to all other inconveniences, the cost of administration of these unwarrantable laws is actually closing many business enterprises, which results in increased unemployment.

The mess we are in today stinks to high heaven, for we, the people, are not only exploited by a putrid national political machine but we are, in addition to that, the victims of an international political machine, which will, if not eliminated, destroy this Nation and enslave our people. We must get rid of both monsters, for do not forget that it is minorities, working through political parties, that have destroyed all sound governments.

I cannot imagine anything more incompatible and destructive than having an internationalist or an international sympathizer as President of the United States and as head of a political party at the same time. It is like trying to mix oil and water. Dual allegiance can only end as it is now doing—in utter disintegration of the Government.

LET US NOT BE FOOLED

Our Nation is now undermined with communism in all branches and departments of the Federal Government. We find communism well infiltrated in colleges—in private and public high schools. These international destroyers meet in public places, protected by the watchful eyes of the law, while patriotic organizations are denied the same privilege.

I have quoted in previous issues of the RECORD the principles of Leninism, which are nothing more nor less than sabotage of our industries and destruction of our Government. All this is sold on practically every newsstand, and may be bought even by agents of the F. B. I. Let me now quote the oath and objectives of the new sprouts of communism—those who are members of the Young Communist League:

[From the Appendix of the CONGRESSIONAL RECORD, p. 1257]

I pledge, upon joining the Young Communist League, to be a loyal fighter for the everyday interests of the working class and the toiling youth. To further do all in my power to learn and become a conscious leader amongst the young workers, wherever I may be, in the struggle against the boss class and for the establishment of a workers' and farmers' government—a soviet America.

COMMUNISM'S OBJECTIVES

1. Abolition of orderly government.
2. Abolition of private property.
3. Abolition of inheritance.
4. Abolition of patriotism.
5. Abolition of the family.
6. Abolition of all religion.

YOUNG COMMUNIST LEAGUE

Program: We favor the nationalization of the munitions industry. We stand for the abolition of the R. O. T. C. We pledge our aid to the annual student peace strike. We recognize the greater hope and vision of tomorrow—a new social order—socialism. This will mean the building of a new America in which the factories, mines, and natural resources will belong to the people. The Young Communist League has always looked upon the American Student Union as a rallying point of all progressive students, no matter what their political beliefs.

As I said, the young as well as the old Communist platform can be bought at every newsstand, and I advise the Department of Justice to read all this subversive literature and compare it with the principles set forth in the document they obligated themselves "to preserve, to protect, and defend."

I now ask the Attorney General, Mr. Jackson, to state in a letter why his department has not investigated and prosecuted the Communist Party and its affiliates in the United States, particularly in view of the fact that the Communist Party admits it is subversive, anti-American, and destructive not only to our industries but even to the Government itself.

I ask the Chief of the F. B. I. to state in a letter why he is investigating innocent patriotic American citizens, instead of the Communists who admit in their own books that they intend to sabotage industry and destroy our Government. I am sure Members of Congress would like to be informed about this, and I am sure it would be enlightening to the taxpayers of this Nation, who are paying the expenses of the Department of Justice and the salaries of the gentlemen in question.

The Department of Justice and the Federal Bureau of Investigation should understand that the various organizations that object to communism and to those who spread communistic philosophies are composed of patriotic American citizens, who have elected to perform a duty which the Department of Justice is neglecting.

Constitutional government is in a precarious position when the international Communists wield such power in the administration that they control the Department of Justice to the point where they can direct investigation of law-abiding citizens, in order to shield their own subversive activities, where the power is so great over the courts that they can set bail so high that it is tantamount to persecution. I hope that Congress and the Department of Justice will recognize the true state of affairs and correct this evil, before the people take the law into their own hands. Judges of the courts should be of the majority instead of the minority.

To those who may try to read partisan leanings in these remarks, let me say that I am neither a politician nor apologist for political parties. It is true that I advocate and advise the people to elect no one to office except those who faithfully promise to adhere to the fundamental principles of this Republic as set forth in the Constitution of the United States. No one with true interest of his people at heart should object to that, for it is only upon that document the people can protect themselves against their own Government and preying politicians. I furthermore believe that officials who deviate from constitutional principles should be removed from office for the general welfare of the people.

There is, however, one topic much discussed today and about which I am uncertain, and that is whether we should have a Republican or a Democratic President. I am, if nothing else, neutral on that score, because I realize if the incoming President is wishy-washy and tied to the same interest as the others, it matters not whether he be a Republican or a Democrat, for the end will be the same.

As I look into the future I can visualize much that may happen in the next 4 years unless drastic measures are employed to bring about rehabilitation of industries and full employment by economy in the Government.

It is quite likely that our national debt will become larger and larger and terminate in uncontrolled inflation and collapse of our monetary system, and this is particularly true as gold begins to leave the United States.

We must not forget that the seven or eight billion dollars now in circulation is not secured upon gold or silver in the Treasury, but is instead a purely inflated dollar. If we now add to the national debt nine or ten billion dollars more of contingent liabilities, the debt will reach the staggering sum of about $60,000,000,000.

I look for the currency structure to break within the next 4 years, and with unsecured money in circulation, such collapse will be complete, with nothing left but wrecked investments. This is a situation we have never had before, and I am wondering how it will be accepted by the people, particularly since they have been led to believe that the gold in the Treasury belongs to the United States.

I am not a pessimist, but as I try to separate the chaff from the wheat, I find nothing wholesome in the future. Our people are in debt, and we are importing farm and ranch products which, if we had the interest of the people at heart, should be furnished by our own producers. Our foreign trade is based upon loans that we have made to export nations, which, of course, is unsound, for do we not loan them the money they spend with us? Permanent markets cannot be acquired in such manner.

We are destroying production at home, and subsidizing production abroad. We are putting our own people on relief while we furnish employment to people in foreign countries. We are kowtowing to England, and losing the respect of neutral nations. We are fools, but we do not seem to be aware of it. No one should be blamed for this condition but the present administration, for it alone is responsible. The administration has not lived up to its obligation and should for that reason sit in the chair of responsibility, so that it may be buried in the wreckage of its own structure.

What Should America Do for the Joads?

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ADDRESS BY PHILIP BANCROFT

Mr. ANDERSON of California. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following address by Philip Bancroft, of California:

In discussing this evening's subject, What Should America Do for the Joads?, I assume that the question means: "What should America do for the people from the farms and towns of such States as Oklahoma, Arkansas, and Texas, and that small and much overemphasized district known as the Dust Bowl, who are migrating in such large numbers to California?"; for the Joads, as pictured in Mr. Steinbeck's highly sensational and utterly inaccurate work of fiction, are in no sense representative of the average thoroughly American family coming from Oklahoma or any other State.

This migration and the conditions leading up to it present one of the greatest tragedies in American farm life, and unless something constructive is done to cure its causes we shall find that the migration has barely started. The problem, which is primarily an economic one, will never be solved by name calling or by attempts to stir up class hatreds.

The people who might have helped settle this problem are, first, the representatives of the Federal Government; second, those of the several States involved; and, third, the California farmers and their communities—and of these three only the California farmers and their communities have done their part. Both the Federal Government and the States have woefully fallen down on their jobs.

In 1935 there began arriving in California alarmingly large numbers of destitute families, lured into our State chiefly by our extremely generous relief payments, and also by the fact that our farm wages are two or three times as high as those of their home States. Our California farmers had no need of any additional laborers; they had not asked these visitors to come into their communities; and they had no housing or school facilities for them or their children. The farmers are in very much the same position as any of you city people would be if you should wake up some morning and find ten or a dozen families camped on your lawn or on the sidewalk in front of your home—all asking for jobs you didn't have, or for relief you couldn't afford to give.

Just what would you do? Well, I'll tell you what the California farmers and farm communities did. The people of Kern, Kings, Madera, Fresno, and Tulare Counties, who have been bearing the brunt of this migration, found that their fine local schools and their county hospitals, which they had built up at heavy cost, were suddenly swamped by these uninvited guests, who appeared on their doorsteps, hungry, homeless, and destitute. These farming communities built additions to their schools and hospitals; they hired additional teachers, nurses, and doctors. In the counties of the great San Joaquin Valley, the local taxes have consequently soared to unbelievable heights.

In Kern (the county in which the Joads finished their imaginary pilgrimage and in which they were supposed to have been treated so barbarously by the farmers) the local taxes for health, sanitation, charities, and corrections have more than doubled and the school taxes have almost trebled in the last 5 years, while in Kings and Tulare Counties they have almost quadrupled. Please remember that these taxes are paid by the farmers and other property owners, while their farms are worth either no more or actually less than they were worth 5 years ago.

These figures are enough to show you that the farmers of California have done all in their power to help these victims of pitifully low incomes in their home States; but, in spite of this, the problem is no nearer solution today than it was at the beginning, for even if every migrant in California should be provided tomorrow with a house, 5 acres of land, and a mule, next month we'd have 7,000 new migrants asking for relief and before a year had passed we'd have 100,000 more.

Next let us consider the States involved. We find that the home States of the migrants have done practically nothing to help out their citizens, except, perhaps, to encourage them to start migrating to California, while our own State has endangered the relief of our own deserving and needy citizens by throwing our doors wide open to the destitute of the other 47 States and inviting them to enter.

With monthly relief doles averaging $3.50 in Oklahoma and $4.68 in Arkansas, our State offers an average of $31.10 per month to those same families if they will only come to California and stay a year, although we know that by doing so we are driving our State directly toward bankruptcy.

With a direct offer to millions of people of more real money for doing nothing in California than they could hope to make for working back home, and with over a milion of our California voters promising them $30 every Thursday as soon as they reach the age of 50, the only wonder to me is that there are any farmers or small-town people left, back in Oklahoma or Arkansas. I should think that common horsesense and a desire to protect California's own would result in a residence requirement of at least 3, but preferably of 5, years before a newcomer would be allowed to draw State relief.

I cannot too often repeat that this is a national problem and that either the Resettlement Administration, or some other alphabetical national agency should have helped these distressed people to earn their livings back in their home States, as we California farmers begged them to do years ago. The Government can support families much cheaper and better in their home States than after they have started to migrate; but instead of resettling them there it has unsettled them, by encouraging them to come to California, where we have no work for them.

Now, in order to discourage indigents from coming out to California and immediately going on relief we have a regulation requiring them to reside in our State 1 year before they can qualify for State aid, but the National Resettlement Administration has largely nullified the protection afforded through this regulation by giving the migrants Federal relief for this first year until they could be shunted onto the California taxpayers. You know its always easier to shovel out the Federal tax money than to work out a constructive solution. It's no wonder that after a few years of failure the Government changed the name of the Resettlement Administration to the F. S. A., or Farm Security Administration; but I suggest it would have been far more appropriate if it had changed its name to the M. P. A., the Migrant Promotion Administration.

In conclusion I want to point out that the California farmers have done their very best to provide, out of their own meager resources, houses, schools, hospitals, nurses, and doctors for these unfortunates; that they have resisted the opportunity of capitalizing on the presence of over two men for every farm job and, instead of reducing wages, have actually raised them during this period of oversupply of labor and depressed farm prices; that, in fact, California farmers have through the years been paying the highest farm wages of any State in the Union, including incidentally your own State of New York. Under those circumstances I submit that it is about time for the well-paid economists, professors, governmental jobholders, and other politicians, as well as our sensational authors, to give up their favorite indoor sport of abusing and sniping at our California farmers and to do some constructive work to remedy what is, after all, a national economic problem.

The Milk Prices

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

Mr. MURRAY. Mr. Speaker, the prices of fluid milk may be fixed for the consumer and farmer by delegation of power to the Secretary of Agriculture, but the ultimate price to the consumer, and also to the producer of fluid milk, is influenced by the price of the manufactured product—butter, cheese, condensed whole milk, condensed skim milk, and casein.

I have never felt that one should make any effort to lower the prices obtained by the farmer for fluid milk and break this market down. However, I have many times pointed out that the large percentage of the total milk production which goes into the manufactured product cannot always be used as the shock absorber for the industry. For example, Washington milk at 14 cents per quart has equaled the 14 cents per pound retail price of cheese in Washington stores, although it takes about 5 quarts of milk to make 1 pound of cheese.

Any program or situation which is harmful to the income of the farmer who produces milk for butter, cheese, condensed milk, and other manufactured dairy products is also harmful to farmers who are producing fluid milk.

The following is an article from the Milwaukee (Wis.) Sentinel of March 6, 1940:

SHARP DROP IN PRICE PAID MILK PRODUCERS

A sharp drop in the wholesale prices of butter and skimmed milk was reflected last month in a reduction in the composite price paid milk producers of the Milwaukee area, Charles Dineen, secretary of the Milwaukee Cooperative Milk Producers' Association, reported Tuesday. It marked the end of a fairly steady rise in average prices which began last fall.

Following their election of officers, directors of the new board of the cooperative met with Milwaukee distributors Tuesday afternoon to discuss market conditions.

SKIMMED MILK DOWN, TOO

The price of 92 score butter is now about 28 cents a pound, compared to an average of 30.71 cents for January on the Chicago market, Dineen said. Skimmed milk also dropped considerably, he said.

As a result the average price for manufactured milk, which comprises nearly half of the dairymen's production, fell from $1.40 per hundred pounds for January to $1.26 for February. The average price paid for cream dropped from $1.65 to $1.51.

PRICE ABOUT $1.90

This brought the composite price for all milk produced down to about $1.90, compared to the $2 average in January.

A year ago the composite price was $1.95. That was when manufactured milk was averaging 93 cents and cream $1.18, while the minimum for fluid milk still was at $2.71. The minimum now is $2.40.

These declines in milk prices bring home to all the dairymen the effects of increased production and other factors which have caused the decline.

In Wisconsin it is interesting, though painful, to note that according to the Farm Credit Administration there has been an increase in the percent of delinquencies of farm mortgages of 37½ percent in the Federal Land Bank loans in Wisconsin from January 1, 1936, to January 1, 1940, and an increase of 74 percent in the percentage of delinquencies of the Commissioner loans during this same period. Milk is the lifeblood of the State. Sixty percent more agricultural products were imported than exported between January 1, 1936, and January 1, 1940. The agricultural exports were the lowest in 1939 that they had been for over a quarter of a century, even lower than in 1932 when we had a worldwide depression. With butter and cheese bringing 25 to 30 percent less in New Deal years than they did in pre-New Deal years, it is time the dairy farmers began to study the fundamental problems of their industry.

The reduction in the tariff on cheese of 42 percent has had a tendency to lower these prices. The fact that the tariff was again reduced in 1938 when cheese averaged only 12.6 cents per pound for the year, or less than two-thirds of parity, has given the dairy industry a blow, from which it will take time to recover. No Member of Congress, no member of the State Department, or no member of the Agricultural Department has yet tried to justify the reduction of the tariff on cheese in 1938. Evidently no one can do so, or else they would have attempted to make an answer by this time. I have never been able to find out who the "experts" were that recommended the reduction of this tariff on cheese.

Ninety-five percent of the milk of my district goes into manufactured dairy products. The average price of butter on the farms of the United States was 36 cents per pound the last 7 Republican years, and 32 cents per pound the last 4 Republican years, while the price of butter has been only 26 cents per pound the 7 New Deal years, and only 25.8 cents per pound in 1939, after 6 years of the "more abundant life."

Cheese was 17.5 cents per pound for the last 7 Republican years, 14.7 cents per pound the last 4 Republican years, and only 13.2 cents per pound the 7 New Deal years. The average price of cheese was 12.6 cents per pound in 1938 and 12.8 cents per pound in 1939.

The last 7 Republican years milk averaged $2.12 per hundredweight in the United States and only $1.68 per hundredweight the 7 New Deal years.

This has resulted in the following situation in the Seventh District of Wisconsin, December 31, 1939:

1. Total amount of F. C. A. loans	$19,515,200
2. Total number of F. C. A. loans	8,089
3. Total number of delinquent F. C. A. loans	4,061
4. Percentage of loans delinquent	50.2
5. Number of farms owned in district by F. C. A.	711
6. Percentage of investment recovered from farms sold	61.9

We must all work for a consolidation and a correlation of all agricultural agencies which must "mesh" if we are ever going to get our agricultural house in order. We cannot continue to fix prices for one part of the dairy industry and let the other part of the industry be the "shock absorber" for the protected part of the dairy industry.

Royal C. Johnson

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

Mr. McCORMACK. Mr. Speaker, on August 2, 1939, as I entered the Chamber, I heard of the death of our beloved friend and former colleague, Hon. Royal C. Johnson. At that time my grief was too poignant for me to attempt to describe many of those noble traits of character which made Royal Johnson great in the best and truest meaning of the word.

Royal was a man of rugged, instinctive honesty, moral and intellectual. His capacity for friendship knew no limits. His friendships knew no party lines. He abhorred hypocrisy in all its forms. He had deep religious convictions which marked him as a Christian gentleman in every sense. He could not look upon an object of pity that his heart did not go out in the fullness of sympathy. He never encountered one needing help that his hand did not go to his pocket. No one ever came in close contact with Royal Johnson who was not the better for having done so.

His soul, which made him great, can never perish. He leaves a reputation to his devoted family and to his country worthy of emulation of all mankind.

I never have known nor do I ever expect to meet a truer friend than Royal Johnson.

Resolution of Pomona Grange, Tioga County, Pa.

EXTENSION OF REMARKS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a resolution by Pomona Grange of Tioga County, Pa., assembled at Nelson on March 8, 1940.

This resolution certainly shows that the farmers of Pennsylvania are thinking, and thinking deeply, of the things that are for the best interests not only of those who are engaged in agriculture, but those who are engaged in industry and the great mass of people of this country who want employment—the working class who have a right to a job and who expect the Government to pass such laws and regulations that will aid and assist in securing work for them. I think this resolution is one which should be carried to all the people of this country, and for that reason I ask unanimous consent that it be inserted in the CONGRESSIONAL RECORD.

The resolution is as follows:

1. *Resolved, by Pomona, No. 30, in regular session assembled, at Nelson, Pa., March 8 and 9, 1940,* That we are opposed to all legislation now pending, or hereinafter introduced, for the purpose of creating a Department of Education at Washington, or any legislation that denies the parents the right to educate their children in accordance with existing laws and customs.

2. *Resolved,* That we favor the incentive payment plan, used intelligently, to encourage farmers.

(a) In growing crops for industrial or nonfood purposes, thus extending our agricultural market beyond food requirements.

(b) In producing products that are now imported and for which our soils and climate are adapted.

(c) By Federal payments for that type of farming which prevents further soil losses.

(d) By Federal payments for fertility-building and soil-holding practices.

Why should the American people buy from the foreign farmer millions of dollars' worth of oil, fibers, sugar, starches, and other products while the Federal Government is paying American farmers millions of dollars to keep their acres out of cultivation?

If the American farmers were given incentive payments for producing these products they would not only make idle acres productive, but would prevent their being used to grow crops that are not needed. Relief rolls would be decreased as labor would be needed to grow and market these products.

The present program limits production on all kinds of land, without regard to adaption for certain crops. The incentive plan would permit production to center wherever it would be the most efficient and profitable. Here is a plan that will rebuild farm income on a permanent basis and create jobs for unemployed men.

3. *Resolved,* That we oppose the efforts that are being made to have States ratify the child-labor amendment, which, if enacted, would give the Federal Government the control of the child until 16 years of age. It is the sense of this Pomona that the average American home is quite as competent to direct the training and education of the child as any bureau that might be created in Washington.

4. *Resolved,* That we urge all churches, as well as all fraternal organizations, to join the Grange in its fight to protect and preserve American ideals and traditions and prevent the spread of all un-American doctrines. Our slogan is "America First."

5. *Resolved,* That we approve the work that is being done by the Dies committee, and urge Congress to take immediate action in having dismissed all Federal employees who are not in harmony with the Federal Constitution or our American form of government. We further demand that the 7,000,000 or more alien parasites who are living off the American taxpayers be sent back to the countries from which they came, without further delay or ceremony.

6. *Resolved,* That we urge Congress to either repeal the National Labor Relations Act, or else amend it so that it will be both practical and workable. Inasmuch as both labor organizations have denounced the law in no uncertain terms, it would seem that outright repeal would best meet the needs and interests of all the people.

7. *Resolved,* That we oppose the renewal of all pacts and treaties with foreign nations and insist that no more be made without the advice and consent of the Senate as provided in the Constitution.

8. *Resolved,* That we favor a conference between labor, industry, and agriculture for the purpose of having all laws that hinder or retard business repealed and enact such laws as will establish such rules and regulations as will enable legitimate business to function in a normal manner. Such a law should protect the rights of all parties at interest and grant special privilege to none.

9. *Resolved,* That it is the sense of Pomona, No. 30, that vicious labor laws and the dictatorial demands of unscrupulous labor leaders, are largely responsible for unemployment conditions and the slowing down of business in general. These demands not only increase the cost of production, but also increase the number of unemployed and prevent an adequate return to either the laborer or the farmer.

E. B. DORSETT.
H. L. SEELEY.
LOUISE THOMAS.

The W. P. A. and Unemployment Problem

EXTENSION OF REMARKS
OF
HON. JOHN LESINSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

LETTER FROM KENNETH L. VARDON

Mr. LESINSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

UNITED DAIRY WORKERS, L. I. U. No. 83,
Detroit, Mich., March 6, 1940.

Hon. JOHN LESINSKI,
Congress of the United States, House of Representatives, Washington, D. C.

DEAR SIR: Enclosed please find copies of a letter received from Hon. CLARE E. HOFFMAN in answer to our request for his sincere consideration of the W. P. A. and unemployment problem, and also our reply.

I believe that these letters are self-explanatory; nevertheless, I might say that it is unfortunate that the good work being done by some of our able representatives must be counteracted by this type of individual.

Thanking you for your past cooperation, I remain,

Very truly yours,

KENNETH L. VARDON, *President.*

FEBRUARY 29, 1940.

Mr. GEORGE MCLEAN,
Recording Secretary, United Dairy Workers, L. I. U. No. 83, 901 Hofmann Building, 2539 Woodward Avenue, Detroit, Mich.

DEAR MR. MCLEAN: Thanks for yours of the 26th, enclosing copy of a resolution adopted by United Dairy Workers, L. I. U. No. 83.

It is regrettable that there is so much unemployment and that the principal cause of unemployment in Detroit is due to the activities of the C. I. O. and some of its communistic friends.

I know of no reason why farmers through Michigan should be required to make good the losses caused by strikes brought about by C. I. O. organizations. If the farmers ever retaliate by like means, many a C. I. O. worker will go hungry. Thank your lucky stars that the farmers are more reasonable, more charitable, more sensible.

Sincerely yours,

CLARE E. HOFFMAN.

MARCH 6, 1940.

Hon. CLARE E. HOFFMAN,
Congress of the United States, House of Representatives, Washington, D. C.

DEAR SIR: The United Dairy Workers is accustomed to receiving polite and sensible answers from public officials whom it addresses. Your answer to our letter of February 26 does not come within that category.

As to your uninformed remarks on the causes of unemployment in Detroit, I suggest that you study carefully the graph and the accompanying article in the issue of the Michigan C. I. O. News which I enclose. May I point out to you that this chart is based on figures of the board of commerce and that the article was prepared, not by the C. I. O., but by the Association of Catholic Trade Unionists, an organization endorsed and approved by the Catholic Church.

It seems to us that public officials in your position have an obligation to study facts and base their judgment on them rather than on emotion or political ambition. If you and others who think and act as you do would adopt the course we suggest, we would have a more intelligent and a more effective national legislative body.

As to your remarks on farmers, let me remind you that farmers benefit from every economic gain made by industrial workers. More than that, the C. I. O. in Michigan and throughout the country has cooperated wholeheartedly in every possible case where farmers,

struggling for a better living, need our assistance. The Farmers Union of Michigan testify to that fact.

Copies of this letter and of your answer of February 26 are being sent to your colleagues in the House of Representatives.

Sincerely yours,

KENNETH L. VARDON,
President.

The Dies Committee

EXTENSION OF REMARKS
OF
HON. JOHN Z. ANDERSON
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

LETTER FROM THE ACADEMIC AND CIVIL RIGHTS COUNCIL OF CALIFORNIA AND REPLY OF HON. JOHN Z. ANDERSON, OF CALIFORNIA

Mr. ANDERSON of California. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following letter to me from the Academic and Civil Rights Council of California and my reply thereto:

ACADEMIC AND CIVIL RIGHTS COUNCIL OF CALIFORNIA,
San Francisco, February 27, 1940.

Hon. JOHN ANDERSON,
House of Representatives, Washington, D. C.

DEAR SIR: The Academic and Civil Rights Council has strongly condemned the Dies committee for its un-American activities and joined with many other organizations in urging you to vote against a renewed appropriation for it. We are very disappointed that you did not follow the courageous lead of Congressmen HAVENNER, FORD, IZAC, and GEYER in urging that no appropriation be granted.

Your sanction of the continuance of this committee places you in a position where honest progressives must voice the severest condemnation of your action.

Sincerely,

LOUISE BRANSTEN,
Executive Secretary.

MARCH 6, 1940.

Miss LOUISE BRANSTEN,
Executive Secretary, Academic and Civil Rights Council of California, 1132 Greenwich Street, San Francisco, Calif.

DEAR MADAM: This will acknowledge your letter of February 27 with reference to my vote in support of the Dies committee.

You state that the Academic and Civil Rights Council, which organization you serve as executive sercretary, "has strongly condemned the Dies committee for its un-American activities." Frankly, I am not familiar with the background or the objectives of your group, but I am inclined to believe that our ideas on what constitutes true Americanism are very much opposed.

Permit me to quote directly from the report filed by the Dies committee in the House of Representatives on January 3, 1940:

"The purpose of this committee is the task of protecting our constitutional democracy by turning the light of pitiless publicity on the activities of organizations seeking to work the will of foreign dictators in the United States or to destroy our constitutional democracy and set up a totalitarian regime of some sort in its place. The committee's objectives have been advanced to a remarkable degree in a brief 12 months. The Soviet-Nazi pact has helped by making more clear the real nature of all dictatorships and by revealing the similarity between Hitler's nazi-ism and Stalin's communism. The attacks on Poland and Finland have caused a revulsion of feeling in America against the nations which were responsible.

"The work of the committee has unquestionably been an important factor in bringing about the following results:

"(1) Fritz Kuhn, styled 'fuehrer' of the German-American Bund, has been sent to prison as a man unable to be trusted with the custody of the funds of his own organization.

"(2) Earl Browder, general secretary of the Communist Party, and William Weiner, party treasurer, have been indicted on the charge of falsifying American passports, and the Department of Justice is understood to be preparing further cases of a similar sort against other leaders of that organization.

"(3) Nicholas Dozenberg has been charged with counterfeiting of American money on orders from the Communist International.

"(4) William Dudley Pelley, self-styled 'leader of men,' has finally been apprehended and will answer to the law for alleged violation of his probation.

"(5) Officials of Bookniga, Soviet propaganda agency, have pleaded guilty to the charge of failure to register with the State Department as foreign agents and similar cases are in preparation by the Justice Department.

"(6) Arno Rissi and Mrs. Leslie Fry, west coast Nazi and Fascist leaders, have fled the country for good and sufficient reason.

"(7) Many bills of a corrective nature have been introduced and passed by the House as a result of the testimony produced by this committee.

"Speaking more generally, the German-American Bund, the Communist Party, the Silver Shirts, and some other similar organizations have fallen upon the darkest days they have seen yet. They are losing both membership and prestige and the time may speedily come when they will cease to be seriously regarded by anyone in the United States. If this result is to be achieved, however, the earnest effort of all groups of people in the United States will be required, as well as vigorous action to enforce the laws we now have on our statute books."

The accomplishments of the Dies committee, as reported above, thoroughly convinced me of the pressing need for a further investigation of subversive activities in the United States. Had I cast my vote against the continuance of the committee, I feel that I would have been false to the best interests of the citizens whom I have the honor to represent.

You are aware, of course, of the fact that the United States House of Representatives is undoubtedly the most truly representative governing body in the world. Its Members are elected every 2 years and as a cross section of true American opinion, expressed through duly-elected Representatives, its equal would be hard to find. The House of Representatives voted recently to continue the Dies committee by a vote of 345 to 21. This result should furnish conclusive proof to even the most critical observers that Congress will continue to defend our constitutional democracy against the encroachment of subversive ideologies.

Some of the so-called liberal and progressive organizations which have condemned the work of the Dies committee might well be censured themselves for engaging in activities which are not in accord with the real traditions of true Americanism.

I trust that I have made my position clear.

Very truly yours,

J. Z. ANDERSON.

Aid to Poland

EXTENSION OF REMARKS
OF
HON. JOHN LESINSKI
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

RESOLUTION OF THE POLISH ARMY VETERANS' ASSOCIATION OF AMERICA

Mr. LESINSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

The board of officers and directors of the Polish Army Veterans' Association of America, Inc., and Ladies' Auxiliary, having met at its regular meeting on March 1, 1940, at 56 St. Marks Place, New York, N. Y., adopted and passed the following resolution:

"Whereas in the month of September 1939 Nazi Germany and Soviet Russia, without formal declaration of war, invaded with armed force the boundaries of Poland and in its march over hereditary Polish territory having destroyed and murdered thousands of helpless civilians, and having bombed defenseless hospitals, schools, and churches, and having robbed the homes of a peaceful people, wantonly and deliberately killing escaping refugees; and

"Whereas the said Nazi and Soviet Governments, after occupying Polish territory, having unjustly and unmercifully condemned thousands of priests and nuns, professors, and teachers, professional intelligensia and national leaders, sending them to an untimely death, and having sent other tens of thousands into concentration camps without just cause, there to die of starvation or disease; and

"Whereas the governments of Nazi Germany and Soviet Russia have further denied neutral countries and their humanitarian organizations the right to enter the confines of occupied territory to render aid to the sick and comfort to the aged and women and children: Be it

"Resolved, That the Polish Army Veterans Association of America, comprised of former soldiers of the Polish Army, who in 1917 and 1918, 30,000 strong voluntarily enlisted in the United States by special act of Congress to serve with the Polish Army in France and by the side of the Allied powers, France, Britain, Belgium, and the United States to fight for the independence of the Polish state and the liberation of the Polish people, and as American citizens hereby express their gratitude to the Government of the United States for its stand in refusing to recognize the dismemberment of the Polish Republic and for its condemnation of the atrocities perpetrated by the invading Nazi and Soviet forces; and be it further

"*Resolved*, That the Polish Army Veterans Association of America wishes hereby to express its profound thanks to all American humainitarian agencies and the American people for their efforts to bring succor to the suffering Polish people in occupied Polish territory and the refugees in Rumania, Hungary, France, and Britain; and be it further

"*Resolved*, That the Polish Army Veterans Association of America hereby petitions the President of the United States, the Senate, and House of Representatives of the United States, that pending legislation before Congress be passed to render financial aid to the Republic of Poland, thereby bringing aid and relief to the stricken populace of occupied Poland and which act would be in full accordance with the tradition of this great country of ours and in accordance with the dictates of humanity."

Respectfully submitted,

POLISH ARMY VETERANS ASSOCIATION OF AMERICA, INC.

L. C. KAJKO,
National Commander.

J. DEC,
Senior Vice Commander.

S. F. WOJTUSIK,
Junior Vice Commander.

L. L. KRZYZAK,
Adjutant General.

A. ZAKIEWICZ,
Quartermaster.

Opposition to St. Lawrence Seaway Project Mounting Daily

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

LETTER TO THE SECRETARY OF STATE

Mr. VAN ZANDT. Mr. Speaker, opposition to the St. Lawrence seaway project is mounting daily as the people of the Nation begin to appreciate the fallacy of this project which is bound to displace many American workmen under the guise of supplying cheap electrical power and transportation rates which will ultimately be indirectly paid for by the American taxpayers.

The high cost of these cheap rates is alluded to in the following letter I have sent the Honorable Cordell Hull, Secretary of State, under date of March 1:

HOUSE OF REPRESENTATIVES,
WASHINGTON, D. C., *March 1, 1940.*

The Honorable CORDELL HULL,
Secretary of State, Department of State,
Washington, D. C.

MY DEAR MR. SECRETARY: This will acknowledge your letter of February 15 concerning the projected treaty with Canada concerning the St. Lawrence Seaway project.

I am aware that this project, as you say, has been thoroughly investigated and that in connection with the present efforts of the President and your Department to obtain Canadian acceptance and United States Senate approval of a treaty you rely upon favorable declarations as to the engineering and the economic aspects of this project.

You are, of course, aware that any such reports are widely challenged, both as to their facts and their conclusions, by others of equal knowledge and perception. Surely you do not intend to imply that this is a matter upon which there is any unanimity of favorable opinion.

I have read with care the memorandum which you enclosed with your letter respecting the effect of the project upon the coal industry. You say that it is based on information furnished by the power authority of the State of New York. Your reference to it leaves me in doubt as to whether you concur in this memorandum and adopt its arguments as your own. Permit me to say, with all respect, that the memorandum in its discussion of the question which arises with respect to the St. Lawrence project and the coal industry is a particularly flagrant misrepresentation.

I note your comment in the opening sentence that "the coal industry is ignorant of the benefits that will accrue to it as a result of these developments." The industry is entirely conversant with the benefits claimed by the proponents. The fact of the matter is that the industry emphatically denies the validity of these claims. The assertion that the coal interests are "suggesting that electric consumers subsidize increased sales of coal by continuing to pay high rates for increased electrical consumption" is an outrageous perversion. It assumes that electricity generated from coal is fundamentally high-cost electricity and electricity generated by hydropower is fundamentally low-cost electricity. A detailed consideration of this question is beyond the scope of this letter, but suffice to say such a contention has been disproved over and over again.

May I in this connection call to your attention a statement on this subject by an eminent engineer, ex-President Herbert Hoover, in an address in New York City a few months ago. He endorsed the contention of the coal industry that under present-day conditions the generation of electricity by coal-burning steam plants is more economical than water-power generation. He said:

"According to the politician, falling water is manna free from heaven. He omits to say that somebody has to pay for reservoirs, dynamos, and power lines. It is supposedly grabbed and sold to the people by wicked power corporations.

"But the engineer has come along and reduced the coal consumption needed to make mechanical power from about 3½ pounds a kilowatt-hour to one-half pound a kilowatt-hour. He has thereby turned many hydroelectric powerhouses into rust, and thereby he retires most of the manna back to scenery.

"The politician has not discovered this yet, and still works away at getting elected upon the prospective joy to the electorate from hydroelectric power. I think, if you will look about you, you will find the Government is about the only person who now builds hydroelectric plants. We build them by the impulse of Congress, not by the impulse of low power cost.

"It is all good for a few elections yet, and we will waste a few more billions of taxpayers' money to make this manna into power at places where the engineers could make it cheaper with fuel."

If it be sought to impeach the views expressed by ex-President Hoover on this subject, with the contention that he is a Republican and a partisan and that his criticisms rest on that foundation, let me cite an opinion expressed by the late Thomas A. Edison (father of the present Secretary of the Navy). The quotation which follows, made by this great American genius as recently as 1929, states:

"THE FIRST AND BEST SOURCE OF POWER IS COAL

"We shall steadily require more power, but a great deal more fuss is being made over hydroelectric power than its intrinsic value warrants. The first and best source of power is coal. The amount of coal available is not limitless, but for all practical purposes it is limitless. We can probably use coal at our present rate for a thousand years or so without any danger of exhausing our supply, and it is highly improbable that we really know our supply.

"The development of hydroelectric power is very important, but also it is very expensive and usually requires an auxiliary coal steam plant. Some of the best water power is too far away from our manufacturing centers to make its utilization wholly practical.

"Water power is a political issue, not a business one. It can never at best mean very much to us except as something to talk about. The monopolizing of water power is also just a political idea. There is far more danger in public monopoly than there is in private monopoly, for when the Government goes into business it can always shift its losses to the taxpayers. If it goes into the power business it can pretend to sell cheap power and then cover up its losses.

"The Government never really goes into business, for it never makes ends meet. And that is the first requisite of business. It just mixes a little business with a lot of politics and no one ever gets a chance to find out what is actually going on."

No one disputes that lower electric rates tend toward increased use of electricity, but so far as the St. Lawrence project is concerned, there is no basis for the contention that it is needful in order to bring about lowered costs from which will flow lowered rates.

The memorandum cites the reduced consumption of bituminous coal in 1939 as compared with 1929, both in grand total and in various categories, and then draws certain inferences which are entirely misleading. It ignores the increased efficiency factor in coal utilization, so that for example, in the case of the steam generation of electric power, the drop in coal consumption from 44.9 tons in 1929 to 40.2 tons in 1938 did not in fact represent any decline in the total output of steam-generated electricity. The comparative figures of coal consumption in the category of "all other cases" is referred to as "industrial" when in fact only a part of it is industrial and the concluding comments are generalizations of no probative force with respect to the concrete question which is at issue.

The St. Lawrence hydropower is not cheap, but costly when all factors are taken into account, not overlooking the loss in wages and in purchasing power and the financial and social cost of unemployment relief incident to the displacement of millions of tons of coal.

The displacement of coal by St. Lawrence hydropower, the loss of the Canadian market for American coal, the impairment of our own domestic markets for coal by the inroads of foreign coal, and foreign oil, brought into the lake ports on cargo vessels, all mean less coal for our own railroads to carry, less freight revenues, less train movement, less railway fuel consumption.

Summarizing the foregoing in terms of coal displacement: There is the prospective loss in annual tonnage by the St. Lawrence hydropower ranging from five to thirty-five million tons; the prospective loss of our Canadian market of upward of 10,000,000 tons annually; the further inroads of foreign coal and oil upon our domestic market, impossible of accurate forecast but which might easily amount to another 20,000,000 tons annually; and added to all this the resultant shrinkage in railroad fuel consumption.

To visualize the consequences of any such displacement of coal, the loss of markets, and decline in output, it need only be said—every million tons of coal displaced subtracts nearly $2,000,000 annually from the gross revenues of the coal producers and 60 cents or more out of every dollar received by the producer goes to labor in the form of wages. It subtracts more than $2,000,000 annually from railway freight revenues and 44 cents out of every railway dollar goes to labor in wages. Every million tons of coal lost represents the loss of 1,000,000 man-days in work and wages for those employed in the mining, transportation, and sale of coal somewhere along the line.

I have made this lengthy reply to your letter and its enclosed memorandum in order that my objections to the statements therein contained with respect to the coal industry and the true situation may be a matter of record.

Respectfully,

JAMES E. VAN ZANDT.

The Sedgwick County (Kans.) Plan for Medical Care

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

OUTLINE OF PLAN FOR MEDICAL CARE

Mr. HOUSTON. Mr. Speaker, the national health bill has aroused much discussion, particularly among physicians, and Modern Medicine, a medical journal, reports a referendum on socialized (federalized) medicine has been conducted by that publication which, it is claimed, reaches 125,000 active, practicing United States physicians.

Modern Medicine reports the following results of the referendum: A total of 20,215 ballots were returned in this 1940 referendum, giving the largest direct expression of opinion ever recorded from the medical profession. * * * The referendum shows that 85 percent of United States doctors would refuse to cooperate with a federally controlled and administered legislative program tending toward the drastic curtailment of private practice of medicine. It also reveals that 88 percent of the Nation's doctors see a menace to the public health in federalized medicine. Eighty-five percent of them approve the platform of the American Medical Association and 88 percent are in favor of its key point, namely, local responsibility for medical service.

It is my desire to bring to the attention of Congress and the Public Health Service an outline of the Sedgwick County, Kans., plan for medical care, which, through actual operation, has proven generally satisfactory to clients, the public, the county officials, and the physicians; and under leave to extend my remarks, I would like to insert in the RECORD a brochure prepared by the Sedgwick County Medical Society, as follows:

SEDGWICK COUNTY PLAN FOR MEDICAL CARE

(Wichita, Kans., 120,000 population)

The Sedgwick County plan of medical care is divided into three categories: 1. Indigent; 2. Border-line or low income group; 3. Average and above average citizens.

I. INDIGENT

Determination of status: This group includes those who are dependent upon the county for general assistance or who are declared indigent for medical purposes only.

Determination of eligibility for free medical care is accomplished through the county social-service department, which makes investigations of families applying for general aid or medical aid. This is done by means of personal interviews with applicants by case workers.

Those determined eligible are so listed and given cards which entitle them to admission to the downtown clinic. A 72-bed hospital is maintained by the county and patients first must pass through the downtown clinic before being hospitalized, unless the case is an emergency, in which instance they are admitted to the county hospital.

County staff: A full-time physician is employed by the county as superintendent of the hospital and clinic. Working with him are three full-time resident physicians who assist at the clinic and hospital and in making residence calls. In addition, two interns from the three private hospitals rotate on service at the county hospital. A staff of nurses and technicians also is employed by the county.

Medical society: The Sedgwick County Medical Society provides a rotating staff of some 70 physicians in private practice who attend special clinics at the hospital and clinic. These physicians serve on rotating services of 3-month periods and include specialists in: General surgery; general medicine; orthopedic surgery; eye, ear, nose, and throat; urology; proctology; cardiovascular; dermatology and syphilolgy; pediatrics; neuropsychiatry; obstetrics and gynecology; radiology; and pathology.

These physicians receive no pay for their services, but the county pays a monthly remuneration ($500) to the medical society which is used in maintaining a library and office and for scientific and educational functions of the society.

Case load: The following figures are for the year 1938:

County clinic

Total dental patients	3,798
Miscellaneous patients	47,554
Total clinic patients	[1] 51,352
Dental extractions	2,539
Dental fillings	826
Dental vincents	103
Dental examinations	1,801
Doctor's day calls	1,707
Nurses' calls	2,418
Laboratory examinations	11,773
Prescriptions filled	34,702

County hospital

Operations (major)	262
Operations (minor)	610
Emergency room	3,243
Laboratory examinations	10,196
X-ray plates	3,031
Obstetrical cases	245
Doctors' night calls	566
Number of patients under care	1,793
Hospital days	21,821
Average cost per hospital day	$2.56

[1] This figure indicates the number of cases seen, not the number of individual patients.

II. BORDER-LINE CASES (LOW-INCOME GROUP)

Medical Service Bureau

What it is: The Medical Service Bureau was formed in March 1937 to assist the low-income group to obtain medical care from private physicians. Persons in this group are not eligible for free care at the county clinic as they are not dependent upon the county for public assistance. Forty percent of these persons are dependent upon W. P. A. wages for a livelihood. The income in this group averages $55 to $60 per month. The bureau is maintained by the medical society and the Wichita Community Chest. The medical society furnishes office space, equipment, etc., and the community chest pays the salary of the supervisor, who is an experienced case worker.

How patients are referred: Persons are referred to the bureau by physicians, school nurses, county and welfare agencies, the general public, and many come who know about it personally.

The supervisor of the bureau interviews the applicants and determines their financial status by going over their budgets for food, clothing, shelter, etc., and helps them to arrive at a figure they can afford to pay for medical or surgical service.

The applicant selects the physician of his choice if he already does not have a family physician, and the information obtained by the supervisor is sent to the selected physician. Arrangements for fee, service, etc., remain entirely a matter between the physician and patient.

The bureau, in brief, determines whether the applicant can pay for private medical service at a reduced fee and obtains a true picture of the patient's background for the physician.

If the family happens to be large and the service needed is beyond their ability to pay, the case is then turned to the county, and the applicant is treated as a medical indigent for that purpose, and service rendered free.

In the 3 years of its operation 3,000 applicants have been interviewed by the Medical Service Bureau.

The bureau assists both the border-line patient and the physician in the problem of medical care. The physician is saved much time in obtaining a true financial picture of the patient, and the patient is assisted in budgeting for medical service at a cost compatible with his budget. We believe the bureau aids this group of persons in retaining or regaining a certain amount of individual pride in paying for service rendered according to their ability.

The following types of service were provided during the period January 1 to December 1, 1939:

Glasses	175
Tonsillectomies	87
Dermatology	6
Medicine (examination, etc.)	149
X-ray	158
Examination	119
Venereal	[1] 313
Obstetrics	40
Surgery	33
Dental	37
Orthopedics	6

[1] Venereal patients attending the county clinic must present a signed statement from their family doctor, or if they have none, from the Medical Service Bureau, stating they are unable to pay for treatment. Many of the venereal patients are referred back to the county.

III. AVERAGE AND ABOVE AVERAGE

This class of patient maintains a direct relation with the physician of his choice. Methods and arrangements for medical care are solely a matter of concern to the patient and the physician.

* * * * * * *

Through the trident plan Wichita feels it is offering medical care to all the people. The treatment in effect is the same for all persons, but the methods of obtaining that treatment, of necessity, differ for the three classes of population.

The Polish Relief Situation

EXTENSION OF REMARKS

OF

HON. JOHN LESINSKI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

LETTER FROM THE COUNSELOR OF THE POLISH EMBASSY

Mr. LESINSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received from the counselor of the Polish Embassy and copy of a letter addressed to the chairman of the House Committee on Foreign Affairs:

POLISH EMBASSY,
Washington, March 8, 1940.

Hon. JOHN LESINSKI,
House Office Building, Washington, D. C.

MY DEAR MR. CONGRESSMAN: Attached please find the copy of a letter addressed on March 2, 1940, by Mr. Stefan Ropp, to the Honorable SOL BLOOM.

Yours very truly,

JAN DROHOJOWSKI,
Counselor of Embassy.

MARCH 2, 1940.

Hon. Congressman SOL BLOOM,
Washington, D. C.

MY DEAR MR. BLOOM: I am writing to you at the suggestion you have expressed in our interview on the day of Mr. Hoover's evidence given before the Commission of the Congress.

Below please find an outline of the facts as at the 27th of December last, date on which I managed to get out of Poland.

For sake of clarity I will give my remarks under several headings:

(a) General policy.
(b) Deportations.
(c) The food problem.
(d) Clothing and fuel problems.
(e) Destruction of homes.
(f) Sanitation.
(g) Help needed from outside.

A. GENERAL POLICY

As long as the German Army was more in evidence in dealing with the problems of the population, the approach to local problems was one capable of solution, by which is meant that the severe handling of the Poles by the Army did not seem to bear the character of a political plan with reference to the Polish Nation as a whole. When the Army's objectives were reached, and the Army was fed, nothing more was done to interfere with the satisfying of the Polish people's own needs by themselves. With the advent of the Nazi party officials, supported by the state police and secret state police, Gestapo, the picture had changed entirely. It was seen immediately that there had been approved beforehand a set policy, which was executed ruthlessly by every member of the civil authorities, Nazi party authorities, and the police. If for some reason of humanitarian feelings a particular member of the party was not so hard in the execution of the policy, he was made responsible for it as if he had committed a crime. Many were the Germans who broke down under the stress of the execution of the pitiless policy applied. I stress this point because it is important to realize that these are not detached happenings of sporadic character, but a concentrated, preorganized, and implemented policy with which the Polish Nation has to contend continuously.

The policy referred to may be outlined as follows:

(1) The Provinces annexed by Germany must be freed from the Polish population with the exception of that required for forced labor, farm, and factory work. Therefore, all the educated middle class, the professions, businessmen, people working in commerce, banks, insurance, all engineers, municipal and state employees, farmers, must be removed.

(2) The boundary between the annexed part of Poland and the rest has been drawn purely on economic grounds to include the most fertile land in western and central Poland and the more important industrial centers like, for example, Lodz (660,000 inhabitants; second largest textile center in Europe). The ethnographic considerations were never taken into account and they could not have been, because the annexed parts of western and central Poland happen to belong to the ethnographically most purely Polish regions and have been the cradle of the nation for the last 10 centuries. This is not denied by the Germans.

(3) Industry which may be useful to Germany must be transplanted from the rest of Poland into the annexed portion.

(4) Ownership of industry, immovable property, commercial undertakings of any kind, and land by Poles is not permitted, and a special technique of confiscation of property has been devised, whereby a so-called German "trustee" takes over the property, paying it off in 40 yearly installments, bearing interest at the rate of one-half of 1 percent. This money is paid to the German Government and the owners have no right to it.

(5) It is expected that in the annexed provinces approximately 30 percent of the Poles will remain, and these must be Germanized. For this purpose all the children are compelled to go to German schools with German program of learning and to constitute auxiliary units of Hitler's Jugend organizations. The use of the Polish language is forbidden in public and Poles who are allowed to remain are asked to use the German language even in their homes, so that the children might sooner learn German.

(6) All positions of any consequence in civil service, sanitation, medical service, engineering, finance, commerce, teaching, agriculture, etc., are filled by imported Germans. The number of Germans imported into the annexed part is placed at over 1,000,000, of whom 230,000 are Germans from the Baltic provinces, about 80,000 from Poland occupied by Russia, and close on 700,000 from Germany proper. No post of importance is given to the Germans from the Baltic provinces, because they cannot be trusted to fulfill the policy to which the Reich occupants have been trained for years past.

(7) All the above has been prepared and organized by the German Government for a period of the last 5 to 6 years which is proved by the fact that many of the people now used in key positions in the annexed part of Poland have been sent to Poland as far back as 1934 and 1935 under a variety of pretexts to study those special problems with which they are now entrusted. Most of them also have been learning Polish for the last 3 or 4 years.

(8) The portion of Poland between the annexed territory and Russian occupation is called the government general, and is ruled as a separate province under a German governor in Cracow. The purpose pursued is to obtain from this part all possible labor for German farm work in the Reich, for road work, the mines, as well as every kind of unskilled labor needed. No effort is made to organize or to rebuild damages of the war, and such efforts on behalf of the Poles have hitherto been frustrated. By the policy outlined the proportion of women, children, and old people to men of working age is kept extremely high. The national ratio has been exceeded at the end of December five-fold.

(9) The government general was to be at first stripped of its Jewish population. This problem, however, is no longer considered, and the Jewish ghetto south of Lublin is considered rather in the light of a reservoir for Jews expelled from Vienna, East Prussia, Berlin, and all the annexed part of Poland. If, however, living conditions in larger towns like Warsaw, would become difficult the plan is to drive the Jews over the roads to the ghetto south of Lublin where for the time being a colony of barracks has been built capable of holding 120,000 persons.

(10) Ultimately a very dense Jewish colony is considered. One of the Nazi leading officials expressed the view in my hearing that the Jewish colony should measure a tract of land 50 kilometers by 50 kilometers (30 miles square) and should hold about 3,000,000, and therefore should be built only as a large town on small plots of land like in China.

The above are the principles governing German policy in Poland. Since relief work can be carried on only in the government general, I will attempt to outline what the results of this policy are with regard to that part of Poland.

The government general is composed of a part of the Province of Warsaw, a very small part of the Province of Lodz, almost the whole of the Province of Kielce, the Province of Cracow, a small part of the Province of Lwow, and almost the whole of the Province of Lublin. Out of 35,000,000 inhabitants in the whole of Poland before the war, it comprised approximately 11,000,000 inhabitants. Its area is about one-third of Poland. Its present population is about 13,500,000.

DEPORTATION

In the execution of their principle policy, the Germans, by the end of December, have deported from the annexed 5 Provinces about 1,200,000 people. For reasons specified above, the proportion of women and children in this number is very high. The deportation was still carried on in January and February, having been, however, disorganized for some time by heavy frost and lack of trucks. Ordinarily anywhere from 4 to 7 trains a day, each carrying about 1,500 deportees, were arriving in the government general. The people were dumped down at wayside stations, at each of which very large groups of them have gathered. At small stations, where the building would be composed of a small

three-roomed house and a small store, several thousand deportees would crowd. In order to give women and children a chance of sleeping inside, men would sleep in rotation every fourth day under cover. There was lack of fuel and lack of alimentation. Many people were ill, and mortality among children was very high. Medical attendance was utterly lacking.

The railway lines along which these crowds would gather were three: between Garwolin and Lublin; between Warka and Radom; between Minsk Mazowiecki and Mordy. On these 3 stations there are about 70 such points of heaping deportees. It was the hope of everyone in these crowds to work their way through to Warsaw. The difficulties of transport, however, especially with small children and snowdrifts, made it very difficult for those farther away to get to Warsaw. The population of Warsaw, which had decreased by 550,000 is rapidly increasing again. Some parts of the town are peopled almost exclusively by deportees. The population of Warsaw by the end of December was evaluated at 1,100,000, of whom 750,000 were original inhabitants of the city. The number of destroyed houses in Warsaw beyond repair is about 3,900, whereas about 4,000 are severely damaged but can be repaired or rebuilt. About 800 houses are in the course of being repaired. The total number of houses is about 19,000 and the pre-war population 1,300,000. From these figures it can be inferred that the crowding of people in Warsaw as a whole is about 25 percent over capacity.

The deportees are allowed to take with them from western Poland only a small suitcase and not more than 200 zlotys. Since banks were not allowed to give out any money to Poles and all accounts were frozen, very few of the deportees had even that amount. Since the purchasing power of money is on an average about 4 times less than before the war, the most fortunate people would have an equivalent of approximately $10 when arriving with their families in the government general. After exhausting this amount they would become paupers. This process is going on at the rate anything up to 10,000 a day and distress all along the railway lines is increasing beyond all description. People become desperate and fight sometimes not to allow new trainloads to be dumped down, where they and their children are already dying of hunger. It must be taken for granted that every deportee, within a month, is a public charge. The German sources themselves are acknowledging that it is their purpose to deport 2,500,000 people. It must be reckoned, therefore, that at least 2,000,000 of them are going to be public charges to be housed, clothed, and nourished entirely at the expense of public institutions. The remaining 500,000 may find work only if the rebuilding program of Warsaw and elsewhere is made possible by liquefaction of bank accounts of privately owned houses, the rebuilding of which would be made thereby possible. Hitherto the Germans did not allow this.

FOOD PROBLEM

The government general is the poorest part of Poland, there being only two districts with fertile soil, namely, southern part of the Province of Lublin and southern part of the Province of Kielce. These districts cover not more than 20 percent of the total area. In spite of the fact that the harvest of 1939 was remarkably good, yet, owing to the destruction of the war, produce stocks are extremely low. Stocks are especially low with regard to fodder, half of which seems to have been destroyed by incendiary bombs and one part of the remaining half was requisitioned by the Germans. It is feared, therefore, that the remaining quantity of fodder will be sufficient to keep only 35 percent of the head of cattle of normal times. This being so, the meat question will soon become a permanent difficulty. The prices of meat are going up, and at the end of December were on the average three to four times over the prewar prices. The same are now about five times prewar prices. With the decrease of the head of cattle the milk position will also become acute. Eighty percent of the sugar mills are in the annexed part of Poland, and sugar is getting more and more scarce. The diet of three-fourths of the population consists of an endless repetition of potato soup three times a day. Such diet lacks in fats, vitamins, and phosphorus, and children especially sink appreciably, becoming prey to disease.

The quantities of people who would have to be fed may be estimated approximately as follows:

(a) Deportees: 2,000,000.

(b) Urban population in Warsaw, 500,000; Radom, 20,000; Lublin, 45,000; Biedloe, 15,000; Kielce, 10,000; Cracow, 10,000; Tarnow, 10,000; Rzeszow, 15,000; all other small towns, 130,000; total, 750,000.

(c) Refugees from burnt villages who crowd around stations and are entirely devoid of means of subsistence, 1,800,000.

(d) Partial feeding of people who are employed and get in lieu of pay one meal a day for themselves; part of this work is forced labor. Only a rough estimate of these can be made. The figures, however, may be placed for all the government general at 600,000.

(e) Children, owing to a different diet which must be supplied to them, have not been included in the above estimate. It can be said without a shadow of exaggeration that there are no children at present in the government general who are adequately fed. They all lack animal proteins, vitamins, and fats. Owing to the artificially upset proportion of women and children, the number of the latter up to the age of 16 must be placed at not less than 2,300,000. Of these, at least 1,000,000 will require immediate and complete assistance. The total number of people thus in need of assistance, complete or partial, in various groups will be in the vicinity of 6,150,000 and will probably increase beyond 7,000,000.

I have not specified some particularly tragic groups, such as university professors, medical practitioners, discharged from all the hospitals, nurses, teachers, scientists, etc. All these people have been driven away from their places of work and have no implements of their profession. They are completely useless as physical workers. Their work has already been taken over by the Germans.

CLOTHING

The greatest necessity for clothing for this winter has already passed; many thousands of people have frozen to death. By the time relief work will be on its way, spring will be upon us and the clothing situation will become less acute. These remarks are rather to the point that adequate provisions must be made for next winter. Another winter coming upon a starved nation may decimate with pneumonia, flu, and epidemic diseases a nation whose power of resistance is broken by insufficient food and fuel. Poland always exported coal, and therefore insufficiency of fuel is only a matter of transport. If transport has broken down in the first winter of war, quite as likely as not it will break down in the second winter, and therefore the clothing problem must be considered from the point of view of another such break-down.

Half of the refugees from villages that have been burnt down during the war, who number about 1,800,000, have not been able to save their warm clothing, as it must be remembered that the fighting at first was during the September heat wave. The deportees in general were allowed to take with them some of their clothes, but most of them in an insufficient quantity. The Poles who fled before the Germans in western Poland took nothing with them. There appears to be a contingent of 1,200,000 people who will want more clothing in the autumn. Articles wanted are specially warm wool underwear, wool socks, thick wool jackets, headgear, and wool blankets.

A group apart is formed by babies and infants up to the age of 18 months, for whose benefit there is absolutely nothing in the way of clothing. The number is estimated at about 80,000. All the essential usual babies' outfits should be supplied to cope with the problem. In the absence of same, mortality among infants will be terrific.

A local campaign for cutting down timber and drying it must be started within the country to replace doubtful coal supplies.

HOUSING

The housing problem is very urgent in those parts of the country where fighting has taken place, as also in shelled and bombed towns. In Warsaw, for example, as has been mentioned, 3,900 houses have been razed to the ground and 4,000 more houses have been badly damaged. The rebuilding of damaged property would cost, according to pre-war prices, about $300,000,000 and would require the labor of 90,000 men for 2 years. All attempts to organize on a broader scale the work of rebuilding has been frustrated by the Germans.

In the country over 400 villages have been burnt, representing about 20,000 detached houses or a capital loss at pre-war figures equal to about $40,000,000. Unless these houses are rebuilt during the summer, which is very doubtful, the housing problem of the refugees will have to be solved by the building of barracks in the country at places where the villages stood, so as to allow the families to work on their fields. This problem, although it cannot be handled from the outside, is yet essential, because upon its solution will depend the efficacy of keeping alive those 7,000,000 people to whom help will be brought in the form of food, clothing, and medical supplies. For this reason a close cooperation must be engendered between the Polish organizations in Warsaw and the relief distributors.

SANITATION

The eating of killed horses, the famine among the deported people and the refugees from the burnt villages has created the beginning of an epidemic of typhoid fever. In the Jewish quarters in Warsaw up to 200 cases a day were reported. In the remaining part not more than 30 a day. The epidemic was stamped out by compulsory inoculation, by the ending of the supplies of horse flesh, and by frost. The thaws in the spring, as well as the ever more desperate food position, it is feared, will bring about a recurrence of the epidemic by May. Steps should be taken to have a better sanitary supervision of the sale of meat in towns. The usual methods of supervision have been suppressed by Germans and nothing was done to replace them until December. Much of the meat sold was not fit for consumption. Generally speaking, sanitary methods of supervision of food products were utterly unsatisfactory. There were several cases of cholera, but these appeared to be of a sporadic nature and were not repeated.

Heavy cases of flu, with subsequent pneumonia, were reported in November, but have not spread to become an epidemic. An epidemic of mild flu of the usual character was in evidence in December. It took a more distressing form toward the end of December and in January. Mortality among deported children from pneumonia was extremely high.

It is essential that medical supplies should include all inoculation products to deal with the epidemics of typhoid, enteric, cholera, and different types of pneumonia; this entirely apart from the ordinary supplies for hospital work and usual pharmaceutical supplies necessary to deal with the population's needs, now entirely deprived of all essentials in this respect. The need for cotton,

wool, bandages, iodine, disinfectants, vaseline, and other more important standard pharmacy products which would be exhausted shortly or have already been exhausted is felt acutely.

HELP NEEDED FROM OUTSIDE

(a) The data supplied in this letter give an approximate picture of the position which I have personally witnessed and which I tried to depict in its essential facts. If it is taken that the feeding of one individual will cost 5 cents a day and of one child 7 cents a day, and that partial feeding will cost 2 cents a day, then the food problem could be solved by spending approximately $6,000 a month.

(b) The clothing problem would require a capital expenditure until autumn next year of approximately $10,000,000.

(c) The medical-supplies needs are evaluated at $200,000 a month.

This would mean that, if the period of 6 months be taken, from the 1st of April, a total expenditure of $47,200,000 would be required to avoid disaster in the course of next winter. One-third share of this would represent some $15,000,000.

Placing these facts before you, may I be allowed to say that at present about 900 people are dying every day of hunger and cold and that a desperately stricken nation is looking across the ocean at the American Congress with a hope born of utmost confidence in the Nation, which will not allow an innocent people to be condemned to extinction.

I know how dreadful these facts are, because I have seen them myself, but I have not used one word to affect the feelings of the Commission because I wanted this letter to be as much a matter-of-fact one as I could command myself to write, but in these last words I want you to picture each to yourself several million mothers praying at this moment to God that your decision in the next hour may save their little ones so that they might live, and that prayer I voice before you.

With cordial thanks,

Yours sincerely,

STEFAN ROPP.

American Naval Policy

EXTENSION OF REMARKS

OF

HON. JAMES W. MOTT

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ADDRESS BY HON. ARTHUR B. JENKS OF NEW HAMPSHIRE

Mr. MOTT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by the gentleman from New Hampshire, Hon. ARTHUR B. JENKS, on March 4, 1940, before the Textile Square Club, New York, N. Y.:

Mr. Reimer, Mr. Hawley, members of the Textile Square Club, Republicans aren't invited many places these days—in fact, there has been a dearth of invitations for the past 7 years—so I want to express my thanks and appreciation of the privilege of being here.

It has been suggested that I speak to you on naval affairs. I am a member of the House Committee on Naval Affairs, and in the First Congressional District of New Hampshire, which I represent, is located a United States Navy Yard at Portsmouth, N. H. Those two facts, however, do not exactly qualify me as an authority on naval affairs, but as a concession to the suggested topic I will submit for your consideration a few pertinent facts that I have absorbed regarding the aims and purposes of the United States Navy, which, as you all know, is our first line of national defense.

The American naval policy is this: "To maintain a Navy of sufficient strength to support the national policies and commerce and to guard the continental and overseas possessions of the United States."

The adoption of the Monroe Doctrine on December 2, 1823, inferred, it seems to me, something a little more comprehensive than the expressed naval policy, something that through the years has become more and more pronounced. The Monroe Doctrine, as we all know, declared that no European power could seize territory or set up a government on the American Continent, which means from Cape Horn at the southern tip of Argentina to the Canadian border. That doctrine, since adopted by 20 other American republics, was further defined and illuminated by Secretary of State Richard Olney in his celebrated Venezuelan boundary despatch of 1895, at which time he said:

"The rule in question has but a single purpose and object. It is that no European power or combination of European powers shall forcibly deprive an American state of the right and power of self-government and of shaping for itself its own political fortunes and destinies."

It will be recalled that during the period of the last World War the American republics pursued no common neutrality policy in regard to their rights and obligations as neutrals. Shortly after the close of that conflict, the American republics determined to direct some concerted effort toward the establishment of unified policy and action in the event of future world disturbances.

Cooperation among the American republics was not by any means a new idea; the Pan American Union was founded in 1890 and held its first conference in Washington in 1899, which was presided over by James G. Blaine, then Secretary of State. The Pan American Union occupies its own building which, incidentally, is one of the most beautiful in Washington, erected at a cost of $1,100,000, and dedicated on April 26, 1910, to purposes of developing closer cooperation among the American republics, fostering the interchange of information among them on all problems affecting their welfare, and strengthening the intellectual and cultural ties of the sister republics on the Western Hemisphere. Subsequent Pan American conferences have been held at Rio de Janeiro, Brazil, in 1906; at Buenos Aires, Argentina, in 1910; at Santiago, Chile, in 1923; in Habana, Cuba, in 1928; at Montevideo, Uruguay, in 1933; at Lima, Peru, in 1938; and in Panama in 1939.

Sufficient negotiations have been carried forward among the American republics to dispel any doubt as to our pan-American policy. This policy, quite naturally, adapts its dress to the decade in which it finds itself, but remains essentially, "America for the Americans," having been reaffirmed at Buenos Aires in 1936 and again in 1938 at the Eighth International Conference of American States, held at Lima, Peru, at which time it was agreed:

"First, that they reaffirm their continental solidarity and their purpose to collaborate in the maintenance of the principles upon which solidarity is based;

"Second, that faithful to the above-mentioned principles and to their absolute sovereignty they reaffirm their decision to maintain them and defend them against all foreign intervention or activity that may threaten them."

This, briefly, means that the republics of North, Central, and South America are determined to make common cause against any military, naval, or economic menace.

The recent blast of power politics in Europe, asserting that want and might make right, has once again directed the attention of the Congress of the United States to our national-defense needs. With world conditions what they are today, it would seem that every intelligent, right-thinking citizen of this country of ours must believe in and be favorable to a United States Navy sufficiently strong and adequately equipped to patrol and defend at one and the same time, if need be, the Atlantic and Pacific coasts of this entire hemisphere. That, of course, includes an adequate number of battleships, submarines, cruisers, destroyers, airplanes, airplane carriers, and an ample, well-trained, and efficient personnel to operate them, as well as the guarding of vital links of communication lines.

The Isthmus of Panama and the Caribbean must still be regarded as critical areas, as they have been since the inception of the conviction that America is and must be for Americans. This area, from its discovery by Columbus, in 1492, has furnished both the locale and the incentive for almost continuous unrest. Rival Spanish, British, French, Dutch, and American interests have repeatedly clashed. With the forced withdrawal of Spain at the close of the last century, and perhaps climaxed by America's stand during the Pacific blockade of Venezuela in 1902, the insistence of the American republics on peace, nonagression, and nonexploitation on this hemisphere has at least become a reality.

The Venezuelan incident of 1902 is one that illustrates the importance of a Navy sufficiently adequate to back up diplomatic suggestion. It will be recalled that a dispute actively developed at that time between President Castro, of Venezuela, on the one side, and Germany and England on the other over certain debts that had been contracted for public works in Venezuela; by 1901 the creditors were asking their Governments for assistance in collecting the bills. The situation went from bad to worse until Count Metternich, the German Ambassador at London, informed Lord Lansdowne, the British Foreign Secretary, that pressure upon Venezuela seemed to be the only solution. Subsequently Lansdowne informed Germany that England proposed the seizure of certain Venezuelan gunboats, adding that a blockade might cause resentment on the part of other powers—doubtlessly meaning the United States. Eventually both methods of chastisement were used; four gunboats were captured and five ports were blockaded.

On the surface it appeared that President Theodore Roosevelt was inactive in the dispute, but information subsequently divulged, showed that he had most emphatically expressed disapproval to the German Ambassador, Herr von Hollenben. With a United States Navy of superior strength over that of Germany looming in the background, the State Department, on December 5, 1902, expressed Roosevelt's hope of a peaceful settlement of the Venezuelan dispute to all parties concerned. Eleven days later Germany and England decided to accept Venezuela's somewhat belated appeal for arbitration.

The fact that a vast percentage of world shipping focuses at the Panama Canal is secondary—our primary interest in the safety and uninterrupted operation of the Canal is its importance to our national defense, in that it is the channel through which we are enabled to transfer our battle fleet from the Atlantic to the Pacific ocean, or vice versa. This facility affects not only the size and composition of our Navy, but also our naval strategy. So important do we deem the integrity of the Panama Canal that in its defense we must effectively control the Caribbean area

in order to prevent any serious attack upon the Canal from land, sea, or air. While England, France, and Holland still have possessions in the Caribbean, they apparently have acknowledged our paramount interest there. By means of our naval, air, and submarine bases at Coco Solo, Guantanamo, San Juan, and St. Thomas, our Navy is enabled to conduct operations to dominate the Caribbean, and thus prevent effective hostile operations there and against the Panama Canal. Operating out of our eastern Caribbean bases, our naval forces, of course, protect our shipping en route between our Atlantic coast ports and South America.

As a consequence of the splendid progress achieved in naval aviation, which is an integral arm of our fleet, and because of the menacing aims and threats of the dictator nations of Europe, last year Congress authorized considerable augmentation of our naval air bases. In the Atlantic area this included new and extensive bases at Jacksonville and Banana River, Fla., and at San Juan, P. R., work on which is now in progress.

New submarine facilities are being constructed at St. Thomas, V. I. Army defenses at the Panama Canal Zone are being strengthened. A naval district and an Army department have been established at Puerto Rico. The United States Marines are conducting landing-force exercises there in cooperation with the fleet.

As previously mentioned, at Buenos Aires, in 1936, and at Lima in 1938, the American republics affirmed the solidarity of the nations of this hemisphere, based on the similarity of their interests, their will for peace, their adherence to the principles of international law, of equal sovereignty of states, and of individual liberty. With these convictions in mind, the 21 American republics affirmed their determination to maintain and defend these principles against any threat from outside this hemisphere and, in event of danger, to consult among themselves as to measures which might be taken in cooperation for the common safety. Agreements were entered into which provided that in the event that any American government believed that there existed any menace to the peace of the peoples of the American nations the foreign ministers of all of them, or their representatives, would meet for the purpose of consultation in order to determine how best the peace of the Western Hemisphere might be preserved.

With the impact of the current war in Europe, in accordance with prior specific agreements, the representatives of the American governments assembled in Panama on September 23, 1939, adjourning 8 days later after completing plans for unified action for the protection of the neutrality of the Western Hemisphere, for the maintenance of normal inter-American economic and commercial activities, and for the continuance of uninterrupted inter-American communications. The negotiations completed at this conference last September are known as The General Declaration of Neutrality of the American Republics.

Finally, to deal with the all-important problems of how war might best be kept away from the Western Hemisphere, the meeting of Foreign Ministers at Panama unanimously adopted, on October 3, 1939, an agreement known as The Declaration of Panama, the purpose of which is to preserve peace on the American continent, the two elementary principles having been stated as—

First, the 21 neutral American nations affirm that, as long as they maintain their neutrality, a European war in which they are in no way involved should not interfere with their interests or their normal communications among themselves;

Second, in consequence, the activities of belligerent forces of European nations engaged in war should not take place in those waters adjacent to the Western Hemisphere which are normally used in inter-American maritime communications.

It remains to be seen how effective this last declared principle can be made or what it might involve to sustain it. However, the governments of this continent have agreed to endeavor, through joint representation to belligerents, to secure compliance by them with the principles and provisions of the declaration.

In consequence of this understanding with the other governments of the American republics, the Government of the United States has established a patrol consisting chiefly of destroyers and aircraft upon ports of the United States and its possessions. The patrol covers the waters off the east coast of the United States, the Caribbean, and the Gulf of Mexico. The duties of the patrol are to observe and report the movements of vessels in free route and other activities of belligerent war vessels and merchant shipping. The purpose of this patrol, insofar as the United States is concerned, is that the Government may be informed of the nature of belligerent activities occurring in close proximity to our shores.

I regard the maintenance of American neutrality so imperative that if it be not kept intact we will have sacrificed our true mission in world affairs; I believe that the greatest contribution we as a Nation can make to world stability is through the preservation of our own democracy, undiluted by the ravages of war, freely and efficiently functioning, holding aloft the lamp of freedom and the light of liberty. If that requires two ships for one, let there be two.

Nor am I deluded into a smug complacency that the shock and eruption of war in Europe leaves us immobile, unaffected, or untouched. There is no gainsaying the fact that war in Europe causes us to suffer an emotional and an economic disturbance that cannot be discounted. We feel it on all sides—our emotions rebel against the ruthless military invasion of small and defenseless countries, cruelly trampled down by the iron heel of stronger and more powerful nations. Because of the necessity of the nations with whom our sympathies lie to arm and defend themselves against annihilation, our industrial and agricultural activities are speeded up, even though we know that when a war-torn and war-weary continent ceases hostilities there will follow here an immediate slowing down of the wheels we have accelerated.

While the present European disturbance has been actively under way only since last September—just 6 months—in a recent statement Secretary of State Hull estimated that if the European struggle were to come to a close now approximately 100,000,000 persons would float out on a world-wide wave of idleness—the 25,000,000 men now under arms, plus the 75,000,000 persons engaged in war work of one kind or another. The United States has its percentage in this enormous group that, sooner or later, is doomed to idleness and readjustment. Indeed war in Europe does affect us—nor is there any way in which we can shield ourselves emotionally and economically from the tragic jar and jolt of war across the Atlantic.

Certainly all of us would choose to live in a world endowed more bountifully with the spirit of peace and good will among men, but facts are facts and in the interest of self-preservation we must deal with them realistically. The House Committee on Naval Affairs has reported a naval expansion bill which will be taken under consideration by the House within the next 10 days. I am for it and I hope it will pass both the House and Senate by an overwhelming majority.

In closing let me leave this thought with you, which was voiced by Stephen Decatur—"Our country! In her intercourse with foreign nations may she always be in the right; but our country, right or wrong."

Mayor of City of Warsaw, Poland

EXTENSION OF REMARKS

OF

HON. JOHN LESINSKI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

LETTER FROM THE POLISH INFORMATION COMMITTEE, DETROIT, MICH.

Mr. LESINSKI. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following protest:

DETROIT, MICH., *March 7, 1940.*

To the Honorable JOHN LESINSKI,
Member of Congress of the United States of America,
Washington, D. C.

DEAR MR. LESINSKI: In the name of the 350,000 American citizens of Polish descent, residing in the city of Detroit and vicinity, we ask you to remonstrate against the condemnation and execution of the heroic mayor of the city of Warsaw, Stefan Starzynski—the man who to the last moment stood with the residents of the city of Warsaw against the barbaric onslaught of the Nazi horde.

He is now awaiting sentence in a prison near Moabit, which is to be made by a tribunal organized especially for prosecuting and passing judgment on this great Polish patriot. It is obvious that the sentence shall be execution.

Every neutral nation should voice its horror at such heinous murder of heroic citizens of Poland.

Therefore, we appeal to you, to request that the United States of America express its protest against such action by the Nazi government.

Respectfully,

POLISH INFORMATION COMMITTEE,
JOZEF PRZYKUTA, *Chairman.*
ISABELLE TANALSKA, *Secretary.*

Letter by Professor Borchard—The "Altmark" Case

EXTENSION OF REMARKS

OF

HON. HENRIK SHIPSTEAD

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 12 (legislative day of Monday, March 4), 1940

LETTER BY PROF. EDWIN BORCHARD

Mr. SHIPSTEAD. Mr. President, on February 26 there was inserted in the Appendix of the RECORD, on page 985, a letter written by James W. Ryan and published in the New

York Times of February 25. This letter deals with the case of the *Altmark*. On March 10 there was printed in the New York Times a letter dealing with the same case and written by Edwin Borchard, professor of international law at Harvard. This letter being in answer to Mr. Ryan, I ask consent to have Mr. Borchard's letter printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 10, 1940]

To the EDITOR OF THE NEW YORK TIMES:

While we can thoroughly understand the irresistible temptation of the British destroyer *Cossack* to release from captivity the 300-odd British seamen on board the *Altmark*, I would like to address myself to that aspect of the case which involves charges that Norway violated her duties as a neutral. This charge was made in extended form by James W. Ryan, chairman of the American Bar Association Committee on Law Protecting Americans and Their Property in Foreign Countries and on the High Seas, in a letter published in the Times of February 25.

Mr. Ryan proceeds from the assumption that the *Altmark* "in applying for entry to Norwegian waters concealed the material fact that [the] vessel was not merely a public vessel * * * but was also temporarily engaged in acting as a prison ship." He adds, "The *Altmark* * * * was menacing the safety and freedom of innocent British sailors who were within Norwegian territory. The Norwegian Government was not only doing nothing to remove this danger, but was actually affording the vessel an escort of two Norwegian gunboats," and "was guilty of a breach of neutrality toward Great Britain by voluntarily permitting innocent British civilians to be incarcerated by force within its territory."

ASSUMPTIONS QUESTIONED

He assumes that Norwegian officials were under a duty to board the *Altmark* and were under a duty to discover "the presence of the British prisoners and the variance between the ship's papers and the service the vessel was actually performing." He concludes "that the *Altmark* was not in Norwegian territorial waters from necessity, but because she desired protection from attack by British vessels while proceeding to Germany. A neutral country is under no duty to permit belligerent public vessels to use its territorial waters for such a purpose."

Assuming for the purpose of discussion that the *Altmark* was a public vessel, the assumptions and conclusions of the quotations just made seem to me without foundation in law. The *Altmark* entered Norwegian territorial waters, I presume, by virtue of the Norwegian proclamation of May 13, 1938, which grants belligerent warships, excluding submarines, in accordance with article 10 of Hague Convention XIII of 1907, the privilege of passage through its territorial waters. That article provides:

"The neutrality of a power is not affected by the mere passage through its territorial waters of warships or prizes belonging to belligerents."

RENAULT OPINION

This article, as the reporter, Professor Renault, of France, points out, finds its source in the thirty-second and last article of the British proposals to the effect that "none of the provisions contained in the preceding articles shall be interpreted so as to prohibit the mere passage through neutral waters in time of war by a warship or auxiliary ship of a belligerent." (Reports to Hague conferences, p. 847.) Professor Renault's report adds:

"The passage through neutral territorial waters of warships or prizes belonging to belligerents does not affect the neutrality of the state, and this implies at the same time that the belligerents do not contravene neutrality by passing and that the neutral does not fail in his duties by permitting them to pass."

It also appears that in observations of May 23, 1939, on Norway's neutrality regulations, Great Britain stated:

"While His Majesty's Government do not deny that there may in special circumstances be a right to refuse to belligerent warships entry into neutral territorial waters, they have always maintained and must continue to maintain the existence of such a right of entry for purposes of innocent passage and they are not aware of any case in which it has been refused by neutrals to belligerents for this purpose."

As a public ship, the *Altmark* was free from visit and inspection except perhaps to verify conformity with Norway's neutrality regulations. According to the Norwegian official statement, she was hailed twice on her way down the coast and the captain asked various questions, one of which, relating to the status of the men on board, he answered falsely. But it is not believed that the vessel was subject to general Norwegian jurisdiction or that Norway had any duty to inquire as to what seamen or nationals the *Altmark* was carrying, or, more particularly, any duty or privilege to break the relation between the captain and the persons on board.

RELATIONSHIP UNBROKEN

There is authority for the view that even if she had docked in a Norwegian harbor, no power existed to break this relationship (citations in Oppenheim, 5th ed., II, 591). She was not in Norwegian territory, so as to change her internal legal relationships. Norway might even have allowed her to employ its licensed pilots (Hague Convention, art. 11). And she was under no duty to notify Norway of her entry into territorial waters (art. 12, Draft Hague Convention, 1930, Gidel, La Mer, III, 278). She was not using Norwegian waters as a base of naval operations, although the use of her radio may raise a question.

Nor is it material what her ship's papers showed, provided we assume she was a public vessel. Even if the British seamen were not prisoners of war, as since 1907 I believe the better view, and even if the *Altmark* was thereby violating international law, it was not Norway's duty to correct the violation. The *Altmark* was under no duty to account to Norway for what she was carrying, nor was Norway bound to inquire whether she was passing through territorial waters to escape capture.

Manifestly that must have been her reason for preferring territorial waters to the high seas, for I know of no rule of law which prohibits the use of territorial waters for transit because of the motive to escape capture.

EDWIN BORCHARD.

NEW HAVEN, CONN., *March 5, 1940.*

Heirs of the British Empire

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 12 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE WASHINGTON (D. C.) TIMES-HERALD

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an editorial entitled "Heirs of the British Empire." This editorial was taken from the columns of the Times-Herald, issue of Monday, March 11. In the body of this editorial the editor brings up the question of what nations should be the heirs of the British Empire, when and if it finally goes the way of all previous empires? We might as well do some thinking on that subject now, in case all goes not so well with Britain in the present war. This has been well put by the editor, and I have been particularly interested in this editorial for I have now pending before the Foreign Relations Committee a resolution introduced by me several days ago, requesting the President of the United States to enter into negotiations with Great Britain with a view to acquiring the British island possessions in the West Indies, together with British Honduras in Central America, and the price agreed upon to be credited on Great Britain's indebtedness to the United States, which exceeds more than $5,500,000,000.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Times-Herald of March 11, 1940]

HEIRS OF THE BRITISH EMPIRE

We hope it won't happen until we, our children, and our children's children are out of the picture, but some day the British Empire is going to come to an end.

There have been some highly durable empires in history—the Babylonian, Persian, Egyptian, Roman, and Spanish, among others, with the Roman Empire the outstanding example.

Julius Caesar (100–44 B. C.) turned Rome from a republic to a dictatorship; his successor, Augustus (63 B. C.–14 A. D.), was the first Roman emperor. It wasn't until 476 A. D. that the Teutonic King Odoacer advised Constantinople, capital of the Eastern Roman Empire, that there was no emperor in the West, an event which historians call the end of the Roman Empire.

The defeat of the Spanish Armada by the storms and Howard and Drake in 1588 is as good an event as any to which to pin the beginning of the British Empire. After that, the British pirates and privateers began the destruction of Spanish power in the West Indies. That means the British Empire has now lasted 352 years, as against the approximately 500-year record hung up by the Romans.

Reckoning on the time element alone, the British Empire should have a long life before it still. Other elements may shorten those chances. If Hitler, Stalin, and perhaps Mussolini have their way, the British Empire's years are now numbered.

We hope not. Not that it wouldn't be a good thing for somebody to collapse a lot of squabbling central European countries into one or two big customs unions, regardless of British objections;

but it's hard to picture either Hitler or Stalin as a wise ruler of conquered peoples.

Mussolini might be. After all, there would be the Roman tradition of wise colonial government for him to study and try to live up to—and the Italians are said to have proved pretty good colonial executives in the Libyan semidesert which they finally wangled out of the Allies about 6 years after the World War.

All this brings up the question: What nations should be the heirs of the British Empire, when and if it finally goes the way of all previous empires? We might as well do some thinking on that subject now, in case all goes not so well with Britain in the present war.

CARIBBEAN PROPERTIES

With the ultimate disposition of British possessions in Asia, Africa, and the South Seas, the United States has no proper concern that we can see.

But in the Western Hemisphere, the United States should become the heir of the British Empire south of Canada. We mean we should inherit the British West Indies—Bermuda, Jamaica, the Bahamas, British holdings in the Leeward and Windward Islands, etc.—plus British Honduras in Central America, British Guiana in South America, and the Falkland Islands off lower Argentina.

If we don't take those properties over from a cracked-up British Empire, some European nation or nations will try to—meaning we'll have to put up some sort of fight to keep our Caribbean and South Atlantic exposures from becoming too exposed. We'd better let it be understood around the world that we are going to move into those places when, as, and if the British move out.

IF CANADA WANTS IN

Regarding Canada in event of the British Empire's dissolution, we do not think there ought to be any United States attempt to annex it.

It may be that the Canadians will want to come into the Union of their own accord. If so, we ought to negotiate to admit them on terms of full equality with the present 48 States—the Canadian Provinces to be admitted as States with full rights under our Constitution, each of these new States to have two Senators at Washington and as many Congressmen as its population warrants. But Canada ought to start any such move, and we ought to make sure that the majority of Canadians really want to join us before we send any diplomats to talk over the deal.

All this is purely speculative, of course. But time and change can overtake the British Empire; and we ought to understand that fact, and do some thinking now and then about the tremendous implications which that fact carries for us as well as for the rest of the world.

Where the Money Was Disbursed

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. MURRAY. Mr. Speaker, the following table shows where the money was disbursed by the United States Department of Agriculture:

STATEMENT No. 1.—*Statement of expenditures from May 12, 1933, to June 30, 1939, inclusive*

[U. S. Department of Agriculture, Agricultural Adjustment Administration]

	Fiscal year 1934	Fiscal year 1935	Fiscal year 1936	Fiscal year 1937	Fiscal year 1938	Fiscal year 1939	Total May 12, 1933, to June 30 1939
Washington, D. C.	$7,884,017.03	$16,205,502.96	$14,685,400.84	$12,621,749.05	$8,165,897.57	$6,548,007.22	$66,110,574.67
Alabama	17,427,658.43	12,325,113.52	13,217,639.76	13,590,190.02	5,192,119.68	33,193,483.01	94,951,204.42
Alaska				1,251.80	3,198.56	1,316.44	5,766.80
Arizona	744,812.31	1,293,864.26	2,079,392.44	308,284.31	1,192,593.91	4,172,099.25	9,791,046.48
Arkansas	19,386,533.09	16,117,563.05	12,784,393.14	14,681,508.33	9,976,066.20	28,971,142.48	101,917,206.29
California	1,768,477.51	7,734,154.71	9,745,344.56	6,115,160.14	7,800,375.46	15,625,727.75	48,789,240.13
Colorado	1,604,105.96	8,201,585.39	8,652,151.46	6,869,294.71	4,770,401.19	11,709,214.39	41,806,753.10
Connecticut	263,168.42	1,373,968.44	897,881.06	782,722.52	355,522.70	565,808.24	4,239,071.38
Delaware	90,630.72	178,956.53	227,114.75	453,130.33	483,077.87	707,502.50	2,140,412.70
Florida	659,715.11	1,050,317.65	2,204,167.26	1,758,964.36	1,607,650.56	4,094,881.62	11,375,696.56
Georgia	17,295,419.73	13,397,062.12	15,200,736.24	12,935,050.78	5,587,408.86	31,884,694.98	96,300,372.71
Hawaii	7,336.00	17,785.17	13,340,776.64	216,434.20	1,061,168.66	13,033,735.00	27,677,235.67
Idaho	2,461,973.77	5,855,613.34	5,948,973.66	4,468,303.84	2,466,533.86	6,512,493.31	27,713,891.78
Illinois	2,201,007.39	52,273,101.49	27,299,435.88	19,497,279.34	9,209,802.28	20,804,363.08	131,284,989.46
Indiana	1,644,635.38	27,596,904.93	14,275,572.67	12,594,347.50	6,191,064.11	12,551,546.84	74,854,071.43
Iowa	5,536,696.27	71,101,436.27	39,834,018.00	29,504,282.37	18,049,882.14	30,081,647.16	194,107,962.21
Kansas	17,277,210.21	41,751,192.38	44,104,757.01	36,712,691.92	15,401,344.46	24,537,192.66	179,784,388.64
Kentucky	2,295,004.80	13,431,840.97	7,262,094.28	13,415,822.81	10,954,136.48	10,775,857.28	58,134,756.62
Louisiana	9,509,071.37	11,117,551.25	19,276,537.71	9,308,886.11	5,657,896.43	22,548,943.66	77,418,886.53
Maine	11,721.36	77,660.25	52,228.04	379,016.15	881,888.47	2,203,816.39	3,606,330.66
Maryland	706,265.74	7,307,062.95	1,755,451.48	2,106,687.08	1,329,229.15	2,060,268.61	15,264,965.01
Massachusetts	220,794.51	2,028,906.66	1,060,371.99	333,253.74	392,009.07	587,870.80	4,623,208.77
Michigan	745,271.36	5,739,608.20	4,810,976.64	7,589,696.67	6,313,466.08	11,556,083.49	36,755,102.44
Minnesota	2,512,115.89	23,444,684.56	14,766,710.69	18,677,218.14	15,101,887.30	17,536,519.05	92,039,135.63
Mississippi	19,883,341.76	15,851,367.82	15,561,331.56	12,956,022.84	9,248,969.04	36,830,508.54	110,331,541.56
Missouri	4,912,961.95	29,763,170.21	19,622,633.41	14,131,940.74	10,431,772.84	17,764,488.94	96,628,968.09
Montana	4,502,471.77	8,224,777.19	9,791,107.12	9,805,996.22	8,383,567.61	8,660,170.01	49,368,089.92
Nebraska	4,363,569.04	87,592,283.26	27,085,261.99	23,514,367.80	12,769,051.59	18,316,740.94	123,641,274.62
Nevada	48,442.81	134,415.31	113,088.85	175,275.38	209,463.87	167,288.20	847,974.42
New Hampshire	12,959.20	175,342.60	61,060.95	124,540.00	206,397.31	414,262.33	994,562.39
New Jersey	77,455.87	562,871.85	306,886.56	422,049.47	986,273.98	1,233,097.30	3,588,635.03
New Mexico	1,241,204.90	1,958,507.74	1,859,874.75	3,556,621.12	2,583,083.76	2,773,807.29	13,973,099.56
New York	544,866.79	5,686,884.27	2,832,823.65	3,308,797.71	3,975,512.48	3,698,489.87	20,047,374.77
North Carolina	11,596,794.33	16,555,811.49	10,801,128.33	14,332,267.59	9,189,511.83	21,965,154.74	84,440,668.31
North Dakota	10,280,396.88	18,389,938.11	20,851,259.78	23,445,127.69	14,551,683.99	17,105,663.55	104,624,070.00
Ohio	1,963,385.53	21,386,609.60	11,894,357.96	11,289,614.20	6,619,247.95	12,232,757.71	64,886,032.95
Oklahoma	21,880,618.12	26,722,441.63	24,110,252.19	22,413,420.03	12,443,730.81	28,402,634.93	135,973,097.71
Oregon	1,920,217.60	4,073,074.20	4,093,604.69	3,709,542.22	2,689,385.34	4,409,350.33	20,895,174.38
Pennsylvania	871,169.41	2,559,662.75	1,893,803.39	3,442,664.46	3,406,944.46	4,394,489.86	16,568,734.33
Philippine Islands		2,763,407.24	12,253,972.42	805,046.56	1,300.33	29,442.26	15,853,168.81
Puerto Rico		1,214,676.11	13,094,080.29	4,218,685.32	1,344,145.97	11,313,378.41	31,094,966.10
Rhode Island	17,221.09	46,495.40	23,019.11	17,510.56	28,729.89	59,007.90	191,983.95
South Carolina	12,662,089.04	10,470,562.43	6,877,527.62	11,110,217.35	5,523,887.45	21,102,543.44	67,746,827.33
South Dakota	3,843,516.28	19,534,025.63	15,418,978.20	18,380,819.41	13,740,409.33	15,068,586.00	85,986,334.85
Tennessee	5,961,198.87	11,099,781.20	8,246,125.80	10,113,835.06	7,053,353.71	16,531,264.95	59,005,559.59
Texas	71,973,909.18	62,257,632.93	52,060,488.37	48,802,537.32	34,495,406.32	95,661,700.76	365,251,674.88
Utah	506,296.97	2,011,876.40	2,108,403.16	1,647,246.56	1,004,205.80	3,501,987.02	10,780,015.91
Vermont	17,393.93	140,827.98	82,339.70	344,832.30	477,124.26	1,021,203.49	2,083,721.66
Virginia	1,388,787.46	4,207,117.60	3,648,662.68	4,221,097.40	2,936,270.48	6,162,155.72	22,564,091.34
Washington	4,386,964.45	7,281,560.53	8,264,260.43	5,317,746.73	2,151,489.21	5,090,635.00	32,492,656.35
West Virginia	147,614.83	613,521.94	427,366.78	801,467.26	1,105,519.17	1,845,992.28	4,941,482.26
Wisconsin	768,351.80	10,075,762.67	5,213,632.81	10,994,597.63	9,105,528.18	11,127,702.79	47,285,575.88
Wyoming	324,790.96	1,763,292.61	1,978,019.09	1,716,350.32	2,460,698.51	3,498,020.76	11,741,172.25
Undistributed	61,021,899.34	161,123,217.79	18,711,785.28	25,391,837.73	10,995,291.80	12,452,742.57	289,696,774.51
Total	359,373,532.52	823,862,413.54	572,179,263.12	515,433,301.20	328,262,578.32	695,104,483.10	3,294,215,571.80

The following article shows the large amounts disbursed to big corporation farmers:

[From the Washington Times-Herald of March 4, 1940]

SURETY FIRM GETS BIGGEST A. A. A. PAYMENT—TOP BENEFITS TO OWNERS OF FORECLOSED FARMS

(By Fred Bailey)

The biggest single beneficiary of the New Deal's farm program in 1937 was the Metropolitan Life Insurance Co. An Agriculture Department report to Congress today revealed it was paid $257,095 in A. A. A. benefits on farms it owns.

Nearly all the top payments went to life-insurance companies and banks which have become large-scale owners of farms on which mortgages have been foreclosed.

PAYMENTS LAG A YEAR

More than 20,000 farmers and corporations received A. A. A. benefit payments of $1,000 or more for compliance with the 1937 program. Most of the checks were sent out in 1938 and 1939, since payments usually lag more than a year behind program compliance.

The report disclosed 272 farmers and corporations received more than $10,000 each, and 594 received $5,000 or more. Total payments for 1937 were $325,856,887.

The payments were obligated before Congress amended the Agricultural Adjustment Administration Act in 1938, prohibiting the payment of more than $10,000 to any person or corporation. The limitation became effective last year.

CONTINUE TO COOPERATE

Agriculture Department officials said "very few" of the large corporations had ceased cooperation in the farm program because of the limitation. It has resulted, they said, in larger payments to small farmers.

A. A. A. officials said the average check sent 3,750,000 farmers who participated in the 1937 program was about $75. Since then the average has increased, partly because nearly $500,000,000 was provided by Congress for such payments in both 1938 and 1939.

There were 11 payments of more than $100,000 each, and 12 of between $50,000 and $100,000. After the Metropolitan Life Insurance Co., the next biggest payments went to the Prudential Insurance Co. of America, $231,158, and the Equitable Life Assurance Society of the United States, $206,962.

OTHER HIGH PAYMENTS

Other payments of more than $100,000 were:

Travelers Insurance Co., Connecticut, $211,521; Union Central Life Insurance Co., Ohio, $166,280; Mutual Benefit Life Insurance Co., New Jersey, $161,110; Northwestern Mutual Life Insurance Co., Wisconsin, $156,444; John Hancock Mutual Life Insurance Co., Massachusetts, $147,647; Federal Land Bank of Omaha, Nebr., $124,139; King Ranch, Texas, $122,140; and the Federal Land Bank of St. Paul, Minn., $103,925.

Payments of between $50,000 and $100,000 were:

Matador Land & Cattle Co., of Denver, Colo., $60,153; Delta & Pineland Co., Mississippi, $64,168; Mississippi State Penitentiary, $52,429; United States Sugar Corporation, Florida, $68,893; Bank of North Dakota, $83,411; Bankers Life of Iowa, $80,268; Equitable Life Insurance Co. of Iowa, $77,676; State of Minnesota, $74,713.

Some of the interesting facts to be learned by studying table 1 are that some sections of the country, having received the disbursements shown in this table, certainly must be made safe for Democrats, and, we hope, safe for democracy. You will note that 1 State has received over 11 percent and 10 States received over half of the total money disbursed.

Wisconsin has had subsidies that represent but 3 percent of the valuation of its farms, so if the United States Treasury is out of balance, the farmers of Wisconsin cannot be held responsible.

Some States have received subsidies that represent over 30 percent of the value of their farms and are still eager to obtain more.

THE PUBLIC DEBT

The public debt has been increased $21,000,000,000 during the past 7 years and the rural people, representing 20 to 30 percent of the total population, will eventually have to repay 5 to 6 billion dollars of the public debt.

There are approximately 341,000,000 acres of cropland harvested each year. We then have 341,000,000 acres to pay back this five to six billion dollar public debt, or, in effect, we have an invisible mortgage of $15 per acre on every acre of cropland harvested in the United States. While the records in the offices of the register of deeds may show the farm lands free of debt there will, nevertheless, be exacted a toll of $15 per acre from the owner of the farm, his son, or his grandson, to repay their portion of the public debt.

In short, the farmers have been the recipients of about $3,000,000,000 but they will have an opportunity to repay $6,000,000,000 with interest.

The cross purposes of the New Deal agricultural program must be avoided and immediate steps taken to give the farmers parity. A good place to start is to give the American market back to the American farmer insofar as he has the ability to supply it.

According to statistics this country imported $3,800,000,000 worth of competitive agricultural products during the period 1933 to 1939 and during the same period spent around $3,000,000,000 to control our own agricultural production. How many men would have been taken off from W. P. A. if this $3,800,000,000 worth of agricultural products had been produced and processed by W. P. A. labor? How much money could have been saved in subsidies if the American farmer had produced this $3,800,000,000 worth of competitive agricultural products? What do you think?

Required Construction for Public Water Supply and Pollution Abatement

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. SHEPPARD. Mr. Speaker, I wish to place some data in the RECORD that I think is interesting.

The most authoritative information available showing the extent of waterworks and sewerage works required to meet the needs of the Nation is contained in the National Resources Committee Report on Drainage Basin Problems and Programs, 1937 Revision. The information in that report is the result of a review of the suggestions of 45 drainage basin committees designated by Governors and State planning boards and including field men from interested Federal bureaus. The time and cost of securing an up-to-the-minute estimate for the purpose of this discussion is prohibitive. However, since the recent expenditures effected through the grant-in-aid programs of the Government resulted in restoring the building program to normal figures only the error in the analysis based on the 1937 figures is not material.

The following tables appear on page 129 of the 1937 report of the National Resources Committee:

TABLE XVII.—*Water-supply and pollution-abatement requirements, based on reports from drainage-basin committees*

RECOMMENDED CONSTRUCTION

Region	Water supply		Pollution abatement and sewerage	
	Number of projects	Estimated cost	Number of projects	Estimated cost
New England	116	$23,255,000	131	$82,366,000
North Atlantic	98	373,436,000	270	215,852,000
Middle Atlantic	464	24,358,000	612	49,805,000
Southeast	67	6,769,000	75	10,188,000
Tennessee Valley	28	1,792,000	31	2,881,000
Ohio	124	12,980,000	272	104,155,000
Great Lakes—St. Lawrence	131	46,733,000	267	58,863,000
Upper Mississippi	709	22,133,000	681	58,043,000
Lower Mississippi	45	1,218,000	76	5,238,000
Western Gulf	372	8,703,000	410	6,997,000
Southwest Mississippi	210	12,718,000	342	13,295,000
Missouri	205	6,116,000	184	9,466,000
Colorado	50	5,851,000	38	2,424,000
Great Basin	10	338,000	6	190,000
California	37	17,373,000	62	33,988,000
Pacific Northwest	12	2,992,000	27	13,260,000
Total	2,678	566,765,000	3,484	667,011,000

TABLE XVIII.—*Expenditures for waterworks and sewerage projects in the United States, by years*

Year	Waterworks	Sewerage
1925	$151,000,000	$126,000,000
1926	147,000,000	138,000,000
1927	147,000,000	166,000,000
1928	123,000,000	175,000,000
1929	133,000,000	122,000,000
1930	218,000,000	140,000,000
1931	172,000,000	114,000,000
1932	103,000,000	71,000,000
1933	172,000,000	47,000,000
1934	211,000,000	125,000,000
1935	154,000,000	117,000,000
1936	200,000,000	242,000,000
Mean, 1925-36	161,000,000	129,000,000

In 1939 the National Resources Committee published a report on Water Pollution in the United States, in which table the expenditures for 1937 for sewerage projects is given as $257,000,000.

The attached graph of Expenditures for Sewerage Works and Required Construction in the United States is an analysis of the conditions relative to sewerage works construction based on the information given in table XVIII above. The cost of required construction is the sum of the differences between actual expenditures and average normal expenditures for each year and amounts to approximately $703,000,000. This figure compares with the estimate of $667,000,000 reported by the National Resources Committee and arrived at by a consideration of the needed projects in the various drainage areas. The restoration of expenditures to a normal level by Federal grants-in-aid is evidenced by the rapid rise of curve (a) after 1933.

The construction of waterworks did not lag similarly to that of sewerage works. Provision for this essential to life has forced the needed expenditures even in time of financial stress. This fact is supported by a comparison of the estimates for water supply and sewerage given in table XVII since the normal per capita cost of water supplies is approximately 50 percent in excess of that for sewerage works. Furthermore, as opposed to sewerage works, waterworks in general are self-supporting and that, together with the necessity for their product, has resulted in their construction more in keeping with the needs as indicated by our standard of living. Then, too, it has been the practice in the past to construct waterworks on the basis of a longer life expectancy than works for the treatment of sewage which has resulted in a lesser annual cost for replacements.

The increasing knowledge of the benefits which accrue to the public health in improved water supplies, the decent disposal of human wastes, and the proper disposal of the wastes of industry indicate that the expenditures for both waterworks and sewerage works should be materially increased.

Mr. Abel Wolman, professor of sanitary engineering, Johns Hopkins University, and an eminent practicing engineer, in writing on the subject of stream pollution in Transactions of the American Society of Civil Engineers, volume 104, page 874, 1939, says in part:

> The key to the primary question of what can be done about pollution, to the writer's mind, lies in money. How can stream-pollution correction best be paid for? "Depression thinking" has given even greater emphasis to the ever-present question of how to raise money for sewage disposal and treatment. Such an enterprise is seldom popular, largely because, in most instances, the sewage nuisance is remote from the average taxpayer's eyes and nose, and in the years of depression money for such purposes has become increasingly difficult to raise. A revival of a criterion of decency in the American public conscience is a first essential, but no less important is the development of financial techniques for raising funds.
>
> Experience since 1933 has indicated how important an impetus may be given to sewage-treatment-plant construction by the artificial device of Federal grants-in-aid. More than 25 percent of existing sewage-treatment plants in the United States have been constructed since 1933. It is difficult to believe that this is the result of chance or of a simple natural process of growth, rather than the obvious result of the artificial stimulation of activities in this field by Federal funds. The principle of grants-in-aid to stimulate special types of local endeavor is of course not new; it has been applied for more than 50 years in a variety of highway, navigation, reclamation, public health, and agricultural projects.
>
> This experience leads the writer to suggest that perhaps the most valuable stimulus for correction of stream pollution is in the grant-in-aid principle. * * *
>
> In other words, if money is the key to stream-pollution control, a central stimulation of activity—based, of course, upon a reasonable balancing of convenience—offers one of the soundest bases for future success. Correction is cheap, as such expenditures go, but the incentive has been missing.

The Road to Peace

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

Mr. LUDLOW. Mr. Speaker, Woodrow Wilson, scholar and statesman, had a favorite saying in reference to the origin of wars. In numerous speeches, delivered shortly before the outbreak of the World War, he said that he had known of "governments making war on governments" but never within the range of his reading of history and his personal observations, had he known of "peoples making war on peoples." Our present peace-loving President, Franklin D. Roosevelt, voiced the same truism in a different linguistic dress when he said that "war by governments must give way to peace by peoples." The idea which both of these distinguished statesmen had in mind was that wars are made by rulers and not by the peoples who comprise nations. A legitimate deduction from the truth expressed by these two Presidents is that if the question of war or peace were left to the decision of the peoples of the various countries there would be no wars. Especially would this seem to be a natural and justifiable conclusion at the present time when the people all around the world are inexpressibly weary of war, weary of its sickening toll of young manhood, weary of its heart-breaking griefs and back-breaking costs, weary of the pain it puts in the hearts of mothers.

What, then, may I ask, is the most effective way to combat the curse of war, a curse so hideous and terrible that even the winner loses? The way to cope with war is to give the people a chance to get at this evil. The way to get rid of war is to build up democracy. If the people of all the countries could exercise the right to say when their countries shall enter nondefensive wars, the time would indeed be near at hand when "war by governments" would give way to "peace by peoples."

So far, the right to make that vital decision has not been conferred upon any people in the world, not even our own. The nearest approach to the exercise of that right occurred during the World War when the people of Australia were allowed to vote on conscription in a Nation-wide plebiscite. That was an honest-to-goodness referendum and presented a vivid illustration of democracy at work. Citizens of Australia turned out at the polls by the millions and conscription was defeated by a rather small margin.

It is noteworthy that in America, notwithstanding the fact that five Gallup polls have shown a popular majority in favor of my resolution for a constitutional referendum on participation in foreign wars, we still have a situation where our democracy stops at the water's edge. Recently my home city, Indianapolis, was in a furor of excitement over a proposal by the city to purchase the privately owned water plant which furnishes water to our thousands of consumers, and one of our great Indianapolis newspapers insisted that in all honesty and fairness the question should be decided by a referendum to the people. Yet that same newspaper vigorously and uncompromisingly opposes letting the people decide whether our sons shall be sent overseas to be gassed and shot and bayoneted in foreign wars.

OUR GOVERNMENT NOT A DEMOCRACY AT ALL

In its foreign relations our Government is not a democracy at all, but a pure autocracy. The citizen can vote on the election of a constable or a dog catcher, the location of a pesthouse, or the purchase of a water plant, but he has no vote on the greatest and most tragic of all questions, the question that involves breaking up of family ties, tearing heartstrings asunder and hurling our precious young men into the bloody chasm of foreign war. If our democracy means anything at all, if it has any force and vitality whatever, it should apply in the great and tragic decisions that are intertwined with life and death, as well as in such minor and inconsequential matters as the election of a constable or dog catcher, or the purchase of a water plant.

If a start is to be made toward freeing mankind from the yoke of war, I believe the United States will have to take the lead. It is unthinkable that anything can be done now in the direction of a plebiscite on war in countries that are under the thumbs of dictators. In those countries the individual is nothing and the state is everything and human liberty long since burned to ashes on the altar of totalitarianism. The democracies of Europe are too busily engaged checkmating the dictators to give any time or attention to the enlargement of individual rights, and it is seemingly apparent that if there is ever to be a world-wide movement whereby "war by governments will give way to peace by peoples" as envisioned by our President, that movement will have to be cradled in the United States of America.

I am one of those who believe that adoption of the resolution I have introduced, known as the peace amendment, might initiate something very important toward breaking the war spell and turning the attention of the world from human slaughter to the peace for which humanity is yearning and for which millions upon millions are pleading in their daily prayers to the throne of God. America is the most influential country on the entire earth, and its geographical position, detached from the hatreds and enmities of the Old World, enables it to accomplish more by precept and example in setting the fashion of the world than could possibly be accomplished by any other country. If America should decide to let our people vote on whether or not we shall take part in foreign wars we would make a powerful appeal to the peoples of other countries who would be encouraged to demand the same right, and it is not assuming too much to believe that this growth of democratic sentiment in many lands would be the most effective deterrent of war that could be imagined.

Let us for a moment examine the situation in our own country in respect to the exercise of the war power. I have said that in our foreign relations our Government is not a democracy at all, but a pure autocracy, and I propose now to try to show how small and powerful that autocracy really is. I propose also to try to show that the existing provision in our Constitution relating to the declaration of war is not a dependable mechanism in registering the popular will. Under that mechanism America can be plunged into the most horrible foreign war imaginable by the votes of 267 Members of Congress, comprising a bare majority in both branches, but even that does not give an accurate idea of the centralized control of our foreign relations, for the reason that over and above Congress, singularly influencing and overlording it, is one individual who happens at any given time to be the President of the United States. So highly centralized is our Government in its foreign relations and so subservient to the President is Congress in its war psychology, that the President—any President—could get the country into war at any time it suits his inclination or purpose to do so.

WHEN DEMOCRACY WAS MURDERED IN THE HOUSE

If anyone doubts this let him remember what happened in the House of Representatives on January 10, 1938, after a majority of the Members of the House, or 218 to be exact, had signed a discharge petition to bring my resolution out of the Judiciary Committee for debate and a vote. The President sent a letter to the House, which was read by the Speaker, asking the House to defeat the resolution, and, lo, the majority changed in a twinkling to a minority and the motion to discharge the committee was defeated, 188 yeas to 209 nays. In narrating these facts I am not at all finding fault with the President, whose sincerity I recognize, but if a President of the United States has power enough to prevent a resolution of this character from even being discussed in Congress, is anyone credulous and simple-minded enough to suppose that he could not prevail upon our legislative body to adopt a declaration of war if he thought the time had come for such a declaration? With the war power lodged where it now is, there would be absolutely no protection to the Republic against involvement in war if a modern Napoleon should appear in the White House.

I shall now undertake to show by some concrete illustrations why I think the existing war provision in the American Constitution is a defective instrumentality in registering the popular will.

Let us try to visualize just a few of the myriad of influences and pressures that may now be brought to bear on Congress to force a declaration of war—influences and pressures which might be effective on Congress but which would be wholly ineffective if applied to the Nation under the war-referendum system.

Illustration No. 1: Senator John Smith has a brother who is president of a large munitions company. The brother has visions of enormous bonuses certain to come to him if war is declared. If Senator Smith were a judge assigned to try a case under such circumstances he would be expected to disqualify himself, but as a Senator he is under no such compulsion and he will have a vote on the declaration of war.

Illustration No. 2: Representative John Brown owes a large sum of money to the home bank at Smithville, his loan being subject to call. The Smithville bank is affiliated with a great big bank in New York which belongs to a ring of international financiers. The New York bank and its associates are promoting the war movement. It says to its Smithville correspondent: "Take care of Congressman Brown and see that he votes right on the declaration of war."

Illustration No. 3: War clouds are gathering over America and, let us say, Japan. A break appears imminent. During the week immediately following the time set for a vote in Congress on a war resolution the congressional convention will be held in Congressman John Jones' district, and Congressman Jones is a candidate to succeed himself. Without the support of the Sharpsville Bugle, the leading newspaper of his political faith in the district, John Jones could not get within a thousand miles of the nomination. The Bugle is violently anti-Japanese, and is demanding that Representative Jones vote for war.

Illustration No. 4: With the war declaration pending in Congress the Legislature of the State of New York meets, and in its assumed capacity to speak for the people of that sovereign State, it adopts a resolution in the form of a memorial demanding that the New York delegation in Congress, 2 Senators and 45 Representatives, shall vote for war. The action of the letgislature is unanimous. The vote of the New York delegation in Congress is numerically equal to the combined votes of many other States. If it is cast as directed from Albany, it will tip the scales in favor of war. It is known that ulterior influences were very busy around Albany before the legislature took action.

A THOUSAND PRESSURES TO FORCE WAR

These are but instances of many forms of pressure to which Congress may be subjected in wartimes. A thousand other illustrations could be given of special pressures that might be brought to bear on Congress to force a declaration of war, influences which could not possibly be brought to bear on the country at large in a referendum on war. If the decision of war or peace were left to all of the people of the country the action of the New York Legislature would not have an effect altogether out of proportion to its actual importance. It might have a little influence on the great national jury but it assuredly would not be a determining factor in the result. The Sharpsville Bugle might bugle to its heart's content but its raucous calls would hardly swing a nation.

There is no desire or intent in this recital of just a few of the ulterior influences that may now operate to defeat the popular will, to speculate on how John Smith, John Brown, John Jones, and the New York delegation would vote on a declaration of war. Giving to all of them the credit of being honest, sincere, and patriotic men who will see their duty and do it, nevertheless it must be obvious to everybody that such a system of declaring war is all wrong.

The tendency of governments all around the world is to go centripetal at an amazing rate. Nineteen democracies have died since the World War, and with them have died the hopes and aspirations of the common people of those countries. Centralization is the order of governmental development everywhere. Too often all power is being centralized in tyrants who play with the lives of their subjects as they would with so many toys, moving them here, there, and yonder on war's checkerboard, using them as cannon fodder without the slightest regard for humane considerations. Is it not our bounden duty, as citizens of the only great free government left on earth, to do all we can to counteract this evil tendency? The way to counteract it is to build up democracy.

DEFENSE WARS AND POLICY WARS

There are defense wars and there are policy wars. If the defense of our homes and firesides were the issue, all America would rally to the colors and a referendum would not be expected or required. But when it comes to deciding whether it is the best policy to send our boys overseas to fight in wars of alien origin over boundary disputes and blood feuds, those who have to suffer and, if need be, to die and to bear the awful burdens and costs and griefs of war should have something to say about it. The principal and not the agent should make the decision, and in this case the principal is the 130,000,000 people who comprise the American nation. The only place to decide this question of transcendent importance is in the privacy of the ballot booths, where every voter will be alone with his Maker. In that way we shall have a verdict that will truly represent the combined judgment and conscience of America.

WOMEN NOW HAVE NO VOICE ON WAR

In reaching that verdict women, under the terms of the resolution, will have an equal vote with men. And why should not women have a right to vote on a declaration of war? Women go down into the valley of the shadow of death to bring our boys into the world. Why should not they have something to say as to whether their flesh and blood shall be hurled into the hell of a foreign conflict? In the present Congress only 7 of the 531 Members are women, so you see how pathetically impotent is the opportunity afforded to give expression to whatever may be women's viewpoint on any particular war proposal.

It is my considered opinion that if this proposed amendment giving the people a right to vote on entering nondefensive wars is written into the Constitution, it will keep us out of all foreign wars, and, indeed, out of all wars, unless occasion might arise to wage a war of defense, which is highly improbable. If then the peoples of other lands, inspired by our example, should succeed in getting a similar vote on war, the foundation would be laid for world-wide peace and security. Meanwhile there would be no impairment of our national defense in any way, shape, or form, for under the very terms of the proposed constitutional amendment, if America or any other country in the Western Hemisphere is attacked or invaded the referendum could not be invoked; nor is there anything about the amendment that would control or limit the President's power as Commander in Chief after war is declared. It would only curtail the President's power to get us into war by allowing the people to decide that question, except when our country is attacked or in peril of attack. This is a wise limitation, since a constitutional amendment is not intended for a day, or for a generation, but for the long-range future, and sometime we may have a President of dictatorial bent who is determined to get us into war for personal aggrandizement. With the war power vested as it now is, a dictatorial, war-mad President would find the setting exactly to his liking.

Modern means of communication in all civilized countries, where the fast trains, telegraph, telephone, airplanes, and radio have annihilated time and space, have made referendums on war possible and practicable. I am in favor of the United States taking the lead in making provision in its Constitution for such a referendum, except in the case of attack or invasion. I am for this because I believe it would be a measure of elemental justice to our own people and a logical conclusion of our great charter of freedom, the Bill of Rights; but I am for it even more because I think it would create a peace consciousness in every country and would set an example to inspire war-sick nations around the globe to break the war psychosis that is driving the world to the brink of destruction. I fervently believe that it would go a long way to stabilize the peace of America and the peace of the world.

Amending the Wagner Act

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

EDITORIAL FROM THE ST. LOUIS STAR-TIMES

Mr. HENNINGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial recently published in the St. Louis Star-Times:

[From the St. Louis Star-Times]

AMENDING THE WAGNER ACT

The Wagner Act changes proposed yesterday by a majority of the Smith investigating committee, clearly go so far toward emasculation of the law, in the guise of "amendment," that the United States Chamber of Commerce and the National Association of Manufacturers are ungrateful indeed if they do not rally round with hearty cheers for the three committee members supporting them.

Some of the proposed amendments are desirable. Administrative procedure would be speeded up by the recommendation that the right of appeal against an intermediate finding be limited to 30 days. The proposal that the Wagner Act could not be invoked by fewer than 20 percent of employees would eliminate some borderline cases. The suggestion that a Labor Board decision, once confirmed, would be binding for a year would save an employer from ceaseless bickering.

But other proposed amendments show plainly which way the wind was blowing when the committee majority voted its recommendations.

The committee would strike out the language of the Wagner Act which characterizes the denial of collective bargaining as a prolific cause of strikes and declares that the policy of the United States is to encourage industrial peace through guaranteeing collective bargaining.

It would split the prosecuting function from the judicial function by making the new Labor Board a purely judicial agency and setting up a single administrator to file complaints, prosecute cases before trial examiners, and, finally, to apply for enforcement in the circuit courts of appeals.

It would require the Labor Board in its hearings to follow the strict judicial rules of evidence, "so far as practicable," observed in United States district courts.

The first of these proposals would cut the heart out of the Wagner Act. Chief Justice Hughes, in holding the law constitutional in the Jones & Laughlin case in 1937, leaned heavily on the declaration of Congress that labor disputes could have a clear effect on interstate commerce. To eliminate the section of the act citing denial of collective bargaining as a cause of strikes might destroy the theory on which the law was deemed legal.

The second and third proposals would harass the administration of the law by forcing a division of powers and the observance of hairsplitting rules of evidence, which are required for no other administrative agency of the Federal Government.

A tremendous wave of abuse and condemnation has been vented on the N. L. R. B. because it combined prosecuting, fact-finding, and enforcement functions within one body. But the Interstate Commerce Commission, the Federal Trade Commission, and numerous other quasi-judicial agencies operate in exactly the same way. The Supreme Court has shown that when and if such power is abused the Board will be overruled and reprimanded.

The same is true of the "rules of evidence" amendment. The administration of a complicated law in the difficult field of labor

relations will be wrecked if the meticulous, precise, formal procedure of Federal courts must be followed. The Logan-Walters bill, seeking to force all administrative agencies to follow these rules, has been held up in Congress because of the danger that its enactment would disrupt the vital work of these agencies. But the Smith committee majority proposes to apply it to the Labor Board alone.

In other amendments the committee exposes its basic antagonism to the Wagner Act by proposing, in effect, an exemption for any employer who can persuade a minority of his workers to engage in a factional dispute; by allowing an employer to claim he is bargaining collectively even if his sole act is to meet with his workers, then refuse their demands and refuse a counter offer of his own; by depriving of the Wagner Act's protection any striker guilty of willfully violating any law.

The enactment of these proposals by Congress would be unthinkable if labor were united in defense of what, until recently, all branches recognized as labor's Magna Carta. It is difficult to believe, even now, that Congress will pass the more vicious amendments. Yet what will happen when the A. F. of L. and the C. I. O. are split wide apart by their short-sighted bickering leaders—when the A. F. of L. wants certain amendments for its own protection and may make trades—is in the realm of speculation.

But neither the rank and file of labor nor the public should be under any misapprehension about the purpose of the proposed amendments. Their predominant effect, as the committee minority declares, "would eviscerate the (Wagner) Act and deprive labor of guaranties which are the fruits of many years of struggle and hardship."

Payment of Income Tax in the District of Columbia by Persons Domiciled in Massachusetts

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

LETTER FROM THE COMMISSIONER OF CORPORATION AND TAXATION OF MASSACHUSETTS

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the commissioner of corporations and taxation of Massachusetts:

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF CORPORATIONS AND TAXATION,
State House, Boston, March 5, 1940.

Hon. JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: It appears clearly that inhabitants of Massachusetts, wherever they physically may be, are subject to the Massachusetts income tax. It is equally true that those who are domiciled in the District of Columbia are liable for the District of Columbia income tax.

The question of determining whether a person who has indicated an intention of retaining his domicile in Massachusetts but is physically present in the District of Columbia for a major portion of the year is domiciled in Massachusetts or the District of Columbia is a matter of fact after considering all of the evidence which can be presented in a given case.

Speaking generally, domicile is where a person intends it to be, provided his acts indicate that that is his intention. Unquestionably, the District of Columbia, because it has a tax on those who are domiciled in the District of Columbia, cannot tax an inhabitant of Massachusetts nor can Massachusetts, because it taxes only those domiciled in Massachusetts, tax an inhabitant of the District of Columbia. It is clear that a person cannot have but one domicile. It is well established that he cannot have a domicile for voting purposes and another domicile for tax-paying purposes. He cannot have a domicile for general living purposes and a domicile somewhere else. These doctrines, however, cannot be loosely applied as the circumstances of each individual must control in the ultimate determination of where his domicile is.

Everyone must have a domicile. The domicile of origin persists longer than any other domicile and is the most easily regained. My own thought in the matter is that it would not be difficult to prove that most of the persons who are employed in the District of Columbia who have retained their voting rights in Massachusetts, and therefore have established their responsibilities toward that State in tax payments and other ways, are, despite the fact that they may be physically present in the District of Columbia a major part of the year, still inhabitants of Massachusetts.

In respect to a single person who will go to the District of Columbia either to work for an elective or appointed official, or for that matter under civil service, he undoubtedly does not abandon his Massachusetts' domicile. The logic against such an abandonment is strong because the right to vote is an important privilege in the eyes of Americans, and the assumption is that they will not under any circumstances give it up. The mere fact that a person is earning his livelihood in the District of Columbia which primarily is a governmental center and not a jurisdiction such as is true of the States presupposes that there is a limit to that employment, and when it is completed the person will return home.

Speaking now in general terms, it is my thought that, aside from some very unusual cases, all inhabitants of Massachusetts, that is, those who have persisted in filing an income-tax return here and voting here, even though they are in the District of Columbia, should resist by noncompliance with the District of Columbia tax law. The District of Columbia cannot tax nonresidents because their law is not broad enough for that. It can only tax inhabitants and those are persons who are actually domiciled in the District of Columbia. As a general thing, it is safe to say that one who wishes to retain his domicile in Massachusetts should not under any circumstances file an income-tax return in the District of Columbia. The District of Columbia seems to be weak in any provision of its law for a person subsequent to being declared not subject to its law to recover any money.

It is, of course, true that the District of Columbia would have a very strong case where a person, let us say, left Boston, went to the District of Columbia perhaps undetermined as to whether he would return or not, who subsequently started the practice of law, married, and under this set of circumstances unquestionably domicile had been established in the District of Columbia.

It is inconceivable that a Congressman, however, who moved his family to Washington and stayed there 12 months of the year could be held to be domiciled in the District of Columbia. In the first place I doubt very much if the voters of Massachusetts could elect a person domiciled in the District of Columbia as a Congressman from Massachusetts. Those who were employed by the Congressman so elected, even though they spent 12 months in Washington, provided they were in fact domiciled in Massachusetts before entering upon employment with the Congressman in Washington, unquestionably could not be held to be domiciled in the District of Columbia and, therefore, subject to that tax. This same rule would apply to practically all of those who are employed in Washington in a governmental way if, as I have indicated, they were originally without question domiciled in Massachusetts. On the other hand, those who have gone to Washington, possibly retired for one reason or another from governmental service, and established themselves in a profession or a business, might clearly be held, particularly if they had married or had their families there, to be domiciled in that jurisdiction.

In any event, no inhabitant of Massachusetts can be subject to the District of Columbia tax and, therefore, there would be no requirement to pay the Federal tax, the State tax, and the District tax. The District of Columbia tax law is the same as Massachusetts in that it applies only to those domiciled within the jurisdiction as a person cannot be domiciled in Massachusetts and also be domiciled in the District of Columbia. In other words, he cannot have but one domicile. Therefore, there is no possibility of two jurisdictions taxing him.

My suggestion is to advise all those who may seek information from you to refuse to file a District of Columbia income tax if in fact they were domiciled in Massachusetts, are filing a Massachusetts' income-tax return, and are on the voting list of any city or town in Massachusetts.

In the event this does not answer your inquiry, I shall be very glad to advise you further.

Cordially yours,

HENRY F. LONG,
Commissioner of Corporations and Taxation.

Retired Railroaders Support Wheeler-Lea Railroad Bill

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

RESOLUTION OF THE INTERNATIONAL RAILWAY ASSOCIATION

Mr. VAN ZANDT. Mr. Speaker, speaking from their many years of service and loyalty as employees of the major railroads of the United States, the International Railway Association with a membership of 637 retired men adopted on Febru-

ary 12, 1940, the following resolution evidencing their wholehearted support of S. 2009—the Wheeler-Lea bill.

Through their secretary, Mr. J. A. Nesbitt, 451 Sixth Street North, St. Petersburg, Fla., I have been furnished this resolution and advised that the International Railway Association is an organization formed for the purpose of enabling retired railroad employees on the railroad pension rolls to keep in touch with railroad problems and do what they can to advance the interests of both the railroads and their employees.

The expression from this group of retired men is typical of the support that the Wheeler-Lea bill is receiving from the railroad employees of the Nation in addition to similar support from the farmers and the business and professional men of the country.

The resolution follows:

The members of the International Railway Association are retired railroad men, who retain their interest in the great industry to which they have given the best years of their lives. They are proud of their long connection with a business affected with a public interest, and essential to the welfare of the Nation. Without efficient transportation, no people can be prosperous; without a fair degree of prosperity no nation can long survive. There are several useful agencies of transportation, each having its place in what should be a well-ordered system by which the exchange of goods and the movement of people may be brought about with due regard to economy and efficiency. Of all these, the railroads are by far the most important, since they furnish the only form of transportation capable of serving every section of the country, every day of the year, with respect to every commodity, without limitations as to length of haul.

The railroads are self-supporting; they ask for no subsidies; they seek no special favors. They employ a million men, they pay good wages and they recognize the right of employees to bargain collectively. They pay almost a million dollars a day in real taxes for the support of schools and other activities of local, State, and national governments. They care for their aged and unemployed. The railroads make no demand upon the Government except that they may be permitted to carry on business upon fair and equal terms with their competitors. This statement means only that there should be equality of treatment with respect to subsidies, taxation, and regulation.

To this end, they favor the enactment of such amendments to the laws governing transportation as will regulate all alike, so far as the character of the business will permit. Such an act is the bill now before the Congress of the United States, known as S. 2009. If this bill becomes a law substantially in the form in which it passed both House and Senate at the first session of the Seventy-sixth Congress, in addition to minor matters of some importance, it will accomplish four significant ends:

1. It will pledge the Congress to a policy of fair and equal treatment of all forms of transportation, and direct the regulating authority so to administer the law as to bring this about.

2. It will subject water carriers to reasonable regulation by the same body that regulates the railroads, the pipe lines, and the highway carriers, thereby putting an end to secret and discriminatory rates in the field of water transport.

3. It will improve the machinery for effecting railroad consolidations, where the public interest requires such action.

4. It will provide for a competent and impartial board of experts to be appointed by the President to investigate and report upon the subject of subsidies and to deal with the problem of integration as among the different transportation agencies.

Our interest in the business which has been our life work moves us to urge the Members of Congress to support this bill, which represents a long step forward in the process of improving conditions in an industry which, if restored to health, will lead the way to complete business recovery.

Crop-Control Beneficiaries

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

EDITORIAL FROM THE KEWANEE (ILL.) STAR-COURIER OF MARCH 6, 1940

Mr. HORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial, which was published in the Star-Courier, Kewanee, Ill., on March 6, 1940:

[From the Kewanee (Ill.) Star-Courier of March 6, 1940]

CROP-CONTROL BENEFICIARIES

The A. A. A. checks which filtered into Illinois for cooperation with the 1937 New Deal farm program have been small in size. This last large-scale pay out has enriched life-insurance companies, farm land banks, and mortgagors who have become large farm operators as the result of depression foreclosures.

Largest A. A. A. benefit check for 1937 crop control was the $257,095 paid to the Metropolitan Life Insurance Co. The Prudential Insurance Co. collected $231,158 from the A. A. A.; the Equitable, $206,962; Travelers, $211,521; Federal Land Bank of Omaha, $134,139; * * * Federal Land Bank of St. Paul, $103,925; United States Sugar Corporation, $68,893; Bank of North Dakota, $83,411; and so through the list of life-insurance companies, banks, liquidation receiverships, and land banks.

This is the last Santa Claus outpouring of this sort for soil conservation. These payments were obligated before Congress amended the A. A. A. in 1938 to prohibit the payment of more than $10,000 to any single person or corporation. This limitation was imposed when farmers, who expected to benefit first and last from crop payments, discovered that life-insurance companies and large corporations took the big money from the A. A. A. and left only an average of about $75 for the individual farmer.

The shift of land ownership through foreclosure and depression put corporations first as A. A. A. farm beneficiaries. The A. A. A. and every Washington agricultural program was designed to benefit farmers, which quarter-million-dollar payments to life-insurance companies and land banks do not directly benefit.

Crop control is not making many converts among stock breeders, judging from the poll of 200,000 stockmen by the Breeder's Gazette, their trade publication. Replies to 200,000 questionnaires by the Breeder's Grazette revealed the following answers and comments by this leading stock publication:

	Percent	
	Yes	No
Should production be controlled?	26	74
Should payments be made for soil conservation?	27	73
Should United States make parity payments to farmers?	22	78
Would you give up all farm benefits payments in the interest of a balanced Budget?	77	23

"The livestock farmers of America stand 3 to 1 in favor of an independent agriculture. They voted in that ratio against controlled production. They want a free farming enterprise.

"They stand 3 to 1 against taking pay for conserving their soil. Animal husbandmen are bent on improving their soils anyhow and will take their reward from the increased productivity of their acres.

"Stockmen record their opinions a little stronger than 3 to 1 as not wanting to be on the parity dole. The so-called farmer's tariff is a delusion.

"Our farmers, 3 to 1, would give up all subsidies whatsoever if that billion were entered in the national ledger as agriculture's contribution to a balanced Budget. Replies to the questionnaire express a stout faith in the future of agriculture and of America. The stock farmer has faith in his business and in himself to institute adequate recovery."

How You Gonna Keep Them Working the Farm When the Census Man Comes Around

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. BENDER. Mr. Speaker, back in the years just after the World War, one of the popular songs asked the question, "How you gonna keep them down on the farm after they've seen Paree?" This year the farmers are wondering, "How you gonna keep them working the farm after they've seen the census?"

It is enough to drive folks right into the city, just to escape the flood of questions Uncle Sam's curiosity shop is pouring out. Starting in during April, just at the time when most farm folks are starting to do their spring plowing and planting, the census takers will be making their rounds. All they want to know is almost everything. Two hundred and thirty-two questions are on the list, and every farmer is expected to answer them.

Apparently, Uncle Sam is not exactly naive. Accompanying the census questions sent out to the Nation's farming population is a letter asking the farmers and their families to receive the census taker with a "cooperative attitude and a cheerful friendly greeting."

Some of the miscellaneous items that our New Deal friends want to know require the assistance of an encyclopedia, an unabridged dictionary, and a very hopeful disposition. For example, someone in Washington wants to know how old every calf and every colt on the old farm has gotten to be by this springtime. Someone else would like to find out how much the help were paid. Among other obscure items, the census asks farmers to write in their acreage of escarole and kohlrabi. A trip to the ordinary small dictionary will not tell you anything about escarole, but it seems that kohlrabi is a race of cabbage which is a twin brother to cauliflower. Some census takers may well be warned to look out for themselves in their journeys to the farm land, for fear of contracting a few kohlrabi ears at the hands of indignant farmers.

After the farmer has told Uncle Sam's busybodies about how much acreage he has plowed and how much he has plowed under, he can spend a little time counting the number of his sows which are in the well-known delicate condition. After the farmer has explained why his hens have not been laying with the expected frequency, he can go on to tell whether or not he is a frog farmer. If he happens to be one, all the time he has spent in answering all the questions up to page seven are a waste of time, because he did not have to fill out a questionnaire in the first place.

We do not really have to worry about this, though, because there are not supposed to be any frog farmers in this country. In fact, if the Government insists on getting answers to all the fool questions it put into this census, there are not going to be any farmers of any kind in this country.

But we do not really have to kick about it, we Republicans, because there is one good thing about this farm census, it will make an awful lot of Republican votes.

Edward W. Patterson

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. HOUSTON. Mr. Speaker, the House extends to the devoted wife and children of former Congressman Edward W. Patterson, of Kansas, sincere and earnest sympathy upon the passing of this loved one.

Mr. Patterson was born October 4, 1895; served with the American Expeditionary Forces in France; graduated from the law school of the University of Kansas in 1922; married Miss Leah Kennedy, of Coffeyville, Kans. There are two children, Patricia and James. He engaged in the practice of law at Pittsburg, Kans.; was elected prosecuting attorney of Crawford County, Kans., in 1926; and was elected to the Seventy-fourth and Seventy-fifth Congresses.

I am honored in having the privilege of paying tribute to "Pat," one of the finest characters and most lovable men I have served with in the Congress of the United States. He was always anxious to help a friend, and the influence of his upright, unselfish character will remain, as will his memory, in the hearts of the people of Kansas and those with whom he served here.

He possessed the sincere, militant, patriotic Kansas spirit; earnest, aggressive, and fearless, he labored for the good of the common people and never disappointed them. He served his country well. His district, the State, and the Nation have lost an able lawyer, a valuable legislator, and I have lost one of my best friends.

I admired his courage, ability, and patriotism as a soldier, private citizen, and public servant. As an orator and debater, he was inspiring and was always on the people's side. He was forever reminding us of the plight of the poor in his district known as the Balkans of Kansas. "Come down into the third district," he would say, "away from more favored sections made prosperous by agriculture, oil, and industries, and I will show you people living under conditions of which you cannot conceive, poverty indescribable, and human misery such as exists in few parts of this country."

It was for these unfortunate people that Ed Patterson arduously worked at home and in Washington, bearing no malice, no hatred, no ill will, but with a burning desire and determination, and a philosophical indifference to consequences. He was always for what he believed to be right for all of the people, particularly those who most needed it and could not speak for themselves.

He has left an example we all may emulate. The memory of his worth and work accentuates the promise and the hope which leads us to the heights of our best selves. It is my prayer that this noble, generous, thoughtful friend of humanity will have eternal happiness in the realm of his Creator.

Good-bye, good friend,
In God's good time,
In God's good clime,
We'll meet again.
And in that land
Where we shall know
No pain, no woe,
We'll understand.

Preserving American Neutrality

EXTENSION OF REMARKS

OF

HON. JAMES H. FAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

RADIO ADDRESS BY HON. JAMES H. FAY, OF NEW YORK

Mr. FAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on February 22, 1940:

I hope to be one of the relatively few speakers on the air this evening who will not depend entirely for his text and subject matter upon George Washington's famous admonition concerning the avoidance of foreign entanglements. Not that I do not believe in the practical wisdom of that warning: I believe in it with all my heart; I think it is just as sound today as it was when our revered first President uttered it. But I grow a little weary of speakers who take a quotation from long ago and make a theme song out of it without looking at it, turning it over, and applying it in the light of the facts of today.

I do not want alliances with countries which either already have wars on their hands or have a demonstrated facility for getting into difficulties with their neighbors. I want this country to preserve its neutrality and to stay at peace. I shall do everything in my power as a citizen, as a leader in my home bailiwick, and as a Congressman to pursue and encourage that policy. I realize, however, that in such a complicated situation as we face today we cannot preserve our neutrality merely by proclaiming it, or by quoting and reiterating the famous sayings of our forefathers. I realize, too, that we cannot remain at peace by doing the ostrich act—that is, by sticking our heads in a hole in order not to see what is going on around us. So I urge not only that we preserve our neutrality and stick doggedly to a policy of nonintervention in the present wars but also that we look frankly, studiously, and critically at the influences which might force or lead us into perilous detours from the path of peace. You know, you cannot claim to be a good driver just because you do well on a clear road. You have to know also how your mind, and especially your nerves, are likely to react in an emergency. And you have to have a sixth sense about what the other fellow is likely to do. So it is with all of us in these days which are fraught with emergency.

What is it that we have to fear?

Do we fear our neighbors?

Hardly. We look with pride and great satisfaction at our unarmed borders both of the north and to the south, and at the peaceful and friendly relations between us and our neighbors which these unarmed borders symbolize. There is even greater satisfaction than in normal times in the thought that we can continue to

maintain an unarmed border with one of our neighbors which is actually a participant in the present European war.

Do we fear the war lords of Europe and Asia?

Hardly. They are fairly busy in their own backyards, or in each other's. And we have two very effective allies in the form of the Atlantic and Pacific Oceans. Besides, with our Navy, our air force, our economic resources, and our actual and potential military strength, we are quite capable of giving a good account of ourselves if forced to do so for purely defensive purposes.

Do we fear the propaganda of the belligerent powers?

Hardly. The American people are far better insulated against foreign propaganda today than they were in 1914 and 1917. Even though we have more of it to cope with now that radio has become such an important channel of communication our people are wiser and more calculating than they were 20 years ago. They have had a lot of experience with the methods and the machinery of propaganda. Even the least educated amongst us know enough to take with a grain of salt the war bulletins, the exhortations, the arguments, the rumors, and the atrocity stories which emanate from the various belligerent capitals. Indeed, one of the most reassuring signs that we have of a steadily rising level of intelligence is the fact that our people look twice even at those statements which come from the nations whose causes they favor.

Do we fear our own leaders?

Hardly. The President of the United States has not only committed himself time and time again to a policy of nonintervention, but has taken advantage of every promising opportunity to try to restore peace abroad. The Secretary of State and our whole highly efficient State Department, with its net work of embassies and consulates throughout the world, have been working night and day to keep this country in a peaceful channel in the midst of tempestuous waters. And I need hardly tell you that the Congress of the United States, regardless of party divisions or splits on domestic issues, is fixed in its determination to keep this country out of the present catastrophe so long as we can do so with honor and integrity.

Well, if we do not fear our neighbors, if we do not fear the war lords, if we do not fear the propaganda machines, and if we do not fear our own leaders, what, then, is there to menace our neutrality? There is a menace, and I think I can tell you more or less exactly what it is.

The only menace to our neutrality which really counts in a serious way is to be found in our own instincts and emotions as a people—in our reactions to the various phases of the war tragedy as it unfolds from day to day. There is the real danger to peace. It must be remembered that a nation can proclaim a policy of neutrality, but it cannot impose an attitude of indifference upon the people, either through legislation or executive order. We Americans are human beings. We are very lively and alert human beings. We have strong likes and dislikes, and we do not hesitate to express them. We are a deeply sympathetic and often a sentimental people. We like fair play. We do not like to see the underdog kicked around. We do not like tyrants. We hate injustice, and we react sharply against it, whether it directly affects our own interests or not. As alert, intelligent, and sympathetic human beings, we do not like to see other human beings victimized by brute force.

It is all very well to say that the wars abroad are not our wars. That is true, but we cannot let it go at that. It is not as simple as that, principally because our people are not apathetic or callous and indifferent to the outrages which the fanatic dictatorships have committed against their neighbors.

Our people were not indifferent to the theft of that splendid little democracy, Czechoslovakia; we have been far from insensible to the brutality to which both Jews and Christians have been subjected by the Nazi tyranny; we were not indifferent to the swift obliteration of the Republic of Poland; we do not look with cynical unconcern upon the despicable attack of the communistic tyranny upon that other splendid little democracy, Finland; nor are we placidly immune to anger over the spreading of the new order in the East through the dropping of bombs upon millions of Chinese women and children. Let us remember that millions of our own people are either immigrants or the first-generation descendants of immigrants. Official records show that two-fifths of our total populations is of other than Anglo-Saxon stock. As one writer puts it, Ellis Island is just as important as Plymouth Rock as a symbol of the culture and the actual composition of our population. So, in addition to normal human sympathy for the oppressed and the persecuted, we have the element of direct interest on the part of millions of our own people. Think for a moment of our German-Jewish citizens, our Polish-American populations, our Finnish-American groups in the Middle West. All of them, for the most part, are good Americans, but can we expect them to be stolid and unmoved while their own aunts, uncles, brothers, sisters, mothers, and fathers are targets for bombs and artillery and even more subtle kinds of unmerited punishment in the homelands?

The fact is we Americans are disgusted by all of these manifestations of organized and sanctioned cruelty in the world. We are angry, and I believe we are getting angrier as the situation becomes worse. The most important questions in my mind are, How angry are we going to get, and in what way are we going to express our anger? You cannot, as I have already said, do anything about our instincts and our emotions. The problem is, what are we going to do about them? Are we going to go to war, or are we going to use our ingenuity our economic powers, and the best statesmanship that we can develop to make our influence felt in other ways?

This question reduces the entire complicated business down to a directly personal issue for all of us. So many of our people talk as though we must be the passive victims of forces over which we have no control. We hear such questions as, Will the United States be drawn into the war? Can the United States stay out? Such questions imply that we must drift into whatever policy we happen to pursue.

Still others amongst us, apparently forgetting that we live in a democracy in which the people exercise the ultimate control, talk as though they lived in a dictatorship. We hear such questions as, What is President Roosevelt going to do about it? What would another President do about it? What is Secretary Hull going to do? We should not drift into any policy; 1917 taught us what it is to be drawn into trouble. We should have our eyes and ears open, and know what we are about. And we should not assume the attitude that the President, the Secretary of State, or the Cabinet, or the Congress—or any other individual or group—is going to decide for us. These agencies of government will, of necessity under our democratic system, adopt the policies which the people demand. If we as a people get really mad and insist that we must help to inflict physical punishment upon the wrongdoers, that will be the policy of our governmental representatives. If, on the other hand, even though we are moved and outraged by what is going on, we insist upon staying out of the conflict, and making our influence felt in other ways, then that will be the policy of our governmental representatives. So it is not a question of what President Roosevelt is going to do about it, or what Secretary Hull is going to do about it, or of what Congress is going to do about it. It is a question of what you and I and the hundreds of thousands of other citizens like us insist that these authorities do about it.

For my part, I think that this Washington's Birthday is a good day and a good occasion for rededicating ourselves to peace—not to indifference, not to selfish isolation, not to inhuman disregard of suffering in other parts of the world—but rededication to a policy of peace, because the welfare of the entire world as well as our own welfare demands that we as a major power keep our head, maintain our balance and sanity, and preserve our forces for the work of healing, of readjustment and reconstruction which must be done after the other major powers have exhausted themselves in the futile business of war. Justice, humanity, and intelligence will play a small part at the council table unless these finer human attributes have a strong champion. Therein lies our role after the last shot has been fired, and we should be prepared to play that role far more courageously and unselfishly than we did after the last war. We can do it with power and authority only if we ourselves have not fired a single shot at anybody.

George Washington Birthday Anniversary

EXTENSION OF REMARKS

OF

HON. JAMES H. FAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

RADIO PROGRAM BY THE RAINBOW DIVISION VETERANS

Mr. FAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the text of the radio program of the Rainbow Division veterans, broadcast through the National Broadcasting Co. on the afternoon of February 22, 1940, George Washington's Birthday anniversary.

INTRODUCTION OF LT. COL. DAVIS G. ARNOLD BY WALKER H. COLSTON

Good afternoon, radio audience, I have the honor of introducing the first speaker on this Rainbow Division veterans' broadcast. This comrade is at the present time an official of the Veterans' Administration here in the Nation's Capital. During the World War he served as commanding officer of the One hundred and Seventeenth Headquarters Train and Military Police of the Forty-second Division. He is also former Chief Examiner of the Federal Communications Commission. I present to you Lt. Col. Davis G. Arnold.

ADDRESS BY LT. COL. DAVIS G. ARNOLD

Twenty-one years ago today the Rainbow Forty-second Division was a part of the American Army of Occupation in Germany, having, as we then thought, won the war for democracy.

As we entered Germany with our band instruments in our band wagons, and with no display, we were filled with mixed emotions of sorrow and joy. We had left behind in France too many of our dead and wounded comrades, and we were looking forward to returning to the United States, which a short time before we had doubts of ever seeing again.

George Washington's Birthday in 1919 was celebrated by us in Germany, and you will remember that our German friends then pointed to vast numbers of little children with a promise that in 20 years Germany would show England and France.

When we look at our old war maps of France it is a nightmare to us to visualize what is now going on in Europe. On this honored day, with all of the indescribable conditions and possible happenings abroad, we of the Rainbow must think and act to meet the difficult economic circumstances which threaten the democracy and peace of our own country.

Our duty now is to continue our fight for democracy and end the existence of organized groups that seek to undermine our fundamental structure of constitutional liberty which George Washington gave us and our ancestors and comrades bled and died for.

Through this great radio chain which has honored us today with the opportunity to talk to one another, our country's safety and future is made more secure. Our chain of comradeship is relinked by the National Broadcasting Co. when they make it possible for me to introduce to you our next speaker from Detroit, Mich., Hon. Wilbur M. Brucker, wartime signal officer of the One Hundred and Sixty-sixth Infantry, who, after valiant service to his country, served the great State of Michigan as its Governor.

ADDRESS BY WILBUR M. BRUCKER

Washington's Birthday, 1918, will forever be remembered by the Rainbow Division as marking its entry for the first time in the front-line trenches in France. If anyone today doubts the soldierly qualities of America's citizen soldiers, he should have seen those gallant lads of the Rainbow Division as they struggled in the cold of winter through the trench warfare of the Lorraine sector and emerged seasoned veterans in the spring; then fought through the long, hard, bloody summer at Champagne, Chalons, Chateau Thierry, and the Marne; and then as a part of the glorious breakthrough at St. Mihiel in September and the hammering of the Hindenberg line in the Argonne through October until the armistice came with its unbounded joy for all the civilized world.

Looking back 22 years ago today seems to all of us like a bad dream, particularly to those of the Rainbow Division veterans dispersed throughout the world. They have experienced war; they have been in the thick of it; and yet they are the most peace-loving citizens in all our land today. They view with genuine alarm the new European war and vow that it will require something endangering our own national security before they will lend their support to our own country ever again becoming involved. The men of the Rainbow Division left thousands of comrades over there in Flanders' Field, and they offered their own lives in sacrifice, if need be, that this Nation might continue to live. They know the cost of this to the United States of America, and they don't propose to forget it now.

We need in this dark hour of history to keep our heads. We need to remember that America holds the torch of civilization in its own hand. Our highest duty is to continue to carry forward the system of American life which is the flower of 40 centuries. We need to preserve our own country so that when the present European cataclysm is over, America may succor and relieve those who will need to be rescued and salvaged from the horrible effects of war as we have seen it.

In the meantime we certainly do need an adequate national defense. But America's national security fundamentally rests in the faith of its people—in the justice and fairness of the American system of life and opportunity. To the future success of this great accomplishment we renew, on this twenty-second memorable anniversary of the Rainbow Division's entry into the trenches on Washington's Birthday, our lives, our fortunes, and our sacred honor.

It is now my pleasure to introduce the next speaker. He was a member of the Rainbow Division, a private of Company K of the Fighting Sixty-ninth, the One Hundred and Sixty-fifth Infantry. He lost his leg in the Battle of the Argonne on November 1, 1918. He is now the Congressman from the Sixteenth Congressional District of New York, Hon. JAMES H. FAY, who speaks to you from New York.

ADDRESS BY HON. JAMES H. FAY, OF NEW YORK

It is with a deep feeling of concern as well as with great pride that I speak for New York today in this annual tribute to the Rainbow Division. It is entirely proper—yes, it is more than proper, it is good for our souls and for our powers of perspective—that we should pause once a year to review and revere the heroism which this great division, representing a cross-section of the youth of our country, brought to the grim business at hand on the western front 22 years ago. But—with war again raging in the world—we cannot help but be concerned lest circumstances should be allowed to develop in such a way as to mislead us into another European conflict.

Members of the Father Duffy Chapter only a few hours ago attended their annual mass in memory of their beloved spiritual leader of the last war. And, as I left the solemn atmosphere of the church, the thought which pressed in upon me was simply this: That we Americans must not become involved in this new conflict. It is not selfishness, or merely the instinct of self-preservation, but the future welfare of the world at large which dictates our determination to stay out of this new war. We are the only major power in the world today which is not either actually at war or threatened with war; and, if we become involved, we will not only bring additional distress and confusion to our own people, but also compromise if not ruin the influence which we probably can exercise toward a sane and just settlement when the last shot has been fired.

So I say to you that this is a good day, and a good occasion, for rededication to peace. We associate Father Duffy with war—with the last war. We carry mental pictures of him in uniform. But today in church I saw him again, in my mind's eye, as the man of peace, as the representative of reason, as the exemplar of mercy and humanity. No matter how our feelings may be outraged by what is happening across the sea, let Father Duffy's mission as a spiritual leader be our guide and inspiration as we keep our feet on the path of peace through these tragic times. The Rainbow Division wrote glory and heroism into the history books of this Nation—but this is decidedly one instance in which we do not want to see history repeat itself.

(Gen. Henry J. Reilly was introduced to the radio audience.)

ADDRESS BY GEN. HENRY J. REILLY, O. R. C.

I have recently flown home from Europe and the Mediterranean area, after an absence of 2½ years.

I mention that I flew home by the *Yankee Clipper* only because since my return I have heard so much about the two oceans protecting us from European or Asiatic interference. When it is possible to have breakfast in Lisbon, Portugal, and lunch in New York the next day, the Atlantic Ocean is no longer a barrier. I do not mean that bombers can fly across and destroy our big cities. I do wish to point out, however, that many times in the military history of the world, it has been proven that it is easier to transport troops by water than by land. Though little attention has been paid to it, General Grant in our Civil War showed that waterways, far from being an obstacle to a general supported by a fleet, are pathways instead.

I have returned impressed with the seriousness and the danger of the situation in Europe. The idea that the economic and sea strengths alone of the Allies will whip Germany is not founded on fact. Every soldier in Europe knows that only large armies fighting over a considerable period of time can bring the wished-for victory. Despite that fact we are arguing about whether or not we should bring our Navy to the strength necessary to fully protect our sea coast on but one of our oceans. Our Regular Army and National Guard have not the armament and equipment to stand up against the attack such as the Germans made in Poland anymore than had the Poles. We lack the antitank guns, the antiaircraft guns, the armored cars, the tanks, and the artillery necessary. Our industry, unjustly accused for years of being "merchants of death," lack the tools and machines to make this armament.

Since the last war, this country has been deluged by the false prophecies of those who said disarmament and international agreements would bring peace in the world and save your sons from going to war. Despite the utter fallacy of their arguments, as is being proven both in Europe and Asia today, these same people are still working to keep the United States from being adequately armed. You veterans, who know what war is, now in many cases have grown children. They have been brought up under these falsities.

For their safety and the preservation of the country from possible defeat, it is necessary for you to teach them the truth: "A strong man armed guards his own goods."

INTRODUCTION OF HON. WILLIAM B. BANKHEAD, SPEAKER, HOUSE OF REPRESENTATIVES, BY M. MANNING MARCUS, PAST NATIONAL PRESIDENT, RAINBOW VETERANS

The next speaker is a distinguished citizen who has served as a State legislator, as a city attorney, as a judicial circuit solicitor, and for 12 uninterrupted terms as a Member of Congress. He has served with outstanding distinction as chairman of the Rules Committee, as majority leader, and continuously since the 5th of June 1936 in the highest office the House can bestow.

I have the honor to present the Member from the Seventh Congressional District of Alabama, the Speaker of the House of Representatives of the United States, the Honorable WILLIAM B. BANKHEAD.

ADDRESS BY HON. WILLIAM B. BANKHEAD

It is singularly appropriate that Washington's Birthday should be selected for this Nation-wide recognition of the distinguished military record of the Rainbow Division of the American Expeditionary Forces in France, for the reason that 22 years ago last night that division entered the front-line trenches in Lorraine for their first baptism of fire. Without making any invidious comparisons with other gallant military organizations, I think that it may be stated that no other division in the American Army from that date on until the end of hostilities performed more gallant and distinguished service in all fields of active operations than did the Rainbow Division. It was most appropriately named, because it was a composite unit of National Guard outfits from 26 different States, and in that blending of sectional forces it forever destroyed any distinctions between North and South. There were no closer

comrades in the Army than the old Fourth Alabama and the Sixty-ninth Regiment of New York that had fought against the other in the Civil War. The title "Rainbow" reflects the colors representing the various States from which the division was drawn, and the variety of types of life, the colors and shades of thought, and differences in point of view were brought together in one harmonious unit and molded into a cohesive force. This division participated in every major engagement on the battlefields of France. It fought with desperate and heroic courage on every field of action—never in all its record engaged in a single retreat.

I trust that I may be pardoned for calling particular reference to the One Hundred and Sixty-seventh Infantry, the Alabama regiment of the division. I think that it may be truly asserted that this gallant outfit, under the command of Col. William P. Screws, made an everlasting record of gallantry upon every field of action, and I feel confident that all of their comrades in arms from other States will be willing to bear tribute to the valor of these soldiers who were called by the French "the hell cats of Alabama" because of their tenacious military qualities. The regiment suffered 3,200 casualties in France, and it has been asserted that the One Hundred and Sixty-seventh Infantry served longer in the face of the enemy than any other American regiment. No more suitable comment could be made upon the bravery and heroism of the Rainbow Division's contribution to the speedy and successful conclusion of hostilities than to recite the statistics that there were in battle deaths 2,950 men; wounds and gassed, 13,292 men; total casualties, 16,242 men; with total replacements of more that 17,000.

Every American citizen who cherishes with patriotic fervor and appreciation the courage and sacrifices of the American Army in France should hold in everlasting gratitude the memory of this great military organization. In all the tide of time there has never been presented a finer type of valor, sacrifice, and fortitude than that witnessed upon the part of this gallant division of all those bloodstained and heroic hours between the 22d of February 1918 and the close of hostilities on November 11 of that year. All honor and all praise to them and their descendants and all those who survive may be assured that they will have the everlasting gratitude and admiration of the American people.

INTRODUCTION OF NATIONAL PRESIDENT ELMER F. NEAGLE BY WALKER H. COLSTON

And now I am again honored; this time by virtue of having been chosen to introduce to this vast radio audience, my very close friend and pal, who at the present time holds the highest office in the Rainbow Division veterans' organization. A veteran who, through these many years has served this association in time of peace, with the same sincerity of purpose that exemplified his activities as a member of the Forty-second Division in time of war. Having held local and national offices too numerous to mention, he is now the national president of the Rainbow Division veterans, Comrade Elmer F. Neagle.

ADDRESS BY ELMER F. NEAGLE

On behalf of the Association of the Veterans of the Rainbow, composed of members of the valiant Forty-second Division, American Expeditionary Forces, I express our gratitude to the National Broadcasting Co., Inc., and its associated stations for the opportunity to present this patriotic program in homage to the Father of our Country, George Washington, on whose birthday, 22 years ago, occurred our first contact with German troops on the Lorraine front in France. I should also like to thank the participants in this program.

Today we of Rainbow join with our fellow countrymen in revering the memory of Washington and in rededicating ourselves to the support of those public virtues which made him outstanding among men.

Twenty-two years ago young men from all walks of life—citizen soldiers—were one compact body, the Rainbow Division, fired with but one objective, to execute their military mission. Now they are again civilians, residing in all parts of the country and carrying on the normal activities of American life—the life of a balanced, peace-loving society. But we must not be blind to the fact that we are living in an armed militant world—a world which is at the mercy of incident. Our present position calls for greater responsibility. With our former Allies again at war, it is idle to say that we are not affected by it. We can well emulate the example of George Washington. Just as he, fresh from the arts of war, committed the country to the blessings of peace, so must we commit ourselves to the maintenance of peace. Not peace at any price, understand—not the kind that would be a threat to American security, American liberty, American institutions. These we shall always fight for, no matter what the price.

As national president of the Rainbow Division veterans, I greet you, men of the Rainbow. I wish you happiness in the security of a land which you struggled to preserve. I am looking forward with pleasure to greeting you in person at the national reunion in Montgomery, Ala., next July.

And so today, to the memory of our George Washington, to the memory of our departed comrades, to our buddies in hospitals, Rainbow tenders its most reverent salute.

Promotion of General Welfare Basic Principle of New Deal

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

ARTICLE BY RALPH SCOFIELD

Mr. HILL. Mr. Speaker, I am not often given to extending my remarks or to the promiscuous insertion of news articles in the CONGRESSIONAL RECORD. However, the attached article by Ralph Scofield, editor of the Adams County Leader, shows so clearly why the New Deal was necessary, why its basic principles are sound and permanent, and is so packed full of common sense, that I feel it deserves a place in the CONGRESSIONAL RECORD. It is so different from the common patter of the average country weekly that one is moved to declare: Here is another William Allen White of the far Northwest.

The article is as follows:

PROMOTION OF GENERAL WELFARE BASIC PRINCIPLE OF NEW DEAL—INTERPRETS PROVISIONS OF THE CONSTITUTION TO BENEFIT PEOPLE

Frequent discussions of the policies of the Roosevelt administration, engendered by the forthcoming general election, indicate that people are genuinely interested in the achievements of the New Deal, in whether they have proved beneficial and if they should be continued.

The New Deal is the outgrowth of the economic collapse which hit this Nation with unprecedented severity in 1929. It came in the midst of a highly conservative administration which enjoyed the full confidence of business. It was not foreseen by those in power and was long and often denied to be really a depression. It came after several years of the kind of administration, the kind of legislation, and the kind of business confidence that they now tell us we should go back to. And moreover they are unable to this day to tell us why it came, when it did or what caused it, and the party under whose administration it occurred did not then produce, and has not since proposed, even a partial remedy.

In the midst of this collapse, so complete that it threatened the social order and the Nation's domestic tranquillity, the New Deal was born. Problems met with action that was often frankly experimental because there was no previous American experience to guide it. Other problems were left over from the previous administration. We must remember that today the New Deal, whatever its defects, represents the only coherent program of action to adjust our life to the new problems of this decade. No other political body has offered a constructive or affirmative alternative.

It has been a basic doctrine of the New Deal that our economic system needed to be reformed in order to save it. Those whose privileges and profits were threatened by such a program have attempted to make it appear that the New Deal and this administration are antiprivate enterprise. Nothing is further from the truth. To try to rid American business of its parasites and speculators is no more hostile to private enterprise than it is hostile to a dog to try and rid him of fleas.

Every time an American workingman has seen his savings swept away by a bank failure, or by foreclosure on his home, or by the fraud of a glib stock salesman, or by a period of unemployment, a blow has been dealt at our system of private enterprise. The plain fact is that this system of private enterprise is not going to be safe for anybody if it isn't safe for small investors, for willing workmen, for thrifty home owners, and for small independent businessmen.

Another point of doctrine in which the advocates of the New Deal generally are in disagreement with its predecessors is that the New Deal has believed in an efficient and effective government for the promotion of the general welfare and the protection of the people from exploitation.

The very first powers given by the Constitution is to raise revenues and appropriate funds for the common defense and the general welfare. Almost every clause of the Constitution had been the subject of interpretations in the 150 years of our Government, but it was not until the administration of Franklin Roosevelt that the power of the Federal Government to serve the general welfare was sufficiently exercised to be challenged and sustained in the social-security cases. The way is now open to our country, as it has always been open to most others, to relieve some of the individual cruelties and hardships of our system by resort to unemployment

insurance, health insurance, and old-age benefits. You can no more rip the philosophy of the New Deal out of future American life than you can rip out the philosophy of the emancipation proclamation or the strong doctrine of the Declaration of Independence. It is our best insurance against the return of the recent grim and tragic years.

Ten Million Forgotten Men

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

RADIO ADDRESS BY HON. RALPH E. CHURCH, OF ILLINOIS

Mr. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

Friends and neighbors of my home State of Illinois, I am speaking to you again tonight from Washington in the second of my radio broadcasts.

You will remember last week I gave you, as it were, my political philosophy for a revitalized America. Tonight, in a more detailed study, I wish to consider with you the most vital, yet the most neglected of all our national problems, unemployment.

Perhaps before I begin you will let me explain that my engrossing work this week as a member of the Naval Affairs Committee, which has been considering the naval expansion bill, has prevented the immediate answering of the scores of encouraging letters received since my first broadcast. I wish now to express my appreciation.

Seven years ago much was said about "the forgotten man" and much was heard about the "more abundant life" for all of us. We were to have a "rendezvous with destiny," where we would find a balanced National Budget, elimination of useless bureaus, less centralization of power in Washington, reduction of taxes, parity prices for agriculture, improved business, and general national prosperity. All this we were promised.

Such a program embodied tested American doctrines of government and finance; the best government is that which governs the least, and, we must add, that which taxes the least. To a confused people, caught in the throes of a world depression, the promise offered renewed hope. No man would be forgotten. His opportunities would be increased and his taxes decreased, for America was acknowledged then to be a country capable of producing an abundance. The people listened, believed, and followed.

Seven years have passed, during all of which time the New Deal has had complete control of the National Government. We now know that our rendezvous has been with experiments foreign to American ideals of self-reliance, thrift, and individual initiative. We now know that the "more abundant life" is a mirage as we travel aimlessly on the desert of New Deal scarcities. And what about the forgotten man? The New Deal simply forgot to remember.

The "forgotten man" is the unemployed man. A relative, a neighbor, or, perhaps, a friend who, through no fault of his own, has been unable to secure regular employment. He is not ungrateful for the work relief provided through the W. P. A., but surely a country with limitless resources and great technical skill should have more to offer him and his family than mere subsistence on relief rolls year in and year out, as in the last 7 years of the New Deal. The "forgotten man" wants only a chance to earn a decent living at fair wages.

The number of unemployed in the United States has been variously estimated but we are reasonably safe in saying that there are still 10,000,000 citizens without jobs. It is indisputable that the New Deal, after 7 long years of costly experimentations, "quarterbacking" from one thing and then to another, has failed completely to solve America's most fundamental problem—that of unemployment. The immediate necessity has been to provide relief for these unfortunates, but the larger and more important problem has been to provide permanent jobs. That problem will continue to remain unsolved until it is realized that the principal task of statesmanship is to clear the way for free, private enterprise. You cannot have employees without employers. There must be employers and there must be a flow of capital in productive channels in order that there may be employees, pay envelopes, and consuming power.

In the language of the New Deal's own National Economic Council, "The American machine is stalled on dead center." That is understandable. When a bureaucracy undertakes to tell the people what they may or may not do, opportunities for development, for employment, and for profit and wages are closed. We are faced with a choice between planned economy, on the one hand, and a free competitive economic system on the other.

We have been in a decade of New Deal stagnation. It has been reliably estimated that at least $25,000,000,000 of new capital could be poured into industry today simply to put our plants in running order. But vast sums of money lie idle in the banks for want of places to work. Not being able to find a market for the people's savings the banks have been forced to reduce their interest rates. There is work to be done. There are men to do it. There is capital available. But our economic machine remains stalled on dead center. What is the difficulty?

In a word, it is the New Deal. Not only has it been attempting to manage and control all private enterprise with political appointees and theorists, but it has actually divided the country into factions. It has persisted in fostering among a free, friendly, and otherwise united people a spirit of hate, bitterness, intolerance, bigotry, and class consciousness.

The United States is not composed of over 130,000,000 people sharply divided into classes, with conscious differences which cannot be reconciled. The strength of our country as a democracy has always been the absence of defined classes with clashing interests.

We must recognize certain differences of opinion between groups. There is constant need for adjustments that all may enjoy equal opportunity, and an equitable share in the product of their labors. At the same time, we must recognize that the welfare of one is intimately bound up with the welfare of the other. For a return of confidence and business recovery there is, first of all, need of a moral leadership which will foster a spirit of unity and cooperation, between employers and employees. There is a common meeting ground to which the New Deal is blind.

Private enterprise, moreover, is not some sinister alien power threatening our social order and therefore to be attacked with all the forces that the Government can muster—to be blockaded by Government competition, machine-gunned by restrictive regulations, bombed by experiments, and torpedoed by heavy taxes. That is the New Deal conception. It is not the Republican conception. It is not the American conception. It certainly is not my conception. As a result of this New Deal warfare, business has become practically lifeless. Ten million people remain unemployed and the "forgotten man" remains forgotten.

American business consists of capital made up of the small savings of all the people, of citizens willing and able to direct its use and of millions of workers willing and able to apply their skill of mind and brawn to turning out products for your use and mine. It is, if you will, a cooperative enterprise in which all of us are engaged and out of which all of us are entitled to receive a just share of the profits.

As the Nation moves down the highway of progress, business traffic rules are as indispensable as the rules of driving. The proper role of the Government is that of traffic officer. But under the New Deal policing one cannot determine from one day to the next, what the traffic rules will be next. And when business is called before the judge, the judge is almost certain to be some young bureaucrat, belonging to some New Deal agency, eager to apply the New Deal rule of law that every man is guilty until he conclusively proves himself innocent. Small wonder that with the highway of progress practically deserted, with business activity under arrest, 10,000,000 "forgotten men" remain forgotten.

Future and confidence are distinctive factors of business. One does not borrow unless confident that he can repay. One does not loan unless he is confident of repayment. One does not buy unless confident that he can pay. One does not sell unless he is confident that the buyer can pay. One does not invest unless confident of a return on his investment.

When the element of confidence is missing, trade reaches low levels. We are in a period of New Deal defeatism and despair. Nor does the future seem brighter than the present.

What will be the future value of the dollar? The New Deal has already depreciated our currency. We do not know even if it is intended to place the United States on a bimetallic standard. Will the dollar loaned today be worth the same as the dollar ultimately repaid? Will the yardstick contain 36 inches tomorrow, 30 inches, or 42?

We cannot look with certainty at the national credit. The public debt is almost $45,000,000,000. Government expenditures have increased almost 300 percent. Taxes are going up and up. What confidence can anyone have in the future?

In my view, economic freedom is the basis of all freedoms. If we want to continue to be able to think as we like, to read what we like, to worship as we please, to vote as we please, we must be able first of all to work as we please, because when a man cannot work and support himself he loses the basis of all freedom. More and more during my 22 years of legislative experience I have come to realize, and, as I have said over and over again, political liberty cannot long endure when economic freedom is lost.

If we abide by that truth and restore sanity in government, we will thereby remember the "forgotten man." He will return to work and a dynamic America under Republican leadership will move forward.

Let our rendezous be only with Americanism. Then, and only then, will we enjoy the "more abundant life."

President Roosevelt Favors Protecting Small-Business Man and Encouraging Local Ownership of Local Business

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. PATMAN. Mr. Speaker, the President definitely came out in favor of local business, locally owned and owner-operated, in a message that he delivered to Congress January 3, 1938. In this message it was stated:

> There are practices which most people believe should be ended * * * unfair competition which drives the smaller producer out of business locally, regionally, or even on a national scale.
>
> Another group of problems affecting business, which cannot be termed "specific abuses," gives us food for grave thought about the future. Generically such problems arise out of the concentration of economic control to the detriment of the body politic—control of other people's money, other people's labor, other people's lives.

From these statements no one can question the direction the President of the United States is going. He is determined to protect local business, locally owned and owner-operated, as against absentee ownership or control.

ATTORNEY GENERAL ROBERT H. JACKSON REALIZES SERIOUSNESS OF PROBLEM

The Honorable Robert H. Jackson is the President's new Attorney General and chief of all Federal law enforcement. Recently Mr. Jackson gave a special interview to the United States News. As Solicitor General—chief of the Federal Government's legal staff—he sold the Supreme Court of the United States on 21 of the 24 cases he argued before that august body, according to this quoted interview.

In this interview he stated, according to the United States News:

> The President's "favorite son" has one criticism to make of the last 7 years' reforms: If anything, they have been "too moderate."
>
> By this he means that the efforts to regulate business and finance have not been wholly successful. The trend toward concentration of wealth continues because the Roosevelt checks have been "too moderate."
>
> He explains: "The unvarnished truth is that the Government's recovery program has succeeded nowhere else so effectively as in restoring the profits of big business. Labor has had no such advance. The small merchant has had no such prosperity. The small manufacturer has had no such advantage."
>
> Looking ahead, the new Attorney General sees the trend toward concentration threatening the individual competitive system. This concentration of the control of wealth, accompanied by the disappearance of the local utility, the independent merchant and the small industry, he believes, is the most significant trend toward socialism in the United States.

Notice what Attorney General Jackson said about concentration of the control of wealth and the disappearance of the local utility, the independent merchant, and small industry.

A BILL TO STOP GROWTH OF DESTRUCTIVE INTERSTATE CHAINS

H. R. 1, a bill providing for a Federal tax on interstate retail chain stores, will have a hearing before a subcommittee of the Ways and Means Committee commencing March 27. A few of the large national corporate chains have become so powerful that they are destroying farm prices, crushing consumers, and denying a fair income to labor. Through their interlocking directorates, they will, if not stopped in a very short time, control retail distribution in the 3,070 counties in the United States and will employ from New York all the workers in their stores throughout the Nation, thereby denying opportunity to both old and young in local communities. Further, the wealth of the country will be further drained from the local communities to a few banks in New York City and will give the few men, who now control a majority of the corporate wealth of the Nation, a firmer monopolistic grip upon the throat of the American people.

INTERSTATE CHAIN SYSTEM CAUSE OF FEDERAL RELIEF

Interstate chain-stores system is directly the cause of our serious unemployment and relief problem. When local people owned local businesses and kept their net profits at home, they were able to take care of their own unemployment and relief problems locally. We did not have Federal relief and there was no need for it until the enormous growth of the interstate chain-store system.

Russian War Propaganda

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. THILL. Mr. Speaker, the belligerents in the wars waging in Europe control and censor the news releases which issue from their respective countries. The American newspapers carry such news dispatches from the warring nations of Europe, and the reading public accepts the information as true. The press of this country presents much factual material, and in most cases does so in an honest and straightforward manner. As a result, the readers of the daily newspapers in the United States accept the information presented to them by the press as a truthful presentation of the facts.

Unfortunately, the information which the press receives from its war correspondents in Europe is censored and colored by the nation which permits the release of the correspondents' news articles. The official government news agencies not only disguise and distort the facts but, as the following editorial from the Milwaukee Journal of March 7, 1940, indicates, they may be guilty of preposterous lying:

WHO BELIEVES THE BOLSHEVIKS?

> None but a feeble-minded person, it would seem, could now give the slightest credence to the official statements of the Soviet Government or of Tass, the official Soviet news agency. It may, therefore, seem a bit superfluous to illustrate the deliberate falsehoods they perpetrate, lies that reveal themselves to all the world almost before they have been broadcast. But just for the record:
>
> On February 23, 2 days after Russian planes bombed the Swedish city of Pajala, the official Soviet news agency issued this statement: "Not a single Soviet plane has flown over Pajala." Tass called the report that Soviet planes had bombed Pajala "a malicious fabrication."
>
> But on March 5 the Soviet Government admits that its planes had bombed Pajala and expresses regret over the mistake.
>
> Nobody is surprised. Why? Because everyone felt certain all the time, on the basis of reputable observers' reports, that Soviet planes had bombed Pajala, even as they know that Russia "wantonly attacked" Finland.
>
> It is the same today. The world sees Soviet planes bomb a hospital in south central Finland. The world has watched Soviet planes, day after day, bomb Finnish civilians. The world saw Soviet planes bomb Helsinki on the first day of the unprovoked attack on Finland.
>
> So the world does not believe any such statements as Molotov's when he said to United States Ambassador Laurence A. Steinhardt in Moscow: "The Soviet Government has not bombed cities and will not do so * * * because the Soviet Government considers the interests of the Finnish population no less than any other government."
>
> Soviet officials went so far as to say that it was unnecessary to order "red" airmen not to bomb civilians, because they were, in effect, too noble to do such a thing anyway.
>
> What preposterous lying.
>
> As the Presidential secretary, Stephen T. Early, said about the brazen Soviet reply to American protests: "You might ask the dead civilians, the injured, and their widows and orphans how 'pointless' the American protests have been."
>
> The trouble with the Soviet Government's technique is this: The "red" dictators are so used to handing out fabrications to their own dismally misled millions, who have no chance of hearing the truth, that they try the same sort of lying to the outside world.

But the outside world has an opportunity to see and hear what really happens.

No wonder that much early sympathy in this country for Soviet Russia and its struggles has almost vanished. No wonder that only the dwindling American Communists can still pretend to stomach the Soviet lies.

Congressional Conference on Unemployment

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. VOORHIS of California. Mr. Speaker, in the strong belief that no business before this Congress is half so important as the solution of the unemployment problem, a group of House Members of all parties sent the following letter on February 21, 1940, to every Member of the House:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., February 21, 1940.

DEAR COLLEAGUE: In the month of December 1939 factory production in the United States reached a level of 130, 11 points higher than 1929. But the index of employment stood at only 104, slightly below the 1929 level. In the entire year 1939 we produced more goods than were produced in 1929, but we employed 1,000,000 fewer workers to do it, and we had between 9,000,000 and 11,000,000 unemployed. We had recovery without reemployment. Under these circumstances recovery could not last and production is now once again on the downgrade, primarily because consumer buying power did not keep pace with production, and inventories piled up.

Unemployment is the first and most fundamental problem before this Congress and before the Nation today. For with it come the fear, doubt, and insecurity which inevitably fill the hearts of people who have no work to do or who may soon become unemployed. If we do all other things and fail to overcome this problem we shall in the largest sense have failed. If we conquer this problem we will place our democratic institutions in a position unassailable by any powers or subversive influences within or without our country.

It is true that more legislation aiming at a progressive solution of our problems has been put on the statute books in the last 7 years than in any other like period in our history. But unemployment has not yet been conquered.

It is time that earnest Members of Congress joined together to carry on an incessant war on unemployment, on want and lack of business opportunity in a land of possible plenty. It is time we put first things first.

Let us forget petty differences and join together for earnest thought and study of an attack on unemployment on the broad plane of simple devotion to our Nation, its institutions, and its people.

We ask you to be with us in the veterans' committee room, 356 old House Office Building, at 7:30 p. m. on Monday, February 26, to begin this work. At our first meeting there will be no speaker, and we will simply discuss together what we can and ought to do.

This is not a move to form a "bloc" or to gain political advantage for any person, or any party, or any particular program. It is precisely what it purports to be—a coming together of Members of the House to seek to work out and then act upon the answer to the greatest problem of our age.

We hope you will be with us when we meet on February 26.

Sincerely yours,

Joseph R. Bryson, South Carolina; Joseph E. Casey, Massachusetts; Fred L. Crawford, Michigan; Thomas F. Ford, California; Knute Hill, Washington; William S. Jacobsen, Iowa; Jed Johnson, Oklahoma; Kent E. Keller, Illinois; Sam Massingale, Oklahoma; John R. Murdock, Arizona; James C. Scrugham, Nevada; John J. Sparkman, Alabama; Usher L. Burdick, North Dakota; John M. Coffee, Washington; Clyde E. Ellis, Arkansas; Franck R. Havenner, California; Ed. V. Izac, California; Joshua L. Johns, Wisconsin; Estes Kefauver, Tennessee; Charles H. Leavy, Washington; Abe Murdock, Utah; James C. Oliver, Maine; Martin F. Smith, Washington; Jerry Voorhis, California.

The response to this call was most encouraging. Not only did 47 Members attend the first meeting and decide to divide the group into working committees, each to study a particular phase of the unemployment problem, but a flood of letters poured in to every Member who signed the original letter. Without exception, these letters expressed interest and approval of the step being taken, and many of them contained valuable suggestions and material on the problem itself.

Editorial comment came from all sections of the Nation, a portion of a typical editorial being the following from the Post of Houston, Tex.:

That little group of Congressmen * * * which proposed a nonpartisan solution of the unemployment problem, may deprive campaigners in the forthcoming Presidential election of one of their most potent issues.

Yet * * * unemployment deserves more than a political lick and a promise. It should be taken out of the atmosphere of partisan debate and given calm, sober, and serious consideration.

As we recall, every Democratic and Republican platform of the last 20 years has addressed itself earnestly to the jobless, and has promised work for all able-bodied men and women. But the army of the idle grows constantly, and today at least 10,000,000 persons are unemployed.

So there is a great field for useful accomplishment open to the Congressmen who are pleading for a sound and permanent solution of the unemployment problem. As they contend, the chance of finding such a solution will be greatly enhanced by taking the entire discussion out of the realm of partisan politics.

In addition, the press of the Nation took notice of our work, and one item appearing in Labor, official organ of the railroad brotherhood, is certainly worth quotation:

Forty-four Congressmen—Democrats and Republicans, progressives and conservatives—this week organized a conference to "make incessant war on unemployment."

On Monday night, the day of hardest work in Congress, Members left their homes and went back to put in 3 more hours of work at organizing.

It was a rather tense group of men * * * a group which heard at least four times the statement that "unemployment is the No. 1 problem of the Nation" and that "unless something is done about it at this session of Congress there will be a number who will not return" to public life.

* * * * * * *

Congressman JED JOHNSON, Democrat, of Oklahoma, said, "The eyes of the country are on this conference and the people are waiting to see what you will do.

"I was in Oklahoma City last Saturday," he said. "I went to what I thought was a conference on agriculture and found 40 representatives of organizations which were interested in this problem of unemployment. And they were talking about this very conference we are attending tonight. I hustled right back to Washington so I could get here for this meeting, and I tell you we've got to do something about this in this Congress."

All Members who have so far shown active interest in this work of developing a fundamental solution to the unemployment have now been assigned to subcommittees, each of which is to study the relationship of its particular aspect of our economic system to unemployment and develop a brief report to be presented to the entire group, setting forth what, in the committee's judgment, could and should be done in its field of study toward solving the unemployment problem.

These committees as at present constituted are as follows:

Agricultural income and unemployment: Stephen Pace (Democrat, Georgia), chairman; John Z. Anderson (Republican, California), Lindley Beckworth (Democrat, Texas), Clarence Cannon (Democrat, Missouri), Alfred J. Elliott (Democrat, California), George W. Gillie (Republican, Indiana), Vincent F. Harrington (Democrat, Iowa), William S. Jacobsen (Democrat, Iowa), William Lemke (Republican, North Dakota), James F. O'Connor (Democrat, Montana), David D. Terry (Democrat, Arkansas).

Farm tenancy and unemployment: Usher L. Burdick (Republican, North Dakota), chairman; H. Carl Andersen (Republican, Minnesota), E. C. Gathings (Democrat, Arkansas), Jack Nichols (Democrat, Oklahoma), John J. Sparkman (Democrat, Alabama), Karl Stefan (Republican, Nebraska).

Foreign trade and unemployment: Thomas D'Alesandro, Jr. (Democrat, Maryland), chairman; Thomas F. Ford (Democrat, California), Carl Hinshaw (Republican, California), Karl E. Mundt (Republican, South Dakota).

Monetary and financial system and unemployment: Fred L. Crawford (Republican, Michigan), chairman; Kent E. Keller (Democrat, Illinois), James C. Oliver (Republican, Maine), Wright Patman (Democrat, Texas), Frederick C. Smith (Republican, Ohio), Jerry Voorhis (Democrat, California).

Monopoly and unemployment: Wright Patman (Democrat, Texas), chairman; John M. Coffee (Democrat, Washington), John W. Gwynne (Republican, Iowa), Charles H. Leavy (Democrat, Washington), Raymond S. Springer (Republican, Indiana).

Natural resources and unemployment: Estes Kefauver (Democrat, Tennesse), chairman; Homer D. Angell (Democrat, Oregon), Charles H. Leavy (Democrat, Washington), John R. Murdock (Democrat, Arizona), Harry Sandager (Republican, Rhode Island).

Public works and unemployment: Knute Hill (Democrat, Washington), chairman; John G. Alexander (Republican, Minnesota), Joseph E. Casey (Democrat, Massachusetts), Abe Murdock (Democrat, Utah), Adolph J. Sabath (Democrat, Illinois), and J. Joseph Smith (Democrat, Connecticut).

Social security, old-age pensions, and unemployment: Frank B. Keefe (Republican, Wisconsin), chairman; Homer D. Angell (Republican, Oregon), Franck R. Havenner (Democrat, California), Martin F. Smith (Democrat, Washington), John H. Tolan (Democrat, California), Jerry Voorhis (Democrat, California), R. T. Buckler (Farmer-Labor, Minnesota), and Gerald W. Landis (Republican, Indiana).

Taxation and unemployment: Ed. V. Izac (Democrat, California), chairman; William T. Byrne (Democrat, New York), John D. Dingell (Democrat, Michigan), Merlin Hull (Progressive, Wisconsin), Jack Nichols (Democrat, Oklahoma), and Robert F. Rich (Republican, Pennsylvania).

Technological change and unemployment: Joseph R. Bryson (Democrat, South Carolina), chairman; Robert G. Allen (Democrat, Pennsylvania), Francis H. Case (Republican, South Dakota), Frank Crowther (Republican, New York), Raymond S. McKeough (Democrat, Illinois), Rudolph G. Tenerowicz (Democrat, Michigan), and Richard J. Welch (Republican, California).

Trade barriers and unemployment: Sam C. Massingale (Democrat, Oklahoma), chairman; Clyde T. Ellis (Democrat, Arkansas), and Joshua L. Johns (Republican, Wisconsin).

Youth and unemployment: Jed Johnson (Democrat, Oklahoma), chairman; William W. Blackney (Republican, Michigan), Edwin A. Hall (Republican, New York), Gerald W. Landis (Republican, Indiana), Pius L. Schwert (Democrat, New York), James G. Scrugham (Democrat, Nevada), and Clarence J. McLeod (Republican, Michigan).

There are without question many Members who will be eager to engage in this fundamental work, who have as yet not had opportunity to attend any of our meetings. All they need do is indicate to one of the members of our Committee on Committees the preference as to a committee assignment and we will be delighted to immediately assign them to that committee and they can engage in the work at once.

The Committee on Committees consists of the following: Mr. Johnson of Oklahoma, Mr. Ellis of Arkansas, Mr. Coffee of Washington, and Mr. Voorhis of California (Democrats), Mr. Crawford, of Michigan, Mr. Oliver, of Maine, and Mr. Johns, of Wisconsin (Republicans).

It is our hope to bring forcibly to the attention of the Congress and the country the fact that the unemployment problem must and can be solved and that if this Congress is to perform its central duty it will put this task ahead of all others.

Attorney General of Nebraska Sues Atlantic & Pacific Tea Co. and Asks Ouster From State

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EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. PATMAN. Mr. Speaker, it is perfectly natural that a concern that has grown to be very big will attempt to destroy its competitors in business. That has always been true, and probably always will be true, as long as individuals remain selfish. Knowing this to be a fact, it is the duty of Government to protect the small-business men of the country from the greed of those who are ruthlessly directing such giant concerns.

MAKE PEOPLE PAY DEARLY

There is ample proof to support the statement that large interstate retail chains will sell goods and commodities below cost for the purpose of destroying the business of their competitors and then put prices up higher than ever and make the people pay and pay dearly. They can do this by using the large profits which they compel the consumers to pay in the markets where they have charge of the retail business.

PROFIT TWO WAYS

These huge concerns profit in two ways—one, by making the producers and manufacturers sell to them for a low price because of their enormous buying power, and the other is by making the consumers pay what monopoly almost invariably exacts—a price as high as the traffic will bear. This enables them to make what can be considered excessive profits for themselves.

FAKE CONSUMER GROUPS

The Atlantic & Pacific Tea Co. has been making over 20-percent profit on its investment, even in bad years, after paying a number of its officers and directors fabulous salaries amounting to $100,000 each, and after paying hundreds of thousands of dollars for lobbying purposes, including the amount paid prominent women as fronts for fake consumer groups to oppose anti-chain-store legislation and old-age pensions.

ATTORNEY GENERAL'S PETITION

Omaha and Falls City are in the same State, Nebraska, and about 100 miles apart. The following petition, which was filed a few days ago against the Great Atlantic & Pacific Tea Co. by the Honorable Walter R. Johnson, attorney general of Nebraska, of Lincoln, is self-explanatory:

[In the District Court of Douglas County, Nebr. The State of Nebraska, ex rel. Walter R. Johnson, attorney general, plaintiff, against The Great Atlantic & Pacific Tea Co., a Corporation, defendant. Petition]

Comes now the plaintiff, and for cause of action against the defendant alleges:

1. That the relator is the duly elected, qualified, and acting attorney general of plaintiff State.

2. That the defendant is a corporation duly existing under and by virtue of the laws of the State of New Jersey, and is, and at all of the times hereinafter mentioned has been, engaged in trade, commerce, and business in the State of Nebraska in the sale and distribution at retail of certain commodities in general use in the State of Nebraska, to wit, staple foods, groceries, and meats.

3. That at all of the times hereinafter mentioned defendant has owned, operated, and maintained, and now continues and will, unless restrained, continue to own, operate, and maintain in different sections, communities, and cities of the State of Nebraska certain retail food, grocery, and meat stores, in all of which said food, grocery, and meat stores the defendant engages in trade and commerce and business by selling and distributing at retail to the inhabitants of said several sections, communities, and cities said commodities; that among said retail food, grocery, and meat stores defendant now operates and maintains, and at all of the times hereinafter mentioned has operated and maintained, three in the city of Omaha, in Douglas County, in the State of Nebraska, and one in the city of Falls City, in the county of Richardson, in the State of Nebraska, and that in each of said stores defendant has, at all of the times hereinafter mentioned, sold and distributed at retail, and now continues to sell and distribute at retail, said commodities, to wit, staple goods, groceries, and meat of the same grade and quality.

4. That since on or about the 1st day of August 1939, and continuously since on or about said date, the defendant has attempted to monopolize a part of the trade and commerce of the State of Nebraska, to wit, the trade and commerce in staple foods, groceries, and meats, as hereinafter more particularly alleged, and has discriminated between the city of Omaha in this State and the city of Falls City in this State by selling commodities, to wit, staple foods, groceries, and meats, of equal grades and qualities at a lower rate in the city of Omaha than it charged for the same commodities in the city of Falls City, intentionally for the purpose of destroying the business of its competitors in the city of Omaha, and by selling said commodities at a higher rate in the city of Falls City than the fair market price of said commodities for the purpose of and with the intent of thereby reimbursing itself at the expense of the inhabitants of the city of Falls City and the trade territory thereof for the lessening of its profit upon its aforesaid sales in the city of Omaha; and has ever since said 1st day of August 1939, for the purpose of driving out of business any and all other persons engaged in the sale at retail of staple foods, groceries, and meats, sold staple foods, groceries, and meats at less than its fair market value in the city of Omaha and at a less price than it is and was accustomed to demand and receive therefor in any other place under like conditions.

5. That all of the aforesaid acts and things have been done and are being done by the defendant intentionally, unlawfully, and with the intent and for the purpose of practicing unfair and unlawful discrimination in prices between the cities of Omaha and Falls City, Nebr., for the purpose of destroying the business of competitors and driving out of business any and all other persons engaged in the

same business, restraining trade and commerce in staple foods, groceries, and meats in the State of Nebraska, of monopolizing the trade and commerce in staple foods, groceries, and meats in the State of Nebraska, and to enable the defendant by so driving out and destroying competition and the business of competitors finally to create a monopoly in the sale of said commodities and enable defendant to fix higher and unfair prices without let or hindrance and to extort from the public higher, unfair, onerous, and oppressive prices for foods, groceries, and meats, contrary to public policy and to the great and irreparable detriment, injury, and damage of the public generally and the people of the State of Nebraska.

6. That, as hereinbefore alleged, there has at none of the times herein mentioned been or existed any difference in the grades and qualities of said commodities so as aforesaid sold in said several stores, nor has there been or existed any difference in the cost of transportation from the point of production or management, to said several stores.

7. That for the purpose and with the intent aforesaid and as a part of and in furtherance of the designs and purposes hereinbefore set forth, the defendant has on the dates hereinafter mentioned been guilty of particular instances of discrimination, in that on said dates the defendant did sell in its said stores in Omaha, Nebr., the specific items and articles of foods, groceries, and meats shown in the lefthand column below at the prices indicated in the middle column opposite the names of said items or articles, and on the same dates the defendant did sell the same items and articles of foods, groceries, and meats at its said store in the city of Falls City, Nebr., at and for the prices shown opposite said items in the right-hand column below:

Item or article	Prices in Omaha stores	Prices in Fall City store
AUG. 19, 1939		
Pot roast	Per pound, 11 cents	Per pound, 13 cents and 15 cents.
Iona peaches (2½)	2 for 25 cents	2 for 29 cents.
8 O'clock coffee	3-pound bag, 37 cents	3-pound bag, 39 cents.
SEPT. 1, 1939		
Ann Page salad dressing	Quart, 25 cents	Quart, 29 cents.
Evaporated milk	4 tall cans, 22 cents	4 tall cans, 25 cents.
Bologna	Per pound, 10 cents	2 pounds for 25 cents.
OCT. 27, 1939		
A. & P. soft-twist bread, 24-ounce loaves.	2 for 19 cents	3 for 25 cents.
Jane Parker Donuts	2 dozen for 19 cents	3 dozen for 29 cents.
Iona tomatoes (No. 2 cans).	4 for 25 cents	4 for 29 cents.
Pot roast	Per pound, 12 cents	Per pound, 18 cents.
Navy pea beans	4 pounds for 19 cents	3 pounds for 25 cents.
FEB. 2, 1940		
Dexo	3 pounds for 39 cents	3 pounds for 41 cents.
FEB. 16, 1940		
A. & P. grapefruit juice	46-ounce tin, 17 cents	2 for 25 cents.
Coldstream pink salmon	2 for 29 cents	2 for 27 cents.
MAR. 2, 1940		
Oxydol	24 ounces, 2 for 37 cents	2 for 35 cents.
Iona flour	48 pounds, $1.33	48 pounds, $1.29.
A. & P. bread	2 for 19 cents	3 for 25 cents.
Dexo	3 pounds, 39 cents	3 pounds, 41 cents.

8. That large numbers of said several items and articles of staple foods, groceries, and meats were on said several dates sold to large numbers of persons whose names are to plaintiff and to relator unknown.

Wherefore plaintiff prays:

That the court find the allegations of plaintiff's petition to be true and find herein that the defendant has been guilty of unfair and unlawful discrimination in the respect, manner, and form hereinbefore alleged, and that the defendant has attempted to create a monopoly as hereinbefore alleged, all with the intent and purpose hereinbefore charged;

That the defendant be forever restrained and enjoined from discriminating between the cities of Omaha and Falls City by selling foods, groceries, and meats of like grades and qualities at a lower rate in one or more of its stores in said cities than is charged by it for said commodities in another city in the State of Nebraska, and from selling any article or product at a less price than it is accustomed to demand and receive therefor at any other place under like conditions; and

That pending the final hearing of said cause a temporary injunction issue restraining and enjoining the defendant from committing each and all of the unlawful acts, practices, conduct, and unfair discrimination herein complained of, and that upon final hearing said injunction be made permanent.

That upon final hearing of this cause the defendant be ousted from all business of every kind and character in this State; that the charter of the defendant be annulled and its permit and authority to engage in business in this State be revoked, and that the defendant be permanently enjoined from transacting any business in this State; and for such other and further relief in the premises as justice and equity may require.

THE SATE OF NEBRASKA, EX REL., WALTER R. JOHNSON, ATTORNEY GENERAL, PLAINTIFF.

———— ————, *Attorney General.*

———— ————, *Assistant Attorney General.*

STATE OF NEBRASKA,
Lancaster County, ss:

Walter R. Johnson, being first duly sworn upon his oath, deposes and says that he is the duly elected, qualified, and acting Attorney General of the State of Nebraska and is the relator herein; that he has read the foregoing petition and knows the contents thereof; and that the statements and allegations therein contained are true.

Subscribed in my presence and sworn to before me this 4th day of March, 1940.

———— ————,
Notary Public.

Unfounded Objections of Lake Carriers Association to St. Lawrence Seaway Project

EXTENSION OF REMARKS
OF
HON. WILLIAM A. PITTENGER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 12, 1940

Mr. PITTENGER. Mr. Speaker, recent newspaper statements quote L. C. Sabin, of Cleveland, Ohio, vice president of the Lake Carriers Association, in opposition to the St. Lawrence seaway project. Mr. Sabin is quoted as having said at a meeting on March 8, last, that the building of the seaway would injure Duluth and vicinity. Such statements, in my opinion, are unsound and purely propaganda.

Mr. Sabin says that the building of the seaway would result in iron ore being sent to the United States by other countries, and that this would harm the iron-ore industry in Minnesota.

Of course, the argument is absurd because the industries that use iron in the United States will continue their present industrial program rather than enter upon efforts to develop new fields which will require transportation of iron ore long distances from other countries. The present industry is not going to add to its burdens such enormous costs. Further, if any such plans were contemplated, the importation of foreign ores could easily be prevented by proper protective tariff schedules. This announcement by the Lake Carriers Association that they are against the seaway development is just a part of the powerful opposition that is being encountered by friends of the St. Lawrence project.

The opposition from the Lake Carriers' Association comes because that organization does not want anything to happen to interfere with its monopoly of the shipping on the Great Lakes. The fleets of boats owned by the Lake Carriers are landlocked, and at the present time all ocean vessels are shut out from the Great Lakes. This gives the Lake Carriers a monopoly on transportation and, naturally, they want nothing to interfere with it. Their opposition is purely monopolistic, selfish, and they may possibly be actuated by fear of competition. As I understand it, under the present law, water-borne commerce between two American ports has to be carried on by American ships, flying the American flag. Foreign ships cannot compete. Consequently, the Lake Carriers are not harmed by the seaway development.

There is something else in connection with this matter which will interest the public, and that is the fact that pending in Congress at this time is a bill to place all transportation under the Interstate Commerce Commission. Under the bill, the Lake Carriers are exempt. Can it be possible that the railroads who want this pending transportation legislation enacted have agreed to exempt the Lake Carriers if the Lake Carriers would help the railroads fight the St. Lawrence Seaway project? At any rate, I take issue with the Lake

Carriers' Association and believe that great results will follow when the landlocked empire of the Middle West is brought 2,770 miles closer to ocean transportation.

The "Disenfranchised" Voter

EXTENSION OF REMARKS

OF

HON. PETE JARMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

EDITORIAL FROM THE TUSCALOOSA (ALA.) NEWS

Mr. JARMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from a recent issue of the Tuscaloosa (Ala.) News:

[From the Tuscaloosa (Ala.) News]

THE "DISENFRANCHISED" VOTER

"One of the anomalies of our democratic system in the United States," says the Birmingham Age-Herald, "is that citizens of the very seat of American democracy, the District of Columbia, have no voice in their local government. The thousands of residents of the great American city of Washington have absolutely no voice in the administration of municipal affairs.

"The other day Mrs. Roosevelt visited a District of Columbia institution for the aged and infirm. She was shocked by the neglect of the inmates of the institution and by the apparent carelessness of the officials entrusted with caring for these old and sick people. Because she is the First Lady of the land, her protests attracted immediate and wide attention. Steps were taken to remedy the conditions she found in this one public agency, and investigations of similar institutions were launched.

"The management of the city of Washington is left in the hands of a commission appointed by Congress. But Members of Congress, no matter how able they may be, have their own districts to look after. Residents of Washington cannot vote. If the people of Washington are dissatisfied with the manner in which their city is operated, they must protest to a large and unwieldy body, a body that looks on the Capital City as a temporary residence.

"If the Alabama Legislature governed the city of Montgomery, one can imagine just how the disenfranchised residents of Alabama's capital city might fare in facing their own peculiar municipal problems. Washington is much larger than Montgomery; its problems are more complex."

We fail to follow the Age-Herald's logic. The Age-Herald cites the case of Mrs. Roosevelt and the institution for the aged and infirm, but we question its conclusion that these conditions could not have existed had the voters of Washington had a right to set up their own local government. For instance, Birmingham and Jefferson County have their local self-government, but it seems only yesterday that the reformers up there were crying about the atrocious conditions at Hillman Hospital, and it took more to get these conditions corrected than it has done in the Washington case.

As for "disenfranchising" the residents of Washington, that is so much piffle. In the early days of this country the city of Washington was established to meet for all time the very objections which the Age-Herald raises. An area of land was selected and divorced from all States. There Federal dominion was established, and the city was built in a wilderness.

Long ago, the necessity of keeping the capital free of petty local politics was seen, and Congress has functioned effectively through all the years as its governing agency.

At best we are all selfish as average voters, but to have an entire city of officeholders embroiled in local politics and carrying their politics into the National Government would be unbearable. Nobody has "disenfranchised" these Washington people. If they have been disfranchised, they have done it themselves, by electing to live in the one small spot in America where, for good and sufficient reasons, the franchise is withheld. These people cannot be citizens of Washington; they are citizens of the States from whence they came, and as such they have a perfect right to help in the selection of those men who control the city where they live. If they do not find it convenient to vote by absentee ballot, or to return to their original homes when election time comes around, they have nobody to blame but themselves. If they have chosen to attach themselves to the Federal pay roll in Washington instead of remaining at home to engage in private enterprise, they have nobody to blame but themselves. If they are not satisfied with their fate in Washington, they don't have to accept it. Let those who want local self-government go where they can get it.

As for that comparison between Montgomery and Washington, there are a lot of people who, having watched politics in Montgomery and its effect on the State government, will wish to heaven that our forebears in this State had been as intelligent as those who established the National Capital in a wilderness. If Goat Hill had been a cornfield, surrounded on all sides by "disenfranchised" voters, Alabama would have profited by the amount of some millions of dollars.

The Outstanding Career Men of America—The Work of the United States Army Engineers Is in Large Part the Basis of Our National Development

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. CULKIN. Mr. Speaker, the United States Army Engineers are the outstanding career men of the American public service. During my 11 years' service on the Rivers and Harbors Committee of the House I have been more and more amazed at their efficiency and devotion to the cause of America. Their work is in large part the basis of our national development. The future engineers were the intellectual leaders at West Point. Under the stress and discipline of that system they were the dominating mental types and as such were selected for the engineering service.

The romantic settlement of the West was made possible by their vision and engineering achievements. In that new country they laid out the railroads, built highways, roads, bridges, and performed other notable services that smoothed the pathway of the oncoming pioneer.

The United States Army Engineers are, of course, a combatant branch of the United States Army in times of war. Gen. Robert E. Lee, Gen. George Brinton McClellan of the Civil War period, and a host of other Army officers of high rank in all our wars, gained their inspiration and were recruited from the Corps of Army Engineers. The engineers combine high professional qualifications in administering the public domain with esprit, personal probity, and complete freedom from political influence.

The Nation has expended over $3,000,000,000 for pioneering purposes, for the improvement of rivers and harbors, and for flood control. This work has been highly technical in character, requiring the exercise of the highest engineering skill. It has all been accomplished successfully, and the Nation, which hears little of this group of technicians, has reaped incalculable economic benefits from their work.

It is interesting to note that while all the millions of dollars appropriated for these purposes, running beyond the three-billion mark, has been expended under the direction of the engineers, there has been but one case of peculation in 110 years of this service. It is now vigorously asserted in responsible quarters that there was a miscarriage of justice in this one case. The engineers are the real field marshals of the public domain. They combine extraordinary industry and power of research with the highest order of intellect. Through my service on the Rivers and Harbors Committee I have been brought in contact with this group of remarkable public servants and have been amazed by the breadth and clarity of their findings on all questions concerning waterways and economics.

These men are among the unsung heroes of the Nation. The tyros and the untrained sometimes charged with high responsibility in this Republic regard this great organization with its record of marvelous achievement with jealousy and uneasiness. Veiled attacks have been made upon the status of engineers from irresponsible sources, but Congress knows and appreciates the services and worth of the engineers as the outstanding advisory body in the field of the public domain.

I said a moment ago that these men were unsung heroes. No history has ever been written of them although their part in the making of America is worthy of the pen of a Bancroft or Parkman.

I ran across an article on the Army engineers in the yearbook of the Washington Society of American Military Engineers. It gives a brief history of the Engineer Corps and is written by Capts. Louis J. Claterbos and John R. Noyes. It is brief, and I trust every Member of the House will take time out to read it. It is a record of which the Nation can be proud. Pursuant to the permission of the House, I append the same hereto:

HISTORY OF THE CORPS OF ENGINEERS

(By Capts. Louis J. Claterbos, C. E., and John R. Noyes, C. E.)

The earliest records of the organization that is now known as the Corps of Engineers, United States Army, are found in the Journals of the Continental Congress and in the incomplete documents which have come down to us from the period of the Revolutionary War. Upon the outbreak of the Revolution in 1775, the country was singularly deficient in persons acquainted with the duties of military engineers. A few had seen service at Louisburg, Lake George, Ticonderoga, Crown Point, and Quebec, and had thus gained some practical experience in the construction, attack, and defense of fortified places. Aside from these, there was scarcely any engineering skill or talent in the Continental Army.

Recognizing this deficiency, the Continental Congress, on the day before the Battle of Bunker Hill, authorized one chief engineer and two assistants in "the Grand Army," and one chief engineer and two assistants "in a separate department." These officers were commissioned in the grades of colonel and captain, respectively. In December 1776 General Washington was authorized by the Continental Congress "to raise and collect" a corps of engineers and to establish their pay for a period of 6 months. Under this law it is probable that an organization styled a "corps of engineers" was established in the Army. By a resolution of Congress dated March 11, 1779, a corps of engineers was formally established with Brig. Gen. Louis du Portail as commandant of the corps. General du Portail was a distinguished officer of the French Royal Engineers and brought to the corps the military engineering genius of the French. Over 20 other French engineers followed Du Portail to America and were commissioned in the Continental Army, the foreign element prevailing almost to the exclusion of native-born engineer officers. This organization, including three companies of sappers and miners, served with efficiency and distinction during the Revolutionary War, and a number of its officers were brevetted by Congress for their distinguished services. The names of the brigadier general, commandant of the corps, of 6 colonels, 8 lieutenant colonels, 3 majors, and 10 captains are on record. In November 1783 the Corps of Engineers was mustered out of the service.

During the administration of Washington, when conditions in Europe were unsettled and this country was threatened, Congress authorized the President to fortify certain harbors on the coast. There being no engineers in the service at this time, Washington appointed several foreign-born gentlemen, mostly French, a number of whom had served in the Revolutionary War, to direct the work temporarily. In May 1794 Congress passed an act raising a corps of artillerists and engineers for a term of 3 years. This organization consisted of a regiment of four battalions of four companies each. In April 1798 a second regiment of three battalions of artillerists and engineers was authorized by Congress, and 4 months later four "teachers of the arts and sciences" were authorized for the instruction of these organizations.

The act of March 16, 1802, which set up a new Military Establishment, authorized the President to organize and establish a corps of engineers, separated from artillerists at this time, to consist of one colonel, one lieutenant colonel, two majors, four captains four first lieutenants, four second lieutenants, and four cadets. It was provided further that the corps should be stationed at West Point in the State of New York and should constitute a military academy. This was the beginning of the present Corps of Engineers. It was also the beginning of the Military Academy, which, since 1812, has provided officers for all branches of the Army. The superintendence and responsibility for the successful operation of the Military Academy was vested in the Corps of Engineers from its establishment until July 1866, when the institution passed to the Army at large.

During much of the early period of its organization the duties which now pertain to the Corps of Engineers were divided between two branches, sometimes under a common head and at other times separately commanded. These two branches were known as the Corps of Engineers and the Corps of Topographical Engineers. Topographical Engineers were first provided during the War of 1812, when Congress authorized, as a part of the General Staff, eight Topographical Engineers with the rank of major and eight assistants with the rank of captain. At the conclusion of peace in 1815, all were mustered out of the service except two majors. In April 1816, however, the corps was reestablished, three Topographical Engineers and two assistants (still attached to the General Staff) being provided for each division of the Army. In 1818 the staff assignment was discontinued and these officers were assigned to the Engineer Department and made subject to the orders of the Chief and Commanding Engineer.

The Topographical Engineers continued in service and were gradually enlarged, a Topographical Bureau being established in 1818 under the Chief Engineer in Washington. In 1838 this organization became a separate corps and remained so until 1863. During half a century it was in charge of the vast number of internal improvements, military and civil surveys, and explorations. It was consolidated with the Corps of Engineers in 1863.

During the period 1802 to 1863, the Corps of Engineers was charged with much construction work, being responsible for the building of fortifications, lighthouses, and roads, for the improvement of rivers and harbors, as well as for important military duties connected with the War of 1812, the Mexican War, the Civil War, and operations of the Army against the Indian tribes.

Staff duties of an especially high order in both the Mexican War and the Civil War were performed by the officers of the Corps of Engineers and the Topographical Engineers. These resulted in a large number of brevets for distinguished services. Many of the engineer officers who served with distinction in the Mexican War later became troop commanders of high rank in the Civil War, among whom were Lee, McClellan, J. E. Johnston, Halleck, Beauregard, Mansfield, Meade, and Pope.

After the consolidation of 1863, the Corps of Engineers was increased in July 1866 to 109 officers. Subsequent increases in the corps were made by acts of Congress in 1898, 1901, 1904, 1911, and 1916. The last of these acts fixed the commissioned strength of the Corps of Engineers at one Chief of Engineers (brigadier general) and 504 officers.

The first reference to any engineer troops in our Army is found in an act of Congress of May 1778, when three companies of sappers and miners were organized. They were scattered among our various fortifications, a considerable portion of the strength being in garrison at West Point. Between 1783 and 1794 there were no engineers in our service. In 1794 Congress authorized a Corps of Artillerists and Engineers, previously mentioned, which continued in existence until 1802, when it became the Regiment of Artillery, a few officers being detached to form the Corps of Engineers.

In 1812 a company of bombardiers, sappers, and miners was authorized by Congress, and this company served throughout the War of 1812 along the Niagara frontier. In 1821 this company was abolished, the men being either discharged or transferred to the artillery, and from that time until 1846 there was no organization of engineer soldiers in our service.

In 1846 Congress again established "a company of engineer soldiers," which was organized at West Point, N. Y., and was designated "Company A, Engineers." It has a continuous history in service since this time, and is represented by the present Company A, First Engineers, stationed at Fort Du Pont, Del. The company served with General Taylor's and Scott's command in the War with Mexico, where it took a gallant and distinguished part in the battles of that war. In June 1848 the company was returned to West Point after making for itself a war record of which it had every reason to be proud.

Until the outbreak of the Civil War the Engineer company assisted in the survey of the North Pacific Railway, accompanied the Utah expedition in 1858, and assisted in road and bridge building on the Pacific coast. In January 1861 the company was ordered to Washington for the purpose of protecting the public buildings, stores, and arsenals. On August 3, 1861, three additional companies were authorized by Congress and this group of four Engineer companies (A, B, C, and D) was known throughout the Civil War as the Battalion of Engineer Troops, although it had no authorized battalion organization until after the war. On August 6, 1861, a company of topographical engineers was authorized, which later formed the fifth company (E) of the battalion.

Throughout the Civil War the battalion was assigned to duty with the Army of the Potomac, where it took part in the siege of Yorktown, the Battles of Malvern Hill, Antietam, Fredericksburg, Chancellorsville, The Wilderness, Cold Harbor, and the seige of Petersburg. In these engagements much difficult work was required of the battalion in the way of bridge building, road making, sapping and mining, and other duties pertaining exclusively to the engineer-soldier. In many of the battles the battalion, after completing its engineering duties, was employed as infantry in the line of battle or in the support of batteries.

In 1865 the additional company of Engineers authorized August 6, 1861, was enlisted, and in July 1866 the five companies of Engineer troops were formerly organized into a battalion. Until the outbreak of the Spanish-American War, the battalion served at the Engineer School and the United States Military Academy, and also performed such unusual duties as the suppression of illicit distilleries near the Brooklyn Navy Yard in December 1869, riot duty during the railroad strike of 1877, and assistance at the time of the disastrous flood at Johnstown, Pa., in 1889. Battalion headquarters and most of the troops were at Willets Point, N. Y., during this period, with one company at West Point.

Upon the outbreak of the War with Spain, in 1898, Companies C and E were organized into a provisional battalion for service in Cuba; Company A went to Manila, and Company B remained at Willets Point, engaged in the submarine defense of New York Harbor. Later, Companies B and E were both sent to Manila, where they assisted in repairing roads, relaying railroad tracks, and constructing ferries and bridges.

In 1901 Congress increased the number of Engineer troops to three battalions of four companies each, and in this reorganization the old Battalion of Engineers ceased to exist. Companies A, B, and E, then in the Philippines, were absorbed by the First Battalion of Engineers; the designation E was changed to C and a new com-

pany designated D was formed by the transfer of men from the other three companies. The original Companies C and D formed the nucleus for both the Second and Third Battalions in the United States.

Thus passed out of existence the organization known as the old Battalion of Engineers. Born of the difficulties confronting the Army in Mexico, expanded under the difficulties arising in the Civil War, revived and enlarged during the Spanish-American War, the situation in the Philippines demanded a further increase to which the battalion's organization did not lend itself. With the transfer of its men to the new battalions of engineers, its name disappeared from the roster of the Army, but the spirit which marked its service in Mexico, in the Army of the Potomac, in the Cuban campaign, in the Philippines, and in China still lives and animates its successors. To these will ever remain bright the memory of the old Battalion of Engineers.

The newly formed battalions garrisoned the Willets Point post, served at Fort Leavenworth, Kans.; West Point, N. Y.; and Washington Barracks, D. C., with periodic tours in the Philippine Islands. In the islands they performed many tasks of real pioneering. The National Defense Act of June 3, 1916, reorganized the Engineers into regiments, three of six companies each being formed from the three battalions of engineers. They participated in the movement of troops to the Mexican border and accompanied the punitive expedition to Mexico. Here they performed a great road-building task which permitted the first extensive use of motor-trucks by an army for supply purposes.

* * * * * * *

The record of the Corps of Engineers in the World War is an outstanding one. During this war, the engineer arm of the Army was expanded from 256 officers and approximately 2,200 enlisted men to a peak on November 25, 1918, of 11,175 officers and about 285,000 men. This included National Guard and National Army units, as well as those of the Regular Army. The civilian engineers of the Nation responded enthusiastically in making this great expansion possible. Many of the units were temporary wartime organizations, which were disbanded after the emergency, but which have been retained in many cases as inactive or reserve units.

During the war approximately 86,000 men in engineer regiments were assigned to various divisions, where they performed invaluable engineering services in support of the infantry and artillery. Of these operations, the most important had to do with routes of communication. The once excellent roads of France were worn out after 4 years of intensive warfare. Our engineers rebuilt and maintained the essential roads across no man's land and beyond. They built hundreds of essential bridges. They prepared defensive positions, erected obstacles, and performed many other engineering tasks. Much of this engineering work was done close to the front, under fire. The history of these regiments is intimately associated with that of their divisions, even in combat. On many occasions engineers effectively relieved the hard-pressed infantry in holding defensive positions, and even took part in offensive actions. They suffered their full share of casualties, and earned a place the more secure because of this combat function.

A much greater number of engineers formed a part of the corps and Army troops which operated behind the front line. Here again routes of communication provided the main task. Corps and Army engineers repaired and maintained light and standard-gage railroads, as well as roads and bridges, and even built new links of railroad. Other important tasks included general construction in Army areas, map reproduction and supply, water supply, camouflage activities, and the operation of searchlights. The tonnage of engineering material and supplies used in the First Army was roughly equal to that of the class I supplies consumed.

Many special types of engineer units were organized for the A. E. F.—such as road, railway, topographical, forestry, camouflage, searchlight, water supply, mechanical, and electrical. The railway regiments were among the first to be sent to France, and as early as November 30, 1917, the Eleventh Engineers (Railway), which was operating with the British Third Army at Cambrai, assisted in meeting the German counterattack in that sector.

Besides furnishing the engineer troops for the combat elements of the A. E. F., the engineers were responsible for all construction in the S. O. S. The distribution of supplies to the American forces was, in the first instance, a problem of ports, second a problem of railroads, third a problem of motor and horse-drawn transportation, and fourth a problem of storage. American engineers built 15 new ship berths, about 1,000 miles of standard-gage railway track, including a bridge 2,100 feet long over the Loire River, and 125 miles of narrow-gage track. Over 20,000,000 square feet of covered storage was provided for supply purposes of all services, and more than 3,000,000 tons of engineer supplies were received, transported, and distributed. About 280,000 hospital beds were provided and 16,000 barracks buildings were erected. In order to obtain the material for this vast construction program an Engineer Forestry Service produced about 220,000,000 feet of lumber, 4,000,000 ties, 2,000,000 piles, and miscellaneous timber, and 340,000 cords of firewood. All told, the engineers in France completed, during the course of the war, 831 construction projects, the aggregate cost of which was over $165,000,000.

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The National Defense Act of 1920 authorized 1 chief of engineers with the rank of major general, 1 assistant with the rank of brigadier general, and 600 officers in grades from colonel to second lieutenant, inclusive. Seven additional officers were authorized by the act of August 30, 1935. In 1936, an additional assistant in the grade of brigadier general and 185 additional officers were provided, so that the present maximum authorized strength of the Corps of Engineers is 795 officers. The actual strength (September 1, 1939) was 785.

At the present time there is maintained in each of our overseas departments (except the new Puerto Rican Department) a war strength unit of combat engineers as a component of the defense force located there. These units are a regiment in Panama, the Eleventh; a regiment (less band) in Hawaii, the Third; and a regiment (less one battalion) in the Philippines, the Fourteenth. The Twenty-seventh Engineer Battalion (combat) (less one company) has been recently constituted in Puerto Rico.

Within the continental limits of the United States there existed, as of September 1, 1939, four combat engineer regiments, one squadron (a combat organization), two topographical battalions, and two detached units—a company at the Infantry School and a troop at the Cavalry School. Most of these units had inactive companies, the Fifth Engineers at Fort Belvoir being the only complete regiment.

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The civil duties of the Corps of Engineers, assumed a few years after its formation, have continued without interruption. The first river and harbor bill was enacted in 1826, and the corps has since that date been charged with all navigation improvements and most of the flood-control projects undertaken by the National Government. It has also been charged from time to time with many other miscellaneous activities of the Federal Government to include the construction of many of the public buildings (Washington Monument, Capitol, Library of Congress, Arlington Memorial Bridge, etc.), and the international boundary survey. It surveyed and built the first national highways and furnished the leaders for several early and valuable explorations, of which the Wheeler survey was outstanding. The result of this survey was the establishment of the United States Geological Survey as it now exists. Various of its early activities have since been transferred to other permanent agencies of the Government on a firm, well-organized basis, but new activities appear quickly.

The total volume of river and harbor and flood-control work entrusted to the corps over a period of more than 100 years aggregates $3,029,750,000; of this amount about $1,000,000,000, more than 30 percent of the total, has been provided during the past 5 years of economic depression. These figures point out clearly the enlarged responsibilities which have been met successfully by the corps without the expansion in personnel which occurs in war. The emergency construction operations had as their purpose the provision of immediate employment, and speed in commencing operations was essential. Within 75 days after securing the initial relief allotment in 1933 the corps had contracted for, or actually commenced upon a hired labor basis, work totaling more than $100,000,000. This record was achieved without any sacrifice of sound engineering design and construction by officers and civilian assistants who worked unceasingly to accomplish the desired results.

For the supervision of this large civil construction establishment the United States is divided into 11 divisions, each of which in turn has several districts within its boundaries. Each division engineer exercises general supervision over the engineering and construction and is responsible to the Chief of Engineers for the orderly progress of the work in his districts. A large research institution, the United States Waterways Experiment Station, is maintained at Vicksburg, Miss., to assist in developing engineering progress in the fields of hydraulics and soil mechanics.

The projects included in the relief program have been varied in type, embracing almost every conceivable phase of engineering. Many of the projects have necessitated the establishment of new districts, which have required the formation and training of new engineering and administrative staffs. A number of projects have been located in isolated areas and have required the construction and operation of self-contained villages for the housing of several thousand employees. The successful execution of these projects has developed an increased public confidence in the Corps of Engineers and a public recognition of the value of its services.

While carrying on a greatly expanded volume of assigned work, numerous officers have been loaned to various emergency agencies. Engineer officers had much to do with the organization of the Public Works Administration. Engineer officers were loaned to the Recovery Administration and the Civil Works Administration. Several major projects were undertaken by the engineers for the Civilian Conservation Corps, using the personnel of that corps for labor. Forty-one officers were made available to the Works Progress Administration, and the services of these officers were instrumental in greatly facilitating the activities of the administration. An officer of the Corps of Engineers is now at the head of that organization.

* * * * * * *

Now begins another phase in the history of the Corps of Engineers. With the recent far-reaching change to a much smaller infantry division, the combat engineer regiment of the division is replaced by a small engineer battalion. Many of the functions formerly pertaining to division engineers must accordingly be relegated to the Army corps, which it is contemplated will have both a combat engineer regiment and a general service regiment. Engineer units will be constituted as a part of the mechanized forces, and of the general headquarters air force.

Whatever changes in organization occur, to meet new developments in tactics, the essential role of the engineers in war remains unchanged. They must be prepared to assist our troops forward,

to impede the advance of the enemy, to minister to the welfare and comfort of our forces.

Looking backward over the record of the corps, in peace and war, its members may well take pride in its record of accomplishment and service to the Nation, and be inspired thereby to maintain its tradition of high achievement.

Back to the Land?

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 12 (legislative day of Monday, March 4), 1940

ARTICLE BY DAVID CUSHMAN COYLE

Mr. LEE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very fine article by David Cushman Coyle entitled "Back to the Land?" published in the Survey Graphic for February 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Survey Graphic for February 1940]

BACK TO THE LAND?

(By David Cushman Coyle)

To anyone who knows about city industries and city slums, it seems plain that thousands of families ought to be encouraged to move back to the land where at least they could find "subsistence." If you travel around in the country, down South or in the cut-over lake States or in the irrigated West, it seems plain that thousands of families must move away from the submarginal lands, the dying crossroads villages, and into the cities where new industries may give them employment.

It works—or rather fails to work—both ways.

Underlying the city and country unemployment and poverty are the same causes, with local variations. Technology is destroying jobs in industry, and there is plenty more of the same in the blueprint stage. Agricultural technology is raising the productive power of well-organized farms so that they can glut the markets, leaving little or no money income for the millions who live on poor land with little capital.

Decentralization, merely in the sense of getting rid of city people who have no jobs, is a mirage. Its effect on unemployment, if any, is indirect and dependent on other adjustments, mainly in the distribution of money incomes.

TOO MUCH OF A GOOD THING

And yet it is evident that the largest cities are dying of strangulation. Automobiles jam the streets. Trucking is expensive, rents are expensive, wages have to be high if the workers are to live. Workers travel on subways or streetcars, at a high cost in nerve strain which is not shown in the accounts of city business, but turns up in taxes, disease, crime, and mental break-down.

The metropolis is an example of the advantage of concentration, carried to the extreme where it costs more than it is worth. There is no argument about the necessity for a certain amount of bigness. The Virginia State Planning Board showed several years ago that counties with less than 5,000 inhabitants are saddled with unconscionably high costs of government, and that most of the services necessary to modern living are beyond their means. The economy of consolidated schools, and the fact that rural electrification becomes impractical below a certain customer-density per mile, are illustrations of the same principle. So it is necessary for civilization that people should concentrate in cities.

But when the people concentrate so far that cars cannot be parked, that dwellings must have elevators, trees and grass are too far away for a child to reach, transit lines have to be elevated or put underground, water must be brought from immense distances, food and fuel must be carted and stored at exaggerated costs—all these symptoms of getting in one another's way add up to over-all inefficiency.

A city is too big when its operation costs more than its inhabitants can or will pay. How can it get that big? If people won't pay, how does it get built? We all remember the answer.

Before 1929, investors were fat, simple, and as yet unburned. A building mortgage company boasted that it had never lost a dollar of a customer's money. It was easy to build office buildings and apartment houses on a shoe-string and with more than 100 percent of borrowed money. The building itself made prosperity.

Even then, city people were not prepared to pay for city costs, but they were prepared to lend, which was unconscious payment. The cities lived on the lost money of suckers. A newspaperman in Los Angeles expounded to me that his city lived largely by persuading tenderfeet to invest in local business ventures. The drugstore or the laundry was used on one sucker after another, year after year, like the oyster that traveled from one church fair to another, swimming about in warm water at each, and thus sending many missionaries to the heathen. So, by one way or another, the golden lure of the city drew out the savings of simple folk, and so, for a time, found the money to carry on an unsound growth.

The public debt of the cities was a form of the same activity, less important in amount though more visible. Today it is reported in New York that any new construction as a rule destroys more taxable values than it creates. New housing destroys slum values, which may not seem unjust; but loss in tax appraisals may represent a headache for the city, possibly temporary. Any change of land use throws private and public property into disuse, with consequent losses. The only way a city can go on is by finding more suckers, private or public, to put up money that they will never get back. The prosperous enterprises make profits that fail to balance the losses of other enterprises.

On the face of it, the crowded cities do not look like much of a bet from now on. Military danger of crowding puts the final touch to a picture of overgrowth.

THE TUG OF DECENTRALIZATION

In the meantime the scientific developments of the past 40 years have given some impetus to decentralization. Hard roads and automobiles have enlarged the effective area of business and social life. Electric power has detached the factory from the need for direct access to coal and water. Machine production has not developed wholly toward larger size of factory, as was expected, but has included small plants, household, and, lately, small farm machinery.

The cultural advantages of the city have largely disappeared. The movies offer better entertainment at the crossroads than any poor man could ever buy for his girl in Chicago. The radio has transformed the relation of the people to good music. Even painting, under Federal patronage, is to be seen in small towns, where farmers and their wives drive 50 miles to see a painted picture for the first time in their lives.

The remaining cultural advantages of the big city are, of course, open as always to the well-to-do. Rich planters from Mississippi have always traveled to New York and Paris; today they can fly to New York instead of coming by coach or railroad. Poor people can sometimes get to the big city, perhaps to visit a world's fair, and feel the stimulus of the crowds and the roaring traffic. But these are no novelties to movie-goers, who have walked intimately in Shanghai and London, and have stood in the Roman crowds while Mussolini bellowed or while Julius Caesar and Claudette Colbert rode in triumpt. If culture is, as Albert Jay Nock says, the acquisition and subsequent forgetting of a maximum of useless information, our culture is already well decentralized and likely to be even more so.

HOW BIG IS A COMMUNITY?

In another sense, of course, our culture may be said to include hospitals, libraries, and high schools, which now are no longer necessarily confined to cities of large size. The chief factor in the relation of these civilized institutions to a scattered population is the paved road, and it is in terms of roads that a decentralized civilization has to be defined.

A community may be defined as a local group of people who can go to a common center for some or all of their organized services—stores, schools, churches, libraries, movies, and medical and legal institutions. A community has three kinds of size—economic and geographic as well as population.

Its geographic size is a star-shaped area stretching out along the good roads leading from the center as far as people will actually travel without coming into the sphere of influence of a different center. One of the most striking aspects of rural America is the vast growth in geographic area of the typical community, with the consequent atrophy of many small crossroads communities of the horse and buggy age.

The population of a community may be 5,000 or 10,000 or several hundred thousand, but so long as they are not so many as to get in one another's way, the community may be workable as a social unit.

In order to be civilized, the people of the community must have an economic income large enough to reach to consolidated schools, well-appointed hospitals, and successful churches, stores, libraries and movies. Conceivably a millionaire might constitute a community of his own household, with all these services provided on his own estate. But in practice it seems to take about 10,000 people to justify on an economic basis a full set of civilized institutions.

The ideal rural community, therefore, can be roughly defined as consisting of not less than 10,000 people, living within practicable travel distance of a central town, and having enough income to pay for a full set of civilized services.

To approach this ideal may require both decentralization and centralization. The largest cities may have to lose enough population to relieve their intolerable congestion. In doing so, no doubt tremendous capital losses must be realized. On the other hand, there are many areas in our country that can never support enough people to be civilized. Ten thousand people in a 9-mile radius equals 40 to a square mile, about the national average. Submarginal areas will generally have to be depopulated, leaving only C. C. C. boys, foresters, and others of similar type who are highly mobile or are able to live for considerable periods out of range of ordinary social services. This process also will require a fairly large writing off of dead capital.

WISCONSIN LEADS THE RURAL ZONERS

The Wisconsin rural-zoning system, which has now spread to six other States, illustrates perfectly how the concentration of rural communities can be brought about. Under State law a county may zone off the land where roads, schools, and relief for isolated farm families cost more than the farms can pay in taxes. Farms acquired by the county through tax delinquency are not resold. New settlement is forbidden. The Farm Security Administration helps the process of withdrawal by buying out those of the isolated farmers who are willing to sell.

The immediate book losses involved in zoning were at first an obstacle to its acceptance, but arithmetic prevailed. In many cases the profit in reduced county budgets has paid back the cost of liquidating the outlying farms within 2 or 3 years.

Here on a small scale, where local voters can see the facts, the good sense of common Americans shines through. How long must it be before we turn our eyes with similar good sense to national affairs, and leave off the silly economy that condemns us to vast losses in sickness, crime, and unemployment so long as we refuse to face the costs of reorganization?

There seems to be no doubt that the process of rearranging our population into workable communities will be slow, costly, and confused. Economic pressures will help, but the Government will undoubtedly have to take a hand as well. Economic pressures, bankrupting the big cities and starving the submarginal farmers, are crude and cruel. Public help by way of bailing out the cities and the farmers can hardly be avoided. Some of the forms of Government action may be dimly foreseen.

EXPERIMENTS IN HOUSING

Housing, so far, is too small a factor to need immediate over-all planning before proceeding further. Even Atlanta, which built the first P. W. A. housing project, and now has $16,000,000 worth of slum clearance under way, is not close enough to complete rebuilding to need an accurate estimate of its future population in order to justify its present program.

The U. S. H. A. program, with no pretense of self-liquidation, is frankly buying out or liquidating the slums by requiring that for every new house built an old one must be torn down. Thus a beginning is being made in the long job of taking the loss on city property.

In the country, the Government has begun to buy up submarginal lands and turn them back to forest, national park, or game refuges, all at the expense of the Federal taxpayers. This, too, is painful but unavoidable.

It is necessary to keep steadily in mind that every billion dollars spent by the Government to wipe off dead capital and open the way for a workable social system is that much added to the economic soundness of the Nation. The losses are there, like it or not. The mistakes have been made. The distribution of the population is not fitted to the operations of a modern, high-powered economic order. The sooner we pay the bill and start over, the less we shall suffer.

No excuses need to be made for experimentation, even though some of it is unsuccessful. Certainly no criticisms are in order from any business interest which was involved in the building of our bankrupt office buildings, our blighted suburbs, or our vacant factories. They were experiments too. With that proviso, it is proper to take some lessons from the early efforts of the New Deal to promote decentralization.

Most of the subsistence homestead communities have been a headache. There was a tendency to build housing and hope for an industry to come in. But at the same time there was a desire to protect the inmates from exploitation, which often meant that they could not have jobs at all. Another trouble was high-brow ideas of decent housing. Stuart Chase remarked to me in 1934, as we were looking over a southern subsistence project, that our pioneer ancestors had no plumbing, but they also didn't have a $2,500 debt to pay. Such synthetic pioneering is tied into modern finance via a debt, but not tied into modern business via a cash income. The first settlement cost too much, and some of the thought that went into cultural activities might better have been devoted to finding a cash income. Even the T. V. A., which has probably wasted as little money as any public enterprise to date, made mistakes in its first synthetic community, Norristown. But the rate of improvement in planning and building fully justifies the cost of the experiments.

In October I visited a sharecropper's cabin in Georgia. It was a rickety affair, showing daylight through the cracks in all directions. But on tiers of shelves were 540 quart cans of vegetables laid up for the winter. A few years more and there will be a small cash profit coming in from cotton, enough to let them have a better house.

The Farm Security Administration and the T. V. A. have both emphasized the necessity for self-containment, and much of the N. Y. A. training in rural areas points in the same direction. This is one of the three basic trends that need to be encouraged in order to create a properly decentralized social order.

The T. V. A., for example, has invented small farm machinery suitable for use in handling soil-saving crops, cattle, and chickens. Its walk-in refrigerators make it possible for farmers to eat their own beef. Hay driers give them a chance to process their own hay. They can clean their own lespedeza seed and grind their own feed.

The effect of supplementing cash crops with food crops for home use, is of course, to reduce the farmer's need for imported food from other regions. He can have a little more to spend on the community services.

The second element in decentralization is the growth of small local industries. Not much progress has been made so far, other than a movement of manufacturing from large cities to suburbs or smaller cities. Federal tax policies have not encouraged small business to an effective degree, but they might be made to do so. A few experiments have been made in the direct encouragement of local industry, such as the T. V. A. freezing process for small fruits and the successful craft industries at Cherry Lake, Fla., and Dyess, Ark. The tax problem in Washington is still overshadowed by Budget trouble, but in the future it may be possible to give advantages to local industries.

CANDY AND GASOLINE AND CIVILIZED SERVICES

The third necessary element in decentralization is an effective buy-at-home spirit in the rural areas, of which the South is the largest. The South, altogether, undoubtedly is running a deficit, buying more from outside than it can pay for. The poorest districts are the worst. One study of a southern county showed an adverse trade balance of about $100,000, half of which was for candy and the rest was, no doubt, for gasoline.

To grow one's own food or buy it from local farmers, to have a factory within reach of the farm, and to buy so far as possible goods and services made in the community are the three chief means for decentralizing industry. Evidently they all look toward a decrease of trade, and in detail to a small decrease of productive efficiency. They represent a reverse of the trend to mass production, national advertising, high efficiency, high distribution costs, high transportation costs—general stagnation that has led us to our present unhappy situation. We went too fast and too far, got in a jam, and now we have to get out of the jam by modernizing some of the patterns.

Underlying the need for a better distribution of population is the drift of employment away from both manufacturing and farming. On the whole, neither will ever support an increasing number of workers. The majority of gainful workers are already in service occupations and the proportion will steadily increase. By forming decentralized, workable communities of sufficient size, with a suitable share of self-containment, it will be possible to bring millions of people within range of the civilized services, with money enough to pay for them. As this readjustment is gradually perfected, there will be an opportunity to employ the necessary percentage of workers in services, which is, of course, the ultimate answer to technological unemployment in factory and farm.

Physical Education

EXTENSION OF REMARKS

OF

HON. WILLIAM H. SUTPHIN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. SUTPHIN. Mr. Speaker, the most valuable asset this country has today is the youth of the land. In the trying years of the World War this Nation made a valiant effort to place its resources at the disposal of the Allies. The greatest contribution that America made to this cause was our manpower. While endeavoring to equip, train, and place in the field American expeditionary forces of over 2,000,000 Americans, some very different and disturbing conditions were brought to light. Perhaps the most amazing factor that stunned our leaders was that only 30 percent of our male population confined to the draft ages were barely able to meet the physical requirements of the service.

We have endeavored to improve the standard of livestock, including cattle, horses, sheep, and hogs, and have provided protection for our wildlife, where they may receive proper care and nourishment. It is therefore apparent that we would certainly be justified in making it possible to strengthen through a carefully planned program our future generation of men and women by a system of more universal physical education and recreation, in which the Federal Government might be of real assistance.

Considerable contribution was made by Congress in 1935, which authorized the Works Progress Act, and which has made a definite contribution to the improvement of recreative and competitive athletic facilities throughout this country. This consisted primarily of labor, in connection with the unemployment problem, but did make possible the construction of playgrounds, baseball diamonds, cinder tracks, swimming pools, stadia, parks, as well as a vast amount of recreative area for public use. These projects have been of material benefit and have served as a great impetus to a new hope that

more people in all walks of society would share in such benefits, such as sport participation and community-center activities, as well as a general improvement of leisure-time activities for the betterment of all our citizens. These opportunities were offered to all of our people, benefiting each and every section of the United States. I am sure you Members of the House of Representatives have had experiences similar to mine. Year after year I have offered young men opportunities to qualify physically and mentally for appointment to the Naval and Military Academies, and have been shocked because about 90 percent of those who presented themselves for physical examinations were found to be defective in some important respects, usually eyes, teeth, and general undevelopment. Therefore I decided that important and immediate action was necessary to enact legislation conducive and furthering the development of our young men and young women. After several conferences with the chairman of the College Physical Education Federal Committee, George Little, the director of physical education at Rutgers University, who in turn had conferred with members of the aforementioned committee throughout the land, as well as the president of the university, Dr. Robert C. Clothier, and the trustees and administrative officers, the opinion of newspaper publishers, business and professional leaders, school executives, sport writers, and others along the Atlantic seaboard was also sought.

As a result of these conferences it was determined to ask for Federal aid and assistance by the introduction of H. R. 7661, which authorizes a survey of our country's resources from the standpoint of facilities and personnel, for purposes of improving our assets in the field of physical education and athletic participation, so planned to meet their respective needs. This measure has been thoroughly considered and universally endorsed by a group of men who have for the past 20 years spent their lives in the field of college physical education and who are in close touch with the problem in all sections of the United States. Such a study would require a 2-year period and it would involve the cooperation of all groups now engaged in sponsoring and conducting programs designed to benefit our young people, for whose physical welfare they are responsible.

The chief aim of such a study would be to carefully survey by States, through such existing State organizations as are provided in at least 26 States, who would be in a position to aid in determing what facilities are available, as well as the number and type of organizations now making a definite contribution to a participation program. Great care should be exercised in the conduct of this proposed survey to safeguard against any ill-effects, such as oversight in accuracy, which might result in unfairness to agencies now performing a very worth-while service. It will be the primary purpose of the survey to make some estimate of the wholesome effect of the benefits derived and the number of people engaged in participation, under the sponsorship and direction of the different groups.

Directly responsible for active programs are Amateur Baseball Association, Amateur Athletic Union, American Legion activities, American and National Leagues of professional baseball, American professional football, Boy Scouts of America, Columbian Squires, De Molay, intercollegiate sports, intramural sports sponsored by colleges, Knights of Columbus, National Recreation Association, parochial schools, parks and playgrounds, public school system, private school system, secondary school system, Y. M. C. A., and Y. M. H. A.

For years the gate receipts accruing from intercollegiate athletic contests throughout our country have returned to the Federal Government a large sum of money representing the Federal tax. Therefore it would seem justifiable to set aside a small percentage of this large amount to determine how we can improve our present system of physical education and its lasting benefits through this proposed survey.

Our Farm Policy

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Tuesday, March 12 (legislative day of Monday, March 4), 1940

ARTICLE BY HON. W. WARREN BARBOUR, OF NEW JERSEY

Mr. AUSTIN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very fine article written by the distinguished Senator from New Jersey [Mr. BARBOUR] and published in the March issue of New Jersey's Farm and Garden, a well-known farm magazine in that State.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From New Jersey Farm and Garden for March 1940]

NONSENSICAL CONFLICTS IN OUR FARM POLICY

(By W. WARREN BARBOUR)

From the time Eve harvested the first apple crop and carried it to the only available market, thereby discovering with her husband Adam the law of supply and demand, I suppose there has been a farm problem. Whether the emphasis of the moment is on scarcity or surpluses, marketing or transportation, acts of men or acts of God, the complexities have kept pace with the growth of the human family.

Although supply and demand continue as always to dominate the processes of production and consumption, a multitude of factors unknown to primitive agriculture in a primitive society now come between the two. They are inescapably part of the task of feeding, clothing, and sheltering the human inhabitants of a world which becomes constantly more crowded.

NOT A PARTISAN MATTER

With that brief prelude, I should like to tell you, in the space allotted to me by the editors of New Jersey Farm and Garden for this purpose, how the American farm problem in its present evolution looks to me. I do not speak as a partisan, for I feel with Senator CAPPER that the farm problem, whether in its local or national aspects, is not a partisan problem and should not be dragged into the arena of partisan politics. I am quite sure that when a hen lays an egg on a New Jersey farm she doesn't stop to think whether she is laying it for a Republican or a Democrat, and the ham and eggs and fried chicken and dairy products and garden vegetables we eat come to our tables not with any party label, but as the product of the toil of men of all persuasions, with an identic interest in earning a living from the soil.

In that spirit therefore I can say quite honestly that in my opinion the efforts of the Federal Government to deal with the farm problem have been on the whole so flagrantly wasteful, extravagant, discriminatory, and ineffectual as to call for a searching reexamination of our farm policies by some agency or group capable of considering them intelligently and as a whole, without sectional or partisan bias. It was this conclusion which prompted me to introduce my Senate resolution (S. J. Res. 197) directing the President to call a national farm conference to study our present Alice-in-Wonderland farm program. Such a conference, if representative in its make-up of the groups and interests specified in the language of the resolution, would at least offer a hope that we might in time be able to introduce into our farm policy some semblance of fairness and common sense. We should, however, have to consider the possibility that the delegates to such a conference might die laughing as they contemplated some of the stupidities of what we are doing now in the name of farm relief.

WE BANDY BILLIONS

In this article I shall not attempt to compute the total of the amounts so spent. We bandy billions about with such nonchalance these days that it would be meaningless to do so here. We all know Federal appropriations for agriculture have been running around a billion dollars a year. We know, too, that the results obtained for the expenditure are certainly not commensurate with the amounts expended, and that like any other form of futile spending, the process simply helps pile up a national debt for which we get a wholly inadequate return in national welfare, and which all of us ultimately will have to pay in higher taxes and higher prices for the things we buy. New Jerseymen are well aware, in addition, that New Jersey and other Northeastern States have been getting only a trickle from the flood of appropriations for farm aid, although paying heavily in taxes for the support of the present unfair and

ineffectual system. Last year, for example, North Dakota received from the A. A. A. in farm benefit payments an amount equal to $40 for every man, woman, and child in the State, while New Jersey on the same basis got exactly 30 cents.

Standing off now, and looking at the picture as a whole, what do we see? A government spending vast sums on irrigation and reclamation, Dust Bowl rehabilitation, so-called soil conservation, or to combat erosion or clear cut-over lands in the Tennessee Valley, while spending comparable sums to take other worthless or so-called marginal lands out of production. Can't the Washington bureaucrats see that one process cancels the other? Why take millions of acres of land out of production in one place if we are going to put millions of acres of new land into production elsewhere? Where does that get us?

There are two aspects of the irrigation and reclamation policy which call for critical reexamination: Why put water on desert lands in the first place, or bring any new lands into agricultural production, for that matter, while crop surpluses constitute our biggest farm problem? But if we must increase our production, why not spend a little of the money rehabilitating the many thousands of abandoned or run-down farms in populous States, most of them on good roads and adjacent to markets? Every well-informed student of the farm problem knows such a program would be not only more logical than the one we are now pursuing, but that it costs less to make a run-down farm productive than it does to put water on a patch of desert land and build a completely new farm plant with which to operate it.

Next, we pay corn, wheat, and cotton farmers to restrict their crop acreage in the foolishly unsound assumption that this will cut their crop yield proportionately, only to find that by intensive and intelligent farming they can and do grow almost as much on the smaller acreage as they did before.

We beg and browbeat farmers and even pay them to reduce their crops by curtailment of acreage or destruction of surpluses, yet constantly expand the scientific services of government which are concerned with teaching the farmer how to grow more on less land.

We spend hundreds of millions to destroy crops, when a fraction of that sum devoted to problems of marketing and distribution would yield far greater benefits to producers and consumers alike.

EXPANSION ENCOURAGED

We lower interest rates on farm borrowing, as we should, then seize this saving or wipe it out in higher taxes and higher costs of farm operation, due to Government spending.

We encourage farmers to expand their acreage in the assurance that they will at least be protected against foreign competition in the domestic market, and then reverse our traditional policy of protection and introduce a double threat to American agriculture in the new trade agreements, first, a threat of direct competition in introduction of a larger volume of competitive farm products from abroad; and, second, a threat that lower duties on industrial products will bring a larger volume of competing foreign goods to the United States, and by increasing unemployment in industrial districts, injure the farmers' only important market for the output of their farms.

These are but a few of the utterly nonsensical conflicts anyone can see in our farm policies at present. The main trouble is that our farm program, like Topsy, has "jest growed." Then there is constant pulling and hauling by selfish groups and competing Washington bureaus, with the continuing struggle between the reclamation people in the Department of the Interior and the crop-curtailment thinkers in the Department of Agriculture as the perfect example of bureaucratic conflict. All this isn't necessarily the Democrats' fault, although the biggest and most wasteful expenditures have occurred in the last 7 years, and it certainly isn't the Republicans' fault, although we must admit we did little if anything to correct these conflicts. Summed up, the failures of our farm program may be laid primarily to bureaucratic bungling, selfish sectionalism, lack of coordination in the Washington Government, and inexcusable failure to see that we are tearing down with one hand what we are trying to build with the other—a sound program under which the American farmer can prosper, and which in turn, as he prospers, will contribute to the prosperity of everyone.

Now, I have no idea, of course, what results might flow from a national farm conference such as I have proposed, particularly if it should set up an advisory farm council, as also proposed, to formulate a permanent, long-range farm policy. I can only express the hope that among other changes in the present wasteful, ineffective, and inconsistent program, the conference and its agent, the advisory council, would give us a greater degree of State autonomy in dealing with the farm problem than we enjoy now.

PRO RATE APPROPRIATIONS

If the farm program were to be reorganized on a sound basis we could well ask that the bulk of agricultural appropriations by the Federal Government be prorated among the States on the Federal-grant principle, as it is done in the case of highway and social-security funds and other forms of Federal aid in which the States participate. It does seem to me that the public agencies and land-grant colleges of any State, and the farmers of that State, should in the main be better judges of what the farmers of that region need, and of the measures proposed for their benefit, than any group of bureaucrats sitting in Washington, no matter how high their standing in the misnamed "brain trust."

Under such a system allocations of Federal funds for farm aid might well be made to the States on the basis of farm population, number of farms, value of farm products, and other factors in addition to those of crop size, cost, and price.

Finally, there can be no possible justification except on the score of sectional advantage or political expediency for a system which, as at present, gives New Jersey, New York, and the New England States, containing as many people as all of the States west of the Mississippi River or south of the Mason and Dixon line combined, and all of them intensively developed agriculturally, a meager $10,000,000 out of approximately $700,000,000 distributed in 1 year in the form of Federal farm payments, while the corn, wheat, and cotton States get the rest. If we are going to have any parity payments, or farm payments of any kind, it's about time we got a little "parity" in the administration of farm aids right here in New Jersey. We are not beggars, and our farmers are neither lazy nor inefficient. All we ask is fair play.

Money

EXTENSION OF REMARKS

OF

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 12, 1940

Mr. KELLER. Mr. Speaker, money is a cumulative invention of mankind. It liberates or enslaves humanity, depending entirely upon the use to which it is put. Controlled in the interest of men it is the great builder of industry, the guarantor of opportunity. Controlled by the few it becomes the destroyer of opportunity, the limiter of the lives of men. Wherefore if men value life and desire liberty in a republic where all things are decided by political action, they must thoroughly understand this thing called money.

Money is a simple thing and easy to understand, as all things are which we use in everyday life. There is only one requirement to a perfect understanding of money; that is the simple presentation of the facts in relation to it. There is no mystery about money. The use to which it is honestly put tells exactly what money is.

Money came in answer to the call of developing industry for help in the exchange of things men made and used. It has no other legitimate use. It has changed in form and increased in amount and use, in proportion to the growth in the production of wealth, and the resulting greater necessity for exchanging things which men use.

Now let us trace its origin and use—the reason for its existence. In early times men trade one article for another. One man had an untanned skin, another man made a pair of moccasins. The skin was swapped for the moccasins; a hunter traded meat for a measure of grain; a maker of bows and arrows traded a bow and arrow to a basket maker for a basket. It is written that a shepherd traded five sheep for a cow 2,500 years before Christ; again it is written that 750 years after Christ another shepherd traded five other sheep for another cow.

Trading of this sort is called barter. The amount of trade that could be carried on by barter was very small. This limited the creation of wealth—the things men want and use—because there is no reason to make more things than we can use ourselves, unless through some means we can trade them for things we do not make but which we do want.

Men found great inconvenience in taking cows great distances, and not everybody wanted a cow. A cow had to be fed. That cost continuous effort. It gradually dawned on the minds of men that they might find some object that would not cost effort to maintain, that was small enough to carry readily, and that other men would accept in trade for what the possessor of that object should want.

The rights of men are so intimately associated with what men use in doing things—their tools—that everything they

use is a part of life and directly affects their happiness, their growth, their very existence. In civilized life by far the most important of these tools is money.

The rounded center of a dark-colored sea shell, native to the coast of New England, with a hole drilled through the center for convenience in stringing together for carrying, was already in use by the Indians when white men first came to these shores. It was called wampum. Though it had no value itself, it was accepted as money by the Colonists in trading with the Indians for many years. It was so accepted and so used until a wider field of trade outside the Colonies made other forms of money more convenient and more necessary.

That was and is primary money. Money is simply a convenient utility in buying and selling the things men use, services they need, and for paying debts. Various objects have been used for this purpose at different periods of human development under various conditions.

The value or use of any object which has been accepted as money has depended solely on two things: The continuous acceptance of it in buying commodities and in paying debts. Whatever has been freely, certainly, and continuously accepted for these two purposes has been good money, whether of any intrinsic value or not.

Gold and silver, because of their beauty, noncorrosive and indestructible qualities, and their comparatively small bulk, became, after long experience, almost the universal mediums of exchange, and so remained until in amount these precious metals became inadequate for carrying on the ever-increasing commerce of the world.

Trade was attempted by men in proportion to their enterprise and opportunity. But both enterprise and opportunity continued to be limited by the scarcity of a medium or means of exchange—that is, something with which to buy and sell and pay debts. Gold and silver had for a long time been used as this medium of exchange, but carrying gold and silver from one point to another was always subject to brigandage on land and piracy on sea. In time of war transportation of gold and silver became next to impossible, and industry suffered tremendously for lack of money with which to trade. A system to reduce these dangers and difficulties became a necessity. The Italians appear to have been the first to provide for this on any considerable scale, as they were the first to originate and develop banking largely as we practice it today.

The Venetians established correspondents or branch houses in the Orient and sold bills of exchange to the merchants, who traded in the East. These merchants brought these written orders to the correspondents of the Venetians in the Orient. Their correspondents paid these orders promptly in gold and silver. These Venetians in turn paid the orders of their correspondents. The carrying of these written orders for gold or silver was simpler and by far safer. They never could be used by any but the actual owners and could be reissued if lost or stolen. The gold and silver which they represented, therefore, remained safe. For a long time the actual trading, buying and selling, continued to be carried on with the gold and silver paid out on these orders.

But learning by experience that these orders were always good for gold and silver, men began to accept paper orders in place of the gold and silver. Little by little these paper orders were endorsed over from the original owner to anybody he traded with who would accept paper instead of the actual gold or silver which this paper represented. Later the paper orders were accepted without being endorsed. After many years the use of paper as a representative of gold and silver came into common use through this sort of experience, and the gold and silver was largely lost sight of in actual trade.

Money developed along with those other things which have led to the building of nations. Its use was at first local. Later its use followed the trade routes of the world as these were established and extended. Its importance thereby became regional. As nations developed along or because of these trade routes, money became national in importance. Coinage, as a guaranty of weight and fineness, was an early development.

THE RIGHT TO MAKE MONEY

Money lenders came to control commerce through the control of money. They often dominated their governments by this same means. They often became the accepted administrators of governments, and sometimes actually assumed the title and became kings. The absolutely decisive power of money in government through these experiences became so evident that kings themselves were compelled to take over the control of money, and this came gradually to be recognized as a kingly function or right.

When constitutional monarchies replaced absolute monarchies, the control of money was declared a part of the powers of constitutional government. When our own Republic came into existence, our Constitution provided for exclusive national control of money. The Supreme Court has confirmed this power in all its phases and aspects.

The American Constitution, on the subject of moneys, was, as in many other provisions of that document, a compromise. The New England idea of money was undoubtedly written into the letter of the Constitution. That idea of money was a money good in foreign trade—trade with anybody who came along the shores of New England or along whose shores New Englanders themselves should fare. Their idea of money naturally conformed to their experience. Long continued experience, if narrow, does not readily give way to any different or contrary experience, no matter how valid, nor does it readily recognize broader rights, nor does it willingly accept change. There was during the long pre-Revolutionary period only one kind of money good all over the trading world, gold and silver—spoken of as "hard money." This acceptance of hard money as the only money was greatly accentuated by the experience with Continental money—that is, the paper money issued by the Continental Congress for carrying on the Revolutionary War. This money became almost valueless and therefore caused such an intense prejudice against any and all paper money that there was a majority of the Constitutional Convention that actually favored prohibiting the issuance of paper money by a direct constitutional provision.

These men completely overlooked the great fact that this same despised Continental currency had enabled the American colonists to win the Revolutionary War. It was, therefore, of vastly greater value to them than what they lost through the depreciation of that Continental money. It did not occur to them that a money that enabled them to establish a republic might be used at a later date to save that same Republic from destruction.

The reason that Continental currency had so fallen in value was that the Continental Congress had no authority to issue money and no power to lay and collect taxes to maintain its value. It was a scramble among the Thirteen States to disown responsibility for any money not of their own making, and so repudiation occurred as a natural result. Fortunately, there were a few in the Convention, however, who saw the possibility for a secure national currency. But they were so much in the minority that they barely succeeded in preventing the adoption of a clause preventing the use of Federal currency. Fortunately, the compromise finally reached did not go so far as that. Had it done so, the Civil War might well have had a different result. The use of greenbacks—fiat money—saved that war just as the Continental money—also fiat money—had won the Revolutionary War.

BEGINNING OF NATIONAL CURRENCY

Let us look closely at this subject of the greenbacks, for in a proper understanding of that fiat money lies the beginning of our chance for a national currency, nationally controlled in the interest of the people as a whole—a stable currency whose national dollar can be prevented from varying in value, and the control of which may establish and maintain average price levels bringing security to industry for all time to come. This is a growth which must come, a final development upon which the stability of government may ultimately depend.

When the Southern States seceded, President Lincoln, newly elected and inaugurated, faced the loss of a large part

of the American Union. He had either to accept that possibility with probable further disintegration of the Northern States, or beat that section into submission. He chose the latter.

An examination of conditions found the Treasury empty, and the merest skeleton of any Army, as the only means of subduing seven rebellious States. Money was the immediate necessity. There was only one way to get money and that was to print it. The Congress on August 8, 1861, authorized the issuance—printing—of $50,000,000 of United States notes. A few days later another ten million was authorized. These notes simply said on their face:

United States note—the United States of America will pay to the bearer on demand [a certain number] dollars.

It should be noted that this was the first issuance of greenbacks.

As soon as this first issue was printed and passed out the big bankers of New York raised the question whether there were not actually some reservations to the use of these greenbacks. The Secretary of the Treasury very promptly ruled that these notes would be accepted by the Treasury on equality with gold and silver.

The "powers in control of money and credits" brought "pressure" on Congress. They said, "You must sell large quantities of bonds to win this war. We will not buy your bonds if you are going to pay interest on them in anything except gold and silver." Then they proposed and the Government accepted the proposal of "the exception clause," which appeared on all later issues of United States notes, known always as greenbacks, which made the legal tender provision read as follows:

This note is a legal tender at its face value for all debts, public and private, except duties on imports and interest on the public debt.

The effect of these last 10 words, known as the exception clause, we shall see.

The first issue of $60,000,000 of greenbacks, full legal-tender notes—pure fiat money, which were accepted by the Government itself at their face value for all purposes on equality with hard money—continued throughout their existence on an absolute par with gold.

All the later issues contained the exception clause, which limited their use—and these exception-clause greenbacks depreciated to as low as 35 cents on the dollar compared to gold. The soldiers that saved the Union were paid at the rate of 50 cents a day in this depreciated currency. The big gamblers of the country speculated in this exception-clause greenback money, pushing it up and down to suit their purposes. A total of three-quarters of a billion dollars of greenbacks were issued and played a decisive part in saving the Union. The Negro in America owed his freedom to a large extent to a national currency, even as all Americans will ultimately owe their freedom in part at least to a perfected national currency.

When the war was over, the question of the validity of the greenbacks was brought before the Supreme Court of the United States. The Court at that time consisted of seven members. A decision was made declaring the whole greenback system unconstitutional and every dollar of greenbacks invalid as money. This decision was made by four of the seven judges. The other three, in a dissenting opinion, held these greenbacks to be valid and the law creating them constitutional.

The President appointed two Justices to fill the two vacancies then existing in the Supreme Court, raising the number from seven to nine, as the law already provided. These two new members provided for were appointed, both being known before appointment to be favorable to the validity of the greenbacks. The question of the validity of the greenbacks was again brought up. The three Justices formerly supporting their validity and the two new Justices, in a sweeping decision—in what in law is known as the Legal Tender case—not only held the greenbacks to be entirely valid and constitutional but actually recognized the power of the United States Government to do practically as it pleases in regard to the kinds, amounts, and control of money, or evidences of indebtedness. The four Justices formerly holding the greenbacks invalid this time dissented. The Constitution had not changed; the facts had not changed; but the decision under the same Constitution and on the same facts had changed. It was in fact an interpretation of the Constitution to meet a national necessity, and fully justified as such.

CONGRESSIONAL POWER OVER MONEY

This decision of the majority—the five—has been upheld and extended in all later decisions. It has, therefore, become the accepted law of the land and will so remain. The import of that decision was to free the hands of the Congress from the intended implication of the Constitution; to grant it complete freedom to provide a national monetary system within our own country and at the same time to control gold and silver in receiving or paying international trade balances—a system of controlled currency for our internal use and "hard money" for international use. The two are at present separate and distinct and should be so kept. The provision of the Constitution in question is as follows:

The Congress shall have power to coin money and regulate the value thereof, and of foreign coin, and to fix the standards of weights and measures.

Because of the limited supply of gold and silver the amount of hard money available has always been so far short of requirements for the best service of mankind as to limit greatly the progress of civilization. It will remain so until men awaken fully to the fact that the whole system of money is the result of the combined efforts of all, and therefore the property of all, for the use of all, and the abuse of none. When that simple fact is fully understood by the great majority, they will demand, and enforce the demand, that money—their created convenience—shall be produced in whatever quantity the best interests of humanity may require, and that it shall be controlled by their Government solely in their own interest. Many of the steps necessary to that end have already been taken, and the details have all been worked out in practice.

A way had to be provided to supply the shortage of gold and silver. For that purpose governments stepped in and authorized banks to issue bank notes, the Government binding itself to pay out gold or silver for the bank notes whenever anyone should want it. This is called redemption money. Later the United States made itself responsible for the redemption in gold of all kinds and classes of money—bank notes, greenbacks, silver certificates, Federal Reserve notes, and Federal Reserve bank notes—and made the system truly national with full national responsibility. That simply meant the using of gold (and silver) many times over without actually handling it. This was the perfected system of redemption money.

But this redemption money had its difficulties and dangers. There was not sufficient gold obtainable to redeem it all if presented at one time. Only 40 percent in gold was actually required by the law to "stand back of" this gold as a redemption fund. The other 60 percent was not blazoned to the world because people had been taught by the controllers of our currency and credits that "fiat money" was bad money, in fact, not money at all. Thus 60 percent of our guaranty to pay in gold was in truth a guaranty the Government could not carry out and had no intention of carrying out. It was all right to have 60 percent fiat, but not to call it so. Here it ought to be pointed out that a promise to pay is not money at all. That only is money which in itself pays debts and buys commodities without being redeemed or exchanged for any other form of money.

Because of the terrible panic of 1929, it became necessary to nationalize—that is, to seize, to take by force all the gold within the United States and to hold it for the benefit of the people.

WHAT IS FIAT MONEY?

The original $60,000,000 of full legal-tender notes—greenbacks; pure fiat money, as has been pointed out—retained its parity with gold. The question arises, Why may not all money be like that? If fiat money can be so used with entire

safety, it would, of course, offer many advantages. Fiat money is money created by law. Money is not and cannot be created except by law. All money is fiat money. Its value depends purely upon the national credit. It is not based on any metal or any other thing of value in itself. It cannot be redeemed because it is itself primary money. It is legal tender for all debts, public and private. Fiat money has "behind it"—is based upon, is guaranteed by—all the wealth now existing in the United States and all the wealth hereafter to be created and taxed in the United States, including all the gold and silver already mined or hereafter to be mined in or imported into the United States.

If it does not meet all these requirements, it is not to that extent money at all. But in the ordinary acceptance of the term, fiat money is all law-made money which depends upon the credit of the country or of credits recognized by law. With this understanding, let us see whether and to what extent we already have fiat money.

Gold is not being paid out for any kind of bills, not even for gold certificates. The 40-percent base, which we had built up, no longer exists for that purpose, because we are off the gold standard. All our money is being reprinted legal tender for all debts, public and private, the exception clause on the greenbacks being left off. To begin with, our greenbacks, 342,000,000, are pure, unadulterated fiat, and are carried on our public records as that much public debt. Our bank notes are plain promises of the banks to pay, 672,000,000 of them, backed only by Government bonds, which are again national promises to pay, or pure fiat; the silver certificates promise to pay out silver dollars on demand.

Take, for instance, the silver dollar. The silver in the silver dollar itself has varied largely in value for the past several years, going as low as 22 cents. The fiat, or national credit, accounts for the missing 78 cents. The Federal Reserve notes were supposed to have a base of 40 percent gold and 60 percent fiat. But since the nonredemption in gold they also, based on notes and bonds, which are all promises to pay, are all fiat or credit money. The same is true of the Federal Reserve bank notes. This constitutes all of our money, all fiat or credit money, except the little bit of silver behind the silver certificates and the small change. So there is really little use or excuse to get excited about fiat money, when, excepting our bit of silver, actually we now have no other kind of money except fiat money.

During the 75 years which these greenbacks have been in use they have served the people of the country in interest counted at 4 percent and compounded the tremendous sum of $4,000,000,000. Why we may not save interest on all our money now based on interest-bearing bonds is a question well worth national consideration.

Gold was worth $20.67 the ounce under the old law, until the American Government, acting within its constitutional powers, through a new law, declared that same ounce of gold worth $35—certainly $15 additional legal fiat. It might have been $100 an ounce had the law so declared. Or it might have been $10 or $5, because clearly its money value is a value created by law and is fiat and has no relation to its value as a commodity. It has been noted that up to 1873 silver was given a coinage value of 129 cents per ounce. And as long as the United States minted silver on that basis it was worth that price. If it had been minted on a basis of 250 cents an ounce it would have been worth that much because the law would have made it worth that. But when the United States Government refused to continue its purchase, coinage, or extension of use as money, unminted silver gradually fell till it assumed a price based merely on its value for use in the arts, that is, a commodity basis. It finally fell to 25 cents an ounce. It showed no indication of a rise until there was a prospect for an extended use as money.

Now what about gold? It has been shown by clear analogy based on many related facts that if gold were not used for money its commodity value would be about $4 per ounce under the old law. Accepting that probability as correct the old $20 gold piece was $4 commodity value and $16 fiat.

Gold is now being used for the only purpose that it should be used for, namely, paying or receiving payment of the differences which the people of one country owe the people of another as the result of the buying and selling between them, called trade balances. Since the businessmen of the United States almost without exception sell more goods to the people of other countries than they buy, we get the difference in gold and very seldom pay out any ourselves. And gold is used in settling these trade balances only because gold has for many centuries been used in the world as money, and still is, more or less, by a small part of the people of the earth.

Two-thirds of the people of the earth have always used and still use silver for money instead of gold. When we are willing to do for silver what we are doing for gold—that is, put the price up to where it is to our own greatest advantage, to use in the settlement of trade balances with the two-thirds of the people of the earth who use silver—we shall be much wiser. By so doing we shall increase our foreign trade to a very large extent and limit the competition we are now being compelled to meet from these silver-using countries in our trade with the gold-using countries.

But whether money shall be made of one thing or another, whether fiat or hard money, is only incidental to the service that money must render.

Europe had been intensely poor during the Middle Ages. Money was exceedingly scarce. Prices of commodities where they existed in sufficient quantity to have a fixed price were extremely low. Commerce was as limited as money. Employment for wages payable in money did not exist at all. Slavery or peonage in some degree was almost the universal lot of the masses. But following the close of this long period of suppression of mankind, Spain began bringing into Europe tremendous sums of gold and silver from Mexico and Peru. This enormous influx of the precious metals continued without intermission throughout a period of two and a half centuries.

This not only awakened and stimulated the industrial and commercial life of all Europe to great activity, but it attracted the attention of many thinkers to inquire into the reason for the great rise in the prices of commodities, and the introduction of many articles new to industry and commerce. Out of the philosophic consideration of these two latter questions came one observation that is destined to change completely our ideas of the relation of values to prices.

An Italian named Carli, in considering this matter, observed that a measure of grain had only one principal use—the sustaining of life; that under the old, low price, it had the same actual value in use as it had under the new and much higher price; that the same quantity of the same quality of grain brought a much larger weight of gold or silver than formerly—that is much more money. Clearly one or the other had increased or decreased in value; and whichever had increased or decreased in value had necessarily changed in value; and conversely the item that had not changed in use had not changed in value. Clearly the grain would sustain the same amount of life in 1750 as it had done in 1250. So necessarily it occurred to him that the same amount of gold or silver would not accomplish the same purpose of sustaining life in 1750 that it had 500 years previously. Evidently it was the value of the metal that had shifted, not that of the grain. To prove this idea he had recourse to the comparison of articles exchanged in barter. He found that articles exchanged for other articles from the beginning of time were of approximately the same relative value still; that the exchange of the articles from the earliest times was always made on even terms; that the value of the things men use—commodities—had not therefore changed; that the relative value of the articles then being exchanged in barter were each about the same, and had been over the whole time wherever records existed, as shown by the exchange of five sheep for one cow over a period of 3,000 years.

He thereupon announced that the value of the things men use does not change, but that the value of the money paid for them does change. He distinguished between value and price. One is the expression of the use to which a thing is put; the other is the ever-changing quantity of money required to secure the thing of use.

It further occurred to Carli that if a number of commodities in general use over a considerable time, the prices of which had been recorded, were considered together, the average price of these articles would show clearly the fluctuation in value of the money used in making the purchases. He proceeded to prepare a table including grain, oil, and wine, and by showing the fluctuation in prices of these articles of universal use over a long period of time, he showed the actual fluctuation in the value of the money used in purchasing them. This was the first commodity price index.

MONEY CHANGES IN VALUE

This primary fact that it is the money and not the commodity which varies in value took root slowly but surely among the thinkers of succeeding years. Little by little statistics were gathered which bore out that contention.

By the year 1800 the fact that it is the value of the money, not the value of commodities, that fluctuates, was generally accepted by countless thinkers and students of economics. About that time a number of tables, following and extending Carli's table—commodity price indexes—were made. One of these, containing 30 articles in common use, showed by the average prices of those 30 articles, the actual variation of the value of the money used in paying for them at various times. The statisticians and treasury officials of every civilized country became interested in improving and extending these commodity price indexes. They were collected and compared with statistics—and further statistics along this line were gathered—until a thoroughly reliable and exact method of showing the variations in the value of money was worked out and adopted by every civilized country on earth.

America formed the most elaborate and most exact commodity price index, consisting for 40 years of 550 articles in common use. On January 1, 1932, this number was extended to 783 articles. This commodity price index is made up from wholesale prices quoted in several centers of the country and issued weekly by the Bureau of Labor Statistics. Each article is given its proportionate value in making these calculations in accordance with its relative use.

Common usage has fixed the American cent as the unit of monetary value, the one unit whose value theoretically does not change. It will be observed that the working out of our commodity price index in dollars and decimals of dollars, fits in with this usage, so that we speak correctly of 50-cent dollars or 150-cent dollars.

This commodity price index table, issued by the Bureau of Labor Statistics, shows the fluctuation of our American gold dollar. It was based upon the wholesale price of 550 commodities.

This table is based on the commodity price index of 1926 as the 100-percent dollar. Did the good American gold-standard dollar actually fluctuate in value? The fluctuations of our good American gold dollar have been worked out on this basis back to 1890 in this table, and up to and including December 1932. This 1926, 100-percent dollar also is almost the exact average over a 15-year period, that of 1915 to 1929, both inclusive, and this is an important item to hold in mind. In the depression following "the panic of 1893" (which really began in 1890) the gold dollar reached the value of $2.222 or 222.2 cents in June 1897, and an average for the year of 214.6 cents. The average value of the dollar for 1920 was 64.8 cents, and for May of that year it was worth only 59.8 cents.

Following the "deflation" of the farmer and panic on the New York Stock Exchange in a 6-month period—September 1920 to April 1921—the dollar jumped from 64.4 cents to 101 cents, and with that increase came wreck and ruin. Six thousand banks failed as a result of this. Notice again that some force held the dollar near the 100-cent level from 1923 up to and including 1929. This is said to have been the result of the insistent work of the heads of the New York Federal Reserve Bank, Mr. Benjamin Strong and Mr. George L. Harrison. It was a great service and can certainly be repeated. During this period in which the dollar was stabilized or held at the same value, wages constantly increased and business success was continuous. Then, following the panic of that year, 1929, the dollar started up again and reached 150.8 cents for February 1932.

So, having envisioned the tremendous fluctuation of our own American gold dollar from 222.2 cents in 1897 to 59.8 cents in 1920 in a 23-year period, we should be ready to observe with candor other fluctuations and to consider the reasons for and the effect of these changes in the value of the gold dollar upon the economic fortunes of the country.

The variation of the American gold dollar which controlled the prices of all commodities and all services for all these years may the better be grasped when it is pointed out that that variation as shown by the Government-issued commodity price index is exactly the same as though our 36-inch yardstick should at different times vary from 21½ to 79 inches. Imagine yourself operating a dry-goods store with such a yardstick.

Article I, section 8, clause 5, of the Constitution says:

> The Congress shall have power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

This is the stability clause of the Constitution. We have observed that part of this clause which relates to weights and measures under that constitutional provision. We have established the Bureau of Standards, in which there exists an unvarying yardstick and an unvarying pound. We have observed that part of the clause relating to the coinage of money. But we have not "regulated the value thereof" as the Constitution empowers us to do. Therein lies the devastating failure of Congress in this absolutely vital matter.

We talk about a standard. Now, what is a standard actually? A standard is an exact measure, one that does not vary. The fact is, therefore, that we have no actual monetary standard of value. We have a name—dollar. The dollar contained 23.22 grains of pure gold. But it was no standard of value, because that gold dollar has, itself, fluctuated ever since it was adopted, just as the bimetallic standard of our own and other countries had fluctuated before that time, and just as the silver standard has fluctuated wherever it has existed. No metallic standard has ever in itself constituted an actual unvarying standard of value, and never can.

Yet an actual unvarying monetary standard is the absolute requirement if we are to have business security, and permanency of prosperity once prosperity is reestablished.

The reason, and the necessity for that regulation, lies in these basic facts: A man has a right to pay back his debt in exactly the same unit of value as that which he borrowed. If he pays his debt in a unit of less value than that which he borrowed, he cheats his creditor. If he is compelled to repay in a unit of higher value, his creditor cheats him. If the unit of value is the same, neither is cheated. A dollar that fluctuates in value is a dishonest dollar, because any fluctuation of value cheats either the debtor or creditor. Both a 50-cent dollar and a 150-cent dollar are equally dishonest. The only honest dollar is the 100-cent dollar. It is as dishonest for a creditor to want to collect 150 cents where he loaned only 100 cents, as it is for a debtor to want to pay only 50 cents where he borrowed 100 cents.

The number of actual dollars, both pocket money and check money, in actual use in buying and selling and paying debts is decisive in establishing and maintaining average prices of all the things men use. The greater the combined number of pocket and check dollars that are in actual use in buying and selling and paying debts, the higher the average prices will be—the smaller the number of dollars the lower the average prices will be. This fact has been so long established and is so generally accepted as true that no further specific proofs are deemed necessary.

If the number of dollars, pocket and check, in actual business can be increased, to that extent the average commodity price index will be increased; and, conversely, if the number of dollars actually in use can be decreased, in that proportion the average of commodity prices will be decreased. Both these suggestions are clearly true. And the third suggestion necessarily results from the acceptance of the first two; that

is, that if we have the power to increase or decrease the number of dollars in use in business we can at will increase or decrease the average price of commodities. There is no limit to the prices, either high or low, that may be established and maintained by the use of this power. These dollars must necessarily include both the pocket-money dollars and the check-money dollars—note this clearly, cash money and credit money—currency and bank checks.

It follows that if the Government has full control of currency and credits it becomes a simple matter by increasing or decreasing the dollars in use to raise or lower the commodity price average or to hold it at a predetermined level. That the Government is the only agency that should ever have been entrusted with such a power goes without saying. That the Government has never, to the present moment, asserted and exercised that power is one of the wonders of our times. Governmental control of currency and credits is vital to the continuance of the capitalistic system in the United States. The assumption and fearless exercise of that control is the next step of the several necessary to recovery and to the permanence of prosperity in America.

A STABLE CURRENCY

If the Government wills it sufficiently, it may by the following method completely establish and maintain such commodity price levels as may be found most conducive to the industry of the country:

To begin with, we ought to attain and maintain the commodity price level of 1926. After that is accomplished, if our experience teaches us that some variant from that level is better—and it probably will—we should, of course, accept the change as it develops. But here is the process: Let the Government announce its intention to buy Government bonds sufficient to restore the commodity price level of 1926. Then begin buying steadily, paying out money, whatever number of billions may be necessary, with the assurance of its continuance till that end is achieved. The announcement of such a policy will tend toward the restoration of the many billions of check money—or credits—which have been canceled during the last 4 years. The fear on the part of the present controllers of credits that their control will be endangered if they refuse to reestablish credits will be a powerful lever in this movement. The source of the money will be unimportant, since the full power to use whatever amount may be necessary has already been granted by the Congress to the administration. The commodity price level of 1926 should be fixed by law as standard and no more than a 2-percent variant up or down be permitted to continue.

When sufficient money has been paid out to establish the price level of 1926, and that price level is passed, then the selling of bonds and calling in of money—contracting the currency—will reduce that price level to its legally fixed status. By this simple variant we may permanently stabilize our currency and greatly assist in making all legitimate business secure.

CONSEQUENCES OF THE WAR

Let us pass to that most interesting and instructive period in the history of money beginning in 1914 and extending to the present moment. The World War brought about as great a revolution in relation to the understanding of money as in any other possible line. When the World War came on, the economists of the world were not at all in agreement as to the wise course to pursue; hence mistake after mistake was made, which, in the present light of the full experience of this period, seem utterly inexcusable. The national tragedies which resulted will for all time to come afford the student invaluable material and the statesman a source of such enlightenment as ought to prevent the recurrence of any of these devastating economic conditions which stunned mankind.

It is true in every instance in all countries that business thrived and prices rose, just as currency and credit, pocket money, and check money increased. It is equally true that business failed, prices slumped, unemployment followed every time currency and credits, pocket money, and check money decreased. It is also true that when the money of a country was stabilized and held at one value, security to existing employment and existing business invariably ensued.

It is perhaps sufficient to point out that whatever conditions had existed prior to, during, and following the war, whether the countries had been forced off the gold standard or not, as most of them had been; and whether the deflation was for the purpose of restoring the gold standard to pre-war values or not; that following the World War, every country which for any reason deflated its currency where inflation had really taken place; or which contracted its currency where only expansion of currency had occurred—every country following this course of decreasing the amount of currency and credit went invariably into financial panic, with the universally resulting depression, unemployment, poverty, bankruptcy, and ruin to the business of that country. And that all is true for our own beloved America. To this there is not a single exception. The efforts to deflate slowly were quite as tragic as those where deflation was carried out rapidly. Those countries where deflation was carried out only partially had the same proportionate difficulties till stabilization at some figures was finally effected. And this result occurred directly following the adoption of this policy by each Government—however far removed, in time, this action may have been from similar action by other governments. It was an individual result of individual action by separate governments—in no wise a mass result of several governments acting together. Although many governments at different dates did pursue the same policy as some or many other governments had pursued at other times, the same invariable result followed the same action wherever and whenever contraction of currency and credits took place.

The folly of all these reductions of the currencies and credits of these countries, with their unnecessary and heartbreaking losses, is in striking contrast to the action of two small countries, Finland and Belgium, both of which immediately stabilized their currency where the war had left it. In other words, merely let it alone, and not a sign of panic or depression occurred in either country, though both, one an old government and one a new government, had been sorely tried.

And now let us proceed to examine the action taken in our own country on this subject of currency and credits. The primary purpose of the Federal Reserve System was to prevent the fluctuation of the value of the dollar by keeping the supply of money and credits adequate for that purpose. A section specifically providing for compulsory stabilization of the dollar when the bill was first written was very unfortunately rejected by the House. Tremendous flexibility in the issuance of Federal Reserve notes was wisely provided for. The intention was to provide a sufficient amount of currency to keep business at an unvarying level, to give the people assurance against the very tragedy which mismanagement of that law brought to the country in 1921 and again in 1929.

Because of the intent and possibility that the Federal Reserve System would take the control of currency and credits away from the powerful money interests of the country and lodge it in the hands of the Government where it so clearly belongs, the big banks of the country opposed the enactment of that law viciously. But defeated in that, they bided their time and finally after that splendid system had carried us triumphantly through the World War, the superbanks got control of the system, apparently by convincing the Federal Reserve Board that following the example of the other countries of the world, we too, should "deflate." The direct result of this will be found under the chapter on panics.

It is necessary here to define inflation, deflation, expansion, and contraction. Expansion of currency is the increase of currency required to carry on business to the best advantage where too small an amount for that purpose previously existed; inflation of currency, on the other hand, is the improper, abnormal, imprudent, wrongful increases in currency, beyond reasonable requirements.

Contraction and deflation, of course, are the opposites of these two terms. It is very necessary to get the definition and understanding of expansion and inflation clearly in mind.

because there has been so much misuse and misunderstanding of the words as to have completely muddled the entire matter in the minds of many. This seems to have been willfully done by those who desire to prevent public understanding of this simple matter.

A great fear of "inflation" has been instilled into people's minds, so much so that the mere word "inflation" inspires timid souls with terror. No one ever tells them the plain fact that vastly greater damage has been inflicted on the producers of wealth by contraction of currency and credits than has ever been done by inflation.

Nobody ever seems to tell them that we never have had an inflation of national currency and credits in America. That we have had the expansion of currency and credits necessary to carry on business as it should be done only once—during and immediately following the World War.

Money and the system of bank credits for multiplying the use of money many times over is, under the Constitution, purely a governmental function. If individuals, associations, or corporations are permitted to control or share in the control of money and credits, such privileges can be justified only on the theory that they are primarily the agents of government whose profits must be limited and whose surplus above this maximum profit must automatically revert to and belong to the Government for the use of all the people to whom the entire system of money and credit belongs. Any infraction of this rule invariably offers opportunity for a type of robbery the import and extent of which has been only too little comprehended.

Money has one basic quality that must be clearly understood because upon this fact investment largely depends, and that is, money itself draws no interest. It is the use of money which earns interest. To illustrate: With a stabilized currency—one that does not vary in value—if a man keeps $10,000 in a safety vault for 10 years, it will be only $10,000 at the end of 10 years. But if he lends it out at 6 percent or buys property that will bring 6 percent, he will have at simple interest $6,000 increase at the end of the 10 years. It is for this very simple reason that when the Government buys large amounts of bonds and pays out cash for them, the owners of that cash at once seek profitable investment or profitable loans. These two things underlie the entire practicability of largely assisting in a revival of business by expanding the currency and credits of the country when prices are below the normal.

It will be noted that in the above paragraph the whole proposition was based on a stabilized currency, or a dollar that does not vary in value. A man naturally seeks the highest returns he can get on his money. If a condition arises through which a higher return on money may be had by keeping money in his safety-deposit vault than he could secure by loaning it out or investing it, then, naturally, he will keep it in his safety-deposit vault. In doing that he takes none of the risks which he necessarily takes in all investments and in all loans. Now exactly that condition arises every time the value of the dollar goes up.

To illustrate again: A cautious man had $10,000 cash in the bank on October 23, 1929. A major stock crash on the New York Stock Market warns every man of experience of impending disaster, bank failures, unemployment, poverty, misery, low property prices—in short, the immediate coming of a major depression. The first thing that cautious man does is to withdraw his $10,000 dollars from the bank and put it carefully away. Now the money is at least safe. Let us see what results. The dollar starts to increase in value. It was worth 103 cents on October 23, 1929. On June 1, 1932, that dollar was worth 152 cents. In short, in 30 months that $10,000 has increased to $15,200 actual value. That is, that original $10,000 will now buy commodities or property originally worth $15,200. The man who had the $10,000 the day the dollar started up in value has made 49 percent in 2 years and 6 months without any risk, or 19⅗ percent per year. This very thing ensued on a tremendous scale following the panic of October 1929. As long as we permit a man to make more by hoarding his money than by investing it he will hoard it, of course. And as soon as we make hoarding unprofitable he will put his money to work.

This illustration with these $10,000 must be translated into many billions of dollars if we are to get a clear understanding of what has happened since October 1929. The great majority of those who sold out at the top of the market and then sold short in 1929 understood perfectly well what would be the result if they should get in hand large amounts of money or bank credits and wait.

Against this phase of the depression which resulted from that panic, there was a simple and certain remedy in the hands of the Government. If the Federal Reserve System should have set about buying Government bonds for cash in the open market and should have continued that operation on sufficient scale, those having the money and credits awaiting or hoarded would have been compelled to invest their dollars, or their dollars would have begun and continued to decrease in value until all their gains by withholding, waiting, or otherwise hoarding, would have been completely lost. Of course, by wise investment in low-priced property they could have retained their advantage because the rise in property price would equal the loss of their dollar values. But hoarding, with all its paralyzing effects, would have been ended. And that is exactly what would happen if the policy above suggested were actually adopted and adhered to. The holders of money which has increased in value have no right to that increase because it did not result from any service which they or their money rendered.

It is therefore necessary as a matter of justice to all lenders and all borrowers of money that the borrower shall have the right to repay what he borrowed in units of the same value. It is, therefore, a matter of fundamental justice and economic good faith that the payment shall equal the borrowing plus the interest earned, no more and no less. To accomplish this it is absolutely necessary that an actual standard, unvarying in value, shall be found and used. The commodity price index of 1926 furnishes the best basis we now have for an actual standard of values.

THE NEED FOR CIRCULATION

"Money in circulation" simply means so much United States money in existence somewhere, not in the United States Treasury. Money in circulation "per capita" means the average amount of "money in circulation" for each man, woman, and child in the United States. How much money there is in existence somewhere is never a question of decisive importance. The question that is of vital import is, How much buying, selling, and paying debts results from that currency in active use in carrying on business? There is the whole thing in a nutshell. There has been on the average, for some years past, about $5,000,000,000 "in circulation" in the United States. Of this, about four billion cash is kept by the people and about one billion cash is kept on deposit in all the banks taken together. The four billions cash which is kept by the people is called pocket money and carries on about 8 percent of the business of the country. The $1,000,000,000 cash on deposit in the banks, along with the other forms of security held by the banks, is the basis as a rule for about $41,000,000,000 of commercial loans which all the banks together carry during normal times, as in 1929. But these forty-one billion commercial loans in 1929 fell to twenty billion in 1932 as the result of the panic. With this $1,000,000,000 of cash in the banks being constantly withdrawn and redeposited, about 92 percent of the business of the country is carried on by use of bank checks. This is called check money, and as long as the checks are legitimately issued it is as good as any other money for paying debts, buying commodities, and paying for services. Pocket money and check money are equally useful, and proportionately important—dollar for dollar.

In short, the check money, by using the $1,000,000,000 cash in banks over and over again, actually is eleven and a half times as important for carrying on the business of the country as the four billions of pocket money, because it carries on eleven and a half times as much business of the country as is carried on by the pocket money of the country.

It is therefore not so much a question of how much cash there is somewhere outside the United States Treasury—that is, in circulation—but how much money, pocket money and check money taken together, is in actual continuous use. If cash is hoarded, it has exactly the same relative effect as if the use of the same amount of check money be discontinued; and if check money is discontinued, it is exactly the same as if that many cash dollars were hidden away. The money which lies in the banks unemployed is as useless as that hidden in the ground.

In short, when the use of twenty-one billions of commercial loans have been discontinued, and the check money based on those loans has been retired, it will create exactly the same effect on business as if 2,000,000,000 ten-dollar bills had been piled up and burned. If we restore these deposits and make them available for checking, it will affect business the same as if 2,000,000,000 ten-dollar bills were reissued and put into use again. The effect of the loss of the use of $21,000,000,000 in carrying on the business of the country as cited above is easily understood.

The quantitative theory of money—that is, "that the number of dollars in actual use in buying and selling and paying debts, both pocket and check dollars, is entirely decisive in establishing and maintaining average commodity prices"—is true beyond question, beyond doubt.

The mistake generally made in popular discussions of this matter lies just here—that dollars are generally looked upon as including only currency—lawful money of the United States of America. The fact that the direct use of all this lawful money is responsible for only 8 percent of the entire business done is what misleads us in arriving at a rational conclusion as to the matter.

If a rational statement of the money "in circulation per capita" idea is to be arrived at and used at all, all the dollars in use must be included—pocket money doing 8 percent of the business of the country and check money doing 92 percent of the country's business. The average amount of lawful money in circulation is, roughly, $40 per capita, and the check money in normal times is 11½ times that amount, or $460 per capita, the two taken together making an average of five hundred actual dollars per capita instead of the $40 or so usually understood in discussing this vital matter in the politics of our time.

THE CONTROL OF CREDIT

It is in the wide variation of the check money—available bank credits—that the principal variation in average prices, or the commodity-price index, takes place, and to a much smaller degree to the comparatively small variation in "the money per capita in circulation." This conclusion is clearly established by these two facts: At the bottom of the price level in 1932 "the money in circulation" was higher by around $3 per capita than it was in 1929 at the top of the price level. But the check money based on commercial loans had fallen $200 per capita—a fall of 40 percent below the average of 1929, and the commodity-price average had fallen also about 40 percent. The conclusion is inescapable that prices depend on check money 11½ times as much as they do on pocket money; that whoever controls credits controls the supply of check money, and thereby controls the prices of commodities and services.

The real question, therefore, is not so much who owns the money of the country, but who controls the credits of the country. These controllers of credits are the ones who have the full say as to how much check money there shall be; and, therefore, what the average price of commodities shall be; what the income of the farmers shall be; what the wages of the great majority engaged in industry shall be; how many men shall be permitted to work in industry; and above all how many men shall be doomed to unwilling idleness. Such are the powers of the controllers of other people's money. No group, no combination of groups of individuals, has any right to control the money of the country, to limit the country's economic life. Individuals seek individual advantage, always. The methods, the practices, the combined experience and national results of leaving control of the money and credits of the country in the hands of individuals, banks, or other corporations is completely exposed in the unfortunate present condition of the country.

The conclusion is inescapable—complete and entire control of currency and credits must be taken from any and all individuals or groups of individuals, and placed in the hands of the Government for the service and protection of all the people, under laws mandatory on the administrators of Government.

Nineteen Forty Census

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 13 (legislative day of Monday, March 4), 1940

STATEMENTS AND ARTICLES RELATING TO THE 1940 CENSUS

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD certain data concerning the Tobey resolution. These data include: A statement by myself dated March 10, 1940; a brief article from the New York Times of Sunday, March 10, 1940; an article from the Washington (D. C.) Post of March 10, 1940; and a statement together with a press release, from the American Statistical Association, on the subject of the 1940 census.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

STATEMENT ISSUED MARCH 10, 1940, BY SENATOR PEPPER

I hate to deny Senator TOBEY the opportunity to be the martyr that he so much desires to become by refusing to answer the question on wage and salary income in the 1940 census. The Senator will not get the chance to go to jail. The enumerator who contacts him will know that the Senator's salary is more than $5,000, so the enumerator will need simply to make an entry "$5,000 plus" and the "snooping" desires of the census will be satisfied.

Since the Senator has not been generous enough to inform his followers of the limitations and purposes of this question, I feel that it is necessary to repeat that the Census Bureau is not concerned about getting details on salary and wage income in the higher brackets, because it is not in those brackets that unemployment and underemployment exist as an economic problem.

The Census Bureau in making this inquiry is following out the mandate of Congress to make "inquiries relating to unemployment," and since the Senator has several years yet to serve, he is not as yet a proper subject for study in connection with unemployment. It has been repeatedly explained that a mere count of the unemployed is not sufficient to comply with the congressional mandate to make "inquiries relating to unemployment." Since so much of the problem of unemployment involves part-time workers, piece workers, and those inadequately employed, there is no common denominator to represent degree of employment in millions of cases except the amount of wages or salary received in exchange for work.

It was inevitable that the pious front behind which Senator TOBEY unloosed his political attack should at last be exposed. At last Senator TOBEY reveals the political nature of his attack by having the official copies of his radio address bear the legend "Republican National Committee, publicity division," and distributed by the Republican committee.

Senator TOBEY gives evidence of either deliberately misrepresenting the census questions, or of being unable to understand the questions as printed on the schedule. His statement that all male persons 14 years old and over will be asked what type of work they are physically able to do is pure fabrication. Employed persons, both male and female, are asked to report the occupation and industry in which they were employed during the week preceding the census; unemployed persons that in which they were last employed; and 1 person in 20 is asked to report also his usual occupation, which may or may not be the same as his present one. It is specified that this "usual occupation" must be one which the person is still able to follow—mainly to forestall the reporting by elderly people of strenuous or exacting earlier occupations which they are not likely again to take up.

No person, either male or female, is asked what kind of work he or she is physically able to do—a fact which Senator TOBEY deliberately distorts.

In addition to the complete fabrication of a question which is not asked in any form on the census schedule, the Senator misquotes two other questions in such fashion as to produce the same effect of falsification. He says that one of the questions asks whether

the person has ever been divorced. That question is not asked in the census; and the only cases where divorce is recorded are those where a divorced person has not remarried, and must report his or her martial status as divorced, since he or she is neither single, married, nor widowed. A divorced person who has remarried is reported as married and no further question involving divorce is asked.

Again, the Senator states that the owner of a mortgaged home is asked to report whether or not he is keeping up the payments on the mortgage. The actual question calls simply for a statement as to whether the mortgage contract requires periodic payments, and does not ask whether or not the required payments are being made.

The Senator implies that the census questions relating to marital status, age at first marriage, and mortgage status of home, are new to this census. The Senator has failed to state that queries relating to marital status have been on the census schedule since 1890; that queries on the duration of marriage were asked in the censuses of 1900 and 1910; that questions on mortgage status of the home were asked in 1890, 1900, 1910, and 1920. Since the Senator's talk is printed for distribution on the stationery of the Republican National Committee, publicity division, it is in order to point out, what he failed to point out, that all of these questions have been asked in previous censuses taken by administrations of his own party.

The Senator cries, "Shame"; I repeat "shame" on tactics which stoop to undermine the confidence of the American people in an enterprise, provided for by the Constitution of the United States, which has enjoyed that confidence for 150 years. It is a sad commentary on American public life that the fact-finding work of the Census Bureau, recognized by persons and agencies, governmental and otherwise, as an important scientific contribution to the American scene, need be dragged into partisan politics and made a political football.

[From the New York Times of March 10, 1940]

THE MERCHANT'S POINT OF VIEW

(By C. F. Hughes)

FIGURES CAUSING CONFUSION

Less may be heard of the "census rebellion" as businessmen make it clear to their legislative representatives at Washington that the facts sought on income, housing, and various appliances are facts that are vital to them for more efficient production and distribution and facts that they have requested. It is passing strange that the party which insists it represents business lately appears to be falling into this kind of sabotage. The census attack followed the inventory poll attack, and the inventory poll was no less than the original idea of Mr. Hoover when he was Secretary of Commerce.

[From the Washington (D. C.) Post of March 10, 1940]

WOE IS UNCLE SAM—CENSUS HEADACHE IS AS OLD AS KING DAVID—PROTESTS MAKE JOB DIFFICULT—ANCIENT TABOO ON COUNTING NOSES BALKED ROMANS, BUT NOW IT'S POLITICS

(By Alfred Friendly)

William Lane Austin is not the first director of a census to have encountered trouble on the job.

The target of angry blasts from the Senate and House, from newspapers, civic organizations, and thousands of citizens, Austin can comfort himself in the thought that since the time of King David, censuses have been thoroughly jinxed.

If Austin cares to seek surcease in anthropology from the fierce protests that his questions constitute snooping, and are none of the enumerator's damned business, he will find that the objection to people having themselves counted stems from a deep-seated primitive taboo.

First recorded instance of census trouble is in the Bible. David told Joab and the captain of the host to "go now to and fro the tribes of Israel, from Dan even to Beersheba, and number ye the people."

Joab protested, but David overruled him. The census was completed in 9 months and 20 days; the total was 800,000 "valiant men who drew the sword in Israel and 500,000 men of Judah.

"And David's heart smote him after that he had numbered the people. And David said unto Jehovah, 'I have sinned greatly in that which I have done.'"

The punishment was a pestilence on the land that slew 70,000 men.

EVEN THE ROMANS WERE FEARFUL

The Roman censuses were considered so perilous to the state that they were concluded with purificatory sacrifices. As late as 1753, the fear was expressed in the British House of Commons that numbering of the people would be followed by "some great public misfortune or epidemical distemper." In 1926 authorities in Kenya announced they anticipated trouble with the natives for taking a census because of the strict taboo against counting themselves and their cattle.

Trouble with the past censuses in the United States has not been because of religion, but because of politics. According to President Roosevelt, the root of the 1940 trouble is also politics, and nothing but politics.

This allegation is stoutly and cogently denounced by the leader of the chorus of protests, Senator CHARLES W. TOBEY (Republican), of New Hampshire.

Politics or not, the decennial census has run into its bitterest fights in alternate decades—when the census year coincides with the Presidential election year. This is one of them.

Senator TOBEY's protest, which he has voiced in the last 2 weeks at Senate Commerce subcommittee hearings, is specifically directed against two questions of the forthcoming count, Nos. 32 and 33.

The first asks for the amount of wages and salary received by each individual during the calendar year 1939. It does not require the specific amount if the person questioned earned more than $5,000. He indicates only "$5,000 plus."

SENATE COMMITTEE TO VOTE THIS WEEK

Question 33 asks if the person received income from nonwage sources, such as interest, sale of products, gifts, or dividends, totaling more than $50 in the preceding year. Only a "yes" or "no" is required.

TOBEY has introduced a resolution declaring that it is the sense of the Senate that the questions be deleted. The Senate Commerce Committee is to vote on it this week.

Backed by 4,000 letters, and scores of editorials and public pronouncements, TOBEY has charged that the questions are not authorized under the census law, that even if they were authorized they would represent an unwarranted invasion of privacy, and, finally, that the politically appointed enumerators are not the sort to inspire confidence in Census Bureau assurances that the information will be kept confidential.

On the last score TOBEY argues that the enumerators in small towns and rural areas will be neighbors of the persons enumerated, that they will tell friends and relations the intimate details revealed by the census, and, also, that the information will be used by the Democratic Party machines as a basis for "political sucker lists."

To these charges the Census Bureau gives specific answers. In the first place, it argues, the law authorizing questions relating to population and unemployment certainly includes data on wages and salaries, otherwise unemployment cannot be measured. In addition, experts say, the major important fact about population in 1940 is its economic characteristics.

DENY QUESTIONS VIOLATE ONE'S PRIVACY

Second, census officers claim that the questions violate no one's privacy, that they will be considered only en gross rather than individually. Wages and salary, it is explained, are fairly common knowledge—one cannot hide his employment in a garage or a newspaper or a textile factory and wages in those establishments are generally known. Persons in the higher salary brackets, from whom most of the initial complaints came, were mollified when told that they did not have to reveal anything more than that they earned $5,000 plus, Bureau officers say.

On the final charge of enumerators tattling, census officials insist that the heavy criminal penalties against talking out of turn by enumerators will keep their lips sealed except in very rare instances.

On the whole, the Census Bureau argument goes, people have been misinformed. No one needs divulge any details of an admittedly delicate and private subject—outside nonwage income—except to say whether there was more or less than $50 of it in the last year. In addition, anyone who distrusts the enumerator has the right and privilege of refusing to give any of the required information to him, but may insist on giving it only to the district supervisor, or, indeed, to write it on a card and send it by mail to census headquarters if the local census taker is deemed a tattler or a party ward healer who would misuse the data.

PROTEST HAS MADE CENSUS JOB DIFFICULT

Whether the Census Bureau is on unassailable legal, economic, and moral grounds or whether Senator TOBEY is sustaining a traditional American zeal in the privacy of a citizen's affairs is not now the paramount question that faces Director Austin at the climax of his 40-year census career.

More important is the fact that, win, lose, or compromise, the Tobey protest has accomplished the result of making the 1940 census incalculably difficult.

Whatever action the Senate takes—whether it sustains the Tobey resolution or votes it down—the income questions cannot help but be bad news to each of the 120,000 enumerators who will count America's noses beginning Tuesday, April 2.

At the moment Austin insists that if the Senate defeats the resolution he will persist in trying to get the two questions answered.

Try as he may, however, there is a possibility that so many people have been aroused to resentment—rightly or wrongly—that the questions may net no statistically usable answers. Austin has been long enough in the business to realize that all the compulsion in the world cannot force answers, that the threat of jail accomplishes about one one-thousandth of the results brought about by willing cooperation.

He knows, too, that resentment against the two questions will lead to resentment against the whole census—a long chain of refusal after refusal to answer any questions. This will mean great additional expense in return visits by the district managers, the district attorneys' representatives, the sheriffs, and the citizens' committees.

Even if the Senate turns back the resolution, therefore, it may be that AUSTIN will decide to compromise on the questions. He has several choices.

He can try to get the answers, but he faces the possibility that they will be no good, statistically, and must be thrown out. He can eliminate the questions in entirety. Or, he can remove the

penalties attached to refusal to answer the two controversial queries, and trust that cooperation will supply an adequate number of answers. If this course is adopted, however, the result will be what statisticians call a "sample" and generally refuse to credit as scientifically accurate.

Another choice which AUSTIN can make is to have each enumerator leave cards at the households, upon which any suspicious citizen can fill out the desired information and mail it directly to headquarters. It has even been suggested that each enumerator carry a locked mail pouch, into which the cards may be dropped. Once inside the bag, they will be in the United States mails, where tampering is as rare as it is punishable.

If, however, the Senate sustains the resolution, AUSTIN will drop the questions, even though the resolution itself has not the force of law.

A major worry in the Census Bureau in this event, however, is that if he is supported by the Senate, TOBEY may offer still other resolutions, asking the deletion of certain questions on the housing census, to be taken along with the population count. The suspect questions in this census are those relating to the mortgage on homes, and to the use of bathroom facilities—whether shared with other families or not.

The information is, of course, vital to Government and private interests engaged in the housing field. At the same time, in the minds of many, it constitutes an invasion of privacy.

IT'S A COLOSSAL JOB WITHOUT HEADACHE

Even without the headaches of the mass attack on his project, Director Austin's colossal job is an almost insuperable problem under the best circumstances.

In the 2 weeks following April 2, 120,000 enumerators must put down some 33 separate facts concerning each person in the Nation, some 33 more about each home. For every 1 person out of 25, about 15 more questions must be answered.

The whole, on thousands of huge census-schedule sheets, must be brought back to Washington, coded and translated in holes on punch cards, one card for each citizen, one for each dwelling unit.

Then the cards must be run endlessly through almost-human machines, to sort them out and count the totals.

The least of the problem is to find out the number of citizens in New York—the apportionment figures for which the census was originally designed. The time-consuming, delicate, and elaborate operations are those necessary to produce the correlated figures—the number of family heads in the leather industry who earn less than $4,000 a year but who pay rents above $20 a month, for example.

Before the final figures emerge, in 20 or 30 huge volumes of thousands of pages, at least 5 years will pass. But on those figures depend the course of legislation for the next decade, the shape of things to come in business location, in social-service work, in finance, in charity, in trade, and in commerce.

Consciously or unconsciously, every businessman, every Senator, every public or private official uses the census figures as a constant on which to base his action. It may be simply the number of persons in a county that prompts the grocery owner to set up a new shop. Or it may be the income of tung tree orchardists in Alabama as related to the earnings of Pennsylvania steel workers that determines the clauses in a Tariff Act.

All of the figures derive from the census, from the 2-weeks' head and leg work of 130,000 men and women.

Austin, boss of more men for 2 weeks than any other public official except Postmaster General Farley, has his fingers crossed.

AMERICAN STATISTICAL ASSOCIATION,
Washington, D. C., March 13, 1940.

Senator CLAUDE PEPPER,
Senate Office Building, Washington, D. C.

DEAR SENATOR PEPPER: As a statistician who is acquainted with the great value of census statistics to the public as well as to our Federal Government, I want to thank you for the stand that you are taking in the present controversy over the 1940 population census. It is easy to find people who will criticize and attack, especially among those who do not understand what they are attacking. It takes courage to defend in the face of plausible but ill-founded arguments.

I believe you will be interested in the enclosed release just issued by Science Service, an impartial organization gathering news about science. I hope that you will find it useful in support of your position and I would suggest that if you think it will be helpful it might be introduced into the CONGRESSIONAL RECORD.

Sincerely,

FREDERICK F. STEPHAN.

SCIENCE SERVICE,
March 12, 1940.

POPULATION EXPERTS CONTINUE TO DENOUNCE POLITICAL SNIPING AT CENSUS—1940 SCHEDULE CALLED BEST GIVEN ANY COUNTRY IN WORLD

WASHINGTON.—Praising the 1940 population census as the best ever offered any country in the world, Prof. Raymond Pearl, of the Johns Hopkins University has joined outstanding population experts in strongly defending the census schedule against congressional attack.

Replying to Science Service's telegraphic request for opinion of scientists on the current census controversy, Professor Pearl declared:

"The information this census will furnish is a prime and fundamental necessity for the Congress of the United States if it is to guide intelligently the destiny of the Nation in the difficult times that confront us. No reactionary alterations of the census schedule should be tolerated."

Stressing that the next administration, whether Democratic or Republican, will be left in "the fog of ignorance" without data which congressional action may strike out of the census, Prof. Rupert B. Vance, of the University of North Carolina, stated:

"One of the greatest lacks of our Government is adequate figures and information on relief, unemployment, and housing. This need is to be met by certain queries which the Census Bureau, free from the pressure of politicians and acting on the advice of competent social scientists, has introduced into the 1940 census."

Serious consequences if the public is aroused to react against the census, the largest scientific undertaking of the United States Government, are feared by Prof. William Ogburn, of the University of Chicago. Once public cooperation is undermined, he foresees that census taking is liable to become more costly, less efficient, less complete, more inaccurate. If that is permitted to occur, both the business and economic life of the Nation will be damaged.

Income questions are far from new on censuses of democratic nations of the world, Professor Ogburn pointed out:

"For many years there has been a question on the income of farmers in this country, the 1940 census merely extends the inquiry to urban wage earners. There was no protest on income questions in earlier censuses. It is a matter of politics."

"Information sought by the 1940 census is needed by people of the United States to a greater extent than any previous census," is the view of Frederick F. Stephan, secretary of the American Statistical Association, here.

Emphasizing that a democracy needs information about the economic and social status of its people more than any other form of government, Mr. Stephan said:

"Citizens need to know the facts about national development in order to vote intelligently on public questions."

Recalling that when President Hoover appointed commissions to study economic and social trends, these commissions reported a lack of satisfactory information on many important questions relating to American population, Mr. Stephan said that surveys in limited districts have been made since. But these, while useful, point to the need for Nation-wide facts.

Information about distribution of income in various districts is needed by business concerns for the efficient marketing of their products, Mr. Stephan explained, in comment on the importance of questioning Americans about their incomes. This information is also needed by Congress, he added, for estimating the probable cost of changes proposed from time to time in social-security legislation, and for many other uses.

Advising the American public to remember the flurry over a radio broadcast depicting an attack from Mars, Mr. Stephan predicted that many will calmly test the charges of census snooping with all the facts they can find and then decide for themselves what to believe.

"Danger to our liberties in the collection of this information," he added, "is much less than the danger to our liberties from government that is based on rumors and guesses rather than facts."

Congressman Grant, Second Alabama

EXTENSION OF REMARKS

OF

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

EDITORIAL FROM THE MONTGOMERY (ALA.) ADVERTISER OF MARCH 10, 1940

Mr. PATRICK. Mr. Speaker and fellow Congressmen, plase let me come forward with a nice little bouquet that has been placed in my hands for Congressman GEORGE GRANT, of the good State of Alabama. It is in the form of a few words of friendly recognition from the pen and heart of Judge Walter B. Jones, whose father was Governor of Alabama and who is himself presiding judge of the Montgomery Circuit Court of the State. Mr. GRANT has no opposition for his seat, Mr. Speaker, hence you may be sure this is no political gesture. It is indeed the real thing. Here is the article:

[From the Montgomery (Ala.) Advertiser of March 10, 1940]

OFF THE BENCH

(By Judge Walter B. Jones)

CONGRESSMAN GRANT, SECOND ALABAMA

GEORGE MCINVALE GRANT, just GEORGE GRANT, or plain George to the people of the Second Alabama Congressional District, has no

opposition in his race to succeed himself in Congress, and everybody down this way is glad of it.

GEORGE GRANT has made a good Congressman. He was first sent to Congress on June 14, 1938, when, at a special election, he was chosen to fill out the unexpired term of Congressman LISTER HILL, now United States Senator, and an able and valuable one, too. In November 1938 GRANT was reelected to the Seventy-sixth Congress to succeed himself. He had no opposition then, and he has none now.

The Democrats of the Second Alabama Congressional District know that George has done good work in Congress. They know that he has served his people and his party efficiently and honestly, and they're sending him back to Washington to stay on the job, to represent the people of his district, and to help fight the battles of the Democratic Party in the halls of the National Legislature.

SECOND ALABAMA DISTRICT

The Second Alabama District is a large one and an important one. It embraces 9 Alabama counties: Baldwin, Butler, Conecuh, Covington, Crenshaw, Escambia, Lowndes, Montgomery, and Pike. In 1930 the population of the district was well over 350,000. Today the population of the 9 counties is perhaps around 400,000 people, and there are the following important cities and towns in the Second District: Montgomery, the capital of the State, with the great Army air post at Maxwell Field; Bay Minette, and the Gulf port towns of Baldwin County; the cities of Greenville, Georgiana, Evergreen, Castleberry, Andalusia, Luverne, Brantley, Brewton, Flomaton, Hayneville, Lowndesboro, Troy, and Brundidge, and then there are many smaller communities and little towns.

Each of these counties, and each of the cities and towns in them, have their problems, governmental, economical, and social, and the four hundred or more thousand people in the district have their troubles, their worries, their wants, and their needs, and their varied relations with the Federal Government at Washington, and so it is a big job to represent them, and GEORGE GRANT is doing that job in a big way.

FAITHFULLY SERVES CONSTITUENTS

GEORGE GRANT went to Congress with the idea, and the idea has never left him, that his people sent him there to be their Representative in the national law-making body. It's their district he represents, it's their laws he helps to make, it's their Government he helps to run, it's their money that is being spent, and GEORGE GRANT is their Congressman. He is faithfully and efficiently attending to the business of his constituents and his happiest work is to attend to their wants. George likes for his people to call upon him. He likes for them to write him their views about matters of state. He is glad when they bring their problems and their troubles to him. In this country we can't have a pure democracy, and besides that's not the theory of our Government, for it is a representative one, and Congressman GEORGE GRANT is at the National Capital in a representative capacity; to represent the people of the Second Alabama District—Baldwin, Butler, Conecuh, Covington, Crenshaw, Escambia, Lowndes, Montgomery, and Pike. And as he represents them worthily and usefully, so he represents the people of his State and his Nation. George was raised up on the old doctrine that public office is a public trust. He feels that a great trust has been committed to him, the trust to represent nearly 400,000 people in the greatest deliberative body in the world, and he goes about the work of that trust faithfully, ably, and conscientiously. He asks no higher title than to be the servant of his district, his people.

SOMETHING OF THE MAN

GEORGE GRANT is distinctively a product of the democracy of Alabama. He was born in Alabama, and he has lived here in this State all of his life. He got his education in Alabama, and all his public experience and service have been under commissions from the people of his State or his country.

Congressman GRANT was born at Louisville, Ala., in 1897, and so is today just about 43 years of age. He got his law degree from the University of Alabama in 1922, and at once began practice of law. But George wasn't just content to practice law, and his people weren't satisfied for him just to do that either; they wanted him to serve them in public capacities. They felt that his fine legal ability, his capacity for hard work, and his strong character had a place in the public life of his people, so they called him in his native county, Pike, to be the county solicitor. So well and honorably did he serve that he was county solicitor for 11 years. Then the Democratic Party felt the need of the brand of democracy that was in GEORGE GRANT, so the party made him chairman of the Pike County Democratic Executive Committee for 10 years, and then for 3 years he was a member of the State Democratic Executive Committee. When the World War came on, GEORGE GRANT closed up his office, and put aside his lawbooks, and went into the uniform of his country. And in 1929, as a tribute to his service and his executive ability, his war comrades elected him State commander of the American Legion in Alabama. George belongs to a college fraternity, too, Pi Kappa Phi, and they put him to work, too, making him serve as national secretary for a while.

GEORGE IS A "BELONGER"

One of the many outstanding traits about GEORGE GRANT is the fact that when he joins anything, belongs to anything, he belongs heart and soul. He feels that if he belongs to an organization then that part of his time, some of his means, and all of his talents belong to the organization also. GEORGE is not content just to be on the membership roll; he's got to be busy helping to do the work of the organization and to help work out the problems that come up from time to time.

"I AM A DEMOCRAT"

GEORGE GRANT can say, as an old-time member of the party once said, "I am a Democrat." He is a Democrat in his political views, a Democrat without pre or affix. There's no admixture of any other political faith in his democracy; it's pure gold.

Then, too, GEORGE GRANT is democratic by nature. There's no fuss and feathers about him, no put on, no show. He lives the life of his people, he speaks the language of his people. He is always ready to talk to anyone. He's a great listener. He has his own viewpoint, but he is always open to suggestions and fresh facts. And one of the reasons, I think, for his success as a Representative, has been the fact that GEORGE GRANT always tries to see the other fellow's viewpoint. GEORGE follows the advice that an anonymous verse maker gave us some time ago, and mighty good advice, too:

When you're forming your opinions,
Do it carefully, then go slow;
Hasty judgments are oft followed
By regretting, that I know.
And in argument be careful
Not too quickly to deride—
Try to look upon the subject
From the other fellow's side.

HIS RECORD IN CONGRESS

If you search the CONGRESSIONAL RECORD for any long-winded speeches by GEORGE GRANT, you won't find them. George doesn't make long-winded speeches. In fact, he makes few speeches. He does his work in the committees and on the floor of the House, and around the departments of the Government at Congress quietly, and with no great noise. You never hear of George pulling any publicity stunts, trying to steal the "limelight." He never gives out any press releases boosting himself. But quietly, efficiently, and thoroughly he does the day's work of a Congressman, and does the work well.

George has made hundreds of friends in the Senate and in the House of Representatives at Washington. In his own delegation, Speaker WILLIAM B. BANKHEAD, Senator JOHN BANKHEAD, and Senator LISTER HILL are his close friends, and everyone in the Alabama delegation has a high respect for GEORGE GRANT, the man and the Congressman.

The Speaker of the House has assigned the Second District Congressman to these committees: Roads, Civil Service, Elections No. 2, Immigration and Naturalization, and World War Veterans' Legislation. Our Congressman is a faithful attendant upon the meetings of his committees, and he takes a heavy and useful part in their deliberations and work. He never shirks any duty, and he thoroughly prepares himself on every subject that comes before his committees.

George is a great lover of outdoor sports. He observes with moderation the old saying that all work and no play makes a fellow dull, and if there is a football or a baseball game anywhere around Washington, and George can get there without neglecting his public duties you're sure to see our Congressman in the stands. Before he went to Congress George served for several years as president of the Alabama-Florida Baseball League, and when he was living at Troy he never missed a high-school game. He was always there to give the local boys an encouraging hand.

On December 5, 1938, a short time after his first election to Congress, George remembered that in second Genesis, "the Lord God said, 'It is not good that the man should be alone; I will make an helpmeet for him.'" GEORGE found his helpmeet in Miss Matalie Carter. She said "Yes" to life's most important question, and is now Mrs. George Grant. She takes an active interest in the work of her husband, helps him with all the problems that come along, and is interested in everything that is for the good of the Second District.

The Democrats of the Second District have looked back over the work of their Congressman. They find that it is good, that it is honest, that it is faithful, and that's why GEORGE GRANT is going back to Congress this year without opposition. It is a fine tribute to a useful Congressman.

Relief for Poland

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

ADDRESS BY HON. JOHN D. DINGELL, OF MICHIGAN

Mr. DINGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which

I delivered at a Polish relief mass meeting at Madison Square Garden, on March 12, 1940:

Mr. Chairman, Your Excellency, and friends, we are gathered here today not for the purpose of expressing our resentment toward the fiendishness and the depravity of nazi-ism which, like the robber in the night, invaded the peaceful domain of our Polish antecedents and then and there struck down the independence of Poland, robbed her of her priceless freedom and autonomy, and defiled and ravished everything that is held sacred by civilization.

We are not here to plan vengeance or to ask for retribution. That time and such an opportunity will come later when the entire plunderbund, shackled and dejected, is brought before the bar of justice and forced to disgorge its ill-gotten gains and to make restitution. Now, we are concerned with but one important problem, and its solution is far beyond the strength of any one person, one group, or even one nation to cope with. We are here to initiate a well-planned and a far-reaching humanitarian work to salvage the human wreckage caused by the unwarranted Nazi blitzkrieg and by our initiative, example, and generosity, based upon a sound plain within ourselves and in cooperation with other Governments, to stimulate the entire world to action.

The lives of millions of people—men, women, and children—of various creeds and varying shades of political belief, and even of some variety of nationalistic origin are suffering indescribable privations and misery. We are here to alleviate their sufferings and to save the lives of countless thousands who may perish unless we extend aid to those who face us with outstretched hands, confident that we will not deny them succor. We are here for just one purpose, and that is to outline a substantial and effective plan of action to save the lives of those who may perish, through starvation, exposure, and disease.

The pressing need of the destitute civilian population of prostrate and war-torn Poland is so acute and widespread that unless America and other neutral nations of the world hasten action of relief, millions of Poles will die of starvation, disease, and exposure.

As one who is interested in the earliest possible advancement of relief through the medium of the United States Government, I want to counsel all who are prompted by humanitarian motives and who are interested in speedy and effective relief to unite behind a simple and direct plan which holds promise of earliest fruition and which will produce the desired result.

As author of one of the bills before the Foreign Affairs Committee, I would urge all those who are actuated by humanitarian motives and who are anxious for immediate action to appeal to your Congressmen to prevail upon the Foreign Affairs Committee of the House of Representatives to bring out a composite bill embodying the most desirable features and the effective provisions contained in the several bills. The substance of the bill to be sponsored by the committee should embody three important essentials. First, the bill should provide an ample appropriation and for all practical purposes I suggest a sum of not less than $20,000,000. Second, the extension of relief including food, clothing, and essential creature comforts to be distributed to all of the destitute people of Poland. Third, the expenditure should be administered and directed by the President of the United States. I feel that a bill which embodies these fundamental points and has the sponsorship of a united committee will have the best chance of passage. I consider the various bills before the committee, for the most part, as essentially deficient in one way or another. To illustrate, one bill provides an insufficiency of expenditure although in other ways it may be quite proper. Another bill provides a substantially greater amount but limits relief to women and children, excluding destitute noncombatant adult males. Another bill designates certain and particular organizations, without regard to existing restrictions, as the agencies through which relief would be distributed.

My suggestion of $20,000,000 to be distributed among the destitute of Poland and limited to food, clothing, and essential creature comforts under the direction and administration of the President of the United States will meet the emergency and will fulfill every existent and anticipated need. If the President is given the authority he will carry on and meet changing conditions without further authority from Congress.

I cannot too strongly urge united action behind this idea to be embodied in a composite committee-sponsored bill. Altogether too frequently groups, organizations, and societies, sincere and anxious to help, transmit endorsements of one bill or another without knowledge of what such bills might actually contain.

I consider several of these bills clearly undesirable in that they are fundamentally deficient and thus would be ineffective if passed. The three points which I suggest are inseparable and absolutely essential and should be the guide for our united support.

Another matter of widespread interest which touches the heart of Polonia and of the civilized people everywhere is that of the homeless orphans, victims of the fiendish blitzkrieg. Today they are wandering all over Poland by the thousands, cold, starving, and helpless. These innocent and most helpless victims of the Nazi invasion grow in numbers each day as famine, disease, and exposure decimates the parents of this hapless land. There is room for thousands of these juvenile wanderers here in the United States. There are countless Americans who would with open arms welcome and give aid to those for whom our dear Lord expressed His love and affection. But the gates of America are closed, as are the hearts of some who would not heed the divine injunction. But there is hope for the world as long as we have men in Congress who will sponsor humanitarian legislation such as the bill introduced in the Senate by your distinguished senior Senator, BOB WAGNER, an exact companion bill of which I was induced by his example to introduce in the House of Representatives. The bill originally was intended to take care of the orphan victims of Nazi persecution in Germany, but hearings on the House side even before this war, anticipated the possible extension of the benevolent provisions to include victims of other lands. A simple amendment striking out the reference to Germany would, in my estimation, make possible the migration to our shores of several thousands of Polish orphans in the next 2 years. The gates of America will not be opened to unrestricted immigration should these bills become law. The number to be admitted outside of quota is limited to a maximum of 10,000 orphans per year. Let me here and now express my undying gratitude to the Society of Friends who have rendered such splendid service in the cause of charity and who have taken the most prominent part in support of this legislation. I urge you to join with them in their efforts to bring relief to these innocents who are doomed unless America extends her arms.

The Agricultural Situation

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

RADIO ADDRESS BY HON. CLIFFORD R. HOPE, OF KANSAS

Mr. REES of Kansas. Mr. Speaker, under unanimous consent granted to me today, I am pleased to include herein the address delivered by my colleague and fellow Kansan, CLIFFORD R. HOPE, on a Nation-wide radio hook-up last night, wherein he presented an intelligent and constructive view of the agricultural situation in the United States.

The address is as follows:

Like many of you, I listened with interest to a program at this same hour last Friday night when Secretary Wallace, Postmaster General Farley, and the President discussed and eulogized the present farm program. I wish I could share their rosy picture of current farm conditions and their hope for future improvement under the New Deal farm program.

As it is, I find little comfort in the New Deal farm record of the last 7 years. I say this with a sense of deep regret and not from a narrow, partisan point of view. For one thing, I admire Secretary Wallace's sincerity and his persistent effort to solve the farm problem. I know that benefit payments and commodity loans have been of great temporary help. I am not bitter and critical of what the New Deal has attempted and what it has successfully accomplished. To the extent it has helped I am happy. To the extent that it has failed I feel a great regret; and I would like to add that I know only too well what this failure means, for I represent a large agricultural district. I lived and worked on a farm as a boy. I have lived in an agricultural community all of my life. Practically all of my friends and associates are dependent either directly or indirectly on agriculture for a livelihood.

Before proceeding further I want to call attention to a few statements made by the President last Friday night in his farm message. He referred to the day in Topeka in September 1932, when under the hot sun on the statehouse steps he outlined his agricultural program. I, too, recall that day and that speech and am particularly struck with the fact that his administration has done most of the things the President then promised not to do and has failed to do most of the things which he then promised would be done.

Continuing last Friday night the President said that a policy of neglect prior to 1933 had brought 10 years of depression upon our farms and had contributed greatly to depression in the cities. I agree with the President that farm conditions for the 10 years prior to 1933 were not all that could be desired; but taken as a whole, those 10 years were like prosperity itself when compared with the 7 years of his administration. Cash farm income for those 10 Republican years averaged $9,392,000,000 per year as compared with $7,247,000,000 for the New Deal period, or $2,000,000,000 a year more. Average annual income per farm for the earlier years was $1,483 compared with $1,062 for the 7 years 1933–39. Average income per farm person for the 10-year period 1923–32 was $308 compared with $226 for the 7 New Deal years. If those 10 years, 1923–32, constituted depression, what term do we use to characterize the last 7 years?

If one is to judge the New Deal from the standpoint of its objectives and the problems it sought to solve, then it is a fact that the present farm program has utterly failed. The major objectives of that program were to bring about parity prices for agricultural products and to do away with burdensome farm surpluses. While most farm prices have risen since the outbreak of the war I am sure that no one attributes that increase to our

agricultural policy. In fact, the outbreak of war prevented a further decline in farm prices.

In August 1939 the price of wheat was 51 percent below parity, corn 43 percent below, cotton 44 percent below, hogs 39 percent below, butterfat 27 percent below, and potatoes 19 percent below. It is noteworthy that prices as compared with parity were lowest on those crops for which the farm program has been in general effect.

With respect to surpluses, without going into figures, let me call attention to the fact that today we have more wheat, more corn, and more cotton than we had in 1933. The only difference is that in 1933 it was called a burdensome surplus, and today it is called the ever-normal granary.

Another matter which the President mentioned was the reciprocal trade agreements program. He said:

"That program has brought results—results not only in better markets for our industrial goods but in better markets for our farm goods—results which are mathematically proved in terms of pounds and bushels and dollars and cents."

A little later I want to comment on this statement.

While this is not the place to get into a lengthy discussion concerning the relative merits of the trade-agreements program, I think that all of us realize that export markets are important and that to sell in international trade a nation must also buy. I don't think it is the principle of reciprocal trade to which farmers object but rather the way in which the program has been handled. Most farmers are worried about the concessions which have been made on agricultural commodities and possible future concessions if the power to make these agreements is renewed. I think that the fundamental difficulty with the program is that it has been carried out, not from an economic standpoint, as should be the case in connection with a program concerning tariffs, but rather from the standpoint of diplomacy. In other words, the policy of the Secretary of State has been to purchase goodwill by making trade concessions at the expense of agriculture.

Not only have competitive agricultural imports increased since the program went into effect, thus depriving the American farmer of a share of his home market, but, contrary to the statement of the President which I read a moment ago, it has failed to increase agricultural exports. While exports as a whole have increased under the program, farm exports have declined. Thus total exports from the fiscal year 1932 to the fiscal year 1939 increased from $1,980,000,000 to $2,885,000,000, or 51.2 percent. Agricultural exports, however, declined from $752,000,000 to $683,000,000, or 9.2 percent during the same 7 years. In fact, agricultural exports as a percentage of total exports reached an all-time low in the fiscal year 1939.

What is more, total figures do not tell the entire story. Looking at specific commodities, we find that exports of wheat, cured pork, cotton, and tobacco, which account for 65 to 70 percent of our total agricultural exports, all declined during the New Deal years. Furthermore, in the case of wheat and cotton, the drop would have been much more precipitous had it not been for the export subsidies paid to encourage the export of both commodities. Such a subsidy program, of course, is a complete antithesis to the philosophy of the Reciprocal Trade Agreements Act.

I do want to agree with one thing in particular which the President said, and that is the praise which he accorded the work of the county agricultural associations and committees. It is these men who are responsible for the major part of whatever success the present program has had. As the President said, they have sweated over the details of the program. They have sacrificed their own personal interests and leisure in trying to make the program a success. I want to add something, however, which the President might have said, but didn't; namely, that much of the sweat and the work and the worry on the part of these committees has been due to the red tape, the needless detail, and the complexity of the programs as prepared in Washington. I am satisfied that if we had had real farmer control and farmer planning in connection with these programs, 75 percent of the delays, the irritations, the red tape, and the complications could have been avoided. Whatever may be said in criticism of the program, certainly nothing but praise can be given those who have handled it locally.

Of course, I am not alone in my criticism of the New Deal farm program. In recent months, I have talked with thousands of farmers and have received many letters from farmers throughout the country. I wish I had the time this evening to tell you of some of the criticisms of the present program made to me recently by farmers and farm leaders. Only this morning I received two letters in my mail of interest in this respect. One of them was from a great and influential agricultural leader in the South, J. E. McDonald, commissioner of agriculture of the State of Texas. In commenting on the present program, Mr. McDonald wrote as follows:

"During the past few years billions of dollars of public funds been expended on agriculture, with the result that foreign production has been increased, foreign markets surrendered, thousands of good tenant farmers kicked off the farms onto Government relief in order that the large landowners could get the Government benefit checks.

"Any national farm program which does not provide the maximum number of homes for worthy farmers and which does not benefit those engaged in each and every essential American industry as it would the farmer himself, will not succeed and should not succeed."

The other letter was from a capable and intelligent farmer in the State of Illinois. He is not what you would call an agricultural leader or an officer in some farm organization but a man who lives on his own farm and makes his entire living by tilling the soil. I wish I had time to read his entire letter, because it is replete with practical farm philosophy and constructive suggestions as to what might be done to solve the problem. I do want to read you one paragraph, however, in which he outlines the economic situation of the farmers in his own township. This township, by the way, is located in one of the richest agricultural counties in the Corn Belt. He wrote as follows:

"I have made a survey of my township. There are 198 farmers in it, and I find that an average of $1,057 is needed to restore the depreciation of the last few years. Each family would have spent $800 more for clothing, furniture, floor covering, etc., during the same time. Two thousand dollars would have been spent by each family for automobiles. One hundred and thirty-two of these families would have spent $400 each for furnaces, $500 for miscellaneous items, and $2,220 for educating their children. Thus each family would have spent approximately $6,800 in the last 5 years if they had had income enough to do it, or almost $1,400 more a year."

Continuing he added:

"I am an admirer of President Roosevelt in his efforts to help agriculture, but I believe the program has failed. I know that pork cannot be produced profitably for a nickel a pound, corn nor wheat neither can be produced at 40 and 65 cents a bushel, respectively."

Last fall, with similar criticisms and comments in mind, House Minority Leader JOSEPH W. MARTIN appointed a committee of Republican members to find out what could be done to start American agriculture on the road toward permanent recovery and prosperity. This committee, of which I was made chairman, consists of 46 members, representing great agricultural districts in 22 States.

The committee felt that the place to begin its study was right out among the farmers. We wanted to go and find out what the man on the farm was thinking—the man who doesn't have a chance to come to Washington and talk to congressional committees. We wanted to learn what actual farmers thought of the present program—whether they wanted it continued; if so, what they might suggest in the way of improvements or changes, or whether they wanted a program at all.

To get this information the committee held a series of farm conferences throughout the country. During December we held hearings at Salt Lake City, Denver, Dallas, Hutchinson, Springfield (Ill.), Des Moines, and Minneapolis; and since the first of the year at Indianapolis and Charlotte (N. C). Further conferences are being planned.

I wish I could tell you how helpful these conferences have been. They were conducted on a nonpartisan basis and were attended by Democrats and Republicans alike. The committee did not offer or suggest any program. Nor did it attempt to gain support for the ideas of any individual or group of individuals. It did not condemn or praise any existing program. It simply asked those present to tell the committee what they thought the Federal Government could do or could not do to assist them in solving their respective problems.

I attended every one of these hearings, and I wish that everyone interested in farm problems could have had the same experience. We heard sugar-beet farmers from the irrigated sections in the West. We heard from the livestock producers in the Rocky Mountain area, in Texas, and in the States of the great Mississippi Valley—different situations, but all parts of the same great problem. We heard the cotton producers in Texas and the tobacco farmers in the Carolinas tell of their plight. Wheat farmers from Kansas and the Dakotas told the committee what they thought could be done. We heard from corn and hog producers at the Springfield and Des Moines meetings. At Minneapolis we learned of the problems confronting dairy farmers in the great Northwest. At a meeting in Indianapolis we learned of the problems of farmers in that part of the country.

One thing which impressed me at all of these meetings was the eagerness with which those present discussed their problems. They appreciated the fact that Members of Congress were ready and willing to talk matters over with them in their own communities. They were pleased to be called into a conference where their views and ideas were sought. Some of them said it was quite different from the agricultural conferences called by the administrators of the present program. As one Iowa farmer put it: "This is the first farm conference that I have attended where I have been asked instead of being told."

Since the committee has not completed its study I cannot speak for it in stating what we found as a result of these conferences. I can, however, give you in a few words some of the ideas expressed by farmers who attended.

It goes without saying that there were many differences of opinion and that the discussion of the present farm program ranged all the way from extravagant praise to utter condemnation. Between these two extremes, however, there was a large body of farmer opinion to the effect that we should have a farm program and that it was the duty of the Federal Government to assure that agriculture had an opportunity to attain economic parity with other industries. I was further impressed with the opinion expressed even by farmers who strongly favored the present program that there was too much delay, too much red tape, too many irritations, and that the program was far more complicated than need be. They felt in the main that there should be more farmer control of the program and that it should be greatly simplified.

The point upon which there was the greatest unanimity of opinion was opposition to the reciprocal-trade program as it is being administered. Wherever we went, farmers, irrespective of

politics, expressed themselves as believing that agriculture had gotten the worst of it in the agreements which have been negotiated to date.

One further point which I think will be of general interest in showing what is on farmers' minds was their almost unanimous concern over the size of the national debt and the deficit-financing policy of the Government. A great many farmers are of the opinion that as long as farm subsidies are essential, funds for the payment of such subsidies should be raised by special tax, rather than paid for with borrowed money.

Finally, I got the general impression that farmers do not believe that this administration has reached a real or permanent solution of the farm problem. They are of the opinion that the present administration has attempted to do a great deal for agriculture and that benefit payments, crop loans, and other subsidies have proved helpful in tiding farmers over the last few years. They believe, however, that all this is a palliative and not a real cure.

In this respect, I would like to call attention to a statement made recently by a great farm leader, Earl C. Smith, vice president of the American Farm Bureau Federation and president of the Illinois Agricultural Association. Speaking at the annual meeting of that organization on January 31, 1940, Mr. Smith said:

"Without equivocation, I make the statement that everything yet done by Congress for the solution of the farm problem has been to appease the farmers rather than directed fully to the solution of the agricultural problem."

Continuing, Mr. Smith said:

"There have been reams of evidence presented and filed with the Agricultural Committees of both Houses of Congress relative to the agricultural situation or problem, and its remedy.

"There has been evidence presented that before any fair jury in the land would have been convincing that a full effective permanent solution of the farm problem was a first essential to the solution of the unemployment problem and the balancing of the National Budget. This evidence has been temporized with by both Democrats and Republicans. As a result, politics has crept into both unemployment relief and the farm-surplus problem, vast expenditures have and are being made for the temporary relief of both but the real farm problem as related permanently to the future welfare of every citizen of this country has not even been approached."

What is the reason for the failure of this administration to achieve a permanent solution of the problem? Certainly it has tried, and just as certainly it has failed. Finding out why it has failed is in my opinion the first step to be taken in developing a program that will endure.

I personally believe that the chief cause of this failure has been the New Deal's inability or unwillingness to understand the true relationship which exists between agriculture, industry, and labor. As a consequence, there has been no coordinated effort to solve the problems of the depression. What the administration has done has been piecemeal. Certain legislation has been enacted for labor, certain legislation for agriculture, something has been done for the home owner, efforts have been made to do something for this group and that group without taking into consideration at all the effect that one kind of legislation might have on other groups. What was needed and what is still needed is a united, coordinated, and consistent effort on the part of all groups to achieve a full and complete recovery. This is especially important from the standpoint of agriculture, because of all groups it is least able to control its own business or the prices which it gets for its products and thus is more dependent upon full recovery.

For example, what good does it do agriculture if labor legislation and tax legislation force up the cost of goods purchased by farmers at a rate equal to the increase in prices received by farmers? Yet that is just what has been done. Between July 1933 when the New Deal farm program went into effect and August 1939 prices paid by farmers increased 11 percent while prices received by farmers increased 16 percent. As a consequence, the purchasing power of farm products increased only about 4 percent during this 6-year period. And some farmers weren't even this fortunate. Wheat, cotton, and corn producers actually experienced a decline in the purchasing power of their products.

Nor has much of the labor legislation enacted by the present administration produced any tangible results for American workmen. Wage rates have been increased, but total yearly income still lags far behind the level necessary to maintain adequate living standards and 10,000,000 men are still in search of jobs.

The great problem today is exactly the same problem that confronted the country 7 years ago; that is, What can be done to put agriculture and industry on a parity so that those who are engaged in each line of endeavor can trade with the other? As long as agriculture is selling on one level and buying on another, there is no opportunity for a free interchange of goods. If we insist upon a policy of increasing the cost of industrial goods through labor and tax legislation, then in fairness to agriculture we will be compelled to pass legislation fixing agricultural prices. The mechanics of this is not important. It might be done through loans without recourse at parity prices or by passing legislation to make it unlawful for the buyer to pay less than a fixed price based on parity. I am not advocating such legislation. I think that the regimentation and the policing which would follow the enactment of such a program would be utterly repugnant to our people and inconsistent with our form of government. I do say, however, that a continuation of the present policies with reference to labor and industry will in the end make price fixing inevitable or result in a permanently depressed agriculture.

I think a solution can be worked out without resorting to such totalitarian methods if labor, agriculture, and industry, instead of trying to solve their problems piecemeal, will get together, lay all their cards on the table, and see what can be done toward solving their mutual problems of unemployment and agricultural depression. Unfortunately, however, this administration has never and never will give encouragement to such a program. It has never tried to secure cooperation between the great elements of our economic life. Rather, its policy has been to stir up hatred and discord between every group and every class of our population.

The fact is there are many indications that this administration, indebted as it is for its support to the great and often corrupt political machines of the cities, has adopted the very methods of such machines, and by its very acts it indicates that it has utterly failed to grasp the viewpoint of the farmer. For instance, in the Dodge City Daily Globe, a leading newspaper of my district, there appeared last Saturday a news article reading as follows:

"FARMERS ADVISED NOT TO KICK ON FARM PROGRAM

"Southwest Kansas farmers were astounded to hear a national director of the A. A. A. advise them not to make complaints on the farm program to their Congressmen in the closing session of the farm conference Friday afternoon.

"N. E. Dodd, western director of A. A. A., in a general speech on the agriculture program, said: 'Every time a complaint comes from you farmers to your Congressmen in the House or Senate the program is damaged.' "

That statement represents typical dictatorial bureaucracy. The newspaper then goes on to state that a farmer who attended the conference later observed:

"That is about the most brazen a Government agency has become in public. We are denied the use of courts to hear a legitimate complaint about the program, and now they say we musn't even write to our Congressmen about it. What sort of a program do we have and what kind of government are we getting when an agency of it advises you not to make a complaint to your Representatives in Congress?"

That statement expresses the attitude of 6,500,000 good, red-blooded American farmers. The farmer wants to cooperate, but he will not stand for dictation; and yet more and more that is what is being attempted.

I have already spoken of the work of the Republican Agricultural Study Committee. Let me say in concluding my remarks that the members of this committee do not subscribe to the philosophy expressed by Mr. Dodd. We believe that the right of petition still exists in this country. We want our constituents to write to us if their Government is not being conducted to their liking. We do not believe that any Government program is so sacred as to be above criticism. We welcome your letters. We want you as farmers to tell us what you think of the present program, your constructive suggestions for its improvement, and your ideas as to a sound, long-range, permanent agricultural program.

Looking at the Record

EXTENSION OF REMARKS

OF

HON. WILLIAM H. SMATHERS

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Wednesday, March 13 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. EDWIN C. JOHNSON, OF COLORADO

Mr. SMATHERS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able speech made by my distinguished colleague, the Senator from Colorado [Mr. JOHNSON], at Camden, N. J., on last evening on the subject Looking at the Record.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

WOODROW WILSON

Distinguished guests and fellow Democrats, I am sobered with the important assignment of discussing political matters with the citizens of the glorious Commonwealth which in another day gave this Nation Woodrow Wilson and Joe Tumulty. The United States and the Democratic Party can never expect to completely liquidate their debt to New Jersey. At the hands of Woodrow Wilson the Democratic Party was impregnated and inspired with a supercharge of common-sense idealism which spared it from a threatened retrogression and decay. Much of the good our party has accomplished since his time had its origin in those inspired ideals.

However, I am glad to come to Gov. Harry Moore's State because this good man is deeply respected and devotedly loved in the Senate, where he served with so much distinction until he forsook us to return to his beloved New Jersey. I want to pay my deep respects also to my colleague, the Honorable WILLIAM H. SMATHERS, who is

representing New Jersey at the present time so faithfully in Washington. Bill is a militant Democrat with a commendable passion for supporting the President in good weather and bad. The administration needs men like WILLIAM H. SMATHERS.

LOOKING AT THE RECORD

History constantly repeats itself so that a contemplation of the past reveals what may be anticipated in the future. There is a past, a present, and a future in politics. The present bridges the gap between the other periods and gives substance and realism to them both. The past is important because it is the guide to the future. The future is important if destiny be important. If we were about to set out upon a journey and were wise, we would consider every possible contingency and be governed in our preparations by the previous experience. That brings me to the subject of my address: "Looking at the record."

On January 20, 1941, a President will take his solemn oath of office and begin a 4-year term. At that time one or the other of the two great political parties will be placed in charge of this Nation's affairs. During the intervening months we must select our pilot and determine which party is to serve us. We, the voters, will make the decision. Upon the wisdom of that decision much depends. We might well be terrified by that stupendous task were it not for the recorded pages of history. By reviewing them we can accurately foretell how each party will serve, for we can discover there the purpose of each, the philisophy of each, and the performance of each. The record is the only guide which we have to assist us in our gigantic task and the only guide which we need. What to do in November may be determined by the conscientious voter by looking at the records of the past of the two great parties.

READ AND ACT

Since the close of the World War we have had 12 years of Republican and 7 years of Democratic rule. During these two decades every problem which we will likely be called upon to face during the next 4 years has been upon our threshold constantly. The problems growing out of mass production, inadequate buying power, international confusion and war, humanity's never-ending struggle for security, and the grotesque specter of unemployment would be old and shopworn were they not so fundamentally vital to our continuance as a democracy. We need to look at the record. We need to go about choosing our political remedies and our political doctor deliberately and intelligently. It is entirely up to us. The voters in this democracy are the architects of their own economic, social, and political fortunes.

STOP AND THINK

Just this week we were privileged to celebrate the seventh anniversary of the inauguration of Franklin D. Roosevelt as President of the United States. It afforded a fine occasion for a review of his brilliant administration. All of us recall the day he took his oath of office. Only one such other 4th of March is recorded in American history, and that was the 4th of March 1861, when Lincoln assumed his tragic role.

Recall, if you will, the first days of March 1933. What were you thinking then? Was your heart filled with hope or were you a little shaken with apprehension and uncertainty? Did you face the future in dread despair? I shall never erase from my memory my own experience on March 2, 1933.

I was Governor of Colorado at the time. A few days previous Michigan had started something by declaring a bank holiday, and that desperate action had been followed by nearly every State in the Union. Colorado was vainly trying to be the one Commonwealth to not join the procession of bank-holiday States. We were determined to keep our banks open at any cost. It was almost 9 o'clock on the morning of March 2, 1933. Telegrams were pouring in to me from all over the State; a half dozen messenger boys were in the office at one time; telephones were ringing frantically. My office was filled with excited men.

Runs on the banks were threatened everywhere. Long lines were reported to be standing in the streets in many Colorado cities. Our Colorado banks were unusually strong and we had complete confidence in their ability to withstand any storm, but a simultaneous run on them was indeed serious business; the situation might easily get out of control. We finally bowed to the inevitable, my proclamation was broadcast, and Colorado had a bank holiday, too, the last State to admit the complete collapse of President Hoover's administration.

FAITH FAILED

It was not really the banks—it was faith that failed. Confidence of men in men, confidence of men in their Government, confidence of men in every intangible thing took a holiday and only fear remained. The Nation's business, seeking refuge in storm cellars, had capitulated and surrendered, for business is based upon faith and cannot function without it.

Two days later, on March 4, we had a new President and you will recall that his first official act had to do with the banking situation. In due time a day was set for banks all over the country to reopen. The bankers were dubious. Fear and trembling had robbed them of their sleep. They dreaded the hour when they should open their cages. They expected panicky runs and they had piled up great reserves of currency to meet the anticipated withdrawals. The night before the banks were to open the President made his first fireside talk to his friends; 130,000,000 distracted people listened to him. He lightened a very solemn, earnest plea with something characteristically clever about the "fear of fear." He asked for the cooperation in this crisis of his neighbors. It was a simple speech, but the most effective one in all history. The next day the banks opened and the anticipated run took place according to schedule, but it was not a run to take money out; believe it or not, it was a run to put money in. That afternoon the newspapers everywhere headlined the unbelievable story.

From every town and city, from New Jersey, from Colorado, and from every State came the same good news: A run was made today on socks and mattresses and hiding places and good United States currency was deposited in every bank throughout the land. Great metropolitan centers, small unimportant country places, rural and urban communities alike at an identical moment acted in strange unison—not from prearranged schedule, but naturally and spontaneously. Faith had been restored in America. That hour marked the beginning of a new epoch in American history.

FEDERAL DEPOSIT INSURANCE CORPORATION

The Federal Deposit Insurance Corporation came into being and bank deposits were insured and guaranteed. Fifty million depositors today have full protection. Never again will men retire at night thinking that they have financial strength and awaken on the morrow to discover that they are ruined. Have you ever studied the faces of men and women making a run on a bank? Would that some artist with the ability to depict correctly the troubled despair in men's souls might have made a permanent record of that gruesome sight now that we are to see it no more.

During the 4 years of Hoover there were nearly 7,000 bank failures, the deposits involved being approximately $4,000,000,000, with almost complete ruin to the unprotected depositors. Under Roosevelt the average for 7 years has been but 51 bank failures per annum with practically no loss to depositors. Not only that, but the F. D. I. C. has met all the expenses of operation, paid deposit-insurance losses from its income, constantly added to its surplus, and kept its original capital stock intact. It is entirely self-supporting and, all in all, a most successful, sensible business venture. As a small-business man, I like that kind of a record.

To have cleaned up the unsatisfactory and impossible banking situation should be glory enough for any administration, but perhaps even a greater service was rendered by the clean-up of the Securities and Exchange fiasco. For years trusting widows and orphans and gullible men had been victimized and swindled out of their life savings by unscrupulous promoters of fake stocks and by high-pressure salesmen. Aided and abetted by thieving brokers, riotous speculation, and disgraceful scandals were common on the great exchanges. To put an end to all such deviltry the Securities and Exchange Commission was created by the Democratic Congress at the suggestion of the Democratic President. The vigilance of this agency has saved credulous investors millions upon millions of dollars by prohibiting issuance and sale of worthless stocks, by stopping unlawful manipulation on stock exchanges, by compelling holding companies to cease destroying the investment in sound industries for the benefit of inside looters, by requiring complete information about bonds and stocks offered for sale, and by preventing excessive and unwarranted speculation.

BUSINESS RAN THE COUNTRY

I do not like to dwell upon those last days of Mr. Hoover, but it is a part of the permanent record which in its stark reality must stand there for all time to haunt and plague our political opponents as an evidence of their pitiful failure and to warn those who would return the Republican Party to power what they may anticipate. We had Republican rule and discovered to our sorrow what it would do to America. Business obviously had no reason then to be afraid of Government control or Government supervision. In those evil times Republicans let business run the country in the way business wanted the country to be run. The New Deal was not yet born to terrify and frighten businessmen as the bogeyman frightens little children. There were no pay-roll, old-age, or unemployment taxes to vex, and no restraining regulation of wild speculation on the stock exchange curbing the spirit of free enterprise and industrial adventure. In that day speculators were given the nod to swindle the unsuspecting public and trusting widow and helpless orphan. Fear of Government watchfulness did not dangle over industry like the sword of Damocles. Business did not depend upon a magician at Washington to pull rabbits out of a hat. Wall Street was not being run from 1600 Pennsylvania Avenue. Quite the contrary. Money out of the Federal Treasury was not being poured down a rat hole to buy the favors of the blind, the crippled child, the unemployed, the homeless, the farmer, and the little-business man. Banks were accountable to no one for what they did with the deposits of the people. The Federal Government was not deliberately keeping down interest rates. Rubber-stamp Congresses and rubber-stamp courts had not abrogated their constitutional responsibilities. Business was not in a strait jacket. Free enterprise was not stifled, and speculation was not abridged. Why, then, in that open season of rugged individualism and free enterprise, did we not experience the glorious heights of prosperity—the golden era of two chickens in every pot and two autos in every garage?

Strange to say, the pages of history for that period record neither prosperity nor happiness. We should like to blot the whole hideous memory from our minds forever. We must have no more rugged individualism if we would save our democratic institutions. In 1940 we shall learn whether or not the burned child fears the fire.

OUR FOREIGN POLICY

Much is being said these days about America's new foreign policy. We have no new foreign policy. George Washington formulated our present foreign policy in his time and gave eloquent expression to it in his farewell address. His conception of foreign relations was rewritten in the Neutrality Act of 1939. The foreign

policy of this administration is to have secret alliances with no nation, to harbor ill-will toward no nation, to show special fondness for no nation, but to seek friendly cooperation with all nations. It is to keep out of the war zones and to avoid friction with belligerents in every honorable way. It is to not tolerate any foreign power to inject itself into our domestic affairs nor to inject ourselves into the domestic affairs of other nations. We learned in the World War to get out of Europe and stay out; we learned in that war that our best business is Western Hemisphere business. We are forever devoted to maintaining a free democracy here in our own land, but we grant every other nation the right to choose its own government and its own destiny. We have so many obstinate domestic problems demanding solution that we have no time to concern ourselves with difficulties beyond our control and which do not respond to our friendly sphere of influence anyway. It is our mission to prove to the torn and bleeding world the virtues and blessings of peace.

While there are wars raging throughout the world, the American continent is not threatened, and so long as we continue to tend strictly to domestic affairs and maintain an adequate and sensible national defense, peace will be our lot. Peace is a passion with President Roosevelt—second only to his devotion to liberty and independence. He recently said with deep feeling: "I hate war." The whole Democratic Party hates war and will not be drawn into it. The foreign policy as evolved by the Democratic Congress and followed by the Democratic administration pleases 90 percent of the American people and especially does it please American mothers.

DEMOCRATIC PHILOSOPHY SOUND

I lose patience with partisans who sneeringly say that the philosophy of the Democratic Party is not sound and that its methods are not practical. I implore all such persons to look at the record. I say that no political party serving a great democracy can have a more wholesome philosophy and a more salutary objective than to believe in and earnestly strive for "an equal opportunity for all." It is wicked to say that this fundamental philosophy of the Democratic Party is not sound. The Democratic Party has traditionally been the great champion of equal opportunities and it will continue to be. It is determined to solve each problem of the American people long before it becomes a chronic and devastating economic disease. It will ever champion realistic liberalism with both feet treading the firm ground of common interest, common justice, and common sense.

I shall not tire you with a detailed, chronological recital of the accomplishments of the party during the past 7 years. You are all familiar with the Civilian Conservation Corps and the rehabilitation in mind and body of the two and a half million American youths it has served; the free distribution of surplus commodities to the needy; the emergency work-relief programs; the assistance to industry by providing new markets and liberal finances; the dramatic rescue from bankruptcy of both the home owners and mortgage holders; the stabilization of the American dollar; the Federal assistance extended the blind, the dependent child, the widowed mother, the senior citizens; the establishment of compulsory collective bargaining and the ceiling on hours and the floor under wages in the Fair Labor Standards Act; unemployment compensation and many other social and ecconmic reforms. It is a long story of great accomplishment and one to make a Democrat swell with pride.

When Mr. Hoover took office the national annual income was well over eighty billion; when he checked out it had dipped to less than forty billion. The Democratic Party has now brought it back from Mr. Hoover's low to seventy-eight billion; President Roosevelt has set his goal at ninety billion, which he is likely to realize in 1940 unless the war in Europe should slow America down. To me that is conclusive proof that the New Deal has been more realistic and effective in its policies than the preceding administration.

THE DEMOCRATIC VERSION

The Democratic Party under the leadership of President Roosevelt visualizes a prosperous industrial and agricultural commonwealth, with particular stress on public health in factory and home, both urban and rural; fair prices for farm products; high wages; reasonable hours; no cut-throat or chiseling business methods; no stock juggling and riotous speculating; reasonable interest rates and honest banking; regulated public utilities and unmonopolized natural resources; taxes high but based on the ability to pay; a good public service of educational, recreational, and many other desirable social facilities.

In short, the Democratic Party champions a happy combination of the profit motive with the service motive. It would have the common interests of all the people replace the special interests of part of the people, concern for the lowly and a sympathetic understanding of forgotten men replace social indifference, and cooperation based on mutual recognition of conflicting interests replace devastating competition. The values of these ideals should be measured by the extent to which their advantages will be shared by all the people.

FRANKLIN DELANO ROOSEVELT

It might be well to state here and now in this connection that it is my firm conviction that when all current political propaganda, political jealousies, and ulterior motives of every nature and description have been deleted, and when every historical fact is placed in its proper perspective and an unbiased and truthful history is written concerning this period, it will unqualifiedly and emphatically hold that the first 4-year term of President Roosevelt was the most brilliant, the most constructive, and the most progressive Presidential term in all the glorious history of America. It will be said when the final chapter is written that this earnest man held to the course of a true liberal and guided the Nation in peace safely through the dangerous shoals of murderous international strife, and that he corrected grave internal social disorders by formulas which were based upon equity and justice.

Christian people cannot consistently abandon the halt, the aged, the orphan, and the blind to the ravages of unrestrained nature. Yet, strangely enough, the present administration is the first in American history to courageously assume the staggering burden of Federal philanthropy to these unfortunates, not because we wanted to seize the responsibility of their care from local government, but for the good reason that local government had failed for one reason or another to accept the challenge of their need.

The last decade has been a difficult one throughout the world. Today ancient cultures abroad are being destroyed by war. We are at peace. Foreign currencies have been inflated and deflated until they deserve little international respect. Our dollar is par the world over. Civil liberties are being denied without apology in nearly every land; here they are being religiously observed and strengthened. Foreign economy has crumbled with the impact of the times; a sound economy has been maintained in the United States. In comparison to the balance of the world, our record stands out as bright and lonely as the evening star. Fair-minded men must admit that the Democratic Party has, generally speaking, done a thoroughly good, constructive job. The Federal debt has mushroomed, but we have valuable assets to balance against at least half of that debt. School buildings, public buildings, highways, improved streets, sewage plants, waterworks, reclamation and power dams, airports, rural electrification lines, and many other properties represent an investment which fully justifies the expenditure. In the past few years we have invested nearly $5,000,000,000 in national defense, which is a good insurance against the likelihood of war.

THREE PROBLEMS

I have taken much of your time reviewing the record to establish my argument and prove my contention that the Democratic Party has been a faithful servant, and that it is worthy of your confidence. I have done that to prove that the Democratic Party has the will, the experience, the courage, and the ability to cope with the difficult social and economic problems still requiring solution. Three major problems will challenge the attention of whatever party comes to power in 1940. They are the problem of peace in a war-torn world, the farm problem, and America's No. 1 problem—unemployment.

PEACE

The formula adopted in the Neutrality Act of 1939 must be adhered to religiously to keep us out of Europe's wars. At the same time we should extend every peaceful assistance and offer every peaceful encouragement to the reestablishment and maintenance of world tranquillity. We must be firm and deliberate in our determination for peace, and so discreet, so sincere, so impartial, and so unselfish that we may be helpful in the restoration of peace without the slightest danger of involvement. Civilization needs our humanitarian concern, our sanity, and our unselfishness, and we must not fail civilization in its hour of need.

AGRICULTURE

We must solve the problem of agriculture without placing any further burden upon the Federal Treasury. The Federal Treasury cannot, and should not, support that industry. All of the farmer's difficulties are based upon the proposition that he is not receiving a just return on his goods for his services. The consumer should not be exploited, but he should pay the farmer the cost of production. No honest man wants to eat food produced at a loss, or under conditions of peonage and semislavery. Since January 1, 1937, the price of wheat in Chicago, the basic wheat market of the country, has fluctuated from $1.50 a bushel to 60 cents a bushel, without a fraction of a cent's change in the price of a loaf of bread to the consumer. The 60-cent price meant bankruptcy to the farmers, while the $1.50 price meant a handsome profit. In neither instance was the consumer either benefited or injured. The farmer can be treated fairly without injuring the consumer. Fair-minded consumers know that when farmers are prosperous the country is prosperous. The Democratic Party must give the families who feed America a living wage. Of all people, they are indeed worthy of their hire.

UNEMPLOYMENT

America's No. 1 problem is unemployment. It is the curse of these times. It became acute 10 years ago and remains acute. The economic waste created by the widespread idleness in America makes the national debt look like pin money in comparison; $200,000,000,000 have been lost in this country in the last 10 years in unemployment. Rich as America professes to be, it cannot afford the luxury of 10,000,000 unemployed. The evil of unemployment must be cured, and I believe the Democratic Party can cure it. It is reasonable to ask why the Democratic Party has not solved this problem during the past 7 years. At a terrific strain upon the Treasury, work projects and other work-relief programs have been of some temporary assistance but have cured nothing. The truth is that unemployment is actively progressing, and while many measures have been effected

to reduce it, these measures have merely kept unemployment from increasing and have not materially reduced its total. We have but kept pace with the technological displacements; in other words, we have only been holding our own in this conflict. Two million workers have been displaced by machines and other technological improvements during the past 10 years. The Democratic Party has tried and is determined to find the solution. The important thing for the voter to note is that the Democratic Party has recognized unemployment to be a Federal problem. The Republicans have always treated it as a private problem. Make no mistake about the importance of that distinction. The Republicans have no solution except to return to the policy of free enterprise, already dramatically demonstrated to be completely in error by President Hoover. I have no faith that they can or will do anything other than that about it. The hope for a solution for this problem rests with the Democratic Party.

THE REMEDY

Mass production must be met by mass consumption. I would not curtail production—I would increase it instead—but I would speed up consumption until it was equal to the increased production. If every empty stomach in this country were filled and every naked and ragged human back were properly clothed, there would be no burdensome surplus of food and clothing. I concur wholeheartedly in what Philip Murray said to the Thirty-sixth Constitutional Convention of the United Mine Workers of America on January 29 of this year about unemployment. I quote Mr. Murray:

"I should like to see the leaders of the Democratic Party and the leaders of the Republican Party say to the people of the United States: 'If you elect us to office you do so with the distinct understanding that we will not rest until we put every idle man and woman back to work.'"

There is absolutely no hope that the Republican leaders will accept that challenge, but the Democratic Party and its leaders must accept it and proclaim it and live up to it or refrain from seeking office. The dispossessed in America must be restored to jobs, and in that restoration will come the cure for most of our economic and social ills. It is startling to learn that one-third of the workers in this country make less than $500 a year per family. Little wonder there are burdensome surpluses of food and clothing.

A CLOSE ELECTION

In 1940 a half dozen States will decide the election; New Jersey will be one of those States. She is already classed as a pivotal State. No one is expecting a landslide in 1940; everyone believes that it will be the hardest fought campaign since 1916 when New Jersey's great Governor carried the torch of common-sense liberalism to a glorious victory. The victory this time will go to one or the other of the two major parties—either a conservative Republican or a liberal Democrat will be elected President. The Republican candidate will be a conservative of the old school with his face turned toward the good old days of Herbert Hoover and rugged individualism, and the Democratic candidate will be a liberal with strong New Deal tendencies, because no other type of candidates can win the respective nominations of the two parties. I think that I know the name of the Democratic liberal, but this is neither the time nor the place to discuss men. Tonight we are dealing with issues.

DEMOCRATIC QUINTS

The party made immortal by Jefferson, Jackson, Cleveland, Wilson, and Roosevelt has given its country a consistent and notable service when in office and when out of office. Human beings have been its first concern. The average man and woman, whether in the factory, on the farm, or behind the business counter, knows in his heart that the Democratic Party has not been operated in the interest of property and privilege but has existed primarily to give mankind greater security and opportunity. The Democratic Party had its birth simultaneously with the signing of the Constitution and will live and serve until that document passes into oblivion. It is not only the oldest political party in the world but it has accomplished more for the common man and his welfare and happiness than any other party or combination of parties. It has lived long and it will live longer. It has lived well, and it hopes to live better. It has seen the rise and fall of the Federals, the Whigs, the Know-Nothings, the Populists, the Progressives, the Farm-Laborites, and the Republicans, and it will serve after the obsequies are held of other political movements which come and go with the pressure of the times. When the people tire of political innovations and nostrums, the good, old reliable Democratic Party stands ready again to give expression to the will of men in the cause of humanity.

THE VISION

With Jefferson's devotion to the people glorifying the Democratic Party, the militancy of Jackson in its heart, the indomitable will of Cleveland in its character, the realistic idealism of Wilson in its soul, and the combination of all of these virtues personified by Roosevelt tingling in every fiber of its being, it will never turn backward. It has made its share of mistakes; it is neither infallible nor is it omnipotent, having strength only as the people give it strength; but it has pursued a straight course ahead, neither enamored with the luxurious life of conservative inertia on the one hand or the temptation of impatient radical imprudence on the other. It will maintain its faith in the people's cause and keep its mind upon the worthy objective of human well-being; it will never lose its enthusiasm for human progress or accept permanent failure as it pushes forward to glorious victory or, if it be the will of the people, to temporary defeat.

Catholic Culture and Latin American Good Will

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, March 13 (legislative day of Monday, March 4), 1940)

ADDRESS BY HON. DENNIS CHAVEZ, OF NEW MEXICO

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by the junior Senator from New Mexico [Mr. CHAVEZ] at a communion breakfast of the Holy Name Society at the George Mason Hotel, Alexandria, Va., on Sunday, March 10, 1940, on the subject The Catholic Culture in the United States—A Stepping Stone to Latin American Good Will.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Bishop Ireton, reverend priests, distinguished guests, members of the Holy Name Society of Alexandria, Va., Mr. Toastmaster, ordinarily, in speaking before a gathering such as this, one pauses before proceeding to the main subject of his discourse to pay tribute to the locality in which he is making his address, and in a place so historic and charming as Alexandria this becomes almost essential. However, I will not attempt to mention the charm and beauty of Alexandria, nor the chivalry or patriotism of its inhabitants, because I know that, alongside the merited eloquence that has been bestowed on your glorious State and city, my humble words would measure poorly.

I am proud and honored to be in such distinguished company, and the significance of this occasion—a religious gathering—is particularly noteworthy at this time. It serves to illustrate a feature which distinguishes our Nation from those other nations which have lost the word of God. As long as we have faith, we need not fear. When God is driven from the hearts of the people, the Nation is endangered. History shows us that people who do not believe in God must perish.

The United States has grown great because it is a religious country. It was colonized and it prospered through faith in God. The Republic which is founded here is based on rights which ultimately, by the expression of the Constitution itself, are founded upon God. Unfortunately, many nations have lost faith. The rulers dare even to war on God. This is an alarming tendency and to this can be attributed most of the world's ills.

In searching for a subject I could not escape the conclusion that the most pressing problem facing the American people today is that of keeping this great country of ours at peace. It occurred to me that there is a splendid opportunity for the Catholic Church and its communicants to contribute to peace. Let me illustrate.

The isolationists are Americans who desire the United States to follow implicitly the advice of Washington to avoid involvement in European wars. I hold to this theory, but I feel that those isolationists who say that the United States can live in complete isolation are wrong. National prosperity and civilization cannot exist in a nation which does not live on free terms with its neighbors. Unfortunately, much of our prosperity and culture has been predicated on intimate relations with countries whose histories show them to be always involved in warfare. Exclusive political and economic relations with Europe are dangerous because the likelihood for involvement in its wars is always present. Europe has been a continuous battleground for thousands of years.

Today Europe and Asia are on the brink of the flames. It is impossible to view the world situation without fear that we may be drawn into the conflagration when it starts.

Therefore, if it is true that we cannot live completely isolated, it behooves us to develop our foreign relations with those countries with which there is the most likelihood of peace, and which can assure us trade and cultural contacts compatible with our dignity as a great nation.

Expansion of our relations with South America is a sure way of advancing the peace of the United States. By improving our cultural, economic, and political relations with our closest neighbors, a new world "hegemony" can be developed with such strength that it can withstand any economic, cultural, or political onslaughts from other parts of the world, irrespective of any solution established on European battlefields.

You may ask: In what manner is the church in the United States concerned with the expansion of our Latin American relations? The answer simply is this: The Catholic Church and its communicants are historically the closest bond between the United States and South America. Because of this kinship and common

ground, the Catholic Church is in a strategically important position to foster and cement improved relations.

Though it may be alarming, the danger of the war in Europe must be kept before the American people. As far as public opinion is concerned in the United States, there is no question that it is strongly opposed to American participation. This is recognized by the press and by statesmen the world over. But in spite of public opinion, there are powerful factors tending at all times to draw us into the war.

There is the pull of propaganda from the newspapers, the newsreel, and from the radio. The effect of this propaganda is calculated with difficulty at this time. Who knows what would happen to public opinion in this country if France and England were overwhelmed? Then we would feel the effects of the poisonous propaganda now being fed to us. In addition, there are strong sentimental and economic factors which draw us toward Europe. The sentiment of the people, as a whole, is with the Allies.

These facts must be accepted and considered alongside the general thesis (which, by the way, I hold and intend to fight for), that in spite of everything and irrespective of the future, we must, to borrow the title from Glenn Frank's book, "Save America First."

Therefore, since there is danger of our participation as long as war continues, and since this will become increasingly more acute if lightning warfare breaks out, those interested in keeping the United States in peace must develop a positive program. You can't fight something with nothing, and only a fighting campaign for peace can successively resist the tendency toward war.

Pan-Americanism, in my opinion, is our only recourse if we must sever our political relations with Europe. To preach such doctrine in the face of strong sentiment and close economic interests tying this country to Europe, is ordinarily like speaking on an empty desert.

I can only hope that some day, sometime, this great country of ours will learn to think of itself first and its quarrelsome neighbors' domestic problems last.

The present administration has pointed the way by the development of the good-neighbor policy. But if the good-neighbor philosophy is to succeed, it must percolate from the heights of official action into the hearts of the people themselves, for Latin America is wary of the United States. After all, imperialism and dollar diplomacy are far more familiar to the Latin American as characteristic of American policy than is the good-neighbor policy.

If we are to have success in Latin America, there must be a change in the state of mind of the Americans toward the Latin Americans. The arrogance, greed, and superior attitude of the past must be done away with, and future contacts made on a basis of equality and friendship.

If this is necessary, then there can be no better way of changing this attitude than by dedicating the 20,000,000 communicants of the Catholic Church of the United States to spreading sympathy and good will for South America in the United States.

There are many problems and obstacles to overcome before pan-Americanism can be successful. It is well nigh useless to speak generally of our common problems. After all, even though we do live in the New World, geographically, the people of South America are much farther away from us than is Europe. They speak Spanish and Portuguese, their civilization is Latin, their religion is Catholic, and their economy is agricultural. Contrast this with our situation in the United States and you will see why it is so hard to bridge the tremendous cultural abyss between their civilization and ours.

The 20,000,000 Catholics in the United States represent the strongest and most effective link to South American good will. Through them the bridge can be crossed.

I am alarmed by the danger of war and what it means to the United States; and because I can see what the aftermath of war will be in the way of social unrest and consequent loss of our liberties if this unrest is put down, I am interested in the promotion of those means which tend to keep us out of war. And it behooves the church, as representative of a minority group in the United States, and one which will suffer if established liberties are done away with in times of social unrest, to take the lead in the development of our Latin American policy and thereby promote peace.

South America is Catholic. They feel their religion strongly. Because of this they will recognize the close affinity between the American Catholics and themselves. They cannot help but be won to sympathy if approached on a ground which is common to them and to the United States.

Witness the success of the American Catholic representatives to the Lima Conference, Father John Francis O'Hare, of Notre Dame University; Dr. Charles Fenwick, of Bryn Mawr; and the phenomenal reception given to our unofficial missionaries of good will, Rt. Rev. James J. Ryan, Bishop of Omaha; and Rev. Maurice Sheehy, of Catholic University, when they traveled through South America in January of 1939. They were successful because they could appeal to the Latin Americans; they had something in common with them.

There is no more heroic story in history than that made by the prowess of the Spanish warrior in conquering, exploring, and colonizing the New World. But equally heroic and far-reaching was the work of the Spanish missionaries whose zeal during the same period won two continents for Christianity.

In the sixteenth century the Spanish conquistador overran the New World. He left his language and his blood from Tierra del Fuego, the farthermost point of South America, through Central America, and those portions of the North American Continent occupied by Mexico and the southern and southwestern sections of the United States.

The Spaniard overthrew the Indian dynasties of the Inca and Aztec. He replaced the highly developed Indian culture with his own at the point of his sword. Accompanying him, at other times ahead of him, but never far in his wake, came the ameliorating influence of the Catholic missionary. The cross was firmly implanted wherever the mailed conquistador trod.

We are familiar with the missionary zeal of Jolliet, Marquette, and Champlain, but we are doubtless less acquainted with those heroic Catholic priests in what is now the American Southwest, who labored against the elements in order to establish Christianity among the savage tribes. The work of the missionaries, most of whom won martyrdom in what is now New Mexico, California, and Texas, is mentioned not in order to call attention to their heroic deeds but to point to the fact that the monumental work which they erected in the United States is identical in culture with that which exists today in all Latin America. Missions, schools, and all the civilizing effects of true Christianity were propagated by the Catholic missionaries throughout Latin America, just as the priests did in New Mexico.

Here, then, lies the common ground on which the approach to South American good will can be made. The Catholic Church in the United States, with reasonable expectation of success through its common heritage with Catholic Latin America, can lead the way.

The work which the missionaries performed in bringing peace to the savage tribes which had just been subjected by the conquistadors, may yet find its greatest flower in cementing the ties between the Americas, and thereby bringing the glory of peace to one sector of a war-torn world.

Leaders of Democracy

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 13 (legislative day of Monday, March 4), 1940)

ADDRESS OF HON. CLAUDE PEPPER, OF FLORIDA, MADE AT A TESTIMONIAL DINNER IN HONOR OF FRED WAGNER, OF COLUMBIA, PA., MARCH 12, 1940

Mr. NEELY. Mr. President, I ask unanimous consent to have printed in the RECORD the remarks of the Senator from Florida [Mr. PEPPER] made at a testimonial dinner in honor of Fred Wagner at Columbia, Pa., on March 12, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

One of the most interesting phases of political history is to note those men who have been the leaders of liberalism.

Thomas Jefferson, learned landowner, philosopher, agrarian aristocrat, became the spiritual champion of the masses of America.

Andrew Jackson, Senator, general, master of the Hermitage and its broad acres, one who could well be foremost in the procession of the mightiest of men, the hero of the downtrodden, the backwoods, the poor of America.

Woodrow Wilson, scholar, bred under the shadow of the cloth, whose peerless intellect and whose soaring idealism carried him to heights where kings were his comrades but the hopes of common man his cause.

Franklin D. Roosevelt, truly one of America's noble men in lineage, in intellect, and in spirit. One of the best in breeding, in virtue, in stature America has produced, known as the hero of the underprivileged, the ill-housed, the ill-clad, the ill-fed.

JOE GUFFEY, if you please, a man who by training, environment, financial-interest association might in wealth have been another Ernest Weir but instead from the days of his youth he has been a colaborer in the liberal cause, laboring by the side of Woodrow Wilson, Franklin D. Roosevelt, and all those men of his generation who have fought day and night, in and out of office, when it was easy and when it was hard, to make things better for the people of their country, to lighten the burden of toil on the back of labor, to open the doors of opportunity to the underprivileged, to broaden the whole horizon of the handicapped, to make his country more perfectly the realization of the dream of the pioneers, where life was richer, fuller, happier, and safer than in anywhere else in all the world.

I know JOE GUFFEY, I know how he feels, I know his mind, and I know how he thinks; I know his strength, and I know what weight he adds to his convictions. I know how badly needed he is in the United States Senate. I know how imperative it is that men like JOE GUFFEY continue to carry the flag for the noble cause of human betterment.

I know, therefore, that Pennsylvania is likewise proud of the way it has been able to help its sister States to do through JOE GUFFEY; it is proud of his seniority in the Senate, the confidence that his colleagues have in him, how they value his counsel, how they depend upon his great help.

Knowing what he means to the President, by having the most perfect record in support of Roosevelt that any Member of the Senate has, knowing what he has always meant to the Democratic Party, knowing what he means to Pennsylvania and Pennsylvania's people, knowing what he means to America and to his generation, I know there will be no doubt but that with the overwhelming approval of the people of his State JOE GUFFEY shall continue to be one of the great leaders of a great democracy.

For Farmers and by Farmers

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 13 (legislative day of Monday, March 4), 1940)

RADIO ADDRESS BY SECRETARY WALLACE ON THE OCCASION OF THE ANNIVERSARY FARM DINNERS

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by Secretary of Agriculture Henry A. Wallace on the 8th of March.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is thrilling to know that tonight hundreds of thousands of you—men and women from the farm—are taking part in a great anniversary celebration. Together with some of your friends in the cities and towns, you have assembled at dinner meetings in hundreds of counties from the Atlantic to the Pacific and from the Canadian border to the Gulf. You are celebrating the seventh anniversary of that day, March 8, 1933, when President Roosevelt requested me as Secretary of Agriculture to call a conference of representative farmers and farm leaders to consider legislation for a national farm program.

The conference was held 2 days later. Responding to the recommendations of the farmers, Congress established the first Triple A. That act specifically recognized the right of the farmers of the United States to economic equality.

And so these anniversary dinners tonight are being held in commemoration of the first decisive step toward writing into the law of the land the fundamental principles of agricultural justice.

I am speaking to you from the President's study in the White House. In a few minutes you will hear Postmaster General Farley and President Roosevelt himself.

We want you to know how much we appreciate the splendid vision you have shown in holding these real farm dinners. For 7 years you have been cooperating in an unprecedented effort. You are the men who have been fighting steadily for justice to agriculture ever since 1921. It has been hard work. Every struggle for human rights is hard.

Some of you were born Republicans, some of you were born Democrats, and some of you are Independents. Some of you voted for La Follette in 1924 and some of you went down the line for Lowden in 1928 and then turned to Al Smith. Nearly all of you joined together in 1932 and 1936 to support the greatest friend the farmer has ever had in the White House, Franklin D. Roosevelt. We do not yet have full agricultural justice, but we are much closer to it than we would have been without Roosevelt.

In the decade of the 20's we were feeling our way, trying to find some effective method of cooperating to combat the farm depression which had set in after the first World War. Farmers of the South and farmers of the West, long separated by differing views on the tariff, were trying to find a common ground for action. It was these efforts which finally culminated in national farm unity and, with the constructive and sympathetic help of the New Deal, in the first national farm program carried out for farmers and by farmers.

The entire national farm program now is a conservation program in the broadest sense. It conserves not only the soil but also the best human values of farm homes and farm life. It is an all-weather, ever-normal granary and crop-insurance program, which is guarding both farmers and consumers against the dangers of drought as well as surplus. But this farm program goes still further. It helps to expand agriculture's markets abroad and at home. Through trade agreements and special export programs, farm exports have been increased. The American farmer doesn't like to be told that he shouldn't want anything but the American market. The trade agreements help him to regain his export market. At home the farm program has established four great research laboratories to find new industrial uses for farm products. Another part of the program provides for getting farm surpluses to low-income families in the cities and towns. This is being done through the food-stamp plan, school-lunch program, low-cost milk program, and cotton-stamp plan. Nor does the farm program stop there. It helps low-income farm families to help themselves. It helps tenant farmers to become owners. It brings electricity to farm homes. Finally, it meets the farmer's credit needs.

All these phases of the farm program are vitally important. But perhaps the most important aspect of all, from the standpoint of farmers, is the nonpartisan farmer control which has been a cardinal feature of the farm program from its beginning in 1933. No one knows better than the farmers what it has meant to have local operation of the program in the hands of men from the farm, elected by the farmers as officers of the county conservation associations and members of the community and county committees. The fact is the farmers have helped to shape the farm program every year in the last 7 years.

Today the farmers of the United States are informed. They are thinking. They know where they stand and where they want to go. Working together with the Government, they have built a great and valuable instrument through which they can achieve equality.

During the last 7 years, the national farm program has had to contend with obstacles and hazards of every kind. It has met and conquered years of drought, years of surplus, and a heartbreaking adverse decision by the Supreme Court. It has survived bitter political attack and unscrupulous misrepresentation. Now, it is faced with new problems brought on by the European war.

In spite of all these obstacles and hazards, the farmer associations and farmer committees have carried on. And I feel sure that, for many years in the future, they will continue as the stalwart champions of economic democracy on the farm.

Tonight let us look forward to completing the task of making the farm family secure in the market place, on the land, and in home.

Survey of Loans Made by Farm Security Administration

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Wednesday, March 13 (legislative day of Monday, March 4), 1940)

LETTER FROM WILL W. ALEXANDER, ADMINISTRATOR OF THE FARM SECURITY ADMINISTRATION

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by Hon. Will W. Alexander, Administrator of the Farm Security Administration, concerning the activities and work of the Farm Security Administration in the State of Kentucky.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 8, 1940.

Hon. ALBEN W. BARKLEY,
United States Senate.

DEAR SENATOR BARKLEY: We have just completed a Nation-wide survey of the progress being made by Farm Security Administration borrowers, and I felt that you might be interested in the figures for the State of Kentucky.

We are proud to report that F. S. A. borrowers not only have increased their net worth and annual income, but also are making satisfactory progress in the repayment of their loans.

The survey showed that the 9,614 standard rehabilitation borrowers in your State had an average net income last year of $654.44 per family, as compared with $533.29 in the year before they came to F. S. A. for help. This represents an increase of 23 percent.

Moreover, these families increased their average net worth—over and above all debts—by 25 percent.

In other words, these families not only have added $3,262,414 to the wealth of their communities but they also have increased their annual incomes by a total of $1,164,709. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other businessmen of the State.

At the same time, the survey showed that the borrowers in your State already have repaid $1,242,706 into the Federal Treasury as installments on loans totaling $3,935,972. The typical rehabilitation family in Kentucky has borrowed $409.40, and already has repaid $129.26. Since much of the money loaned does not fall due for 4 or 5 years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant, because, according to normal business standards, our borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else; and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations; and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it, few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make it first crop. They have averaged $35.68 per family, or a total of $343,028 over a 4-year period.

Often it has been necessary to work out an adjustment of the family's old debts before rehabilitation could be successful. Local farm-debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion, they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totaling $979,400 have been negotiated for individual farmers in Kentucky. This represents a scale-down of 17.3 percent. As a direct result of these adjustments, $28,510 in back taxes has been paid to local governmental agencies.

In addition, reductions totaling $248,283, or 77.5 percent, have been negotiated in the debts owed by irrigation districts and similar farm groups.

In helping rehabilitation borrowers to plan their farm operations, we always urge them to get away from one-crop farming, and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in your State produced $3,273,086 worth of goods for home consumption last year, as compared with only $2,585,878 worth before they came into the F. S. A. program.

These families canned 2,634,428 quarts of fruits and vegetables last year, or an average of 274 quarts per family. They also produced 5,403,463 gallons of milk for home consumption, an average of 562 gallons; and 92,679 tons of forage, an average of 9.64 tons. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which come to F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently the borrowers in Kentucky are now operating an average of 101.08 acres, or an increase of 8.2 acres since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of F. S. A. is to help tenants and sharecroppers get more secure land-tenure arrangements, so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 1,885 tenants in your State have obtained written leases in place of verbal agreements. Furthermore, 831 families have advanced from sharecropper to tenant status as a result of F. S. A. help.

In making the survey, our field workers found that there are 34,565 families in Kentucky which are eligible and in need of rehabilitation loans, but have been unable to get them because of our limited funds.

Aside from the rehabilitation program, the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties, because of the limited funds available, we had made 157 such loans in your State, totaling $1,166,498, up to the end of the last fiscal year. This year we are expecting to make about 224 Bankhead-Jones loans in Kentucky, totaling approximately $1,350,000.

This has been a rather detailed report, but I felt that the information might be useful to you. If you would like to have any further details about our program, I hope you will let me know.

Sincerely,

WILL W. ALEXANDER,
Administrator.

Praise for Virginia General Assembly

EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Wednesday, March 13 (legislative day of Monday, March 4), 1940

STATEMENT BY SENATOR GLASS BEFORE VIRGINIA GENERAL ASSEMBLY

Mr. BROWN. Mr. President, under the leave granted me to extend my remarks in the RECORD, I ask unanimous consent to insert the article concerning a statement made by the Senator from Virginia [Mr. GLASS] before the Virginia State Assembly to which I referred in the course of the debate.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CARTER GLASS, SR., PRAISES ECONOMY OF GENERAL ASSEMBLY

The senior United States Senator from Virginia came back yesterday to the capital of the State he has "never left" and mixed words of praise with a gentle warning to beware of Uncle Sam's generosity.

He talked briefly of his days in the general assembly, gave high praise to the economy of Virginia legislators, and finished off with a charge of violation of States' rights at Washington.

Senator CARTER GLASS, Sr., recovered from a period of illness, came to Richmond primarily to visit his son, Carter Glass, Jr., newest member of the Virginia Senate, but before he had gone there was demand for him at both ends of the capitol.

"Welcome back to the Commonwealth," greeted Speaker Dovell.

I'VE NEVER LEFT

"I've never left," replied the peppery little veteran.

The exchange took place at the speaker's stand in the house of delegates as the senior Senator approached with slow step, towered over by a waiting committee of five.

"There are no further honors Virginia can confer on CARTER GLASS," Speaker Dovell said in introduction, and handed his gavel to the visitor.

"I hate to make speeches, and apparently my listeners feel the same way about it," Senator GLASS began.

He blamed his illness for his inability to see his son sworn in as a member of the body of which he himself was made a member 40 years earlier, and said his service in the Virginia Senate came during the happiest years of his life.

PROUD OF VIRGINIA

"I have never gotten away from Virginia," he continued. "I go to Washington to get prouder and prouder of Virginia and her legislative body."

The gavel hung limply in his hand, but suddenly it came up with spirit.

"If I could prevail upon them in Washington to get one-half the conservatism, common sense, and democracy displayed in Virginia, they would be much better off," he declared.

Senator GLASS at no time raised his voice.

"You should be proud of your delegation in Congress," he said. "It is the rarest thing that they ever vote wrong, and when they do they repent in sackcloth and ashes.

A roar of laughter swept the house.

PRAISES ECONOMY

"I'm glad to see your spirit of economy," Senator GLASS continued, "Senator Weaver asked me to help balance the budget, but I told him it was too much of a job on the national Budget for me to undertake another."

And then he turned to the subject of Government loans.

"Beware of grants and loans," he said, "because, sooner or later, you've got to pay back every dollar you spend. You get these grants to do jobs that you could get done for half the cost."

He swung next to the charge that Congress is trying to dictate as to the qualifications of State officeholders.

STAND UP FOR RIGHTS

"It's a miserable invasion of States' rights," he declared. "The Federal Government is trying to usurp the powers of the States. I hope you stand up for your State's rights."

As he concluded, the sharp-eyed little man turned to Speaker Dovell.

"You don't envy me any more than I envy you," he said. "There is nothing I prize more in life than the good will of members of the General Assembly of Virginia."

His listeners stood and applauded. The veteran started to sit down, and then he hesitated and struck sharply with the gavel.

RAPS FOR ORDER

"The house of delegates will be in order," he announced loud enough to be heard.

Speaker Dovell tossed the visitor a final bouquet before he walked slowly back through the aisle of standing house members and out of the chamber.

"He is Virginia's leading contribution to constitutional government," the speaker said.

Before he visited the house, Senator GLASS spoke briefly to the senate.

"I wish I could make you a speech, but it would be pretty dangerous to do it," he observed. "I don't tune in with a great many people."

To this he added quickly with characteristic fire:

"At the same time, I have nothing for which to apologize, and I don't take back a word."

A 10-minute recess was called in order that members of the upper house could greet the senior Senator.

The Republican Position in '40

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the address by Senator STYLES BRIDGES, before a meeting of the Texas State Central Republican Committee, Baker Hotel, Dallas, Tex., February 24, 1940, as follows:

It is a real treat to meet with you today. As Republican leaders in a Southern State, you are faced with particular obstacles to overcome. But I believe that all over the country men and women are realizing that the New Deal is anything but democratic, whether you spell it with a small or a capital "d," that the Democratic Party has been raped by the New Deal crowd, and that the Republican Party must be the instrument of bringing about a recovery, not only of material prosperity, but of the moral and spiritual values upon which democracy is based. And I believe that if the new dealers have their way and nominate either Mr. Roosevelt for a third term or any one of their clan, a number of Southern States will be found in the Republican column this November—including Texas.

Needless to say, the first and most obvious characteristic of the New Deal is that it will probably go down as the most colossal failure in our history. Having spent $66,000,000,000, and having been given the most far-reaching powers over our economy and the lives of our people of any administration of any democratic nation, the problems of unemployment, agriculture, and industry are further than ever from solution. We have mortgaged Americans of tomorrow without providing work, security, much less prosperity to Americans of today. For the first time, the New Deal is on the defensive. You cannot solve problems merely by creating a new bureau and giving it the money and the power to do so. If the more than 50 bureaus which the New Deal has established in less than 7 years are not enough to solve our problems, how many would be? If the powers they have been given are not sufficient to enable them to solve our problems, how much more power do they need? If nearly a million bureaucrats in the various departments of the Government cannot solve our problems, how many more would be necessary? If $66,000,000,000 is not enough, how much more would it take?

Second, it is becoming increasingly clear that the New Deal has well-nigh exhausted its hat of rabbits. Having tried every conceivable panacea they could think of, the brainstormers are now busy trying to disguise the same old tricks in new colors and new labels. There can be no doubt that another term of the New Deal will mean the persistence of policies that failed, that we shall be 4 years closer to bankruptcy and inflation or repudiation, and 4 years further from the restoration of our system of free economy and our democratic form of government. It is also clear that if the worth-while reforms that the New Deal has attempted—collective bargaining, social security, and so on—are to be effectively achieved, their administration must be placed in Republican hands.

But we in the Republican Party cannot sit back and await the turning of the tide, nor will we. We are up against the most powerful propaganda machine in Democratic history. The taxpayer's money is used to feed him propaganda day and night, in the press and over the air as to the blessings of the New Deal. Moreover, there are always those who think that they are being supported by the Government for nothing.

The New Deal is counting on these subsidies—which are increased in election years—to help reelect them to office. We can meet this only by awakening the people to the fact that not only are they subsidizing themselves but that they get back only a portion of what they pay in taxes and will continue to pay for years on the debt. Santa Claus has not only taken money from the children's bank to pay for the toys he gives them, but he has signed their names to a lot of I O U's that they will have to pay, and the sooner they awaken to the fact the better. Today, the Government is borrowing 30 cents out of every $1 deposited in the banks and replacing it with an I O U. The depositors will have to pay additional taxes—for interest as well as the amount borrowed—to get it back again. Incidentally, it costs the American people $76,000,000 just for traveling expenses for our army of bureaucrats. This represents 18 percent of all railroad traffic. The unemployed have not only paid their share in hidden taxes on the cost of all that they buy, they bear the brunt of Government taxation of business which has meant no money to hire more men. The farmer has not only paid these hidden taxes on the increased cost of industrial goods, he has suffered from Government taxation of the rest of the population and Government failure to put men back to work which have made it impossible for them to pay higher prices for his farm products.

The New Deal's favorite form of attack upon its opponents is to launch a campaign of fear against the dire results of returning to power the "reactionary tories," the selfish "princes of privilege," and so on ad infinitum. We must meet this with the truth. I, for one, am not afraid to have the Republican Party known as the party that knows how to make jobs rather than destroy them. The only jobs the New Deal knows how to create are of two types—the meager subsistence job on relief and the soft, fat political job for the faithful.

Combined with this campaign of fear is the ballyhoo of emergency being conducted by the "third termites." In a radio speech the other night Secretary of the Interior Harold Ickes predicted revolution and chaos if public confidence in Mr. Roosevelt was shaken. The American people have lived in one perpetual emergency ever since the New Deal took office and they are getting tired of it. It is beginning to dawn upon them that the greatest emergencies confronting us are those caused by New Deal policies.

The New Deal has taken unto itself three little words that have a great appeal—"liberal," "progressive," and "humane." But today the American people are asking for a greater liberalism than that of spending the people's money. They are asking "Progress toward what?" They are not so sure that they want 4 more years of New Deal "progress" such as they have had during the last 7. They want a Government whose claim to being "humane" is based upon more than just keeping the unemployed alive with food and clothing and shelter.

One of the strongest appeals that the New Deal makes is the picture of itself, backed with cash and propaganda, that it is the friend of the underprivileged—as the President so eloquently expressed it, the "one-third of the Nation" that is "ill-fed, ill-housed, ill-clad." If any of them have radios—and there is more than one for every five people in the country—they hear a melodious voice telling them in persuasive tones, "I am constantly thinking of all of our people." One must frankly admit that the President is adept at presenting his views and policies in human terms.

In this he is right as well as wise. The ultimate test of any government is its ability to meet human needs. The Republican Party accepts the challenge to discuss the issues of this campaign in human terms. The outstanding fact of 7 years of new dealism is that it has failed to meet these human needs. You cannot buy prosperity with the United States Treasury. You can achieve it only under conditions which encourage individual initiative, energy, and industry, the creation of new jobs and new wealth in an expanding economy.

The average American is a practical person. He is more interested in results than in theories, in the specific rather than the abstract. The best way to show him the fallacies of New Deal policies is to demonstrate their effect upon him. He must be made to realize that, remote as they may seem, they have a direct effect upon his everyday life.

He must be convinced that taxation which devours the profits of an industry is undesirable, not because it deprives some economic royalist of another yacht, but because it keeps men out of work, prevents increases in wages, and raises the price to the farmer and every other consumer. Government baiting of business, restrictive regulations upon investment and expansion in industry—all these affect no one more directly than the man who is in search of a job, or who needs a raise in pay. He must realize that when business is put into the red by Government taxation, jobs and wages are put into the red as well, that every restriction upon legitimate investment and expansion of business is a restriction upon new wages, new jobs, and new purchasing power; and that a government that robs them of these things robs them of something that no subsidy can repay.

We must awaken the people to the fact that the United States Treasury is their Treasury, not only to get money from but to fill; that the Federal Budget is their Budget, and that the national debt is theirs to pay, whether directly through taxes, or indirectly in higher prices and lower wages. They must realize that the

Government is now spending nearly $26,000,000 a day, or more than a million dollars every hour, or over $18,000 every minute, every hour, every day of the year. It is going into debt at the rate of over fourteen and one-half million dollars every day, or over $604,000 every hour, or nearly $11,000 every minute, every hour, every day of the year.

All too few realize that between 20 and 30 cents of every dollar spent goes for hidden taxes which are added to the cost of all that they buy. All too few realize that their share of the national debt of over forty-two and one-half billions is approximately $325, and that they will pay much of that, too, as they now pay indirect taxes, in lower wages and higher prices. Three hundred and twenty-five dollars, and yet our national income last year was only about $520 per person.

Bring these facts home to the American people, make them realize their stake in Government spending and deficits, and the hue and cry will go up for economy as it has in recent years for spending.

We must bring home to the American people not only the truth about New Deal Government by stealth, but its effect upon their lives and its threat to their free institutions. Ours is traditionally a representative government; and Congress has always been and must always be the most representative of the people. In a pure democracy, every individual would have a direct voice in public affairs. But because this is obviously impossible among a people numbering many millions, they can exercise their voice only through the election of their representatives and by holding those representatives responsible only to them. But the fact remains that the framers of the Constitution intended that the powers entrusted to the Congress were meant to be exercised by the people, through those whom they elected to represent them. Every power surrendered by Congress either to the President or to a Government agency is a power taken away from the people, and over which they have lost their control.

But these various New Deal agencies have not been content to exercise the vast powers which were vested in them, they have usurped powers which the Congress never intended them to have.

Americans are learning that the authority to exercise these vast powers in their favor is also the authority to use the same powers against them. The worker has learned that the National Labor Relations Board, for example, cannot only assure them the right to collective bargaining but that it can discriminate against his union or destroy it at will and force him to join a union for which he has never been given the opportunity to vote. He must realize, too, that these powers which may be used in his favor today may be used against him tomorrow. If the National Labor Relations Board has the power to limit the free speech and press of the employer it has the right to deny these same rights to the employee; and, should this power fall into other hands it might be so used. The fact that it is not is no justification for bestowing such power upon any board, nor it is any guaranty that it can't happen here.

The hearing of the House committee investigating the Labor Board has not only revealed discrimination and abuse in the use of its vast powers against employer and employee alike; it has also thrown light upon the workings of New Deal agencies. It has revealed organized campaigns on the part of these bureaucrats to line people up to exert pressure upon Congress against any amendments to the Labor Act or any cuts in appropriations. It has revealed that if an individual gets in bad with one board he may be blacklisted by others. The National Labor Relations Board, for instance, presents lists of companies and individuals to the Reconstruction Finance Corporation to whom loans shall be held up or denied. Moreover, there is evidence that attempts are also made to blacklist a company on trial before the Board with other private concerns.

We have learned that a company may be found guilty on charges so flimsy that the evidence is not accepted by a court of appeals, and yet the decision of the Board will be upheld by the Supreme Court. Should that company need a loan later from the R. F. C. in order to keep going, it stands small chance of obtaining it once blacklisted by the N. L. R. B. The result? A business shut down if it is unable to obtain a loan, more idle men and idle machines—all because a board of three men, entirely beyond the reach of the people, usurped powers they were never intended to have. Multiply this one example by the more than fifty agencies created by the New Deal and you have some conception of what is going on every year under this administration. How many men may have been kept on relief by bureaucratic baiting and blacklisting of business, it would be impossible to estimate. Who says that such policies don't affect the man on the street?

The American farmer has not only suffered in losses of domestic markets and in higher industrial prices as a result of these policies. No one has been a greater victim than he of bureaucratic red tape, restriction, and conflicting policies. We reduce our production of cotton, corn, and wheat. Brazil increases her production of cotton, Argentina her production of corn, and Canada her production of wheat to take over foreign markets formerly supplied by the American farmer. Meanwhile, the importation of competitive agricultural products has been encouraged under the reciprocal-trade program.

All that is necessary to see the result of the combination of these policies is to take a look at the figures of farm imports and exports under 7 years of the New Deal. Agricultural exports amounted to only $5,000,000,000, while agricultural imports—most of them competitive—amounted to nearly seven and a half billion dollars. This has meant an unfavorable balance of more than 47 percent for the farmer. By contrast, industry had a favorable balance of trade of 70 percent during the same period. The index of prices for grain fell from 103 in 1935 to 87 in 1939. For cotton and cottonseed it fell from 181 in 1935 to 82 in 1939. Other prices tell the same story. New Deal subsidies to the farmer have averaged less than $500,000,000 a year, cannot begin to repay such losses.

Texas is the largest cattle-raising State in the country, with some 7,000,000 head. In 1939 we imported more than 750,000 head of cattle or well over 10 percent of all the cattle in Texas.

Not only is such competition harmful to the American farmer and worker, but it is a detriment to the development of new industries in this country. Indeed, Mr. Grady, of the State Department, has expressed himself as opposed to the development of new American industries that will compete with our imports from other countries. Who, one might ask, is to receive first consideration?

No one wants to do away with trade treaties. No one wants to raise tariffs so high that they assure complete monopoly and permit exorbitant prices at home, at the same time setting up barriers to world trade. No one wants the approval of these treaties by Congress to be turned into logrolling contests. But that is not the alternative. A tariff which prevents the importation of cheap foreign-made goods below the American cost of production is merely giving the American farmer or worker or a new American industry a 50–50 chance. It is merely a protection against cheap foreign products against which our people cannot compete if they are to maintain their standard of living. It is merely protection against displacing American labor and American land with those of other lands. Such treaties can and should be used to stimulate our agricultural exports which have fallen so disastrously in recent years. But we cannot do so as long as we continue to make concessions to all the world but receive concessions from no one. To place these treaties on a basis of true reciprocity, whereby we gain as much as we give, is merely to give the American farmer and worker an even break with those of other nations. To assure adequate hearings before these treaties are negotiated, and the right of the citizen to appeal, to provide that the people shall have an opportunity to approve them through their representatives, is only to assure the democratic method of procedure.

To awaken the American people to these fundamental truths about the New Deal, its fallacies and its failures, is enough to assure the defeat of the New Deal at the polls this November. But it is not enough to assure the election of the Republican Party. It is not enough to show that the New Deal has failed, but that the Republican Party can and will succeed. Our criticism of the New Deal is not partisan but is rather based on principle. It is on principle that we must wage our campaign. Our program is nonpartisan, it is American; and it is to the great body of Americans who are independent of any political party that we must make a nonpartisan appeal.

We must not forget that just as it is the people who never come to church who are generally most in need of salvation, so the people who never attend political rallies are the ones we need most to reach. Here the administration in power has a tremendous advantage. The party out of power can do so only by tireless and endless work, by enlisting thousands who will go from door to door, day in and day out, throughout the year. Political rallies are simply the starting point.

The Republican Party must be the means of restoring the American Government to the American people, of returning to them the powers which can and should be administered locally, of returning to Congress the powers which are the people's to exercise through their representatives.

The Republican Party must be the party of liberation—of freedom from stifling taxation and oppressive restriction, from the tinkering of bureaucrats with their lives, from the competition of their Government with the way in which they earn their living.

The Republican Party can and will bring about the recovery of our system of free economy, not by restricting it, but by freeing it from the chains that bind it today. The legislation we write will not be designed at making the system over, but at correcting evils and preserving the freedom and opportunity of men to rise according to their abilities.

We can and will bring about the more abundant life; but we know that prosperity must be achieved not through scarcity, but through plenty and that abundance must be created not by idleness but by work. The security we will offer those who are underprivileged today is not dependence upon Government subsidy, but the security of a job in an expanding economy with the opportunity to rise through their industry and their initiative. We will lend particular encouragement to new industries employing agricultural products as an ever-widening field of untold possibilities for farmer and worker alike.

The New Deal has assumed that work and wealth must be divided; we Republicans are going to multiply them. They have gone on the theory that freedom and opportunity, like national income, must be taken away from some if they are to be increased for others. We know that freedom and opportunity, as well as national income, can be increased for the underprivileged without depriving any citizen of his civil liberties or of the fruits of his labor. The new dealers have attempted to equalize by leveling down. We Republicans are going to assure greater justice and equality by raising up.

That is a large order. It is a challenge that must be met. And yet, it is a program based on simple truths and plain, ordinary common sense.

It is in terms of these fundamental truths which should be obvious that we can best present the Republican program to the American people, for they are the basis of progress itself.

Dedicated to such a program, the Republican Party will not fail to achieve victory through service.

The Farm Credit Situation

EXTENSION OF REMARKS
OF
HON. REID F. MURRAY
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 13, 1940

Mr. MURRAY. Mr. Speaker, I made the following statement before the Agricultural Committee in regard to the farm-credit situation:

I wish to say that for many years I have felt that we should have a uniform and a fair rate of interest on long-term farm mortgages. I have a keen interest in the purposes of the bill which we now have under consideration, whether it is the Jones bill, the Wheeler bill, Farmers Union bill, or whatever the name of it may be, and regardless of the individual, group, or party sponsoring it.

I have lived in a territory that really has been in an agricultural turmoil for 10 years; a drought, of which no one had ever seen its equal, and low prices that have made this territory far from a normal producing area.

Farm prices were low and a general hymn of hate, partly political, had resulted in a situation in which family was arraigned against family, neighbor against neighbor, and in which right thinking, equity, and fairness were difficult to follow.

Your figures will show that in 1933 and 1934 Wisconsin had a very large number of loans. Mr. Morgenthau personally came out to Wisconsin and helped start the program.

THE LOANS

The F. C. A., in my district alone, loaned over $20,000,000. Many abundant-life advocates, who are always very liberal in giving other people's money away, inferred that the Commissioner loans, when they were second mortgages, would never have to be paid. Many borrowers thought that when they had secured a rearrangement of their debts, and had them consolidated in a Government loan, their debts were nearly paid because these were the days of the forgotten man.

I have known too many men like Fred Darling, Rufus Runke, Willard Spaulding, Milt Button, John Jones, Arthur Collentine, and Charles Simmons for too many years to have anyone make me believe that these men are not as sincere and capable public servants as could be found in any private or Federal organization that ever existed. Many of these men went out with the spirit of crusaders and felt as if they were solving the problem of agriculture in a way it had never been solved before.

HOW THE LOANS WERE MADE

The loans were made up to 75 percent of the normal agricultural value of the farm. The normal agricultural value was based on the earning power of the farm. Everyone was supposed to look through rose-colored glasses. Prices under the previous Republican administration were ridiculed, for the day of the more abundant life was at hand, and the inference was that higher prices for farm products would prevail in the future.

WHAT HAPPENED

After the loans were made—and we had 8,089 loans on January 1, 1940, in the district—prices did not rise as they should. Milk is the lifeblood of the district and with 493,000 head of dairy cattle, the price of milk and dairy products largely determines the loan that a farm can carry. During the 7 pre-New Deal years cheese averaged 17.5 cents per pound, butter averaged 35 cents per pound, and milk averaged $2.12 per hundredweight in the United States. During the last 4 Republican years, when there was a world-wide depression and a political hymn of hate never before equaled in this country and with a hired smearer of the opposition party and with the House of Representatives under the control of this opposition party for 2 years, we had an average of 14.7 cents per pound for cheese and 32 cents per pound for butter.

Since the New Deal, we have had to discard our rose-colored glasses as we find that milk has averaged $1.68 per hundredweight, cheese has averaged only 13.2 cents per pound, and butter has averaged 26 cents per pound, and in 1939, after 6 years of the more abundant life butter has averaged only 25.8 cents per pound. Cheese, in 1938 and 1939, averaged only 12.7 cents per pound.

THE QUESTION

Now, if the farmers could not carry their load with the prices they received in pre-New Deal days how, in time, can anyone expect them to pay their interest and payments with the prices that have prevailed during the past 7 years? We all realize that the products the farmer buys have advanced very materially in price during this time, many items up to 25 percent of their former value.

The result

Number of loans in Seventh Congressional District of Wisconsin	8,089
Total face value of loans	$19,515,200
Percentage of delinquent loans	50.2
Number of farms now owned by F. C. A.	711
Percentage of recovery when farms were sold	61.9

In Wisconsin there is a 34 percent increase in the percentage of Federal land-bank delinquencies and an increase of 70 percent in the percentage of Commissioner-loan delinquencies.

One thought immediately presents itself and that is, if the F. C. A. would foreclose the 4,000 loans in my district which are delinquent, wouldn't we be about back to where we were in 1933? And hasn't the farmer lost his farm just the same whether the F. C. A. forecloses, or some individual forecloses? This is especially so if we realize that the farm prices, in relation to parity, have made little headway.

THE PRESENT BILL

The bill under consideration will reduce this interest one-half or 1 percent. If our average loan is $2,500, this makes an average difference of $12.50 or $25 per loan per year. This is desirable, but I maintain that the big problem is to get the farmer a decent price for what he raises, or a parity price, if these farmers are ever going to pay their interest on their loans.

When the members of this committe and other Members of the House see the situation which prevails in my district, they will have a little more sympathy with my attitude toward the trade treaties, which reduced the tariff on cheese 42 percent. They would be especially tolerant when they realize that many of their States have had agricultural subsidies from the United States Treasury during the past 7 years which represents over 30 percent of the value of their farms, while Wisconsin has had agricultural subsidies which represent only 3 percent of the value of her farms. This tariff was reduced 20 percent in 1938, when cheese was 12.6 cents per pound, or about two-thirds of parity, and no one in the Agricultural or State Department, nor any Member of Congress, ever tried to justify this reduction. Who the so-called experts were that recommended this reduction I am unable to find out.

WHAT DO YOU PROPOSE TO DO AS ADMINISTRATOR OF THE F. C. A.

To put it frankly, I see the political potency of this particular bill, but that is no reason why I will not support it, because I support all legislation which is for the general welfare regardless of the origin of the measure. What I want to obtain from you is a statement or a suggestion of just what your policy or the policy of the Farm Credit Administration is going to be in regard to the 4,060 delinquent

loans in my district, and how you are going to reappraise them and get them back to a normal loan. I also want the assurance of the same program after election as we have before election.

Again, frankly, up to this time it appears to me that the present administration has:

First. Loaded these farmers with loans at rates of 4 percent to 5 percent.

Second. Given their market away by reducing agricultural tariffs out of line with what the farmer buys.

Third. Subsidized hundreds of new farmers and set them up in business at lower rates of interest in direct competition to the farmers already on their farms with their large obligations.

Fourth. And now proposing in a big way to take the farmer's product as cheaply as it can buy it and give it away to its customers to sit down and eat it and then tell the farmer it is subsidizing him. We imported over $90,000,000 worth of farm products and at the same time we appropriated $30,000,000 from the United States Treasury to buy the same products, through the Surplus Commodity Corporation.

Though some administration spokesmen may take the credit for feeding the poor, the facts are that the farmers have contributed 25 to 35 percent of the cost of feeding the poor all these years and, incidentally, the rich, too, for that matter, and the time has come when they should receive parity prices for what is taken from them and given away.

It seems to me that we must have a correlation and a coordination of these agricultural governmental agencies, which are really fundamental, in order to put the agricultural house in order.

Let us support such a bill as is before the committee, but let us realize that the farmer cannot pay the 3-percent interest if he does not get parity prices. If we are going to subsidize farmers let us subsidize the farmers who live on, own, and operate their own farms; let us insist on a tariff that does not allow imports to reduce the price of farm products that are below parity and let us consolidate these agricultural agencies so that they will mesh and not be constantly working at cross purposes.

Why should we set up a new farm-buying agency when the Government has already thousands of farms on its hands that are being carried at a loss and when sold bring 61.9 cents on the dollar? Let us work for a program which will give all farmers parity and start by consolidating the agencies of agriculture we now have.

Unfairness of Inland Water Carriers

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

EDITORIAL FROM THE INDIANAPOLIS STAR

Mr. VAN ZANDT. Mr. Speaker, in view of the program of propaganda against the Wheeler-Lea railroad bill that has resulted in the dissemination of misleading information by the Inland Water Carriers, the following editorial appearing in the Indianapolis (Ind.) Star, July 25, 1939, reveals the true picture as observed by the editor of one of the leading newspapers of the Nation.

[From the Indianapolis (Ind.) Star of July 25, 1939]

UNFAIRNESS OF WATER CARRIERS

Seldom has such unfairness been exhibited by selfish business interests as in the current opposition of water carriers to regulation by the Interstate Commerce Commission. A bill to subject them to supervision by the body that governs other forms of transportation is now under debate in the House. The barge lines are protesting vehemently that the proposed legislation is sponsored by the railroads to crush competition.

It is true that the railways desire enactment of the bill, which should tend to eliminate injustice of the current situation. The public will recognize the dog-in-the-manger attitude of the waterways. They raise a tearful cry of oppression when they are asked to accept the same type of regulation applying to competitors. Justice, in the eyes of the waterways, appears to mean freedom from the supervision maintained over railways and truck lines and continued subsidies of taxpayers' money that alone has kept them in business.

The public and Members of Congress in the long run are usually fair. They should concede that the waterways are not entitled to preferential treatment that permits evasion of just rules. It would be manifestly unfair in any contest if one team were permitted to make its own rules and indulge in any tactics it saw fit, while an opponent is penalized promptly by the referee for any infraction of the code.

The waterways not only benefit from direct subsidies but they use a right-of-way equipped and maintained by the taxpayers. Millions are spent in dredging channels and operating an expensive series of locks and dams. The railroads purchase and maintain right-of-way and pay huge sums in taxes on which many Government units depend. The industry supports many families directly, besides the large number engaged in production of railway supplies. There should be a fair basis for all forms of transportation but it will not be established until the waterways are subjected to adequate regulation by the same body that makes the rules for their competitors.

Rubber

EXTENSION OF REMARKS

OF

HON. JOHN Z. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

LETTER FROM SALINAS CHAMBER OF COMMERCE

Mr. ANDERSON of California. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following letter from Fred S. McCargar, secretary, Salinas Chamber of Commerce. The subject matter, which deals with the growing and processing of rubber in the United States, should be of interest to every Representative who is concerned with overproduction of certain crops and is desirous of finding new use for idle land.

The letter follows.

CHAMBER OF COMMERCE,
Salinas, Calif., March 5, 1940.

DEAR CONGRESSMAN ANDERSON: If it is good business for the Italian Government to grow rubber as an insurance against war, why isn't it good business for the United States to grow rubber, especially with the possibility of a war in the Pacific shutting off the supply from the East Indies, whether we are in the war ourselves or not, thereby skyrocketing rubber prices?

Guayule rubber can be successfully grown on hundreds of thousands of acres in the Western and Southern States, which are not now producing crops or producing surpluses that are one of our greatest problems. This would put thousands upon thousands of people to work in these States, planting, harvesting, and milling this rubber and more thousands in other States manufacturing the planting, harvesting, and milling machinery which would have to be specially built.

Guayule rubber is grown from seed. The seeds are planted in a nursery for 1 year, then set out in rows like corn. The plants immediately become a source of rubber, but the most efficient time for harvesting them is at the end of 4 years. They will continue to grow for 30 years or more, thereby paying more than their own storage costs and being available when most needed, and that part produced by the Government only used in an emergency. Guayule is a bush about 2½ feet at 4 years, and is harvested by plowing it up. The rubber is extracted by grinding in a pebble mill under water; the rubber, being lighter, floats off. Tree rubber in the Orient is harvested by tapping each day by hand, or 1,400 hand processes against 1 with guayule, and that with machinery. An acre of guayule produces about the same amount of rubber as an acre of tree rubber in about the same period. There have been 6,000 acres planted in the Salinas Valley, and in all there has been manufactured over 200,000,000 pounds of guayule rubber in the factories at Salinas and those in Mexico. Bush rubber is the same as tree rubber, except that it usually is fresher, therefore brings a premium. Bush rubber can be produced in this country in competition with tree rubber, and at a profit at the present prices, but the American farmer hates to take a chance on the price 4 years hence.

The nursery is located at Salinas and is equipped to raise seedlings for thousands of acres. Why not spend a few of the billions being

spent for defense this way, thereby helping the farmer, the unemployed, the factory worker, and protecting the automobile owner from an enormous tire price? Remember, it takes 4 years. Why wait until we are in a jam?

Yours very truly,

FRED S. MCCARGAR,
Secretary, Salinas Chamber of Commerce.

Interstate Chain Stores a Menace to the Economic and Social Welfare of the People, and Will Destroy Newspapers

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 13, 1940

Mr. PATMAN. Mr. Speaker, one of the most popular magazines in America has carried several articles favoring the interstate chain stores and particularly a great boost in a long special article for the Hartford Bros., owners of the Great Atlantic & Pacific Tea Co. This publication is now preparing another great boost for another large interstate chain-store concern. Recently a representative of individually owned stores—independent merchants—asked a representative of this popular magazine why the independents could never get anything published that was favorable to them when they had often requested it and had furnished information in which the public would be interested. This representative frankly confessed that the independents did not advertise with them and the interstate chains did; therefore, they felt obligated to help the chains because they were good customers and felt under no obligations to help the independents.

If a few large concerns can get control of retail distribution, they can carry their weekly advertisements, even including prices in the Saturday Evening Post, Collier's, and other popular magazines instead of the local papers. They will not have to sell below cost then to squeeze out competitors and their prices can be the same. They will certainly carry plenty of advertising in the large magazines to build up goodwill, but will they patronize the local newspapers? Any system that causes foreign ownership of local business will eventually destroy the local newspaper.

THE 1937 AMERICAN FEDERATION OF LABOR REPORT AGAINST CHAIN STORES

The American Federation of Labor at Denver, Colo., October 4 to 15, inclusive, 1937, asked for a Senate investigation of chains and unanimously endorsed the following statement in a resolution:

It is an intolerable situation when highly organized chain systems can hammer down prices all over the Nation and then force manufacturers to make shoes at these prices or go out of business. This condition leads to steady demands upon the workers for wage cuts, and, with living costs steadily rising, wage cuts are impossible. Wage earner and manufacturer alike are dictated to by highly organized selling groups who deliberately fix prices for the whole country. The Boot and Shoe Workers' Union appeals to the organized trade-union movement for support. The very existence of entire communities is at stake, and the shoe industry is rapidly becoming a mere appendage to a few small groups who control prices throughout the United States and who manipulate these prices for their own profit and with absolute disregard for human welfare or social justice.

THE 1932 AMERICAN FEDERATION OF LABOR REPORT AGAINST CHAIN STORES

The American Federation of Labor, at its annual convention at Cincinnati, Ohio, November 21 to December 2, inclusive, 1932, unanimously endorsed a resolution, which contained the following:

Whereas the growth of these chain-store companies, both financially and in number of units operated, have shown remarkable growth at the expense of the people of the United States; and

Whereas it is our thought that the present economic depression is due in part to consolidations, amalgamations, and the creation of some mammoth organizations of chain-store companies now operating in this country; and

Whereas the laboring classes of the United States derive no benefit whatsoever from some mammoth combinations: Therefore be it

* * * * * * *

A. F. OF L. DID NOT CONDEMN OUR BILL

In October 1938 the American Federation of Labor had a convention at Houston, Tex. One morning a headline article appeared on the front page of practically all of the newspapers in this country to the effect that this great organization had condemned the so-called Patman anti-chain-store bill. This article purported to give several paragraphs of a resolution that was supposed to have been passed at this convention condemning this proposed legislation.

This purported resolution was presented to different labor organizations all over the country in order to induce them to pass similar resolutions, and in many cases they did, the efforts of the interstate chains being successful.

The truth is no such resolution was passed by the American Federation of Labor at Houston, Tex., in 1938, nor any resolution condemning this bill. This false claim has been exposed, yet I have never seen the correction carried in one newspaper in America, although it has been fully carried in the CONGRESSIONAL RECORD at different times. This is exhibit No. 1 of the influence of fourteen and one-half billion dollars. The truth is the interstate chain representatives went so far in their efforts to use money to influence this great organization that a real scandal will probably be exposed before many moons. It is a compliment to the loyal, alert representatives of the A. F. of L. that they did not permit their organization to be so used.

DECEITFUL PROPAGANDA

The owners of large interstate chain stores caused to be organized the National Consumers' Tax Commission, of Chicago, Ill. It is supported by the large fortunes of a few very wealthy men, who made their money destroying community life. The object is to hire prominent women over the country to be a "front" for the interstate, absentee-owned chain stores, and carry on a deceitful and misleading fight in their behalf. Many prominent women have become victims of this treacherous and sordid conspiracy. Information is now in my possession which indicates enormous sums of money have been spent in organizing these associations locally. I was astounded to learn that many prominent women, who have held responsible positions with different women's organizations, have accepted huge sums from the owners of giant monopolies in return for the use of their names, which carries with it their prestige and standing, in behalf of those who are working against the interest of the plain people of this country and who would deny to the very children of these misled mothers a fair and equal opportunity in life. I am receiving information from all over the Nation about the activities of this association, and I hope people continue to send me this information.

Deceitful propaganda is very damaging to the interest of the general welfare of the people of this Nation and should be exposed at every opportunity. As further evidence of deceitful and misleading propaganda that is being published by the interstate chains through their 100-percent-owned institute of distribution should be mentioned the stand of the American Federation of Labor on this bill.

Chain-store propagandists are still making the false claim that the American Federation of Labor condemned our bill, H. R. 1.

MODERN LOBBY

Do any of you recall the power lobby? Well, the power lobby was amateurish compared to this modern, streamlined, absentee-ownership lobby. It is backed by tens of millions of dollars. It is spending huge sums of money each month in the effort to influence Members of Congress.

Money can hire brains and this lobby, having plenty of money, has obtained the best brains and the services of the most influential people money can buy. Today Washington is flooded with all kinds of "legislative consultants" * * * and others, who claim to know how to get things printed in the newspapers and how, through artful methods, to influence

the Members of Congress. These lobbyists profess vast personal influence and I might add that with my introduction of the Federal chain store tax bill, many lobbyist slaves of the money masters have enjoyed steady employment.

Here is another illustration of chain-store pressure methods:

Away from Washington, and throughout the interior of our land, the interstate chains have compelled store managers to deliver sets of eight form letters to customers. They try to persuade customers, through the use of incorrect data, to write letters to Congressmen, urging them to oppose the Federal chain store tax bill.

These letters are written on stationery supplied gratis by the interstate chains. When written they are turned in, unsealed, to local chain-store offices. After examination by chain officials, the letters are sealed, stamped, and mailed to Washington.

I admit that this is attention-getting propaganda. But I believe that the average Member of Congress gives more serious consideration to one uninspired letter from a good mother or father, with the vision to see local opportunities and local privileges slipping away from their children and into the hands of a few rich money masters of Wall Street, than he gives to a hundred chain-inspired letters.

They are also commencing a pressure campaign by telegraph.

WHAT ATTORNEY GENERAL MURPHY SAID ABOUT INDEPENDENT BUSINESS

Attorney General Frank Murphy, who was recently sworn in as a member of the United States Supreme Court, and who is one of the best and ablest men in this Nation, made this statement about the necessity of preserving independent business:

Trusts and monopolies in America have been fostered and promoted in the past by the Federal Government to such an extent that they virtually have wiped out the small independent business man. We must restore this independent business man or we will be a nation of corporation peons in another decade.

The day is already here when a boy graduating from college can seek a career only in some monopolistic enterprise if he has any hope whatever of achieving comparative success.

We have come to the point of making jokes about the disappearance of the corner grocer.

HEARINGS

H. R. 1, a bill to regulate selfishness and restrain greed by distributing privileges and opportunities will be considered by the committee commencing March 27, 1940.

The 1940 Census

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

LETTER FROM A CONSTITUENT

Mr. TREADWAY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter received by me recently from a distinguished constituent:

MARCH 7, 1940.

DEAR ALLEN: This is a little of what I consider good advice, although I do not believe you need it.

Nothing that has happened during a number of bewildering New Deal years has aroused so much hostility among the people around here as the "prying questions" that are proposed in the 1940 census. Senator TOBEY has made many a friend for himself, in my humble opinion (and among them people who never heard of him, both Republicans and Democrats) simply by keeping after this foolishness that they propose, and apparently there is a good chance that this may be removed by Congress. If this comes up in the House, or if you get a chance to "spout" about it I believe this represents an excellent soundingboard, and the surprising thing to me is that most of the "squawking" comes from people in the middle income brackets and lower, and who may have a mortgage on their homes (or possibly share their privies), even as you and I, and who consider that it's nobody's d—— business.

The factor that I think is particularly bad is that information gathered like this in a town like ———, or in fact any of them in your district, by strictly political employees working under a short appointment, is pretty sure to become public knowledge in almost no time. And the fact that there has been so much said about it is proof that the "keyhole peepers" and street-corner gossips are just waiting for a chance to get at this information tooth and nail. Even if you lose, I believe this deserves a few rapier-like thrusts from you, although you are a much better judge of what you should or should not do than any rank outsider like myself. I do know that more people have crabbed to me about this than anything that has happened for years and I believe probably the New Dealers already know this and have perhaps already put her in reverse just as they always do when they stumble into a hornet's nest.

The Proposed St. Lawrence-Great Lakes Waterway Treaty

EXTENSION OF REMARKS

OF

HON. MARTIN J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

ARTICLE FROM THE NEW YORK TIMES OF JANUARY 22, 1940

Mr. MARTIN J. KENNEDY. Mr. Speaker, almost daily there are articles appearing in the leading newspapers of the country in opposition to the proposed St. Lawrence-Great Lakes waterway treaty. The following statement was taken from the New York Times of January 22, 1940:

CANADIANS ARRIVE FOR SEAWAY TALKS—HULL, IN WELCOME, CONTRASTS "CONSTRUCTIVE" PROJECT WITH OTHER WORLD ACTIVITIES—PROSPECTS OF PACT GAIN—DOMINION MORE RECEPTIVE, BUT THE ATTITUDE OF CONGRESS REMAINS IN DOUBT

WASHINGTON, January 21.—"In a world in which so much of international relations arise out of unhappiness it is gratifying to be able to take up a project which is constructive," Secretary of State Hull declared tonight in a statement welcoming a Canadian delegation here to continue negotiations for a new St. Lawrence seaway treaty.

The Canadian delegation is composed of Dr. O. D. Skelton, Under Secretary of State for External Affairs; T. H. Hogg, chairman of the Ontario Hydro-Electric Commission, who will represent Ontario's interest in the power feature of the seaway; and J. E. Read, Guy A. Lindsay, and Olivier Lefebvre from the Departments of External Affairs and Resources.

The group conferred in Ottawa 2 weeks ago with a United States delegation headed by Adolph A. Berle, Jr., Assistant Secretary of State.

In the conversations to be resumed here tomorrow the financing of the project may be the main subject.

CANADIAN CHANCES BRIGHTER

The arrival of the Canadian delegation for formal discussions means that both governments believe that, after lying dormant for 7 years, the St. Lawrence project is politically ripe for revival. The chances of approval in Canada are now brighter than they have been for a decade.

Ontario needs, or will soon need, a large part of the 1,000,000 additional horsepower that would become available to her under the power feature of the plan and, consequently, Premier Mitchell Hepburn, of Ontario, has dropped his vigorous opposition.

Quebec shipping men still dislike the prospect of displacement of Quebec City and Montreal as inland ocean ports by Great Lakes cities such as Fort William and Port Arthur, and Quebec power magnates would prefer to continue selling their surplus current to the Ontario Hydro-Electric Commission.

But Premier Duplessis, of Quebec, who was a political enemy of Prime Minister Mackenzie King, has been succeeded in office by Adelard Godbout, who owes his victory largely to the intervention of the Federal Government in the Quebec elections. If Mr. Mackenzie King really wants the St. Lawrence seaway there is little doubt that he can have it.

The desire of American waterway engineers for a one-stage rather than two-stage development of the seaway has been met by the Canadians, partly because it will reduce the cost of the project to Ontario, which would contribute toward it in return for the power to be received.

CONGRESS ATTITUDE IN DOUBT

What will happen to the project in Congress remains problematical. An attempt is being made in the present negotiations to propitiate Chicago in the matter of diversion of Great Lakes water into the Mississippi through the Chicago drainage canal.

Since the present negotiations began they have aroused the hostility of the Atlantic States Shippers Advisory Board and a dozen other organizations. These groups have discussed plans to block the project, while deferment of the negotiations was requested by Representative MARTIN J. KENNEDY, of New York, pending an investigation by the House Interstate and Foreign Commerce Committee.

Mr. Hull's statement tonight was as follows:

"We are glad to welcome Dr. Skelton, the Under Secretary of State for External Affairs of Canada, and his colleagues, who have come to Washington for the purpose of continuing negotiations for a new treaty providing for the development of the St. Lawrence River and the Great Lakes Basin.

"Both Canada and the United States have been interested in this development for many years. The treaty which was negotiated covering this subject in 1932 met with certain objections; and as a result, both the Canadian Government and ourselves decided to reopen the negotiations on a new basis, looking toward the conclusion of a new treaty dealing with the Great Lakes-St. Lawrence Basin as a whole.

"In a world in which so much of international relations arise out of unhappiness, it is gratifying to be able to take up a project which is constructive, and whose object is to improve the economic well-being of the peoples of both countries."

In my opinion, I think it would be most unfortunate to enter into a treaty at this time with a country now in a state of war.

American Fishermen Fight Customs Ruling Allowing Entry of "Duty-Free" Newfoundland Fish

EXTENSION OF REMARKS

OF

HON. RALPH O. BREWSTER

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

BRIEF OF THE ATLANTIC FISHERMEN'S UNION

Mr. BREWSTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following brief submitted by Patrick McHugh, of Boston, Mass., on behalf of the Atlantic Fishermen's Union, Local No. 21455, before the Commissioner of Customs, Washington, D. C., relative to Treasury Decision No. 49682:

HOW AMERICAN LABOR IS AFFECTED

Much has been said about provisions in the General Seafoods Corporation Agreement No. 49 relating to employment of Newfoundlanders in preference to American labor.

We introduce into the records herewith the exact wording of the employment clauses, as follows:

"3. With respect to the employment of Newfoundland citizens at the shore stations and in the boats and vessels of the company:

"(a) That, to the extent that the same are reasonably available, only Newfoundland citizens resident at the time in Newfoundland shall be employed in the company's shore stations, with the exception of the managerial and supervisory staffs thereof;

"(b) That, to the extent that the same are reasonably available, only Newfoundland citizens resident at the time in Newfoundland shall be employed by the company in its boats or vessels engaged in fishing out of Newfoundland or in carrying merchandise from Newfoundland to the United States of America or elsewhere, with the exception of such officers or members of the crews as may be required by the laws of the country of registry to be citizens thereof."

Thus we have an American fishery project in which Newfoundland resident citizens are employed, and, of course, in which no United States fishermen need apply. The whole affair is so absurd, so ridiculous that it would be comic were it not for the fact that (if carried through) it certainly might mean in time the wiping out of thousands of American jobs.

Before this "self-enacted law" known as the Treasury Decision No. 49682 went into effect in August of 1938, foreigners could merely be employed in the crew of an American vessel. Under the decision, these foreigners may now be employed in the shore station because it is part of an American fishery, although it may simply be leased by the shipowner or master. And, worse still, the foreigners in this case have elbowed the Americans right out of the picture.

IS THERE A MONOPOLY?

Advocates of the Newfoundland deal indignantly object to our assertions and those of men like Congressman BREWSTER that this act, No. 49, in effect conveys a virtual monopoly upon General Seafoods due to selection of the site of La Poile.

First of all, of course, there is the agreement that there will be no financial help from the Government of Newfoundland to any other possible American competitor for 3 years.

Secondly, the Government agrees for 22 years that "it will not, for the purpose of inducing or aiding the erection or operation of any shore station comparable in kind with the company's shore station within a radius of 15 miles therefrom, * * * give to any person, firm, or corporation any financial assistance, or any concession of any kind * * *."

This clause has a neat little joker buried deeply. Only those who know something of the treaty coast of Newfoundland realize what this trick promise really means, * * * and our American fishermen know that coast.

In his extensive analysis of the Newfoundland deal, Congressman BREWSTER sized up La Poile as "the only decent ice-free harbor on the coast."

As to La Poile, the Hydrographic Office declares that this harbor rarely has ice fields, and in fact navigation has not been impeded more than half a dozen spring seasons during the past 50 years.

Are the other bays equally fine? In the case of Cinq Cerf Bay, "the only anchorage is available for small vessels."

In the case of Couteau Bay, "the entrance to the bay is almost blocked by islets and rocks."

As for Barasway Bay, "foul ground makes the bay useless as an anchorage."

This leaves only one possible available competing bay, that of Connoire Bay, the second best harbor along the coast. This is around 15 or 18 miles from the La Poile area, and perhaps may just come within that prescribed Government "no aid" limit of 15 miles. In any event, this bay is in no way to be compared to the fine ice-free harbor of La Poile.

However, the physical aspect of the various harbors is only one factor pointing to this alleged monopoly for one American company. Recently J. H. Gorvin, the new Commissioner for Natural Resources, said that "anyone who wants to operate without Government assistance within these areas is quite free to do so."

This seemingly plausible statement was exploded last December 8, 1939, by H. A. Winter, writing in the Evening Telegram in St. Johns, Newfoundland, as follows:

"He does not say 'under the 1818 treaty' but that term is necessarily implied. Obviously, also, it refers to Americans. Read in this way the statement is quite false. No other American concern is free to do so. If it is meant as an invitation, anyone accepting it might operate without Government financial assistance, but he could not operate without Newfoundland legislation enabling him to own land and do other things. And no one would be insane enough to attempt it."

OTHER FORMS OF MONOPOLY

No amount of argument that there is technically no monopoly for General Seafoods in Newfoundland can explain away the fact that this company has several advantages which no other concern can obtain, at least not for years. Some of these might be listed briefly as:

1. They start off with a cash advance of $200,000; if this had to be raised by another American concern there would be a bond issue, costing at least 6 percent interest, and also an annual depreciation of 5 percent to be charged off. General Seafoods has the money and repays gradually, and free of interest.
2. Piers and wharves are to be constructed for them, according to former Commissioner Ewbank.
3. Nominal rental of only $100 will be paid yearly for first 2 years.
4. If lease runs for full 22 years, General Seafoods will then own outright the big plant.
5. Many customs concessions are to be granted.
6. Exemptions are promised on immigration laws to permit company experts to enter country.

We submit that H. A. Winter was right when he declared that "no one would be insane enough to attempt" to compete with General Seafoods on the treaty coast.

UNITED STATES TRAWLERS TO NEWFOUNDLAND

From the words of Clarence Francis, president of the General Foods Co., parent concern of General Seafoods Corporation, we have the definite statement that the company "will transfer several of our trawlers to that coast (Newfoundland), where the fish live in great abundance."

EIGHT MONTHS AHEAD OF TIME

In May of last year President Clarence Francis, of the General Foods Co., informed his supervisory force that "we have just closed a fishing contract with the Government of Newfoundland. A building will be constructed for cleaning and freezing fish."

This reveals that the deal was closed secretly for at least 8 months before it was made public, or rather before it was publicly signed. Not until the following December 6 did the General Seafoods Corporation Act No. 49 become a law as "enacted by the Governor, by and with the advice of the commission of government."

We want this in the record to prove conclusively that Treasury Decision No. 49682 was written, to a large extent, because the General Seafoods had wanted it written, to make legal their as yet unrevealed deal with the Newfoundland Government.

REGARDING POSSIBLE UNITED STATES MONOPOLY

Both the Massachusetts State Federation of Labor and the Atlantic Fishermen's Union which I here represent, have adopted resolutions calling for investigation of the fishing industry of New England for alleged improper practices, including possible violation of antitrust laws. The Customs Department might well obtain from the Department of Justice some information upon the question. This move of the company to Newfoundland may perhaps be aimed at evading possible prosecution under the Sherman and Clayton

laws. General Seafoods is said to do some 100,000,000 pounds of fish business at the Boston fish pier annually, or at least 25 to 33 percent, which is claimed by the union to be a proportion in excess of possible legal limits.

NO SUBSIDIES FOR UNITED STATES FISHERMEN

We fishermen are eternally grateful to Congressman BREWSTER for one special section of his speech, that in which he told how large-scale financial help is given to Canadian fishermen in contrast to practically none for Americans by our Government.

We agree with Mr. BREWSTER that it is no wonder that American fish companies move to Canada and Newfoundland. We want to introduce into this record his thought-provoking analysis of the widespread type of financial help which Canada gives to its fishermen, in contrast to nothing by the United States for us American fishermen. All we seem to get is "help" like this Treasury Decision No. 49682.

Here are the details of the Canadian financial aid to fishermen, as taken directly from the Brewster speech:

"The Dominion of Canada aids its fishermen by direct subsidies. From the ninth annual report of their department of fisheries for 1938–39, page 12, it is stated that in that year total cash payments of $471,106.20 were made to eastern Canadian fishermen to replace gear which had been destroyed by storms. The Dominion paid $369,443.57, the Provinces of Nova Scotia, New Brunswick, Prince Edward Island, and Quebec paid the rest.

NOT FOR NEW ENGLAND FISHERMEN

"No one has heard of payments to New England fishermen for gear damaged in the hurricane of 1938. In the same year—report, pages 15–16—cash bounties paid to fishermen in the Maritime Provinces by the Dominion Government were $159,952.70. The sum of these direct cash subsidies in Canada is $631,088.90, or one-eighth cent per pound for all fish caught in eastern Canada, including bait, herring, and everything. This is equivalent to three-tenths cent per pound of fillets. Add this to the total benefits of duty concessions, currency depreciation, direct subsidy for building the plant; we get the grand total of 1.39 cents per pound direct advantage Canadian fishermen now have over New England fishermen, workers, and employers. Fishermen in the Maritime Provinces also received loans from the Dominion and Provinces of $386,424.38."

GENERAL SEAFOOD'S PRINCIPAL PURPOSE

We wish to place upon the record one paragraph from the 140-page printed brief which was filed with the Customs Department 2 years ago prior to the time of the issuance of Treasury Decision No. 49682. The paragraph, on page 34 of their brief, reads as follows:

"The principal purpose of the operation is, of course, the production for the United States market of certain fish products, primarily packaged quick-frozen fish fillets. The enterprise will be of doubtful practicability unless the products, to the extent they consist of fish taken by the applicant's fishing fleet above described, are entitled to entry into the United States free of duty."

These frank admissions in the above paragraph refutes those persons who have been claiming that the fish would go to England and thus not in any way injure our American fisheries.

PROBLEM OF THE UNEMPLOYED

We now have upon our hands a growing problem of unemployed fishermen, in Boston and Gloucester, where at least 200 such veterans of fishing fleets cannot get work. Many have left to seek work on the west coast—so much so that we have received official communications from unions out there advising us to tell our out-of-work members that the west coast cannot absorb any more. If the Newfoundland deal pulls several of President Francis' trawlers out of Boston, then there will be many more unemployed among our members.

SIX MONTHS' STUDY MADE

Because of the fact that no public hearings were held, no information sent to possible competitors among the industry, and no attempt made to obtain the viewpoint of the fishermen, it seems to us that there should be entered on this record certain information relating to the background of the application of General Seafoods Corporation.

The project was in the early stages of discussion and negotiation in the fall of 1937, according to Newfoundland officials. On December 3, 1937, the United States Consul General at St. John's, Newfoundland, made a report to the Secretary of State to the effect that this project was being negotiated.

According to Secretary of State Cordell Hull,

"Copies of the consul general's report were referred to the interested agencies of this Government, namely, the Treasury Department, the Department of Commerce (in which the Bureau of Fisheries was then located), and the Tariff Commission."

Not one of the three departments corresponded with any American fish concerns which obviously would be keenly disturbed by developments.

Secretary Hull, in the CONGRESSIONAL RECORD of February 9, continues with:

"The Treasury Department stated in subsequent communications that pending the receipt of further information from the representatives of the General Seafoods Corporation and from this (State) Department, a decision regarding the tariff status of products resulting from the operations of the corporation was being held in abeyance."

Note that the Treasury Department says that the decision on making this fish duty free was to be held in abeyance, until they had more information from the State Department and from the applicant, General Seafoods. The desired information came from the two most interested parties * * * the party of the first part (General Seafoods) and the party of the second part (the Newfoundland Government). The last-named party gave the "added information" to the State Department consul general in Newfoundland.

Meantime, events were steadily working toward their logical conclusion in Newfoundland. Commissioner Ewbank tells what happened after the consul general reported in December of 1937. Early in 1938 and until the famous Treasury Decision 49682 was issued for General Seafoods, there was much "running back and forth" to the United States customs department.

A vivid account of the negotiations, lasting 6 months, is given by Commissioner Ewbank, as follows:

"Before the end of the period within which the company was to inform the Government whether they accepted the draft agreement as a basis for a formal agreement, they informed us that they considered it advisable to arrange for a conference in Washington in order to discuss with the customs authorities certain questions arising out of the United States customs regulations in connection with this scheme and asked for an extension of 60 days.

"We acceded to this request on the understanding that both parties remained uncommitted to the agreement. At the end of May, as no ruling had been given on the questions raised, we agreed to a further extension of 60 days, and thereafter no further extension was arranged.

"It was not till August 27 that we were officially informed that the Treasury Department at Washington ruled that the products resulting from the processes of preservation and preparation as described by the company at the shore station proposed to be established and operated by it in Newfoundland in conjunction with its vessels would be entitled to free entry as the products of an American fishery."

Note that Mr. Ewbanks remarks "not until August 27" was he officially notified that the United States Treasury Department had ruled that the products to be processed by General Seafoods in Newfoundland "would be entitled to free entry as the products of an American fishery."

This notification came, not before, but after the Treasury decision of August 12, 1938, had been promulgated. Naturally enough, the Treasury could notify the Newfoundland Government that everything was all right to go ahead, as the decision was on the books.

We now glance back at the CONGRESSIONAL RECORD of February 9 to read how Secretary Hull says that on August 22, 1938, the Department of State was advised by the Treasury Department as follows:

"This Department (Treasury) has reached the conclusion that fish taken by American vessels owned by the General Seafoods Co. and processed in Newfoundland under the proposed procedure described by representatives of that company will be entitled to free entry as products of an American fishery under the provisions of paragraph 1730 (a) of the Tariff Act of 1930. * * * Article 489 of the Customs Regulations of 1937, which relates to products of American fisheries, has been amended to accord with this conclusion, and the General Seafoods Co. has been advised of the action taken."

DISCUSSION AND AGREEMENT

On page 127 of the May 25, 1938, brief of General Seafoods "orally requested" by Chief Counsel William R. Johnson, of the Bureau of Customs, is found the revealing paragraph:

"The matter of modifying those paragraphs and revising Customs Form 3295 could probably best be accomplished after discussion and agreement between the Bureau of Customs and the applicant, with respect to the records to be kept by the applicant's treaty coast fishing vessels and shore station. Upon the basis of such an agreement the necessary entry forms could be worked out."

This brief, it will be noted, was filed May 25, 1938, which is slightly more than 9 or 10 weeks before Treasury Decision 49682 was promulgated. It is reasonable to assume that the above-requested discussions were held. Thus the American fishermen's affidavit Form No. 3295, about bringing in catches of fish that were American in all respects, was talked about and found to be neither "appropriate or workable in connection with the entry at American ports of the products of an operation such as the applicant's proposed operation on the treaty coast."

Neither "appropriate or workable" from the viewpoint of General Seafoods; that is, the frank attitude of the applicant. Nowhere do we find in that brief the faintest suggestion that the parties most vitally concerned—the fishermen and the boat owners or dealers—should have anything to say about their affidavits being "workable."

But to continue the examination of this brief.

On page 126 of the General Seafoods brief requested by Chief Counsel Johnson, of the United States Customs Bureau, is this frankly stated request:

"The substance of what (the) applicant seeks is a ruling that the quick-frozen fish and the salted and cured fish produced by its proposed treaty-coast operation will be admitted free of duty."

Strangely enough, farther down on this page 126 is a remark that certain suggested amendments to the article 489 of the 1937 customs regulations (amendments suggested by General Seafoods) would—"from the standpoint of the Department * * * prescribe certain conditions designed to insure that the enterprise shall be a bona fide American enterprise."

We shall now discuss the proposed amendments recommended by General Seafoods, as shown by their exhibit No. 3 on page 132. The old form of (c) was to be kept as follows:

"(c) American fishery, within the meaning of said paragraph, is defined as a fishery operated under the American flag by American vessels in foreign waters, in which such vessels have the right, by treaty or otherwise, to take fish and other marine products."

Then the exhibit goes on to say that General Seafoods would like to have added to that (c) the following language:

"Wherever, by treaty or otherwise, an American fishery has the right to prepare and preserve its products on shore, said vessels or their owners may establish shore stations for the storing, preparing, preserving (including freezing), and packaging of marine products taken by said vessels, but every such shore station shall be established by the master or owner of said vessels and shall be owned by or leased to said owner or master and operated and managed by them, either in person or by a shore agent."

Following in section (d) as it was before Treasury Decision 49682 changed the meanings:

"(d) The employment of foreign fishermen either as members of the crew or under the supervision of the master or crew of an American vessel is allowed."

General Seafoods asked that the word "fishermen" be eliminated and that the words "citizens and inhabitants" be inserted in place. They also ask at the end of the original (d) paragraph, just before the expression "is allowed" is used to wind up the sentence, that these words be inserted: "or of the manager of a shore station."

The second sentence of (d) remains as it was originally, except that the words "or by a shore station" are asked to be inserted:

The purchase by the owner, agent, master, or crew of an American vessel (or by a shore station) of fish or other marine products taken by the citizens of another country in foreign waters will subject such fish or other marine products to treatment as foreign merchandise.

Returning to page 127 of this printed brief, we discover this comment about (c) and (d):

"So far as is concerned the relation of (c) and (d) of article 489 to the applicant's treaty coast operation, applicant undoubtedly would be adequately protected by an interpretative ruling by the Department, preferably published as a Treasury decision, stating that packaged quick-frozen fish and salted or cured fish, the products of an operation such as applicant's treaty coast operation outlined above, would be entitled to free entry under paragraph 1730 (a) of the Tariff Act of 1930 * * *."

We are asking that these excerpts be made a part of our brief as submitted herewith, although we realize that these facts are well known to the Customs Department because of the brief filed by the applicant General Seafoods prior to the T. D. 49682. We quote these excerpts by themselves to stress that the Customs Department hardly would have changed the existing customs regulations to the extent of lining up a shore station, unless some interested party had been making a definite and sustained effort to secure such a shore station.

The whole picture is clearer, now that the brief orally requested by Chief Counsel Johnson, of the Customs Bureau, is available to those of us who did not have an opportunity of a public hearing 2 years ago. All the facts now prove our earlier contention that the Newfoundland deal was engineered, then delayed, until the necessary changes in American fishery rulings and definitions could be coaxed out of the Treasury Department. It is to be remembered that President Clarence Francis, of General Foods, wrote in May of 1939 that they had reached an agreement with the Newfoundland Government. It was in the preceding August that the Treasury Decision blossomed out in its 49682 form, making everything legal and permitting the agreed-upon Newfoundland fish to come in duty free.

EFFECTS UPON AMERICAN LABOR

On page 29 we come to the part of the brief which most concerns American labor. Here we find the sections which indeed are the very core of our extended protest against the Newfoundland deal and against the Treasury Decision 49682, which made all this involved threat to American fisheries possible and formidable.

Says the brief, which Counsel Johnson verbally requested:

"It is proposed to use in the operation three or four power vessels and one auxiliary powered Gloucester schooner."

As for that Gloucester type of schooner, here are her duties:

"The schooner will be engaged in the inshore fishery. Her captain and mate will be citizens and inhabitants of the United States, and her crew probably will consist, in part at least, of citizens and inhabitants of Newfoundland."

We interrupt our quoting of the paragraph to remark that this business of gracefully edging up to the disagreeable news about using Newfoundlanders as the crew in place of Americans, is tactfully done by saying "in part, at least." That is not the way the official Newfoundland Agreement Act No. 49 puts it, for in that act it is expressly stated that—

"Newfoundland citizens resident at the time in Newfoundland shall be employed by the company in its boats or vessels * * *"

Of course, the observation is made "to the extent that the same are reasonably available" but in view of the many on the dole there, there always will be Newfoundlanders ready to take the jobs of the Americans. In addition, the act requires such officers and members of the crew as required by United States registry laws, which require an American captain, and perhaps mate.

We now return to our quoting of the duties of the Gloucester schooner, and find that she will be "the center of a boat fishery, and her captain will hire Newfoundland fishermen to fish for him, using their own boats and gear. Their catches may be landed on board the schooner and taken to shore by her * * *." There is the crux of the whole matter * * * local fishermen hired to fish for this "American fishery" and to use their own boats and gear.

American Forum of the Air—Social Security and the Townsend Plan

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

RADIO ADDRESSES OF HON. ROBERT F. WAGNER, OF NEW YORK, AND HON. SHERIDAN DOWNEY, OF CALIFORNIA, AND OTHERS

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following program of the American Forum of the Air held Sunday, February 25, 1940:

Announcer MCCORMICK. This is the American Forum of the Air. Listeners from coast to coast once more are invited to hear the American Forum of the Air. Tonight another forum broadcast emanates from the broadcasting studios of the Department of the Interior Building in Washington, D. C., presented by WOL in cooperation with WOR. The facilities of these studios have been extended by the Secretary of the Interior, Harold L. Ickes, in the interest of promoting educational radio programs which present both sides of national problems temporately discussed by leaders of various schools of thought. Information as to how you may receive a printed copy of tonight's proceedings will be given at the conclusion of the program.

Tonight's American Forum of the Air will be presented in two parts. Under the direction of the chairman, Theodore Granik, pioneer in educational radio discussion and newspaper columnist, you first will hear the formal presentation of opinion, followed by an extemporaneous panel discussion. And now your chairman, Mr. Theodore Granik:

Chairman GRANICK. Thank you, Mr. McCormick.

In Congress, in State and congressional elections from Maine to California, the aged are in the news—the problem of their security vital to every American.

As amended last year, the Social Security Act embraces a twofold attack on the problem of insecurity among our aged. For those too old to work, it establishes a Federal-State cooperative plan of public assistance, based on need, the Federal contribution matching that of the State on a 50–50 basis up to a total of $40. For the great mass of wage earners the act establishes a system of old-age and survivor's insurance, financed by equal contributions by workers and employers.

Opponents of the Social Security Act are advocates of the Townsend and other plans, who would substitute for the present machinery a flat pension plan to all who reach a certain age.

Senator SHERIDAN DOWNEY, of California, recently filed in the Senate of the United States a new bill revising the Townsend plan. It would levy a 2-percent tax on the gross income of persons and corporations, and pay out the proceeds in monthly pensions to all persons over 60, but not to exceed $200 per month.

This proposal has been severely attacked by those who claim that $200 per month is an excessive burden, and in any event that the uniform pension payments have no relation to number of dependents, prior income, or prior standard of living. On the other hand, its supporters contend that the $200 per month is merely a ceiling beyond which the pension payment cannot go, and that at the beginning they will amount to $50 or $60 a month, thereafter increasing with the national income.

How are we to meet this vital issue? Which of the many suggested plans are sound? Would the Townsend plan bring prosperity or depression? Proponents of the present Social Security Act maintain that it is soundly conceived and adequately financed. They stress that the act will continue to be extended and perfected as time goes on. The Townsendites and others, however, contend that the present benefits are too low to maintain the aged according to proper standards, and that its terms often work hardships. They also argue that adequate pensions for the aged would create a vast pool of new purchasing power which would bring about a sustained and increasing economic prosperity.

The Downey bill is now before the Finance Committee of the Senate, and the American Forum of the Air has thought it timely to present a discussion on various phases of the problem by leading spokesmen. We will hear first from Senator ROBERT F. WAGNER, of New York, sponsor of the Social Security Act, the Railroad Retirement Act, and the pending national health program. He will be followed by Senator DOWNEY, leading spokesman for the

Townsend plan and sponsor of the new bill to which I have referred.

Immediately following there will be an informal panel discussion. Our panel members are:

Kenneth Crawford, Washington correspondent of the New York Post, and new president of the American Newspaper Guild;

Senator D. WORTH CLARK, of Idaho:

Rt. Rev. John A. Ryan, director of the social action department of the National Catholic Welfare Conference; and

Congressman MARTIN F. SMITH, of the State of Washington.

And now Senator WAGNER.

ADDRESS BY SENATOR ROBERT F. WAGNER

My friends, about 6 weeks ago, disaster stalked a little community in West Virginia. Ninety-one men, many of them heads of families, lost their lives in an explosion in a coal mine.

Prior to 1935, a hopeless and impoverished future faced the families and dependents of the deceased in such a tragic situation. Today, the survivor's insurance benefits payable under the Social Security Act provide a steady income for the bereaved widows and orphans in most of these cases. This very week, they will receive their first monthly benefit checks, averaging $32 a month for a widow with one child and $50 a month for the larger families. These benefits will be paid every month until the children are old enough to work. Lump-sum burial benefits averaging $150 will be paid where the deceased left no children.

This is a measure of our progress in 5 short years, in protecting the families of the Nation when the breadwinner is stricken by accident or illness in the prime of life.

Prior to 1935, this, the richest Nation on earth, had no general retirement plan worthy of the name, for the men and women worn out in a lifetime of service at the industrial machine. Today, under the Social Security Act, we have established old-age insurance accounts for more than 47,000,000 persons—the largest insurance system in the world. Regular monthly benefits are being paid now to retired workers 65 years of age or over; averaging $25 a month for single men and $37.50 a month for married men with wives who have also reached the retirement age. These benefits, steadily increasing over the years, in number and total amount, represent a minimum of old-age security guaranteed by the United States Government—a regular monthly income, up to $85 a month, geared to family needs—financed by the contributions of the worker and his employer—paid not as a hand-out, but as a matter of earned right.

In addition, for those now over 65, whose own generation established no insurance protection, the Federal and State Governments paid more than $400,000,000 in pensions last year to about 2,000,000 needy recipients.

That combined system of insurance and pensions is a measure of our progress in providing for the security of our aged citizens, their families, and dependents.

The humanitarian ideals and economic forces which motivated our Nation-wide movement for social security, have not spent themselves on these specific provisions for the aged. We will continue to make progress as finances permit and experience dictates. The protection of old-age insurance must be extended to farm laborers, domestic servants, and employees of nonprofit institutions. The old-age pensions should be increased by varying Federal grants according to the varying economic resources of the States. The old-age insurance benefits should be increased by a Federal contribution, financed by general taxes levied according to ability to pay.

In our continuing efforts at improvement, there are at least two important steps which can and should be taken now. The first is in the field of voluntary annuities for appropriate groups. As a beginning, I plan to introduce a measure extending such insurance protection, on a voluntary basis, to small-business men, and to the large number of employees who leave covered employment and desire to continue their insurance benefits. The voluntary coverage of these groups will be geared into the present old-age insurance plan, in the interest of simplicity and savings in administrative expense.

The second important step which should be taken now is the payment of benefits to those who become permanently and totally disabled before they reach the retirement age, for causes not arising out of their employment. These men cannot keep or even seek a job. They are not eligible for unemployment insurance, workmen's compensation, or, in most cases, for old-age insurance. These "unemployables" are the truly "forgotten men" of social security.

The Advisory Council on Old Age, and the Social Security Board, have both recommended that this gap be promptly closed. For at least 10 years, the cost of this added protection would be comparatively small; it could be met out of the existing old-age insurance fund without change in tax schedules. Payment of these benefits will bring substantial savings in the cost of relief and institutional care. No single improvement in our retirement system is more important or could be as readily accomplished.

Since the passage of the Social Security Act, discussion of amendments in public and political forums has been concerned almost entirely with old-age security. Important as that issue may be, the problem underlying all human needs is income security for the family breadwinner. Last year, although industrial production rose to 1929 levels, an average of 9,000,000 able-bodied workers searched in vain for employment in private industry. The present State-Federal system was called upon to meet unemployment benefits in excess of $400,000,000 to 4,500,000 of the unemployed.

The unemployment insurance benefits now payable are wholly inadequate to meet any sizable portion of the unemployment problem. No reduction in the Federal 3-percent pay-roll tax rate should be made or even considered until the present low level of benefit payments has been substantially raised. Apart from such immediate measures as may be taken by the States, I have introduced a resolution calling for a National Advisory Council on Employment Security, to weigh our past experience and guide our future progress in this all-important field. The value of various proposals for "merit rating," the better coordination of unemployment insurance with relief and work relief, the promotion of job opportunities among the unemployed, the retraining of workers who are displaced by mechanical improvements or depletion of natural resources—these are among the problems which would be thoroughly explored by experts, in a nonpartisan atmosphere. We should begin now on this study, so essential to constructive advances toward a long-sought goal—full employment security.

No rounded program would be complete without conquering the last remaining frontier of social security, adequate health protection for the aged, for mothers and babies, for our industrial workers, and our farm people. While congressional study continues on a long-range national health program, we can make a substantial beginning now by enacting the President's experimental proposal to construct small hospitals and health centers in needy areas. This, and every other proposal I have put forward tonight for adoption at this session of Congress, can definitely be achieved within the limitations established by the President's Budget message.

As a life-long advocate of social security, I participated actively in the up-hill fight to overcome the opposition of selfish interests and the apathy of public authorities. I found no attractive slogan, no financial cure-all, no royal road to the satisfaction of these basic human needs. I experienced the legislative struggles, the heartaches, the compromises that go with the very practical job of framing legislation that will pass and work in a practical world.

Speaking as I do from that experience, I cannot give my support to any proposal like the Townsend plan, however well intentioned or sincerely advocated. It would endanger all our hard-won gains and divert an undue proportion of the national income to the aid of a particular group. It would scrap a practical working old-age-insurance program, with its fair promise of greater benefits to come, in favor of a misguided tax and pension scheme that can only bring disappointment to the aged and economic disaster to the entire Nation.

My friends, the wars now raging on other continents have centered the attention of the American people, as never before, on the blessings of our democratic heritage. That heritage is safeguarded against military aggression by two vast oceans, reinforced by powerful armaments. Unlike some other neutrals closer to the scene of destruction, our democracy is not at the mercy of some neighboring dictator drunk with power. The fate of our democracy rests in our own hands.

Our task and our responsibility is the progressive elimination of poverty, insecurity, and unemployment in the midst of plenty. In these troubled times, our democracy could not withstand either a return to the hands-off policies of the past, or the devastating consequences of unsound panaceas. We must continue to press forward as we have in the last 7 years courageously and constructively, expanding the frontiers of social responsibility and improving our standards of life. So long as we follow that course, our democracy will be secure, and its future bright.

Chairman GRANIK. Thank you, Senator WAGNER. You have just heard Senator ROBERT F. WAGNER, of New York, in tonight's American Forum of the Air presentation on social security and the Townsend plan. And now we present Senator SHERIDAN DOWNEY, of California.

ADDRESS BY SENATOR DOWNEY

Ladies and gentlemen, this evening I shall first analyze the present Social Security Act, leaving for later discussion the Townsend plan.

Now, this act includes unemployment insurance and other features with which we are not concerned. The only provisions that I shall discuss relate to the two different pension systems, one for the workers under the so-called contributory plan and the other type of pension aid called Federal-State old-age assistance.

Both of these provisions were debated in 1935 when the bill was up in Congress. The act had the good fortune to be sponsored by our colleague and prior speaker, Senator WAGNER, one of the leading statesmen of the Nation.

Certainly, no one could have doubted the need for decent pensions to our older people after the Senator had painted a tragic picture of their destitution.

And he then expressed the opinion "that $40 a month per person has been estimated as the minimum requirement." Now, $40 isn't very much, as the Senator himself was quick to point out to his colleagues. And so I should like to ask him—how, believing $40 an essential minimum, he can defend a plan that gives less than $10 a month to suffering multitudes and an average of less than $15 to over one-half of the beneficiaries, or rather, I should say the victims of the act.

Let's be a bit more concrete. Let's quote the Social Security Board itself to show how far pension payments fall short of Mr. WAGNER'S $40 monthly. Take first the charity pension plan. The average payment is only $19 a month—less than half of the Senator's minimum.

He may argue that the responsibility for these miserable charity payments falls not on the Federal Government, but on the States. If true, does that lessen the misery of our older people? Alibis, evasions, the shifting of blame from one governmental sovereignty to another will accomplish nothing.

And certainly Senator WAGNER cannot argue that the Federal Government is not wholly responsible for the scanty payments under the contributory plan, because that plan is wholly the creature of the National Government.

With the use of tables supplied by the Social Security Board, we find the sad record reads thus: 15 percent of those taxed will be returned nothing at all, since they failed to qualify because of small earnings or partial unemployment. Their contributions will be stripped from them and they will not get one slender dime for them. Thus do we, a wealthy Christian people, penalize the part-time worker and the low-income groups. Another 15 percent of the contributors will get only the statutory minimum—$10 a month. And a good 20 percent more will receive under $19. This last group will have a monthly average of about $14.50. In other words, one-half of all those paying contributions will get less than is given free to the average recipient of State old-age doles, shamefully small as these are.

Of course, to these bleak amounts, other wretched sums must be added: The compensation due the wives, the widows, and the orphans of the poor. So, if the retired worker enjoying the minimum of $10 a month has a wife past 65, the Government lifts the amount to the pitiful sum of $15. However, if the wife is only 60, they must struggle along for another 5 years on 35 pennies a day for the two of them.

I must admit that a few fortunate recipients of workers' annuities will receive Senator WAGNER's $40 a month. But, alas, these fortunate ones are individuals who generally won't need the $40 because it is only those receiving salaries of $3,000 a year and up who will get these larger payments. And in this respect of higher payments to our highly paid, I charge that the Social Security Act is rotten with injustice to its very core. I say that because it is hardly at all a contributory plan but almost wholly a fake scheme of social dividends in which payments of public money will be disbursed in the inverse order of need; that is, substantial payments to the prosperous and meager pittances to the miserable. For under this cruel law only a small portion of dividends will come from a worker's own contributions—the great bulk of what he receives will flow from public funds. And out of these public funds the well-to-do will be generously dealt by, the unfortunates of the world will be sustained hardly at all.

For while the Social Security Act collects special taxes from one group—wage earners—its benefits come hardly at all from these collections. For it also collects a tax from the employer and thus the consumer or the public to whom it is passed along; it confiscates the taxes of the lowly-paid and part-time workers; it will utilize and finally exhaust the contributions of the younger workers; finally it anticipates a governmental subsidy to help provide the annuities. And having raised a pension fund from all these public sources, it will disburse social dividends therefrom on a cruel, weird, and undemocratic principle—large dividends to the prosperous, little or nothing to the miserable.

One cannot help wondering: Is it credible that in a land as rich as ours, we can have the stupidity, the cruelty to provide for our retired workers at a scale that would scarcely keep a hound in dog biscuits or a horse in hay? Yet we do. And instead of hanging their heads in shame, our governmental leaders proclaim their program as a benefit to all, a model of generosity, an unmixed blessing.

One thing is plain, however; the advocates of social security have no conception of the meaning of social dividends in terms of purchasing power. They do not grasp the national necessity of increasing consumers' buying capacity by such means. For to seek these ends by pensions of $10 or $20 or $30 a month is ludicrous; it is an amount suited to the age of poverty, not of abundance; of the wheelbarrow, not the steam shovel.

And finally reflect in any age that turns loose all its ingenuity upon the task of displacing men by machines, why should we choose such a fantastically high pension age as 65 years? Our machines increasingly make certain that toilers past 60 have little chance at decent employment. We gear our industrial mechanism to a higher and higher tempo, and as the grueling pace begins to tell and we discard our workers at a younger and younger age then we have the monumental assininity or the callous cruelty, whichever it may be, to set our retirement line years above the point at which our senior citizens are tossed upon the labor scrap heap.

Quite clearly, what we need is not two bad pension plans for persons past 65, but one good one for those past 60. We need a national pension policy which, discarding all the clap-trap and muddled ethics of the Federal insurance scheme, will pay to every retired citizen over 60 a decent social dividend, not on a basis of pinch-penny accounting, nor of tainted charity, but as a matter of simple right. We need a program which will guarantee benefits adequate not merely to sustain life, but to grant it a measure of dignity and serenity—a program which will be founded on truly equitable taxation upon a base broad enough to support ample annuities—that is, upon the income of all society, and not simply that of the working class.

In short, what we need—and what increasing multitudes want—is the Townsend plan as submitted to Congress in 1940.

That plan calls for the imposition of a 2-percent tax upon all gross incomes except wages and salaries of workers up to $250 a month, which are exempt, while gross incomes of businessmen up to $3,000 annually will not be taxed. Thus the average worker, the small farmer, and small-business man will not have to file any return at all.

The amount raised by this tax will be equally divided among all American citizens past 60 years of age who have retired from gainful employment. We believe that 10,000,000 Americans will claim the benefit of the law. It is estimated that the 2-percent gross income tax will set over to our senior citizens approximately 8 percent of the national income, and as they represent about that percentage of the population, it would seem an equitable division.

While the tax should theoretically increase the cost of living to all of us by about 8 percent, it will save billions of dollars of present expenditures under the pension and relief laws, so that it is our opinion that the net increase in the cost of living because of the Townsend plan will be less than 5 percent. We are, likewise, certain that this increase will be far overbalanced by the increased business profits and prosperity that will result from the enhanced buying power of our older people.

But the crucial question, of course, is whether or not our senior citizens are to receive enough for a secure retirement? Well, we estimate the Townsend plan at the beginning will provide $50 a month, which, of course, is not enough, but the plan guarantees a steady increase thereafter as the national income rises.

As our industrial machine, now in low gear, shifted into second and then into high, our national productivity would advance in huge strides and would make possible the distribution of abundance to all, the senior citizenry sharing proportionately with the rest.

The Townsend plan, in fact, holds out an offer of assistance and security to every group. To labor, first, for it will shift a large share of the pension costs from its back to the financially stronger shoulders of the big-income class. To many a million burdened family, for it will lift from them the support of unfortunate parents no longer able to finance themselves. To youth, for by enabling hundreds of thousands of senior citizens to retire each year, it will open up as many jobs for newcomers upon the employment market. To businessmen, for though individually they may pay more and get a bit less in pensions, the plan's effect of reducing the excess savings of all age-groups and of stimulating the buying power of the senior citizenry will give such a boost to this economy as will more than compensate in rising profits for any personal-tax losses.

Last, and most pertinently, to the older partners of our Nation the plan promises their heart's wish—dignity and security. Neither the stigma of charity nor the aroma of poverty will surround their pensions. The Government will finally have recognized that it was they who by honest sweat built the cities, the factories, the highways, the utilities, by virtue of which the rest of us now live, and it is they who are entitled to ample social dividends from the vast wealth they helped to create.

With these potentially massive forces marshaled behind it—labor, youth, business, and the senior citizens—the Townsend plan cannot fail of eventual passage. Its political strength grows with each year, as word spreads from its simple meetings in country towns and great cities to millions of sympathetic people. From neighbor to neighbor the message of pensions goes out with prolific power, each convert bringing a new family, a new group into touch with this revitalizing social doctrine. The plan loses no adherents; it only gains them. Its movement can go but one direction—forward. And forward with it goes the faith of 20,000,000 Americans.

Chairman GRANIK. Thank you, Senator DOWNEY. This concludes the first half of tonight's forum on Social Security and the Townsend Plan.

Announcer MCCORMICK. Immediately following station identification we shall continue with the extemporaneous discussion.

This is the Mutual Broadcasting System.

Announcer MCCORMICK. This is the American Forum of the Air, originating in the broadcasting studios of the Department of the Interior Building in Washington, D. C., and presented over the Mutual network by WOL in cooperation with WOR.

We return you to the chairman, Mr. Theodore Granik.

Chairman GRANIK. And now as part II of tonight's American Forum of the Air on social security and the Townsend plan, we present an informal panel discussion. Our panel members are: Kenneth Crawford, Washington correspondent of the New York Post and new president of the American Newspaper Guild; Senator D. WORTH CLARK, of Idaho; Rt. Rev. John A. Ryan, director of the social action department of the National Catholic Welfare Conference; and Congressman MARTIN SMITH, of the State of Washington. Mr. Crawford will open the discussion.

Mr. CRAWFORD. I confess that I am already a little bit confused about some of these figures. I wonder if we couldn't get down to an agreement on some of the basic figures. Senator DOWNEY says that the act has fallen well below Senator WAGNER's original estimates of decency and I am wondering about that. I am asking for information. I had understood that payments as large as $50 and $60 already were being made, and that $85 was possible this year; is that right, Senator?

Senator WAGNER. Yes. I don't want to take up the time of the panel members, but as a matter of fact, while Senator DOWNEY proposes now to pay $50 to everybody, whether rich or poor, let me remind you we have already reached in our Social Security Act the average of $37.50, which is very close to $40.

Senator DOWNEY. Let me interrupt. That is two persons, a husband and wife.

Senator WAGNER. Yes; married.

Let me say that we go as high as $85, and we do it under a practical plan, which is workable. I would like to go along with Senator DOWNEY. We are going higher as our experience permits

us to go and our financial condition, but let me just say this word to show the impracticability of the Townsend plan.

Senator DOWNEY. May I interrupt to give the figures?

Senator WAGNER. No; I was going to say this. Under the Townsend plan as you propose it, even a minimum of $50 to everybody, rich or poor, would require an additional tax of at least $7,000,000,000. That is added, which means doubling our taxes which we are raising today. The mere mention of that shows the impracticability of you, through your act, overnight wiping out all we have done, and also the experience of all of the other countries.

Senator DOWNEY. Senator WAGNER, your statements are just not correct. Would you yield?

In the first place it wouldn't be seven billion, but six billion, and it would do away with about three billion of our present taxes.

Senator WAGNER. That is very confusing. As a matter of fact, you do concede it is six billion, then. Will you state that to the American people today, that next year you are going to levy, in addition to all of our taxes, $6,000,000,000?

Senator DOWNEY. Senator WAGNER, that is not correct, because we now levy taxes for present payments and for relief for people past 60. We would do away with three billion of present expenditures under the Social Security Act and other relief agencies.

Senator WAGNER. And add it to the present roll.

Senator DOWNEY. It would be added to the cost of living.

Senator WAGNER. And without that tremendous increased burden of taxes, we are now paying an average of $37.50, and as high as $85. Well, I don't want to continue on that.

Senator DOWNEY. Your figures are just misleading.

Senator WAGNER. You admit yourself that there are to be three billion added.

Senator DOWNEY. Mr. Crawford, I hate to take your time, but I, for fairness, desire to get these figures out. Under the charity plan, according to the Social Security Act, Mr. Crawford, the average paid is $19.31. That is the average. Under the Social Security Act, they claim that the figure of Senator WAGNER of $25 for the primary benefit is correct. But let me say that they don't count in the 15 percent of the contributors who don't get anything whose money is stripped from them and they don't get anything, and counting them in, that average then comes down to about $19 a month.

Senator WAGNER. Well, we can't agree on that.

Mr. CRAWFORD. Then, Senator, it is for those who have not contributed at all.

Senator WAGNER. Wait; then I shan't interrupt.

Senator DOWNEY. It is because they make less than $200 a month.

Senator WAGNER. Senator, will you concede that if we reach your maximum of $200 a month, it will mean an additional tax of $29,000,000,000 per year?

Senator DOWNEY. We don't intend to go beyond 2 percent gross income tax.

Senator WAGNER. Exactly! That is $6,000,000,000 increase in taxes.

Senator DOWNEY. No, it isn't, sir.

Senator CLARK. Well, it is probably a $3,000,000,000 increase in taxes, as Senator DOWNEY says, net increase in taxes. Of course, the theory of the Townsend plan is that this increase in taxes will be more than compensated by an immediate rise in the national income. Every economist has been trying to sustain the national income in this country, and the present administration is doing it by deficit financing and deficit spending; and I think the Townsend plan is the only plan yet proposed that will definitely increase the national income and put it on a high level without borrowing money. I am not critical of the Social Security Act. I think that is one of the greatest epochal acts that has ever been passed. I think it marked a milestone in our entire economy. It recognized for the first time that this Government owes something to the people that built it, namely, the old folks.

Senator WAGNER. I agree that we have to go further, but I don't want to do it just as it is proposed here.

Father RYAN. Let me say that I am in entire agreement with the underlying theory of the Townsend plan as regards the distribution of the national income; that we have to put more purchasing power into the hands of those who will use it; and, therefore, all this talk that our Republican friends are indulging in of what to do about the unemployment is all beside the point because they don't realize we have to get more purchasing power into the hands of those who will use it. Who are they? The farmers and the workers. How to do that is another thing. The Minimum Wage Act does it in part, pretty slow. Even the Social Security Act as we have it does it in part. But the proposal of the Townsend plan, as I understand it, just won't work.

The other day I got a letter from a lawyer, a Townsendite, a Townsend man in Florida, but he was talking about the transactions tax. This 2-percent tax that is mentioned here, that the Senator mentions, that is the first I heard of that. I thought the Townsendites were all for the transactions tax.

Senator DOWNEY. They are practically identical.

Father RYAN. Yes; but this man had a table of what would happen with cotton. It starts here, and there are about seven persons, intervening transactors, between the producer of cotton and the ultimate consumer. Each of them pays a tax. The last one, the ultimate consumer, pays $15. Well, who pays the other $34?

The man specifies that they are not paid by the individuals who hand them over to the Government because he passes them on in the tax. What becomes of the $34 which the Government actually collects? Apparently it is gone with the wind.

Senator DOWNEY. If the transactions tax is confusing to you, just consider the gross-income tax.

Father RYAN. I am glad to see this, because it is much simpler.

Senator CLARK. The gross income takes in all transactions; I think the phrase "transactions tax" is a very unfortunate expression.

Father RYAN. That is very simple. Now, I just want to express the difficulty I find with the figures given. As Senator DOWNEY said in his speech and here, 2-percent tax on all gross income except wages and salaries of workers up to $250 a month. They are exempt. And that will bring 10,000,000 Americans—it is estimated that the 2-percent gross-income tax will set over to our senior citizens approximately 8 percent of the national income. Now there, I think, is the great discrepancy.

Here I have the report of the National Resources Committee published in August 1938, which is for the years 1935 and 1936, when the national income was just a little less than $60,000,000,000—$59,250,000,000.

Senator DOWNEY. Will you pardon me? You are referring to the net income. This 2 percent is upon what we call the gross income, and the gross income of the United States if it would be taxed would be about $300,000,000. That is very different from the net income.

Father RYAN. I don't see that the gross income would be that.

Senator DOWNEY. That is what the Department of Commerce gives.

Father RYAN. I never saw those figures. The figures on income given by the Department of Commerce and by the Brookings Institution and everybody else put it in 1929 at eighty or eighty-one billion dollars.

Senator DOWNEY. That is the net national income.

Father RYAN. That is all we have to deal with. I don't see where you get the gross thing. What are the figures? Where do you get them?

Senator DOWNEY. The Department of Commerce furnishes them.

Father RYAN. I haven't seen them, and I have read everything the Department of Commerce publishes on them.

Representative SMITH. Father Ryan, I think I can furnish the figures for the gross income of 1938 as given by Dr. E. A. Goldenweiser, Director of Research and Statistics of the Board of Governors of the Federal Reserve System, who is probably in a better position to make a reliable estimate.

Father RYAN. Goldenweiser knows his stuff.

Representative SMITH. He has estimated the amount for 1938 at $553,000,000,000.

Father RYAN. All right.

Representative SMITH. And, of course, as Senator DOWNEY has pointed out, the present bill of the Townsend plan is predicated on a 2 percent gross income tax, so you would figure 2 percent on that amount less the exemptions provided in the bill.

Mr. CRAWFORD. I don't understand that. What is my net and my gross income? I mean, as a salaried person or as a wage earner your gross and your net are exactly the same thing.

Senator CLARK. Your gross income is all the money you took in without deducting any expenses.

Mr. CRAWFORD. I see.

Representative SMITH. I would like to point out that before the Social Security Act was enacted there were only three great countries in the world who had no old-age security—China, India, and believe it or not, the United States, so I think we should at least compliment Senator WAGNER on the fact that we are no longer in that category. We are not in the same class with China and India any longer. We have made progress, Senator.

However, according to every poll of public opinion, the vast majority of the American people favor a Federal old-age pension, uniform in every State. We do not and cannot have that under the Social Security Act, which is a Federal-State contributory system, as Senator Downey has so forcibly pointed out. The Townsend plan, on the other hand, is Federal, and would provide uniform pensions to our senior citizens in every State, and I would like to ask what is particularly wrong with such a Federal uniform pension plan financed by a gross income tax, and it is very similar, of course, to a gross sales tax, which we have in effect in 27 different States in the Union, and in New York City, Senator WAGNER?

Senator WAGNER. Only in New York City.

Representative SMITH. And in New York City and 27 other States in the Union.

Senator WAGNER. That is only an emergency tax in New York, not a permanent sales tax.

Representative SMITH. That doesn't change the principle, it seems to me. What would be wrong with levying a gross-income tax without borrowing or going into debt on a strictly cash pay-as-you-go basis? At the end of every month the money would have been collected and that would be disbursed to the senior citizens to whom we paid the pensions, and based on the estimated gross income as estimated by Dr. Goldenweiser and other authorities, we could pay 10,000,000 citizens at the age of 60 and past approximately $56.50 a month, computed on our present gross income. What would there be wrong about that, and why wouldn't it work? Why would it be impracticable?

I am frank to say that I think it would work, and I think it would be very practical and superior to the present Social Security Act.

Mr. CRAWFORD. I would like to quarrel with Mr. SMITH about that a little. I think that this tax has precisely the same objection as a sales tax, the objection being that it falls hardest on those least able to pay. For example, a man with $2,000 income would pay $40 under this, with a $20,000 income he would pay

$400. That seems to me inequitable. It seems to me that all sales taxes are inequitable for the same reason.

Representative SMITH. Of course, you then would be opposed to the present State sales taxes that we have in all these various States?

Mr. CRAWFORD. Yes; indeed, I am.

Representative SMITH. And the Hawaiian gross-income tax, which is almost identical, and also particularly you would object to the gross-income tax in Indiana, which has operated so successfully in Indiana for 6 years.?

Mr. CRAWFORD. I am; I am opposed to all sales taxes.

Representative SMITH. What is your objection based on, Mr. Crawford?

Mr. CRAWFORD. I favor taxes based on ability to pay, the same as the income taxes, ranged on the size of the income, that is, you take a larger percentage from a large income than you do from a small income.

It seems to me here that the objection is that you take the same percentage from large and small equally.

Senator CLARK. You do, Mr. Crawford, but here is the point: We have exploited income tax almost to the limit of its possibilities.

Father RYAN. Oh, no, Senator. [Laughter.]

Senator CLARK. If I may intervene to answer Mr. Crawford this way, I think there is some hope for such a liberal as Mr. Crawford, and I want to try to convert him.

Mr. Crawford, the present Social Security Act is a tax upon pay rolls. In other words, you say that you object to burdening the working class by taxing also the wealthy; why, the present one is a tax only upon the lower income groups with incomes of less than $250 a month. Under our bill we exempt those $250 a month.

Mr. CRAWFORD. And their employers, however.

Chairman GRANIK. Father Ryan?

Father RYAN. I would like to come back for a moment to this phony thing about gross income. Mr. Crawford and I get incomes by way of salaries. I assume he does; I know I do.

Mr. CRAWFORD. I do.

Father RYAN. I never saw any distinction between my gross income and my net income, and that is true of all the persons who are working for salaries or wages. There isn't any difference.

Senator DOWNEY. That is right. It is for the people who are salary earners and wage earners, but you can see, for example, with a railroad company that takes in a million a year and pays out eight hundred thousand in expenses, the two hundred thousand is net income and the million is gross income.

Father RYAN. I know that, but I don't think that figures so largely in the picture. Let me state what would happen if we take the net income on the basis of the national income in 1935 and 1936, approximately $60,000,000,000. Those who received incomes of more than $2,000 a year in 1935 and 1936 paid 47.75 percent of the total net income, if you will. Two percent of that would be $565,000,000, and that is all that would be coming on the basis of net income in 1935 and 1936. Now, assume that the national income last year was $70,000,000,000. I think it was a little less. All right; 2 percent of $70,000,000,000 would be $690,000,000. That is all there would have been.

Senator DOWNEY. You are not arguing against the Townsend plan in giving those figures. We don't want to tax the net income.

Father RYAN. I know, but I say this: Net income, as far as these computations are concerned, I think, is a lot of hooey. I have got to be shown.

Senator CLARK. The tax, Dr. Ryan, would be levied upon gross income. That is all, however.

Father RYAN. Kenneth Crawford's gross income and mine don't differ, nor do they differ in the case of any salary or wage earner.

Senator CLARK. That is true, obviously.

Father RYAN. Who are the others who are going to produce these figures, businesses?

Senator CLARK. Other corporations and businesses.

Father RYAN. Oh, yes; that is all very vague. When you get down to examine the figures it isn't so hopeful.

Senator CLARK. It certainly is. The United States Steel Corporation would pay upon the total amount of money that it took in from the sale of steel in any year, and the officers of the United States Steel would pay likewise on their salaries. So you do, in fact, tax the same money, but by taxing it you put it back into circulation.

Father RYAN. I am all for the underlying theory that we have got to increase purchasing power in the hands of those who will spend it, but I don't think it can be done in this way.

Mr. CRAWFORD. We are doing that through the present Social Security Act, aren't we, Father?

Father RYAN. Yes; but except, as Senator DOWNEY states, the great part of that is coming from people who would spend it themselves.

Senator DOWNEY. If I may interrupt——

Representative SMITH (interposing). Would you let me have a word, Senator?

Senator DOWNEY. Yes, sir.

Representative SMITH. I would like to, if I may, just divert for a moment and suggest another line of thought, and what I think is another argument in favor of the Townsend plan. One of our most pressing problems today, we all agree, arises from idle capital as well as idle labor. There is too large an accumulation of earnings and savings from earnings, capital formation which is not being reinvested, remaining unspent, withdrawn from circulation. Through the medium of a gross-income tax, Father Ryan, not a net income tax which is an entirely different proposition, a gross-income tax, $6,000,000,000 to pay 10,000,000 aged $50 per month, would siphon off or divert at the source; almost immediately this money would be respent for necessaries of life and placed back into immediate circulation.

Father RYAN. I would like to see the exact figures of the basis of those estimates of $6,000,000,000.

Representative SMITH. I consider that is one of the strongest arguments in favor of the Townsend plan.

Senator WAGNER. Do you remember Dr. Moulton, of Brookings Institution, testifying before the House committee last year on the Townsend plan? He estimated your tax of 2 percent, even a gross tax which I don't favor, of course, by any means, because I believe it is a sales tax which falls upon the poor—but he estimated that a 2-percent tax would only produce enough, even with this increased tax, to pay $30 per month to each of the aged that you want to help, and that I want to help.

Senator DOWNEY. I am sure that is an error. I have checked the figures from the Department of Commerce, the Treasury, the Federal Reserve, and with the exemptions we have, the figures check out about $6,000,000,000.

Senator WAGNER. Has the Department of Commerce made a report upon this bill?

Senator DOWNEY. Not on this bill, but they testified and they have figures.

Senator WAGNER. Did they?

Senator DOWNEY. About $300,000,000,000 of gross income with these exemptions that we have, and 2 percent of $300,000,000,000 would be six billion a year.

Representative SMITH. I might say, Senator Wagner, that Dr. Nathan, chief economist for the Bureau of Foreign and Domestic Commerce, estimated the gross revenue and income of the Nation at $449,000,000,000.

Senator WAGNER. I see.

Representative SMITH. That is not quite the same amount as Dr. Goldenweiser's estimate of $553,000,000,000, and of course deducting the exemptions provided in the bill, it is very apparent that there would be a yield there, I figure, at $56.25 a month. You have it at approximately $50 a month.

Senator DOWNEY. Fifty, yes.

Representative SMITH. It would range from $50 to $60 at the start, in my opinion.

Senator WAGNER. It will be a tax of 2 percent gross, irrespective of whether the particular industry is making any profits or not.

Senator DOWNEY. That is right, and they have to pass it along in the cost of living. Of course we will all pay for the increased cost of living.

Senator WAGNER. And so it goes down the line.

Senator DOWNEY. But let me say this to you, Senator. The average worker will pay very little more under this plan than he would under the Social Security Act, and instead of getting $20 or $25 a month when he is 65, he will get $50 when he is 60.

Senator WAGNER. You and I agree upon our objective that we want to increase this pension as we go on, but you can't do it by overnight levying an additional tax of $7,000,000,000. I don't think the country can financially stand that sort of a shock. We agree on the objectives of getting a high pension, but under the Social Security Act, may I repeat, we are getting a higher pension than you propose to pay.

Senator DOWNEY. Senator WAGNER, I must object very strongly to that. You quoted those figures arising from the disaster in a mine in West Virginia. Some of those families did get as high as $52 a month. Those were families in which there were five children and a widow. I figured up the items, and it comes to $9 a recipient. In the State of New York, under your general relief laws, you would have paid an average of $12 a recipient. In other words, what the Social Security Act has done in that respect, Senator WAGNER, is to give to those widows and orphans less than they would have got under the general relief laws of the State.

Senator WAGNER. I——

Senator DOWNEY (interposing). Let me finish. Wait a minute, Senator! Let me finish.

Senator WAGNER. I disagree with you there. They wouldn't have gotten anything until the Social Security Act was passed in 1935. They would have been left to charity.

Senator DOWNEY. Evidently you don't know your own law. In the State of New York you have general relief, and under the general relief——

Senator WAGNER (interposing). This happened in Virginia.

Senator DOWNEY. They have it there, too. It was in West Virginia, anyway. Will you let me continue?

Senator WAGNER. Senator——

Senator DOWNEY (interposing). Will you let me finish, please?

In the United States the average paid by the Federal Government and the States combined to dependent orphans and widows, is about $12 per recipient. This Social Security Act, under this payment of the West Virginia mines, paid about $12 per recipient and you boast about it.

In addition to that, let me say this, Senator WAGNER. That money that will go to them comes from the low-income workers of America. What you have done, you have shifted off of the property owners and the well-to-do of West Virginia the support of those widows and orphans, and Mr. CRAWFORD, you have put it upon the low-income groups, because it is the contributions of the younger workers that are now being used to support the indigent, aged, and widows and orphans.

Senator WAGNER. Of course, I don't agree with your conclusions.

Senator DOWNEY. I am just stating facts.

Senator WAGNER. I still say that prior to 1935 those survivors wouldn't have gotten anything, and under the Townsend plan I see no provision at all for the survivors if the breadwinner dies before he reaches the age.

Senator DOWNEY. The Townsend plan doesn't cover the orphans and widows that ought to be covered.

Senator WAGNER. You say you don't?

Senator DOWNEY. You have shifted the support of the widows and orphans to the workers of the Nation, away from the general tax load; that is what you have done, Senator WAGNER.

Senator WAGNER. What are you going to do with them? You don't make any provision for them.

Senator DOWNEY. I would levy a tax against the men who had something instead of against a wage earner.

Senator WAGNER. Under your system you give the $50 a month to the richest men in the country as well as the poorest man. That is what the plan provides.

Senator CLARK. It is a social annuity; that is what it is.

Representative SMITH. And that removes the stigma, so that everyone is treated alike.

Senator WAGNER. We want to do the same thing. I think you are impractical, Senator.

Senator DOWNEY. So far, I haven't been able to get anybody to debate with me in the Senate. I would appreciate it if someone would.

Father RYAN. I don't think, Senator DOWNEY, it is fair to state that all of the money to pay the present social-security benefits comes from the poor or the workers. After all the pay-roll tax falls half on the employer and half on the employee, so that half of it comes from those who are more, on the average, better off than the workers. I would like to see it all come from the employers, and from the General Government, and then I would like to see it collected by the General Government through income taxes and estate taxes on those who have ability to pay, not through a sales tax, which is the most unfair tax that has ever been derived, for the reasons stated by Mr. CRAWFORD.

Representative SMITH. Of course, the objection usually raised against sales taxes is that they cause an increase in living, and reference was made a moment ago to what the probable increase in the cost of living would be as a result of the Townsend plan, and therefore I want to call your attention to the fact that during the social-security hearings it was estimated that the increase in the cost of living would only be 10 percent, and 22 professors from the University of Chicago who were opposed to the Townsend plan on other grounds, agreed with that conclusion, and they estimated it would be approximately 10 percent, which, of course, would be a very slight increase in the cost of living, and it would fall upon all of the people of the Nation.

Chairman GRANIK. Mr. CRAWFORD?

Mr. CRAWFORD. Father Ryan, I think, completed my argument. In making the distinction between a sales tax and the social-security taxes now, where half of the burden falls upon the employer, I think that is a very important distinction to be made, and it is the objection that I have to the Townsend tax as against the present social-security tax.

Chairman GRANIK. Senator CLARK?

Senator CLARK. Well, of course, the gross-income tax wouldn't fall so harshly on anybody. Senator WAGNER makes $10,000 a year, and so do I. That would be $200, and it would go down and the small fellow would pay his proportionate share. It wouldn't be anything devastating, this gross-income tax. I see Italy put one on the other day, 2 percent, by the way.

Mr. CRAWFORD. It is devastating on a man who makes $500 to $1,000 a year, however.

Senator CLARK. Exactly.

Senator WAGNER. I am quite willing to pay on any of my income to help in this situation, but when you impose a gross-sales tax, as has been repeated here time and time again, it has been recognized, Senator, that it is a tax upon the poor, primarily, and that is my great objection to it, together with the $7,000,000,000 tax which eventually will have to be levied, which the country at this time just cannot stand, and we can't deal with impracticabilities now; we have to deal with realities.

Representative SMITH. France has had a gross turnover or gross-income tax in operation since 1920, and the rate in France is 1.1 percent, and it has proved very successful in France.

Senator CLARK. And Hawaii, too. It has a 1¼ tax rate.

Father RYAN. France used to tax the windows of houses.

Representative SMITH. I can't answer that, Father Ryan.

Chairman GRANIK. Thank you, gentlemen. You have been listening to the American Forum of the Air presenting a discussion on Social Security and the Townsend plan. Our opening speakers were Senator ROBERT F. WAGNER, of New York, and Senator SHERIDAN DOWNEY, of California.

Our panel members were: Kenneth Crawford, Washington correspondent of the New York Post, and new president of the American Newspaper Guild; Senator D. WORTH CLARK, of Idaho; Rt. Rev. John A. Ryan, director of the Social Action Department of the National Catholic Welfare Conference; and Congressman MARTIN SMITH, of the State of Washington.

And now for a final word from Mr. McCormick.

Announcer MCCORMICK. Thus we conclude another broadcast in this season's series of the American Forum of the Air.

These programs emanate from the studios of the Department of the Interior in Washington. The facilities have been extended by the Secretary of the Interior, Harold L. Ickes, in order to promote educational broadcasts which present both sides of national problems.

Peace With Justice

EXTENSION OF REMARKS

OF

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

ADDRESS BY THE MOST REVEREND FRANCIS J. SPELLMAN AND EDITORIAL FROM THE NEW YORK TIMES

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I wish to bring to the attention of the membership of the House the address given by the Most Reverend Francis J. Spellman, Archbishop of New York, together with editorial appearing in the New York Times of March 13, 1940. The occasion of this address was his investiture with the sacred pallium, symbolical of his high ecclesiastical rank, at St. Patrick's Cathedral, upon the first anniversary of the coronation of Pope Pius XII. I commend it to the House because of its moving beauty and simplicity. It exemplifies so well the relationship between church and state in our country by virtue of Archbishop Spellman's expression of gratification upon the appointment of a diplomatic representative to the Vatican State, in concurrence with my own expression to this body on January 4, 1940. The address follows:

Your Eminence, brother bishops and priests, brothers and sisters in Christ, 9 months ago I began my labors among you. Speaking for the first time in this cathedral, I made three requests, voicing these invitations.

"In the name of Jesus, dear people" I said, "may I not count on you to walk in the presence of God, to follow in the footsteps of the Master, to support the good works of our holy religion in the same generous measure that you have in the past, so as to maintain for your faith its renown in all the world?

"In the name of Jesus, men and women of religious congregations, may I not count on you to instruct the little ones of the flock of Christ to aid the poor, to comfort the sick, and to perform all the spiritual and corporal works of mercy so that through your zeal and sacrifice the charity of Christ may more and more abound?

"In the name of Jesus, priest of the Archdiocese of New York, may I not count on your sympathetic cooperation and your readiness to work with me with all your heart and with all your strength for the salvation of souls?"

For the answers to these questions, for the responses to these invitations, I am profoundly grateful and deeply moved.

DECLARES RESPONSES HEARTENING

The answers have been generously affirmative, the responses spontaneous and heartening. Thankful, therefore, and encouraged, today I receive the pallium, symbol of jurisdiction of an archbishop, sacred insignia blessed by our Holy Father, hallowed by reposition on the tomb of the prince of the apostles, St. Peter, vestment to be worn by me at solemn ceremonies, vestment to be placed on me after death as I am summoned before God's judgment seat to render an account of my stewardship.

I thank our Holy Father for bestowing the pallium, and I thank His Eminence Cardinal Dougherty for his great kindness in coming here today to officiate at this ceremony of investiture. I am grateful to Bishop Donahue for celebrating the mass, and I thank the archbishops, bishops, priests, and people for their attendance and prayers.

In the presence of God and before all of you, I profess my Catholic faith, I believe in God, Father, Son, and Holy Ghost, a God who has fathered all and redeemed all and who wishes to sanctify all. I believe in the Holy Roman Catholic Church as the church which the Blessed Son of God founded upon the spiritual rock, which was then Peter and is now Pius. I believe that in the bosom of mother church the Divine Son still abides, imparting to her His spirits, His authority, and His truth. I believe that the portals of this church are as open and as salutary as His very wounds, and that it is God's Holy Will that all men should enter and find peace and happiness beneath its ample roof tree.

WOULD FOLLOW EXAMPLE OF HAYES

Believing in God, I believe in man, in the fundamental goodness of the creature because of the absolute goodness of the Creator. It is true that man has fallen, but it is equally true that man has been redeemed and may by God's grace lift himself above the servitude of self. I believe that I am here to labor for your sanctification and salvation as well as for my own. I am committed to your service. My interests are catholic, that is, universal, and in the words of St. Paul, so far as may be possible I am striving "to be all things to all men." (I Corinthians ix, 22.)

Paramount among my interests is my desire to follow the example of Cardinal Hayes in his devotion and service to the poor and the suffering. The living monument to Cardinal Hayes is Catholic charities, and in the name of the Lord and in the name of countless beneficiaries of Catholic charities, I thank the countless benefactors who in this week just concluded have contributed services and gifts to enable us to carry on our work of charity. Charity may begin at home, but the home of Catholic charity is God's wide world, and no living creature is a stranger beyond its threshold.

Not alone do I profess my Catholic faith before you, I profess and glory in my American citizenship, and I pledge myself to maintain and defend our fundamental liberties, shining as they do like flaming jewels in our frame of Government, priceless and precious. I am for all of our freedoms and our freedom. Therefore, I am opposed to tyranny, even though it calls itself freedom. I am opposed to anarchy, even though it calls itself liberty. I am opposed to traitors to the United States, even though they wave American flags and call themselves patriots. I am opposed to lawlessness and violence in speech and in action.

REAFFIRMS FAITH IN AMERICA

Well aware of the serious menace of some modern trends in our political and economic life, I reaffirm my faith in America and in American institutions. Despite the need for proper readjustments and equalizations of our economic burdens, despite the necessity of providing much greater opportunities for work for men and women who need to work and wish to work, despite the need of more hands fraternally clasped and fewer fists menacingly clenched, despite the need of a renewal in our midst of the Christian concepts of life and Christian discipline of living in which our liberties were conceived and enfranchised, despite the need of strengthening our moral fiber grown weak through prosperity and indulgence, still I believe in America, in the fundamental righteousness of our Constitution, the basic righteousness of our people in their sincere desire to live in harmony, helpfulness, and peace with their fellowmen, and in obedience to her laws and the commandments of God.

I have professed my Catholic faith and my loyal devotion to my country, the United States. Sharing kindred feelings with approximately 21,000,000 Americans who are Catholics, and many other millions of men and women of good will who believe in God and who believe in peace with justice, I express gratification that President Roosevelt, in his historic message of Christmas time, sent his personal representative to the Holy See, with the rank of an Ambassador, in order that parallel endeavors for peace and the alleviation of suffering would be assisted.

"Peace with justice" is the motto of Pope Pius XII. Peace with justice is what America wills and prays for the world. Peace with justice is what all peoples of the world devoutly yearn for and pray for now, and not after world exhaustion and chaos.

COMMENDS PRESIDENT'S ACTION

Full of faith and hope and warning are the words in the message of the President, saying that "unless there is some trust in a divine plan, nations are without light and peoples perish." In interpreting the feelings of his fellow-citizens, the President told the Holy Father that "the people of this Nation know that only by friendly association between the seekers of light and the seekers of peace everywhere can the forces of evil be overcome."

Catholics, Protestants, and Jews can concur in that expression and be heartened at the collaboration of a union of endeavor, if not in belief, of all those who are on the side of right and justice, "all those—and they comprise the overwhelming majority of mankind—who still believe in God and pay him homage" in the words of Pope Pius XI. (March 19, 1937.) While the 21,000,000 Catholics and millions of other men of good will prayerfully and gratefully approved this action of our President—the President of a people that believes in and that defends freedom, in the practice of religion, freedom in the dissemination of truth, freedom of assembly and freedom of trade—still this approval has not been as unanimous as might reasonably have been expected.

There have been some persons who have not understood this collaboration of the two greatest influences for peace in the world, the spiritual leader of 300,000,000 souls, and the freely elected President of our Nation of more than 120,000,000 souls.

There are those who have not been in favor of this action of our President. But it would seem that good will and reflection on their part, both of which are readily assumed to be present, will persuade them to be more cooperative for the purpose of "warding off from mankind," in the words of Pope Pius XI, "the great danger that threatens all alike—in order that the enemies of religion may not attain the goal they have so loudly proclaimed to the world."

NO PEACE WITHOUT GOD

Pius XI was speaking of atheistic Communists. President Roosevelt and the reply of Pope Pius XII speak of peace, and all should realize that without God and without religion there can be no peace. The only reason which the nonapprovalists seem to have for their position is the shibboleth of separation of church and state.

With the conviction that these good men would like to be informed, I shall simply enunciate the Catholic principles in this regard. The immediate goal and object of the church is the supernatural sanctification of the souls of men. The immediate goal and object of the state is the temporal welfare of men, even in the moral order, and this is obtained by adhering to the principles of justice, supplying for the deficiencies of individual persons and families.

Now these objects may and do overlap, since it is obvious that if the church strives to make men better spiritually, they should be better civically and morally. Conversely, the state promoting the welfare of society works indirectly for the sanctification of souls. But this was true in 1797 when Mr. Sartori represented the United States, and it was true during the ensuing 70 years until the American mission to the Vatican was discontinued in 1867. And it was true during the subsequent 70 years, and it will still be true now that Mr. Taylor has been appointed.

Opposition from the forces of antireligion might have been foreseen, and the Soviet Union has in fact criticized the mission. But it is disconcerting to hear criticism that implies a preference to have men continue to slay one another rather than have peace through the cooperation of a Catholic and an Episcopalian.

SEES NONRELIGIOUS ASPECT

The Holy Father is not alone the supreme head of the Catholic Church. He is also head of a sovereign state. Thirty-eight countries have representatives at the Holy See. Nobody protests because President Roosevelt has an Ambassador to Great Britain, even though King George VI is the head of the Church of England. The heads of other countries are also heads of religions in those countries, but no protests are voiced. Because we send an Ambassador to the Emperor of Japan, who claims descent from the Son of Heaven, is there any one thoughtless enough to suppose that the appointment means a union of the Japanese religion and the United States Government?

It may also be recorded here that one of the first sovereign states to recognize the United States after the Revolutionary War was the Papal State, and this when the separation of church and state was recognized as an American principle.

The Papacy's service to peace among nations has long been recognized even among those who did not believe in the Catholic Church. Thus, Bismarck, a Lutheran, in October 1885 asked Leo XIII to arbitrate the dispute between Germany and Spain over the Caroline Islands. And speaking of the Lutheran body, I am most grateful to the Government of Finland, 96 percent of whose population are members of the Lutheran Church, for its gracious acknowledgment and expression of gratitude for the contributions and sympathy of the Catholic Church.

A $10,000,000 PROGRAM PLANNED

Returning now to my opening paragraphs in which I referred to the cooperation I have received from the priests, religious and faithful of the Archdiocese of New York, to whom I again renew my expressions of thankfulness, I wish to say that I am striving to carry out the spiritual, charitable, and educational programs of Cardinal Hayes and his predecessors. It may surprise some, as it surprises me, to realize that this archidiocese is so vast and the development is so rapid that at the present time a building program of work already begun or about to be started will require the expenditure of the sum of $10,000,000.

Two items alone represent approximately, $3,500,000, an addition to St. Vincent's Hospital and a new boys' high school on the Grand Concourse in the Bronx which will accommodate 3,000 boys. This school will be ready for occupancy in September 1941. While it is obviously impossible for the church to provide free high-school education for all children who desire it, it will do so for as many as possible whose parents cannot afford to pay, and for as moderate a sum as possible for others.

We hope that with the continued cooperation which we have been receiving we shall be able to pay for the school in 10 years.

COMPARES COST TO CITY

We think you may be interested to know just what this one high school will mean to the city of New York. First of all, it will take from the tax rolls the sum of $1,500 that the city of New York is receiving in annual taxes on this property. The school which will be erected there would cost the city of New York $2,500,000 to erect and equip and $474,000 per year to maintain, without taking into consideration interest and amortization expenses. Thus do we help our children, our homes, our city, our country, our religion. Thus do we help to relieve unemployment.

Praying God to bless us all, joining our prayers with the prayers of the Holy Father for peace among nations and peace among men, I close with the prayer attributed to St. Francis of Assisi, imploring peace for ourselves:

Lord, make me an instrument of Thy peace!
Where there is hatred, let me sow love.
Where there is injury, pardon.
Where there is doubt, faith.
Where there is despair, hope.
Where there is darkness, light.
Where there is sadness, joy.

O Divine Master, grant that I may not so much seek
To be consoled, as to console;
To be understood, as to understand;
To be loved, as to love, for
It is in giving that we receive;
It is in pardoning that we are pardoned;
It is in dying that we are born to eternal life.

[From the New York Times of March 13, 1940]

ARCHBISHOP SPELLMAN

In a city like ours the personality of a Catholic archbishop is of importance to men of good will of all faiths. The address given by Archbishop Spellman yesterday, on the occasion of his investiture with the sacred pallium, will confirm the high opinion that the public has formed of his earnestness, sincerity and generosity of spirit. The authority exercised by the beloved Cardinal Hayes has fallen into worthy hands.

One or two passages in the address were manifestly intended for all of us, Catholic and non-Catholic alike. Archbishop Spellman added to his profession of Catholic faith an equally warm profession of faith in American ideals. "I pledge myself," he declared, "to maintain and defend our fundamental liberties. * * * I am for all of our freedoms and our freedom. I am opposed to tyranny, even though it calls itself freedom. I am opposed to anarchy, even though it calls itself liberty. I am opposed to traitors to the United States, even though they wave American flags and call themselves patriots. I am opposed to lawlessness and violence in speech and in action. * * * I reaffirm my faith in America and in American institutions."

Archbishop Spellman did not need to reassure us on these points. His record speaks for itself. His kindliness and tolerance were obvious from the first. Yet, in this day of misunderstandings, of sinister hates and jealousies, of deliberate unreason, his words are brave and timely.

Air Route from New York to Toronto

EXTENSION OF REMARKS

OF

HON. PATRICK J. BOLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, February 13, 1940

Mr. BOLAND. Mr. Speaker, the Trans-Canada Airlines, a Canadian Government controlled company, on September 11, 1939, filed application with the Civil Aeronautics Authority for a foreign-air-carrier permit to operate a New York-Toronto route. A hearing was held on this application on February 7 and 8, 1940. The witnesses at this hearing clearly expressed the desire in their testimony that the Trans-Canada company would be given the exclusive rights over this route.

I wish, at this time, to enter my protest to the Civil Aeronautics Authority against any such permit being granted. There should be reciprocity in this matter. If a permit is granted to a foreign company then our American airlines should certainly have the same rights to operate into Toronto.

There is no opposition, and rightly so, to such application for the necessity of this air route, but there is much opposition to any exclusive rights being given away to any foreign country. Even with equivocal rights over this route with a United States carrier, the Canadian Government would be getting much the better of the bargain, inasmuch that they would be able to reach New York City, the greatest business and traffic center on this continent, and again, this fact presents itself: That 80 percent of the New York-Toronto route lies in the territory of the United States. On the other hand, Toronto and Montreal, the outstanding cities of Canada, lie just over the border.

Sound international policy in the matter of the establishment of important air routes between two countries requires that each grants to the air carrier of the other country concerned an equivalent right to operate over the same route.

Finally, it would be inconsistent with the Civil Aeronautics Act of 1938 to grant to the Trans-Canada Airlines exclusive rights over the New York-Toronto route because in its declaration of policy the act provides:

SEC. 2. In the exercise and performance of its powers and duties under this act, the Authority shall consider the following, among other things, as being in the public interest, and in accordance with the public convenience and necessity: * * * (d) competition to the extent necessary to assure the sound development of an air-transportation system properly adapted to the needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense. * * *

Eastern Safety Conference

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Thursday, March 14 (legislative day of Monday, March 4), 1940

ADDRESS BY REAR ADMIRAL C. H. WOODWARD

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the address delivered by Rear Admiral Clark H. Woodward, United States Navy, commandant of the Third Naval District, at the Sixteenth Annual Eastern Safety Conference, held at Newark, N. J., February 15, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President and members of the Eastern Safety Conference, it is, indeed, a special privilege to be able to talk to such a distinguished body of safety engineers as here assembled—executives whose daily responsibilities and duties bring them in immediate and continuous contact with industrial hazards, and whose every effort is bent on reducing accidents and the losses to life, limb, and property resulting therefrom. This is a subject in which we are also vitally interested.

In fact, long before the publicity regarding safety in industrial plants was started, the safety of the personnel on board ship was given the most elaborate and painstaking attention. It is doubtful if in any organization in the world safety measures are as complete as on board a man-of-war. In addition to the safety of the ship itself, from grounding or collision, very careful measures are in force to prevent loss of personnel overboard, and a most carefully worked-out system is maintained for fire prevention, handling of ammunition, etc., and particularly for control of damage resulting from the usual accidents at sea in peacetimes or from engagement in battle during war.

In this connection the Navy Department was one of the foremost agencies in the International Congress on the Safety of Life at Sea. Its representatives took a prominent part, and some of the most elaborate and extensive experimental work performed at the request of this Congress was at the expense of the United States Government. One of the experiments, for instance, was in connection with the determination of the floodable length of a ship. This involved the actual filling of the machinery spaces of a large merchant ship with water to determine permeability, or the amount of water it took to fill this space.

As for navy yards, for many years we have endeavored to foster safety by using the most advanced mechanical safeguards, by changing lighting systems and moving machinery in order to make more working space, by frequent inspections of operations and safety equipment, and by indoctrination—or extended and continuous educational campaign in methods of safety—to reduce risks to a minimum.

At the organization meeting of the Federal Interdepartmental Safety Council held in Washington, D. C., on June 18, 1937, the Secretary of Labor, Frances Perkins, stated:

"Remarkable strides in accident prevention have been made by several of our Government departments. For instance, had the accident rate of the United States Navy continued unchecked, based on its 1926 accident experience, 175 men who are alive today would have died as a result of occupational injury and disease. The United States Navy interposed a program of accident prevention, safety inspection, management, oversight, with this particular item in view and cut down its anticipated death and injury rate to this extent. Although twice as many men are employed today, doubling this exposure, the injury rate in the Navy is less than half the rate in 1926, which is just an example of what can be done by proper supervision in a very serious exposure."

Just as is done in civilian industrial establishments, we investigate and analyze all accidents, collect statistics, and compile safety rules from the many years of experience gained in the accident-prevention field. With these as a foundation, a competitive program was established, each shop or yard competing not against other shops or yards but against its own past record. As a result, we now have more than 100 shops with perfect records, by which I mean no accidents of any nature, ranging from 5 to 10 or more years. The cost

involved has been exceedingly small in comparison to the savings resulting both to the Government and its employees from avoidance of serious accidents. Such cheap insurance premium has paid "fabulous dividends in an amazingly brief time," as Secretary Perkins expressed it.

This brings me to the real subject of my talk today, which concerns the security of our Nation. Just as safety engineers attempt to remove industrial hazards through study and planning of responsible officials and increase the safety of workers through indoctrination of personnel, so we of the Navy, as a result of our estimate of the international situation, make every effort to reduce the dangers to our country's safety due to unpreparedness and try to show our citizenry the necessity for a proper national defense.

Realizing that it is much better to be safe than sorry and paraphrasing the title of one of the papers presented in your forenoon session of yesterday, I have chosen as my subject Regrets Pay No Dividends.

As you all should know, the Naval Establishment is itself a safety organization. It operates over a broad field which covers the waters of the seven seas, and has for its mission the security of the United States and the safety of its nationals and their property throughout the world. In order to accomplish this task, particularly in the world of today, where force plays the dominant role in the affairs of nations, we must have a navy of sufficient size and strength that no predatory militaristic nation dare challenge us.

Should we ever have to go to war again, which God forbid, we cannot afford to find ourselves in the same utterly unprepared state as that in which, during the past 160 years, we have entered every one of our six major conflicts, despite the tragic experience in each preceding venture.

This refers particularly to our position on the sea, where the Navy is our first line of defense. It must be prepared for any eventuality, and on short notice, for modern wars come quickly, and naval participation is brisk while it lasts. Because of the long time required to build naval vessels, it's too late to start building after conflict has begun. Our people must be brought to the stern realization that a navy with an adequately trained personnel cannot be improvised. Proper preparations, to be efficient and economical, must be accomplished systematically and coolly while there is yet time.

Undoubtedly such preparedness will be costly, but the cost is inconsequential as compared with that of war. Like the safety measures taken by industrial establishments, the cost is an exceedingly small insurance premium for the security obtained. It is much cheaper and saner to prepare in advance than to satisfy the excessive demands of a victorious enemy. As Secretary of the Navy Edison so truly stated recently, "defeat (in war) would cost us in money more than a dozen navies." This further emphasizes the correctness of my assertion that "regrets pay no dividends."

Be it remembered, any navy stands or falls by its strength at the time war breaks, and not by the ships we might wish we had. As the late Admiral Moffett so aptly phrased it, "When it comes to war, a second best navy is very much like a second best hand at poker." To complete the simile I may add that after being "called," it's too late to better one's hand. The more efficient we make our fleet in times of peace, therefore, the better off will we be should our country be challenged. And in this connection we must remember that we cannot depend on any outside help. Quoting Secretary Edison again, "Our Navy must be based on its ability to stand alone," for "the strength of friendly nations might even be turned against us if it should fall into the hands of conquerors."

Let us now look briefly into the actual cost of an efficient fleet as compared with the cost of war. Official statistics show that the World War cost the United States thirty-two and one-tenth billion dollars, or at the rate of twenty-eight and seven-tenths millions daily. And, remember, this was in the gold-standard days, when a dollar was worth almost twice as much as it is today. At this rate—and taking into account only the present-day reduced monetary value—a modern 35,000-ton battleship, such as we are now building at the Brooklyn Navy Yard, could be built for less than 2½ days' cost of warfare. Yet we hear vociferous protests regarding the so-called enormous amounts being spent to bring our Navy up to proper strength.

In this connection both the Secretary of the Navy and the Chief of Naval Operations, in their recent testimony before the House Naval Affairs Committee, strongly but unsuccessfully urged approval of the bill before Congress for an increase of 25 percent in tonnage over the present authorized strength, at an approximate cost of one and three-tenths billion dollars—the same to be spread over a period of several years. The committee, however, finally recommended an increase of only 10 percent, at a cost of something less than $700,000,000.

Using as a figure the daily expenditure during the past conflict, the total cost of the program as originally proposed by the Navy Department (or one and three-tenths billion dollars) would equal only about 45 days of warfare. That is food for very serious thought and earnest consideration.

The question that naturally presents itself at this point is: Why do we need all the extra tonnage asked for by the Navy Department? Secretary Edison gave a part of the answer to this query when he stated that, "Our present fleet, as of January of this year, is inadequate," and that "even when augmented by all ships now building or ordered, plus all ships authorized but not yet appropriated for," it still does not provide a fleet capable of meeting simultaneous attack by potential enemies in both the Atlantic and Pacific. Yet such a fleet is the minimum we must have for absolute security.

The other part of the answer—an astounding fact not generally known by the public—is that today our total authorized tonnage is only 75 percent of that which we possessed 18 years ago. At this point let us look back a bit at the record. At the end of the World War we had the mightiest fleet in the world, built and building. Our tonnage—then well over 2,000,000—was 40 percent greater than that of our nearest competitor, Great Britain, and considerably more than twice that of Japan's fleet.

The Washington Limitation of Arms Conference was called for the purpose of putting an end to naval competition. As a result of the treaty following this conference, which became effective in 1922, the United States surrendered her naval supremacy by scrapping 30 capital ships, including 10 of the largest and most modern and powerful vessels in the world, ranging in completion from 11 to 76 percent. This loss cost us 755,000 tons. Mind you, this stupid gesture was entirely voluntary on our part so as to permit Great Britain to have a fleet equal to ours and Japan one three-fifths as great—without either having to build up to that percentage. We had acted well the role of international Santa Claus. An additional 173,000 tons of ships were lost by the subsequent London Treaty of 1930, making our total loss 928,000 tons.

To make matters worse, and totally ignoring the fact that a nation's security depends wholly upon its ability to defend itself, during the 12 years following the Washington Treaty we deliberately failed to provide a building program, even for replacement of old and obsolete vessels. We soon dropped to a poor third place among the maritime powers of the world, as other nations—unwilling to renounce force as an instrument of policy—not only failed to follow our silly altruistic example of unilateral disarmament, but laughed in their sleeves at our folly, and continued to build toward treaty limits by a systematic and orderly annual increase for the purpose, as they claimed, of purely self-defense.

In March 1933 our Government awakened, disillusioned, from its pipe dream of false security, and with a loyal and patriotic vision—following the personal leadership of President Roosevelt—has since continued to make every effort to correct the serious errors of past administrations by authorizing the building up of our Navy to provide at least some semblance of real security.

By the Vinson-Trammell Act of 1934 Congress authorized us to build a treaty navy. This is the first time in our national history that any real naval construction policy had been officially adopted. Prior to that time the Navy had been forced to lead a hand-to-mouth existence—and mostly crumbs at that—until the advent of actual war when expense was no object—a policy unjustified by any precept of history. After each conflict, however, and regardless of the steady growth of foreign navies, our appropriations were cut to the bone. This fatuous and short-sighted policy of our Government in times of peace had kept our naval preparedness on the border line that separates security from national risk.

Because of our late start in building, when the Washington and London Treaties were abrogated by Japan on December 31, 1936, we were then 6 years behind in our treaty-limit tonnage, though both Great Britain and Japan had already reached their authorized goal. The abrogation of these treaties automatically removed the lid from any limitation of numbers or total tonnage, except that our bilateral agreement with Great Britain still limited our heavy cruisers in both number and size of guns.

In consequence of the then chaotic conditions in Europe, and realizing, as previously mentioned, that a navy stands or falls by its strength at the time war breaks, other nations took immediate advantage of this freedom from limitation by feverishly laying extra keels. Unfortunately, our Navy, alone, was limited in size by the Vinson-Trammell bill. It was necessary, therefore, for Congress in May 1938 to pass the so-called expansion bill, in order to give us a 20-percent increase in authorized tonnage.

For your information, this increase gave back to the Navy less than 30 percent of the nearly million tons lost by the Washington and London Treaties. This is mute evidence of the fact that we are not embarking in a mad scramble for naval supremacy, or even encouraging an international armament race, as so blatantly claimed by purblind armchair pacifists and militant unpreparedness zealots. We want no war. Our only effort is to bring the United States Navy up to its proper strength before it is too late in order to prevent war.

When all the ships now built, building, and authorized are actually in service—about 1946—we will then have a total of only 1,510,000 tons, or, as stated previously, just 75 percent of that which we possessed in 1922, while Great Britain will have well over 2,000,000 tons, according to her present building program. In other words, our previous relative standing will be exactly reversed. We are now definitely in no better than second place, with Japan pushing us closely for that.

The Navy Department's present request for an increase of 25 percent would give us less than 400,000 additional tons. This would still leave us short of the total combatant tonnage we had in 1922—18 years ago. Therefore, instead of being unreasonable, as claimed by some, it is a thoroughly justified request. When present rapidly changing world conditions are considered, the necessity for the additional ships is obvious. Being the richest nation on earth, and with two-thirds of the world's gold hoarded in underground vaults, to say nothing of the unlimited resources we possess, our best

interests demand a navy second to none in order to defend ourselves against the designs and selfish ambitions of some strong predatory nation, or coalition of nations. We would make a tempting and glittering prize for such an enemy.

In this connection let us see what other countries are spending for their national defense—army and navy combined. The latest statistics in this regard are most illuminating.

For the year 1939 the budgeted appropriations showed a total of 18.7 billion dollars for the 7 major powers, as compared with sixteen billion actually spent in 1938. This was divided as follows: Russia, 5.4 billion; Germany, 4.5 billion; Great Britain, 3.5 billion; France, 1.8 billion; Japan, 1.8 billion; United States, 1.1 billion; and Italy, six hundred million.

It is too early yet to obtain actual expenditures for the year 1939, so please note that these were the budget figures. This probably means that the amounts (except that of the United States, which is carefully controlled by our Congress) were actually exceeded, due to the advent of the European war in September last and to increased activities in the Far Eastern conflict. It is significant to note that the combined budget figures for Russia and Germany amount to $10,000,000,000 or slightly more than 53 percent of the total of the seven nations, whereas the United States actually expended only 6 percent of the total. This latter amount, representing a per capita expenditure of $8.46, was divided about equally between our Army and Navy. The Navy's share—$4.23—amounts to less than 1¼ cents per capita per day. Surely that is not too much to pay for our sea defense.

Since 1933 the people of the United States have become Navy-conscious and more enlightened as to the need of a reasonable naval safeguard. In consequence the country is almost unanimously in favor of building a navy second to none. We are not a warlike nation and have no territorial ambitions. Nevertheless, in a world where forces for war are greater than forces for peace, as we find them today, we must be prepared to meet aggression. The Navy is not willing to be unready and the country cannot afford to have a second-class fleet should war be forced on us.

As true today as when first uttered by the great Admiral Nelson, "A line of battleships is the best negotiator in the world." To express the thought somewhat differently and more completely, "The navy is, first, the statesman's tool, and, second, the warrior's weapon." Experience, as recorded in world history, shows that a strong navy is not only the best protection against the hazards of war but also the greatest bulwark of peace. By its very existence our Navy has prevented wars, and by its intervention at times has kept dangerous situations from developing seriously.

As that great American and former President, Theodore Roosevelt, said: "The Navy of the United States is the right arm of the United States and is emphatically the peacemaker. Woe to the country if we permit that right arm to become palsied or even to become flabby and inefficient."

Efforts to economize on national defense is a wisdom that is not wise and a folly that ends in futility, for national security comes first. To fail in the defense of our country is to fail utterly. Every other consideration must be secondary, for "regrets pay no dividends."

Carnegie Endowment for International Peace

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Thursday, March 14 (legislative day of Monday, March 4), 1940

EXTRACT FROM REPORT BY NICHOLAS MURRAY BUTLER

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD the first four paragraphs of the annual report of President Nicholas Murray Butler, director of the division of intercourse and education, Carnegie Endowment for International Peace.

Each sentence of these four paragraphs brings vividly to the mind of the thoughtful, world problems as they affect nations and men. It is more than reassuring to know that there are in existence institutions which sponsor a thoughtful and studied approach to the solution of the problems of the world which stand in the way of making the earth serve its inhabitants to the fullest of its capacity.

Condemnation of that which is bad is found in these four paragraphs. An understanding approach to the methods of overcoming this badness is also found there. Since the ideals of the American Government can ultimately be preserved to the American people only through a conviction on the part of all that self-restraint and the recognition of self-restraint by all is the only sure road to safety, nations accordingly must learn that they, too, live only by so alining themselves with the purposes of bringing about the accomplishment of the good in the earth which comes from self-restraint.

There being no objection, the extract from the report referred to was ordered to be printed in the RECORD, as follows:

[Division of Intercourse and Education, Annual Report of the Director]

To the Trustees:

No attempt need be made, and none could be justified, to conceal the intense disappointment with which one looks back over the year which has passed. Despite the stupendous progress which has been made during the last half-century in the education of world public opinion against resort to war in the settlement of international differences and despite what would appear to be the controlling power of public opinion in many lands, we are again confronted by a world-wide war of appalling significance. The weapons of this war, which in almost every case is as yet not formally declared to be war, are primarily economic. They are directed to conquering the adversary nation by depriving it of the necessities of life and of combat. The actual military contest involving the lives of millions of human beings has not yet manifested itself on a large scale except in the invasion of China by Japan. On a smaller scale it is manifested by the invasion of Finland by Russia. Neither of these cruel invasions, we are told, is war.

Up to the present time, however, the aim of the struggle has obviously been economic control and paralysis of the enemy. How long this state of things can last is uncertain. It is certain, however, that it cannot last forever. Information which has recently been received from thoroughly responsible sources as to conditions in Russia, for example, makes it plain that the economic and military power of that people, however great in numbers, is very limited by reason of the fact that the Communist regime has wrecked and destroyed leadership. Communism is war on earnings and on savings, as well as war on excellence in every form. Its weapons are envy, hatred, and malice. The Russian idea of reform is the purge, which means the murder of every type and kind of excellence which might be turned to at a time like the present to guide and to direct public policy and public effort.

Under such conditions it is of course most important that the attention of the Carnegie Endowment and of those enlisted in its service should be turned to post-war conditions and post-war policies. Should the war end by reason of an economic collapse, the opportunity for a wise and constructive international economic policy may be far greater than it has ever been before. The principles and ideals which the leaders of opinion in the United States have been urging for 40 years, and which the Congress of the United States and both of the chief political parties have supported time and time again in their formal declarations—but not, unhappily, by their acts—are those to which the world must turn if there is to be an economic prosperity which will lead to peace and if there is to be a peace which will rest upon economic prosperity and national contentment. The call to the people of the United States for leadership is insistent and imperative. They, and they alone, will be seen to be in position to guide the thought of the world toward those constructive policies of international cooperation and international effort which are the one alternative to chaos and disaster. The time has passed for the discussion of so-called national problems. There are no longer any such problems of outstanding consequence. All these problems have taken on an international character because of international contacts, international influence, and international economic life. However important a national problem may seem today to the people of the United States, of Italy, of Germany, of France, or of Great Britain, it will, on examination and reflection, be found to be but one aspect or incident of an international problem.

Once more it must be emphasized that the noteworthy conference held at Chatham House on March 5–7, 1935, acting by the unanimous vote of as representative a group of world leaders drawn from 10 nations as could possibly be assembled, pointed the way through its declaration to the path of true progress. The Division of Intercourse and Education is centering all its efforts in every part of the world upon making this program known and understood. It is this program which, if intelligently and promptly acted upon when this war shall end, offers a wholly practical plan of international cooperation, international organization, and international stabilization, both economic and political.

Bermuda and the British War Debt

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Thursday, March 14 (legislative day of Monday, March 4), 1940

ARTICLE BY LINN A. E. GALE

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD an article by the pen of Mr. Linn A. E. Gale, who serves as secretary to the Make Europe Pay War Debts Committee.

The article is entitled "If Bermuda Had Been American, Not British, Soil."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IF BERMUDA HAD BEEN AMERICAN, NOT BRITISH, SOIL

(By Linn A. E. Gale, secretary, Make Europe Pay War Debts Committee)

"Britain Votes New Deal for West Indies" is the heading of a dispatch from London published in the daily press some days ago. The article relates to a plan for setting up a central organization for the West Indies at a cost of $20,000,000 to spread over 20 years.

Shortly after the publication of this news story came accounts of the seizure of American mail in Bermuda by British agents at the point of the bayonet. It would appear that, whether or not Britain gives the West Indies a new deal, the United States is getting a new deal from the mighty empire on which the sun never casts a setting ray—a new deal, not of humanitarianism and social welfare which have been the aims of the New Deal in American politics, but a new deal under which Britannia rifles our mail with impunity on the one hand, while on the other hand virtually demanding that we once more help her win a war.

All of which calls to mind the demands of the Make Europe Pay War Debts Committee, of which Senator ERNEST LUNDEEN, of Minnesota, that consistent and courageous foe of meddling in transatlantic wrangles, is national chairman. This committee, formed a few months ago, urged support of Senator LUNDEEN's joint congressional resolution for acquisition of the British and French West Indies as part payment of British and French war debts of two decades ago, and for attachment of German, Italian, and other foreign deposits in American banks as part payment of the debts of those nations to this Government. The proposal met with widespread approval from the outset. It even, so it appears, stung Lord Beaverbrook to such a degree that he felt impelled to send a 3,000-word cablegram to the New York correspondent of the London Daily Express for use in American papers explaining why England had never paid a single cent on her enormous obligations to the United States—an explanation that was perhaps ingenious, but that was certainly far from convincing to the average sensible citizen of the United States.

Many distinguished persons of various political parties, religious affiliations, and racial origins have joined hands with the Make Europe Pay War Debts Committee. They include civic leaders of such divergent opinions on other subjects as Gen. Smedley D. Butler; ex-Senator Smith W. Brookhart; Governor E. P. Carville, of Nevada; Mayor Thomas L. Holling, of Buffalo, N. Y.; Senator Robert R. Reynolds, of North Carolina; ex-Consul General T. St. John Gaffney; Congressman Martin Sweeney; Editor Michael O'Reilly, of the Gaelic American, and Alice Lorraine Daly, one-time Non-Partisan League candidate for Governor of South Dakota—Democrats, Republicans, Farmer-Laborites, and Independents.

It would be superfluous to repeat what has been said in appropriately burning words by numerous Senators and Representatives that Great Britain has been guilty of a high-handed and indefensible act in the seizure of American mails. It would be superfluous also if it were not for the incessant, insistent, and insidious propaganda seeping through the Nation in favor of participation in the war on the allied side to add that America's definite duty is to keep out of the fuming hell's cauldron across the ocean. As in all wars, there are sins on both sides, and plenty of them. "A plague on both their houses."

Meanwhile, had we owned the West Indies the Bermuda incident would never have happened. With West Indian islands in the possession of Great Britain and France—or if they were in the possession of any other European nation—such incidents may be expected from time to time, despite the fact that they are palpable violations of international law, international postal agreements, and the most elementary common sense.

What else can be expected when the governments of Europe, some of them naked, brutal dictatorships, some dictatorships camouflaged as democracies, engage in a life-and-death struggle for pelf and power? War, as Scott Nearing observed in his recent lectures here in the Friends' meeting house, is not moral, but amoral. In the conduct of war, ethics, morality, and ordinary codes of honor are gone with the wind. In such times the end invariably justifies the means—the end—with each combatant being its own success. In such emergencies might makes right, and the position of a neutral nation is not an easy one, although this does not mean that any excuse is thereby afforded for abandoning neutrality. Unless there is actual invasion of the territory of the neutral country, it is still a million times better off than it would be if it were to yield to persuasions and threats and become embroiled in the vicious and gruesome saturnalia of slaughter.

It cannot, however, be stressed too strongly that if Senator LUNDEEN's proposal were already a reality and the West Indies were American, not European, soil, there would have been no such event as that in Bermuda the other day. The happening constitutes another of the multitude of reasons why the Lundeen resolution or that of Senator REYNOLDS, or perhaps a composite resolution embodying the essential points involved, should be adopted.

Hatch Act

EXTENSION OF REMARKS
OF
HON. CLAUDE PEPPER
OF FLORIDA
IN THE SENATE OF THE UNITED STATES
Thursday, March 14 (legislative day of Monday, March 4), 1940

RESOLUTIONS OF HOLLYWOOD CENTRAL YOUNG DEMOCRATS

Mr. PEPPER. Mr. President, by request I ask unanimous consent to have printed in the Appendix of the RECORD a letter addressed to me by the president of the Hollywood Central Young Democrats, of Hollywood, Calif., together with resolutions adopted by that organization.

There being no objection, the letter and resolutions were ordered to be printed in the RECORD, as follows:

HOLLYWOOD CENTRAL YOUNG DEMOCRATS,
Hollywood, Calif., March 5, 1940.

Hon. CLAUDE PEPPER,
United States Senator,
Washington, D. C.

DEAR SENATOR PEPPER: Enclosed herewith you will find a copy of a resolution, recently adopted by California's largest group of young Democrats, the Hollywood Central Young Democrats, Inc., which expresses our sentiments regarding the so-called Hatch Act, Senate bill 1871.

We petition you in the name of thousands of American citizens, to not only restore those liberties and freedom lost by the enactment of such legislation, but to stand strong in your determination not to surrender the people's rights, which they have enjoyed under the Stars and Stripes for more than 150 years.

Cordially yours,

ALBERT W. MURRAY, *President.*

Whereas the first session of the Seventy-sixth Congress of the United States of America enacted into law Senate bill 1871, commonly known as the Hatch Act; and

Whereas subsections (a) and (b) of section 9 of this act prevents non-civil-service employees in the executive branch of the Federal Government, or an agency or department thereof, from participating or taking an active part in political management or political campaigns; and

Whereas the constitutionality of subsections (a) and (b) of section 9 of this act has been questioned by many of the country's leading citizens, since it infringes upon the civil rights and personal liberties of the workers coming under the provisions of this act: Now, therefore, be it

Resolved, That we, the officers and members of the Hollywood Central Young Democrats, Inc., in regular session assembled, urge the repeal of subsections (a) and (b) of section 9 of this act, as discriminatory legislation and an abridgement of the rights and personal liberties guaranteed by the Constitution of the United States; and be it further

Resolved, That we petition our Representatives in Congress to initiate necessary legislation repealing the objectional portions of this act; and be it further

Resolved, That copies of this resolution be forwarded to congressional Representatives, members of the county, State, and national committees of the Democratic Party, all organizations interested in maintaining the civil and political rights, and liberties of our citizens, and to the press.

The Relief Part of the So-called Farm Security

EXTENSION OF REMARKS
OF
HON. CLIFF CLEVENGER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. CLEVENGER. Mr. Speaker, the Farm Security Administration of the United States Department of Agriculture is a creation of the New Deal. This part of the program was a brain child of Rex Tugwell and was known as the resettlement project. Over 100 Russian-like communities were started, like the one at Arthurdale, W. Va. Large tracts were purchased and subdivided, and new buildings were erected in many places at great expense.

Some of these projects were started on submarginal or marginal lands. Millions of dollars were wasted on the projects but it appears that no new projects of this kind are being started. They have been changed over to a program known as rural rehabilitation. In this rural-rehabilitation program clients have been selected, many times from the relief roles, furnished $100 cows, $300 to $400 teams, and other equipment and started up new farmers with 100-percent Government subsidies. They have been set up in farming in competition with regular farmers, who have to pay their taxes, carry their own load and furnish their share of the money for the federally subsidized new farmers.

Where this money has been used to help real farm people it is comparable to a rural W. P. A. and these people deserve a kindly hand if anyone in the United States deserved it. However, there is no more justification for using Federal funds to start new farmers in competition to men already on their farms, nor is there any more reason for so doing than there would be to appropriate money from the United States Treasury to set up merchants, lawyers, doctors, or any other profession or business with 100-percent subsidies from the Government.

The Farm Security propaganda makes some very exaggerated claims for their ability to take these men and under their guiding hand, have them make a profit when 50 percent of the regular farmers of a community are unable to pay their interest.

The following table shows the amount of money allocated to each State up to June 30, 1939:

Rural rehabilitation loans—Expenditures by States and by fiscal years

States and Territories	1936	1937	1938	1939	Total cumulative as of June 30, 1939
Alabama	$2,173,181	$3,520,677	$2,795,740	$7,798,995	$16,288,593
Arizona	332,592	241,442	495,373	569,147	1,638,554
Arkansas	2,562,862	3,177,474	2,914,550	7,176,812	15,831,698
California	2,103,602	1,764,539	1,395,330	1,752,830	7,016,301
Colorado	3,081,885	2,047,721	2,786,634	3,658,019	11,574,259
Connecticut	111,835	122,031	67,466	193,539	494,871
Delaware	23,534	12,437	11,688	25,503	73,162
Florida	1,066,897	1,418,585	1,378,388	1,767,834	5,631,704
Georgia	2,336,466	2,971,062	2,213,149	6,493,010	14,013,687
Idaho	894,792	1,188,983	1,246,341	2,247,334	5,577,450
Illinois	1,613,442	1,546,869	1,462,113	2,736,469	7,358,893
Indiana	1,223,414	1,115,863	1,504,516	2,373,747	6,217,540
Iowa	1,389,505	1,995,763	1,865,034	3,140,372	8,390,674
Kansas	3,713,459	2,398,707	2,491,732	3,325,821	11,929,719
Kentucky	1,243,125	930,355	748,591	1,076,380	3,998,451
Louisiana	2,184,932	2,045,076	2,001,953	3,842,383	10,074,344
Maine	885,857	1,412,505	1,249,171	1,798,753	5,346,286
Maryland	113,535	91,442	49,693	240,679	495,354
Massachusetts	190,225	170,016	75,969	205,209	641,419
Michigan	1,905,247	771,459	970,630	1,884,046	5,531,382
Minnesota	2,748,964	1,910,362	1,404,977	2,377,569	8,441,872
Mississippi	3,104,737	2,221,719	3,424,056	5,998,388	14,748,900
Missouri	2,161,561	3,284,998	3,316,724	4,697,926	13,461,209
Montana	1,207,895	1,677,247	2,225,424	3,942,306	9,052,872
Nebraska	3,215,266	2,607,510	2,849,390	3,752,609	12,424,775
Nevada	227,692	118,010	130,666	165,297	641,665
New Hampshire	339,929	271,874	181,341	279,351	1,072,495
New Jersey	416,876	381,902	159,711	460,110	1,418,599
New Mexico	1,648,422	745,574	504,735	545,042	3,443,773
New York	793,560	980,944	855,652	1,339,013	3,969,169
North Carolina	$1,834,985	$1,938,865	$1,897,993	$3,276,661	$8,948,504
North Dakota	2,004,249	2,446,103	1,620,743	3,092,897	9,163,992
Ohio	1,599,809	1,116,261	1,740,282	2,714,822	7,171,174
Oklahoma	2,999,822	3,375,514	2,825,477	4,892,464	14,093,277
Oregon	575,745	806,025	1,210,801	1,471,700	4,154,271
Pennsylvania	878,740	493,821	418,125	1,016,271	2,806,957
Rhode Island	59,000	73,522	27,079	33,375	192,976
South Carolina	1,609,194	2,236,959	1,668,030	3,212,308	8,786,491
South Dakota	2,283,435	3,448,930	2,730,936	3,823,487	12,286,788
Tennessee	1,519,683	763,463	683,691	1,275,399	4,242,236
Texas	8,348,780	5,829,586	4,881,880	8,414,027	27,474,273
Utah	1,548,560	1,166,732	1,068,342	1,120,798	4,904,432
Vermont	325,940	284,597	94,719	249,352	954,608
Virginia	1,504,423	870,771	644,675	835,906	3,855,775
Washington	1,028,853	1,433,106	1,544,402	1,813,830	5,820,281
West Virginia	2,162,765	431,572	400,980	2,115,978	5,111,295
Wisconsin	2,350,623	1,841,368	1,353,656	2,509,141	8,054,783
Wyoming	991,838	1,075,756	1,674,029	3,163,317	6,904,940
Hawaii				33,840	33,840
Virgin Islands				15,624	15,624
District of Columbia			1,100	234,153	235,253
Total	78,701,733	72,866,097	69,263,772	121,179,848	342,011,450

Rural rehabilitation loans—Expenditures by States and by fiscal years—Continued

SOME GREAT TABLES OF REPAYMENT

On many occasions I have seen articles by this Department in praise of their great ability as collectors of money loaned and also their great ability to furnish information that made their clients successful financially. I have often wondered if this could not be partially accomplished by the grants or gifts that have been made to the clients as shown in the following table:

Grant program—Expenditures by States and by fiscal years

States and Territories	1936	1937	1938	1939	Total cumulative as of June 30, 1939
Alabama	$49,046	$124,829	$171,783	$301,265	$946,923
Arizona	50,916	4,551	146,578	312,094	514,139
Arkansas	112,099	710,411	25,851	261,036	1,109,397
California	731,734	66,951	945,165	1,660,561	3,404,411
Colorado	811,513	381,180	282,046	235,678	1,710,417
Connecticut	2,279	1,229	1,344	6,087	10,939
Delaware	102	1,675	2,996	4,092	8,865
Florida	87,037	94,672	108,621	140,065	430,395
Georgia	89,135	361,620	190,854	340,529	982,138
Idaho	246,126	58,506	48,501	55,066	408,199
Illinois	300,718	740,811	58,613	69,297	1,169,439
Indiana	42,894	85,537	19,113	49,001	196,545
Iowa	47,637	602,344	48,865	12,561	711,407
Kansas	1,036,335	2,869,702	1,358,790	1,127,578	6,392,405
Kentucky	170,904	1,309,870	12,382	119,652	1,612,803
Louisiana	57,708	68,237	29,230	150,193	305,368
Maine	12,358	14,397	10,366	22,886	60,007
Maryland	2,081	4,185	5,015	12,140	23,421
Massachusetts	5,739	3,883	4,024	12,272	25,910
Michigan	253,446	123,802	72,468	70,797	520,513
Minnesota	511,496	1,225,168	157,252	378,533	2,272,449
Mississippi	132,762	165,362	64,495	286,167	648,786
Missouri	600,257	3,138,947	215,788	945,596	4,900,588
Montana	203,816	1,203,119	1,488,274	1,494,448	4,389,657
Nebraska	397,783	2,904,820	2,188,003	1,325,906	6,816,512
Nevada	6,142	991	495	405	8,033
New Hampshire	4,885	8,492	6,929	11,872	32,178
New Jersey	18,459	20,136	16,157	24,242	78,994
New Mexico	112,445	117,155	69,767	213,389	512,787
New York	64,138	36,908	39,756	128,562	269,364
North Carolina	231,612	103,878	29,968	56,376	421,834
North Dakota	1,655,540	5,720,595	7,128,321	5,469,984	19,974,440
Ohio	446,244	103,629	58,714	87,408	695,995
Oklahoma	887,627	3,226,729	121,718	253,071	4,489,145
Oregon	217,109	38,168	21,335	82,054	358,666
Pennsylvania	22,026	29,785	32,980	50,741	135,532
Rhode Island	11,446	3,189	759	3,511	18,905
South Carolina	43,155	156,702	287,778	249,860	737,495
South Dakota	2,397,639	5,959,018	6,340,076	4,956,170	19,652,903
Tennessee	114,314	74,494	11,787	15,912	216,507
Texas	1,316,057	736,104	84,995	542,500	2,679,656
Utah	265,966	76,761	5,508	18,118	386,353
Vermont	10,329	9,568	4,679	10,242	34,818
Virginia	6,057	12,740	13,340	32,196	64,333
Washington	456,294	162,394	175,101	105,509	839,298
West Virginia	125,359	168,130	7,247	23,880	324,616
Wisconsin	511,475	1,924,312	677,800	545,229	3,658,816
Wyoming	221,389	263,106	172,556	164,305	821,356
Virgin Islands				2,120	2,120
District of Columbia			50,000		50,000
Total	15,101,628	35,158,823	23,034,183	22,741,156	96,035,790

From the two above-mentioned tables one can see that possibly if one were to loan a client $200 and then give him a grant or gift of $20 a month the percentage of collection would be much higher than if the ordinary method of business were followed. What is your opinion?

If we are to believe the propaganda emanating from this Department, the farm problem is simple. All we would have to do is to turn the farms of the country over to the Farm Security Department, and through their benign influence and superior knowledge all farming would be put on a paying basis. We could forget soil conservation, parity payments, and all other agricultural programs, because this all-wise agency can take people off the relief rolls and set them up in farming so they can make profits even when the regular farmers who were born and raised farmers—but without this superior New Deal knowledge—cannot make the grade.

For 30 years I have held the pamphlets, bulletins, and materials from the United States Department of Agriculture in high regard. The propaganda of this Department is going too far afield from common sense to even expect the ordinary mortal to believe in it. In fact, it is a reflection on the intelligence of an infant, and I think the time has come when the Secretary of Agriculture in his wisdom be asked to give his personal approval before any more "bedtime stories" are sent out from this Department.

Rural relief can be properly administered, and it should be carried on in an intelligent and sensible manner. It is not necessary in a free country to make a vassal out of the recipient. I shall support legislation for these people, but I live in hopes of seeing more funds used for the people who need it and not so much on overhead with so many people spending their time in figuring out schemes to live the other fellow's life.

The following table will show the overhead of this Department:

Administration and expenses by States and by fiscal years

States and Territories	1936	1937	1938	1939	Total cumulative as of June 30, 1939
Alabama	$1,441,874	$1,229,404	$937,536	$1,735,196	$5,344,010
Arizona	30,666	38,299	68,456	119,389	256,810
Arkansas	1,428,926	1,017,192	842,505	1,531,665	4,820,288
California	793,166	661,303	425,673	660,587	2,540,729
Colorado	710,137	739,067	573,504	763,932	2,786,640
Connecticut	465,796	449,442	30,782	17,173	963,193
Delaware	1,589	920	2,811	7,274	12,594
Florida	129,864	260,336	293,137	410,843	1,094,180
Georgia	284,520	546,546	629,756	819,429	2,280,251
Idaho	67,582	165,059	115,570	211,997	560,208
Illinois	911,728	429,500	229,888	418,182	1,989,298
Indiana	100,383	811,303	587,780	1,040,501	2,539,967
Iowa	114,087	435,717	287,534	404,366	1,241,704
Kansas	221,740	470,208	356,007	502,465	1,550,420
Kentucky	103,098	327,847	227,826	350,417	1,009,188
Louisiana	202,608	397,508	351,505	522,908	1,474,529
Maine	59,641	148,117	219,466	129,527	556,751
Maryland	7,637	8,071	12,776	41,252	69,736
Massachusetts	12,791	15,465	20,517	47,438	96,211
Michigan	146,217	245,151	235,178	334,918	961,464
Minnesota	210,940	541,223	348,502	398,647	1,499,312
Mississippi	287,963	446,104	549,481	773,990	2,057,538
Missouri	177,424	710,860	522,468	808,507	2,219,259
Montana	76,638	206,153	185,918	272,580	801,289
Nebraska	1,001,423	983,500	750,702	1,024,972	3,760,597
Nevada	21,027	19,464	19,360	20,642	80,493
New Hampshire	22,881	24,058	44,909	39,367	131,215
New Jersey	28,064	36,695	49,892	57,728	172,379
New Mexico	263,550	509,432	376,742	568,268	1,717,992
New York	53,425	95,814	158,649	157,175	465,063
North Carolina	1,091,947	1,180,748	923,919	1,160,001	4,356,615
North Dakota	127,180	415,220	233,853	416,708	1,192,961
Ohio	131,331	284,780	267,492	493,183	1,176,786
Oklahoma	219,300	666,027	563,528	758,654	2,207,509
Oregon	373,736	441,832	375,487	471,969	1,663,024
Pennsylvania	59,166	40,312	114,279	153,091	366,848
Rhode Island	3,985	7,179	7,015	11,690	29,859
South Carolina	203,266	408,992	359,855	468,054	1,440,167
South Dakota	144,857	569,348	370,102	428,774	1,513,081
Tennessee	126,061	295,101	216,865	366,091	1,004,118
Texas	1,721,105	1,707,468	1,359,981	2,116,002	6,904,556
Utah	142,875	184,387	155,326	171,322	653,910
Vermont	21,960	25,771	30,527	36,186	114,444
Virginia	124,759	324,064	202,414	354,335	1,005,572
Washington	77,700	198,518	157,771	228,050	662,039
West Virginia	179,392	219,568	125,289	257,574	781,823

Administration and expenses by States and by fiscal years—Con.

States and Territories	1936	1937	1938	1939	Total cumulative as of June 30, 1939
Wisconsin	$966,126	$926,363	$670,732	$881,535	$3,444,756
Wyoming	62,919	177,144	137,924	200,175	578,162
Hawaii				7,925	7,925
District of Columbia			208,662	138,620	347,282
Total	15,155,050	20,102,580	15,935,851	23,311,274	74,504,755

It appears that with the 17-percent overhead, when free postage and other factors are taken into consideration, the cost of administration of this Department is very high.

From the foregoing facts once more I conclude that it is the great body of everyday Americans—and the average American farmers in this case—that are carrying the New Deal load. Large corporations and corporation farmers have been handsomely subsidized in their farm operations by one program and then on the other hand agencies are created that subsidize new farmers and set them up as competitors with 100-percent subsidies from the United States Treasury.

I think politics should be given back to the politicians. I also think the farm relief should be returned to the relief agencies. Then I think we could give the Agriculture Department back to agriculture, and then we would not have to have a Secretary of Agriculture "living the lives" for every farmer in America.

Flood Control In the Immediate Future In the Lower Mississippi Valley

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ADDRESS BY HON. WILL M. WHITTINGTON OF MISSISSIPPI, BEFORE THE MISSISSIPPI VALLEY FLOOD CONTROL ASSOCIATION

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on Wednesday, March 13, 1940, at the meeting of the Mississippi Valley Flood Control Association, Washington, D. C., to wit:

I am glad to greet the citizens of the Lower Mississippi Valley at this annual meeting. We have assembled under happy circumstances. There have been no major floods for 3 years.

During the present fiscal year the regular appropriations for the Lower Mississippi River were larger than in any previous year. While generally there have been reductions in all appropriations, the appropriations for the valley for the next fiscal year, as already made by the House of Representatives, are satisfactory.

The problem is the most difficult of all problems because the Mississippi Valley is the largest of valleys and the Mississippi River is the longest and most important of navigable rivers. There is to me an appeal in the solution of difficulties. I am intrigued by major problems.

As we assemble today we are reminded that it took a hundred years to obtain recognition of the flood-control problem in the lower valley, and that recognition of the problem as a national one came in 1928, again in 1936, and finally in 1938, because of public sentiment and because of the cooperation that obtained among the people on both sides of the river and in all parts of the valley.

We have not always been of one mind; in fact, we have been of many minds. We have not always had the same politics; in truth, we have many kinds of politics—some good and some bad, but flood control legislation has always resulted from a spirit of cooperation and compromise of policy but not of principle. Legislation has resulted because the leaders of the valley have advocated a sound program and recognized and given consideration to the viewpoints of their neighbors. We have not pursued an ostrich policy nor have we followed the example of the justice of the peace, well known to lawyers, who refused to hear the attorney

for the defendant and gave as his reason that to hear both sides of the case was confusing to the court.

There are generally two sides to all questions involving flood control. We have endeavored to consider both sides and all viewpoints. I trust that such a policy will continue for the problems of flood control are constant and continuous. They will remain as long as the Mississippi River flows toward the sea.

AUTHORIZATIONS AND APPROPRIATIONS

Under the acts of May 15, 1928; June 15, 1936; and June 28, 1938, $637,000,000 have been authorized. The entire amount was authorized for the Mississippi River, including the Atchafalaya, except approximately $16,000,000 for the St. Francis Basin, $12,000,000 for the White River backwater area, and $48,000,000 for the Yazoo River Basin. There remains to be appropriated for the lower Mississippi River approximately $240,000,000.

DIVERSIONS AND ENLARGED LEVEES

We have always profited by a major flood. The New Madrid floodway and the Bonne Carre spillway were utilized for the first time in the flood of 1937, which was the largest of record north of Helena. The Government had only acquired flowage rights in the New Madrid floodway. The Chief of Engineers, following his experience in the New Madrid floodway, recommended the purchase in fee simple of lands in Morganza, West Atchafalaya, and the Eudora floodways and that these three floodways be constructed. He also recommended that the main-line levees be strengthened and that the discharge capacity of the river be enlarged. In the first flood-control bill passed after the flood of 1937 the recommendations of the Chief of Engineers were followed and $40,000,000 in addition to the previous authorizations for the purposes mentioned were provided in the act of June 28, 1938.

CUT-OFFS

There are 13 cut-offs between the Arkansas and Red Rivers, and all had been made at the time the act of 1938 was passed. As I have stated, there have been no major floods since. Extensive hearings were conducted before the act of 1938 was passed. Maj. Gen. Julian L. Schley, the Chief of Engineers, was heard at length. Gen. H. B. Ferguson, then president of the Mississippi River Commission, and the district engineers of the lower Mississippi Valley, all appeared before the committee. Especially thorough hearings were conducted respecting the value of cut-offs and the reductions in flood heights because of cut-offs. The 1937 flood was the greatest flood that ever occurred in the lower valley north of Helena.

Experiments following the flood of 1937 were conducted in the experimental laboratory near Vicksburg, Miss. Not one but many experiments were conducted before the passage of the act of 1938. General Ferguson furnished to the Congress the results of those experiments. The benefit of cut-offs was emphasized by General Ferguson. The results of the cut-offs were determined both by the flood and by the experiments following the flood. General Ferguson did not indicate that any further experiments were necessary to give to Congress and the country the benefits of cut-offs after the flood of 1937. The results were known. Flood heights were reduced at Arkansas City, at Greenville, and at Vicksburg. Experiments are based upon a given flood. The 1937 flood came out of the Ohio River. No experiments can change the experiments conducted before the act of 1938 was passed. The 1927 flood came out of the White and Arkansas Rivers. The situation as a result of the cut-offs might have been entirely different if the 1937 flood had come out of the White and Arkansas Rivers instead of the Ohio River. Additional facts as to the lowering of the flood heights could not be furnished, but there has been no flood since 1937. There are no additional facts as to the benefit of cut-offs or as to the reduction of flood heights from cut-offs in the light of said given flood.

Both the Chief of Engineers and the president of the Mississippi River Commission recommended that Eudora be constructed. The act of 1938 made provision for the acquiring of fees and for full compensation to owners. I have always advocated that no legislation be enacted unless it was recommended by the Chief of Engineers. There are some who advocate only such projects recommended by the Chief of Engineers as they approve. They oppose other projects recommended by him. The fuse-plug levee was opposed in 1927, because owners were not compensated. The Eudora floodway in 1936 was opposed because owners objected to flowage rights. When provision was made for acquiring fees, objections were made because of opposition to any floodways through the Eudora, although citizens of Louisiana advocated the West Atchafalaya floodway, the Morganza floodway, the Wax Lake outlet, and the Bonne Carre diversion. If diversions are sound in south Louisiana, they are sound between the Arkansas and Red Rivers.

I have always maintained that cut-offs in the Mississippi River, as cut-offs in all rivers, increased flood heights below the cut-offs. For this reason I advocated the substitution of Eudora for the Cypress Creek or fuze-plug diversion.

The act of 1938 made provision for the execution of the recommendations of the Chief of Engineers, and there has been no change in the river, and there has been no flood since the act was passed. It is time for constructing works authorized. The backwater area of the Red and the back-water area of the Yazoo were led to believe that Morganza would be of benefit. So was the Atchafalaya Basin. It is imperative to know how Morganza will be operated before proper consideration can be given to any changes in diversions or increased levee heights along the main river. If the fuze plug be opposed, the back-protection levee is in order. There will be two levees to protect the Boeuf Basin instead of one. It is time to complete projects already authorized and recommended by the Chief of Engineers.

THE IMMEDIATE JOB

Neither the Eudora floodway nor the northward extension thereof has been constructed. Morganza is under way but has not been completed. The Wax Lake outlet has not been completed. Levee foundations remain to be strengthened, and levees remain to be raised as authorized. Morganza is to be completed. The statute provides that funds authorized for both Morganza and Eudora and northward extension cannot be used for any other purpose. Highways and bridges are to be constructed in the Atchafalaya Basin. The immediate job in the lower Mississippi Valley is the completion of works already authorized.

I repeat to emphasize that there have been no floods by which to test the works since the report and testimony of the Chief of Engineers and the president of the Mississippi River Commission in 1938. No factor of safety should be eliminated or abandoned until it has been shown that no such factor is needed. I know of no better way to test than to have and to endure a major flood. It was a flood in 1927 that called for the act of 1928; it was a flood in 1937 that called for the act of 1938.

TRIBUTARIES

While legislation for the lower Mississippi River has treated the river as a unit from Cairo to the Gulf, and while I advocate the continuance of this policy, I have also advocated at the same time that the policy adopted in the act of 1938 to provide for flood protection along the tributaries of the Mississippi River should be continued as fast as authorizations can be secured. No work should be authorized or constructed along the tributaries that will jeopardize or endanger the main-line levees, but all sound works along the tributaries that will protect those tributaries or will aid in protecting the main-line levees should be provided. All of the funds authorized for the lower Mississippi River except for the St. Francis River, the White River backwater area, and for the Yazoo River System are to be spent along the Mississippi and the Atchafalaya Rivers.

The problem along the main river will never be completely solved until the problem along the tributaries is solved. The Flood Control Act of 1938, therefore, authorized the expenditure of $9,000,000 for reservoirs along the Missouri River; $25,000,000 for reservoirs along the White River; $21,000,000 for reservoirs along the Arkansas River, and $54,000,000 for reservoirs along the Red River. I know of no tributary of the Mississippi River that has been accorded more generous treatment than the Red River and no State will benefit more than the State of Louisiana from the construction of the Dennison Dam.

The authorizations for reservoirs along the Arkansas the White, the St. Francis Rivers and their tributaries will provide protection to the alluvial valley in Missouri and Arkansas. I have therefore advocated in the past and such will continue to be my policy in the future, flood-control works along the tributaries of the Mississippi River, whether they be levees or whether they be reservoirs, whether in the headwater or backwater area that will provide for protection along the tributaries and that will not endanger the integrity of the main river levees. Such a policy in my view is not only wise, is not only sound, but will contribute materially to the increased protection of areas that have been taxed for a century for flood protection from the overflows of the Mississippi River.

FACTORS OF SAFETY

I remember the overflow of 1884. I recall the major floods substantially every 15 years since then. The longer I live the more thoroughly I am convinced that there cannot be too many factors of safety. I have advocated levees; I have supported floodways; I have insisted upon diversions; I have championed spillways, for I repeat that there can never be too many factors of safety. In flood control as in civic improvements, as I grow older, I want to think that the best is yet to be.

In Holland there are two lines of dikes. The first is for ordinary floods; the higher dikes are for the great floods. In densely populated Belgium there are large floodways, constructed and enlarged since the World War.

There are two lines of levees along the Danube River, and these two lines obtain where the population is densest. The Danube passes the city of Vienna in a channel with levees on either side. Some 1,100 feet back of this levee are the higher levees. They are the second and last line of defense. These second lines of levees are in the nature of floodways; they are used only in the superfloods. There are two lines of levees along the River Po in Italy. If there can be a supplemental factor of safety in one of the oldest of all cities, surely there can be supplemental factors in the newest of all countries. We must plan for the future. If the nations of modern times, as well as ancient times, if the most progressive countries in all ages in dealing with floodwaters have provided not one line of levees but two lines of levees, if they have provided not only levees but diversions; if other nations along other rivers have provided in advance what areas shall be covered by floodwaters; if such provision has been made in the Sacramento Valley in our own country, in our own day the floodways and diversions to prevent higher levees and to supplement levees already dangerously high were being utilized in the great flood along the Sacramento River just a week ago, I believe that the people of the lower valley should cooperate

in planning in advance where excess floodwaters that will certainly come at some time shall go rather than leaving the entire valley subject to devastation from excessive floods. I know how people feel about the taking of their lands, but after all highways would never be built, railways would never be constructed, and public buildings would never have obtained if individuals had not made sacrifices, after being duly compensated, so that the greatest good might come to the greatest number in the progress and advancement of the country. I am therefore saying that for years we fought for the principle of diversions, for years we struggled for authorizations. While I have high regard for experiments, no two floods are ever alike. Morganza should be completed. No other factor of safety should ever be abandoned until the next major flood shows such a factor to be wholly unnecessary.

MAIN RIVER AS A UNIT

Whenever inequalities or weaknesses appear in any division of the main river, I shall continue to urge in the future as I have in the past that all cooperate to provide for the additional protection to correct the weaknesses and to remove the discriminations. I believe that the main river levees must and should be strengthened. I believe that while our immediate task is the completion of projects already authorized, as we look toward the future we must plan for strengthening the main-line levees.

THE CHIEF OF ENGINEERS AND PRESIDENT OF THE MISSISSIPPI RIVER COMMISSION

We are extremely fortunate in having as the Chief of Engineers Gen. Julian L. Schley, with his rich background, broad comprehension, and splendid executive ability, in charge of flood-control work, not only along the Mississippi River, but throughout the Nation.

I have known Gen. Max C. Tyler, the efficient president of the Mississippi River Commission, for some years, and I have known of his work in the Corps of Engineers much longer. I know especially of his experience in the lower Mississippi Valley, and in the construction of reservoirs. No man stands higher in the Corps of Engineers than the president of the Mississippi River Commission.

FLOOD CONTROL NOT NEW BUT OLD

We hear much about cut-offs. They are as old as rivers. We hear much about soil erosion. It has been going on through the ages. The Gulf of Mexico formerly extended to Cairo, Ill. After all, there is nothing more lasting or older than Nature. There is nothing more permanent or constant in their habits and courses through the ages than hills, rocks, and rivers. Isaiah drew a perfect picture of the forces of nature in pulling down the mountains, in building up the fertile plains of the valleys and in the action of rivers in their tendencies to straighten their courses, when he wrote long ago:

"Every valley shall be exalted and every mountain and hill shall be made low; and the crooked shall be made straight, and the rough places plain."

RIVERS

Many rivers are renowned in song and story, but none more so than the Father of Waters. Many rivers tell of human love and glory, but none more so than the King of Rivers. When I think of rivers I recall Victor Hugo's words:

"I love rivers. They do more than bear merchandise—ideas float along the surface. Rivers like clarions sing to the ocean of the beauty of the earth, the fertility of the plains and the splendor of the cities. I never think of rivers, those great works of Nature, which are also great in history, without emotion."

The Mississippi River will always play an important part in the development of the United States.

The Need of Larger N. Y. A. Appropriations for College Youth of the South and West

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 6, 1940

LETTER FROM PRESIDENT OF ARKANSAS STATE UNIVERSITY

Mr. ELLIS. Mr. Speaker, most college boys and girls in the Southwest are poor. The N. Y. A. has done a great work in assisting more of them to better prepare themselves for life. I submit herewith a letter from Mr. J. W. Fulbright, the able, young president of our University of Arkansas, in an eloquent appeal for restoration of the reduced appropriation:

FEBRUARY 19, 1940.

DEAR MR. ELLIS: On February 18 Mr. Aubrey Williams announced that the National Youth Administration has allocated $14,038,268 for assistance to students of the college level or above. This sum is allocated to 104,379 students throughout the United States. To Arkansas there is allocated $122,445 for 907 students. Approximately 222 students will be assisted through the University of Arkansas at Fayetteville during the current year. This is a decrease of 75 students from the 1938–39 figures. If Arkansas is to play its proper role in the national economy it is essential that our young people receive an adequate education. In view of the great concentration of wealth in a few eastern States, which enables their many privately endowed universities to give assistance to students, it seems only fair that the students in the poorer States should be given this assistance. Educational opportunities are obviously out of balance in this country when Harvard University can spend $14,000,000 in 1938–39 and many of the State universities in the South and West serving millions of people only get $1,000,000 or less. If democracy is to continue in this country, it must be supported by education of the people, and no more efficient way than N. Y. A. has been evolved to accomplish this.

I sincerely hope that you can prevail upon the Congress to restore at least part of the cut in the N. Y. A. appropriation. To neglect the education of our youth is the worst thing that can be done for the future of this country. We appropriate enormous sums for old people who are beyond the period where they can assist this country in the solution of our problems. In fact, if our young people were better educated they, more than any other factor, would prevent the necessity for old-age pensions and would tend to solve the unemployment problem. There is plenty of work to be done by those who have received a good education.

The Interdependence of Agriculture and Industry

EXTENSION OF REMARKS

OF

HON. BRUCE BARTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ADDRESS BY HON. HAROLD KNUTSON, OF MINNESOTA

Mr. BARTON. Mr. Speaker, under leave to extend my remarks in the RECORD I present an address delivered by my colleague the gentleman from Minnesota, Hon. HAROLD KNUTSON, before the New York Board of Trade on Wednesday, March 13, 1940. The membership of the board of trade is composed of the leaders of industry and finance in the great city of New York, and the meeting which the gentleman from Minnesota, Congressman KNUTSON, addressed was one of the largest which the organization has ever held. Mr. KNUTSON's subject was the interdependence of agriculture and industry.

The address follows:

Mr. Chairman and fellow Americans, when your president, Mr. Zellers, wrote and invited me to address this gathering, suggesting for my subject The Interdependence of Agriculture and Industry, I immediately accepted his gracious invitation because of my friendship for him and the appeal the subject has for me. I consider it a wonderful opportunity to expound certain very definite opinions long held by me on that subject.

We all realize that both are dependent upon each other. Daily you observe the importance of this interdependence. You stand between agriculture and industry, and thus are in an excellent position to know that industry prospers when agriculture prospers and that agriculture prospers when industry prospers. I might add that you have observed this phenomenon ever since you first became interested in matters pertaining to trade. It is my intention to discuss the nature of this interdependence from the standpoint of our recovery problem, to analyze the New Deal recovery program in the light of this interdependence, and to suggest certain general changes that I think must be made in our approach to the recovery problem.

First, what do we mean by the interdependence of agriculture and industry? Speaking generally, we refer to the tendency of farm and nonfarm income to rise or fall together. Thus, if one would plot the indexes of farm and nonfarm income, one would observe the sympathetic tendency of the lines to move in the same general direction; that is, a tendency to move upward or downward together.

We have here something of more than academic interest. Economists and others have observed this tendency, studied it at great length, and have brought forth theories. Some, I might say, have studied the tendency of farm and factory pay rolls to move together and have gone so far as to claim the discovery of a new economic law, a law that will in time be accepted as of even greater importance than the economic law of supply and demand.

Our practical interest in these theories traces to their acceptance by the New Deal as a point of departure for much of its effort in behalf of recovery. I am certain you will recall the argument presented by administration spokesmen from time to time in behalf of the various New Deal agricultural and industrial programs. For example, in the early days of the New Deal, advocates of Government control of production gained support for the first Agricultural Adjustment Act by contending that an increase in agricultural prices and income would promote industrial recovery. This same argument in reverse was used in support of the N. R. A. We were told that a rise in wages and factory pay rolls would encourage agricultural recovery. In still more recent years we have heard similar arguments used in support of spending and an extended Federal loan program.

Now, we know there is nothing wrong with the proposition that farm families would make a better living if city people would only buy more of the farmers' output, or that city workers would have more work at better pay if farm families would buy more tractors, new stoves for farm kitchens, and hay slings for barns. That has been true from the year 1. It represents nothing new. You have observed its truth from the first day you stepped on the trading floor.

What, then, is wrong? Not the theory, that is true, but the assumption that here was the key to general economic recovery. It was to be all so easy. A general recovery movement could be obtained simply by lifting farm or industrial income to a higher level. It didn't make a great deal of difference which we tackled first. Typical of our traditional impatience, however, we decided to do it on the double-quick and played both ends against the middle.

About as quickly as it took the President to say "pass this," "pass that," we had enacted legislation giving the Executive an unprecedented degree of power over agriculture and industry. We created a program for agriculture, a program for industry, a program for labor, a program for the consumer, and a program for youth.

We didn't miss a trick, but we did overlook many factors in our excitement to get things done. We forgot all about general recovery and concentrated upon specific ailments. Agricultural recovery, for example, became an end in itself, and as time transpired we even forgot about agricultural recovery. We soon came to be more concerned with the political consequences of a given action. Thus, we encouraged the rise of pressure groups.

After the pressure groups became entrenched, we discovered that consistency of purpose was no longer of any great concern. What did it matter if the agricultural program was inconsistent with the reciprocal trade agreements program, or that we raised industrial costs at the same time we tried to increase the farmer's real income? If a given action could be demonstrated as an aid to industry, it was prima facie an aid to agriculture. Its effect on the economy viewed as a whole was certain to be beneficial. Spending for power projects would help agriculture by increasing urban purchasing power for farm products. The fact that spending would further unbalance the Budget, necessitate an increase in taxes, and raise fears in the minds of businessmen concerning the hope for future profits from enterprise was ignored. For that matter, so was the thought that much New Deal spending was in direct competition with established enterprise.

We also overlooked an additional fact of even greater importance. When we began to think in terms of specific-recovery programs such as the A. A. A. and the N. R. A., we embarked upon a completely new conception of economic life. We didn't know it at the time, but when we accepted the New Deal we gave up our faith in free private enterprise and accepted instead the philosophy of economic planning. We opened the door to the professional planner, gave him bureaucratic status and respectability, and sat idly by while he experimented with our national economy.

The planner, of course, was not sufficiently omniscient to view the economic structure as a whole. He recognized this limitation and consequently set about to correct our ills in a piecemeal fashion. This piecemeal approach involved a difficulty of tremendous importance, for we lost sight of the true nature of the interdependence which exists between agriculture and industry. We began thinking in segments. We lifted agriculture, as it were, out of its place in the economy and attempted to approach its problems as though it were a separate, distinct reality. The fact is we even broke agriculture down into several subgroups. We developed a sugar program, a cotton program, a corn-hog program, a wheat program, an export subsidy program, a surplus-diversion program, and many other programs. We hired additional planners and put each of them in charge of a program. Then we did the same for industry.

Thus the tendency was to think less and less in terms of general recovery of the entire economic structure and more and more in terms of its elements. We thought that the whole was equal to the sum of the parts. The fact that the economic system wasn't a mathematical proposition didn't enter our heads. We forgot that agriculture and industry are mere words, the only use of which is to describe a given type of economic activity. We forgot that these branches of our economic structure are not clear and distinct. We forgot that agriculture has no vitality apart from industry or industry apart from agriculture. We ignored the fact that there are myriad lines interconnecting every element in our economic system and that these lines, though indistinct, are the nervous system of all of our economic activity. In other words, we gave up a form of economic organization that had a unifying agent—an agent that served to weld our sprawling and conglomerate system into a purposive order. This agent was competition.

And what did we get in return? In its place, that is in place of competition, we substituted the decisions of bureaucrats. Bureaucrats, I would like to add, are quite ordinary men and have the same limitations as you and I. They are mere men who sit behind desks applying average abilities to their respective tasks, getting their share of Federal taxes twice a month and never having to worry about meeting a pay roll. We can pass legislation that will increase their power, but we can't pass legislation that will increase their intelligence.

Now, I have said that we accepted the principles of a planned economy and rejected the principles of free private enterprise when we accepted the New Deal. Naturally the decision was not that cut and dried. The pity is that it wasn't, for I am certain that the outcome would have been different had the issue been stated clearly and definitely.

What we thought we were getting and what we got are two different things. We thought we were getting a temporary delegation of extraordinary powers to the Chief Executive for the express purpose of waging war on depression. We thought these powers would be relinquished once the emergency was over, and that these powers would be used only so long as the economic results justified their continued use.

After repeated fruitless endeavor we find that getting these powers back is like taking a bone from a growling dog. Instead of relinquishing power, there is a constant demand for additional power. Control of agriculture justifies control of industry. Control of coal justifies the control of oil and natural gas. Thus control reaches out its many tentacles until it has the entire economy in its grasp. Said in another way, control breeds more control. Like a guinea pig, it never stops breeding. The process is not yet complete, but we are rapidly working toward the day when our economy will be a completely planned order. Whoever first used the expression "creeping collectivism" expressed the idea well. It's like creeping paralysis. In time it will completely immobilize us.

This entire process is well illustrated by our attempt to control agriculture. On May 12, 1933, we passed the Agricultural Adjustment Act, the purpose of which was to raise farm prices to parity. This would be accomplished by controlling the production of a few major basic crops. In 1934 and 1936 the New Deal restricted acreage in the face of severe drought, and as a consequence the American consuming public had to rely upon vast imports of competitive agricultural products from abroad. The political repercussions were great, and the planners found it necessary to alter their plans. Their search for a foolproof scheme brought forth the ever-normal granary. We would protect ourselves against the vagaries of nature by storing surpluses produced in bumper years for use in years of subnormal production. Soon, however, the planners encountered further difficulties. As they restricted production and accumulated supplies in the ever-normal granary, exports fell off, and foreign producers took advantage of our short-sightedness and increased their production. Declining exports could be remedied by an export-subsidy program, but domestic production could not be controlled successfully unless the entire area of production, domestic and foreign, was controlled. How could we control cotton acreage in Brazil, wheat acreage in Argentina? In no time the planners found a solution. We would urge all surplus-producing countries in the world to enter into an international agreement to restrict world supplies.

Unfortunately for our New Deal agricultural planners, they have not succeeded in obtaining these international agreements, although they have tried to promote such agreements for the control of wheat and cotton. I said "unfortunately," for, as I look at it, they are out on the end of a limb, and it is a good long limb, partially cut in two. Why? Because the Department of Agriculture has taken the official position that production control cannot be successful unless it applies to the entire area of production and unless every major producing country or potential source of supply is included in a world scheme to control production. At the same time the Department has been unable to obtain such agreements. In my way of thinking, it never will, and couldn't enforce them short of war, even assuming such agreements were obtained.

Where, then, does this leave us with our schemes to control domestic production? The administration is caught in an untenable position. It has taken us down a blind alley. What is more, it will neither correct nor admit its mistake. Instead, the New Deal will request more power, justifying its demands on the ground of an unpredictable emergency, and on the further ground that it has worked miracles in the past, that it is leading the way to a prosperous America.

I for one think that it is high time we faced this question of New Deal accomplishments. I consider this of double importance inasmuch as every new request for additional power is justified by reference to the record. Just what, for example, is the New Deal record in support of its planned agriculture?

You will recall that the major objective of the New Deal farm program has been to raise prices to so-called parity levels. Up to last September, or to about the time the war broke out, the New Deal had failed to achieve this objective for any of the major farm products subjected to control. In August 1939 wheat was 51 percent below parity; corn, 43 percent below; cotton, 44 percent below; hogs, 39 percent below; butterfat, 27 percent below; and potatoes were 19 percent below parity. In many instances the farm price in August 1939 was further below parity than in May 1933, or at the time the first farm-control legislation was enacted.

While this indicates the extent to which the New Deal failed to reach its intended goal, a further examination indicates that the pre-war farm-price situation was worse in many respects than before the New Deal control schemes became effective. For example, the New Deal program for wheat was not announced until

June 16, 1933, and restrictions did not apply until the 1934 crop. On June 16, 1933, the date on which the program was first announced No. 2 red wheat on the New York market sold at 92 cents a bushel, compared with 82 cents on August 15, 1939. After 6 years of New Deal activity, prices had declined 10 percent. While prices have increased since September 1939, few are so bold as to attribute this to the New Deal.

The same applies to the price of corn and cotton. The first corn program was announced on October 18, 1933, and the first contracts applied to corn raised in 1934. On October 17, 1933, the day before the program was announced, corn sold on the Chicago market for 42 cents a bushel. Six years later, on August 15, 1939, corn sold on the Chicago market for 42½ cents a bushel, an increase of one-half cent in 6 years. The first cotton program was announced on June 19, 1933, and cotton was selling for 9.35 cents a pound. This was slightly higher than the price on August 15, 1939, when cotton sold for 9.29 cents.

Nor does an examination of income statistics furnish any greater measure of New Deal support. In other words, I am not one of those persons who can be scared out of a political argument by referring me to 1932. If the increase in farm income since 1932 is a measure of New Deal success in the field of agriculture, then I am prepared to take on all comers, for at the New Deal rate of recovery, that is at the average rate of recovery since 1932, the American farmer cannot expect to have regained his 1929 income level until after 1950. Cotton farmers are a little less fortunate, for at the New Deal rate of recovery it will be 43 years until they receive as much as they did in 1929. Perhaps you think that I am overly pessimistic concerning the outlook for American agriculture under the New Deal. Perhaps, but I find that I am keeping company with a few outstanding authorities. I call your attention to the following remarks recently made by a well-known cotton expert in reference to the current cotton situation. I quote:

"Cotton producers are going through one of the most critical periods in the history of cotton production in the United States. The prices received by domestic producers for their record 1937 and 1938 crops were 6.2 to 8.5 cents below parity and were the lowest, without exception of the prices of 1931 and 1932 crops, since the outbreak of the World War. Furthermore, in consequence of an effort to adjust production * * * the quantity of cotton produced in 1938 was nearly 2,000,000 bales less than the average for the 10 years ended 1932. The combination of reduced production and low prices resulted in a gross farm return for lint cotton in 1938 only about two-fifths as large as the average during the twenties and only slightly above that of the 1931 crop, when prices were the lowest in nearly 35 years. The total returns from the 1938 crop, even with payments to farmers under the Agricultural Adjustment Act included, were only half as large in relation to the national income as the average for the 5 years immediately prior to the World War.

"Prices and farmers' returns for the 1938 crop would have been even lower had the Government cotton-loan program not withheld from seven to nearly eleven and a half million bales of cotton from regular marketing channels. Without the supporting influence of the Government loans, the record-breaking supply of cotton and the disrupting state of world trade probably would have depressed domestic prices to the level of 1931 and 1932. But the loan itself * * * had the effect of impounding large supplies and of restricting the free flow of American cotton into export. * * *"

That quotation, I might add, is from the annual report of Secretary Wallace for the year 1939.

One conclusion on which we can all agree, assuming the merits of my argument, is that farmers aren't getting an increase in income at a rate that will enable or encourage them to buy the products of industry. Meanwhile, industry isn't making out so well under its load of regulation and taxes, and there is little hope that industrial workers will achieve a sudden increase in income sufficient in size to furnish farmers with any material increase in their economic well-being.

Originally the administration was very happy over the idea of basing its recovery program upon the interdepedence of agriculture and industry, but now since the entire economy has bogged down under the crushing load of bureaucracy it is used as an alibi. In effect Wallace takes the position that we can't do anything for the farmer until we clear up unemployment, and Hopkins takes the position that we can't clear up unemployment until we solve the farm problem. Thus Secretary of Agriculture Wallace, at the House Appropriation Committee hearings in 1939, said:

"With regard to the years immediately ahead, about half of the farm problem is to be found in the cities. If the people in the cities do not produce more and if there is not less unemployment, there is bound to be real trouble in agriculture, and there is nothing you can do in agriculture that will cure that."

Harry Hopkins, soon after assuming the office of Secretary of Commerce, said:

"There can be no solution to our problem of unemployment until the farmer regains his proper economic position."

Thus, after 7 years, we have reached a perfect impasse.

With this in mind we should be ready at last to begin searching for a constructive alternative to the New Deal. It is time we weighed the evidence for and against the New Deal and time we considered the relative merits of free private enterprise and a planned economy. Choosing between free private enterprise and a planned economy is the major decision to be made, and in making this decision we shouldn't be distracted by New Deal twaddle that choosing free private enterprise means going back to the days of laissez faire or to the dark days of 1932. Instead, we should constantly keep in mind that our need is for a general recovery program based upon an intelligent understanding of economic processes and the interdependence of the entire economy. A planned economy is not the way, for, as I have repeatedly pointed out, the very nature of a planned economy is a piecemeal approach. If we are to have a consistent program, we must think in terms of free, private enterprise and of perpetuating our competitive system. In order to promote sound recovery in both agriculture and industry, Representative JOSEPH MARTIN, of Massachusetts, Republican minority leader in the House of Representatives, outlined 12 major things to do to accomplish this result. In conclusion I wish to reiterate these points:

1. Keep the United States out of war.
2. Move immediately to curb unnecessary, wasteful, and reckless spending.
3. Repeal the repressive tax on undistributed corporate earnings, which has proved so harassing and dangerous to business, large and small.
4. Revise the remainder of the Federal tax structure to eliminate or modify provisions retarding business recovery.
5. Repeal the dangerous discretionary authority which the President now has over the Nation's monetary system.
6. Amend the National Labor Relations Act by clarifying the mutual obligations of worker and employer and the duties of both toward the public in order to end present paralyzing discord.
7. Define specifically the area of Government competition with private enterprise so that business may be able to create jobs with some certainty as to the future.
8. Restore American markets to the American farmer and wage earner and develop new markets for agricultural products.
9. Adopt immediate legislation to rehabilitate the railroads to make secure the jobs of many hundreds of thousands of workers and the investments of savings banks and life-insurance companies.
10. Create a special committee of Congress to inquire into the effect of the reciprocal trade agreements policy on American industry and agriculture.
11. Clarify Federal rules and regulations so industry and business may know what to expect.
12. Reject all experimental legislation not clearly helpful in promoting recovery, or which would subject agriculture, labor, or industry to compulsory decrees of a Federal bureaucracy.

Fellow Americans, I have attempted to give you the picture as I see it and as I believe it must appear to those who are giving serious and dispassionate consideration to the past, present, and future of our country. I have no sympathy for those who would have us believe that we have reached the limit of our development, that there is no hope for our youth, and that the dole is a permanent fixture of our economic scheme. As a matter of fact, we have but scratched the surface so far as the future is concerned.

Today we are very much like an automobile climbing a very steep grade, with the driver bearing down on the brake pedal with all his might. Let him take his foot off the pedal and give the engine a chance to develop its full horsepower and it will carry him to the top without difficulty.

Let us remove the restrictions that bind and hinder expansion by regimenting activities. For the American people the shibboleth should be "plenty" rather than "scarcity." In a land as rich as ours there is no excuse for unemployment, want, and hunger. These three evils, that will destroy us if not removed, can be cured by a simple application of common horse sense such as our forefathers used in making this the greatest country in all the world. In closing, may I leave with you the thought that America has but learned to walk. The marathon lies ahead.

National Youth Administration

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

EXCERPT FROM LETTER BY JOHN R. MACFADEN

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an excerpt from a letter received by me recently from John R. MacFaden, director of public information, Los Angeles, reading as follows:

Lee, you can correct a great wrong if you would rise on the floor of the House of Representatives and state that the National Youth Administration, a division of the Federal Security Agency, is in nowise connected with nor is it to be confused with the American Youth Congress. Unfortunately, in discussing and reporting youth movements, editors have been careless in not clarifying the distinction between the N. Y. A. and the American

Youth Congress. Every man that works for the N. Y. A. signs an oath of allegiance.

While you and I know that some subversive elements will do anything, I know that here in California all the young fellows are substantial Americans like you and I. The same confusion that exists in your mind was apparent in Sacramento where Seth Tillington and Fred Hauser at first confused our program with that of the then highly publicized American Youth Congress convention.

If you will refer to my letter written to you last November, I think I gave you a clear picture of our activities. I would appreciate it very much if it would be possible for you to get up, and "for the sake of the record" impart to your colleagues the fact that we on the staff of the N. Y. A. in California are not a bit interested in the American Youth Congress nor would we have anything to do with any group which would even recognize the Communist Party.

The Farm Program

EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

LETTERS FROM A CONSTITUENT

Mr. MARTIN of Iowa. Mr. Speaker, under permission to extend my remarks in the RECORD, I am setting out herewith two very interesting letters from an outstanding farmer of my district who is very vitally interested in the development of the farm program. Mr. Hal Dane's letters are of special interest to all of us, regardless of our party affiliations or our views regarding the farm problem. Mr. Dane's statements are very clearly and effectively set out and they are worthy of our most careful study and consideration.

IOWA CITY, IOWA, *February 22, 1940.*

Hon. STEPHEN BOLLES and Hon. THOMAS MARTIN,
Members of Congress, Members of Republican Committee for Assistance to Indigent Dairymen, etc., Washington, D. C.

DEAR FRIENDS: The announcement that you have been honored as above mentioned caused me to take pen in hand. A very great majority of our farmers favor a crop-control program. Of that majority still a majority favor the present one. But the majorities are growing less each year—each year as the faulty and unfair administration of the present program becomes apparent.

It is useless to here recite those faults. You are Corn Belt men, and know as well as I just how the Corn Belt has been sold down the Mississippi River, how the corn acres in the southern cotton States have increased exactly the same as the acres taken out in the northern old-corn States.

The 1940 program again cuts our corn acreage—on my farm about 12 percent. This brings me down to about 40 acres of corn on a 160-acre cornland farm.

But, being a dairyman, another problem now comes to the fore. A problem I have pointed to for 4 years—a voice unheard crying in what may yet become a wilderness. But now others are raising their voices with mine.

Here it is.

When the A. A. A. program was first set up silage was included in corn acres; that is, oats cut before the grain was ripe and used as hay was not soil depleting and not counted as such. But corn cut before the grain was ripe and used as a roughage was counted as a soil-depleting crop. When protest was lodged, we were told that this corn displaced mature corn on the market and as such had to be included.

Now the facts are that corn in silage does not and never has displaced matured grain (ear corn). Any farmer who has operated a dairy or who has fed silage to beef will bear witness and the point needs neither argument nor proof. It is an axiom.

So they shift ground and now say that silage corn depletes the soil and so must be included in the corn base. Well, in only one instance does that happen. Silage acres are soil depleting only when the corn is carried to almost full maturity and so late in the crop season that the land cannot be used again for another crop.

Here again, the practical dairyman or beef feeder comes to his own rescue, for the practice is to seed the ground down to rye or wheat as soon as the corn silage is removed. This seeding gives a green manure crop to plow under the next spring. And so the silage ground instead of being depleting the soil is actually used to build soil through the green manure. Also, and this is just as important, every farm using silage is heavily populated with animals. They convert that silage into products plus fertilizer. And the fertilizer goes back on the land.

So when the actual situation is fully thought out and followed through, we find that silage farmers—those who feed it either or both to dairy and beef animals—are farmers who are building up their soil and at the same time not affecting the ear-corn market.

Therefore, if corn acres used for silage result in a situation in which the market price of grain corn is not affected, and in a practice which results in improved instead of depleted acres, why are silage acres left in the program as soil depleting and counted as acres of matured corn?

Here comes rub.

In this part of the Corn Belt, where the land is the finest in the world for the production of corn, we can plant corn land 2 years out of 3 safely in a proper rotation. This means that two-thirds of the cropland can be put in corn without injuring ultimate fertility of this soil. Of course it is just so much better when that proportion is lowered. And, with a world surplus of corn and fat, it is probably proper that some lowering should take place.

In getting right down to brass tacks on this farm, there are 130 acres of cropland. I could plant 100 acres of corn every year for 50 years, fertilize, and rotate and not deplete my soil. But I voluntarily had cut it down to about 65 acres (or half) before A. A. A. was started. Then came A. A. A. and started to cut some more. And the cuts were not in proportion to the crop acreage available but to the corn heretofore raised. Read this last again. It is most important. Thus the 130 acres next door which had been cropped to corn fully took the same percentage cut that mine did.

So with this last cut I am down to 40 acres of corn per year out of 130 acres of cropland.

Now, here comes the dairyman speaking.

Out of the 40 acres of corn allowed me, I must put in the two silos about 16 acres. These 16 acres of corn never have and never will affect the market price of corn, because matured corn cannot be used for silage nor silage corn for grain any more than immature oats can be threshed and sold for grain. Nor are these 16 acres soil depleting, because the crop will be fed to cattle and the resulting fertilizer spread over the land in addition to the green manure crop. (And if you think these two do not increase production, come and look.)

So, on my 160-acre Iowa farm with 130 acres God given to raise the finest corn in the world, I am now down to 24 acres which can be raised, harvested, husked, and cribbed to be used for hogs, chickens, fat cattle, and the other stock which needs matured grain to carry it along.

My case is typical.

Every meeting I have attended since the reduction figures came out, one of the bones of contention has been, "Shall I cut the A. A. A. and crop my own rotation again or go along with a corn base so low that it means accepting governmental charity to live?"

Seems to me here is a clear-cut case for your committee.

You two men have as big a percentage of dairymen constituents as about any two in Congress.

This is most important to these dairymen.

Maybe not so much close to the big cities, where little corn is raised, anyway, but certainly to us out here in the Mississippi Valley.

The A. A. A. is controlled from the bottom up, theoretically; but practically, once the three-man county committee was chosen, it is now almost impossible to engineer any change there. And the same is true of the State central groups. The ins stay in. And a Republican dairyman talking to three A. A. A. Democrats in Johnson County, who are all beef raisers and put up no silage, certainly gets no sympathetic hearing.

At the last time our township had a A. A. A. meeting—this was a sign-up meeting and one to elect our township committee of three—we voted unanimously a resolution to the county A. A. A. committee reciting that corn silage was neither a market crop nor depleting, and requesting the county to take it up at the State meeting and from there to A. A. A. headquarters to get that ruling changed—to put immature corn in the same class with immature oats, etc.

No attention was paid to this by the county committee and that was never heard of again.

Between now and May 1 I have to decide whether to take 24 acres of corn and have $400 subsidy from the Government or to take 40 acres more in corn and go it alone. I would rather cooperate; and other dairymen feel the same way. But it has now reached the end of the limit.

Thanking you, one and all—I mean each and every one; no, that is both of you—for your kind attention, and wishing you every good luck possible, I am,

Sincerely yours,

HAL DANE.

IOWA CITY, IOWA,
March 5, 1940.

Hon. THOMAS MARTIN,
Washington, D. C.

DEAR TOM: What disturbs me most about the farm problem might be summed up as follows:

1. Our costs of production are too high. Labor is the biggest element. These costs are being reduced by:

a. Mechanization: Tractors, milking machines, cotton pickers, etc. But the more mechanization, the more unemployment, because farm workers are then driven to the cities to seek other work.

b. Increased production per unit by: (I) Better seed, including animal seed stock; (II) better rotation; (III) better storage.

2. Our sales realization is too low.

a. Costs of distribution from farmer to consumer are too high. I get 5 cents a quart for my milk delivered to Sidwell's door. He gets 11 cents for pasteurizing, bottling, and delivering to your door. That is a spread of 6 cents—too much.

b. Consumption of many farm products is not at maximum possible. The unused portion at a dump price ruins the market for the rest. Example: Lard is begging here at 10 cents a pound, while Crisco sells for about 16 cents.

3. There will be no farm problem when—

a. The survival of the fittest results in the most efficient operators controlling the land. The Government has no good business subsidizing the inefficient, as at present.

b. The farmer has a market reasonably in line with other commodities.

This last point (b) is what Henry Wallace is aiming at. But I think that 7 years should now demonstrate to all, and especially you in Congress, that his ideas were probably all right for the emergency that existed but do not offer a solution which will be good 5, 10, or for 50 years. The present farm program seems to be a stopgap; with Congress called on to stop the gap every 2 years with an appropriation. And right now, the pressure is on to get the program out of Congress into some form where the dole will be repeated toward infinity without further congressional action.

Well, you say, all this is true. And we agree with you. But what have you to offer in a constructive way?

There you have me stumped. For I can offer certain concrete proposals but the thing is too big for one man. It must be worked out by a large group. And I think your newly formed Republican group is the one to do it.

First, I would remedy the mistakes in the present program. Land best fitted for cotton should not raise corn. Land best fitted for corn should not lie in grass. Land best fitted for grass should not be plowed up for wheat. Land best fitted for irrigated fruit should not be put in some other crop. I would make a survey of all crop land, rate it, and then proportion some way the crop to be raised that it is best suited to raise.

Second, I would go after the marketing end. If all the people of this country ate all they wanted every day, there would be no farm surplus. They will eat, if they have the money to spend for food. Therefore, unemployment is the first and biggest problem.

All things that add to unemployment—like killing 8,000,000 baby pigs and thereby depriving the trucker, the railroads, the packer, and the processor of the work of attending to 800,000,000 pounds of pork—should be stopped. Unions acting as a racket to hamstring industry are just as bad as predatory employers. Give industry a fair chance and a helpful attitude from the Government and many men will be put to work. I would survey markets as carefully as survey land. Then, if a subsidy is needed, let it be by the Government taking the loss on export and keep the domestic market up to parity. It is a big question.

Yours,

HAL DANE.

This Census Controversy

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

EDITORIAL FROM THE LOS ANGELES TIMES OF MARCH 10, 1940

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend by remarks in the RECORD, I include the following editorial from the Los Angeles Times, Los Angeles, Calif., under date of March 10, 1940, entitled "This Census Controversy."

[From the Los Angeles Times of March 10, 1940]

THIS CENSUS CONTROVERSY

"And Satan stood up against Israel and provoked David to number Israel. And David said to Joab and to the rulers of the people, 'Go, number Israel from Beersheba to Dan; and bring the number of them to me, that I may know it. And Joab answered, The Lord make his people an hundred times so many more as they be; but, my Lord the King, are they not all my Lord's servants? Why then doth my Lord require this thing? Why will he be a cause of trespass to Israel? Nevertheless, the king's word prevailed against Joab. Wherefore Joab departed, and went throughout all Israel. * * * And Joab gave the sum of the number of the people unto David. * * * And God was displeased with this thing; therefore he smote Israel" (1 Chron. xxi, 1–7).

From this biblical record of one of the first governmental nose counts of history, it would appear (1) that the census is an invention of the devil, and (2) that even then a gross exaggeration of the true population figures was to be expected.

Neither opinion nor practice seems to have changed much through the ages, though it is recorded in the Book of Numbers that Jehovah had Moses count all the adult male Israelites. That was 500 years before David and was only for military purposes, so it was all right. Our early colonial history contains a number of instances in which censuses, then taken for taxation purposes, could not be completed, or sometimes even started, because of popular resistance.

So at least we come honestly by our dislike of the modern version of what Joab called a "trespass" on Israel's privacy, and which our Yankee forefathers usually resented by running the census taker off the place with a flintlock. On top of that, it can be argued that our provocation is greater, since the number of intimate, personal questions propounded by the Government enumerators is now much larger than it was in those early days.

There is, however, a pretty good case for the census, even the expanded 1940 version to which so much objection is being raised. Its aggregated results are by far the most important and authoritative source of economic and social data which we have, and since they form the basis of our representation in State and national legislatures, they have a large political significance as well. There is literally no important business, industry, or profession to which the census does not render services which could not otherwise be had. It is obvious, too, that the more questions asked and answered, the wider the field of information covered and the greater the utility of the results.

Necessarily we are asked a lot of personal questions, since it is the sum of individual data which makes a census useful. If the Census Bureau keeps its word—and it has not broken it yet—there need be no fear that personal facts will become public. The enumerators are strangers in their areas of operation and subject to heavy fine and imprisonment if they break their oath of secrecy. The new questions asked are not, in the main, devised by the Government but are culled from long lists of suggestions offered by businesses and industries, social workers, economists, and so on, as calculated to elicit information of the maximum utility.

Much the same objections as now have been raised to every census in our history, mainly by the Democrats when the Republicans were in power, and vice versa. A Government questionnaire circulated in connection with the industrial census of 1907 raised a terrible storm because it wanted to know how many petticoats each woman was wearing. The divorce query, probably the most objected to in the 1940 list, has been propounded in every census since 1850. The questions about individual income and related matters are much less detailed and penetrating than those of the income-tax blank, to which we have become more or less inured.

Only to persons in the low-income brackets will this new ebullition of Government curiosity be any particular novelty. As Wendell Willkie, utility magnate, remarked: "I have been examined so frequently by Federal commissions, the S. E. C., Government boards, and so on, that I don't think anyone can ask me a question—pertinent, impertinent, personal, or otherwise—that I haven't already answered."

Oregon Wins Award Again

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ARTICLE FROM THE SUNDAY OREGONIAN OF MARCH 10, 1940

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Sunday Oregonian of March 10, 1940:

[From the Sunday Oregonian of March 10, 1940]

OREGON WINS AWARD AGAIN—BANKERS TOP NATION IN FARM ACTIVITIES

(By Leon B. Baketel, financial editor, the Oregonian)

No other State in the Union has even matched the honors which have been accorded to Oregon by the agricultural commission of the American Bankers' Association.

For the eleventh consecutive year it has won highest honors for its agricultural activities among farmers, 4–H Clubs, Future Farmers of America, and other groups.

Receipt Saturday of the glad tidings by Secretary Elwain H. Greenwood from Dan H. Otis, director, agricultural commission, American Bankers' Association, was cause for rejoicing.

AWARD IN APRIL

The award will be made at the spring meeting of the American Bankers' Association, to be held in Hot Springs, Va., next April.

At that time O. A. Houghlum, vice president of First National Bank of Eugene and immediate past president of the Oregon Bankers, and Clyde B. Williamson, cashier of the Bank of Albany and Oregon Bankers' Association president preceding Mr. Houghlum, will be in attendance and will receive the star and inscription to be added to the plaque hanging in the secretary's office.

Mr. Otis in his notification was highly complimentary of the national leadership of the Oregon Bankers' Association and its members and said this was the one State where he did not have to urge renewed efforts to gain the coveted 1,000 points.

COMMITTEE PRAISED

The work of J. H. Irvine and his committee, composed of C. E. Johnson, of Canby; H. B. Hager, of Clatskanie; A. M. Pace, of Enterprise; L. R. Fisher, of Salem; and Fred Stevens, of Milton, came in for complimentary words Saturday from both A. K. Parker, association president, and Mr. Greenwood.

Oregon 11 years ago started out at the top of the column and has kept its standings throughout the years, eclipsing the efforts of every other State and never failing to score its 1,000 points, goal of all competitors.

Factors that go to make up the 1,000 points are: Committee attendance, appointment of county key bankers, attendance at agricultural meetings, contributions for agricultural improvement, number of farm people contacted by bankers and encouraged to undertake definite projects, and special or miscellaneous agricultural activities particularly adapted to local communities.

More on the Neely Bill

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. ALEXANDER. Mr. Speaker, my remarks in the RECORD of March 5 regarding the motion-picture industry bill have received widespread notice and attention, and in all but one case my statement was received with approval. These endorsements are well summarized by the following letter which, among others, came in this morning's mail and which I quote verbatim:

——— THEATRE CO.,
———, *Ind., March 12, 1940.*

Hon. Representative JOHN G. ALEXANDER,
Washington, D. C.

DEAR SIR: I wish to hell there were a few more like you to take the stand that you took and let business regulate itself.

We were coming along nicely with some swell concessions from the producers, all that we needed, and that publicity hound, Arnold, threw a monkey wrench into the whole proceedings.

I'm a Democrat or was, but I, and a lot more that I know, are thoroughly and completely fed up with the whole mess.

I have yet to see the time, that if I had a grievance, I could not sit down with the manager of the district, and iron out the trouble.

More power to you. If they would get it through their thick heads the less they interfere with something that they don't know anything about, the better the country will recover. And not till then.

Sincerely yours,

A. H.

The one word of criticism is from my good friend, W. A. Steffes, president of the great and potent Allied Theater Owners of the Northwest, Inc., whose letter, after some introductory remarks, reads as follows:

In your statement in the RECORD on March 5 you express irritation that so much of the time of Members of Congress has been taken up by proponents and opponents of the Neely bill. I cannot answer for the opponents of the measure, but I can assure you that such efforts as the proponents have made were necessary to prevent the bill from being swamped in a sea of propaganda. Orders have gone out from New York to every employee of every film exchange and of every theater affiliated with any producer-distributor that he shall write his Congressman to oppose the bill and shall induce at least five other persons to do likewise. Some affiliated theaters are supplying their patrons with postal cards for signing which contain printed opposition to the bill and are addressed to the appropriate Members of Congress. One affiliated circuit has offered to defray the cost of sending telegrams to Congressmen if patrons will permit the use of their names.

A few years ago, when the public utilities attempted to defeat the Securities and Exchange Commission bill by similar methods, great indignation was expressed in Congress and an investigation was ordered. It seems to me the public has a right to expect a like reaction in Congress to the methods being used by the Motion Picture Trust against the Neely bill. In case you are interested in the nature and extent of the Motion Picture Trust's lobbying activities, particularly against the Neely bill, I suggest that you read chapter 6 of Kenneth G. Crawford's The Pressure Boys, entitled "Supercolossal Lobby."

You express hope that the different groups in the motion-picture industry "will iron out their differences and thus make the Neely Bill unnecessary." Lest your remarks encourage the thought that delay in the passage of the Neely bill may lead to voluntary concessions by the trust (a familiar strategy that has prevented consideration of the bill on several occasions), let me point out, first, that this is not merely a fight between the distributors and the independent exhibitors. Some 31 national religious, welfare, and educational associations are on record as opposing compulsory block booking and blind selling and most of these are supporting the bill. In the second place, I, personally, the regional association of which I am president, and the national association with which it is affiliated have been trying for more than 10 years to secure fair-trade practices in this industry by orderly processes of negotiation and agreement. Here is the record:

December 1929 to July 1930, negotiations leading to a tentative agreement on a revised contract, arbitration and appeals board. No action taken by the distributors to carry out the understanding.

Fall of 1932, negotiations leading to tentative agreement on the same subjects. Again the distributors refused to ratify the action of their representative except in a few unimportant particulars.

Summer and fall of 1933, negotiations looking to an N. R. A. code. The Deputy Administrator drafted a code in the interest of the distributors over the protests of the independent exhibitors. The few reforms included as sop to the independents were discontinued when N. R. A. was declared unconstitutional.

October 1938 to June 1939, negotiations looking to a voluntary code of fair-trade practices. Rejected by Allied States Association of Motion Picture Exhibitors after the lawyers for the distributors took charge and drafted code in the interest of their clients. (See exhibit D to speech of Senator NEELY, July 14, 1939.) This proposed code was later denounced by the Department of Justice as illegal and was abandoned.

Thereafter certain distributors announced new selling policies, including a cancelation privilege, the nonforcing of short subjects and news reels, and the elimination of score charges. Allied Theater Owners of the Northwest, meeting in Minneapolis last week, found that these announced reforms were being generally disregarded.

Allied States Association of Motion Picture Exhibitors in January adopted a resolution proposing that certain abuses such as unreasonable clearance, overbuying, arbitrary allocation of product to the chains, etc., be arbitrated. Copies were transmitted to the eight major distributors. The president of Twentieth Century-Fox Film Corporation replied in general terms that he favored arbitration, but the others have made no response whatever.

In view of this record, I submit that it would be a denial of justice to stay action on the Neely bill on the theory that the abuses at which it is aimed can or will be remedied by voluntary action of the producer-distributors.

In the course of your remarks you made the following observations:

"Why is it necessary to make such business problems matters of legislation? * * * It is not only foolish but it is just another way (of) * * * doing away with individual initiative, contaminating business with politics, and otherwise destroying the sound and fundamental principles of free government."

I would gladly join in these sentiments if it were not for the special facts of the case. Because of their general soundness, your observations are dangerous in the present situation and have been gleefully seized upon by the trust. But it is even more baneful, from the standpoint of the public, for the industrial trusts wielding great economic power to destroy individual initiative than for the Government to do so. Heretofore it has always been regarded as both desirable and necessary for the Government to step in and rectify such conditions. That is in accordance with "sound and fundamental principles of free government." The Constitution says the Congress, not the monopolies, shall regulate commerce.

In this connection you should not overlook the fact that the Motion Picture Trust is itself the beneficiary of Federal legislation, in that it derives much of its power from the broad provisions of the copyright law. Many restrictions are imposed on the exhibitors on the theory that the standard exhibition contract does not contemplate a sale, or even a lease, but a license under copyright. Moreover, the producer-distributors, with their powerful lobbying facilities, do not hesitate to apply to Congress for special consideration whenever they wish. At the special session films were excepted from the embargo law, and within the past 2 weeks they have applied for special amendments to the National Labor Relations Act. This may or may not be "contaminating business with politics," but legislative relief should not be poured out to the trust whenever demanded and withheld from the independent exhibitors when they so sorely need it.

I further submit that the independent home-owned theaters mean more to the domestic economy of the State of Minnesota than the producer-owned chains, the earnings of which do not remain in the State but are remitted to the parent companies in New York.

As above indicated, your remarks have been given wide publicity in the trade press and unless you cooperate in getting the underlying facts before the public they may do grave injury to the cause of the independent theater owners. I hope, therefore, that you will see fit to insert this letter in the CONGRESSIONAL RECORD so that those who may have been influenced by your remarks will know that there is another side to the story.

Yours very truly,

W. A. STEFFES.

Upon the request of Mr. Steffes, I am glad to insert the above letter and commend it to the consideration of all parties concerned.

Residents of the States Not Subject to District Income Tax

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1940

LETTER FROM THE COMMISSIONER OF CORPORATIONS AND TAXATION OF MASSACHUSETTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from Hon. Henry F. Long, commissioner of corporations and taxation of the Commonwealth of Massachusetts. In the recent case of James J. Sweeney, petitioner, against District of Columbia, respondent, No. 7361, decided March 11, 1940, by the United States Court of Appeals of the District of Columbia, the law as set forth by Commissioner Long is largely corroborated. I shall ask that the complete decision of the court be printed later in the CONGRESSIONAL RECORD.

THE COMMONWEALTH OF MASSACHUSETTS,
DEPARTMENT OF CORPORATIONS AND TAXATION,
Statehouse, Boston, February 27, 1940.

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN ROGERS: Since writing you in response to your request relative to the Massachusetts income tax and the District of Columbia tax on intangibles, relating to the possibility of inhabitants of Massachusetts paying two taxes, I have had the opportunity of reading an extract of the opinion of the corporation counsel of the District of Columbia issued on February 8, 1940.

It is my opinion that an inhabitant of Massachusetts, even though spending the major portion of the year in the District of Columbia in the employ of the Government or any of its agencies, cannot be held to be subject to the District of Columbia income tax. Section 2 of that act provides:

"There is hereby levied for each taxable year upon the taxable income of every individual domiciled in the District of Columbia on the last day of the taxable year a tax at the following rates."

It therefore appears that the District of Columbia tax is in the nature of its application exactly like the Massachusetts tax, where the tax is on "income * * * received by any inhabitant of the Commonwealth during the preceding calendar year."

The test in both instances is inhabitancy, which legally must be translated into domicile. It is not possible for a person to have more than one domicile. It is not possible for a person to give up a domicile, once acquired, until there has been another one acquired; and when a subsequent one is acquired, then the old one is abandoned. Establishment of domicile which is a concept of law operates when the intent of a person is known, and acts which establish that intent are sufficiently expressive to permit the law to say on the basis of these facts the domicile of this person is in this or that jurisdiction.

In the cases in which you are interested it is clear that domicile has at some time actually been in Massachusetts. Therefore, the test must always be whether or not there was an intent on the part of the Massachusetts inhabitant to change the domicile to the District of Columbia. It is my thought that the courts would generally hold that in governmental positions, which are presumptively not permanent in character, domicile is not changed from that of origin to the District of Columbia. This situation, however, might be divided into two parts: Those who are elected to office or appointed to governmental positions without the protection of the civil service, probably except under unusual circumstances, would not be regarded as changing their domicile, as the appointment in Washington would be of temporary duration and the assumption must be that they would not abandon their old domicile. This does not mean that they cannot abandon their domicile if they wish, but the mere physical presence in the District of Columbia for any number of months or years cannot be said in and of itself to establish domicile. On the other hand, a person who was under the civil service who had his family in the District of Columbia, where he stayed for all practical purposes the entire year, might be likely to be held to be domiciled in the District of Columbia.

In my opinion every person now employed in the District of Columbia who in 1939 and in 1938 and years back filed a Massachusetts income-tax return, was on the voting list in some city or town in Massachusetts, and had no intention of changing his or her domicile is as to 1940 still domiciled in the State of Massachusetts and that any ruling by the District of Columbia forcing them to be treated as domiciled in the District of Columbia is without support of law or weight of authority. On the other hand, a person who has been living in the District of Columbia and has made no effort to retain his Massachusetts domicile probably will be prevented from now establishing a domicile in Massachusetts if he or she is physically present in the District of Columbia.

It is difficult to write this letter without going at length into the decisions and the reasons for the conclusion, but I am certain that no court is going to hold that an individual domiciled in Massachusetts is subject to the District of Columbia tax. I am equally convinced that no court is going to hold that the word "domicile" in the District of Columbia tax is to be treated any differently from the way similar words have been treated in the past in respect to tax laws of various States of the Union. I am of opinion that every inhabitant of Massachusetts who files a Massachusetts income-tax return should refuse to file a District of Columbia income-tax return on the ground of not being domiciled in the District of Columbia.

I shall be very glad to issue a certificate to the effect that such and such a person, if it is the truth, was domiciled in Massachusetts as of "the last day of the taxable year" and thus I believe by the presentation of this certificate the Massachusetts inhabitants will be relieved of any obligation to file and pay a District of Columbia tax. In the event that the District of Columbia tax authorities force the filing of a return, then such return should be filed under protest and there should be clearly stated under a properly authenticated document that the return is being filed under duress and every statutory remedy should be availed of. In the event that payment is forced, exactly the same protest should be made, namely, payment under protest with an assertion of compulsion.

My own advice in the matter is that if the District of Columbia tax authorities undertake to force inhabitants of Massachusetts to file a District of Columbia tax return, such force should be resisted and instead of filing a return and seeking recovery the District of Columbia tax authorities should be forced to make a test case with a view to settling the issue of domicile.

So far as I can find there is no provision for the protection of a person who files a District of Columbia income-tax return, because the only remedy, if there is any remedy, is found in section 34 which relates to the overpayment of the tax. This in my opinion is not broad enough to protect a person who is not domiciled in the District of Columbia but is forced to file a return and wait decision. In my opinion it would be just as sensible for Massachusetts to undertake to tax an inhabitant of Ohio who happened to be in Massachusetts for a substantial period in a capacity similar to a governmental capacity in which people are employed in the District of Columbia as it would be for the District of Columbia to undertake to tax an inhabitant of Massachusetts who is in the District of Columbia for the purpose of discharging governmental duties either by way of election, an appointment, or under the civil service.

If it is possible for me to do it, I will join with any individual inhabitant of Massachusetts who is being compelled under duress to file a District of Columbia tax return in resisting a tax by the District of Columbia on the ground that Massachusetts desires to protect its citizens from taxation by a jurisdiction that has no control over them, as they are not domiciled in that jurisdiction. Massachusetts will say to all of its inhabitants, "If you are domiciled in Massachusetts and because of that file a Massachusetts income-tax return, we will use every remedy to protect you from being taxed by any other jurisdiction that undertakes to tax you as an individual domiciled in the District of Columbia."

It is, of course, to be understood that there may be a difference, so far as the facts are concerned, in individual cases, and more than likely some people have been claiming inhabitancy in Massachusetts who, because of physical presence in the District of Columbia and the raising of families there, may be border-line cases which may be difficult to sustain as inhabitants of Massachusetts.

The general thought in my mind, however, is that the establishment of a domicile in the District of Columbia is likely to be less certain by physical presence than in any other jurisdiction, because a person who becomes an inhabitant of the District of Columbia gives up his voting privileges and also his privileges in respect to public welfare, institutional treatment, and the like, which an inhabitant of Massachusetts at least has in very substantial measure.

It is, of course, perfectly clear that so far as the elective officers are concerned they have nothing to worry about, because Massachusetts surely could not elect an inhabitant of the District of Columbia to serve in the Congress for Massachusetts, and this probably goes through to the higher elective officials. I think your problem lies with the governmental employees who have been in

the District for a great many years and still want to retain their domicile in Massachusetts. Of them I would say, with possibly very few exceptions, that they are still inhabitants of Massachusetts; and to them I will again state that, to the extent it is possible, Massachusetts will join in any legal procedure to assert Massachusetts domicile for those who desire it against the claims of the District of Columbia that they are inhabitants of the District.

Cordially yours,

HENRY F. LONG,
Commissioner of Corporations and Taxation.

Insurance on Nation's Corn Yield Will Provide Needed Economic Cushion—Statement Supporting the Bill H. R. 8889, to Amend the Federal Crop Insurance Act of 1938

EXTENSION OF REMARKS

OF

HON. WILLIAM H. LARRABEE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. LARRABEE. Mr. Speaker, I have introduced in the House of Representatives this week the bill H. R. 8889, to amend the Federal Crop Insurance Act, for the purpose of providing insurance benefits for the growers of corn, one of our major and basic agricultural commodities.

I am asking that this bill be given favorable consideration at the earliest possible moment by the Agricultural Committee, to which it has been referred, and that it be given right-of-way on the floor of the House when it is reported by the committee.

I feel that this is legislation of paramount importance. We of the Corn Belt, and especially the farmers of my State, where we grow the finest corn raised anywhere on earth, have come to the realization that one of the most beneficial instruments that could be devised for the benefit of not only the farmer but all the people in and surrounding the Corn Belt, is an instrument to cushion the economic shock that comes with a major crop loss. Such losses, occasioned by adverse weather conditions, not only rob the farmer and his family of their buying power, but that loss of buying power in the channels of trade is immediately felt by those people in towns and cities who are maintained directly by income from other pursuits and occupations.

Cognizant of these conditions, the Congress in 1938 enacted the Federal Crop Insurance Act of that year, but limited its insurance provisions to the wheat crop alone, on the theories that wheat is the major agricultural commodity of our Nation and that it would be in the best interests of the Nation as a whole to begin the insurance program in an experimental way and extend its provisions by enabling legislation to such other crops as Congress felt should be so protected at a later date.

The corn crop was excluded from the original Crop Insurance Act, partly, it appears, on the theory that there was insufficient data available to the Department of Agriculture at that time on which to base the necessary actuarial figures. However, the Department, through the Extension Service and surveys made in the various States, now has on hand, assembled and studied, much data pertinent to average corn yields, losses, and gains on which to base necessary insurance statistics; and I see no reason why we should await the development of data concerning other agricultural crops before making provisions of this very beneficial act available to the corn-producing States. To so delay may result in another disaster through crop failure in the Corn Belt. This we must avoid, if possible, and enactment of the bill H. R. 8889 will make it possible to eliminate the disaster that would otherwise attend a serious failure in the corn production.

The wheat-insurance program has been in operation long enough to determine conclusively the benefits that are obtained under the act, insofar as the wheat crop alone is concerned and with reference to the principles of crop insurance.

The wheat growers have received the act and its benefits very favorably. They are well pleased with the results. The first year of operation under this act saw nearly 170,000 farmers in 1,300 counties, representing 30 of the 48 States, participating in the opportunity to insure their crops against loss resulting from adversities or calamities of nature, such as drought, flood, or extreme cold at unseasonable dates. The insured production of about 70,000,000 bushels on approximately six and one-half million acres of land is involved.

Last year in Indiana alone there were over 28,000 applications for insurance on the wheat crop from approximately the same number of individual growers. In the 3 counties of my district, which is only about 50 percent agricultural, enthusiasm for the wheat-insurance program has been high.

In Madison County, the largest agricultural county of the three, there were 666 farmers participating. In Hancock County there were 459, and in Marion County, which is largely a metropolitan and industrial community, there were 207 applications for wheat insurance.

I am told by responsible persons connected with the agricultural program in my State and district that there are far more farmers there interested in insurance for corn than are interested in insurance for wheat, for the simple reason that there are far more growers of corn in my State and district than there are growers of wheat.

In fact, it is reported that many of those who signed up for wheat insurance did so primarily with the idea of cooperating in the wheat-insurance program to make certain that they would soon obtain insurance benefits for their corn crop, realizing that if the wheat-insurance program failed through lack of interest or cooperation, it would be difficult to interest Congress in enacting enabling legislation to make corn insurance available. However, those who were motivated to participate in the wheat-insurance program for that reason are nearly all so well pleased with the operation of the program thus far that they are continuing to participate.

However, it seems to be unquestionable that it is insurance on corn that they need and want.

Departmental figures show that there were 127,557 growers of wheat with an approximate production of 28,086,000 bushels in Indiana last year.

Figures from the same source show that there were 179,325 growers of corn in the State of Indiana last year with an approximate production of 213,225,400 bushels, almost one-tenth of the Nation's total production.

On these figures it is evident that corn is by far the more important agricultural crop in Indiana, as it is in several neighboring States. Wheat, to a large extent, is grown in Indiana as a rotation or soil-building crop, and so it is also in several neighboring States, and is not considered, nor does it assume the status of "the major crop."

President Roosevelt, in a message to the Congress, said, "Crop insurance and a system of storage reserves should operate so that surpluses in years of good weather might be carried over for use in years of unfavorable growing conditions. Crop insurance and a system of storage reserves would help to protect the income of the individual farmer against hazards of crop failure; it would help to protect consumers against shortages of food supplies and against extremes of prices, and finally, it would assist in providing a more nearly even flow of farm supplies, thus stabilizing farm buying power and contributing to the security of business and employment."

To that theory the Congress has subscribed only in part, while accepting the principle in whole. The action of the Congress has been limited to only one major crop. Knowing that application of crop insurance to the wheat crop has proven successful, and finding that we are ready to apply it to a second crop—our corn, I am urging the Congress to enact my bill during the present session in order that the insurance benefits may be available to the 1941 corn crop at the latest.

I would also urge that the benefit of crop insurance be made available to all other basic commodities just as soon as the

Department of Agriculture can prepare, from studies now under way, the necessary statistics on which to base such insurance.

We know by experience that when emergencies have come in the past through crop failures, the loss has not been limited to the farmer or the farming territory alone. The effect of such crop failures has spread to industry and to commerce in general, through diminished purchasing power of the farmer. The expense, in the past, to Federal, State, and local governments, arising by reason of crop losses points to the desirability of applying the principle of insurance in order to lessen the cost—financial and human—of future crop disasters.

President Roosevelt has also said, with reference to crop insurance—

A program of crop insurance and storage of reserves should be a part of the foundation of agricultural policy which we are building and which must include the conservation of soil and water, better land use, increased farm income, and alleviation of distress in rural areas arising out of factors beyond the control of individual producers.

As I have said before, Congress has subscribed to these principles, but in the case of crop insurance has applied them only in part, limiting the benefits to the wheat crop alone.

All crops are subject, essentially, to the same hazards. Risks average as high in corn production as in wheat, if not higher. As in wheat, there is a loss somewhere in corn production every year.

While corn insurance would not afford a solution to all the problems that confront the corn grower, it would furnish a much greater element of security and distribute the risk over a period of years, diminishing to a very great extent, the disaster which always attends a major crop loss.

As the loss of income on the part of growers of either wheat or corn, occasioned by crop losses, seriously affects the growers of the other commodity, so the loss of such income on the part of both groups affects the welfare of the entire Nation.

German War Propaganda

EXTENSION OF REMARKS
OF
HON. LEWIS D. THILL
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 14, 1940

ARTICLE FROM FACTS IN REVIEW

Mr. THILL. Mr. Speaker, a news pamphlet entitled "Facts in Review" has been coming to me through the mail. It is purportedly issued by the German Library of Information, 17 Battery Place, New York, N. Y. So much pro-British news matter is printed in the United States that it now seems as if the Germans are taking a cue from the British and are sending out pro-German news material.

The following article appeared in the March 11, 1940, issue of the aforementioned publication:

[From Facts in Review of March 11, 1940]

GERMAN HIGH COMMAND REVIEWS FIRST 6 MONTHS OF WAR

The German high command issued the following review of the first 6 months of the war, covering the period from September 2, 1939, to March 2, 1940:

After 6 months of war on land, at sea, and in the air, the following military results are established:

POLAND VANQUISHED IN 18 DAYS

In a campaign of 18 days the Polish Army was smashed to pieces, Polish divisions destroyed, and the territory of the former Polish state occupied up to the boundary of German and Russian spheres of interest. Thereby the aim of the enemy to force Germany into a two-front war was thwarted in the shortest time.

In the west the Westwall was occupied according to plan and lengthened to the coast. The enemy did not venture to advance at any point to nor even within effective range of the Westwall, much less to attack it.

WESTWALL DEFENDERS BAR ENEMY

In daring scouting and shock-troop undertakings the German Army repeatedly proved its spirit of attack and showed a high standard of training and equipment. Whenever the enemy sought to force its way into German territory in the area before the Westwall army units drove the enemy back to its starting point by rapid attack.

The German Navy conducted sea warfare against England and France with increasing energy and growing success after destruction of the Polish sea force, excepting such units as fled before the campaign began or later were interned in neutral ports.

SUCCESSES AT SEA

In the North Sea, next to the security of the sea zone and protection of German commercial traffic, stress was laid on economic war with surface and submarine warcraft.

At the same time mine attacks were undertaken in the waters of the English east and west coasts. The armored ships *Admiral Graf Spee* and *Deutschland* were used in the Atlantic to conduct cruiser warfare. The enemy was handed considerable damage as a result of advances in the North Atlantic, which also were carried out with heavy fighting forces.

BRITISH WARSHIPS DAMAGED AND DESTROYED

Destroyed as a result of the German sea warfare were: the battleship *Royal Oak*, the airplane carrier *Courageous*, the auxiliary cruiser *Rawalpindi*, 8 destroyers—the *Blanche, Gypsy, Duchess, Grenville, Exmouth, Viscount, Daring,* and *Jersey*—and in addition approximately 20 men-of-war in patrol, mine-sweeper, and boat-pursuit service—these in cooperation with the air force—as well as several U-boats.

Heavily damaged were the battleships *Nelson* and *Barham*, the battle cruiser *Repulse*, the cruiser *Exeter*, a heavy cruiser of the *London* class, the cruiser *Belfast*, and a greater number of destroyers, patrol boats, and U-boats.

ONE MILLION NINE HUNDRED AND FOUR THOUSAND NINE HUNDRED AND THIRTEEN TONS VICTIMS OF RETALIATORY WAR ON ENEMY COMMERCE

In the same period 532 enemy merchantmen and neutral merchant ships with cargo useful to the enemy of a gross tonnage of 1,904,913 were destroyed.

Measured by these successes, our own losses were small. They totaled: 1 armored ship (the *Admiral Graf Spee*), 2 destroyers, 6 patrol or mine-sweeping boats, and 11 U-boats, an average of 2 U-boats monthly.

SUPERIORITY OF GERMAN AIR FORCE

The German air force participated in the victorious outcome of the Polish campaign in an outstanding manner. While destroying the Polish air force, it protected at the same time the German air zone in the west with other units.

Its superiority as regards the preparedness of the crews and the excellence of materials repeatedly was apparent. Reconnaissance flights carried out against England and France, even under unfavorable weather conditions, have supplemented material at hand regarding the enemy's measures.

ATTACKS FROM SKY SINK CONVOY VESSELS

In scouting against England, German planes again and again reached the Orkney and Shetland Islands despite enemy resistance. Repeatedly attacks were made on enemy sea forces, armed merchant ships, and convoys. Sixty-five ships, with approximately a gross tonnage of 75,000, were sunk. Concerned here for the most part were enemy or neutral commercial ships traveling to England with contraband as well as some lighter ships and British sea-fighting forces.

AIR BOMBS WREAK HAVOC

In addition, 52 ships with an approximate gross tonnage of 200,000 were heavily damaged and in part destroyed as a result of bomb hits. Of this number, 40 were British ships of her lighter sea-fighting forces, 2 were British cruisers of a gross tonnage of 15,300, 2 were British battleships of gross tonnage of 63,350, and 1 was a British aircraft carrier, gross tonnage 22,600.

AIR-RAID PROTECTION PERFECTED

Since the beginning of the war the German air-defense ground personnel has been developed as planned, the airplane-reporting service well practiced and tested, and air-raid protection measures and equipment perfected throughout the Reich.

Wherever they have attempted to fly over German territory with stronger units, the enemy has been successfully driven off by pursuit planes and antiaircraft fire.

ENEMY LOSES 335 PLANES; GERMAN LOSSES SMALL

In all, 285 British and French airplanes so far have been shot down. Added to this were some 50 planes of the British airplane carrier, so that the total loss to the Western Powers since the beginning of the war is at least 335 planes. Nine enemy captive balloons also were shot down.

On the other hand, the German air force lost 35 planes through direct enemy action and 43 planes which met with accident on enemy flights (emergency landings, crashes, etc.) in these 6 months on the west front and over the British fighting area.

RESERVES READY ON FRONT AND AT HOME

The full value of war experiences so far has been utilized among the three branches of the Army for further conduct of the war, for training, and for technical perfection of material.

The production of the German armaments industry has not been decreased by the enemy blockade but increased to the highest degree.

The strongest reserves of trained fighters of all kinds, as well as technical personnel, stand ready at their weapons and apparatus for continued actions at the front and in the homeland.

The Mississippi Valley Flood Control Association

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ADDRESS OF MAJ. GEN. JULIAN L. SCHLEY, CHIEF OF ENGINEERS, BEFORE THE MISSISSIPPI VALLEY FLOOD CONTROL ASSOCIATION

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Maj. Gen. Julian L. Schley, Chief of Engineers, before the Mississippi Valley Flood Control Association, Wednesday, March 13, 1940, Washington, D. C., to wit:

It is a pleasure to meet with the association again and I welcome this opportunity to express my appreciation for the support the Mississippi Valley Flood Control Association has given to the Corps of Engineers during my administration. Your association performs two outstanding services to the millions of residents of the Mississippi Valley, first by crystallizing and promulgating public opinion on flood control and navigation improvements, and second by supporting sound policies relative to the accomplishment of those improvements. Although your association and my organization contribute our efforts in different form, we both have the same ultimate goal: That is, to serve our country in the conservation of our water resources, and in preventing loss from the destructive action of those waters. These annual meetings of the association give us the opportunity not only to renew friendships but also to view our progress toward the goal we strive to reach.

In making the statement that conservation is one of our mutual interests and efforts, I use the word "conservation" in a humble spirit. Although it is an excellent word, and thoroughly descriptive, it is not new, nor is the idea it conveys a new one.

In our early history, the natural resources of this great continent seemed limitless, endless. In time, we began to realize that our resources are no exception to the rule that everything is finite—that after using or wasting something, you haven't got it any more. Of course, the smart people found this out first and began to preach it.

Another thing which intelligent people have learned is that nearly everything occurs in cycles. Phenomena of nature repeat themselves; astronomical events recur in accordance with calculable laws; stocks prices rise and fall according to some law (which, by the way, most of us have failed to guess at one time or another), and even words or expressions have a way of being reborn. The word "conservation" is no exception. Within the past several years the people have become conservation-minded again and, holding it as a new cause, are forgetful of the efforts and accomplishments of their fathers and the constant, almost plodding work of those who devote their lives to the cause that conservation may go forward, or at least lose no ground. In 1879, Congress established the Geological Survey, whose pioneers began working on problems of water supply and land use. Shortly after 1900, the Department of Agriculture began conserving forests and making studies to prevent losses in soil by uncontrolled erosion. The Bureau of Reclamation was created 2 years later. Legislation to protect mineral reserves was enacted about the same time. The Federal Water Power Act soon followed. In fact, any conservation of natural resources which is possible today is largely predicated on a long series of practical steps taken by the departments of Government in years past. These departments have improved their methods and extended their services as knowledge and experience have been gained.

The conception of conservation on a national scale was brought to the attention of the public by the Chief Forester, Gifford Pinchot, under President Theodore Roosevelt. The wanton waste of timber in the United States had long been criticized by national leaders. In 1907 the forestry conservationists joined hands with those interested in the use and development of inland waterways and in October of that year the newly appointed Inland Waterways Commission persuaded the President to call a conference of Governors to consider the condition of the natural resources of the United States. This call resulted in a historical meeting in the White House on May 13, 1908. Those attending the conference included the President and Vice President, 7 members of the Cabinet, all Justices of the Supreme Court, the Governors of practically every State and Territory, many Members of Congress, representatives of 68 national societies, and over 50 selected citizens, and members of the Inland Waterways Commission.

Between the first World War and the beginning of the late depression, many laws were enacted that were fundamentally for the use and development of natural resources. Neither the legislation nor the useful work accomplished under such authorities received any wide publicity as conservation. In other words, while beneficial works continued to be constructed for navigation, flood control, irrigation, and reclamation, the spotlight moved from the term.

It is not surprising, therefore, that many believe the movement today to be entirely new. On the contrary, Federal operations toward conservation, though seldom recognized as such, antidate by many years not only the present work but also the early efforts of the National Conservation Commission and the Inland Waterways Commission of 1909.

Early in the 1800's the Federal Government was forced to consider the inland water resources of the United States which provided natural highways for the pioneers that were colonizing the vast territory west of the Appalachian Mountains. For reasons which I am sure you all know, Congress entrusted to the Army engineers the first work of conserving our water resources for navigation. That was more than a century ago. Since that time there has been formed slowly and efficiently, within the precepts of good administration, a combined military-civilian organization composed of experts trained and developed to obtain practical results in flood control, navigation, and allied water-conservation work.

In the meantime, public organizations such as you represent have been formed and have established long records of excellent public service in the interest of conserving water resources. Sometimes this work has been termed simply "waterway improvements," at other times the more specific terms of "flood control" and "navigation" have been used, and at present the broader expression, "conservation of water resources" seems to be popular. Call it what you will, it means the same. The basic idea is to use economically and fruitfully the great blessing nature has given us while at the same time preventing substantial loss during her periods of lavish bestowal.

Let us return now to consideration of the Mississippi Valley, where conservation of water resources has been in progress for three generations or more on the greatest combined flood-control and navigation project in the world. During and between these recurring cycles of the discovery of the term "conservation" this work has proceeded, the principal effects of the return of the spotlight to conservation being an increase in appropriated funds. Millions of acres in that great valley that were naturally subject to frequent overflow have been permanently protected, and other thousands of acres have been given partial protection. At the same time, the main river channel, that was once choked with drift and snags and numerous shoals, has been developed into an adequate year-round navigation channel. Millions of tons of cargo annually pass up and down this most important inland waterway. Thousands of acres of land that, without flood protection, were valued at little or nothing have become premium farm lands, where a bale of cotton per acre is the usual crop. Small trading centers have become neat, prosperous little cities, and the larger communities have each become an important metropolis.

I know that you are interested in the studies now in progress on the lower Mississippi. The report has not yet been completed in the field, and therefore has not been seen by me. All I can give you is that overworked remark of the statesman, "Substantial progress has been made, and all is proceeding at the rate anticipated."

It would be too lengthy at this time for me to detail to you the progress that has been made in each section where construction has been under way during the current fiscal year. High lighting the activities, I can say that considerable revetment—asphalt, willow, concrete, and gravel—has been placed along the river; corrective and maintenance dredging has progressed satisfactorily; and the work of bringing levees to grade and section is still going on. The White River backwater levee is about half finished; the Tyronza River channel improvement was completed 2 months ago; and many features of the Wolf River project at Memphis have been completed. The cold spell delayed work at Wappapello Dam for awhile, but now work is once more in full swing. Final plans and field preparation for Arkabutla Dam construction are approaching completion, and excellent progress has been made on Sardis Dam. In the Atchafalaya Basin work has been pushed vigorously on the Morganza floodway, Wax Lake outlet, Clarenton drainage canal, and the improvement of the Atchafalaya River.

Among the studies in progress is the comprehensive survey for navigation, flood control, and irrigation on the Red, Ouachita, Mermentau, Calcasieu, and Vermilion Rivers and several bayous. The Board of Engineers for Rivers and Harbors expects to receive this report during the current year.

The project as adopted by the acts of 1928, 1936, and 1938 authorizes a total appropriation of $637,000,000. Of this sum, slightly over $390,000,000 has thus far been made available, leaving a balance of $247,000,000 necessary to complete the existing project. For the current year $39,000,000 was made available, as you all know. The appropriation bill recently passed by the House of Representatives contemplates about three-quarters of that sum for the next fiscal year.

Although work is progressing satisfactorily on the existing project in the Mississippi Valley and that project is continually being improved by amendatory legislation, the job there is by no means done. There are still large areas where no protection or only partial protection has been given. As the capacity of the main river channel is increased and flood protection progresses on the tributaries, and as the valley becomes more prosperous, more protection in these areas is practicable and justifiable.

In the matter of flood control and navigation improvements which we here term "conservation of water resources," the ques-

tion of economic justification rightly influences the planning, but it must be remembered that the basis of computing economic justification is by no means static. With each successive improvement for flood protection or for navigable channels, the development and prosperity that follow are certain to justify greater improvements. The reclamation of useless lands, either by withholding excessive waters or by adding needed waters, inevitably leads to higher values as the lands are opened to profitable use. We must bear in mind, however, that progress in protecting these areas, or in conservation, if you prefer the term, will never be accomplished by the relatively simple expedient of adopting or approving projects. A substantial amount of flood protection is in existence in the lower Mississippi Valley but projects in the more removed portion of that basin, which incidentally will contribute to the security in the alluvial valley, are not so well advanced. The same is true elsewhere in the country where Federal flood control is a new operation. Congress has approved comprehensive projects for these basins but has made small authorizations for the initiation of the comprehensive plans. To stop there would be disastrous because comprehensive plans that involve reservoirs are not effective until completed. To spend hundreds of thousands of dollars in one part of a watershed only to have a great flood occur due to heavy prolonged rainfall in another part of the basin where planned protection had not been started because of insufficient funds would indeed be a calamity. The seriousness of curtailing appropriations to the point where orderly progress is no longer possible is therefore only too obvious. I should not like anyone to have the disagreeable task of meeting a flood-harassed populace after that populace had been allowed to believe it was getting flood protection.

During the past year a change in command took place in our forces on the lower Mississippi. As you know, Gen. Harley B. Ferguson, formerly president of the Mississippi River Commission, reached retirement age in August 1939, after a long and distinguished career. The work accomplished during his tenure of office has contributed greatly to the ultimate development of the valley's program, and I am sure that his name will be written in large letters in the history of "old man river."

The new president of the commission, Brig. Gen. Max C. Tyler, comes to you as an outstanding engineer with superior qualifications for the prosecution of the work yet to be done. In assuming his responsibilities, General Tyler has wisely adopted the policy of reviewing thoroughly the present status of the work before making recommendations relative to new undertakings. I am confident you will find his approach to the problem sympathetic with your needs and that the program of development will be prosecuted with broad vision and with an eye constantly on the best interests of the entire valley. I hope you will have the opportunity to know General Tyler as I know him, for, if you do, you will understand why he has my confidence and respect.

I desire to make grateful acknowledgment to the men of your association, as well as to the men of my Department, who have applied the policy of conservation of our natural water resources to the flood-control and navigation work under the jurisdiction of the Department. Conservation is a general social attitude or purpose affecting the operations of nearly every department of Government. It is a common-sense attitude that is indispensable to the best use of what we now have, or, as Theodore Roosevelt once said, "It is the application of common sense to common problems for the common good." So I commend those who have applied common sense to river improvements. They have made it possible for this Nation to take a great step forward and they have helped the public to see that the greatest questions before us are not partisan questions but questions upon which men of all shades of opinion may be united for the common good. The conservation of water resources in the hands of those who have been doing it for years will continue to make an important contribution to the development of the Nation.

Again I thank you for the opportunity of speaking to you, and I sincerely hope you may continue your good work to secure the adoption of worth-while flood-control and navigation improvements and the provision of adequate funds to carry on this useful work.

More About the Census

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. THORKELSON. Mr. Speaker, a rather interesting article has come to my attention. It was written by Mr. Boake Carter in relation to census snooping. I believe this is a subject to which we should give considerable attention, because it is in direct line with investigations that have been conducted by other intelligence departments of the Government. We are getting closer and closer to the dictatorial policing system of Russia and other European countries, and it is time that we call a halt to this Federal effrontery.

If the administration is dominated by a radical element to the point where it is now invading the private sanctum of the home, Congress should take notice and the people should be informed so that they may prepare to defend their rights. No one can deny that the people's rights are gradually leaving them, day by day, by some silly law passed by Congress, or some restriction or unwarrantable enforcement by Federal policing service.

The majority of our people are law-abiding citizens, and for 152 years have been willing to abide by their own laws, and it is not this majority that are the objectors today. It is the minority that objects to conforming to the law that is agreeable to the majority of the American people.

Congress should bear in mind that legislation is costly and destructive to business, because of its restriction and the continual employment of forces to meet the demands of the law.

Today, we have a clear example of it in the House. We have passed legislation that sets up judgeships in various parts of the country, with little or no consideration. I admit it is fine to have more courts or judgeships established, for it does give employment to the attorneys. However, there is another side to be considered in the establishment of a myriad of courts and laws. The judges are all put on a salary of $10,000 to $12,000 a year, and on a pension of $10,000 to $12,000 a year, as long as they live, which is a condition no other Government employee benefits by, today. It is not so funny for the taxpayers, and maybe they will not like all the courts and all the judges, and all the extra legislation—most of it unconstitutional—which has been passed so blindly by Members of Congress. This is a question to which all of us might give serious consideration, because it is not an aid to business. On the contrary, it is a handicap and a burden to business, and in a sense, responsible for the condition in which we find our Nation today.

Now about the census: No one objects to answering questions that have been answered in past census enumerations. But the Federal Government and Congress must bear in mind that we have no right to go into the very private lives of the people and ask, not only silly questions, but questions that can be of no value whatsoever to the Federal Government except to satisfy its curiosity or the curiosity of someone in the Government who is a better internationalist than nationalist.

It is unfortunate that the majority of the people are not sufficiently well acquainted with the power of the Constitution to know that it was drafted by the people to protect themselves against the Government and rotten political machines. It is high time that the Federal Government be informed that it has no greater power than that granted to it by the people, and Congress, in order to be just, and to respect its obligation, should protect these rights of the people which it represents.

I realize, of course, that little can be expected from the Department of Justice and our many courts, particularly those controlled by the minority party, for they, no doubt, are dominated by people higher up.

Be that as it may, when the Government fails to adhere to its obligated duty, it is the constitutional right of the people to protect themselves and their own Government. It is for this reason that I constantly advise the people to whom I speak that their greatest protection may be found in the Constitution itself, and that strict observance of that document will not only protect the States and the State rights, but will also protect the rights of the people. Yes; the rights of the people to be left unmolested and free in their own homes.

The article which I shall quote expresses the sentiment of a good many American people, and I believe it is pertinent at this time for there is no question but that the Federal Government is attempting to exceed its constitutional power, a power that is not granted to Congress or to the Federal Government by the people of the Nation.

I shall now quote an article from the Philadelphia Public Ledger, of Monday, March 11, 1940:

BOAKE CARTER SAYS

WHY THE CENSUS SNOOPING?—LEFTISTS WANT THEIR JOBS—COMES THE REVOLUTION?

WASHINGTON, D. C.—It is a pity that the apologists for the gentlemen who thought up the current list of questions to be asked us by the enumerators from the Census Bureau are not aware of some of the motives or some of the tricks that are obscured from public view at present.

If they were, their apologies for the Census Bureau doubtless would be exchanged for a chorus of horror.

Few citizens hold any objection to answering routine census questions. Heretofore no Federal administration has had aught but a simple, straightforward desire to enumerate the citizens of this Nation, their occupations, their employment status, their marital status, and such reasonable information.

But behind the present crop of questions lies no such simple, straightforward desire.

Instead, the questions have been framed for a specific purpose. The purpose is revolutionary.

First, it may be said on excellent authority that the questions have been devised by the leftist group in the administration. These are the snide young gentlemen—and some older ones, too—who are still bent on (a) keeping their political jobs and (b) actively promoting a social revolution.

The answers they hope to receive should tell them (a) where are the weakest spots in the country—that is the most likely revolutionary material; (b) a minute list of names of citizens best calculated to respond to the inflammation of revolutionary doctrines; (c) a minute list of names of possible reactionaries or conservatives in every city, town, and hamlet; (d) information to substantiate a propaganda barrage to sustain Federal relief and all its machinery to the States; (e) information on which to base a demand for further expansion of the Federal octopus through Federal aid to schools and thus control children from the cradle; (f) information to be used for purely political purposes to sustain the leftists in power; (g) information to smear any character of any citizen, should any citizen at some future time require the "mud" treatment.

It is true that when these questions were framed little thought was given to "Mrs. Snoop" down the street, who may have had herself appointed census enumerator and wouldn't let a little thing like a fine or imprisonment prevent her from peddling gossip she finds out around the neighborhood. No; their plans are deeper than that. They want to use the information to build their idea of a new America.

But what the public does not know—and this is not opinion or viewpoint but actual fact—is that subversive organizations already have had their own agents sworn in as census enumerators. The agents, or "enumerators," have gathered information required of them in specified sections, then resigned as Government employees. The facts they have gathered have been turned in, not only to the Government but also to their real employers, the subversive groups for whom they have been acting.

There is documentary evidence to this effect in the hands of several Senators. They haven't said much about it yet, simply because they believe in the old adage about giving a man enough rope and he'll finally hang himself. By permitting these subversive agents, disguised as Government enumerators, to extend themselves, it is hoped enough shocking information about their activities will be gathered to blow clear out of the water the little coterie of New Deal radicals running the census questionnaire.

One of the strange things about the rapidly mounting public temper against the impertinency of some of the questions asked is the psychology involved.

Had these quiries been put forward by any administration which had indicated by its conduct that it believed in the principle of morality in government, the popular indignation probably would be much less violent.

But that it is the administration of Franklin D. Roosevelt, replete with its staggering army of "snoops and peeps," its philosophy of materialism and its chicanery and double-dealing, which seeks to pry into the most intimate matters of every citizen's private life, is the factor which has created most of the public nausea.

It is not a comforting thought to consider that such intimate information as: How many times has a citizen been married; how much did he make; from what sources and how? are to be details to be pawed and leered over by the Cohens and the Corcorans of the administration.

One of the glib assumptions of the New Deal "snoop" directors is that it is the Federal Government's duty to "even up the disparities of opportunity" that exist for the average American in "rural Arkansas and metropolitan New York," and to that end the census is being taken. That is the same sort of argument Hitler made when seeking to lure the German people to his support. To assume that a government of mere men can "even up disparities of opportunity" is to presuppose that God made a gross mistake in endowing more capabilities in one man than in another. For Government to attempt such a fantastic performance would require complete dictatorship to insure any measure of success.

And that is precisely what the New Deal leftists desire. The questionnaire of the census is aimed mainly to collect information which may be used by the leftist in furtherance of their own ends—one of which is to destroy a free and individualistic America.

Rabbi Goldstein, in the New York Herald Tribune, Sunday, March 10, 1940, is not in favor of protecting the people's rights. He believes that his democracy should have full sway in the United States. I now quote him:

"Individualism is a valuable trait in a democracy," Rabbi Goldstein said, "but there is no sense in making a fetish of it. Common sense should dictate that the purpose of a Government census is to gather information which is intended to convey a collective picture of American life and which may serve as a basis for study of and provision for public needs.

"One of the standing problems of democracy is how to effect a successful balance between individualism and social cooperation. Let us not become so obstreperous in our individualism as to impede the social processes which are calculated to serve the interests of public welfare."

Rabbi Goldstein deplores the fact that objections are made to the questions of the census taker. He says:

Individualism is a valuable trait in a democracy, but there is no sense in making a fetish of it.

The American people are not making a fetish of their rights, but they are trying to protect their rights from minority usurpation. The worthy Rabbi should know that this Government is not a democracy, although he may wish to make it so. The United States is still a republic, as long as Congress reigns supreme and retains two major powers—to appropriate money and to impeach all officials who do not adhere to the fundamental principles of this Government. As long as the people support Congress and the principles set forth in the Constitution of the United States, they will have nothing to fear, if they send men to Congress who honor their obligated duty.

The word "democracy" should not be used because there is considerable difference between a democratic republic and a democracy. The Democrats, as I know them, believe in the fundamental principles of this Government, but those who so glibly shout "democracy" and expound other radical philosophies are not democratic but are Communists instead.

The Development of Our Rivers and Harbors

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ADDRESS OF MAJ. GEN. JULIAN L. SCHLEY, CHIEF OF ENGINEERS, BEFORE THE THIRTY-FIFTH ANNUAL CONVENTION OF THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Maj. Gen. Julian L. Schley, Chief of Engineers, before the Thirty-fifth Annual Convention of the National Rivers and Harbors Congress, Thursday, March 14, 1940, Washington, D. C., to wit:

Mr. President, ladies and gentlemen, I am always honored by having the opportunity to address this convention. This is the third year I have appeared before you as Chief of Engineers, but the pleasure increases with each occurrence since I feel that I am among old friends whose interests coincide with those of the Department I represent. I certainly am not placed in the position of trying to convince you of the worthiness of our mutual interests for I believe this group has all the answers along that line. In previous years, I recounted in some detail the status at that time of river and harbor and flood-control projects. I am now assuming that each of you is conversant with the progress on these developments and, as you have convinced me thoroughly that you are experts on those projects close to your hearts, I am going to discuss briefly instead some of the broader aspects of river and harbor development.

It has occurred to me that it is an appropriate time for us to get away from the trees in order that we may view the forest. We know, but I believe we frequently forget, that the improvements in which we are interested are not an end in themselves, but only a means to an end. There is a definite objective in this work, yet I am at times surprised how little known the objective is. A few weeks ago, when a popular pictorial magazine carried an illustrated article on

the intracoastal waterway which recounted the pleasure trip of a small boat from New York to Florida, it came to my attention that a rather well-informed individual expressed surprise over the fact that this improvement was an accomplished fact and at the same time raised the question why the Government was justified in expending funds to make such a journey possible. Manifestly he lost sight of the fact that a continuous inland route of some 1,500 miles had been provided for commercial purposes and not for recreation alone, and he did not know that nearly 1,000,000 tons of cargo valued at $45,000,000 moved last year on merely the section of that waterway from Norfolk, Va., to Beaufort Inlet, N. C., and he also missed the point that such Federal expenditures were based on paying him dividends whether or not he took a yachting trip.

Correspondence coming into my office shows that many do not understand the difference between authorizations of projects and appropriations for their construction. Only a few weeks ago, one of the leading newspapers of the country carried a signed news story about a $407,000,000 river and harbor bill being before the Senate Committee on Appropriations. With the widespread misinformation and superficial knowledge which I am convinced is possessed by a large percentage of our people, it is no wonder that the general public has received or made erroneous conclusions as to the worthiness of projects, how they are selected, what the objective of river and harbor improvement is, and what influence these improvements have on our national economy.

Before going into the reasons for present river and harbor improvement, let us look at the situation that led the makers of the Constitution to include in that document authority to the Federal Government for such improvement.

The colonial development of the United States began where natural waterways afforded access to the interior, and for many years the sea afforded the best and often the only means of communication between widely scattered colonies. With the establishment of national independence, the more far-sighted founders of the Republic realized that free use and national control of our navigable waterways were of paramount importance to a lasting union. Restrictive State and local regulations over the use of waterways during the days of the loose confederation hampered trade between other States and caused ill feeling not conducive to union. Yet certain States drew into natural groupings based on compacts for the use of their common waterways.

It was to be expected, therefore, that the power to regulate commerce "among the several States" would be included in the basic law for union. For a time thereafter improvements were made by the States concerned with the consent of Congress. These improvements were mainly of harbors and river mouths and were largely local in character.

With the increasing movement of settlers into the trans-Allegheny region, the question arose of holding these people to the Union. Kinship and ties of culture held them to the tidewater States, but trade routes led down the Mississippi to Spanish territory or through the Great Lakes to British domain. This consideration exerted considerable influence in winning over the conservative groups, who believed that Federal authority was limited to marking obstructions to navigation, to the more liberal view that it was within the province of Congress to remove the obstructions, and that just as the Federal Government could participate in building an interstate highway so also could it participate in the improvement of an interstate waterway.

Through the years the people were concerned with their own local problems, their own urgent local needs, until it became the custom to view navigation improvements in a selfish light. Even though a broader vision was the fortunate possession of some, the country had to develop further before a national viewpoint with respect to water transportation could manifest itself. Such a viewpoint has, of course, been the foundation of the great work the National Rivers and Harbors Congress has accomplished. I am happy to say that the Corps of Engineers, in its many years of study and work, has never lost sight of the ultimate objective of creating a national water transportation system and, through the wisdom of Congress and your public support, we can view today that system—not complete, of course, but at least it is out of the nebulous stage. It would be a great step forward if the public could be made aware of the accomplishments and their value as you and I know them.

A moment ago I raised the question of the objective of waterway improvements and their influence on national economy. Why have water transportation, anyway? It is slow; it is not adapted to high-class commodity movements; it is subject to interruption from ice, fog, and flood; and waterways touch directly only limited areas.

There is only one reason for its existence. It meets public demands which other methods of transportation do not meet. It has the outstanding advantage of low cost of operation and extreme flexibility of carrier schedule to meet the needs of its users. The objective of waterway improvement is to facilitate the use of this low-cost transportation and thus reduce production costs. Lower production costs in the competitive markets of our economic system mean lower consumer costs and a consequent increased consumer market.

Water carriers do not possess and do not require exclusive right-of-way in order to function. If it develops that there exists an excess of transportation service on one waterway, some of the equipment may be shifted to another water route since no operator has exclusive rights in the use of a harbor or navigable river. The obvious result is that equipment can be employed in a flexible manner and it need not stand idle if it can find business at places other than on its usually traveled route. The basic consideration in the low cost of barge service is the fact that all the people own the channels through which it operates and the benefits of this low cost are shared by everybody. If some goods were sold under a monopoly, the low cost of transportation would possibly not enter into price and the price would be determined by what the traffic could bear. However, so long as there is competition both among carriers and producers, there can be no permanent pocketing of transportation saving, and price must be based on cost or the product will not be sold.

A water transportation system to give this benefit must be integrated and interconnected. The casual reader of any one river and harbor bill could well be led to believe otherwise for it is seldom that an entire project is adopted at one time. Back in 1909 the Congress called for a survey of a continuous waterway, inland where practicable, from Boston to the Rio Grande. Four years later the completed report, in five volumes, presented a sound engineering study and economic analysis of the proposal. The report recommended construction at that time only of the Chesapeake and Delaware Canal and the Norfolk to Beaufort section on the Atlantic Coast. The general engineering plan was complete, but economic studies indicated that the entire project should not be constructed. However, the economic situation changes from year to year and it has thus far been found justifiable to build most of that waterway. Construction of the Norfolk, Va., to Beaufort Inlet, N. C., section was authorized in 1912; construction of other sections was authorized in 1917, 1919, 1925, 1927, 1930, 1935, and 1937. My recommendation that the New Jersey Inland Waterway section be adopted as a Federal project is now before Congress and study of the proposed New York Bay-Delaware River section is still underway. One unfamiliar with the basic report and the entire plan would fail to get the proper picture of why an apparently isolated reach of waterway was adopted in any one of those eight bills.

The same situation holds true on other waterways, both rivers and harbors. Nearly any waterway construction is possible from an engineering standpoint if sufficient funds are available. But the larger problem is to ascertain its economic worth. Since establishment of the Board of Engineers for Rivers and Harbors, 38 years ago, that body has acted on 4,400 investigations and has reported adversely on approximately 60 percent of them. These rejections have been based primarily on the fact that the projects were not economically justified at the time of the reports.

The basic reasoning behind these recommendations is that the waterways shall return to the people of the Nation in cash savings due to cheap water movement of freight an amount sufficient to pay reasonable interest on the first cost, to pay all maintenance and operating charges, and to yield an additional sum or "dividend" on the investment. The requirement that a project shall result in a net economic benefit to the public is a guiding principle controlling our recommendations to Congress.

Computation of the probable commerce over any waterway is based on a limited type of commodity movements. I mentioned that water transportation is not adapted to high-class commodities. The major part of barge commerce consists of bulky, nonperishable, basic materials such as ore, petroleum, coal, pulpwood, logs, grain, stone, sand, gravel, sulphur, and crude chemicals. These commodities are essential to industry, but, since they are of such relatively low value or so generally available, they must move at low cost if they are to move at all. Some sources of these materials are not developed because it is too costly to move them to market. The only transportation sufficiently low in cost to move many items of this nature is water transportation. Now, however, we frequently find that when a waterway is developed the anticipated commerce does not move over it because rates on other means of transportation are lowered in order to hold, even though it be at a loss, the traffic which naturally would seek the cheaper route. It is true that the shipper obtains the benefit on these savings, but other shippers must take a corresponding loss because the competing carriers must try to make up their loss either by raising rates on cargo not suited to water movement or by raising rates on other routes. The net result is to deprive the people of some of the benefits of their investment in the waterway.

Today we have a system of about 30,000 miles of waterway which have been improved in varying degrees during the past century. However, a large share of the waterway money, technical skill, and effort and care of my Department is expended on some 50 principal improvements totaling about 7,000 miles of high-grade, modern standard channels varying from 8 to 14 feet deep, which handle almost all the inland water-borne commerce of the country. In addition, there are some 500 harbor projects on which Federal improvements have been made. The bulk of the commerce is received at 20 of these where the annual traffic exceeds 10,000,000 tons each.

The unity of this system becomes more apparent as the major links approach completion. The Great Lakes system has been well established for some time and is fairly well known. However, somewhat less familiar to the general public are the Mississippi-Ohio-Missouri River system, the Atlantic and Gulf Intracoastal Waterways, and the Pacific Coast Waterways. The last named consists primarily of three separate systems—those of the Los Angeles area, the Sacramento-San Joaquin System, and the Columbia River System.

While we have developed certain of our waterways to a high degree of efficiency, we have not as yet taken full advantage of our favorable topography as have most of the older nations. It is true that civilization has existed in them for a greater length of time; density of

population and necessity for free movement of low-grade commodities require them to make a fuller development of natural and artificial waterways. Frequently today news dispatches indicate the extensive and indispensable use of waterways by the warring nations. As yet we in this great country have not been forced to adopt the most practical and economical way of doing things but, if we want to continue our national prosperity, we will soon have to follow that course.

The past two decades have shown great advance in carriers in this country; new markets have opened and new sources have been developed. None of us can tell what the next few decades will bring, particularly what new resources will be within economic reach of the manufacturer and his market. Suffice it to say that as yet we have not taken full advantage of our potential low cost transportation units. And that is because our economy has not yet demanded it.

All in all, we are striving for a goal—the development of the Nation for the greatest advantage to all. We have local, regional, and national aspects and viewpoints. Those of us working for some mere parochial development must not be discouraged because they are in advance of the balanced national need. Looking back over history, we can see that some of our early leaders advocated waterway projects which were not of national necessity until years after their departure from the scene. Their ideas had merit, but it is most desirable to continue on a businesslike basis. An unbiased organization with a national viewpoint, such as the body I am proud to represent, is necessary to weigh, study, and eventually develop those projects essential to our well-being, and to recommend to Congress that those not yet essential be held in abeyance.

The position of my Department is that of a consulting engineer. The people of the country are the owners—the stockholders in the organization—and the Congress the board of directors. A sound, businesslike development requires not only an engineering and economic study of projects but also a rate of prosecution and construction suited to the national needs and the national policies. We can proceed at whatever pace is set, but, of course, a steady pace is most economical. My agency is an executive agency. We are not a policy-making body nor an educational body. We have never gone before the public for obvious reasons. Our job is to advise Congress, as your board of directors, when they call for advice and carry our economically and expeditiously their decisions.

But there is a need for education. The taxpayer should be informed where his money is going in waterway improvement, why it is going there, what the objective is, and where he benefits. He should know that the work is being developed with a long-range view; that waterways are being built with no objective in mind except future prosperity and security. The job of education, as I see it, rests with you who are informed and interested in the work; ours is the job of consultants and builders; and with the people and the Congress lies the responsibility of determination of policy as to nature, extent, and rate of development.

The record of my organization for more than a century and a third stands to show that we will carry forward our part, and I am anticipating your continued support in that effort.

Wheat Income Certificate Bill, H. R. 8838

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. BURDICK. Mr. Speaker, H. R. 8838 is introduced as an amendment to the Agricultural Adjustment Act of 1938.

This bill proposes to give the wheat farmer a decent wage income for his labor in producing wheat. There is no attempt to fix an arbitrary price and no demands are made upon the Treasury of the United States. The gist of the whole bill is to give the farmer a price for his wheat that shall represent a parity income based upon parity price or cost of production, whichever is the higher.

The principal part of the machinery to carry out the purposes of the amendment is already set up under the act of 1938. There is created under this bill an advisory committee consisting of three representative wheat farmers, one consumer, and one representative of the Federal Government. This committee shall meet prior to May 15 of each year, and, using all of the available statistics, they shall determine the probable average level of average wheat prices to be paid to farmers for the ensuing market year. They shall then compute the difference between the prospective average farm price and the parity price, or the cost of production price—as figured by the Bureau of Agricultural Economics—whichever may be higher, and shall recommend to the Secretary of Agriculture that this be declared to be the value of the wheat income certificates for the ensuing year. The Secretary of Agriculture may review the findings of this committee, but he must use the same available statistics used by the committee. After such review the Secretary shall declare the value of wheat-income certificates to be the difference between the estimated average farm price and the parity price or cost of production price, whichever may be higher. The Secretary of Agriculture shall cause to be printed each year wheat-income certificates in an amount equal to the annual domestic consumption of wheat for human food, plus a normal year's exports. These certificates are required to be purchased from the Secretary of Agriculture by the processor for all wheat processed by him in a ratio of 1⅕ certificates for each bushel of wheat processed. The funds so acquired by the Secretary are paid to wheat farmers immediately upon proof of compliance with their allotment agreement.

The receipt by the farmer of this money, together with the market price, will increase his wheat income to parity or cost of production, whichever is the higher. It will also relieve Congress of its obligation to appropriate from the Federal Treasury hundreds of millions annually for parity payments. At this point, it may be asked by many why the processor is required to purchase more than one certificate to each actual bushel processed. The reason is this: The processor normally would not purchase more than 500,000,000 bushels of wheat or the normal consumptive quota, but the farmer alone should not be required to finance the foreign-trade policy of the United States. Therefore, he is entitled to certificates covering both the domestic consumptive portion and the export portion of 100,000,000 bushels; therefore, the processor is required to buy enough certificates to protect the farmer on both the consumptive and the export portions, and since 100,000,000 bushels is one-fifth of 500,000,000 bushels, it necessarily follows mathematically that the certificates purchased by the processor must be six-fifths of the wheat which he actually processes. The processor must file a monthly report of all wheat processed and with it he must file income certificates, previously purchased, in the ratio mentioned above.

In order to more clearly show just how this bill will operate, let us set down some fundamental data on wheat.

Fact 1. Over a period of 20 years, the average acreage of wheat is 68,000,000 acres. Each wheat farmer will be allotted his historic share of this total national average acreage.

Fact 2. The average production in bushels over the same period of time is 790,000,000 bushels.

Fact 3. The average domestic consumption of wheat for human food during the same period is 500,000,000 bushels.

Fact 4. The seed requirements—average—for the same period amount to 75,000,000 bushels.

Fact 5. The average feed consumption is 75,000,000 bushels.

Fact 6. Roughly speaking, the United States has attempted to maintain, and has approximately maintained, its historic share of world wheat exports, about 20 percent. The entire world export market is now approximately 550,000,000 bushels. Hence, 20 percent of that would equal approximately 100,000,000 bushels. We have maintaned that quota of export quite consistently for a long period of years.

Fact 7. We can conclude from the preceding fact 6 that we shall most likely export during the next crop year 100,000,000 bushels.

Fact 8. Let us now add up and see where our average annual wheat crop goes:

Consumed in the United States	bushels	500,000,000
Used for seed	do	75,000,000
Used for feed	do	75,000,000
Exported	do	100,000,000
Total	do	750,000,000
Average annual production	do	790,000,000
Therefore, the surplus is	do	40,000,000

Under the terms of this bill, the farmer collects nothing on the seed item, nothing on the feed item, and nothing on the surplus item; but he does receive parity income on the domestic consumption item of 500,000,000 bushels and on the average annual export amount of 100,000,000 bushels. The

reason why we add this 100,000,000 bushels is that our economy is based on that amount of exports and since it is, there is no logical reason why the farmers should supply this item at a loss. Six hundred million bushels is the amount, therefore, on the average, that the farmer is secured against in this bill, or about 75 percent of his average annual production.

There are many things which may or may not be done under these amendments, which should be fully understood. I shall take them up in order:

First. If the farmer has not exceeded his acreage allotment, and as soon as that fact is ascertained, he will be certified for immediate payment of his certificate allotment.

Second. Should the farmer have a bumper crop and raise more than he anticipated, he, nevertheless, does not draw any benefits in excess of his certificate allotment. The overrun he may store up, to be used the following year should crop failure cut his anticipated production, or he may sell it for what he can get.

Third. There is no limit in this bill to the number of acres a farmer may sow to wheat. If his allotment is 100 acres and he sows 200 acres, he still shares in the benefits of 100 acres if he bins, or stores, half of his crop and keeps it off the market. He can use that the next year in case a shortage of crop makes it necessary. But with this distinction, as compared to a farmer who does not exceed his acreage allotment, the one who sows more, does not participate in the benefits of the certificates until the end of the crop year, nor in the soil-conservation payments, while the farmer who stuck to his allotted acreage can draw his benefits immediately and as soon as it is ascertained that he has complied. This farmer also receives soil-conservation payments.

Fourth. To make funds immediately available in the hands of the Secretary of Agriculture with which to pay the farmers the value of their certificates, the Reconstruction Finance Corporation is authorized to loan enough money to the Department of Agriculture to provide this fund to take care of current demands. The Reconstruction Finance Corporation is later reimbursed from the receipts of wheat-certificate sales.

Fifth. Whether there is a crop or not, the farmer who has complied with his allotment agreements gets in cash the value of his certificates, and in this the bill provides income insurance.

Sixth. Under the terms of this act, in all probability, there will be a constant supply of wheat in the possession of farmers and in that the program of an ever-normal granary is maintained.

Some of the results which may be expected from this act are:

First. Automatic income insurance.

Second. An ever-normal granary.

Third. No demands on the Treasury of the United States.

Fourth. The restoration of normal buying power to United States wheat farmers. The use of this buying power will create business in manufacturing, and both business and labor will directly receive the benefits of this new power.

Fifth. The scourge of farm foreclosure will be stayed, at least in part, as wheat farmers will be enabled to begin the liquidation of their indebtedness.

Sixth. The early removal of wheat farmers from relief rolls and grants.

Seventh. It will stop the march of the farm population to towns, villages, and cities, where they augment the number of day laborers, thus directly affecting labor and unemployment.

Eighth. It will eliminate the artificial price system which results from wholesale gambling in farm products. No gambling could possibly be engaged in in respect to wheat, except upon the 40,000,000 bushels constituting the surplus, or about 5 percent of the total which is today open 100 percent to gambling. And this gambling could still be limited by the fact that the Federal Surplus Commodities Corporation and other Government agencies would absorb in relief programs the most of this 40,000,000 bushels.

Ninth. This act need not raise the price of wheat to the consumers, at least not out of proportion to the benefits of new jobs that will be open to labor and business as soon as the farmers' buying power is restored; and again the price of bread is not determined by the price of wheat. Wheat, as cost, is an insignificant part of the many, many elements of cost found in the production of a loaf of bread.

The expected operation of this act should probably be illustrated: We will suppose that the parity price is $1.15 per bushel and the cost of production, figured on an average, is $1.05 per bushel. In that event this act starts out with the parity price as a basis. Now, suppose the average market price of wheat is estimated to be only 70 cents per bushel; then, in that event, a certificate allotment must make up the difference, or 45 cents per bushel. If the farmer has kept his contract or agreement, he not only receives the 70 cents at the elevator but draws 45 cents on his certificates just as soon as the Secretary of Agriculture has determined that he has complied. This makes it possible for the farmer to be paid this 45 cents per bushel on his certificate allotment long before he makes a sale at the elevator; in fact, he may draw this 45 cents before his wheat is grown, and he may draw it whether any wheat is grown.

The advisory committee and the Secretary of Agriculture cannot tell exactly what the market price will be throughout the ensuing year. Therefore the bill provides that compensatory adjustments must be made each succeeding year by the committee and the Secretary.

They come to this conclusion: The farmer's acreage allotment is 100 acres; his average yield is 1,200 bushels. The farmer is entitled to parity or cost on 75 percent of this 1,200 bushels, or on 900 bushels. His certificate allotment is then fixed at 900 bushels. They will also determine, as nearly as they can from all indications appearing, that the price, when the crop comes in, will range along about 70 cents per bushel. They have before them the tables showing that the parity price is higher than the cost-of-production tables; hence, their price basis is $1.15 per bushel. The Secretary of Agriculture, therefore, is required to proclaim the value of certificates at the difference between 70 cents and $1.15, or 45 cents per bushel. The farmer's certificate allotment is 900 bushels times 45 cents or $405. He receives a check from the Secretary of Agriculture for this amount just as quickly as his compliance with the program can be ascertained. If, as the matter works out, the farmer is paid too little or too much, that situation is adjusted in the next crop year.

In drafting this bill a great deal of thought has been given to ways and means for offering some protection to the operators of family-sized farms who must compete with large commercial operators and great corporation farms. One of the most serious problems which confronts democracy in the United States is the rapid increase in farm tenancy and the consolidation of the holdings of large multiple landowners into corporation farms. In an effort to reverse this trend toward loss of ownership by dirt farmers, this bill provides that percentage reductions shall be made in the value of wheat certificates in accordance with the following scale:

Percentage reduction of such portion of the allotment which is included within the following intervals	
10,000 to 12,000 bushels	10
12,000 to 14,000 bushels	20
14,000 to 16,000 bushels	30
16,000 to 18,000 bushels	40
All over 18,000 bushels	50

The income certificate provides the most perfect flexible tariff for the preservation of the domestic market to our United States wheat farmers that has as yet been devised.

I want to point out that under this bill we do get the Government out of business. Obviously, the higher the loan price on the basic commodities, the more likely it is that the Government will be found holding accumulated surpluses with the incident expenses of warehousing, interest, and so forth. Additionally, the Government could not be expected to maintain at high administrative costs the character of

personnel to liquidate and sell annually accumulated surplus stocks of wheat, corn, cotton, and so forth.

Under the wheat income certificate bill, which I have introduced, the cash market for the product both at the interior and primary markets is left fluid. These cash markets are left free, so that they may deal with the commodities on a basis of supply and demand for the particular qualities of the wheat or the cotton. In wheat, it is a common thing to find a difference of 30 cents a bushel on the same date. This 30-cent spread represents the difference between the poorest quality and grade of wheat as compared to the highest quality and grade of wheat. That is one of the most cogent reasons why the regular cash market price plus the income certificate is a more desirable method for creating the total necessary price than by the use of straight price fixing under Government fiat.

The income certificate, if you want to call it a tax, is not a general sales tax. It is not a manufacturer's tax. It is not a regressive tax. If we must call it a tax, let us now establish new terminology and call it a deficiency tax, employed, asserted, and enforced under the power of the Federal Government to equalize the difference between an unbearably low cash price and the parity price or the cost-of-production price or the fair-exchange price. It thus is a definite plan which assures parity price or cost-of-production price, whichever is higher.

This income certificate price will always be negligible in the cost of the bread or the flour purchased by the consumer. The leading representatives of the millers have already testified before Congress that if the farmer gave his wheat away, it would be difficult to reflect such a saving to the consumer in the cost of a loaf of bread at the retail store.

I shall exert every possible effort to secure enactment of this bill into law during this session of Congress. When we enacted the 1938 Farm Act, farmers had every reason to expect their purchasing power to be restored, based on the parity period 1909–13. This has been only partially accomplished. That we may keep faith with the wheat farmers, I solicit your consideration and support of H. R. 8838.

The Look Ahead In Flood Control

EXTENSION OF REMARKS

OF

HON. WILL M. WHITTINGTON

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ADDRESS BY HON. WILL M. WHITTINGTON, OF MISSISSIPPI, BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS

Mr. WHITTINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered on this day, Thursday, March 14, 1940, at the Thirty-fifth Annual Convention of the National Rivers and Harbors Congress, Washington, D. C., to wit:

Rivers play an important part in the development of the country and should be improved for the general welfare.

Flood control was adopted as a national policy less than 4 years ago. Progress has been made since the last annual meeting of the Rivers and Harbors Congress. The objective during the current year was to secure adequate appropriations for works already authorized rather than passage of a bill for additional authorizations.

APPROPRIATIONS

It is a source of satisfaction for me to be able to report that during the current fiscal year Congress has made the largest annual appropriation for flood control both for the Mississippi and the National Flood Control Acts ever made. Cooperation and organization by the advocates of flood control resulted in securing a material increase in appropriations over and above the recommendations of the Director of the Budget.

CONSTRUCTION

Additional protective works have been constructed in New England, in New York, in the upper and lower Ohio River Basins, along the upper Mississippi River, in the Missouri River Basin, along the White River, in the Arkansas River Basin, along the Red River, in the St. Francis Basin, along the Yazo River Basin, and along the lower Mississippi River. Progress has been made in the Los Angeles area in California, in the Willamette River Basin, and along the Spokane River and its tributaries in the Northwest.

FLOOD CONTROL ACT OF 1939

While the advocates of flood control did not insist upon the passage of a flood-control bill during the year 1939, inasmuch as no appropriations had been made under the Flood Control Act of 1938, nevertheless the feeling is becoming general that there should be annual authorizations for flood-control projects to protect the lives and property of the people of the United States, and to provide for the orderly development of national flood control. It was believed, however, that the emergency during 1939 was not such as to require an authorization bill. While there were destructive floods in the early spring of 1939, there were no major floods in the United States.

Again, there were many areas in the United States where the flood-control problem is serious. Reports had not been submitted in these areas. They are entitled to consideration. The Committee on Flood Control in the House of Representatives during the last Congress did report, and the Congress passed, an authorization bill for preliminary examinations and surveys. This bill also adopted certain clarifying amendments to the Flood Control Acts of 1936 and 1938 that will be beneficial in the prosecution of flood-control works.

REORGANIZATION

During the debates on reorganization of the executive departments of the Government in both the Senate and the House, it was repeatedly stated that flood-control work and river and harbor work should and would continue to be the function of the Chief of Engineers and that under the Reorganization Act the President was without authority to transfer such works from the War Department or from the Corps of Engineers. I speak substantially the united sentiment of the Congress of the United States when I say that no transfer of flood-control and river and harbor work from the War Department or from the supervision of the Chief of Engineers will be tolerated or approved by the Congress of the United States. I assert that any such transfer would be breaking faith with the expressed mandate of the Congress, which excepted both the Corps of Engineers and their functions from the provisions of the Reorganization Act.

While a few additional flood-control projects were authorized in the Flood Control Act of 1939, the act contributes to the declaration of the sentiment of Congress that there shall be no reorganization with respect to flood-control and river and harbor works and makes emphatic the congressional intent that flood-control works and river and harbor works shall be the function and remain under the supervision of the Corps of Engineers of the United States Army. The following provision in section 6 of the Flood Control Act of August 11, 1939, is significant:

"That the surveys authorized to be performed under the direction of the Secretary of War, as well as all duties performed by the Chief of Engineers under the direction of the Secretary of War, shall be functions of the Engineer Corps, United States Army, and its head, to be administered under the direction of the Secretary of War and the supervision of the Chief of Engineers, except as otherwise specifically provided by Congress."

The Flood Control Act of 1939, therefore, while it approved but a few additional projects, did clarify existing law with respect to previously adopted projects, and did contribute materially to the clarification of the limitation of the reorganization powers of the President of the United States.

FEDERAL POWER COMMISSION

The act of 1938 not only provided for pen stocks and reservoirs, as did the act of 1936, but it went a step further. The Federal Power Commission represents the Federal Government in its power policies. The Commission will have an opportunity to examine all dam and reservoir sites. Substantially all of the reservoir sites authorized are primarily flood-control reservoirs. The act provides that the reservoirs are to be selected by the Chief of Engineers. The Federal Power Commission, as well as the Chief of Engineers, approves the installation of pen stocks.

There is, and should be, no conflict between the Federal Power Commission and the Chief of Engineers. Inasmuch as the Chief of Engineers plans the projects he should have a voice as to the construction and as well as the installation of pen stocks.

There should be no apprehension with respect to the Federal Government engaging in power development as a result of the 100-percent cost of dams and reservoirs because no power can be developed until Congress passes additional legislation. There is no provision in any of the flood-control acts that provides for superseding any existing State law with respect to the utilization and appropriation of waters, or for the present development of power.

FOUR FLOOD CONTROL ACTS

Floods are not new or different. They have occurred in all ages and in all countries. Annual provision should be made for surveys. All of the streams in the United States should be examined. The reports should be available to local as well as to national agencies.

Congress has passed four successive Flood Control Acts in the past 4 successive years; and while only two of them were general, the other two were progressive and constructive. The Nation is flood-control conscious. There was substantially no opposition to any of the flood-control bills in the Congress. The President of the

United States signed the four bills. More progress has been made during the administration of Franklin D. Roosevelt in flood control than during all of the preceding administrations in the United States.

OMNIBUS TRANSPORTATION BILL

Rivers and harbors are improved to provide for water transportation. Heretofore the Maritime Commission has been vested with supervision over coastal carriers, but there has been no governmental supervision over inland-waterway carriers. The omnibus transportation bill passed by both the Senate and the House in 1939 is now in conference, and this bill provides for supervision over inland-waterway carriers by the Interstate Commerce Commission.

The bill passed the Senate and a substitute was adopted by the House. It has been generally understood that the final bill will be written in conference. The advocates of river and harbor improvements and those who maintain that the citizens of the Republic are entitled to the inherent advantages of all forms of transportation should be on guard. Waterways as well as railways are entitled to fair treatment in the transportation bill.

We have undertaken to solve the problem of railway transportation by regulation, but regulation alone will not promote the progress of the railways. Increasing rates and discriminatory rates will not solve the problem. More regulation will not remove the difficulties. The real purpose of the omnibus transportation bill is to kill the waterways and thus eliminate competition to the railways. I voted to recommit the bill because I did not think it was necessary to kill the waterways in order to cure the railways.

While it was declared to be the policy to preserve the inherent advantages of every kind of transportation, friends of water transportation were not satisfied with the mere declaration of policy. We were unable to defeat the bill, but we were able to secure certain clarifying amendments. An amendment was adopted in the House declaring that the act should be administered and enforced with the view to executing the declaration of policy. The so-called Miller amendment had been adopted in the Senate. It was left out of the House bill. This amendment was intended to preserve the inherent advantages of water transportation. The Wadsworth amendment, substantially the same as the Miller amendment, was adopted by the House. An amendment was adopted to provide for the elimination of rate differentials. As reported to the House, the investigations of rate differentials were to cover manufactured products. The House adopted an amendment to provide that the investigations should cover not only manufactured products but raw materials and agricultural commodities as well.

Water carriers and their supporters must continue to keep in touch with the transportation bill now in conference between the Senate and the House. It is essential that the bill drafted in conference be carefully studied and that the water carriers be safeguarded in every way possible. Ample time should be given for both the study and consideration of the conference report.

The rivers and ports of the country are the property of the people of the United States. They should be preserved and kept free and open to all of the people. There is no occasion for their regulation. Whatever may be said of the competition among railways, whatever may be said of corruption in railway construction and in railway financing, there has been no evidence of any destructive competition among water carriers on the inland waterways. There is, therefore, no necessity for regulation. We have undertaken to solve too many problems by regulation. Such regulation should not be adopted unless imperative.

In the great interior plains and valleys of the United States the inland waterways are our last line of defense in the contest for reasonable and cheap transportation. If the water carriers are regulated, it means that the rates will be increased and that water traffic will largely disappear. The advocates of the control of inland and coastal waterways may well remember that "the voice is Jacob's voice, but the hands are the hands of Esau."

OBJECTIVE IN 1940

A flood-control act is the objective for 1940 just as increased appropriations was the objective in 1939. The House Committee on Flood Control announced that such a bill would be introduced and reported during the 1940 session. Reports have been submitted by the Chief of Engineers that will enable additional authorizations covering all of the great drainage basins of the United States. Authorizations are not self-executing. It is for the Senators and Representatives to see that appropriations are made to provide for the construction of projects already authorized. It is for the advocates of flood control to see that all projects are sound and that projects for areas in distress be adopted so that flood control may be provided for all parts of our country.

NEED FOR ADDITIONAL AUTHORIZATIONS

Flood damages largely exceed the costs of protection. Works should be prosecuted at a reasonable rate in order to prevent damages. The acts of 1936, 1937, 1938, and 1939 authorized a total of $693,000,000 for flood control throughout the United States, exclusive of the lower Mississippi River. Including appropriations as passed by the House for the fiscal year 1941, $322,000,000 will have been appropriated for flood control. This leaves a backlog of approximately $371,000,000. There are some three or four hundred flood-control projects in the country that need funds. The present "backlog," as it has been properly termed, is insufficient to provide for the needed projects.

Comprehensive plans for large river basins have been approved, and additional authorizations for the execution of the approved plans must be made so that the plans can be prosecuted with reasonable dispatch. They can be executed more economically if authorizations are sufficient to permit more progress than can be made under present authorizations.

Many important projects cannot be constructed without additional authorizations. In many instances flood-control projects must be constructed consecutively. One portion cannot be constructed until another portion has been finished. Sufficient authorizations are necessary before the first step can be taken.

Reservoirs require long periods to be completed. Authorizations should be made in advance. Benefits do not accrue until the reservoirs are completed. It has taken 6 years to build the Fort Peck Reservoir.

Dams for electric power are growing faster than the program for the generation of power. Authorizations of reservoirs for multiple purposes are in order.

Devastating floods may jeopardize national defense by halting industrial production, but shutting down power plants, by crippling railroads, by destroying highways, and by breaking communications. Additional authorizations both for national defense and the general welfare should be made. A flood-control act in 1940 is now needed.

Lump-sum appropriations have been the order in recent years. Heretofore reclamation projects had to be authorized and approved by Congress before appropriations could be made. I have always insisted that the Representatives and Senators who voted to levy taxes for public expenditures should have a voice in the selection and approval of the works to be constructed. Under lump-sum appropriations no such approval is necessary.

Under existing conditions no flood-control projects not previously authorized by Congress can be constructed. Such works cannot be undertaken with relief or emergency funds unless authorized by Congress. Such is not the case with respect to reclamation projects. A far-reaching provision and a change in policy with respect to reclamation projects was adopted in the Reclamation Project Act of 1939, Public, 260, Seventy-sixth Congress, first session, approved August 4, 1939. Section 9 of this act is most significant; it is certainly far-reaching. It provides that new projects, new divisions of a project, and supplemental works on existing works are in the discretion of the Secretary of the Interior. If the Secretary of the Interior finds, as provided in section 9 of said act, that the proposed construction has engineering feasibility and if the purposes are found by the Secretary to be proper, then the new project, new division of a project, or supplemental works on a project shall be authorized and may be undertaken by the Secretary. In other words, if the Secretary finds that the allocations equal the total estimated cost, then the project may be undertaken by the Secretary without congressional action.

Three steps are necessary in the construction of flood control and river and harbor projects: A report by the Chief of Engineers must be submitted; congressional authorization must be made; appropriations are then in order, but such is not the case with respect to reclamation projects, or to the flood-control benefits in reclamation projects. The decision of the Secretary is final. If new reclamation projects can be constructed without congressional authorization, the same consideration should be given to flood control and river and harbor projects, or additional authorizations should be made for projects that are imperatively needed.

ELECTRIC POWER

Water is essential to the life of people and to the life of the Nation. It is probably the most valuable of natural resources; it should not be polluted and it should not be wasted. It should be made to serve and not to destroy.

Electric power is generated by steam or by water. There are two kinds of electric power—firm and secondary. Firm power is always available and finds a ready market. Secondary power is not available all of the time and the market is not so ready. It depends upon rainfall and run-off.

Reservoirs may be built for flood control, for navigation, for the generation of power, for conservation, and for other purposes. They may be operated primarily for one purpose or for several purposes. It is practical to build reservoirs with sufficient capacity to store dangerous flood waters and with adequate capacity to store water for power or for other purposes. Reservoirs are made for single or for dual purposes. If operated for several purposes, they are called multiple reservoirs.

A single-purpose reservoir may produce some power, but the power may be all secondary. Such power is worth using. Dual or multiple-use reservoirs may produce both firm and secondary power. There should be a restudy of the value of secondary power. It is usually considered to have only the value of the coal that could be saved by an existing steam plant, but coal is just one element. There must be boilers, lubricants, replacements, labor, etc. While secondary power has been undervalued in many cases, those who are wise know its real value. On the Ohio and Kanawha Rivers private power companies have built plants at navigation dams to use the secondary power available at these dams. They pay the United States about $200,000 a year for the privilege of generating secondary power. If secondary power plants are not economical, why do the power companies operate these plants and pay for the privilege of operating them? There is another plant at Louisville, Ky. If plants capable of producing secondary power can be made to pay, and do pay private power companies, multiple reservoirs are economically justified.

The Federal Power Commission has an important function; it is one of the biggest jobs in the Government. The people are no longer willing that the natural resources be licensed to private corporations for long terms without supervision or regulation for

the protection of the public. Such regulations, however, should not be destructive. Private corporations often invite destructive regulation by refusing to cooperate.

In my view the Federal Power Commission would make a great contribution in solving the use and marketing problem of electric power. It is not necessary for the Federal Power Commission to engage in construction, but the marketing of power produced at dams that can and will be constructed for flood control to protect lives and property is becoming an increasingly important public question. The Federal Power Commission should not only be given power and authority to license, but it should be in position to know the marketing problem and submit sound advice to Congress for the marketing of electric power.

The public is entitled to the benefits of economic power that is developed from their natural resources. Water power is not only valuable in itself but it contributes to needed public improvements that otherwise might not be built for flood control, navigation, and irrigation.

Reservoirs for the control of floods are found in all countries but under the supervision of the Corps of Engineers, multiple reservoirs will more and more obtain in the United States.

Many of the most potential multiple uses are beyond private financing. Flood control, irrigation, and navigation projects, including power development, are unsuitable for private enterprise. These works must be constructed by the Government. The public is beginning to realize the great value of the multiple-use reservoirs and dams and they are being demanded throughout the country. In the Southeastern States where a new industrial empire is coming into being, there are widespread demands for power that can be developed on the Savannah, the Santee, and Etowah Rivers. The power possibilities along the White River in Missouri and Arkansas are really remarkable, and demands for power not only exist but will increase as the power is developed. It will take many years to construct reservoirs. By the time the projects have been completed all of the power that can be developed will be needed. The best multiple-use projects should be authorized now so that they can be prosecuted in an orderly manner to meet urgent needs for flood control, irrigation, and navigation, and to satisfy the growing demands for power.

THE CORPS OF ENGINEERS

As we look ahead in flood control we are grateful for the services and the leadership of the Corps of Engineers. They have not only rendered capable and efficient service but they have pioneered; they have originated. It was James B. Eads of the Mississippi River Commission who originated and built the jetties at the mouth of the Mississippi River. It was Gen. George W. Goethals who constructed the Panama Canal. The Corps of Engineers are honest; they are courageous; they have dared where others have faltered; they have adventured. They are graduates of West Point, but they are postgraduates of the leading universities of the United States and of Europe. They have constructed laboratories; they have experimented. Their experiments and their laboratories are not to manufacture bombs and implements to destroy life, but their experiments and their laboratories are devoted to the protection of human lives.

They are scientists; they study waters, rivers, hills, and mountains; but they are constructive scientists. They originate and they plan for progress and for protection.

Engineers and scientists can be saviors or destroyers of humanity. They can make or they can mar the human race. They can improve to kill or they can improve to live. They are capable of inventing the most destructive gases and bombs or they are capable of providing for the protection and advancement of mankind. The Corps of Engineers of the United States Army are utilizing their talents and their science to build and not to destroy.

Science and invention can provide jobs, relieve unemployment, construct highways, and build reservoirs, or they can construct tanks, cannons, and battleships. While some few may criticize, the members of the Rivers and Harbors Congress are glad to pay tribute to the Corps of Engineers of the United States Army.

Sir Christopher Wren, the architect of St. Paul's in London, has no monument or sculpture to mark his fame or to commemorate his triumph in the building of that marvelous cathedral. On a simple slab in one of the panels is inscribed the legend: "If you seek his monument, look about you."

If you seek the monument to the Corps of Engineers, look about you. In this broad land of ours, from the lakes to the Gulf, and from ocean to ocean. There is the Tygart Reservoir, the Fort Peck Reservoir, the Muskingum reservoirs, and the Bonneville Dam; there are the navigation locks and dams of the Ohio and Mississippi Rivers; there are the levees and floodwalls in all of the great regions of our country. Their works are the monuments to the Corps of Engineers of the United States Army.

Robert E. Lee, great as a general, but greater as a man, was a district engineer located at St. Louis, in charge of river and harbor works along the Mississippi River. He typifies the spirit of the Corps of Engineers.

AMERICA AND PEACE

More than ever, as war rages in Europe and Asia, the United States is the hope of the world. America was hidden away until 1492. Who can say that the United States has not come into the family of nations for just such a time as this?

All nations and all creeds have sought America in search of liberty and of freedom. The peoples of European countries have been welded into the greatest nation in human history in America. Ours is the first international nation. Our country is a practical demonstration that clashing creeds and warring peoples can be welded into a single nation. Freedom of speech, freedom of worship, and freedom of the press are the achievements of the greatest and mightiest of all republics. Poets through the centuries have dreamed of a united mankind. Their dreams are being realized in the United States today.

Ours is a cosmopolitan people. There are the English with the love for freedom; there are the Scotch with the love for adventure; there are the Irish with the love for romance; there are the French with the love for beauty; there are Germans with the love for science; there are the Italians with the love for music. All creeds and all peoples have been poured into the crucible of the United States to be transformed into the gold of a new civilization.

As we travel on our way and always toward the light, clouds now and then appear. We are reminded that civilization, like the sun, has its nights and its days, it has its plenitudes and its eclipses; it is now high and noble and then dark and gloomy. Sometimes it seems to disappear but in the march of the centuries civilization always returns.

America must remain at peace; America must escape the devastation of raging wars. The United States must be prepared to salvage civilization following the wars of Europe and Asia.

Progress hates war. We stand for peace and for progress. Dictators now, as heretofore, may strut and murder but they have always left their countries poorer and smaller. Alexander, at 33, dead after a drunken debauch, had conquered the world and sighed for more worlds to conquer. Hannibal committed suicide as he was cruelly and ruthlessly pursued by his enemies. Caesar was assassinated at the very climax of his greatest triumph, and dictators from his day to ours have met a similar fate. Napoleon, conquered and imprisoned, died on the obscure island of St. Helena. These are probably the four greatest generals of human history. Not one of them brought happiness to himself or to his people. Not one of them made a single permanent contribution to the progress or happiness of the world.

We look ahead in flood control feeling that we are building for the protection of the human race and that the engineering structures will remain long after the names of warriors are forgotten.

Reclamation in the Arid and Semiarid Lands of the West

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ADDRESS BY HON. COMPTON I. WHITE, OF IDAHO, CHAIRMAN OF THE IRRIGATION AND RECLAMATION COMMITTEE, HOUSE OF REPRESENTATIVES, BEFORE THE NATIONAL RIVERS AND HARBORS CONGRESS, WASHINGTON, D. C., MARCH 14, 1940

Mr. WHITE of Idaho. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me today before the National Rivers and Harbors Congress:

Mr. Chairman and members of the National Rivers and Harbors Congress, I deem it a great privilege to again join with you in discussing plans for the utilization of the water resources of the country. As a representative from an area in which are located large Federal irrigation and power projects, I am happy that I can say to you, that the West has always given its unstinted support to national rivers and harbors and flood-control programs.

The Pacific Northwest is already beginning to receive material benefits from the construction of the great Columbia River projects, in the form of reduced rates for electric energy, reduced transportation costs for market-bound wheat and timber, and freight charges on incoming supplies such as petroleum products required for operation of our farm machinery and factories.

The recent contracts for Bonneville power with the Aluminum Co. of America and the Sierra Iron Co., are but the beginning of a large industrial development. This will provide for the employment of thousands now on relief and permit families to return to the American standard of living and a better return to the hard-pressed farmer for his produce because of a closer market and savings in transportation costs on account of a shorter haul and because of newly provided water transportation facilities.

The developments at Bonneville and Grand Coulee are only a small percent of the potential power supply that can be made available at reasonable construction costs at other sites on the Columbia and Snake Rivers. The Northwest is the great power storehouse of the United States. Along with the development of power at low cost and the locating of factories to use the products of our forests and mines, there will be provided as needed, new farming areas. It is in connection with the carrying forward to

completion of a very greatly needed program for irrigation and reclamation that I wish to ask your attention for a few minutes.

ARID AND SEMIARID LANDS OF THE WEST

One-third of the area of continental United States lies west of the one hundredth meridian. Seven hundred and forty million acres of arid and semiarid land, including practically all of the 11 Mountain and Pacific Coast States as well as large sections of the 6 Great Plains States.

To date only about 20,000,000 acres of this total has been provided with irrigation. Of the remainder more than 300,000,000 acres is devoted entirely to grazing, and the balance is largely forests, national parks, mineral lands, etc.

NECESSITY FOR IRRIGATION

The development of irrigation has been one of necessity to meet the requirements of the area for a supply of vegetables and dairy products for the cities and towns along the railroads and waterways, and the supplying of winter feed for the livestock from the vast expanse of range land.

More than 50 percent of the total acreage of Federal reclamation projects is devoted to the production of forage crops for the livestock industry to which 40 percent of the area of the West is devoted. The bulk of the production from the remaining acreage is consumed in the project areas, where the population of cities and villages is three times that of the farms, or elsewhere in the West. Sugar beets is an important crop on irrigated land, but since 70 percent of the sugar consumed in continental United States is produced off-shore, there is no competition here with produce from farms of other sections.

The fact is, reclamation complements the farm production of other sections of the country. Its produce is shipped eastward only when the farms near the great consuming centers are not in production.

As examples of the lack of competition with agriculture elsewhere, let me advise: Of cotton, only 2 percent is produced on Federal irrigation projects; of wheat, only six-tenths of 1 percent; of corn, less than one-tenth of 1 percent.

On the other hand the West consumes, in the form of manufactured goods, cereals, and stock feeds from the East, Midwest, and South, many times the quantity of so-called surplus crops produced on irrigated lands.

Let me ask what the Midwest would do with its great quantities of corn and other grains were it not possible to secure for its feeder pens trainloads of livestock from the western ranges? Can the automobile industry find a new market somewhere else for the quarter billion dollars' worth of automotive products the West purchases each year? In these days when the South is finding difficulty in disposing of its cotton, the West offers an ever-expanding market, for it consumes four times as much cotton as the few irrigated acres of the Southwest produces.

The annual increase in the demand for the manufactured products of the Midwest, East, and South and for agricultural products not grown under irrigation is in direct proportion to the Federal investment in reclamation construction. The population of the Mountain and Pacific States has more than trebled since the Federal reclamation policy was established in 1902. And this market is provided by projects built with provision for repayment to the United States of its original investment.

I may point out that of approximately $200,000,000 invested in Federal reclamation projects in operation where repayments have begun, more than 30 percent of the costs have been repaid. In other words, the water users and power consumers have returned more than $62,000,000 to the Treasury of the United States.

Continuation and expansion of the Federal reclamation program is needed not only in those sections of the 15 Western States in which projects are now operating, but the policy of water conservation must be extended speedily to the entire Great Plains area. Extending from the Canadian border to the Rio Grande, recurring droughts and agricultural maladjustments have driven hundreds of thousands of farm families from their homes.

I have just been informed that the most recent survey by the United States Weather Bureau of the Great Plains region is not very encouraging for 1940 crops. While the winter rains in several States have approximated the normal precipitation, the moisture has not been sufficient to replenish the sadly depleted subsoil. In North and South Dakota, the winter rains were only 67 and 65 percent, respectively, of normal.

FEDERAL RELIEF REQUIRED

The distress brought on by drought conditions has been reflected in the Federal aid required in the Great Plains. In many counties seriously affected the relief requirements were three times those in humid areas.

In less than 5 years 75,000 Great Plains families migrated to the States of Idaho, Washington, Oregon, and California, and in the last decade it has been estimated that twice that number from the drought regions have sought opportunities to rehabilitate themselves on a few acres of irrigated land. It is unfortunate, indeed, that great reclamation projects now under construction have not been advanced to the point where they could provide for at least a part of these families. While the Great Plains migrations westward have emphasized the land problem on the Pacific coast and in the Pacific Northwest, new arrivals from other sections since 1930 in an equal volume have complicated the situation.

I say it is unfortunate, but that is a mild expression. It has been an expensive proposition from every angle. The droughts and the utter lack of water-conservation facilities in the Great Plains area which have uprooted scores of thousands of farm families and driven them westward, have increased the financial drain on the Federal Treasury, and State and local resources of the far Western States.

In the last 7 years, in the 17 arid and semiarid States of the West and Great Plains, the Federal Government alone has expended on relief more than two and a quarter billion dollars. Compare this with the two and one-half billion dollars, the Federal Government has expended in 116 years for new work on rivers and harbors and flood control in the entire country. While not all of the Federal expenditures for relief in these 17 States can be attributed to the drought and the migration of Great Plains families westward, a large part of the outlays can be traced directly to conditions beyond the control of the migrants.

The spectacle of more than a hundred thousand homeless farm families, augmented daily by new arrivals from the Great Plains, wandering up and down the Pacific coast and in adjacent States, demands that we consider a plan for providing new opportunities and homes for these wanderers. While the peak of the westward movement appeared to have been reached in 1937, the 1939 migrations approximated those of 1938 and with no permanent improvement in the Dust Bowl in sight, the probabilities are that the number of persons demanding irrigated land will continue to increase.

SUGGESTED PROGRAM

To remedy this critical situation a twofold program has been proposed:

First, prompt action on the part of the Congress is required for water conservation and utilization in the Great Plains area that will serve to anchor families in that section and eliminate the necessity for further migrations. The Secretary of the Interior has proposed a 5-year program to this end. It would require $5,000,000 annually of reimbursable funds from the Federal Treasury and from $6,000,000 to $7,000,000 in relief labor.

The Congress in 1939 made a start in this direction when it enacted the Wheeler-Case bill, designed to provide for water conservation in the Great Plains. An appropriation of $5,000,000 was made the same year, but the Budget Bureau has not yet sent up a recommendation for funds for this purpose for 1941. It is quite obvious that $5,000,000, although supplemented by relief labor, was adequate only for a start toward conserving the meager water resources of the region that embraces substantial parts of 10 States.

Second, adequate funds to expedite completion of Federal reclamation projects under construction so that water resources now being dissipated may be conserved and utilized to provide for the more than 100,000 homeless farm families now drifting through the West. For the completion of projects authorized and under way, approximately $500,000,000 will be required. I am proposing that the Congress make available appropriations at the rate of $100,000,000 annually for 5 or 6 years to expedite construction. When we compare this need for permanent improvements that will take thousands and thousands of families off the relief rolls with the Federal expenditures for relief of more than $300,000,000 annually for 7 years in 17 States, there can be but one answer.

And bear in mind that these reclamation appropriations are 100 percent repayable. Also, you gentlemen who fear that more land will be brought into cultivation than is required should remember that in practically every Western State part of Federal reclamation funds are directed toward supplementing existing water supplies for established agricultural areas.

Let me also remind you that a large part of construction costs of these projects are expended for materials in the Midwest, South, and East.

It is not suggested that it is possible or even advisable to place all of the homeless farm families now in the West on irrigated land. But it is pointed out that in the towns and cities that grow in the wake of Federal reclamation projects employment will be found for two or three times the number of wage earners on the farms.

We hear a great deal about economy, but I want to say there is more than one kind of economy, and I am in favor of all kinds. I insist it is true economy to effect conservation of the water resources of this country and provide for their utilization in the arid and semiarid areas, where a modern civilization has been carved out of the desert. Especially is this true when we are providing homes where families can become self-supporting and repay the funds advanced by the Government.

Contrast this constructive, economical procedure with the results where we have expended billions for relief without accomplishing anything of a permanent nature or provided for the repayment of a single dime. As a result of conditions in which we found the country in 1933, a relief program was necessary, and I am not criticizing what has been done in this direction.

We now have a program looking to permanent rehabilitation of large areas of the western third of the Nation, of providing irrigated land for homeless families, of reducing relief rolls, and conserving and utilizing the water resources of the country. It is vitally important that we implement this program with sufficient funds to speed completion of projects under construction and advance conservation on the Great Plains.

Absentee and Remote Ownership of Local Business Bad for Entire Country

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 14, 1940

PRESIDENT OF UNITED STATES ON ABSENTEE OWNERSHIP

Mr. PATMAN. Mr. Speaker, the President of the United States visited Grand Coulee Dam, and in his speech on October 2, 1937, at the Grand Coulee Dam, he stated:

The concentration of ownership and control of industry is fatal to the operation of competitive economy. Concentration destroys the sources and possibilities of competition, and the antitrust statutes attempt to check it; but the courts, blind to this purpose, have said "size is no offense."

Concentration of corporate ownership of wealth, chiefly means of production, has proceeded to a surprising degree. In 1932, according to the statistics of the Bureau of Internal Revenue, 53 percent of all corporate-owned assets in this country was held by 618 corporations, which constitutes only two-tenths of 1 percent of the number of corporations reporting. Five percent of the corporations owned 85 percent of all the corporate-owned wealth in 1932. More than 50 percent of all the net income enjoyed by corporations in 1932 went to 232 corporations, while of the country's manufacturing corporations 1.2 percent of the total number accounted for 63 percent of the aggregate net profits. In 1934 the only group of corporations to earn an aggregate net profit was the group whose assets exceeded $50,000,000. Thus, the process of concentration was continuing.

There was likewise a high degree of concentration in the ownership of these corporations; 1929 was a banner year for stock ownership, and in that year the 3.28 percent of the population who filed individual income-tax returns accounted for the receipt of more than 83 percent of all dividends paid to individuals. And 78 percent of those dividends reported were received by three-tenths of 1 percent of our population.

In 1933 the Bureau of Internal Revenue statistics show that there were only 1,747,740 taxable individual incomes in the United States and nearly one-third of all the property reported as passing by death was found in less than 4 percent of the estates. You are all familiar with the Brookings Institution's studies in 1929, which reports that about 6,000,000 families, or 21 percent of all families, had family incomes of less than $1,000 annually, and that 36,000 families in the high-income brackets received as much of our national income in that year as 11,000,000 families with the lowest incomes.

Even these statistics do not properly measure the degree of concentration of control of industry for by holding companies and interlocking directorates many corporations may be under a single control and there is no discernible limit to the centralizing tendency.

This is a strong argument in favor of local ownership and against absentee ownership or control of any business that can be conducted by local people.

I hope no one will overlook what the President said in the preceding statement relative to the local merchant, local manufacturer, local banker, and local utility man.

Notice the indictment the President of the United States has made against the chain store. The logical and reasonable argument that he has presented against absentee ownership cannot be answered by representatives of the interstate chains.

PRESIDENT COMMENTS ON BAD EFFECTS OF CHAIN STORES

In addition to this statement by our President at the Grand Coulee Dam, he also stated:

This concentration of business accounts in large part for the lost influence of big business, and its press, and its legal lackeys, and its business organizations, in legislative and election struggles. Forty years ago big business had as its ally in every town and settlement the local merchant, local manufacturer, local banker, and local utility man. Each was a leading citizen, on whom many depended for information and leadership as well as for credit and jobs. This type of man has largely gone. Why he has gone makes little difference.

In the place of this strong and leading individual is a managing clerk at the chain store who cannot make a credit sale, and a local superintendent for the factory. The local bank is closed and nobody who has more authority than a bill collector represents the utility in most communities. Big business has found it to its advantage to rotate even those men so that no one of them is left in the community long enough to get his roots established or to really become a part of the life about him, to become a property owner, or to be regarded as a fellow citizen by those among whom he dwells as a representative of an absentee control.

Thus, big business has destroyed its own defense, it has devoured its own young. The small-business man who used to be our most ardent capitalist and the most uncompromising of conservatives has been crushed, or merged, or consolidated, or otherwise retired. This has brought about a subtle change not only in economic life, but in social and political life as well. There are values in local independence and responsibility which are being sacrificed to balance-sheet values.

The process seems not to be discernible to, or appreciated by the people who dominate the large industries in our great cities. It is plainly discernible to those who live in smaller cities and see the life of the community as a whole.

FEDERAL TRADE COMMISSION SAYS TAX LAW WAY TO REACH INTERSTATE CHAIN STORES

The Federal Trade Commission, in response to congressional inquiry, made a report on its chain-store investigation, December 14, 1934. In this report, which is Senate Document No. 4, Seventy-fourth Congress, first session, page 91, it is stated:

If, as a matter of policy, the Federal Government wishes to check the growth of chain-store merchandising on the theory that ultimate injury to the public interest outweighs any temporary benefits, it has been suggested that the course marked out by recent State legislation suggests a possible solution, provided no constitutional barrier were successfully interposed. The Federal Government might conceivably impose a graduated tax on chain stores similar to those imposed by the States and upheld by the Supreme Court.

JUSTICES BRANDEIS AND CARDOZO POINT OUT REMEDY

While a graduated Federal tax on chain stores might be made to produce substantial revenue, it is well to bear in mind the words of Justice Brandeis in the Florida chain-store tax case (*Liggett Co. et al.* v. *J. M. Lee, Comptroller*, 288 U. S. 517):

"The chain store is treated as a thing menacing the public welfare. The aim of the statute, at the lowest, is to preserve the competition of the independent stores with the chain stores; at the highest its aim is to eliminate altogether the corporate chain store from retail distribution."

And as Justice Cardozo said in the same case:

"The system (of special chain-store taxation) has had its origin in the belief that the social utility or inutility of one group is less or greater than that of others, and that the choice of others to be taxed should be adjusted to social gains and losses. Courts would be lacking in candor if they were not to concede the presence of such a motive behind this chain-store legislation."

As pointed out in the discussion of State laws on the subject, judicial affirmance of the principal of the graduated tax opens the way theoretically to an enlargement of the tax until it attains the social ends which underlie such legislation. It may be doubted that any of the State laws on the subject has done more than reduce somewhat the competitive advantages of chains over independents. Such a tax may fail in its minimum social purpose until it is so graduated as to entirely offset those advantages, and as Justice Brandeis said, "At the highest, its aim is to eliminate altogether the corporate chain store from retail distribution."

INTERSTATE CHAINS FAIR-WEATHER FRIENDS OF LOCAL COMMUNITIES

Foreign-owned chain stores take away local privileges and opportunities that formerly enabled local citizens to assume local relief, assistance, and responsibility. They never fail to keep down the price of farm products. They are leeches who move in after a town is well established as a lively business community, and the first to leave when a town is overtaken by drought, cyclone, epidemic, or other unforeseen disaster. They charge different prices in different cities in the same State, and even in the same city, according to the competition from the independent merchant across the street, who is marked as the next victim.

EYES OF CONSPIRATORS ON EVERY COUNTY IN THE UNITED STATES

There are 3,070 counties in these United States. In every county there is one good town—usually the county seat—that has concrete highways leading to it from every section of the county. A few so-called wise men in the East have conspired to get control of retail distribution in this country. They know that if they can get control of the retail business in these 3,070 county-seat towns that they can control the retail business of this Nation. They know, too, that when they get this control that they can dictate to the people from whom they buy the price that they must accept; and at the same time they will dictate to the consumers the price that they must pay. The interstate chain-store system should be stopped. It is absolutely destroying local community life in our Nation. It is responsible for unemployment and relief.

We did not have a Federal relief problem until the local communities were weakened by interstate chain stores siphoning the net profits into the hands of their absentee owners.

HEARINGS

H. R. 1, to curb interstate chains, will be considered by the Ways and Means Committee of the House commencing March 27.

Mannerheim's Message to the Finnish Army

EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

ARTICLE FROM THE WASHINGTON TIMES-HERALD

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which was published in the Washington Times-Herald of today:

[From the Washington Times-Herald of March 14, 1940]

MANNERHEIM'S MESSAGE TO ARMY

(By Donald Day)

HELSINKI, March 13.—The commander in chief of the Finnish Army, Field Marshal Baron Carl Gustav Mannerheim, in his order of the day to the Finnish Army for tomorrow has made a classical piece of literature for the Finnish nation. This correspondent has the entire order in full:

"Soldiers of the glorious Finnish Army.

"Peace has been concluded between our country and the Soviet Union, an exacting peace which has ceded to Soviet Russia nearly every battlefield on which you have shed your blood on behalf of everything you hold dear and sacred.

FORCED INTO STRUGGLE

"You did not want war; you loved peace, work, and progress; but you were forced into a struggle in which you have done great deeds, deeds that will shine for centuries in the pages of history.

"More than 15,000 of you who took to the field never again will see your homes, and how many of those who have lost forever their ability to work. But you also have dealt hard blows, and if 200,000 of our enemies now lie on the snowdrifts, gazing with dead eyes on our sky, the fault is not yours; you did not hate them, nor wish them evil; you merely followed the stern rule of war—kill or be killed.

"Soldiers! I have fought on many battlefields, but never have I seen your like as warriors. I am as proud of you as though you were my own children. I am as proud of the men from the northern fields as of the sons of the Ostro Bothnias plain, of the Karelian forests, of the hills of Savo, the fields of Hame and Satakunta, the capes of Uusumaa and Sarsinais-Suomi. I am as proud of the sacrifice tendered by the child of the lonely cottage as those of the wealthy.

PRAISES RESERVISTS

"I thank all of you, officers, noncommissioned officers, and men, but I wish especially to stress the self-sacrificing valor of your officers of the reserve, their sense of duty and cleverness with which they have fulfilled a task which was not originally theirs. Thus theirs has been the greatest sacrifice in this war in proportion to their numbers, but it was made joyfully and with unflinching devotion to duty.

"I then thank the staff officers for their skill and untiring labor and, finally, I thank my own closest assistants, my chief of the general staff, my quartermaster general, the army corps commanders, and the divisional commanders who have often transformed the impossible into the possible.

STRESSES HEROIC DEEDS

"I thank the Finnish Army in all its branches, which in noble competition have done heroic deeds since the first day of the war. I thank the army for the courage with which it has faced an overwhelmingly superior enemy equipped in part with hitherto unknown weapons, and for the stubbornness with which it held on to every inch of our soil.

"The destruction of over 1,500 Russian tanks and over 700 enemy aircraft on our soil speaks of deeds of heroism which were often carried out by single individuals.

"With joy and pride my thoughts dwell on the Lottas (Lotta Svard's) of Finland. (These are the women who have a special organization to help the army.)

"Their spirit of self-sacrifice and untiring work in many fields has liberated thousands and thousands and thousands of men for the fighting lines. Their noble spirit has spurred on and supported the army, whose undivided gratitude and respect they have achieved. Posts of honor have also the thousands of workers who, often as volunteers and during air raids, have worked beside their machines for the army's needs or labored unflinchingly under fire, strengthening our positions. On behalf of the fatherland, I thank them.

"In spite of all the bravery and spirit of sacrifice, the Government has been compelled to conclude peace on severe terms, which, however, are inexplicable. Our army was small and its reserves inadequate. We were not prepared for war with a great power. While our brave soldiers were defending our frontiers we had by insuperable effort to procure what we lacked. We had to construct lines of defense where there were none. We had to try to obtain help which failed to come.

NO FOREIGN HELP

"We had to find arms and equipment at a time when all the nations were feverishly arming against the storm which now sweeps over the world. Your heroic deeds have aroused the admiration of the world, but after 3½ months of war we are still almost alone. We have not obtained more foreign help than two reinforced battalions equipped with artillery and aircraft for our fronts, while our men, fighting day and night without the possibility of being relieved, have had to meet the attacks of ever fresh enemy forces, straining their physical and moral powers beyond all limit.

"When, some day, the history of this war is written, the world will learn of your efforts.

"Without the ready help in arms and equipment which Sweden and the western powers have given us our struggle up to this date would have been unconceivable against the countless guns and tanks and aircraft of the enemy.

HITS AT SWEDEN

"Unfortunately, the valuable promise of assistance which the Western Powers gave us would not be realized when our neighbors, concerned for their own security, refused the right of transit for troops.

"Our fate is hard, now that we are compelled to give up to an alien race, a race with a life philosophy and moral values different from ours, land which for centuries we have cultivated in sweat and labor. Yet we must put our shoulders to the wheel, in order that we may prepare on the soil left to us a haven for those rendered homeless and an improved livelihood for all, and as before we must be ready to defend our diminished fatherland with the same resolution and the same fire with which we defended our undivided fatherland.

"We are proudly conscious of the historic duty, which we shall continue to fulfill: The defense of that western civilization which has been our heritage for centuries, but we also know that we have paid to the very last penny any debt we may have owed to the west.

This is signed simply "Mannerheim, the commander in chief of the Finnish Army fighting the Bolsheviks."

Enlarge the Sugar Fields

EXTENSION OF REMARKS

OF

HON. JOACHIM O. FERNANDEZ

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

EDITORIAL FROM THE NEW ORLEANS STATES

Mr. FERNANDEZ. Mr. Speaker, under leave to extend my remarks I include a timely and interesting editorial of the New Orleans States, March 6, 1940, on sugar, the title being "Enlarge the Sugar Fields," as follows:

ENLARGE THE SUGAR FIELDS

American consumers paid an average of 10 cents a pound for sugar in 1923–24. Now they are paying about 5 cents a pound. During this time, the United States has heavily increased the production of beet and cane sugar. As this country consumes about 6,700,000 tons of sugar a year, the American housewife is saving about $670,000,000 a year.

Records show that when Cuban production dominates the market, prices are high; when domestic production dominates the home situation, prices are low.

Where can you find more conclusive proof of the importance of developing our sugar industry? Where can you find more absolute refutation of the propaganda that to encourage domestic sugar is to put a tax on every cup of coffee the Nation drinks?

In Louisiana, and in Florida, the sugarcane fields can be enormously enlarged. This State alone could treble its present output of sugar—giving employment to three times as many persons, increasing its tax contributions to the State in the same proportion,

making possible the development of hundreds of businesses and industries. The Federal Government, however, tenderly solicitous about Cuba and the financial stake some of the "fair-haired" boys of the East have in Cuba, has put quota hobbles upon Louisiana and Florida. They have confined our Monte Cristo industry in the dungeon of limited production.

Such a short-sighted policy ought to be junked. It ought never to have been adopted.

We see our wise Government, with one hand, beckoning the planters to increased production, with improved varieties of cane which it has developed at great expense; we see that same Government, with the other hand, marking limits to the productive capacity, and even directing the plow-up of stalks already fattening on the bounty of our soil.

Let there be an end of such nonsense. Sugar is the one American crop that can never be produced to excess in this country. If every possible acre that could produce sugarcane and sugar beets were planted to those crops, the yield of sugar would not equal the domestic consumption. There will always be a market for the production of our insular possessions, and of sacred Cuba.

We in Louisiana must have the privilege of raising what we can on our land. The American people should demand it. We will make money—they will save money.

The 1940 Census

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

EXCERPTS FROM ADDRESS BY REV. WILLIAM A. FORAN

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newspaper article containing extracts from an address of the Reverend William A. Foran, of North Adams, Mass.:

CENSUS QUESTIONS ASSAILED BY PRIEST

NORTH ADAMS, March 12.—Rev. William A. Foran, curate at St. Francis's Church, in an address before a meeting of the Holy Name Society of the church last night told several hundred men that no "bureau or department of this Government is authorized to ask questions at its discretion and jail Americans who decline to answer them or brand them as bad citizens." "That can be done," he added, "only by officials in Germany and the Soviet Union. We hope it cannot be done here with impunity."

Continuing, Father Foran said that "the towering bureaucracy at Washington today means little or nothing to the man on the streets at North Adams. Hundreds of political groups, responsible more or less loosely to Congress or to the Executive, are at work in the Nation's Capital. Mark it well, gentlemen, although the Government issued thousands of publications every year, there is no official register which lists and describes all the Government agencies and bureaus."

After reading from a section of the Constitution of the United States, the speaker continued in part as follows:

"The exclusive purpose of the decennial census is twofold—first, it provides the figures on which apportionment of congressional representation for the States can be raised; and, secondly, it gives Congress a working rule for the laying of poll taxes and direct levies upon our citizens. Now let us take a few choice samples from the census questionnaire which has been made available for public inspection. Sample No. 1: 'Is there a bathroom in the house?' We can see where the local board of health might ask that question. Can anyone tell me what a bathroom may have to do with the number of Congressmen to be sent from this district to Washington?

" 'How many times have you been married?' We cannot understand what this question has to do with congressional representation or a tax program, as expressly provided by the Constitution. However, that which the Constitution does not authorize Congress to do with the decennial census the Census Bureau plans to do anyway.

"It is unquestionably a symptom of a trend which will bear watching, even if the President last week counseled us not to mention the word 'dictatorship' out loud. As far as we know, the present occupant of the White House is the first President who ever issued a formal proclamation that citizens who refused to answer questions put by census takers are subject to fines and imprisonment. But nowhere in his proclamation does the President give us the text of the questions that must be answered by every adult under penalty of the law."

The Wheeler-Lea Bill Amendments

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. ALEXANDER. Mr. Speaker, I understand the House and Senate conferees may bring in their report in a few days on this very important piece of legislation—the omnibus transportation bill. I also understand that the vital and essential amendments which the House approved and inserted last July when the bill was up before us are to be left out, or so changed and emasculated that the benefit will be lost to the public, for whose benefit they were inserted.

In order to make clear the scope and meaning of these amendments, I have listed the four most-discussed items herein and offer a brief description of each and show its meaning, so the general public can understand the need for retention in the bill.

The four amendments to the Lea railroad transportation bill adopted by the House are as follows:

NO. 1. DECLARATION OF POLICY

In most essential particulars the declarations of policy in the Wheeler bill and the Lea bill are identical. The Lea bill provides for cooperation by the State and Federal agencies in the administration of the policy declared. This is not in the Senate draft. The Senate declaration provides for the encouragement of fair wages and working conditions to be arrived at "through collective bargaining." The House bill does not refer to collective bargaining.

The original declaration in the House bill read as follows, page 198, beginning on line 11:

NATIONAL TRANSPORTATION POLICY

It is hereby declared to be the national transportation policy of the Congress to provide for fair and impartial regulation of all modes of transportation subject to the provisions of this act, so administered as to recognize and preserve the inherent advantages of each; to promote safe, economical, and efficient service and foster sound, economic conditions in transportation and among the several carriers; to encourage the establishment and maintenance of reasonable charges for transportation services, without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices; to cooperate with the several States and the duly authorized officials thereof, and to encourage fair wages and equitable working conditions; all to the end of developing, coordinating, and preserving a national transportation system by water, highway, and rail, as well as other means, adequate to meet the needs of commerce in the United States, of the Postal Service and of the national defense.

While this declaration of policy would seem to the layman to be a safeguard and a binder upon the Interstate Commerce Commission, we know from experience with the Transportation Act of 1920 that the declaration of policy contained therein, in which Congress declared its intention "to preserve in full vigor both rail and water transportation," was, when raised by counsel for water services, declared by the Interstate Commerce Commission to be merely a declaration of policy without the effect of law. This was upheld by the Supreme Court. Hence the Commission totally ignores the declaration of policy set forth by the Congress. The gentleman from Mississippi, Congressman WHITTINGTON, offered the following amendment, which I supported, and which has been added to the bill, and which, in my opinion, must be maintained at all hazards:

All of the provisions of this act shall be administered and enforced with a view to carrying out the above declaration of policy.

This would seem to effectively meet the Commission's opinion, confirmed by the Supreme Court, that a declaration of policy is simply a declaration of policy, and has not the binding force of the specific provisions of the statute, and may be departed from or modified according to the Commission's interpretation of the various provisions of the law.

NO. 2. THE JONES AMENDMENT

The Jones amendment, which I supported, and which should be retained in any legislation adopted, is found on page 202 of the Lea bill, line 21, as follows:

It is hereby declared to be the policy of Congress that shippers of wheat, cotton, and all other farm commodities for export should have substantially the same advantage of reduced rates, as compared to shippers of such commodities not for export, that are in effect in the case of shipment of industrial products for export as compared with shipment of industrial products not for export, and the Interstate Commerce Commission is hereby directed to institute such investigations, to conduct such hearings, and to issue orders making such revision of rates as may be necessary for the purpose of carrying out such policy.

Another amendment to this section, carrying out the same thought, is found in lines 20 and 21, on page 203. Originally the Lea bill read, beginning on line 18:

Provided, That the Commission in its discrimination may confine its investigation to such manufactured products and the rates thereon as shippers thereof may specifically request be included in such investigation.

The floor amendment, which I supported, added after the words "manufactured products", ", agricultural commodities, and raw materials,".

NO. 3. RATE-MAKING RULE

Water carriers expended a great deal of effort and thought on the rate-making rule. As originally embodied in the Wheeler bill, this was simply a restatement of section 15 (a) of the existing Interstate Commerce Act. Under pressure, the Senate committee found it desirable to broaden the rule, but the Lea bill gave no consideration to any change, leaving its rate-making rule identical in language with section 15 (a) of the present act.

To this rate-making rule in the House bill and in section 30, page 112, lines 5 to 12, inclusive, of the Senate bill, there was added from the floor, and passed by both Houses, what is known as the Miller-Wadsworth amendment, as follows:

In order that the public at large may enjoy the benefit and economy afforded by each type of transportation, the Commission shall permit each type of carrier or carriers to reduce rates so long as such rates maintain a compensatory return to the carrier or carriers after taking into consideration overhead and all other elements entering into the cost to the carrier or carriers for the service rendered.

To this the House added an additional proviso, as follows:

Provided, That nothing in this paragraph shall be construed so as to affect the long-and-short-haul provision of section 4.

The Miller-Wadsworth amendment is positively essential to the maintenance of river rates that will reflect the savings of low-cost water transportation.

NO. 4. HARRINGTON AMENDMENT

This is the amendment supported by the Brotherhood of Railway Trainmen. It is found on page 211 of the Lea bill, beginning on line 5, following provisions of the bill outlining an arrangement for consolidations. It is as follows:

Provided, however, That no such transaction shall be approved by the Commission if such transaction will result in unemployment or displacement of employees of carrier or carriers, or in the impairment of existing employment rights of said employees.

I fully discussed this amendment on two occasions, which matter will be found in the Appendix of the RECORD, page 588, and in the CONGRESSIONAL RECORD of March 1, page 2236.

I hope the conferees now considering the Wheeler and Lea bills will incorporate these four amendments in any bill reported by the conference, and that all Members of the Senate and the House from the valley States will insist upon this being done.

The Trade-Agreements Program

EXTENSION OF REMARKS
OF
HON. DANIEL A. REED
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 14, 1940

Mr. REED of New York. Mr. Speaker, the unholy alliance between the Roosevelt administration and Red Russia has resulted in the rape and ruin of Finland. It has placed Norway and Sweden in a state of future insecurity.

Moreover, it ought to strip the mask of pious pretense from those who have been pointing to our exports as a path to peace under the Hull trade-agreements program. I insist that our exports to promote mass murder abroad be separated from the legitimate exports, to the end that the hypocrisy of the whole Trade Agreements Act stand revealed to public gaze. What a sell-out of American moral standards.

While Finland thrilled the world with her heroism, this administration rushed bombing planes, bombing engines, oil, copper, and other essential war materials to "red" Russia. These war exports and those shipped to Japan were gleefully tabulated to pad the figures in support of the trade-agreement extension.

It is an appropriate time to recall the words of Candidate Roosevelt in 1932:

Remember well that attitude and method, the way we do things, is nearly always the measure of our sincerity.

John Andrew Martin

EXTENSION OF REMARKS
OF
HON. MARTIN J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 14, 1940

Mr. MARTIN J. KENNEDY. Mr. Speaker, ladies, and gentlemen, today it is my privilege to pay tribute to one of the most gentlemanly and picturesque characters I have been permitted since coming to serve here in this House to call a friend. That friend was JOHN ANDREW MARTIN, late Representative of the Third Congressional District of Colorado. Mr. MARTIN was an experienced legislator and served with great distinction as a member of the important Committee on Interstate and Foreign Commerce.

On December 24 last he left us for greater rewards. His passing has caused a deep feeling of lonsesomeness and cast a shadow over the Christmas holidays.

Mr. MARTIN came to Washington and this House by the "hard way." He was an alumnus of the school of experience, and as a result of his early training he gained a fine knowledge and understanding of human nature. Because of his experience he took a philosophical view of our problems, and his generous outlook and kindness endeared him to everyone in the Capitol.

He could be a diplomat when the occasion required, as well as boldly frank. He enjoyed rough-and-tumble debate, and always accepted the result most graciously.

It was my pleasure to have served with him on the Committee on Interstate and Foreign Commerce, and, as a result of this association, I came to know him intimately. During tense sessions of the committee when nerves were strained and feelings on edge, his wisdom and wit more than once came to the rescue to bring about a solution of the problem.

Few Members of Congress, in my time, possessed such a record of personal accomplishment as Mr. MARTIN. Farmer, railroad man, and editor of a newspaper, he found time to read law, to be admitted to the bar, and to be elected to the Colorado General Assembly. In his own autobiography he said, "Defeated for reelection, 1902; for State senator, 1904; for congressional nomination, 1906."

His public career started back when no small number of us were mere infants in arms. Although older in years than many of us, he had a spirit which made him the counsel and friend of the younger men. Always full of energy and enthusiasm, he was ever ready to enter the arena to fight for a worthy cause or to rescue a colleague who was caught in a legislative or parliamentary battle. He was well versed in the rules of the House, but never used that knowledge of the rules unfairly.

JOHN MARTIN was always doing nice things for people. He was especially solicitous of labor and railroad labor in particular. His interest was deep and personal and persisted until he actually obtained much favorable legislation for his coworkers on the railroads.

An intensely loyal and patriotic citizen of the West, Representative MARTIN brought to his office a love of people, regardless of race, color, or creed. His only dislike was for things un-American.

We shall miss his hearty laugh and happy smile, but I am sure that we shall never forget JOHN MARTIN because of his devotion to duty, his sterling character, and his love of God and man.

Dr. John H. Finley

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

TRIBUTE BY WILLIAM LYON PHELPS

Mr. SHANLEY. Mr. Speaker, in the death of Dr. Finley, editor, educator, orator, and poet-pedestrian, America loses an outstanding scholar and one of God's noblemen. No one, I think, has written a finer tribute than that of our distinguished William Lyon Phelps, professor emeritus of Yale University, which I insert in the RECORD at this point:

[From the New York Times]

LITERATURE

NEW HAVEN, CONN., March 7.—William Lyon Phelps, professor emeritus of Yale University, paid the following tribute today to Dr. John H. Finley:

"Dr. John Finley, member of the American Academy of Arts and Letters, recipient of many honorary degrees, and decorated by many foreign countries, was a great-hearted, genial, jovial man, intensely loved by those who knew him well.

"We all forgot the positions of honor and distinction that he held, because he was so entirely natural and unaffected that he seemed to have forgotten them himself. As a matter of fact, he was president of that admirable institution of learning, Knox College, and if what I remember about the history of athletics there is true, it would please President Hutchins.

"I read somewhere that Knox College lost its main football game 25 consecutive years, during which period the enrollment of students increased annually.

"Later Dr. Finley was a member of the faculty at Princeton, his frequent method of transport between Princeton and New York being on foot. He was president of the College of the City of New York and later head of the State Board of Education, but although he adorned all these places of authority, he was happiest after he had joined the editorial board of the New York Times, where he was successively assistant editor, editor in chief, and editor emeritus.

"It was a delight to meet him and Mr. Ochs and young Charles Merz and John Kieran and other leading lights of the great newspaper. At one of the daily luncheons held by the staff in the Times Annex, Dr. Finley was evidently so happy in his work, so full of the consciousness that he was equal to it (a totally different thing from conceit), that it was a delight to be with him.

"And although he held so many positions where he was 'the chief,' he was never a personage, he was always a person, a tremendous personality. One felt his vitality. He had the mind of a scholar and the heart of a boy.

"Like the late Leslie Stephen, whom he resembled in his love of learning and of the humanities, he was enormously fond of walking. He greatly preferred walking to playing games. I have never known anyone except Edward Payson Weston who walked so many miles. I have spoken of his walking between New York and Princeton; that seemed nothing remarkable to him. For he literally took it in his stride. He took tremendous walks all around the country; and whenever he crossed the ocean, which was rather often, he walked 25 miles every day on deck.

"He was a firm believer in the Greek and Latin as the best foundation for scholarship and for the good life; quotations from the classics came naturally from him. He was brought up on the Bible; he loved it; it was his daily food. Without being in the slightest degree sanctimonious, one felt his invincible integrity, his love of the best in character and social intercourse, and although a natural leader everyone instantly felt at ease with him because he was so full of human kindness.

"He loved good stories, was full of fun, and his laughter was antiseptic. He was affectionate; for many years all his letters to me were signed John Quill, with a pen picture of the quill and not the flower. He was a good man and is now with God."

Analysis of European War

EXTENSION OF REMARKS

OF

HON. RICHARD B. RUSSELL

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Friday, March 15 (legislative day of Monday, March 4), 1940

ARTICLE BY RALPH McGILL

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a thoughtful and interesting analysis of the European conflict, which appears in an article by Mr. Ralph McGill, published in the Atlanta Constitution of Thursday, March 14. The article expresses the views which I hold on the proper relationship of this country to the war in Europe, and I believe the view which is held by millions of other Americans. I consider it a valuable contribution to sane thinking in these troublesome times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Atlanta (Ga.) Constitution of March 14, 1940]

ONE WORD MORE

(By Ralph McGill)

OH, SAY, CAN YOU SEE

Finland is defeated. An "honorable peace" has all but disintegrated the nation. It is a dying nation after another, and worse, "Munich."

The stubborn, courageous Finns, who, with a population no more than that of Georgia, held out for 3 months against millions of men and resources, have died in vain.

They fought for freedom, liberty, and democracy.

I am wondering, now the war of the north is done, if there are any left who have any illusions about this war in Europe?

Can there be those who truly believe it to be a war which had its origins in a clash between the ideologies, democracy and totalitarianism?

Are there those who believe we have a duty in this war because we are a democracy?

Finland was a democracy. One of the best.

Not until talk of a peace was imminent did the major democracies of Europe offer any help. It was then so patently only an effort to keep the Finns fighting no one was deceived. After offering help the Chamberlain government was careful to say there had been no official request for help.

When one of the finest and most courageous of the democracies was dying, there was no talk then by the brass hats of England and France of a fight for "democracy." The man in the street talked it, but not the governments.

This never has been, per se, a war for democracy. It isn't now.

It isn't even a war against Hitlerism. Hitlerism was all right in Austria, in the Sudeten territories of Czechoslovakia, and then in Czechoslovakia itself.

It was not until the war in Poland, and the extension of the economic control to the Danube and toward the Balkans generally, that Hitlerism became something for the Allies to fight.

It is a war for world trade and territory.

That ought to be very clear in the dawn's early light, with Finland dying.

ANOTHER GERMAN VICTORY

Hitler and Hitlerism are detestable. They are a very real menace to most everything that is decent and honorable in government and individuals.

This war, no matter who wins it, is going to be a very real tragedy to the entire world. It will be worse if Hitlerism wins.

But this war did not grow out of a clash with Hitlerism. Hitlerism was fostered in Austria. That was all right. Hitlerism was assisted to take Memel and the Sudeten territories. Hitlerism then took all of Czechoslovakia; and that, too, while regrettable, was all right with the Allies.

Now Hitler has assisted Russia to take Finland. Because Finland is gone. The Finns are left exactly as was Czechoslovakia. We will have, within a few weeks or months, an "affront" by the Finns. Russia will absorb the entire nation. Not a big job. It is a small nation.

It is another diplomatic triumph over the Chamberlain government, shaken by the German victories in the field and by the maneuvering of Russia and Germany into the now famous mutual assistance trade pact.

THE ALLIED "GUARANTIES"

What hope have the small nations which wished to avoid the German threat?

None at all. Once the Sudeten territory was taken the borders of Czechoslovakia were guaranteed. Poland was guaranteed. Finland believed she would have help. She got none. Finland was deceived. Cruelly. Of the lot, Finland was the only real democracy.

How does Rumania feel about her guarantee? What will Holland and Switzerland do, for instance, if Germany makes demands? Give in or seek a guarantee from the Allies?

What about Norway and Sweden? And Denmark?

Germany is going to make demands of them. This means increased supplies for Germany from Scandinavia. They can't trust the Allies.

Let's be realistic. Not sentimental.

"THE LAST BATTLE"

England will, I imagine and trust, follow the usual formula and "lose all the battles but the last one." The going will be more difficult with Finland gone.

But this seems to me the very best time, with Finland deceived and deserted, to assert once more that this is not our war; that we will lose no matter who wins in the collapse of economic fronts at the end of the war; that it is not a war for, by, and of democracy. If it had been, Finland long ago would have had the help offered the day before the treaty.

It is true that in this war for trade and territory the democratic nations find themselves engaged in a war with nations which would destroy democracy.

But to say that this is a war for democracy and therefore we belong to it, patently is so sentimental a bit of fantasy it is impossible to be accepted.

Actually, the only war for democracy which Europe has seen was the one which Finland waged against impossible odds, waiting for help, as did the Czechs and the Poles.

With the end of the war in Europe, whenever it does come, will come a world-wide break-down in economy. There will be severe tests put to our own economy and Government.

Let's be realistic about this thing in Europe.

If the time does come when the pressure is on us for getting into it with money or men, let's try to remember facts.

Farm Security Administration Loans in New York State

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Friday, March 15 (legislative day of Monday, March 4), 1940

LETTER FROM ADMINISTRATOR OF THE FARM SECURITY ADMINISTRATION

Mr. MEAD. Mr. President, I desire to have appear in the RECORD the text of a letter received by me from the Administrator of the Farm Security Administration.

Mr. Alexander reports to me the results of a Nation-wide survey of the progress of the farm borrowers who have been benefited by the Farm Security Administration, with particular reference to New York State.

I think this is a tremendously significant record of achievement on the part of a vital agency of the Government not so widely advertised in my State.

Nearly $3,000,000 has been advanced to deserving farmers in the Empire State. The record of repayments on those loans is splendid, and it serves to indicate how substantially helpful this type of assistance can be when ably and thoughtfully administered.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
FARM SECURITY ADMINISTRATION,
Washington, March 12, 1940.

Hon. JAMES M. MEAD,
United States Senate.

DEAR SENATOR MEAD: We have just completed a Nation-wide survey of the progress being made by Farm Security Administration borrowers, and I felt that you might be interested in the figures for the State of New York.

We are proud to report that F. S. A. borrowers not only have increased their net worth and annual income but also are making satisfactory progress in the repayment of their loans.

The survey showed that the 2,725 standard rehabilitation borrowers in your State had an average net income last year of $703.33 per family as compared with $565.39 in the year before they came to F. S. A. for help. This represents an increase of 24 percent.

Moreover, these families increased their average net worth, over and above all debts, by 10 percent.

In other words, these families not only have added $488,429 to the wealth of their communities but they also have increased their annual incomes by a total of $375,894. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other businessmen of the State.

At the same time the survey showed that the borrowers in your State already have repaid $727,575 into the Federal Treasury as installments on loans totaling $2,921,091. The typical rehabilitation family in New York has borrowed $1,071.96 and already has repaid $267. Since much of the money loaned does not fall due for 4 or 5 years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant, because, according to normal business standards, our borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else, and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations, and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged $59.64 per family, or a total of $162,519 over a 4-year period.

Often it has been necessary to work out an adjustment of the family's old debts before rehabilitation could be successful. Local farm-debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totaling $1,392,973 have been negotiated for the farmers in New York. This represents a scale-down of 17.2 percent. As a direct result of these adjustments $42,510 in back taxes has been paid to local governmental agencies.

In helping rehabilitation borrowers to plan their farm operations, we always urge them to get away from one-crop farming and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in your State produced $682,858 worth of goods for home consumption last year, as compared with only $612,962 worth before they came into the F. S. A. program.

These families canned 525,271 quarts of fruits and vegetables last year, or an average of 193 quarts per family. They also produced 1,053,976 gallons of milk for home consumption, an average of 387 gallons, and 153,323 tons of forage, an average of 58.10 tons. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which come to the F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently, the borrowers in New York are now operating an average of 123.8 acres, or an increase of 10 acres since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of Federal Security Administration is to help tenants and sharecroppers get more secure land-tenure arrangements, so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 651 tenants in your State have obtained written leases in place of verbal agreements.

In making the survey, our field workers found that there are 5,721 families in New York which are eligible and in need of rehabilitation loans, but have been unable to get them because of our limited funds.

Aside from the rehabilitation program, the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties, because of the limited funds available, we had made 49 such loans in your State, totalling $267,810, up to the end of the last fiscal year. This year we are expecting to make about 53 Bankhead-Jones loans in New York, totalling approximately $310,000.

This has been a rather detailed report, but I felt that the information might be useful to you. If you would like to have any further details about our program, I hope you will let me know.

Sincerely,

WILL W. ALEXANDER,
Administrator.

Burke-Gillette Farm Bill

EXTENSION OF REMARKS
OF
HON. EDWARD R. BURKE
OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Friday, March 15 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE SIOUX CITY TRIBUNE

Mr. BURKE. Mr. President, I ask unanimous consent that there may be inserted in the Appendix of the RECORD an editorial from the Sioux City Tribune containing a brief but clear explanation of the Burke-Gillette farm bill, on which hearings will soon be commenced before a subcommittee of the Senate Committee on Agriculture and Forestry.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sioux City Tribune]

SETTING A FRIEND RIGHT

A farmer friend of the Tribune, C. H. Gibbs, of Newcastle, Nebr., has been studying a copy of the so-called Burke-Gillette farm bill which he says "certainly would not work without crop control and if tried as written would cost the Government billions unless used with the crop-control feature."

For the information of Mr. Gibbs and others, let it be said that the Burke-Gillette bill would not in any way interfere with the existing law. Congress still could appropriate as much money as it wanted to for conservation and attach any conditions to the use of the money it might see fit—just as at present.

The Burke-Gillette bill merely broadens the base of the commodity loan, making the loan available to every unit produced instead of limiting the loan privilege to those in compliance. It raises the minimum amount of such loans from 52 percent of parity to 75 percent of parity. It provides for the disposal of surpluses if, as, or when they occur. It contains a tariff provision that, regardless of how much or how little foreign products came in, would prevent them from selling in the American market at less than the parity price of the domestic product—the first "protective" tariff ever enjoyed by farmers.

We agree that if the Burke-Gillette bill were enacted it would be necessary to go before Congress each year and argue the necessity for conservation appropriations and production control—but that is necessary under the present law. The conservation money for this year still has not been voted, and one branch of Congress has already refused to vote an appropriation for the so-called parity-payment money for the next fiscal year.

The Burke-Gillette bill would increase the income of farmers by at least $2,750,000,000 per year without resort to direct taxation of consumption, because it would automatically lift prices to 100 percent of parity instead of 75 percent of parity where they now are and beyond which they are not likely to go under the present law.

Nor would the consumer be severely penalized, since the major portion of the cost of food, when delivered to the consumer, is represented by service. Whatever increase resulted would make less impression upon the consumer than processing or other forms of taxes. There would be no basis for complaints or disputes as under the old A. A. A.

As to the bill "costing the Government billions," that just couldn't happen, because the Government never would have "billions" invested, and means are provided for the Government recovering any sum that it might invest. Nothing in the present farm set-up would be destroyed; it would only be rendered more effective under the Burke-Gillette bill. Is that clear, Mr. Gibbs?

Policy Relating to Public Expenditures

EXTENSION OF REMARKS
OF
HON. JAMES E. MURRAY
OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, March 15 (legislative day of Monday, March 4), 1940

STATEMENT BY MONTANANS, INC.

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of policy relating to public expenditures issued by Montanans, Inc., an association of Montana businessmen.

I believe the reference therein to Federal expenditures, which are of a regenerative character, and which contribute to permanent relief of unemployment and improved standards of living, is especially worthy of consideration.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF POLICY RELATING TO PUBLIC EXPENDITURES, ADOPTED BY MONTANANS, INC.

The Congress of the United States is to be commended for its present efforts to bring about economies in the expenditure of public funds.

Believing in the necessity of these economies, Montanans, Inc., recognizes that it is inconsistent to oppose appropriation cuts or to ask for increases in any particular items without first declaring a policy which will clearly establish its views.

The issue is one of determining where and how these cuts shall be made. Is it sound public policy to reduce all appropriations horizontally? Or is it better, from the standpoint of the welfare of agriculture, labor, and industry, that these reductions be proportioned according to the present and future needs of our country?

We believe the answer is obvious and that the latter is the sound policy.

The wisest course to pursue on some appropriation items may not as yet be too clear. But we believe that all Montana citizens will agree to the principle that fundamentally our existence as a nation, and consequently our first line of national defense, is in the intelligent conservation and use of natural resources.

No country is richer than the sum total of its natural resources—its timber, grass, water, soil, and minerals. We live in a war-torn world with powerful nations in a life-and-death struggle for the control of resources. The evidence is clear that neither this Nation, nor any nation, can long maintain a civilized society if it neglects its resources.

In Montana we live close to the soil. Primarily we are producers of raw products—timber, livestock, farm crops, and minerals, all of which come from the earth. In addition, we possess vast reaches of vacation country, much of which will remain in wilderness state for the enjoyment of the entire Nation.

It is essential to our security and prosperity as a people that first consideration be given to the protection, development, and wise use of these resources.

Temporary economic conditions may necessitate large expenditure for relief and subsidies of one kind or another. Such expenditures, however, are necessarily only palliatives for the relief of distressed people. While we recognize that these essential needs must be met, we appreciate the merits of the argument that they achieve nothing permanent. On the other hand, properly directed expenditures for conservation contribute toward permanent relief of unemployment and create opportunities for people to improve their standard of living. Included in such expenditures are the development and use of water resources; restoration and improvement of range lands; preservation of the productivity of our soils; fire protection for forest lands; replanting of cut-over or burned-over areas; development of outdoor recreational possibilities; readjustments in our dry-land farming communities based upon the recommendations of local people; insect-pest control; further explorations of our mineral resources; highway and forest road and trail construction, with

increased emphasis upon farm-to-market roads; and comparable undertakings that are basic to making a living and to enjoying the advantages which Montana can offer to her people.

Several agencies of the Federal Government have responsibility for the protection, restoration, and management of natural resources, either directly through their custody of Federal lands or indirectly through research, demonstration, advice, and encouragement of private initiative. Many of these agencies have been in existence for years. Their accomplishments and policies have merited the confidence and support of the people. The work of these agencies, so closely related to human welfare and the building up of national wealth, must go on uninterrupted by waves of economy. They should be adequately and properly financed. Budget balancing must be sought in expenditures not so definitely related to the very foundations upon which the future security of the Nation is to be built.

Montana's Congressmen and Senators are acquainted with the needs of the people in this State. We believe we should give them every encouragement in their efforts to maintain necessary expenditures at a reasonably high level. Where compromises must be made to harmonize expenditures with anticipated revenues, the reductions should be on items which can be deferred without impairing wealth-producing activities.

Politics From 1750 to 1940

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Friday, March 15 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE ST. LOUIS STAR-TIMES OF MARCH 11, 1940

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the St. Louis Star-Times on Monday, March 11, 1940, under the headline "Politics from 1750 to 1940."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the St. Louis Star-Times of March 11, 1940]

POLITICS FROM 1750 TO 1940

In the year 1750 A. D., after debating the issue for 168 years, the British Parliament passed an act taking 11 days out of the calendar, to correct an error made by Julius Caesar.

This shift from the Julian to the Gregorian calendar precipitated one of the most acute political issues in British history. Opposition candidates arose, thundering in the voice of the people, "Give us back our 11 days." Parliament, they said, had robbed every man, woman, and child in England. Eleven days had been stolen from their lives. They must be restored and the villains who did it must be defeated.

The campaign for the recovery of the lost 11 days has stood for nearly 200 years as the most asinine exhibit in the history of political democracy, but it has been eclipsed in the year A. D. 1940 by the Republican campaign against the census questions.

The agitation against the census may fairly be said to eclipse the campaign for the recapture of the 11 days because the English voters were ignorant of science, illiterate and politically unschooled, lacking the marvels of radio and the newspapers, and minus the long discipline of American political hokum.

When Senator TOBEY started his anticensus campaign over the radio his Republican associates were inclined to laugh, thinking, perhaps, that Sir Toby Belch had returned to earth hunting for some new Aguecheek to make a fool of. When they saw how many were ready to be fooled, they began to shout as loudly as Senator TOBEY himself, until they could say of poor John Q. Public, in the words of Shakespeare's Sir Toby: "Why, thou hast put him in such a dream, that, when the image of it leaves him, he must run mad."

Most people think of the census simply as a count of persons. In reality that is a minor matter. For decades the chief use of the census has been for a national attack against poverty. That may, in one census, take the form of questions about mortgages. This year emphasis is put on unemployment, partial employment, and inadequate incomes.

When President Roosevelt said that one-third of the Nation was "ill-fed, ill-clothed, and ill-housed," when he said that the W. P. A. was needed, and when he guessed at the number of unemployed, Republican critics challenged him to take a census of unemployment and find out the facts. Without it, they said, there would be a waste of billions in relief money.

This year the census is being held. It seeks the information asked for both by the critics of the New Deal and its advocates, including a query which must furnish the foundation of any intelligent attack on poverty, How much wages did the family receive last year?

That question, which goes to the heart of the poverty problem in America, is singled out for attack by Senator TOBEY and his colleagues. The answers are made secret by law—the same law that protected farmers when they told Republican census takers what their mortgages were—but this is pictured as a trap. The 1940 census law provides a 60-day jail sentence for refusal to answer questions—the same penalty that was in the Republican Census Act of 1930—but it is pictured now as the tyranny of a Roosevelt dictatorship.

In such political strategy there are the elements of a triple tragedy:

First. That political principles of a major party sink so low as to sanction a resort to such demagogy.

Second. That public intelligence is so low as to make it worth while to use the issue.

Third. That, although we may feel sure the public will see through the gross dishonesty of it before the political campaign is over, it is likely to wreck the unemployment feature of the census, either by causing the Census Bureau to abandon the vital questions or by causing too many people to refuse to answer.

Like England's campaign cry of 1750, "Give us back our 11 days," this hullaballoo about the 1940 census may be only comic relief in the onward march of democracy. The way it affects the functioning of democracy and the callousness it reveals toward the plight of those for whose benefit the questions are being asked suggest a more serious import.

The 1940 Census

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Friday, March 15 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE SHORE LINE TIMES, GUILFORD, CONN.

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which appeared in the Shore Line Times, published in Guilford, Conn., on Thursday, March 14, 1940, under the heading "We Pity the Census Taker."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Shore Line Times, Guilford, Conn., March 14, 1940]

WE PITY THE CENSUS TAKER

All the fuss about the census seems to us to be something of a tempest in a teapot. We can't help but believe that the furious debate and the acrimonious incriminations being flung back and forth in Congress are largely political.

The national census and the census of distribution are both tremendously important pieces of research—about the most important job, along that line, done by the Government today. Upon the statistics of the census, our industrial concerns and our distributors base their plans for development. There can be no argument but that the census figures are used by more people than any other governmental information.

The part of the census which seems to be arousing the most ire, seems to be the questions regarding personal income. Those who rant most vigorously—who object—do so on the basis that the information represents an invasion of private rights.

For a considerable number of years we have been quite accustomed to giving the Government the most intimate details of income on our income-tax returns. Why we should strenuously balk in giving the census taker, more or less the same information (although by no means as detailed) as we do the income-tax collector, we can't quite see.

It's a bit unfortunate, perhaps, that the census question comes up during a Presidential year, when political parties are ready to "pop-off" on any and all occasions and on any excuse. In all probability there wouldn't have been nearly as many fireworks, had the census been taken a year ago or a year or two hence.

The unfortunate part of the whole thing is that the violent discussion regarding the census is bound to have the tendency of causing a large number of people to be uncooperative when the census taker reaches their door. It's a hard—a difficult job at best. These questions regarding the census which have been raised by various of our lawmakers will have their effect upon many citizens, who will be apt to resent giving some of the information asked for.

We pity the census taker this year.

America's Attitude Toward Europe

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, March 15 (legislative day of Monday, March 4), 1940

ARTICLE BY J. R. BURROW

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have inserted in the Appendix of the CONGRESSIONAL RECORD an article by Mr. J. R. Burrow, president of the Central National Bank and Central Trust Co., Topeka, Kans., entitled "America's Biggest Job Is to Save Itself, Not Europe." This very excellent article was published in the Farmers' Exchange, a weekly publication of New Paris, Ind., issue of March 8, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Farmers' Exchange, New Paris, Ind.]

AMERICA'S BIG JOB IS TO SAVE ITSELF, NOT EUROPE—TO SACRIFICE HUMANITY AND WRECK OUR OWN CHANCE TO SURVIVE BY GOING TO WAR WOULD BE FOLLY BORDERING ON INSANITY

(By J. R. Burrow, president, Central National Bank and Central Trust Co., Topeka, Kans.)

The civilization of western Europe, being precisely the result of civilizing influences working through all past time, is the most precious heritage of mankind. The French, the German, and the English peoples are the most glorious products of that civilization. They developed the grandest languages, the loveliest literature, the finest music, and the very best in all the arts. They brought the arts to the highest development yet achieved by man.

These peoples at home or abroad developed law, philosophy, and science. They relieved suffering and alleviated poverty beyond anything known before them. They raised the standard of living of the common man to a degree hardly comprehensible to our generation, the poor of which were born rich in comforts as compared even to our own fathers, let alone to our grandfathers. Yet the French, the English, and the Germans are now fighting among themselves to the death, like common beasts of the jungle. Why they are doing so, why they cannot better govern their own conduct, there is not now time to inquire. The fact is: The very finest flower of civilization is destroying itself before our very eyes. Why should America enter that gruesome alliance for suicide and do likewise?

That the peoples of England, France, and Germany do not want war is, thank God, admitted by everybody this time. Must it not inevitably follow that they are unable to control their own politicians? (Can we control ours any better?) If the people of western Europe—the most intelligent, civilized, and noble the race has produced—cannot keep their own governments from waging a self-destroying war the people do not want, can we, the American people, keep them from doing so?

No, America; your job is not to save Europe. Your job is to save yourself. You have a long way to go to do that. You must establish a government here that all men can trust—a government that knows its place and stays in it—a government that is proud to occupy a servant's place—to be the people's servant and not seek to become its master. If you can and do accomplish that, America, then your name will be blessed. But if you enter the war, you will destroy your own freedom and your opportunity to serve either yourself or humanity. You will become a dictatorship instead of a destroyer of dictatorships. If you enter the war, your history as a conservator of freedom will have been written, and "a futile experiment" will describe your short existence in the books of the ages.

I once thought the only sound excuse there could ever be for our again going to war in Europe would be to save the British Empire from collapse, but I no longer believe that would be a sound reason for participation. Was English Government capable of preventing the World War? Could England, victorious, write a peace treaty under which Europe could exist in peace? Could England, governing half the world, govern wisely enough to prevent the collapse of world trade which brought economic calamity to every country in the world? Was England able to prevent this new world war? No. There is no time to analyze the reasons, but the answer must inevitably be "No." Then why destroy America in an effort to prolong the life of the British Empire? Maybe some rearrangement of power and control would be better for everybody after all.

I yield to no man in my love for England and all the gorgeous things she stands for in the lives of all true Americans and of civilized people everywhere. But I love America more than I do England, and entering the war would be the end of American destiny. We would merely become another dictatorship country, with bloody revolution just around the corner.

War is not the answer. No true American could face 10 dictators in Europe with half the hate he'd have for 1 in Washington. No. Let's leave the war to those who couldn't master their own governments and do our bit for mankind by learning before it is too late how best to master ours. Peoples don't want war. How can peoples recover control of governments? That's our problem. Let's address ourselves to it without sentimentalism and with dispatch. There's nothing wrong with mankind. The trouble is with governments. Its only purpose is to protect the lives and property of its citizens. With its functions restricted to that, there couldn't be any war anywhere. The failure to comprehend this basic political principle may yet cost America all its hard-won freedom and the whole human race its chance to remain civilized.

There may be many to disagree with my view that we should not support England and France, especially if they get into dire straits. One broadcaster said "America could never stand it to have Germany bring England to her knees." Well, that would be hard for me to take, too, but it wouldn't have worried George Washington at Valley Forge. It wouldn't have worried our patriotic forebears in the War of 1812. It might not have worried Lincoln too much during the Civil War when England tried to evade our blockade of the South because she wanted southern cotton. The fact is, we all love England and all that dear word means to us of poetry, of common law, and of every kind of tradition that is good as well as native to us, so very, very much that it's hard to look plain facts in the face.

Biggest Lobby in the History of the World

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. PATMAN. Mr. Speaker, we are opposed in our fight against interstate chain stores by a fourteen and one-half billion dollar lobby. The biggest lobby in the history of the world.

Mr. Carl Byoir, president of Carl Byoir Associates, Inc., and public relations counsel for the Atlantic & Pacific Tea Co., made a speech at Rye, N. Y., September 19, 1938, before the members of the National Association of Chain Drug Stores, in which he, according to the printed proceedings, stated:

I have clients in American industry with assets of $14,500,000,000.

How much is $14,500,000,000? It is twice as much as all the money in circulation in the United States. It is equal to the value of all the retail stores in the United States. It is equal to the value of all the public utilities in the United States. I estimate that this vast aggregation of wealth includes 90 percent of all the national advertising in this country.

Why do Collier's, Saturday Evening Post, Chicago Tribune, and many other large publications want big concerns instead of small ones? The answer is simple. If the citizens of every town owned its own utilities, these publications would not get thousands of dollars a day or week for full-page advertisements from one utility concern. Instead the local newspapers all over the country would benefit from such advertising. If any line of business or industry is owned or controlled by a few people in one city, the owners of the big newspapers and magazines have little trouble and practically no expense obtaining advertising of tremendous value to them. Whereas if such business is separated into smaller units and scattered over the country, the smaller newspapers get more of the advertising and the larger ones less. It is in the selfish interest of the owners of the means of communication, including the newspaper and magazine, the radio, and the news reel, that a few people control all business, industry, and banking. Therefore they may be expected to oppose any proposed law that will retard, restrict, or prevent absentee or foreign ownership of business.

WHY THE FOURTEEN-AND-ONE-HALF-BILLION-DOLLAR BOAST

This fourteen-billion-and-five-hundred-million statement by Mr. Byoir was evidently made for the following purposes:

First. To let the newspapers of the country know that he controls enough advertising to determine whether or not any one newspaper which is dependent upon advertising is able to survive in business. By making this threat, newspapers that are dependent upon advertising for support will be very reluctant to fail to print and fail to give good publicity to any statement that is sent to them by Mr. Carl Byoir and will very quickly throw into the wastebasket anything against his interest.

Second. To threaten every member of the legislatures in all of the States, Members of the United States Congress, and all other public officials who have the power to restrict or curb absentee ownership of business. It advises them of his influence over the press and lets them know that it is within his power to injure them politically if they oppose his Wall Street clients.

Third. To advise the country that he possesses tremendous power over means of communication to the people, which results in obtaining favorable publicity for what he wants and the "playing down" or the stopping of all news that might be helpful to independent business.

Mr. Byoir's statement is an admission that the rich people of the Nation have pooled their wealth, their advertising, and their influence for the purpose of deceiving the people.

Mr. Byoir said in the same speech:

> It is necessary to create organization to bring that force of public opinion to bear on the legislators or Congressmen or elected public officials. That is a thing that remains yet to be done.

In the same speech he quoted:

> If I were a politician and I wanted to make a public reputation, and I wanted to be sure that, in the present state of public opinion, I would have the support of the great majority of the American people, I would pick the Patman bill.

In other words, Mr. Byoir says that the Patman bill is right; that public opinion will support it; that public men can make a great name for themselves by advocating it; but he, Mr. Carl Byoir, is such an expert at directing the minds of the American people and teaching them what to think and what to believe that he can take the millions of dollars furnished to him each year for that purpose, backed by the advertising of the concerns worth fourteen and one-half billion dollars, and cause the American people to oppose a bill that is in the interest of the general welfare of all the people.

His plan evidently contemplates getting his statements published and read by the people and at the same time preventing the statements from those in favor of the proposal from reaching the people.

DECEITFUL PROPAGANDA A POWERFUL WEAPON

Distortion and deceit accompanied by suppression of opponents' views represent a very powerful weapon. The people are getting wise to deceitful propaganda.

Mr. Byoir has not agreed to make Congressmen believe that black is white or that white is black, but he has taken upon himself a task just as extraordinary, and that is to make Congressmen believe that it is in the interest of the country for local business to be destroyed, private initiative crushed and the wealth of the Nation concentrated into a few hands.

In addressing that group of chain-store representatives he said:

> You had better sit down and assess yourselves at $20, $40, $60, or $80 a store, and had better put it in a fund.

That was tantamount to saying that they should immediately raise from three to twelve million dollars and put it in a fund. This fund would be in addition to the one already created by the Atlantic & Pacific Tea Co. which aggregates millions of dollars. They are people who believe they can take a large slush fund and control State legislatures and Congress.

DISCLOSURES OF CONGRESSIONAL INVESTIGATING COMMITTEE

When I was chairman of a congressional committee in 1935 and 1936 investigating large-scale buying and selling, our committee discovered from testimony that among the things many of the people who are now opposing us in this fight against an interstate store monopoly were guilty of, were the following:

(1) Conspiracy to obtain control of retail distribution in America.

(2) Stopped the showing of a picture, Forward America, which was favorable to independent business.

(3) Attempted through influence to have our committee appoint as our principal investigator a man who, it was later discovered, was employed by chain-store interests under investigation.

(4) Organized what they called a "cornstalk brigade," which was composed of key farm leaders whom they paid to go before legislatures and pose as farmers' representatives for the purpose of defeating certain legislation.

(5) Employed influential men in each State who were close to members of the legislature and the Governor and who could stop legislation they were opposed to.

(6) They admitted that their attorneys were instructed if they could not succeed in defeating a bill in a State legislature to get some amendment adopted which sounded good, but would cause the law to be declared unconstitutional if passed.

(7) Employed influential people on contingent basis to defeat legislation. That is, if the bill did not pass a certain session, they received a certain large amount of money. If it did pass, they did not receive anything.

(8) Faked consumer groups were organized to deceive the people, and at some meetings held by certain groups every person attending was on the pay roll of the interstate corporate chains.

(9) Schools were held to teach their representatives how to deceive the people.

(10) They had unlimited funds, which were used for bribery, deceit, trickery, and treachery.

(11) They brought pressure to bear on newspapers that carried their advertising to print nothing about independent business, but boost absentee-owned business.

ABSENTEE AND FOREIGN OWNERSHIP

Interstate chains are making ghost towns all over America. They are especially objectionable for the following reasons:

First. Interstate chain stores cause three major evils—monopoly, community destruction, and money and credit concentration.

Second. Foreign-owned chain stores constitute conspiracy by a few big bankers to obtain control of retail distribution, national finances, and create a private monopoly.

Third. The few men who control the few banks that rule the corporate and much of the Nation's private wealth are interlocked in directorates with the few big chain-store systems; 24 banks own one-third of the banking resources of the entire Nation, and 13 of the 24 are in New York City.

Fourth. Farmers are being ruined by the interstate chain-store system. The Department of Agriculture reported facts which prove that under the interstate chain-store system consumers pay more and farmers get less. Low-income groups, instead of being helped by the chains, are hard hit by them.

Fifth. The octopus-like foreign-owned chains are invading small cities and towns and making unsafe all lines of business.

Sixth. We must crush monopoly or monopoly will crush us.

H. R. 1 intended to curb interstate chains will be considered by the Committee on Ways and Means commencing March 27.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS
OF
HON. ALBEN W. BARKLEY
OF KENTUCKY
IN THE SENATE OF THE UNITED STATES
Monday, March 18 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. SCOTT W. LUCAS, OF ILLINOIS

Mr. BARKLEY. Mr. President, I ask unanimous consent to insert in the RECORD a very able radio address delivered last evening on the American Forum of the Air by the senior Senator from Illinois [Mr. LUCAS], discussing the reciprocal-trade agreements.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the short time allotted me to discuss the reciprocal-trade agreements I shall base my plea for the continuation of this program upon undisputed facts, and not upon some theoretical or speculative doctrine. Having been born and reared on the farm, and being the owner of farm lands in the Corn Belt district of Illinois, I shall confine my remarks tonight strictly to agriculture.

No one can deny that this program, under the leadership of the Honorable Cordell Hull, Secretary of State, was inaugurated not only in the genuine interest of agriculture, but industry, labor, and all America as well.

My beloved and distinguished colleague, the Honorable ARTHUR CAPPER, who is on the negative side of this debate, represents, in the United States Senate, the great State of Kansas. Kansas is not only famous for the statesmen she produces, but Mother Nature has supplied her with a soil and climate that produces great quantities of wheat, and permits herds of cattle to thrive and prosper.

It is therefore logical and proper that we first discuss wheat. Have trade agreements helped or hurt the wheat farmer of Kansas, Illinois, and other wheat-producing States? Listen, my friends, to these cold, hard facts, and as fair and impartial American jurors you render the verdict.

Complaint is made about the excessive importation of wheat, but remember that no trade agreement has lowered the tariff of 42 cents per bushel on wheat for human consumption placed thereon by the Smoot-Hawley Tariff Act, passed under the last Republican administration. However, the program has removed a 6-percent preferential tariff on wheat exported to the United Kingdom which was made by that country originally in retaliation for the Smoot-Hawley Tariff Act.

Has the program helped our exports? Following the drought years of 1934 and 1936, when we consumed practically all the wheat we produced, we find this country exporting in 1937–38 over 100,000,000 bushels; in 1938–39, 107,000,000 bushels; and during the calendar year 1939 we exported 300 times more wheat than imported.

The average farm price of wheat in the crop year of 1931–32 was 39 cents a bushel; in the crop year 1939–40, 67.6 cents per bushel; and today wheat is selling at the farmer's elevator for from 90 to 95 cents per bushel.

With these facts, you answer the question, Mr. Wheat Grower, as to whether you are better off today under the program of trade treaties, or would you rather try some new and noble experiment which, judging from the utterances of many of those who oppose this plan, would return us to the tariff days of the Hoover era.

From the Kansas wheat fields let us turn to the cattlemen of the West. Have they been injured by these trade agreements? You be the judge. In our first agreement with Canada in 1936 we reduced the duty and agreed to permit 156,000 head of cattle weighing over 700 pounds to come into this country annually at the reduced rate, which is approximately the same rate as levied in the Fordney-McCumber Tariff Act of 1921. In 1939 we made another agreement with Canada replacing the former, permitting 225,000 head of cattle to come in at the reduced rate, the latter amount being about 1.5 percent of our total slaughter. In order to keep these imports from glutting the market at any particular time we limited the imports in any one quarter to not more than 60,000 head.

Has this trade agreement destroyed the cattlemen's market? Is there an American farmer who believes that if the Canadian farmer exports a steer and a half into the United States such a shipment will have any effect upon the price the American farmer receives for his 98½ steers? Annual prices received by the American cattle producers are primarily determined by the number of domestic cattle produced plus the economic conditions which affect buyers' consuming power.

Let us examine the record. In 1934, the first year of the program, the average price received by the farmers for beef cattle was $4.13 per hundred pounds; in 1935, $6.06 per hundred pounds; in 1936, $5.82 per hundred pounds; in 1937, $7.01 per hundred pounds; in 1938, $6.56 per hundred pounds; in 1939, $6.87 per hundred pounds.

These prices, my friends, are on the very rim of parity. And I am advised by the Department of Agriculture that in the past year not a single month has gone by that the cattleman has not received at least parity price for his beef cattle.

I respectfully urge that the cattlemen of this Nation think this thing through for themselves. Be not deceived by misinformation and half-baked statistics. Compare these near-parity prices with the $3.75 per hundred pounds you received in 1933.

Compare your total cash income for cattle in 1932 of $620,600,000 with $1,248,700,000 in 1939, an increase of over 100 percent.

From the cattlemen, let me turn to my own section, famous for corn and hogs. This is one of the largest divisions of American farming. Meat processing is an outstanding American industry. The American farmer has 99 percent of the American pork market. What he needs is an outlet for his surplus hog products. Have the trade agreements helped or injured the corn-hog farmer? Again let us examine the record for facts.

Since 1934, 16 trade-agreement countries have either reduced or entirely abolished their tariff on American pork and lard. Let me give you one or two examples as to how this is working.

The first treaty was with Cuba. Under this agreement Cuban imports of American hams, bacon, shoulders, and salt pork rose from $200,000 in 1933 to $600,000 in 1937; Cuban lard imports from $500,000 in 1933 to $4,900,000 in 1937.

The 1939 program with the United Kingdom is still in the early stages of operation, but under that agreement the 10-percent tariff on American lard exported to the kingdom is abolished. This agreement also gives a quota for American hams alone greater than the quota under the Smoot-Hawley Act upon hams, bacon, shoulders, sides, and other pork-cured products combined.

Recovering from the drought of 1934 and 1936, we find for the year ending June 30, 1938, American exports of pork and lard $8,500,000 more than the year before. In 1938 the domestic pork supplied by the American producer, excluding lard, was 7,563,000 pounds. The total pork imported during that year was 52,413 pounds, or about 1 percent of the domestic pork, and the largest part of the 1 percent was the result of the continued demand for luxury products, such as Polish canned hams.

Is there a corn-hog farmer in the Midwest who believes that the importation of one ham, or one shoulder, or one live hog will affect the market of the American farmer who sells 99 hams, or 99 shoulders, or 99 hogs? The bugaboo "Stop importing foreign pork" now being raised in a campaign year is political buncombe to hoodwink the corn-hog farmer. But, my friends, the farmers are better posted upon these vital questions than most politicians. They understand that what controls the price of pork is what they can get for their exportable surplus. This is one year when the farmer will demand facts, not theories, bald assertions, glittering promises, and bobtailed statistics.

With respect to corn, let me make this one emphatic observation: Any corn imported from Argentina or any other country comes in at the same tariff rates established by the Smoot-Hawley Act of 1930. Trade agreements have nothing to do with this.

And lastly, let me say a word about the dairy farmer. Remember he has 99 percent of the domestic market. His annual income has been approximately $300,000,000 more than the low-income years of 1932 and 1933. Exports of dairy products have increased in the last 4 years from $4,114,000 in 1935 to $7,100,000 in 1939. I ask you whether or not the trade agreements have injured the dairy farmer?

My friends, under the leadership of the Honorable Cordell Hull, conscientious and sincere Secretary of State, and the Honorable Henry A. Wallace, brilliant and resourceful Secretary of Agriculture, the farm program of America has made real progress during the last 6 years notwithstanding the many obstacles that have been placed in its path. No administration in all our history has been so interested in the farmer's cause. The President has truly been the farmer's friend. I repeat once more to independent, intelligent, thinking farmers throughout the country: Think things through for yourselves.

Forty-fourth Anniversary of the Founding of the Volunteers of America

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Monday, March 18 (legislative day of Monday, March 4), 1940

STATEMENT BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a few observa-

tions which I have made in writing about the Volunteers of America. I take this means of giving expression to my thoughts at this hour rather than take up the time of the Senate at a time when we are considering legislation in the interest of the farmers.

There being no objection, the statement was ordered to be printed in the RECORD as follows:

March 9 marked the forty-fourth anniversary of the founding of the Volunteers of America, a religious and philanthropic organization which has extended the hand of aid and practical sympathy to the needy throughout the Nation during these many years.

I deem it appropriate, therefore, at this time to call to the attention of my colleagues the record of service of this far-flung organization and to voice what I am confident is the hope of all here that it will continue for many years to bring physical comfort and spiritual succor to those of our people who through force of circumstances find themselves at a material disadvantage or spiritually bereft.

It is a happy thought that Gen. Ballington Booth and Mrs. Maude Booth, the inspiration and founders of the Volunteers, are still the active leaders of the tremendous force which they created for the common good. Both have grown old in the service of their fellow man. Both have seen the organization which they created in New York on March 9, 1896, spread over the entire United States, until now, as they look back on lives well spent, they can visualize the gray uniforms of those they lead ministering to the poor in every city and State in this country.

To those of my colleagues who may not be familiar with the great variety of services which the Volunteers render to our people, may I suggest that they visit agencies maintained and operated here in the Nation's Capital. The Volunteers have here an institution which I believe to be unique in this country, if not in the world—the Girls' Club and Hospice at 1526 Sixteenth Street NW. In a beautiful old mansion there is a haven of refuge for girls and women who find themselves in destitute circumstances. Aided by the women's clubs of Washington and many public-spirited citizens, the Volunteers extend a helping hand in the form of a happy home life to those who otherwise would be in most desperate straits.

We well know the trials and the tribulations and temptations which beset the path of girls and women who, without proper homes, find themselves without jobs and without a means of livelihood. If this hospice sheltered only one such girl and gave her the chance to get on her feet and restore herself to a happy sphere of life it would more than command the respect of all.

Somewhat closer to the Capitol, many of you have noticed the relief mission maintained by the Volunteers on Pennsylvania Avenue only a few blocks from here. In this mission are sheltered and fed hundreds of men, women, and children every day. Many of us see this great work in progress as we go about our duties, and I think it would be well if all of us on our way to and from these Halls would stop at that building and observe at first hand the problems which face so many of our people throughout the Nation.

I should like to comment especially on that phase of the work which is particularly under the charge of Mrs. Booth, the activity of the Volunteer Prison League. It is a work which has deservedly earned her the title "Little Mother of the Prisoners."

In this activity Mrs. Booth is doing a tremendous job of aiding men and women to go straight after they are released from penal institutions. Maintaining direct contact with thousands of them, she helps them to get jobs and sees that they are given a chance to come back to again become useful and respected citizens.

Directly related to this work—so needful if our crime rate is to be really curtailed—is the aid which the Volunteers in the various communities render to the families of prisoners. Many times these families, although completely innocent of any wrongdoing, actually suffer more than the man who is sent to prison. Often they are left destitute. To them the Volunteers lend a helping hand. It is a necessary, a vital work.

Let me cite a few figures which show a few of the activities which this organization carried on during the last 5-year period; 2,607,211 free lodgings were provided to needy or unemployed; 15,768,648 free meals were furnished to the worthy poor; 7,825,561 free lunches of soup, bread, and milk were given; 108,729 were given medical aid; 61,612 stranded persons were given transportation; 3,130,944 garments and shoes were distributed; 228,487 days of enjoyment at fresh-air camps were furnished; and 677,903 Christmas and Thanksgiving meals were provided.

Such organizations as this and the support which they receive typify the finest things in American life. Without them our country would indeed be in a pitiful condition, as they are doing a marvelous work.

I feel, therefore, proud of the privilege of paying this small tribute to Gen. and Mrs. Ballington Booth and their great organization on this anniversary.

Charitable Irish Society

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. HENRY CABOT LODGE, JR., OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask leave to have inserted in the Appendix of the CONGRESSIONAL RECORD an inspiring and able address, in response to the toast The United States of America, delivered by my colleague the junior Senator from Massachusetts [Mr. LODGE] at the banquet of the Charitable Irish Society in Boston on March 16, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am extremely honored to be selected to respond to the toast The United States of America at the two hundred and third annual meeting of this ancient, historic, and distinguished society. In responding to this salutation my mind goes back to the dominant part which they have played in building our common country. As a matter of fact, America was not the only stage on which Irishmen have played a large part. I am indebted to Ripley's Believe It or Not for a striking episode which I think is symbolic of what the men of Irish extraction have done:

"In the time of Queen Victoria, in the year 1848, nine young Irish rebels were tried and convicted in Her Majesty's courts of insurrection and treason and sentenced to death. The young Queen's heart was touched to pity in acting upon the sentences. She was moved to commute the sentences upon condition that they should leave Ireland forever. The Prime Minister urged that they be sent to Australia, a British colony, where they would not participate in politics, and where colonists were needed. Twenty-six years later Prime Minister Disraeli, in conferring with the Queen, reported that—

" 'Sir Charles Duffy is the same Charles Duffy banished from Ireland with eight others 26 years ago. He is now Prime Minister of Australia. Thomas Francis Meagher, another, is now Governor of the State of Montana. Terence McManus and Patrick Donahue are brigadier generals in the United States Army. Richard O'Gorman went to Newfoundland and is now Governor General. Morris Lyons is attorney general of Australia, and Michael Ireland will shortly succeed him in that office. John Mitchell is doing well in New York and is influential in Tammany Hall—he was the grandfather of John Purroy Mitchel, for 8 years mayor of the city of New York. The ninth rebel is Thomas D'Arcy McGee, member of Parliament from Montreal, minister of agriculture, and president of the Council of the Dominion of Canada.' "

But we do not need to look outside of our own borders. We all know about Gen. John Sullivan, who was in command at Charlestown, and Gov. James Sullivan. I have with my own eyes seen the name of Colonel Dillon and those of his regiment on the base of the great battle monument at Yorktown. We think of Gen. Jeremiah O'Brien and his Massachusetts Navy, and John Barry, of Wexford, who said, "Not the value and command of the whole British Fleet can seduce me from the cause of my country."

Every day that Congress is in session I go past a building which houses a well-known American, and of which James Hoban, a man of Irish descent, was the architect. I refer to the White House. Contemporary with him were the numerous signers of the Declaration of Independence who were of Irish stock. It is indeed no wonder that Lord Mountjoy stated in Parliament, "England has lost America through the exertion of Irish immigrants."

In that greatest of all tests of our national spirit—the Civil War—this tradition continued sturdy and strong, particularly so insofar as Massachusetts was concerned. The colonel of the Ninth Massachusetts Regiment at the Battle of the Wilderness was Patrick Guiney. Not a spring goes by since I have been in Washington that I do not go to the battlefield of Gettysburg and see, only a stone's throw from the great Celtic cross erected to the memory of the soldiers of Irish extraction, the tablets in memory of the Second Massachusetts Brigade, commanded by Col. Patrick Kelly, and the Twenty-eighth Massachusetts Regiment, commanded by Col. Richard Byrnes. On the larger canvas are inscribed forever the names of such men as Kearny, Kilpatrick, Sheridan, and Meade. They are the spiritual ancestors of the brothers-in-arms of men like the late Michael J. Perkins, of South Boston, who was one of

three in Massachusetts to receive the Congressional Medal of Honor as a result of the World War.

It is with profound gratification that we can be here tonight conscious of the fact that the contribution which men of Irish blood have made to this country can now be made for the building up of Ireland herself. It is true that Ireland still has her problems. It was, nevertheless, clear to me when I visited Ireland in September 1938 that real progress was being made in solving these problems and that everyone whom I met in Ireland in every walk of life had a feeling of confidence and hope—a willingness to endure privations because of the certainty that the nation would be richly repaid in the end.

I was interested in the realistic and intelligent steps which were being taken to develop Ireland's economic life. In the dairy industry, for example, obstacles which have proved insurmountable in many European countries were overcome in order that Irish dairies might take a high place among the nations of the world as producers of pure, healthful milk. I was impressed with the moderation with which erstwhile enemies were treated. One example was the manner in which the Government paid off the old landlords so that Irishmen of the future might own their own farms and look upon themselves as self-respecting men. I may add that this rectitude in their internal financial dealings is carried out into the foreign field. Ireland stands as one of those rare nations which pays its debts.

When I called on Prime Minister DeValera I could not help but be impressed by the fact that in his waiting room were only two objects of adornment. One was a facsimile of our Declaration of Independence. The other was a statue of Abraham Lincoln. This was symbolic of the attitude of the people. As soon as anyone discovered that I was an American I was given the most cordial and hearty welcome that could be imagined. Yes; they like America. America likes them. Let us all hope that this friendship between Ireland and the United States will always continue. I shall do all that I humbly can to strengthen and promote it.

I take the liberty of going back this way over the past because I think it will help us to see the future. I am emboldened to do so because of all peoples in the world the Irishman is one who does not forget the past.

Chief Justice Thomas J. Brogan, of the Supreme Court of the State of New Jersey, put it this way:

"Now, what is it that differs the Irishman from the other members of the family of Celts, for different he is? His nature is different from any other that ever came from the hand of God. His is a fanciful, poetic, valiant, spiritual nature. He lives in the present, but in spirit he dwells in the past, and that past for him is still a living actuality.

"Not so with the rest of the British Isles. The Scot will recall the disaster of Flodden Field, will enthuse over Bannockburn, will weep over his betrayal of Mary Stuart, his martyred queen, will sit up all night supping sorrow or joy, but next day he is his practical self again.

"The Welshman plods along thinking not of the days of his greatness; the Englishman will recall his yesteryear in history, the days of the seven kingdoms, the Wars of the Roses, but not for long—the spirit of utility in a moment will have asserted itself.

"But Ireland events do not pass so rapidly. Ireland has her traditions and she meditates. Monuments of war, of nobility, of religion cover the land. The poorest peasant lingers in the noonday shadows of historic walls and towers that tell him his forefathers were not slaves, but that they lived as heroes and died as men. He plows the fields or walks the country roads with scenes before him that have been immortalized by his poets, and lying down in his humble cottage at night, he hears the wind rushing through the ancient battlements, in a faint voice, a voice that stirs him to the very depths of his soul, for it brings back to his mind the voices of scholars, of heroes, and of saints."

And so, when we survey this past, and realize the heroism and the bravery it enshrines, we are inspired to do all that we can to be worthy of it.

To make ours a land of opportunity for our young men and women.

To maintain a civilization in which the aged may have real security.

To uphold with every means at our disposal that glorious American tradition that men shall be judged on their merits, and that insofar as government is concerned no one shall be prejudiced because of his race.

To make every conceivable sacrifice to the end that freedom of religious worship may be forever maintained.

And, as an indispensible foundation for all these great objectives to keep our Nation at peace, and never draw the sword except for a vital American interest. Thus, I think we can attempt to be deserving of these acts of heroism and self-sacrifice which men of Irish stock—this precious, stimulating, activating leaven—have laid upon our national altar.

No better epitome of what the United States of America should be has been written than that composed by John Boyle O'Reilly, when he said:

"That nations grow where every class unites
For common interests and common rights;
Where no caste barrier stays the poor man's son,
Till step by step the topmost height is won;
Where every hand subscribes to every rule,
And free as air are voice and vote and school."

Yes, we can be proud to think of the contribution of America's sons of Irish extraction, which from the beginning has been so integral a part of our national life. Let us remember that the password adopted by George Washington 164 years ago tonight was "Saint Patrick." Let us, in a modern spirit, close with these lines by O'Reilly and raise our glasses, saying:

"Then drink, all her sons—be we Keltic or Danish,
Or Norman or Saxon—one mantle was o'er us;
Let race lines, and creed lines, and every line vanish—
We drink as the Gael: 'To the Mother that bore us.'"

Census of 1940

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

TELEGRAM, LETTERS, AND EDITORIALS CONCERNING THE CENSUS

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a telegram which I sent to the President of the United States on the 15th instant, a letter written to me by Hon. Harry L. Hopkins, Secretary of Commerce, dated the 16th instant, and my reply thereto, dated yesterday, together with several editorials on the matter of the 1940 census.

There being no objection, the letters and editorials were ordered to be printed in the RECORD, as follows:

[Telegram sent to the President on March 15, 1940, by Senator CHARLES W. TOBEY, of New Hampshire]

The PRESIDENT,
Washington, D. C.:

My attention has been called to your statement regarding the disputed income questions in the census questionnaire, that for the first time in your knowledge a United States Senator has openly advised the American people to violate the law and held himself out as the one person who will not answer. In view of the serious nature of your charge I am obliged to ask you to kindly advise me what law you refer to. In making your reply please bear in mind the following:

1. That the Senate Committee on Commerce by official action has determined that the income questions are illegal and were never authorized by the Congress;

2. Article IV of the Bill of Rights says: "The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated";

3. The words of the Supreme Court of the United States: "That the principles that embody the essence of constitutional liberty and security forbid all invasions on the part of the Government and its employees of the sanctity of a man's home and the privacy of his life. Of all the rights of a citizen, few are of greater importance or more essential to his peace and happiness than the right of personal security and that involves not merely protection for his person from assault but exemption of his private affairs, books, and papers from the inspection and scrutiny of others. Without the enforcement of this right all others would lose half their value."

4. If it is your position that an unauthorized ruling of a departmental bureau constitutes a law of the United States, then it is important that the people recall that such were the tactics used by Hitler in gaining powers never sanctioned by the people. It is time to call a halt to attempts of departments to arrogate to themselves the function of a legislative body, especially in matters which threaten the people of this free country with imprisonment for not bowing to the will of a bureau.

CHARLES W. TOBEY,
United States Senator.

THE SECRETARY OF COMMERCE,
Washington, March 16, 1940.

Hon. CHARLES W. TOBEY,
United States Senate, Washington, D. C.

MY DEAR SENATOR TOBEY: In response to your telegram which the White House has referred to me, I feel the only thing I can do is read the simple A, B, C's of the census law to you.

A. The 1929 Census Act, passed by a Republican Congress, signed by a Republican President, and containing the authority for the 1940 census, makes it mandatory upon the American people to answer all census questions.

That same act states: "The number, form, and subdivision of the inquiries in the schedules used to take the census shall be determined by the Director of the Census, with the approval of

the Secretary of Commerce," provided that these are "restricted to inquiries relating to population * * * to unemployment * * * etc." Any reasonable person knows that wage income is the best possible measure of employment and unemployment.

In a radio talk on March 9 you announced that you would not answer the two questions on income. Ergo: A United States Senator openly states he will flout the law of the 1929 Census Act. In the same talk you told the American people that they would have plenty of company in refusing to answer the questions and urged them to form committees to resist these queries. Ergo: A United States Senator, using his own intention to flout the law as an example, urges the American people to violate the law. The law covering the 1940 Decennial Census is the same law that covered the 1930 Decennial Census.

B. Apparently you are trying to justify your threatened law-breaking by the action of the Senate Commerce Committee last Tuesday. It should be noted you broadcast your intention to flout the law on March 9, and the Commerce Committee did not act until 3 days later, March 12.

C. As a Senator you know that even if the Senate had approved the resolution adopted by its Commerce Committee, which it had not on the night you broadcast your intention to flout the law and still has not to this day, it would be an expression of opinion by a majority of Senators and could not be construed by the Secretary of Commerce and the Census Director as overriding the Census Act of 1929 which was passed by both Houses and signed by the President. Such a vote by the Senate or a majority of a small committee thereof could only be advisory to the Secretary of Commerce and the Census Director. In no sense would it relieve any person from compliance with the census law. This could only be accomplished by an amendment to the Census Act of 1929 passed by both Houses of Congress and signed by the President.

We are just as mindful of the Bill of Rights as you. I feel it necessary, however, to call your attention to the fact that the patriots who gave us the Bill of Rights wrote into the Constitution a provision for the first and all subsequent censuses and the same founding fathers made it mandatory upon the American people to answer census inquiries. This compulsion has existed for 150 years.

I feel it necessary also to recall to you the oath a Senator takes upon assuming office which reads:

"I, ————, do solemnly swear or affirm that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same, that I take this obligation freely, without any mental reservation or purpose of evasion, and that I will well and faithfully discharge the duties of the office on which I am about to enter, so help me God."

The spectacle of a United States Senator calling for resistance to the authority of the Government, appealing for civil disobedience, urging an informational sit-down strike against the Government is un-American and a menace to the processes of self-government.

Very sincerely yours,

HARRY HOPKINS,
Secretary of Commerce.

[Reply of Senator CHARLES W. TOBEY to Secretary of Commerce Hopkins on the census]

MARCH 17, 1940.

Hon. HARRY L. HOPKINS,
Secretary of Commerce,
Washington, D. C.

MY DEAR MR. HOPKINS: I am in receipt of your letter of March 16, in which you set forth your views regarding my efforts on behalf of the people to have the illegal income question stricken from the census questionnaire.

You criticized my availing myself of the same privilege which is granted to all of the people, namely, to stand upon my constitutional rights and refuse to answer the questions which violate the people's guaranteed constitutional right of privacy, and wrote: "A United States Senator, using his own intention to flout the law as an example, urges the American people to violate the law."

What law, Mr. Secretary?

Surely you are not still contending that an unauthorized ruling of a departmental bureau constitutes a law of the United States, particularly where, as in this case, you threaten the people of this free country with imprisonment for not bowing to your will. While you contend that I have an intention to flout the law you make light of the fact that you, as a responsible head of a department, are flouting the law and the Constitution by commanding the people to answer these illegal questions or go to jail. This, in free America.

Regarding my action, I refer you to a book written by Prof. Andrew C. McLaughlin, professor emeritus of history, University of Chicago, entitled "A Constitutional History of the United States," in which he wrote: "Withal it must be remembered that no one is bound by an unconstitutional act. Such an act is not law; in strictest theory it binds no official and no person whatever; and if no one objected to a law, it would be difficult or impossible for a court to pass upon its validity; an officer carrying out an unconstitutional act, before as well as after a judicial declaration of unconstitutionality, may be held personally liable for invasion of private liberty or property."

Next, you say that the patriots who gave us the Bills of Rights wrote into the Constitution a provision for the first and all subsequent censuses, and the same founding fathers made it mandatory upon the American people to answer census inquiries. If, by this, you mean the type of inquiries going on under the present inquisition, then I must express my complete disagreement with your position. The founding fathers, in the Constitution, made it mandatory upon the American people to submit to an enumeration of the people, meaning a count of the people.

Section 9 of article I reads as follows: "No capitation or other direct tax shall be laid unless in proportion to the census or enumeration hereinbefore directed to be taken." From this it is clear that in the minds of the makers of the Constitution the word "census" was meant to be the equivalent of the word "enumeration" and nothing more. Yet to justify the violation of the rights of the people to be "secure in their persons, houses, papers, and effects," you refer to the constitutional provision which, in my view, is clearly limited to an enumeration of the inhabitants of the several States.

Next, you say, "The spectacle of a United States Senator calling for resistance to the authority of the Government" is a "menace to the processes of self-government." Shades of Hitler and Mein Kampf. Anyone who is able to diminish the "self-government" of a bureaucrat, which autocracy has been so much in evidence in recent years, is rendering a service to democracy. There is altogether too much "self-government" in Washington on the part of departmental heads.

I cannot better describe the situation than to use the words of your friend, Mr. Hugo Black, "Bureau upon top of bureau, bureau on top of bureau, until they pile up, towering into the sky, each one emitting rules and rules and rules, like the volcano belches forth its smoke, until the average citizen is lost in the meshes of the multitudinous laws, rules, and regulations more than he ever dreamed he could be."

Next, you have set forth the oath a Senator takes upon assuming office. The United States Code provides that the head of every department is required to take that same oath, and thereby solemnly to swear or affirm that he will support and defend the Constitution of the United States and bear true faith and allegiance to the same, without any mental reservation or purpose of evasion. This Constitution of ours clearly forbids the type of "self-government" which you champion.

As a climax to your letter, you boldly indicate that even though the Senate of the United States should vote in favor of this resolution, thereby pronouncing its opinion that the income questions are illegal and never authorized by Congress, such a vote by the Senate, or a majority of a small committee thereof, would in no sense shake you from your determination to insist upon these income questions.

I am amazed that a head of a department would treat so lightly such action by the Senate of the United States. This dogged persistency in your Department's determination to compel the people to answer these questions on income gives impetus to the growing apprehension on the part of the already overburdened taxpayers of both the low and high income groups that the Government has an ulterior purpose in demanding this information.

It is said that William the Conqueror kept continually by his side a book which contained a detailed record of the financial status of every English serf, compiled after a seaching inquisition into the private affairs of every individual. He did this in order that he might know at any moment how much more fleecing the English people could bear. This was commonly referred to as the Domesday Book, because, like the day of doom, it was inevitable.

Our forefathers left England seeking sanctuary in this country from such inquisitorial methods. In the Constitution they assured inherent rights of privacy to the people, but by the questions you are attempting to compel them to answer, under penalty of imprisonment, you are subjecting them to Old World autocratic methods.

This week, out of the many thousands of letters I have received from sincerely apprehensive people from all parts of the country and from all walks of life, I have received a letter from an American citizen who wrote as follows: "A doctor who came from Germany 2 years ago, upon seeing the various questions in the census questionnaire, said, 'Those questions remind me of what I ran away from.'"

The right to demand answers to these questions is not in the law and they are illegal, regardless of the manner in which they are asked. The law is the law, and you cannot with impunity cast aside its restrictions.

Very sincerely yours,

CHARLES W. TOBEY.

[From the Columbus (Ohio) Dispatch of February 23, 1940]

IMPROPER CENSUS QUERIES—A SENATOR FIGHTS AGAINST THEM

Senator TOBEY, of New Hampshire, who led one phase of the fight against lifting the arms embargo last summer, now is heading up another battle which, while it may turn out to be just as futile, does him equal credit and will win the favor of many citizens.

He believes that some of the personal questions to be asked in the forthcoming census are impertinent, unnecessary, and susceptible of abuse. He particularly objects to the queries relating to the amount and source of income of the individual and to the amount of rent he pays or the size of the mortgage on his house.

The New Deal census heads who framed the extensive questionnaire defend the first of these questions on the ground that there is no violation of privacy in the queries about salary, since this data

is already on file in income-tax and social-security reports. The second group is explained as representing invaluable information for future reference as to housing needs, etc.

It may be true that the Government knows already how much most of its citizens earn. But the census is taken through local canvassers, temporarily employed on a political patronage basis. The Government may have the best intentions in the world of protecting this data from snoopers and busybodies. It probably is true that once the statistics get into the maw of the tabulating machines they will be just impersonal figures—no more. But human nature is unchanging, and how is the Government to control its census people after their short term of work is over? What is to prevent the gossip or the opportunist from talking about or attempting to utilize information gained by intimate questioning backed by the law of the land? The same objections apply to the questions on how much rent a man pays, how much he owes on his house, who holds the mortgage, etc. And this is information which has always been regarded hitherto as a matter between the principles to the transaction only, unless they wish to talk about it of their own volition.

There may be grounds for the fears that some hold that the New Deal bureaucrats desire the information for purposes of some new taxation scheme, and again there may not be. But simply on the basis that there are a few personal reticences left into which Government ought not to thrust its ubiquitous nose, there are undoubtedly hundreds of thousands who will wish more power to Senator TOBEY'S tonsils as he carries on his Senate crusade for the elimination of these questions from the final approved list.

SUBVERSIVE AGENTS HAVE THEIR HANDS DEEP IN THE CENSUS SNOOPING ACTIVITIES

(By Boake Carter)

It is a pity that the apologists for the gentlemen who thought up the current list of questions to be asked us by the enumerators from the Census Bureau are not aware of some of the motives or some of the tricks that are obscured from public view at present.

If they were, their apologies for the Census Bureau doubtless would be exchanged for a chorus of horror.

Few citizens hold any objection to answering routine census questions. Heretofore no Federal administration has had aught but a simple, straightforward desire to enumerate the citizens of this Nation, their occupations, their employment status, their marital status, and such reasonable information.

But behind the present crop of questions lies no such simple, straightforward desire.

Instead, the questions have been framed for a specific purpose. The purpose is revolutionary.

It is true that when these questions were framed little thought was given to "Mrs. Snoop" down the street, who may have had herself appointed census enumerator and wouldn't let a little thing like a fine or imprisonment prevent her from peddling gossip she finds out around the neighborhood. No; their plans are deeper than that. They want to use the information to build their idea of a "new" America.

But what the public does not know—and this is not opinion or viewpoint but actual fact—is that subversive organizations already have had their own agents sworn in as census enumerators.

The agents, or "enumerators," have gathered information required of them in specified sections, then resigned as Government employees. The facts they have gathered have been turned in, not only to the Government but also to their real employers, the subversive groups for whom they have been acting.

There is documentary evidence to this effect in the hands of several Senators. They haven't said much about it yet, simply because they believe in the old adage about giving a man enough rope and he'll finally hang himself.

By permitting these subversive agents, disguised as Government enumerators, to extend themselves, it is hoped enough shocking information about their activities will be gathered to blow clear out of the water the little coterie of New Deal radicals running the census questionnaire.

It is not a comforting thought to consider that such intimate information as: How many times has a citizen been married; how much did he make; from what sources and how? are to be details to be pawed and leered over by the Cohens and the Corcorans of the administration.

One of the glib assumptions of the New Deal "snoop" directors is that it is the Federal Government's duty to "even up the disparities of opportunity" that exist for the average American in "rural Arkansas and metropolitan New York," and to that end the census is being taken.

That is the same sort of argument Hitler made when seeking to lure the German people to his support. To assume that a government of mere men can "even up disparities of opportunity" is to presuppose that God made a gross mistake in endowing more capabilities in one man than in another. For government to attempt such a fantastic performance would require complete dictatorship to insure any measure of success.

And that is precisely what the New Deal "leftists" desire. The questionnaire of the census is aimed mainly to collect information which may be used by the "leftists" in furtherance of their own ends—one of which is to destroy a free and individualistic America.

[From the Boston Post of March 16, 1940]

NOT QUITE FAIR

The President's attack on Senator TOBEY, of New Hampshire, was unduly harsh. He accused the Senator of urging persons to violate the law of the country by refusing to answer certain personal questions in the census blank relating to incomes.

In the first place, it is highly doubtful if the law of the land is involved. The whole business seems no more than a departmental regulation. Otherwise the Department of Commerce could not so readily change the census rules as it has done.

The President seems to think that Senator TOBEY is responsible for the whole agitation against these census questions.

That cannot be so. He raised his voice in the Senate only when large numbers of his constituents appealed to him in protest against the inquiries. He was merely doing his duty in giving publicity to the protests.

Other Senators did likewise, and some were more emphatic than the New Hampshire Senator.

If memory is correct, Senator TOBEY did not urge a general refusal. What he did say was that he, personally, would go to jail rather than reply to the questions. That was an individual position.

Despite the fact that he lays the whole blame at Senator TOBEY'S door, it is pretty plain that the President knows well that the agitation was substantial and country-wide. Otherwise he would not be forced into making the concessions announced.

The protests were irritating to him because they added to the impression that New Deal officials were too zealous in invading the privacy of citizens and the incident might have political repercussions. It therefore touched the President in a sore spot.

It may well be that the protests were exaggerated and due to unnecessary fears. But it certainly is understandable that persons canvassed would resent giving such personal information to neighbors who were appointed census takers. As these census jobs are political jobs and apportioned out by Democratc leaders, there is every reason to suppose the census will be taken by local men and women.

The public would not be so skeptical if the enumerators were civil-service appointees and if supposedly secret Government records sometimes become public.

The whole agitation is not harmful to the Government. It is really beneficial. It will show that there is still a strong spirit of independence abroad in the land and that citizens are quick to resent what they think, however mistakenly, is an invasion of their rights.

[From the St. Louis Globe-Democrat of March 16, 1940]

CRACK IN CENSUS LAW

Secretary of Commerce Hopkins now rules that individuals unwilling to give census enumerators verbal answers to intimate questions about income and how it is spent, may mail the information to Washington without signing their names. They may use franked envelopes which will be supplied by the enumerators. This is a surrender in the face of public protest but is an evasion of the law rather than a permanent remedy. What Congress should do is to amend the law to rid it of offensive features which are a plain invasion of the rights of an American citizen.

Senator TOBEY has received considerable abuse from New Dealers including the President, for his leadership in the Nation-wide protest. The cry of "cheap politics" has been raised by the administration, but this does not explain why Democrats as well as Republicans share resentment and have given their voice to the demand that the census law be altered. The unvarnished facts are that the administration proposes to conduct a snoop census which would seek information of an intimate and frequently embarassing character. This information could easily become public property if the enumerators gossiped, as well they might. This information might easily be available to any prying politician who wanted a financial index of his community.

And despite the plea of Secretary Hopkins that the statistics are necessary to ascertain the extent of mass buying power and unemployment, there is the substantial suspicion they will contribute little or nothing of value to the solution of economic problems. An unemployment census can be made without obtaining the life history of every man and woman who happens to have a job.

Senator TOBEY has performed a useful public service in leading the fight against the present census law. The President himself plays doubtful politics when he attempts to impugn the New Hampshire Senator's motives and brands him as an inciter of law violation. Since when is it criminal to say that a nefarious law should be amended?

[From the Hartford (Conn.) Courant of February 25, 1940]

THOSE CENSUS QUESTIONS

It used to be said that the "horse and buggy" doctor knew more about the people of the community than they knew about themselves, but even such a reputation as a public confidant may well pale before the activity of the 1940 census taker. Whereas the doctor had to depend on voluntary contributions to add to his store of knowledge, the man from the Census Bureau is forearmed with

a list of detailed questions guaranteed to pump facts from the driest source. The administration claims that its "information please" quiz will afford the most accurate picture possible of the social and economic conditions in the country. It will also pry unnecessarily into personal and private affairs without giving absolute assurance that the knowledge will be held in confidence.

In the near future the doorbell will ring, and the census taker will begin firing: "What is your age, name, sex; your educational record, place of birth, and previous residence?" The answers to these questions are on the tip of your tongue. But then will follow: "What is your home worth? What is your salary? Was an income or $50 or more derived from any source other than your job?" According to law, the civil and reasonably accurate reply must be given to each particular; fortunately the law has no ear for the little man behind your eyes who just cusses and cusses.

Yet another question pops: "What is your race and color?" Reasonably American and reasonably white should be a suitable answer, and a little "sotto voce" is entreating you to give the gentleman his hat. The enumerator not so calmly turns another page: "Where were your parents born? What language did they speak? Are you divorced?" Since the report desires an "X" to designate the answer whenever possible, perhaps it will suffice in all these instances. The statistics hunter goes merrily on: "Do you own a refrigerator, radio? What is your mortgage indebtedness?" and so on and on and on.

Small wonder that the public has demanded an investigation of this questionaire by the Senate Commerce Committee. The 1940 census is typical of the unhappy faculty of the administration for broadening its activities to affect in multiple ways the daily lives of the people under the guise of social and economic betterment. The New Deal may see social significance in questions on refrigerators and divorces; the layman calls them nosey.

[From the Detroit News of February 24, 1940]

CENSUS QUESTIONS

Advance notice of the questions to be asked in taking the 1940 census has provoked criticism. The Census Bureau is getting heaps of letters from worried citizens who don't want to tell how much or how little income they have; how much they are in debt or whether there is a mortgage on the homestead.

This body of anxious public sentiment is finding representation in Congress, in both Senate and House, and some hurry-up legislation may shorten and modify the list of questions in time for the beginning of the census, April 1.

A bill to remove from the census form, questions about amounts received as salary or wages and whether income of $50 or more from sources other than money, wages, or salary have been received, has been introduced by Senator CHARLES W. TOBEY, and a like measure will be backed in the House by Representative DANIEL A. REED.

In deciding so important a policy, the Congressmen should measure the need for the information against the possible damage that may be done by collecting it and putting it on record. It is not a sufficient answer that census authorities do not make public the facts concerning private affairs of individual citizens. There is cause for anxiety in the fact that a great Government agency has such information in such a form that it might become accessible for purposes other than the public good.

In smaller communities the knowledge that local businessmen or corporations are heavily in debt and have not met expenses during the last year, might be used to ruin individuals and bring unemployment, distress, and poverty to many innocent persons. Putting on record the private affairs of the more prosperous is preparing a sucker list of immense proportions.

It is doubtful if any census advantages can offset these dangers.

[From the Wilmington (Del.) Journal Every Evening of February 24, 1940]

THE NEW CENSUS

Most of the questions which American citizens will be asked in the census to be taken a few weeks from now are harmless and perfectly legitimate. No one can well object to telling where he lives, when and where he was born, where he was educated, and how many people are in his household. But unless Congress intervenes in time they will also be handed some highly personal inquiries which no citizen ought to be compelled to answer on pain of fine or imprisonment.

He will be asked to tell the enumerater, who may be a neighbor, a stranger, or a worker for the local political machine, "the amount of money, wages, or salary received, including commissions," and whether he got $50 or more from other sources. He will be asked to give the value of his home, if he owns it, or the monthly rent he pays, if he does not. He must give this information with the knowledge that it may be passed on to unauthorized persons, misused, or opened to public inspection, if high political authority decided on that course. In addition he must answer a large number of other questions about his home life, his background, and his personal affairs that have never been asked in any previous census.

All of the data which may be compiled in this day would undoubtedly provide a field day for the statisticians. It would give the advocates of a planned society, numerous in the inner circles of the New Deal, a vast amount of new material to work with. It would be useful to serious students. But there is also a grave chance that it would be seriously misused by an administration as highly political as is this one which has shown very little conscience about revealing information gathered on a confidential basis or about twisting statistics to suit its own purpose.

The point is that the information requested in the questions cited above has always been regarded by Americans as their own personal and private affair. In the past they would have resented strongly any such attempt to pry into their private lives. Congress can, and we hope will, remove these particular queries from the questionnaire or at least remove the severe penalties for failing to answer them. But if this is not done we shall not be surprised to see a very considerable revolt of American citizens when the census enumerators come to their doors.

[From the Allentown (Pa.) Call of February 26, 1940]

THE CENSUS PROBE INTO SMALL INCOMES

Congress will have to act rapidly if it decides to listen to the many petitions which are going out from this city and from many other parts of the country protesting those census questions which are considered mere prying into the personal affairs of the American people.

Already the Government knows the business affairs of the thousands of people who report their incomes for income-tax purposes. Under the census it would learn exactly what every person in the lower earning brackets receives in income from all sources in the course of a year.

While there is promise that this information is for census purposes only, and that census takers who reveal any information will be punished for violation of a trust, only too many people distrust the promise. They remember that income-tax reports were given the promise of inviolability, and then one day the United States Treasury Department published the mile-long lists that the newspapers promptly published, picking out those names of people in their own localities.

With the fear that this precedent may be followed, and with the belief that the Government has no real right to know what the lowliest-paid worker is getting—especially if that information is to be used for the extension of the tax base and new impositions upon the underpaid who already pay so much in hidden taxes—protests are going up from all parts of the country and in hundreds of newspapers.

But, as said before, action must be speedy to be effective. Five weeks from today the census men will begin their rounds and will be asking the host of questions that constitute the census report.

[From the Beaver Falls (Pa.) News-Tribune of March 2, 1940]

WHAT THE CENSUS MAN WILL ASK

There is a great deal of interest in the number and nature of the numerous questions that the army of census takers will ask when they are turned loose on the county in a few weeks.

There is much opposition to some of the questions that the census authorities propose to include in the list. There is no doubt that if the people were allowed to decide whether certain questions should be asked there would be a practically unanimous objection to many of them.

But we seem to be under a bureaucracy that believes that it rules the people instead of being the servants of the people.

The opposition to some of the questions is being led by Senator CHARLES TOBEY, of New Hampshire, who believes that some of the questions are not in accord with the law governing the taking of the census and, in addition, are an intrusion of the Government into the private affairs of citizens which should not be allowed.

The 130,000 census takers are supposed to keep the information they glean to themselves, but, knowing human nature as most of us do, we are ready to admit there will be a large number of leaks.

In addition, numerous commissions and bureaus will mull over the returns, and they must publish the information they obtain, so there is scarcely a thin veil of secrecy covering the information.

Secretary of Commerce Hopkins, who has supreme charge of the census, has decided what are the questions to be asked and whether you like it or not you will be interrogated as to the amount of your income the past year and its sources; whether you have been divorced; how old when first married and how many times you have been married; whether you own your own home; if mortgaged, to what amount; whether you pay your debts; whether you have a flush toilet and whether you use your bathtub.

Never before in the taking of the census have people been compelled to tell the amount of personal income.

There is high authority for believing that some of the questions asked are in direct violation of the Bill of Rights.

There is no place in the Census Act where the question of disclosing incomes is authorized.

This is precisely the way Hitlerism started in Germany more than a score of years ago.

That great Democrat, Jefferson, said that "the country that is least governed is best governed."

Senator TOBEY asks that you write to him telling him your opinion on the income question.

[From the Kansas City Daily Drovers Telegram of March 14, 1940]

TIRED OF SO MUCH GOVERNMENT?

We are told from Washington that all this fuss about answering census questions is one of those teapot tempests; that most of the questions about which so much complaint is being made have been asked in other years and were answered without argument.

Granting that this is so, it furnishes a guide to the present American temper and frame of mind which should be of interest to politicians and other national leaders. For if we, the people, are objecting to answering the same questions which we have answered unhesitatingly in others years, there must be a reason, and it isn't entirely impossible that this reason could be that we simply are getting tired of being shoved around by a lot of our public servants and their hirelings.

Never probably in all our history has the average American voter and taxpayer been cursed with as much of this sort of thing as in the last few years. Between the interminable tax reports and other statements businessmen are required to furnish under one law or another, they have been in such close and constant contact with Government that they are raw all over. Even the common garden variety of citizen, be he a wage earner or a relief client, finds himself rubbing elbows with some functionary at every turn. Farmers are told what to plant and where to plant it, and so active a part has Government taken in their affairs that they can hardly be blamed if they charge this same Government with a good share of the responsibility for their disappointments and failures.

In short, the present wave of public resentment against what may be just a lot of perfectly innocuous questions looks like it might be the beginning of a first-class popular revolt against all the snooping, prying, regulating, and shoving around that has been going on during the last decade. If it is, politicians who have thought that they were secure, and gliding along smoothly with little to worry about had better start trimming sail and getting ready for rough weather. For while the American citizen of today may be a lazy, procrastinating individual who would rather put up with some inconvenience than make a fuss, he's still just as stubborn and belligerent a customer as his pioneer ancestors when he finally does get mad.

[From the Baltimore Sun of March 16, 1940]

MR. HOPKINS IS MORE MUDDLED THAN USUAL

By order of Harry L. Hopkins, Secretary of Commerce, you are no longer under the necessity of telling your exact income to the census enumerator, even if it is less than $5,000; you may hand the information in a sealed envelope to the census enumerator, to be mailed to the Census Bureau.

Mr. Hopkins issued, along with the concession, a statement that exhibits a confusion of thought notable even in him. Reasserting his belief that the enumerators will keep their oath not to reveal any information given them, he proceeds to say: "To question their integrity is to question the democratic process."

Nonsense, and worse than nonsense. To question the integrity of jobholders of all sorts is the very heart of the democratic process. Under a despotism, nobody dares question a jobholder. Under a democracy, everybody questions all of them, and the more sharply they are questioned the more democratic the government. But job holders are job holders, under any form of government, and they naturally dislike being questioned; therefore, they tend to identify the questioning process with all sorts of objectionable procedures. Under an autocracy, they call it lese majesty; under a dictatorship they call it subversive activity; under a democracy, they call it an attack on the democratic process.

Under an autocracy or under a dictatorship they can put it down, but under a democracy they can only cry it down. When Mr. Hopkins cries it down he is not defending democracy; he is only expressing the age-old resentment of the job-holding class against the one restraint that prevents public servants from becoming public masters—an alert and suspicious public.

Presidential Third Term Resolution

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

LETTER FROM HON. WILLIAM H. SMATHERS, OF NEW JERSEY, TO PRESIDENT OF NEW JERSEY STATE ASSEMBLY

Mr. LEE. Mr. President, there appears in the CONGRESSIONAL RECORD under date of March 9 of this year, on page 2592, a copy of a resolution passed by the New Jersey Assembly memorializing Congress to pass legislation to prevent a violation of the third-term precedent. This resolution was introduced into the RECORD by the junior Senator from New Jersey [Mr. BARBOUR].

The resolution provides that each Member of Congress from the State of New Jersey shall receive a copy thereof; and while my colleague, Senator SMATHERS, is the senior Senator from New Jersey, he informs me that he has failed to receive a copy.

I therefore ask unanimous consent to have published in the Appendix of the RECORD a copy of a letter written by my colleague the Senator from New Jersey [Mr. SMATHERS] to the president of the New Jersey Assembly.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 16, 1940.*

PRESIDENT, NEW JERSEY STATE ASSEMBLY,
State House, Trenton, N. J.

DEAR SIR: Recently the Republican members of the New Jersey Assembly passed a resolution memorializing Congress to enact legislation to prevent any President from seeking a third term, and pointing out the inviolate and sacred precedent against the President's seeking more than two terms.

While the resolution provided that each Member of the Congress from the State of New Jersey should be sent a copy, the clerk must have thought that he would be wasting postage if he dispatched a copy to me. If this is the conclusion he reached, he was correct. Knowledge of the assembly resolution came to me through the CONGRESSIONAL RECORD—my distinguished colleague having received it and inserted it therein. However, I would like to have you forward to me a copy of the assembly resolution passed by the Republican members in 1939, expounding the sacredness of the two-term precedent; and also obtain and forward to me a copy of a resolution passed in 1928 by the Republican State committee of New Jersey, urging Calvin Coolidge to violate the two-term precedent that now has become so sacred in 1939.

I would like to have both of these resolutions, so that they may be placed in the CONGRESSIONAL RECORD, side by side, in order that those who may want to know how much credence to give to the recent assembly amendment may be able to see the whole picture.

Sincerely yours,

WM. H. SMATHERS.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. ARTHUR CAPPER, OF KANSAS

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by me on the American Forum of the Air on March 17, 1940, on the subject of reciprocal-trade agreements.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the few minutes I have tonight to tell why I am opposed to the proposed 3-year extension of the Reciprocal Trade Agreements Act I shall limit myself to five propositions:

1. The American farmer has lost part of the American market for his products, and his share of the export trade of the United States has been diminished, under the trade agreements.

2. The exports of American manufactures, on the whole, have increased more to nonagreement countries than to agreement countries.

3. Under these treaties the treaty ratification powers of the Senate, and the taxing powers of Congress, have been taken from the legislative branch of the Government and turned over to the executive, which I regard as a serious violation of a basic principle of Anglo-Saxon representative government.

4. The trade agreements have been used in the interest of power diplomacy, rather than in the interest of our foreign trade.

5. If the trade agreements principle as applied to date is sound, then our entire program of high wages, short hours, parity for agriculture, and a high American standard of living are unsound.

First, I will take up the case of the American farmer who, let me tell you, gets caught going and coming.

Under the high protective tariff system the farmer was penalized so the American manufacturer could have the domestic market.

Under the trade agreements, the American farmer is being penalized so the American manufacturer can build up his foreign market.

When the original trade agreements act was passed, nearly 6 years ago, the American farmer was promised that he would be protected in his American market, that the agreements would give him a larger export market for his products.

The exact opposite has happened.

As is generally known, there are two classes of imports of farm commodities. There are noncompetitive, such as rubber, coffee, bananas, etc. There are competitive, all farm commodities grown in marketable quantities in the United States.

Now what does the record show as to farm imports and exports? Here it is for the 5 fiscal years immediately preceding trade agreements and for the 5 fiscal years afterward.

According to the Department of Agriculture, which makes the division between competitive and noncompetitive farm products, the average annual imports of competitive farmer products for the 5 pre-trade-agreement years amounted to $495,395,000.

The average annual imports of competitive products for the first 5 years of the trade agreements amounted to $616,149,000.

Increase in competitive farm imports averaged $120,754,000 annually. This is an increase of 25 percent.

Average annual imports of noncompetitive farm products, on the other hand, show a decrease of $37,210,000, or 7 percent, annually for the 5 years of trade agreements. Average last 5 pre-trade-agreements years, $574,143,000; for the trade-agreement years, $536,933,000.

The annual average value of farm exports, 5 pre-trade-agreements years, was $982,593,000. For the 5 trade-agreements years, average annual value of farm exports was $784,244,000.

Farm exports averaged $184,389,000 less under the trade agreements. This is a decrease of approximately 20 percent.

Here is the picture:

Under the trade agreements imports of competitive farm products increased 25 percent.

Imports of noncompetitive farm commodities decreased 7 percent.

Exports of farm commodities decreased 20 percent.

In other words, farmers of foreign countries increased their sales in the American market 25 percent, while American farmers lost 20 percent of their foreign markets, in addition to losing that part of the American market which was taken by imports from abroad of competitive farm products.

Now, as to the total of all exports to agreement and nonagreement countries. In analyzing this comparison I have segregated five world areas that had declared or undeclared war, revolutions, invasions, embargoes, economic sanctions during most of the time of the trade agreements. These regions are greater Germany, Italy, Spain, Japan, and China.

During the past 6 years the first 6 months of 1934 and the first 6 months of 1939 were two periods fairly comparable.

Total exports to all countries in the first 6 months of 1934 were $1,036,053,000. In the first 6 months of 1939 they were $1,415,427,000, a gain of 33.4 percent.

Total exports to the war-torn areas show a decrease of 11.4 percent, from $257,245,000 to $227,745,000.

To all other countries total exports show an increase of 52.5 percent, from $778,808,000 to $1,187,682,000. This is most gratifying, and looks well for the trade agreements.

But if we break down these other countries into trade-agreement and non-trade-agreement countries we get the result:

Exports to trade-agreement countries, including Cuba—with Cuba we have really a bilateral trade agreement rather than the usual unilateral—exports to trade-agreement countries increased from $561,192,000 to $824,376,000. This is an increase of 46.8 percent.

But exports to the non-trade-agreements countries, outside the war-torn areas, increased from $221,120,000 to $374,238,000. This is an increase of 69.2 percent.

Imports of competitive farm products up 25 percent; exports of farm commodities down 20 percent.

Exports of all commodities to agreement countries up 46.8 percent; to nonagreement countries up 69.2 percent.

I say, by the pragmatic test—which means how does it work—the trade-agreements program so far as increasing our export markets is a failure. I have high regard for Secretary Hull, a great American, but in this matter he is on the wrong track. I say so far as the farmers are concerned, trade agreements have positively and seriously injured agriculture.

I am overwhelmed with appeals from farm organizations of Kansas and other Western States demanding that these trade agreements be repealed; if not repealed, then that ratification by the Senate as the Constitution provides be required. They demand this because they find these trade treaties are taking away from the American farmer enough of his American market to drive farm prices down to the point where the American farmer's purchasing power is seriously impaired.

Now, under our Constitution the Senate shares in the treaty-making power, by having the right to ratify or reject treaties negotiated by the Executive.

Also the taxing power under the Constitution is vested exclusively in Congress.

If these trade agreements are treaties, then the Senate should have the power to ratify or reject them.

If they are not treaties, then they are revenue laws—taxing power—because they change the rates of tariff duties prescribed in revenue acts passed by Congress.

It took the Anglo-Saxons hundreds of years to wrest the taxing power from the Executive and place it in the hands of the people, through their legislative representatives.

The trade agreements must violate one or the other of the constitutional provisions just cited. In my opinion they violate both.

In this connection let me remind you 18 of the 21 nations with whom we have negotiated trade agreements have required approval of their legislative bodies to make these treaties effective. The United States takes a place alongside the three exceptions—Ecuador, Venezuela, and Cuba—when it resorts to the indefensible, un-American, one-man, star-chamber method of negotiating trade agreements with foreign nations.

I maintain further that the bulk of the trade agreements Secretary Hull has negotiated were deliberately made for diplomatic purposes rather than for trade purposes. In many of these treaties the program seems to have been to purchase goodwill of foreign nations by granting these trade concessions at the expense of the American farmer. I protest with all my might against such a thoroughly un-American policy.

Lastly, we have built up a civilization in the United States based upon high wages, high prices, a high standard of living.

Except for agriculture, these high wages, high prices, high standard of living are either fixed by law or protected by government. In the case of agriculture, under the A. A. A. we subsidize farmers through the Agricultural Department to reduce production to hold up prices.

Then, through the State Department, we use these trade agreements to break down domestic prices, to bring in more goods from foreign countries produced at low wages, long hours. I say to you, the two programs just don't make sense.

I have seen a circus performer ride two horses at once—but never when the horses were going in opposite directions.

Our entire system of agriculture, trade, and industry in this country is going in the opposite direction from the trade-agreements program.

To me it is as plain as anything can be that we should abandon this nonsensical reciprocal trade agreements program as now being applied. If the Congress will not do that, it should certainly require ratification of all these trade agreements by the Senate, as the Constitution requires.

Wire Tapping

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

STATEMENTS BY THE ATTORNEY GENERAL AND THE DIRECTOR OF THE FEDERAL BUREAU OF INVESTIGATION

Mr. ASHURST. Mr. President, there has been considerable discussion, some in the Senate and much in the country, regarding what is called wire tapping. I ask unanimous consent that there be printed in the Appendix of the RECORD a statement by the Attorney General of the United States, issued this morning, regarding wire tapping, and that there also be printed a statement issued on March 13 by Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, on the same subject.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[For release, Monday morning papers, March 18, 1940]

Upon the recommendation of Director J. Edgar Hoover of the Federal Bureau of Investigation, Attorney General Robert H. Jackson today issued the following order:

"As of this date the provision of the manual governing the operations of the Federal Bureau of Investigation, which was adopted in 1931 on order of the Attorney General, and which reads as follows, is superseded:

" 'Wire tapping: Telephone or telegraph wires shall not be tapped unless prior authorization of the Director of the Bureau has been secured.' "

In its place and stead there is hereby reinstated the provision of the manual which prevailed until 1931:

"Unethical tactics: Wire tapping, entrapment, or the use of any other improper, illegal, or unethical tactics in procuring information in connection with investigative activity will not be tolerated by the Bureau."

There will further issue all United States attorneys and attorneys of the Department of Justice orders directing that no case originating in or investigated by any other department of the Government be presented to grand jury or otherwise prosecuted in which it appears that the case has been developed in whole or in part

as the result of wire tapping after April 1, 1940. Any case so developed shall be called to the attention of the Assistant Attorney General in charge of the Division and shall not be presented except upon special direction of the Attorney General.

This action is required in order that the rules governing the Federal Bureau of Investigation shall conform to the decisions of the Supreme Court in recent cases, which have held interception and divulgence of any wire communication to be forbidden by the terms of the Communications Act of 1934. These decisions have in effect overruled the contentions of the Department that it might use wire tapping in its crime-suppression efforts.

Charges of violation of several Federal laws, such as the income-tax laws, narcotic law, mail-fraud statute, and alcohol-tax law, are not investigated by the Federal Bureau of Investigation but by other departments of the Government. These agencies are not bound by this rule of the Attorney General. But all their cases are presented to grand juries and courts by Department of Justice attorneys. Cases, wherever originating, must, under this rule, be free of illegality on the part of the Government if they are to be presented to courts under the sponsorship of the Department of Justice. From the time of its reorganization under Attorney General Stone until 1931 the practice of wire tapping was not authorized in the Bureau of Investigation. In 1931 the Department of Justice had two investigative forces, the Federal Bureau of Investigation, in which wire tapping was prohibited, and the Prohibition Enforcement Bureau, in which wire tapping was resorted to. In 1931 Attorney General Mitchell was confronted with the inconsistency of the two practices and stated to a House Appropriations Committee as follows:

"The present condition in the Department cannot continue. We cannot have one bureau in which wire tapping is allowed and another in which it is prohibited. The same regulations must apply to all. * * * I think I should give a direction applicable to all bureaus and divisions in the Department that no tapping of wires should be permitted to any agent of the Department without the personal direction of the chief of the bureau involved after consultation with the Assistant Attorney General in charge of the case. Something, of course, can be said in favor of permitting the tapping of wires when efforts are being made to detect the perpetrators of heinous offenses or to apprehend and bring to punishment desperate gangs of criminals. In such cases the criminals are usually equipped with all modern scientific inventions such as the radio, the telephone, and the automobile, and the Government is at a considerable disadvantage in any event in dealing with them."

Thereafter the rules were amended to permit wire tapping by the Federal Bureau of Investigation in the discretion of the Director.

I am informed by the Director that this authority has been very little used and only in cases of extreme importance; that without the use of wire tapping several kidnaping cases would not have been solved; and that wire tapping has never been used in minor cases nor on Members of Congress, or officials, or any citizen except where charge of a grave crime had been lodged against him.

In view of the widespread charges of indiscriminate wire tapping, it is only fair to Mr. Hoover to state that the records of this Department show that on two occasions he has advised strongly against extension of wire tapping. In March 1939 he advised this Department to oppose a bill pending in Congress to legalize wire tapping, and stated his view as follows:

"While I concede that the telephone tap is from time to time of limited value in the criminal investigative field, I frankly and sincerely believe that if a statute of this kind were enacted the abuses arising therefrom would far outweigh the value which might accrue to law enforcement as a whole."

Upon another occasion he advised this Department against trying to sustain in the Supreme Court the practice of wire tapping.

Notwithstanding it will handicap the Federal Bureau of Investigation in solving some extremely serious cases, it is believed by the Attorney General and the Director of the Bureau that the discredit and suspicion of the law-enforcing branch which arises from the occasional use of wire tapping more than offsets the good which is likely to come to it. We have therefore completely abandoned the practice as to the Department of Justice.

In a limited class of cases, such as kidnaping, extortion, and racketeering, where the telephone is the usual means of conveying threats and information, it is the opinion of the present Attorney General, as it was of Attorney General Mitchell, that wire tapping should be authorized under some appropriate safeguard. Under the existing state of the law and decisions, this cannot be done unless Congress sees fit to modify the existing statutes.

MARCH 13, 1940.

STATEMENT BY MR. J. EDGAR HOOVER, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION, RELATIVE TO THE SUBJECT OF WIRE TAPPING

Recently statements have been reported in the press and have been made otherwise indicating that representatives of the Federal Bureau of Investigation have indiscriminately tapped the telephones of Members of Congress. This is untrue. At no time has the telephone of any Member of Congress been tapped by any representative of the Federal Bureau of Investigation since I have been Director of the Bureau.

Statements have also appeared to the effect that wire tapping has been used by representatives of the Federal Bureau of Investigation in violation of existing laws. At no time has there been a single instance of any action of this kind on the part of any representative of the Federal Bureau of Investigation since I have been Director of the Bureau.

Further allegations have been made to the effect that representatives of the Federal Bureau of Investigation have tapped wires indiscriminately and in violation of fundamental civil rights. At no time since I have been Director of the Bureau has this been done.

In 1939 I refused to endorse proposed legislation, which had been introduced in Congress, designed to legalize wire-tapping evidence obtained by Federal officers.

The Federal Bureau of Investigation has utilized wire tapping as a method of securing information of investigative value only in extraordinary situations and in an entirely legal manner, where either human life was at stake or where the activities of persons under investigation were of such an aggravated criminal nature as to justify the use of extraordinary means to detect their activities and cause their apprehension.

Friendly Sons of St. Patrick

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD a very patriotic and inspiring address delivered on Saturday night by Postmaster General Farley before the Friendly Sons of St. Patrick.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The sincere friendship and the eminent good will expressed by your distinguished President in his introduction of me are deeply appreciated. Coming from him, these sentiments mean more to me than you will ever know. For if the Friendly Sons of Saint Patrick don't feel that way toward me, who else would?

Speaking of introductions, I am happy to say that my introductions in all parts of the country have always been most hospitable, always most generous. Lately they have become somewhat of a problem, however, and I often find myself torn between two emotions. I cannot make up my mind whether to leave the room hurriedly, or whether to stay and hire the toastmaster for my manager.

No political implications are to be attached to the brief remarks I shall make this evening. I shall not presume on this festive occasion and this brilliant gathering with anything of that nature. In fact, I don't dare. My 14-year-old daughter, Ann, is listening in and Ann is quite adverse to my political proclivities. She wants me to give up politics entirely and spend more time at home.

Recently Ann was spending the evening with a chum and happened to hear the broadcast of the Jackson Day dinner, and my reference to fellow candidates. She immediately put on her things and hurried home to consult her mother.

"Mother," she said, "did you hear what dad said tonight over the radio?"

"Yes, I did," Mrs. Farley replied, "but I don't know what we can do about it."

Ann was silent for some time. Then she bent over, put her arms around her mother, and said:

"Mother, we will have to pray just twice as hard."

It is a genuine pleasure for me to have the privilege of attending this notable celebration. For Washington is favored in having a group of public-spirited citizens—newspapermen and men from other fields of endeavor—who assist each year in producing the pageant at the annual dinner of the Friendly Sons of Saint Patrick. I congratulate you on the delightful musical presentation we have just seen and heard.

It has been my good fortune to have twice visited Ireland within the past few years. I only wish that each of you might have accompanied me on those memorable journeys, for you would have brought back a profusion of happy and beautiful impressions. It is refreshing, indeed, to meet the generous, liberty-loving people in all walks of life in Ireland; to see their great cathedrals, and splendid churches; their ancient, magnificent universities, their schools and colleges; and to visit their enterprising cities and picturesque towns and counties.

In no other country in the world will you find at every glance a greater wealth of scenic beauty. The homes of the people, the fresh green meadows of the countryside, the protruding castles, the ancient ruins, and the moss-covered cemeteries are all of spe-

cial charm and interest. The mountains, rivers, and lakes, celebrated for centuries in song and story, make an impression of everlasting grandeur and romance. I believe that I shall never see a view more exquisite than the Lakes of Killarney.

And, while I am on the subject, may I repeat, once and for all, for the enlightenment of Mike Hennessy, of the Boston Globe, who is always raising the question, that when I visited Ireland I kissed the Blarney stone and the Blarney stone did not kiss me.

One of the things that astonished me in visiting Ireland was the universal interest of the people in all things relating to America. They know the names of our athletes, our educators, scientists, composers, our businessmen, and our public officials, particularly our Senators and Congressmen. I chuckled with mirth when the fine little curate of a parish in West Meath began to recount to me the eloquent achievements of "that grand gentleman from Mississippi," our mutual friend, Senator PAT HARRISON. Over there Pat is classified definitely as a Friendly Son of St. Patrick.

In Ireland they seem to have a feeling that the welfare of their country is bound up with the progress and success of America. The ideals of our democracy have had a strong appeal to them, our heroes have been their heroes, and the history of our struggle for liberty has always been an inspiration to them. Nathan Hale and Robert Emmet, two youthful patriots—one American, the other Irish—were executed from the gallows by the British within a comparatively short time of each other. Both died in their Nation's struggle for liberty. If we had no other bond in common, these two heroes would be a perpetual source of mutual inspiration for the youth of both America and Ireland.

The Bible says, "By their fruits ye shall know them." And on this St. Patrick's Day I ask you, Is there anything more gratifying to the American people, anything more convincing, as to the value and efficiency of our democratic institutions than the honest measure of progress that has been made under the Stars and Stripes by our citizens of Irish birth and Irish descent?

When our ancestors came here from Ireland practically all of them were the victims of centuries of oppression. They came from a country where their civil rights were suppressed; their property rights denied. But they had the genius of appreciation. They were high in their determination to make worthy citizens of a great republic, they were strong in their love of liberty, and they were steadfast in their Christian faith. Indeed, it would seem the very beatings they received in their efforts to preserve their freedom and their faith only served to bring melody, mirth, and song from their distracted hearts.

The radio has been vibrant this week with the melodies and ballads of Ireland. Rotary clubs, Kiwanis, and chambers of commerce have made Ireland the subject of the talks at their weekly luncheons; and many hundreds of these citizens who began their meeting with The Star-Spangled Banner ended it with the happy words and music of My Wild Irish Rose and When Irish Eyes Are Smiling.

Why is this? Surely it is not because these good people know so much about St. Patrick. They know a few legends, perhaps, like the one about the snakes, and the symbol of the shamrock, but that's about all. It is certainly not because they are acquainted with St. Patrick, the great Christian missionary, who harnessed the faith and fidelity of the people of Ireland into an organized force for the spread of Christian truth and the moulding of heroic Christian character.

No, my friends, the English-speaking world celebrates the festival of St. Patrick's Day because the Irishman, exiled from his native shores, has won a place in the hearts of all mankind for his wit, his song, his traditional courage, his flaming imagination, his patent suffering, and his indomitable will to preserve and maintain at the very cost of life itself those rights which God gave to every individual; rights which no man or group of men or the state may abolish without the consent of the governed.

Probably no race of people coming to our shores has been more appreciative of the blessings of freedom; and no race of people has done more to embrace the legitimate opportunities of our growing country with distinguished credit to themselves, their fellow citizens, and their beloved country. That is why the people of America join with us each year in the joyous festivity of the feast of St. Patrick.

We are living in strange times; times when so-called statesmen are experimenting with the forms of government that allow to citizens only such liberties as the ruler may dictate; systems of government under which one may not think aloud if his thought be different from the mind of the ruler. And it is not an altogether uncommon thing to hear so-called American citizens advocating the overthrow of our democracy that they might build upon its ruins one of the destructive "isms" of the Old World.

We cannot deny, of course, that there are many and serious faults in American democracy. Who will deny that there will be serious faults in any system of government so long as human beings direct it? But with all its faults, what is there under the other systems of government, after 20 years of experiment, that we would care to exchange for The Star-Spangled Banner and all it represents?

Despite what some may now say to the contrary, America is still the land of opportunity; opportunity for the poor to grow rich; the weak to grow strong, the honest to grow great. It has happened here; and opportunity still knocks every day at the door of our industrious and resourceful citizen.

Never let us forget the sacred purpose to which this hemisphere is dedicated. Recently my attention was called to Lamartine's Life of Christopher Columbus, which contains the prayer used by Columbus in dedicating this hemisphere. It is a significant reminder. This is the prayer: "Almighty and eternal God, who, by the energy of Thy creative word, hast made the firmament, the earth and sea, blessed and glorified be Thy name in all places. May Thy majesty and dominion be exalted forever and ever, as Thou has permitted Thy Holy Name to be made known and spread by the most humble of Thy servants in this hitherto unknown portion of Thy empire." He then christened this land with the name of Christ—the island of San Salvador.

With this thought in mind we must never permit our outlook on life, our American skyline, if you please, ever to become obscured by the cloud of social and economic problems. We must never allow the fabulous wealth of this Nation to deprive us of the simple virtues that have made this Nation the hope of all makind. We must never permit the ideals of this Republic to sink to a point where every American father and mother, regardless of race, color, or creed, cannot look proudly into the cradle of their new-born babe and see a future President of the United States.

I am speaking now of human realities—human realities that we can hand down to our children if we will but keep the faith of our fathers and cherish the bonds of unity that are so necessary, so essential, for our continued progress. Give America a united front, and there is no power on earth, within or without, that can weaken or destroy our democracy.

Every place I have gone today I have seen smiling faces. I have seen people everywhere wearing the green shamrock—the three-leaf shamrock. It is delightful to see a profusion of them in this representative assembly, because if there is any one thing that is the symbol of unity in our life today it is the Irishman's shamrock.

Here is the reason: After laboring zealously and with ever-increasing success to Christianize the Irish nation, St. Patrick discovered that there was still one sharp, difficult obstacle in the path of his mission. The people of Ireland, despite the eloquence of his cause, were not able to grasp the essential idea of the Holy Trinity. They could not, in all honesty, visualize the mystery of the unity of one God and the three Divine persons.

In this predicament St. Patrick sought out and appropriated for his purpose—yes; dramatized—the green and modest little shamrock, which, like our own three-leaf clover, grows in such abundance on the hillside and in the meadow. He pointed out that the three leaves of the shamrock exemplified the three persons of the Holy Trinity, and that the stem on which they grew represented the Godhead and was typical of the unity of three in one. With this illustration, the success of his mission was immediate and far-flung, and from that day to this, under all the stars of Christendom, the unity of God may be distinctly visualized by anyone who has a mind to do so.

My friends, is this not an opportune moment in the tragic period of contemporary history to take an inspiration from this lesson of the divine unity? Can we not find in it a clear light showing us the way out of our difficulties? Can we not find here an invitation from heaven itself calling to all our people to close ranks and to move forward in unity for the preservation of our democracy and the promotion of our American ideals and opportunities?

After laboring zealously and with ever increasing success for 7 years, we must acknowledge there is still one sharp, difficult obstacle in the path of the ultimate goal of this fine and generous Nation. We have in this land of material abundance, this paradise of the western world, 9,000,000 unemployed, unfortunate citizens looking for the chance to make an honest living; 9,000,000 people looking for the elemental necessities of life for themselves and for their dependents. In this group, it is estimated that there are more than 2,000,000 young men and women, in the flower of American youth, who have never been able to get a permanent job. Many of them have not been able to get a job at all.

If this condition were to go on indefinitely, the time will come when this large element, unemployed through no fault of their own, will lose faith in the ideals of the Republic. They will lose hope in the ability of our democracy to solve its pressing problems, and the morale of these millions will become so impaired, so destroyed, that the first effective demagogue that comes along will find them ripe for the harvest.

We are doing our utmost to remedy the situation, remedy it according to the accepted American tradition. We have employed the greatest creative minds that can be found. We have utilized the best brains of the great American universities. I am happy to say, we are making progress and I am firmly convinced that we will solve this problem as we have solved every other problem that has confronted us since the foundation of the Republic.

I believe we are going to solve it in the last analysis through a revitalized, a fresh-minted spirit of national unity and cooperation. I believe we are going to solve it in the melting pot of common sense by the united action of our sincere and patriotic people working together as one. If we keep before us the eternal purpose and essential unity of the founders of this Government, and if we will have but one objective in life, the fulfillment of our threefold obligation to our God, our country, and our neighbor, we can solve our problems definitely and without protraction.

The success of this Nation's prosperity stems upon a threefold, equally balanced development of industry, labor, and agriculture. As a product of our American institutions these three factors in our national life should and must necessarily thrive and flourish together as one. A perfect unity of this kind operating for the general welfare would draw down upon it the blessing of the Master, and with the loyal and energetic support of the friendly sons of Uncle Sam, which includes the friendly sons of Saint Patrick, there is no limit to the success, the happiness, and the prosperity to which the people of this country may not justly and conscientiously aspire.

In conclusion, may I leave with you the lesson of the shamrock under the Stars and Stripes, the thought of unity in American industry, labor, and agriculture, and the assurance of national happiness and success through loyalty and devotion to our God, our country, and our neighbor.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

LETTER BY EDWARD SNYDER

Mr. McCARRAN. Mr. President, in the next few days following the passage of the bill which is now the unfinished business, the Senate will take up what are known as the reciprocal-trade agreements. I believe there is no one more conversant with the effect of the reciprocal trade agreements policy on business and also on labor in America than is Mr. Edward Snyder, of Nevada. In a letter addressed to me, published in the Lincoln County Independent, Mr. Snyder goes into that subject quite at length, setting forth what ruinous effects the reciprocal-trade agreements have had on the mining industry in the West, and on labor in connection with the mining industry.

I ask that that letter in its entirety be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Hon. PAT MCCARRAN,
Senate Office Building, Washington, D. C.

DEAR SENATOR: As the House has passed the bill to renew the reciprocal trade treaty powers of the President, we sincerely hope the Senate will defeat the bill or amend it to make the trade treaties subject to ratification by a two-thirds vote of the Senate as the Constitution provides.

The zinc industry's experience with the State Department's economic rule, and the problems incident thereto, were ably covered in statements by Messrs. Julian D. Conover, Ernest V. Gent, and Evan Just before the Ways and Means Committee of the House, along with their suggestions as to modifications of the proposed act. For your convenience, I am forwarding, bound herewith, copies of said statements, along with a copy of my letter of February 24 to Senator WILLIAM H. KING (Senate Finance Committee).

I am attaching a statement showing the zinc imports by countries for the year 1938 as compared with 1939, from which you will note the imports for 1939 totaled 66,966 tons as compared to 226,157 tons in 1938. The imports for December 1939 totaled 15,700 tons, equivalent to a yearly rate of 188,400 tons. The total production of slab zinc in the United States during 1939 was 538,198 tons.

Of the total of 66,996 tons of zinc imported in 1939, only 8,015 tons (12 percent) came from Canada, the country with which the trade agrement was made. This agreement, like all other so-called reciprocal-trade agreements, affected tariff reductions for not only Canada but for all other countries with whom we have treaties by virtue of the most-favored-nation clause in all treaties.

The following salient facts relating to our Nevada operation will give you an idea of the importance of our industry to the employment problem and the other industries it helps to sustain:

(1) The yearly production of zinc from our Nevada mine from 108,000 tons of crude ore is 14,783 tons.

(2) The gross recoverable value or new wealth per annum had from the production of 108,000 tons of Pioche crude ore, using metal prices of gold ($35 per ounce), silver (71.11 cents per ounce), lead (at New York, 5 cents per pound), and prime western zinc (at St. Louis, 5 cents per pound), is estimated at $2,808,000, equivalent to $26 per ton of ore and $189.95 per ton of zinc recovered therefrom.

(3) The average number of men employed at the mine, mill, smelter, and reduction plants for the above production is 370; man-shifts worked per annum, 111,084; and man-shifts worked per ton of zinc, 7.51.

(4) The annual pay roll at mine, mill, smelter, and electrolytic plants to produce 14,783 tons of zinc from Pioche ore is estimated at $710,900, equivalent to $48.09 per ton of zinc.

(5) The dependent population in Utah, Nevada, and Montana supported by the Pioche ore production is estimated at 6,290 people based on Van de Graff's survey for Utah showing an average of 17 people dependent on each person employed in the mining and smelting industry, equivalent to more than 42 people supported for each 100 tons of zinc produced.

(6) The freight paid the railroads for the transportation of the ore, concentrates, bullion, and the metals from said ore is estimated at $670,680 per year, equivalent to $45.36 per ton of zinc. These figures do not include freight on fuel and supplies for the mine and plants nor on the supplies used by the communities sustained by the industry.

(7) The electric power purchased for the mining, milling, and reduction of the Pioche ore is estmated at $344,500 per annum, equivalent to $23.30 per ton of zinc produced.

(8) The supplies purchased for mine, mill, and electrolytic plants to produce 14,783 tons of zinc from Pioche ore are estimated at $271,000 per annum, equivalent to $18.33 per ton of zinc produced.

Assuming that the Canadian Government made the treaty with their eyes open and on a business basis, they undoubtedly did not make any large concessions to us in consideration of the reduction of $7 per ton the State Department granted on the duty on zinc. This reduction applied to the total of zinc imported from Canada during 1939 of 8,015 tons represents a total gross tariff concession to Canada of only $56,105 for the year. This concession, however, cost the American zinc producers during the first 8 months of 1939, $7 per ton on the 334,391 tons of zinc produced during that period, or a total of $2,340,737, as well as the loss of a domestic market for approximately 41,000 tons of zinc (representing the increase over 1938 in the total United States imports during the year 1939), and the loss of a production of not less than $4,500,000 in new wealth to the Nation as a whole. As the Indian would say, "Bum trade."

You can readily understand that the concession to Canada of $56,105 in duty reduction would have been of minor importance if it had not involved the large loss of market to Mexico, Peru, and Belgium, and the equivalent of a tax of $7 per ton on the entire domestic production of zinc. Why should the State Department have arbitrary powers to secretly make effective levies of this kind on selected industries?

There is no question in our minds that the State Department failed to properly analyze the effects of the zinc tariff reduction, or else deliberately reduced the duty with a view of subsidizing trade with Mexico, Peru, and Belgium, and used Canada as a blind, realizing the fact that the public wished an expansion of trade with our good neighbor to the north, and that the people generally would not appreciate the fact that the Canadian agreement was giving a substantial portion of our market to South America and Europe.

After analyzing the procedure used by the State Department in its treatment of the zinc industry, I cannot help but think its entire reciprocal-trade powers should be greatly reduced, if not entirely eliminated.

Someone may say why all this agitation by the zinc industry when the price of zinc is above the cost of production, as at present. The three outstanding reasons are:

1. High-grade foreign ores, combined with cheap labor, United States technology, and depreciated exchange make it possible for foreign producers to sell zinc in our market, duty paid, at a St. Louis price ranging from 4¼ to 4½ cents per pound, as compared to a cost of 5 cents per pound for a large portion of the domestic industry under present economic conditions.

2. In view of the above, the mine and plant development necessary to perpetuate the domestic industry are not warranted on the basis of existing duties, and the industry is forced to mark time as far as said development is concerned.

3. We believe large military stocks of zinc in Europe will be dumped in this market upon cessation of hostilities at prices far below the cost of production in the probable scramble for dollar exchange.

On your request, I shall be pleased to furnish any additional information I can on this subject.

As our Nevada wages, based on a union contract, vary at the rate of 40 cents per shift for each 1-cent variation in the price of zinc, you can readily understand why our men are vitally interested in the protection of their wages as well as their employment by an adequate duty on zinc. I know they will also appreciate anything you do to have the duty on zinc restored and to prevent the extension of power to the State Department that will jeopardize the tariffs on lead, copper, and other western raw materials.

This letter requires no answer.

With kind personal regards, I remain,

Yours sincerely,

EDWARD H. SNYDER.

Summary

	Per ton zinc	Per annum
New basic wealth (includes gold, silver, and lead) produced	$189.95	$2,808,000
Additional employment—Man shifts	7.51	111,084
Additional pay roll	$48.09	$710,900
Additional power business	$23.30	$344,500
Additional railroad freight revenue	$45.36	$670,680
Additional supplies purchased	$18.33	$271,000

Federal Taxation of Municipal Bonds

EXTENSION OF REMARKS

OF

HON. JOHN H. BANKHEAD, 2D

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

ADDRESS BY CECIL F. BATES

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an address delivered by Hon. Cecil F. Bates, mayor of Mobile, Ala., at the Southern Regional Conference of the United States Conference of Mayors, held at Birmingham, Ala., on March 8, 1940. The subject of Mr. Bates' address is Federal Taxation of Municipal Bonds. I think his speech is worthy of the thoughtful consideration of all persons who are interested in that subject.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The theories of dual sovereignty and intergovernmental immunity of the Federal and State Governments and their instrumentalities from interference, the one by the other, seems to have been established by the adoption of the Constitution of the United States on September 28, 1787.

It may be surprising to many of you to learn, however, that in the many cases arising since the adoption of the Constitution, where the validity of an act of a State legislature or of the Congress of the United States has been attacked on the ground that it violated one of these principles of government and was, therefore, unconstitutional, that there is not a single word contained in the Constitution of the United States which relates directly thereto.

These principles rest not upon any definite written words contained in the Constitution, but solely and only upon the decisions of the Supreme Court in its interpretation of the intent, theory, and underlying principles of government indicated by the Constitution as a whole. Many early cases challenged the sovereign right of the Federal Government and this principle did not come to be generally recognized until after the decision of the Supreme Court in 1819 in the case of *McCulloch* v. *Maryland*. In this case, Chief Justice Marshall, in delivering the decision of the Court, held that any State tax, whether discriminatory or not, on the operation of a Federal agency constituted an unconstitutional interference with the Federal Government. This case established for the first time the principle of dual sovereignty under the Constitution. This case was followed by a long line of decisions, each reaffirming the theory originally established in *McCulloch* v. *Maryland* and, quite often, more clearly and definitely established its scope. In the case of *Weston* v. *Charleston*, the Supreme Court, again speaking through Chief Justice Marshall, held that any tax which burdened the borrowing power of the Federal Government is unconstitutional, since "if the right to tax exists, it is a right which in its nature acknowledges no limit." With the coming of the decision of *Dobbins* v. *The Commissioner* and the case of *Collector* v. *Day*, in which latter case it was held that the salary received by a judge of probate in the State of Massachusetts was not subject to an income tax levied by the Federal Government, it has been accepted that the constitutional immunity applied reciprocally, and there has been since then little, if any, question as to the existence of this principle of government nor of its soundness.

This principle was definitely reaffirmed in the decision rendered in 1895, in the case of *Pollock* v. *The Farmers Loan and Trust Company*, involving the application of a Federal income tax on municipal bonds, wherein Chief Justice Fuller held, "A tax upon income derived from the interest on bonds issued by a municipal corporation is a tax upon the power of the State and its instrumentalities to borrow and is consequently repugnant to the Constitution of the United States." As late as 1934 the Supreme Court, speaking through Mr. Justice McReynolds, upheld the principle of constitutional immunity in these words: "No State may tax the appropriate means which the United States may employ for exercising their delegated powers; the United States may not tax the instrumentalities which a State may employ in the discharge of her governmental duties."

Although, in the case of *Helversing* v. *Gerhardt*, in which case a decision was rendered on May 16, 1938, and in the case of *Graves* v. *People, ex rel O'Keefe*, it was decided that, under the sixteenth amendment to the Constitution of the United States, the Federal income tax did apply to the officers and employees of the States and their instrumentalities, the established principles of dual sovereignty and tax immunity were again reaffirmed.

Since these principles of government were originally established in the early days of our existence and have been recognized and reaffirmed at various times throughout the life of our Government, there is doubtless a question in the minds of many of you as to why we should now be disturbed by the question of the levying of a Federal income tax upon the income derived from State and municipal bonds, and on what legal basis the messages of the President of the United States, sent to Congress on April 15, 1938, and January 19, 1939, and the efforts of the Treasury Department, urging the passage of legislation authorizing the levying of such an income tax, can possibly rest. It seems that it all comes about because of the adoption on February 25, 1913, of the sixteenth amendment to the Constitution of the United States, which is commonly known as the income-tax amendment, and which authorizes the levying of an income tax upon "income from whatever source derived." At the time of the submission of this amendment to the various States it was never, at any time or in any way, indicated that by its adoption the Federal Government would seek to levy a tax upon income derived from State or municipal bonds, but, on the other hand, all were led to believe that it was the sole and only purpose of this constitutional amendment to amend paragraph 3 of section 2, article I, of the Constitution, which provided that all direct taxes levied by the Federal Government should be apportioned among the States according to population. Although this amendment was adopted in 1913, no serious attempt had been made by the Federal Government to levy such an income tax, as is now proposed, until the time of the delivery of the message of the President in 1938. This present attempt is most interesting, in view of the fact that, since the time of the adoption of this amendment to our Constitution, there have been a number of decisions of the Supreme Court reaffirming the principles of dual sovereignty and reciprocal immunity, particularly the decision rendered by Mr. Justice McReynolds, from which I have quoted above. The Federal Government, now claiming that there has been delegated to it through the sixteenth amendment a right to tax the income derived from State and municipal securities, has attempted to exercise its right through legislation introduced in Congress, and with great gusto has offered to give to the States and their instrumentalities a reciprocal right to tax the income derived from Federal securities.

The reasons advanced as to the soundness and for the necessity of the passage of such legislation were stated by Mr. John W. Hanes, Under Secretary of the Treasury, to the special Senate committee on January 18, 1939, at which time he urged the extension of Federal income tax to the income from future issues of public securities. He gave three principal reasons to sustain his position: First, because the existence of tax-exempt securities permits large taxpayers to defeat the effect of a graduated income tax by switching to this type of investment to avoid payment of a tax in the higher brackets; second, because the existence of attractive bonds of a tax-exempt character makes the market too attractive for them, thus influencing investments in them and avoiding placing funds in productive enterprises involving risks; and, third, for the reason that even with an increased rate of interest the elimination of tax-exempt securities would, in fact, result in a substantial net financial gain to the Government as a whole.

Probably the best-informed man on this subject today, and surely the one who has conducted the most thorough study of the subject, is Dr. Harley L. Lutz, professor of public finance at Princeton University. Dr. Lutz made a thorough and exhaustive study of the tax-exempt securities held by large estates and reached the definite conclusion that the ownership of tax-exempt securities is incidental to the ownership of securities of corporate and private concerns. In the course of his study he analyzed the holdings of 3,044 estates of over a million dollars and 105,499 estates under that amount and found that the total ownership of State and municipal bonds amounted to only 5.63 percent of the total holdings of these estates. His study further developed the fact that it is only the investor who has an income of above $60,000 per year that begins buying this type of security. He further points out that, while Mr. Hanes claims that an investment in this type of security is so attractive to an investor that he will not invest his money in the ordinary enterprises involving risks; that the greater part of the State and local debt was created prior to the year 1930, at a time when business was at its best, industrial development was enjoying its greatest strides, and money for the development of private enterprises was more easily obtainable than at any other time. Dr. Lutz points out, in answer to the statement of Mr. Hanes, "the elimination of tax-exempt securities would, in fact, result in a substantial net financial gain to government as a whole"; that upon the imposition of such a tax the interest rate on Federal Government securities would so increase as to cost the Federal Government $187,000,000 per year in additional interest rates against an additional income of $204,000,000 from the tax, or a resulting net gain to the Federal Government of only $17,000,000 per year. Against this he estimates that there will be a resulting net loss to the States and their instrumentalities of at least $96,000,000 per year because of increase in tax rates, or a

net loss to the various governments through the reciprocal taxation of income from their securities of an amount of not less than $79,000,000 per year. The loss of such an amount is indeed staggering.

It might here be stated that the proposal will not, in general, affect the present debt in its present form, but would apply to future issues of bonds, including refunding bonds. Because of this fact, the actual increase in financing cost can only be estimated, using the present debt as a basis.

Of course, since it is proposed that the Federal Government, the States, and their instrumentalities would have a reciprocal right to tax the income from the bonds issued by each, the theory is that complete justice would be done. From even a casual study of the matter it will easily be seen that the justice of it all lies in theory alone and not at all in fact.

The theory of this proposal is that under the sixteenth amendment the Federal Government has a sovereign right to tax the income derived from bonds issued by the States and their instrumentalities. The right proposed to be given to the States, however, to tax the income of Federal securities would rest entirely upon the willingness of Congress to grant this right and its willingness for it to continue. If the states and their instrumentalities should ever allow the establishment of such a sovereign right, it could be abolished only through the adoption of an amendment to the Constitution, whereas the reciprocal right of the State and its instrumentalities to tax Federal securities could be abolished by the same Congress granting it or by any succeeding Congress. But assuming, for the purpose of considering this question, that such right would be accorded the States and their instrumentalities, as is proposed, and that this right would not be withdrawn, what then would be the actual effect of this legislation upon them? Since Dr. Lutz estimates it would bring about an annual loss to them of not less than $96,000,000 per year, the matter should surely be given serious study.

To begin with, in order that each State in the Union might enjoy some benefit of this reciprocal right, and that reciprocity might, to any extent exist, it would be necessary for each of the States to levy an income tax in order that an income might be derived by it from Federal securities. We find, however, that of the 48 States in the Union, 12 of them have no income-tax laws of any kind, and it would be necessary for these 12 States, in order that they might receive some measure of protection because of the levying of a Federal income tax upon their securities, to enact an income-tax law which, up to now, in the operation of their State governments, they have not found necessary to enact, or because of good and sufficient reasons the people of these States have not seen fit to authorize. Insofar as these States are concerned, the citizens would be required to pay added taxes, not now paid by them or necessary in the operation of their government, simply because of the invasion of their rights by the Federal Government. As to the States which now have an income tax in effect, it will be found that the rate of the tax in effect is, on an average, far less than the tax levied by the Federal Government, and that, on the very face of things, a true reciprocity would not and could not exist because of this vast difference in the rate of taxation. These States would then find themselves, although they now had a State income tax, in a position little better than the 12 States that do not have one. They would be faced with the necessity of either materially increasing their rate of taxation in order to recoup their loss to the Federal Government, or would be forced to the point of having to levy additional taxes in other forms to make up this terrific loss.

With reference to this matter Dr. Lutz has stated: "The unfairness and discrimination as between States is also illustrated by the fact that in Louisiana the added cost of interest would amount to 99.4 percent of the total income taxes collected, while in Wisconsin it would be 8.2 percent."

The theory, of course, of the Federal legislation is that all States and their instrumentalities would stand upon the same footing. Once again the Federal Government is entirely wrong in this assumption, because, after a study of the matter is made, it would be found that the ownership of Federal securities is not evenly held in the 48 States of the Union but that they are held largely in the States of Delaware, Massachusetts, New York, and Wisconsin. These States alone would have an opportunity of breaking even on this reciprocal legislation, or of possibly showing a small net profit by reason of its enactment.

As pitiful as would be the plight of the States of the Union by reason of the passage of such proposed reciprocal legislation, the position in which the municipalities of our country would find themselves would be even more horrifying. Of the 36 States of the Union which now levy an income tax, it is only in 13 of them that any attempt whatever is made to distribute to the municipalities of the State any part of the revenue derived by the State through income tax. In view of the fact that all of the States, with the exception of the 4 just mentioned, would themselves suffer a severe loss, it would hardly seem reasonable to expect that any one of them would be willing to increase the amount of this loss by distributing a part of the revenue collected from income on Federal securities to their respective municipalities. So with the vast majority of the municipalities of the Union, whatever increase in interest rates that might accrue because of the levying of an income tax on the income derived from their securities would be a total loss, which, of necessity, would have to be recouped through the levying of taxes in other forms.

Dr. Lutz, in his study of the effect of such legislation upon interest rates of the States and their instrumentalities, has reached the conclusion that there would be an increase of 0.614 to 100 points, or from slightly more than six-tenths of 1 percent to 1 percent in interest rates, amounting to an average increase of approximately 20 percent in the cost of State and municipal financing. His figures in this regard are supported very largely by the estimate of Mr. Hanes, and, in the light of studies made by municipal financial experts throughout the country, must be taken as very conservative.

The benefit of the smaller increase in tax rates would, of necessity, come to those States and municipalities of our country which are now or may hereafter be in the best financial condition, and because of this condition enjoy the benefit of smaller interest rates. In other words, the increase would be smaller in those States and cities which, because of the soundness of their financial condition, enjoy lower tax rates, and could, because of their stronger condition, better afford to pay the increase. The burden of the greater increase in tax rates, and therefore the greater increase in the costs of municipal financing, would fall upon those municipalities of our country which are now or which may hereafter be in a poorer financial condition or which are hampered by restrictive laws. Those municipalities, the least able to pay at all, would be those upon whom would fall the greater burden.

This conference is composed of mayors of the Southern States, and while this proposed legislation is not sectional in its character, I believe that we should here come to understand that its greatest burden would fall upon the States from which we come or upon the municipalities that we represent. We all know that it is the States and cities of the South, those States and cities which we represent at this conference, which, because of limited tax rates, because of other adverse circumstances, or because of their poorer financial condition, as compared with the richer States and cities of the East and the North, have had to pay for years a rate of interest greater than that paid by our other sister States and cities. If this legislation should come, the burden which we are now having to bear will be increased in greater proportion than that of any other section of our country. It is but reasonable for us to expect that the increase in our interest rates will be nearer 1 percent than six-tenths of 1 percent, and that our costs of financing will be increased well above the average of 20 percent.

Because of the vast scope of this subject and the limitation of time, it will not be possible for me to point out to you the amount of this increase on each of your individual cities. You can take the figures which I have given to you and apply them to your own debt situation, and in doing so I believe that you will arrive at a result which will be startling to everyone of you.

I come from a city which has just emerged from a most trying financial experience. It is a city which probably would be typical and might well be used as an illustration. Being located in the South, in a State of tax limitations, we have always had to pay the penalty in the interest rate borne by our bonds. We are struggling today because of the inroads of the State government, because of the relief burdens which have been placed upon us by relief legislation, and because of our limited income, to pay the interest now borne by our bonds and to operate our city on a most economical basis. Improvement is necessary in present services, and new facilities should be furnished. Because of a lack of revenue this cannot be done. Yet if this legislation be enacted into law, with a present debt of approximately $11,000,000, we would have forced upon us an added burden of approximately $100,000 per year as a contribution to the support of the Federal Government without the receipt of any additional revenue to compensate for this loss.

With the growth of our cities, we will, of necessity, have to issue new bonds, and municipal securities have in the past been issued at the rate of approximately a billion dollars per year. Many cities are now involved in the refinancing of their existing obligations, and many others will face the necessity of refunding their existing debt within the period of the next few years. We are not only confronted with the necessity of having to pay increased financing costs on these obligations, but, in the face of a tax levy which may vary from year to year with the convening of each succeeding Congress and the meeting of each State legislature, it will be a most difficult problem to sell our securities at all, as a prospective purchaser would never be able to determine, at the time of submitting his bid, what income-tax rates might be made effective during the life of a long-term security.

The proposed legislation speaks of reciprocal-tax rights and the curing of a bad situation by abolishing tax exemptions. There could only come true reciprocity in taxation between the Federal Government, the States, and their instrumentalities and a complete and just solution of the situation complained of by the abolishment of all tax exemption, whether it be on securities or on real estate. The only avenue of escape of the cities, and of the States as well, from the effect of the proposed legislation would be the levying of additional taxes upon property, a source of revenue which is now overburdened and at present constitutes approximately 80 percent of the revenue of the municipalities of our country. Yet when we go to collect this revenue, we find on every hand various pieces of Federal-owned property of great value which, because of its exemption from taxation, not only fails to contribute to the support of the local government within the jurisdiction of which it might be located, but does not even pay for the ordinary municipal service rendered to it by the community in which it is located. We find that this property is not only exempt from payment of ad valorem taxes, but that the exemption also applies to the costs of expensive improvements from which the property derives a special benefit, and which the people of the community must bear in addition to paying for the special benefits derived by each of their particular properties.

It has been estimated, and I believe correctly, that if the Federal Government paid taxes on the various properties owned by it,

and located within the limits of the States and their municipalities, at the prevailing rate of taxation, this would amount to $100,000,000 per year. The removing of this tax exemption existing in favor of the Federal Government would, of course, work to the benefit of the States and their instrumentalities, and would approximately offset the amount of loss which would be suffered by these levels of government by reason of the taxation of their securities.

There is hardly a municipality in our country which is not today suffering because of a lack of income. The sources of income of a municipality are limited and, as I have said, real estate bears approximately 80 percent of the cost of the Government. If there should be any additional burden placed upon this source of revenue, it should be done solely and only for the purpose of meeting the dire needs of the community and not for the purpose of affording a greater income to the Federal Government.

While this is, as I have stated, a conference of the mayors of our Southern States, this is not a sectional matter, although the burden would probably fall more heavily upon us. Its effect upon us, and upon every section of our country, is far too great for it to be a matter of partisan politics. No matter from what section of the country we may come or to what political faith we may adhere, this is a matter which knows no sectional lines nor party principles. We are all affected most drastically because of the proposed legislation, and each of us should realize the importance and absolute necessity of its defeat. We should each go home firmly resolved that we will continue to carry on the fight and will forcibly bring to the attention of the Senators and Congressmen of our respective States and districts that they are, in the final analysis, the representatives of the people of our States and districts, and, since this proposed legislation adversely affects the interest of every one of their constituents, that they should join in our fight against this legislation and bring about its final and lasting defeat.

Authority Vested in Government Bureaus

EXTENSION OF REMARKS

OF

HON. JOHN E. MILLER

OF ARKANSAS

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE EL DORADO (ARK.) DAILY NEWS OF MARCH 13, 1940

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial dealing with the authority vested in Government bureaus, published in the El Dorado Daily News, published by Clyde E. Palmer, at El Dorado, Ark., on March 13, 1940.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the El Dorado (Ark.) Daily News of March 13, 1940]

SUPREME COURT PASSES BUCK TO CONGRESS

One of the most important decisions rendered by the United States Supreme Court since it assumed its New Deal dress was a decision late in January wherein Justice Frankfurter developed the opinion of the Court in the case of the Federal Communications Commission versus the Pottsville Broadcasting Co.

While this decision was of primary interest to the broadcasting industry, yet its implications are so broad as to be of major importance to every line of industry and commerce in these days of Federal regulation and supervision and of governmental commissions whose edicts and rulings have the force of statutory law.

In effect, the Supreme Court passes the buck to Congress. While the opinion brings out the fact that basic characteristics of trial procedure, rules of evidence, and general principles of appellate review have been established over a long period of time, yet modern administrative tribunals are the comparatively recent outgrowth of far different conditions. The opinion points out the striking extent to which administrative agencies have been invested with power far exceeding and different from conventional judicial modes for adjusting conflicting claims; that "administrative agencies have power themselves to initiate inquiry or, when their authority is invoked, to control the range of investigation in ascertaining what is to satisfy the requirements of the public interest in relation to the needs of vast regions and sometimes the whole Nation in the enjoyment of facilities for transportation, communication, and other essential public services."

Further, that the laws under which these agencies operate prescribe the fundamentals of fair play. However, from this point on the decision evidently is based on the idea that if Congress, in the enactment of a statute, does not properly provide for fair play between various interests in the proceedings of an agency which Congress sets up, the onus of correcting any miscarriage of justice lies with the Congress rather than the courts.

In the specific statement, "But courts are not charged with general guardianship against all potential mischief in complicated tasks of government, the present case makes timely the reminder that legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts.' Congress, which creates and sustains these agencies, must be trusted to correct whatever defects experience may reveal. Interference by the courts is not conducive to the development of habits of responsibility in administrative agencies."

Here is plain notice to the people of the United States that the Supreme Court disavows any responsibility upon them to protect the people from even those most glaring inequities and injustices from bureaucratic and autocratic policies or rulings of the innumerable Federal agencies where Congress in the enactment of the law under which such agencies are established has not included provision requiring equity and fair dealing of such agencies with the public.

The challenge from the Supreme Court of the United States to the Congress is clear and unmistakable in this decision, and creates a vital necessity for immediate corrective legislation by Congress.

Preparing Coercion

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE WASHINGTON POST OF MARCH 15, 1940

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial published in the Washington Post of March 15, 1940, entitled "Preparing Coercion."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 15, 1940]

PREPARING COERCION

Albert S. Goss, Land Bank Commissioner, whose resignation has just been announced, is the third high official to retire from the Farm Credit Administration since its transfer by Executive order to the Department of Agriculture.

Mr. Goss confirms reports that a major conflict has developed over the policies to be pursued by the agencies of the F. C. A. In a formal statement he indicates that the farmer-managed cooperative system, based on careful selection of risks and joint responsibility of borrowers, is being jeopardized by efforts to use the system for political purposes.

The fact that a Presidential election is in the offing may help to explain the urgency of the pressure to relax lending safeguards, as Mr. Goss hints. But the major cause of the conflict of policies goes deeper. It grows out of fundamentally different conceptions of what the objectives of the Farm Credit System should be.

The former management of the F. C. A. rightly believed that a strictly independent organization, free from political influences, is essential both to prevent dissipation of public funds through unsound loans, and to achieve the original objectives of the Farm Credit System. That was to establish permanent credit agencies controlled and owned by farmers and able to finance themselves without Government subsidies.

Since the F. C. A. has become a subordinate unit of the Department of Agriculture, subject to the control of the Secretary of Agriculture and his appointees, attainment of that goal has been jeopardized. Mr. Goss asserts that the present tendency is "toward a type of so-called credit in which personal responsibility is denied, loans are made to everybody, no adequate margin of safety is provided, and the Government pays the loss whenever the borrower wants to quit paying."

That is the almost inevitable result of making the F. C. A. an integral part of the Department of Agriculture, with its innumerable programs for crop control, price stabilization, and various forms of aid for farmers, all providing relief under the guise of loans. It is no secret, indeed, that Secretary Wallace and the newly appointed F. C. A. governor, Mr. A. G. Black, lean toward the type of easy credit which Mr. Goss denounces.

Mr. Black recently stated that the F. C. A. is "taking the broad social view that its duty is to help farmers become landowners, even if it has to adopt special measures to help them." He also said that, while farmers would not be required to participate in A. A. A. crop-control programs, the F. C. A. would suggest that they take part. In short, it seems plain that the new management favors using the F. C. A. as a weapon to force upon farmers the agricultural programs of the administration.

If the F. C. A. is to become completely integrated with the Department of Agriculture in this fashion its doom is sealed. For a sound, self-supporting system of agricultural credit must be based on sound credit policies. It is impossible to mix politics with banking without courting disaster. It is equally impossible to combine relief with sound credit management.

As the former president of the Federal Land Bank of Spokane said in tendering his resignation recently: "The thing that makes integration with the Department of Agriculture unsafe for the Farm Credit Administration is that the Secretary of Agriculture, with all his multitudinous programs, must be continually asking Congress for legislative assistance and appropriations of public funds. It is only common sense to say that under present procedure these things cannot be accomplished without concessions here and there along the line, in which political patronage is very definitely involved."

Prompt action is essential if the F. C. A., which has been in process of upbuilding for almost a quarter of a century, is to be saved for the farmers. The least that Congress should do is to appoint an investigating committee to inquire into the causes of the upheaval that has deprived the Farm Credit Administration of trusted and valued officials.

In the light of the information secured, it would then be possible to follow a conscious legislative policy, designed either to save or deliberately to transform the existing system. As matters now stand, the issue is likely to be irrevocably decided by personal decision of the Secretary of Agriculture and his aides.

Regulation of Investment Trusts

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE NEW YORK TIMES OF MARCH 16, 1940

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix to the RECORD an editorial entitled "Overdue Regulation," appearing in the New York Times of March 16, 1940.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 16, 1940]

OVERDUE REGULATION

Proper regulation of investment trusts has been long overdue. Many shocking abuses and scandals on the part of poorly managed companies, with attendant losses to a class of investors who could least afford them, could have been avoided if such regulation had been instituted 10 or 15 years ago when investment trusts on a large scale were first making their appearance here. The main justification for the very existence of investment trusts is the service they can perform for small or uninformed investors. The small investor who does not want to put all his eggs in one basket but who lacks the funds to distribute his risks among a large number of companies, and who would probably in any case lack the detailed knowledge necessary to choose a large number of investments wisely, may find the solution of his problem in purchasing the securities of a well-managed investment trust. The trust can then diversify its own investments and keep an alert watch over them. The well-managed investment trust, in other words, performs a function which in a way parallels that of the savings bank, the chief difference being that it offers investors the possibility of a greater return on their investment or of an increase in their capital, with, of course, a corresponding risk of capital shrinkage. But there is no excuse whatever for the existence of investment trusts that are primarily speculative vehicles or instruments for manipulation by their managers.

It is true that the worst abuses by investment trusts seem to belong definitely to the past, and that there have always been many well-managed companies of the highest integrity. But this is no reason why proper regulation should not be instituted to assure that past abuses will not return and that any remaining abuses will be abolished. The best investment trusts will doubtless welcome such regulation because its existence will tend to increase public confidence in the trusts as a whole, just as the strict regulation of savings banks has led to such high public confidence in the latter.

The Lea-Wagner bill gives the general impression of a moderate and well-considered measure. It does not require the simplification of existing systems of investment companies, but does try to eliminate the evils of complex capital structures in the future. It is difficult to see any objection to its requirements for full publicity of the compensation paid to managers; for annual or other periodical reports; for authorizing the S. E. C. to prescribe uniform accounting and auditing methods and to examine books. There seems good reason for the provisions putting minimum and maximum limits on the size of trusts. The bill has a constructive aim in its attempt to permit and encourage a type of investment company that could invest its funds in new industrial enterprises on the condition that it plainly informed its stockholders that such investment was its policy. Anything that can encourage the supply of risk capital for new ventures, particularly at the present time, should be welcomed.

All this does not mean that the Lea-Wagner bill must be blindly endorsed as it stands. Some of the matters with which it deals are highly technical; they call for full hearings and thorough study. Questions may properly be raised concerning the wisdom of individual provisions, concerning the broader question of whether or not too much discretionary power is placed by the bill in the hands of the S. E. C., concerning, perhaps, the still broader question of the extent to which this type of regulation should be State or Federal. But the need for proper governmental regulation of the investment trusts, which this bill recognizes, is not in the realm of doubt.

Traffic in Intoxicating Liquor Has no Place in a Democracy

EXTENSION OF REMARKS

OF

HON. EDWARD H. REES

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

ADDRESS BY HON. EDWARD H. REES, OF KANSAS

Mr. REES of Kansas. Mr. Speaker, under leave given me by unanimous consent of the House to extend my remarks in the RECORD, I include herewith the following address that I delivered at the annual banquet of the Woman's Christian Temperance Union at the Rosevelt Hotel on Wednesday evening, March 13, 1940:

It is a distinct privilege on my part to meet with a distinguished group that has an enviable record dedicated for the betterment of human kind. And it is also an honor on my part to meet with you in the atmosphere of the Nation's Capitol.

If time would permit, it would be interesting to review the record of the organization represented by this group. It would, I am sure be surprising, even astounding, if it were possible to know something about the effectiveness and influence this organization has had upon the people of this country through the years. We owe an obligation that we will never be able to repay, to those men and women representing organizations of this kind, who have given unselfishly of their time, their money, and their very lives in order that the various communities of the country may provide better opportunities for the generations to follow.

It would be interesting, if we had the time, to review the story of the founding of the Woman's Christian Temperance Union, and to follow its development through the last 65 years. The life story of Mary A. Livermore is most fascinating; Ella Wheeler Wilcox, Frances Willard, and hundreds of unnamed patriots who have fought the good fight for the betterment and uplift of human kind. As evidence of the universal esteem in which Frances Willard was held by this country—a white marble statute was placed in the Hall of Fame in the Nation's Capitol in 1905—the first to be placed there in honor of a distinguished woman.

We seem to be living in bewildered and confused times. It would appear that our present civilization just doesn't seem to be able to adjust itself to the advancement of modern science and invention. With all our background, and all of our experience, and with the advancements we think we have made in the progress of civilization—we still seem to be unable to solve problems that are close to us. Hardly anyone, anywhere, really wants war. And yet, almost half the people of the world are either directly or indirectly involved in war.

That leads me to this statement, that while we are interested in the conflict that is going on in Europe, and while we realize that it does affect us and our country and we cannot turn our backs on that situation, it is my opinion that we should not focus our attention so deeply upon the affairs of Europe that we neglect the most important and vital problems in our homeland. Let it be understood here and now that while we can not entirely separate ourselves from Europe and its war problems, the United States of America must not, and shall not, become involved in that crisis.

We must give more concern to our own problems, if we expect our democratic form of government to endure. Democracy throughout the world is on trial. It will prevail in the United States, but it is up to the American people to prove that democracy will actually work.

The question under discussion here this evening—the liquor question—is not the only important one. There must be some-

thing wrong when we are said to have a surplus of food in this country, when farmers are asked to cooperate in cutting down the production of things people eat and wear, and yet "one-third of our people are ill-housed, ill-fed, and ill-clad." Here we are, in a great democracy, with lots of things to do, and yet with 10,000,000 men willing to work and unable to find jobs. Nobody likes this situation. Nobody wants it, but we seem to be able to do so little concerning it.

The problem of the use and abuse of alcohol, like the poor, "has been with us always." Why do we care about this problem? It is because it goes to the very heart of civilization itself and because as our civilization becomes more complex and as we make progress socially, scientifically, and industrially we come more and more to a realization of the importance of dealing with the question of the abuse and use of intoxicating liquor. I believe the time is not very far distant when the people of this country are going to realize that the use of alcohol and the abuse of it do not belong in a democracy.

One of the most severe criticisms that can be levied at our democracy is our crime situation and the manner in which we deal with it. America's crime record is a national disgrace. The most serious phase is the number of youthful criminals. So long as the greatest single cause of crime—the excessive use of intoxicating liquor—is permitted, protected, and even promoted by the Government, crime will continue to be as deadly and costly as war. Right now the combination of liquor and other violations is growing worse.

J. Edgar Hoover in his report last year said that the crime bill amounted to about $15,000,000,000—6 times the cost of education; more than our exports; 10 times the cost of maintaining our Army and Navy in normal times; represents one-fourth of the national income. It is one and one-half times as much as was appropriated by Congress to run all the departments of the Government and to pay all of its obligations for a year and still have $6,000,000,000 left.

We are privileged tonight to meet in the great city of Washington, the greatest Capital City of the world. There is none like it. London is a metropolis, Paris a city of French culture. Washington knows no East, no West, no North, no South. It is the Capital City of the United States of America. Americans throughout the country have contributed to its support. They are proud of it. Hundreds of millions of dollars have been spent on this home for the capital of the greatest democracy in the world. We have idealized it and decorated it with fine buildings and memorials—the Washington Monument, the Lincoln Memorial, the Congressional Library, the home of Robert E. Lee, the Tomb of the Unknown Soldier, with all they mean and symbolize to the American people.

It is a city of beautiful homes and parks—a city where business hasn't even known there was a depression during the past 10 years—and yet I am told on this very night that crime is rampant here. I have read through the newspapers during the last 2 or 3 days about the trouble they are having enforcing the laws, and especially the laws dealing with the sale of liquor in the District of Columbia.

I am informed there are over 2,000 places where various kinds of intoxicants are sold. There are 400 hard-liquor stores in the Nation's Capital. In Virginia there are 89; in the State of Alabama, 58; and in Pennsylvania, where the population is 16 times as great, there are 560 such stores.

What does that have to do with the situation? We will look at it for a moment. Last year there were approximately 18,000 arrests in Washington of persons who were either drunk in public places or driving while under the influence of liquor. Those in authority say that intoxication is the cause of 55 percent of all jail commitments. Right here, in your Nation's Capital, it costs a million dollars to take care of the prisons each year, and the workhouse population has increased 80 percent since 1930.

One of the national health problems today is what to do with the increasing number of alcoholic addicts. Dr. Merrill Moore, in the Boston City Hospital, has made a careful study that appears in the New England Journal of Medicine for January 1939, in which he says, "Alcoholism is to be classed as one of the three major problems of health. Tuberculosis and syphilis are the other two."

Life-insurance companies in recent years have been giving the effect of liquor on health a lot of careful consideration. The Northwestern Insurance Co. in its report shows the first three causes for turning down risks are high-blood pressure, excessive use of liquor, and heart impairments. Of the average 100 cases rejected, 27 are high-blood pressure, 24 for undue use of liquor, and 21 for heart impairments.

The Travelers' Insurance Co. in a report entitled "Lest We Forget" has this to say: "The time will come when driving after drinking will be placed in the same category as carrying concealed weapons and highway robbery."

I cite these two items to show that life-insurance companies, who deal with the problem of life on a cold-blooded basis, deem this as one of the most important of their problems in the consideration of life-insurance risks.

As I said before, we just do not seem to be able to adjust ourselves to our modern and scientific inventions. The modern automobile in the hands of one who does not have complete control of himself is a dangerous weapon. Last year 36,000 people were killed on the highways of this country and more than a million were injured. That means that someone is killed every 16 minutes and someone is hurt every half minute.

The National Safety Council in a report states that from 9 to 13 percent of the persons involved in automobile accidents had been using intoxicating liquor. We have a most glaring inconsistency in the promotion of safety campaigns. We are urged to drive safely and sanely. We must observe the signs on the highways and be careful—and then we clutter the highways and roadsides with signs urging the use of alcoholic drinks of all kinds. Newspapers and magazines on the one hand have articles about safety, and on the next page you will read attractive advertisements about the fine qualities of alcoholic beverages. The expenditure of millions for safe highways doesn't fit in very well with the advertising of a thing that makes driving hazardous.

Time will not permit us to discuss at length the economic phases of the problem, but I would like to direct your attention to a few striking comparative figures: We spent about $2,000,000,000 in taxes for our elementary and high schools last year, and about six hundred million for our universities and colleges. The American people spent approximately $5,000,000,000 for alcoholic beverages. Our expenditure in 1939 for elementary and high-school education was $15.30 per capita. It was 38.93 per capita for alcoholic beverages. We spent more money last year for drink than was spent by all the public agencies for the people who are on relief. We talk a lot about the youth problem. The total amount spent for N. Y. A. last year was two hundred and ninety-two million—about one-fifteenth of our liquor bill.

Perhaps I can put it another way: If we could have used the $5,000,000,000 that was wasted for alcoholic beverages last year we could have bought an 80-acre farm at $2,500 for 2,000,000 of our destitute farmers, or it would buy homes for 1½ million tenants at $3,000 each.

Our Government and our people are struggling with the employment of youth and yet we permit the cultivation of habits that impair them and help prevent them from securing positions of responsibility. We talk a good deal about the question of national defense. We spent billions of dollars in trying to bring about a more adequate defense program. We are told that the physical well-being as well as the mental well-being of our people is the first line of defense. Someone has said that the strength and endurance as well as the intelligence of our men in the Army and Navy are far more important than the airplanes and other modern equipment placed in their charge.

I said a moment ago that the unemployment problem is one of the gravest and most difficult to solve. We have 10,000,000 men out of employment today. The $5,000,000,000 I have just mentioned would provide the heads of 10,000,000 families with approximately $40 per month for every month of the year.

We must attack this situation from a much broader scope than we have tried to do it before. We cannot ignore the moral side of it, of course; but we have got to take into consideration all these other phases of the question. All forces interested in this question must join hands and work together for a broad, planned program of education through the schools, through the home, and through the church. But also through all other groups of all kinds, bringing to the attention of the thinking public—yes, arousing their attention to the demoralizing effects of the excessive use of intoxicating liquor upon the social, moral, and economic well-being of the people of this country. Give everyone to understand that this is a question that involves everybody, whether they know it or not.

We are going to have to depend upon the churches, the homes, and the schools; and I believe we are going to have to enlist the cooperation and assistance of the various organizations throughout the country in an effort to bring home to the people that the well-being of the people of this democracy is being retarded in its health and in its social and economic life because of the excessive use of alcoholic drink.

The liquor interests told us when the eighteenth amendment was repealed that the amendment itself retarded progress; that it was a partial cause in the increase of crime in this country; and, above all things, they pledged their support to see to it that better conditions would come about after this law was set aside. They just did not keep the faith.

When repeal of the eighteenth amendment was enacted in December 1933 the President said: "The policy of the Government will be to see to it that the social and political evils that have existed in preprohibition era shall not be revived or permitted to exist. I trust that the good sense of the American people will not bring the curse of excessive use of intoxicating liquors to the detriment of the health and morals and social integrity. The objective is the education of a greater temperance throughout the country."

The liquor interests also told us that the repeal of the eighteenth amendment would bring about reemployment and was one of the first requisites for prosperity. The answer to this statement is obvious. We still have the national debt and still have 10,000,000 unemployed.

It is unfortunate, it is a shame and a crime, that the Federal Government has not been able to do much about the liquor problem. I think one of the unfortunate things that has been done by our Federal Government is the appropriation of several million dollars in subsidies to the Virgin Islands to be used for the purpose of manufacturing alcoholic beverages. The waste and expenditure of funds is enough, but the use that is made of them makes the situation still worse.

The greatest sin, I believe, that is being committed by the people of this country is the sin of indifference. We know about these problems, but we do not have the courage of our convictions to deal with them. This is true of so many things that have to do with situations affecting our public life. Our tendency has been to "let the other fellow do it." What we need is an aroused and inspired public cooperation, with a realization and appreciation of the fact

that we have made a dismal failure in the settling of this question. You and I are responsible for the situation as it exists just so long as we do nothing about it. It is your responsibility. It is the responsibility of every red-blooded American citizen.

Those pioneers who have gone before us left a heritage and a challenge that we would maintain and perpetuate the principles of a great democracy. We have been sleeping on the job. I don't believe the expenditure of twice as much money for alcoholic liquor as for educational purposes promotes the general welfare. Nor does spending more money for liquor than we spend for relief and for the churches and hospitals combined help to secure the blessings of liberty. Certainly to increase the population of our jails and workhouses and to contribute to the increase of death on our highways doesn't promote domestic tranquillity or provide for the common defense. You can't make me believe that the pouring of alcoholic beverages into the delicate digestive systems of the people of this country is in the best interests of a great democracy.

Just to "pass a law" will do no good. It was Lincoln who said: "With public sentiment, nothing can fail. Without it, nothing can succeed. Consequently he who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions. He makes statutes and decisions possible or impossible to be executed."

In the name of the founding fathers of a great democracy, in the spirit of love for the greatest Government in all the world in devotion to our homes, our institutions, our liberties, and all that is near and dear in life, we ask the liberty-loving people of this great Nation to meet the challenge of the day and join in a determination to rid our country of this enemy of humankind.

Farm Imports

EXTENSION OF REMARKS

OF

HON. FRANK CARLSON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. CARLSON. Mr. Speaker, under leave to extend my remarks, I am including a table showing the increase of competitive agricultural imports in the year 1939 over the year 1938. It is most discouraging to note that the farmers of this Nation are losing their American market. This table contains some startling figures in regard to the great increase in the importation of cattle, mutton, hides, potatoes, wool, raw wool, wool noils, wastes and rags, milk, casein, and silver-fox furs.

United States imports of agricultural products for calendar years 1938–39

[U. S. Department of Commerce figures]

Import items	Unit	1938	1939
Cattle	Head	424,022	753,570
Canned beef	Pound	78,597,000	85,863,000
Mutton, fresh	Pound	43	105,090
Hides and skins (total)	Pound	181,951,000	323,446,000
Cattle hides	Pound	59,650,000	134,107,000
Sheep and lamb skins	Pound	32,649,000	63,776,000
Silver-fox fur skins	Number	16,468	133,251
Barley	Bushel	126,000	776,000
Oats	Bushel	7,183	4,293,000
Wheat (all)	Bushel	3,829,000	10,747,000
Wheat flour	Pound	14,289,000	17,279,000
Hay	Ton	18,954	48,348
Wheat byproduct feeds	Ton	58,394	458,957
Chickpeas, dried	Pound	7,728,000	8,332,000
Potatoes, white or irish	Pound	45,820,000	93,859,000
Potato starch	Pound	6,746,000	10,984,000
Tapioca	Pound	230,879,000	382,803,000
Sago	Pound	11,803,000	22,807,000
Arrowroot	Pound	5,653,000	8,346,000
Peas, canned	Pound	450,000	1,159,000
Pineapples, prepared	Pound	31,524,000	74,991,000
Apples	Bushel	26,020	45,982
Cherries, fresh	Pound	855,000	1,482,000
Wool, unmanufactured	Pound	104,274,000	245,970,000
Wool noils, wastes, and rags	Pound	3,803,000	18,343,000
Tobacco, unmanufactured	Pound	71,406,000	82,447,000
Flaxseed	Bushel	15,364,000	16,028,000
Castor beans	Pound	114,073,000	162,611,000
Maple sugar and sirup	Pound	3,984,000	12,268,000
Cheese	Pound	54,432,000	59,071,000
Milk, fresh	Gallon	6,008	22,056
Milk, dried and malted	Pound	80,735	2,465,032
Casein	Pound	417,000	15,832,000
Eggs, in shell	Dozen	231,784	328,523
Brazil or cream nuts	Pound	28,647,000	32,500,000
Filberts	Pound	2,357,000	3,629,000
Pecans	Pound	147,000	214,000
Cashew nuts	Pound	26,069,000	29,466,000

NOTE.—1939 increases over 1938.

Importance of Construction of Roads and Trails

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. WHITE of Idaho. Mr. Speaker, the construction of roads and trails to open the inaccessible regions in vast, rugged, mountainous sections of the West is one of the most important undertakings depending on the policy of the Federal Government. The development of the extensive mineral, timber, and water-power resources of this important section of our country is entirely dependent on the construction of the necessary roads by the Federal Government. In support of the program, I have appeared before the Senate Appropriation Committee and presented the facts concerning this appropriation, which is submitted for the RECORD.

Mr. Chairman, I come to you to speak about one of the most important appropriations carried in this appropriation bill, as I see it. That is the item for forest roads and trails. I understand the Budget authorization of $10,000,000 has been cut by the House to $7,500,000.

IMPORTANCE OF DEVELOPING ROADS AND TRAILS

In dealing with the appropriation for forest roads and trails we are dealing with the development of our great resources which are inaccessible. I have a very heavy responsibility in representing a district which contains the greatest concentration of national forests within the United States. There may be a little greater area in California, but in that great strip of country which commences at the National Divide and extends down to the Snake River, dividing Oregon and Washington, we have vast resources that are locked up. They are in the national forests. Seventy-two percent of the State of Idaho is federally owned, and there is no way of opening up the country. We are working under a terrific handicap. The forest needs every dollar in that item. It is a short-sighted policy to cut that appropriation, which should be increased, if anything.

We are dealing here with the great Territory of Alaska. The habitable portion of Alaska, in the southern part, is largely in national forests. We are dealing with Arizona and with all the Western States—with a territory that is in the undeveloped section of the country. There is no way the States and counties can go into this territory, where there is no taxable property. If we could develop the resources of that territory, we could put men to work. The strategic minerals which the Government is searching for are to be found in that territory.

I have here some pictures of Stibnite, Idaho. I wish to take the time of the committee to show some of the pictures of the things we have in Idaho. I could furnish you a whole book.

Antimony comes from stibnite. The Government has gone in there and is financing the development. That country is reached by going over three mountain roads to a place called Yellow Pine, where the stibnite operation is going on, employing about 200 men, producing a metal which is of vital importance in supplying alloys needed in the manufacture of steel.

That activity is concerned with this item of the appropriation for forest roads and trails. These pictures show the character of the country and the kind of roads we have to build to obtain access to the territory. This [indicating] is a bird's-eye view. This [indicating] is a picture of old Thunder Mountain, the place that was opened when William Allen White went in there and the town of Roosevelt was established, in Teddy Roosevelt's day. I have here a picture of the town of Roosevelt, which was built in Teddy Roosevelt's time. It is now under about 40 feet of water. A slide came down the mountain, crossed the valley, and formed a big dam, which backed up the water. This is the way it looks today [exhibiting a photograph] with a few houses floating around.

We are also dealing with gold treasure. We have the great Idaho granite intrusion, containing seams of gold which produced gold back in 1860 and 1870. We are credited with having produced $300,000,000 in gold. Heavy machinery must be taken back into the mountains to operate the mines, and the work is done under a terrific handicap.

Senator RUSSELL. What minerals were produced at the Roosevelt mine?

Representative WHITE. They are now producing gold there. There is a mill there. That is the way they got oil in [exhibiting photograph]. The mine was up on Thunder Mountain.

A peculiar thing about Thunder Mountain is that the only way to get in to Thunder Mountain is to follow the forest roads and trails to the end and then go in on horseback. I was up there. I followed the forest trails and roads to the end, parked my car, and the little party I was with was met by a string of pack horses.

In the center of the United States, we cannot get a road into Thunder Mountain. This picture [indicating] shows a barrel of oil which was dropped from an airplane, to keep that mill in opera-

tion. It broke into a thousand pieces. Some of the oil was scooped up out of the snow.

We are dealing with a serious proposition when we talk about roads and trails. We must have a constructive policy that will open up the country and put men to work developing our resources. I was trying to help this thing along. I saw Mr. Bell, Director of the Budget, and tried to impress him with the importance of this activity and pave the way for a slight increase in the Budget for forest roads and trails. I went on to tell him about the gold lying there waiting to be developed. He said, "We have too much gold now." I said, "All right. Let us fold up and go home."

This picture shows the way they get machinery into the mine. This [indicating] is a winch. The machinery is let down from the top of the mountain. If you want to get down to a mine you have to let the machinery down with a hand winch. When you get it down there how are you going to get your gasoline and fuel oil in to run the machinery and open up the country? Those are some of the things we are up against.

Mr. Chairman, I do not wish to take too much of the time of the committee. We are making many, many appropriations. I certainly hope that when the committee scans the little item for roads and trails it will have a little appreciation of what it means to all of us. It is important to the eastern section of the country, which supplies the machinery. It is important to the oil-producing section of the country, which supplies the oil to run the machinery. It is important to those who supply the food and clothing that go in there.

In that rough and rugged country there is no competition. Everybody in there has to take in everything he consumes, whether it be oil to drive a Diesel engine, the clothes he wears on his back, or the food he eats.

We are interested in permanent employment. We are not interested in the little job of building a road. We do not care anything about that. We are interested in putting men to work permanently in these mines and adding to the national wealth.

AMOUNT OF AUTHORIZATION

Senator HAYDEN. The situation, for the record, is that the authorization for this appropriation was $14,000,000 the previous 2 years. For this 2-year period, because of the failure of Congress to appropriate the amount authorized, there was a lag in the expenditures. The authorization for this fiscal year is $10,000,000. The reduction from $14,000,000 to $10,000,000 was caused by the failure of Congress to appropriate the amount of money authorized by law. Congress simply has not appropriated the money, and the lag in the authorization has accumulated in that way. For the fiscal year 1941 the authorization is $13,000,000. I take it, what Mr. WHITE wants is the full amount authorized by law appropriated.

Representative WHITE. I do. I am not asking you to go beyond that.

Senator TOWNSEND. You are in favor of developing our domestic gold, and not buying so much foreign gold.

Representative WHITE. I think the whole monetary policy of the country is in error. It does not conform to the fundamental principles of economics. We must have in this country a good, workable, adequate money system based upon precious metals; and we will never get away from it.

Just now we are witnessing another reduction of the gold content of the franc. In the old days things were stabilized and nearly all the European units were on the basis of 5 to our dollar—5 marks to a dollar, 5 francs to a dollar, and so forth. Just think of the experience those people are going through over there, on account of the money system we have, which has upset the whole situation.

I do not want to go into the money question with you gentlemen, but just contrast our policy in the United States with the policy being followed in Canada. I have a photostatic copy of an article telling of the money being spent by the Canadian Government to assist in developing their mining industry. They are doing everything in the world, and they are just walking right away from us. Up to the last few years we have always exceeded Canada in the production of gold, but in recent times we have fallen further and further behind. Canada's gold production is contributing to her industry, her prosperity, and her business recovery.

We are dealing with a serious problem.

Senator TOWNSEND. The Canadians are developing their mining interests and sending the gold to us, and we are paying $35 an ounce for it.

Representative WHITE. Mr. President, Mr. Mark Means, president of the Lewiston, Idaho, Chamber of Commerce, is present. He is one of the successful pioneer businessmen of Idaho. He knows something about the roads and trails situation. I wish you would give Mr. Mark Means a little of your time.

Senator RUSSELL. We shall be glad to hear from Mr. Means. First we will hear from Representative PIERCE of Oregon.

The Senate Appropriations Committee in recognition of the need for an adequate appropriation for this work has increased the amount in the appropriation bill from $7,500,000 to $10,000,000 as it appears in the amended bill H. R. 8202, an act making appropriation for the Department of Agriculture for the fiscal year ending June 30, 1941, which is shown in the item for forest roads and trails, page 46 of the amended bill inserted herewith:

FOREST ROADS AND TRAILS

For carrying out the provisions of section 23 of the Federal Highway Act approved November 9, 1921 (23 U. S. C. 23), including not to exceed $59,500 for departmental personal service in the District of Columbia, $10,000,000, which sum consists of the balance of the amount authorized to be appropriated for the fiscal year 1940.

J. Edgar Hoover—an Able, Fearless, and Honest Public Servant

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. CELLER. Mr. Speaker, it will be a sad day in the history of this country when the Representatives of the American people in Congress fail to resent injustice. I feel very strongly that a grave injustice has been done upon the floor of Congress and elsewhere. This is reflected in the criticisms which have been directed at the Federal Bureau of Investigation and the Director of that organization, J. Edgar Hoover.

I have watched the development of this organization during the years. I have admired the administrative skill, the probity, the idealism, the boundless energy of Mr. Hoover. There has not been a breath of scandal connected with the work of this organization. In law-enforcement work where enemies must be made, this is saying much. The attention of the chronic enemies of the Federal Bureau of Investigation seems to have been recently centered upon a certain case originating at Detroit covering the arrest of a number of individuals charged with violating the statute prohibiting the recruiting of persons for military service abroad. I am utterly unable to understand how any unbiased person could possibly hold that the Federal Bureau of Investigation is guilty of any wrongdoing in connection with this case.

In the first place, the record clearly shows that the investigation was originally ordered by Mr. Hoover's superiors in the Department of Justice. The presentment of the evidence in the case to the grand jury at Detroit in the middle of January 1940, was specifically ordered by former Attorney General Murphy. The indictments were returned by the grand jury. The indictments were dismissed by Attorney General Jackson. Certainly no responsibility for any action in connection with these matters can be charged to the Federal Bureau of Investigation. The Federal Bureau of Investigation, of course, must carry out orders.

There have been charges made that the representatives of the Federal Bureau of Investigation were overzealous in the performance of their duties. These charges are always made in these cases. I have been advised by high officials of the Department of Justice who know the facts concerning this case, that representatives of Mr. Hoover's Bureau acted throughout this matter in pursuance of specific instructions and that they functioned in an entirely lawful manner in all respects. It has been charged that the defendants at Detroit were subjected to third-degree methods; that they were intimidated; that their constitutional rights were violated. These charges I know to be absolutely untrue. The defendants were treated with every possible consideration while they were in the custody of the Federal Bureau of Investigation. There is not one scintilla of evidence indicating that any one of them has any just cause for complaint.

A photograph has appeared in the press showing the Detroit defendants chained together. I desire to advise my colleagues that the chaining of these defendants was not

done by special agents of the Federal Bureau of Investigation. The chaining occurred after the defendants had been arraigned in court and after they had left the custody of the Federal Bureau of Investigation.

It seems ungrateful for any of us to forget the outstanding service which has been rendered to this country by J. Edgar Hoover and his associates. Let us not forget the situation which existed several years ago when the country was faced with a terrible kidnaping menace. Never in the history of this or any other country has a similar menace been so successfully combated. Since June 1932, 178 kidnaping cases have been investigated by this Bureau and all but 2 of these cases, those involving the little Mattson boy in Tacoma, Wash., and the Levine boy at New Rochelle, N. Y., have been solved. During 1939, 20 kidnaping cases were reported to the Federal Bureau of Investigation and all of them were solved.

Success in combating kidnaping is not the only accomplishment of the Federal Bureau of Investigation. Bank robberies, a few years ago, were committed with some degree of safety by those criminals addicted in this pastime. This is no longer true. Since Congress gave the Federal Bureau of Investigation jurisdiction to investigate bank-robbery cases, there has been a reduction in this type of crime approximately 75 percent. The decrease in this type of crime has been accompanied by a monetary benefit since the surety companies, as a result of the work of the F. B. I., have reduced bank-robbery insurance rates from between 30 and 40 percent throughout the various States, which has resulted in a great saving in these insurance costs. Businessmen are not guided by sentiment. You all know of the efforts of various groups of businessmen to secure various types of legislation to protect their interests and of their demands upon Members of Congress to pass legislation which will enable the Federal Bureau of Investigation to extend the scope of its activities into their fields of operation in order that they may receive the protection which this Bureau obviously affords.

The records show that each year the work of the Federal Bureau of Investigation results in more than 5,000 convictions. Over 96 out of every 100 persons taken into court for trial by Mr. Hoover and his men are convicted. Is it not strange that since so many thousands of persons have been convicted through the efforts of this Bureau without there being the slightest criticism that suddenly there should arise innuendoes and insinuations that this organization is developing into an Ogpu or Gestapo? As in the Detroit cases, the Federal Bureau of Investigation operates under specific authority. It collects evidence which is presented to the various United States attorneys and to the assistants to the Attorney General at Washington.

All of the operations of the F. B. I. are publicly known. The results of their investigative work are presented to prosecuting officers. Each year their appropriations are submitted first to the Attorney General, then to the Budget Bureau, then to the President, and the Appropriation Committees of Congress. It would not be possible for this organization to develop any secret modes of operation in violation of the fundamental civil rights of our citizens.

The Federal Bureau of Investigation has made a notable contribution to the application of scientific methods to the solution of criminal cases and the detention and apprehension of criminals. Its laboratory is a center whose services are available not only to Federal prosecutors, but to State and local police and prosecuting officials as well.

Perhaps even a greater contribution made by the Federal Bureau of Investigation, under the intrepid leadership of John Edgar Hoover, than the direct suppression of crime is the effect that its work has had on the psychology of the Nation toward crime and criminals. Up to a few years ago it was the practice for motion pictures and magazines to glorify the criminal as a brave and adventuresome hero and to depict police officers as hirelings who, by fair means or foul, endeavor to persecute the heroic law violator. As a result of the work of the G-men all this is changed. Today the criminal is portrayed as what he is, an enemy of society, and the law-enforcement officer is properly delineated as a peacetime soldier who risks his life in the service of his country. But a few years ago little boys in their games used to play gangsters. Today they play G-men. This change of attitude on the part of the entire Nation toward the criminal and crime is a vital factor not only in helping to suppress crime but in preventing crime in the future and in training the coming generation to become law abiding.

It would seem to be the part of wisdom to encourage the retention in the Government service of those whose talents would bring them much larger rewards in the business world. Criticism is justified in some cases; we should be ready to praise, however, where praise and praise alone is due. Along these lines, let me narrate an incident which came to my attention several years ago when Mr. Hoover was offered a radio contract which called for his appearance on a radio program for a period of 3 minutes' time each week for 26 weeks and for which he would receive a very substantial sum for his services. Mr. Hoover declined this offer because the radio program was one which advertised a commercial product. I do not believe there would have been any criticism of Mr. Hoover if he had accepted such an offer. It would have enabled him to acquaint the general public with various aspects of law-enforcement problems. However, these were the ideals which guided him then; a similar idealism has guided him through his entire career, since he entered the Government service in 1917. I am happy to pay this tribute to a devoted, self-sacrificing, and patriotic Government official.

I take pleasure in including herewith an editorial which recently appeared in the Evening Star.

[From the Washington Evening Star]

ATTACK BY INNUENDO

Recent days have witnessed the development of what appears to be a widespread and coordinated effort to undermine public confidence in the Federal Bureau of Investigation. In the waxing fury of this attack, conducted principally by innuendo, the splendid record of the F. B. I. in smashing the major criminal gangs which infested the country has been conveniently forgotten. By some mysterious alchemy this agency, once hailed as the nemesis of the gangster, has been transmuted into a vague but sinister threat to the American way of life.

For the most part, the criticisms have not been directed specifically to the F. B. I. as such, nor to its record. The critics, on the whole, have preferred to deal in suggestive generalities, possibly realizing that, in the absence of supporting evidence, they are more difficult to answer, and, therefore, more damaging than direct charges. There has been much talk, for example, of wire-tapping and eavesdropping by "Government police." To guide public suspicion more directly to the target without actually making a specific charge, this has been followed by assertions that "if" the F. B. I. has been tapping any wires it should be investigated. Other thinly veiled charges have been aimed at the Bureau's recently created General Intelligence Division, the implication being that this is a sort of American Ogpu set up by Director J. Edgar Hoover to pry into the personal affairs of law-abiding citizens as well as those who are beyond the law. But the complaints neglect to mention the fact that this division was established under an order issued by President Roosevelt last September designating the F. B. I. as a central clearing agency for the investigation of espionage, sabotage, and other subversive activities. Nor do they state that there is not the slightest evidence of any abuse of power by this agency.

Senator NORRIS, of Nebraska, has made a specific complaint concerning the manner in which F. B. I. agents arrested certain persons who were under indictment in Detroit for a technical offense. These men were seized at 5 a. m. and taken to court at 3 p. m. on the same day. The manner of this arrest, Senator NORRIS has said, was designed to "frighten" the men and "to fill their hearts with fear and trepidation." This complaint was referred to Attorney General Jackson, who is certainly no enemy of liberalism, and, after an investigation, he fully exonerated the F. B. I.

The Star believes that the F. B. I. has performed, and is still performing, an important and difficult task in an efficient manner, and with appropriate restraint. If that is not the case, if it has abused its powers or if it is menacing traditional liberties, it is entitled to specific charges and a day in court. In the meantime, it should not be made the victim of a movement which has all the earmarks of a "smear" campaign.

President Says Democracy in Opportunity Should Be Restored

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. PATMAN. Mr. Speaker, President Roosevelt made a wonderful speech at Dallas, Tex., June 12, 1936. All of his speeches are good, but this was one of the best I ever heard or ever read. Among other things he stated:

Your farmers were among the first to rebel against exploitation by the railroads. In a period of monopoly, combinations, overcapitalizations, high rates, poor service, and discrimination against the small shipper, you established a landmark in the regulation of public utilities for the good of their users.

TEXAS SECOND STATE TO PASS EFFECTIVE ANTITRUST LAWS

Later, when industrial development came to Texas, you were confronted by corporations that got out of hand. Here again you called into play the old Texas spirit of freedom for the individual, and out of it came your antitrust laws, preceded by only one other State in the Union.

It is, as I recall my history, a fact that during this period there were many prophets of evil who foretold the ruin of Texas by the enactment of legislation to curb these abuses. Yet it is a matter of record that several years later an authoritative survey reported this: "No part of the Union is more prosperous, no other State has so systematically pursued a policy of corporation regulation, and no other State is so free from the domination of special interests."

DEMOCRACY IN OPPORTUNITY

Why did the people of Texas do this more than a generation ago? They believed in democracy in government, but they discovered that democracy in government could not exist unless, at the same time, there was democracy in opportunity.

You found that certain forms of monopoly—the combinations of public utilities and other businesses which sought their own ends—were undemocratic because they were bearing down heavily on their smaller competitors, and on the people they served. Because of this they were taking away opportunity.

Today we have restored democracy in government.

We are in the process of restoring democracy in opportunity.

YEOMANRY OF BUSINESS, INDUSTRY, AND AGRICULTURE LINE OF DEFENSE

In our national life, public and private, the very nature of free government demands that there must be a line of defense held by the yeomanry of business and industry and agriculture. Not the generalissimos, but the small men, the average men in business and industry and agriculture, those who have ownership in their business and a responsibility which gives them stability. Any elemental policy, economic or political, which tends to eliminate these dependable defenders of democratic institutions, and to concentrate control in the hands of a few small, powerful groups, is directly opposed to the stability of government and to democratic government itself.

ACCUMULATION OF PROPERTY IN FEW HANDS

The statistics of the Bureau of Internal Revenue, which were quoted by the President of the United States in his message to Congress on April 29, 1938, contain the following information relative to the ownership of corporations:

Ownership of corporate assets: Of all corporations reporting from every part of the Nation, one-tenth of 1 percent of them owned 52 percent of the assets of all of them.

And to clinch the point: Of all corporations reporting, less than 5 percent of them owned 87 percent of all the assets of all of them.

Income and profits of corporations: Of all the corporations reporting from every part of the country one-tenth of 1 percent of them earned 50 percent of the net income of all of them.

And to clinch the point: Of all the manufacturing corporations reporting, less than 4 percent of them earned 84 percent of all the net profits of all of them.

The President, in this message, stated:

The danger of this centralization in a handful of huge corporations is not reduced or eliminated, as is sometimes urged, by the wide public distribution of their securities. The mere number of security holders gives little clue to the size of their individual holdings or to their actual ability to have a voice in the management. In fact, the concentration of stock ownership of corporations in the hands of a tiny minority of the population matches the concentration of corporate assets.

The year 1929 was a banner year for distribution of stock ownership.

But in that year three-tenths of 1 percent of our population received 78 percent of the dividends reported by individuals. This has roughly the same effect as if, out of every 300 persons in our population, one person received 78 cents out of every dollar of corporate dividends while the other 299 persons divided up the other 22 cents between them.

The effect of this concentration is reflected in the distribution of national income.

A recent study by the National Resources Committee shows that in 1935–36 "Forty-seven percent of all American families and single individuals living alone had incomes of less than $1,000 for the year; and at the other end of the ladder a little less than 1½ percent of the Nation's families received incomes which in dollars and cents reached the same total as the incomes of the 47 percent at the bottom."

Then the President added these significant words:

We believe in a way of living in which political democracy and free enterprise for profit should serve and protect each other—to insure a maximum of human liberty not for a few but for all.

It has been well said that, "The freest government, if it could exist, would not be long acceptable, if the tendency of the laws was to create a rapid accumulation of property in few hands, and to render the great mass of the population dependent and penniless.

WHERE WEALTH ACCUMULATES AND MEN DECAY

Two hundred years ago a young boy was growing up in a village in central Ireland, who later became one of England's most famous poets. He witnessed the farms of his surrounding countryside passing from the hands of their local proprietors into those of absentee English landlords. Thirty years later he immortalized its wasted remains as The Deserted Village. Its lines are as vibrant with warning to us today as they were poignant with memories to his impoverished countrymen of that generation:

Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay;
Princes and lords may flourish, or may fade;
A breath, can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroy'd, can never be supplied.

The peasantry to which Goldsmith referred in those living lines were not the farmers as employed laborers but farmers as independent proprietors and businessmen, the owners and managers of their farms as business enterprises. It was their independent proprietorship that gave them that sturdiness which was their country's pride; it was their reduction to tenancy and the ranks of employed labor that broke their spirit and sapped the life of their community. The problem that then afflicted rural Ireland menaces rural and urban America today.

H. R. 1

The bill H. R. 1 to restrict interstate chain stores and restore democracy in opportunity is now before the Ways and Means subcommittee. Hearings will commence March 27, 1940.

Is it a Crime to Have a Dollar?

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

ARTICLE BY DR. JOHN J. WICKER, PRESIDENT OF FORK UNION MILITARY ACADEMY, VIRGINIA

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an article by Dr. John J. Wicker, of Fork Union, Va.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IS IT A CRIME TO HAVE A DOLLAR?

(By Dr. John J. Wicker, president, Fork Union Military Academy, Virginia)

There are four classes of people in the United States—(1) capitalists; (2) evenists; (3) thieves; (4) unfortunates.

A capitalist is one who lives on less than his income, whether he is a bootblack or a banker.

An evenist is one who succeeds in paying all his debts and may accumulate enough to have a home or a little farm and stops just there.

A thief is one who insists on spending more than his income, whether he is the president of a corporation or a hold-up man.

An unfortunate is one who for some real reason is incapable of taking care of himself.

The first class you do not need to think about—they always take care of themselves. The second class ought to furnish a lot of recruits for the first class. The third class ought to be near a jail. And the fourth class you cannot do too much for.

The only thing that can keep a man's face clean is his own sweat, but there are a lot of people who want to clean up this country on the other fellow's sweat. So far as I am concerned they can go to bed without a bath and stay there; that is, if they will furnish the bed.

SOCIOLOGY VERSUS BIOLOGY

No kind of legalized sociological legislation can succeed in overthrowing the constitutional laws written in the biology of man and everything else that has life. Yet this is exactly what is being attempted in the United States. You cannot legislate a man, rich or poor, sick or well, educated or ignorant, strong or weak, good or bad. These things depend upon biology. Everything that has life has to fight for it or die. Darwin did not create the struggle for existence, nor yet the survival of the fittest. He discovered these laws in the universe. And these laws are as invincible as God Himself. A good book says, "If a man will not work, neither let him eat." This is another way of saying "Root hog or die." A hog that is unwilling to root ought to die, for no matter what his shape, he is a hog.

The greatest lawgiver said, "Six days shalt thou labor," but a lot of people in this country think they are smarter than Moses. Why did Moses say "Six days shalt thou labor"? To keep us out of devilment. Every man or woman everywhere, under all conditions, needs an honest day's work if they are to live moral lives. A man who is not tired at bedtime is always a moral liability. Work is essential to character.

If you arbitrarily give men short days and big pay you will create a far bigger problem than the one you are trying to solve.

If you put a stovepipe hat on one end, a pair of spats on the other end, a swallowtail coat halfway between, and set it up behind a steering wheel, when it never earned the price of a tire, it is in grave danger of driving down the wrong road and ending in an expensive disaster.

You cannot fit a $10 hat on a 10-cent head, and the trouble is not with the hat. The most skillful magician in all the world can't make the fit.

There is a Nation-wide effort to put swallow-tail coats where overalls belong and the amazing thing is, the political tailor blames the misfit on the manufacturer of the cloth.

A Socialist is a man who wants you to divide until he gets the biggest end. That always cures him. A Communist is a man who is determined to take both ends, and is willing to blow up the whole structure of civilization to get it. There are a lot of these fellows lying around disobeying the eighth commandment, "Thou shalt not steal," and defying the tenth commandment, "Thou shalt not covet thy neighbor's house or anything that is thy neighbor's."

It is not the size of the check that passes between employer and employee that decides what the check will do, but the size of the man receiving it. If you give a little man a big check, you have the story of the prodigal son. If you give a big man a small check—well, Jesus took 5 loaves and 2 fishes and fed 5,000 and had 12 baskets full left—all because of the size of the man. It was a sorry day for all concerned when the father divided his living with the prodigal—it brought disaster to all, even though it brought a kind of apparent prosperity while the prodigal was sowing his wild oats. This is the kind of prosperity we have now. For the first time in the history of the world millions of men are being invited to ride down the avenue of destruction in order to enter the palace of prosperity. Production, not destruction, is the only highway to prosperity.

Men are made through their brains, cattle are made through their bellies, and it is tragic to deal with men as we would with cattle.

The measure of a man's success depends on what he does beyond what is required of him. Folks who never do more than they get paid for never get paid for any more than they do.

THE POOR GET IT ALL

Some people seem to think that men of money, capitalists, the royalist class, if you please, are consumers of what they make.

Rockefeller gave away in 1 year more than he could spend in a hundred, yet he gave every year, and finally to the tune of $750,000,000.

Look at the libraries of Carnegie all over the country. Even a tightwad like Russell Sage left a fortune that has blessed many—look at the beautiful $100,000 chapel where girls with little money worship every day in the East Northfield Seminary, built with Sage money.

WHAT THE RICH GET

People forget that the rich man gets nerve-health-breaking responsibilities of the great load on him, food that he often is physically ill prepared to digest, and many sleepless nights, with not infrequent suicide. About all the rich man gets out of all his wealth is what he can eat, what he can wear, a house in which to live, and something to travel in. On the other hand, by his genius he is furnishing labor for thousands and hundreds of thousands, who otherwise could not organize themselves into such a system with such rewards.

The rich man may have 50 rooms elegantly furnished, but he can occupy but 1 at a time, and he cannot consume more than 3 good meals a day. He can wear but 1 suit of clothes at a time, and he cannot have as big a library as is free in the average city to everybody, so where does the kick come in? Thousands of these rich men are looking for a fishing pole, a cabin away from everybody down on some river bank, where they can seek a little peace and rest.

WOULD YOU BE RICH?

If this is what you want, go out and get it, and after you get it you will find that you haven't got what you thought you would have. How to get it? Just begin today to save a dollar out of your week's earnings and keep adding a little to it every week. You can do it, no matter what your income is, for John D. Rockefeller started out on $4.50 per week. Theodore Roosevelt once said, "Extravagance rots character; train your youth away from it. On the other hand, the habit of saving money, while it stiffens the will, also brightens the energies. If you would be sure that you are beginning right, begin to save."

Be your own man, do your own thinking, stand on your own feet, make yourself invaluable to your employer (if you are any account you can) and in a little while your salary will be increased, your income will be enlarged, your saving account will grow, and one fine day an investment worth while will drop right down in your lap and bring you big returns. Your rich employer will be glad to advise you; he will not charge you a cent; he will work overtime to help you get rich. He had rather do it than work for himself.

What our young men need, and our young women need is to stop envying the man who has gone out and accumulated what we call a fortune, and remember that they can do the same thing if they are willing to pay the same price. It is eternally true that the man who hides his talent buries himself, and the man who invests his talent gains twice as many more. Talents grow or go, multiply or die.

THE COUNTRY'S NEEDS

What we need in this country is not less load but more horse, not more money but more man. Character will produce the cash if you have it, but if you take it from the other man by some arbitrary method or some wildcat legislation, it will only help to ruin you that much faster. If there is any good in money, the fun comes in the making of it.

CLASS AGAINST CLASS

Labor may destroy the rich, but if it does, it will destroy its best friend and in the end ruin itself.

The worst enemy of man is the man who would put class against class. From all such, good Lord deliver us!

National Labor Relations Board v. Highland Park Manufacturing Co.

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 18 (legislative day of Monday, March 4), 1940

OPINION OF JUDGE PARKER, OF THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the full text of the opinion of Senior Circuit Judge Parker, in the United States Circuit Court of Appeals, Fourth Circuit, in the case of the National Labor Relations Board v. Highland Park Manufacturing Co., which has just been made available.

This opinion is an exhaustive and brilliant analysis of the colective-bargaining process, and supports at every point the criticisms I made of the Smith amendments to the Labor Act bearing on that issue in my speech of March 13.

I have secured an estimate of the cost of printing from the Public Printer, as required by the rules.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[United States Circuit Court of Appeals, Fourth Circuit. No. 4564. National Labor Relations Board, petitioner against Highland Park Manufacturing Co., respondent. On petition for enforcement of an order of the National Labor Relations Board. Decided March 11, 1940. Before Parker, Soper, and Dobie, circuit judges]

Parker, Circuit Judge:

This is a petition to enforce an order of the National Labor Relations Board based on a finding that respondent refused to bargain

collectively with a labor union representing its employees. Respondent was ordered to cease and desist from refusing to bargain collectively with the union and from interfering with its employees in the exercise of the rights guaranteed them by section 7 of the National Labor Relations Act; upon request by the union, to bargain with it as the exclusive representative of employees, and to embody in a signed agreement any matters upon which an understanding might be reached. The order was entered May 26, 1939, in a proceeding commenced in August 1937, upon petition of the union, which was shown at the time of the filing of the petition to represent 80 to 85 percent of respondent's 1,000 to 1,100 employees. Petition for enforcement was filed with this court October 12, 1939, and was set for hearing at the January term, 1940. On December 29, 1939, respondent filed a motion with the court that the cause be remanded to the Board to take additional evidence for the purpose of ascertaining whether the union still represented a majority of respondent's employees. Three questions are presented for our consideration: (1) Whether the findings of the Board are supported by substantial evidence; (2) whether the order of the Board is proper; and (3) whether the cause should be remanded for the taking of additional testimony.

On the question as to whether the order is supported by substantial testimony, there is evidence tending to establish the following facts: Late in May 1937 the union, having attained the right to represent 80 to 85 percent of respondent's nonsupervisory production and maintenance employees, requested and was granted an opportunity to confer with the officers of respondent. At this conference the union representatives submitted a draft of contract as a basis for negotiations, but no conclusions were reached, and a second conference, held about 10 days later, was cut short as a result of the illness of respondent's president. Conferences were held on June 15 and 25, but the proposed contract was not read or discussed, and respondent's vice president took the position that it had complied with the requirement to bargain collectively inasmuch as its mill superintendent had conferred with the union's shop committee concerning several specific grievances. At a meeting on July 27 the union's representatives made an effort to have the provisions of the proposed contract discussed, but failed, and no counterproposals were made.

On August 4, 1937, another meeting was had. The representatives of the union presented a modified draft of its proposed contract providing for a smaller wage increase than it had originally sought, abandoning an earlier provision that new employees join the union as a condition of employment and providing for the enforcement of the contract's provision against strikes by the discharge and expulsion from the union of employees advocating violation of contract. Respondent's officers at first declined to enter into a detailed discussion of the union's proposals, and insisted that it had already satisfied the requirements of the law by meeting with the union committees. When the union's representatives stated that they would resort to action before the Board respondent's officers agreed to discuss the union's proposals seriatim. The proposed contract was then read, and respondent disposed of most of its subtantive provisions with the statement that it was already following the practices provided for and intended to continue to do so, but would not enter into any agreement with regard thereto. The proceedings of the meeting are more fully described by the Board in its findings, as follows:

"The first paragraph of the draft involved the fixing of a term for the operation of the contract. The respondent's representatives were unwilling to accept such a provision. However, there was little discussion upon the subject, for the union representatives were anxious to reach and have considered the more important substantive provisions. The second paragraph, setting forth that the parties would preserve harmonious relations and protect 'the interest of the textile industry occasioned little comment. The discussion then turned to the section providing for a workweek of 40 hours, and a workday of 8 hours, and for an increased rate of compensation for overtime work. The respondent's president, C. W. Johnston, stated that the respondent already was operating on a 40-hour-week 8-hour-day basis, and proposed to continue doing so; that its employees were not and would not be required to work overtime; that, consequently, there was no need for an agreement upon these matters. With respect to the provision for observance of Labor Day, Thanksgiving Day, Christmas Day, and Fourth of July, and the payment of compensation at the rate of 'time and one-half' for any work performed on those days, the respondent's representatives stated that the respondent, as a matter of practice, had always granted its employees holidays; that it had no objection to allowing these holidays if the 'employees wanted them,' but it 'didn't care to agree to the section * * * as a stipulation to be put into effect as a regular thing.' A like position was taken by the representatives regarding a provision prohibiting the employment in the mills of any person under 16 years of age. They contended that the State law prohibited such employment; that the respondent was not employing persons below that age and would not do so; that, therefore, an agreement concerning that matter was unnecessary. Similarly, a provision for settling through arbitration questions concerning 'work loans, proper distribution, or reclassification' was set aside, because 'there is no use trying to find trouble and arbitrate some conditions that don't exist.' Provisions for an increase in wage rates, for a 'preferential shop,' and check-off were flatly rejected. Concerning the requested wage increase, the respondent's representatives contended that 'competition would not allow us to raise wages.'

"Throughout the August 4 conference the respondent's representatives stressed the fact that while the respondent was always ready to confer with union committees on employee grievances, the respondent had no intention of entering into an agreement or signing a contract with the union. The respondent's president, C. W. Johnston, was emphatic in this. In connection with a provision of the proposed contract embodying the principle of seniority for increases and reductions of working force, a principle which the respondent's representatives asserted the respondent had followed in the past and would adhere to in the future, Johnston was expressly asked by the union representative, Lawrence, 'Will you agree to this seniority provision?' Johnston replied, 'I am not going to agree to a thing.' At the hearing Johnston testified that his reply to this question was, 'I would not sign anything'; that 'Mr. Brewer and Mr. Lawrence (union representatives) insisted on signing a contract which I stated I would not sign it because the law didn't require me to do it and I had no idea of signing a contract.' While Johnston's testimony in terms refers only to the signing of a collective contract and not to the making of an agreement, we are satisfied, and find, upon the foregoing facts and the record, including the circumstances mentioned below, that the respondent had no intention whatsoever of entering into any collective agreement, written or oral, with the union, and did so inform the union representatives.

"At what proved to be the end of the conference, the union representatives, 'for the purpose of determining * * * whether or not it was possible to bargain at all' with the respondent, inquired of Johnston whether the respondent would be willing to make an oral agreement with the union covering merely some of the provisions of the proposed contract, 'enough of (the union's) * * * requests' to satisfy both the union and the respondent, and then to post in the respondent's mills a written statement of the terms thereof as a 'statement of policy,' signed by Johnston. The union representatives indicated, as an inducement to such action, that the union would be willing to have the statement unsigned by it. Johnston replied that the respondent would make no agreement with the union, even under those conditions. The union representatives then asked whether the respondent would do so if the respondent's superintendent rather than Johnston were to sign the statement of policy. Johnston's reply was again in the negative. Finally, he was asked whether the respondent would make such an agreement and merely have its superintendent read to the employees an unsigned written statement thereof as a statement of policy for the ensuing year. Johnston answered that the respondent would not do so, and the conference thereupon ended."

On August 15 another conference was held, at which the southern director of the Textile Workers Organizing Committee took the matter up with officers of respondent without result.

The Board summarized its findings and conclusions on the evidence relating to refusal to bargain as follows:

"The attitude and position of the respondent toward collective bargaining with the union may be epitomized as follows: The respondent recognized the union as the exclusive collective bargaining representative of its production and maintenance employees; it was willing to meet with the union whenever the union wished; it was ready to confer about employee grievances. Furthermore, with respect to requests of the union which involved no substantial changes in existing conditions, the respondent was willing to give assurance that it intended no change in such conditions. This was its response to the provisions of the proposed contract involving the existing workweek, holidays, employment of minors, and seniority. However, the respondent was adamant in its stand that it would not enter into any contractual relationship with the union irrespective of what terms the union proposed or what understanding was reached, it would not render legally obligatory any assurance given or understanding had with the union, nor would it memorialize by or integrate into a written instrument, signed or unsigned, any such assurance or understanding, or any agreement entered into with the union. In view of this resolve of the respondent, and in the light of the entire record, we are convinced that the respondent had no intention to consider sincerely requests of the union involving material departures from existing conditions.

* * * * * * *

"Manifestly, the respondent has not fulfilled its duty to bargain collectively with the union. The attitude and position which its representatives assumed at the August 4 conference clearly show that the respondent was not then negotiating, nor did it intend to negotiate, in good faith with the representatives of its employees. Although good faith demanded that the respondent, in entering the conference, accept fully the procedure of collective bargaining, the respondent was not ready to do this. From the outset its intention and purpose were to make no binding agreement with the union, irrespective of what terms were proposed or understanding reached. Equally, it was determined, regardless of the request of the union therefor, to refrain from making or signing a written memorial of any agreement reached with the union, or from integrating into a signed written agreement any understanding had with the union. We see no persuasive reason, nor has the respondent advanced any, for its unwillingness to enter into any signed agreement with the union.

"Lastly, as we have found the respondent had no sincere desire to explore the possibility of reaching even an understanding upon those requests of the union which involved material changes in existing conditions. It first undertook consideration of the provisions of the proposed contract after the union representatives

threatened resort to the Board. The provision for increased compensation for overtime work on workdays and holidays was rejected on the bare assertion that its employees would not be required to work overtime. As a matter of fact, subsequent to August 4 the employees were required to work overtime for which they were compensated at the regular rate. Throughout, the action of the respondent's representatives on issues was dominated by its intent to make no contract.

"We find that the respondent by refusing on August 4, 1937, and at all times thereafter, to enter into any agreement with the union, irrespective of what terms might be proposed by or understanding had with the union, to reduce to or merge in a signed written agreement any oral understanding or agreement that might be had with the union, and/or to consider sincerely the requests presented by the union, as aforementioned, did on said August 4, 1937, and at all times thereafter, refuse to bargain collectively with the union as the representative of its employees in the appropriate unit in respect to rates of pay, wages, hours of employment, and other conditions of employment. We also find that by such refusal the respondent has interfered with, restrained, and coerced its employees in the exercise of the rights guaranteed by section 7 of the act."

We agree with the Board that the conduct of respondent as embodied in these findings, which are supported by substantial testimony, amounted to a refusal to bargain collectively with the union within the meaning of the National Labor Relations Act. The requirement to bargain collectively is not satisfied by mere discussion of grievances with employees' representatives. It contemplates the making of agreements between employer and employee which will serve as a working basis for the carrying on of the relationship. The act, it is true, does not require that the parties agree, but it does require that they negotiate in good faith with the view of reaching an agreement, if possible; and mere discussion with the representatives of employees, with a fixed resolve on the part of the employer not to enter into any agreement with them, even as to matters as to which there is no disagreement, does not satisfy its provisions. "The act contemplates the making of contracts with labor organizations. That is the manifest objective in providing for collective bargaining" (*Consolidated Edison Co.* v. *National Labor Relations Board*, 305 U. S. 197, 236). "The legislative history of the act goes far to indicate that the purpose of the statute was to compel employers to bargain collectively with their employees to the end that employment contracts binding on both parties should be made" (*National Labor Relations Board* v. *Sands Mfg. Co.*, 306 U. S. 332, 342).

The duty imposed by the statute was well expressed by Judge Sibley, speaking for the Circuit Court of Appeals of the Fifth Circuit in *Globe Cotton Mills* v. *National Labor Relations Board* (5 Cir.; 103 F. (2d) 91, 94), as follows:

"We believe there is a duty on both sides, though difficult of legal enforcement, to enter into discussion with an open and fair mind, and a sincere purpose to find a basis of agreement touching wages and hours and conditions of labor, and if found to embody it in a contract as specific as possible, which shall stand as a mutual guaranty of conduct, and as a guide for the adjustment of grievances."

And that was said by the Circuit Court of Appeals of the Third Circuit in *National Labor Relations Board* v. *Griswold Mfg. Co.* (3 Cir.; 106 F. (2d) 713, 723) is applicable here. The court said:

"Respondent failed utterly to discharge its duty to bargain with the lodge, as the representative of the majority of its employees, in good faith. It is clear that the respondent at no time during its negotiations with its employees entertained any intention of entering into an agreement with the lodge as the bargaining unit, as provided by the National Labor Relations Act. It is obvious that an employer who enters into negotiations with a labor union representing his employees, with his mind hermetically sealed against even the thought of entering into an agreement with the union, is guilty of refusing to bargain collectively with the representatives of his employees in good faith, as required by the act, and is therefore guilty of an unfair labor practice. The studied and meticulous efforts of the respondent, in the course of its negotiations with its employees, and in its relationship with its own dominated union, to be 'within the law,' tell their own story. Duties imposed by law cannot be discharged by offering shadow for the substance."

Respondent's repeated declaration that it would sign no written agreement with the union is a pertinent circumstance for consideration on the issue of refusal to bargain. It is argued that since no agreement was reached between respondent and the union, there was nothing to put in writing; but the attitude of respondent toward signing a written contract was of a piece with its refusal, as found, to make even an oral agreement regarding matters as to which there was no real disagreement. Both arose out of a determination not to enter into real collective bargaining with the union. If some valid reason had been advanced for unwillingness to reduce agreements to writing, this conclusion would not necessarily follow; but in the absence of explanation, it clearly indicates respondent's hostility to the whole process of collective bargaining.

The purpose of the written trade agreement is not primarily to reduce to writing settlements of past differences, but to provide a statement of principles and rules for the orderly government of the employer-employee relationship in the future. The trade agreement thus becomes, as it were, the industrial constitution of the enterprise, setting forth the broad general principles upon which the relationship of employer and employee is to be conducted. Wages may be fixed by such agreements and specific matters may be provided for; but the thing of importance is that the agreement sets up a modus vivendi under which employer and employee are to carry on. It may be drawn so as to be binding only so long as both parties continue to give their assent to it; but the mere fact that it provides a framework within which the process of collective bargaining may be carried on is of incalculable value in removing the causes of industrial strife. If reason and not force is to have sway in industrial relationships, such agreements should be welcomed by capital as well as by labor. They not only provide standards by which industrial disputes may be adjusted, but they add dignity to the position of labor and remove the feeling on the part of the worker that he is a mere pawn in industry subject to the arbitrary power of the employer.

The importance of the trade agreement in the process of collective bargaining is universally recognized by economists. (John R. Commons and John B. Andrews, Principles of Labor Legislation (1937), p. 129; R. F. Hoxie, Trade Unionism in the United States (1923), p. 269; Twentieth Century Fund, Labor and the Government, p. 337; Dale Yoder, Labor Economics and Labor Problems (1933), p. 439; William H. Kiekhofer, Economic Principles, Problems, and Policies (1936), pp. 153–154, 229; Summer H. Slichter, Annals of the American Academy, vol. 178, p. 116; Selig Perlman in the Encyclopedia of the Social Sciences, vol. 7, pp. 667 et seq.; Ralph F. Fuchs in the Encyclopedia of the Social Sciences, vol. 4, p. 629, 631; J. B. S. Hardman in the Encyclopedia of the Social Sciences, vol. 4, p. 621; Walton H. Hamilton in the Encyclopedia of the Social Sciences, vol. 2, p. 628 et seq.) The author last cited has this to say of the nature of the trade agreement: "The process of collective bargaining results, not in a labor contract but in a trade agreement. This imposes no obligation upon the employer to offer or upon the laborers to accept work; it guarantees neither to the employers workmen nor to the laborers jobs. It is nothing more than a statement of the conditions upon which such work as is offered and accepted is to be done. The contract of employment is still between the individual employer and the individual employee, though the provision of the order in which men are to be taken on and laid off may give to or withhold from laborers a chance to dispose of their services. It is through the trade agreement, which is subsumed in the labor contract, that collective bargaining becomes an agency of industrial order."

And that Congress contemplated that collective bargaining should be pursued with the end and aim of arriving at trade agreements, so important to giving labor a proper voice in industry, does not admit of doubt. House Report No. 1147, Seventy-fourth Congress, first session, page 20, says: "As has frequently been stated, collective bargaining is not an end in itself; it is a means to an end, and that end is the making of collective agreements stabilizing employment relations for a period of time, with results advantageous both to the worker and the employer." Senate Report No. 573, Seventy-fourth Congress, first session, page 13, says: "The object of collective bargaining is the making of agreements that will stabilize business conditions and fix fair standards of working conditions."

In the recent case of *Art Metals Construction Co.* v. *National Labor Relations Board* (2 Cir. — F. 2d—), the question was squarely presented to the Circuit Court of Appeals of the Second Circuit whether refusal to put an oral agreement with employees in writing constituted a refusal to bargain collectively within the meaning of the act. In holding that it did, a majority of the court, speaking through Judge Learned Hand, had this to say:

"The argument on this point rests upon the admitted truth that the act does not force the parties to come to any agreement at all; for, although an employer must honestly negotiate with his employees collectively, that is as far as he need go. But if, the argument runs, he is forced to make it a term of any oral agreement that it shall be put into writing, he loses that absolute freedom in negotiation which he had at common law, and which Congress meant to preserve to him (*Inland Steel Co.* v. *N. L. R. B.*, 7 Cir. — F. 2d. —). It is indeed true, and for that matter a truism, that a stipulation in an oral contract that it shall be put into writing is one of its terms, and that if an employer must put it in, he is not free pro tanto. But he is no longer wholly free anyway; before the act he was not obliged to bargain with his employees collectively; he was at liberty to refuse to negotiate with them at all, or otherwise than severally. The act impaired that freedom; it meant to give to the employees whatever advantage they would get from collective pressure upon their employer; and the question here is what are the fair implications of that grant. They should include whatever is reasonably appropriate to protect it, and no one can dispute that a permanent memorial of any negotiation which results in a bargain is not only appropriate but practically necessary to its preservation; it is hardly necessary to observe that without it the fruits of the privilege are exposed to the sport of fugitive and biased recollection. The purpose of a contract is to define the promised performance, so that when it becomes due the parties may know the extent to which the promisor is bound; and it is the merest casuistry to argue that the promisor's freedom to contract includes the opportunity to put in jeopardy the ascertainment of what he has agreed to do, or indeed whether he has agreed to anything at all. The freedom reserved to the employer is freedom to refuse concessions in working conditions to his employees and to exact concessions from them; it is not the freedom, once they have in fact agreed upon those conditions, to compromise the value of the whole proceeding, and probably make it nugatory."

We agree with the second circuit as to this rather than with the decision of the seventh circuit in *Inland Steel Co.* v. *N. L. R. B.*, (7 Cir. — F. 2d —); and we think its decision is in line with what

was said by the fifth circuit in *Globe Cotton Mills* v. *N. L. R. B.*, quoted, supra. In the case before us respondent has not merely refused to reduce to writing an oral agreement made with its employees, but, as the Board has found, has refused to bargain in good faith with the union representing them. Its announcement that it would reduce no agreement to writing was merely a circumstance to be considered, along with others, as indicating an intention not to enter into real collective bargaining with the union. If, however, the fact be, as certain witnesses of respondent testified, that respondent's refusal went merely to the putting of agreements arrived at in writing, this would amount to a failure to comply with the provisions of the act for the reasons stated by Judge Hand.

As to the propriety of the order entered, respondent makes two points: (1) That the Board, not having found against it except on the issue of refusal to bargain collectively, was not justified in ordering it to cease and desist from interfering with the right of self-organization guaranteed by section 7 of the act; and (2) that the order should not have required that any understanding reached as a result of bargaining be embodied in a written agreement. There can be no question, we think, but that a refusal to bargain collectively with representatives chosen by employees amounts to an interference with their right of self-organization for the purpose of collective bargaining within the meaning of the act; and it is interesting to note that the decision to the contrary by the second circuit in the *Remington Rand case* (94 F. 2d 862), has just been overruled by that court in the recent *Art Metals Construction Co. case, supra*. To like effect, is the decision of the ninth circuit in the case of *N. L. R. B.* v. *Biles-Coleman Lumber Co.* (9 Cir. 98 F. 2d 18, 22–23). And we think it clear that it was proper for the order to forbid generally any interference with the right of self-organization and not merely the particular kind of interference covered by the findings of the Board. *N. L. R. B.* v. *Swift & Co.* (7 Cir. 108 F. 2d 988). What has already been said sufficiently covers the point as to the requirement that agreements arrived at by negotiation be reduced to writing. Even if there were no obligation originally to this effect, the provision would be proper upon a finding that respondent had refused to bargain, since it is a provision "adapted to the situation which calls for redress." *N. L. R. B.* v. *Mackay Radio and Telegraph Co.* (304 U. S. 333, 348). We note that such a provision was approved in the *Globe Cotton Mills case, supra* (103 F. 2d 91, 94), wherein the Circuit Court of Appeals of the Fifth Circuit said:

"Because of the refusal on the part of the mills to make any proposal for an agreement touching wages, hours, and conditions of employment, we will uphold and enforce that part of the order of the Board which requires affirmative action as follows: That the Globe Mills, 'upon request bargain collectively with the Textile Workers Organizing Committee as the exclusive representative of all its production employees, except supervisory and clerical employees, with respect to rates of pay, hours of employment, and other conditions of employment, and if an understanding is reached on any such matters embody said understanding in an agreement.'"

We do not think that the motion to remand the cause to the Board for the taking of additional testimony should be allowed. Respondent is not faced with conflicting claims as to representation, but raises the question as to the authority of the union to represent its employees as a means of escaping any obligation to bargain at all. In such case it is reasonable to presume that the authority of the bargaining agent continues until the contrary be shown. (See *N. L. R. B.* v. *Remington-Rand*, 2 Cir. 94 F. 2d 862, 870; *N. L. R. B.* v. *Biles-Coleman Lumber Co.*, 9 Cir. 96 F. 2d 197, 198; *N. L. R. B.* v. *Louisville Refining Co.*, 6 Cir. 102 F. 2d 678.) And we think that no sufficient showing is made to overcome this presumption. There are filed 10 blanket affidavits in general form by employees of respondent, who are not shown to have any particular knowledge of the matters to which they testify, and whose affidavits amount to little more than expressions of opinion of little or no value. This is all except an affidavit by a former president of the union, which fails to set forth any definite information as to the present membership of the union, and thus discounts the whole effort to establish loss of majority representation.

It is reasonable to assume, moreover, that any decline in union membership has been due in large measure to refusal of respondent to bargain with the union as representative of the employees in the manner contemplated by the act of Congress; and, in such situation, an order requiring respondent to bargain as contemplated by the act is reasonably necessary to overcome the effect of the interference with self-organization resulting from the refusal to bargain. An employer should not be allowed to discredit a bargaining agent selected by an overwhelming majority of his employees by refusal to bargain with it and then take advantage of the loss of membership due to his wrongful act as an excuse for refusing to recognize it as a bargaining agent. It must be remembered that the union represents the employees, not the employer; and, if a majority of the employees are not satisfied to be represented by it, they can apply to the Board for relief. It is significant that, while the affidavits filed before us state that a majority of the emlpoyees are not members of the union and that for some time it has not been the designated or selected representative of the majority, there is nothing in them to the effect that the employees are not willing to have it bargain for them. If respondent's refusal to bargain had been due to bona fide belief at the time that the union did not represent a majority, a different situation would, of course, be presented; but it is admitted that at that time the union represented between 80 and 85 percent of the employees. Under such circumstances, we feel that we should decide the case on the record certified by the Board (*N. L. R. B.* v. *Newport News Shipbuilding & Dry Dock Co.*, — U. S. —; 60 S. Ct. 203, 208) and leave any question of representation which may have arisen out of changed conditions since the record was made to be dealt with by the Board under the provisions of the act.

The order of the Board will be enforced.

Order enforced.

Other People's Money

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

RADIO DISCUSSION BETWEEN HON. EMANUEL CELLER, OF NEW YORK, AND PROF. DANIEL E. CASEY, EXECUTIVE VICE PRESIDENT OF AMERICAN TAXPAYERS' ASSOCIATION, INC.

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following joint discussion by Prof. Daniel E. Casey, lecturer on economics, Georgetown University, and executive vice president, American Taxpayers' Association, Inc., and myself broadcast over the coast-to-coast network of the Columbia Broadcasting Co. from station WJSV, Washington, D. C., March 13, 1940:

Mr. CELLER. In previous radio broadcasts we have discussed taxation, unemployment, and their related problems. Today public interest seems to be centered largely on Federal spending, and since many appropriation bills are now pending in Congress, it seems in order for us tonight to talk about this spending of the people's money.

Mr. CASEY. Let's begin, Congressman CELLER, by referring for a moment to the President's latest Budget message. He proposed a $775,000,000 cut in Government expenditures for the next fiscal year. He asked Congress to provide $460,000,000 in new taxes. He stated, also, that unless Congress followed these two recommendations it would have to raise the present Federal debt limit of $45,000,000,000.

Mr. CELLER. That is correct. Congress, however, feels this is no time to increase the tax load. Instead of considering new taxes, the House Appropriations Committee took a sharp pruning knife and went to work on the President's estimates. We must reduce them by $460,000,000 or raise the debt limit. In the appropriation bills so far passed by the House, approximately $290,000,000 of the required amount has been saved. With one or two exceptions, the Appropriations Committee has done a good job. The House has backed up the committee and so far has resisted all pressure to increase the amounts recommended.

Mr. CASEY. The House has made a splendid beginning. We all hope the Senate will follow. But, Congress is not going to find the complete solution to this fiscal situation until the people of this country recognize the serious menace we are facing, until they understand the problems we are up against, and realize that something must be done to place America on a sound footing where she is not dependent upon gratuities, doles, and grants, but upon the sound earnings of her people.

Mr. CELLER. True enough. Congress is doing its part, but there must be better understanding throughout the country of these dangers and the realization must be brought to bear sufficiently in Washington to give necessary support to constructive forces. Unfortunately, heavy Federal spending has created vested interests in the continuance of such policy. Pressure groups are continually harassing Congress for more Federal funds, despite the fact that repeated polls show the majority of the people favor reduced spending.

Mr. CASEY. Federal appropriations are merely spending other people's money. There is no magic about liberality with this money. The Government has nothing to give to the people except what it takes from the people. There is no such thing as free money, and everyone pays for all Government service. The Federal Government takes the money from us and we don't get it all back. The Federal Government takes our shirt and gives us a little piece of the tail. Then we go back home waving it and shouting, "Look what Uncle Sam gave me."

Mr. CELLER. While I cannot go all the way with you on that statement, I do agree that our people should be impressed with the fact that our Government is spending their money—and that means every man and woman in the Nation. Those who clamor most loudly for economy in the abstract demand Federal spending on projects of immediate and direct benefit to themselves or to their community. And these pressure groups use every available means to further their demands.

Mr. CASEY. That is undoubtedly so. I know something about that pressure. Recently I examined the more than 6,000 petitions submitted to Congress during the last regular session. Of this number, 1,236 related to expenditures, and it is highly significant that 1,212 advocated further Federal expenditures, while only 24 recommended reduced spending.

Mr. CELLER. One incident will show how this practice grows. For years the Federal Government has subsidized agricultural college and vocational education. Now we have demands for Federal aid for general education, and a special committee appointed by the President recently proposed Federal grants for this purpose beginning with $72,000,000 this year and increasing the amounts progressively. The committee further stated: "It is probable that before the end of 1945 it will be desirable to plan for substantial increases in the amount of Federal aid." Of course, we all want to extend education throughout the land, but is not this a proper subject for State and not Federal aid, Professor Casey?

Mr. CASEY. Certainly. Nobody objects to improved educational facilities properly placed. In the report you have just quoted, except for grants for school buildings, the States would not be required to even match these Federal gifts. In the last session alone 47 petitions were filed in support of Federal grants for public-school aid. However, suppose we analyze the facts in the light of our past decade of sharply arrested economic life. Vast Government spending, at the expense of record taxes and increased public debt, should be examined in the light of our national aim toward a higher standard of living.

Mr. CELLER. Why not? Some day a start must be made to pay the national debt. Paying it will be painful, and our people are due for a rude awakening. The sooner we all realize this the better off we shall all be. There are places where expenditures can be reduced without causing hardship. We can certainly start now by cutting out those expenses. Any serious-minded individual realizes that the Budget cannot be balanced in 1 year. There must be a tapering off in the spending, a reduction in the deficit, and a gradual increase in tax receipts as business responds to the restoration of a sound fiscal policy.

Mr. CASEY. But we must begin. Government debt is a mortgage on the Nation. Interest on the Federal debt alone is now a real burden. This year it will reach a new high of $1,100,000,000, and will be the third ranking cost of government, exceeded only by the cost of relief and national defense. This represents spending that returns no benefit to anyone. There is a limit to the portion of industrial production which can be taken through taxation for Government purposes without causing a loss of jobs in private industry and a general lowering of living standards. In some instances we have already passed that limit. When enterprise is confronted by Government policies, which tend to make business unprofitable, then enterprise won't hire money or men.

Mr. CELLER. Government spending consists largely of low-powered money—relief payments—which are helpful in meeting emergencies. This spending does not contribute to the national income like a dollar earned in private enterprise. Private spending is high-powered money and turns over approximately 20 times. It causes business expansion, increased pay rolls, and real employment for those looking for jobs. If we can shift from this low-powered money to high-powered money we will be able to raise our national income to a figure that will return to the Government, in the form of reasonable taxes, enough money to form a real Budget balance. We cannot permanently keep the profit out of the profit system without making unemployment permanent, nor without bankrupting the Treasury.

Mr. CASEY. Right you are, Congressman CELLER. Government spending for recovery defeats itself. Government spending has retired this high-powered money, because it has removed the opportunity for safe investment. When the United States Government prints a bond it says in effect to the purchaser that the Government will tax the people of the United States to make it good. The purchaser, therefore, knows these bonds are sound, just so long as we do not issue too many of them and have inflation. Before the Government started spending several billion dollars more each year than it took in from taxes banks loaned their money for business uses at a rate of interest high enough to cover their expenses and pay the depositors 4 percent. The average yield on long-term Treasury bonds has dropped to about 2¼ percent, and that is why the banks are now paying us less than 2 percent on our deposits.

Mr. CELLER. In other words, if you own a savings-bank account you are paying right now for the increased national debt by getting less than one-half the interest you formerly received.

Mr. CASEY. Yes, Congressman CELLER.

Mr. CELLER. The same must be true of insurance policies—and one of every two persons in this country holds some form of insurance. Insurance funds, too, are invested in Government bonds, and their earnings thus reduced. This means it will take you longer to pay for your life insurance as the annual dividends are less and the premiums are more.

Mr. CASEY. Exactly. Latest financial statements show that in the case of some banks, more than 40 percent, and in the case of some insurance companies, more than 25 percent of their assets are invested in Government bonds. It may be a shock to many people to be told that their funds are used for this purpose. But it is a fact, Congressman CELLER, if they own a savings account or an insurance policy. Thus, possibly without their knowledge or consent, their money is financing directly the heavy Federal spending about which they complain.

Mr. CELLER. That brings us to the crux of the whole situation. If you believe in a sane approach to this problem, stop the pressure from back home for Federal liberality with other people's money. Crystallize the necessary sentiment to stop requests from your locality for Federal money. Stop the petitions before they start. Keep your State and local officials at home. Stop your chambers of commerce and civic groups from memorializing Congress with petitions for money to pay for various local projects, while at the same time demanding economy.

Mr. CASEY. That is timely advice, Congressman CELLER. Right now the Senate seems bent on wiping away all the savings so far effected by the House. Observe the recommendation just made by a Senate committee to pay to the farmers $300,000,000 additional cash out of Treasury funds collected from business taxes. It's merely another "farm grab" with sugar coating. Don't our citizens realize that the Federal debt is rapidly mounting to a point that may threaten the foundation of individual liberty? Public spending and public debt are inescapably tied up with our jobs, our savings, our opportunities, and our security. Higher debts mean more taxes and higher taxes—and more hard times. Debt and taxation are the twin enemies of a national prosperity. This country must be returned to fiscal sanity.

Mr. CELLER. Of course it is hard to pay bills as they come due. But the Government is no different from an individual; it can't spend all of the time any more than an individual can. There must come a pay day and that day seems to be close at hand. We are rapidly approaching the bottom of the money barrel. This may not be pleasant medicine to take, but it is the only way that national bankruptcy and financial collapse can be prevented.

Mr. CASEY. We just cannot afford to increase our debt. Potential wealth is a fine basis for boasting, but there never was a more pernicious fallacy than that a heavy national debt is desirable. It is sometimes justifiable, occasionally unavoidable, but never desirable. All economic evidence at hand indicates that the salvation of the country depends on a program to reduce this terrific spending—and to encourage, through sound tax policies, a resumption of private spending.

Regulation of Rates of Water Carriers

EXTENSION OF REMARKS

OF

HON. WILLIAM T. BYRNE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

RESOLUTION BY THE NEW YORK STATE WATERWAYS ASSOCIATION

Mr. BYRNE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution adopted at the thirtieth annual convention of the New York State Waterways Association, Albany, N. Y., October 20, 1939, in reference to S. 2009:

Whereas there is now pending in a conference committee of the House and Senate of the United States a bill, S. 2009, intended to amend the Interstate Commerce Act, and more particularly to provide for the regulation of the rates of water carriers; and

Whereas this measure passed the respective Houses of Congress in widely differing forms, throwing upon the conferees the obligation of practically drafting a new bill; and

Whereas the House inserted certain amendments designed to exempt from the operations of the proposed law certain types of water carriers, and to provide certain safeguards for the protection of the shippers who use the various transportation agencies; and

Whereas the great majority of the maritime interests, the shippers of the country, including great farm organizations and many of the responsible officials of the Government, including the Secretary of War, the Secretary of Agriculture, and the Chairman of the Maritime Commission, have expressed great concern and alarm over certain portions of this proposed legislation and have protested against its enactment; and

Whereas the availability of low-cost water transportation is of vital concern to nearly every part of this country in normal times, and much more so in this time of possibly emergency: Therefore be it

Resolved, That the said congressional conferees should include in whatever proposal they agree upon those House amendments exempting certain carriers and those providing some measure of protection for the shippers;

That no conference report on this matter, so technical and so fraught with danger for the water carriers and the shippers, should be acted upon in haste—but ample time should be allowed those primarily interested to study its provisions and attempt to forecast its effects;

That, particularly in view of the emergent nature of the present situation of this Nation, the conferees should exercise the utmost

care that nothing be proposed by them which would impede or interfere with this vitally important element of our transportation system;

That copies of this resolution be transmitted to all Members of the House of Representatives and the Senate of the United States.

Chain Stores and Farmers—Farmers Oppose Anti-Chain-Store Tax Bill

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, March 18, 1940

Mr. CELLER. Mr. Speaker, the Subcommittee on Ways and Means will conduct hearings, commencing March 27, on H. R. 1, the bill offered by our distinguished colleague from Texas, Representative WRIGHT PATMAN. This bill is of vast import to the farmers of the United States. It is designed to put out of business chain stores, which greatly increase the efficiency of distributing farm products from grower to consumer. This bill is aimed at destroying by punitive taxes one of the foremost auxiliaries to agriculture ever developed and one which offers great promise for the future—the modern chain store.

Through the introduction of mass-distribution methods the chain systems have unquestionably improved the efficiency and reduced the costs of getting fruits and vegetables from grower to consumer, according to the Department of Agriculture in the so-called Hoffman study. The chains can move many farm products with a minimum of lost motion, and in so doing increase consumption. They offer to the farmer the opportunity to profit by their efficiency, rather than have him handcuffed by outmoded inefficiency in distribution from which he cannot escape and which reacts to his harm, without his being able to do much about it. The chain store represents progress in distribution.

The farmers recognize the value of the chain-store companies and condemn attempts to interfere with their distributive efficiency. The Farm Bureau Federation on December 7, 1939, during its annual convention at Chicago, Ill., resolved as follows:

> We condemn discriminatory and punitive taxes of all types designed to favor or penalize a selected group. The enactment of such legislation results in further efforts by other groups to obtain special privileges. Such unnecessary taxes and restrictions have a damaging effect by increasing costs of distribution, increasing costs to consumers, reducing total consumption, and limiting production in agriculture as well as industry. We oppose all such tax proposals.

Many more farmers' organizations have passed similar resolutions. To show the mounting antagonism of farmers for discriminatory legislation of this nature a few of the expressions made by various farm groups, just since the first of this year, are reported as follows:

The Arizona Wool Growers Association (January 28, 1940):

> This association went on record as opposed to the Patman bill and other discriminatory taxes on chain stores.

Empire State Potato Club (annual convention, Utica, N. Y., January 5, 1940):

> We condemn all efforts to inflict punitive and discriminatory forms of taxation designed to affect chain stores.

Illinois Agricultural Association (annual convention, Chicago, February 1, 1940):

> We approve, without reservation, the resolutions of our national organization, the American Farm Bureau Federation, adopted at its recent annual meeting in Chicago.

The American Pomological Society (Annual Convention, Worcester, Mass., January 4, 1940):

> We condemn all types of discriminatory and punitive taxation designed to hamper or destroy any legitimate type of retail distribution.

Central Arizona Cattle Feeders Association (January 8, 1940):

> The Central Arizona Cattle Feeders Association does hereby condemn punitive and discriminatory taxation of types designed to favor or penalize a selected group, such as House Resolution No. 1, commonly known as the Patman bill.
>
> It is the position of this association that such taxes have a damaging effect by increasing cost of distribution, increasing cost to consumers and reducing total consumption, and limiting production in horticultural, agricultural, and livestock products.

Illinois Fruit Growers Exchange (February 23, 1940):

> Illinois apple growers should be especially pleased with the response and cooperation that are being given in the movement of Illinois apples by chain stores and other jobbers operating within the State. This is especially true of local chains working within the State. These retailers have been merchandising and carrying on apple sales campaigns in order to move Illinois apples.

Iowa Farm Bureau Federation (January 19, 1940):

> We reiterate our support of economical methods of distribution. We do not favor discriminatory and punitive taxes designed to unduly penalize any particular type of distribution.

Kansas State Board of Agriculture (annual meeting, Topeka, January 10–12, 1940):

> We are opposed to legislation, local, State, or National, which tends to increase the cost of distribution of agricultural products by imposing discriminatory taxation upon any legitimate form of business.

Kansas State Grange (annual convention, Neodesha, December 11–14, 1939):

> The unhampered and efficient distribution of the agricultural products is of vital concern to both producer and consumer. * * *
>
> The Kansas State Grange goes on record as opposed to any legislation that would impose unjust or discriminatory regulations or taxations upon any legitimate form or method of distribution.

Kentucky Farm Bureau Federation (annual convention, Louisville, January 12, 1940):

> The Kentucky Farm Bureau Federation reaffirmed the stand it took last year condemning discriminatory and punitive taxes of all types designed to favor or penalize a selected group.

Maryland Farm Bureau Federation (annual meeting, Baltimore, January 13, 1940):

The Maryland Farm Bureau Federation reaffirmed the stand it took a year ago against the Patman bill and all similar proposals for State or local legislation.

Maryland Vegetable Growers Association (annual meeting, Baltimore, January 11, 1940):

> We condemn all descriminatory levies on retail distributors. * * * Such levies restrict farm markets and increase consumer costs.

Massachusetts Fruit Growers Association (annual convention, Worcester, January 5, 1940):

> We condemn any legislation patently and unjustly aimed at a particular group, any measure discriminatory in character, and any action likely to disrupt established channels of trade.

Massachusetts State Farm Bureau Federation (annual convention, Worcester, January 4, 1940):

The Massachusetts State Farm Bureau Federation reaffirmed in a resolution its stand condemning the Patman bill.

J. A. McCormick (manager, Michigan Bonded Fruit Growers Association, January 15, 1940):

> The growers are getting more assistance from the chain organizations in Michigan than they were aware of. There are two reasons for this: One is that the chain stores do not court publicity in the many moves they make to help improve marketing conditions for produce raised in Michigan; the second reason is, chains are composed of wide-awake businessmen who fully realize in order that they may make money, the growers in the territory in which they operate must market their produce at a profitable price. They know that the agricultural industry of the State is the backbone of all business, and when the agriculturalists are marketing their produce at a profit, it reflects on other lines and helps to produce much better conditions.

Minnesota State Poultry Association (annual meeting, St. Paul, January 14, 1940):

> Unnecessary or excessive distribution cost cause the farmers to pay more for their supplies and receive less for their products.

We commend efficient distribution methods which are fair to the producer and result in lower costs to the consumer, and we condemn legislative and other efforts which are discriminatory and tend to hamper efficient and economical methods of distribution.

National Council of Farm Cooperatives (report, Washington, D. C., January 11, 1940):

We oppose discriminatory or punitive taxes designed to destroy or unduly obstruct any channels of distribution, with consequent increase of distribution costs, inflation of prices to consumers, and restriction of the flow of agricultural commodities into consumption.

National Wool Growers Association (annual meeting, Casper, Wyo., January 23–25, 1940):

We again oppose either State or Federal laws that will limit the outlet of our products through unfair taxation. No outlet of the commodities of this industry should be abridged or curtailed through unwise legislation.

New York State Vegetable Growers Association (annual convention, Utica, January 5, 1940):

We oppose all efforts to inflict punitive and discriminatory forms of taxation designed to cripple or even prohibit certain systems of distribution.

Sugaryam Growers, Inc. (Sumter, S. C., as reported in Manning (S. C.) Times, January 24, 1940):

The assistance of the chain stores was enlisted in a special sales effort to move the green stock surplus.

Recognition of this cooperation and the gratifying results was given in a resolution adopted at a recent meeting here of the executive committee of the Sugaryam Growers, Inc. The resolution expressed appreciation for the special sales efforts and stated that these efforts had assisted "materially in moving our surplus green stock which we did not have curing houses in which to store." The secretary of the committee was authorized to draft an appropriate letter conveying the thanks and appreciation of the growers for this "very worth-while work" by chain stores operating in this State.

Texas State Grange (annual convention, San Antonio, January 14, 1940):

The Texas State Grange opposes all legislation, taxes, and regulations that raise barriers to trade between States and industries, and we roundly condemn discriminatory and punitive tax legislation designed to destroy or unnecessarily burden any product, business, or method of distribution.

Virginia-Carolina Peanut Association (annual convention, Suffolk, Va., January 16, 1940):

The Patman chain-store bill would tax practically all of the chain stores out of existence. * * *

The chain-store organizations have always cooperated in every effort of the Virginia-Carolina Peanut Association to increase the sale of peanuts and peanut products. * * *

If the chain stores in the United States were forced to close their doors it would seriously cripple and handicap the distribution of peanuts and peanut products. * * *

The Virginia-Carolina Peanut Association is opposed to the passage by Congress of the Patman chain-store bill and respectfully petitions the Representatives and Senators of the State of Virginia to use their best efforts to prevent the passage of this bill.

On cause-and-effect grounds, the Department of Agriculture states in the Hoffman study of chain-store distribution of fruits and vegetables in the Northeastern States that:

Any reduction in the spread between grower and consumer resulting from large-scale distribution or from any other cause may be expected to benefit growers either through higher prices for the same supply or by enabling them to sell a large supply at the same price.

Not only in regular marketing of farm crops, but in other ways the chain stores aid the American farmer. In many notable instances, they have cooperated in disposing of surplus farm crops. The chain-store method of distribution is highly compact and well organized. In emergencies the whole weight of the organization can be thrown behind the farmer to prevent loss on his surplus crops. Outstanding records have been made by the chains in aiding farmers by campaigns to sell beef, lamb, grapefruit, peaches, turkeys, dried fruit, apples, beans, butter, rice, lettuce, peanuts, and many other farm products. Sales of these products have increased and higher prices to farmers have resulted as a consequence.

It has come to my attention that 134 chain-store companies operating 15,500 stores, selling cottons and allied products to the amount of $800,000,000 annually, are cooperating 100 percent in a special national drive to aid the cotton farmers. This campaign is going on right now and will be climaxed by a National Cotton Week from May 17 through May 28. Many chain-store companies dealing in lumber, auto accessories, restaurants, and candy, though not selling cotton products to any great extent are cooperating unselfishly in this campaign. The variety, general merchandise, drug, shoe, apparel, and miscellaneous chains are in the forefront of the campaign to help the cotton farmer.

I would like to conclude by saying that the farm groups of this country definitely are opposed to discriminatory taxation of any form of retailing, such as the chain stores, and I would like this to be made part of the record. To allow the chain stores to be destroyed with consequent disastrous effect upon the American farmers and consumers would be contrary to every right of property, of justice, and of common sense.

A United America—Part 7

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 18, 1940

Mr. THORKELSON. Mr. Speaker, I believe I can safely say that the people of this Nation have until recently held the Supreme Court in the highest esteem, a faith that was somewhat shaken when the President attempted to replace those he classified as suffering from senile degeneration with judges more in accord with his own regard for the Constitution of the United States. Two of the President's five appointees are, if nothing else, outstanding, for both are recorded in The Red Network, by Elizabeth Dilling, as members of the American Civil Liberties Union, a communistic organization. (See also CONGRESSIONAL RECORD, 69th Cong., 1st Sess., vol. 67, No. 2, Dec. 19, 1925, p. 1217 et seq., for further information.)

To form an opinion from recent Supreme Court decisions, one can only reach the conclusion that the Supreme Court does not understand the Constitution, or willfully ignores the document. In either case, the membership of the Court is subject to correction or dismissal, for all of them have taken an obligation "to preserve, to protect, and defend" the Constitution as it was given to them by our people.

I believe that majority opinion is expressed when I say that we, the people, have always relied upon our courts for fairness and justice, and this is particularly true of the Supreme Court, for it has always been considered to be composed of men who would not under any circumstances swerve from facts of the law.

Has the Supreme Court always adhered to facts as written into the Constitution? No; for divided opinions and the now so-called liberal interpretations have led us far afield from the actual meaning as expressed in the Constitution of the United States.

There has been a tendency for at least 25 years on the part of radicals to give undue weight to administrative decisions rendered by boards, commissions, and individual officials. This cult has been led by Frankfurter, who, nearly 20 years ago, became professor of administrative law at Harvard Law School. It has so far succeeded that it may be said that our Government is no longer "a government of laws and not of men."

In the early 1900's, with the growing powers of the Interstate Commerce Commission and other administrative bodies, while the Supreme Court was reluctant to retry the cases on the facts, largely because the burden of work would overwhelm the Court, it nevertheless held that a decision was arbitrary and would not constitute due process of law if there was no evidence to support a finding of fact on an essential element in the case. In this way the Supreme Court was able to prevent arbitrary administrative decisions.

Now, since the advent of the New Deal, Congress has so far abdicated its control over administrative bodies by assuming to grant power to administrative officials to make arbitrary decisions in violation of the due-process-of-law clause, that it is now hopeless to look for justice, particularly considering the present membership of the Court. In fact, very recent decisions indicate that the Court has accepted this unwarranted grant of power by Congress and is now stating in its own opinions that the remedy lies with Congress.

As a matter of fact, the Court should hold that many of these decisions are a denial of due process of law, which was confirmed by Daniel Webster as "A law which hears before it condemns, which proceeds upon inquiry, and renders judgment only after trial."—Black's Law Dictionary.

As the Supreme Court will not do this, the only hope for immediate relief is through Congress, as indicated by the Court, and the best solution is the passage of the Logan bill, which would make all of these administrative bodies subject to the same rules as the United States district court.

There can be no reasonable objection to this, particularly because many of these administrative decisions are rendered by the same persons who are the investigators, prosecutors, and triers of the facts, which at once indicates bias.

Presumptuous opinions in the press by department chiefs are infrequent today as compared with the past, yet it is difficult for some of them to desist from following the chronic habits of their leaders. It is not my desire to unduly criticize those to whom I have referred, for I realize as subservient appointees they, no doubt, listen to their master's voice and in sheer admiration forget their leaders are subservient to Congress and to the people.

I prefer to put the blame where it rightfully belongs, squarely upon the shoulders of Congress, for it is this branch of the Government that is in reality responsible for all unconstitutional laws, under the protection of which the communistic internationalist brazenly engages in sabotage of our Nation.

I realize, of course, that usage or established custom over a period of years is in itself looked upon as validating many unconstitutional laws. I take no issue with this legal assumption, although I declare it a fraud and a betrayal of the people's constitutional rights. The point to bear in mind is that it will eventually lead our Nation into regimentation, similar to that which now exists in other totalitarian governments. It is this danger that I, as a Member of Congress, have tried to reveal for "the common defense and the general welfare" of our own people.

I hope the people will realize that their fullest measure of liberty was enjoyed before extraconstitutional laws were enacted or—let me put it this way—on the day that the Bill of Rights was ratified, for it was then that the Constitution was the people's first line of defense. It is said, "Eternal vigilance is the price of liberty." We have not been vigilant, and we have not protected our rights. We have instead allowed our rights and liberties to be exploited by the international financiers, obnoxious and pernicious political machines, dishonest politicians, and other parasites who make their living upon the labor of industrious and law-abiding citizens. We, the people, are victims of too many laws, and if this orgy of legislation continues, nothing but complete loss of our cherished liberties and rights can be expected. No one can correct this except the people themselves, and it can only be accomplished by setting our Nation squarely upon the Constitution of the United States. It is upon that document that all will enjoy equal rights, and it is to that document that all Members of Congress, the President, and the Supreme Court should be required to subscribe, and, for violation, be removed from office.

While speaking on the danger of new legislation, let me at this point call your attention to the present squabble about the census enumeration. What does the Constitution say about this. Let me quote:

> The actual enumeration shall be made within 3 years after the first meeting of the Congress of the United States, and within every subsequent term of 10 years, in such manner as they shall by law direct.

This section states explicitly that the actual enumeration shall be made in 1790 and every 10 years thereafter. This should be plain, and Members of Congress should understand that they have no constitutional right to enact legislation that hounds, persecutes, and delves into the personal, private affairs of individuals.

In view of the fact that article I, section 8, paragraph 4, gives Congress the right to establish a uniform rule of naturalization, the right also exists in such delegation of power to determine enumeration, or tabulation, or counting, of races, which would reveal those who have attempted to obscure racial origin by change of name. The people should now ask Congress, Why has this important information been ignored in the present census, particularly in view of the fact that we know many are here on private visas, and others have gained illegal entrance into the United States?

Mr. Hopkins carelessly attacks Senator TOBEY for adhering to his obligation "to preserve, to protect, and defend" the people's rights. Mr. Hopkins may now read article I, section 2, section 8, paragraph 4, and section 9, paragraph 4, and he will find that nothing except enumeration is mentioned in the Constitution. In this enumeration it is the right of the people to be informed as to who they are, and that is why races should be counted and tabulated.

Mr. Hopkins also refers to the Constitution:

> "I feel it necessary, however, to call your attention to the fact that the patriots who gave us the Bill of Rights wrote into the Constitution a provision for the first and all subsequent censuses, and the same founding fathers made it mandatory upon the American people to answer census inquiries. This compulsion has existed for 150 years."
>
> Hopkins then reminded TOBEY of his oath as United States Senator to support the Constitution.

Mr. Hopkins is evidently confused about the Constitution, as is clearly evident after reading his statement in the Washington Post, March 17, 1940.

The spirit of the patriots who gave us the Constitution is still alive in the hearts of the American people, and they speak today as they spoke 151 years ago. The Constitution still belongs to the people as it did when it was drafted, and in the document they instruct the Government to "actually enumerate" or count all people or races within the United States. The fact that Congress in 1929 enacted legislation to do otherwise does not make it legal, because provision for changes in the Constitution may be found in article V, which I advise the Secretary of Commerce as well as Congress to read. It follows therefore that Senator TOBEY is not only within his rights, in his stand on the census question, but that he is actually conforming to his obligation "to preserve, to protect, and defend" the people's rights. I grant that the Secretary of Commerce and others, in spite of self-admitted importance, are not observing their obligations "to preserve, to protect, and defend" the people's rights, but are, on the contrary, engaged in usurpation of such rights.

The people, if they wish to adhere to their constitutional rights, are not obligated to answer any question except those pertaining to enumeration, and it strikes me that it may be difficult for the Government to convince a hundred and twenty million people that they have lost their constitutional rights, and are now actually under a Federal dictatorship. It is high time that the people assert their rights and demand that the Government respect the Constitution of the United States. This may be done in 1940 by making it obligatory upon each candidate elected to office that he faithfully obey the Constitution as it is written and not as interpreted by those who are engaged in sabotage of industry and destruction of the Government.

If it is the intention of Congress, the President, or Mr. Hopkins to insist on replies to silly questions, they should read amendment 9 for a better understanding of the people's rights:

> The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

In this amendment the people advise the whole Government of the United States that the written and unwritten

rights which they have reserved to themselves must not be treated disparagingly or lightly. This should be construed in the following manner by those who are elected to serve the people: We want you to count the inhabitants of the United States every 10 years so that we may be informed whether or not you, the Government, have conformed to our mandate as set forth in our document, the Constitution of the United States. We want to know if the Government has conformed to the naturalization and immigration laws, or have you made the United States a dumping ground for undesirable aliens? The people have said to the Government: We give you permission to count us every 10 years, but do not ignore our rights on the penalty of being removed from office. Do not meddle in our affairs, and do not stick your nose in our private business. It is this meaning that amendment 9 conveys, and it is high time for the American people to assert themselves and protect their own rights.

THE SUPREME COURT

The Supreme Court was instituted to protect the constitutional rights of the people, and this is clearly stated in article 3, section 2, which I now quote:

> The judicial power shall extend to all cases, in law and equity, rising under this Constitution, the laws of the United States, and treaties made, or which shall be made, under their authority; to all cases affecting ambassadors, other public ministers, and consuls; to all cases of admiralty and maritime jurisdiction; to controversies to which the United States shall be party; to controversies between two or more States; between a State and a citizen of another State; between citizens of different States; between citizens of the same States claiming lands under grants of different States; and between a State, or the citizens thereof, and foreign states, citizens, or subjects.

This is perfectly plain and asserts that the judicial power of the Supreme Court shall extend to all cases—

> In law and equity, arising under this Constitution, the laws of the United States, and treaties made, or which shall be made under their authority.

It is evident from this that all Supreme Court opinions upon law and facts must be based upon nothing else except the Constitution of the United States. There is much evidence to show that the Constitution has often been ignored by the Supreme Court in its decisions, as was done when it held the Gold Reserve Act constitutional.

The question may be asked: Should there be any difference in the penalties imposed upon a Supreme Court Justice or any other citizen who violates his oath of obligation? The answer is, "No"; and this is particularly true when we consider the fact that it is the people of this Nation who work and slave to pay the Justices of the Supreme Court $20,000 a year and, in addition to that, a pension of $20,000 a year upon retirement from active duty.

No one can deny that the people have the right to expect the same observance of the law from public officials as that which the laws demand from the people themselves, and to which they submissively subscribe. This is particularly true when we realize that many laws now in operation are unconstitutional, and therefore illegal. These laws are mostly coercive and restrictive, and are usually looked upon as regulatory in character.

Many of my statements may appear radical, but being one of the so-called common people, I address myself from the viewpoint of my own people, and for the protection of the rights they have reserved in the Constitution of the United States. For the people to submissively tolerate Federal usurpation of rights by a Government they have nourished for 152 years is incomprehensible to me. No one seems to realize that we are in the hands of the most efficient international wrecking crew that ever climbed over the side of a ship at night. No attempt is made to stay their hands of destruction. We sit instead in abject apathy to our fate.

Returning again to section 2, we find on perusal that the judicial power of the Supreme Court does not extend to controversies within the State, but only to controversies between the States or between citizens of different or foreign States. The limitation of judicial power is so clear that I shall refrain from discussion of it, and shall, instead, proceed to clarify State rights, quoting article I, section 8, paragraph 3:

> Congress shall have the power to regulate commerce with foreign nations and among the several States, and with the Indian tribes.

This is in line with the spirit of the Constitution, which is to maintain and protect the sovereign rights of the State, so that the United States may remain, as was intended, an indestructible union of many States. It is this that each branch of the Federal Government has obligated itself "to preserve, to protect, and defend," so that our Union may survive forever. I shall now quote the second paragraph of article III, section 2:

> In all cases affecting ambassadors, other public ministers, and consuls, and those in which a State shall be party, the Supreme Court shall have original jurisdiction. In all the other cases before mentioned, the Supreme Court shall have appellate jurisdiction, both as to law and fact, with such exceptions and under such regulations as the Congress shall make.

This paragraph is also clear, for it states where the Supreme Court shall have original jurisdiction, and where it shall have only appellate jurisdiction, "both as to law and fact," under such regulations as Congress shall make. This also conforms to the spirit of the Constitution, for the Supreme Court is empowered to represent "foreign states, citizens or subjects," as provided for in article III, section 2.

The Constitution recognizes the Senate of the United States and the Supreme Court as international and national umpires in their respective fields and the President independent of both. This is as it should be, and has been upheld until recently by the Supreme Court itself.

> There is no liberty, if the power of judging be not separated from the legislative and executive powers.—Montesquieu.

In other words, Executive and congressional interference with the Supreme Court is a "kiss of death" to justice. It is precisely that condition which confronts us today, as we observe and study the present occupants of the Supreme Court. Not only do they appear to be under the influence of the executive department but some of them are inextricably united with other alien interests, which in itself is a bar to clear constitutional expression by those so involved.

As I read various publications on the Supreme Court of the United States, I cannot but come to the conclusion that the Supreme Court generally takes the position that legislation enacted by Congress is constitutional. This view is further evidenced by the few reversals on the constitutionality of legislation. This viewpoint in reality is responsible for the great centralization of power in the Federal Government, a power that the Constitution did not intend to give. It should be quite clear that such viewpoint will eventually deprive the people of their liberties and rights, unless they use the most extreme care in selecting members to Congress. No better evidence of this danger can be had than the mass of legislation that has been enacted in the past 8 years, which has provided Federal-owned private corporations in practically all fields of industry. Similar legislation has also provided the Gold Reserve Act, and the reorganization plan, which give the Executive most extraordinary and unusual powers. Surely this could never have happened had Members of Congress adhered strictly to the Constitution, for all of this legislation is clearly unconstitutional. The Supreme Court has the cart before the horse, for the Constitution was drafted by the people to protect the rights they reserve to themselves, and for protection against their own Government and the Supreme Court, should either fail to carry out the mandate of the people as set forth in the Constitution of the United States. The point to bear in mind is that it means exactly the same thing today as the day it was drafted.

The Court speaks of being liberal with interpretations of the Constitution which is another error on its part for the people do not want liberties taken with their rights and the Court should therefore hew strictly to the line.

In order that we may have a better understanding of the obligated duty of the judges on the Supreme Court, let me quote two paragraphs of article 6:

This Constitution and the laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every State shall be bound thereby, anything in the Constitution or laws of any State to the contrary notwithstanding.

The Senators and Representatives before mentioned, and the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several States, shall be bound by oath or affirmation to support this Constitution; but no religious test shall ever be required as a qualification to any office or public trust under the United States.

These two paragraphs should be quite convincing as to the document upon which the laws of the United States shall be made and upon which the judges of every State shall be bound. It should also be informative to other officials, as stated in this quotation. Let us not, however, make the mistake of confusing religions with foreign subversive philosophies, for they are not comparable in any sense whatsoever. Subversive philosophies may be assumed to include all teachings which are contrary to the principles set forth in the Constitution of the United States. Those who harbor such principles should never sit as judges on any court in the United States, or on any jury except among themselves or those who harbor similar radical philosophies.

The question may now be asked: How can those who teach sabotage of our industries and destruction of our Government be classified? Shall they be looked upon as friends or enemies of the United States? I do not believe anyone will disagree with me when I say that they can only be held as enemies of the United States, and therefore subject to article 3, section 3:

Treason against the United States shall consist only in levying war against them, or in adhering to their enemies, giving them aid and comfort. No person shall be convicted of treason unless on the testimony of two witnesses to the same overt act, or on confession in open court.

The question may now be asked: Is there anyone within the United States today who advocates sabotage of industries, radical changes, or destruction of our Government? The answer is "yes," and evidence may be found in their own publications. Who is responsible for failure in seeing that the Constitution is faithfully obeyed? Why is the Department of Justice indifferent to this threat upon the liberties of our people and the security of our Nation? Someone is guilty, for the law is clear on this point.

In conclusion, I shall quote a part of article III, section 1:

The judges, both of the Supreme and inferior courts, shall hold their offices during good behaviour, and shall, at stated times, receive for their services, a compensation, which shall not be diminished during their continuance in office.

The question may be asked: What is good behavior of a Justice of the Supreme Court? The answer which appears logical to me is that his behavior is good as long as he performs the duty of his office, which is to uphold the Constitution of the United States as written in the document itself, with due consideration for all rights written and unwritten that the people reserve to the States and to themselves. Failure to observe this is tantamount to bad behavior and, therefore, legitimate cause for dismissal from office.

It is within the power of the people to set this Nation right by taking active interest in all officials elected to office in the State and in the Congress of the United States. It is entirely within the power of the State to elect sound State governments. When such governments begin to function, they will by sheer power force the Federal Government to retrench, to perform the duty delegated to it in the Constitution—which is to represent the United States in international relations. When this is done, the wheels of industry will begin to turn, and the unemployed will return to work.

St. Lawrence-Great Lakes Proposed Treaty

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

EDITORIAL FROM THE GAELIC AMERICAN

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include a recent editorial from the Gaelic American on the subject of the proposed treaty between Canada and the United States affecting the St. Lawrence River and the Great Lakes, as follows:

[From the Gaelic American, New York, March 16, 1940]

DEFEAT ST. LAWRENCE WATERWAY TREATY

The St. Lawrence waterway scheme has been revived by the Washington administration and another treaty between the United States and Canada has been agreed on by the two Governments. Though a similar treaty was defeated by the United States Senate, on March 14, 1934, President Roosevelt has not paused in his efforts to push through the international canal. Soon after the rejection of the treaty by a vote of 46 to 42, the President renewed his efforts to get favorable action and negotiations for a new treaty were carried on with Canada. Hostility, on the grounds of cost, by Quebec and Ontario, was revealed and the President's pet plan was put in cold storage for several years. Now Canada is more favorable to the waterway, probably on the advice of England, and unless some unforeseen obstacle presents itself the President will send the revived and revamped treaty to the Senate for ratification before Congress adjourns.

President Roosevelt's persistence in pushing the international waterway is strange as the project is a hang-over from the Hoover administration which failed lamentably in all its negotiations and attempts to settle the affairs of the world. It failed to prevent Japan from absorbing Manchuria and the Stimson doctrine, which was hailed as a wonderful step to prevent aggression between the nations, has gone the way of the League of Nations and the Kellogg-Briand Pact, which its authors expected would outlaw war for all time. It was the Hoover administration which issued a moratorium on the payment of the war debts, principal and interest, due to the United States. This blunder resulted in paving the way for the practical repudiation of the war debts by the European debtors, including the "democracies" who try to make us believe that they are fighting for freedom of small nations and world peace. In his foreign policy Roosevelt has followed closely on the heels of Hoover and like him he considers himself the guardian of world peace and democracy. It need hardly be stated here that the Old World nations did not take Hoover seriously and they hardly pay any more attention to Roosevelt. Both Hoover and Roosevelt were elected to safeguard American interests and the electorate gave them no mandate to manage the affairs of the world.

The St. Lawrence waterway treaty would involve the expenditure of a fabulous sum at a time when Americans have to provide large sums for relief and public works. Besides the canal is controlled by Canada, and in case of disagreement between the United States and the Dominion, American ships could not enter the Gulf of St. Lawrence. Besides the St. Lawrence River is frozen for nearly 6 months of the year, and at best, it would be only a part-time canal. With these defects it is unwise for America to spend hundreds of millions of dollars in cutting a part-time and jointly controlled waterway.

It is also doubtful whether American produce could be shipped via the St. Lawrence canal more cheaply than by the existing rail, lake, and canal routes. The Canadian waterway would divert traffic from the railroads, and adversely affect the Atlantic seaports of Boston, New York, Philadelphia, and Baltimore. Montreal would automatically become the most important city in North America, and New York would take second place. Many vested interests would suffer losses, and thousands of men would lose their jobs. Why should the Government support any scheme that would prove detrimental to American interests?

Our foreign trade has been decreased rather than increased in the last decade. Even the temporary spurt in some industries, as a result of the European war, has not come up to expectations. At present the facilities for handling our exports are ample and more than ample. Why run the risk of losing hundreds of millions of dollars on a waterway that may turn out to be a white elephant?

Spokesmen of the Canal interests state that the proposed project would greatly lower the cost of light and power to millions of consumers. Already there is going to waste in this State water

power more than sufficient to supply New York and the Eastern States with cheap light and power. There is no reason why these facilities should not be availed of by the State. Why wait for the St. Lawrence development when there is so much water power available in New York State? The plea that cheap power from the St. Lawrence Waterway would build up many industries now languishing is far-fetched and unconvincing.

One of the main objections to the St. Lawrence waterway is that it would internationalize the Great Lakes and that the big cities of the Middle West would be liable to bombardment by hostile cruisers in case of a war between England and America. Some of our internationalists may say that such a war is unthinkable, but as long as human nature is what it is, there will always be wars between nations.

The St. Lawrence River is frozen for more than 6 months of the year. The ice sets in early and it is well into May before it is fit for navigation. There is no good American reason for the digging of the proposed canal, and the waterway Treaty should be defeated by the United States Senate, which has in the past put the quietus on many ill-considered pacts. As this scheme is likely to be submitted to the Senate before Congress adjourns, no time should be lost in interviewing your Senators. Up to the present it is believed that the opponents of the proposed waterway have votes enough to defeat it a second time.

Let's Be Fair With the Aged—Statements About Old-Age Assistance

EXTENSION OF REMARKS

OF

HON. LINDLEY BECKWORTH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. BECKWORTH. Mr. Speaker, some 5 years ago there were those who had the vision, foresight, and wisdom to acknowledge the fairness of trying to do something for the aged persons who have diligently and assiduously labored to make this land what it is—those in the evening or sunset of life.

The thought of $30 per month was held out to our old folks from the inception of old-age assistance. Many have been under the honest conception they would receive this amount. I say we should all unite in our efforts to pay the first $30 before creating additional false hope and faith in the minds of our aged. Blasted hopes—and many old people's hopes have been blasted—help no person and contribute nothing of a substantial nature to the cause of helping old people. It is my understanding that little more than $10 per month is the average now being paid by the States to old people, and, of course, this represents a $5 contribution by the State and a $5 contribution by the Federal Government. With this despicable and deplorable situation obtaining, each of the Members of Congress should dedicate his best efforts to remove and obviate such rank mockery.

One great fault which has characterized the pension system in our State and section—a characteristic I desire to see removed—is the fact that many of the most worthy citizens, worthy in the light of efforts hitherto made by them to assist themselves and families and State, have not been able to be added to the rolls on the weak and untenable pretexts and excuses that they are not in need because, first, a relative has an income sufficient to maintain the old person or couple; or, second, a piece of property is owned by the individual or couple.

These two provisions, which have attended in reality and, insofar as interpretation is concerned, the Texas law, have had the effect of unjustly precluding from receiving assistance certain worthy and needy persons. To illustrate the first allusion I have made, I am familiar with two old people who live with their son-in-law and daughter. Since the inception of old-age assistance this aged couple has sought assistance, but has been disallowed because of the contention that the son-in-law and daughter are able to support the couple. It has not been my purpose to ascertain the efficacy or lack of efficacy of the allegation, but one of the designs of old-age assistance, I am constrained to believe, is to remove the feeling of complete dependence which in many instances permeates the minds of poverty-stricken old people. These old people to whom I refer have no earthly possessions other than their clothes; they could not begin to keep house without buying furniture; they own nothing. Nothing would bring more joy to them than the opportunity to live their remaining days under a roof where the say-so of each is supreme, rather than to be compelled to adjust themselves to and adhere to the whims and fancies of others. The law and interpretations should, in my opinion, be modified to include these types of people.

That an old person who owns a piece of land or a house should be denied assistance for that reason only is ridiculous. Some aged individuals or couples in my vicinity—and I am sure my vicinity is not dissimilar to many others throughout the South and the Nation—happen to own 30 or 40 or 50 acres of land not worth, in a large number of cases, more than $500, $800, or $1,000 and, certainly, not more than $1,500. At best the cotton allotment—I allude to cotton because it is the chief money crop—on the 30, 40, or 50 acres would be no more than three, four, or six bales bringing only a total of $120, $160, or $240, respectively. The respective rents on these amounts of money would be not more than $30, $40, or $60—the share which the old individual or couples would receive. From some of these sums would be deducted taxes and property upkeep. To parallel the preceding case an aged individual or couple may own in town a house valued at $1,000, $1,500, or $2,000. The ownership of this house, attained by wise and frugal efforts, should not preclude the reception of aid by the individual or couple who owns it. Rather than the possession of it constituting a handicap, it should hasten the chance of the individual or couple to get aid because its possession is patent evidence of thrift, frugality, and genuine American resourcefulness. Is it fair, right, just, or reasonable to deny these types of individuals or couples social security for a few fleeting years, years in which though they have strength, "yet is their strength labor and sorrow, for it is soon cut off"? No; this policy is not condonable when we remember that by strong inference and overt action of the Congress in the case of W. P. A. laborers, not less than $300 per year is considered a bare subsistence income. Even the adequacy of $30 can be strongly questioned when we recall that the needs of old people are somewhat augmented by virtue of certain types of foods they need in conjunction with medicines, and so forth. It occurs to me that the existence of the three descriptions brought to your mind, when you remember that their situations often elicit unfavorable decisions as to their eligibility for aid, encourages future old people to be less diligent in their efforts to obtain property in their days of production and, although any son or daughter worthy of the name is happy to aid his or her mother or dad or both to the fullest degree, still that son or daughter can receive little encouragement to move forward financially visioning the foregoing examples.

But, you say, why discuss these facts? The real reason actuating and motivating me in this connection is because the States are constantly under the threat that the Federal Government will withhold its aid if the States become too liberal in their certification of eligibles. I cannot believe it is the honest motive of the membership of this Congress to interpret the meaning of the word "need" in a manner so rigid and restrictive that the worthy and needy aged, like I have described, would receive no help.

We have made much progress relative to helping old people, but, indeed, there is much to be done. The test of one's sincerity or the sincerity of any group of legislators is whether or not they are willing to raise the money to pay

that amount promised by them. We should try to aid our old people to a degree of at least $30 per month because heretofore this sum has been legislatively suggested. I do not contend even $30 is completely adequate, but this sum, it is obvious, would be such a pronounced improvement over the present situation.

The President's message to Congress states that the farmers are still not receiving their part of the national income. I think it is admitted that most of our farmers, considered from an agricultural-population standpoint, live in the South. The 10 lowest pension States are 10 Southern States, and they pay their old people from $6.05 per month to $10.46 per month. My own State of Texas pays on an average about $8 per month. Since this is true, it is readily discernible that the South is again suffering as it has in so many instances by virtue of the type of pension legislation now on the Federal statute books. A bill that I introduced January 25, 1940—H. R. 8148—which, in my opinion, incorporates the sentiment of many other Members of Congress, would require that the Federal Government match the States' contribution 4 to 1 up to an amount of $30—that which the old people now expect; and my bill harmonizes with the present law in that the State would have to match 50–50 the Federal contribution on any amount over $30 up to $40. Furthermore, the Beckworth bill reduces the cost of administration from 5 percent to 3 percent. I include this provision because I have always contended that too much of the money which is supposed to go to the old people has been spent for administration. This bill, I know, would do much to alleviate a great deal of misery and deprivation now characterizing the lives of many worthy and meritorious senior citizens. I urge each Member of Congress to carefully consider it.

Justice Pierce Butler

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

ADDRESS OF CHIEF JUSTICE KIMBROUGH STONE OF THE UNITED STATES COURT OF APPEALS FOR THE EIGHTH CIRCUIT

Mr. COCHRAN. Mr. Speaker, recently in Kansas City, memorial services were held for the late Justice Pierce Butler of the United States Supreme Court by the United States Court of Appeals for the Eighth Circuit.

Chief Justice Kimbrough Stone of the Eighth Circuit Court of Appeals made the principal address.

Mr. Speaker, as part of my remarks I include Justice Stone's address. It follows:

Were this an occasion when those things which are essentially personal should be said, I would try to voice something of my estimate of this man for whom I held a genuine affection and whom it was my precious privilege to have had as a friend. However, I may say that as I deeply valued that friendship during his life, so shall the memory of that association be to me a benediction always. What I wish now is to try, from the more impersonal position of an American judge and citizen, to point out one meaning of his loss as a justice of our supreme tribunal.

The death of Justice Butler would have been a pronounced loss to the Nation at any time. It would have signified always the passing of a great man from important public service. But such loss is far accentuated by his passing when he did; and, therefore, his high worth is brought out in clearer outline. This arises from the situation in the Court at that time and his relation thereto.

The situation has to do with the attitudes of the members of the Court toward decisions involving social or economic matters coming before it. For convenience in stating these attitudes, I employ the indefinite and changeful terms of "conservative" and "liberal."

A few years after Justice Butler became a member of the Court, it came about that there were, as to decisions on social and economic matters, four members who might be regarded as conservative; two who were liberal; and three who were not definitely either. The result was, generally speaking, that such decisions of the Court were conservative, as that term is now understood. Shift in personnel exactly reversed that situation before Justice Butler died. There were then two conservatives, four liberals, and the same three intermediates.

It is from this changed attitude of the Court membership and from his place therein, that the additional significance of the passing from the Court of Justice Butler emerges. Not alone was he one of the only two conservatives then on the Court, but upon him fell most of the burden of formulating and expressing that viewpoint. His importance to the welfare of the country in such situation finds explanation in the way we function our form of democracy.

Our theory of democracy is based primarily upon rule by the people, but always without violating the fundamental liberties of the individual. This conception creates the ever-present conflict between the power of the majority and the liberties of the individual. Therefore, our method of realizing this theory is not simply by majority rule but by restrained majority rule. The Constitution declares those restrictions. The Supreme Court determines, finally, the definition of those constitutional restraints. Narrow definition of these restraints tends to limitation of individual liberty. Broad defintion tends to limitation of the power of the people to work out what, for the time, they deem their public welfare. Hence, it is of far-reaching consequence if the general attitude of the members of that Court be toward loosening or toward tightening those constitutional limitations.

To avoid too great a movement toward either danger, the best protection is in a balanced Court—at very least, in a minority ably represented. A representation, which, by discussion in conference of the Court and by pointing out the character and effect of majority opinions through dissenting opinions, will exercise the inevitable restraint upon extreme action which logic and patriotism exert on other honest and patriotic minds. That such effects are very real, judges know full well. They know that if extreme care is ever used in reaching a judicial conclusion and in stating the reasons therefor in an opinion, that care is present when such action is to be faced by a dissent from an able judge.

Is any thoughtful American not mindful of the dissents of the great liberal Holmes when the Court was conservative? Can any lawyer believe his views had no effect upon the deliberations of the Court in conference or upon the opinions to which he dissented? The American people sense, at least in part, his service in putting before them the danger signals, as he saw them, of too great a trend toward limitation of the power of the governments (National or State). Because of these services, his fame is secure. It does not rest upon the fact that he was a liberal. There is no sanctity either in liberalism or in conservatism. His fame is because he was a great liberal in the right place at the right time—because there was then the need of a great liberal on the Court and he met that need.

The Court changed, so that, before Justice Butler died, he was fulfilling a precisely similar public service on the Court. There was then need of a great conservative as a restraining influence on the liberal majority. There was need to have pointed out to the people the possible dangers to their liberties which might lurk in the views of the majority. A swing too far to the left may be as fateful as one too far to the right. Just as Justice Holmes placed his weight on the side of governmental power when a majority of the Court was inclined to broaden individual liberty, so Justice Butler put his weight on the side of individual liberty when the Court was inclined to broaden governmental power. The preservative effect of each was and will be the same: To prevent the beam from tipping too far out of true balance between the two opposed and vital components of democratic rule—governmental power and individual liberty.

Had Justice Butler been mediocre, the loss were different. No current is affected by a bending reed on river edge, but by the granite boulder in midstream. He stood immovable against the flow of what he saw as dangers to those liberties of the individual under our fundamental law. Of all the men I have known, none more perfectly typified strength. Massive and rugged in face and form, great in mind and pure in heart, lover of truth and basic things, he was strength in its best human personification.

He brought this superior strength into full use at a time when his country needed it. One result was that those efforts threw into bold relief the outlines of his noble character and of his fine ability where all who looked must see. His high place in the history of the Court and in the history of the Nation is secure. He was a great Justice and he was a great American.

Work Projects Administration

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. HOUSTON. Mr. Speaker, this Congress will soon be faced with the very important question of deciding how much money is actually needed for the W. P. A. program during the fiscal year commencing July 1, 1940, and how much we can afford to spend for that purpose. Upon our decision rests the welfare of millions of our needy citizens and of our communities throughout the country.

It has been conclusively proved that there is no economy in cutting expenditures for the W. P. A. without regard to actual needs, and that deficiency appropriations brought in because of original low estimates have only resulted in confusion in the work-relief program, with loss of efficiency and lowered morale of the workers.

There has already been proposed a reduction of about one-third in the W. P. A. appropriation for the coming fiscal year as compared with that of this year, although the $1,500,000,000 approved last year is falling far short of the amount needed.

I have just received advice from the Kansas State administrator that approximately 4,000 persons will be released this month, the State employment authorization for March being 25,680 as compared with 30,550 for February.

A report from Sedgwick County, Kans., shows the relief load jumped from $124,032 in January 1939 to $182,806 in February of this year, an increase of 47 percent. General assistance cases increased from 2,552 to 3,902 because of W. P. A. slashes and weather conditions.

We cannot escape the expenditure of public funds for our unemployed; if the Federal Government does not do its share the load falls on local governments which are utterly incapable of carrying new burdens.

At one time about 3,000,000 people were on the W. P. A. rolls which was less than one-third of the total unemployed, and only three-fourths of the total number certified as in need and eligible for W. P. A. employment. We have never given work to all of the needy employable people, and it is estimated that with $1,500,000,000 being spent for this purpose during this fiscal year, the number of workers may have to be cut to 1,500,000, or one-half of the number when W. P. A. employment was at its peak. Of the 2,300,000 workers now enrolled, about 800,000 will be released during the next 3 months, and if only $1,000,000,000 is appropriated for the coming fiscal year those 800,000 and perhaps an additional 150,000 will have no hope of reassignment.

Industrial production has dropped from the all-time high of 128 in December to an estimated 105 for March, and there is danger of a continued downward trend which means more unemployment. I regret to say that for a time we may reasonably expect more unemployment in this country rather than less.

There are some who would return relief to the States and counties and have the Federal Government make grants to States in an amount less than W. P. A. appropriations, but such a plan would end in a cash dole from which the public, other than the recipients, would get no benefit and which produces nothing but the keeping together of body and soul and the destruction of the moral fiber of those who accept it.

Under the W. P. A. program improvements of permanent value to the communities are obtained. It is estimated that 40 percent of all W. P. A. money is spent in the construction and improvement of highways, roads, and streets. The W. P. A. has constructed 3,985 new school buildings, 1,480 additions to school buildings, and improved and modernized 27,664 school buildings; constructed 156 new public hospitals, made 66 additions to existing hospitals, and renovated and improved 1,436 others; built sewer and water plants and numerous other types of projects of permanent value. The W. P. A. has created wealth for almost every community in the country and has enabled the unemployed to escape charity by actually earning money with which to support themselves and their families.

The accusations made by some that W. P. A. workers have refused jobs in private industry have, with rare exceptions, been found baseless by those who made real investigations and did not rely on hearsay.

Mr. Speaker, I am just as anxious as anyone to see the time when the W. P. A. can be abolished through the employment of all who seek it in private business, but that time is not here, and until it does come it is absolutely necessary that we provide jobs on public works to an extent compatible with the actual need for them.

An appropriation of only $1,000,000,000 for work relief during the coming fiscal year will be found woefully inadequate. We might as well face the facts of the situation, and it is my opinion that the work-relief bill should carry an appropriation which will permit the employment of 3,000,000 persons. We must not curtail the work-relief program to the point where its effectiveness in meeting a great part of the relief needs is destroyed; and the necessities of life and the opportunity to earn them by honest work must not be denied either the young or the older able-bodied people of this wealthiest of all nations.

National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. HARRY N. ROUTZOHN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

ARTICLE BY WILLARD EDWARDS

Mr. ROUTZOHN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Willard Edwards, appearing in the Washington Times-Herald, March 18, 1940, under the title "Senator WAGNER Joins Demands for Drastic Shake-up of N. L. R. B.":

[From the Washington Times-Herald of March 18, 1940]

What's the matter with the National Labor Relations Board? Why has its administration of the Wagner Act attracted almost universal condemnation?

The verdict, "guilty of maladministration," was made practically unanimous last Wednesday when Senator ROBERT F. WAGNER (Democrat), of New York, fervent defender of the law he sponsored, admitted that the Smith investigating committee had brought forward evidence of "highly undesirable" conduct on the part of some of the Board's staff.

ONLY C. I. O. IS SATISFIED

Only John L. Lewis and his Congress of Industrial Organizations, persistently favored in Board decisions, remain unconvinced that a drastic clean-up in Board personnel is needed.

An explanation of the Board's bias, its seeming hatred for business and the American Federation of Labor, and its affection for the destructive methods of the C. I. O. can be found in an examination of the personal records, education, and social attitude of the eight-hundred-odd men and women who have been entrusted with the carrying out of the labor act.

Striking similarities are discovered in such a study. From Board member down to messenger boy, the Labor Board family is left-wing. This could hardly fail to be the case because, as the Smith investigating committee found, the "social philosophy" of job applicants is carefully ascertained before they are hired. The slightest suspicion of conservatism is an effective bar to approval of the application.

MANY VERY YOUTHFUL

Many of the staff lawyers are products of Harvard Law School, which has furnished some of President Roosevelt's leading radical advisers. Many are astonishingly young to render decisions affect-

ing all American industry and the fate of hundreds of thousands of employees.

The act is administered by a board of three members who receive $10,000 a year each. Twenty-two regions have been set up throughout the country. Each region has a director who receives from $5,000 to $7,000 a year and an attorney who receives an average of $3,500. Under each director are field examiners who receive $3,000 and up. The approximate yearly cost of the Administration is $3,200,000.

The spotlight should fall first upon two officials in the Washington office who wield immense power in an unobtrusive manner. They are Nathan Witt, $7,500 secretary to the Board, and David J. Saposs, $6,500 chief economist. Much of the Board's radicalism stems from these two individuals, in the opinion of most observers.

WITT'S VARIED CAREER

Nathan Witt was with the old Labor Board under the N. R. A. and with the present Board since its creation in 1935. He was born in New York City 37 years ago. He received his bachelor degree at New York University in 1927. The next 2 years he spent as a taxicab driver in New York City. Then he went to Harvard Law School, receiving his degree in 1932. With the advent of the New Deal, he immediately obtained a position with the legal staff of the Agricultural Adjustment Administration, going to the former Labor Board in 1934.

In the opinion of William M. Leiserson, appointed to the Board last June as a "trouble shooter" when the protests were most clamorous against the administration of the act, Witt is responsible for much of the criticism which the Board has attracted. Leiserson accused Witt of an arrogant assumption of authority and demanded his dismissal. The administration, however, apparently has no intention of discharging Witt, whose C. I. O. sympathies and radical viewpoint are well known in Washington.

Saposs was born in the Russian Ukraine in 1887. He was brought to the United States when he was 9 years old, and his parents settled in Milwaukee. He spent 10 years at the University of Wisconsin studying informally, and was an assistant to a professor there, although he never received a formal degree. He told the Smith committee that he had never been back to Russia, although he has spent much time in Europe, where he became well known as a radical and friend of Communists.

SAPOSS' STRATEGIC POST

Saposs was accused of communism before the Dies committee on un-American activities. He was confronted with an article which he had written for Labor Age in which he stated that the "Socialist movement must tell the people that capitalism cannot be stabilized and that the world cannot be saved by capitalist devices." He insisted he had merely been presenting the sentiments of others and denied he was a Communist.

As head of the economic division of the N. L. R. B., Saposs furnishes the Board with statistics and material to support its radical viewpoint.

J. Warren Madden, Chairman of the Board since August 1935, was born on an Illinois farm. He received his education at the University of Illinois and obtained a law degree from the University of Chicago Law School in 1914. He taught law at the University of Oklahoma, Ohio State, West Virginia, and Pittsburgh.

"I had no experience in labor work before I came to the Board," he admitted to the Smith committee.

MADDEN FULL OF THEORIES

Madden is a typical example of the college professor in the New Deal; brimming with theories and cures for industrial ills with a confessed lack of practical knowledge of labor relations.

Edwin S. Smith, the second member of the Board, graduated to his present position from a similar post on the N. R. A. Labor Board. Born in Massachusetts, he went to Harvard and was graduated in 1915. He was a newspaper reporter, worked for his father-in-law in the shoe-manufacturing business for a time, and was an assistant to the manager of the Filene department store in Boston from 1925 to 1931. He was commissioner of labor and industries in Massachusetts for 3 years before the New Deal snatched him up in 1934.

Smith, together with Donald W. Smith, the former member of the Board whose reappointment last year was prevented by Senate opposition, are credited with most of the pro-C. I. O. decisions which brought the Board into disrepute. He is an outstanding member of the left-wing corps of the New Deal.

LEISERSON SOUGHT CLEAN-UP

Leiserson, the new member, has had long experience in labor relations. A firm believer in the Wagner Act, he thinks a clean-up in the staff (especially the removal of Witt) will produce the needed reforms in administration. He was formerly president of the National Mediation Board, which administers the Railway Labor Act.

Madden is the only lawyer among the three members of the Board, which, under the law, acts in the capacity of judge, jury, prosecutor, and policeman. The Smith committee has criticized the Board for not adhering to legal rules of evidence in hearing cases.

Because the work of the Board is huge, much of the labor of digesting and analyzing evidence concerning charges of unfair labor practices has been delegated to subordinates. It is here that an astonishing development was uncovered by the Smith committee.

This highly important work of reviewing the hearings and the decisions of the directors and examiners in the field has been turned over to the "review section" in the Washington office. Chairman HOWARD W. SMITH (Democrat), of Virginia, of the Investigating committee termed it "a sort of appellate court."

FLEDGLINGS OF LAW

There are approximately 105 attorneys in the review section, of whom about 15 are women. The Smith committee summoned a score of these members of the "appellate court." It found, to its amazement, that the reviewers were, in the main, young and inexperienced fledglings of the law, who had never practiced in law courts, who had no practical knowledge of labor relations. They had one point in common. They all had the proper "social attitude." In other words, they were enthusiastic followers of the Corcoran-Cohen band of left wingers in the Capital.

The average age of these youngsters was 29 years. Yet they told proudly of reviewing cases involving the most important industries in the country. Scanning a 3,000-page transcript of lengthy hearings held in the field, at which experienced lawyers vied with each other, they decided what evidence was material and what was not. They drafted summaries and presented them to the Board verbally. Then the drew up decisions dictated by the Board upon the case as submitted by themselves.

These disclosures stunned the committee. Yet the Labor Board stoutly defended the work of the reviewers. They were young, it was admitted, and their experience was mostly limited to their law-school training. Yet they were smart, willing, and were doing a fine job, the Board insisted.

REVIEW ATTORNEYS' RECORDS

The records of some of these review attorneys follow:

Miss Anne Freeling, 29 years old, business school and law night-school training; never practiced law; list of cases handled included Ford Motor Co., Cleveland Worsted Mills, Mackay Telegraph & Radio, Columbia Broadcasting, and American Radiator cases.

Margaret Bennett Porter, Vassar and Columbia Law School; recommended by Lee Pressman, general counsel of the C. I. O.; never practiced; handled important cases comparable to Miss Freeling's.

Carolyn Agger Fortas, wife of general counsel of Bituminous Coal Commission; Yale University Law School graduate, 1938; employed by the Board even before she was admitted to the bar.

Fannie M. Boyls, graduated University of Texas Law School, 1929; previously attorney for Home Owners' Loan Corporation.

Margaret McDuff Farmer, Wellesley and Columbia Law School graduate, 1937; accepted as review attorney before being admitted to bar.

Ann Landy Wolf, born in Hungary; graduate Western Reserve University, 1937; testified that Saposs helped her in drafting a decision.

PROTÉGÉ OF BEN COHEN

The committee was particularly interested in the record of Bernard W. Freund, 27 years old, who obtained a job on the "appellate court" through the sponsorship of Benjamin V. Cohen, radical adviser to the President.

A regional director reported that Freund was totally inexperienced in law or labor problems and not worth more than the $50 a month he had been eking out as a law clerk. But he was hired at $2,400 a year, shortly received a raise, and joined in the reviewing of cases involving great industries.

The Case Against the Administration's Trade Treaty Program

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

EXTRACTS FROM MINORITY REPORT OF REPUBLICAN MEMBERS OF WAYS AND MEANS COMMITTEE IN OPPOSITION TO HOUSE JOINT RESOLUTION 407, EXTENDING THE TRADE TREATY ACT FOR 3 ADDITIONAL YEARS

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks, I include the following statement of the position of the Republican Members of the Ways and Means Committee regarding the administration's trade treaty program, made up of extracts from the report filed in opposition to the joint resolution to extend the present program for another 3-year period:

JOINT RESOLUTION UNDER CONSIDERATION WOULD EXTEND TRADE TREATY ACT

The joint resolution under consideration would extend without change, for 3 additional years, the discretionary authority previously delegated to the Executive to enter into binding foreign-trade

treaties in behalf of the United States without the formality of Senate ratification, and to reduce this country's tariff duties in accordance with the terms of such treaties without specific congressional approval, and without regard to any legislative standards for rate making.

This authority was originally delegated in 1934 for a period of 3 years, and in 1937 was extended for a similar period. It will expire on June 12 of this year unless again extended. The joint resolution under consideration would continue the authority for a third 3-year period.

ACT IN ITS PRESENT FORM SHOULD NOT BE EXTENDED

For the reasons hereinafter stated, we of the Republican minority are opposed to the extension of the act in its present form and as now administered by the State Department.

In fact, we question whether it is advisable for this Nation to tie its hands by entering into binding trade treaties of any kind during the present unsettled state of world affairs.

REPUBLICANS NOT OPPOSED TO GENUINE TARIFF RECIPROCITY

Our criticism of the present trade-treaty program is not to be interpreted as meaning that we would oppose a proper policy of reciprocity under more normal conditions. To the contrary, we wish to state that we continue to adhere to our previously expressed views in favor of genuine tariff reciprocity with foreign nations, along constitutional lines and in keeping with the true purpose of such a policy as laid down by President William McKinley, its greatest exponent. Said McKinley:

"The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves and which do not involve any loss of labor to our own people but tend rather to increase their employment."

We favor reciprocity of the kind advocated by McKinley, which goes hand in hand with and supplements rather than supplants the traditional American protective tariff policy with respect to competitive imports.

Unlike the present so-called reciprocity program, it does not involve the granting of concessions on foreign products which we do not need and which directly compete with and displace our own—at least where the domestic product is available in commercial quantities at a cost not economically prohibitive, and where the existing duty thereon does not exceed the minimum of protection necessary to give the American producer an equal opportunity with low-cost foreign producers in competing for the home market.

The fundamental purpose for which this or any other nation carries on foreign trade is to sell abroad what it is able, and to buy from abroad the things which it must import to supply domestic needs. A reciprocity program, to be of any net benefit to this country, must be consistent with this fundamental purpose of foreign trade; in other words, it must be employed to further the sale abroad of the commodities we do not need in exchange for the commodities we do need but do not now produce.

SUMMARY OF OBJECTIONS TO PRESENT TRADE-TREATY PROGRAM

Having outlined our views respecting the general policy of reciprocity, we proceed to a discussion of our objections and criticisms of the present trade-treaty program. They may be summarized as follows:

Failed to expand exports

1. The Trade Treaty Act has failed to achieve its expressed purpose of expanding the export markets for the products of the United States.

(a) The American farmer was assured that he was to be the chief beneficiary of the program, but agricultural exports have declined over $104,000,000 since the treaty program has been in effect. Imports of competitive farm products, on the other hand, have increased by $68,000,000 during the same period (fiscal years 1934–39).

(b) By the end of 1934, before the treaty program was in operation, our export trade had increased 32 percent from the low point of 1932, or at the rate of 16 percent per year, whereas since it has been in operation the average rate of increase in export trade has been only 13 percent per year.

(c) Excluding trade with nations which were involved in war or were the victims of aggression, our exports between 1934 and 1938 increased by a slightly larger percentage to nontreaty countries than to treaty countries (60.8 percent as against 58.1 percent). Statistics presented by the State Department purporting to show a different picture do not provide a fair comparison between treaty and nontreaty countries, since the large decline in exports to aggressor nations and their victims drags down the otherwise favorable showing of the nontreaty group. In many instances exports to individual nontreaty countries increased to a far greater percentage than to contiguous or similarly situated countries with which we have trade treaties.

Failed to promote peace

2. The Trade Treaty Act has wholly failed to achieve its unexpressed but officially declared secondary objective of contributing to world peace.

(a) While, of course, in no way attributable to the trade-treaty program, wars and aggressions have been constantly on the increase during the whole period it has been in effect.

(b) Trade restrictions have not been the cause of any recent war or aggression.

(c) Other nations of the world have not been following our lead in reducing tariffs and import restrictions or in extending trade-treaty concessions on an unconditional most-favored-nation basis.

Based on false premise

3. The act is based upon the false premise that the protective-tariff policy of this country during the twenties brought about the worldwide depression, and, indeed, even the present war in Europe, and that the only way prosperity and peace can be restored is through the leveling of our tariff rates. The premise being false, it follows that the trade-treaty program as now being administered cannot possibly accomplish the results indicated.

Administration of program inconsistent with purpose of reciprocity

4. The trade-treaty program has been administered in a manner inconsistent with the true purpose of reciprocity and with the national interest, in that drastic reductions in duty have been made on foreign products of farm, factory, mine, and forest that directly compete with and displace our own.

(a) There is no advantage in taking in exchange for our exports foreign commodities the like of which we already produce for ourselves in abundance.

(b) It is unfair to strike down one group of domestic producers in an effort to expand the export trade of another group.

(c) Reductions in our tariff duties have not been confined to alleged "excessive" rates. Proof of this is found in the fact that some 166 strictly farm tariffs have been reduced by as much as 50 percent, despite the following statement made by the President during the 1932 election campaign:

"I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered."

(d) Even if it be conceded that we must import foreign goods if we expect to sell our own goods abroad, it does not follow that we must import foreign goods which we do not need but which compete with and displace our own. Neither is it true that our existing tariffs shut out foreign imports of competitive commodities. Furthermore, the fact must not be overlooked that two-thirds of our imports (consisting almost entirely of noncompetitive products) enjoy free entry into our market.

Program used to bring about a general tariff revision

5. The authority conferred by the act has been used not so much for the purpose of advantageous bargaining for foreign markets as to bring about, in a backhanded and unconstitutional manner, a downward general tariff revision, involving the reduction of over 1,000 rates (affecting 42 percent of our dutiable imports) by an average of 39 percent. The great number of reductions made thus far, plus the fact that they have been extended to all nations, has largely deprived us of anything with which to bargain in connection with possible future trade treaties.

Not reciprocal

6. The trade-treaty program has not been administered on a truly reciprocal basis, in that the concessions which this country has made under individual treaties have been extended gratuitously to the whole world (save Germany alone) without requiring the extension of equivalent concessions to us. This has been done in disregard of the known fact that practically every country which is given the benefit of our lowered rates of duty actively and openly discriminates against American commerce.

Program inconsistent with domestic recovery

7. The trade-treaty program has been administered in a manner inconsistent with the domestic recovery program, in that lowered tariffs on competitive foreign imports tend to (a) increase American farm surpluses and depress farm prices; (b) deprive American workingmen of jobs and undermine American wage standards; and (c) retard industrial recovery by making it more difficult for American manufacturers, who are already burdened with increased production costs resulting from recent social and regulatory legislation, to compete in the home market against low-cost foreign producers.

Act is unconstitutional

8. The act in its present form involves an unconstitutional delegation to the executive branch of the tariff-making and treaty-making powers of Congress and furthers the unwholesome trend toward the centralization of all governmental authority in the President.

(a) To be valid as Executive agreements such as do not require subsequent approval by either branch of the Congress, the trade pacts negotiated under the act must not have the effect of setting aside or changing statutory law. Those entered into under the present act do have that effect, however, since the Congress neither specifies the articles nor fixes the concessions in rates which the President may use as a basis for reciprocal negotiation with foreign countries, nor does it lay down in the act any rate-making formula by which the Executive is bound. He exercises discretionary legislative authority, contrary to the Constitution.

(b) Not being valid as Executive agreements, the trade pacts negotiated under the act must therefore be regarded as treaties in the strict sense. As such they are also invalid, not having been ratified by the Senate, as required by the Constitution.

(c) Most foreign countries regard the trade pacts as treaties which must be ratified by legislative action. The determination of what constitutes a treaty under our Constitution is to a large extent influenced by international law and usage.

Act places dictatorial authority in hands of one man

9. The act places in the hands of one individual the absolute power of life and death over every branch of domestic agriculture and industry dependent upon tariff protection, which, as Secretary of State Hull once said, is "too much power for a bad man to have or for a good man to want."

Act contains no safeguards against harmful rate reductions

10. The act contains no limitations (other than the general 50-percent limitation) and lays down no standards to prevent indiscriminate and harmful reductions in tariff duties. The Executive, and those to whom he in turn delegates his authority under the act, may adopt any arbitrary basis they choose in making concessions to foreign countries and are free to reduce duties in complete disregard of differences in American and foreign production costs, wage levels, and working and living standards.

No hearings on completed treaties

11. The act denies to American producers who may be adversely affected an opportunity to be heard on the terms of the treaties after they have been negotiated. Such hearings as are provided are held only before the treaty negotiations are begun, and they are conducted by a different group than the one which carries on the negotiations in secret with representatives of foreign countries, and whose identity is never disclosed.

Act denies access to courts

12. The act, contrary to sound public policy and the fundamental principles of justice and equity, specifically takes away from American producers the right which they would otherwise have under section 516 (b) of the Tariff Act of 1930 to litigate in the courts matters arising out of the trade treaties, including the question of constitutionality. The contention that the denial of this right is necessary to prevent undue delay no longer obtains, by reason of the amendment of section 516 (b) made by section 17 (a) of the Customs Administrative Act of 1938, providing that final entries of goods shall not be suspended pending the outcome of litigation instituted thereunder.

Denies Congress right to approve treaties

13. The act denies to the elected representatives of the people in Congress an opportunity to approve or reject the trade treaties, although most foreign legislative bodies reserve this right.

Permits President to tie hands of Congress

14. The act permits the Executive to bind the hands of Congress by "freezing," without its specific consent, the existing tariff or excise treatment of articles with respect to which the Congress may, in the future, in the exercise of its constitutional responsibilities and duties, find it wise and necessary to legislate.

Authority exceeded in case of import excise taxes

15. Those in charge of the administration of the act have gone beyond the true congressional intent by bringing within the scope of trade treaties the excise taxes on certain imports imposed by section 601 (c) of the Revenue Act of 1932, as amended, and the processing taxes on certain oils imposed by section 602½ of the Revenue Act of 1934.

Future treaties must be with agricultural countries

16. In view of the fact that trade treaties have now been entered into with most of the leading industrial nations, it is obvious that any future treaties must be with agricultural countries and involve further tariff concessions to such countries and the world on farm commodities of which we as a nation already have a surplus.

TRADE TREATIES OF ANY KIND NOT ADVISABLE AT THIS TIME

Before discussing in detail our views with respect to the joint resolution under consideration, we desire to raise a question which we consider to be of more immediate and far-reaching importance than any differences which may exist as to the proper kind of trade-treaty program this country should have. That question is, Should this Nation tie its hands by entering into binding trade treaties of any kind during the present unsettled state of world affairs?

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RESTORATION OF WORLD PEACE WILL BRING FLOOD OF IMPORTS

We of the Republican minority are greatly concerned about what is going to happen when peace comes to Europe and the Orient, and the tens of millions of men now under arms return to their regular occupations. The administration apparently again closes its eyes to the teachings of history.

Events following the last war are not so remote that we should have forgotten what happened then under similar circumstances. That experience should warn us of what will occur again.

Beginning in 1913 we had a Democratic free-trade tariff (Underwood-Simmons Act) in effect, but the outbreak of the World War in 1914 resulted in a virtual cessation of imports from European countries, and the consequences which might otherwise have resulted therefrom were not immediately felt. However, when peace came, the immediate result was a flooding of the domestic market with surplus war supplies, including food and clothing and other competitive articles, at prices which were ruinous to American agriculture, industry, and labor. This influx of competitive foreign products continued as foreign agriculture and industry resumed normal operations and as the millions of men who had been under arms returned to their labors. A Republican Congress in 1920 was forced to hurriedly enact an emergency tariff to stem the flow of these imports, which had contributed to the sharp decline in farm prices and to the stagnation of industry and had added millions to the ranks of our unemployed. While the measure was vetoed by President Wilson, it was reenacted in 1921 just after the Harding administration came into power, and in 1922 was succeeded by the general tariff act of that year.

TREATY REDUCTIONS HAVE PAVED WAY FOR POST-WAR INVASION OF UNITED STATES MARKET

Those in charge of the trade-treaty program have already paved the way for another flooding of the domestic market when peace is restored. We refer to the drastic reductions in tariff duties made under the 22 trade treaties entered into to date, the benefits of which have been gratuitously extended to all nations of the world with the sole exception of Germany.

Over a thousand reductions have been made in all, affecting 42 percent of our dutiable imports, which, of course, constitute those which compete with and displace like products of our own workers and our own farms, factories, mines, and forests. The average reduction in duty has been 39 percent. Four-fifths of these reduced rates are now below the level of the comparable rates of the Tariff Act of 1922. About one-third of the reductions were of the full 50 percent permitted by the act.

But we have not yet begun to feel the full impact of the reductions, due to the fact that during the period the treaty program has been in operation most of the leading nations have been engaged in war or preparation for war, thus diverting their energies from normal production and trade.

In our opinion, it would be dangerous to continue this program of indiscriminate tariff reductions at this time and further expose our home market to the ravages of post-war foreign competition.

TREATY PROGRAM PLACES NATION IN ECONOMIC STRAIT JACKET

The lesson of recent history makes plain that the trade-treaty program, instead of arming us to deal with the problems of reconstruction when peace comes to the world, is really disarming us. It is placing our country in an economic strait jacket from which we may find it difficult to extricate ourselves.

After the last war we were free to protect our own market from the dumping of cheap foreign goods. Should the trade-treaty program still be in effect when the present war ends, our hands will be tied.

Present trade treaties as a rule run for a period of 3 years, after which they are terminable upon 6 months' notice. While they can, of course, be modified at any time by mutual consent, we could hardly expect to obtain the assent of the foreign country adversely affected should future circumstances make it desirable for us to withdraw any of our concessions or to impose higher duties for protective or revenue purposes. Resort to so-called escape clauses might be unavailing because of their limited application.

WE SHOULD RETAIN FREEDOM OF ACTION

We of the Republican minority are of the opinion that the only safe course to pursue at present is to retain our freedom to move in the direction the national interest dictates. We should not bind ourselves by entering into trade treaties involving drastic reductions in our tariffs on competitive foreign imports and the "freezing" of articles at present rates of duty or on the free list for a period of 3 years.

Under present conditions, no prudent businessman would enter into a contract binding himself for that period, and it is unwise for us as a nation to limit our freedom of action by any kind of a trade-treaty program at this time.

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PRESENT PROGRAM SHOULD BE ALLOWED TO LAPSE, BUT STUDY SHOULD BE MADE TO DETERMINE BEST METHOD OF DEALING WITH RECIPROCITY AND TARIFF QUESTIONS

Without prejudice to our views in favor of tariff reciprocity as a matter of principle, we recommend that the joint resolution under consideration be defeated and that the present trade-treaty program be allowed to lapse.

However, we feel that the question of post-war trade readjustments and the preservation of the normal channels of commerce are of vital importance, and that we as a nation should consider setting up a truly flexible trade authority which would be able to deal with these problems as and when they arise. The present Trade Treaty Act does not provide a satisfactory method of dealing with all the possible problems with which we may have to cope. For example, it is not adapted to meeting any requirement for increased tariff protection that may, and probably will, arise in the future. Moreover, with its administration in the hands of the State Department, economic considerations are frequently ignored in favor of international political objectives.

We believe that the Congress should immediately authorize an investigation of the whole question with a view to working out a combined tariff and reciprocity policy (1) that protects our vital interests, (2) that is truly flexible, and (3) that is geared to deal with foreign trade upon a realistic basis along constitutional lines. Consideration should be given to the creation of some independent agency to deal with both matters.

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CONCLUSIONS AND RECOMMENDATIONS

Having carefully considered the trade-treaty program in all its aspects we conclude:

1. That it has not been successful in accomplishing its primary purpose of expanding the foreign markets for the products of the United States or its unstated but officially declared secondary purpose of promoting world peace.

2 That it has not been administered in the national interest.

3. That it should not be extended in its present form, and as now being administered, particularly in the face of present and prospective world conditions.

We accordingly recommend:

1. That the present act be allowed to lapse.

2. That a study be made with a view to setting up a substitute foreign trade program (a) that protects our vital interests, (b) that is truly flexible, and (c) that is geared to deal with foreign trade upon a realistic basis along constitutional lines.

3. That if the present act is extended, it at least should be modified to provide for congressional approval of trade treaties before they become operative.

4. That the following additional amendments are also desirable:

(a) Before generalizing our treaty concessions to any country, require an affirmative finding by the Tariff Commission that the foreign country does not discriminate against American commerce or pursue acts or policies inconsistent with the purposes of the trade-treaty program.

(b) Set up a rate-making formula in the act by which trade-treaty negotiators would be bound in making concessions, such formula to be so worded as to prevent reductions in rates below an amount reasonably necessary to give American producers at least an equal opportunity with low-cost foreign producers in competing for the home market.

(c) Provide that no reductions be permitted on foreign farm products when the price of the competitive American product is below parity.

(d) Exclude from the scope of the trade-treaty program the import taxes imposed by section 601 (c) of the Revenue Act of 1932, as amended, and the processing taxes on certain foreign vegetable oils imposed by section 602½ of the Revenue Act of 1934.

(e) Restore to American producers the right to litigate matters arising out of the trade treaties, particularly the question of constitutionality.

False Economy Program—W. P. A. Reductions, C. C. C. Discontinued—No Support for Harrison-Colmer Bill

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EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. PITTENGER. Mr. Speaker, Congress has been in session 2½ months and there is a great indication that the administration intends to practice economy in certain directions where I believe the administration should not discontinue the existing programs. Announcement was made by the President last December that there would be a drastic reduction in the W. P. A. program and that expenditures would be curtailed, and that in other ways the Government would start to balance the Budget. We all realize the necessity of balancing the Budget but with unemployment still facing us and with young people looking for jobs when none are available, I think it a false economy to do away with worth-while projects.

W. P. A. REDUCTIONS

Information comes to my office indicating that a large number of people employed by the Work Projects Administration will be dismissed as of April 1. In my opinion, there should be no reduction in the number of people employed at this time because private industry is not able to offer employment to people seeking work. Until such time as private industry can furnish jobs, I think it the duty of the administration officials to carry on the program of the W. P. A. and start new projects which are worth while and needed, so that men who are out of work and want a chance to earn a living, may have that opportunity. It is a false economy to do otherwise. People who are dismissed from the various W. P. A. projects, and especially those with families will be forced on relief, and the burden on the various local communities will become increasingly complicated and heavy. It is my hope that consideration will be given this problem and that the administration will change its attitude in reference to discontinuing employees on W. P. A., where they are engaged in worth-while projects.

C. C. C. CAMPS DISCONTINUED

On many occasions I have indicated that the Civilian Conservation Corps was doing a fine work and that its program should be continued. So far as I know, all of these C. C. C. camps are engaged in constructive programs, and their work is of lasting benefit to the community. Consequently, when opportunity is offered young men to enlist in the C. C. C. and to earn money, it is apparent to all of us that the money is well spent and an opportunity offered young people to be trained in citizenship and kept away from idleness in the cities. Of course, if private industry could function and offer jobs, there would be no occasion to carry on the C. C. C. program. Again I say that it is a false economy to reduce the Budget for this type of work and, in my opinion, the administration should not cut down on appropriations but, on the other hand, the activities of the C. C. C. should be continued. Camps located in northern Minnesota are all serving a worth-while purpose. In this area, work being done under the United States Forest Service direction is helping reduce the fire hazard which always exists in cut-over and timber regions. The program that is being carried on in these camps reduces the fire hazards and thereby insures the United States Forest Service that timber belonging to the United States is not being destroyed by forest fires. I think it a false economy to reduce by several millions of dollars the money that is being expended for these purposes, and I urge the administration to reconsider its attitude in this matter.

HARRISON-COLMER BILL—SENATE 1717, H. R. 4833

Not only should the administration carry on constructive measures in connection with programs to help the unemployed, but there are many other problems, some local and some national in character which will require the expenditures of money. I have in mind the Harrison-Colmer bill, which has been pending for many months. This proposed legislation will remedy a situation of which the Government cannot be proud. It has been a policy of the Government for years to acquire lands from private owners, take these lands off the tax rolls, and thereby reduce the revenue which the local municipalities had for carrying on educational and municipal governmental functions. This situation exists all over the United States, but particularly in those areas where the United States Forest Service operates and where there are United States forests. In many districts the United States Forest Service has acquired thousands of acres of land, removed it from the tax rolls and left the local municipalities without revenue with which to carry on the functions of local government. This injustice ought to be corrected. The injustice exists in counties in northern Minnesota, and as I have indicated, it exists in other sections of the United States with equal seriousness. The purpose of the Harrison-Colmer legislation is to have the Federal Government contribute to the different local municipalities sums of money which will in effect take the place of the taxes which provided revenue paid to the municipalities before the Federal Government acquired these lands. The legislation is fair. It is needed. It ought to have the support of the administration and of the Bureau of the Budget, and of administration leaders. There is no valid reason why the Federal Government should avoid its responsibilities to the local governmental agencies. I hope that before Congress adjourns this fact will be recognized and steps taken to have hearings on the Harrison-Colmer bill and to get a favorable report out of the committees and secure passage of this legislation by the House and the Senate.

Flood Control

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

ADDRESS BY HON. CLYDE T. ELLIS, OF ARKANSAS

Mr. ELLIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me before the Rivers and Harbors Congress Friday morning, March 15, 1940:

Mr. Chairman, distinguished guests, and delegates to the National Rivers and Harbors Congress it is a sad story that this year in particular, it appears that the Director of the Budget, the President, and the Appropriations Committee have relegated unto themselves the right to legislate—it amounts to that—on one of the Nation's most far-reaching programs, and which has already been written into law—that of flood control and its correlated developments. Apparently it meant nothing to the Budget, nor to the President, nor to the Appropriations Committee that the Army engineers reported a few weeks ago that they could profitably expend for the fiscal year 1941 in this program $206,624,000, for the Budget and the President and the Appropriations Committee arbitrarily struck the figure off at $70,000,000 and reported that figure in the bill to the House. Had they reported the figure at the full $206,624,000, it is my opinion that because of public sentiment throughout the Nation and because of the thorough knowledge on the part of all Members of the great benefits that would have accrued therefrom, the bill would have met far greater favor in the House.

Gentlemen of this Congress, it appears to me that there has never been a time in the 35 years of the existence of this great organization when its work has been more seriously needed and when its efforts could be more quickly and more profitably felt than now. The 1941 bill has passed the House and is pending in the Senate. We have great hope that the Senate will increase the amount which was so arbitrarily set into the measure by the House committee, upon the recommendation of the Budget and the President.

I call to your attention, gentlemen, the fact that the authorization bills of 1936, 1937, and 1938 carried a total authorization of $698,877,000. This is not the figure for the completion of all the projects authorized. For instance, the 1938 bill authorized six projects on the White River system in Arkansas and Missouri. But it authorized a total appropriation of only $25,000,000. It will require more than $100,000,000 to complete the six projects. What is true of the White River is true of the rivers generally. The total projects authorized to date would cost $1,148,877,000 to construct. And I call your attention to the fact that many of the choice projects have not as yet been authorized. For instance, on the White River all of the six authorized are on the tributaries. The Army engineers are just now about ready to report on two of the three projects heretofore surveyed on the main stem of the White. We are hoping to get Wild Cat Shoals, which will hereafter be known as Bull Shoals, in Arkansas, the Table Rock in Missouri, included in the authorization bill on which hearings are to start next week. There are two more that we hope for next, but on which there are no reports as yet—Beaver on the main stem and one on the upper Buffalo.

Last year, gentlemen, you will recall, the Army Engineers advised the Budget and the President and the Congress that they could profitably expend for the fiscal year 1940 the sum of $195,500,000. The Budget and the President and the Appropriations Committee at that time recommended $110,000,000. The Nation and the Congress were not satisfied. They increased the figure $23,000,000, making the total $133,000,000.

Now let me give you these percentages for they tell a big story. Last year the Budget and the President recommended the expenditure of 56 percent of what the engineers said they could profitably expend. This year the Budget and the President recommended only 33.8 percent of what the engineers said they could profitably expend. Last year the Congress gave to the engineers 68 percent of what they said they could profitably expend. If we should raise this $70,000,000 figure by $50,000,000—and we could do it easily and still be far under the President's total budget recommendations and I think we could even throw in farm parity also and still be under—I say, if we should increase the $70,000,000 by $50,000,000, we would still be giving them only 58 percent of what they say they could use as compared with the 68 percent we gave them last year.

Do we need the increase? At the rate of $70,000,000 not a single new project can be begun for 3 years. Norfolk in my district is considered begun but all others would be assigned to the waiting list.

I submit that we are in danger of wrecking this whole flood-control program before we get it started. In my State of Arkansas not a foot of dirt has been turned yet under the program. The people may finally get tired of this hopeful waiting.

THE WHITE RIVER

In Arkansas and Missouri there is a great river, a great tributary of the Mississippi, about which little has been said and which is little known to the world, because nothing has been done to take advantage of its great possibilities. The White River rises in the Boston range of the Ozark Mountains in Arkansas and flows northeast more than 100 miles into Missouri, then east and then south again into Arkansas, cuts its way through the high mountains of the Ozarks, crosses almost the entire State, and enters the Mississippi just above the mouth of the Arkansas, a total distance of 690 miles. It has a total drainage area of 28,000 square miles, only 12,000 less than the celebrated Tennessee. Seven thousand square miles of its basin are in the alluvial plains. Its average fall above the mountains—which are at about the halfway point—is 4 feet per mile. The average fall below the mountains is barely one-third of a foot per mile. A little imagination can picture that horrible ordeal which we have to endure every time the floods come in those lowlands. In the 1927 flood, the White River discharged 440,000 cubic feet of water per second at its confluence with the Mississippi or approximately one-fifth of the entire floodwaters of the Mississippi below the mouth of the White. This meant that it was adding one-fifth of the floodwaters that were spreading out over a large part of the 50,000 square miles of alluvial plains in the Mississippi below the mouth of the White.

The Army engineers have told us that these floods can be completely controlled by an integrated system of dams on the headwaters, and for a total cost of not to exceed the losses in three or four of these floods—not to mention the lives that are lost in each of them.

The generations of tomorrow will either reward us for doing our duty or will condemn us for liquidating the Nation's greatest resources, the soil and the fuels, and for destroying our waterways without regard for the welfare of our children.

NAVIGATION

Today the White is navigable for some 200 miles, but it is rapidly filling up with sand and gravel. Once it was navigable for more than 300 miles. You and I and those who tilled the land before us built the floods. We built them by clearing away the fields, by failing to control erosion, by permitting the topsoil, which is a sponge for water absorption, to be washed away. The Soil Conservation Service tells us that 200 forty-acre farms flow down these rivers and are dumped into the oceans every 24 hours. They tell us that annually enough soil goes down these rivers and is dumped into the oceans to fill enough freight cars which, set end to end, would wind around this old earth 18 times. The Army engineers tell us that the White can be made navigable by this system of dams for 300 miles, and that navigation is essential to the proper development.

POWER

The Army engineers also tell us that on the White River there are 2,000,000,000 kilowatt-hours of electricity possible of production each year. Our people both in the cities and the rural areas are begging for this cheap power. The Ozark Mountains are filled with hardwoods and minerals, the development of which is largely dependent upon cheap power. Our lead and zinc deposits are practically untapped. Our marble, phosphate and manganese, our limestone and sandstone and silica deposits are yet practically untouched. Every time a kilowatt-hour of this power goes to waste, either the Nation is failing to advance as it could or enough coal or oil or gas is being consumed somewhere else that could easily be saved for generations yet unborn and which in practical effect are being wasted. This whole development will pay for itself with the electricity alone that could and must be developed, not to mention the savings from flood losses, the value of navigation, the development of recreational centers, the public work that would come from its construction, the irrigation possibilities, and the benefits for national defense. Every farmer and every businessman in the White River Basin and for many miles around will be materially benefited immediately once this program is under way.

CAPITAL INVESTMENT

I submit to you, gentlemen, that even assuming that expenditures for flood control would not pay for themselves many times over in direct benefits, all funds expended to improve the rivers and protect property and aid navigation and develop water power and to save resources are in themselves a capital investment that adds to the total wealth of the Nation.

NORFORK

I am grateful indeed that we were able to get last year an appropriation for the Norfork Dam in my district. Even the $70,000,000 includes an item of $2,300,000 this year for Norfork. It will be in

the heart of the Ozark Mountains, the largest project of its kind in the Middle West—a concrete dam 225 feet high, with 1,748,000 acre-feet of storage, 743,000 of which will be flood control. There will be an approximate annual maximum power production of 218,000,000 kilowatt-hours. The designs are now being completed. We are hoping that the contract will be let before midsummer.

CONCLUSION

In conclusion, gentlemen, I hope you will do two things: First, assist the Missouri and Arkansas delegations in getting Table Rock and Wild Cat Shoals authorized this year with adequate surveys for the other sites; and, second, build this into a more militant organization to fight this year for an adequate appropriation for flood control, water-power development, and all other correlated developments—this year and the years to come.

New Deal Saber Rattlers

EXTENSION OF REMARKS

OF

HON. PAUL W. SHAFER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. SHAFER of Michigan. Mr. Speaker, the Honorable Louis Johnson, Assistant Secretary of War, made a speech before the Engineering Society of Western Pennsylvania at Pittsburgh, Pa., on Monday evening, February 19, last. This speech was broadcast over the blue network of the NBC.

There were, however, some statements and assertions in this broadcast address of the Assistant Secretary of War that I cannot let pass without comment, because I believe they are the type and character of public statement by presumably responsible public officials that ought not to be allowed to go unchallenged.

It is with no intent to reflect personally upon the Assistant Secretary of War that I take up his address, paragraph by paragraph, so to speak, and voice my doubts as to whether or not some of his statements were entirely accurate, and my very grave misgivings as to whether or not the whole speech was in the best interests of the Nation.

Now, in order properly to evaluate what the Assistant Secretary of War said at Pittsburgh, it is necessary to keep your perspective and to study this speech against a background over a period of many months of saber-rattling and war talk. This speech, and others like it, can be interpreted in this country in the light in which they are bound to be interpreted in countries abroad—in the light of the quarantine speeches and the defense of Canada speeches, and the lecturing of other peoples about the kind of rulers they have, and the advice to other peoples to rebel against their governments and their rulers, and these emergencies, crises, and so forth, that we hear about, the feverish rush to build the most extensive and expensive national defense this country ever dreamed of—all of these activities and circumstances form the background against which we must look at these latest expressions. Whether it has been intended so or not—and I am frank to say that I think it has been intended—there has been a barrage of propaganda laid down that certainly resembles a planned effort either to frighten this country over the prospects of war or so to arouse the emotions of the people that we could be led into war.

Let me say in advance, in order to be fair about this whole thing, that I am against our going into war under any circumstances, except where some foreign enemy attempts aggressions against us. I do not believe that we can contribute anything to the peace of the world by getting into these foreign wars ourselves. I do not believe that if, as, and when peace comes we will be able to contribute anything to peace unless we are, in this country, back on the road to prosperity.

Our domestic issues are such that if we are not careful the depression, which all economists agree will inevitably follow the ending of this present war, will superimpose upon our present depression an added load that we will not be able to stagger under. There is danger that chaos may ensue. There is danger that enough of our people may become so discontented with the hardships and privations of unemployment and partial employment, and of apprehension for the future and of financial insecurity, that they might listen with sympathetic ear to the blandishments of those who preach foreign "isms" and promise to our people social and financial security in a land of chaos and decay.

With that preface I want to address myself more particularly to the remarks of Assistant Secretary of War Johnson.

After telling his audience that it had been just 6 months since he previously appeared in Pittsburgh, and commenting on the changes that have taken place in the world in that intervening period, the Assistant Secretary of War pointed out that "Here in America they—the changes—all have been for the better."

He then pointed out that industrial production in Pittsburgh had increased, that trade had improved, that employment had risen. Then he went on to point out further that in Europe and Asia all ordinary business activities have ceased; that production has turned almost wholly to munitions; that trade is at a standstill; that all human energy is devoted to more efficient killing of men, more proficient destruction of goods; and more diabolical dispersion of misery. Then he expressed the pious hope that—

> These internecine struggles may never spread to our American shores. And they will not, so long as we adhere to a policy of adequate national defense.

Now those words seem innocent enough until we hook them up in their proper context with the wild and excited cries of the administration for feverish haste in the building of a great national defense. The whole emphasis has been placed by this administration on what it claims is a danger that this Nation will be overwhelmed by some foreign enemy unless we literally drop everything and vote millions and billions of dollars to the frantic building of a national defense.

It would be very illuminating, indeed, if the Assistant Secretary of War would just point out, specifically, what nation or combination of nations he expects may actually carry these "internecine struggles" to our shores and when he expects this to happen.

His next statement was:

> When I was here in August, I advised you that America was arming because of necessity. I pointed out that in the world of today a nation which cannot resist aggression may face subjection. I called your attention to the nonpartisan national defense program which the President, supported by Congress, had launched. I tried to convince you that our peace—and I shall have more to say about peace—and our prosperity could be assured only if that program were fully enacted.
>
> When I was here in August, I advised you that America was arming because of necessity.

What necessity? Who was preparing to sail their ships to the shores of America and unload an army on our shores to "subject" us, or even to subjugate us, which is what I think the Assistant Secretary of War meant.

What nation, or what combination of nations, are going to subjugate the United States of America? Why, Mr. Speaker, Abraham Lincoln's assertion is just as true today as it was the day he made it when he said:

> At what point shall we expect the approach of danger? By what means shall we fortify against it? Shall we expect some trans-Atlantic military giant to step the ocean and crush us at a blow? Never! All the armies of Europe, Asia, and Africa combined, with all the treasure of the earth [our own excepted] in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years.

Some of our ablest military authorities have, within the last few weeks, in almost those identical words, confirmed as of today what Abraham Lincoln said in his day.

These are just plain alarmist statements, these assertions of the Assistant Secretary of War that if we cannot resist aggression we may face subjection.

> I tried to convince you that our peace * * * our prosperity could be assured only if that [defense] program were fully enacted.

What program? I venture the assertion here today that there is not any man in the Army, or in the War Department, or in the Navy Department, or in any other department of the executive branch of the Government who can come before a committee of this House and show us any program of defense. They have not any program. Nobody knows that better than the Assistant Secretary of War. We are spending these billions of the people's money on the most haphazard, catch-as-catch-can system of building a national defense that has ever been conceived in this Nation. Our peace and our prosperity can be assured only if that program is fully enacted, wails The Assistant Secretary of War. What nation, or what combination of nations, will the gentleman please tell us, is going to invade our peace and rob us of our prosperity—and why—and when?

Our peace and our prosperity lie in our finding a prompt solution for some of our very grave domestic problems, such as getting our unemployed back to work, such as putting a stop to these recurring annual deficits; such as reducing the Federal debt instead of driving it out the roof with political squandering and spending; such as reducing taxes which today are breaking the backs of the American people; such as lightening some of the consumer taxes, the taxes on the poor man least able to pay—taxes which are now comprising more than 60 percent of the Federal Government's total revenue. Our big hazard against our peace and prosperity does not lie across the seas in some mythical hostile hordes, my colleagues, the hazard lies at home if we do not solve these domestic problems.

Today—

Says Assistant Secretary of War Johnson—

I am happy to report that our modest defense program is well on the way.

What does he mean, "modest"?

I recall that when Mr. Roosevelt was a candidate for President in 1932 he was going up and down the country shouting at the top of his lungs that the people must be delivered from the burden of a national defense, the cost of which was rapidly approaching a billion dollars a year. Modest defense program. The only thing that is wrong with those words is that the program is not modest from a standpoint of the cost to the taxpayers, and it is not a program—I am not even so sure that it is a defense program. It is rapidly reaching the point where it could be used as an offense program. Outside of that, I assume the term is correct.

Thanks to the hearty cooperation both of management and of labor, we are breaking one bottle neck after another in the production of munitions.

I am going to pass that statement over, although I confess to some sense of disquiet over that term "breaking the bottle neck."

But the Assistant Secretary of War goes on to say in that paragraph:

We are proceeding in an orderly manner toward the manufacture and delivery of fighting equipment.

Now, I have just recently returned from a trip of 25,000 miles, looking into these questions, and I am here to say to you that we are not proceeding in an orderly manner toward the manufacture and delivery of our fighting equipment. If you want to know something about that question look into our supply of Garand rifles.

We are selling implements of war abroad in accordance with our neutrality law—

Said Mr. Johnson.

That statement is open to discussion, and certainly the whole of Europe knows why an extraordinary session of Congress was called to change the neutrality law. It was not to carry out neutrality, it was to make possible our taking sides in Europe's quarrels, while, at the same time, taking advantage of a technicality which we had created in order to pretend that we were being neutral. Is there anybody here who believes that Europe is fooled about our attitude? Is there anybody here who believes these warring countries of Europe do not know which side we favor?

I now come to a statement which provides, I think, the highlight of humor in this speech of the Assistant Secretary of War. He said:

Thanks to the happy camaraderie that exists between the members of the military and naval forces, each of us is making splendid progress along the munitions front, without interfering with the projects of the other.

What surprising news that will be to the Army and Navy. It will be very interesting, indeed, for the House Committees on Military and Naval Affairs in the future to remind these military and naval gentlemen of this happy camaraderie that exists between them.

Now, let us look at the next statement that our genial and distinguished Assistant Secretary of War gives out to the people of America:

Within the Army itself a splendid esprit de corps prevails.

One must assume, of course, that this esprit de corps begins at the top and goes clear to the bottom.

The ill feeling that once seemed to pit the men in the air against those on the ground has disappeared.

Marvelous!

Cooperative peace hovers over the War Department and the American people are reaping the benefits in a far-sighted, well-balanced national-defense program.

Remarkable, if true. I may say, amazing.

Now, I want to point out the grave dangers that exist in the sort of propaganda that is contained in the next paragraph of the Assistant Secretary of War's speech. He said:

In any national-defense program, Pittsburgh must play a vital role. In the World War of yesterday, in the defense program of today, and in the industrial mobilization that may come at some tomorrow, steel, as always, will be the basic element in munitions; and where in the world could the Government or the munitions industry find a better market in which to get this essential supply?

Here is a plain effort, whether conscious or not, to dangle before the wage earners and the industrialists and the manufacturing centers of the United States the reemployment that will come, the new jobs at high wages that will be procurable, the fat profits that will flow into the coffers of the industrial treasuries if and when this Nation gets into war.

There is just one fatal flaw in this alluring argument held out by the Assistant Secretary of War to induce people into a more favorable frame of mind concerning our being taken into war; that flaw is this. After the World War there came a depression, exactly as there has come a depression after every war in which the United States has engaged. I call upon the wage earners and the producers in the steel industry to study for just a moment what happened to steel after the war was over, after the manpower of Europe was blasted into mincemeat, after the purchasing power of Europe was blown up by bombs. What happened to it? Why it hit the cellar and stayed there for years. It is outrageous for any responsible official of this Government to hold out such an allurement to the people, and the manufacturers of this country in order to condition the mind of America for war.

The Assistant Secretary of War then pointed out that during the World War 80 percent of all the munitions steel came from the mills in the Pittsburgh district. Heavy machinery, electrical apparatus, piping and pipe equipment, tool steel and refractories, were some of the significant items that, he said, the War Department obtained from the Pittsburgh area. Thus, he went on, for paragraph after paragraph, to show that in the armament program of today, and in the war of tomorrow in which we are to take part, the Army and the Navy would once more look to the Pittsburgh district for their supplies.

He said:

In a grave emergency the War Department will depend on the Pittsburgh district for a wide variety of munitions.

Then he pointed out that glass factories, testing instruments, machine tools, gas-defense equipment, troop barges,

and innumerable kinds of supplies would be manufactured in Pittsburgh.

This speech cannot be regarded by any fair-minded person as other than a direct bid to the people of Pittsburgh to favor the entrance of the United States into war in order to produce a temporary and artificial prosperity in Pittsburgh. They were being invited to accept blood money.

Mr. Johnson insisted that—

> Unfortunately, there is very little that can be done to accelerate the completion of this program [of national defense].

Well, it certainly is true that until they get a program that is worthy of the name, not much can be done to accelerate it. But there is a very great deal that can be done to speed up the actual preparation for national defense, and no one knows that any better than the Assistant Secretary of War. I shall not, today, attempt to go into details as to what is needed to speed up the production of needed equipment for the Army and the Navy, but I dare say there is not an officer in either branch of the armed services who does not know what I mean, and I dare say that the Assistant Secretary of War will know very well what I mean, too.

Gen. George Marshall, Chief of Staff of the United States Army, in a public address some time ago, made a statement which, to this hour, has never been denied, to the effect that the military forces are not more than 25-percent efficient in equipment.

Now, if it has taken all the billions we have put into this business, and all the time we have been at it, to bring the Army to a 25-percent state of efficiency in its equipment, how long do you suppose it will take, and where will the Government be able to find, the billions necessary to make our military forces 100-percent efficient in their equipment?

After going on to relate in some detail the mountains of raw material that we must acquire and store in this country, at a cost of presumably billions of dollars, and after, by implication, criticizing the Congress for not shoveling out the money faster, the Assistant Secretary of War moves majestically on to the declaration that they have worked out a very fine and effective mobilization plan for industry, to be made effective upon the declaration of war.

I know something about that plan. In fact, I have made remarks concerning it on divers occasions. It is called the industrial mobilization plan. It ought to be named the citizens' mobilization plan. There are parts of that plan that the administration simply does not dare let the general public know about, because, if the public did know how thoroughly and completely and ruthlessly every man, woman, and child in this Nation is to be regimented and put under orders of the military, directly or indirectly, in event of a national emergency due to the imminence of war, the citizens would rise up in their wrath and demand that the Congress go into this matter more fully and find out what the administration is planning.

Not only does the New Deal administration, of which the Assistant Secretary of War is a part, plan this regimentation of industry, of capital, of labor, of agriculture, and of the peopl, men, women, and children, during the period of the war emergency, but the 1939 mobilization plan specifically provides for plans to be drawn to continue this military dictatorship after the war is over until such time as the President—who would be military dictator—decides that he wants to yield back his war powers to the Congress. Now, if there is anybody here who does not believe that statement, I hope they will challenge it now.

The Assistant Secretary of War had another very significant paragraph in his speech. It was as follows:

> Another problem which deserves special consideration is that of practical assistance to the other nations of the Western Hemisphere in their procurement of munitions. Although practically a State Department matter, it is something that the armed forces, too, must consider. Now that we definitely have asserted our policy of hemisphere defense, we should be prepared to carry it into effect.

I want you, my colleagues, to note very carefully the sentence:

> Now that we definitely have asserted our policy of hemisphere defense, we should be prepared to carry it into effect.

So, then, it would appear that we have decided that, when necessary, we will send our boys to Mexico, or Brazil, or Argentina, or any other South or Central American country to defend and protect those countries. It is to be presumed, in the light of a speech made by the President himself concerning the defense of Canada, that we also include the Dominion of Canada in this new hemisphere-defense policy. It occurs to me that somebody is covering a good deal of territory without consulting the Congress very much about it. It also occurs to me that the American people are going to have something to say about this policy. As though conscious of the breadth of his assertion, the Assistant Secretary of War immediately said:

> It contemplates not a defense of the Western Hemisphere by the United States, but by the united efforts of all of the American republics.

Bosh!

Now here is another one of those highly humorous passages in Mr. Johnson's speech:

> Finally, our supply policy should include adequate plans for the prompt and effective mobilization of industry upon the declaration of war to meet full wartime requirements. Toward that end, we have worked out an industrial-mobilization program in the spirit of our American democratic traditions.

Well, now, this mobilization plan may be worked out in the spirit of Democratic traditions, but it certainly is not worked out in the spirit of Republican traditions, and it is not worked out in the spirit of the Bill of Rights traditions. I want to read to this House one of the provisions of the industrial-mobilization program that is so in keeping with the spirit of our American democratic traditions.

Title II, under the heading of "Industrial Management Provisions," reads as follows:

> This title authorizes a draft of industrial management. When in the opinion of the President the successful prosecution of the war requires it, he may establish rules and regulations for the registration of all persons in the management or control of industry. This is intended to apply to persons in executive positions who are unwilling to cooperate in the industrial war effort. In the discretion of the President, registered persons of any industrial plant or industry may be brought into the service of the Government for the duration of the war and shall be subject to the jurisdiction of the War Department. However, the Secretary of War is not to interfere with the internal management of the industries. He may, in the public interest, transfer registrants to any civilian service within the jurisdiction of the War Department. The compensation of such industrially drafted persons will be paid by the Government, at rates to be fixed by the President, and they may not accept any other compensation from any plant in which they render services during the war. Rules and regulations for the administration of this title would be made by the President, and penalties are provided in the bill for violations of such rules and regulations.

I think this needs no more comment. We can all see that such a provision as this is fully in keeping with our American democratic traditions and that it is almost the essence of the Bill of Rights.

I want to make one more reference, before closing, to the strange reasoning processes of the Assistant Secretary of War in this speech. He said:

> We have learned by bitter experience that peace comes not from mechanics, or even from a staggering preponderance of power. It comes from the spiritual desires of peoples.

Now, that far his words sound plausible. But listen to what follows:

> We know that there must be a very great ability to use force, if necessary, for defense. We also know that that alone does not assure a peaceful ordering of affairs. There has to be a combination of the power of self-defense with a policy of peaceful arrangement of affairs, and only then can peace be attained.

That sounds suspiciously like a foreign policy of force—that might makes right.

It seems not to have occurred to this responsible spokesman of the New Deal administration that the age-old, time-tried, historic policy of tending to our own business and of treating our neighbors fairly is the way to assure peace for ourselves.

Mr. Speaker, you know and I know that it is preposterous, it is an insult to the intelligence of the American people, it is a deliberate attempt at fraud and deceit, to try to persuade our citizens that some nation, or some combination of nations, is merely awaiting a sunny day at sea to come across

3,000 miles of ocean and subjugate this country. If it were not so tragic and so dangerous, it would be funny. But it is dangerous and it is tragic. Dangerous because it is by inculcating fears and suspicions and hatreds in the minds of our people that we prepare them to condone or to favor taking this Nation into wars which do not concern it, and into wars in which we have no business to mix, and into wars in which we can contribute nothing to the peace or the prosperity of other countries and other peoples, or our own Nation and ourselves.

The Assistant Secretary of War knows—or he ought to know, if any man should—that it is just pure nonsense to try to lead the American people to believe that we face imminent war unless we feverishly and frantically build up a vast national defense. There is not a word of it true. No nation, and no combination of nations abroad, wants to undertake to come across the seas and try to subjugate this Nation, and I challenge the Assistant Secretary of War now to tell us what nation even contemplates such a thing.

No; it is just another one of those New Deal saber-rattling appeals to the fears, hatreds, and prejudices of our people, and I cannot escape the conviction in my mind that these efforts are not the result of chance, that behind these appeals to the fears, prejudices, and hatreds of our people, behind these speeches which tend to condition the mind of America for war, there is a definite plan, if you please, to break down in this country our determination not to be dragged in.

America must stay out of war. Let us keep the blood of our boys and the money of our Treasury at home. Let us solve our domestic problems. Let us put our unemployed back to work at decent wages in private industry. Let us reduce the debts and the deficits, protect the home market for American labor, American industry, and American agriculture, and let the nations of Europe and the Far East work out their own problems.

In the meantime let us stand by, ready with a helping hand, strong because our manhood has not been desolated by war, strong because our material possessions have not been destroyed by war, to reach out and help when those other nations come to their senses and get ready for peace.

Medicine Man Diagnosis

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

ARTICLE BY GEORGE R. HAY, OF PATAGONIA, ARIZ.

Mr. COFFEE of Washington. Mr. Speaker, I have been in correspondence with citizens throughout the entire United States on a rather widespread scale. It has been my good fortune thus to become well acquainted with thoughtful and intelligent and patriotic Americans who are gravely concerned at the trends now evident in the National Capital. These people are disgusted at the apathy or downright unwillingness of the majority of Congress to recognize the truth about our national situation and their failure, likewise, to pass legislation which would lead America out of her pecuniary and economic dilemmas. One such thinker is George R. Hay, of Patagonia, Ariz., who has written a unique, odd, and arresting article entitled "Capital Circus," which has many grains of wisdom permeating its passages. I attach it herewith as a provocative challenge to those who fail to see the light or are unwilling to heed the messages blazoned on every billboard on the highways of our country:

CAPITAL CIRCUS—BIGGEST SHOW ON EARTH

(By George R. Hay, of Patagonia, Ariz.)

"Well," I says to Uncle Sam this morning, "Unc, let's go to the big show," and Unc says, "All right, Bub; I hear they got so many new shenanigans that some calls it a New Deal; but, I dunno, we'll see."

So, Unc and me bailed into the old jaloppy and went; and the first thing we see was a barker at the sideshow, barking:

"Step right up, folks; maybe you've got 'em; there's three kinds, and maybe you've got 'em all.

"Folks, I don't want to scare you, but any one of the three is misery, and all three is calamitous.

"Step up, folks; just one thin dime to see Doc Sneeze, world famous specialist on probably what you got. That's right, folks; old Doc Sneeze can tell if you got 'em, quicker than a wink; what with his new patented G-scope and patriotical-ray."

So, Uncle Sam got a couple of tickets, and in we went; and Unc says, "Well, Bub, maybe we've got 'em; anyhow, I ain't feelin' so perky this morning, and I guess we hadn't best take any chances."

While I was a-lookin' at all of the doodads that Doc Sneeze had stacked around to help him tell whether we had 'em or not, Unc sat down on the edge of the operatin' table, and Doc Sneeze says:

"You have them, my good man; I can see symptoms without my special patented equipment. I believe you have them. Yes; there's a sign on your nose, my good man—Ah! Ha!—I thought so; eruption, and—"

"But," Unc says, "Well, Doc, you might tell me what is this here painful malady, so's I can know what you be talkin' about." And Doc says:

"My good man, this is a new horrific germ that I have discovered with the aid of my new patented G-scope and patriotical-ray. That causes painful eruptions, and internal convulsions and a helluva lot of trouble; and I have named the disease (and reserved all rights) 'subversivebitus'; of which there are three kinds—communy, fasci, and nazi; and, on my word, let me look at your hand. Ah! Ha! as I suspected, a fasci wart; and here, turn around; as I live, a nazi wen on your neck.

"You've got 'em all, my good man; and now I will let you see for yourself through my new patented G-scope. Look at the communy pimple on your nose."

And then, Unc, he took a look and says, "Thunderation, Doc; it looks like Pikes Peak." Then he took a look at the fasci wart and says, "Goshalmighty; that looks like what the Good Book says, the wrath of God; and, Doc, I don't think I can stand a look at the Nazi wen. It's all to horrific; and, what do you charge for this here operation, Doc?"

And Doc says: "My good man, my modest fee is $50,000, marked away down, and I know that is just chicken feed for you."

And then Unc, he says: "Yes; as you say, that is just chicken feed for me, Doc; but since I quit lookin' through your new patent G-scope, that there pimple, wart, and wen don't seem so bad; but, what sure hurts me, Doc, I got crashed up in a jam awhile back and had both arms and legs broke, and both eyes blacked, and darn near broke my neck; and my livers and lights and kidneys got all crossed up, till I don't know whether I'm acomin' or agoin'; so I guess the best thing I can do is to call up the old horsenbuggy doctor and get straightened around.

"So long, Doc.

"Come on, Bub. I guess I'll just squeeze that communy pimple and pare the fasci wart, and, well, I guess I'll just let the nasty wen go."

Plea for Ample Appropriation to Fight Venereal Diseases

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

Mr. LUDLOW. Mr. Speaker, I have received a letter from the president of the American Neisserian Medical Society, which presents very convincing arguments in favor of an appropriation of $7,000,000 to fight venereal diseases during the fiscal year 1941, the full amount of the authorization under the La Follette-Bulwinkle Act. Because of the clarity of reasoning and wealth of facts contained in this letter, I submit it for publication in the RECORD, as follows:

THE AMERICAN NEISSERIAN MEDICAL SOCIETY,
Boston, Mass., March 15, 1940.

Hon. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: We understand that the Budget now before the Congress does not provide $7,000,000 for the control of gonorrhea and syphilis, as proposed by the La Follette-Bulwinkle Act.

In 1936 Surgeon General Parran revived a long dormant public interest in the control of the genitoinfections, to a degree never before attained by any public-health program. The passage of the La Follette-Bulwinkle Act made it possible to convert this interest into action. Every State has now established at least minimal

syphilis-control service, some of the more wealthy have provided more generous services, and several have began to do something toward the control of gonorrhea. The public wholeheartedly approves.

The majority of the States cannot maintain even minimal diagnostic and treatment services without financial assistance. The funds thus far appropriated have provided only for a beginning. The Congress recognized that to be a fact when it provided for increasing annual appropriations.

If the Congress now indicates that it is losing interest, the failure of leadership and the withdrawal of support will result, as it did after the last war, in the collapse of the program. Leadership cannot blow hot and cold and expect that those who follow will go steadfastly forward. Personnel trained for a highly specialized job cannot be hired and fired and rehired at will. Regular and adequate treatment cannot be provided if clinics, now open, must be closed. The infected should not be invited to use services this year if they must be told next year that those services no longer exist. The machinery which has been built for a long-range job cannot be alternately oiled up and scrapped if anything worth while is to be accomplished with it.

The last war taught us that the Army and Navy can be no more healthy than the population from which soldiers and sailors are drawn. There is at present a general demand for an adequate national-defense program. It would seem to be a wise expenditure of a small fraction of the cost of one battleship to promote the control of gonorrhea and syphilis as a national-defense measure.

It is hard to believe that the people will either understand or cheerfully accept a reversal now on the part of a Congress which only 2 years ago placed itself on record in approval of a forward-moving genitoinfectious-disease-control program. It would be tragic if the State and local health agencies should be forced to follow the Congress in the execution of such a rightabout-face. May we urge, therefore, that you insist upon the restoration of the full $7,000,000 to the Budget?

Respectfully yours,

N. A. NELSON, *President.*

Another New Deal Fallacy Exposed

EXTENSION OF REMARKS

OF

HON. HAROLD KNUTSON

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

LETTER FROM A WELL-KNOWN LUMBER COMPANY

Mr. KNUTSON. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I desire to submit for publication a letter received from a small, well-known lumber company operating in north central Minnesota. The reason that I do not give the name of this company is that I fear it may bring upon its officials the wrath of the New Deal. We all know it is possible for the administration to use its vast powers to punish any individual or organization that refuses to go along with the program that is slowly putting such a company out of business. Their books are subject to inspection by the income-tax people, by the wage and hour people, by the social-security people, and other governmental agencies who could, and undoubtedly would, make it warm for them. The letter follows:

MARCH 14, 1940.

We are confronted with the problem of adjusting our business to the provisions of the wage and hour law, and we are appealing to you for your assistance in supporting any legislation that will provide relief from its provisions as it affects the lumber industry, and us, in this State.

If the wage and hour law is to be administered according to the views and opinions of the various officials who are in charge of this phase, frankly we may have to go out of business. We have been trying, and without success to secure some data on which to arrive at some basis to conduct our business. We understand the difference as defined by the act between interstate and intrastate trade, and we have always been under the opinion that our firm was not engaged in any interstate traffic.

Most of our products are sold locally to the lumber yards in this vicinity, and the mining companies, at least 90 percent of our product is used within a 100-mile radius and at least none of our sales are made to anyone except Minnesota firms. We have turned down business from outside the State because we did not want to become involved under the act, but according to the latest opinion a railroad tie sold to a railroad company for their own maintenance use is to be construed as being in interstate trade because that tie may be put in their track outside of the State. We have reference to our ties which are sold to the Northern Pacific Railroad for delivery at their treating plant at * * *. These ties are stored for a year and then treated and shipped to where they are to be used. This appears to be a very technical construction inasmuch as ties are not purchased by a railroad company for sale, but for maintenance use. However, if this is upheld it places just another obligation on an industry which already has more than it can stand.

So that you will have an idea of our particular problem, and which problem is applicable to the entire history, herewith are a few facts as concern us:

Our business was started in 1930, right after the crash of 1929, and we have continued in operation up to the present date.

When we started we gave employment to about 30 men, and these men worked steady; during 1934 and 1935 about 200 men were employed; and along came the social-security, unemployment, and additional gas taxes, and to effect an off-set, employment had to be reduced, until now we are back to where we started, a pay roll of 30 men. During the past 10 years, despite the fact that we have not made any money, nor paid any dividends (our surplus as of December 31, 1939, was $126.45 O. D.), yet we have paid out close to half a million dollars in wages to this small community and at least kept a few people off the relief rolls. And we feel justly proud of this accomplishment in doing some service to our country, even though we haven't made any money ourselves.

Not only the social-security and unemployment taxes caused us to retrench in the employment of labor but the compensation-insurance cost and regulations became so rigid and inflexible that our operating costs simply would not permit.

Of course, if we had been able to obtain a better price for our products all would have been fine, we could have met these additional labor costs, but such was not the case. Timber prices declined and in fact are declining yet, and no doubt will continue so long as we are faced with the Canadian competition where taxes on pay rolls are not in effect.

Our real-estate and personal property taxes for last year amounted to 2¼ percent of our gross sales, and all in all the tax burden increases at every turn. However, even in the face of these disheartening conditions and without the benefit of any advance in price for our products we have managed to keep going and now the climax, in our opinion at least, comes, the cruel provisions of the wage and hour law which permits no adjustment to local conditions, takes into no consideration of any competitions from a foreign country and says that regardless of how we can do it we must employ labor for a short period of time per day, and regardless of whether or not this will decrease production insists that we must do so, and that if we are forced to go out of business it cannot be helped. In our instance 30 men would probably have to go on the relief rolls as there is no other industry here that could absorb them.

You understand, of course, that the logging and lumber manufacturing conditions in this State in no way compare with conditions on the west coast. In fact we and others are trying to run an industry and furnish employment to hundreds of men in this State with a class of timber that was discarded by the huge producers years ago as being almost worthless or at least would not bring in enough revenue to support their type of operations.

Also the type of mill that we have and others also, is not like the large mill that is on the west coast. We have more breakdowns, etc., because our operations will not permit us to use the newer type of equipment.

The problem as confronts us: Shall we try to stay in business by putting in all labor saving machinery devices, thus throwing out of steady employment at least one-half of our force, or go out of business? We prefer to stay in business and hence our reason for writing you, to secure your assistance in repealing this vicious legislation which is throttling American industry, and which instead of decreasing the relief rolls is increasing them.

We feel sure, Mr. KNUTSON, that this is a subject which is very dear to your heart, and that you love Minnesota as well as we do, and knowing your type of Americanism we feel sure that you will render us all possible assistance. We know that you have already fought against this program and will continue to do so, and am writing this letter with the hope that it will assist you in your further endeavors.

Thanking you very much, we are,

Yours very truly,

(Signed) ——— ———.

Government Regulation Versus Private Enterprise

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

ADDRESS BY ERNEST T. WEIR

Mr. ALLEN of Pennsylvania. Mr. Speaker, under unanimous consent to extend my remarks in the RECORD, I wish

to include a notable address before the Economic Club of New York by Mr. Ernest T. Weir. Mr. Weir has effectively covered a problem which must be settled by the American people without further delay. Our economic system of free enterprise, subject to reasonable Government regulation, is slowly being strangled by Federal control and red tape. It is inconceivable that the American system can function within a Socialist or semi-Socialist framework. The time has come when we must fish or cut bait; we must be one thing or the other. Wise men will ponder long before they cast themselves loose from time-tested moorings. American business and labor are suffocating today under the smothering weight of Federal bureaucracy. The pressure must be relieved before real prosperity will return to 130,000,000 American people.

Mr. Willkie, Secretary Ickes, ladies and gentlemen, if by "regulation" were meant the exercise by Government of its undoubted right to police industry, to referee its activities, to see that it does not violate the laws of the land or that it pays the penalty for such violation, this discussion need not have taken place. No one in private enterprise can justly object to such functioning of government. That is government's duty.

But some of the legislation of the past 7 years and the conduct of boards, commissions, authorities, and whatnots created by that legislation, show that to some New Dealers "regulation" means "control." That is the real point at issue. Thus, a more accurately descriptive title for this discussion would be "Government Control versus Private Enterprise." And it is this present-day control of business by government and the definite, increasing trend in that direction which is stifling private enterprise and preventing genuine recovery.

I believe the evidence is conclusive that American enterprise—which historically is a very new thing in man's experience—provides, by any standard of measurement, by far the best conditions of life for the overwhelming majority of people. It is clearly superior—and again I say for the overwhelming majority of people—to any system of government control that preceded it and any modern type of government control. And I believe also that the evidence is now conclusive that the Government control of enterprise that has so far developed in the United States does not, will not, and cannot produce and sustain improving standards of life for the American people.

Mistakes have been made under private enterprise. Of course, they have. After all, there are mistakes in every activity of human beings. Irrespective of political statements to the contrary, private enterprise makes no more or greater mistakes, commits no more or greater wrongs, inadvertent or intentional, than are found in government, politics, religion, or any other form of human activity. I will go further and say that in private enterprise there is at least as much, if not more, honesty in purpose and performance than in government.

And there is not a mistake nor a fault of private enterprise that cannot be corrected either by and within itself or by proper governmental regulation. But what we have today is not this proper relationship of government to enterprise. We have the definite attempt on the part of government to operate enterprise through a multitude of controls administered by political appointees—men who, in most cases, lack practical knowledge and experience, who bear no personal responsibility for the consequences of their actions, and who have made themselves a law unto themselves.

To an alarming extent these governmental agents have taken into their own hands functions of management that are vital to successful operation of great branches of enterprise on which millions of people are dependent for livelihood. It is the greatest misfortune that so few Americans are in a position to know by personal experience what this is costing the country. Let us consider a few specific examples of what is happening as a result of Government control.

Just a few weeks ago the Securities and Exchange Commission made a startling ruling. The Consumers Power Co., a Michigan utility, applied for permission to issue $28,000,000 in 3-percent bonds; $18,000,000 to refund bonds bearing a higher interest rate, and $10,000,000 for new capital. The Commission denied approval, saying, in effect: "You can issue bonds to refund other bonds if you wish, but if you want new money you must issue common stock."

Now think what this means. By express provision of the Securities and Exchange Act, the Commission does not bear any responsibility for the merits of securities it approves. Furthermore, neither the Commission nor anyone else can be sure that tomorrow or next week some branch of Government will not act to depreciate the value of the stock, even to the extent of making it worthless. Furthermore, under present conditions, the company would have to sell the stock at a price which would make it cost about 8 percent per year as against 3 percent for the bonds. Despite all this the Commission presumes—against the will of the company and against its best interests—to wrest from its hands a vital and long-recognized function of management. That's not regulation; that's control.

The Commission's ruling in this matter has its rediculous side because it is the very actions of these Commissions and Boards which have made it virtually impossible for industry to sell common stocks during the 1930's. No one denies the right of Government to see that issuers of securities tell the truth about those securities or its right to provide and enforce penalties for fraud and misrepresentation. But even a commission of supermen cannot sit in Washington and decide on the economic advisability of business actions throughout industry. All it can properly decide is whether any particular action conforms to the law. That is its proper function—not control of business. And the Consumers Power case is unmistakably an attempt to control.

Let us turn to another field. A few years ago the administration set out to save the soft-coal industry with the Guffey Bituminous Coal Act. The country was told that a board in Washington would be able to remedy the ills of that sick industry. Well, the ills existed all right. And they still do. After years of delay, after the expenditure of millions of public funds in investigations and hearings, after attempts at redistricting and establishment of price classifications—the industry is now, if anything, in a worse situation than before.

A few political appointees in Washington tried to write a formula that would solve the problems of this gigantic industry. The results have been the futile bungling that might have been expected. In the Appalachian field alone the administration plans to establish thousands upon thousands of different prices. The attempt is being made to settle prices for the entire industry. When these prices are settled, if they ever are, you will hear bitter wailing from the concerns that will lose markets or be put out of business, from miners who will have their employment reduced or lose their jobs entirely, and from consumers whose costs will be increased. Establishment of prices is not regulation; it is usurpation of another vital function of management; it is control. And the whole aim of the Guffey Act is Government control of the coal business.

In this connection I wish to quote a recent statement: "The Guffey Act must be amended or the bituminous-coal industry as a free institution will disappear. In recent years we in America have fed too much private enterprise into the maw of bureaucracy. Government functionaries have tasted blood and like it. They are already roaring for more. The deadline has been reached, and we cannot yield another inch."

That statement, gentlemen, was not made by a coal operator nor by any other businessman. It was made by a Democratic Congressman from the heart of the coal region.

Let us examine still another failure of government in its attempt to run industry—the Labor Board. No one could justly object to a statute which secured to employees the right of collective bargaining and protected them in that right. But instead of doing that the Wagner Act, an unfair instrument to begin with, in the hands of the Labor Board has been an ugly spectacle of unchecked power run wild. It has been used as a club with which men, who had no experience with industry but many preconceived antipathies against it, established a virtual despotism over labor relations.

The Board has taken away from employees the very right the act was supposed to give them. It has assumed the right to decide what kind of a labor organization it believes shall prevail. It attempts to say who should be hired or discharged. It presumes to read the mind of an employer and decide which one of the half-dozen possible reasons was the real cause of an employee's discharge. It limits the exercise by the employer of the constitutional right of free speech as was exemplified in the Board's decision that Henry Ford could not express a personal opinion to his own employees. It tries to dictate the kind of agreement that shall exist between an employer and his employees.

The Board has deprived the employer of the reasonable authority over his working force that is necessary to insure efficiency and discipline. These things cannot be called the making and enforcing of rules by which business must guide itself. It is an attempt to run business. Men like Madden and Edwin Smith were never notable for success in running any business enterprise. I see no reason to suppose that they can settle all the labor relations of the country better than the management and employees of business.

In the field of public utilities, where limitation of earnings and other reasonable regulations have long been recognized as proper functions of government, this administration has exceeded the bounds both of regulation and control. It has resorted to ownership. Under the pretexts of establishing flood control and a "yardstick" for rates, it has taken over the operation of utilities. It has ruthlessly forced the sale of competing properties at sacrifice prices. As results, investors have lost millions, taxpayers have been forced to subsidize power users, State and local governments have lost millions in taxes, the investing public has been scared away from similar investments, other utilities have declined further expansion in fear of Government expropriation. This is control of business achieved by the threat of a purge of property which is not far removed in principle from human purges of the German and Russian type.

Let us consider just one more example of control—agriculture. Through subsidies, penalties, and just plain bull-dozing, the Government tells farmers what to plant, how much to plant, how much they shall be paid for what they grow, and for what they do not grow. When one man in Washington has power to reward farmers who do as they are told and punish those who prefer their own judgment, then that man in Washington runs the farms of this country, not the millions who do the actual planting. Through its attempts to solve certain agricultural problems, the administration has dislocated practically the entire farming

structure. The administration started with control over 7 commodities. In the name of adjustment, conservation, the ever-normal granary, and by other devices it has spread that control over about 40 commodities. The net result of this Government control over agriculture has been that Government holds the power; and the public, including many farmers, holds the bag.

The efforts of some New Dealers to control industry have not been confined to commissions and boards. Indirect methods of control have been resorted to repeatedly. The taxing statutes have been used to control dividend action and to compel capital readjustments. They have been used as punitive weapons. We have recently discovered an unholy alliance between the N. L. R. B. and the R. F. C. where coercion has been used on business firms in need of money. The Robinson-Patman Act is an attempt to control business practices of industry.

Certainly these examples—and many more that could be given—do not reveal government as an impartial umpire in the affairs of its people. They show government has its hand on those affairs—the heavy hand of control.

Mr. Ickes may call it regulation. I call it control. And Mr. Roosevelt, perhaps unwittingly, confessed it was control when he said: "We have built up new instruments of public power. In the hands of a people's government this is wholesome and proper. But in the hands of political puppets of an economic autocracy such power would provide shackles for the liberties of the people."

In the first place, no man has the moral right to build up powers which, under any conceivable circumstances, could provide "shackles for the liberties of the people," for, even if he trusts himself with such powers, even if he is willing, at great personal sacrifice, to stay in office indefinitely to insure proper use of those powers, he must remember that he, too, is mortal; and, like all mortals, he must some day pass away, and then those powers must fall into other and possibly less trustworthy hands.

But since these powers now exist this is not the point. The point is whether, as Mr. Roosevelt says, they are "wholesome and proper." In my opinion, the answer is an emphatic "No!" Such powers are decidedly unwholesome and improper in his or any other hands, for we all know that he who holds such powers holds control.

So long as these powers remain in any hands, we will not have in this country the aggressive confident business activity which built American industry to world preeminence. It has been the creation of these powers and their delegation to a horde of Government functionaries that has transformed the United States from a government of law into a government of men. Free enterprise and a government of men cannot exist in the same country at the same time.

Under a government of law the power of government over business is fixed and limited, and the legal limits are defined with reasonable clarity. A businessman knows where he stands. He is free to take any business action that does not conflict with specific provisions of law. He is free to pursue his opportunities as far as his ingenuity and enterprise will take him, subject, of course, to those economic restraints that are inherent in a competitive system.

Under a government of men, on the other hand, government power is neither fixed nor limited. The law may be anything that some board, commission, or bureau says it is. And the law of tomorrow may be a very different thing from the law of today. It is this situation, more than any other single thing, that is responsible for the depressed and depressing state of business and employment in the United States. Free enterprise cannot operate on a basis of conjecture and suspicion.

Some new dealers say that private enterprise did not solve the problems of unemployment and a more equitable distribution of income. They say that government, therefore, must act to correct economic and social abuses and to solve economic and social problems. This has been their excuse for extending Government control over industry.

American enterprise has not entirely solved the problems of unemployment and distribution of income. But it has gone further in that direction than any other economic system in any country at any time in history. And if it is allowed to be free, it will approach as closely to the solution of these problems as is possible to human ability. It certainly holds far more promise than any system of Government control. Why, in heaven's name, should we junk a system of life in which the lot of our people has been the best in mankind's whole history and go to a system which, wherever it has been tried, has inexorably reduced all save a few to semi-poverty and serfdom?

What quality or virtue does mere appointment to a governmental agency give a man that makes him able, in effect, to run a whole industry from the Nation's Capital better than men who have spent their lives in that industry can run one company? The usual answer is that he is not affected by self-interest. As a matter of fact, usually he is deeply affected by the wrong kind of self-interest. He must be interested in votes for the party which gave him his job. His conduct is determined by consideration of what is politically popular, not by what is economically right.

The self-interest of the private enterpriser is related to but one thing—the successful operation of his business. Continued lack of success means bankruptcy if he is an owner, removal from office if he is a hired manager. Every businessman knows this. He stakes everything on his ability to succeed. His authority is balanced by responsibility. With the Government functionary, on the other hand, power is unrestrained by any responsibility for the industry he controls. The mistakes of a private enterpriser can affect but one company. Mistakes of a Government functionary can affect an entire industry or even all industry, and nothing can be done about it.

Today we have a peculiar situation. Recently some branches of business reached 1929 levels, and lots of people shouted, "Hurrah." Yet if we were really coming out of depression, activity would have gone away beyond previous high levels, as it did following every other depression. Why hasn't it? In my opinion, here are the principal reasons. There are two groups of people who must be spark plugs in any movement that can generate and sustain momentum. These are the enterprisers—the people who must make the decisions to expand existing and start new enterprise—and the investors, the people who venture their savings in expanded and new enterprise.

Government control has made it impossible for these groups to function. Government functionaries have taken away from the enterpriser control over too many vital elements that enter into his decisions. He cannot make free use of his own judgment, experience, and ability. Therefore he acts guardedly, if at all. The same governmental action has increased the risks of business, reduced its profits, and heavily taxed remaining profits. Therefore investors seek the safety and guaranteed low return of corporate and Government bonds rather than the substantial gains formerly possible in a common-stock venture.

As a result, billions of idle dollars cannot, dare not, be put to constructive use, and by the same token, millions of idle men walk the streets in search of legitimate employment. Enterprisers would like to use these idle dollars and idle men. If we had conditions in which the free judgment and experience of management could prevail, there would be plenty of opportunity for both men and money.

Let me illustrate. A prominent utility man told me recently that his company had, on drafting boards, plans for a power unit that would cost $10,000,000. He estimates that 70 percent of the cost of materials delivered to the job would go to labor. The project would provide 2,100 men with steady jobs for 15 months, and at its peak, 4,300 men would be employed.

Now our chairman, Mr. Willkie, stated sometime ago that, in a period of 2 years, the electric power industry would spend $2,000,000,000 on additions to plant and for other purposes, if governmental restrictions and threats were removed. Multiply the example I have given by 200 and you have an idea of the contribution this industry, alone, could make to business activity and employment—if only Government would let it.

And the same thing may be found throughout American industry. I know personally of a company, for instance, which would like to expend approximately $25,000,000 on expansion and improvements that would create both immediate and continuing employment. But today this company could not sell common stock except at sacrifice prices which the company cannot afford.

Make no mistake about it. What is being attempted is not Government regulation. It is definitely Government control. And it is killing the venturesome spirit of business because that spirit lives only with the freedom which is the lifeblood of American enterprise. Let this continue and there is danger that the native aggressiveness, self-reliance, and courage of the American enterpriser will descend to the level you might expect to find on a chain gang.

This country was built by venturesome men and venturesome money. It can be made better and greater by the same combination. I have every confidence in America and Americans. I believe we can pass frontiers of general well-being as far ahead of today's as the airplane is ahead of the oxcart. But I do not believe we will do it if Government control is allowed to crush the freedom which is the animating spark of American enterprise.

What does enterprise ask of government? It does not ask government "to let it alone." It does not deny the right and necessity of government to police and referee business activity. It asks government to stop trying to run business—it asks government to stop its competition, its restrictions, and its threats—it asks understanding of the economic necessities of business; it asks administration that has respect for commonplace legal safeguards. Enterprise says to the country that progress can come again only with these changes in Government attitude.

All that business asks is the application in the field of enterprise of that principle which the founders of this country regarded as the keystone of its liberty. That is the principle of government by law—not men.

War Horses Is Right

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

ARTICLE BY DR. L. A. MERILLAT

Mr. GILLIE. Mr. Speaker, I wish to bring to the attention of Members of the House and Senate, particularly the World War veterans, an interesting and able article on the impor-

tant role played by the Veterinary Corps in winning the war. The author of this article, which appeared in the February issue of the American Legion magazine, is Dr. L. A. Merillat, executive secretary of the American Veterinary Medical Association.

Dr. Merillat is admirably qualified to tell this story, because he was in the thick of the fight and directed the activities of American veterinarians overseas. And he tells it well. As a member of the veterinary profession, I commend it to your attention:

[From the February issue of the American Legion magazine]

WAR HORSES IS RIGHT

(By Dr. L. A. Merillat)

The Veterinary Corps won the war. I know that ever since the First Army was halted along the Meuse by an armistice some 20 years ago, sundry divisions, departments, and services have claimed that distinction. So don't be astonished if someone stakes out another claim in that champ d'honneur.

Anyhow, the 2,200 officers and 23,000 enlisted men comprising the Veterinary Corps of the World War never "made" the Legion magazine in all these years. Perhaps they have lacked a press agent. Like their peacetime colleagues, they worked unknown and unseen at a task few men really understand.

I know also that the first six words of this literary convulsion will amuse the legionnaires of Argonne fame, except for a few outside of the corps itself who may have noticed just what the Veterinary Corps meant to them. Visions of exhausted horses and mules tugging in vain at heavy guns mired in the forbidden terrain must have more deeply impressed the mind of the Argonne soldier than the fact that contemporaries of these overworked brutes hauled out most of the food and ammunition and brought back the sick and the wounded with unfailing precision.

Except for a day or two around Montfaucon while the engineers were working madly to build roads over the shell-torn ground, there was never a shortage of rations during that historic, decisive engagement.

If the artillery brigades were sometimes short of ammunition, the fault was the meager allowance, not a lack of animal transportation to bring out the allocated quota.

As my contact with animal transportation was close and continuous throughout the Meuse-Argonne operation, I am sure the records of G-4 will confirm my personal observations. One heard a lot about the shortage and waste of ammunition and the wrecking of 75's by reckless firing. One shouldn't blame the horses and mules for that.

The Veterinary Corps was more important during the Meuse-Argonne fray than in any battle of modern times because there were practically no animal replacements available. In his My Experiences in the World War, General Pershing writes feelingly about the shortage of animals. We had about 500,000 horses and mules in the remount depots at home but no means of bringing them to France. It is not generally known that the 100,000 animals of the First Army—the army that fought that battle—were procured from the French and British Armies and a few were purchased in Spain.

There were practically no American horses in the entire A. E. F., and although animals were promised us by the French for the tremendous operations that were to follow the struggle on the Marne in July 1918, the number obtained was not sufficient to carry out the orderly evacuation, hospitalization, and replacement of animals in obedience to the modern rules of large-scale warfare.

We had to make what we had do the job, and as a consequence the treatment of the sick and injured as long as they could carry on became the necessary objective. To those who know the terrors of contagious diseases and privation among horses and mules exposed to the vicissitudes of a protracted military operation, the preservation of these 100,000 animals is one of the miracles of the World War, thanks to the support given to the chief remount officer and chief veterinarian of the first army by Generals Pershing and Liggett.

The chief remount officer was Victor C. Mather, owner of the famous Brandywine Farm near Philadelphia, a horseman and executive of the top bracket. My training as a veterinarian came from a long-time experience with the ailments of animals at the Chicago Stock Yards.

When we had won the confidence of the staff, we were given carte blanche in the handling of the animal situation, probably because every other staff officer had trouble of his own and therefore had no time to find fault with our lack of true military training. Neither Mather nor I could have taken a squad in order across the street and what we did not know about so-called paper work was plenty. Yet before the show was half over the adjutant general told a subordinate: "Go down to the 'horse doctor's' office and learn how to keep records."

Good office management was not foreign to us, you see.

The divisions were supposed to have over 6,000 animals each, but they had less than half that number. One horse had to do the work of two, and none of them could have made much of a record in a pulling contest. We took only the totally disabled away from the distressed colonels and filled in with such replacements as we could comb out of the depleted remount depots and disease-ridden hospitals. Floyd Gibbons, of the Chicago Tribune, and Julian Wood, of the Chicago Daily News, two mud-soaked tramps of the battlefield, complimented us on the good work we were doing under such extreme difficulties.

When hostilities ended we had 54,000 animals for the 9 divisions hurriedly equipped to full strength for the march to the Rhine—23,000 had been evacuated and entrained for the hospitals of the S. O. S. The rest, about 19,000, marched back to the training zone around Bar-sur-Aube where the First Army, after a period of rest, proudly exhibited its animals at a series of horse shows. Restoring these 19,000 culls to horse-show condition was one of the marvels of A. E. F. horsemanship for which the corps and division commanders deserve a lot of credit. For without their keen interest in their animals and the moral support they gave to the remount and veterinary services, most of these animals would have perished.

But what has this to do with "Who won the war?" Just this. Soldiers must have food and it takes animals to bring it to them. Animals did that during the World War and animals will do the same thing in future wars fought against stubborn enemy resistance. I know the pundits of peacetime extol mechanized equipment and say it's the only thing, but mechanization doesn't change the ground and the ceiling where men fight battles.

J. E. B. Seely, in his Fear and Be Slain, puts it this way: "In peacetime it is thought that armies and guns will move quicker and quicker; guns shall be smaller and swifter; mechanical contrivances shall become more and more important. But real war armies move slower and slower, guns become bigger and bigger and slower and slower, and all mechanical devices after the first 36 hours fail and are scrapped in favor of the only means of transport that really survives the front line in war. * * *

"War is a rough-and-tumble business, a case of making things do. All the elaborate arrangements dependent upon gasoline supply may give one a good start, but nothing more. In moving warfare, as before, the infantryman will walk on his feet and carry his rifle and only horses can keep him alive in most countries. * * * Woe to the country which trusts solely to a mechanized army." The Veterinary-Military History of the United States by this writer and a junior author says, "The country that goes to war without horses and mules is licked from the word go."

This is not an essay on Mechanical versus Animal Transportation. I am willing to leave the decision to the General Staff, charged with the responsibility of making up tables of organization suitable for the defense of our country. My plea is for the Veterinary Corps, which has other things to do besides keeping the animals fit enough to bring out the rations. The Veterinary Corps also assures that the rations brought out are wholesome.

This is perhaps news, also, to the Argonne legionnaires. There was no embalmed-beef scandal during the World War, and that was not an accident. The hurriedly made Veterinary Corps of 1918 inspected all of the fresh meat and canned goods that came out to the kitchens. Trained veterinary meat inspectors passed a total of 1,779,848,621 pounds of meat and rejected 10,956,408 pounds during the war and period of demobilization, and the civilian meat inspection service composed of veterinarians inspected also enormous quantities of meat and meat products for foreign governments in our abattoirs.

The low incidence of digestive troubles among our fighting troops may be confirmed by turning to the pages of the official report of the Medical Department, the department under which the Veterinary Corps functions. How many Argonne legionnaires know that there was a division meat inspector with each division who worked under the direction of the division veterinarians and who prevented any embalmed beef, bloated cans of corn willy, or any other unwholesome food from going out to the troops?

The answer is, few indeed. So the way the Veterinary Corps won the war was not only by keeping alive the animals that brought out the rations but also by keeping the food brought out from killing the men after it arrived.

The 2,000 veterinary officers of the World War who traded juicy clienteles for shoulder straps are now fighting a greater battle than any war ever fulminated—the battle against the diseases of domestic animals. These men will not be startled by the statement in the preceding paragraph. They know how little their work was understod in the Argonne and how little it is understood in times of peace by the average man of the street. Even among the most thoughtful of Americans few know that animal production always has been and obviously always will be the Nation's main force, just as it has been for all of the successful nations since the curtain of this civilization was lifted.

The United States has grown and prospered and become powerful in a short stretch of time—historically speaking, in a click of the shutter. But the part played by domestic animals is not generally studied. Owing, no doubt, to our allegedly inexhaustible resources neither private citizen nor public functionary as a whole has surveyed thoughtfully the role played by animals in the making of our wealth, comfort, and social security in peace and war.

What I mean to say is that the good folks of the United States have been too busy arguing over details to bother about such a prosaic enterprise as the husbandry of animals and what animals have meant in the march of man. Boundless acres of fertile land and favorable climate made possible the development of our tremendous livestock industry, and a veterinary service established shortly after the Civil War provided protection against the sweeping plagues which can any day reduce our country to an impecunious fourth-rate nation.

The fifth plague of Egypt was not a Biblical myth. It was an outbreak of anthrax from which Egypt never recovered. But that was 34 centuries ago, you'll say, and it can't happen now. Don't be so cocksure. Cocksureness is what I am trying to have

the American people avoid, for many other nations besides Egypt went the same way from the same cause and ours in 1940 can be no exception.

If the outbreak of anthrax in South Dakota 2 years ago, which spread into Iowa and Minnesota, had not been fought by the veterinary service like firemen fight conflagration it would have been only a question of years before domestic animals would have been annihilated and perhaps, as once happened in Ireland, the human population would soon be fleeing to the sea to save their lives. Wolf? No; only those who do not understand the terror of infections among gregarious animals discount such ugly scareheads.

The military side of this question is that there are only 12,000 veterinarians in the United States. If we became embroiled in a great war and drafted a large percentage of them into the military service for a number of years, almost anything could happen to the food supply of our country and leave us prey to more resourceful enemies.

Our domestic animal holding is the largest item on the Nation's balance sheet. But the dollar-and-cents value is not the point. It is the contribution of animals to human welfare in times of peace and the security they furnish when war breaks out that count. Without domestic animals, the Indians lived a life of poverty; with them a great Nation was built. Without animal-drawn vehicles, Mayan civilization vanished. Cortez, with a handful of mounted soldiers, terrified the legions of Montezuma and captured Mexico.

The early American colonials failed, starved, many of them perished, and some returned in disgrace. Their backers had lacked the foresight of sending a reasonable ratio of animals with the expeditions they financed. When, in later years, animals were imported, the making of the Americas became possible. Until then our adventurous forefathers groped and suffered in their quest for gold or freedom or liberty or something. But one can't eat gold, or freedom, or liberty. It requires animals to furnish food and to build shelters.

It is now over 300 years since Jamestown and Plymouth, but human needs have not changed, can never change. We must still eat and wear clothes and keep roofs over our heads. No mechanical contrivance can supply all this. Our horses, mules, cattle, sheep, swine, and poultry are what keep the Nation going. My hope, born of a short but highly revealing military experience, is that these basic facts will not be overlooked in the peacetime political arena. In peace the wise prepare for war and are not swept off their feet by propaganda for unworkable theories.

Were this a lesson in anthropology, one could go on explaining that the mammalian species named man took over the captaincy of the world only as fast as he learned to domesticate the tractable animals filing before his eyes, and that tribes and nations developed parallel to their achievements in the husbandry of them. The same is true of the nations of this day. No nation can survive a perishing animal industry and no army can subsist without food of animal origin. In the matter of transportation too much fuss is made over abolishing the cavalry, as if that arm were the only one requiring animal transportation to carry on. Whether the cavalry is archaic or not is for the military scholar to say. What Argonne experience has taught, however, is that an infantry division (World War strength) can use to good advantage 6,000 to 7,000 animals for what we civilians call cartage purpose over ground no mechanical contraptions save an airplane can ever hope to cross, least of all train after train of them, day after day, where a push of a few miles per week is called a victory in the communiques.

I am well aware that for our present military set-up a large number of transport animals are not needed, but when these organizations mobilize and take to the field against enemy resistance, they will need animals aplenty. Unhappily, the soldiers will know little about their care. So, without seeming unreasonable, one may urge the retention of the cavalry arm for the purpose of training officers and soldiers in the dying art of horsemanship.

Yes, the Veterinary Corps won the war and it will win all future wars, because with its colleagues in civil life it prevents waste, chaos, hunger, lost morale and perhaps the exhaustion of the world's supply of food. Stop, look, and listen but don't forget that "War horses is right."

Federal Legislation and Our Exploited Natural Resources

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1940

EDITORIAL BY M. J. ROBINSON

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include herein an editorial written by Mr. M. J. Robinson in connection with his bill I have heretofore introduced and which is pending in the Congress. This measure is known as the natural resources bill, H. R. 3121, and has been endorsed by the people's lobby. Favorable references to it have come from every State in the Union.

The editorial is as follows:

THE COFFEE BILL ON NATURAL RESOURCES

(An editorial)

The basic function of government in any country is to provide the highest standard of living obtainable from the resources available for the greatest number of citizens of that country. This is fundamentally true and generally admitted.

The United States has some of the most valuable natural resources of any nation on the earth. One of the few mistakes the founding fathers made was to leave open to private ownership, waste, and exploitation the Nation's water-power and underground wealth. It would have been easy to have kept our coal, oil, gas, and minerals in a common pool for all of us at the time the Constitution was made. Now it is going to be difficult to get them back. But get them back we must if we expect to build a civilization where each citizen will have his just and equal share in these resources.

The peaceful and fair solution of this problem is of vital concern to every man, woman, and child in America. Nothing can be gained by delay, but much more can be lost. The Nation's timber has been wantonly wasted. Millions of dollars' worth of oil and gas have been wasted. Our coal has been mined for profit only with little thought of efficiency or future generations. Our valuable mineral deposits have been exploited for immediate profits or bottled up and frozen for future profits, with no thought of the common people, to whom they rightfully belong.

Despite the wrong done and the loss incurred, we still have natural wealth left which can be saved if we act in time.

Thank God we still have the right to vote in America. We still have the right to talk. We still have the right to tell our representatives in Congress how we want them to vote. If the voice of the American people is loud enough, it will be heard above the clamor of entrenched greed, and we can save what is left of our heritage.

The way to do this is provided in the natural resources bill, H. R. 3121. Tell your Senators and Representatives that you want this bill passed at this session of Congress.

Social and Economic America

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 19 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the text of a speech by the Senator from New Hampshire [Mr. BRIDGES] at a luncheon meeting of the Wilmington Rotary Club, Hotel Du Pont, Wilmington, Del., Thursday afternoon, March 14, 1940.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

March 4, just 10 days ago, marked the seventh anniversary of the inauguration of the New Deal. Much was said at the time, both in praise and denunciation of its record. Much more will be said between now and the time the American people go to the polls this November.

No longer can even the most unobserving and unthinking citizen regard the National Government as something far away, affecting his life but indirectly or occasionally. Seven years have brought about the greatest change in the relationship of the citizen and his government ever witnessed in the history of our country. The Government in Washington, extending its control ever further and further, has become a dominating force in the life of every citizen.

This invasion of our social and economic lives still continues. On March 4, the United States Circuit Court of Appeals for the District of Columbia reversed the decision of the local Federal District Court, and proclaimed that medicine, for the first time in history, was to be classified as a trade. This verdict, if carried to the new Supreme Court and upheld, provides an opening wedge not only for Federal regulation of medicine, but for the invasion of other professions. Add to this the Wagner health bill, which will undoubtedly be revived if there is a third term for the New Deal—whether it be under President Roosevelt or another—and the first steps have been taken toward socialized medicine.

Are you in the insurance business? The investigation of the Temporary National Economics Committee, under the direction of the Securities and Exchange Commission, has paved the way for the regulation of insurance funds by that body, and for the adoption of one of several plans that have been proposed for the entrance of the Government into the insurance business.

Are you connected with a utility? The Securities and Exchange Commission has begun to enforce the death sentence of the Holding Company Act. No one knows just how far it will go. Tommy Corcoran, one of the writers of the act, believes that the Government will own and operate all utilities within the next 20 years.

Under the powers granted to him in the Reorganization Act the President transferred the Bituminous Coal Commission to the Interior Department. Secretary Ickes has become virtual czar of the soft-coal industry and is preparing to exercise the vast and autocratic powers bestowed by the Guffey Coal Act. Not only is he authorized to control trade practices and competition within the industry, but he may dictate the prices of coal. Moreover, he has the authority to manipulate freight charges as they affect the transportation of coal, and thus has a double power over the price of coal to Americans in every part of the Nation. All this he may do under the law, unless the attempt of Representative ALLEN of Pennsylvania succeeds in modifying the Guffey Coal Act.

The new Supreme Court has demonstrated that it will not curb any of the fifty-odd New Deal agencies unless they actually violate the almost limitless powers bestowed upon them by the Congress; that they may select at whim whatever evidence they choose upon which a case is to rest. More recently it has supported the right of the National Labor Relations Board to invalidate a contract between employer and employee on the basis of the evidence the Board chooses to give it that the union with which the contract has been made was company-dominated.

These New Deal boards and bureaus, vested with arbitrary powers never before granted to a people's government, now have a stranglehold upon our economic system. They have paralyzed private initiative, shut off the life stream of investment, and cut off opportunities for expansion and employment through Government competition with the citizen.

Add to the uncertainty as to what these virtual dictators of our economy will choose to do, next the burden of taxation which has been levied upon private enterprise, and the wonder becomes that our economic system has survived as well as it has.

Let me cite but one example. According to the report of the income-tax division of the State of Wisconsin, the 961 corporations doing business both in the State of Wisconsin and elsewhere showed a net gain of only 1.1 percent of their assets during the year 1938. The 6,845 corporations doing business only in Wisconsin operated at a deficit. Here is but one more proof that New Deal taxation hits the little man harder than it does the large and well-established corporation. Together, all the corporations operating in Wisconsin paid total taxes to Federal, State, and local Governments amounting to over $112,000,000, leaving a loss of over twenty and one-half million dollars. These corporations paid over $426,000,000 in wages to over 355,000 employees. In other words, their taxes amounted to 26 percent of their pay roll. The average wage was within a few cents of $1,200 a year. At that wage the money eaten in taxes would have provided work for nearly 98,000 employees. There is but one word for such taxation—it is confiscation—it is confiscation not only from business itself but from the workers who are employed and their dependents, from the unemployed who are seeking jobs in vain, and from all those who are dependent upon the purchasing power of the worker for a livelihood.

The result of these policies has been a politically prolonged depression and economic stagnation. In 1938, on the basis of private productive purchasing power, we had returned to the scale of living of 1901. It has declined 25 percent since 1929, with a loss of one hundred and twenty-nine billions in purchasing power alone, or $1,226 for each man, woman, and child in the country.

During the years 1921 through 1929 we added thirty-four billion to private capital, which meant expanding economy and greater employment, and a higher standard of living for all. In the 9 years, 1930 through 1938, we consumed thirteen and one-half billion dollars of private capital more than was created. The average annual expenditures for new private capital goods since 1929 has been more than 45 percent below the 1925–29 level. We have been contracting rather than expanding; we have been hibernating instead of growing.

In the 3 years, 1926 through 1928, an average of four and six-tenths billion dollars went into new corporate enterprises. In 1937, one of the best New Deal years, only one and two-tenths billion dollars were so spent.

Is it any wonder that we still have over 9,000,000 unemployed? According to figures made public recently by the National Industrial Conference Board, the number of unemployed rose 889,000 in January over the number in December, making a total of 9,296,000. It estimated that the number of employed workers declined to less than forty-five and one-half million, or a drop of 831,000 from December to January. Colonel Harrington of the W. P. A. has frankly admitted that the increased unemployment was "substantially greater than seasonal increase," and that the gains made since last August had been wiped out. The W. P. A. and the C. C. C. were forced to increase their rolls during January by 118,000—or approximately 13 percent of those who were thrown out of work.

The result, however, has been more than unemployment and the heartache and privation it has caused, together with the tremendous burden of billions that have been poured out of the Federal Treasury in an effort to alleviate suffering. The situation is further reflected in the ham-and-eggs plan in California, and other similar proposals. It is reflected in the alarming growth of pressure groups demanding more and more money from Congress each year. These schemes, which could lead only to bankruptcy economically and socially as well as financially, these drains upon our national wealth will continue so long as our economy is stagnant and millions of people must depend upon the Federal Government for food and clothing and shelter.

As long as our economy remains stagnant, crackpot schemes which would wreck our Government and our economy will win adherents and demands for raids upon the Federal Treasury will continue. The greater the demands and the pressure, the more the Government extends its control and its subsidies, the further we shall be from a reestablishment of a genuinely free and expanding economy and the harder it will be to achieve it.

And yet, ironically, New Deal reforms and experiments upon economic America have been conducted in the name of social America. Yet they have failed to raise the standard of living of our needy beyond the subsistence level. New dealers talk of the billions spent for relief and subsidies to the needy as though these were the measure of their humanitarianism instead of the measure of their failure to bring about reemployment in private industry for those without work and a healthy balance between agriculture and industry together with expanding markets for the farmer.

The New Deal has failed to achieve its announced objectives for social America for several specific reasons.

First, it has sought to achieve its social objectives by reversing the very economic principles upon which our system of private economy is based and under which we became the greatest nation on earth. That system is based upon an expanding economy of ever-increasing plenty, accompanied by increased distribution at a constantly decreasing price. Human genius constantly strives for new ways to produce more wealth with less effort and at less cost, thus making the luxuries of today the necessities of tomorrow by bringing them within the reach of an ever-greater number, thus assuring a higher standard of living for all. The New Deal has persisted in a policy of restriction and scarcity in production and of high prices without regard to economic conditions, thus resulting not only in less work and less wealth, but in decreasing purchasing power for the wealth we now have. Obviously the only way to improve the lot of the ill-fed, ill-housed, and ill-clad is to create more food, more clothing, and more shelter on one hand, and on the other to see to it that those in need are put to work creating more wealth and earning enough to buy the necessities and comforts of life in an economy of abundance.

Instead of the traditional American policy of thrift and economy, the New Deal has set an example of profligacy unexcelled in history. It has constantly preached that while private debt and extravagance are evils, public debt and spending are the key to prosperity. Billions have been squandered in futile attempts to prime the pump. It has assumed that purchasing power could be increased, not by adding to it, but merely by Government redistribution. If this were true, of course, the more the Government borrowed and spent and the greater the public debt, the better. A national public debt of ninety billions would make us twice as prosperous as a public debt of nearly forty-five billions. The truth of the matter is that the New Deal, assuming that the American people are chronically crippled, has given them a $65,000,000,000 crutch, at the same time adding a $40,000,000,000 tax bill and a $25,000,000,000 deficit to their backs, thus making it impossible for them to walk of their own accord, and crippling their backs for years to come.

The whole theory of New Deal pump priming and artificial work has been to compensate those hardest hit by the depression for the loss of private investment and employment which it has believed could never be fully recaptured. Instead of seeking every possible means to revive private investment and employment, it has offered only the substitute of Government spending and Government jobs. More and more clearly those who have received such meager compensations as the Government has been able to provide are realizing that these are no substitute for all that they have lost. They are demanding real jobs at real wages such as only the revival of a prosperous economy can provide. They do not want a Government crutch. They want to be able to walk of themselves as free men.

Thus, the New Deal has failed of its social objectives because it has tried to substitute a free economy with an economic system blue printed by the planners in Washington. It has sought not merely the correction of evils which arise within the economic system which must be overcome if we are to go forward, but the substitution of an economy controlled by the Government. It promised to destroy the private monopoly of economic royalists, and instead it has substituted the public monopoly of political royalists. It took the opportunity for manipulation away from the financiers only to place it in the hands of one man; and today no foreign dictator enjoys a greater control over the currency of a nation. Here, as in the case of spending, what is evil in private hands becomes a virtue in the hands of political bureaucrats wielding a thousandfold more power than any private individual could hope to exert. Government competition has entered field after field of private endeavor. These acts speak more eloquently than volumes of protestations to the contrary the lack of faith of New Dealers in our system of private economy. The Federal Government has become the greatest and most powerful restrainer of trade in our history.

The New Deal has fallen short of its avowed social objectives because it has put the cart before the horse. It has assumed that social uplift could be accomplished by Government decree regardless of economic progress; that it could increase wages without regard to economic conditions; and raise farm prices artificially and keep

them there, regardless of the number of unemployed or the purchasing power of the rest of the Nation. It has completely ignored the fact that social conditions improve not before economic conditions or in spite of them, but because of them. They are the result and not the cause of economic progress. The Government may spend itself into bankruptcy and inflation but it cannot improve social conditions without a healthy economy in which new wealth is constantly created and earned.

The American standard of living, which is still the envy of the rest of the world, was not created by the government decree of officials with noble desires and grandiose schemes for bettering the lot of the underprivileged. It was not created by any division of the wealth of those in high office. Rather it was the result of the unceasing labors of generation after generation of a people endowed with initiative, a capacity for hard work, endless energy, and particular talents under a government which assured them the freedom and opportunity to develop to the fullest extent their productive powers. It was won by the sweat of the brow of men with undaunted courage in the face of discouragement, faith in themselves and in their ability to succeed, and a vision of what together they might achieve.

A people's government has, indeed, social obligations. We must provide for those who are unable to care for themselves. But our greatest social duty to every citizen who is able in mind and body is to assure an economy in which he is free to labor for himself and his loved ones, to reap the fruits of his talents and his toil, and to rise as high as he is fairly able.

If there is anything that discourages and annoys me, it is the expression "surplus labor" and similar phrases. How can there be a surplus of labor when there is so much to be done? We speak of the high level of production in 1929. We talk of $100,000,000,000 national income as a goal. The 1929 production level is insufficient for our 130,000,000 people today, for we have added 9,000,000 to our population since that time. It has been estimated that our facilities in 1929, operating at capacity, could not have produced a national income of $96,000,000,000. We have 5,000,000 new workers—and that is the equivalent of the total number of gainfully employed workers in Canada—who need facilities for work. It would be difficult to estimate the amount it would cost to make necessary replacements which have been impossible during the last 10 years and to build up our industrial plants to provide a decent standard of living for all of our people. To produce what the Department of Agriculture calls a reasonable diet for all of our people would require the American farmers to produce nearly twice what they did in 1929. It would require 40,000,000 more acres than were planted in 1933.

To care for the ill-housed we need to build 4,000,000 modern homes within the next 5 years, to say nothing of repairing another three and a half million. This would mean building at the rate of 900,000 houses a year, which would exceed the highest building peak in our history, which we reached in 1925.

This is a titanic task. It can and must be done if our dreams for social America are to become reality. We have neither sufficient wealth nor the facilities to do it today. But we can create them by uniting our manpower, our idle savings, and the technological improvements which are today awaiting use in a resurgence of our system of free economy. It cannot be achieved through coercion or decree but only by voluntary cooperation.

A private economy must be based upon four things: Freedom, opportunity, incentive, and confidence. There must be freedom from crushing taxation, from coercion, whatever the source, and from every unnecessary restriction or restraint, whether public or private, and from the arbitrary decree of political bureaucrats. The road of opportunity must be kept open by preventing the invasion of Government investment, operation, and employment wherever private investment, operation, and employment can best serve the public interest and welfare. There must be the incentive of a just reward for one's efforts. There must be confidence in a government which will encourage the citizen in his work so long as he does not infringe upon the equal rights of others. It must be a government which serves as the instrument of preserving the freedom and opportunity of the individual, which adopts such regulations as are necessary to this end.

In no other way can the energies and powers of our people be released. In no other way can idle savings be encouraged to invest in productive enterprise, can the advances of science and research be developed and brought to the greatest possible number of our people.

The evils of monopoly, of concentration of power, exploitation, and unfair competition are not abolished by taking them from those who do not hold public office and transferring them to those who do. That is the road which leads to dictatorship. The duty of the Government is to eradicate these evils, not to take them over.

As our lives become more complex, as new legislation becomes necessary, as public interest requires that the Government assume new duties, the function and the purpose must remain the same—to make the Government the servant of the people rather than their ruler, to preserve an economy in which men are free to go forward rather than to plan their destinies.

Such a philosophy is based on the belief, not only that men are able to go forward if given the freedom and opportunity, but that they possess certain spiritual qualities which will guide them in the use of this freedom and this opportunity. Such a system cannot succeed without mutual faith, tolerance, respect, and cooperation between men.

Such a system places a tremendous responsibility upon each and every citizen. For it is a system not only of getting wealth, but of creating it for all men. It is a system of the best possible service to others as the best possible way of self-advancement. It applies to doctor, to lawyer, to manufacturer, to businessman, to worker and farmer, to every citizen, whatever his contribution may be to his fellowmen. These are the responsibilities of men under a free economy as well as under a free government. They are the basis of the democratic way of life.

We need to recognize the responsibility of each and every citizen anew. We need a rededication to the ideal of service. We need a renewal of our faith in our fellowmen, of mutual tolerance and respect, and of the will to go forward together—a united people.

If we can bring about a rebirth of this spirit—and it is the spirit that has made America the greatest Nation on earth—our dreams for social America will be more than realized. We shall continue our march onward and upward to a richer and happier life than we of today dare dream.

The Farm Problem

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 19 (legislative day of Monday, March 4), 1940

ARTICLES BY ROGER W. BABSON AND MRS. BEN OHNSTAD

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD a recent article dated Savannah, Ga., February 23, 1940, by Mr. Roger W. Babson, entitled "Instead of Handouts, United States Should Encourage Families to Move to Farms." In discussing this suggestion, Mr. Babson very correctly states that it would take the pioneer spirit of those who had the will to tackle the lands for a livelihood.

Also, I submit for publication in the Appendix an article from Liberty magazine, issue of March 9, entitled "Anyone Can Go Back to Eden," which I desire to be printed in connection with Mr. Babson's article.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

INSTEAD OF HANDOUTS, UNITED STATES SHOULD ENCOURAGE FAMILIES TO MOVE TO FARMS—BUT IT TAKES PIONEER SPIRIT, ECONOMIST AGREES

(By Roger W. Babson)

SAVANNAH, GA., February 23.—Naturally I get many letters from readers of this column. Just recently I received a most interesting letter from G. C. Konkler, of Mena, Ark., telling of his personal experiences. He had lost his city job during the depression and had to decide between going back to the land or going onto relief. He chose the former and drifted to the enterprising town of Mena, in the Ouachita Mountains, just a stone's throw from the Oklahoma line. There he and his family started again with absolutely nothing—just as did the Pilgrims when they landed on the shores of Massachusetts Bay in 1620.

Of course, the family had no money for movies, radio, or gasoline. They built their own hut out of cast-off boxes and other waste material on the outskirts of the town. He got a job for $1 a day and the family lived upon it and saved money from the first week. They lived on oatmeal, milk, tough meat, and greens. They slept on straw and made their own furniture, but they were healthy and happy. The children made their own clothes and went to school. When spring came they planted a garden, in which they all worked.

Then the father decided to rent a cheap vacant store—to sell goods when the chain stores were closed and the other merchants were at the movies. I will not go into more details, but in view of all the sensational and sentimental publicity being focused on tenant farmers as a result of John Steinbeck's Grapes of Wrath, Mr. Konkler's story interested me very much. Hence I wrote three leading people in Mena to see if what Mr. Konkler wrote to me were true. They replied that every word was true.

I then asked Mr. Konkler to expand his ideas. Both he and I believe that the small farm offers a real opportunity to thousands now working on relief jobs. Developing and working the land would bring them more happiness, health, good living, and sound security than most of them will ever achieve in any other way. Today too many families are just one pay check better off than they were several years ago. Surely any thinking person must know that something more durable must be tried to remedy conditions. All, so far, have been merely shots in the arm to relieve the pain.

RELIEF KILLED MOVEMENT

In 1932 Mr. Konkler drove a $150 Ford 500 miles into the mountains of Arkansas. He found thousands of people out of jobs. Families, however, with just a little money left, were going back to farms, making new lives for themselves, and liking it. They were blotting themselves from charity rolls and improving the general situation. Yet most of such efforts collapsed when Uncle Sam opened his relief purse. Today hundreds of homes lie desolate and abandoned. Meanwhile their former tenants purchase with their relief pittance quantities of products such as those acres could have produced.

It is Mr. Konkler's contention that farm development built this country in the first place. Therefore he believes that only the development of our idle acres will today solve our relief problems. New pioneers on subsistence farms would not jump farm production much, would not add to farm surpluses. It would stimulate business and trade in scattered areas, as these 1940 pioneers would have to buy every kind of farm tool and necessity. Best of all, this development would not skyrocket the national debt.

I am not referring to resettlement projects of the type the Government has tried in spots—setting people down with highfalutin' homes, giving them all modern conveniences, launching them with a hopeless debt. Let them begin just as their forefathers did, if they can do no better. What our country needs right now is the man with a will. We need more men, more families, with the will to shun Government help, with the will to take hold wherever they can, with the will to do their best with what they have to do with! Personal initiative was what made this country great, and only personal initiative will solve its present problems! Let me quote Mr. Konkler:

LEADERS ARE AFRAID

"Our leaders, as a rule, are just plain afraid to suggest, even faintly, that individuals who are in need of help should help themselves. They fear to recommend the old-fashioned virtues and the personal advantages of going back to constructive work. I am not an idealist. I know all the loafers can never be converted to the advantage of hard work. But I do feel sure that a national drive along such lines, using plain talk instead of taffy, would greatly increase the percentage of those trying to help themselves.

"Farm relief measures have been political footballs; each candidate trying to increase the 'benefits' to the voting farmers back home. Instead of these handouts, we should encourage individual families to move back to farms. The men of these families would go to war to save their country. Wouldn't it be much more pleasant to go back to the land and save themselves as well as their country—starting as farmhands or renters, then on up to ownership and security, just as people used to do? Think of the happy days—as they gained self-respect and independence, inch by inch. I know because I have been through it. Nothing else will ever bring them more happiness, satisfaction, or security!"

I do not need to add to Mr. Konkler's comments. He has summed up the situation concisely and emphasized a very fundamental principle.

[From Liberty magazine for March 9, 1940]

ANYONE CAN GO BACK TO EDEN

I just read How to Retire on $500. But Clark Richardson doesn't know the half of it. I, too, am a pioneer, but I have learned all the answers and can still wear my hat.

I am a barber's wife, with three boys. Finished high school when I was 16; taught country schools until I was 19. Married a tramp barber from Chicago and went to North Dakota to prove up a homestead. No money, no judgment, no common horse sense, but lots of enthusiasm and an inborn love of Mother Nature that has altered our entire lives.

After muddling along for 10 years in about 10 different States, we arrived in Minneapolis one morning just as the sun was rising—the first big city the boys and myself had ever been in. A thrill, let me tell you, and just as big a thrill this morning, 10 years later, when I watched the sun rise over Happy Hills, our 28-acre poultry farm.

I am inclosing a picture of our place, Mr. Macfadden, for you like little farms, too, where folks raise what they eat and eat what they raise and like it.

My garden is grand. All the fresh vegetables we can eat and enough canned to feed a dozen families like ours all winter. We "eat all we can," you know, and "what we can't we can." It's all you need to beat the depression, unemployment, high prices, low wages, and all the other evils that are turning dark heads white, blue eyes red, and upsetting the equilibrium of the world in general.

I feel almost guilty at times when I hear of the real suffering and want going on around us. It's so unnecessary when, with a strong back and a lot of elbow grease, anyone can take a good cow—we have six—a garden, a flock of chickens, an orchard, a berry patch, a few pigs, a few turkeys, a few geese, a few ducks—and have everything a man needs to ride to heaven in high and enter by the front door.

Our boys are grown now. One has finished the University of Minnesota and is a full-fledged mining engineer with a job with a future. Terry is taking dentistry—has had 4 years and has 3 more to go. He told me the other day, "Mom, do you know 'success is doing the thing you like best to the best of your ability'?"

I like that definition. It defines happiness and peace of mind and all the other things that I have found at Happy Hills just as adequately.

Bob, our baby, doesn't care about studying. His passion is automobiles and he dreams of the day when he'll own the biggest garage in Minneapolis, with airplanes and everything. More power to him and to me, too.

I have 500 White Leghorn pullets. Raised them myself, so I know they are good. They are State-inspected, blood-tested, and from trap-nested ancestors that lay between 325 to 350 eggs per hen per year.

I know, chickens don't pay—everybody is going out of the poultry business. Neither does a garden pay. You can buy all you can eat for 50 cents, and cows, pigs, turkeys—nothing pays but to go on relief. The world owes us a living, anyway, so why work your head off?

Well, Mr. Macfadden, I guess that's all. I learned a lot of it from your editorials. Thank you. I love them all, except the ones where you shoot it into Roosevelt. In my estimation, he is 200 percent, and I'll go to the mat any day for him and his "charm hour."

Roosevelt for 1940! Give him time and he'll lick them yet!

Mrs. BEN OHNSTAD.

Western Freight Rates

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Tuesday, March 19 (legislative day of Monday, March 4), 1940

ARTICLE FROM FORTUNE MAGAZINE

Mr. SCHWELLENBACH. Mr. President, we in the West, as a vital part of our economic problem, have long been confronted with the handicap of the expense of the transportation of our products to the markets of the East.

In the February number of Fortune magazine there was a clear and interesting explanation of that problem. I ask that the article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Fortune magazine for February 1940]

FREIGHT RATES HANDICAP DEVELOPMENT OF THE FAR WEST—FORTUNE MAGAZINE ARTICLE REVIEWS SITUATION—NEED OF SETTLEMENT SHOWN—DISTRICT RICH IN POTENTIAL RESOURCES

Just as the far West appears to be the least integrated of the regions, so the 250,000 square miles of Washington, Oregon, and Idaho are perhaps more closely unified than any other part of the United States. Although the Pacific Northwest was explored by Lewis and Clark around 1805, its intensive settlement did not begin until the Northern Pacific linked Chicago with Seattle in 1883. Today it is closer to the frontier—topographically and economically—than the rest of the West, and, as of the census of 1930, less than half the population was native to the region.

The population today amounts to 3,200,000, or 2.5 percent of the Nation's total, whereas the Pacific Northwest has 8.3 percent of the United States land, with a high ratio of resources to population. It has, for example, about 40 percent of all United States potential water power, mostly accounted for by the Columbia River system. Yet this power is for the most part incidental to irrigation and water-conservation projects, because about 60 percent of the region lies to the east of the Cascades, which block the rains from the Pacific. The mountains make for fogs and forests on the western slope, but semiarid areas inland. Thus the whole economy of the Pacific Northwest revolves around the problem of bringing water to the land, and it is laced together by the branches of the Columbia, the main source of water. Today only a quarter of the 160,000,000 acres is in farms, and almost two-thirds of this land is suitable only for grazing. Here, and throughout the West generally, a good deal of the soil is potentially arable provided it can be watered, and the region looks forward to a conservative increase in productive farm acreage as the existing water supply is put to use. Grand Coulee alone will provide water for more than a million acres.

On the land that it currently farms the region grows over a fifth of the Nation's apples, a quarter of the cherries, nearly a third of the pears, a tenth or more of the potatoes, onions, strawberries, green peas, and dry beans. It also accounts for close to an eighth of the wheat, over 10 percent of the wool, and a slightly lower percentage of sheep and lambs. Mineral resources thus far have been scarcely touched, but even so the region mines large amounts of zinc, lead, and silver. However, its greatest source of wealth is the forest that covers the western slopes of the Cascades, representing about half the standing saw timber in the United States and producing roughly 40 percent of the Nation's output of softwood lumber. Over 50 percent of all wage earners

in Pacific Northwest manufacturing are employed in lumber industries. Currently the annual cut of slightly under 10,000,000,000 board feet runs ahead of the new growth by 2 or 2½ to 1, and the region is becoming pocketed with stranded communities decaying in the devastated cut-over areas similar to those in northern Wisconsin, Minnesota, and Michigan. There is much talk of bringing the cut and the growth into balance, but so far few effective steps have been taken. Safe from destruction are 70,000-odd square miles of forest standing in three great national parks and on other United States Government land—land that amounts to a phenomenal 48 percent of the region's total and an incredible 58 percent of the area of Idaho.

The region is in competition with practically every part of the country. Its lumber competes with southeastern lumber, its wheat with the Middle West and Plains States, its orchards with those of the Northeast, its potatoes with Maine, its sheep and wool with the Southwest, and so on. Virtually its only noncompetitive export is the Columbia River salmon catch—and even that has Alaskan competition.

Meanwhile, with manufacturing accounting for only 16 percent of its income, the Pacific Northwest must import nearly all finished goods, as well as oil, sugar, and other commodities. Ostensibly the heavy raw-material exports would balance the imports for an overall profit, but a catch exists in the form of freight rates. The region's markets are thousands of miles away—the fruit is shipped to New York, for example—and freight eats up from a quarter to a half of the farmer's wholesale price in the East, whereas the local growers have no such handicap. The result is that the Washington farmer, to compete with the easterner, must be content to receive far less in net cash. While middle-western wheat growers were complaining about 54-cent wheat, Pacific Northwest farmers growing the same wheat were realizing only 30 cents per bushel for their crop.

Conversely, the region is squeezed when it buys eastern manufactured goods. An Allis-Chalmers tractor delivered in Spokane would cost between 20 and 30 percent more than the same tractor unloaded in Ohio. In effect the Pacific Northwest produces raw materials, pays a stiff price to get them out of the region, pays again to bring in its manufactured goods. Consequently, next to irrigation and power development, the freight-rate squeeze is the region's chief preoccupation, and few conversations go on very long without the city of Chicago being mentioned with infinite loathing.

However, these are familiar troubles in a pioneer economy, and the region will unquestionably outgrow them. For it has plenty of room, abundant resources, tremendous power, and perhaps more usable land. Cheap power is certain to lead to the creation of regional industries, and already Portland has begun an expansion that may make it the leading industrial city of the north coast. Seattle is a little San Francisco, economically and in spirit, with shipping and lumber to sustain it and Alaska acknowledging it as an "unofficial capital." Posters in the State of Washington announce that such-and-such is the "fastest-selling" article of its kind on the Pacific Northwest and Alaska. The northern United States outpost, which seems so remote to the rest of the country, comes close to being a part of the Pacific Northwest region.

The Silver Purchase Act

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 19 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE NEW YORK JOURNAL OF COMMERCE OF MARCH 19, 1940

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial from the New York Journal of Commerce of March 19, 1940, relative to the Silver Purchase Act.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Journal of Commerce of March 19, 1940]

THE SILVER PURCHASE ACT

A subcommittee of the Senate Banking and Currency Committee has voted to approve an immediate cessation of the buying of foreign silver by the Treasury. The full Banking and Currency Committee has failed to endorse this proposal, however, because of apparent pressure from the administration. Secretary of the Treasury Morgenthau is scheduled to testify on this question before it today.

Unless the full Banking and Currency Committee makes a favorable report on the Townsend bill, the foreign silver-buying program will be continued indefinitely. This would be quite unfortunate for several reasons.

Possessing already some 3,000,000,000 ounces of silver in its monetary stock, the Treasury has no earthly use for additional white metal. The silver is being used as the basis for the issuance of additional silver certificates, which displace a perfectly satisfactory currency—Federal Reserve notes with a rigid and entirely unsatisfactory type of paper money. The chief beneficiary of the silver-purchase program is Mexico, the country which has shown less respect for American property rights and less interest in expanding her trade with this country than any other in Latin America.

The argument that we should maintain our purchases of silver from Mexico to enable her to buy our goods falls down on two scores. In the first place, Mexican purchases from this country are far smaller than they were in the 20's, when we were not buying her silver, but the investment of American capital in the country was being encouraged. Secondly, if we must buy large amounts of foreign silver to maintain our exports, then serious question may be raised as to whether these exports are worth while. Since the further expansion of our monetary silver stocks would do us no conceivable good, would it not be just as sensible to ship goods to Mexico without taking any payment at all, merely to maintain our exports?

The Treasury purchases of foreign silver constitute an undisguised subsidy to the countries from which we buy the white metal. When these countries, as in the case of Mexico, utilize this subsidy to mitigate the ill effects of their confiscation of American property within the country, it is high time for this country to abandon such folly. Congress should not allow itself to be induced to keep the Silver Purchase Act of 1934 on the statute books, regardless of any new sophisms that may be advanced to justify its retention.

Britain's Demands

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 19 (legislative day of Monday, March 4), 1940

ARTICLE BY WILLIAM PHILIP SIMMS

Mr. REYNOLDS. Mr. President, on March 11, 1940, the British Government announced certain drastic regulations affecting countries trading with England, and demanded that purchases made in England by these countries must be paid in United States dollars. It is evident this is one of the most detrimental war measures against the interest of the United States ever inaugurated by a foreign power. In effect, it makes England the master of international commerce, and at the expense of the United States. By this regulation England deals a most severe blow to our world markets and trade, and in effect makes these markets available to the United States only with the consent of England.

This destructive blow at American foreign trade could be quickly overcome if the United States Congress should demand that the Secretary of Treasury immediately adopt suitable retaliatory measures so as to offset this strangling of American commerce. This could easily be done by the United States demanding that foreign countries pay us in British sterling for American purchases.

I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD an article in this connection from the pen of William Philip Simms entitled "Britain's Demands."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRITAIN'S DEMANDS

(By Wm. Philip Simms)

WASHINGTON, March 12.—Despite the Neutrality Act and our 300-mile no-war belt, backlashes from the European conflict continue to take the skin off our hides with exasperating frequency.

These backlashes are not all accidental or even incidental. Some are the result of deliberate policy. To date one of the chief offenders is Great Britain, on whose side public opinion in this country has been rooting from the outset.

Her latest is to cut the ground from under American trade in Latin America by insisting on being paid in dollars for certain

British commodities imported by the Latin nations, thus reducing a supply already far too small to take care of American imports.

A short time ago I was in Lima, Peru. An American mission was down there for the purpose of modernizing Peru's naval establishment. The plans called for expenditure of several million dollars for electrical equipment and other machinery—American machinery. But the whole thing had to be sidetracked and partly abandoned because Peru simply could not get hold of enough dollar exchange.

To a greater or lesser degree the same thing is true in each of the 20 republics below the Rio Grande. There is a big demand for American goods, especially manufactured goods, throughout that area. But nowhere is there enough exchange.

Now Great Britain has acted to complicate the situation still further. A new order stipulates that on and after March 25 all exporters in the United Kingdom, when selling rubber, tin, jute, whisky, and a whole list of things to the Americas must demand payment in dollars. Presumably payment could also be made in Swiss francs, belgas, or other free currencies, but these exist in Latin America only in dribbles. Dollars will have to bear the brunt.

If Senor Don Antonio of Rio de Janeiro wants to buy a large order of American automobiles, typewriters, and agricultural implements, also some rubber, jute, and tin from British dealers, he now faces the necessity of canceling or reducing his American purchases. He cannot find enough dollar exchange to pay for both.

In some cases American holders of South American bonds are not being paid either interest or principal for similar reasons.

The purpose of the dragnet now being thrown out to haul in the dollars is twofold. First, Britain needs all the sound money she can get to fight the war. Second, she intends to keep her peacetime trade going as near normal as possible.

Oddly enough, the British Laborites, even more than the Tories, are pushing the Government in this direction. During the first World War it was chiefly British big business that coined the slogan "Business as usual." There was some criticism. Today it is labor. Labor demanded that Prime Minister Chamberlain create a sort of "superminister" to head a ministry of economics. He refused to go all the way, but he did set up under the board of trade a council of experts "to assist in organizing the country's export efforts." Now he is being lambasted for merely taking what some are calling "half measures."

This is not the first time Britain's trade measures have hurt the United States. One of her first acts was to cut down imports of American tobacco, seriously crippling the growers of this country, in order to buy more from Turkey. Similarly, she is buying more cotton from Brazil. Fruit and other American products have been hit.

The United States is subsidizing the British war effort by numerous indirections. Washington buys all the gold offered by the British Empire at $35 an ounce. Meanwhile, the Bank of England still carries her stock at $20.67 an ounce, and the cost of producing it averages far below that. South Africa and Canada produce a large part of the world output. The profit is colossal.

While American sympathy is overwhelmingly pro-Ally, it could turn sour under sufficient provocation.

The Census

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 19 (legislative day of Monday, March 4), 1940

NEWSPAPER ARTICLES, EDITORIAL, AND LETTER

Mr. TOBEY. Mr. President I ask unanimous consent to have inserted in the RECORD several newspaper articles, an editorial, and a letter bearing on the census matter.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Schenectady Union-Star of March 16, 1940]

THIS WAY ROSE HITLER TO POWER

Word was sent out by the indisposed Mr. Roosevelt via his faithful Achates, Secretary Early, that, were he feeling better, he would register strong endorsement of the census questions over which such violent protests have been made; furthermore, that he was astonished that a United States Senator would advise people to defy the law in refusing to answer the questions.

Well, that is interesting.

It is interesting, in the first place, because the President of the United States found it necessary to make any comment whatever on so trifling a detail as a few questions on the sheets of the census collectors. It already had been announced that Harry Hopkins, Secretary of Commerce, had attended to that detail by arranging that John H. Public might take the offensive questions to one side and answer them anonymously, placing the blank thereafter in a sealed envelope, which the census man would forthwith deposit in one of Jim Farley's letter boxes under a Government frank.

But the most interesting part of the President's comment as it came to the public through his fidus Achates is his astonishment at the lawbreaking proclivities of a United States Senator who should advise anybody to refuse to answer the impertinent and offensive questions. Obviously, it was Senator TOBEY, of New Hampshire, to whom he alluded.

As one of the newspapers which earnestly counseled the public to conform to a certain obnoxious amendment to the Constitution which since has been repealed, we feel at liberty to comment. While we are law observing and abhor lawbreaking, it must be plain to anybody who has read history that defiance of tyranny is one of the ways in which the American people—and all democratic peoples—always have acted when an obnoxious procedure interfered with their personal liberty.

This Nation began in declaring independence of restrictions which tyranny had imposed upon the subjects of a harsh King. Under provocation, those subjects declared that "when a long train of abuses and usurpations, pursuing invariably the same object, evinces a design to reduce them under absolute despotism, it is their right, it is their duty to throw off such government," and they did.

That is precisely the difference between democracy and dictatorship, that one may protest against irksome regulations in a democracy while, under a dictatorship, there are secret police to hide under the table and pry into a man's personal affairs, with a concentration camp and a firing squad as the accompaniment. When the time comes that the American people cannot protest against infringement of their liberty, there won't be any liberty.

P. S.—It is thrilling to find that Senator TOBEY answered back true to the best traditions of tyranny defiers throughout history in a telegram to Mr. Roosevelt, which read: "If it is your position that an unauthorized ruling of a departmental bureau constitutes a law of the United States, then it is important that the people recall that such were the tactics used by Hitler in gaining powers never sanctioned by the people."

[From the New York Times of March 19, 1940]

IN THE NATION—IT SHOULD BE A HOT SPRING IN THE CAPITAL

(By Arthur Krock)

WASHINGTON, March 18.—Senator SMITH, of South Carolina, who survived the Presidential "purge," exclaimed in the Senate today that if he were Governor of Georgia "there would be another secession call." The Senator and others were indignant over the order of a Federal court in that State to arrest Governor Rivers for ignoring its injunction.

Now, if some important Government official assails Mr. SMITH as an inciter of rebellion and civil war, it will be typical of the temperature of affairs in Washington today. It will be in line with the President's charge that Senator TOBEY has preached disobedience to the census "law"; Secretary Hopkins' loyal follow-up by calling the Senator's attitude "un-American," and the personalities which have entered a recent discussion of unemployment statistics. The explanation for all this heat in debates which clearly have two sides is the imminence of the Presidential election. If it continues, the Washington spring may be as hot as the usual Washington summer.

Senator TOBEY responded by asking the President "what law" it is to which he has counseled disobedience. The Senate Commerce Committee majority has already voted that the two income questions of the census which are the heart of the controversy were unauthorized by the congressional statute ordering a census of population, housing, and unemployment. Its chairman, Senator BAILEY, who has a great legal reputation, recently wrote the following to Under Secretary of Commerce Noble, who had said he does not believe "anyone can conceive of any way in which Congress could more clearly have expressed its intention to impose on the Director of the Census * * * the duty of determining the questions that are to be asked * * *":

"I can conceive of several ways in which the Congress would have more clearly expressed itself. Certainly the Congress said nothing about income. Certainly the subject matter of the inquiries was stated and income was not predicated in the subject matter. * * * In event of a criminal prosecution for failure to answer a question as to income it might be held that income was not in contemplation. * * * If the Congress had intended a broad construction of inquiries relative to population it would not have been necessary to say anything about distribution or agriculture or anything else, since inquiries relative to population would include everything."

So Senator TOBEY has important legal support when he asks "what law?" And the recent back-down of Mr. Hopkins, the new regulation which permits answers to be sealed and unsigned, does not alter the basic argument set forth by Mr. Bailey.

The same attitude—that it is inimical to public welfare to incite a national debate on the reliability of Government opinions—greeted the publication here and elsewhere of statistics and conclusions tending to show that unemployment may be much less than has been supposed. Because the statistical sources submitted their figures in confidence, it was argued they must be moved only by political considerations. And because some of these figures and conclusions tallied with those of one statistician who works for Republican industrialists, it was contended that they are mere propaganda.

It happens that these particular Republicans run a very successful series of industrial operations, partly because they look closely into all facts affecting business. If they permit their political views and wishes to affect their statistical attitude, they will lose money. But, on the contrary, they have steadily made it before and since the advent of the New Deal. This should insure respectful attention to whatever figures they collect and whatever conclusions they draw. This correspondent, before offering them for whatever they are worth, checked them with other business statisticians in four great industrial centers, and the local data all pointed in the same direction. One of these checkers was recently entrusted by the President with one of his most important assignments.

Despite the heat of the repudiations, the Government, the public and the political opposition will come more quickly to the facts of unemployment if all sources are examined coldly. It doesn't get the administration side anywhere to shout "Du Ponts" and accept without questions the compilations of the National Industrial Conference Board and the pure estimate that, of the population increase since 1929 of ten millions, at least 63 percent were additions to the labor market. It doesn't get the private statisticians anywhere to deny the possibility that they may have erred by a couple of millions since unemployment is not clearly defined, and they also have only estimates to support their position. And it is a pity that their fear of Government and name-callers has prevented them from defending in the open an important contribution to a major mystery.

Some Democratic politicians believe that hopeful unemployment figures will put them deeper in the hole on the Budget and spending, and, since the brighter statistics cannot be proved and a new drive for relief funds impends, they think them an insecure ladder to grasp. But the President may see things more clearly, for he is quoted as having said that the optimists are "barking up the right tree."

[From the New York Times of March 17, 1940]

The same process was followed by Secretary Hopkins to circumvent the attacks on certain questions listed in the census. These are known as Nos. 32 and 33 and are a part of the census on unemployment. They require, under penalty, a detailed statement of money wages and earnings from persons who made under $5,000 for the year, and other income data. The Senate Commerce Committee, after hearings on Senator TOBEY'S protest resolution, decided that Congress had not authorized these questions in ordering an unemployment census, that they are not germane to it, and are wholly illegal.

INVASIONS OF PRIVACY

Other attacks are based on charges that these and other questions are discriminatory, an invasion of constitutional guaranties of privacy, and that they are being sought by an improper method—through enumerators, who may be neighbors or political employees, and therefore are insecure guarantors of the confidential status.

It was also pointed out that, since the Census Bureau had by regulation reduced the general application of question 32 (excusing from detailed reply persons with incomes of over $5,000), it was running beyond congressional authority at all points and could, by the same exercise of authority, discriminate further without any legal warrant.

Led by Senator TOBEY and Senator CLARK of Missouri, both of whom said they would not answer questions they believed illegally proposed, thousands of citizens protested. The administration decided to attempt a superficial concession to substitute for the admission of a major mistake, thus to persuade the Senate not to pass the embarrassing Tobey resolution. Mr. Hopkins, again using the legislative-regulation method, ruled that any citizen might write the detailed income answers on a slip provided by the enumerator, put it in a sealed envelope without signature, and be assured it would be forwarded to headquarters.

Here again a major issue and change were evaded, even at the possible expense of that very section of the census which the administration has been at such pains to erect and defend. The questions of legality, discrimination, rights to privacy, and legislation by bureaus instead of by Congress were not met at all in this effort to avoid a real concession to effective criticism. The device may be successful so far as Congress is concerned. But though the official claim is that the information sought is both legal and vital, it was deemed better to damage its value by indirection than to admit a fundamental mistake.

A STAR-SPANGLED GESTAPO?—PROTEST AGAINST CERTAIN CENSUS QUESTIONS REVEALS POPULAR DISTRUST

To the New York Herald Tribune:

The very widespead and intense feeling of protest against the inclusion of certain questions—particularly those about income and sources of income—in the impending census questionnaire is an astonishing demonstration of the popular attitude toward the New Deal. It has not often been reflected by politicians or editorial writers. The latter fulminate against wastefulness, against the irresponsible borrowing policy, against paternalism, against centralization of power, against the abuse of authority by a swollen bureaucracy, against promotion of class hatred and the bulldozing of business for political purposes, and so on through a long list of offenses against American traditions. It is not often, however, that the critics of the Roosevelt administration who break into print suggest that this Government is an unscrupulous enemy of the Nation; but that is very clearly suggested in scores of letters that have lately appeared in various periodicals.

When Mr. Wendell Willkie writes, in criticism of the centralization of power, that the only difference between a benevolent despotism and a vicious one (or words to that effect) is a matter of time, the implication is that the worst we are immediately threatened with is a benevolent despotism that does not mean to abuse its powers. But the citizen, who is unwilling to tell the census man this or that item of information about his personal affairs or private life, does not hesitate for a second to say that what he is afraid of is the unscrupulous use that the present Roosevelt organization, or some local branch of it, may make of that information. He is sure that if a breach of confidence seemed politically expedient to a New Deal henchman, he would not hesitate to violate a secret. Having been a witness to the ruthlessly vindictive methods by which the New Deal has sought to crush or silence its great and powerful critics, he is certain that no information which might be used to coerce an humble opponent into acceptance of New Deal's mastery would be safe with Mr. Roosevelt's following. We have come to a strange pass, haven't we, when large bodies of the citizenry are convinced that the Government of the United States is a potential enemy, capable of using the material in confidential files for improper purposes.

That this is the sentiment behind the protest there can be no doubt whatever. It has been pointed out, by one writer on one subject after another, that many of the individual protests are against questions that have been asked and answered decade after decade, without arousing suspicion or resentment in any person with a clear conscience. It has also been pointed out that the questions about income, which are under heaviest fire, call for much less explicit information and explanation than all income-tax payers furnish the Treasury year after year. If the most productive elements in the population have to turn themselves inside out every year for the Treasury Department's close scrutiny, it is innocently asked, Why should not the rest of the people come through once in 10 years with information that would be extremely useful to the statisticians?

There would be some sense in this question if the rest of the people were doing the objecting—possibly because of a fear that the census returns would be used as a guide in the taxation of low incomes. But they are not. The persons who do their best to tell the Treasury all about their earnings year after year are the very ones who are the most vociferously opposed to giving the census man a résumé of the same information.

And why is this? It is because of the general belief that the collectors of internal revenue have no more interest in the politics of a taxpayer than they have in his race, color, or previous condition of servitude, and that if his statement does not challenge their suspicions and his check is honored by the bank, they will protect their sanity by forgetting his name and every fact associated with it 10 seconds after they have passed his statement for acceptance. Yet the idea of the census man getting the same information infuriates them because they have no such confidence in his forgetfulness.

They take it for granted that he is going to be political hanger-on of the current administration's local hanger-on-in-chief. The local hanger-on will not necessarily be a highly productive pillar of the community, with a sterling character. He takes the job because he needs it; and he gets it because he, or his father or uncle, is somehow useful to the hanger-on-in-chief. In return for his job he is not likely to refuse to make some notes on the returns from all those persons in whom the hanger-on-in-chief is interested—particularly "those in opposition camps, or those in his own party who are rebellious against his leadership. The possibility of such misuse of census information has been inherent in the system since 1790, and has grown as the information demanded has become more explicit and intimate; but the suspicion that it might be used on a national scale, as working material for the operations of something like an Ogpu or a Gestapo for an American dictatorship is a thought as new as it is Nation-wide.

It is not spontaneous, of course. It is inspired. And, contrary to the feeble efforts of New Deal spokesmen to suggest that it is inspired by Republicans in the Congress for political purposes, it is inspired by the conduct over a period of 7 years of Franklin D. Roosevelt, his Cabinet, his bureaus, and his political highbinders.

Bearing in mind the old proverbial phrase "Like master, like man," how is the citizen supposed to keep his mind off of the local hanger-on-in-chief, and the use he may now be encouraged from above to make of confidential information when the little hanger-on smirks his way in.

Some of the faithful, who cannot understand why anyone should think such hard thoughts of F. D. R. and his legions of ministering angels, will want to know how any element in the citizenry could possibly get into such a poisonous state of mind, how we can be so unjust to such a choice aggregation of sweet and lovely persons. It is hard to respond to such a challenge. Shock after shock has dulled our sensibilities and memories. When it comes to thinking up what F. D. R. and the New Deal have done to our political morality, we find ourselves punch drunk. But let's pick a few out of the fog at random.

Do you remember how the expert publicity staff, which F. D. R. still has with him, set out to "smear Hoover," without the slightest regard for truth or justice?

Do you remember the fury with which F. D. R. assailed the Supreme Court when its concern for the Constitution thwarted some

of his plays to the gallery? Do you remember how he told a congressional committee not to be influenced by thought of the unconstitutionality of a bill drafted by his pet young radicals?

Do you remember how he went out into the highways and byways of the Nation in an effort to discredit and purge the members of his own party who had dared to defend the Constitution and the Supreme Court against his vindictive slashes at both?

Have you forgotten how President Roosevelt blessed the launching of the C. I. O., preached class warfare while it was being organized with expert "red" help, and turned his face to the wall while the sit-down strikers were shaking such recovery as there was down into the mire of anarchy?

Have you ever thought how he has rewarded Murphy for neglecting his duty to the public in that situation and how he has consoled him for the electorate's chastisement of him; or how he has rewarded Professor Frankfurter for supplying him with his most adroit advisers?

Do you remember the campaign book stick-up of 1936?

Do you happen to remember the potato-planting plebiscites, with which Mark Sullivan and Herald Tribune editorial writers had so much fun, when the Department of Agriculture deliberately and officially interpreted the returns as mendaciously as Stalin ever construed a Soviet election?

Have you been watching lately the Congressional inquiries into the methods of the Federal Labor Relations Board and wondering what F. D. R. thinks of them? If you have you will have noted that his reaction to the most conclusive evidence of abuse of power by the extra-constitutional clique, which has strenuously subverted all American traditions of fair play, has drawn a dead silence from the master and bitter opposition to reform from all the minions.

But this could go on for a hundred newspaper columns without adding up to anything more than the common knowledge that the New Deal has never shied away from dirty doings in its pursuit of an objective. The responsibility for this state of things is Mr. Roosevelt's to just that extent that power over his organization has been his. This power over his following and his influence in the Nation has been nearly absolute. No one in American history, since George Washington's retirement, has enjoyed greater power than Franklin D. Roosevelt; so no one's responsibility for the use of it is more strictly personal than his. If the proletariat, the peasantry, and the small bourgeoisie now see a threat to their privacy, and thence to their liberties, in a census questionnaire, who is responsible for this un-American suspicion that a small-caliber census snooper may be the agent of an American Gestapo? I ask you.

HEPTISAX.

NEW YORK, *March 15, 1940.*

The National Resources Board—Planning for Future Development of the Pacific Northwest—Bonneville and Grand Coulee

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. SMITH of Washington. Mr. Speaker, the Pacific Northwest is frequently referred to as this Nation's "last frontier." This statement is true, so far as opportunity for development is concerned, and because our section abounds with natural resources we are making every effort to make sure that we develop the use of these gifts of Nature wisely, so as to provide not only for our citizens today but also for our children and their children.

The National Resources Planning Board is one of the agencies of the Federal Government which is helping us to make our plans for today and for the future. Assisting in this important task is Hon. George F. Yantis, prominent citizen of Olympia, Wash., in my district, who is serving as regional chairman. At the request of President Roosevelt, the Board is at present conducting a study in the Pacific Northwest States to aid us in determining the opportunities for land development, industrial development, and how to obtain the best return and value from the Government's investments in the Bonneville and Grand Coulee projects.

President Roosevelt, in a radio address on the night of January 19, 1940, in connection with the White House Conference on Children in a Democracy, said:

Last April * * * I referred to our concern for the children of the migratory families who have no settled place of abode. I spoke casually to the press today about a study I am making. Up in the State of Washington we are spending a great many millions to harness the Columbia River, to put a great dam up there which will pump the water up onto a huge area of land capable of providing a living for 500,000 people—irrigated land, today a desert—which can be made a garden with the process of modern science. Who ought to go there? Are we going to treat that 2 years from now just as we treat the average irrigation project? Will it be a contract with the Government to pay out the loan over a period of years on the basis first come first served?

I have read a book; it is called Grapes of Wrath; and there are 500,000 Americans that live in the covers of that book. I would like to see the Columbia Basin devoted to the care of 500,000 people represented in Grapes of Wrath.

Migratory families, the situation of their children—children who have no homes—families who can put down no roots, cannot live in a community—that calls for special consideration. But I am being practical. I am trying to find a place for them to go. This means, in its simplest terms, a program for the permanent resettlement of at least 1,000,000 people in the Columbia Basin and a lot of other places. And remember that the money spent on it, after careful planning, is going to be returned to the United States Government many times over in a relatively short time.

I also desire to quote from the statement of Hon. Charles W. Eliot, Director of the National Resources Planning Board, before the Senate Committee on Appropriations on January 25, 1940, as follows:

In every large organization, private and public, someone or some group has to clarify objectives and secure the cooperation of all the parts of the organization in attaining agreed goals. That is generally recognized as the job of the executive. It is what we call planning.

Almost every large problem which the Federal Government faces involves not one but many agencies and departments, not only in the Federal Government but in the State and local governments. Solutions can't be found for these problems without the assistance of business, labor, farm, and citizen groups—in brief without mobilizing the best information and best help we can get.

The work of the National Resources Planning Board is to mobilize that intelligence to meet specific problems, to clarify objectives and policies and to seek the cooperation of all the agencies concerned in appropriate steps toward agreed objectives—for example here are a few cases:

REGIONAL PLANNING PROBLEMS

1. The Pacific Northwest: How is the Nation going to get the maximum return and value from its huge investments in the Bonneville and Grand Coulee projects? The prudent investor is concerned with management and operating plans. The Board is responsible for a study of opportunities for land settlement and industrial development in that region. It is putting together knowledge and materials from the four States, the Departments of War, Agriculture, and Interior, and the Federal Works Agency through the active participation of those agencies in the Pacific Northwest Regional Planning Commission and its subcommittees. They are all cooperating in the production of a program to care for the thousands of families who have or will migrate to this "last frontier." A statement of objectives, program of public works, and related policies should be ready by June 1941 for consideration by the legislative bodies that make the decisions.

The Effect of Concentration of Economic Power Upon Maintenance of the Competitive System

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. PATMAN. Mr. Speaker, the history of business enterprise during the past 40 years has been marked by the apparently anomalous situation in which the population has steadily increased while the number of individual and private manufacturing concerns has steadily decreased. Normally it would seem that as consumer demand increased with a growing population the number of manufacturing concerns producing articles necessary to satisfy that demand would increase correspondingly. Such a result would be inevitable under a system of free competitive enterprise. A brief glance at statistics, however, shows an opposite trend.

POPULATION INCREASE, NUMBER BUSINESS CONCERNS DECREASE

The population of the United States increased from 75,000,000 in 1900 to 137,000,000 in 1940, an increase of 62,000,000. In 1900 there were approximately 15,000 manufacturers of tobacco products; today there are approximately 850. In 1900 there were 28,000 manufacturers of lumber products; today there are less than 8,000. In 1900 there were more than 700 manufacturers of agricultural equipment; today there are 260. In 1900 there were more than 2,000 manufacturers of boots and shoes; today there are less than 1,100. Even in industries where several hundred manufacturers exist, a very few companies control from 75 to 85 percent of the entire business.

Every census of industries of the United States shows a steady decline in the number of operating establishments in practically all industries and an equally constant increase in the size of the average establishment. Considering all manufacturing industries as a whole, the value of the product of the average single establishment has increased nearly 400 percent in the last 25 years, or from $77,000 value of product per establishment in 1915 to $365,000 in 1940. Certain industries show an even more pronounced increase. For example, agricultural implements have increased in terms of average output per establishment 850 percent in the past 25 years. Chemicals have increased nearly 400 percent; glass factories, 550 percent; petroleum refining, 335 percent; tobacco manufactures, 5,600 percent.

Even these figures are deceptive, since most industries are dominated by a comparatively few large concerns. In the cigarette industry, for example, which is the most important of tobacco products, six companies in 1937 had total assets in excess of $734,000,000. The three largest of these six companies had assets amounting to more than $640,000,000, or an average of more than $200,000,000 per establishment. The sales of these three companies amount approximately to $800,000,000, or approximately $263,000,000 per establishment. These three companies represent 80 percent of the output of cigarettes in the United States. Obviously, entry of a successful competitor in the cigarette field would require a capital outlay of at least $25,000,000. The profits of the few tobacco companies are more per annum than the total amount paid to the farmers for tobacco.

The Standard Oil Co. of New Jersey alone had total assets in 1937 exceeding $2,000,000,000. The United States Steel Corporation owned assets of approximately $1,920,000,000. The Texas Corporation, another oil company, had assets of $615,000,000; Gulf Oil had assets of $560,000,000; Allied Chemical & Dye Corporation had assets of nearly $400,000,000; American Radiator, in the plumbing field, $166,000,000; International Paper & Power, in the paper industry, $258,000,000; and Crown-Zellerbach, $104,000,000.

Expressed in different form, figures presented before the Temporary National Economic Committee indicate that less than 6 percent of the number of companies producing tobacco products owned 92 percent of the assets of the entire tobacco industry; in the chemical industry, 2.7 percent of the companies engaged in business owned 86 percent of the assets; in rubber products, 4.3 percent of the companies owned 80 percent of the assets; in metal products, 2 percent of the companies owned 74 percent of the assets; in the pulp and paper industry, 3.5 percent of the companies owned 62 percent of the assets.

Even in the field of food products, widely scattered though they are, 1.2 percent of the producing companies owned 60 percent of the assets.

FEW LARGE CONCERNS DOMINATE DISTRIBUTION

The figures set out above refer primarily to manufacturing establishments. The economic picture presents no less a discouraging outlook from the point of view of new enterprise in the field of distribution. The distribution of food products will serve as an illustration. While there are thousands of retail grocery stores located throughout the country, this field is being dominated more and more by a few large concerns. In 1938 the net sales of any five of the large grocery chains amounted to more than $1,700,000,000. One chain alone enjoyed sales of approximately $880,000,000. The average sales for the five chains was more than $340,000,000 each. The invested capital required to conduct the business of five chains was approximately $322,000,000, or an average of approximately $65,000,000 per chain. One chain had invested capital of approximately $160,000,000.

WET BLANKET THROWN OVER UNITED STATES

One of the serious problems resulting from this concentration of volume of business in a few chains lies in the fact that to a great extent one chain does not overlap in the territory of another. The net result is that they throw a wet blanket over the entire United States in the form of thousands of individual units in every community. This stifles local enterprise. A generation ago anyone could start a corner grocery store with little capital. Today, with the chains located on the best corners, it is suicide to attempt competition.

NO NEW LOCAL THEATERS

The same hazards beset an individual desiring to establish a local motion-picture theater. Twenty-five years ago, hundreds of ambitious young men started the exhibition of motion pictures on small capital in local neighborhoods, charging 5, 10, and 15 cents admission. Today, with chain theaters occupying preferred positions, with their vast buying power and ability to dictate terms, clearance, and even admission prices of competitors, individual attempts at competition merely invite early bankruptcy. There is no more certain way to lose $50,000 than to build an independent local motion-picture theater.

COMPLETE ELIMINATION OF COMPETITION IN FEW YEARS

Whatever economic theory one may hold, the future must be judged by experience of the past. If the trend of the last 40 years continues for another generation, there will be a complete elimination of competition in all major industries. The management of the industrial life of the Nation will be vested in the hands of corporal's guard of businessmen, which will not be responsible to any democratic check, and whose chief aim will be multiplied profits.

ANTITRUST SUITS

New techniques must be developed with the instruments at hand; namely the antitrust laws, if such laws are to be given a fair test. The giant corporations of today have created problems of administration and enforcement which would never have been possible had the control of corporate organization been widespread rather than concentrated in the hands of a few. A few pointed illustrations from the case book of the Antitrust Division of the Department of Justice will illustrate the difficulties inherent in restoring some semblance of competition.

ALUMINUM MONOPOLY

At the present time, the Government is engaged in prosecuting the Aluminum Co. of America. That corporation owns 99 percent of the products of virgin aluminum and sells approximately 100 percent of the aluminum products offered for sale in American markets. This monopoly was built up by the purchase of plants abroad, by cartel agreements with foreign producers, and by restrictive contracts, oppressive tactics, and discriminatory prices practiced against competitors in the industry by the aluminum giant. The Government in its suit seeks, among other things, dissolution of the Aluminum Co. of America. This in itself presents difficult problems. Who will purchase the component parts of the Aluminum Co. of America in the event the Government is successful? Whole communities have been built up around certain plants of the Aluminum Co. of America. Transportation facilities have been built around these communities. Dissolution might change the entire economic picture of a whole section of the country. On the other hand, continuation of the present monopoly permits a single corporate management to dictate in perpetuity the prices to be paid by the American public for aluminum products which are necessary and essential to the life of ordinary citizens.

MOTION-PICTURE INDUSTRY

Another suit brought by the Government involves the motion-picture industry. There the eight largest producers of motion pictures own their own theaters and distribute their own product. The theaters owned by these eight chains are so located as not to compete directly with one another. The country has been districted so to speak, one chain operating in one section, another chain in another, and so forth. Independent exhibitors find it impossible to compete with the chain theaters on an equal basis due to lack of chain-buying power.

POWER OF GENERAL MOTORS

The antitrust suit now pending on appeal against the General Motors Corporation demonstrates the power of a large automobile manufacturing concern over 15,000 independent sales outlets. The control exercised by the manufacturer is such that the business of these 15,000 independent sales outlets is controlled in all its details by the manufacturer.

DIFFICULTY OF HANDLING LARGE CASES

The difficulty of handling a case of the size of that involved in aluminum is illustrated by a brief calendar history. The case was under investigation for approximately 3 years prior to the filing of the petition on April 23, 1937. On June 28–29, 1937, the issue was presented as to whether or not the defendant, Aluminum, Ltd., was transacting business, and "found" in the southern district of New York on July 16, 1937, opinion by the district judge denying motion of Aluminum, Ltd., to quash service of process; on March 2, 1938, the Government filed an application for leave to file interrogatories, on April 19, 1938, argument was had on motion to quash subpena duces tecum directed to defendant; on April 25, 1938, argument on motion of Aluminum, Ltd., objecting to portion of interrogatories; April 28, 1938, court sustained interrogatories; April 29, 1938, agents representing British, Swiss, and French aluminum companies obtained orders to show cause why subpenas duces tecum addressed to them should not be quashed; May 2–5, 1938, argument on subpenas duces tecum continued; May 5, 1938, Government moved to amend petition; May 10, 1938, court granted same; May 31, 1938, motion from one of defendants to dismiss petition; June 1, 1938, trial commenced, and is still in progress at this date, namely, March 7, 1940. Indications are that the trial will last another 6 months. After this the case will probably be carried through the circuit court of appeals on up to the United States Supreme Court.

WHO CAN COPE WITH THESE LARGE CONCERNS?

Certain concerns have become so large that an individual or another corporation cannot cope with them in a court of justice. Too much money required to try a case, too many delays. Takes too long to get justice.

Even the Government does not have the money available in the Department of Justice to handle more than a few large cases each year. It is highly desirable that a large appropriation be made to enforce antitrust laws.

NEW YORK BANKS HAVE ONE-THIRD BANK DEPOSITS OF THE ENTIRE NATION

The report of December 30, 1939, discloses that the New York City banks have deposits aggregating $20,221,262,369. This was an increase during the 12 months by the huge figure $2,887,355,469.

The ratio of deposits to capital funds in these banks was, on December 30, 1939, 9.35 to 1.

In addition, these banks have approximately $4,000,000,000 in excess reserves. This is two-thirds of the excess reserves held by all the banks in the entire country. The banks in the country are privileged to make loans equal to an average of 7 to 1 on excess reserves. There are sufficient excess reserves in this one city alone to authorize the issuance of sufficient money or credit to absolutely buy the remainder of all money-making business properties throughout the Nation that are not now owned or controlled by a few people, who own and control a few banks in this one city.

A FEW MEN CONTROLLING A FEW BANKS CONTROL THE CORPORATE WEALTH OF THE NATION

Mr. John A. Hartford, one of the principal owners of the A. & P. Co., which operates in about 40 of the 48 States, is also a director in the Guaranty Trust Co. of New York. The resources of this one bank—Guaranty Trust Co.—exceeds the resources of all the 1,455 banks in Texas, Arkansas, and Oklahoma, the population of these 3 States being approximately 11,000,000 people. There are interlocking directorates between the Guaranty Trust Co. of New York, the Chase National of New York, the Bankers Trust Co. of New York, the Chemical Bank & Trust Co. of New York, the J. P. Morgan & Co. of New York, and the New York Trust Co. The total resources of these six banks, according to the Comptroller's report for December 31, 1936, aggregate $7,409,904,000, and their total resources December 30, 1939, were $8,233,765,859. The resources of these six banks, which are closely related through interlocking directorates, one of the directors being Mr. John A. Hartford, are a billion dollars in excess of the resources of all the 3,710 banks in the 13 Southern States.

There are 24 banks in the United States, 13 of them being in New York City, that have resources equal to approximately one-third of the total resources of all the banks—16,000—in the United States. The 6 heretofore named are in this group of 24. There are close interlocking directorates between these 24 banks and the 175 nonfinancial corporations that own 58 percent of the corporate wealth of the Nation. Considerable time and thought was given to a study of this question. This study was placed in the CONGRESSIONAL RECORD June 15, 1937, and is contained in bound volumes for the first session of the Seventy-fifth Congress, pages 5777 to 5785, inclusive.

Banks under our present system as heretofore pointed out can create through their own bookkeeping systems and loan to their customers $7 for every $1 that they have as a reserve. Using this tremendous power and influence, these few banks can create sufficient money practically to control this country, and that is what they have been doing and what they are now doing.

The question is: What chance will the people, young and old, of the future have in this great country of ours if we continue to permit a few people to control so much of our country's wealth and foreclose to our people so many privileges and opportunities that they should rightfully enjoy?

A drive is now being made to legalize branch and chain banking across State lines. Mr. Hartford's Guaranty Trust of New York wants to do banking business over the entire Nation.

Tools of Democracy

EXTENSION OF REMARKS

OF

HON. JOSEPH W. MARTIN, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

RADIO ADDRESS BY HON. J. WILLIAM DITTER

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address of Hon. J. WILLIAM DITTER, delivered on Friday night, March 15, 1940, over the coast-to-coast blue network of the National Broadcasting Co. from station WMAL, in Washington, D. C.:

As I listened a week ago to the appeal of the President for the support, and someone has said for the forgiveness of the farmers of America, his phrase "tools of democracy" impressed me.

It carried me back to the old home—the home I loved as a boy. It wasn't pretentious. It was plain, but substantial—the kind of home you are glad to get to when you are cold and hungry and tired. Warmth and affection were to be found there always, and a welcome was assured to the wayfarer, too. The latchstring was on the outside. What it lacked in conveniences was made up for in contentment. And the beauty of that home was that father and mother made it by working for it—working from sunup until long after sundown—working together—weathering together the storms of panics and depressions with a faith unshaken and a courage undaunted.

The ring of an anvil was familiar to me as a boy, for dad was a master mechanic. He knew the strength of iron. He knew the

fineness of steel. And he knew the use—yes, and the value of tools. When I heard the President use that expression, I remembered that father told me over and over again as I watched him at his work, "Son, if you want to do a good job you must get the right tools to do it."

That was sound advice—a good rule to follow. The more I have seen of workmen, the more convinced I am that he was right. And the more I have seen of the operations of government, the more certain I am that the same rule applies to this task, just as surely as it does to every other field of endeavor. Makeshift tools make a makeshift mechanic, and makeshift methods of democracy make a makeshift government. It cannot be otherwise.

As you and I look back over the last 7 years, as we recall the devices that have been tried, the gadgets that have been used, the contrivances that have been resorted to, I am afraid that we must admit that they have been makeshift methods. Instead of being tools they have been stopgaps. Most of the time and effort has been spent in learning the tricks of the trade instead of setting ourselves to the task of learning the trade itself. We've been so busy hunting around for new tools—tools that others have discarded—tools that others have found dangerous and ineffective—tools that have disrupted production and have spoiled goods in process—tools that have turned out to be tools of despotism wherever they have been used—I say, we have been so busy looking for new tools that we have had little if any time left to go to the workbench and pick out the tools that have been tested by time and experience as safe and effective ones for freemen to use.

That, it seems to me, is where the mistake has been made. We've forgotten about the plumb lines and the levels with which we have been accustomed to build and have sought other tools to take their places. As a matter of fact, I believe, and I think you believe that the most important task that should be done, the task that you and I and every American who loves liberty and hates despotism should set himself to doing, is to size up the tools that we are to use in this job of governing ourselves. You know as well as I do that you can't lay bricks by pounding them together with a sledge hammer. And you can't build the walls of democracy by crushing them under the weight of unrestrained power. In a nutshell, you can't use the tools that every dictator has found helpful in establishing a despotism and shape a structure of freedom with them. It can't be done, for the one set will inevitably build a tyranny, the other an independence.

This task of selecting the tools with which we are to work brings us face to face with a very fundamental question—What is our political future to be? Is the unrestrained will of the majority more desirable than the limitations of tried and tested rules of procedure? Are arbitrary decisions safer than fundamental principles? Is the possibility of political confusion more inviting than the certainty of constitutional order? Are wild experiments more secure than matured experience? Is the sovereignty of the citizen to be surrendered for the supremacy of the state? I have not overstated the seriousness of the decision that must be made. Before any work can be done, before the iron can be heated or any worthwhile hammering done on the anvil, we must know what we intend to make. If we decide that our destiny depends upon the self-restraints established by recognized rules limiting the power of a man, a mob, or a majority, and protecting at all times with patient tolerance the rights of the minority, one type of tools may be used. That will mean the opportunities of freedom. On the other hand, if we are persuaded that our future rests upon the substitution of novel and attractive expedients which merit attention only because they are impulsive and impractical innovations, then entirely different tools will be needed. And that will mean the security of despotism.

Much has been made of a mandate from the people. But it should never be forgotten that the people themselves have advocated principles and established institutions of government to protect themselves against their own impulsive actions—safeguards against their own hasty conclusions and also bulwarks against the ambitions of a man or the appeal of his benevolences. Let it be remembered that a Napoleon with a mandate did not give freedom to France. Popular will cannot safely express itself directly through a mob or a master.

But in making the decision of what our destiny is to be, you and I—yes, everyone should realize that wherever substitutions, such as I have mentioned, have been made, the patient hope of a people has been turned into a fearful despair. As a matter of fact, we should be practical enough to know that we cannot hitchhike our way to happiness, nor can we thumb a ride to any Utopia. That does not mean that we would adopt a "policy of rural neglect," to quote the President's words, nor national neglect either, but that we will be sensible enough to see what will be at the end of the road.

As you heard the phrase, "tools of democracy," last Friday night, you probably remembered, as I did, another expression used by the President to illustrate the methods which he felt represented the new philosophy of government here in America. You will recall that in his annual message to the Congress in 1936, the President boasted that "new instruments of public power" had been built. You are aware, as I am aware, that as instruments of public power increase, the rights of the citizen must inevitably give way. Instruments of public power of the kind that the President referred to—instruments, that on a wider and broader scope than had ever been imagined possible, chisel away at the rights of the individual; such instruments, I say, and tools of democracy do not go together on the same workbench.

It is interesting to recall that the President, at the time he spoke of these "new instruments of public power," sounded the warning that they could become what he termed "shackles for the liberties of the people." I want to tell you in very, very simple language tonight that whether these new powers are wielded by economic autocrats, such as the President feared they might be, or by political puppets, such as they have been, the same results follow; shackles will be forged which will turn out to be "shackles for the liberties of the people." It could not be otherwise, for these "instruments of public power" become very naturally what Justice Cardozo so aptly described as "unconfined and vagrant" powers, overreaching more and more into the intimate and purely personal affairs of the citizen, and wandering around like a gypsy without any sense of restriction. You can't use a steam shovel to cultivate a flower bed no matter how efficient that shovel may be or how kind-hearted the operator. The shovel and the operator may not be harmed, but there will be little left of the roots and no hope whatever for any buds or blossom.

As we review the events of the last 7 years, it seems to me that "instruments of public power," rather than "tools of democracy," more aptly describes the program that has been followed. There were reasons for resorting to such methods. Competition was keen. Every ambitious bureaucrat had his pet hobby. Every bright brain truster had his favored theory. Instruments had to be created for them to play with.

Then, again, another reason for creating these instruments was that that which was sought to be done could not be accomplished unless powers were piled upon powers. The more regulations you want in your home the more power you will need to enforce those regulations.

It's difficult to henpeck a husband successfully unless you have the power to keep him under your thumb. And you can't browbeat a wife with safety unless you have the power to keep her subdued. Once a henpecked husband gets loose or a browbeaten wife gets independent, the honeymoon of compulsion is over. That's the great trouble with trying to start henpecking or browbeating; sooner or later come heartaches and shattered hopes. And, by the way, there are a lot of people who believe the fear of an ended honeymoon is prompting the boosters of a third-term movement.

The one dominant note here in Washington during the last 7 years has been regulation. Our salvation was to come not by faith, not by works, not by repentance or regeneration or absolution—it was to come by regulation. A philosophy of failure and futility was proclaimed which demanded not the recovery of America but its remaking.

And the more regulation that was called for the more power that was demanded for enforcement. Obviously the rights of the citizen—your rights and the rights of millions of others like you—had to give way. Did you ever stop to realize that seven times as many regulatory bodies were created during the last 7 years as had been created prior to that time? That means seven times as much power, seven times as many instruments of power, seven times the danger that tools of democracy will be discarded.

Ours is the privilege to choose today between "instruments of power" and "tools of democracy." Between these two there is no middle ground, rigid regulation, or a fuller freedom. The one, regulation, is the road to reaction; the other, freedom, is the way of liberty.

E. C. "Took" Gathings, a New Member of Congress

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. SPARKMAN. Mr. Speaker, every Member of this body had to pass through the period of being a neophyte Congressman. Every one of you had that experience during the first 2 years of service in which the new Member has very little opportunity to accomplish a great deal for his district, State, or for the Nation. Certainly he is not given any place of leadership, regardless of the qualifications he may possess. No new Member can be expected to do more than acquaint himself with the various tasks with which he is confronted and to learn the work of representing the constituents who sent him here.

Mr. Speaker, I wish to bring to the attention of this House a young man who came here for the first time only last year and who, since that time, has won the admiration, esteem, and respect of this body. I refer to the gentleman from Arkansas,

E. C. "TOOK" GATHINGS. It was my pleasure to be associated with him in college during my senior year when he entered the school as a freshman, and I have closely observed him since that time, particularly since he has been a Member of the House. He has the distinct honor of serving on five important committees—World War Veterans' Legislation, Census, Irrigation and Reclamation, Immigration and Naturalization, and Claims. There are only a very few Members who serve on as many committees. This is testimony of his willingness and desire to work. I am told by the chairmen under whom he serves that he is faithful in his attendance at the meetings of his committees, and has cheerfully performed all work assigned him to do.

I am not fully acquainted with his record with respect to his local activities in his district. I am aware of the fact that during his tenure of office here he has obtained the allocation of funds for the erection of two new post-office buildings in his district. He sponsored in the House of Representatives a bill which authorized the construction of a bridge across the Mississippi River at Helena, Ark., and assisted in the passage of legislation authorizing another river bridge at West Memphis, Ark., both bills having been enacted into law. He has urged the extension of T. V. A. lines across the Mississippi River into Arkansas; many times he has discussed this matter with me—since I am a member of the Committee on Military Affairs—and I am fully aware of his diligence in this respect. He obtained the passage through the House of legislation to commence work on the construction of a new fish hatchery in his district. He assisted in the passage of road legislation that provided more than $500,000 for the State of Arkansas in return for freeing of certain toll bridges in the State. Let me say that he also has worked zealously for legislation providing funds for parity payments and other agricultural benefits to farmers and for flood-control projects. He has constantly urged adequate benefits for veterans of the World War, their widows, orphans, and dependents.

These are a few of the things of which I have knowledge that he has effected. All and all he has accomplished a great deal in the length of time he has served his people.

I am proud, indeed, to have the opportunity of bringing these points before this body with reference to the gentleman from Arkansas, E. C. "TOOK" GATHINGS in order to illustrate the fact that even though a new arrival in Congress is restricted and circumscribed, still, if tactful and industrious, he will find it a medium through which many things flow and in which he can make himself felt and appreciated while his character and personality will be quite amply reflected.

In 1916 Champ Clark stated to this body:

THE MAKING OF A REPRESENTATIVE

REMARKS OF CHAMP CLARK AT THE WASHINGTON PRESS CLUB RECEPTION THURSDAY, MARCH 16, 1916

(Printed in the CONGRESSIONAL RECORD, March 17, 1916)

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

The old Charlotte district in Virginia knew this and kept John Randolph, of Roanoke, in the House till he became a great national figure. Then the Old Dominion sent him to the Senate, and General Jackson sent him to St. Petersburg. There are sporadic cases of similar action in other districts.

It is an unwise performance for any district to change Representatives at short intervals. A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has the quicker he will get up. If he possesses these qualities, and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the "top-notchers."

Take the present House and see how long the men who hold the high places have served. I cannot name all, but a few as samples. Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, "he holds the belt," for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker 8 years; only one man, Henry Clay, having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of Ways and Means, his sixteenth; Mr. Fitzgerald, chairman of Appropriations, his eighteenth; Mr. Moon, chairman of the Post Office and Post Roads, his twentieth; Mr. Jones, chairman of Insular Affairs and "father of the House," his twenty-sixth; Mr. Flood, chairman of Foreign Affairs, his sixteenth; Mr. Hay, chairman of Military Affairs, his twentieth; Mr. Glass, chairman of Banking and Currency, his sixteenth; Mr. Adamson, chairman of Interstate and Foreign Commerce, his twentieth; Mr. Stephens, chairman of Indian Affairs, his twentieth; Mr. Slayden, chairman of the Library, his twentieth; Mr. Henry, chairman of Rules, his twentieth; Mr. Lever, chairman of Agriculture, his sixteenth; Mr. Padgett, chairman of the Navy, his sixteenth; Mr. Lloyd, chairman of Accounts, his twentieth; and Mr. Sparkman, chairman of Rivers and Harbors, his twenty-second. There are other big chairmanships, but these will suffice to show that as a rule the big places go to old and experienced Members, for most of the men who rank close to the chairmen are old timers. The same thing holds good with reference to members of the minority. As an illustration, Messrs. Gillette and Cooper, who are serving their twenty-fourth year, are the ranking Republicans on Appropriations and Foreign Affairs, almost certain to be chairmen thereof should the Republicans ever again have a majority in the House, as in that event, in all probability, Mr. Mann will be Speaker, unless he is nominated for President next June.

Go through the whole list and you will find, with few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress, they keep him in the harness.

The Member of longest consecutive service is called "the father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelley, O'Neill, Harmer, and Bingham. Then it went to Mr. Dalzell, of Pittsburgh. When General Bingham announced the death of General Harmer, his immediate predecessor as "father of the House," he stated that the five Philadelphia "fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the Speakership and the chairmanship of the great Committees on Ways and Means, Navy, and Public Buildings and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Millikin—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing things.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them.

One other thing: I do not know what committee assignments you new Members secured. If they are good, you are to be congratulated. If bad, do not be cast down. No congressional tenderfoot ever had poorer assignments than I had—Claims and Old Pensions—but I never complained or kicked. I went to work as though those committees suited me exactly. Here is an illustration of what may happen and how luck plays an important part. I was next to top Democrat on both Foreign Affairs and Patents for 8 years—never advanced a peg so far as committees went. Just when, at the beginning of the ninth year on those two committees, I was about to become top Democrat on Foreign Affairs, Hon. John Sharp Williams, then minority leader, assigned me to the foot of Ways and Means, and at the end of 4 years through the happenings of politics in five different States I jumped from the foot to the head of the Democratic minority on Ways and Means. So it may be with you. Events over which you have no control may advance you more rapidly than you dream of or hope for. My advice is this: "Whatever your hand finds to do, do it with your might."

What was stated in 1916 by that sterling Democrat Hon. Champ Clark holds good to this day and the present case of the gentleman from Arkansas, E. C. "TOOK" GATHINGS, should be a challenge and a promise to those arriving for the first time to become a part of the Congress of the United States of America.

Buying Power Needed to Put the Idle Millions Back to Work

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. LANDIS. Mr. Speaker, national recovery in the United States is entirely dependent upon an adequate and sustained purchasing power available to the American people. If business and industry are to be assured of the steady production of goods, with commensurate profits, and if labor is to be assured stable and sufficient employment, with living wages, purchasing power must be on a par with production.

Economic stability depends entirely upon the expansion of demand. With adequate purchasing power available, demand for commodities and services will come naturally, and this demand will force increased production, and, in turn, stabilize employment and make more work available.

The machine age is liberating employees from work. In this age it is almost impossible for a man to get a job after he reaches the age of 60. I know that over 90 percent of our people past 60 years of age have led decent, honest, and thrifty lives.

The industries of the country are running short-handed and on part time because our people do not have the money to make purchases. Millions who are buying are buying only the barest necessities of life. We need important market builders in America to supply themselves liberally with the material things that go toward the making of a comfortable existence. Those who cannot actively engage in the production of wealth should not be deprived of the opportunity to create and maintain the market on which the welfare of all the rest of us depends.

How often have we seen men and women alike stripped of their savings? Family sickness, costly operations, the necessity of relatives, investment failures, business-agent betrayals, fires, and many other kinds of misfortunes have taken away their life's savings.

The present condition of our old folks is not due to their fault, for they are the victims of an industrial system for which they are not responsible. When the wage earner has toiled for 40 years or more he and she should be retired with a pension that will enable them to live in comfort the rest of their days. The United States, for years, has been conserving land, forests, oil, minerals, and wild game. I believe it is time we were conserving human beings. We owe a duty to our old folks and we can perform this duty on a pay-as-you-go basis.

Economists, industrialists, and statisticians have been pointing out that if sufficient money could be made available to the people, enough to force a demand for goods, the depression would be at an end. A 2-percent gross income tax, as proposed by the Townsend national recovery plan, will take care of our old folks and their buying power will put the younger people back to work. This tax can be collected by the Internal Revenue Department and no new bureaus or commissions will be needed.

Everyone should be willing to pay 2 percent of their gross incomes toward insuring the security of this country, the stability of their jobs, and the welfare of our people.

We now have a tax on gasoline. This tax creates a business cycle. The gas tax builds roads. Good roads increase the sale of automobiles. The sale of automobiles increases the sale of gasoline. The automobile, oil, and road-building industries have created a great demand for labor in America.

The Townsend plan is a pay-as-you-go plan. You do not have to borrow a single cent to start it. It is a plan that plays no favorites. Its benefits are available to all. Benefits to the elders will be determined by the number of eligible citizens divided into the amount of money produced by the 2-percent tax. No one knows what this amount will be. We know it will increase as business increases.

The elders receiving the annuities must buy American-made and American-grown products. The greatest contribution which we can make toward stabilizing our economic life would be to preserve the American market for the American farmer.

These elderly people will be able to buy better food, more and better clothing, good housing, new furniture, medical and dental care, automobiles, and many other things which Americans require. Their purchases would result in an immediate speed-up of industry and a demand for farm products. Men, long unemployed, would be called back to shop and office.

When the old folks over 60 years of age are removed from competition for jobs and when a steady market is provided for business, the demand for labor will increase. Our old folks will build or remodel their homes, which will create a demand for skilled labor.

In 1917 and 1918 we loaned billions of dollars to foreign nations, and while we never got this money back, it did create a velocity of spending in this country which gave us an era of great prosperity. Today we are loaning money to foreign nations to buy our goods. Why should we give this money to foreign nations? We should put the money in the hands of our old people and let them put the money in circulation, which will give us the much-needed buying power.

The present administration has piled up a huge public debt by borrowing vast sums of money in an attempt to stimulate trade for a temporary recovery. We have tried this plan and it has failed. We should be willing to try the Townsend plan out for 1 year. We need a plan that will give us a permanent recovery.

The Townsend plan is now pending in Congress. Every American who seeks the protection of his State and the welfare of his people, should support this plan.

The first feature of the Townsend movement is the absolute sincerity of the club members and the supporters of the plan. At the national convention last year, the delegates gave one the impression of being honest, God-fearing American citizens, intent upon a great cause. Of course, the delegates were older than the delegates in attendance at an average convention.

In this convention, every seat was filled at the start of the morning session and the delegates remained in their seats until the session had ended. There is sincerity of purpose in such conduct, just as there is sincerity of purpose in the hearts of the thousands of Townsend members.

The greatest feature of the Townsend movement is Americanism. At the present time, there are many subversive forces at work in this country, boring from within to undermine the foundations of our Republic. The agents of these foreign "isms" associate themselves with every movement that promises to gain some popularity. Once on the inside, they get themselves appointed or elected to official positions. Then, all of a sudden, unknown to the rank and file, they use the influence of the organization to promote their own schemes.

It is to the everlasting credit of the Townsend clubs and their leadership that there has been none of this in the Townsend organization.

Few organizations in the last decade have escaped these parasites who bore from within to promote their foreign "isms."

There has never been the slightest indication of it in the speech of any Townsend club member or speaker with whom I have come in contact. This fact has received much favorable comment among speakers and writers who are not connected with the Townsend movement. We should always be alert and keep it so.

The Remarkable Tergiversation of the Honorable William Clark

EXTENSION OF REMARKS
OF
HON. EDWARD J. HART
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 19, 1940

Mr. HART. Mr. Speaker, on Thursday of last week the House had under consideration H. R. 7079, a bill providing for the appointment of additional district and circuit court judges. Included in the bill was a provision for an additional district judge for the district of New Jersey, and also, a proviso that the first vacancy occurring in the office of district judge in each of the districts affected by the bill should not be filled.

My able colleague from New Jersey [Mr. KEAN] offered an amendment striking from the bill the additional judgeship for the New Jersey district, which amendment I successfully opposed.

In support of his position, my able colleague stated that Hon. William Clark, of the circuit court of appeals, who had been for 13 years a judge of the district court in New Jersey, was opposed to the provision of the bill under debate which he was seeking to delete. The gentleman from New Jersey also inserted in the RECORD as part of his remarks a letter addressed by Judge Clark to my good friend and distinguished colleague from New Jersey, Hon. FRED A. HARTLEY, Jr., under date of January 19, 1940, wherein that unpredictable gentleman laboriously discussed the subject matter of the bill. The following is the closing paragraph of Judge Clark's letter:

> I conclude from these recitals that the district of New Jersey has never and does not now need more than four judges, and that to add a fifth judge in a district where there has been a vacancy for 17 months would be unwise and utterly impossible of any public explanation.

Now, Mr. Speaker, my colleague who had offered the amendment to strike from the bill the provision for an additional judge in the New Jersey district, cited Judge Clark's opposition to that provision in perfect good faith. Judge Clark's letter to the gentleman from New Jersey, Congressman HARTLEY, was inserted in the RECORD by him in utter good faith. He was relying in part upon what he believed in good faith was Judge Clark's opposition to the pending provision. But did Judge Clark deal with him as one gentleman should deal with another? Did Judge Clark manifest the same good faith that is characteristic of the gentleman from New Jersey? Let us see.

At the very time that the gentleman from New Jersey [Mr. KEAN] was using Judge Clark's opposition to the pertinent section of the bill as a reason for its defeat, the senior Senator from New Jersey, Hon WILLIAM H. SMATHERS, was in possession of a letter from the quasi-eminent jurist, in which he stated—

> I might say that although I have been opposed, as you know, to the appointment of an additional judge, very recent circumstances indicate that such an appointment is justifiable if made on a temporary basis.

These "very recent circumstances" he explained as being not only the "long delay in Judge Walker's appointment," but not omitting the rancor so widely attributed to him by so many of his acquaintances, he also charged that the health of one of the sitting judges, whose name he mentioned, but who shall be nameless here, "precludes his taking his full share of the trial work in the district." Had not the long delay in Judge Walker's appointment taken place before the date of Judge Clark's letter to the gentleman from New Jersey, Congressman HARTLEY? If the eminent judge to whom he referred in his letter to Senator SMATHERS is unable to properly perform his work now because of physical infirmity, was his health any better in January last, when he wrote to the gentleman from New Jersey, Congressman HARTLEY? Yet Judge Clark stated in January that "New Jersey has never and does not now need more than four judges." The circumstances being no different in March than they were in January, he yet advised Senator SMATHERS last week as I have quoted him. What a remarkable tergiversation on the part of Judge Clark. In the language of the man on the street, which of course, Judge Clark, looking down from his Olympian heights and from the citadel of wealth wherein he dwells would not understand, the judge "took a run-out powder."

But the mean thing he did consisted in his failing to advise my colleague, whose amendment was under debate, of his change of position, though on the very day when his name was being used—without any potent effect, I might say—in support of the amendment referred to, he found time to so advise a Member of the Senate which had long ago passed a bill providing for the extra judgeship.

A survey of Judge Clark's antics on and off the bench for many years makes us wonder sometimes whether he does not often use a pinwheel for a pen and a squirrel cage for a writing table. Certainly the recent statement of Senator Edge that his sponsorship of Judge Clark was one of his political errors will be widely regarded as an indisputable truth.

What I said about Judge Clark on the floor last week told only a fraction of the story of his conduct in New Jersey. He has too often shown a tendency to meddle in politics and other matters which do not concern him. It would be better if he would devote more of his time to his judicial duties and less to criticism of his judicial colleagues and others. I think it would be a good thing if a congressional committee would investigate Judge Clark's extrajudicial statements and activities. I do not think the record would show that he has enhanced the prestige of our courts or that the bench has gained anything admirable or desirable by his occupancy of it. A judge who has political ambitions, however pitiable or laughable they may be, should resign from the bench and give full attention to them openly instead of under cover of his judicial position.

W. P. A. Appropriation Should Be Increased

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 19, 1940

ARTICLE BY ERNEST K. LINDLEY

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement on the appropriation for the Work Projects Administration.

Mr. Ernest Lindley, newspaperman and able student of our national affairs, presents facts which are of vital importance to every American citizen:

ERNEST LINDLEY SAYS W. P. A. APPROPRIATION SHOULD BE INCREASED

The President almost certainly will be forced, by economic conditions, to ask for more Work Projects Administration money for next year than he tentatively made room for in his Budget. If he does not ask for more, someone else will have to ask for it. For the $1,000,000,000 suggested in the Budget will not be anywhere near enough, in the light of present business prospects, to take care of the relief burden for the next fiscal year.

One billion dollars would cut almost one-third from the Work Projects Administration appropriation for the current fiscal year. The appropriation for this year was inadequate.

In brief, these are the main facts about Work Projects Administration and unemployment at the present time: About 2,300,000 workers are now enrolled. To keep within the present appropriation, 800,000 of these will have to be dropped between now and June 30. If the appropriation for next year is cut to $1,000,000,000,

an additional 600,000 will have to be dropped between July 1 and November.

This is a total reduction of 1,400,000 in the Work Projects Administration rolls. In addition, at the present time more than 1,000,000 persons are certified as in need of aid and eligible for Work Projects Administration, but cannot be given work because the funds are insufficient. Here is a total of 2,400,000 workers who need aid, but will not be able to get it by midsummer if the Work Projects Administration appropriation is held to $1,000,000,000.

This figure must be reduced, of course, by the number who obtain private employment in the meantime. Outdoor work in the spring and summer will take care of some of them. A general pick-up in business would take care of some others.

NO ECONOMIC PICK-UP IN PROSPECT

But there is not in prospect at the present time an economic improvement which would provide private jobs for 2,400,000 persons who are now on W. P. A. or are eligible for W. P. A., but won't be able to get W. P. A. jobs on a $1,000,000,000 appropriation.

There is not in prospect at the present time an economic pick-up which would create 2,400,000 additional jobs for unemployed workers of all kinds. As business picks up, workers who have been unemployed for the shortest periods usually go back to work first. There are several millions of these before you get down to the people on W. P. A. and local relief.

Last December, when the index of industrial production was the highest in our entire history—128—we still had about 9,000,000 unemployed. Six million or more of these were accounted for by the net increase in the working population since the previous high peak of production in 1929. The rest are accounted for by technological and managerial improvements, and by what might be called normal unemployment of 2,000,000 or more persons.

Now industrial production is running around 110 or a little lower. Most of the Government economists expect it to move up soon, but not sharply. An average of about 125 for the year is above the expectations of most of them.

Conservatively, it is estimated that unemployment during the fiscal year 1941 will average around 9,000,000. Every year the total working population is increasing by 500,000 or 600,000. Work must be found for these additional workers before a dent can be made in the total unemployment figure as it stood before they came onto the labor market.

COMPARISONS SHOW SEVERITY OF CUTS

The severity of the cuts already imposed upon W. P. A. and implicit in a $1,000,000,000 appropriation for next year is indicated by the following comparisons:

From 1936 through 1939 W. P. A. employed an average of 25 percent of the unemployed. (During most of this period the Federal Government also had a big P. W. A. program, providing employment by subsidizing local public works of larger size.) Now W. P. A. is employing about 22 percent of the unemployed. In July, if the appropriation is held to $1,000,000,000, W. P. A. will be employing about 16 percent of the unemployed.

On $1,000,000,000 W. P. A. can hire an average of 1,350,000 workers during the next fiscal year. The monthly expense of W. P. A. per worker employed is, on the average, about $62. This is distributed as follows: $54.25 for wages to project workers; $5.75 for materials; and $2.00 for administration.

In order to take care relatively of the greater need in the winter months, the W. P. A. rolls would have to be trimmed to less than 1,000,000 during the coming summer. To take care of the same percentage of the unemployed that it took care of during the years 1936–39, W. P. A. would need probably about $1,750,000,000 for the next fiscal year.

For political reasons, its chances of getting so much for next year are almost nil. It probably would have trouble in getting even $1,477,000,000, the sum it is spending this year. But at least that much is needed if suffering among the needy unemployed is not to become more acute or if the burden of relief on the cities and counties is not to be increased.

BILLION-DOLLAR FIGURE INHUMANLY INADEQUATE

By any reasonable reckoning, the $1,000,000,000 earmarked in the January Budget message is inhumanly inadequate, unless it is made available for spending as rapidly as needed, with the expectation of a supplementary appropriation next January.

The $1,000,000,000 figure was put down in December, when production was at a now all-time peak, and a few people thought it would go even higher during the early part of 1940. Now it is obvious that the crest of the first war boom has passed. There may be another later, if the war is fought on a greater scale. But nothing approaching a boom of great magnitude is now in sight.

Fortunately, in his January Budget message, the President left an "out." He wrote:

"Relief expenditures should be closely geared to actual needs. If conditions fail to meet our hopes, additional funds may be necessary. I may, therefore, submit revised estimates later in the session."

It is now clear that a revised estimate is imperative. Whether the President will submit it, or how large the revision will be, remains undecided. He may leave it up to the committees of Congress. They can get the figures from Colonel Harrington, W. P. A. Administrator, and other authorities. The figures, as they now stand, are impressive enough to shake the determination of the coldest-hearted advocates of economy-no-matter-what-the-consequence.

A United America—Part 8

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. THORKELSON. Mr. Speaker, in this, my eighth discourse on A United America, I desire to call attention to a statement I made in previous remarks on this same subject. I said, "The Constitution of the United States is a basic or fundamental law, in which the people provide a government to represent and administrate the United States in international relations and the States themselves nationally. The Constitution is, therefore, a basic law provided by the people to protect themselves against usurpation of liberties and rights from the three branches and from all departments of the Federal Government."

Our Government, the Republic of these United States, is unique in that the people provide their own laws and elect a government of their own choice to administrate these United States according to the power delegated by the people. In this plan the 48 States assume the most important position, for each of them is represented in the Senate, which, together with the House, exercises the chief powers in the Government of these United States.

It is this fundamental principle in our Government that was abolished when the seventeenth amendment was adopted, and that has been, since 1913, the actual cause for deterioration and disintegration of the Government of the United States. I cannot urge too strongly that this be corrected by repeal of the seventeenth amendment, and to emphasize the importance of repeal I shall quote from the Supreme Court of the United States, by Chief Justice Hughes:

"The Constitution, in all its provisions," said Chief Justice Chase in *Texas* v. *White* (1869), "looks to an indestructible Union, composed of indestructible States." The only restriction at present on the power of amending the Constitution is that no State without its consent shall be deprived of its equal suffrage in the Senate. The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people (p. 118).

Those who have followed my remarks in "A United America" may recall that I have raised a serious question of constitutionality and proper legal procedure in the adoption of the seventeenth amendment. This amendment was ratified by 36 States, which is the usual procedure for ratification. The seventeenth amendment is entirely different, because it has destroyed the fundamental principles of this Republic, and that cannot be destroyed except in revolution or by the unanimous consent of the 48 States. The quotation to which I have just referred is in direct line with the opinion I have expressed.

I grant that the present Supreme Court is composed of a personnel which holds little or no regard for the Constitution and which bases its interpretations entirely upon a liberal withdrawal of rights and usurpation of power, which the people never intended to give the Supreme Court, and for which there is no provision in the Constitution of the United States. This statement is upheld by the present Chief Justice of the Supreme Court, in the book above referred to:

Congress had undertaken to prohibit the transportation in interstate commerce of goods made in a factory in which, within 30 days prior to the removal of the goods, children of a certain age had been employed. It was found that the goods in question were of themselves entirely harmless; their production in the factory was not commerce, and the power of Congress did not extend to that production. It was decided, against strong dissent, that Congress was endeavoring to control production within the State under the guise of regulating commerce among the States. Justice Day, in giving the opinion of the Court (*Hammer* v. *Dagenhart* (1918), 247 U. S. 251, 276), indicated the far-reaching result of a contrary view by pointing out that if Congress could thus regulate matters entrusted to local authority, by the prohibition of the movement of articles in interstate commerce, the power of the

States over local matters would be eliminated and our system of government would practically be destroyed (p. 156).

It was in this opinion (*Boyd* v. *United States* (1888), 116 U. S. 616) that Justice Bradley sounded his eloquent warning against permitting invasions of constitutional rights because they were of a relatively mild and but slightly offensive character; "illegitimate and unconstitutional practices get their first footing in that way, namely, by silent approaches and slight deviations from legal modes of procedure. This can only be obviated by adhering to the rule that constitutional provisions for the security of person and property should be liberally construed. A close and literal construction deprives them of half of their efficacy and leads to gradual depreciation of the right, as if it consisted more in sound than in substance. It is the duty of the courts to be watchful for the constitutional rights of the citizen, and against any stealthy encroachments thereon. Their motto should be obsta principiis" (pp. 169–170).

Much of the criticism of the Court deals with what is occasional rather than typical. In looking to the future the fundamental questions are these: Are we ready to give up a written constitution with its definition of powers? Do we desire to abandon our dual system and to confer upon a single legislature the supreme authority of the people through a completely centralized government? If we maintain our dual system and a written constitution, with the limitations essential to such a plan, do we wish to attempt to define more specifically in the Constitution the division of authority as, for example, in relation to interstate commerce? Is it likely that we could make a success of such a plan? If we prefer to retain the dual system and limited governmental powers, are we ready to give to Congress the final determination whether the States exceed the powers retained by them or whether Congress transcends the limitations of its own powers? If not, what substitute is there to suggest for the Supreme Court? Do we desire constitutional questions, if such there are to be, to be determined by political assemblies and by partisan divisions? Is there any better plan, whatever imperfections our present one may have, for securing a reasonably continuous, nonpartisan and philosophical exposition of the Constitution than by regarding it as the supreme law of the land to be applied in actual cases and controversies through the exercise of the judicial power? These are the questions which must be considered in discussing the value of the work of the Supreme Court which in a practical and systematic way enables us to draw upon our resources of reason in maintaining the balance of rights which is characteristic of the Republic (Ibid., pp. 236–237).

Charles Evans Hughes wrote a book in 1928 entitled "The Supreme Court of the United States." The above quotations, when compared with his recent opinions, show how he has surrendered vital principles of American constitutional law. The Supreme Court is no more, for 30 years of liberalism has laid it low as Caesar's ghost.

Much of the legislation that now appears before Congress is drafted upon the insufficient knowledge of disorganized and ill-balanced persons, graduates under the auspices of Felix Frankfurter, and instead of being an expression of sane law, it is simply a dream after overindulgence in liberalism such as that which is now commonly referred to as communism.

It is this sort of legislation which the Justices of the Supreme Court, in a complete about-face to all legal precepts, hold constitutional to please the New Deal. Can this be called good behavior on the part of the Supreme Court or on the part of the President of the United States? I do not think so, for the first duty of both branches is "to preserve, to protect, and defend the Constitution of the United States," and the people's rights, as so clearly set forth in that document. Article III provides:

The Judges, both of the Supreme and inferior courts, shall hold their offices during good behaviour.

No one can deny that total departure from the Constitution is bad "behaviour," and that is cause for dismissal, not only of judges but of all public officials, including the President of the United States.

If this Nation were blessed with a Congress imbued with full responsibility of obligated duty to the people of this Nation, it would impeach each offender, one by one, until the Government was entirely free of faithless public officials.

WHAT IS A CONSTITUTION?

Justice Paterson stated the American doctrine in these words: "* * * In America the case is widely different: Every State in the Union has its constitution reduced to written exactitude and precision. What is a constitution? It is the form of government, delineated by the mighty hand of the people, in which certain first principles of fundamental laws are established. * * * The constitution fixes limits to the exercise of legislative authority, and prescribes the orbit within which it must move." Referring to the provisions of the declaration of rights of the constitution of Pennsylvania, Justice Paterson continues: "Could the legislature have annulled these articles, respecting religion, the rights of conscience, and elections by ballot? Surely no. As to these points there was no devolution of power; the authority was purposely withheld, and reserved by the people to themselves. If the legislature had passed an act declaring that, in future, there should be no trial by jury, would it have been obligatory? No. It would have been void for want of jurisdiction, or constitution extent of power. The right of trial by jury is a fundamental law, made sacred by the Constitution and cannot be legislated away. * * * I take it to be a clear position; that if a legislative act oppugns a constitutional principle, the former must give way, and be rejected on the score of repugnance. I hold it to be a position equally clear and sound, that, in such case, it will be the duty of the Court to adhere to the Constitution, and to declare the act null and void." Ibid, pages 81–82.

It is refreshing to read this paragraph, for it unequivocally upholds the people's rights as expressed in the Constitution, and it sustains public ownership in the following words:

It is the form of government, delineated by the mighty hand of the people, in which certain first principles of fundamental laws are established.

It is now up to the Supreme Court to state why it is not adhering to these cardinal and fundamental principles, which are so ably and clearly expressed in this book written by the Chief Justice of the Supreme Court.

Mr. Speaker, it is astonishing to see the manner in which the Bill of Rights is used as a cloak for the radical and a blanket to cover and protect all groups, the radical Communist and his brother, the goyim dupes, who are now engaged in the sabotage of our industries and in the destruction of the Government of the United States. I fear an ever-increasing influx of these undesirables, for I am reasonably well-informed that the radical Socialist or Communist is not only persona non grata in several European countries but is actually looked upon as an undesirable citizen and therefore on his way out. I believe the American people object to the admission of these people, for it is their radicalism that is in reality responsible for dissension and hatreds in the United States. They appear to be unwilling to conform to the same laws that govern the majority and even ask for special legislation which is for no other purpose than to grant them greater rights than those of the majority. For example:

CIVIL REMEDIES

Whoever shall send or transmit, or shall cause to be sent or transmitted, in interstate or foreign commerce or through the mails any written, printed, or oral communication which is defamatory of any religious, racial, national, fraternal, industrial, commercial, labor, or any other group of persons subject to the jurisdiction of the United States shall be liable for damages to members of such group. A civil action to recover such damages may be brought by any member or members of such group in behalf of all. Other members of such group shall have the right to intervene as parties plaintiff in such action. The pendency of one such action shall constitute a bar to any other action in respect to the same communication unless it appears that such pending action is not being prosecuted diligently, efficiently, or in good faith. The proceeds of any recovery in such action shall be distributed under the direction and control of the court as follows: The plaintiff or plaintiffs who incurred or contributed to the expenses of the suit shall first be recompensed for all their disbursements and the balance shall be distributed pro rata among the plaintiffs who instituted such action or intervened therein. In any such action the defenses of truth and privilege shall be available to the extent to which they are available in a civil action for libel or slander. The courts of the United States shall have jurisdiction of any action under this act.

The question which should be asked is, What particular group of people wants this legislation? Is it the Scandinavian, the English, the Irish, the German, or Italian? Certainly not. It is no one except those who are unwilling to conform to the laws of this Nation. Yes; laws to which the majority of the American people have subscribed for over a period of 151 years. Shall we, to please this alien minority, provide special legislation for them? This should be an interesting subject to the 20,000,000 of our people who are now either unemployed or on part-time employment. Members of Congress should bear in mind that legislation that grants extra legal rights to a minority is an instrument that has always been used to destroy the majority. It is the wedge that breaches the wall of sound government, and this Trojan

horse is now foot-loose and free in the United States. To enact legislation which gives a minority the legal right, under the pretense of intolerance, to persecute those who object to the destruction of our Government, is, if nothing else, a tragic betrayal of those who subscribe to the fundamental principles of this Republic.

We have already enacted laws under the pretense of censorship to control broadcasting, and Congress no doubt will be requested to enact more of this kind of legislation. Is anyone of this minority that asks for special legislation unemployed? Certainly not. They are all fully employed from the top to the bottom, yet they are not satisfied. They own the gold and control the banks which give them the privilege to use all deposit money in any manner they please. They own the national and international press. They own the moving-picture industry and the radio. Nothing except what is pleasing to them appears before the public, either in print, in pictures, or over the air. They even have sufficient power in the Government of the United States to destroy a few small publications that have had the courage to print the truth.

This same group of international financiers owns practically all of our Nation's private business and industry, including chain banks and chain stores. With the use of the people's money, they have entrenched themselves in our Nation to such extent that they can and are strangling our Nation's industries into submission. Their own people head subversive charitable and philanthropic organizations, and others are leaders in radical and destructive groups. In all these activities, their own people are employed in preference to anyone else. It is these people who are constantly shouting for help and for special legislation to protect what they call their rights, and we, like fools, provide the legislation for them.

Members of Congress should realize that when any minority asks for special legislation to protect presumptive rights, that that minority then and there serves notice on the majority that it intends to destroy the rights and privileges of the majority, and it is that situation which now confronts all of the American people.

It is this group that cuts down the American flag with a sickle and uses the Bill of Rights for a shield. They shout for the freedom of the press and for freedom of speech, a privilege which they deny to the great majority of the American people. Are the press and the radio free and fearless in telling the truth to the American people? They are not, and the people know it. There is no free expression for the great majority of our people, for we are investigated by the Justice Department and denied the very rights which the Constitution grants to all the people. This year is the time to correct this evil, by electing those to office who will "preserve, protect, and defend" all the people's rights as set forth in the Constitution.

THE BILL OF RIGHTS

I shall now discuss the Bill of Rights from the viewpoint of the people, and as it is written in the Constitution.

ARTICLE I. Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

There is little to be said as to religious rights and the free exercise thereof, for that issue has never been raised in the United States. A church which confines itself to sacred teachings and the spiritual welfare of the people is an asset in any community and should, of course, be left free to spread the word of God.

Speaking for myself and from opinions expressed by others, one of our problems is to set those right who innocently allow their names to be used as a shield or front, for people who are engaged in dissemination of racial antagonisms and hatreds. These dupes should not be deceived, for no one except liberals, socialistic radicals, and Communists would ask for sponsorship, for it is only to lend decency and respect to suspicious and questionable activities.

Fraternal orders, such as the Elks, the Odd Fellows, the Masons, Knights of Columbus, and the B'nai B'rith, do not need or ask for sponsors to provide respectability for their organizations. It is only when members of these and other organizations depart from the principles of their own groups and engage in illegal or subversive activities that sponsorship by someone who is clothed in respectability is needed. It does not matter whether such aid is given for compensation or gratuitously. The point is that it would not be required if those who ask for such protection were not engaged in un-American or subversive activities.

Those who allow their names to be used as sponsors, on letterheads or other publications, should always bear in mind that they are, if not radicals themselves, lending their names to protect those who in the end may prove their nemesis. It will also be found that when they have served the purpose of those who engaged them, they will, like others before them, be relegated into oblivion, only to be buried in their own infamy. The strangest part of it all is that in this group the names of professors and clergymen prevail, not only as sponsors, but also on the list of committees, yet not even one of them ever becomes the treasurer of the organization he faithfully serves.

FREEDOM OF SPEECH AND PEACEFUL ASSEMBLY

The people of this great Nation provided restriction of public speech and assembly in the precepts set forth in the Constitution of the United States. This is applicable to all people and includes those who are in public service, no matter whether it be in Congress or any other branch of the Government of the United States. To make this clear: I, as a Member of Congress, have the constitutional right to speak on all topics except those that would defame or destroy the character of my fellowman. I have no right under the Constitution to advocate changes or engage in dissemination of doctrines which are in conflict with those principles set forth in the Constitution of the United States. I have no right to engage in activities which have for their purpose the destruction of the Government of the United States. No assembly can ever be considered peaceful that advocates radical ideologies destructive to our Government, but must instead be considered a seditious assembly composed of revolutionaries.

All citizens have the constitutional right to denounce publicly and in assembly anyone, from the highest official to the plainest citizen, when he advocates and upholds radical doctrines that are contrary to constitutional laws. In other words, the people have a perfect right to protect themselves and their own Government from destruction, no matter whether such destructive philosophies are harbored by the highest official in the Government.

The fact that Congress has enacted legislation which may protect those who are engaged in dissemination of radical doctrines does not debar any citizen from expressing his disapproval of such laws, but he should also, to protect his own rights, denounce those who enacted such legislation. That is the right of every citizen in the United States. The fact that the people are the supreme power in this Nation gives them the right to denounce all public officials who violate their obligation "to preserve, to protect, and defend the Constitution of the United States." It is this power that gives the people the right to criticize the President of the United States, when he fails in his duty to this Nation, as severely as they would criticize a local officer in failure to protect their homes.

THE PRESS

The press should dedicate itself to the service of our people, upon whom it relies for sustenance. The press is loyal to this Nation only when it is nationalistic, and by the same token it is subversive and unpatriotic when it sells its pages to the internationalist. The press has no more right to ridicule, defame, and destroy character under the guise of a free press than an individual has to revile his fellow man and destroy the character of another under the pretense of free speech. Both should be subject to the same penalty.

The most severe penalties should be charged against those who, for reasons best known to themselves, engage in vilification, vituperation, defamation, and character assassination in order to be smart and to please those who gloat over such filth.

In concluding this discourse, I cannot refrain from expressing the hope that we will in the near future be served by a real, patriotic American press, that will expound the fundamental principles of this Government from the viewpoint of those forgotten men, the great mass of American people, who are now marking time waiting for Congress to restore sanity in the Government and security to their homes.

The Water Pollution Bill

EXTENSION OF REMARKS

OF

HON. DOW W. HARTER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. HARTER of Ohio. Mr. Speaker, many of us are interested in the ultimate passage and approval of the water pollution bill, S. 685, which passed this House on March 1. We are hopeful that the Senate will concur in the changes and amendments made by the House. It happens that the largest single chapter in point of membership in the Izaak Walton League of America is the one in my home city of Akron, Ohio. Our local chapter, as well as other Waltonians, sportsmen, and nature lovers the country over are interested in this legislation and the remedial effects it will have on water pollution in the United States. All of us feel that we have taken a step forward in the preservation of the natural resources of our country. In fact, I know of no subject of deeper concern to us as citizens of this fertile part of the world known as the United States of America than the husbanding of our natural resources and life.

I quote now the views of the Izaak Walton League of America upon this problem of conservation:

CONSERVATION AND THE IZAAK WALTON LEAGUE

"Intelligent conservation of natural resources is the most important long-time problem before the Nation today. Front-page news heads, such as war scares, labor wars, industrial depression, and the deplorable condition of the Budget may be more immediately pressing, but next year or 10 years hence they will be history, while the problem of intelligent management of natural resources will still be with us—and don't forget that they are the source of all wealth," said Kenneth A. Reid, general manager, Izaak Walton League.

Yes; the problem of properly budgeting our natural resources will be with us tomorrow, next year, next century, and on into infinity. We cannot long endure by a mere balancing of that artificial budget symbolized by money. Money, a symbol of wealth, is ultimately worth no more than its collateral—the natural resources.

Floods, droughts, and dust storms have been news features in recent years, yet the general public accepts such news as manifestations of nature, rather than of man's own folly in lack of planning a conservation budget. We have decimated vast forest areas, leaving the stumps and slash as tinder to feed great fires which not only burned the visual surface, but gnawed deep into the vitals of the earth, leaving a desolate waste, open to erosion which has, within a few decades, destroyed the major portion of our forest resources—that most reliable of all flood and drought-control guaranties. Even today, the average forest-fire loss represents a figure of $75,000,000, or sufficient lumber to build a five-room house every 100 feet on both sides of the road from New York to Chicago. This figure does not include inestimable damage to related biological values such as stream flow, animal and aquatic life, and recreation.

We have conquered the West, given its rich grasses over to the plow, only to see whole farms blown away, to be deposited, perhaps, in the Atlantic Ocean. The Sahara and Gobi deserts were once at least the equal of Kansas and Oklahoma in fertility. Have we profited by this knowledge? Under the guise of reclamation, we have drained great swamp areas which nature bestowed upon us for maintenance of water tables and valuable wildlife. The professed motive for such drainage projects has been that of producing additional farm lands, though careful scrutiny will usually show that the only gain accrued to the conservation predator (usually in the form of an unscrupulous syndicate) sponsoring the program. The invariable result has been to produce just one more desert which continues to encroach upon what was previously productive land.

Perhaps the most pitiful exploitation of all has been that of our waters. Visualize, if you can, our rivers in their pristine purity, teeming with aquatic life at the time our forefathers first set foot on this continent. Then go and look at the monstrosity which flows through the civilized section in which you live. The silver horde of salmon no longer ascends the Connecticut; the immense runs of shad now shun the Delaware; the oyster beds of Hampton Roads are fast disappearing, and 50 percent of the remainder are condemned for human use because of the disease germ which this so-called civilization has placed there. Municipalities excuse their pollution on the grounds of lack of funds with which to provide adequate treatment works, yet their administrations are perpetually sponsoring "Smith Parkways," "Brown Memorials," or some similar spectacular project of doubtful value, as memorials to the genius of the political administration in power.

Industry excuses its pollution on the grounds of "economic necessity," and pays no heed to the suggestion that waste treatment should be considered as a legitimate part of manufacturing cost which the public would be glad to repay in return for clean streams. Then comes the argument of competitive disadvantage to the industry of such States as adopted enforceable antipollution laws. The answer is obvious. Streams flow by gravity with utter disregard for artificial political boundaries, delivering their ever-increasing pollution cargo to the next user, all charges collect. For the sake of uniformity, their uses must be nationalized.

To some of us, wildlife may appear in the form of a luxury, either material or aesthetic. Nothing could be further from the truth. Wildlife, either terrestrial or aquatic, is a rather definite barometer of the fitness of land or water to sustain human life. This is not sentiment. It is a grim, scientific fact. The social, economic, aesthetic, and recreational value of wildlife is incalculable. Water incapable of supporting the higher forms of aquatic life is unfit for man or beast. The average depredations of insects represent an annual loss of $3,000,000,000 to the Nation. No control measures yet devised can even approach that of our native birds. Let's have more of them. The recreational value of wildlife alone is estimated at $1,000,000,000 per annum.

Every community, every citizen, should get behind this program of conserving and restoring our natural renewable resources, the keynote of which is to develop a national appreciation of wildlife, and a united pledge to assist in creating its greatest need—environment—in order that we ourselves may lead a fuller life and feel secure in the knowledge that we have helped lay the foundation of a more abundant America for future generations. * * * That is the program of the Izaak Walton League of America.

Federal Bureau of Investigation

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. COLMER. Mr. Speaker and Members of the House, one of the outstanding achievements of the Federal Government in the past decade, in my opinion, has been the work of the Federal Bureau of Investigation. I believe that the country, as a whole, appreciates the very fine work that this Department of our Federal Government has done; but we all realize that regardless of the achievements of human beings there are always those other human beings who are prone to criticize. And in this connection considerable ill-founded and ill-advised criticism has been made in the past few weeks of the activities of the Federal Bureau of Investigation. It was to me most gratifying to learn that the inquiry made by the Attorney General of the United States clearly and completely absolves the Federal Bureau of Investigation from even any basis of suspicion of improper action. In the full spirit of fair play, I think that we, the representatives of the people, should be just as vigorous in defending the right as in attacking what is wrong, and if an unjust attack is made, we should be

just as alert to rectify an injustice based upon misinformation as we would be to criticize when the facts warrant. For this reason, I should like to call attention to the splendid record of the Federal Bureau of Investigation under its most efficient and courageous leader and director, John Edgar Hoover.

My information leads me to the belief that the special agents of the F. B. I. would not personally, or officially, do those things in the way of brutality, third degree, and duress, with which they were charged. This is due to the fact that Director Hoover has established a high standard of qualification for the men he admits into this organization. They are lawyers, and necessarily hold to high standards of ethics, or they could not have been appointed into the service. They have been investigated thoroughly before their appointment, and only those of the highest character, reputation, and integrity are admitted to the service. These men are then trained in the high standards and ethics of the profession of law enforcement. The F. B. I. has, in fact, established these high standards by first establishing the principles of ethical law enforcement, believing in those principles, and then practicing them.

The F. B. I. trains police of cities, counties, and States in these same high standards and they, therefore, charge themselves as instructors with setting a proper example for all law-enforcement officials. The F. B. I., more than any other organization in the history of law enforcement, is professionalizing the service. They establish codes of conduct and canons of ethics for peace officers. They take oath that they will engage in no third-degree practices, duress, brutality, or similar outmoded action. They have a standing rule of giving all persons in their custody a physical examination each 24 hours. They will not tolerate any illegal or unethical practices on the part of any of their men. They believe, first, in the right type of men of courage, character, and intelligence, and then training those men in the high standards of law enforcement. In the field of law there are standards of ethics, and in the field of medicine Hippocrates prepared an oath which regulates the professional conduct of physicians. In the field of law enforcement the Federal Bureau of Investigation has prepared an oath which embodies a high standard and code of ethics in the field of law enforcement.

Developing Our Rivers For Navigation, Flood Control, Conservation, Reforestation, and Hydroelectric Power

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

ADDRESS BY HON. JOHN E. RANKIN, OF MISSISSIPPI

Mr. RANKIN. Mr. Speaker, under permission granted me to extend my remarks in the RECORD I insert an address which I delivered before the National Rivers and Harbors Congress in the Mayflower Hotel here in Washington on last Friday, March 15.

Mr. Chairman, members of the Rivers and Harbors Congress, as an ardent advocate of the development of our inland waterways, I want to urge that we do it in such a way as to bring the greatest good to the greatest number.

It should be done in such a way as to provide flood control, soil conservation, forest preservation, and the development of hydroelectric power. This power should be generated and distributed to the people throughout the country at the lowest possible rates, or at rates based upon the cost of generation, transmission, and distribution. In that way the masses of the American people who contribute the taxes for these expenditures would derive their just proportion of the benefits—whether they live in cities, in towns, in villages, or on the farm.

The hydroelectric power in our navigable streams and their tributaries is public property. It is national wealth that belongs to all the American people, and it should be used for the benefit of all. It is the greatest natural resource in all the world outside of the soil from which we live, and one that we as public servants have no right to give away or surrender to private interests.

Whoever controls the water power of this country in the years to come will control the Nation. If we lose it now it will probably be gone forever.

There is enough hydroelectric power in our navigable streams and their tributaries to electrify every home in America, including every farm home, as well as every commercial establishment, throughout the land, and then have enough left to supply a large part, if not all, of the Nation's industries.

It is one of the birthrights of the American people, and one that we must forever preserve and protect.

By developing our hydroelectric energy in this way, we will be conserving instead of exhausting a great natural resource. In that way we can develop the streams of this country so as to make them serve every possible purpose—navigation, flood control, power production, soil conservation, and the protection of our growing forests, upon which future generations must depend for their timber supply.

One of the greatest services I have ever rendered as a humble Representative in the Congress of the United States was in helping to create and promote the Tennessee Valley Authority, the greatest single development of ancient or modern times; one that serves all the purposes I have mentioned, and one that has provided the Nation with a yardstick showing what electricity should cost the ultimate consumers, which has helped to force reductions in light and power rates to the ultimate consumers of this country by more than $600,000,000.

This great enterprise is paying for itself out of the revenues derived from the sale of electric energy. At the rate we are now going, in less than 50 years the T. V. A. will have paid back to the Government with interest every single dollar invested, for this purpose, as well as all operating expenses and replacement costs, and at the same time set aside a sufficient amount to take care of all depreciations. It will never be a burden upon the taxpayers of this country for the reason that it is self-liquidating. It has demonstrated to the country what electricity should cost the man who pays the bill, and in that way has brought about rate reductions in every State in the Union; yes, in every nook and corner of this Republic, amounting, as I said, all told, to more than $600,000,000 a year.

On the other hand, let's look at a neighboring stream, the Ohio River, where we were prevented from building high dams that would have enabled us to develop its hydroelectric power and control floods, as well as improve navigation. Instead, the powers in control of this Government at that time insisted on a system of low dams that prevented the use of this stream for hydroelectric purposes, and increased rather than diminished the flood menace in that area to such an extent that losses from flood damages in the last few years have run up into the hundreds of millions of dollars.

As I have said before, electricity is the life-blood of our advancing civilization. The lower the rates, the more freely it flows, and the more freely it flows, the greater are its benefits to mankind.

It is the greatest servant the world has ever seen and the only one the man or woman of ordinary means can afford. We have enough of it going to waste in our navigable streams and their tributaries, literally running wanton to the sea, to electrify every home in America, as well as every commercial establishment, and, as I said, have enough left to supply a large portion of the Nation's industries.

This power should be developed and distributed at the minimum rates, especially to the residential consumers, whether in the cities, in the towns, in the villages, or on the farm, in order to bring light and life and comfort and hope and joy and relief from drudgery to the millions of men and women throughout the length and breadth of the land.

Instead of being socialism, as some people contend, this program is the very opposite of socialism. It is the greatest program for home building and the development of individualism upon which this Nation could embark.

It will improve the navigation of every stream to its highest degree; it will give us flood control that will save our people from those periodical disasters that recur from year to year; it will reclaim millions of acres of our richest farm lands, conserve its soil, rebuild it, and retain its productivity for the generations that are to come.

It will make America a richer, a brighter, and a better place in which to live. [Applause.]

Fish Industry of Maine

EXTENSION OF REMARKS
OF
HON. RALPH O. BREWSTER
OF MAINE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 19, 1940

LETTER BY HON. RALPH O. BREWSTER, OF MAINE

Mr. BREWSTER. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following letter:

MARCH 19, 1940.

NATHAN W. THOMPSON, Esq.,
85 Exchange Street, Portland, Maine.

DEAR NATE: I am very glad to know of the meeting you plan at the statehouse in Augusta on Thursday afternoon, March 28, to organize those interested in the fish industry along the coast of Maine.

In the recent hearing here in Washington to consider the best method of saving New England fishermen from being ruined by a flood of duty-free fish from Newfoundland I was very much impressed by the extent to which the Massachusetts fishing interests were organized to cope with the situation. This meant immediate and vigorous cooperation from all concerned. Representatives of fishery interests from Massachusetts joined with associations from the Great Lakes and Florida and even the Pacific Coast in urging action to save the fish industry not only of New England but of the country from this utterly unfair and subsidized competition from Newfoundland.

Maine was represented by its congressional delegation and we led the battle but it would have been most helpful if there had been a Maine fisheries association to join with us in the fight that must be made if our great fishing industry is to be saved.

I shall look forward to being with you at Augusta on Thursday afternoon, March 28, and I feel sure there will be a most representative gathering from all along the Maine coast to join hands in building up an association that may well mean much to Maine.

Cordially yours,

RALPH O. BREWSTER,
Member of Congress.

Relief of Unemployed

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 19, 1940

NEWS RELEASE FROM DAVID LASSER, PRESIDENT OF THE WORKERS ALLIANCE, AND A REPLY FROM N. S. ECCLES, GOVERNOR OF THE FEDERAL RESERVE BOARD

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I have reproduced here a news release from David Lasser, president of the Workers Alliance, in reference to a letter he has written to Governor Eccles of the Federal Reserve Board. Also the answer to the letter referred to in Mr. Lasser's press release. From this it is clear that we can do much more for the unemployed than is now being done. This without raising the debt limit.

WORKERS ALLIANCE OF AMERICA,
NATIONAL HEADQUARTERS,
Washington, D. C., March 13, 1940.

Hon. LEE E. GEYER,
House of Representatives, Washington, D. C.

DEAR MR. GEYER: There is enclosed herewith the material about which we spoke with you yesterday. This material includes the text of Mr. Marriner Eccles' communication to Mr. Lasser, a statement of our organization on the matter, and a statement sent to Secretary of the Treasury Morgenthau by Mr. Lasser.

Mr. Eccles' letter provides indisputable evidence that nearly $5,000,000,000 could be available for much needed social legislation, without raising the debt limit or taxes.

Without taking into consideration all the useful purposes for which this money could be used, the impending 800,000 W. P. A. lay-offs could most easily be avoided.

We would greatly appreciate your inserting into the CONGRESSIONAL RECORD as much of this material as you deem fit, together with a statement of your own, calling attention to the irony of a situation where there is money, available to avert a speedily oncoming recession, which is lying absolutely idle.

Very sincerely yours,

FRANK INGRAM,
General Secretary-Treasurer.

[Enclosure]

NEWS FROM WORKERS ALLIANCE OF AMERICA

WASHINGTON, D. C.

"With nearly $5,000,000,000 additional available without raising debt limit or new taxes," as confirmed by Secretary of Treasury Morgenthau, "the debt-limit excuse can no longer be used to cut aid to the unemployed, farmers, youth, and other needy groups," declared David Lasser, president of the Workers Alliance of America, in a telegram sent to Mr. Morgenthau from Cincinnati.

Following the release of a statement by Mr. Lasser on Monday (see attached release) pointing out that there were $5,000,000,000 in funds available for relief and other social services, Secretary of the Treasury Morgenthau, when asked concerning the validity of Mr. Lasser's statement, confirmed it.

Mr. Lasser is now on tour in the Midwestern States assisting organizations in many cities with their preparations for National "End Unemployment" Day rallies on March 23.

Mr. Lasser's telegram to Secretary of the Treasury Morgenthau, and Mr. Lasser's statement of last Monday concerning the $5,000,000,000 in additional funds follow:

"Hon. HENRY MORGENTHAU,
"Secretary of the Treasury,
"Washington, D. C.:

"Cincinnati newspaper quotes you confirming my Monday public statement and letter to me from Governor Eccles, of Federal Reserve Board, that Government has nearly $5,000,000,000 additional funds available without raising debt limit or new taxes. Obviously the debt-limit excuse can no longer be used to cut aid to unemployed, farmers, youth, and other needy groups. With new recession advancing swiftly on the Nation, it behooves those who gave President Roosevelt over-optimistic business forecasts to now admit their blunders. They should now propose use of some of the great cash resources available to increase purchasing power, provide useful work, aid farmers, youth, merchants. By enabling people to buy up some of the swollen inventories we can turn back the tides of the recession.

"DAVID LASSER,
"President, Workers Alliance of America."

In a letter from Marriner S. Eccles to David Lasser, national president of the Workers Alliance of America, released today by Mr. Lasser, it was revealed that the Federal Government has cash resources of $4,850,000,000 available for meeting current expenses without increasing taxes or the Federal-debt limit.

Mr. Eccles' letter was in response to a query from Mr. Lasser asking specifically about funds available in the gold-stabilization fund, silver funds, and the Treasury working balance.

The available funds are listed by Mr. Lasser, from Mr. Eccles' letter as follows:

Gold-stabilization fund	$2,000,000,000
Silver profits	1,500,000,000
Excess Treasury working balance	1,350,000,000
Total	4,850,000,000

Mr. Lasser, in a statement releasing the letter today declared: "This letter from the chairman of the Board of Governors of the Federal Reserve Board clearly reveals that the issue of the debt limit, as an excuse for not appropriating sufficient funds for our social needs is a lot of sound and fury signifying nothing. Mr. Eccles' letter clearly indicates that there are three immediate sources of funds, without touching the power of the administration to issue large sums of new currency. With regard to the gold-stabilization fund I have been informed that the amount available is about $2,000,000,000 without endangering our own currency one bit. This together with the silver fund and excess Treasury working balances makes nearly $5,000,000,000 available to hurl back the tides of new recession advancing on us; and to give purchasing power and work to needy unemployed, youth, and farmers. Knowing these facts no responsible officials or statesmen can hoard these funds or throw up his hands in helplessness allowing this new recession with its suffering and misery to engulf us."

The text of the letter from Mr. Eccles follows:

"I have your letter of February 5 in which you inquire as to cash resources available to the administration, without further legislative authority. You mention specifically the stabilization fund, the power to issue silver certificates, and the Treasury's working balance.

"Under the Gold Reserve Act the stabilization fund is available for expenditure under the direction of the Secretary of the Treasury 'for any purpose in connection with carrying out the provisions of this section, including the investment and reinvestment in direct obligations of the United States of any portions of the fund which the Secretary of the Treasury, with the approval of the President, may from time to time determine are not currently required for stabilizing the exchange value of the dollar.' I am advised, however, that it would require legislation to apply the fund to meet current expenditures.

"As to silver, I am informed that approximately $1,500,000,000 would be available by monetizing the difference between what has been paid by the Treasury for the silver and the official price of $1.29, and that this would not require legislation.

"The Treasury's working balance as of today is approximately $1,600,000,000. Tentative estimates made in our statistical division indicate that without any new financing the balance will not fall to less than $1,000,000,000 at the end of the present fiscal year and may be somewhat more than that if sales of so-called baby bonds continue at the volume at which they have been selling of late. I understand that prior to the advent of the present administration, it was not customary to keep working balances in excess of $250,000,000 or $300,000,000. In addition, as you point out, there is the unused authority, under the Thomas amendment, which provides that up to $3,000,000,000 of currency may be 'issued only for the purpose of meeting maturing Federal obligations.'

"Finally, you ask what the economic effects would be using such funds for increasing work and consumer buying power. The Government can spend only what Congress authorizes and appropriates. To the extent that these funds were used to meet such expenditures, it would avoid an increase in the public debt but consumer buying power in the hands of the low-income groups would not be increased thereby unless increased expenditures were voted by Congress.

"Very truly yours,

"M. S. ECCLES, *Chairman.*"

Appropriation for National Youth Administration

EXTENSION OF REMARKS

OF

HON. JOE HENDRICKS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. HENDRICKS. Mr. Speaker, and Members of the House, I wish to submit for the RECORD a letter from Dr. John J. Tigert, president of the University of Florida, president of the National Association of State Universities, and former United States Commissioner of Education, in regard to the proposed cuts in the appropriation for the National Youth Administration. Dr. Tigert certainly should be familiar with the educational problems of this Nation, and I think that his letter sets forth clearly the reasons why the appropriation for the National Youth Administration should not be cut below the nearly $12,000,000 which has been requested by Mr. Aubrey Williams, Administrator.

The letter follows:

NATIONAL ASSOCIATION OF STATE UNIVERSITIES,
Gainesville, Fla., March 7, 1940.

Hon. JOE HENDRICKS,
House Office Building, Washington, D. C.

DEAR MR. HENDRICKS: I am writing to you and asking that you support restoration of Federal funds which pay part of the expenses of some college students under the National Youth Administration. A cut of 15 percent was planned on the N. Y. A. budget, and this item was cut 32.4 percent, much more than any other program in the N. Y. A. budget. I appealed to the presidents of the colleges, and they were practically unanimous in their desire to have this program maintained.

Mr. Aubrey Williams has revised his budget and made the cut in the college program similar to the cut in the other programs in his department. He is now proposing a cut of 16.6 percent on the out-of-school work program, school work program, and college and graduate work program. He has made very little reduction in the administrative costs of his department.

Those of us in the colleges and universities cite the following reasons for supporting the N. Y. A. scholarships in the colleges and universities:

1. This is a good investment or insurance by the Government for providing good citizenship and will guard against some of the social evils we are now trying to correct.

2. There are a good many more students asking for this aid than can be helped. The scholarship of this group of students is considerably higher than the average in all the institutions from which we have reports.

3. Appointments for N. Y. A. scholarships are made on a basis of need, character, and scholarship. The appointments are on the principle of merit and are nonpolitical.

4. If these scholarships are not continued, reports to us indicate that most of these students will have to drop out of college. They will either join the ranks of the unemployed or they will displace adult labor in the market.

5. The Government pays on the average less than $100 per student on these scholarships, and yet this keeps the student in school. The States spend a good deal more on them than the Government.

6. If the Federal support of these scholarships is to be reduced, it should be done gradually. A student who in is his junior or senior year should be allowed to finish.

7. The Government has to pay the entire expense of enrollees in C. C. C. camps. We believe heartily in that program, but the cost will run from $500 to $1,000 per enrollee.

8. We also believe in old-age pensions, but the investment that the Government is making in old-age pensions will not yield the return of the investment in these young students, who are to be the citizens and leaders of tomorrow.

The total allotment for college and graduate work for the academic year 1939–40 amounts to $14,038,268. Mr. Williams in his estimates cut this to approximately $9,100,000, or a reduction of 32.4 percent, while other programs in his budget remained with much smaller reductions. He has now revised his budget so that nearly $12,000,000 will be available for the college work. We are certainly glad that we are not being discriminated against now, but we hope to maintain the present appropriation, without asking for any additional funds from outside. In Florida there are 15 colleges and universities receiving assistance, with a total student quota of 1,026.

Your cooperation in maintaining this very important program will be greatly appreciated.

Cordially yours,

JNO. J. TIGERT, *President.*

I also wish to call to the attention of the Members of this House a letter written to me by Dr. W. S. Allen, former vice president of Baylor University of Texas and now president of John B. Stetson University in my home town of De Land, Fla., and a recognized educator throughout the Southern States, concerning this same problem. I, of course, have observed the work of the National Youth Administration and do not believe that there is a more deserving agency for which we are making appropriations. The National Youth Administration has done splendid work, and I, for one, intend to support them in a reasonable appropriation at this time and continue to support them in the future. We can either assist the young people of this Nation to become good citizens now or permit them to go on relief or become criminals in the future.

JOHN B. STETSON UNIVERSITY,
De Land, Fla., March 11, 1940.

Hon. JOE HENDRICKS,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN HENDRICKS: Information has come to me that Congress is considering reducing the amount now being appropriated for the aid of high-school and college students. In my opinion, the aid being furnished young men and women who are worthy but who are unable to pay all their educational expenses is one of the most constructive pieces of work being done by the administration. Thousands of students over the country could not be in college today except for this help.

I am writing to urge that you use your influence to keep the N. Y. A. quota at the present level. I am for economy in government, but I do not believe economy should begin at the expense of the education of our citizens.

Every good wish.

Sincerely,

W. S. ALLEN, *President.*

Government by a Minority is Un-American

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

RADIO ADDRESS BY HON. LEE E. GEYER OF CALIFORNIA

Mr. GEYER of California. Mr. Speaker, on March 13 I made a speech over a national radio network explaining how

the poll tax affects our democratic institutions. Letters have poured into my office asking that the text of that speech be provided to every Member of Congress and to the public, and I am, therefore, including this address under the permission granted me to extend my remarks:

My friends, I am grateful to the National Broadcasting Co. for this opportunity. Sometime ago, Walter Winchell, both over the air and through his columns, complimented this speaker for the stand he takes on real Americanism. Tonight, I am going to discuss Americanism. I am going to discuss a certain institution that I believe to be most un-American in its effects.

In our American democracy, no political right is so sacred to us as the right to vote and thus take our part in the affairs of government. It is through the use of the ballot that we attempt to right our wrongs. That is the American way. When a large group of people are denied the use of the vote to correct existing evils, it is then that their thoughts naturally fly to other means of getting justice. Someone has said, I believe it was Jefferson, that so long as freedom of expression, followed by unrestricted suffrage is allowed, the people will never turn from the democratic way.

POLL TAX POLITICS

What is this un-American institution of which I speak? It is the use of the poll tax as a prerequisite to voting. While this tax on the privilege of voting is a relic of Roman serfdom, it exists today in no place in the world except Turkey, Persia, China, and eight Southern States in the United States, so far as I have been able to determine. The States that still cling to this outmoded system of suffrage restriction are: Alabama, Arkansas, Georgia, Mississippi, South Carolina, Texas, Tennessee, and Virginia. All are Southern States, and are within the section of the country that the President has called America's No. 1 economic problem.

In these eight States a fee is charged before the qualified voter is permitted to exercise his franchise. This tax ranges from $1 to $3. In some States—Alabama, for example—it is cumulative; that is, if one has not paid for several years—say, 10—he must pay $15 before he can vote, which is $1.50 for every year missed. Is it any wonder that so few people in the section of the country which contains our lowest income groups find it possible to exercise their American privilege of voting? Let us cite a few figures.

ELECTION BY A MINORITY

The number of people who actually vote, compared to the total population of voting age, gives us a fair measure of democracy at work. For the Nation as a whole, at the time of the last census, this figured out to 61½ percent; that is, 61½ percent of our adult citizens actually took part in the elections—a clear majority deciding the affairs of our Nation. This is democracy—majority rule. Now take the 11 States that then voted under the poll-tax system—divide the sheep from the goats. What do we find? Instead of 61½ percent in these States, only 35 percent voted. But in the other 37 States the voting strength was 70 percent—70 percent for the non-poll-tax States as against 36 percent for the poll-tax States. My friends, that is government by the minority—not by the majority. That is un-American.

The percentages I have just given take the 1930 census figures and the 1932 elections. Between 1932 and 1936 two States abolished the poll tax as a voting requirement—Pennsylvania in 1933 and Louisiana in 1934. What does the 1936 election show? Still a minority voting in the nine poll-tax States and a substantial majority in the non-poll-tax States—24 percent for the poll-tax States against 72 percent in the other States. In 1938 the Legislature of Florida abolished the poll tax. Now there are but eight States where that antiquated voting system remains.

Let us look further. In the 1936 election, in Virginia, a poll-tax State, 25.7 percent voted, while in a bordering State, West Virginia, 92 percent of all adults went to the polls. New Mexico, a non-poll-tax State, voted 94 percent of its eligibles, while its neighbor, Texas, a poll-tax State, voted but 26.2 percent. Can it be said truthfully that these people live in a democracy?

OF NATIONAL CONCERN

You ask perhaps why the National Congress should concern itself with purely local conditions. Why not allow each State to correct its own election laws? There are two very simple answers to this. The first is economic—with modern methods of transportation and communication, no section of the country can live to itself. What affects one section adversely must be reflected in other parts of the country. If the cotton crop of the South should fail, for instance, the Nation would suffer because of the shortage. If the tractor drives the Joads out of Oklahoma, California's relief load grows proportionately. The second reason is political. If some sections send Representatives to the National Congress who feel no responsibility toward the submerged third, because this third may neither reward nor punish them at the next election, it will naturally become very difficult to put through the Congress Federal legislation for the benefit of these groups.

A SOUTHERN STATESMAN BEARS WITNESS

This difficulty was ably exposed by that outstanding southerner, my colleague, Senator CLAUDE PEPPER, in a speech in the Senate on August 5, last. The Senator from Florida accused certain Democratic Party politicians of joining in an alliance with the Republican Party to wreck the New Deal. I quote a few paragraphs from that memorable speech. These are his words:

"I accuse that designing alliance with a deliberate attempt to sabotage the first real effort ever made in this Nation to secure for the workers of America industrial democracy and economic emancipation.

"I accuse that intriguing alliance of trying to strike down by emasculation and assassination the Fair Labor Standards Act, to preserve intact the unhampered power of the unconscionable employers who would sweat their fortunes out of the nonresisting bodies of men, women, and children, and wring their dirty dividends from the misery of their fellow citizens, even in their own communities.

"I accuse this pharisaical alliance with hypocritical lip service to the cause of constitutional government, while they used the lives, the fortunes, and the future of the men, women, and children of America as a pawn in a vicious game of petty, personal, partisan politics.

"I accuse this alliance for profit, with having sacrificed the best interests of their States, their regions, their businesses, professions, and their country in order to kill this administration and carve up its corpse for personal, political aggrandizement. I accuse them of undermining their Government from within, of trying to throttle the democratic process to defeat the will of the people, and perpetuate the dictatorship of a privileged class."

POLL TAX ENDANGERS SOCIAL LEGISLATION

There is a startling story to be told in this connection, but I must leave that to others. It is no uncommon occurrence for a Member of Congress from the poll-tax States to be elected with as few votes as 5,000, yet these 5,000 people have as much to say in Government affairs as the 150,000 who send their Representative from some non-poll-tax district. The vote of their Representative counts just as much. In fact, the influence of the poll-tax Representative is usually greater, for his tenure of office is much longer on the average. It is easy to service with satisfaction a special class, such as the great plantation owners and their hangers-on, who might make up a majority of those able to pay the poll tax. Seniority means much in the Halls of Congress.

Anticipation of possibilities such as these prompted our forefathers to include in the Federal Constitution article IV, section 4: "The United States shall guarantee to every State in the Union a republican form of government." I say to you that before the Congress of this Nation, of which I am a Member, can put on the statute books and retain there legislation protecting the rights of labor, the small-business man, the farmer, the different racial groups, the unemployed, our young people, and our aged, the poll tax must be done away with in those States where it now exists. The politician who need not take these groups into account on election day need pay no attention to their cries of distress during a session of the Congress.

THEY NEED A HELPING HAND

As to leaving the matter to the States themselves, shall we tell the disfranchised majority they must make bricks without straw? The majority in those States have no vote. Will we give them a helping hand or will we tell them to pull themselves up by their bootstraps? Is there a more fertile ground in which the seeds of un-Americanism can thrive than in a section of the country where 63 percent of the white population and 98 percent of the colored are denied the privilege of voting, of righting their wrongs in the democratic way? And are we to tell them that the American system of government affords them no relief? Are we to make of States' rights a doctrine of sedition? Are we to leave 10,000,000 adult American citizens hanging on the horns of this dilemma, saying, on the one hand, "right your wrongs by the vote," while on the other hand saying, "the majority shall not vote"? No, friends; such an interpretation of the States' rights doctrine is trickery. The people of these poll-tax States, caught in this vicious circle, look to the Federal Government for a way out. We must not turn our backs on them. We must not tell them to pull themselves up by their bootstraps. We must give them a helping hand now that they extend their hand to us for help. Otherwise we should not be surprised if some day they are goaded into using other methods to right their wrongs. In the history of the world, what class of overlord has voluntarily surrendered either economic or political power? If the disfranchised majority in the eight poll-tax States are to be freed from their political and economic shackles, and if this is to be done in an orderly and democratic way, they must have help from the outside. They have a right to look to a higher power than their immediate political masters. They have a right to look to the Federal Congress.

SOUTHERN INITIATIVE

At the request of the Southern Conference for Human Welfare, I have introduced into the Congress H. R. 7534, to abolish the poll tax in Federal elections. Note that the present bill deals only with the Federal elections. This bill is now being heard before a subcommittee of the House Judiciary Committee. This move already has the endorsement of the American Federation of Labor, the Congress of Industrial Organizations, some of the railway brotherhoods, the League of Women Voters groups in several Southern States, the National Negro Congress, and a number of other Nation-wide and southern State organizations.

You individuals throughout the Nation who are anxious to do something for the cause of Americanism have a chance here to really get busy. You organizations that mean what you say when you pledge allegiance to the flag—and I'm sure you do—can now do something to really make Americanism a reality. To all of you I say write individual letters and pass resolutions urging the adoption of the Geyer anti-poll-tax bill. Send these to your Representatives in Congress. Urge that this tax—the tax imposed on

Joseph and Mary at the time of the birth of the Saviour—be repealed. Now, as never before in these dark days, the people must scrutinize closely the action and votes of those elected to serve them.

Write a personal letter or a postal card this minute asking that your Congressman support the Geyer anti-poll-tax bill.

Unemployment

EXTENSION OF REMARKS

OF

HON. RAYMOND S. McKEOUGH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

STATEMENT BY HON. EDWARD J. NOBLE

Mr. McKEOUGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by Hon. Edward J. Noble, Under Secretary of Commerce:

It is ironic to find newspaper columnists, business and labor statisticians, and Government officials at such variance over the facts of unemployment. As a matter of fact this country never has had an accurate and thorough picture of its unemployed. Probably one of the major reasons for this statistical void is that we never have been able to define unemployment sharply.

Following the debacle of 1929, the unemployment problem rose to major importance. Because of this, in planning the 1940 census questions, the Census Bureau, with the counsel of experts in and out of Government, devised a list of questions which would produce the most complete and comprehensive statistics on unemployment and employment ever gathered by a democracy.

Most important of the census queries aimed to resolve our uncertainty over the facts of unemployment are the two questions on income. These apply particularly to the lower brackets where unemployment is most acute. To the statistical story evolved from other questions, the income queries will add the effect of unemployment and under employment upon our national economy. They will measure the several million part-time and in-and-out workers as the degree of under employment.

Other census queries will show the number of nonworkers seeking jobs, the number of public emergency workers, the number of nonworkers not seeking jobs, new workers; the number of weeks each worker was employed during the past year; duration of unemployment of those seeking work as well as those assigned to emergency work; present occupation, industry and class of worker of all persons employed either privately or at emergency work; and previous work experience of all unemployed.

The inquiries on unemployment will even show four classifications of the nonworkers who are not seeking work, as follows: (a) in home housework, (b) in school, (c) unable to work, and (d) "other," such as retired.

The census will reveal the complete characteristics of the entire potential labor force of the Nation, now probably in excess of 50,000,000. The census of 1930 showed over 49,000,000 "gainful workers" but this classification as used in previous censuses did not show "new workers" because new workers could not report occupations.

The inquiries relating to employment and unemployment will be asked of all of the estimated 98,000,000 persons aged 14 and over.

The Farmers Are Fed Up on the New Deal

EXTENSION OF REMARKS

OF

HON. CLIFF CLEVENGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. CLEVENGER. Mr. Speaker, the real dirt farmers of America are breaking away from the New Deal. They are tired of the waste, extravagance, and propaganda of the advocates of "the more abundant life." They begin to realize that there are a hundred thousand who are "farming the farmer" by being directly on the pay roll, to say nothing of the thousands who are "farming the farmer" indirectly.

They also know that farmers in most places are in just as bad a financial condition as they were in 1933. The farmers know that even in the Southern States like South Carolina and Mississippi there is a delinquency in Federal land-bank loans of 33 to 35 percent and in commissioner loans of 36 to 48 percent, while millions of dollars from the United States Treasury have been poured into these Southern States:

Even with subsidies of amounts equal to one-third of the assessed valuation of their farms, these Southern States are still crying for bigger and better handouts.

The following editorial from the Wausau (Wis.) Record-Herald, under date of March 16, 1940, shows the sentiment of the large percentage of the farmers of this country:

ONE BRANCH OF FARMING

Crop control is not making many converts among stock breeders, judging from the poll of 200,000 stockmen by the Breeder's Gazette, their trade publication. Replies to 200,000 questionnaires by the magazine revealed the following answers and comments by this leading publication in the field:

	Percent	
	Yes	No
Should production be controlled?	26	74
Should payments be made for soil conservation?	27	73
Should United States make parity payments to farmers?	22	78
Would you give up all farm benefit payments in the interest of a balanced Budget?	77	23

"The livestock farmers of America stand 3 to 1 in favor of an independent agriculture. They voted in that ratio against controlled production. They want a free farming enterprise.

"They stand 3 to 1 against taking pay for conserving their soil. Animal husbandmen are bent on improving their soils, anyhow, and will take their reward from the increased productivity of their acres.

"Stockmen record their opinions a little stronger than 3 to 1 as not wanting to be on the parity dole. The so-called farmers' tariff is a delusion.

"Our farmers, 3 to 1, would give up all subsidies whatsoever if that billion were entered in the national ledger as agriculture's contribution to a balanced Budget. Replies to the questionnaire express a stout faith in the future of agriculture and of America. The stock farmer has faith in his business and in himself to institute adequate recovery."

They also realize that their per capita share of the accumulated national deficit is greater than the total farm debt, onerous and crushing as that farm debt is. Certainly, getting us further in debt is not solving the problems of the American farmer. The New Deal agricultural programs are continually asking for more and more money for hand-outs, but never spend 1 minute on a program to help the farmer get a better price for what he raises.

Our National Defense

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

RADIO ADDRESS BY HON. RALPH E. CHURCH, OF ILLINOIS

Mr. CHURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which I delivered recently over the radio from Washington:

It is my privilege to address you tonight as a member of the Naval Affairs Committee of the House of Representatives, and as a member of the Republican conference committee on national defense.

Just last Monday the Republican conference in the House adopted the report of its committee on national defense. And just last Tuesday the House passed a $655,000,000 naval expansion bill, reported by the Naval Affairs Committee.

World conditions being as they are, the creation and maintenance of an adequate national defense is, of necessity, one of our major considerations. A large part of my work in Congress having been devoted to this problem, I naturally would like to discuss it with you tonight. It is understood, of course, that I am not acting as official spokesman of these committees on which I serve.

Let me say at the outset—and I cannot emphasize it too strongly—this question of national defense is in no sense a partisan issue. That does not mean we should never question the wisdom of any given policy. Nor does it mean we should submerge all honest differences of opinion on various features of our defense mechanism. On the contrary, conscientious disagreements invariably make for an improved defense and not infrequently have prevented the adoption of unwise policies. But at no time must we allow purely political considerations to influence our judgment. We must be guided solely by the dictates of enlightened and informed patriotic responsibility.

It is impossible to disassociate any scheme of national defense from principles of foreign policy. The size, nature, and extent of our armaments must necessarily be dependent upon the foreign policy they are to sustain. Armaments which would be wholly adequate for the defense of the Western Hemisphere would prove wholly inadequate for a policy of foreign intervention. Armaments which would be wholly adequate for the enforcement of the Monroe Doctrine of "America for Americans" would prove sadly insufficient for a foreign policy based on the doctrine of collective security.

The American people fervently desire that we keep out of war and that we have an impregnable defense. It is the people who in war make the supreme sacrifice. They send their sons to the battlefields. They carry the burden of war costs. As to the objective there cannot be the slightest doubt—peace and security. And it becomes the responsibility of statesmanship to pursue a policy which will best guarantee continued peace and security.

Let me pause here long enough to say that when in Europe last summer as a delegate of the United States Congress to the Interparliamentary Union Conference at Oslo, Norway, I was deeply moved by the general desire among the people of all countries to have peace. But their hopes and prayers were not fulfilled because a few men were more interested in their personal ambitions than in the desires of their people. That must never happen in America.

What, in general, should be the basic principles to follow in order to live in peace and security? First, there must be no entangling alliances, no interference, and no intervention in the affairs of other nations. In other words, we must observe a scrupulous governmental neutrality. The security and welfare of the American people here at home must at all times be our first consideration.

But more than neutrality legislation is necessary to keep us out of the present wars. It is essential that we have a calm, stable, even-tempered national leadership to give balance to public emotions—a leadership solely interested in making democracy safe here at home rather than in making "the world safe for democracy"—a leadership willing to sacrifice for the people's security all personal political advantage.

Frankly, we have not had that kind of leadership. Rather than restraint there have been reckless and ill-advised remarks. There have been threats of "quarantine" and threats of "methods short of war." There has been a willingness to take chances and to run unnecessary risks.

The second basic principle to be followed in complying with the people's demand for peace and security is the enforcement of the Monroe Doctrine against any foreign aggression. Our security lies solely in the Western Hemisphere, and our defense must be designed solely for the protection of this hemisphere.

Other guiding principles may be suggested. But these two—strict neutrality and the Monroe Doctrine—are the primary principles to which all others are corollary.

Having thus determined our foreign policy, let us proceed to an examination of elements of national defense necessary to sustain the policy. It is perfectly clear that the aim of our armament program must be solely for the defense of this hemisphere and not for participation in the power politics of Europe. At all times we must make certain that the increased armaments are designed solely for our defense and security and not for dangerous interventions in foreign affairs. For my part, I advocate the doctrine of "millions for necessary defense but not one cent for foreign aggression."

Our Republican conference committee has been making a constant dispassionate study of this problem of national defense. Our purpose is to obtain a maximum of efficiency and economy through the sound integration of the land, naval, air, and industrial segments of the Nation's armament program. We wish to make certain there is not a single weakness in our defense mechanism. At the same time we wish to make certain our expenditures for instruments of war do not go beyond our actual needs.

Appropriations for the Army and Navy constitute one of the largest items in our National Budget. It is ominous to note that expenditures for wholly unproductive instruments of war are rapidly approaching $2,000,000,000 annually. The people will willingly bear this economic burden if satisfied every dollar spent is essential to make this country secure. But we must guard against a spendthrift administration taking advantage of our natural feeling of uncertainty in a period of world crisis simply to spend money, whatever our actual defense needs.

Our Republican conference committee on national defense has submitted two reports—one adopted in February of 1939 and the other adopted by the Republican conference last Monday. Time does not permit a detailed discussion of each of these reports. But a distinct major conclusion of each of them merits emphasis.

Before this Nation can have a truly sound defense program we must, first of all, determine the area of defense. This is essential. It is the only way we can direct our whole program to the maintenance of an impregnable line of defense in both the Atlantic and Pacific through which no enemy or group of enemies can possibly penetrate. We certainly do not intend to police the world and defend the seven seas.

After a most painstaking study of the whole question, we Republicans determined our outposts and drew the defense line. It was not an arbitrary determination but rather based on practical considerations of technique in warfare and the technical aspects of military and naval strategy. In the Pacific, for instance, we found that the defense line should roughly follow the one hundred and eightieth meridian, commencing at the Aleutian Islands, passing somewhat westward of Hawaii, and thence generally southeastward to include and cover the Panama Canal. And having determined the line, we then decided what additions, to our armament strength, were necessary for that particular task.

But the present administration seems to believe that this line of defense should be deep in foreign waters. As you know, it sought to fortify the Island of Guam, 5,400 miles from our shores, and practically next door to Japan. As a member of the Committee on Naval Affairs, it was my duty to lead the fight against this extremely dangerous and wholly unnecessary step. The House supported us in our position. Admiral Hepburn, himself, had stated at the committee hearings that fortification of the island was not necessary for our defense. I have never been able to understand why the administration would take the risks fortification of Guam involved, when it was admitted on the best naval authority that it was not necessary. But the House expressed the will of the great mass of American people—our defense lies in this hemisphere, and not in foreign waters or on foreign soil.

In our second report adopted last Monday we emphasized, among other things, a factor in our national defense which has been too generally overlooked. It is not only important that we have an adequate number of soldiers and sailors, battleships and tanks, and modern equipment. It is also important—indeed, of primary importance—that we have a sound national credit.

When we entered the World War in April of 1917 our national debt stood at $1,100,000,000. In the 18 months of our participation we spent in excess of $35,000,000,000. Today our national debt approaches $44,000,000,000. Reflect for a moment on what our position would be were we today called upon to finance a war against those who might attack us. Undoubtedly we would be victorious on the military and naval fronts. Our people have the capacity and courage for untold suffering in defending their country. But we would experience defeat in victory. There would necessarily be almost unbearable taxation. There would be inflation. There would be confiscation. While successful in our defense against outside aggressors, the existing debt would make us practically helpless in defending our free institutions from the enemy of bankruptcy and chaos.

We cannot too strongly emphasize that national credit is just as much a factor in national defense as the size of the Army and Navy.

When Congress opened in January the administration asked that a 6-year, long-range program of naval expansion, involving a cost of $1,596,411,277, be authorized. It recommended a bill which would give the President and the Department virtually blanket discretion in determining the nature of the program. The Secretary of the Navy also proposed a bill that would, in effect, make the President commander in chief over all our factories and materials in peacetime.

I could not accept such recommendations. As a member of the Committee on Naval Affairs, I offered every opposition to them. As you know, the committee eliminated the discretion from the bill, reduced the 6-year program of $1,600,000,000 to a 2-year program of around $655,000,000. That amended bill received Republican support. We supported it because, as amended by the committee, it embodied essentials for our national defense, and no more.

While I cannot speak for the entire Committee on Naval Affairs, I feel confident it will never report the bill to give the President wartime powers in peacetime.

National defense is not a partisan issue. The American people are united in their desire to have an adequate national defense and to keep out of wars abroad. We must be calm but constantly vigilant. We are determined to live in peace and security, continuing to enjoy the blessings of liberty to ourselves and our posterity.

Wheeler-Lea Railroad Bill Appeals to the Farmer

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. VAN ZANDT. Mr. Speaker, within the near future the membership of this House will consider the conference report on S. 2009—the Wheeler-Lea railroad bill.

For the information of my colleagues, I have compiled facts from authentic sources which very definitely place the farmer on record as supporting this important legislation.

It is important to observe that practically every farm group in the United States favors the regulation by the Interstate Commerce Commission of the Inland Waterways.

The American Farm Bureau Federation at its annual meeting at New Orleans, December 1938, revealed their attitude by the adoption of the following resolution:

To accomplish this end requires immediate readjustment of governmental policies to provide relative treatment of different types of transportation without limiting any natural advantages accruing to any particular type where such advantages are being reflected to the public interest.

Another large organization representing the farmer—the Farmers' Union—went on record in the early part of 1939 at their convention favoring the regulation of inland waterways when they took the following position:

So far as the regulation of traffic on the river is concerned, there is no more reason why traffic thereon should not be regulated than as applied to railroads. In any important branch of our industry bad practices, such as discrimination, rates, rebates, preferences, or what not, can only be minimized through governmental regulation.

It should be further noted that various State grange organizations have favored regulation of inland waterways. For example, the Indiana State Grange, at Goshen, Ind., on October 20, 1938, declared:

Corresponding regulation of rates and service should extend to all other agencies, water, highway, and air, to the extent that they are competitive with railroads.

The Virginia State Grange, at Marion, Va., October 26, 1938, declared:

We favor a national transportation policy which will treat all agencies of transportation fairly and impartially.

The Iowa State Grange, at their 1938 convention held at Newton, Iowa, declared that:

Federal regulation of rates and service should be extended to truck lines, waterways, and pipe lines.

The Nebraska State Grange, at their 1938 convention, at its annual meeting at Broken Bow, Nebr., October 13, 1938, declared that:

The railways and all other agencies of transportation should be treated fairly and impartially.

The Ohio State Grange on Thursday, December 15, 1938, recommended:

Equality and fairness in regulation of rates and service.

Continuing this endorsement of regulation of inland waterways by organized agriculture, the following State farm bureaus are quoted:

The North Carolina Farm Bureau at Wilson, N. C., August 31, 1938, declared that—

A reasonable element of competition should be retained between railroads themselves. Corresponding regulation of rates and service should extend to all other agencies, water, highway, and air, to the extent that they are competitive with railroads and for that reason. Competition as to every agency should be fair.

The Montana State Farm Bureau on November 15, 1938, declared that—

Regulation of rates and service should apply fairly to all agencies engaged in the business of transportation for hire and competing for the same traffic, and with ample protection to shippers and the public, should leave management the necessary freedom to seek out every practical possibility for improved service and lower costs and to make required adjustments to meet changing conditions.

The Arkansas Farm Bureau at Little Rock on November 17, 1938, declared that:

We believe that the regulation of all forms of transportation—railways, waterways, highways, pipe lines, and airways—should be under one Government agency.

The California Farm Bureau at Sacramento on November 17, 1938, declared that:

The public interest demands that, in order to preserve an adequate rail transportation system, helpful legislation must be enacted relative to the rate-making power of the railroads; land-grant rates repealed; increased tolls established for inland waterways.

The Ohio Farm Bureau at Columbus, Ohio, November 17, 1938, declared that:

Equality and fairness of treatment in regulation of rates and service and in taxation among all competing forms of commercial transportation agencies—air, highway, pipe line, rail, and water.

The Mississippi Farm Bureau at Jackson, Miss., on December 3, 1938, declared that:

Regulation of rates and service should be extended to all forms of transportation alike and safety to life and property be required and assured by all transportation agencies.

The Nebraska Farm Bureau, on December 6, 1938, declared that:

We favor regulation of all types of transportation only so far as is necessary to prevent discrimination between shippers and safeguard the public interest.

The Wisconsin Farm Bureau, on December 6, 1938, at Madison, Wis., declared that:

We may establish a sound policy of transportation legislation, which will give a fair chance for each form of transportation to compete in that field of service.

The Nevada State Farm Bureau, at Reno, Nev., February 3, 1939, declared that:

Regulation of rates and service of competing agencies that is fair to all and with ample protection to shippers and the public.

The Minnesota Farm Bureau in the fall of 1938 declared that:

Equality in the matters of regulation, taxation, for general governmental purposes.

At the seventy-first fruit growers and farmers convention at Ventura, Calif., December 5 and 6, 1938, that group joined organized agriculture in support of the Wheeler-Lea railroad bill when they declared they were in favor of "regulation of water transportation."

The North Dakota Farmers' Grain Dealers Association at their national convention at Devils Lake, N. Dak., February 8, 1938, took the following position:

A reasonable element of competition should be retained between railroads themselves. Each method of transportation, if regulated, should be regulated with two things in mind—service and actual cost—in order that each kind of transportation should stand on its own feet.

The endorsement of the Wheeler-Lea bill by organized agriculture represents one of the fairest studies that have been made of this important legislation to date, emphasizing the fact that each method of transportation should be regulated by the Interstate Commerce Commission in order that each kind of transportation should stand on its own feet.

"Americans All," the Slogan

EXTENSION OF REMARKS

OF

HON. JACK NICHOLS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

EDITORIAL FROM THE MICHIGAN STATE DIGEST OF DECEMBER 14, 1939

Mr. NICHOLS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Michigan State Digest of December 14, 1939:

[From the Michigan State Digest of December 14, 1939]

"AMERICANS ALL" THE SLOGAN

The personal noun "American" has taken on new meaning within the past few years—even in the thinking of intelligent citizens of the United States of America—demanding a new definition of the term; calling for a concrete answer to the very pertinent question, "What, or who, is an American?"

Disregarding the rather childish discussions about the "red man," now generally accepted as merely one of the older immigrant stocks, a broad application of the term might include practically all those

persons living between the fifteenth and one hundred and seventieth meridians west of Greenwich.

This would be both a little too broad and a little too narrow, in geography as well as in fact. Geographically it would take in most of Iceland and snick a sliver off the extreme western edge of Africa, while it would leave out most of the Aleutian Islands that extend westward from Alaska.

In fact, there are many Americans living beyond those limits, and many of those living within them who are not Americans in any sense, but who continue to be Europeans, Asiatics, Africans, Oceanians, or something else not American.

With the rise of a newly generalized concept of continental Americanism that includes North America, South America, Central America, and the Antilles or West Indies, the phrase "I am an American" has come to mean little, as a matter of definition, to anyone except the user himself, thus limiting its usefulness to the broader sense or to autoconversation—which is fast becoming fashionable among those who are choosy as to the persons with whom they want to converse.

Since more than three-fourths of Cuba's exports go to the United States and more than four-fifths of her imports come from there, Cuba's prosperity, or her lack of it, is always a close reflection of economic conditions in the United States.

Economically Cuba is as much bound to the United States as if she were 1 of the 48. In that case Cuba ranks in tenth place as to area, population, and economic importance, but much higher in foreign trade if she holds her present volume.

Air, rail, and water connections put Cuba nearer New York and Atlanta than is most of the Mississippi Valley. Her trade with the United States is greater than that of France or Germany and is only exceeded by that of Canada (four times Cuba's), United Kingdom (three times Cuba's), and Japan (twice Cuba's). It is one-third as great as that of all South America and more than twice that of all Central America and the other West Indies combined.

Most public officials and a vast majority of the people of the two countries fail to realize these facts. Therefore they find it hard to understand why the United States Government should pay so much attention to the affairs of "one of those little republics."

Cuba's economy is largely up to the United States.

If her politics seem messy to those who live in the United States, it is mainly because of misinformation and refusal to make fair comparisons with the home-grown product.

Largely, again, it is because Cuba is making desperate efforts to sprint up from far behind the field, to catch up with or pass the leaders, dashing forward from the backward conditions of a repressed Spanish colony of 40 years ago to something approximately the ideal American democracy which the United States still is so far from having achieved after 150 years of independence.

Cuban politicians—statesmen, when out of office—like others of their kind the world around, see every act of a government, to which they are not bound by a pay roll, as a gross mistake, an act of bad faith or worse.

Their views make news. They are sensational. They hint or charge mysterious crimes, abuses, and the approach to catastrophic changes. News agency reporters and special correspondents grab for such views, spice them up, and dash to the cables with them, each trying to make his own story a little hotter than the other fellow's in the hope of getting the play.

Views or rebuttals offered by the other side are treated as propaganda and are handled so as to make the previous tale stand up. This system, combined with the public's tendency to believe the worst about others and feel self-righteous, produces a public attitude seldom justified by the facts. This also applies to many things besides news about Cuba.

A large part of Cuba's bad political habits can be traced directly to Spanish misrule. But another large share of them can be laid on the shoulders of Governors General sent by the United States to teach Cuba democracy during each of the periods of Cuban occupation by the United States. Or they can be tossed straight into the laps of United States Ambassadors who have exerted tremendous pressure, not always helpful, on the political and economic life of the young Republic, at whose birth Uncle Sam served as midwife and to which he still stands as stepfather.

Cubans use up a large part of their credulity on certain apocryphal "saints" whom their own church refuses to recognize. As a result, when foster-papa Uncle Sam takes a notion to spank Cuba for thumb sucking or some such childish habit, Cuba is inclined to do a bit of keyhole peeking and then indulge in self-pity.

If Cuba is not yet grown up politically, it at least is as near to being an adult nation as the United States' apron-string policy has permitted. It is high time Cuba got a chance to live her own life for a while to learn the facts of life for herself.

This does not mean she should be suddenly "put out in the snow" as in the East Lynn tradition. She should, however, be treated as a full-fledged national personality with rights and privileges, as well as duties and obligations.

In view of the fact that the resentment and distrust found throughout Spanish America toward United States economic and political influence is largely the result of the acts of certain large and very powerful United States corporations, often backed up too crudely by the armed might of their country or too brusquely by its diplomacy, less aggressive policies have been adopted during the past 20 years.

The rather sudden change from iron fist to silk glove has not been wholly convincing, nor are Spanish Americans quite sure that the results—which are what they are interested in—are very different.

There seems no good reason why the Government of the United States should not cooperate with the governments of these countries in seeing that United States business concerns operating throughout Spanish America show proper respect for the needs and feeling of these peoples.

Just as certain restraints exercised by the United States Government against flagrant abuses against competitors and consumers in the domestic field have reduced public resentment against large combinations of business and increased the total profits of such businesses, so the extension of some similar control over the actions of United States business in the Spanish American countries would break down many reserves and suspicions.

Until these countries have been thoroughly convinced they can trust United States policy and business for a fair deal, dreams of a united America cannot be made into reality.

Industry Earned Average Rate of 8.4 Percent in 1939

EXTENSION OF REMARKS

OF

HON. RAYMOND S. McKEOUGH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

ARTICLE BY ROBERT P. VANDERPOEL

Mr. McKEOUGH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Robert P. Vanderpoel published under date of March 6, 1940, in the Chicago Evening American:

[From the Chicago Evening American of March 6, 1940]

INDUSTRY EARNED AVERAGE RATE OF 8.4 PERCENT IN 1939

(Robert P. Vanderpoel, Financial Editor)

The first 960 representative manufacturing corporations to report 1939 incomes showed that they earned an average net profit, after all charges, including depreciation, interest, taxes, and reserves, equivalent to 8.4 percent on net worth, according to a compilation of the National City Bank of New York.

These corporations last year earned an aggregate net profit of $1,281,479,000. The total net worth on January 1, 1939, was $15,181,145,000.

Within the various groups earnings ranged from 19.2 percent down to 2.4 percent. The range of the individual corporations, of course, would be larger.

A LUCRATIVE RETURN

Once more these earnings figures prove definitely that despite the high burden of taxation, despite certain other difficulties, the large American manufacturing corporations have been able to earn very lucrative returns on invested capital.

It is true that this compilation takes in only a relatively few corporations, but it should be emphasized that these corporations comprise approximately one-half of the industrial wealth and earning power of the Nation. Consequently, while they are not representative of the smaller corporations, they are representative of industry as it exists in the United States today.

FOUR-YEAR AVERAGE EIGHT AND ONE-THIRD PERCENT

This profit of 8.4 percent on net worth contrasts with 4.2 percent in the preceding year for these same corporations, or a previously reported 4.4 percent for a slightly larger group, and with an average of 8.3 percent for the 3 years, 1936, 1937, and 1938, inclusive.

In other words, for the last 4 years American industry, as represented by the upper half, has earned an average net return of slightly more than 8⅓ percent.

These figures, compiled by the National City Bank of New York, definitely disprove the assertion so frequently encountered that capital has not gone into productive enterprise because of lack of profit opportunities. Almost never in the history of this country has there been a period of 4 consecutive years in which industry has earned as lucrative a return as this.

CAPITAL SHOULD RUSH

As contrasted with the low interest rates prevailing and the enormous quantities of idle capital drawing no return at all, this profit return exceeds anything ever before witnessed.

Under the classical theory of economics capital should have rushed into industry during this period. Industrial leaders, we believe, should explain why this has not taken place. The American system of private, competitive enterprise falls down when it does not function according to this classical theory.

Organizations such as the United States Chamber of Commerce, the National Association of Manufacturers and others should be concentrating their efforts on finding why excess capital has not flown into profitable endeavor.

Concerns engaged in the drug business last year, for example, earned 19.2 percent on their invested capital. Why has there not been a rush of stagnant capital into this business?

IN HIGH BRACKETS

Concerns manufacturing household equipment earned an average of 16.7 percent. Automobile manufacturers earned an average of 16.5 percent; producers of soft drinks, 17.9; brewers, 16.9; distillers, 13.7; chemical companies, 13.8 percent.

The American banks have billions of idle funds which they are anxious to loan at rates of 2, 3, and 4 percent. Why has not some of this money been absorbed by industries able to make profits at the rate of 13 to 19 percent?

American investors have more billions which they have been putting into life-insurance trusts, savings banks, and what not, earning from 1 to around 3 percent. Why does this money not flow into industry capable of earning an average return of 8½ percent over the last 4 years?

Cuba's Vast Importance to the United States

EXTENSION OF REMARKS

OF

HON. JACK NICHOLS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

EDITORIAL FROM THE MICHIGAN STATE DIGEST OF DECEMBER 14, 1939

Mr. NICHOLS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Michigan State Digest of December 14, 1939:

[From the Michigan State Digest of December 14, 1939]

CUBA'S VAST IMPORTANCE TO THE UNITED STATES

To the average citizen of the United States Cuba is just one of a flock of "banana republics" lying to the south, generally lumped as South America or Latin America.

There are special factors that make Cuba especially important, economically and politically. Mr. Average Citizen should know a lot more than he does about Cuba. Here are a few facts:

Cuba is the largest, steadiest, closest-at-home, and most profitable customer the United States has among the Spanish-American nations, and is its largest source of supplies among them. These supplies are being produced in Cuba with United States capital, the profits going to United States investors, whose more than $1,000,000,000 of investment have produced better returns than have their smaller investments in any of the others; better than average investments within the United States itself.

Despite depressions and political disturbances of the past 20 years Cuba has merited the title of "Finland of America" in honoring of her obligations. Few countries equal her record for the post-war period or before.

If the Americas are to realize certain aspirations that they become a social, political, economic, and defensive unit to perpetuate the democratic principles that imbued the founders of the United States and inspired the liberators of the Spanish American republics, Cuba is cast for an important role in that unification by reason of having a large body of educated men whose close contacts with the United States—educational, professional, political, technical, and commercial—qualify them for understanding the viewpoints of the United States, and of the Spanish-American countries; to serve as interpreters, as well as modifiers of tendencies liable to impede mutual understanding.

There are a few United States citizens with similar qualifications—a very few, and almost none of them being utilized for such purposes—and each of the other nations has a few, but Cuba has more such men than the United States and all Spanish-American countries together.

United States policy toward Cuba has alternated between violent intervention in Cuban affairs and a hands-off attitude; the latter in cases which Cubans felt had their origins in United States action, and should have been straightened out by a continuance of such action.

Cuba's economy is so completely bound up with that of the United States that economic measures adopted, with more or less adequate attempts to buffer the effects of change in the domestic field, often catch Cuba unawares and produce dislocations for the lack of similar buffers.

Such unexpected changes often cause more or less justified protests that react harmfully in the rest of Spanish America, creating distrust of policies tending to link the national economies of the other countries with those of the United States.

Educationally, Cuba is one of the most literate nations of America. Steadily she has produced a succession of first-class minds in science and philosophy, medicine, and international law.

Of the native white population reaching graduation age each year, about 15 percent obtain bachelor degrees with fully half of these going on to get higher degrees as doctors, engineers, or masters from Habana University, or the universities of the United States, England, France, or other countries.

United States universities now have scores of professors who were born in Cuba, while other Cubans hold important teaching posts in other great universities abroad.

Far from liberalizing the legal set-up in Cuba, the United States occupational governments, through their military orders and measures aimed at simplifying the enforcement of such orders, had the effect of crystallizing codes suitable to colonial administration policies, but not tending to develop citizenship, civic responsibility, nor respect by governing organisms for civil rights copied into the Constitution of Cuba from that of the United States.

All this was stamped and sealed into a sort of "sacred cow" arrangement that was considered untouchable until the Platt amendment bogey was killed 5 years ago.

With the breaking of this dam, there came a flood of equally unjust decrees, laws, dispositions, codes, and measures of a so-called social or economic nature.

Many of these soon were disregarded or modified as unworkable in their original forms. New politicians, anxious to win reputations as popular legislators with radical measures, have found that the great mass of Cuban voters are not half as radical as politicians had thought.

The new feeling that Cuba should welcome foreign capital to help develop the country's natural resources, mineral and agricultural; to build more roads, extend sanitary services, establish industries to provide for local needs and give jobs to greater numbers of Cubans. Lacking experience in the control of prices and profits on such investments, and realizing that large profits on large investments going abroad to foreign investors would keep the national economy drained, many measures have been taken that directly discourage the investment that is so badly needed.

This has brought about conflict between two general groups; those who would make it impossible for foreign investors to make profits or take them out; and those who feel that all control measures should be removed to entice new capital in.

Lacking an effective income tax, Cuba has had to depend on customs revenue for the greater part of government income.

Lacking any sort of internal bonds for investment of local capital and to serve as a basis for a national currency, Cubans who make money are limited in their choice to mortgages, buildings, a few highly promotional projects, or foreign investments. The currency is backed only by silver coins of the weight and fineness of the United States dollar, with no alternative of Government bonds or gold.

With a per capita foreign trade far greater than that of the United States—most of the products of Cuba going to the United States for the direct account of the United States companies producing them—Cuba's export balance, apparently very favorable, is limited to the amounts returned to Cuba to pay for labor performed by Cubans. This limits the payable importations to the total value of such labor.

Profits and capital accumulations, by Cubans and foreigners, go abroad along with capital withdrawals and dollar funds required for paying Government bond interest and amortization, creating a constant demand for United States dollars in exchange for Cuban pesos. This enforces a depreciation in the market price of Cuban money which further weakens Cuba's economy.

These are all problems that are subject to adjustment to the mutual benefit of Cuba and the United States, and which must be adjusted in a cooperative way before the close ties between the two countries can cease to be galling at times.

They must be adjusted effectively before the relationship between Cuba and the United States can be offered as a sample of similar ties to be established between the United States and other Spanish American countries.

How Many Unemployed?—Average Figure Is 10,000,000

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. VOORHIS of California. Mr. Speaker, the New Deal has accomplished much in bringing about reemployment. In 1933 there were some 15,000,000 people out of work, and since that year a total of some 4,200,000 young people have been added to the working force of our Nation. Today there are probably numbers around 10,000,000 out of work. That

means that some 9,200,000 new jobs have been found or developed in the last 9 years. That is the first important fact.

Alongside it, however, must be placed the corresponding and far less encouraging fact, namely, a nation that sorely needs the things they would produce if they were employed.

There has been some dispute about the number of people who are at present unemployed. Therefore I have taken the trouble to collect from a wide variety of sources the best figures on the subject I could find. These follow the estimates of the volume of unemployment on the dates indicated as made by the organizations named:

National Industrial Conference Board (December 1939)	8,428,000
Alexander Hamilton Institute (December 1939)	9,282,000
Department of Commerce (unofficial, January 1940)	10,937,000
American Federation of Labor (Jan. 15, 1940)	10,381,000
Congress of Industrial Organizations (January 1940)	11,936,000

The average of these figures—some from business, some from labor, some from Government sources—is 10,192,800.

What does this mean? It means unemployment is still America's No. 1 problem. It means its solution is the first duty of the Congress. It means that we have no business at this time to abandon the P. W. A. or to cut some 800,000 people off the W. P. A., as will be necessary on the Budget figure, or to discharge 55,000 C. C. C. boys, or reduce the N. Y. A.—not unless we have another and better program to put in their places. It means that before this Congress adjourns to go home and fight political battles, each Member should search his mind for the best answer he can find for this great problem. For the first question his people will rightly ask him will be this: "What answer have you to offer to the problem of unemployment in America?"

The editor of the Los Angeles Daily News, in his daily column entitled "Views of the News" for February 10, 1940, wrote as follows:

VIEWS OF THE NEWS

(By Manchester Boddy)

Our Government observes about every safeguard organized society can conceive in her effort to secure healthy, standardized, sound, normal, intelligent men for West Point and Annapolis. To qualify for either institution is in itself an outstanding distinction.

Col. F. C. Harrington, now Work Projects Commissioner (Washington, D. C.), is a graduate of West Point, with years of practical experience added to what he learned there. He has become as hard-headed, practical, impartial, and nonpolitical as any man I know.

I make this elaborate introduction in order that you may read the following news item with the doors to your mind wide open. You have nothing to gain by ignoring the implications plainly written into this straightforward statement on the grounds that it is concerned with a New Deal institution.

Here are highlights of Colonel Harrington's report:

"While industrial activity during December reached the highest level on record—even above that in the 'prosperity' period of 1929—there was no corresponding abatement in the pressure of the relief and unemployment problems. * * * In the face of a rise in industrial production to a level above the peak in 1929, with national income payments equaling those achieved during the 1937 recovery period, the high level of unemployment remained unchanged during the month. There was, further, an intensification of the pressure upon local relief and W. P. A. offices for assistance to the destitute and unemployed.

"Since 1929 over 6,000,000 have been added to the Nation's working force. But, because population continues to grow in the working-age brackets, more and more persons are seeking jobs each year. Unemployment remains a staggering problem.

"The relation between production and employment is steadily widening. Fewer and fewer men are needed to produce the same quantity of goods as were required a decade, or even 5 years ago. Mechanization is steadily reducing the demand for manpower per unit of output. Shorter hours of work only partially compensate for the increased efficiency.

"A great many of those currently employed are employed on a part-time basis. Hence the set-up in production which has been in evidence for the last several months has meant, to an important degree, the return of workers already employed to fulltime schedules rather than the employment of any great numbers of new workers.

"These factors are necessary to an understanding of our paradox: Why relief needs do not decline as much as business activity improves. They lead to the inevitable conclusion that we must continue a substantial program of aid to the unemployed until such time as domestic activity increases to levels above any heretofore seen.

"The labor turn-over on W. P. A. projects remained fairly even during December. The number of persons leaving the rolls in that month was 181,678, or 9.4 percent of the total employed at the beginning of the month. Of this number, 63,847 left voluntarily, the majority to accept private employment. Of the 298,955 added to the rolls in December, 66,696 came on W. P. A. for the first time."

In short, ladies and gentlemen, a competent man in a key position whence he can observe what is going on supplies valuable evidence that there is no turning back to conditions as they were, say, even a decade ago.

We are in the midst of change. Our job is to accomplish the transition as smoothly and efficiently as possible.

Legislation Pending Before Congress

EXTENSION OF REMARKS

OF

HON. ALLEN J. ELLENDER

OF LOUISIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 20 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. ELLENDER. Mr. President, I ask unanimous consent to place in the RECORD a radio address delivered by the junior Senator from New York [Mr. MEAD] over station WIBX on March 17, 1940, on legislation pending before Congress, developments affecting the Mohawk Valley area, and other topics of interest.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a source of deep pleasure for me to again visit Utica and to enjoy this opportunity of discussing briefly some of the legislative highlights engaging my attention at the Capitol in Washington.

You are particularly interested, of course, in developments at Washington which directly affect the beautiful Mohawk Valley area.

I have been interesting myself in the apparent necessity for a long-range, carefully worked out, remedial program of flood control along the banks of the Mohawk River and its tributaries.

In this regard a public hearing was conducted by the War Department engineers at Albany a few weeks ago * * * to determine the extent of the flood threat to this section.

Representatives of urban and rural communities appeared at that hearing and urged the need for a survey by the Government of conditions along the Mohawk which, if not corrected by remedial works, may constitute a growing menace in the future.

I am thoroughly in accord with the idea that these conditions should be made the object of a comprehensive survey, pointing to the eventual appliance of corrective measures.

To move into another field of vast local concern, I believe many of you are familiar with the technical studies and detailed work that has been already accomplished looking forward to the future establishment of an Adirondack National Park. The potential value of such a development to the Mohawk area can be immediately recognized.

Last week I discussed with the President and with other high authorities at Washington the possibility of the establishment of a national park recreational area in the Adirondacks. These conferences have so encouraged me with respect to the subject that I intend to introduce a bill for this purpose within the very near future.

There are few national-park developments in Northeastern United States, and our Adirondacks offer an ideal locale for such an undertaking.

Certainly we can depend upon widespread endorsement of a national highway system which would serve to link together the picturesque mountains of Pennsylvania, New York, New Hampshire, Vermont, and Canada. Such a parkway plan would open up the Adirondacks to its full use as a recreational area. It would be of inestimable value to this particular area.

Whether I shall press for a national park or for a national highway parkway, or for both remains at present a matter for additional judgment and study. However, I believe I shall present a national park bill so that it may be subjected to the scrutiny and counsel of all interested and affected groups. This is not a matter that is going to be adopted overnight, but it appeals to me to be eminently deserving of prompt and thorough consideration.

To dwell for a moment on another subject in which you and I are keenly concerned. * * * I wish to mention the sustained efforts that are being put forth for extension of the food-stamp plan into this section.

Most of us are acquainted with the successful operation of the Federal food-stamp program at Rochester.

Very briefly, the food-stamp plan provides an efficient, economical, and dignified method for the distribution of surplus-food commodities to our needy. Instead of going to a warehouse and accepting such foods as the welfare service may be able to provide, the needy are able, under the stamp plan, to go to their neighborhood merchant and purchase with stamps the food they feel they need. The result is a happy one for the needy, the retail merchant, and the taxpayer.

New York State, with 13,000,000 people and many large urban centers, will find the extension of the stamp plan into additional communities most beneficial. Utica, particularly, has demonstrated an active interest in the adoption of the program. I hope that it will be extended and that Utica and other cities in the State will have an opportunity to participate in its benefits.

In this connection, I might add that I have been an ardent advocate of the adoption of a plan, patterned after the successful operation of the food-stamp program, for the distribution of cotton-textile goods to our needy. I am happy to report that such a program will soon be inaugurated on an experimental basis. If it proves successful, as I am confident it will, its operation will be extended into several States. The reemployment in our textile plants as well as the relief which will be afforded to our surplus cotton, makes this plan a practical and an appealing one.

As one additional thought, I would mention, too, that I can see possibilities for the distribution of milk to our needy via the food-stamp-plan program. In this regard I have been soliciting the counsel and advice of dairy leaders in up-State New York. I am referring their suggestions to the proper officials at Washington and, if the plan develops increased interest and merit, it may be attempted on an experimental basis. Without disturbing milk prices, the increased city consumption of milk by those who need it the most, suggests itself as a commendable proposition.

As a further subject in which you are interested, I wish to mention a proposal I am sponsoring in the Senate which envisions the construction, equipment, repair, alteration, extension, and improvement of hospitals, water and sewage systems, and works for the reduction of pollution in our streams.

This bill will permit the Federal Government to make loans but no grants to public bodies and, in the case of hospitals, to privately owned, nonprofit institutions such as those operated by religious, fraternal, and educational organizations. Every cent of the money to be loaned will be repaid to the Treasury.

In view of the essential requirements of hundreds of municipalities which are not in a position to finance such projects themselves, in view of the growing realization that the Nation's health is of major contemporary concern, in view of the need for long-term, low-interest financing in instances where private financing institutions cannot assume the task, in view of employment requirements both in the skilled and unskilled fields, and in view of the imminent liquidation of the P. W. A. program which will throw additional hundreds of thousands out of gainful employment, this legislation seems to me to be both practical and timely.

I am afraid that I am dipping into too many subjects in this brief chat, but in the few moments remaining, I wish to call to your attention my bill for the aid of small-business enterprise; I consider it the most vital subject now under consideration.

It is my conviction that the small-business man has been a sadly neglected individual insofar as legislative assistance has been concerned. He is the mainstay of the Nation, the backbone of every community, large or small. If he fails in business, the result adds to unemployment and burdens the relief rolls. Widespread failure of small business and the steady growth of monopoly and big business is not going to have a wholesome effect on the Nation's economy.

Today, the average small-business man is in a desperate plight. After 10 years of credit famine, low earnings, and intensifying competition, he is not in a position to participate in the current upward industrial swing. His inventories are low; his surplus funds are negligible; his machinery is antiquated; he needs long-term capital and credit in order to purchase supplies, to meet pay rolls, to buy new equipment, to modernize and improve his plant production, to solicit new orders, and to meet his big-business competitor in the price field.

In urging the provision of means for the extension to little business of ample long-term, low-interest-rate credit, I am not placing the entire blame on the local, commercial banker who is showing a most sympathetic consideration for the "little fellow."

However, I strongly believe that immediate steps should be taken to supplement the present efforts of commercial banks to extend loans to industry.

I believe the little-business man prefers to obtain his credit locally at his own bank. He should not be forced to undergo the slow, uncertain, and expensive method of applying to the R. F. C. at Washington. Besides, the R. F. C. has not been widely helpful to small business and often proves no more liberal in its requirements than the local bank.

My small-business credit bill provides a convenient, economical, and decentralized method whereby legitimate long-term loans can be extended to small business.

I am proposing that the existing authority of the Federal Reserve banks to make loans to industry and to make commitments to banks on such loans be liberalized. I simply seek to expand the existing lending authority which was provided in 1934 by an amendment to the Federal Reserve Act offered by Senator CARTER GLASS. It is a modest, conservative plan which will not cost the Government one penny and will permit our local banks to extend loans to small business which they cannot extend today. I am talking, of course, about legitimate loans and loans for which there is reasonable assurance of repayment.

I must conclude now, but, in parting, I wish to emphasize that I am pressing forward on all fronts to provide this needed aid to small business. It is a common-sense program that deserves immediate adoption. The fate of small business is at stake.

Work of Work Projects Administration

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Wednesday, March 20 (legislative day of Monday, March 4), 1940

ADDRESS BY COL. F. C. HARRINGTON

Mr. SCHWARTZ. Mr. President, on March 17, Col. F. C. Harrington, Commissioner of the Work Projects Administration of the Federal Works Agency, delivered an address over the Columbia Broadcasting System. The address gives valuable information concerning the amount and character of the work performed by the W. P. A. I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Work Projects Administration has just finished taking an inventory of all the work it has done during the first 4½ years of its existence, that is, from July 1, 1935, up to January 1, 1940.

There are two obvious reasons why we keep a regular record of our completed work of all kinds. First, we wish to see, from year to year, what types of projects are being selected by communities. We wish to know, in terms of money expended, whether we are increasing our output of benefits for communities to the fullest extent possible. Our job is not only to spend the money appropriated to us by Congress in setting the needy unemployed to work, but to conduct those work operations in such a way as to bring the best results to our communities. I am glad to say that our records show a continual increase over the whole country in the community benefits that are being secured by the use of W. P. A. projects.

The other reason for keeping such a record is to enable us to report to the American people what results have been secured by the expenditure of their money. The inventory which we have just completed, showing accomplishments during the whole period of the existence of the W. P. A., is one which should answer many questions that the public has a right to ask. This inventory shows, first of all, what has been done in the country as a whole. Then it shows what has been done in each State. And for each State it shows what has been done in each county. The American public is entitled to this information, and it is given very specifically by this inventory.

To summarize the inventory over the radio this evening would obviously be impossible. The W. P. A. has operated some 250,000 separate projects, distributed over the whole country. The W. P. A. field of operations is far more complex than that of any private business in existence anywhere in the world. Not only do we construct roads and bridges, schools and hospitals, parks and airports, and perform various kinds of conservation work, but we also conduct classes in literacy and naturalization; we produce clothes for families on the relief rolls; we carry on traffic surveys; we aid in research work in State universities; we help communities in doing public-health work of every kind; and we cook and serve school lunches for the children of needy families. This is a brief selection of items from the list. The whole list of our different W. P. A. activities, and the figures showing our accomplishments in each branch of activity, would take up more than the radio time at my disposal this evening. Besides, it is well known to all of us that statistics, to be appreciated, should be seen and not heard.

For this reason, therefore, we are making our W. P. A. inventory report available to the press of the Nation so that the American people can see for themselves what the W. P. A. has done. This report will be sent to the press during the coming week—first the national figures, and then the State and county figures. With the cooperation of the press, there will be available to every citizen a detailed answer to the question of what we have got in return for the money spent on W. P. A. work for the unemployed.

In advance of this report I wish to speak briefly of what those figures indicate. One of the very largest of the activities in which the W. P. A. has been engaged is the construction and improvement of highways, roads, and streets. About 40 percent of all W. P. A. money has been spent on this kind of work. The total W. P. A. road construction and improvement during this 4½-year period

is 457,000 miles. I might tell you how many times so many miles would go around the world, but I think it will be more helpful if I point out that out of this total mileage of new and improved roads a very large proportion—well over 350,000 miles—is secondary, rural, and farm-to-market roads.

We are inclined to think of roads in terms of tourist traffic, and we have neglected until recently our secondary road system. Before the W. P. A. entered the picture there were numerous rural sections where roads were practically impassable to automobile traffic for weeks and even months out of the year. At such times it was difficult for children to go to school, for doctors to visit their patients, and for farmers to get their produce to market. The W. P. A., in "pulling the farmer out of the mud," has done a work of very great economic and social value.

I should like also to dwell for a moment on the significance of the figures showing how many schools have been built and improved by the W. P. A. School construction in this country was allowed to lapse during the World War, and we had not yet caught up with our needs when the depression came. In 1935 a survey by the National Education Association showed that 700,000 of our children were going to school in buildings which had been condemned as unsafe and insanitary—many of them actually fire traps. Many buildings were obsolete, many more in urgent need of repairs, and a very large number were badly overcrowded. So great were the needs that it is not surprising that there has been a widespread demand for W. P. A. projects, both for new-school construction and for the improvement and modernization of old schools. Our inventory shows that the W. P. A. has constructed 4,000 new school buildings and 1,500 additions, besides improving and modernizing 28,000 other school buildings.

Another field of community needs is that of public health. Services for the prevention and control of sickness are lacking in rural areas and are grossly inadequate in many smaller cities. While hospital beds in private rooms stand empty, thousands of people with low incomes do not receive the hospital services they need. Forty percent of the counties in the United States have no registered general hospitals. Institutions for tuberculosis and mental disease are overcrowded and inadequately supported. Every year 2,000,000 cases of serious illness go entirely without medical treatment, and hundreds of thousands of people die of preventable illnesses. There is a need for more public hospitals, more urban clinics and rural health centers, and more sanitation work.

The figures in our inventory, which show the public health activities of the W. P. A., should be read against that background. The W. P. A. has constructed 156 new public hospitals, made 66 additions to existing hospitals, and has renovated and improved 1,436 hospitals. W. P. A. workers, in an average 2-week period, administer some 250,000 general medical and dental examinations, including treatments in clinics, schools, and homes; and 80,000 special tests for specific diseases.

Examples of W. P. A. health work would fill many volumes. One such volume would be filled with the emergency health work done by the W. P. A. immediately after every one of our great disasters of flood, drought, or hurricane. Another volume would be filled with the sanitary work done by the W. P. A. The Surgeon General of the United States Public Health Service has stated that by our sanitary work in the South we have advanced malaria control by 20 years.

As a part of our assistance to community sanitation, the W. P. A. has constructed one and three-quarter million sanitary privies, most of them in what used to be called the "typhoid belt" in the rural South. Some people have laughed at this kind of work but the fact remains that since it began the typhoid death rate has been cut in half in one State after another. The same kind of sanitary work is producing good results in the fight against dysentery and hookworm. Public health authorities everywhere in the United States have praised the W. P. A. for the assistance it has given them.

Those are all the figures that I will cite this evening. I wish to turn now for a few minutes to the W. P. A. workers themselves. I want to point out that the value of the work they do is not dependent on them alone. It is to a very large extent dependent on the way projects have been planned by the communities. In general it is true that where projects are well planned, W. P. A. workers do good work.

There are some disadvantages inherent in W. P. A. work, as compared with private industry. Our work has to be done when workers are laid off from private industry, and this means that a good deal of it is done in the seasons of the year least favorable to efficient work. Also, unlike private employers, we cannot keep our workers steadily on the job until the work is done—we have to let our workers go as soon as private employment is available for them. They are glad to take private employment because the wages are higher than W. P. A. wages; but they have no choice in the matter under the law, nor have we—they must take private employment when it is available or be cut off the W. P. A. rolls. And on this point I wish to say that we have investigated thousands of reports of alleged job refusals by W. P. A. workers, and have almost invariably found that they were based on hearsay and were completely false in fact.

The conditions under which we operate are obviously different from those of private industry, and are in some respects, as I have said, very disadvantageous. Nevertheless, I am glad to say that the efficiency of our program has been steadily increasing. In view of the complexity of the W. P. A. program, and the fact that it has been operating for only 4½ years—a very short time for any large program of operations—I think we can be gratified by the progress that we have made. I note with pleasure that the word "boondoggle" is being dropped from the American vocabulary, as applied to W. P. A. work.

I think the American people are just beginning to realize how much valuable work is being accomplished for their benefit through the W. P. A. And this realization, I believe, is changing the public attitude toward the W. P. A. It has been thought of in the past by many people as a necessary evil. We knew that something had to be done about unemployment, and the W. P. A. seemed to be a stop-gap. It is when we look at the other side of the picture, and see the great community need for the kind of work that W. P. A. workers have been doing, that we realize the lack of wisdom of such a view of the W. P. A.

It is unjust for anybody to think of W. P. A. workers as recipients of public charity. They earn the money by which they support themselves and their families. They are engaged in creating wealth for our towns and counties. They are helping to build up the Nation.

Like everyone else, I would like to see America's unemployed back at work in private jobs. But there are no sound reasons to believe that this can occur within the near future.

There is still much work that needs to be done for the benefit of our communities all over the United States. We shall have unemployed workers for some time to come. It seems only reasonable that we should continue to bring the workers and the work together, and continue to make America a better place to live in. That, I believe, is and will remain our American way of dealing with the situation.

Two X's of Housing

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, March 20 (legislative day of Monday, March 4), 1940

ARTICLE BY MRS. DOROTHY ROSENMAN

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a very interesting and thoughtful analysis of the low-cost housing problem, entitled "Two X's of Housing," by Mrs. Dorothy Rosenman, which appeared in the New York Times magazine on February 11, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times Magazine, February 11, 1940]

TWO X'S OF HOUSING—UNKNOWN QUANTITIES OF THE CITY'S SLUM-CLEARING PROBLEM ARE (1) FORGOTTEN FAMILIES AND (2) BLIGHTED NEIGHBORHOODS

(By Dorothy Rosenman)

Of New York City's 7,500,000 people, about 1,800,000, or nearly 1 in 4, live in antiquated tenements or other houses that authorities call "substandard." These below-par dwellings are scattered throughout many parts of the city, often appearing isolated, like a beggar at a feast, in the midst of modern apartments and hotels. But by far the largest number of them are in well-defined areas that would come under the statutory definition of slum.

In these areas, as the definition runs, "dwellings predominate which by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals." The city planning commission recently marked out 32 sections of the city containing the greatest concentrations of such substandard areas. It is estimated that at least two-thirds of the 1,800,000 ill-housed people live in the antiquated houses of these sections—enough men, women, and children to fill any city in America except the 5 greatest.

How to rehouse these people in better homes is now a foremost problem. Questions like these arise: How much rent can the present slum dwellers pay? Can new homes be built to rent for that? And where, if so, should these homes be constructed?

As to rents, in the city there are five different income levels of concern to real-estate, investment, labor, and construction interests. Their family rent-paying abilities are:

RENT PER ROOM PER MONTH

Lowest income, 0 to $8.

Low income, $8 to $10.50.

Medium income, $10.50 to $14.50 (with an average maximum room rent of $12.50).

High income, $14.50 to $20.

Highest income, $20 and above.

The people living in substandard areas in the mapped sections belong not only to the first of these five groups, as is commonly

supposed, but to the next two as well. Although there are exceptions, they live there because they cannot find any better housing at prices they can afford to pay.

The plight of the second and third groups—those of low and medium income—is especially acute. They see Government agencies making a start toward erecting new housing for the lowest income group, and they see private interests providing houses for the two highest income groups. They alone remain outside the field of either Government or large-scale private building activity. They are the forgotten men—and women and children—of housing.

These forgotten people of housing may live in the better houses of the areas, in remodeled, gadget-equipped "old-law" tenements, or in the steam-heated "new-law" tenements of early vintage, constructed when daylight was a phenomenon disregarded by architects and builders. However, they live in blighted neighborhoods. Some of them might be able to pay a higher rent than they now do, but there is a very limited supply of accommodations for them in better sections, or in sections that are accessible to their places of work.

Let us visit one of the blighted areas in which these people are caught. Here are streets swarming with children who have no other playground. Vacant lots are filled with the neighborhood rubbish and debris. The area abounds with boarded-up structures that the owner has closed rather than make the alterations required by law for the tenants' safety and health. No amount of police vigilance keeps the vandal, the criminal, the prostitute, the adventuring child from prying a way into such boarded-up buildings, which thus become fire, accident, and moral hazards to the entire neighborhood.

Amid the down-at-heel tenements of the area the eye lights with some relief upon a freshly painted house front. Here, one thinks at first, is rehabilitation amid squalor. But on entering the house one finds dark, narrow, damp halls and dark, unventilated apartments that have windows in only one of their three rooms.

The house next door has no coat of paint, no fire-retarding treatment of hall and cellar ceilings. It even has the dangerous vertical-ladder fire escapes, illegal since 1934. Children, sick or well; men and women, disease ridden or infected, share common toilets in dark halls. Across the narrow street one sees conditions duplicated.

Most of the houses are unheated. They are noisome with human odors—of people living in crowded, unhealthful surroundings, in which a ray of sunshine is asked to travel too far. There are, scattered here and there, some better buildings, but the atmosphere of decay so permeates the neighborhood that it stamps them, too.

To understand the present condition of such neighborhoods it is necessary to understand their past.

The truth is that from earliest time New York's way of providing living facilities has been almost wholly unplanned. Men built only when and where they thought they could make a good profit. When waves of immigration began to sweep New York and continued into the twentieth century, landowners in the present slum areas divided and subdivided their acreage. Overingenious architects tried to use every inch of ground on which to build cheap dwellings for rental. In many cases if tenements did not cover 90 percent of a plot, the "error" was corrected by erecting rear tenements.

As time passed and the occupants of these buildings became able to move on to new neighborhoods with better living conditions, there were always others to move into the amazingly wretched houses. But no one bothered about the neighborhood as a whole. No one thought of planning to rebuild the outworn neighborhoods. The owner of the property, the mortgagee, the city itself—each worried only about its own individual problem. The city worried only about collection of taxes. The mortgagee worried only about collecting his interest. The owner was concerned only with immediate rental. He was under no compulsion to improve his property and until recent years he could still make a large profit with little or no outlay, except for taxes based on increasing city assessments.

New York, about the turn of the century, began to take inventory of the manner of its life and discard some of its earlier follies. Certain basic remedies were applied by law to the houses; no thought was given to the neighborhoods.

Beginning with 1901, State law put a stop to the building of old-law tenements and in the last decade the legislature has enacted statutes requiring that the worst conditions in such tenements—there are still nearly 60,000—be remedied by the owners. It was the practical thing to do. It will take many years to erase and rebuild the slums. During these years of transition those who must live there should be entitled to do so in comparative safety. Unfortunately compliance with these newer laws has been slow. But no matter how vigorously these amendments to the multiple dwellings law are enforced they will be but a proper patchwork to keep 500,000 families housed during a period of needed change. It will take complete reconstruction to rehabilitate the neighborhoods themselves.

It is only in the last 3 years that a beginning has been made to solve the problem of such neighborhoods, and then only a modest beginning.

The year 1937 saw the start of a Federal program of slum clearance and rehousing based on the recognition of two newly established principles: First, that blight, far from being confined to a single house, affects a whole area and, second, that improved housing for families of the lowest income group living in slums must be built with the aid of government subsidy. And as a part of this program it was provided that for each unit built for this purpose there must be a corresponding demolition of an old-law tenement.

The State and city have joined the Federal Government in the rehousing effort. Several Federal-aid projects have been built, others are under construction and more are being planned; a small city-financed project is under way, and a plan for a huge project under a new State housing program is in the making. Yet when all of these projects together are completed they will house fewer than 61,000 persons—a mere fraction of the present slum-dwellers in the lowest income group. To rehouse all of this group alone will at this rate take generations; moreover, there are not sufficient funds in the public coffers to provide the necessary subsidy. Government can do no more than begin to do the job, and to point the way. No provision at all is made for the slum families of low and medium income.

How are these forgotten men of the slums to be rehoused—these families of low and medium income?

First, it must be said that they have been neglected by private builders because the builders long have been accustomed to expect large returns on their money. They have built, not for investment, but for speculation—for quick sale, for quick turn-over of capital. They have looked for a return of 20 or 30 percent on their equity money—that part of the cost not covered by mortgage. Such a return would be impossible from medium-cost dwellings built even for the man who can pay a monthly rent of $12.50 a room. His ability to pay requires construction on a solid, secure investment basis with a return of 3½, 4, or, at the most, 6 percent on equity money. The availability of equity money is the crux of the problem of supplying homes to this vast mass of wage earners looking for new homes. No one is willing to put up equity money without a chance of making a "killing." Banks can lend only 66⅔ percent of the entire venture in mortgage, and F. H. A. can guarantee only 80 percent of a project. We are therefore faced with the fact that unless the sponsor of a building project is willing to invest either 20 percent or 33⅓ percent of the cost there will be no money to start the ball rolling.

Housing for the medium- and low-income groups must be built on an investment basis at investment interest rates on equity money rather than for speculative profits. There are practically no such private investors today. There is virtually no money available for equity investment. Therefore there is no quantity of building for this large market of renters.

Yet there is now some hope at least for the families of medium income—chauffeurs, clerks, small-shop owners, and the like. It lies in the large reservoirs of uninvested funds tucked neatly in trust companies, life-insurance companies, and banks, waiting for investment.

Legislation was enacted in 1938 allowing life-insurance companies to use up to 10 percent of their assets in acquiring land and erecting buildings. So far only the Metropolitan Life Insurance Co. has taken advantage of this law by building a large housing development on vacant land in the Bronx; but lately an effort has been made to interest other companies in using some of their funds for housing, and they are beginning to quicken to the suggestion.

There is now pending at Albany legislation that would enable savings banks to use a part of their funds in building houses that could rent for an average of $12.50 a room in Manhattan and $11 a room throughout the rest of the city and State. That would mean that a bank, instead of taking a mortgage on a housing project, could defray the cost of the entire building.

Advocates believe that if this measure is passed the savings banks will devote their efforts to rebuilding in the old slum areas and will construct enough new housing to start the redevelopment of entire neighborhoods. Once rehabilitated these areas might well again attract the higher-income levels, too. For our American cities house within easy distances of each other all economic levels of our population.

These banks, more than others, have a stake in such areas. They hold mortgages on many of the old properties and, because of foreclosure, are the actual owners of many unprofitable old tenements, boarded-up buildings, and vacant lots. They would welcome, it is thought, an opportunity to turn the present slum localities into places of useful and fertile investment—the more so since they are at present hard put to it to invest their deposits, which increased by $194,000,000 in the last year. The greatest part of this is as yet uninvested.

There still remains the problem of rehousing the low-income families—those that can pay only from $8 to $10.50 monthly rent per room. Their income is not high enough to enable them to live even in homes that may be built on the nonspeculation investment principle. Still, for even these people human ingenuity always presents the hope of an answer.

Construction costs already have been greatly reduced during the short period in which technicians in the public-housing field have been studying this problem. It is therefore well within the realm of possibility that when investment housing enters the field with its own technicians the combined efforts of constant private and public enterprise may produce new methods of decreasing costs so that the low-income group too may get new homes.

A formula must be found eventually for the rehousing of each of the poorly housed income groups. And that formula must answer the question not only of how but of where.

There are some who urge that people removed from the slums should be rehoused in outlying areas. They contend that the inhabitants of these sections should be siphoned off to the periphery of the city where land costs are infinitesimal in comparison with the high prices of the old areas—prices kept high by unrelenting assessments, at present incapable of wide reduction. They contend that land prices in the old areas will crumble away when the population is drained. When that time comes they would rebuild. Meanwhile they would have the city lend every encouragement to building in the outlying sections.

Others, interested in this question, argue that people cannot forever be moved to other camping grounds without consideration of the public factors involved. They ask, How long will it take for land costs in slum areas to reach bottom? What are the costs to the taxpayer of the city during the years of collapse development? Should the city encourage such building in outlying districts in the face of the extra tax burdens involved in establishing a new neighborhood, with all the many new public services required for all time?

The recently published report of the City Planning Commission says: "In the opinion of this commission the building of low-rent housing in new areas in this city has gone as far as it should now be permitted to go. The time has now come for replacing appropriately located obsolescent areas with modern housing for low-income groups, particularly where this can be accomplished within walking distance of opportunities for employment."

The 32 mapped sections are so well placed that they were the first choice of early settlers when there was indeed a choice of sites. The subsequent intensity of use and crowding of population boosted the price of land and the city assessments.

When the neighborhoods became specters of the past and real-estate owners no longer made profits, parcels were sold at fractions of their assessed value. But the assessments themselves cannot be lowered, since on the city's assessment roll depends the amount of debt the city may incur and it is now very close to its debt limit.

It is therefore necessary to redevelop these areas so that the assessments fixed may be realistic; so that the property owner in these 32 districts may look upon the property he holds as a reasonable investment, not as a dream of a bonanza; so that those who live there may do so in the twentieth-century manner of life, and so that taxpayers of the city at large need not feel the extra burden which these vast areas now impose upon them in extra costs of policing, protecting from fire, collecting waste, cleaning streets, caring for delinquents, preventing crime, and providing maintenance in general.

The wastefulness of discarding area after area without a thought of their future has come to be recognized. The new State constitution contains adequate provision under which power could be conferred upon the city, if it does not already have it under its charter, to embark upon a program of "clearance, replanning, reconstruction, and rehabilitation of substandard and unsanitary areas * * * and for recreational and other facilities incidental or appurtenant thereto."

These prescribed powers should be invoked as soon as possible to solve the intricacies of a problem weighing heavily on public mind, sight, and purse.

Credit for Businessmen

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, March 20 (legislative day of Monday, March 4), 1940

EDITORIAL FROM NEW YORK TIMES

Mr. MEAD. Mr. President, I ask permission to have inserted in the Appendix of the RECORD an editorial appearing in a recent issue of the New York Times. This editorial calls attention to the plight of small business in connection with its need for adequate credit facilities. It likewise emphasizes an article which appeared in a recent issue of the Federal Reserve Bulletin, suggesting the formation of an industrial-loan corporation in order to take care of this pressing need.

I ask to have the editorial inserted in the RECORD, and I should like also to draw it to the attention of my colleagues.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 18, 1940]

CREDIT FOR BUSINESSMEN

Although less has been heard since the beginning of the war of the difficulties of the small-business man in obtaining adequate credit accommodations from the banks, the question has not been disposed of. The current issue of the Federal Reserve Bulletin discusses it at some length. Short-term credit appears in general to be available to those who constitute good risks, although some critics maintain that the banks' standards in certain cases are unduly exacting. Nevertheless, discussion of the question persists, suggesting that there may be classes of potential borrowers who do not fit into the framework of the existing credit machinery, and whose inability to obtain desired credit accordingly hampers business activity.

One of these groups comprises enterprises that are basically sound but which at present levels of business are not regarded as acceptable risks by the banks. Probably more important are those that are actually seeking long-term capital, which it has not traditionally been the function of American banks to furnish. Whether the banks should be permitted or encouraged to seek this type of business is, however, another question. It is true that in the past they have frequently supplied equity capital under the guise of short-term loans, periodically renewed; but such a practice is scarcely a solution of the problem.

The Federal Reserve Bulletin suggests an Industrial Loan Corporation, utilizing the existing Federal Reserve machinery, to supply capital directly or to guarantee advances by local banks. Whether or not the solution lies in this quarter is a question worth exploring further. The small business and the local enterprise that it typifies are an essential part of the American economy.

Prevention of and Punishment for Lynching

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Wednesday, March 20 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE NEW YORK POST

Mr. CAPPER. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an editorial appearing in the New York Post on March 18, 1940, entitled "New Style in Lynching."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of March 18, 1940]

NEW STYLE IN LYNCHING?

The special report on lynching which has been issued by a group of Congressmen (including Senator WAGNER and Representative GAVAGAN, of New York) does much to destroy complacency based on low recent lynching figures.

A native white southerner, unnamed, conducted the private investigation which lies behind this report.

He declares that the number of Negroes lynched annually is "countless," and that these killings do not reach the statistics solely because a new method of lynching has been evolved—one which avoids and defeats publicity.

Instead of a mob, a small group of picked men conducts the operation. They seize the victim in dark of night, take him to the woods or a lonely swamp, and there commit the crime. Sometimes, says the report, deputies are among the members of the lynching committee. At least four lynchings near one Mississippi town during the last half-year are alleged to have taken place.

It would be shocking to have to believe that the steady decline in lynchings (to a low of three last year) is based on a new style of mob murder, rather than on a genuine increase in respect for law and order.

If the report is based on misconceptions, few in the South have anything to fear from the antilynching bill. But if the report does reveal a dreadful and unsuspected condition, then we may understand some of the local bitterness roused by the measure.

Should this report be accurate, the bill becomes all the more important. It provides a positive means by Federal action to compel local law-enforcement officers to do their duty. At present there is no check upon them, and little remedy against them, even if they join with a lynch committee.

There will never be a good year for reaching a decision on the issue. It may as well be fought out this time as any, even at the cost of a filibuster. Let those on the other side file their reply to this new report on the lynch evil—if they have a reply.

Federal Taxes Not Always Levied Where Collected or Imposed Upon Those Who Pay Them—Federal Projects Not Always Opposed by the Taxpayer

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

Mr. DINGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to point out the interdependence of the States of the Union, and the lack of self-sufficiency of any one of the States. I desire, moreover, to point out that taxes collected from persons and corporations in one State more often than not either are actually earned or finally paid from the resources of another State. I include the following news item relating to Federal taxes and the burdens of the States in which they are paid:

[From the Syracuse (N. Y.) Herald-Journal of January 25, 1940]

The proposed transformation of the St. Lawrence River from the Great Lakes to Montreal into a seaway would be a vast waste of taxpayers' money, Dean Charles L. Raper, of the Syracuse University College of Business Administration, told 450 transportation company officials attending the annual dinner of the Traffic Club of Syracuse last night. The dinner marked the twenty-fifth anniversary of the founding of the club. * * *

Dean Raper said: "New York State contributed about 22 percent of all Federal revenue and would, therefore, make at least one-fifth of the vast investment necessary for the transformation of the St. Lawrence into an ocean waterway. The people of the State have, therefore, every reason to demand that the most thoroughgoing investigation be made before a dollar of United States money should be invested in the making of the St. Lawrence into an ocean waterway, however profitable the people of our Northwest and of Canada may think it to be."

Who's Who of America says that Dr. Raper was born in 1870 at High Point, N. C., has been professor of transportation at the Syracuse institution of learning for the last two decades, and is also connected with the traffic bureau of the Syracuse Chamber of Commerce.

As Syracuse is a railroad city, until recent years its business section bisected at street level by railroad tracks, it could hardly be expected that Dean Raper would have deep affection for an improvement in the waterways of the continent such as is offered by the enlarging of the existing St. Lawrence Canals, and not arbitrarily to be completed before 1950.

But as Dr. Raper is a distinguished university professor who is also regarded as something of an authority upon the subject of taxation, his statement with respect to the proportion New York State contributes to all Federal revenue demands exploration. I make no claim to being expert as regards the complex question of taxation, although I have been a member of the Committee on Ways and Means for the past three terms. I do have some definite views on taxation and learned something of their origin and source, which collide with the views of the learned gentleman from Syracuse University.

An inquiry made to the United States Treasury for information as to Federal taxes received from a particular State and Federal expenditures in that State produced a letter containing the following paragraph:

It should be borne in mind that data representing Federal tax collections in particular States have very serious limitations, and, in the interest of accuracy, great care must be exercised in their use. Receipts from internal revenue collected in a particular State, for example, do not necessarily correspond with the amounts which the people of that State ultimately pay toward the expenses of the Government. While the individual reporting income in a certain State is usually a resident of that State, his income is often derived from sources in another State. Also corporations, particularly the larger ones, pay their income taxes in the States in which their principal offices are maintained, although their physical properties may be located in other States or sections of the country, and the greater part of their profits may be derived from sales in many States.

Dr. Raper has clearly overlooked the fact that the Government of the United States does not tax citizens of the State of New York. Instead the Federal Government taxes citizens of the United States who happen to have their residences or places of business in New York State. The farmer and the city dweller of New York State pays on the exact basis as every other citizen of the United States—no more, no less.

The founders of the United States intended ours should be one country of equal opportunity and burdens, and it has turned out to be one country of equal opportunity and burdens. New York State bears only its share in a pooled relationship.

Federal tax receipts reported by internal-revenue collection districts are not entirely indicative of the Federal tax burden of the respective States, since the taxes may be eventually borne by persons in other States. This is particularly true with respect to New York State, which likes to include as its own burden in support of the Federal Government the Federal taxes collected in New York City.

METROPOLIS OF ALL STATES

The great community of New York City, which constitutes more than half of the population and wealth of New York State, and pays nearly nine-tenths of the Federal taxes levied in New York State, is supported by the trade and industry of the entire United States, from Portland, Maine, to San Diego, Calif., from the Canadian border to Key West, Fla., and in which support the Great Lakes States and those of the Midwestern States are tremendously represented. New York City is not supported by the agriculture of the State of New York, nor the mining resources of the State, nor even by the manufacturing industries of the State of New York. It is the main hopper for money, talent, and property from both home and abroad; a cosmopolitan whirlpool of trading in stocks and bonds and the Nation-wide industries they represent.

For the calendar year 1939 New York City below the Harlem River—the first, second, and third New York collection districts—paid total internal-revenue taxes of $844,546,763. The internal-revenue collections in the same period for the entire State of New York were $987,757,122, or roughly a billion dollars.

Leaving out New York City, which is not truly the metropolis of New York State but the actual financial, industrial, and commercial metropolis of the entire United States, New York State made a contribution of but $143,210,359 to the Federal Government, which is 2.88 percent of last year's total internal-revenue collections in the United States of $4,957,046,038.

For the fiscal year 1939 the collector of the port of New York reported the collection of custom duties of $153,890,641 at the port of New York. These goods were distributed to all parts of the United States, only a fraction of them remaining in New York State. So in the last instance the duties were largely paid by citizens and corporations outside of New York State; just the same as tobacco smokers in all the 48 States pay the Federal taxes collected in the tobacco-growing and tobacco-manufacturing States of Virginia, North Carolina, and Kentucky, and automobile buyers pay their Federal taxes through the manufacturers centered largely in Detroit and throughout Michigan.

It should be stressed with pride that New York City is the largest urban community in the world. But it must not be forgotten that New York City got that distinction by being the financial, industrial, and commercial metropolis of the greatest country on earth, and not from being the metropolis of the State to which it has given its name.

The money that has poured into New York—and continues to pour in—to build its sky-scratching buildings, to create its great fortunes, and to furnish city and State with revenue to run, as well as the much-talked-about Federal revenue, is money taken from the soil and labor of all the 48 States in the Federal Union.

Instead of the Federal Government being in debt to the State of New York for a great yield in tax revenues, the city of New York and the State of New York and the people there are indebted to the people of the entire United States for the

local tax revenues, for the great improvements, and for all the wealth they have poured into that region for nearly three centuries. Nation-wide chain stores, railroads, steel companies, mining enterprises, banks, steamship lines, insurance companies, corporations selling food, clothing, and entertainment all pour their profits into New York City, which is the recognized national clearing house for big business in its multitudinous ramifications.

The State of New York is not a self-sufficient community. If it were physically detached from the United States and, together with New York City, put upon its own resources apart from the rest of the country and not left within the Union, I am afraid there is no reason it would have any greater importance than the Canadian Province of New Brunswick in the commercial and financial structure of the world.

This calling a spade a spade is my style of frank oratory and is made necessary when some New Yorkers ignore the part all America has had in building up the greatness even to its skyline of New York City and would blindly seek to throttle the economic expansion of one-third of the population of the Nation living in the Great Lakes Basin and the Midwest States beyond, and who have helped make New York great.

USE WEALTH AGAINST CREATORS

If the people of New York, city and State, want permanent equal treatment as other American citizens, at least they should fight to retain the privilege of paying taxes and receiving benefits on the same basis as all other citizens and all other communities in the United States. They should not use the wealth of the country, for which they are only the stewards, against those who assist in creating the wealth that gravitates in their direction.

In fact, it is exceedingly unwise for those enjoying the fruits of this stewardship to expose the center of the Nation's economic life—that is precisely what New York City has become—to criticism by reason of any selfish and unworthy efforts; for instance, such as to deprive citizens along the Great Lakes and St. Lawrence of a completed seaboard.

Mayor LaGuardia, of New York City, made a suggestion the other day that the Federal Government ought to collect most of the taxes, then remit part of the money to the States according to their needs. The Government could hardly collect real-estate taxes in every city, hamlet, and rural district. But it could collect various other kinds of taxes, and Congress could bar other tax agencies out of the fields that it enters.

The LaGuardia suggestion is important as revealing that new methods of taxation are under discussion. What if some future Congress, motivated by a feeling that New York's "dog in the manger" tactics on such projects as the St. Lawrence seaway should give attention to a movement for a system of taxation actually discriminatory against New York. Those who now plead for the special treatment of New York as if it were an independent principality are arguing in favor of just that sort of a policy.

The concentration of wealth and power in New York City and its attempt to dominate the entire country, forgetting what vast contributions have been made and are being made from the people of the other States, is bound to cause the victims to organize and declare: "Very well, we shall treat them just as if they did not belong to us and pass legislation designed to force citizens to come back to the communities where their industries are located."

TAX PEOPLE INTO EFFICIENCY

So far Congress has not acted along these lines. But there are plenty of arguments available. Decentralization of New York City has been discussed in magazines and from the platform. The disadvantages as pointed out are more than social. To store the wealth of the Nation upon the very outer seaboard, in case of war, lays open the nerve core of our economic life to attack and destruction, putting aside all thoughts of a possible earthquake or superstorm as unthinkable. These considerations as they become more widely understood may lead to a movement for a system of taxation actually discriminatory against New York. It rests with New York to avert this misfortune.

For once minds begin to turn to methods of breaking up the great concentration of wealth and population in New York City, one of the first considerations will be given to the fixing of a higher tax rate for New York State than fixed for other States, so as to eliminate the manifest social and economic disadvantages of life and business in New York City from affecting other areas. It would amount to taxing citizens of the United States away from superliving, away from expensive and unnecessary business headquarters, thereby improving efficiency in management at the source by restoring to industry direct contact between the responsible heads and their workers.

These are but fancies. Still, who can say how long before they become possibilities, and then with the suddenness of an April shower they may become actualities.

It has to be admitted that taxes are a terrible headache. However, they enter into every conversation, including advancement in business. A case in point was the decision of the directors of a business in a midwestern city to send the president of the company to open headquarters in New York City. The president, a young man of splendid ability, was receiving $25,000 a year, and he announced that it would cost him twice as much to live in New York as in the home town. After considerable figuring it was found that his salary would have to be increased to $60,000 if he maintained the same standard of living in the Big Town, less income-tax returns. The raise was given.

One of the directors of the company has since become an intense advocate of the Federal Government's increasing income taxes in the middle and higher brackets. His argument is that putting taxes up on the individual incomes will permit lowering of corporation taxes, and discourage business firms from sending their bright young men into New York City. A step in the direction of lowering the whole cost of production structure and benefiting consumers, is his contention.

Aside from the question of who pays for the St. Lawrence seaway completion, and in which Canada contributes a fair share, New York State is actually one of its chief beneficiaries. This great State, which now has 31 miles of ocean shore line as the crow flies on the Atlantic, will gain 513 miles of coast line on the north and west in the Great Lakes Basin.

Twelve New York State lake harbors, located upon Lake Erie, the Niagara River, and Lake Ontario, are destined to become seaports.

Lake Ontario is only 25 miles distant from Syracuse and Dean Raper's seat of learning. Who knows but Syracuse will someday emulate the example of Los Angeles and spread out in area—swallow up the intervening towns of Liverpool, Three Rivers, Baldwinsville, Phoenix, Fulton, and Minetto in a greater Syracuse—and itself share in the boom bound to be created by the modernized St. Lawrence seaway, or it might be that the city of Oswego, already a lake port, will start growing southward and bring a new prosperity to Syracuse.

WHAT SEAWAY MEANS TO MICHIGAN

Now, just a few words as to what the St. Lawrence seaway means to my district, to the city of Detroit, and to the State of Michigan. Recent testimony before my committee brought out important information which every well-informed Michigander knows by heart; nevertheless, I would like to quote that—

1. Detroit industrial area is the largest producer of manufactured products for export in the United States.
2. Six hundred industries in Michigan are engaged in exports.
3. One out of every seven dollars spent in this area is derived from foreign trade.

Refrigerators, chemicals, office equipment, pharmaceuticals, fresh and canned fruits and vegetables, and many other Michigan products are important exports.

In 1929, as reported by Shippers' Declaration, Michigan exported passenger automobiles, trucks, busses, chassis, automobile parts, accessories valued at more than a quarter of a billion dollars.

The second most important industry in Michigan is the manufacture of iron and steel products. In 1937 this industry alone provided gainful employment for 21,000 Michigan workers.

Michigan ranks first in the value of production of foundry, hardware, and wire-work products; second in stamped- and pressed-metal production; and third in the manufacture of stoves and ranges.

Because of the overlapping of functions which often occurs within the same plant, it is impossible to give an accurate figure without duplication for the value of iron and steel products manufactured in any individual area of the United States. However, it is interesting to note that the total exports of 1937 were even better than in the peak year of 1929.

Machinery ranked high in importance, especially the manufacture of specialized machinery. This territory is the leading producer of machine-tool accessories and machinists' precision tools. In the present war crisis foreign buying commissions were quick to place orders here for those commodities. In 1937, after the bottom level of 1932, exports rose to 90 percent of the 1929 level.

Michigan leads the country in the production of refrigerators and ice-making apparatus, accounting for nearly a quarter of the total production.

The United States exports of electrical refrigerators and parts have been steadily on the upgrade, and in 1937 were valued at more than $20,000,000.

Michigan ranks fifth as a producer of industrial chemicals, second in drugs and medicines, and fourth in paints, pigments, and varnishes. In 1929 exports of those commodities totaled $8,000,000.

As stated, Michigan's agricultural industry is a large contributing factor in Michigan's total economy, many of its products finding their way directly into foreign commerce. Chief of these is fruits and vegetables.

Michigan outranks all other States in the production of sour cherries for canning. It is also an important supplier of apples, pears, and peaches not only for the fresh-fruit market but also for the canning industry.

Annually for the past few years between six and seven million cases of canned fruits have been shipped abroad.

Interesting export figures may be gleaned from the table which was prepared by a well-informed witness who recently appeared before the Ways and Means Committee.

Chart showing that Michigan foreign trade goes hand in hand with farm income and industrial production

Year	Farm income [1]	Industrial production [2]	Exports [3]	Imports [3]
1928	$363,146,000	[4] $4,500,000,000	$328,436,000	$92,099,000
1929	245,963,000	4,656,718,046	342,646,000	105,449,000
1930	199,656,000	[4] 3,400,000,000	239,358,000	75,959,000
1931	150,885,000	2,551,257,763	144,869,000	56,832,000
1932	118,567,000	[4] 2,200,000,000	84,755,000	38,094,000
1933	134,612,000	2,104,104,542	82,058,000	40,537,000
1934	158,452,000	[4] 3,400,000,000	124,356,000	48,412,000
1935	185,620,000	3,986,178,348	129,243,000	54,054,000
1936	215,807,000	[4] 4,600,000,000	145,191,000	70,038,000
1937	238,252,000	5,296,100,960	190,223,000	86,238,000
1938	206,441,000	[4] 3,500,000,000	162,812,000	55,933,000

[1] Source: U. S. Department of Agriculture in cooperation with Michigan Department of Agriculture.
[2] Source: U. S. Census.
[3] Source: Our World Trade—Foreign Commerce Department, U. S. Chamber of Commerce.
[4] Estimate.

The seaway will mean a greater, happier, and more prosperous Detroit and Michigan, and similarly will affect millions who reside in the interior of the United States without detriment to New York or the eastern seaboard. A prosperous core within the country will increase the strength and the business of the East.

Omnibus Pension Bill

EXTENSION OF REMARKS
OF
HON. ROY O. WOODRUFF
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 20, 1940

Mr. WOODRUFF of Michigan. Mr. Speaker, in view of the fact that yesterday when H. R. 7831, an omnibus bill granting increases in pensions to sundry widows, was before the House, a vote was taken on the motion of the gentleman from New York [Mr. HANCOCK] to strike out title 1. This motion was adopted by a vote of 224 to 68. Because of the limited number of Members who were on the floor during the 10 minutes' discussion of this title of the bill, those who came to the Chamber as a result of a call for a quorum could not possibly have understood the significance of the vote taken thereon.

The bill incorporated 13 titles under each one of which a widow of a high-ranking Army or Navy officer was given an increase in the pension she now receives. The officers referred to were Rear Admiral Hugo Osterhaus; Lt. Col. Charles G. Ayres; Maj. Gen. Edward Croft; Rear Admiral William A. Moffett, Chief of the Bureau of Areonautics of the Navy Department for more than 8 years, who lost his life on April 4, 1933, aboard the U. S. dirigible *Akron* when that lighter-than-air ship crashed; Admiral Edwin A. Anderson; Col. Thomas H. Jackson; Maj. Gen. Harry Hill Bandholtz; Rear Admiral John Hood; Rear Admiral William Carey Cole; Rear Admiral Frederick C. Billard; Maj. Gen. Oscar Westover, Chief of the United States Army Air Corps, who was burned to death when his airplane crashed on September 21, 1938, while on duty at Burbank, Calif.; Maj. Gen. Charles T. Menoher; and Maj. Gen. William H. Johnston.

Mr. Speaker, many of our people in this country are not privileged to have the information upon which to base a proper appreciation of the officers of our Army and Navy. More especially of those who, because of long and brilliant service, find themselves occupying the positions of greatest responsibility during the later period of their service.

Every Member of this House who has been here for any considerable period of time realizes fully that any youngster who can qualify for appointment to, and who can remain there and graduate from, either the Military or Naval Academy must necessarily be outstanding among his fellows. I believe every Member of this House exercises the greatest care in his selections for these appointments. To be successful a boy must have something more than high standing in his academic work. He must have outstanding physical qualifications. He must have outstanding qualifications of leadership. He must have courage. In other words, every youngster who successfully masters the work and tests at the academies necessarily must have every quality which makes for success, not alone in the Army or Navy, but in any walk of life. There are altogether too many of our people who believe we are doing a great favor to those appointed to these two splendid educational institutions. Altogether too many people overlook the fact that when we select the higest caliber of youth to assume the burdens and responsibilities of the defense of this country, we are doing far more for the country itself than we can possibly do for the individuals selected.

Mr. Speaker, the high ranking officers of our Army and Navy are always those who, through the splendid character of their service through the years, have demonstrated their fitness to occupy the positions to which they are promoted. These men, had they followed a career in civil life instead of the one in the Army or Navy, would without a doubt have been highly successful in anything they had undertaken. Success would have followed them there as it has in their chosen professions. So I say, Mr. Speaker, that these splendid citizens have contributed more to the welfare of their country than the country could possibly have contributed to them.

Everyone who knows anything about the regular services realizes fully that the salaries and emoluments received by the officer personnel are not such as to make it possible for those men to acquire the sort of competence they could well have secured in civil life. Frequent change of station is necessary, always involving at least some expense beyond that borne by the Government. The education of children is expensive under these conditions, and if an officer of the Army or Navy concludes his service with a modest amount of paid-up insurance, he is indeed fortunate. When an officer is retired from the service his retired pay comes to him only so long as he lives, and it is not passed on to his dependents.

The bill we had under consideration yesterday provides increases in pensions for the 13 widows named. Each of these widows now receives $30 per month. In 2 instances the bill proposed to increase the pensions to $75 per month and in the other 11 instances to $100 per month. Some of these widows, because of illness or disability, are actually in need. These widows are no longer young. None of them are fitted to engage in useful and profitable work.

Mr. Speaker, I wonder how many Members of this House realize that it is now possible under the Social Security Act for any citizen when he becomes 65 years of age to receive $40 per month, provided the State will match the $20 offered by this Government? I doubt whether more than two or three of the beneficiaries proposed in the bill under consideration could qualify for a pension under this act.

The additional expense to the Government if each of these widows were given the increase provided would be but $11,320 per year. Why, Mr. Speaker, I suppose there are any number of bureaucrats holding down swivel chairs in this city whose services would be well dispensed with, and who are each costing the Government more than the sum involved in granting the increases in pensions for all 13 of the widows of these famous officers of our Army and Navy.

I stated earlier in my remarks that the vote itself indicated that the Members, as they came into the Chamber to cast their votes, were not aware of the things involved in this bill. As further evidence that this conclusion is a correct one, I submit the fact that 46 of the Members who, in reality, voted to kill this bill were men who a year ago, when the Townsend bill was before the House, voted to pay all our people over 65 years of age, regardless of the need of the individual, what the members of the Townsend organizations were led to believe would be $200 per month, or collectively from twenty-four to twenty-eight billions of dollars per year. I am certain the Members to whom I now refer would not have voted as they did had they known what was involved in the vote they cast. I am certain also, Mr. Speaker, that other Members in large numbers would have voted to support this worthy measure.

Mr. Speaker, I hope when next this bill comes before the House those of our Members who voted against this measure will have considered what I have said and will reconsider their action of yesterday. Let us not forget in this connection that one of these worthy women is the widow of Admiral Moffett, Chief of the Naval Bureau of Aeronautics, who, following a long and most honorable career in the Navy, was killed when the *Akron*, that unfortunate semirigid airship, crashed during a storm over the Atlantic. Another is the widow of the late Maj. Gen. Oscar Westover, Chief of the Army Air Corps, whose plane crashed and who was burned to death while on duty in California.

Mr. Speaker, I was a member of the Naval Affairs Committee of this House for 12 years. During that period and since, I have known the high-ranking officers of that branch of our national defense. I knew Admiral Moffett intimately; I knew the splendid type of service he gave to this country for many years; I know the type of service he would have continued to give had he been spared to the country.

Mr. Speaker, General Westover came from my home city. I also knew him intimately; he was my friend; I know the members of his fine family. His only son is now a splendid young officer in the Army Air Corps, and is carrying on the tradition of the family. General Westover's record is replete with deeds of daring, opportunities for which were not given to many men. He was one of the pioneers of the free-balloon experiments. Somehow he always sought the service wherein the risks were greatest. Mr. Speaker, I include as a part of my remarks the following from the letter of Gen. Frank T. Hines in connection with this case:

The records of the Veterans' Administration disclose that the late Oscar Westover enlisted in the United States Army on September 4, 1901, and was honorably discharged June 15, 1902, as first-class private, Company K, Third Battalion Engineers. He entered the United States Military Academy on June 16, 1902, accepted a commission as second lieutenant June 12, 1906, and was promoted to the rank of major general, Air Corps, Chief of Air Corps, which rank was held by him at the time of his death, which occurred on September 21, 1938, in line of duty and not the result of misconduct, but as the result of an airplane crash.

* * * * * * *

General Westover's widow, Adelaide R. B. Westover, filed claim for pension on September 24, 1938, and was awarded a pension in the amount of $30 per month, effective September 24, 1938, under the act of May 1, 1926, as reenacted by the act of August 13, 1935 (Public, No. 269, 74th Cong.), by reason of her husband's service during the Philippine Insurrection. Evidence was furnished showing that they were married on December 31, 1907.

Mrs. Westover also has title to pension under part II of Veterans Regulation No. 1 (a), as amended, promulgated pursuant to Public, No. 2, Seventy-third Congress, March 20, 1933, her husband's death having resulted in service, in line of duty, and not the result of his own misconduct. However, the monthly pension rate provided by part II of Veterans Regulations No. 1 (a), as amended, payable to a widow 50 to 65 years of age is $26. Mrs. Westover is receiving the highest rate of pension to which she is entitled under existing law.

The long, efficient, meritorious service rendered by General Westover is well known, and I am sure it is the desire of all persons concerned that the Government render every reasonable assistance to his widow and to other widows who have lost their husbands under similar conditions. * * *

The following is a current list of widows of high-ranking officers showing the amount of pension they are receiving:

Widow	Monthly rate	Deceased husband	Rank
Biddle, Martha R.	$50.00	William P.	Major general commandant, U. S. Marine Corps.
Corse, Frances	100.00	John M.	Brevet major general.
Duvall, Maria Lamar	100.00	William P.	Major general.
Goldberger, Mary H.	125.00	Joseph	Surgeon, U. S. Public Health Service.
Greene, Augusta B.	100.00	Henry A.	Brigadier general.
Haan, Margaret H.	75.00	William G.	Major general, U. S. Army.
Hall, Terese B.	100.00	William P.	Colonel assistant adjutant general, U. S. Army.
Howse, Anne C. H.	75.00	Robert L.	Brigadier general, United States Volunteers.
McAndrew, Nellie Roche.	150.00	James W.	Major general.
Marix, Grace F.	100.00	Adolph	Commander and rear admiral.
Reed, Emily Lawrence	125.00	Walter	Major and surgeon.
Stephens, Anita de Carmendia.	100.00	John E.	Brigadier general.
Wood, Louise A.	416.66⅔	Leonard	Major general, U. S. Army.

For the foregoing reasons, the Veterans' Administration cannot recommend favorable consideration of the bill to your committee.

Very truly yours,

FRANK T. HINES, *Administrator.*

Mr. Speaker, I offer the following from the report of the committee:

It will be noted that General Westover was only 56 years of age when his airplane crashed at Burbank, Calif., on September 21, 1938, while on an inspection tour in several States by order of the Secretary of War. It is indicated from the opinion of the board of officers that investigated the fatal accident that same was not due to any carelessness of the officer but was due to a combination of conditions and situations; however, it was primarily due to engine stoppage when the airplane was in a left bank preparatory to making an approach to land.

General Westover was a soldier and gentleman of high caliber, and all who knew him have an indelible recollection of his fine qualities. From the time General Westover was selected as captain of his company in his first year at West Point until his death he was always chosen to shoulder responsibilities because of his outstanding knowledge and experience in his chosen field of endeavor.

General Westover was 52 years of age on December 22, 1935, when he was appointed Chief of the Air Corps of the United States Army with the rank of major general. He was one of the few pioneers of the air to be rated as a military air pilot, air observer, airship pilot, and balloon observer. He was made a commander of the Belgian Order of Leopold on March 26, 1937, and as heretofore set forth in the official report from the Secretary of War, it will be noted that he was awarded the Distinguished Service Medal with citation from our Government, which speak for themselves as to the high qualities and efficiency of the late officer.

The facts concerning General Westover's outstanding military record are cited in order to show that the widow of an officer who rendered such distinguished service to his country is warranted to receive a greater rate of pension than is allowed under existing law. The Congress has heretofore in several instances recognized the extraordinary services rendered by high-ranking officers of our Military and Naval Establishments and have enacted into law private bills giving greater benefits to their widows than are allowable under existing law. It will be noted in the report of the Administrator of Veterans' Affairs as of April 27, 1939, the names of those who are in receipt of a greater rate of pension under special acts of Congress, and these rates range from $50 to $416.66⅔ per month.

The increase of pension herein recommended will only act to partially compensate Mrs. Westover for the loss of her distinguished

husband, who rendered such extraordinary service to his country and whose untimely death while serving as Chief of the Air Corps was a loss to the Nation.

It is indicated by evidence presented to this committee that Mrs. Westover has only a small annual income aside from her pension and the medical evidence shows that she is suffering from myocarditis, chronic; arthritis, hypertrophic, involving lumbar spine and knee joints; and psychic trauma, the latter being incident to the recent airplane crash in which her husband, Maj. Gen. Oscar Westover, was killed.

The rate of pension Mrs. Westover now receives is $30 per month, which is paid her on account of her late husband having served as a private for more than 90 days during the Philippine Insurrection and not on account of the fact that he met his death while in line of duty as the result of an airplane crash. Your committee directs your attention to the fact that if Public Law No. 2, Seventy-third Congress, had not been repealed, the act of March 3, 1915, which allowed double pensions in case of airplane accidents, would have entitled Mrs. Westover to a pension at the rate of $60 per month.

It has been indicated by evidence submitted to the committee that Mrs. Westover's late husband was the only officer killed during peacetime in line of duty who held the rank of major general.

It is the unanimous recommendation of your committee that the rate of pension of Mrs. Westover be increased to $100 per month.

Nothing more should be necessary, Mr. Speaker, to show the justice, the plain everyday American justice, not only to the widows whose names appear in the bill under consideration, but to those splendid officers who so faithfully and with such distinguished honor and fidelity served their country. I hope when next the bill comes before us the Members of the House will recognize the wisdom and fairness of the committee which approved the bill unanimously and give to these sorrowing women the increases in their pensions which they so richly deserve.

Airplanes

EXTENSION OF REMARKS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

EDITORIAL FROM THE ADRIAN (MICH.) DAILY TELEGRAM OF MARCH 16, 1940

Mr. MICHENER. Mr. Speaker, pursuant to the privilege given me to extend my remarks in the RECORD, I include an editorial from the Adrian (Mich.) Daily Telegram of March 16, 1940, entitled "Airplanes." I believe this editorial expresses the view of a majority of our people. It is as follows:

[From the Adrian (Mich.) Daily Telegram of March 16, 1940]

AIRPLANES

The War Department recently released for export to England and France a high-speed pursuit airplane known as the Curtiss P–40, and it is said that certain other modern types have been, or will be, released.

As might be expected, various Members of Congress are greatly stirred up. The grounds of their objections, or their alarm, are summarized in Senator LA FOLLETTE'S demand for an investigation to determine whether sales of airplanes abroad will (1) delay American defense plans, (2) give away military secrets, or (3) raise the cost of our own building program.

These questions are pertinent. To many they may seem vitally important. But there is another question paramount to them all, and which must dominate American policy in such matters. It is this: Which is more important, to prepare to fight a future war without help, or to assist the Allies to win the present war?

In our opinion the arguments are overwhelmingly in favor of the second policy. If the Allies are defeated, we shall have to make ourselves ready to fight a most formidable European and Asiatic combination. That means that we must rapidly make America the greatest fighting power in the world on the sea and in the air. The cost will be colossal; but we can do it, and regardless of cost it must be done.

If the Allies win, on the other hand, no such early conflict is in sight. Our armament program will be more moderate, less hurried, and less costly. And—more important still—our national security will be enormously increased.

This forecast is so sound and probable that it may be accepted, not as a bit of imagination but as a fact. It follows, therefore, that it is vital to the interests of the United States that we should give the Allies every possible help in the way of war materials.

What, then, as to the three objections raised by Senator LA FOLLETTE?

1. As to delaying our own air program, building planes for the Allies probably would not have that effect. But it would not matter if it did. At the very worst, our great air forces would not be used for at least a number of years in any war against a victorious Germany. Therefore, whether we build more or fewer planes this year would have little effect upon our own future war. But whether we supply more or fewer planes to the Allies this year might have an immense effect upon the present war. It might determine whether or not we have to fight a war of our own later, all alone.

If we actually should have to fight such a war several years hence, our air power would not depend on the number of 1940 and 1941 planes we might have on hand; it would depend on our capacity for rapid production then. And that would depend on the amount of skilled labor then available. The more planes we build now for the Allies, the larger force of skilled labor will be built up and the greater our productive capacity will be.

2. As to giving away secrets, that is much less important than it might seem, for the secrets of today are not the secrets of tomorrow. Even if we gave the Allies the benefit of our very latest airplane designs, they would be out of date long before we had a war of our own to fight.

The Curtiss P–40—one of the newest Army planes, which we have released to the Allies and which stirred up all the furor—is already out of date. A new plane is being brought out which the Secretary of War says is of "definitely superior performance." In short, P–40 is not vitally important to us any more; we shall be building something better. But P–40 is immensely valuable to the Allies, for it is better than what they have. They need it now, and it is to our interests and safety that they should have it now.

3. As to raising the cost of our own airplane program, selling planes abroad would not affect the cost of those already contracted for by our Government. Whether it might make costs higher in 1941 or 1942 is problematical. But even if it did, such an increase would be a low price to pay for the advantage of strengthening the Allies against Germany. It would be cheap national defense for the United States.

The greatest value these new airplanes can have for us is in the hands of the Allies. If we withhold them, they are of no use to us until we go to war; but in the hands of the Allies they would help to save us from having the kind of war that we are afraid of.

The interests of this country in the war are clear, and American sympathy is equally clear. It is so overwhelmingly on the side of the Allies as to be not far from unanimous. Nine Americans out of ten fear and dread a German victory, and would be glad to help the Allies in any way short of actual involvement in the war. Fortunately the greatest help we can give is in supplying airplanes. The Allies are ready to pay for them in cash. No question of neutrality is involved. Our Government can help the Allies by making efficient planes available to them without any cost, danger, or detriment to our own national interests.

That should be the American policy. Any other course would be a mistake which might later prove to be colossal.

National Defense

EXTENSION OF REMARKS

OF

HON. CHARLES I. FADDIS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

LETTER BY HON. CHARLES I. FADDIS, OF PENNSYLVANIA

Mr. FADDIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me recently to Mr. Sherman H. Dryer, radio director of the University of Chicago, in reply to a letter asking me to make a contribution toward a forum to be held next Sunday on Can We Defend America:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 15, 1940.

SHERMAN H. DRYER,
Radio Director, the University of Chicago, Chicago, Ill.

DEAR SIR: Your letter of March 14 is a very general one and it would indeed be difficult to answer it properly.

To begin with, you want to know just what I believe we would need in the way of an army and navy to protect this Nation from invasion. That would depend entirely upon just what forces were threatening to invade us. Of course, the potentialities in that

respect would range all the way from any one nation in the world to a combination of any or all other nations in the world. It would depend, also, on the availability of certain essential commodities which we do not produce, and which are absolutely necessary to the maintenance of a proper defense. It might depend upon whether or not we would have to fight a war inside the Nation as well as outside. If you would include in your defense, forces which could insure our supply of these commodities which are essentially a part of our defense, that would be one part of the proposition; if you mean just what would be necessary to repel an actual landing force, that would be another.

To defend in reality means to secure from damage by a hostile force. If a commander of an army were given the mission of defending Chicago, for instance, it would not be sufficient for him to take possession of Chicago, and deny the hostile army possession of the city. He could only properly fulfill his mission by going far enough away from the city to protect it from damage by hostile forces. Although I have been a student of military matters for 35 years, saw service in the World War and have served on the House Committee on Military Affairs for 7 years, I can only say that this proposition is so gigantic and so fraught with many possibilities and probabilities which cannot be foreseen that until a concrete proposition is at hand I could not attempt to answer this letter in the manner you desire.

If you will pardon my saying so, I believe you people with such propositions are just about as dangerous to democracy as a foreign enemy. Of course, you mean well, but the danger is that the people will too eagerly seize upon what you produce as something upon which to base a policy of national defense. You know we are a democracy, and the great weakness of a democracy in time of war is too well known to necessitate any comment. It is, indeed, unfortunate that the United States seems to be filled with great numbers of otherwise intelligent and well-meaning people who will gravely and confidently presume to set themselves up as authorities on matters of national defense and reach a conclusion by some process of mental legerdemain which the officials of our Army and Navy, with their years of actual experience and professional studies, would have difficulty in reaching.

It would seem to me as if the plight which England has found herself in during the past 10 years in regard to military affairs would be a warning to every democracy in the world, but it does not seem to be so.

Again let me say that I do not doubt your good intentions, but I do doubt the advisability of such matters. It seems to me too likely to produce public reaction not based upon proper consideration and entirely too likely to result in such opinions as that of William Jennings Bryan when he said America was in no danger and that if she were ever threatened "a million men would spring to arms overnight." We hope that would be true, but God knows there has never been a time when they would have arms to spring to.

I have never believed that the Government of the United States could properly be conducted in the manner of an overgrown New England town meeting; neither do I believe it can be conducted by the back-seat driving of Father Coughlin, Dr. Townsend, John Lewis, Liberty Leaguers, United States Chamber of Commerce, or other volunteer guardians of the national welfare. Every 2 years an election is held and a Congress is elected to legislate for the Nation. Questions arise which require a great deal of study, thought, and research, as well as free discussion among those who are elected by the people to do this legislating. I do not believe our Government can properly be conducted with constant pressure from the minorities which are organized not in the interest of the United States as a whole but, more often than not, to promote the personal ambitions of the organizer.

Now, if you are concerned about national defense, that is one thing; but if you are looking for a radio program, that is another. Of course, this is a Nation of free speech and free press. The above is my contribution.

Very truly yours,

CHAS. I. FADDIS.

Congress Resounds

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

ARTICLE FROM THE BEVERLY HILLS (CALIF.) CITIZEN

Mr. LELAND M. FORD. Mr. Speaker, at a time when we frequently hear much of certain segments of our American youth which have been misled by the false siren call of communism and other subversive influences, it is a pleasure to be reminded that the great bulk of American youth are patriotically dedicated to the American way of life and too intelligent to listen to political and economic fakirs.

Under leave granted me by the House, I therefore am glad to call attention to the following feature article from the Beverly Hills Citizen, issued daily in Beverly Hills, Calif. This article, entitled "Congress Resounds," was written by a high-school student out there by name of Leonard Low, and reflects the high standards of citizenship shared by the vast majority of California youth. Far from being an article written in support of some deluded Youth Congress operated under the disguised guidance of Moscow agents and parlor pinks, this young man describes how he and his associates experienced the training of a genuine reproduction of our American Congress and how, instead of learning how to overthrow this Government of ours, they practice the techniques of self-government by which it can be improved.

It happens that our colleague the gentleman from South Dakota, KARL MUNDT, is national president of the National Forensic League, which sponsored and conducted the first national student congress in America, which was held in Wooster, Ohio. The second of these history-making congresses was held in Beverly Hills, Calif., and the third in this series will be held next May in Terre Haute, Ind.

Mr. Speaker, the future of America is safe so long as its high-school and college students train themselves in the advantages and techniques of self-government instead of permitting themselves to be used as cat's-paws to promote the subversive objectives of Communists and foreign agents. I call your attention to the interesting article prepared by this Beverly Hills high-school senior.

[From the Beverly Hills (Calif.) Citizen of March 9, 1940]

CONGRESS RESOUNDS

(By Leonard Low)

Legislative debates of the United States Congress in Washington, D. C., will echo through the halls of Beverly Hills High School today and tomorrow when the District Student Congress convenes in its second session.

The congress—not to be confused with the American Youth Congress, which has been in the headlines recently—will run in conjunction with the National Forensic League district qualifying tournament.

Started in 1938 as a special project of the National Forensic League, the congress serves the double purpose of training students in the legislative procedure and of giving them the chance to develop a logical persuasive speaking style. As far as is practicable, the actual workings of lawmaking bodies are followed. Bills and resolutions are introduced, referred to committee, and brought out on the floor of the chamber for actual debate.

DEBATE TOPICS

In former sessions debate has centered around such topics as the purchase of Lower California, income-tax revision, a ban on highway billboards, a canal through Nicaragua, old-age pensions, public ownership of munitions and arms plants, and disposition of unclaimed bank accounts.

The N. F. L. was organized in 1925 and immediately started sponsoring competitive speech tournaments along conventional lines. However, in 1938 a definite need was felt for a speech program which was noncompetitive and would allow for training and helping a large group of students in practical speaking. Thus was born the idea for a National Student Congress.

PLAN TRIED OUT

The plan was put into effect that year at the national speech tournament at Wooster, Ohio, where Robert Hine won a national championship in original oratory for Beverly Hills. Although this was the first congress, 32 senators and 60 representatives were in attendance. The idea was pronounced an outstanding success by Bruno E. Jacob, national N. F. L. secretary, and Congressman KARL E. MUNDT, of South Dakota, national president.

The following year the N. F. L. decided to hold district student congresses throughout the country, with delegates to be chosen from each State to attend the National Student Congress at Beverly Hills last year.

CITY IS HOST

After months of preparation Beverly Hills, on June 16, 1939, welcomed the Tenth National Speech Tournament, and with it the second session of the National Student Congress. Elaborate plans for the meeting had been set up. The auditorium of the Beverly Vista school was secured as the house chamber and the Beverly Vista Community Church as the senate meeting place. To add further to the reality of the occasion, Rev. J. K. Stewart was elected chaplain and offered prayers at each session.

The meeting itself showed that some of the young people of the Nation have a finer understanding of local, State, National, and international problems than many adults. There was no barrier to the subject matter of the bills introduced.

All sections of the Nation were represented in the Congress, and each delegate introduced legislation pertaining to the problem with which he was best informed. Some of the action which came to the floor of the house and some bills which did not progress that far showed real thought and sincerity of purpose.

MANY TOPICS DISCUSSED

Among the acts which were introduced and which received spirited debate on the floor or in committee one provided for consideration of the agricultural difficulties of the United States. The congressmen who were not acquainted with the problem soon learned about it, but in return they showed what the effects of the legislation might be in their own localities. Other bills which were considered included uniform marriage and divorce laws, Government aid to the railroads, elimination of the electoral college, establishment of a diplomatic school, national defense, a continental highway system, and many others which provoked intelligent and practical discussion and thought.

Adult speech instructors were assigned to preside over the congress, but as soon as capable student leadership asserted itself, students were permitted more and more leeway in the handling of the congress. At the first session each house elected its own officers, who took a greater part as the congress continued.

Elaborate plans were made both by Beverly Hills and by the N. F. L. to provide for utmost efficiency. Each house had three clerks who handled all the necessary clerical details. In addition there were pages in each house who took care of any requests any delegate might have and also were responsible for transmitting messages from one house to another.

The coaches who were presiding were kept on their mettle at all times, for many ticklish questions on parliamentary procedure came up. Many of the most heated discussions revolved around the decisions of the chair on a certain point.

INTERHOUSE PROCEDURE

Whenever one house passed a bill it was immediately sent to the other house for its consideration. If the two houses could not agree they followed the procedure of the United States Congress and appointed a conference committee from each house to settle the issue.

At the conclusion of the 1939 session the delegates had seen the wonders of the State of California and were also much better equipped to consider pressing problems. The National Student Congress had proved itself a success. It became firmly established as an N. F. L. activity.

The only recurrent difficulty found by the N. F. L. last year was that many students were also competing in regular speech events, and thus could not give their full time to the congress. Consequently this year any person who is in the congress is ineligible for any other competition, which should make the congress approach even closer to its goal.

THE 1940 SESSIONS

The personnel of the National Student Congress is composed of students selected by the district student congresses to make the trip to the Nationals in order to represent their districts. The California-Arizona district, of which Beverly Hills High School is the leading member, is playing host to the 1940 congress today and tomorrow. Approximately a dozen schools will send two senators each, and a number of representatives based on chapter strength, when the congress holds its first meeting of the second session at 2 o'clock today at the local high school. All arrangements have been made, and the district congress will choose two of its members to return to the National Student Congress as senators and two as representatives. In addition, alternates will be picked in case the first choices will be unable to make the trip to Terre Haute, Ind., the week of April 29 to May 3, 1940.

Beverly Hills High School is fortunate in securing the services of J. Edmund Mayer, Alhambra High School coach, who served as speaker of the national house last year. He will serve in the same capacity again this week. The senate will be presided over by William Quandt, social studies department head at the local high school. Due to the fact that only a day and a half is available, the congress will forego committees at this session, with all action going directly to the floor.

NOMINATING CONVENTION

An innovation this year in the congress is the presidential nominating convention which will take place tomorrow evening. The youths will be able to express their opinions on the 1940 presidential situation, each party nominating a candidate.

The path of a bill once it is introduced follows as closely as possible the workings of the United States Congress. In the house, a member may hand the clerk his bill at any time, while a senator must rise and present it by title. The presiding officer then refers the bill to the proper committee, where the bill's fate is decided. The committee may recommend it to be passed, recommend its defeat, or amend it as it pleases. If the bill is reported out of committee, it is placed on the calendar of the house. When its turn is reached, any committee amendments are first accepted or rejected. Then any member of the house has the right to offer amendments, and these are then discussed and voted upon. At this stage the bill is ready for action by the entire voting membership of the house. If it passes, it is sent by messenger to the other house. There the same procedure is followed.

GOES TO PRESIDENT

If both houses agree to a bill, it is sent to the president of the congress for his approval. If he vetoes the bill, it returns to the house in which it originated, and a two-thirds vote is necessary for its repassage.

Although the Congress discusses measures pertaining to the N. F. L. rules and regulations, it has no actual regulatory power, as the N. F. L. constitution gives the executive council full legislative powers. However, the congress may accomplish substantially the same effect by recommending certain improvements to the council.

Advantages of the student-congress idea have been a much keener appreciation of the American system of government and a deeper understanding of the basic problems facing the country and the world.

DESIRE EXPRESSED

Many of the youths who attended the congress last year expressed a desire to continue along the lines of the congress. Beverly Hills should be proud of the part it has played in furthering speech education and, in particular, the student congress.

Some day in the not-too-distant future, all those connected with helping these students to become more appreciative of their privileges and more conscious of their responsibilities as American citizens may read in the newspapers that "Senator John Smith was receiving congratulations today upon his election to the United States Senate as junior Senator from California. He announced that he wished to express his gratitude to the National Student Congress for the inspiration and training which many years ago started him on his climb to success."

W. P. A. Reports on Roads

EXTENSION OF REMARKS

OF

HON. SAMUEL DICKSTEIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

ARTICLE FROM THE NEW YORK POST OF MARCH 19, 1940

Mr. DICKSTEIN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following article which appeared in the New York Post on March 19, 1940:

[From the New York Post of March 19, 1940]

W. P. A. REPORTS ON ROADS—BUILT OR FIXED 457,000 MILES

WASHINGTON, March 19.—W. P. A. workers were credited today by Commissioner Harrington with having built, reconstructed, or improved 457,000 miles of roads and streets in four and a half years.

"For every 10 miles you drive," he said, "an average of one and a half miles of road has been built or improved by W. P. A."

Harrington's report was the first of a series.

He said that 197 new airports had been built, 337 reconstructed or improved, and additions built to 35. One hundred seventy-six landing fields were constructed, while 298 were improved and 1,755,000 feet of new runways built. Of the latter, more than 1,000,000 feet were paved.

The W. P. A. constructed 56,000 bridges and viaducts, Harrington said, and improved or rebuilt 37,020. Among other things, W. P. A. employees put up 638,848 traffic signs and 21,696 street-light standards.

W. P. A. rolls will shrink by about 700,000 persons to slightly more than 1,600,000 by July 1. The agency may stay within the limits of its $1,477,000,000 appropriation for the 1940 fiscal year, which ends June 30. Latest figures showed 2,323,000 on the rolls March 6.

Interior Department Appropriation Bill—Indian Hospital, Tacoma, Wash.

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

Mr. COFFEE of Washington. Mr. Speaker, legislative authority to acquire the existing plant and site of the Tacoma Sanatorium from the Puyallup Tribe of Indians was granted by the act of August 11, 1939—Public, No. 384, 76th Cong., 1st sess.

The various main buildings of this plant used for the housing of patients were constructed between 1904 and 1910

and were designed for school purposes. Being of frame construction, they have been greatly deteriorated by dry rot which makes them an extreme fire hazard. The cottages and other buildings are of similar construction, some of them dating back to 1874. A warehouse which was destroyed by fire was completely consumed in the space of 1 hour.

So great is the danger that the Tacoma Fire Department makes frequent inspections of the hydrants and gives instructions as to the action to be taken in case of a fire. All fire fighting is to be left to them, the employees of the plant to devote their attention entirely to the rescue and care of patients. Due to narrow hallways with sharp turns, crippled tuberculosis patients strapped to frames would be difficult of rescue and the time would be very short on account of the tinderlike condition of the buildings.

An appraisal of the property as of June 13, 1931, made by a board comprised of a Tacoma real-estate man selected by the Tacoma real-estate board, two members of the Puyallup Tribe, and former superintendents of Tacoma Sanatorium and Tulalip Agency places a valuation of $228,525 on the site and plant, which valuation was accepted by the tribe. The value of the 38.5 acres of land was placed at $103,860 and of the 31 buildings at $124,665, which is considered to be very reasonable.

Over 1,000 patients are treated at this institution each year at its present capacity of 230 patients. To avert a very possible tragedy as a result of fire, the plant should be replaced by fire-resistant construction, which will be possible only through purchase of the property from the Puyallup Indians.

The proposal to purchase the property, begin construction, and incur a contractual obligation for complete replacement is made as being of first importance to the Indian Service, and particularly to the Northwest Indians and Indians and natives of Alaska. Contracting for the replacement of the entire plant at one time, the actual construction to extend over a period of 3 or 4 years, should effect a saving to the Government of a considerable sum. It is essential that the amount allowed by the Bureau of the Budget, $500,000 for purchase and construction and $815,000 for contractual obligations, be allowed to stand in order to provide reasonably adequate sanatorium facilities for the territory served.

The Government now owns 5 acres of land containing a flowing spring of excellent water, sufficient to supply a small city, and the right-of-way for a pipe line to the plant. A few years ago a pipe line was installed at a cost of $25,000, which is estimated to be serviceable for 50 years. Sewers, steam tunnels and distributing system, water lines, paving, and so forth, are already there and ready to be connected to the proposed new buildings and will serve for many years to come.

The plant is now leased from the Puyallup Tribe at $9,000 per annum, with the provision that the Government keep the buildings in a normal state of repair. To carry out this provision would necessitate virtual replacement at great cost due to the extensive dry rot of the timbers in the buildings. The logical course to pursue is to purchase the plant and replace it with fire-resistant construction, not only to safeguard the actual lives of 200 or more patients, but to provide up-to-date hospital and sanatorium facilities to a large number of Indians in the most economical manner.

What Goes On in Congress

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

RADIO ADDRESS BY HON. WILLIAM J. MILLER, OF CONNECTICUT

Mr. MILLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on March 17:

Time flies so rapidly it is difficult to believe that this is the third monthly broadcast I have delivered over these facilities since the convening of the present session of the Seventy-sixth Congress on January 3, but such is the case. All of which means that I have but one more opportunity to report to you on the subject of What Goes On in Congress; April 14 will be the last broadcast of this series. This year, as you know, is election year and radio station managers have decided, and rightfully so, that after the middle of April, any Congressman's broadcast might well be considered a campaign argument rather than a report to his constituents. Whether or not I will be permitted to resume these broadcasts next January will be determined in November.

In addition to these monthly broadcasts over the air, I have been mailing to several hundred residents of Hartford County a monthly letter, briefly outlining the activities of Congress for the past month. These letters, or bulletins, will be continued until the adjournment of Congress. If any of my listeners would like to have their names placed on this list to receive future bulletins, and will drop me a card notifying me, I will be glad to add the name to the mailing list.

Last month I devoted my full 30 minutes to a discussion of the Reciprocal Trade Treaties Act. This month the time will be divided between several legislative matters which have recently been considered by Congress.

First, let us consider the all-important subject of economy. From the opening of this session up to the past week, Congress seemed determined to cut every appropriation bill presented, in an effort to keep the national debt below the legal limit of $45,000,000,000, without new tax legislation. Appropriation bills presented to the House in January and February were cut $307,578,000 below the amount asked by the President and the Budget Bureau. In most cases the Senate sustained the cuts and, in some cases, made further reductions. Real progress was being made toward economy until the agriculture appropriation bill reached the Senate. As this bill left the House of Representatives, it appropriated an amount of $404,190,796 less than last year's appropriation, and $67,000,000 less than that requested by the Budget Bureau. This bill was referred to the Senate Appropriations Committee and then things began to happen. The Senate committee added approximately $300,000,000 to the bill—two hundred and twelve millions for so-called parity payments and approximately $90,000,000 for the purchase of surplus farm commodities.

It is becoming increasingly evident, as this session progresses, that the present administration will not support a sincere effort to reduce the cost of government. If the Senate and House approve the recommendation of the Senate Appropriations Committee and adds $300,000,000 to the agricultural appropriation bill, all of the reductions made to date will be wiped out.

As to the Surplus Commodities Corporation increase, I call your attention to an item appearing in the Saturday Evening Post of March 9, as follows: "The Federal Surplus Commodities Corporation shipped three carlots of Washington relief apples here (Bentonville, Ark.). Benton is one of the first five apple-producing counties in America, with 30 carlots now in cold storage here for a lack of a market, and more than half a million bearing apple trees." This is just one of many instances of the way our money is being wasted by this organization.

The proposal to continue so-called parity payments has a much less valid basis than the other item. No one can deny that the farmer of America is entitled to a fair return on his investment and for his labor. The term "parity" simply means that the farmer receives a price for his products that will allow him to buy the things he needs, such as farm machinery, seeds, fertilizer, etc. At the present time wheat is selling in Chicago for a little over $1 a bushel. Its producers are being paid 9 cents a bushel on account of soil conservation and 10 cents on account of parity payments. Dollar wheat in Chicago permits a farmer to operate successfully. There can be no excuse for additional payments to farmers either on soil conservation or on parity payments when we have dollar wheat. With dollar wheat and these payments, farmers are receiving $1.19 per bushel.

Now, take cotton—cotton is 11 cents a pound in New York. The market on the farm certainly is 9 cents. With the cotton farmer receiving 9 cents on the farm, 1.6 cents for conservation payments, and 1.55 cents for parity payments, it makes a total of 12.15 cents per pound. My understanding is that cotton farmers who can get 9 cents for their cotton are being taken care of rather well. That is, considering modern machinery and modern handling, that 9 cents lets them grow cotton and make a profit. Why we should give them 3.15 is too much for me to figure.

Corn at Chicago is about 57 cents. Soil-conservation payments of 10 cents are provided, and 5 cents parity payments, making a total of 72 cents. During our best years, if a farmer got 60 cents for his corn, he was doing pretty well.

The result of the soil conservation payments has been to crowd farmers out of wheat, cotton, and corn, and into dairy products and other agricultural products which are facing the same kind of a situation. To put it another way, the total cash farm income in 1939 was $3,518,000,000; the total income of farmers from corn, wheat, and cotton was $1,331,000,000. This means that we are paying to farmers who contribute 15.6 percent toward the total agricultural income, a bonus amounting to approximately $800,000,000 this year, and the result of that operation is to reduce the price of other farm products, such as fruits, vegetables, dairy products, poultry and livestock, so that the producers of these commodities will not fare so well.

When the promoters of the parity proposition came before the Congress, and wheat was 60 cents, corn at 40, and cotton at 6 or

7 cents, they had a right to say that the price was below a fair one; when they come to us at a time when the price is high enough to yield a moderate return, there is no justification for an increase.

At this time, and with the situation that appears to be confronting the country, there is absolutely no excuse for continuing the so-called parity payments in 1941. So much for economy.

Let's turn our attention, for the next few minutes, to the questionnaire prepared by the Census Bureau for the taking of the 1940 census. Judging from the mail I have received, there is a great deal of interest in the questions to be asked this year. There is nothing new in the taking of a national census, but this year the Census Bureau proposes to ask certain personal questions which have never been asked before as part of the regular national census. In addition to the population census, the last session of Congress authorized the taking of a so-called housing census. I voted against this authorization because I felt that not only was it a waste of $8,000,000, but because departments of the Federal Government had plenty of information on housing. The W. P. A. has recently completed a national housing survey. Soon after the Census Bureau made known the questions to be asked as part of the census, I started to receive letters objecting to the proposed census. I am rather proud of the fact that I was the first Member of the House to call the attention of Congress to these objectionable questions. An examination of the statute relating to the taking of the census failed to disclose any authority for asking a citizen to disclose the amount of his income.

Soon after I addressed the House on this subject, Senator TOBEY, of New Hampshire, introduced a resolution in the Senate declaring that no citizen should be compelled to divulge the amount of his income and that questions Nos. 32 and 33 should be eliminated from the questionnaire. Hearings were held before the Senate Commerce Committee on this resolution, and it was my pleasure to present the views of my constituents who had written to me to this committee. On last Tuesday the Senate committee voted approval of Senator TOBEY'S resolution, and it is expected that it will be approved by the Senate within a few days. However, the Census Bureau has instructed its census takers to allow a person having an income of more than $5,000 to simply state that it was over $5,000.

Congressman REED of New York has introduced a bill which would repeal the authority for the taking of a housing census, in addition to the elimination of income questions. Administration spokesmen declare that the objections raised to answering these questions were coming solely from Republicans who desired to embarrass the administration. While I do not have a party caucus list in my office, I am quite sure that the letters I have received from the district are from members of both political parties.

Assuming for the moment that the Census Bureau has the legal right to ask these questions, I maintain that this is a poor time for our Government to do anything that would increase the feeling on the part of the citizens that we are headed toward dictatorship. It seems to me that another reason so many people object to the proposed questionnaire is that they have no assurance that the information given to the Government will be kept in confidence. The fact that only last January the President, by Executive order, instructed the Internal Revenue Bureau to turn over certain income-tax returns to a committee of the Senate leads me to feel that the information given to a census taker may sometime be turned over to a congressional committee. It is true that in the past the Federal Government has conducted surveys in which there have been personal questions asked, but there is a great difference between previous surveys and the present census inquiry in that a person refusing to answer the present census questions finds himself subject to a jail sentence or possible fine. The questions asked on the surveys were more or less voluntary in nature.

I am confident that, due to the large number of protests received in Washington, the objectionable questions will be eliminated from the questionnaire between now and April 1. However, I feel it is my duty to remind my listeners that refusal to answer any question on the census takers' list leaves them subject to criminal prosecution.

During the past week the House passed another appropriation bill making appropriations for the legislative department of the Government. This bill provides money for both Houses of Congress; for the Congressional Library; and for maintenance of the Capitol, Senate, and House Office Buildings. We hear a great deal about the cost of maintaining the legislative branch of the Government, but it is interesting to note that this particular appropriation bill calls for an appropriation of only three-tenths of 1 percent of the total cost of maintaining the Federal Government.

The House also considered and passed a naval bill during the past week. This bill authorizes, but does not make appropriation for, the expansion of the United States Navy. The bill authorizes an appropriation of $655,000,000. Among other things, it is proposed to build three additional aircraft carriers and purchase additional aircraft to bring the naval aviation strength up to 4,500 planes. Even if the Congress should appropriate money to carry out all of the provisions of this authorization, the United States Navy will not be quite up to the so-called treaty strength or, putting it another way, we will not be up to the 5–5–3 ratio approved by the last naval conference. While the Navy Department recommended that we start on a 5-year naval-expansion program, the House Naval Affairs Committee felt, however, that it would be better to confine this expansion to a 2-year program in the hopes that at the end of the 2 years war conditions may be such that further expansion of the Navy will be unnecessary. Providing for the Navy Department under existing world conditions is one of the most difficult problems faced by Congress. Every Member wants to provide whatever is necessary to give us an Army, Navy, and Air Service of sufficient strength to protect our own territory, but the real difficulty comes in determining how large an Army and Navy is necessary to guarantee us the protection we desire.

Some of my listeners will recall that the Republican minority last year appointed a special committee to study the national-defense needs of the United States. This committee submitted a very interesting report which I incorporated in a broadcast last April. The same committee submitted a supplemental report last week which I think you will find interesting, and which I submit herewith:

"In the first session of the Seventy-sixth Congress, the Republican minority united in adopting and putting forward a statement defining and clarifying the policy of national defense which they believed should appeal to the Congress and to the people. That statement of policy was presented to the House of Representatives. Subsequent action of the Congress was such as to justify the belief that this statement of policy and of the mission of our military forces in defense of it, met with general approval. Nothing has occurred since then to alter this belief. Further study prompts the minority to submit to the House some considerations which it deems to be of the utmost importance at this time.

"Our concern is heightened and intensified by what we see going on all over the world today. Recent events strengthen our determination that we shall remain at peace, and secure in that peace. As we plan for security we mean security not only in the physical or material sense, but, taking the long view, the security of our free institutions.

"Our thoughts now turn to the present condition of our military services. In order that they shall be able to perform the mission assigned to them, it is obvious that we need them in adequate strength. It is when we come to give consideration to the strength of the services—not only strength in numbers but especially strength in material and equipment of all kinds—that we find ourselves confronting a difficult and complicated circumstance. It is conceded, we believe, that both the Army and the Navy should be stronger if our military defense is to be adequate. We believe, further, that there would be little hesitation on the part of the Congress in adding very substantially to the present-day strength, especially in equipment, were it not for that circumstance which confronts us and which we must not ignore.

"To reach a better understanding of it we must reexamine the broad outline of our participation in the World War. Upon doing so we are reminded that when we entered that war, in April of 1917, the national debt stood at $1,100,000,000. In the 18 months of our participation we spent something in excess of $35,000,000,000. To meet that expenditure we raised about ten billions through taxes. We borrowed the remainder, and came out of the World War with a national debt of twenty-six billions. That wartime financing was accomplished with comparative ease, for when we began it the Government owed very little.

"Compare that to our present situation. For 8 or 9 years the Federal Treasury has been running in the red. Through all of these years we have been spending much more than we have collected from taxes. The more we have spent the more we have borrowed. As a result, we have piled up a huge national debt. Present law provides that the national debt shall not exceed forty-five billions. It is now conceded that by the end of the next fiscal year the direct bonded debt will have approached forty-four billions. If our spending in the near future goes on at anything like the recent rate the forty-five billion limit will be reached. The Congress will have to raise the limit, and we shall continue plunging along the reckless road.

"Let us remember, therefore, that should we be drawn into a war of first magnitude, we should have to start with a debt of at least forty-four billions, probably more, and then finance the effort on top of that debt. It is a prospect which must concern every thoughtful person in the land.

"The President himself gave evidence of his concern when, in his message to the Congress, he suggested the imposition of a special tax calculated to produce revenue sufficient to meet the additional burden of the national defense, and at the same time avoid the necessity of increasing the debt limit. While we share the President's apparent concern, we are convinced that the imposition of an additional special national defense tax would be inadequate as a remedy and essentially unsound. It would not reach the heart of the problem.

"No one at this time can foresee accurately the measures we might have to employ were we drawn into war but all of us can visualize the danger to our institutions were we forced to resort to inflation, to confiscation, and ultimate repudiation. Could our free institutions survive such a strain? Similar institutions have perished in other lands within our time. Driven to such expedients it might well be that we shall have failed actually in our defense.

"Such a possibility should convince us that the most serious weakness in the armor of our national defense today is the existence of a national debt of $44,000,000,000. There it stands, towering,

ominous. Much as we should like to, we cannot consider our problem solely in terms of soldiers and sailors, of divisions and battleships.

"To deny that a healthy economic condition is vital to our national defense would be absurd. Our ability to mobilize and maintain the resources of the country in a major effort depends fundamentally upon the strength of our national economy. True, we need soldiers and sailors, divisions and battleships, with adequate modern equipment, but to secure their effectiveness in a long, gruelling struggle, and at the same time to preserve our institutions, we must mend our ways.

"It will not be an easy task. We have acquired a habit difficult to cast off. Many of our people, thoughtless of the consequences, laugh at debt and demand that spending shall go on. But it must be curbed, for we cannot go on this way and be secure in this troubled world.

"The maintenance of our defense is linked with the maintenance of all other necessary activities of our Government. At the present juncture we cannot separate one from the other. The cost of the whole of them combined must be our concern as we strive to put our house in order.

"To put it simply, our plea is that the Congress, and others in high authority, reestablish thrift as a virtue in the conduct of government as it is a virtue in the conduct of the individual."

I believe we have just about reached the point of security, and in the immediate future we will have to guard against a desire on the part of some people for overexpansion.

Perhaps the most interesting debate of the present session involved increasing the capital of the Export-Import Bank by $100,000,000. This bill passed the House and Senate 2 weeks ago. While the question of a loan to Finland was not specifically mentioned in this bill, it was generally known throughout the country as the Finnish loan bill. The debate in the House centered around the suggestion that the Export-Import Bank should loan $20,000,000 to Finland. Some felt that the loan should be made in such a way that Finland would be allowed to purchase whatever material was needed in this country—materials that would be helpful to her in defending her territory. Others felt we should make the loan and restrict its usage to nonmilitary supplies, largely surplus farm commodities.

Inasmuch as our own State Department definitely stated that legally Finland was not at war, we therefore could not consider it a belligerent nation. The President had not, nor has not, invoked the provisions of the Neutrality Act in the case of either Finland or Russia. That being true, I felt we were justified in permitting Finland to purchase whatever type of material was most needed, providing, of course, that she secured ships of other countries to transport the material home. It was brought out during the debate that we were, in fact, financing a war for both Russia and Japan through the purchase of gold and silver from these countries. We have bought several million dollars worth of gold from Russia at a cost of $35 per ounce; gold which cost Russia only $8 an ounce to mine. Recently a man was in my office who had personally seen kulak and prison labor used to mine gold in Russia. This gold was being mined by the old, primitive method of scratching gravel out by hand. It is a matter of record that Russia has used the proceeds from the sale of gold to the United States to buy war materials here in the United States. During the past 4 months more than 90 percent of our exports to Russia have been in the nature of munitions and implements of war. While I do not want to see this country take any step that might ultimately involve us in war, I felt that, since we were financing Russian war machinery, we should aid Finland in some practical way. While writing this, word comes to us that the Finnish-Russian War has come to a temporary end; whether or not Finland has been compelled to accept the Russian peace terms because of lack of assistance from other countries we will perhaps never know. However, the fact remains that Finland has given the world an example of reliability and bravery that we can never forget.

The House, thus far, has given very little consideration to important legislation which should be taken up, other than routine appropriation bills. About the only exception has been the continuation of the Reciprocal Trade Treaties Act, which I discussed fully last month.

Some of us are beginning to wonder if we will be given a chance to vote on bills that should be enacted this session. As most of my listeners realize, the minority is powerless unless members of the majority party will permit legislation to be presented to the House. The standing committees are composed of 15 Democrats and 10 Republicans. The only way legislation can be taken from a committee is by securing the signatures of 218 Members on a discharge petition.

Many of us want to vote for legislation to provide adequate old-age assistance. We want to consider the recommendation of the so-called Smith committee. This committee has held extensive hearings in connection with its investigation of the National Labor Relations Board. They have submitted a report to the House accompanied with suggested amendments to the National Labor Relations Act. I have not had time to study this report and proposed amendments but I intend to devote the April 14 broadcast to a discussion of this report.

Then, too, there is the Walter-Logan bill, the enactment of which will benefit many of our citizens. This bill is designed to curb abuses by bureaucratic agencies of the Federal Government. During the past 7 years there has been a growing tendency for Congress to write regulatory laws in such form that enforcing officers, boards, and commissions are given power to fill in the details. The rules and regulations of these bureaus have been the force of law, and many of them carry severe criminal penalties. Such regulations have no permanency; they are changed almost overnight without the knowledge of many who are governed by such regulations. This bill strikes at three evils: (1) Making arbitrary decisions contrary to factual evidence; (2) delay in issuing regulations under which a given law will be administered and with consequent uncertainty to those coming under the provision of the law; and (3) restricting the right of court appeal by parties aggrieved, especially in regard to findings of fact. The Walter-Logan bill would hold administrative agencies strictly to the act by providing that any decision may be set aside if it appears to the court that findings of fact are erroneous or that the findings are not supported by substantial evidence and that the decision was issued without due notice and without affording the aggrieved party the full or fair hearing so that it infringes on the Constitution or statutes of the United States or in any other way contrary to law.

The enactment of the Walter-Logan bill would assist many harassed employers and would, I believe, in due time stimulate business and employment.

Many Members of the House are anxious to consider legislation that will permit the continuation of the slum-clearance or low-rent, low-cost housing program. This bill died in the closing days of the last regular session. The proposal is now before the Rules Committee and it is up to the House majority leadership to decide when it shall again be presented to the House for action.

In closing, I would like to mention the flood-control hearings that will open before the House Flood Control Committee next Tuesday. The city of Hartford will be ably represented by Mr. Charles Bennett, secretary of the Hartford Flood Control Commission; and East Hartford will be represented by Mr. John Burke, president of the East Hartford Council.

While it is true that the amount of money recommended for flood-control work this coming year has been reduced, I feel confident that sufficient money will be made available to complete the Connecticut River projects.

There seems to be some misunderstanding regarding flood-control legislation. First of all, Congress passes an authorization bill, approving a certain complete project, based on recommendations of the Army engineers. Next, an appropriation bill must be passed to provide the money needed to do all the work that can be done during the next year. It would be most unusual for Congress to fail to provide money needed to complete a project such as the Connecticut River project that is now under way. The work may be slowed up by reduced appropriations, but I am confident we have nothing to worry about in connection with flood control.

The hearings Tuesday will be on recommendations of the Army engineers, contained in a recent review report of the Connecticut River project, and while copies of this report are not as yet available, I am informed the recommendations meet the ideas of representatives of Hartford and East Hartford.

There is much that could be done to improve business and lessen unemployment, and I for one hope that the desire for early adjournment because of the political conventions will not cause Congress to go home leaving so much of its work undone.

Americanism and the American Legion

EXTENSION OF REMARKS

OF

HON. RICHARD M. SIMPSON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

ADDRESS BY DR. RUTH MILLER STEESE

Mr. SIMPSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Dr. Ruth Miller Steese, State legislative chairman, American Legion Auxiliary of Pennsylvania, delivered at Palmyra, March 11, 1940, at public meeting sponsored by the American Legion and American Legion Auxiliary of Palmyra, Pa.:

United in the common bond of service to God and country, we meet here this evening to consider the vital issues of Americanism and national defense. As we gather in historic Palmyra we are reminded of that great American, one of the first of our national defenders, that outstanding Revolutionary patriot, Dr. John Palm. As you know, Dr. Palm in 1766 bought 100 acres of land here, settled, and began farming and practicing medicine. In the course of a few years a town sprang up called Palmstown, which name was changed to Palmyra in 1810.

The American Legion was so proud of Dr. Palm that early in 1932 you erected a marker at his grave in the cemetery adjacent to Bindnagle's Lutheran Church. In the fall of the same year a boulder and tablet were donated by you, the citizens of Palmyra, and erected and dedicated by the Washington Bicentennial Committee under the direction of the Lebanon County Historical Society.

Such has been and is your faith and pride in the founder of your community. As the great-great-great-great-granddaughter of Dr. Palm, it is but natural that I should share in your pride. And I do; and my youngest son bears the name, John Palm.

And so this evening, bound by the ties of kinship to the historic past, we consider Americanism. This season is filled with American history and tradition because it is the time when we review the lives and achievements of those two immortal Americans, George Washington and Abraham Lincoln, the Father of his Country and the preserver of our Union.

May we pause to pay tribute first to George Washington, and may this tribute be expressed by the words of Abraham Lincoln:

"Washington is the mightiest name on earth; long since mightiest in the cause of civil liberty; still mightiest in moral reformation. On that name no eulogy is expected. It cannot be. To add brightness to the sun or glory to the name of Washington is alike impossible. Let none attempt it. In solemn awe pronounce the name, and in its naked deathless splendor leave it shining on."

May my tribute to Abraham Lincoln be in these words: "It is the glory of Lincoln that, having absolute power he never abused it, except on the side of mercy. Wealth could not purchase, power could not awe this divine, this loving man. Hating slavery, pitying the master, seeking to conquer not persons but prejudices, he was the embodiment of self-denial—the courage, the hope, and the nobility of a Nation."

Such have been the greatest men of American history, men of great ability and pure patriotism, men with no motive apart from love of their country.

How significant it is that we celebrate the birthdays of Washington and Lincoln in February, and then comes March. In this month we celebrate another birthday, that of a great organization, the great American Legion. This trio of anniversaries reminds us that in a changing world, with changing values and changing standards, the birthday of the Legion nevertheless deserves third place in national history, for the American Legion is dedicated to uphold and defend the Constitution of the United States, which was the greatest achievement of the Revolutionary period; to maintain law and order, the foundation for which was laid by Lincoln and the "men in blue"; and to foster and perpetuate a 100-percent Americanism, the price of the sacrifice of '17 and '18.

To consider the term "Americanism," we must go back to the beginning of all things. The God who created man implanted in his soul a yearning and love for liberty—liberty of mind, body, and spirit, liberty of heart and conscience. In his quest for liberty man has endured suffering, undergone persecution, and made sacrifices which grip the heart and move the soul. In his efforts to realize his yearning for liberty almost all of man's existence has been one of strife and struggle, battle and trouble.

For centuries he knew but one world, the Old World, which shackled and confined him physically and spiritually. Then happened a great event—a new world, America, was discovered—which at once seemed to be the land of opportunity, the land of liberty of body, soul, and spirit.

In time men came from other lands with hope in their hearts. They settled in this virgin world in quest of the liberty, happiness, and contentment which they believed this new land would bring them. At first came the English to Virginia, then the devout Pilgrims, the sturdy Dutch, the tough-fibered Scotch-Irish, the patient Germans, the conscientious Huguenots, and the resolute Danes and Swedes. These were the peoples—stout of heart, strong of faith, and sturdy of conscience—who laid the foundations of the Government, great and wonderful, which you and I are enjoying today.

After a century and a half of struggle, suffering, and sacrifice, marked by battling with illness and hunger, fighting with wilderness and savage, man's yearning for liberty crystallized and found expression in the Declaration of Independence, that great creed of self-governing freemen, voicing for the first time in the annals of history the belief in the equality of man and the faith in the people to govern themselves and, through self-government, to realize man's yearning for a higher, a better, and a happier life.

Americanism had its actual birth and definition in this Declaration of Independence, in those immortal words of Thomas Jefferson, "When in the course of human events, it becomes necessary for one people to dissolve the political bonds which have connected them with another, and to assume among the powers of the earth the separate and equal station to which the laws of nature and of nature's God entitle them, a decent respect for the opinions of mankind requires that they should declare the causes which impel them to the separation," and these are the significant words, "We hold these truths to be self-evident; that all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness; that, to secure these rights, governments are instituted among men; deriving their just powers from the consent of the governed."

And so we learn that the Declaration of Independence, the first governmental document uniting the Thirteen Colonies, was one based on idealism and spirituality—on a faith in the value and potentialities of the common man. It was a document proclaiming the birth of a Nation dedicated to the personal and religious liberty of mankind.

Thus we perceive from the birth of our Nation, through its existence down to the present time, running through it like a golden thread, a deeply spiritual strain, a pervading reverential recognition of Divine Providence.

And so, the word "America" does not mean merely this splendid Nation with its gigantic forests, its lordly mountains, its vast prairies, its beautiful valleys and its crystal lakes, not just America the beautiful. It means more and vastly more. It means the history, the tradition, the patterns of life and conduct, the economic order and the system of individual and human liberty for which we stand.

Obviously, with so many peoples in so many lands seeking to find the solution to the political problems of the ages, it cannot be said that we in America are living under the one and only perfect system. But there is at least one perfect element upon which we can securely rest. And that is that in this country of ours we have a system and a tradition based upon two centuries of furthering an ideal, the ideal of a society which recognizes that at the base of any economic, social, and political structure like ours there must be the individual, and that this individual cannot contribute to the fullest degree if he does not possess those individual rights, liberties, and freedom outlined in the Declaration of Independence and guaranteed by the Constitution and the Bill of Rights.

But as this great Government places supreme value upon the rights of the individual, it also demands in return the finest and the best. It presents opportunities and emphasizes responsibilities. It is a challenge to the richest and noblest life of which mankind is capable, a challenge to the great unconquerable spirit which characterized our great men of the past and which must characterize our men of today if this Nation is to continue to rise to greater planes of service and usefulness in the future.

Americanism today is faced with more problems, more serious obstacles, than during any great war period. We are living in an age of dictatorships, either threatened, implied, or accomplished. Two decades after the World War which was waged to abolish autocracy and to make the world safe for democracy, we find dictatorships the fashion in over half of Europe. Even in our own United States, which we have long regarded as the strongest citadel of popular government, there are subversive forces at work seeking to overthrow our constitutional liberty.

Knowing the conditions that have existed in our Nation, the American Legion fought these subversive influences for 20 years. Success first crowned our efforts when the Seventy-fifth Congress passed House Resolution 282 authorizing the appointment of a congressional Committee on Un-American Activities.

With but a small appropriation, the committee was appointed with Hon. MARTIN DIES, of Texas, as chairman. The investigation brought forth startling revelations, indisputable evidence as to the foreign agencies working in and through our citizens for the destruction of our great Republic. The chairman and his committee exerted every effort and were steadfast in their determination to learn the truth. Their first report was presented to the first session of the Seventy-sixth Congress, January 3, 1939.

Then a second fight was in order, with strong political forces seeking the discontinuance of this committee. But with the efforts and support of the American Legion and allied organizations, real Americans forced the issue through Congress again, and the committee was continued with an additional appropriation. This winter, in the third session of this same Seventy-sixth Congress, we fought our third battle. Again public demand, public opinion, molded by the dauntless spirit of the American Legion compelled Congress to continue this committee. The resolution passed on January 23, 1940, with 344 yeas, 21 nays, and 57 not voting. We as American citizens appreciate the courage and conviction of our Congressmen, who in the face of overwhelming odds, dared to vote for this resolution. Your own Congressman, the Honorable JOHN C. KUNKEL voted for it. If you are genuinely interested in this investigation and in the disclosure of un-American activities in our country, you as organizations and you as private citizens should publicly and privately, orally and by letter commend Congressman KUNKEL for his support.

This is only one of the many grave problems facing us at the present time. As we consider our great national problems and issues, let us work out their solutions by a study and application of the teachings of our recognized great Americans. Abraham Lincoln and George Washington shall always live because they never wavered in their allegiance to constituted American government, to constituted American authority. Lincoln gave us this admonition, "Let us have faith that right makes might. And in that faith, let us to the end dare to do our duty as we understand it."

Divine Providence, which watched over the early colonists, guided our forefathers in the creation of our glorious Union, has continued to watch over us and to raise up strong, courageous men in every period of crisis in our history. Today, when the future looks dark, when republics are giving way to dictatorships, when individual rights are being surrendered to the States, and when

States' rights are being centralized in Federal authority, we need great men. Today, if we are to return to our faith in the fundamental principles of government, if we are going to support and maintain the Constitution of the United States, if we are going to retain the freedom guaranteed to us in the Bill of Rights, and make this country the great republic for which it was planned, we need great men. Let us seek for the Washingtons and Lincolns of 1940, who will lead us back to the path of the truly American way of life, living, and government. May our guiding sentiment in 1940 be—

"God give us men!
A time like this demands
Strong minds, great hearts, true faith, and ready hands;
Men whom the lust of office cannot kill;
Men whom the spoils of office cannot buy;
Men who have opinions and a will;
Men who are honest, men who will not lie;
Men who can stand before the demagogue
And damn his treacherous flatteries without blinking;
Tall men, sun crowned,
Who live above the fog, in public duty and in private thinking.
For while the rabble, with their thumb-worn creeds,
Their large professions and their little deeds,
Mingle in selfish strife,
Lo, freedom weeps,
Wrong rules the land, and waiting justice sleeps.
God give us men!"

Interstate Chain Store Lobby Ganged Up on Farmers

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. PATMAN. Mr. Speaker, chain stores, with their insidious propaganda, are telling the people just how much they spend for farm products, but they do not say how much more they should have paid the farmer so he could make a living. It is most encouraging that organized farm opinion now can speak for itself on the chain-store question. When facts were compiled definitely showing that the more the chain stores sold, the less the farmer received, it was not a surprise that the 5,000 delegates of the California State Grange, in its annual State convention November 15, 1935, unanimously passed the following resolution:

Whereas mass buying as practiced by chain stores is a menace to the farmer and tends to produce a private monopoly in the distribution of food; and

Whereas private monopoly in the distribution of food is a threat to the welfare of all people; and

Whereas chain stores do not now pay their fair share of the tax load, and at the same time take the net profit from business out of local communities and send it back to Wall Street-controlled financial centers in the East, destroying, at the same time, opportunities for our own boys and girls coming out of high schools and colleges to go into business for themselves: Now, therefore, be it

Resolved, That the California State Grange endorses and supports legislation to curb expansion and to regulate existing chain stores in California.

It was reported in the newspapers recently that the National Grange condemned chain farming. I construe that as an expression by this organization against absentee ownership of a business that should be owned locally.

HOW INTERSTATE CHAINS AFFECT FARMERS

In a recent report the Federal Trade Commission cites a number of glaring examples of the unfair gouging of farmers and growers throughout the land. This report deals with many commodities. I will mention a few. In each example the consumer's dollar is broken down, fractionally, as follows:

Pacific Northwest apples: Of one consumer dollar spent in 1936, 14½ cents paid for packing and loading, 23⅓ cents for railroad shipment to Dallas, Chicago, New York, and other principal markets; the interstate chain stores hogged 31⅓ cents of the consumer dollar while the poor grower got a mere 21⅓ cents.

Texas onions: Again in 1936, of one consumer dollar, 11½ cents paid for packing and loading; 28 cents for rail—watch this closely—41½ cents went to the interstate chain stores, but the hard-working Texas onion grower received only 12¼ cents.

Now, take Texas cabbage: In 1936, and for the same markets of one consumer dollar, 10¼ cents paid for packing and loading; 36 cents went to railroads; the interstate chains grabbed 35½ cents; and the painstaking Texas cabbage grower got only 14½ cents.

Florida cabbage, for the same year, same markets: Of one consumer dollar, 14¾ cents for packing; 27½ cents for railroads; interstate chains greedily clutched 40¼ cents, but the Florida grower received a miserable 11¼ cents.

California tomatoes: Of one consumer dollar in the same markets, 11 cents for packing; 17½ cents for railroads; interstate chains received 44¼ cents; and the grower ended up with only 23 cents.

These are very convincing official figures by the Federal Trade Commission. Similar illustrations could be given for other commodities, including dairy products.

Prior to the advent of the interstate chains the average farmer had an open market in which to sell his products. But today his price is virtually dictated by the grasping chain-store interests.

OFFICIAL REPORT OF FEDERAL TRADE COMMISSION

Last year, 1937, the Federal Trade Commission reported to the Congress of the United States as follows. Listen to this. I quote:

The Commission records with dismay its belief that the survival of independent farming by farmers who own their own farms and maintain an American standard of living is in jeopardy.

You cannot read this report without realizing that the Federal Trade Commission is saying, in just so many words, "Mr. Farmer, unless the interstate chain-store system is broken, you are absolutely ruined."

LOBBY GANGED UP

This lobby has ganged up on the farmers. It has ganged up on the wage earners. It has ganged up on the livestock and dairy producers, and it is wrecking them. In cities where they obtain control they gang up on the consumers.

EVERYBODY PROFITS BUT FARMER

The national corporate chains claim much credit for disposing of certain surplus commodities of the farmers. One critic advised me that he had just purchased from a national chain store three cans of peas for 12 cents and challenged me to deny that such purchase was in his interest and the interest of the country. He incidentally pointed out that the farmers were helped as well as himself; that the farmers had a surplus of peas that the chain store was helping them to dispose of. Let us see who was helped by this sale of surplus peas at 4 cents a can. The can company made a fair profit on the can. The railroad company made a fair profit on transporting the can to the producer and cannery, and also on the transportation after the can was filled. The telephone company made a fair profit on the calls necessary to complete the sale to the distributor, but the farmer who produced the peas worked for less than 5 cents an hour and threw in absolutely free the soil on his farm required to produce them. The wage earner working in the cannery did not receive a living wage. The chain store either received a profit or else placed his competitor a little bit nearer to bankruptcy. The railroad company profited, the Can Trust profited, the telephone company profited, but the farmer and wage earner suffered.

HEARINGS

H. R. 1, a bill to curb interstate chains, is now before the Committee on Ways and Means of the House. Hearings will commence on this bill March 27, 1940.

Payment of Income Tax in the District of Columbia by Residents of Massachusetts

EXTENSION OF REMARKS
OF
HON. ALLEN T. TREADWAY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 20, 1940

CORRESPONDENCE WITH THE COMMISSIONER OF CORPORATIONS AND TAXATION OF MASSACHUSETTS

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following correspondence which I have had recently with the commissioner of corporations and taxation of Massachusetts:

HOUSE OF REPRESENTATIVES,
Washington, D. C., March 16, 1940.

Hon. HENRY F. LONG,
Commissioner of Corporations and Taxation,
Boston, Mass.

DEAR MR. COMMISSIONER: I read with much interest your letter to Congressman MCCORMACK, which he inserted in the CONGRESSIONAL RECORD, relative to the question of whether Massachusetts people residing in the District of Columbia should file State or District income-tax returns. As is the case with each Member from our State, I have many constituents living here in the District, most of whom are employed by the Government, and who retain their voting residences in the State. Some of them have been here for many years, own their homes here on which they pay taxes to the District, and have never filed income-tax returns in Massachusetts. The question whether they should file such returns has, of course, been brought to a head by the situation here, where Congress enacted an income-tax law for the District for the taxable year 1939. Scarcely a day goes by but what my office receives telephone inquiries from Massachusetts folks as to whether they should now file State-tax returns or District returns. I have carefully refrained from offering any advice one way or the other.

This morning my office received a phone call from a man from western Massachusetts who is permanently employed by the Government and who has been here for a number of years. He recently wrote to your office and received a reply to the effect that he should file a State tax return, and the circular sent him stated he would have to pay a penalty of $5 per day for each day's delay subsequent to March 1. From his conversation I inferred that because of this penalty he would be inclined to file a District of Columbia return instead and give up his voting residence in Massachusetts. I presume his case is typical of a great many others. They naturally would prefer to retain their voting residences in Massachusetts, and of course it would be to the financial interest of the State to have them do so and hereafter file State tax returns. I am wondering whether, in view of the peculiar situation which has arisen here, there is any means whereby the penalty could be waived for District of Columbia people this year if they will file delayed returns with your office. If this could be arranged, I believe I could have the matter sufficiently publicized in the Washington newspapers to reach the attention of most Massachusetts folks employed here, and I feel it would result in a great many returns being made to the State which otherwise will be made to the District of Columbia.

I would be glad to have your reaction to this matter at your convenience.

With personal regards,
Sincerely yours,

ALLEN T. TREADWAY, M. C.

[Telegram]

DEPARTMENT OF CORPORATIONS AND TAXATION,
Boston, Mass., March 20, 1940.

Congressman ALLEN T. TREADWAY,
House of Representatives, Washington, D. C.:

Your suggestion in respect to inhabitants of Massachusetts who are employed in the District of Columbia and who are filing Massachusetts income-tax returns for the first time in 1940 is deeply appreciated and wholeheartedly adopted.

Please be advised that all penalties because of delay in filing Massachusetts income-tax returns will be waived by me as commissioner of corporations and taxation. It will be appreciated if those who can immediately file the Massachusetts income-tax return due March 1st, but in accord with the thought of this communication all are hereby assured that any return filed on or before April 1 will be accepted without any penalty because of lateness in filing the return which was due March 1. Forms will be instantly forwarded to those who indicate they require them.

It is my thought that every possible aid and assistance should be given to those to whom you call attention and others perhaps similarly placed. I am more than pleased with the opportunity you afford me of making clear to all that Massachusetts income-tax returns may be filed by all, secure in the understanding that no penalties will be imposed for late filing.

HENRY F. LONG,
Commissioner of Corporations and Taxation.

Investigation of Activities of Government Employees on Behalf of Foreign Countries

EXTENSION OF REMARKS
OF
HON. BRENT SPENCE
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 20, 1940

RESOLUTION OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY

Mr. SPENCE. Mr. Speaker, under leave to extend my remarks, I herewith include a resolution passed by the general assembly of the Commonwealth of Kentucky to memorialize the Congress of the United States in behalf of H. R. 8368 to provide for investigation of activities of Government employees on behalf of foreign countries, which bill I introduced at the request of the Newport Lodge, No. 273, of the Benevolent and Protective Order of Elks.

The resolution is as follows:

OFFICE OF CHIEF CLERK,
HOUSE OF REPRESENTATIVES,
COMMONWEALTH OF KENTUCKY,
March 5, 1940.

Mr. Carl Scheben, of the county of Campbell, introduced the following resolution, viz:

"House Resolution No. 103

"Resolution to memorialize the Congress of the United States in behalf of H. R. 8368, by Representative BRENT SPENCE, of Kentucky, to provide for investigation of activities of Government employees on behalf of foreign countries

"Whereas a bill has been introduced in the House of Representatives of the Congress of the United States by the Honorable BRENT SPENCE, Representative of the Fifth District of Kentucky, known as H. R. 8368, of the Seventy-sixth Congress, third session, and entitled 'A bill to provide for investigation of activities of Government employees on behalf of foreign countries'; and

"Whereas this aforesaid bill is directed against un-American activities; and

"Whereas this legislation is sponsored by the Benevolent and Protective Order of Elks as a means to curb communism, nazi-ism, and other un-American 'isms': Now, therefore, be it

"*Resolved by the General Assembly of the Commonwealth of Kentucky*, That this general assembly earnestly recommends the passage by the Congress of the aforesaid bill; and be it further

"*Resolved*, That copies of these resolutions be forwarded to the Honorable BRENT SPENCE, Representative of the Fifth District of Kentucky, and to the Chief Clerk of the House of Representatives of the Congress of the United States, by the clerk of the house of representatives."

This resolution was adopted by the house of representatives on February 23, 1940, and concurred in by the senate on March 4, 1940.

Attest:

W. A. PERRY,
Chief Clerk, House of Representatives.

A Job for Every Man Who Wants To Work

EXTENSION OF REMARKS
OF
HON. EDWARD A. KELLY
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 20, 1940

ADDRESS BY HON. EDWARD A. KELLY, OF ILLINOIS, AT A MEETING HELD BY AN AFFILIATED GROUP OF LABOR ORGANIZATIONS, FEBRUARY 23, 1940, AT BLUE ISLAND, ILL.

Mr. KELLY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address deliv-

ered by me to a group of labor organizations on February 23, 1940, at Blue Island, Ill.:

In coming here tonight I come here in the light of fairness to the forces of labor, not in the spirit of taking any part with or affiliating my remarks to any group of any labor organization. I have always been fair in my judgment to the cause of labor, both organized and unorganized alike.

There have been many changes which have occurred in our economic life since the Declaration of Independence and the Constitution set forth their proposals for fostering the welfare of the American people. With conditions changing those proposals require new public responsibilities.

I firmly am a believer that where industry fails to provide a job it is the duty of the Government to provide a job for every man and woman who wants to work.

In the birth of democracy never lose sight of this fact: "We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights—that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends it is the right of the people to alter or abolish it and to institute new government, laying its foundation on such principles and organizing its powers in such form as to them shall seem most likely to effect their safety and happiness."

In the early beginning of our country the above statement, taken from the Declaration of Independence, July 4, 1776, was a bold denunciation of all governments then existing. It denied the right of the few, anywhere, at any time, to rule the many. It was the first attempt in all history to establish a government upon the broad foundation of the rule of the masses. Only idealists of the far-removed Colonies, those dreamers of field and forest, of the far frontiers, had the vision to behold or the courage to declare such a truth, and the tenacity of purpose to do battle for it.

Within this American wilderness there began the political evolvement of a Nation whose progress and destiny were to depend upon in its day by those who did not approve of it and classified it as that most radical of doctrines.

Thirteen years after the much-ridiculed Declaration of Independence—the first time in history a people deliberately framed in writing their agreement as to the form and method of government which they desired to adopt and follow—the basis of that government was the reaffirmation of that ridiculed declaration of equality in a constitution which they adopted to formulate the economic rights under the great Declaration.

The Constitution was wisely written. It provided for its own modification to meet changing economic needs. It has already been amended 20 times, and as the economic system changes it may be amended many more times to meet the trend of the people.

Each change in the Constitution has been, and always must be, designed toward an ever closer conformity with our basic Declaration of Independence. This declaration is not subject to change. It is the one great changeless part of our national expression. Men accept it and become Americans, or reject it and remain foreigners. Upon this rock we have founded our Nation. By it as written we stand or fall.

It was upon this well-considered, well-planned, well-worked-out system that America started on her mighty course. It was idealism in behalf of humanity that was to be given practical, every-day expression in the acts and achievements of a people coming from many national stocks. They accepted fully the great truth that the highest ideal is the surest and safest guide in the practical things of life, and that the aspiration for equality of opportunity among men is the highest ideal in the government of men, and they followed it.

Under this system of government we have already come far. Under it we have passed safely through many dangers and difficulties. We have warred with other nations here in America. We have warred among ourselves for the very life of our country.

We, America, started the movement for political democracy and assisted largely in its promulgation and adoption throughout the world. At the time of our adoption of the Constitution America was purely an agricultural country. Through successive developments it has grown largely into an industrial country. Our whole economic life has changed as a result of this evolution. The old order has failed to meet the new conditions. What was fair and equitable when all labored alike, has become clearly unfair and inequitable under the new conditions. The physical development of the country has outrun the economic adjustments which that growth required.

The economic system of distributing wealth which prevailed at the time power was first applied to machinery, "labor-saving machinery"—in America as well as in other countries—permitted the piling up of tremendous fortunes by the few and prevented the many from sharing fairly in the wealth which the many created. This is the unanswerable evidence of the enormous economic inequality actually existing.

In the light of our experience the remedy suggests itself. Since political equality has removed most of the political abuses which had so long cursed the world, economic equality will as certainly remove the abuses which have so cursed the economic world. I listened very attentively a few nights ago to a Member of Congress of the Republican Party, in a speech delivered at the Stevens Hotel, Chicago, in which he castigated viciously the so-called New Deal. He spoke of how the Republican minority in Congress now was saving America. He failed to state, however, that practically every single Republican Member has and is voting to a man against all progressive legislation, legislation beneficial to the public welfare and to labor.

He mentioned about the enormous debt that the Democratic Party has foisted on the backs of the American people. He failed however, to mention that it was his party that caused a national deficit of $21,000,000,000 that the Democratic Party inherited on the 4th day of March 1933. He failed to tell his audience also that his party left a bankrupt nation to the Democratic Party on that day. He failed to state that between 1929–33 that 10,333 banks in this Nation had closed their doors and confiscated billions of dollars of the hard-earned money of the American people who placed their money in these institutions for safekeeping. He failed to say that an unregulated stock exchange then operating under Republican control closed their doors and took billions of dollars more of the people's money placed in securities of industry that they thought were secured, but turned out to be nothing more or less than watered securities and securities that never existed.

He mentioned about what the party that he represents would do for the American farmer if it were restored to power in this Nation, but he did not inform them that under his administration the farmer became another bankrupt person in America, because his party failed to help the American farmer retain his markets.

He forgot to tell his audience in Chicago that the lowest price of hogs in 1929–33 was 3.3 cents per pound—by the so-called Republican prosperity that he now yells about. He forgot to inform his listeners that the American farmer only received 31.9 cents for corn, 38.2 cents for wheat; eggs he fed to his hogs, for he could not get a fair price for them in the markets.

Yes; he forgot to state about the scandal created by his party in the case of Colonel Forbes, Director of the Veterans' Administration, who was tried for conspiracy to defraud.

He forgot to mention that one of the Cabinet members under the Republican administration of the old order of business was found guilty of accepting a bribe in dealing with leases of the naval petroleum reserve and was sentenced to jail.

They thought so much of the laboring classes of people then that they called out the United States marines and at bayonet points drove them off of public lands that had been given these people under free land grants of the United States Government because rich mineral resources had been discovered there and left these unfortunate people stranded in the desert of America to starve and die.

Yes; he failed to mention that his party stood idly by and witnessed the collapse of this Government without trying one remedy to prevent it. And, oh, he failed to tell his audience how Herbert Hoover drove the ex-soldiers at bayonet points out of the Nation's Capital they fought to preserve when they marched on to Washington for food and jobs and redress in life.

And above all else he failed to state that his party repeatedly sat idly by and allowed the prohibition amendment to the Constitution to ruin the moral character of her people, to put them in a life of crime and murder, and make them disrespectful people of this Nation. And then the long-forgotten Jones five-and-ten law, that virtually made criminals out of every American citizen that dared sip an ounce of alcoholic beverages, unless you had a permit from the Nation's own bootlegger, Andy Mellon.

He forgot to mention that for 40 years past the railroad men of this Nation sought a pension for valorous service they rendered to America and could get no consideration from his party.

Oh, I could go on and on and reiterate many happenings, but I wish to be fair with you all, for sometimes it gets boresome to those who have to listen.

And now I purpose to state what this Nation, under one of the greatest Presidents it has ever had, has done, and before going into this I want to say I met a man a short while back en route to Washington from Chicago. He did not know who I was, as we met in the dining car on the Capitol Limited and discussed the economic situation prevailing in America. He said, while he was a Republican and did not support Franklin Roosevelt in 1932, he certainly would support him in the coming year, meaning 1936, for if, one thing he did which met with his approval, he prevented the American people from taking up arms against one another, and while he did not agree with his entire program, he nevertheless would support him upon those principles.

Now what has this administration done for labor:

The first act was to secure the banking structure of this Nation and to save the solvent institutions from further collapse. It passed the Federal Deposit Insurance Act that today safeguards your money up to $5,000 in the bank. We repealed the eighteenth amendment and the Jones five-and-ten law restoring civil liberties back again to the masses of American people.

We passed the Agricultural Adjustment Act to rehabilitate the American farmer, and as we witness today the prices of farm commodities, to what they were, the American farmer has received more than an even break. We passed an emergency relief act to take care of the American people, to feed and clothe them, extend medical aid to the sick, and to take care of the underprivileged persons of this Nation that were left destitute by the Republican calamity. We passed the soldiers' bonus bill. We passed legislation for the

widows and orphans of soldiers who died that were service-connected cases.

After a 40-year fight we passed the Railroad Retirement Act, and many fights ensued between Congress and the Supreme Court over the validity of this act.

We now have before us in conference the so-called transportation bill, that will equalize all forms of carriers in commerce.

We passed under a Democratic House the Anti-Injunction Act of 1932, which protects labor from a discriminatory use of the injunction to break strikes. We created a national labor act, giving the right to employees to join a union of their choosing and a right to collective bargaining.

We provided for the establishment of fair labor standards in employment, known as the Fair Labor Standards Act of 1938. This established in industry engaged in interstate commerce or in the production of goods for commerce of labor conditions detrimental to the maintenance of the minimum standard of living necessary for health, efficiency, and general well-being of workers.

The establishment of minimum wages and maximum hours.

We passed a system of Federal old-age benefits and by enabling the several States to make more adequate provisions for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment-compensation laws.

We passed the 40-hour workweek for all Federal employees engaged in the Post Office Department.

We prohibited prison-made goods to flow in commerce in competition with union-made goods.

We passed as an emergency act the establishment of the C. C. C. camps to take boys off of the streets and make useful citizens out of them.

We established a Fair Standard Act in the paying of wages on Government contracts.

We passed the Longshoremen and Harbor Workers Compensation Act with respect to rates of compensation.

We created the Public Works Administration, Civil Works Administration, and the Works Progress Administration to cooperate with the States in an emergency where employment could be given on needed public-works improvements.

We passed the Home Loan Corporation Act, that enabled people to amortize mortgages they owed on property that were in a distressed condition and saved millions of home owners from losing their homes.

The Federal Housing Corporation Act made it possible for people in low-wage brackets to build and purchase homes on the basis of small monthly payments, where the Federal Government guaranteed the payments to mortgage companies and building and loan associations, and at the same time made it possible for the building industries to reemploy building mechanics.

These, my dear people, were some of the most important acts passed by this administration beneficial to the public interest and its general welfare.

In conclusion, I wish to reiterate a statement issued by the President of the United States in which he said, "Democracy is not a static thing, it is an everlasting march; when our children grow up they will still have problems to overcome. It is for us, however, manfully to set ourselves to the task of preparation for them so that to some degree the difficulties they must overcome may weigh upon them less heavily.

I am confident that the people of the Nation, having put their shoulder to the wheel, will build a better future for the children of the days to come.

Democrats' Part of National Debt Under President Franklin D. Roosevelt Does Not Exceed $20,000,000,000

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

Mr. PATMAN. Mr. Speaker, President Woodrow Wilson, during the World War, said that those who profited by the war should pay its cost, and he persuaded the Congress to pass tax laws which, if they had remained upon the statute books, would have caused the entire payment, the complete liquidation, of the national debt by June 30, 1927. When the Republicans came into power March 4, 1921, they did not see fit to keep these war taxes in effect. They did not want to liquidate the national debt so quickly. In fact, it was contended by the administration in power and by many of the big financiers of the country that a pretty good size national debt was a sound thing for the country.

I am inserting herewith a statement prepared by Mr. L. H. Parker, chief of staff of the Joint Committee on Internal Revenue Taxation, which discloses that if the Woodrow Wilson taxes had continued in effect, the national debt would have been entirely paid by June 30, 1927, and there would have been a surplus at that time in the Treasury of $1,542,000,000 after the payment of the debt in full.

The statement I refer to is contained in volume 79, part 3, of the CONGRESSIONAL RECORD for the Seventy-fourth Congress, first session, page 2687, and is as follows:

Estimate of additional revenue that would have been derived under the income and excess-profits tax rates of the year 1918 continued in subsequent years, with effect upon the public debt by the application of such additional revenue thereto

INDIVIDUAL INCOME TAX

Year	Actual net income	Actual tax	Theoretical tax	Excess
1918	$15, 924, 639, 000	$1, 127, 722, 000	$1, 127, 722, 000	
1919	19, 859, 491, 000	1, 269, 630, 000	1, 406, 052, 000	$136, 422, 000
1920	23, 735, 629, 000	1, 075, 054, 000	1, 680, 483, 000	605, 429, 000
1921	19, 577, 213, 000	719, 387, 000	1, 386, 067, 000	666, 680, 000
1922	21, 336, 213, 000	861, 057, 000	1, 510, 604, 000	649, 547, 000
1923	24, 777, 466, 000	661, 666, 000	1, 754, 245, 000	1, 592, 579, 000
1924	25, 656, 153, 000	704, 265, 000	1, 816, 456, 000	1, 112, 191, 000
1925	21, 894, 576, 000	734, 555, 000	1, 550, 136, 000	815, 581, 000
1926	21, 958, 506, 000	732, 471, 000	1, 554, 662, 000	822, 191, 000
Total	178, 795, 247, 000	6, 758, 085, 000	12, 658, 705, 000	6, 400, 620, 000
1927	22, 545, 091, 000	830, 639, 000	1, 596, 192, 000	765, 553, 000
Total	201, 340, 338, 000	7, 588, 724, 000	14, 254, 897, 000	7, 166, 173, 000

CORPORATIONS—INCOME AND EXCESS-PROFITS TAXES

Year	Actual net income	Theoretical net income	Actual tax	Theoretical tax	Excess
1918	$8, 361, 511, 000		$3, 158, 764, 000		
1919	9, 141, 418, 000	$8, 031, 704, 000	2, 175, 342, 000	$3, 034, 137, 000	$858, 795, 000
1920	7, 902, 655, 000	6, 542, 608, 000	1, 625, 235, 000	2, 471, 601, 000	846, 366, 000
1921	4, 336, 048, 000	3, 399, 895, 000	701, 576, 000	1, 284, 378, 000	582, 802, 000
1922	6, 963, 811, 000	5, 222, 858, 000	783, 776, 000	1, 973, 060, 000	1, 189, 284, 000
1923	8, 321, 529, 000	6, 241, 147, 000	937, 106, 000	2, 357, 743, 000	1, 420, 637, 000
1924	7, 586, 652, 000	5, 689, 989, 000	881, 550, 000	2, 149, 530, 000	1, 267, 980, 000
1925	9, 583, 684, 000	7, 187, 763, 000	1, 170, 331, 000	2, 715 350, 000	1, 545, 019, 000
1926	9, 673, 403, 000	7, 255, 052, 000	1, 229, 797, 000	2, 740, 770, 000	1, 510, 973, 000
Total	63, 779, 200, 000	49, 571, 016, 000	9, 504, 713, 000	18, 726, 569, 000	9, 221, 856, 000
1927	8, 981, 884, 000	6, 736, 413, 000	1, 130, 674, 000	2, 544, 842, 000	1, 414, 168, 000
Total	72, 761, 084, 000	56, 307, 429, 000	10, 635, 387, 000	21, 271, 411, 000	10, 636, 024, 000

Public debt June 30, 1926		$19, 643, 000, 000
Additional revenue if rates continued through 1926	$15, 122, 476, 000	
Probable saving in interest by annual payment of such additional revenue on public debt	2, 450, 000, 000	
		17, 572, 476, 000
Balance of debt, 1926		2, 070, 524, 000
Public debt June 30, 1927		18, 510, 000, 000
Additional revenue if rates continued through 1927	17, 302, 197, 000	
Probable saving of interest by annual payment of such additional revenue on public debt	2, 750, 000, 000	
		20, 052, 197, 000
Surplus after complete payment of public debt		1, 542, 197, 000

NOTE.—It is assumed that business profits (net income) would not have been depressed by the high tax.

(This statement prepared by the Joint Committee on Internal Revenue Taxation. Mr. L. H. Parker, chief of staff.)

If the Republicans had paid the debt as provided by law, it would have been entirely paid with a surplus, June 30, 1927. If we deduct the amount of the national debt on March 4, 1933, and the amount of interest that has been paid on the $17,572,476,000 since June 30, 1927, from the present debt, the part that should be charged against the present administration from March 4, 1933, would not exceed $20,000,000,000.

Agriculture and the Trade-Agreements Program

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 20 (legislative day of Monday, March 4), 1940

STATEMENT BY HON. HENRY A. WALLACE, SECRETARY OF AGRICULTURE

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement on the subject of agriculture and the trade-agreements program made by the Secretary of Agriculture, Henry A. Wallace, on January 12 of this year, in the hearings before the House Ways and Means Committee on the resolution to extend the Trade Agreements Act of 1934.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

When your chairman invited me to come here today to discuss, from the point of view of agriculture, the desirability of continuing the trade-agreements program, I was glad to accept. The fact that I did not appear before your committee in 1937, when the Trade Agreements Act was up for renewal, was interpreted by some as meaning that the Department of Agriculture was not in accord with the trade-agreements program. Because of that interpretation I addressed a letter to your chairman on February 8, 1937, stating emphatically that the Department of Agriculture was in accord with the program and giving the reasons why. Later I amplified those views before the Senate Finance Committee. In concluding my statement before that committee in 1937, I said:

"The Department of Agriculture does not consider the trade-agreements program a cure-all for our agricultural problem or a substitute for other farm programs. We do consider it an important and highly desirable supplementary program. * * * We cannot get away from the fundamental fact that our agricultural plant, as it exists today, will in years of ordinary weather produce more than can be consumed at fair prices within the United States. We believe that it is extremely important to maintain, on a sound basis, as large a foreign outlet for our export products as possible, consistent with sound soil conservation practices. We believe that this can only be done through permitting larger imports of goods and services from abroad to pay for our larger exports and through securing reductions in extremely high foreign trade barriers. The trade-agreements program is making definite progress along this line."

I stand on that statement today. Even though the trend of world events has kept the trade agreements from having the full beneficial effects on international commerce and on our exports of farm products that we had hoped they would have, the program has been distinctly worth while. I believe that, from the standpoint of agriculture, as well as the welfare of the Nation as a whole, discontinuance of the authority to conclude reciprocal trade agreements would be extremely unfortunate. A program of this kind will be particularly important in the days of a post-war world, which all of us, I am sure, sincerely hope are not too far away.

I came here today primarily to make a positive statement as to the position of the Department of Agriculture on the question of the continuation of the trade-agreements program. I hope that I have made that position clear. It is not, I take it, my place to discuss at length the more general aspects of the program, its legal basis, or the actual accomplishments in the way of agreements concluded, concessions given and obtained, and the like. Those matters will be covered fully by others and particularly by the Department of State, which has the program directly in charge.

But I do think it will be appropriate for me to comment briefly on certain phases of the program that bear most directly on agriculture. These are phases on which much has been said already and on which much more will doubtless be said in the days and weeks immediately ahead.

First I wish to refer to the perennial question of agricultural imports. It has been charged repeatedly that the trade agreements have caused a "flood" of agricultural imports, and by so doing have ruined particular agricultural industries. Presumably this refers to the effect of duty reductions on particular agricultural imports.

Now, what are the actual facts? Well, one fact is that imports of agricultural products of a kind similar to those produced in the United States rose considerably during the first 2 or 3 years following the original enactment of the Trade Agreements Act. But this rise in imports can be entirely explained by two developments. First, there were the disastrous droughts of 1934 and 1936, which made it necessary for us to import a relatively small amount of certain products, which are ordinarily on an export basis, in order to supplement our much reduced supplies. The second development was the improvement in economic conditions in the United States, which, as is always the case, led to increased imports of certain products which are regularly imported into this country because our production does not equal our own requirements. A case in point is wool.

It should only be necessary to point out that in all of the more important cases of increased imports, such as wheat from Canada, corn and hides from Argentina, and wool from Australia, there had been no change whatever in the tariff rates established in the Smoot-Hawley Tariff Act of 1930, to dispel the myth that trade agreements were responsible for the temporary rise in imports during the middle thirties. I say "temporary," because since 1937 imports of the so-called competitive products have declined to approximately the level that prevailed in 1934 and 1935 before the trade-agreements program had really gotten under way.

It is also a fact that some reductions have been made through trade agreements in the duties on agricultural products. But I do not know of a single case where such duty reductions have seriously inconvenienced an American agricultural industry. As a matter of fact, in cases where a damaging influx of agricultural products might take place as a result of duty reductions, meticulous care has been taken to see that safeguards were introduced to prevent such an influx.

Numerous examples of such safeguards might be cited, but I shall refer to only one—that on cattle. In the first place, in the trade agreements with Canada the duty was reduced only on the kind of cattle which Canada predominantly supplied, namely, cattle weighing over 700 pounds and calves. This made it impossible for Mexico, the only other source of cattle imports into the United States, to bring in any large quantity of cattle under the duty reduction made in the agreements with Canada. In the second place, the duty reduction was made applicable only to a certain number of cattle. In the first Canadian agreement of 1936 this number, in the case of heavy cattle, was 156,000 head annually. In the second Canadian agreement, which replaced the first agreement in 1939, the number was 225,000 head. The first number represented about 1 percent of our estimated total cattle slaughter in 1935, and the second 1.5 percent of our total slaughter in 1938. But in the case of the larger number in the second agreement the further precaution was taken to limit the imports in any one quarter to not more than 60,000 head. This step was taken partly because of the complaints under the first agreement that, while the number involved was small, the fact that they could all come in within a limited period was likely to result in damaging competition.

Now, it has been argued, and it doubtless will continue to be argued, that, while the quantity of cattle imported from Canada under the trade agreement is quite small in relation to our total cattle slaughter, the arrival of such cattle on particular markets in particular days causes a glut which results in reduced prices in that market. Some even go so far as to say that this reduction spreads then to markets throughout the country, but the Department of Agriculture has seen no concrete evidence to this effect. It may be admitted, however, that the arrival of a certain number of cars of Canadian cattle at a market which has already received a much larger percentage of domestic cattle might cause a temporary market decline. This is not a peculiar attribute of Canadian cattle. Such a decline will just as certainly take place under similar conditions upon the arrival of a small number of cars of domestic cattle.

Whatever may be the case with local market situations, it is an undeniable fact that prices received by domestic producers of cattle in the United States since the enactment of the Trade Agreements Act have been consistently higher than they were in the period immediately preceding the program and in some cases as high as they were back in the predepression years. As a matter of fact, even in 1939, when imports of cattle reached record levels, the farm price of cattle was at or above parity every month of the year. Actually, the prices received by American cattle producers are determined almost exclusively by the number of domestic cattle produced in a given year and the economic conditions in the United States during that year. If these conditions are such as to make for high prices, then we shall have some imports of cattle. If they are such as to make for low prices, then we shall have only small imports of cattle notwithstanding the concessions made to Canada in the reciprocal trade agreements.

Here is another point on imports. There has been a good deal of loose talk about agricultural industries being singled out for sacrifice in the trade agreement bargaining process. There is absolutely no foundation for such statements. In the first place, reference has already been made to the fact that, when necessary, special safeguards, such as customs quotas, have been introduced in connection with duty reductions in trade agreements. These customs quotas (with only one or two exceptions) have been applicable to agricultural products. Furthermore, an analysis shows that, on the basis of 1937 trade figures, only 14 percent of the total imports of agricultural products into this country are affected by any of the duty reductions made under the trade-agreements program up to November 1, 1939. On the other hand, almost 22 percent of the imports of nonagricultural products were affected. Of the 14 percent of agricultural imports affected, almost half consisted of sugar, the imports of which have been subject to strict quantitative limitation and have not prevented the total acreage of sugar beets and sugarcane harvested for sugar

in continental United States in 1938 from being the largest in our history.

In short, the part of our agricultural imports that have been affected by duty reductions under trade agreements is only about one-third as large as the part of the nonagricultural that have been affected. This does not look as though agriculture has been sacrificed on the altar of trade agreements.

Within the last few weeks there has been a great deal of agitation, on the part of opponents of the trade-agreements program, over the supposed harm that was going to come to agriculture from a trade agreement with Argentina. As you know, the negotiations for such an agreement have recently been terminated. Enemies of the trade agreements now assert that this break-down of the Argentine negotiations is just a subterfuge, and that as soon as the act is extended, the Argentine agreement will be concluded and agricultural interests in the United States will be sacrificed to Argentine competition. But this accusation overlooks two things: First, it overlooks the fact that an important reason for the break-down of the negotiations was the firm stand made by the United States Government for quantitative limitations on the amount of competitive farm products which could be imported under a reduced tariff. Second, it overlooks the reputation for integrity of Secretary Hull and his associates. Anyone who knows anything at all about Secretary Hull knows that the kind of trickery which is now being imputed to him is entirely foreign to his nature. If the handling of the Argentine negotiations proves anything, it proves that this administration is looking out for the interests of agriculture and is not sacrificing the interests of agriculture to those of industry.

It is remarkable what can be done in demonstrating a preconceived notion by the careful selection of figures. For instance, opponents of the trade-agreements program have frequently compared our agricultural imports during 1932 with those during 1937. During 1932, because of business depression in this country and large farm surpluses, agricultural prices hit bottom and farm imports reached an extremely low point; whereas imports were much higher in 1937, when business was at a post-depression peak and our farm prices, which had been substantially strengthened by the operation of the triple A program, had been boosted to an even higher level by the extraordinary droughts of 1934 and 1936. A precisely opposite impression as to the effect of trade agreements on agricultural imports would be shown if one were to select a figure for any year during the 1920's and compare it with imports in any year since the trade-agreements program became effective. I shall not engage in any statistical legerdemain of this kind. But I do think it is legitimate to point out that the imports of agricultural products into the United States of a kind similar to those produced in this country were smaller in the last fiscal year, 1938–39, than they were in the first year of the trade-agreements program, 1934–35, and were less than half as large in terms of value than were the average annual imports of such products during the entire decade of the twenties.

So much for the matter of imports. In the case of exports it is also possible to distort the figures by a deliberate choice of particular years, since, in this case, too, factors other than trade agreements have played a large part in the ups and downs of agricultural exports in recent years to such an extent as largely to obscure the effect of trade agreements. The most important of these, of course, is the droughts of the middle thirties. But there is one comparison which it seems to me is valid. That is the trend of our farm export trade with countries with which we have concluded trade agreements as compared with those with which we have no agreements, for example, our agricultural exports to the 16 countries with which trade agreements were in effect during the entire fiscal year 1938–39 were 15 percent larger than the exports to the same countries in the fiscal year 1935–36. On the other hand, our farm exports to all other countries declined 19 percent during this particular period.

This, it seems to me, is concrete evidence that the trade agreements have been getting results from the standpoint of improving the foreign-market situation for our agricultural-export products. Nevertheless, it must be admitted that our agricultural exports have not gotten back to predepression levels. The outstanding reason for this is to be found in the rise of the totalitarian states during the 1930's. The economic policy of these states, particularly that of Germany, has been directed toward national self-sufficiency with respect to foodstuffs and agricultural raw materials. Moreover, the vast expenditures for armament in practically all European countries in recent years has without doubt diverted a vast amount of purchasing power away from our agricultural export products.

There is another aspect of the relation of trade agreements to agriculture upon which I should like to touch briefly. It is frequently assumed that any bargaining power used to obtain improved export markets for our manufactured goods is wasted so far as agriculture is concerned. This is by no means the case. Improved export outlets for our surplus industrial products cannot fail to improve economic conditions and purchasing power in our industrial centers and thereby improve our own domestic markets, which are, of course, the most important markets for our agricultural products. For instance, the increase of almost $100,000,000 a year in exports of manufactured goods to Canada since the first trade agreement with that country has certainly raised urban purchasing power in the United States for our agricultural products above what it would otherwise have been. Moreover, it has benefited not only our great export products but also, and especially, such products as beef, milk, and eggs, which depend almost entirely on the domestic market.

It is my opinion that the trade-agreements program has made remarkable progress in the face of extremely adverse conditions. But it is also apparent that the program was not able entirely to overcome these conditions. That is not the fault of the trade-agreements program. If the program or a similar one had been given a chance to operate a few years earlier it is entirely possible that the conditions underlying the growth of totalitarianism might have been ameliorated to such an extent as to have largely avoided its subsequent growth. That is something upon which we can only speculate. The fact is that the trade-agreements program did make remarkable progress in certain countries but not in the countries which for one reason or another adopted national self-sufficiency as their primary goal.

It is my feeling that little progress in the way of trade-agreement negotiations can be expected in Europe during the continuation of the European war. I do feel that the trade-agreements program can operate usefully in Latin American countries; that it will help to build up a feeling of solidarity in the New World; and that in contributing to such a feeling of solidarity it is valuable peace insurance.

I am strongly in favor of closer relations between the countries of the Western Hemisphere. But I do not believe that even the Western Hemisphere as a whole can expect to remain unaffected by chaos in the rest of the world. The United States and its Latin American neighbors should, in their own interests, look forward to positive collaboration in the reconstruction of international economic relations after the war is over. It seems to me that the trade-agreements program, conducted much along the line that it has been conducted in the last 6 years, together with special international agreements in the case of such commodities as cotton and wheat, can be an extremely important factor in the economic reconstruction of the post-war world.

In the current debate over details of the trade-agreements program I believe there is danger that the real issue, so far as agriculture is concerned, will be overlooked. That issue continues to be, as it has been ever since the World War, the question of what kind of tariff will really benefit the American farmer.

On the theory that high tariffs would cure the agricultural depression which set in after the first World War, the Fordney-McCumber Tariff Act was passed in 1922 and the Hawley-Smoot Tariff Act was passed in 1930. Both these tariff acts, in their initial stages, were supposed to give relief to the farmers by eliminating foreign competition. Actually, in both instances, the industrial interests, which long have fattened on tariff protection, seized the opportunity to boost their own tariff walls. The net result, especially in the case of the Smoot-Hawley tariff, was great injury to the farmers through the loss of a large portion of their foreign markets.

I do not have time today to go into detail concerning the results of that "tragedy of 1930," but the whole world today is paying the cost. The acts and policies of the United States in the international sphere during the twenties and early thirties—combining as they did the stimulation of foreign loans and the insistence on collection of the war debts with the erection of higher and higher tariffs—these acts and policies threw the tremendous prestige and commercial power of this country on the side of the restrictive forces at work in the world. After the Hawley-Smoot Act was passed in 1930, foreign countries felt obliged to erect prohibitive trade barriers in retaliation, international trade swiftly dried up, and what started out as a mild recession soon became a world-wide economic disaster of cataclysmic proportions. The financial collapse of Austria was followed by the financial collapse of Germany, the abandonment of the gold standard by England, the bank panic in the United States, the rise of totalitarianism in Germany and other capitalistic countries, the break-down of the League of Nations, and finally a major war.

All this is past history and would not need to be recited here, except for the fact that the industrial interests which are trying to scuttle the trade-agreements program are apparently preparing for another "tariff grab" like those of 1922 and 1930. They are apparently attempting to induce certain farm interests and certain labor interests to act as the shock troops in this campaign, so that they themselves can stay in the rear and come up in time to walk off once more with the major share of the booty.

There is always a certain amount of enticement for the farmers in talk about raising tariffs high enough to shut out competitive imports entirely. There is no doubt that farmers are as much entitled to tariff protection as any other group. If the kind of protection given them in the Fordney-McCumber and Smoot-Hawley acts had really helped them, then there would be ample reason for repeating that kind of help today. But the events of the last 15 years show how desperately injurious that supposed help for agriculture turned out to be. To repeat it now would be the height of folly.

As I said a moment ago, the farmers are entitled to effective protection. They fought in vain all through most of the 1920's for such protection in the form of the McNary-Haugen bill, with its equalization fee. They finally got such protection in 1933 in the form of the processing tax, only to lose it again when the Supreme Court killed it in January 1936. Now they are working for such protection again in the form of the proposed farmers income certificate plan, which would guard the prices of their important export commodities against the impact of world surpluses.

From the standpoint of the friends of the trade-agreement program, there would be a great advantage in the enactment of some

such plan as the farmers' income certificate plan, in preference to another tariff boost like that in the Fordney-McCumber and Smoot-Hawley Acts. That kind of tariff interferes so seriously with foreign trade as to dry it up entirely, whereas the farmers' income certificate plan would permit international trade to increase in a healthy manner through the assistance of the trade agreements.

I am mentioning this aspect of the agricultural problem here because it has such a close relationship to the trade-agreements program. The position of the Department of Agriculture is that the interest of agriculture would be best served by a program which combined the trade agreements, special international agreements to assure our fair share of the world market for such commodities as cotton and wheat, and some plan like the farmers' income certificate plan which without interfering at all with foreign trade would give the farmers income equality in the domestic market.

An Opportunity for Americans

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, March 20 (legislative day of Monday, March 4), 1940

ARTICLE BY DR. JOSEPH F. THORNING

Mr. WALSH. Mr. President, I ask to have inserted in the Appendix of the RECORD an article by Dr. Joseph F. Thorning, of Mount St. Marys College, recently published in the magazine Spain, entitled "An Opportunity for Americans."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Spain for March 1, 1940]

AN OPPORTUNITY FOR AMERICANS

(By Dr. Joseph F. Thorning)

With most of Europe at war, Spain is revealed as a nation offering matchless opportunities for both recreation and education. In the past 6 months, thousands of Europeans have recognized this fact. Sun worshippers, who formerly spent their winters in the French resorts at Cannes and Nice, are learning the delights of the Spanish Riviera, which extends from Malaga to Cadiz. There they find the warmth, the clear sky, and the rich vegetation, dominated by palm trees, combining to render southern Spain a refuge, health station, and playground.

Of course, during the last week in March, Holy Week, many of these visitors will concentrate upon Seville, where the traditional Semana Santa ceremonies will be carried out with proper solemnity. Springtime Andalusia furnishes a perfect setting for a fiesta of this type. Roses, bougainvillea, and hibiscus overflow every bush and window box; trees along the stately avenues are mantled in fresh, vivid green; while the orange groves in the Cathedral patio glisten with the gold of first fruits. Is it any wonder that the acolytes before the High Altar enact their ritual dance reminiscent of David's exultation before the Ark of the Covenant? As the gorgeous Holy Week pageant unfolds in Seville, one cannot forget that the original name of the province, whose metropolis it is, was the Land of Immaculate Conception of the Blessed Virgin Mary.

To be sure, San Sebastian, on the Bay of Biscay, is an all-year resort. Every month is "the season" on the Côte d'Or. Hotels, apartments, and villas were built for guests of discriminating cosmospolitan tastes. Biarritz, on the French side of the frontier, is garish, common, compared to its Spanish rival. The gem of the Basque country has a tone, a refinement and distinction that does not require gambling casinos, "American bars," and night clubs in order to remain attractive. In other words, San Sebastian is a spot where a Spanish gentleman takes his wife and children, secure in the knowledge that nature and art will provide family pleasures: Picnics, beach parties, excursions into the mountains and forests.

At San Sebastian, one is within easy range of Bilbao, the second greatest industrial city of Spain; Santander, the famous center of summer studies for foreigners, and Gijon, the port of Oviedo. The latter city, capital of the Asturias, has a magnificent cathedral and is associated with some of the most stirring episodes in Spanish history. Nearby is the sanctuary of Covadonga, dedicated to the Blessed Virgin, by whose help the Spaniards in 718 routed the Arabs commanded by Alkaman. Around Cape Ortega, on the Atlantic Ocean side, nestles El Ferrol, the home of Generalissimo Franco. El Ferrol is the port of Galicia, one of the four notable regions of the peninsula. Vigo, with a bay large enough to harbor the navies of the world, is the last metropolis in the direction of the Portuguese frontier. Due to the European conflict, all these stations on the Bay of Biscay, as well on the Atlantic, have increased strategic importance.

Mention has been made of the lovely vistas opened up by the route along the Spanish Riviera. East of Malaga, where perpetual spring prevails, the coastline curves northward to Cartagena, Valencia, Castellon, Tarragona, and Barcelona. This is Levantine Spain. The stretch from Valencia to Barcelona is particularly beautiful and healthy. Since the mountains approach to the sea, they cut off the bitter north winds, while during the summer months the heat is moderated by breezes from the Mediterranean. For artists and writers who seek the ideal climate for creative activity Palma de Majorca beckons from the Balearic Isles. Winter and summer the average temperature is 62 degrees. There is good air and water transport between Palma and the mainland.

It should not be necessary to dwell upon the charms of Madrid. Restored to its dignity as capital of Spain, the heart of New Castille is once more throbbing with life. Nowhere is progress more manifest. Scars of the civil war are gradually being eliminated. Public buildings and parks have their pristine quota of workers and caretakers. The shops, although not gaudy, are able to carry stocks of essential materials. The art treasures of the nation have been returned to the Prado. One by one the sanctuary lamps are relluminated in the churches, chapels, and shrines of the people. The Madrileños are no longer tempted, as in pre-war days, to spend the winter in Paris and London. Every good Spaniard realizes that there is plenty of work for him at home. Madrid, as the center of a more highly centralized Government, attracts larger and larger numbers of citizens either for permanent tasks or for temporary visits. Every train to and from the capital is packed with passengers.

Significantly enough, the Royal Palace, overlooking the Manzanares River and the plain, will remain unoccupied. It is a national monument for the people. The headquarters of Generalissimo Francisco Franco will be the Escorial. His apartments in this palace are practically ready for him and the members of this staff. The austere beauty of El Escorial comports well with the personality of the head of the Spanish State. This building, the pride and joy of Philip II, is simple, chaste, strong. It partakes of the enduring grandeur of the mountain granite which is its background.

Twenty minutes from Madrid in a swift motorcar, El Escorial will provide a residence for the generalissimo that will permit him to keep all the strands of administration within easy grasp. Naturally, the monks of San Geronimo will continue to chant the divine office in the Escorial Church as well as to maintain their community life in the monastic cells adjacent to the generalissimo's chambers. This is not meant to be a symbol of the union of church and state, an arrangement expressly excluded in the phalanx program. But it may be considered an example of the mutual contribution to civilized living that can be afforded by religion and patriotism. It is easy to see that El Caudillo intends to pray as well as to work.

Rich as Spain is in scenic and historic interest, the nation is even more generously endowed in the domain of education. A word about the past and present of Spanish universities will make this clear.

When one speaks of universities, one thinks of Salamanca. This institution had its origin in the Cathedral School under the direction, from the twelfth century, of a magister scholarum (chancellor). In 1230, Alfonso IX of Leon summoned to Salamanca "the most experienced masters of sacred letters and established schools." This was the nucleus of the studium generale. On April 6, 1243, in letters patent, St. Ferdinand, son of Alfonso IX, took under his protection the professors, students, and their property. The foundation was maintained by the next king, Alfonso X, surnamed "the Wise." During his reign began that period of unrivaled prosperity for the university, which for centuries made it "the glory of Spain" (Denifle).

Contrary to the popular view, doctrinal and ecclesiastical professorships did not predominate in the university. Departments of medicine and jurisprudence were also established. International law, at the hands of Francisco de Vitoria, reached its apogee at Salamanca. In a course of lectures delivered in 1532, the celebrated Dominican outlined the principal tenets of the law of nations. Vitoria's work was complemented by the research of his fellow countryman, Francisco Suarez, at the University of Coimbra, Portugal. (Cf. The Spanish Origin of International Law by Dr. James Brown Scott, p. 103.)

Martin V gave the university its definitive constitution and numbered it among the four greatest in the world. In 1584, the number of students at Salamanca reached 6,778. Theological studies flourished in the sixteenth and seventeenth centuries. The nineteenth century was a period of decline, due to the secularizing character of the Leftist Government. Some of the professors who taught with brilliant success at Salamanca were women: Doña Beatriz Galindo and Doña Alvara de Alava.

During the civil war Salamanca regained a portion of its primacy in Spain's educational system. For many months Generalissimo Francisco Franco had his headquarters in this city and took a personal interest in the research work of the faculty. Those who read the July 18, 1939, issue of the magazine Spain recall that Government decrees provide that Salamanca will train all university professors of Latin and Greek. There will be profound specialization in the sphere of classic philology, whereas at Saragossa the emphasis will be upon the humanistic or literary phase of Latin and Greek. The curriculum at Salamanca will embrace courses in Indo-European languages, Sanskrit, archaeology, epigraphy, numismatics, palaeography, and the history of ancient art. It will be an institute for master scholars.

The University of Saragossa was established in 1585 by Don Pedro Cerbunc, prior of the cathedral in that city. At the end of the sixteenth century theology, philosophy, canon and civil law, medicine, and the humanities were taught. Subsequently the university attained eminence in economic science. At present there are excellent courses in medicine, anatomy, and surgery. The municipal hospitals, clinics, and dispensaries are at the disposal of the university faculty and student body. Sanitation and hygiene have been brought to a high pitch of perfection. During the civil war, Saragossa was one of the chief centers of the blood-transfusion corps. Exact records have been kept of success in this field. Furthermore, a most discriminating study of public law will be undertaken at the Aragonese center, as may be evidenced by the scholarly contributions on this subject to Spain (August 1 and October 1, 1939), by Prof. Salvador Minguijon, of the University of Saragossa.

About 1250, the Dominicans, with a view to the conversion of Jews and Moors, established schools for the teaching of Hebrew, Arabic, and Greek in Seville. A few years later, Alfonso the Wise reorganized these institutions, paving the way for Alexander IV's recognition of the foundation as a generale litterarum studium. Cooperation of the Cathedral Chapter insured the College of San Miguel as a school for ecclesiastical students. The final step toward construction of the university was taken by Rodrigo de Santaello, archdeacon of the cathedral in 1502. In the same year, Ferdinand and Isabella published a royal decree, permitting the foundation to grant university titles.

From the beginning, the influence of the University of Seville on the development of the fine arts was extraordinary. In its shadow the school of the famous master, Juan de Mablara, was established; intellects like those of Herrera Arquijó and many others were developed, while there were formed literary and artistic clubs, like that of Pacheco, which was a school for both painting and poetry. Like the other universities of Spain, that of Seville languished during the Leftist domination of the nineteenth century. Now it is being reinvigorated, especially with a view to the spread of Hispanic culture in North Africa and Spanish America. It is well known that Col. Juan Beigbeder, the foreign minister of Spain, takes a personal interest in the expansion of the University of Seville. As a specialist in Islamic literature, history, and art, he understands how potent Seville may be in maintaining the loyalty of Spain's Moroccan population. Historical studies will likewise be stressed, because the Archives of the Indies, lodged in the Casa Lonja, constitute a veritable treasure house of virtually untouched material on the discovery and colonization of the New World. At present, the university comprises the faculties of philosophy and letters, law, the natural sciences, and medicine. A first-class polytechnic institute will also be established in Seville with courses in seamanship, cosmography, mathematics, agronomy, and engineering.

On a plane with Salamanca in the Middle Ages was the University of Alcalá de Henares. After a period of development and many vicissitudes the faculty of Alcalá was finally transferred to Madrid in 1836. At the time of its transference the university included a theological school, but this was suppressed in 1868. Nevertheless, the University of Madrid flourished, imparting instruction to 6,000 students in the pre-World War days. Law, medicine, and the sciences were particularly stressed. The buildings in the new University City section contained some of the most commodious and well-equipped lecture halls, laboratories, and museums in the world. The library included 6,000 rare manuscripts and more than 300,000 volumes. Unfortunately, the brunt of civil war in the Madrid area fell upon University City. Although the shell of the academic edifices remains, it will scarcely serve any useful purpose until thoroughly refurbished. In spite of these difficulties, the University of Madrid is restoring all its former faculties and contemplating new schools. Emphasis will be placed upon the social sciences and the new syndicalist organization of the professions, arts, and industries.

The University of Barcelona was the outgrowth of the ecclesiastical schools founded in the eleventh century. The academic charter was granted by Alfonso V of Aragon and confirmed by Pope Nicholas in 1450. By royal decree of Charles III, a college of surgery was established at Barcelona in 1764. One of the most prized possessions of the university is the Archives of the Crown of Aragon. The library houses 2,000 medieval manuscripts. Instruction is given in philosophy and letters, law, science, medicine, and pharmacy. It is expected that a school of commerce and business administration will be added to the faculties.

This enumeration of the educational advantages of Spain, although not complete, suggests that the administration of Generalissimo Franco is determined that scholastic achievement shall match military prowess. While other universities in Europe are depopulated, those of the Peninsula will attract the youth of the world. The full import of this development has been grasped by those cultured, far-sighted Americans, the Honorable and Mrs. Alexander W. Weddell, who represent the United States in Madrid. Thanks to the munificence of the Ambassador and his wife two scholarships for American students have been endowed at the University of Salamanca. Nothing is better calculated to produce an understanding of Spain in North America than study pursued at a Spanish center of learning.

The Spanish genius is something special, extraordinary, unique. It must be approached with keen sensibility and respect. The dignified pride of the Iberian, whether shepherd or king, leaves the impression of cold aloofness. Only when the mind and heart have been touched does the Spanish soul radiate warmth and cordiality. Contact in university circles can do much to cultivate this atmosphere. Nor should it be forgotten that the culture of the university filters through to the ordinary Castilian peasant who "thinks like Plato and talks like Cervantes." The citizen of North America who understands Spain will gain a precious insight into Spain's offspring in Central and South America. In the ice age of international relations the channels of Spanish culture are open.

Statement on Behalf of Sugar Refinery Workers of Philadelphia

EXTENSION OF REMARKS

OF

HON. LEON SACKS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

STATEMENT BY JOSEPH McFADDEN

Mr. SACKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of Mr. Joseph McFadden, union delegate, Franklin Sugar Refining Co., at a meeting called by the mayor of Philadelphia, December 14, 1939:

Your Honor, ladies, and gentlemen, first, in the name of organized labor connected with the local refining industry, I should like to publicly acknowledge the great service performed by the Members of Congress in 1937 who fought for the protection of our jobs when the sugar bill was being drafted. Particularly, I should like to mention the names of Congressmen Leon Sacks, James McGranery, Michael Bradley, the late Burrwood Daly, Frank Dorsey, James Wolfenden, and Senator Jim Davis, who have always been friends of Pennsylvania labor.

Philadelphia has had a cane-sugar-refining industry for 150 years. From 1789 to 1925 the industry grew in size and importance. Since 1925 the industry has declined considerably.

I was first employed in the local industry in 1919 to 1925; we all enjoyed a full pay envelope. From 1925 to the present time, due to the inflow of offshore refined sugar, our pay envelopes have been cut in half. As you all know, the refineries are all located on the waterfront, and we can see the boat loads of offshore sugars, that is, sugar refined in the Tropics by cheap, unorganized labor, coming into the port of Philadelphia. We can also see our jobs going to the Tropics.

You, and all your friends, can help us do something about it. You can help in two ways: First, buy sugar refined in Philadelphia; second, help us all you can to secure favorable legislation when Congress meets in the early part of 1940. By following these suggestions you will save the jobs of thousands of Philadelphians and a $3,100,000 pay roll.

I wish to thank you for this opportunity to speak to you on behalf of the sugar-refinery workers of Philadelphia.

Food-Stamp Plan

EXTENSION OF REMARKS

OF

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

LETTER OF HON. KEY PITTMAN, OF NEVADA, TO THE SECRETARY OF AGRICULTURE

Mr. PITTMAN. Mr. President, I ask unanimous consent to publish in the Appendix of the RECORD a letter which I wrote to the Secretary of Agriculture on the subject of the food-stamp plan.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D. C., January 6, 1940.

MY DEAR MR. SECRETARY: I am just in receipt of a copy of a letter written to you by Mr. Roger Teglia, manager, Nevada Poultry Producers, Inc., of Reno, Nev., in which he is urging that you inaugurate the use of food stamps in Reno. Mr. Teglia in his letter to you says: "We noticed that on December 18 the food stamps went into

effect in the city of San Francisco, and from the report, it will also go into effect in other cities in the State of California. * * * We are sure that if this could be put into effect (in Reno) very shortly it would be a great relief to our poultry producers. If this relief is not forthcoming soon, it will force out a great many of our poultry producers who are now making their livelihood from the production of eggs.

"In the report that we received today from San Francisco we noticed that since the food stamps went into effect the sale of eggs went up almost immediately. We are sure that it would do the same thing here and would also have a tendency of strengthening the market. It would also give us more encouragement for taking the surplus of eggs that will begin in the next 45 days."

I assume that the inauguration by you of the food-stamp scheme has been and now is accomplishing the results stated by Mr. Teglia, for otherwise I cannot conceive why you would continue such plan. If such is the case, Mr. Teglia's petition should be granted.

The Constitution imposes upon the National Government the obligation to coin and supply money and circulating media for the maintenance of industry and for the carrying on of trade and commerce. It is a sad commentary upon the failure of our Government when heads of departments are forced to adopt unauthorized and unsound subterfuges for lack of legal circulating media. While I deplore the necessity for the substitution of this form of circulating medium for national currency, nevertheless, when a government will not supply sufficient national currency, the adoption of substitutes is inevitable.

Of course, every time one states that there is a lack of circulating currency he is told that there is just as much circulating currency now as there was in 1929. This, of course, is not true. There is just as much currency outside of the Treasury. It is not, in fact, however, circulating. It is beside the question in consideration of this matter as to why it is not circulating. There is not the same volume of circulating credit as there was in 1929. When bank credits are restricted, no matter for what reason, cash transactions become absolutely necessary.

Let it be remembered also that substantially four-sevenths of our currency consists of Federal Reserve notes. These notes are issued by the Government to the banks upon the banks depositing proper securities with the Treasury. The banks may retire these Federal Reserve notes at any time by returning them to the Treasury through the Federal Reserve Board and recalling their securities. In other words, all of this currency may be legally retired. Of course, it will be answered that it would be absurd for the banks to retire this currency if there is a demand for it; but, again, the banks determine whether they will lend these Federal Reserve notes. If they don't lend them, then few of them go into circulation.

I contend that a sound monetary system requires a nonretirable national currency equal at least to 10 percent of deposits and national income based upon 100-percent metallic reserves. The Federal Reserve notes should be superimposed upon this nonretirable national currency subject to expansion and contraction as conditions may require. Certainly a 10-percent nonretirable currency is not too much when we realize that such currency in the ultimate is the only thing with which to settle all deposits and other indebtedness. Our entire monetary system is based upon confidence. Confidence by the depositor that he can get money for his deposits when he demands it. Confidence by the bondholder that he can get money for his bonds when they are due. And the only money to meet these demands and sustain that confidence is the $7,598,000,000 of circulating money of the United States. Whenever a depositor thinks he cannot get money for his deposits, there is a run on the banks. There may be runs again in the future. It depends upon confidence. There is a limit to which you can try the confidence even of American people.

It sometimes occurs to me that bank credits may be developed to the point of danger. We realize, of course, that 95 percent of our business and commercial transactions are carried on through checks and drafts, and so forth. When banks close, this form of money ceases to circulate. When banks close a large portion of this form of money ceases to exist.

When banks close, credit contracts and even the flow of national currency is retarded. During the bank panic of 1907, national currency was locked up and all forms of substitutes such as scrip, and so forth, were adopted. During our great monetary panic of 1929, probably three-fourths of our currency and all of our credit money was temporarily out of existence resulting in a tremendous depression in industry, trade, and commerce. Our citizens were compelled to carry on transactions essential to life through the rapid turn-over of the small portion of the national currency and coins that they fortunately had in their safes, tills, and pockets. Their suffering would have been far less if they had had a larger quantity of national currency and coins in their possession.

It sometimes occurs to me that there has been and there may be now an advantage in the people hoarding a reasonable amount of small metallic currency. If I remember correctly, it was the 5,000,000,000 gold francs that had been hoarded by the peasants of France that made it possible for the French Government to pay 5,000,000,000 francs to Germany after the Franco-Prussian War, and thus save France from becoming a province of Germany.

I will not enter into this argument, as I realize that you are now overburdened in attempting to harmonize the conflict between your conservative learning and the necessity for unsound substitutes for national currency.

I thought I understood what the President meant by a commodity dollar which he advocated in 1933. I can't understand, however, how the price of commodities can be higher unless dollars are cheaper; nor can I understand how the price of commodities can be put higher through natural action unless dollars are first made cheaper. Please do not understand that I am arguing for monetary inflation. I am arguing against deflation of commodity purchasing power. I have in mind reflation. Until it is realized that commodities and labor, on the one hand, buy money, as well as that money buys commodities and labor, we will never adjust and equalize the purchasing power of the two things.

A sound monetary system may be illustrated as based upon the theory of the seesaw, with money on one side and commodities and labor upon the other. When there is too much of commodities and labor in proportion to money, the seesaw goes down on the side of commodities and labor, and the purchasing power of money goes up on the other side of the seesaw.

It is a pitiable matter that the great economists of our Government, with practically unlimited control over the expansion and contraction of money—I mean national money as well as credits—haven't the intelligence and ingenuity to balance the seesaw. Certainly you have been attempting to accomplish this purpose. Your attempted establishment of parity prices for agricultural commodities is nothing but an attempt to level off the seesaw. Instead of placing more weight of money on the side of the seesaw opposite to your commodities, you have been attempting to reach the equalization by taking off a large portion of your commodities and throwing such commodities away. Even children accomplish this leveling off and equalization of the seesaw through adjusting their weights at different positions on opposite sides of the seesaw.

I realize, however, that you represent only one department of our Government. You have been attempting for years, and still are attempting, to raise the purchasing power of commodities with relation to our money. On the other hand, however, several other departments of the Government are not concerned with raising the purchasing power of commodities. In fact, we have many departments, each devising many schemes to increase the prosperity of its own department without regard to the effect upon any other department and without any attempt whatever at coordination.

We have the Federal Reserve Board, who have their theory that there is no such thing as debt because the people own the Government, and therefore any debt of the Government is but a debt to the people. The people do not understand this, and never will so long as 60 percent of their earnings are taken in the form of taxation to pay the debts of the Government. We have the Federal Reserve Board doubling the reserve requirements of banks for the purpose of discouraging loans. The effect of this, of course, is to make money scarcer and therefore more valuable with relation to everything that it buys and everything cheaper that is required to buy money.

The Treasury Department sterilizes gold. The intention of this act is to contract credits and reduce loans. This makes the demand for money greater, enhances its value, and depreciates the value of commodities with which money must be purchased.

These departments are only interested, apparently, in preserving what they term "the soundness of our monetary system"; but what in reality they mean is preserving the high purchasing power of the dollar. They are so afraid of monetary inflation that they constantly engage in deflation.

I asked Chairman Eccles, of the Federal Reserve Board, at the hearings before the special committee of the Senate upon the investigation of the silver question: "What would be the effect of monetary inflation?" He answered this question twice by stating unequivocally, "The effect would be the rapidly rising price level. It would be a diminution of the purchasing power of the dollar." Of course, he immediately asserted that there was plenty of money and that it would circulate whenever the people required it.

Does not the necessity for the furnishing of food stamps and the demand for such food stamps by the people prove that the people want circulating currency, but can't get it and are forced to accept a substitute for national circulating media?

Would it not be better to diminish the purchasing power of money, pay relief workers prevailing wages, thus increasing purchasing power and consumption, with the result of proportionate increase in commodity prices? The Government could then afford to pay the prevailing wage of the employed relief workers only on such projects as would add permanently to national production, such as roads. There is no doubt, I take it, that facilitating and cheapening transportation tends to increase production.

What, in your opinion, would be the result if the Government today coined dimes, quarters, and half-dollars out of the billion and a half dollars' worth of silver bullion that it has in the Treasury as a profit that it has made out of the purchase of silver, and circulated such coins in actual payment for labor engaged in relief work? And what would be the result if, in addition to the circulation of this silver coin, the Government would coin $5 gold pieces to the extent of a billion and a half dollars out of the $2,000,000,000 stabilization fund and pay these $5 gold pieces out to relief workers? Again, what would be the effect if these things were done and 10 percent of these coins were hid in socks to meet emergency needs instead of being placed in country banks throughout the United States? And would not this process delay at least the concentration of national currency in the speculative centers of the United States? Would not an increase in cash transactions make for a greater monetary security? For one thing, Congress would not be called upon to increase the limit of the indebtedness of the United States for some time, if ever. For another thing, possibly people would commence to realize that there is a potential

metallic reserve behind our paper currency, behind our bonds, and behind the deposits in the banks of the United States.

Is the Government to continue endlessly the vicious cycle of selling to the banks of the country interest-bearing bonds which are paid for by the depositors' money and upon which the depositors must pay taxes to pay such interest? Does the expenditure of such credits by the Government upon the great majority of projects result in the creation of enterprises that constitute expansion of industry, which is essential to increase in employment and national income?

When in a philosophical mood, I would be pleased if you would discuss these matters, not in the nature of an answer, but to relieve my mind of considerable confusion.

With best wishes, I am,

Sincerely,

KEY PITTMAN.

Hon. HENRY A. WALLACE,
Secretary of Agriculture, Washington, D. C.

National Transportation

EXTENSION OF REMARKS
OF
HON. MORRIS SHEPPARD
OF TEXAS

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. MORRIS SHEPPARD, OF TEXAS

Mr. SHEPPARD. Mr. President, I submit for incorporation in the Appendix of the RECORD an address delivered by me on Tuesday, March 19, 1940, over the Mutual Broadcasting System, the subject being National Transportation.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am glad to have this opportunity to express my appreciation of the liberal policy of the Mutual Broadcasting System in allotting time on its Nation-wide program for the discussion of topics of vital public interest.

Tonight I want to talk about the Wheeler-Lea bill now pending before Congress, which is supposed to solve our transportation problem. I speak not as an advocate of any special kind of transportation, but as a public servant charged with the consideration of this question in its bearing on our national security as well as our economic welfare.

It has been many years since we, here in America, have had to face the grim necessity of mobilizing our domestic transportation behind a front line of defense. Abroad, as we know, it is quite the reverse. Almost daily dispatches filtering through the lines from over there show how indispensable are the waterways to the warring nations. It is known, for instance, how frantically Germany has been striving to complete the hastily planned navigable life line between the Rhine and the Danube in time to circumvent her economic blockade.

The feverish activity in canal construction throughout Europe prior to the outbreak of hostilities gives us a good idea of what must be happening now behind the veil of censorship. Undoubtedly a heavy burden is falling on completed waterways through the need for industrial as well as military mobilization.

Relief of the overburdened railways thus accomplished and in the release of their facilities for troop movements is counting, and probably will count even more heavily, toward the final outcome. In this respect water transport is said to be withstanding aerial bombing attacks better than rail or highway.

One lesson we, ourselves, learned in the last war. Water transportation adequate to meet national demands cannot be provided after the emergency is upon us. Our sore need for it may come without advance warning. Surely this is not the time to take measures discouraging the development of our inland and coastal shipping.

Yet that is just what the Wheeler-Lea bill, in my opinion, will do. The latest available draft, if enacted into law, will subject coastal and inland water carriers to regulation by the Interstate Commerce Commission. The act will give that Commission power to adjust the rates, routes, and schedules of water carriers whenever and wherever they might be considered as interfering with the profitable operation of railroads. It will go even further. No coastal or inland water carrier can issue securities, no new boat line can be started under the terms of this bill without the consent of that Commission.

Do you get the full import of what this delegation of power over the use of the Nation's waterways will mean? Control would be exercised through the issuance or withholding of permits or certificates of convenience and necessity. We get warning of just how necessary these enterprises would be considered by the Interstate Commerce Commission from a very recent public statement by its Chairman. He holds that money spent on inland waterways had much better be given to the railroads as an outright subsidy.

That body has not always had such a hostile attitude toward water transport. In 1914, in a famous decision (31 I. C. C. 281, 288), the Interstate Commerce Commission said:

"A natural waterway, improved by the expenditure of public funds, should be thrown open, as far as possible, to the free and unrestricted use of all those who desire to avail themselves of it. It differs materially from a privately constructed and privately owned roadbed, which, though quasi public in nature, is built by individuals or corporate interests primarily for their own gain. A navigable river is a public highway—a natural avenue of commerce—and the public interests demand that its advantages be utilized to the fullest extent."

Now, contrast that sound public policy with what the same Commission said in 1939 (I. C. C. Annual Report, 1939, p. 4):

"We see no reason, also, why regulation of water carriers should not be comparable to present regulation of railroads and motor carriers, covering not only rates and accounting but also control over new operations through certificates and permits."

The explanation is that back in 1914 the Commission was still a commerce commission. Now, due at least in part to congressional forbearance, it has become a railroad commission, concerned chiefly with the financial solvency of the railroads. You have only to read its recent report on the proposed Lake Erie-Ohio River Canal to be convinced of that. The report recommends that the people continue to pay $8,000,000 per year in excess of the necessary freight charges on the essential commodities, coal and iron ore, so that all six railroads operating in that area, the weak ones as well as the strong ones, may continue to earn a profit.

Now, it is perfectly natural and normal that conflicting carrier interests, all bidding for the job of transporting the Nation's freight, should employ every legitimate weapon within reach to hamper the development of traffic on competing routes. There is nothing dishonest or reprehensible about it. Each one is after as much profit as he can get. But the interests of these rival groups do not coincide with the public interest. To adopt the interest of one group at the expense of all the others is not a solution of the problem.

The public is concerned with stimulating a revival of commerce on a Nation-wide scale. We must not try to make commerce serve transportation; we must make transportation serve commerce. Yet this bill sets out to insure a profitable level of freight charges for all carriers, no matter how unsoundly conceived or wastefully managed some of them may be, nor how much it costs the shippers. If there is a surplus of transportation, why should we not meet the issue squarely and scrap the most costly and uneconomical line? Why should we penalize our sound investment in the cheapest of all ways of moving freight—that is, the waterways?

The Interstate Commerce Commission is not the only Federal agency familiar with transportation problems. The Departments of War and Agriculture and the Maritime Commission also are directly concerned. In my capacity as chairman of the Senate Committee on Military Affairs I have worked in especially close contact with the Army engineer organization. Through my chairmanship of the Rivers and Harbors Subcommittee of the Senate Commerce Committee I have had occasion to observe their technique in handling the many transportation problems that arise in connection with waterway improvement. The principle controlling their recommendations is that navigation projects, to be held meritorious, must be capable of providing genuine, not public, benefits. That means, after deducting all legitimate cost, the public expense of providing and maintaining the channels as well as the cost of carrier service. I am glad to avail myself of this opportunity to pay tribute to the competence, sound judgment, and disinterested fairness of that fine group of engineers. I also want to commend the able economic and technical specialists of the Department of Agriculture and the Maritime Commission.

The heads of these three great Government agencies, in response to a request of the chairman of the Senate Commerce Committee, joined in an unbiased, dispassionate, detailed analysis of the provisions of the bills as passed by the two Houses. In their joint statement they uncovered the many pitfalls, and indicated the many grave dangers of injury to the public, inherent in the pending legislation.

They pointed out that the application of the principle of railroad regulation to water carriers was inappropriate and unnecessary. Water carriers do not enjoy monopoly of routes or commodity movements upon which to shift the cost of rate wars. They are, therefore, incapable of sustaining destructive competition, and cannot overcharge their shippers without losing business to a competitor. They thus provide their own wholesome regulation. There has been no complaint from the shipping public against their practices.

Regulation of rail transportation, on the other hand, is admittedly necessary. Railways can bid for every kind of traffic everywhere. By reason of their financial strength and their backlog of noncompetitive tonnage, they not only can destroy, but do systematically try to destroy, their water competitors, one by one, by the simple expedient of cutting rates. They concentrate on one block of competitive tonnage after another, shifting meanwhile the burden of making up their losses onto helpless shippers, elsewhere.

The practice entails loss of revenue to the railroads, loss of capital to the water carriers, and loss of tonnage to the waterways. With one hand traffic is held away from waterways by

artificial expedient, while with the other hand the absence of barge tonnage occasioned by such expedient is pointed to as indicating failure of river improvement as a national policy.

The salvation of water carriers lies in their genuine economy, and their consequent ability to maintain the low-cost transportation essential to our basic industries. A favorite argument of rival services is that the savings thus effected are not passed on to consumers. That is fallacy. The most elementary economics teaches that in the long run the total cost of transportation is reflected in the base price of goods in any competitive business. The user of water transportation cannot pocket his savings and keep competitors from capturing his market.

No other form of transportation can profitably supplant water carriers in fulfilling the demands of industry for cheap raw materials. Rail competitors, having persisted to the verge of bankruptcy in trying to run them out of this business, now turn to Congress asking that their bad judgment be converted into wisdom by legislation. If this bill fails to raise rates and to stifle water competition, its original proponents will lose all interest in its passage.

One thing the act cannot do, and that is to drive barge traffic in raw materials to the railroads. Railroads cannot handle that kind of tonnage cheaply enough to make it move. The Wheeler-Lea bill will simply dry up that sort of traffic, along with many industries dependent upon it. But advocates of the bill will not let it stop there. Here is what Traffic World for December 30 last has to say about that:

"So, as we say, even if the water regulatory provisions of the bill become law, there will still be much to do. But enactment of the bill will be a step in the right direction. The point is that the public must not be allowed to believe that the question is settled. Primarily, the job of 'selling' the public this idea is up to the railroads. * * *

In line with that prediction, hearings were announced yesterday before the Lea committee on a bill to impose tolls for the use of canalized waterways.

If another national transportation law must be enacted, then let one be based on an adequate, impartial study by all the agencies familiar with all kinds of transportation. Let a law be drafted that will protect all transportation labor, whether working on section groups, motor vans, or towboats. Let a law be drafted that will be in the interest of the entire country, its agriculture and industry and commerce, not just the transport agencies alone. Draft a law that will truly safeguard for the benefit of all the people all the natural, inherent economies of all forms of transportation.

There is not now a need for haste. There is no longer a transportation crisis. The present need is for more deliberate action with a broader objective than merely overcoming the deficits of the railroads. Even a slight upturn in business recovery will accomplish that. Let us not awake from an orgy of regulation to find that we have sacrificed in the time of our greatest need a priceless and indispensable public asset.

Effect of British Embargo on American Production of Tobacco

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. HARRY FLOOD BYRD, OF VIRGINIA

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD remarks delivered by me before a joint meeting of the civic clubs of Danville, Va., on March 13, with respect to suggestions for the improvement of conditions confronting the tobacco growers and tobacco manufacturers.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

The first and most important problem of the growers of tobacco is to have lifted the embargo that has been placed by the United Kingdom against the importation of American tobacco.

It is true that small shipments of tobacco already purchased are still being made. Such shipments in January and February amounted to about $4,000,000, but these shipments show a greatly restricted movement, and there is a direct embargo on all American tobacco, excepting that already purchased by British manufacturers.

The most serious factor of the British embargo is that Great Britain has made a 20-year agreement to purchase tobacco from Turkey and Greece, I am informed by the State Department. This action is in violation of the reciprocal-trade agreements between this Nation and Great Britain.

I am requesting the Senators from all tobacco-producing areas to join me in a strong protest to the State Department, so that our Government will insist that any contracts with other nations for purchases in violation of the trade agreements be canceled.

The importance of our tobacco export trade is shown by the fact that the average of the value of all tobacco exports to the United Kingdom during the last few years is $80,000,000 per year. Comparing this figure to the cash income of $294,000,000 to the growers from the sale of tobacco for the year 1938 gives forcible evidence of the great importance of maintaining the export trade of Virginia tobacco.

The significance of the action of Great Britain in making a 20-year contract with Turkey and Greece as relating to the future of our tobacco industry cannot be overestimated.

Once the British Empire purchases foreign tobacco for any length of time, it is probable and likely that such purchases will be made permanent and our tobacco will thus be excluded from the foreign markets.

In the long-range program for the benefit of the tobacco growers consideration should be given to a number of factors. No one familiar with the future of the tobacco industry in Virginia and elsewhere in the United States can fail to recognize that many serious conditions exist which deserve and should have the attention now of those who are interested in improving the price of tobacco and the condition of the tobacco farmers.

TOBACCO GROSSLY OVERTAXED

Another serious condition that must be met fairly and frankly is the fact that tobacco is grossly overtaxed, probably the most heavily taxed of any product, and the tax imposed is of such great consequence as to reduce materially the consumption of tobacco. The total derived from the taxation of tobacco by the United States Government is $580,000,000. This is nearly twice as much as the payments received by farmers for all tobacco produced in the country. Furthermore, the Federal receipts from the taxation of tobacco alone are equivalent to more than 10 percent of the total receipts from all taxation, and no one can deny that tobacco is bearing an unjust part of our national taxation. To this must be added taxation by certain States and municipalities.

I am in hearty accord with the resolution passed by the General Assembly of Virginia, introduced by C. M. Waldrop, I. N. Coleman, Preston Moses, and R. B. Davis, which declares:

"The Congress of the United States be and is hereby memorialized to take appropriate action to effect a reduction in the Federal excise taxes on manufactured tobacco and tobacco products in such a manner as to provide that the farmers engaged in the production and marketing of tobacco will receive the benefit of such reduction by way of increased return for their product."

The Federal tax on a package of cigarettes is four times as much as the amount received by the tobacco grower. I have always favored and, in a conference with the President of the United States several years ago, earnestly advocated that the injustice of the excessive and arbitrary taxation of tobacco be reduced. This is one of the reasons why I have been fighting extravagance at Washington. Any reduction in tobacco taxes is difficult until the excessive spending of Federal funds is reduced.

Under the Constitution all revenue measures affecting taxation must originate in the House of Representatives. Congressman THOMAS G. BURCH has recently introduced legislation providing for a substantial reduction in the tobacco taxes. If and when this measure passes the House of Representatives, I, as a member of the Senate Finance Committee, will vigorously urge its passage in the Senate.

INCREASED USE OF BYPRODUCTS

The next step is to increase the use of the byproducts of tobacco. I introduced on June 8, 1938, a resolution requesting the Secretary of Agriculture to report to the Senate a plan to increase the use of the byproducts of tobacco, to increase the export trade, and otherwise to recommend such methods as may be advisable to improve the condition of the tobacco farmers. As a result of this resolution, an exhaustive report was submitted to the Senate, and tobacco has been made one of the first agricultural products to be investigated by the farm laboratories, recently established by the Federal Government looking for means to increase the use of the byproducts of tobacco.

PROHIBIT THE EXPORTATION OF AMERICAN SEED TOBACCO

A most important step to protect the American tobacco farmer is the passage of a bill to prohibit the exportation of our tobacco seed. A bill to prevent such foreign shipments of tobacco seed was passed by Congress a year ago, but it was vetoed. I have introduced it again and am working in cooperation with Congressman BURCH in this and all other matters for the protection of the tobacco growers.

In view of the embargo placed on tobacco by Great Britain, it appears to me that the passage of this bill is even more necessary today than it was a year ago.

Until a few years ago, cigarette tobacco was grown only in the United States. British manufacturers own and control a large percentage of the business in foreign countries, and until recently they purchased their tobacco from the United States. These foreign exporters, in order to get cheaper tobacco, conceived the idea of getting American tobacco seed from American farmers through their local buyers and growing a substitute in foreign countries for our

tobacco grown in the United States. Tobacco from American seed is being grown in the British Empire—in Canada, India, Australia, Rhodesia, and other provinces. It was planted there by their farmers, who were encouraged to grow this type of tobacco as a substitute for the American type.

It was discovered in foreign areas that they could use our seed and from this seed could grow a substitute for our tobacco, but that after several years the tobacco would revert to the native type of the foreign country and lose its commercial value, and new American seed was again necessary. The American flue-cured tobacco is indigenous to the southern section of the United States. The soil and climate of this section of the United States provide the properties which make this flue-cured tobacco the best smoking tobacco in the world, and it will not retain these properties when planted in other countries, even as a substitute, for longer than 2 or 3 years. Therefore it is necessary for foreign countries to secure annually large quantities of our tobacco seed.

Japan is getting our seed and scientifically encouraging farmers in Manchuria and elsewhere to grow a substitute for American tobacco, and in six or seven provinces of China they are growing from our seed a substitute for our tobacco. India for a long time has been one of the large tobacco-growing countries. Now, under the direction and with the encouragement of the British Government, India is getting our seed and producing millions of pounds of tobacco as a substitute for American cigarette tobacco.

The British Government has placed a much higher tax on tobacco imported from the United States than on that which they grow from our seed in their own possessions, notwithstanding the fact that their substitute is grown from our seed and displaces our business.

Many other countries—Turkey, Greece, and Sumatra—protect their tobacco industries and will not allow their seed or plants to be sent to other countries for commercial purposes, for they, like the United States, grow a particular type of tobacco.

The purpose of the bill introduced by me to prevent the exportation of American tobacco seed is to prevent the ultimate destruction of the export-tobacco industry of this country. This measure does not involve the rights of nations to secure seed or plants for experimental purposes.

In 1928, when British India began to grow a substitute for American flue-cured tobacco from seed sent them from the United States, they produced 32,000 pounds. Ten years thereafter, in 1938, this production increased to 36,000,000 pounds.

It is certainly not fair or reasonable for the British Government to place an embargo, as has been done, on the importation of Virginia tobacco, and at the same time for the United States Government to permit the exportation of American tobacco seed to compete directly with our own product.

I, therefore, think that one of the most important matters before the tobacco growers of America is to insist that the bill vetoed a year ago shall be passed again by Congress, and that the exportation of American tobacco seed, enabling our foreign competitors to take away our markets, be prohibited.

The National Farm Problem

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA, AND INTRODUCTORY REMARKS BY CHESTER H. GRAY

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by the senior Senator from Montana [Mr. WHEELER] on the National Farm Problem over the Mutual Broadcasting System, on March 20, 1940. I also ask that there be printed preceding the address the introductory remarks by Mr. Chester H. Gray introducing the Senator from Montana to the waiting audience.

There being no objection the matters were ordered to be printed in the RECORD, as follows:

Chester H. Gray, master, Potomac Grange, No. 1, in introducing Senator WHEELER, said:

"It is felt that Potomac Grange, No. 1, the Grange of the founders, the first local grange organized almost 75 years ago, is making Grange history tonight in broadcasting over the Nation-wide facilities of Mutual Broadcasting System from the master's station in its grange hall at the Nation's Capital.

"It is fortunate we have with us a Member of the United States Senate who has always fought for the welfare of agriculture. There is a peculiar pleasure in introducing our guest speaker, who at the beginning of the depression, when farmers were losing their homes by the thousands, introduced and fought to successful enactment the emergency and temporary low rate of interest on farm mortgages in the Farm Loan System. This he did against great opposition both within and without the Government.

"To those here assembled in Grange Hall, and to the radio audience, Potomac Grange, No. 1, presents Senator BURTON K. WHEELER, of Montana."

ADDRESS BY HON. BURTON K. WHEELER, OF MONTANA

I am happy to address this meeting. The National Grange, with its innumerable local granges, constitutes one of the truly great farm organizations in this Nation.

I always hesitate to discuss the farm problem with an eastern audience, for I know that too often they regard such a discussion as a political stump speech. But our farm problem is more than the problem of a single group or a single industry—it is a national problem of the first magnitude.

The welfare of agriculture with its 30,000,000 people directly affects fully a quarter of our population—but it also concerns with almost equal force every worker and every manufacturer in this country. The American farmer constitutes a really important consuming unit for manufactured goods.

American industry has been afforded the protection of tariff walls. The workers of America through unionization have been able to demand and obtain higher and higher wages. Some industries through organization are able to maintain and in many cases artificially fix the prices of products. You and I want to see high wages for labor and fair prices for business. They are essential to the well-being of the Nation. But we must not overlook the fact that everything the farmer buys has been increased without a corresponding increase in the price he receives for his products. A farmer must sell on a highly competitive world market and he buys in a noncompetitive and protected home market. It has been aptly said that a farmer sells everything at wholesale and buys everything at retail.

A balanced economy in this Nation demands either a substantial rise in farm prices or a substantial reduction in industrial prices.

You may theorize all you want; you may analyze the causes of the depression, but what I have said diagnoses our domestic economy. When we have accurately diagnosed the disease we should be able to find the remedy. Tonight I would like to discuss corrective legislation. It will not be pleasing or palatable to all groups. Remedial legislation is never entirely acceptable to all, because it tends to equalize economic privileges. It takes from one and gives to another.

Today farmers are demanding appropriations for parity payments, payments that would tend to establish partial equality between farm and industrial prices. They are demanding that which the Congress morally obligated itself to do under the terms of the 1938 Farm Act. They are demanding that to which they have a certain right, if we in Congress keep our promise, but which large segments of industry and the public regard as a political hand-out. Call it what you will, the present act makes it necessary for the farmers to panhandle Congress. I am sure this is as obnoxious to the farmer as it is to his critics. He wants no dole. The farmers do want parity with industry, and parity with labor. He wants economic equality; an opportunity to sell his products at fair prices so he can live and buy shoes, clothes, automobiles, and other industrial products. He wants a home, schools, and churches for his children. He is neither a Communist nor a Fascist. He is not opposed to good wages or a fair return on capital. Labor and capital are short-sighted if they refuse to see that the farmer must prosper if they themselves are to prosper.

Over a year ago I introduced in the Senate a bill that has become known as the wheat-income-certificate bill. It may not be perfect, but it is a realistic and practical approach to the problems of the wheat farmer. Its principle could be readily extended to other crops. Indeed, legislation to cover four others has already been drafted.

The mechanics of the proposed legislation are simple. The bill is realistic. It recognizes the fact that a politically minded Congress will not go on and on appropriating money for even the most deserving of purposes. This legislation would put parity payments on a permanent basis. It creates no bureaucracy, nor do the philosophies of scarcity or compulsion dominate this proposal.

A local committee would, on the basis of a farmer's historic acreage, determine his allotted bushelage. The farmer could plant and harvest any amount of his crop that exceeded his bushel allotment. Upon this surplus or excess he would be paid no benefits at the time of production; however, it could be stored and marketed as a part of the succeeding year's allotment. And under these circumstances benefit payments would be made. The legislation would thus preserve all the essential features of the ever-normal granary, and at the same time fill a definite need in the great wheat-producing areas.

Bumper crops would provide a surplus or a reserve from which the farmer could draw during drought or other bad years. Parity prices for his historic bushelage would not make it necessary for him to sell every pound of a good wheat crop. He could afford to create a backlog without depriving his family of necessities or his farm of improvements. This legislation would give the farmer a measure of protection from bad years. It would be a tremendous stabilizing force in a presently hazardous industry.

Parity for agriculture with industry would be established without adding to the national debt. The bill is self-financing. Wheat income certificates would be issued in amounts representing the difference between parity and the market price. Wheat processors would purchase these certificates, and from such revenues the farmer would be assured parity prices for his produce.

Charges will be made that the bill imposes a consumers' tax upon the public. But you and I know that the price of bread to the public has been substantially static during a period in which wheat fluctuated from 25 or 30 cents to $1 a bushel. We know that a single bushel of wheat produces some 60 loaves of bread. We know that processing, merchandising, transportation, and other costs are apparently the dominant factors in the price of bread to the consumer. The wheat farms of the Northwest understand and want this legislation.

But there is another phase of the farm problem—that of debts.

Continued drought in some sections of the country and sustained depression prices for farm products have forced the farmer deeper and deeper into the mire of debt. The principal and interest on those loans contracted during periods of inflation is a factor in the present gradual destruction of a great industry and a great class of people. In principle, I am opposed to debt repudiation, but there is a limit to what the most honest and industrious farmer can pay. For the Federal Government or a private banker to collect or attempt to collect more is unwise.

Farmers driven from farms and dispossessed of their homes are swelling the ranks of the unemployed with a shocking rapidity. This is a dangerous and un-American trend toward a modern agricultural feudalism. It must be curbed. Good farmers must be given an opportunity to farm—to replace him on the farm with an inexperienced tenant because low prices will not permit payment of debt based on inflated values is both uneconomic and unwise.

Some 2 weeks ago Senator BANKHEAD, of Alabama; Senator LA FOLLETTE, of Wisconsin, and I, introduced in the Senate comprehensive farm-debt legislation. Chairman JONES of the House Agricultural Committee introduced a companion bill. We are hopeful that this legislation will be passed during the present session of Congress.

Without disturbing the intermediate credit banks—the banks for cooperatives or the production credit corporations or associations—the bill revamps the Federal land-bank system. Interest rates would be permanently reduced to a uniform 3 percent on land-bank and land bank commissioner loans. The present average interest rate on these loans is 5 percent, though by act of Congress it has been temporarily reduced to 3½ and 4 percent. This was accomplished by legislation which I first introduced in 1935, and which was subsequently reenacted. In addition to establishing the lower interest rate the required 5 percent capital-stock subscription by borrowers would be stricken from the statute books. At the present time land-bank bonds are guaranteed morally by the Government of the United States. In the future they would be actually warranted by the Government. This would reduce the interest on these bonds, and after 1946 a new interest rate would be fixed equal to the amount of interest paid on land-bank bonds plus an additional 1 percent. This would mean a further reduction in interest for debt-harassed agriculture.

Other phases of this proposed legislation meet a direct and vital phase of the farm-debt problem. A formula for adjusting present farm mortgages and production loans is offered. It would adjust inflated and oppressive farm debt to a realistic debt based on the actual value and earning power of the farm.

The mechanics of these provisions are not complex. A farmer whose property has been foreclosed or whose mortgage is delinquent for 3 years would make application for an adjustment of his debt. In the event of repurchase or refinancing—title of the property would vest in the Farm Mortgage Corporation. A 5-year lease, with the option to purchase, would be offered the farmer. During this 5-year period the farmer and the farm unit would be studied—and upon this information a reappraisement would be made by a county committee. The farm would then be reconveyed to the farmer at its real and productive value.

This legislation would destroy no existing cooperative aspects of the Federal Land Bank System. The bill would eventually eliminate the present land-bank farm-credit system whose benefits would be felt by the farmer and the public.

A sound national economy demands a sound agriculture. The legislation I have outlined is a definite step in that direction. Until the farm problem is solved—until agriculture is economically rehabilitated—this Nation will not enjoy real prosperity. Intelligent selfishness on the part of all of us requires our complete and unselfish efforts in solving the farm problem. Well-balanced economy—parity for the farmer with labor and with capital—is the goal toward which we must all strive.

Cancer Control

EXTENSION OF REMARKS

OF

HON. EDITH NOURSE ROGERS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

PROCLAMATION BY THE PRESIDENT

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following proclamation regarding cancer control issued by the President yesterday:

CANCER CONTROL MONTH—1940

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Whereas the President is authorized and requested by Public Resolution No. 82, Seventy-fifth Congress, approved March 28, 1938 (52 Stat. 148), to issue annually a proclamation setting apart the month of April of each year as Cancer Control Month, and to invite the Governors of the several States, Territories, and possessions, of the United States to issue proclamations for like purposes; and

Whereas it is also requested in the said Public Resolution No. 82 that the proclamations issued invite the medical profession, the press, and all agencies and individuals interested in the control of cancer through a national program of education and other cooperative means to unite in dedication to such a purpose and by concerted effort to impress its necessity upon the people of the Nation; and

Whereas by this dedication of the month of April to a voluntary national program for the control of cancer, the people of the entire country will be acquainted with the progress that is being made by the Federal Government through the United States Public Health Service, by certain of the States and by other agencies, as well as by individuals, in the struggle against this dread disease, which is second among the causes of death in the United States:

Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do proclaim the month of April 1940 as Cancer Control Month, and do invite the Governors of the several States, Territories, and possessions of the United States to issue similar proclamations; and in order that the people throughout the land may have informed knowledge concerning the prevalence of cancer and of the means which can be taken to control it, I also invite the members of the medical profession, individually and through their associations, other scientific groups, all organs of opinion, including the press, the radio, and the motion picture, and all others who have the interest of the public health at heart, to unite during the month of April 1940 in concerted effort to impress upon the people of the United States the necessity of a national program for the control of cancer to the end that suffering may be relieved and life preserved.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 18th day of March, in the year of our Lord 1940, and of the Independence of the United States of America the one hundred and sixty-fourth.

[SEAL] FRANKLIN D. ROOSEVELT.

By the President:

CORDELL HULL,

Secretary of State.

Aggression on Poland

EXTENSION OF REMARKS

OF

HON. JAMES M. SLATTERY

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

ADDRESS BY CAPT. FRANCIS X. SWIETLIK

Mr. SLATTERY. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a speech

by Capt. Francis X. Swietlik, dean of Marquette University and censor of the Polish National Alliance, at the monster relief mass meeting in Madison Square Garden, New York City, on March 12, 1940.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

As I gaze upon this imposing assembly gathered here this evening to voice its protest against wanton aggression and anxious to render aid and assistance to the victims of this aggression, I cannot refrain from paying tribute to the spirit which motivates you and from expressing my admiration for those who have made a manifestation of this character possible.

In the front ranks of the tragic victims of the present cataclysm in Europe lies Poland, the country of your fathers and my fathers. But it is a Poland with a spirit unconquered, with a will and determination to live, and, God willing, she will live and ere long her lands and her freedom will again be restored to her.

The fate of Poland is tragic. As we reflect upon her historical role we cannot but cry out in protest against the injustice which is her lot today. The champion and defender of other nations, historically the bulwark of Christianity and western civilization as borne out by the battles of Grunwald, the relief of Vienna from the Turkish siege, the defense of Warsaw from the Soviet invasion in 1920, a nation which at no time waged a war of conquest or aggression.

Poland, wherein the oppressed Jew of the Middle Ages found a haven of refuge, the country of Copernicus and Curie-Sklodowska, of the art of Matejko, Kosaki, and Styka, of the literature of Mickiewicz, Kraszewski, Slowacki, Sienkiewicz, of the music of Chopin and Paderewski—a nation which but 22 years ago was liberated from a century and a half of tyranny and oppression, which sought nothing else but the right to a peaceful national existence—today is a tragic victim of the despoilers, her fields are laid barren, her cities a mass of ruin and debris, her people wantonly and willfully dispossessed of their property and hoarded off to restricted areas or concentration camps, her foodstuffs conscripted and transported to the enemy, her wealth confiscated, her youth and intellectuals ruthlessly exterminated, her seats of learning, churches, and convents defiled; the aged, helpless, and nonoffending professors of the Jagiellonian University at Cracow bundled off from their classrooms in trucks to prison camps where several perished from exposure; her religion, language, and press suppressed; death, hunger, pestilence—the Three Horsemen of the Apocalypse—rampant in the land.

Poland fought courageously. She yielded only when attacked from the rear by the armed forces of Soviet Russia. Confronted by the Nazi dictator, superior in manpower and mechanized military equipment, Poland stood her ground. True to her historical tradition she declared that honor is more sacred than peace. The soldiers and civilians of Poland fought heroically in the face of overwhelming odds. What feat of heroism in history parallels the valiant, courageous, although hopeless, defense of Warsaw under the leadership and inspiration of its chief executive, Stefan Starzynski? Therein is an epic of Spartan like courage and bravery—of patriotism in the ultimate. Therein we see an exemplification of the true spirit of the nation. And I say to you that if the dictators of Germany and Russia, the present despoilers of Poland, would only heed the lessons of history, they would realize that although for the time being they can erase geographical boundary lines, they can expropriate the population of the conquered country, they can colonize the land with their own people, they can persecute and execute thousands of her men, women, and children, they cannot crush a spirit entrenched in age-old culture and consecrated in sacrifice. For the time being they can take the body, but they cannot, they will never succeed, in killing the soul of the nation.

Poland was partitioned on three occasions in the past, her cities ruined, her people driven to the wilderness of Siberia, but she always retained her national soul and survived.

Prior to the World War she was occupied by the three most powerful military nations of the world. During the war her fields were furrowed by the trenches of the enemy and became the battlefields of contending armies. She was bled white. And yet, when the war was concluded she regained her independence and became one of the leading nations of the world. Persecution only strengthened her determination to live, and after the persecution was over she emerged from her ordeal stronger and more ready to take on new duties as a nation.

Today, when we contrast our happy lot with the tragic lot of the people of the Old World, we can be thankful to Divine Providence for the blessings of peace and democracy which are ours.

At no period in history did mankind witness such sudden and numerous changes in the forms of governments of nations as took place within the last two decades. After the termination of the World War there arose upon ruins of age-old empires and monarchies forms of government which seemed to be patterned according to our own. People demanded and obtained a voice in their government. Nations which had been held in subjection, some for hundreds of years, regained their independence and were enabled to live their own national lives and to again breathe the air of freedom. It seemed that the long-awaited and hoped-for millenium had arrived and that the nations of the world could at last direct their efforts to the peaceful pursuits of civilized life.

But this new-found freedom was of short duration. In less than 20 years after the termination of the World War some of the principal nations of Europe placed themselves under the rule of dictators and seemed to leap back over centuries to the darkest ages of history. Under this modern dictatorial government the state is glorified and everything else must be subordinated to it. Instead of acting as a servant of the people, such a government becomes their master and the people become its slaves. The God-given rights of the individual which are so eloquently set forth in the Bill of Rights of our own Constitution, are violated and discarded. Freedom of speech and of press, those most important guaranties of the liberties of any people, are entirely denied. Under a dictatorship the press is merely the mouthpiece of government propaganda. No one dares to complain, no one dares to criticize, all must obey. Religious freedom is denied. It is impossible to have religious freedom under a dictatorship. The teachings of Christianity are inconsistent with the idea that the state is supreme and that the individual is wholly subordinate to it. It recognizes in man certain inalienable rights, the right to possess property, the right to pursue one's happiness, the right to free expression. It is for that reason the dictators consider it their first duty to suppress all religious freedom.

Dictators do not recognize the fact that in their relations with other nations they must follow a certain norm of morality and justice if civilization is to survive. They disregard the sanctity of treaties. They will tear up treaties which have been solemnly entered into if such course suits their purpose. They take the position that the end justifies the means; that any conduct on their part, no matter how immoral and corrupt, is justifiable if it leads to the attainment of the object which they have in mind. Such a philosophy of government is a reversion to paganism. It may result in seeming temporary success, but the time comes when the inevitable law of right triumphs and successes earned upon such a foundation must totter to their well-deserved ruin. It was this philosophy that might makes right, that stronger nations have the right to deprive weaker nations of their independence simply because they are weaker, that brought temporary misfortune to Poland.

This gallant nation is in ruins; her people are destitute; hundreds of thousands, both soldiers and civilians, sought refuge in neighboring countries. Others remained in their homes. The story of their suffering, which percolates through the strict censorship of the belligerent countries, is most harrowing. They need food, they need shelter, they need clothes. It is estimated that 7,000,000 persons in the so-called government area of Poland, are in dire need of food and clothing; that $50,000,000 are essential to hold them to life.

While some of the European nations are doing all they can to alleviate the situation, we in America must bear the brunt of this burden. Several days ago the Foreign Relations Committee of the House of Representatives, under the chairmanship of Mr. SOL BLOOM, of your State, conducted hearings in the capital of our Nation to ascertain the facts about Poland so as to recommend to Congress such relief measures as, in their judgment, may be necessary.

Ladies and gentlemen, as I stand before you, conscious of the fact that on the speakers' platform is seated one of the great humanitarians of the world, my memory harkens back to the post-war era of the last World War of barely a quarter of a century ago. America, who so significantly contributed to the ultimate victory of the Allies, at the conclusion of the hostilities and the signing of the armistice, bore no thought of malice and vindictiveness of territory and reparations. True to her traditional spirit, the same soldier who but a few weeks ago fought on the fields of France became a messenger of mercy, carrying food and clothing to the innocent victims of that great conflict. Under the inspirational guidance of your guest of the evening, Mr. Herbert Hoover, as the head of the American Relief Commission, this same soldier became a Samaritan—he went to Belgium, to Poland, to Finland; even to the countries of the recent enemies, Germany and Austria; to friend and foe alike, to feed and to clothe; to save from starvation the women and children of those countries.

I am confident that America will not turn a deaf ear to the plea of Poland, but as in the past she will again stand forth as the one hope for all suppressed people, and will again send her messengers of mercy to the desolate land of the Old World, bringing assistance to those in need as she did in the past.

Pass the Hatch Bill

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE ST. LOUIS STAR-TIMES

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent that there may be printed in the Appendix of the RECORD an article which appeared in the St. Louis Star-

Times under date of March 19, 1940, entitled "Pass the Hatch Bill."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis Star-Times of March 19, 1940]

PASS THE HATCH BILL

The Hatch bill goes to the House of Representatives, following passage by a 58 to 28 bipartisan vote in the Senate, with indications that it will be strenuously opposed by the official Democratic House leadership.

If that is so, the bill faces a precarious future. House procedure permits the bottling up of legislation, even a popular bill, in the powerful Rules Committee, which can block any proposal by the simple expedient of refusing a rule, thus denying the House as a whole the opportunity of a vote.

The opposition in the Senate centered largely in conservative southern Democrats, plus a few new dealers with private practical reasons for their antagonism. If the same element shows the same attitude in the House, the Rules Committee—dominated by southern conservatives—may be expected to do all in its power to destroy the bill.

So much political trickery and double-dealing are involved in such a bill as the Hatch proposal that neither Republicans nor Democrats can claim too much virtue in their attitudes toward it. Republicans who now solidly support it, because it would injure Democratic State machines, refused to adopt similar measures during the era of Republicanism, when Republican machines would have been injured.

The interest of the public, however, transcends the selfish interests of the politicians in Congress. From the public viewpoint the Hatch bill is desirable—even imperative.

What will be the effect if the bill is sabotaged? It will mean that a major step toward a decent civil service is postponed perhaps for years. It will mean the loss of the impetus toward abolition of the spoils system gained with the enactment of the original Hatch law last year.

Defeat for the bill will tell administrative employees of the various State governments that they are free to play politics while drawing salaries supposedly for public service.

It will be equivalent to placing the benediction of Congress on the State highway department officials who regiment thousands of their subordinates into high-powered machines manipulated for election purposes.

It will be saying that political activities which have been pronounced "pernicious," and forbidden to Federal employees, are entirely proper when practiced by State employees, even when these State workers are hired by departments and agencies supported in whole or in part by Federal funds. "Macing" of employees for campaign contributions will not only be tolerated; it will be tacitly blessed, sanctified, and approved.

It is not necessary for supporters of the Hatch bill to accept without protest the suffocation of the proposal by a small clique of powerful men. They can call upon Mr. Roosevelt to aid them by endorsing the bill with his full authority both as President and as titular leader of the Democratic Party. They have the right to expect his support, expressed as openly and vigorously as necessary, because the President specifically recommended the principle of the pending bill when he signed the original Hatch law last year.

And if extreme measures are required, the House can overcome its Rules Committee by circulating a petition to discharge the committee from further consideration of the proposal. A simple majority, signing such a petition, can force the bill to the floor of the House for a vote.

It would be a major step backwards, a disgraceful surrender of the principles of good government to selfish and partisan purposes, if the Hatch bill should die. Every friend of an efficient and nonpolitical civil service should use his influence to see that the bill is not permitted to die.

The Place of Advertising in the American Scheme

EXTENSION OF REMARKS

OF

HON. GERALD P. NYE

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

ADDRESS BY RALPH STARR BUTLER

Mr. NYE. Mr. President, James S. Milloy, of the Washington office of the Minneapolis Tribune, has brought to my attention an address delivered to the recent advertising awards dinner in New York City by Ralph Starr Butler, vice president of General Foods Corporation. The title of the address was "The Place of Advertising in the American Scheme," and because of Mr. Butler's preeminence in the field of advertising, and the contribution his address makes to a subject of such widespread interest throughout the country today, I ask unanimous consent to insert it in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the past 10 years, to a greater degree than at any other time in our history, forces were at work that stimulated questions about many phases of American life. Philosophies of government, social points of view, and business procedures which had in the past been generally accepted without serious question, were subjected to scrutiny and challenge. Among the subjects in which new interest was aroused was that complex of activities which we call the machinery of distribution. A public which had taken for granted the practices involved in the distribution of the world's goods became aware of the distributing machine and began to formulate questions about the usefulness, economy, and desirability of many of its parts.

It is right that this should be so. The machinery that has been developed to make available the output of the farms, the factories, the forests, and the mines is a tremendously important factor in the lives of the people. Our physical and economic welfare is influenced in many ways by the practices followed in distributing goods from the hands of those who make them to the homes of those who use them. The far-reaching influence of these practices makes it desirable that they should be the subject of general knowledge and intelligent scrutiny. It is not to be hoped or expected that they could or should continue in operation unobserved and unquestioned. If the distributing machine is fundamentally useful and sound, it has nothing to fear from intelligent inquiry into its workings. If it cannot stand up in the light of general knowledge and careful analysis, it does not deserve to continue unchanged.

Among all the phases of distribution which have been the subject of recent scrutiny and question by the American public, one of the phases that has aroused the most interest and the most controversy is advertising. This is natural, because advertising is a spectacular manifestation of the work of the distributing machine. By its very nature advertising is not hidden or submerged. It is in the forefront of public consciousness. It enters the home in practically all periodical literature. It provides the basis for the tremendous development of radio in the United States. It is in every way the daily companion of the American consumer. It is natural and right that, being so continually conscious of advertising, the consumer should wonder about it and ask it to justify its existence.

ARRAY OF CHARGES

Advertising is being attacked on several fronts. Its honesty is challenged; its effect upon public taste is deplored; its successful development of new wants is criticized; its appeal to the emotions is frowned upon; its insistence is disliked; and its standardizing influence upon American products and American life is resented. More frequent than any other charge, however, is the contention that advertising does not contribute to values in proportion to its cost. Those who make this charge are concerned with what we may call the economics of advertising rather than with its social implications. To state their case bluntly, the complaint is current that advertising increases prices to the consumer. It is this charge alone that I should like to explore, because it seems to me a most important part of the indictment.

In considering the contribution of advertising only to tangible values, we run the danger of overlooking its contribution to other values. Advertising is an important social force as well as an aid in the promotion of industry. It tells the story of inventions and improvements so that new aids to civilized living become almost immediately available to an entire nation. It promotes that divine discontent which makes people strive to improve their economic status to the end that they may be able to satisfy new wants and to provide for their families the maximum of comforts and conveniences. It has had, and continues to have, a very great influence on the American standard of living. It aids in the stabilizing of industry. It makes possible inexpensive periodicals and free radio. In many ways it beneficially affects our national life. All these contributions of advertising need analysis, amplification, and repetition, but they are not our concern at present. Leaving them in the backs of our minds, let us direct our thinking exclusively to the influence of advertising on more tangible values.

Once more, however, we must restrict our field of inquiry. When advertising is charged with adding to the cost of advertised merchandise, or with being an economic waste, or of unduly increasing the cost of living, or with doing any of the other things that are part of current critical comment, I suspect that the critics do not have all advertising in mind. We hear little questioning of retail store advertising, whether it be in newspapers, window dressing, or inside store display. Few shafts of criticism are leveled at the millions of dollars spent by the mail-order houses for catalogs and other forms of promotion. There is no audible chorus of protest against those who solicit business by mail. And yet all these things are advertising, differing in no degree in principle or in economic justification from the more common subject of critical indictment.

When advertising is said to be an unnecessary charge upon the consumer the reference is usually to one kind of advertising alone—the kind that is used by a manufacturer whose trade-marked goods are distributed through retail stores and who seeks, with the aid of newspapers, magazines, radio, or signs of various kinds to promote

the sale of his merchandise to the consumers who trade at those stores. This kind of advertising, to be sure, represents a considerable proportion of all advertising; but it is only a part, and differs in no way in principle from all the other things that are done in the name of business promotion. If advertising is an economic waste, and if we wish to be consistent, we must stop most of the printing presses, find some new way to finance radio, bar business solicitations from the mails, tear down all billboards, board up the store windows, destroy all store signs and displays, and permit a retailer to do business only through a hole in the wall. That is the absurd Utopia which the really consistent critic of advertising must envisage.

CONVENTIONAL EXPLANATION

Forgetting the inconsistency of critics, however, let us consider only the kind of advertising that is most frequently condemned. There is a conventional answer to the critics. The argument runs something like this: A manufacturer starts with a certain volume of business. On that given volume he has a known manufacturing cost for each unit produced. If he can largely increase his business, he can obtain the manufacturing economies of mass or large-scale production. Each unit will cost less to produce, and each unit, therefore, can be sold for less to the consumer. He then employs advertising successfully; he realizes his desired increase in sales; his production cost for each unit declines; and he can and does sell each unit for a reduced price. Furthermore, with increased sales he can spread his overhead of selling and administrative costs over a larger number of units; each unit will require a lessened loading for overhead; and this saving also will be passed on to the consumer.

If this formula works in all cases or in most cases, we have a complete defense of the economic value of advertising. Advertising, then, figuratively speaking, costs nobody anything. So frequently is this explanation of advertising used that we need to make careful studies to find out how generally the formula works out in the ideal way in which it is stated. This need has been recognized; the Advertising Research Foundation has commissioned the Harvard Graduate School of Business Administration to conduct a study of the economics of advertising, which study, I hope, will include a critical evaluation of this conventional defense. The graduate school, I understand, is still at work on this important task and no report has yet been issued.

Even in advance of the foundation's report, it is permissible to suspect that the formula will be found to have something less than universal application. For one thing, we know that in many industries most of the manufacturing economies of large-scale production are realized when the business has reached a certain volume, and that relatively unimportant additional economies result from the further expansion of the business beyond that point. It is possible, too, in some cases that the cost of advertising, added to the other costs of the business, might to some extent counterbalance the savings resulting from lowered unit cost of manufacture. Furthermore, an individual manufacturer, unless pressed by equally efficient and aggressive competition, might retain as additional profit for himself all or part of the economies resulting from his expanded operation.

Finally, we must admit the existence of the phenomenon of unadvertised products selling not infrequently at lower prices than advertised products of similar quality. It is not enough to say that in almost countless cases the unadvertised products would not exist if some advertising manufacturer did not originate them, or that the unadvertised products would find no market if an advertising manufacturer had not created a market for them. These contentions are entirely true, particularly with respect to drug-store and grocery-store merchandise. With so few exceptions that they prove the rule, such unadvertised specialties ride along largely on the promotion work of advertising manufacturers.

Yet, except in the case of some store brands that have been long on the market, it is almost axiomatic that unadvertised specialties, produced in smaller quantities than advertised competing products, cannot be sold successfully except with a price advantage. The consumer, choosing between the guaranteed quality of advertised products and the not always known quality of the unadvertised competitor, will seldom buy the latter unless to effect a considerable saving.

ADVERTISING IS ONE OF MANY COSTS

If it should develop that the conventional justification of advertising as a contributor to tangible values for the consumer does not always work out in practice, how can we explain the economic desirability of this potent force in business promotion? I submit that we must shift our point of view from advertising as an isolated phenomenon to advertising as an integral part of the existing industrial system. I shall endeavor to justify the contention that advertising is no more legitimately to be selected as an undue charge upon the consumer than is any other charge involved in the management of industrial enterprises or in the distribution of the output of our factories.

Every price includes many things beyond the actual cost of production. Additions to the cost of production are inescapable under our present system. These additions should include all of the selling and administrative expense of the manufacturer, the expenses of the jobber and retailer, and any other factors in the distributing chain, as well as a profit for each factor that handles the merchandise. There is no possibility of avoiding these costs. In every dollar the consumer pays, each of these charges is represented by a specific amount of money, varying item by item in accordance with the particular way in which any given product is distributed and with the amount of profit realized.

It is my belief that advertising, as a single cost in this chain of costs, can no more rightly be criticized as a contributor to the consumer price than the salary of the president of the manufacturing company, the expense of the salesman who travels for the wholesale house, the cost of the clerk behind the counter, the expense of an accounting department, or a reasonable profit on the operations. This I believe to be true as long as we admit the validity and desirability of the economic system under which we are living.

COLLECTIVISM VERSUS CAPITALISM

To establish this contention, it is necessary to look at the fundamentals of what is variously identified as the capitalistic system, the profit system, the competitive system, and the system of free enterprise. Let us accept, first, the concept that any economic system exists for one purpose alone, and that is to transform the inherent or natural utilities existing in the products of the soil, the forest, and the mine into things that are usable by the consumer, and to make those usable things available to the consumer in suitable quantity and grade at the place where and at the time when he wants to use them.

Fundamentally there are only two ways in which this purpose can be accomplished. The doctrine of the collectivist holds that the purpose can best be accomplished by having society set up a group of individuals endowed with a degree of wisdom which is not to be found in fallible mankind, who will determine what the consumer wants or should have and the quantities that should be available to him, and who will then designate certain individuals in society to operate the machinery of production and distribution without financial risk to those who are appointed to the several tasks. This is the doctrine of "production for use and not for profit." It is the doctrine of the Socialists before and after Marx, and it seems in many respects to approximate the doctrine of that revival of totalitarianism which is exemplified in certain countries of Europe today. With relatively minor variations, these and other forms of collectivism are based upon the idea that somebody in authority shall decide what is to be made, how much is to be made, and who shall make it and distribute it.

Opposed to the collectivist concept is the system of free or voluntary enterprise. Under this system no constituted authority dictates what is to be made, how much is to be made, or who is to make it. Instead, the system is operated by leaving the performance of its various functions to volunteers. Under this system one man elects to become a farmer, another chooses manufacturing, a third volunteers to perform the wholesale function, and a fourth decides that he wishes to operate a retail store. Each volunteer obviously runs financial risks in undertaking to operate his part of the industrial machine. He may lose all he has put into the business. He must have some incentive to induce him to embark upon the enterprise and to compensate him for his risk in voluntarily assuming a place in the industrial structure. Therefore, he is permitted, if he can, to earn and retain a profit over and above his expense of operation. This, of course, is an oversimplification of the system of free or voluntary enterprise, but it is at least an accurate picture of the skeleton of the system under which we are operating. Let it be understood that this is just as truly a system as that promoted by the collectivists.

In all systems designed to control human behavior in a complex society there appears occasionally the need for certain exceptions to the general rules. Our system rightly recognizes such exceptions and makes provision for them. For example, no one is permitted to embark upon a business which is morally or physically injurious to the public. In fields vitally related to the general welfare, such as communication, transportation, and public utilities, the advantages of governmentally supervised monopoly or semimonopoly are recognized, and no new competitor is admitted unless he can prove that the public will benefit substantially from his contemplated enterprise. Such exceptions apply only to a small minority of fields of industrial activity. If this were not so the system of free enterprise itself would be the exception, and we should then be well on our way to a collectivist society. If we are to retain our present system, freedom of opportunity must generally remain open to the volunteer businessman, because such freedom is the very foundation of the philosophy on which the system is built.

The American people, thus far at least, by a tremendous majority, prefer a system of free or voluntary enterprise to the collectivists' proposal of governmentally dictated production and distribution. Accepting this point of view we must frankly recognize some of the inescapable connotations of our industrial philosophy.

HOW FREE ENTERPRISE WORKS

What has all this to do with advertising? By the following example, I shall try to show that, given the desirability of a system of free or voluntary enterprise, advertising contributes to keeping down the costs of business, and thereby becomes a social aid rather than a social charge. The economic justification of advertising will appear, as I believe it to be, inextricably interwoven with the justification of the economic system under which we are living.

Under the present system let us assume that a man elects to manufacture a specific product or a line of merchandise. Except in a very few fields of industrial activity, he does not have to obtain anyone's consent to embark upon this particular interprise. Of course, he must conduct his business in accordance with certain rules of the game that have to be established to protect his neighbors and his competitors. In this respect he is not different from

any other citizen. Freedom of enterprise, like freedom of speech, freedom of the press, and freedom of religion, does not mean license. Certain essential regulations must be promulgated and enforced. Within the confines of those regulations, however, the very nature of the system not only permits but encourages him to establish and operate his industry.

After successfully producing his merchandise, he faces the problem of finding people who will buy it. He may begin by peddling his goods to the homes in his immediate neighborhood. If he does that, and if he stops with that, his decision to stop is not forced upon him by any governmental body but is one for which he alone is responsible. If, however, he is aggressive and ambitious, he seeks a wider market which will bring him more business and more profits.

Now, here is a very important point to bear in mind: It is essential in a system of free enterprise that he should be permitted to seek as wide a market as he may desire. His freedom to do so may, in certain exceptional cases, be limited by requirements of the public good—such as the need for conserving natural resources or the recently appreciated need for protecting the soil. These restrictions, however, must be exceptional and based on clear advantages to society. If they are not exceptional, and if they should become general, the system of free enterprise would no longer exist. Under our present system then, and with respect to most kinds of merchandise, there is not, and there cannot be, any law, rule, principle, or power which restricts a manufacturer's operations to one square block or to a thousand square blocks or to a thousand square miles. If he could be told by some Government bureau that he could operate only in some prescribed narrow field, free enterprise would be a misnomer, and we should have to find a different name for a very different kind of industrial organization.

FREE CHOICE OF METHOD

Let us assume that a manufacturer, having elected to produce an item of merchandise, decides to seek a national market for his goods. He wants to establish a stable business and not to plan or operate just for the immediate present and just for immediate profits. What is he to do? Has he, or should he have, freedom of choice among the several different practical procedures that have been developed by successful usage? It seems to me that this added freedom of choice is an essential corollary to his other opportunities to make free election. Without available means to extend his business, of what value is his freedom to decide that he would like to extend it? To make any freedom of choice a mere futility is to take away the freedom itself. So we must conclude that the availability of means of extending a business is one of the basic essentials of the system of free or voluntary enterprise.

To be sure, he need not be permitted to use every method that might come into his mind. He must not be allowed to lie, or cheat, or offend against decency, or treat his competitor unfairly, or injure the public, or do any of the other things that rightly come within the province of the police power of the State. But outside the area of rightful and legitimate proscription, he should have free choice among all useful and workable and successful promotion practices.

Particularly should there be available to him all promotion procedures that are economical in their operation, because there is an obvious social advantage in keeping costs of business as low as possible. It would be a strange thing if, through misinformation and misunderstanding, those who cry loudest against the effect of promotion charges on consumer prices should be successful, by some means, in restricting or eliminating the use of the one great merchandising aid which in nearly every instance is least expensive to the manufacturer and to society.

There are several choices of method open to our manufacturer. If he turns to advertising, it is because advertising is the least expensive means to accomplish his legitimate purpose. The relative economy of advertising can be proved, but this is not the time or place to prove it. Of all kinds of advertising, those most generally charged with contributing unduly to costs—newspapers, magazines, radio, and the various kinds of sign advertising—when used in the circumstances that I have described, are actually the least costly to the manufacturer and to society.

It is important that the economy of these forms of advertising as compared with other methods of promotion be understood and accepted, because the fact of that economy occupies an important part in our chain of reasoning. As evidence that advertising is less costly than other ways of promoting and maintaining a national business, it is appropriate to point out that under a system of free enterprise the control over undue profits and undue expense is entrusted to the workings of competition. Our manufacturer, faced with the competitive necessity of selling at the lowest possible price, would be very foolish if he elected to use a selling method which, from the standpoint of its cost, would operate to his competitive disadvantage. Neither this particular manufacturer nor any other manufacturer whose operations at almost every step are governed by considerations of competition would or could use advertising if there were any cheaper way to accomplish his purpose.

ADVERTISING CUTS COSTS

If we accept the fact of the relative economy of advertising as a method of promoting and maintaining a manufacturer's business, what is the significance of that fact in our endeavor to justify advertising in the present economic system? In brief summary, my reasoning has run as follows:

1. At the very basis of the profit system, the competitive system, the capitalistic system, or the system of free and voluntary enterprise lies the fact that each individual volunteers to perform some function in that system; he is free to select the kind of business in which he wishes to engage, and, as a matter of free choice, he may determine the extent to which he will try to develop his operations. In such a system business activity is encouraged, profits are expected, and success is commended, because the system, by definition, provides no means of accomplishing its necessary functions except by successful volunteers.

2. It follows that a manufacturer seeking to establish the sale of his product, having made free election of the kind of business and kind of product and the desirable extent of his intended operations, must be permitted to use any method of reaching his objective which is honest, which conforms to the taste of the times, and which is not unfair to competitors or injurious to society. Without this free choice of method his other fields of freedom of choice become futile, and the system of free enterprise becomes a misnomer and an unworkable theory.

3. The manufacturer selects advertising as a means to aid him in achieving his legitimate purpose, and if, as is almost universally the case, he must contest for patronage in a competitive field, his selection is due exclusively to the fact that advertising is the least expensive tool that he can employ.

4. All of which leads, I believe, to the inescapable conclusion that in the existing industrial system advertising, instead of increasing business costs is a vital factor in keeping them at a minimum, and, therefore, because all business costs must ultimately be borne by the consumer, advertising makes a definite contribution to the economic benefit of the community. This is a bald and brief statement of an exceedingly significant truth. If my reasoning is right, the conclusion cannot be avoided. And if the conclusion is right, then advertising is amply justified in a society that believes in the system of free enterprise, the legitimacy of the profit motive, and the advantages of competitive industry.

If we accept that system, we must admit the justification of any activity which, as is the case with advertising, contributes to the effective and economical working of the system. Advertising, then, and the social and industrial system under which we are living, have one and the same justification. The fact that advertising is a spectacular manifestation of one phase of the existing system does not excuse the attempt to treat it as an isolated phenomenon. If the system is right, advertising is right. If the system is wrong, and if it should be changed, then I suspect we should find ourselves in such a different kind of world that the problem of the rightness or wrongness of advertising would be insignificant in comparison with the problems of how to maintain our standard of living and of how to retain and advance the tremendous achievements of our capitalistic civilization.

THE PRICE OF FREE ENTERPRISE

Supporters of the existing economic system may grant our conclusion, and yet contend that competitive distribution involves costs (including the cost of advertising) which constitute an undesirable addition to prices and that these costs ought to be reduced, or even that efforts should be made to eliminate them. They cannot be eliminated, obviously, if we are to retain the competitive system of industry; there can be no effective competition without the use of the tools of competition. Costs of competitive distribution may be reduced, however. Every operator in a competitive field, legitimately seeking a competitive advantage, is selfishly inspired to get his merchandise to consumers at the lowest possible cost. To operate at minimum cost is the constant goal of industry.

Reductions in the cost of distribution will occur in the future, as they have occurred in the past. Nevertheless, whatever may be accomplished in this direction, competitive industry will always result in certain costs of competition which must be included in the prices for which merchandise is sold. It has not been proved in actual practice that final prices in a competitive system are higher than they would be in a collectivist society. To the extent however, that they may be, even theoretically, higher, the added costs of competitive distribution are the price we pay for the privilege of living under a system of free enterprise.

Just as believers in democracy realize that they can enjoy the inestimable advantages of democracy only by paying the price of delay and cumbersomeness inherent in democratic processes, so the believers in free enterprise must be prepared to pay a certain price, if necessary, to maintain the industrial system that has built our modern world.

The system, of course, has its faults, its wastes, and its weaknesses. But so has any other system in which the human equation must play a large part. Evolution has done much to better our system in the past, and it will bring about the correction of many of its remaining faults in the future. Those who believe in the present system recognize its faults, but they recognize also the greater disadvantages of the collectivist alternative. While we may or may not think that the free enterprise system is the last word in the development of society, most of the people of this country believe it holds far more for them of happiness, freedom, and general welfare than any alternative that has thus far been proposed. I believe that our existing system will persist; that it will gradually be bettered by evolution rather than by revolution; and that as long as its essential features remain, advertising as an economical aid to business will continue to justify its existence by performing a necessary function and by contributing in an important way to the welfare of society.

My Record in Congress

EXTENSION OF REMARKS

OF

HON. JACK NICHOLS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

Mr. NICHOLS. Mr. Speaker, the history of leadership in the Congress indicates that the best policy for the people of any district is to keep a Congressman who is rendering good service on the job. The leaders of Congress are the men who have been here from 20 to 30 years. I would like to become one of these leaders, not alone for the honor it would bring to me but for the opportunity to render greater service to the people of my district, my State, and Nation.

There is, of course, no point in keeping a man in Congress unless he is doing a good job. Therefore it is proper to review the events of my service since January 1935, when my term of office started.

VETERANS' LEGISLATION

I am a veteran of the World War. I served in that war as a buck private and received from it an honorable discharge. My friends over the district in my first race for office were headed by my old Army buddies. Naturally, I was much interested in veterans' legislation.

When I came to Congress the Economy Act had been put into effect, cutting off many of the veterans who had been drawing compensation. My buddies were in need, and wanted to draw their adjusted compensation, known as the bonus. They wanted preference on Government relief work. In general, they wanted justice from their Government, which they had served, and for which they had suffered.

I helped to bring about payment of the bonus. I led in the movement to give veterans definite preference for relief work. I have been trying to wipe out the injustices of the Economy Act.

I favor giving the veterans of the World War the same treatment on pensions that the veterans of the Spanish-American War, and other previous wars have received. I also favor the same pension provisions for their widows and orphans that were given widows and orphans of previous wars. I hope that this session of Congress will make a start toward this program.

My comrades of the World War are much aroused over the threat to our safety occasioned by the wars in Europe and Asia, and I have pledged to them that I will do all I can to keep us out of war.

I am opposed to again sending our young men to foreign nations to settle local quarrels, and will never vote to do this. I further pledged, and here repeat, that the day that I vote to involve the United States in war for any purpose, that I will resign my seat in Congress, and again enlist in the armed forces.

OLD-AGE PENSIONS

One of the most important things I wanted to do when I came to Congress was to set up an old-age pension system. I believed, and still do, that this is a measure of justice to the veterans of civil citizenship.

I voted for the Social Security Act, explaining at the time that I did so not because I thought this legislation was adequate but because it did recognize our obligations to the old people, and because it was the best bill that I could vote for that had a chance to pass at the time.

Under this act Oklahoma, in cooperation with the Federal Government, is now paying "old-age assistance" to more than half of the persons in the State over 65 years of age. Oklahoma is paying such assistance to a larger percentage of its people than any other State in the Union.

I still do not think that the Social Security Act is doing the job right. I favor a Federal old-age pension, paid direct by the Federal Government by check from Washington, without all the machinery that we now have checking up on and harassing the old folks. I also believe that, as a matter of principle and simple justice, the old folks in all States should receive the same amount monthly. I pledge a continuation of my best efforts to this end.

FARMER COOPERATION

My district is mostly a farming section. Most of my constituents are farmers. A large part of my time in Congress has been, and will continue to be, devoted to working for the farmers.

I favor organization of farmers—just as I favor organization of laboring men into unions. I am an honorary member of the Farmers' Union, and the author of the Farmers' Union bill now pending in the House to provide 20-cent cotton, and corresponding prices on other crops, on that portion of our production consumed in the United States.

I favor farmers cooperating in rural electrification projects, and am glad that these lines are being extended into most of the counties of my district. I favor farmers cooperating in any way that they can. I have always made it a practice at the end of each session of Congress, when I got home, to notify the farmers of the different counties to meet me in the county seat to consult with them about the general situation and receive their advice and reactions and first-hand information about farm practices and results.

Through such cooperation of the farmers in my district I was able on two occasions when drought struck our country to bring quick relief to them through the agencies of the Federal Government. I pledge myself to continue to cooperate with the farmers by this personal contact which enables me to intelligently bring their problems to the attention of the proper agencies of Government.

FARM LEGISLATION

I introduced the bill creating the Soil Conservation Service as a permanent agency of the Government. This Service is teaching our farmers how to preserve their greatest asset—the fertility of the soil—and is also the backbone of national farm policy. I want to preserve, to extend, and to perfect this great work and make it better able to meet the needs of our folks.

In addition, I helped put an amendment into the relief bill a year ago providing that the Work Projects Administration could use relief labor on soil-conservation projects. Hon. H. H. Bennett, Chief of the Soil Conservation Service, did me the honor to come to my district and officially open work on the first such project in the United States in which the Soil Conservation Service cooperated with the W. P. A. to do this important work.

On June 29, 1937, I made a speech on the floor of the House advocating that the Federal Housing Administration plan be extended to the farm to enable tenant farmers through the use of private capital and Government credit to become landowners. This was the first time this theory had ever been advanced in Congress.

I am the author of a bill now pending in the House of Representatives to carry out this program. An almost identical bill as mine, introduced by Hon. JOSH LEE, my colleague from Oklahoma, has passed the Senate, and there is a strong probability that this measure will become law at this session of Congress. It will make available to many thousands of tenant farmers the opportunity they have been looking for to own a farm that they can easily pay for and build up and call home.

The last time I visited with my farmer friends over the district I asked them what was the most urgently needed change in the present farm program. They told me that they believed a change to give county committees the right to reallot acreages for cotton which was not wanted by the farmers to whom these acreages had been given to other farmers in the same county would be a big help. I got a bill passed last year giving county committees this authority, and it has helped make cotton allotments work out better.

I am now working on a plan to change the basic cotton acreage allotment system as between the various States, which will give Oklahoma cotton farmers a better break.

PROGRAM FOR YOUTH

The work of the Civilian Conservation Corps has been of great value to our young people. I have strongly supported this program; and in 1936, when a reduction of one-third in the number of camps had been decided upon by the administration organized and led a sufficient group of House Members so that we were able to induce the President to rescind his order, thus saving this drastic reduction and sustaining the C. C. C. camp program at approximately that level until the beginning of this year.

The National Youth Administration has been of much benefit in enabling our young folks to continue their education in school and to obtain training out of school which would fit them for earning a livelihood. I pledge my best efforts to a continuation of this program.

The common school is the greatest institution in American life. It has always been a delight to me to go around and visit the schools and talk to the young people upon patriotic topics. In doing so, I learned that many districts had old buildings, not adequate to care for enlarged enrollments, and in many instances condemned as unsafe for further use.

In order to correct this condition, I urged W. P. A. officials to encourage school-building projects and urged school boards to submit such projects. As a result my district is dotted with new school buildings, in most instances erected out of native stone at small cost. This has helped the schools, has given work to many men in need of it, and has also taught them how to work with native stone so they can build homes for themselves out of the same materials.

It is interesting to note that one-third of all the school buildings in the United States erected by W. P. A. are in Oklahoma, and that half of those in Oklahoma are in my district. Of course, the principal credit belongs to the fine teachers and the earnest school boards, who had the vision and energy to initiate and push these projects, but it has been a pleasure for me to cooperate in every way possible, to work endless hours in cutting red tape, that this work might go forward.

CONSTRUCTION WORK

When I made my first race for Congress, the possibility of constructing flood-control and hydroelectric-power dams within the Second Congressional District was but a dream. Since that time surveys have been made and completed on Tenkiller Ferry in Sequoyah County; Fort Gibson and Markhams Ferry on the Grand River. Subsurface soundings were taken last year at Tenkiller, and work will this year go ahead on the completion of this project. Fort Gibson and Markhams Ferry will be authorized for construction in this year's flood-control authorization bill.

Since I have been in Congress a Federal building was completed at Henryetta and new ones constructed at Tahlequah and Eufaula. A new building is now under construction at Stilwell. Also a $360,000 addition was made to the Federal building at Muskogee. This figures out one building a year since I have been in Congress.

Three other cities are eligible, by postal receipts, for new buildings. They are Sallisaw, Stigler, and Wagoner. I pledge my best efforts toward getting buildings for each of these progressive cities as quickly as possible, and for other cities which may become eligible in the future.

INDIAN MATTERS

I have given a great deal of thought and study to the problems of the Indians and what should be done for them and am convinced that a general reexamination of the Indian problem is necessary, with a definite understanding to be reached as to the responsibility of the Federal Government.

I do not like the present Indian Bureau and its administration of Indian affairs. I think that too much money is spent on high salaries and not enough gets to the Indians.

First, we need to settle the Indian claims. I was for the proposal to set up a claims commission to examine them all, throw out those without merit, and see that the others are brought to early conclusion, so that the money that it is determined is due the Indians can be paid.

After the Indian claims are paid, then there should be a definite understanding as to what Indians are to be given further help by the Government and what Indians are to be allowed to make their own way unassisted. It is necessary to settle the claims first, so that all Indians entitled to share in the benefits may do so.

After this is done it should be clearly decided what Indians are entitled to aid in education, in hospitalization, in loans, and in other similar matters.

My personal opinion is that Indians need assistance in education and health matters more than anything else. I favor additional Indian hospitals so that all can be given proper care.

A large percentage of the money used for administration of Indian affairs in Oklahoma now is devoted to taking care of the wealth of millionaire Indians. I do not think that this is right or proper, and believe some method should be devised so that the expenses of such administration could be assessed against the estates.

Our Indians are sound and practical and patriotic citizens. They want only what is their right and just dues. I have never "kidded" the Indians and told them I would get them any large sums or encouraged any of them to hope for fortunes to come from legislation or court action.

We do not get too much money for Indians in Oklahoma, but too great a percentage of the money spent in Oklahoma goes to officials and not enough to the Indians. I pledge myself to make diligent effort to bring about correction of this condition.

OTHER ACCOMPLISHMENTS

I was instrumental in bringing the regional offices of the Veterans' Administration to Muskogee, after a $315,000 addition to the plant there had been constructed under authority of a bill which I introduced.

I brought about construction of a new Indian hospital for members of the five civilized tribes at Tahlequah, and was able also to bring a large number of Indian work projects, such as roads, bridges, community houses, C. C. C. camps, and similar programs to the second district for the benefit of the Indians.

I tacked an amendment to the Hatch Act which provides that no person may work for the Federal Government who is a member of any party, society, or organization which is engaged in attempting to overthrow our democratic form of government. This is in line with the ideas of those people who believe that we who believe in Americanism should fight for it and see that those who are not truly American should not bore from within by obtaining Government appointment.

I put an amendment upon a recent Civil Service Act which provides that eligible applicants from Oklahoma, and other States which do not have their full quota under the Apportionment Act, must be given appointment ahead of other applicants from States which are over their quota.

EXPERIENCE BRINGS ADDED ABILITY

My record stands on my work for measures intended to improve the conditions and opportunities of my people, and my fights against proposals intended to hurt or curtail their existing rights and privileges. I hope it has entitled me to the respect of the thousands who gave me this chance to serve them. I believe I can assure my friends that I enjoy the confidence of my colleagues in Congress and the respect of the governmental agencies before whom I have pleaded the cause of my constituents.

The experience I have gained by the continued support of the voters of my district has ripened my original enthusiasm into a steadier ability to accomplish the proper solution of the many problems of the various elements of our citizenship.

The people of the Second Congressional District have enabled me to gain this experience. I have used and will continue to use it for their benefit. Added experience gives me added prestige with those in Washington who have the power to give and withhold, which power was gained by them through ripe experience and long service.

The district gains in accomplishment of its needs and desires as I gain in accumulation of experience and service.

For these past expressions of confidence from my friends and neighbors, I promise the continued exertion of my entire ability in their behalf. I promise a veteran's fight for a sturdy progressive people.

The Farmer and the Forest Service

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

RADIO ADDRESS BY HON. GIFFORD PINCHOT

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address by Hon. Gifford Pinchot, former Governor of Pennsylvania, over stations of the National Broadcasting Co. on the Grange Hour, from Washington, D. C., February 17, 1940:

The farmer and the Forest Service, the farm and the forest. Why am I putting the two together? Because of the attempt of the Interior Department to take the Forest Service away from the Department of Agriculture.

Well, why not? What has forestry to do with farming? The answer is: More than I could tell you in a month of Sundays.

To begin with, farming without the forest couldn't go on. The farmer must have fence posts, fuel, and wood for a thousand different uses. For no farmer can succeed without the help of trees. The farmer and the forester are two fingers on the same hand.

I'm a forester, and that is one good reason why for 40 years I have been deeply interested in the welfare of American farmers. Forestry is the side partner of farming. Indeed, when you come right down to brass tacks, forestry is farming—tree farming. Just exactly that.

TREES REGARDED AS A CROP

Farming is getting one crop after another from the land. Forestry is getting one crop after another from the land—trees in the case of forestry; potatoes, or cotton, or wheat, or whatever in the case of farming. Trees can be grown and are grown as a crop just like anything else that has it roots in the soil and its leaves in the air.

The farmer gets one crop after another of hay, oats, wheat, cotton, and tobacco from his farm—crop after crop. The forester gets one crop after another of cordwood, fence posts, logs, poles, railroad ties, from his forest—crop after crop.

The forester, like the farmer, gets a lot of products on the side from his land. Good farming yields also such things as butter, eggs, apples, calves. Good forestry, in addition to fencing, lumber, and firewood, yields such things as returns from grazing, regulation of stream flow, protection against soil erosion, and protection against wind. Wind erosion and water erosion in the West and South are deadly enemies of the farmer.

Farming cannot go on unless one crop follows another. No more can forestry. A farm crop may reproduce itself without seeding, or it may have to be sown or planted. Just exactly so with trees. Each succeeding crop of trees may grow up without help, like each succeeding crop of hay, or young trees may have to be planted just as each crop of tobacco has to be set out.

Different kinds of field crops must be handled in different ways. So must different kinds of trees. You can't handle potatoes like pumpkins or winter wheat like corn. Neither can you handle black locust like beech or hemlock.

A well-handled farm gets more and more productive year after year. So does a well-handled forest. And on a badly handled farm, contrariwise, production decreases, the soil washes or blows away, and not only the farmer but the public interest gets it in the neck. And the same is true of a badly handled forest, only more so.

The main difference between farming and forestry is that on a farm you can usually get a crop every year from the same land, while from a forest usually you can't. It takes less cultivation and more time to grow a crop in the forest. It takes less time and more cultivation to grow a crop on the farm. But what you get in both cases is a crop—a crop from the land.

AS PRESIDENT ROOSEVELT SEES IT

The frozen fact is that forestry is a part of farming, and every farmer who owns a woodlot and takes care of it will agree with that statement. And so does the President of the United States, for no longer ago than last December he said, speaking to American foresters, "the forest problem is part of the broad problem of modern agriculture."

You can't farm without wood; you can't irrigate without water (and that usually comes out of the forest); you can't run cattle or sheep in most parts of the country without summer or winter or all-year range in the forest. And I could give you other illustrations till the cows come home. Forestry is tree farming, don't ever forget it, and the farmers of America can't get along without the help of the trees.

Congress recognized that forestry belongs with farming when in 1876 it established the first Government organization devoted to forestry and put it in the Department of Agriculture. Ever since that time Agriculture has led all the other Government departments put together in everything that concerns the growth and use of trees.

Ten years later Congress created a Forestry Division, and then a Bureau of Forestry, always in Agriculture. Congress knew what it was doing and wanted it that way.

The Agricultural Department was advancing forestry in two ways. It was working in the woods to get sound forest management—real tree farming—substituted for destructive lumbering. At the same time it was carrying on research, both in the woods and in the study, to learn about the habits of growth, the uses, and the best treatment of our American trees.

Through this combination of research and action the Agricultural Department did and is doing far more than all other agencies combined to create and set going the art and science of American forestry.

This combination is like the ax and the helve. The cutting edge of the ax does the work; the helve directs the ax and makes it useful. Try cutting down a tree once with an ax head and nothing else.

Forest research is the helve, but the practice of forestry in the woods is the ax that gets the work done. These two go together. Neither can do good work without the other.

While forest research and forest management in the Department of Agriculture were doing their best to bring sound practical forestry to America, something else was happening which proved better than any argument the foolishness of separating the two. Congress gave the President the right to set aside forest reserves—what we now call national forests—and left them in charge of the Interior Department which had control of the public domain.

HOW INTERIOR BUNGLED THE JOB

There was not a single forester in that Department, and for years not a single person in the division which was supposed to run the forest reserves from Washington had ever set foot on one of them. The result was disastrous to the forests. Under the Interior Department the handling of the reserves was so ridiculously bad that it was actually comic.

For example, one man in the field who had charge of some of the heaviest forest in the world was ordered from Washington to buy a couple of rakes for himself and his only ranger, and clean up the dead and down timber on nearly 4,000,000 acres. Some job. And a rule of the Department forbade a forest ranger to go out of his district to fight a forest fire, although it was burning in plain sight, just across the line.

The rangers and other field men were political appointees, nearly all of them incompetent, many of the "lungers" or otherwise crippled, and not a few dishonest. The whole situation became so impossible that even the men who had charge of the forest reserves wanted to turn them over to the Department of Agriculture.

In 1904 Secretary of the Interior Hitchcock said in his annual report: "Forestry, dealing as it does with a source of wealth produced by the soil, is properly an agricultural subject," and he added that the transfer of the forest reserves to the Agriculture Department was "essential to the best interests, both of the reserves and of the people who use them."

In four successive annual messages to Congress Theodore Roosevelt urged that transfer. Finally, in 1905, Congress did transfer the Forest Reserves to Agriculture. And ever since their management has been a model of clean, competent, nonpolitical, efficient administration.

There is no better bureau anywhere under the Government than the Forest Service. No one even pretends that its work could be better done in the Interior Department than in the Agricultural Department, where it was born, grew up, and has made, and is making, such an admirable record.

THE TAIL AND THE DOG

Nevertheless, the Interior Department has for years been trying to take the national forests and the Forest Service away from the Department of Agriculture. And it is trying to do that very thing right now. Just one more case of the tail trying to wag the dog.

Why? Because the amount of forestry practiced by the Interior Department is hardly more than a flyspeck in comparison. There is no tree farming on national parks. The whole area on which Interior could practice forestry, if it chose, is below 40,000,000 acres. But Agriculture has nearly 200,000,000 acres of forest on farms to look after and is directly responsible for 175,000,000 acres of national forest. Call it 350,000,000 against 40,000,000, and you get the idea.

But there is even a better reason. The Forest Service belongs in the Department of Agriculture, because it is in close, constant, and necessary cooperation with more than half of the other bureaus of that Department.

The Forest Service cooperates with the Agricultural Adjustment Administration, the Soil Conservation Service, the Extension Service, the Farm Security Administration, the Bureaus of Agricultural Economics, Plant Industry, Animal Industry, Entomology,

etc. It is tied into these and other parts of the Department on not less than 24 important activities, all of which would be left with one foot off the ground if Interior should realize its ambition to get back what it lost—what it had once and proved it couldn't take care of.

I wonder if you realize what forestry means to American farmers. One-third of the Nation's good commercial forest is on farms. Farm-owned woodland covers 185,000,000 acres, or an average of 44 acres per farm. Forest production from farms in 1937 was worth $330,000,000. What did I tell you about forestry and tree farming?

FARMERS CANNOT AFFORD TRANSFER

There is no part of this Nation in which the farmers can afford to have the Forest Service taken away from its home in the Department of Agriculture and forced to live among strangers.

The South as a whole has 60 percent of her whole area still in forests. Would southern farmers, who need forests almost as much as they need field crops, like to have forestry turned over to the Department of the Interior, which knows no more about the problems of southern agriculture than I know about the dark side of the moon?

In the northeast region 70 percent of the land is in forest. In the Lake States, 80 percent. In the prairie region, 330,000 farms are in country that needs shelterbelts. In the West irrigation farming depends absolutely on the forest for water and for protection from destructive floods.

Half of all our farms are in distressed rural regions, and 60 percent of the land on those farms is forest. In those forest lands there is a huge reservoir of work waiting to be tapped. Do the farmers want that question separated from other farm questions?

But I haven't yet mentioned the strongest of all reasons why the Forest Service should stay where it is. That reason is that the 30,000,000 farmers of the United States need to have it left, and want to have it left, in the Department of Agriculture, where it is now. They want it left where it can keep on helping them as it has been doing. The farmers know what they want, and they haven't left the slightest doubt about it. They have spoken through their great national organizations with no uncertain voice. And what they said was this, "Let the Forest Service alone. We want it to stay where it is. We want it in Agriculture."

The Farm Bureau Federation, the National Grange, the Farmers' Union, the National Cooperative Council, the Federation of Milk Producers, and many other farm organizations have made official protest against the proposed transfer of the Forest Service to the Interior Department. And so have the foresters of America through the American Forestry Association, the Association of State Foresters, and the Society of American Foresters.

So have the conservationists through the National Federation of Women's Clubs, the Izaak Walton League, the Camp Fire Club of America, and so on.

And so have the national-forest users. They have spoken through the National Livestock Association, the National Wool Growers' Association, the National Lumber Manufacturers' Association, and the American Mining Congress, and through their representatives in Congress.

The more closely people come in contact with the national forests and the Forest Service the more vigorously they are in favor of leaving them where they are. But greatest and most important of all is the voice of the farmers of America saying, "Let the Forest Service alone."

Passage of the Hatch Bill—"Now It's Up to the House"

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE KANSAS CITY STAR OF MARCH 19, 1940

Mr. CLARK of Missouri. Mr. President, I ask to have printed in the Appendix of the RECORD an article under the headline "Now It's Up to the House," which was published in the Kansas City Star of the 19th instant.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Kansas City Star of March 19, 1940]

NOW IT'S UP TO THE HOUSE

The Senate passes the Hatch bill and the responsibility for its enactment now goes to the House. The need for this legislation and the various questions bearing upon it have been pretty thoroughly threshed out. There is no occasion to go over the ground again.

The issue now simply is whether the House of Representatives is going to have a decent respect for the opinion of the Senate, the expressed wish of the President and the overwhelming demand of the people that public jobholders shall not be exploited for political ends or allowed voluntarily to engage in "pernicious political activities" instead of doing the work they are paid to do.

This particular measure is an extension of the original Hatch Act applying only to Federal employees. It carries the same provisions on to include State and local employees paid wholly or in part with Federal funds. It is said that a jobholder army of 500,000 is involved. Presumably all these were appointed for needed work. Trying to line up the vote is not a part of that work nor should it be permitted to become a part of it. An amendment just adopted would prevent applying the lug to these employees.

Kansas City is seeing the attempted use of the latter right now. The whole case for the Hatch bill is clear. The Speaker of the House says he is not for it. He doubtless has his reasons for the opposition. So perhaps do many of the House Members, all of whom must come up for re-election this year.

These Members may think the heat is on them in the Hatch bill. But it will be turned on them tenfold by the people if they dodge their responsibility and consent to a sidetracking of the bill.

The Political Parade

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, March 21 (legislative day of Monday, March 4), 1940

ARTICLE BY GEORGE ROTHWELL BROWN

Mr. TOBEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an article on the census entitled "The Political Parade," by George Rothwell Brown, appearing in the New York Journal-American of this date.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Journal-American of March 21, 1940]

THE POLITICAL PARADE

(By George Rothwell Brown)

WASHINGTON, March 20.—Mr. Roosevelt's "bulginbrow" secretariat—with an understandable passion for anonymity—has led him, in the argument with Senator TOBEY over the census questions, into a blunder as striking as the $9,000,000,000 error the President made recently at Hyde Park in discussing the question of debt.

The President's blunders in this case are those of judgment, history, and law.

Let us consider the last first.

The President said that Senator TOBEY had urged the public to break the law by refusing to answer census questions as to income.

Senator TOBEY himself demolished that one by sarcastically asking the President if it were his position "that an unauthorized ruling of a departmental bureau constitutes a law of the United States."

Has the President an escape from that one? Let's see.

About the time the White House was issuing its blast at Mr. TOBEY, Secretary Hopkins was issuing instructions modifying the income-question requirements so that those not desiring to reply to the census enumerators could place their unsigned replies in sealed envelopes.

Now, if those questions are based on law, what right has Secretary Hopkins to change the law?

The Department of Justice would have to look into that.

And if the questions were not based on law, but on bureaucratic ruling, then the President is wrong, and Mr. TOBEY right.

Which horn of that dilemma will the President elect to choose?

The President's history, as handed to him by his expensive secretariat, is also wrong.

Mr. TOBEY is by no means the first Senator to urge the people to resist a distasteful law.

During the agitation for the antislavery "Wilmot proviso" in the Senate, John C. Calhoun proposed that all the Southern States close their ports "until full justice should be done the South." In other words, to refuse to obey the customs laws of the country.

All through the antebellum period northern Senators urged their people to ignore the fugitive-slave law.

Back in the Jackson era, when "Old Hickory" tried to enforce a distasteful tariff law, Calhoun urged the whole State of South Carolina to ignore it. Said Calhoun in the Senate, quoting Thomas Jefferson:

"Where powers have been assumed that have not been delegated, nullification is the rightful remedy."

Now, as to the question of judgment, in which, as in his knowledge of history, the President should rely more on his own powers and less on those of the anonymous geniuses around him, the dialog should have run something like this:

"PRESIDENT (as member of secretariat appears, wearing horn-rimmed spectacles to prove how smart he is, in response to pressed button). Can you recall any Senators beside TOBEY who ever urged anybody to violate a law?

"SECRETARY (wrinkling the brow). Offhand; no. No; since I can't recall any, that's proof there weren't any.

"PRESIDENT. Be sure, now. No Senators?

"SECRETARY. No; but I can recall a President who once urged some gentlemen to ignore the Constitution.

"PRESIDENT. Indeed! When did that outrage occur?

"SECRETARY (blushing). Why, Mr. President, don't you remember the letter you wrote to Chairman SAM HILL, of the Ways and Means Subcommittee, on July 5, 1935?

"PRESIDENT. What letter?

"SECRETARY. You know; they were considering the little N. R. A. coal bill and were about to ditch it. You wrote urging a favorable report.

"PRESIDENT. It all comes back to me now.

"SECRETARY. The concluding sentence read: 'I hope your committee will not permit doubts as to constitutionality, however reasonable, to block the suggested legislation.'

"PRESIDENT. Tell Steve not to give out that attack on TOBEY."

Which is the more to be condemned—for a Senator to urge his countrymen not to obey a regulation of bureaucracy masquerading as law or for a President to require a committee of a rubber-stamp Congress to report a bill, notwithstanding their doubts, under their solemn oath of office, as to its constitutionality?

Operations of the National Youth Administration in Louisiana

EXTENSION OF REMARKS

OF

HON. JOHN K. GRIFFITH

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

Mr. GRIFFITH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a short table which summarizes the current operations of the National Youth Administration in Louisiana and the program of the National Youth Administration in my district, the Sixth Congressional District of Louisiana, as of March 1, 1940, and wish to say that I am very much in favor of continuing the present appropriation of $100,000,000 for the fiscal year ending June 30, 1940, to the fiscal year ending June 30, 1941, instead of reducing it to $85,000,000, as proposed.

The National Youth Administration has done splendid work and accomplished a great amount of good in Louisiana, enabling many girls and boys to procure an education to whom it would otherwise have been denied.

THE PROGRAM OF THE NATIONAL YOUTH ADMINISTRATION IN THE SIXTH CONGRESSIONAL DISTRICT OF LOUISIANA, MAR. 1, 1940

The school work program

Student quota	634
Number of participating schools	131
Funds allotted for fiscal year	$34,182

A high-school student who could not otherwise attend school may work for and be paid from $3 to $6 per month; the average payment is $4.75.

The college and graduate work program

Student quota	894
Number of participating schools	4
Funds allotted for fiscal year	$120,690

These figures do not include students attending colleges or universities located outside the district. A college student who could not otherwise attend school may work for and be paid from $10 to $20 per month; the average payment is $11.40.

The out-of-school work program

As of Jan. 5, 1940:

Number of youth employed on the N. Y. A. out-of-school program	612
Number of unemployed youth certified and awaiting assignment	1,928
Estimated number of needy unemployed youths not certified	4,763
Total unassigned needy youths in Sixth Congressional District	6,691

Summary of current operations in Louisiana

Employment program	Number of youth employed		
	Total	Male	Female
All programs	12,787	6,228	6,559
Out-of-school work program, February 1940	5,491	2,382	3,109
Student work program, January 1940	7,296	3,846	3,450
School work program	4,932	2,468	2,464
College and graduate work program	2,364	1,378	986

Number of youths certified and awaiting assignment, Jan. 5, 1940	11,726
Estimated number of needy youths not certified, Jan. 5, 1940	60,485
Total unassigned needy youths	72,211

Employment by type of project, February 1940—Number of persons

Highway, road, and street	36
Improvement of grounds	380
Public buildings	314
Clerical and service projects	680
Recreational leadership	5
Professional assistance projects	367
Workshops	228
Sewing	125
Miscellaneous production	92
Resident training centers	2,837
School lunches, nursery schools, and homemaking	275
Projects not elsewhere classified	152
Total number of youths	5,491
Supervisors	297
Grand total	5,788

Funds allotted, 1939–40

Out-of-school work program	$1,599,639
Student work program	505,145
Total	2,104,784
School work program	227,180
College and graduate work program	277,965

Number of schools participating in the student work program

Schools	787
Colleges and universities	23
Total	810

Average monthly earnings

Out-of-school work program:	
Youth employees	$16.15
Supervisors	84.64
Student work program:	
School	4.75
College and graduate	11.55

The New Deal Applies Scriptural Text of Not Letting Its Left Hand Know What the Right Hand Doeth

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

ARTICLE BY ALVIN E. OKONSKY

Mr. CRAWFORD. Mr. Speaker, from time to time I receive letters from farmers in my district indicating that they seriously question what appears to them to be conflicting policies followed by the Federal Government and the administration and all under the name of an agricultural program. In response to consent given to me by the House, I wish to submit the comments made by one of our Washington newspapermen and which I believe have been made

with no partisan motive. Many conflicts which could be eliminated by the Congress and the Cabinet exist, and I personally feel that we should correct the errors and without further delay. Mr. Okonsky's article follows:

THEY KNOW NOT WHAT THEY ARE DOING—WE HAVE CAUSE TO WONDER IF THEY ARE ALL THERE

(By Alvin E. Okonsky in Capital Comment)

When one looks at the farm program of the New Deal, he is caused to wonder if a good mental examination ought not to be given those who are in charge of the so-called farm program.

It appears that one department knows not what the other is doing. What one department does the other undoes and so on. And the farmer is the innocent victim of all this "ain't we got fun" attitude in Washington.

Not only is there a lack of knowledge of what each other is supposed to do but in reality they fight each other.

Two great Government departments are at war with each other. American farmers are the victims in the war.

One department is spending hundreds of millions of dollars to reduce the surplus of farm products. The other department is making trade agreements and lowering tariff duties on the same products. An influx of foreign farm products adds to the domestic surpluses. The trade-agreement program is at war with the surplus-removal program.

The Ways and Means Committee of the House of Representatives has been holding hearings on the resolution to extend the trade-agreement program for another 3 years. Placed in the record an official report showing the purchase of the Surplus Commodities Corporation for the fiscal years 1938 and 1939, and alongside the figures are placed official reports showing imports of the same commodities for the same period.

This deadly parallel reveals that while the Surplus Commodities Corporation was spending $30,000,000 of public money in buying up and giving away surplus commodities, there was an influx of $92,000,000 of the same commodities from abroad. These imports were encouraged, of course, by the reduced duties granted in the Hull trade agreements.

What Mr. Wallace is trying to do, Mr. Hull is making it impossible to do. Mr. Wallace is attacking the farm surplus. Mr. Hull is piling up the surplus.

This economic war between Mr. Hull and Mr. Wallace is growing worse as additional cuts are made in duties on farm products. The whole world is invited to add to the American farm surplus.

President Roosevelt should call a Cabinet peace conference immediately. The two Departments now in collision should be forced to make peace before the American farmer is ruined.

A Letter From Congressman Tinkham to Secretary of State Hull in Relation to the Recent Disloyal and Seditious Conduct of James H. R. Cromwell, United States Minister to Canada, and the Offensive Conduct of Lord Lothian, British Ambassador to the United States

EXTENSION OF REMARKS

OF

HON. GEORGE HOLDEN TINKHAM

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

LETTER FROM HON. GEORGE HOLDEN TINKHAM, OF MASSACHUSETTS

Mr. TINKHAM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter written by me yesterday to the Secretary of State:

MARCH 20, 1940.

The honorable the SECRETARY OF STATE,
Washington, D. C.

DEAR SIR: Any disciplinary action taken against James H. R. Cromwell, United States Minister to Canada, that falls short of his immediate recall will be insufficient to meet the present situation.

Mr. Cromwell has made two offensive and disloyal speeches in Canada recently. His utterances on both occasions were in flagrant violation of the neutrality proclamation of the President of last September. The speeches were intended to incite the American people to enter the present war in Europe and were seditious utterances. They were the speeches of an alien propagandist, not of a loyal American representative.

Disloyalty and sedition should no longer be tolerated by the American people.

As you know, the speeches made by Mr. Cromwell were also in flagrant violation of chapter 15 of the Foreign Service Regulations of the United States which forbid diplomatic officers from alluding in any public address to political issues pending in the United States or elsewhere.

If James H. R. Cromwell is not recalled at once, the Congress should seriously consider his impeachment.

Walter Hines Page, United States Ambassador to Great Britain before and during the World War, has been proven by documentary evidence to have betrayed the interest of the United States by acting as the agent of an alien belligerent government. Such disloyalty and sedition on the part of a United States representative must not be tolerated again.

Let me at this time draw your attention to another speech which was intended to incite the American people to enter the present war in Europe. I refer to the speech made in Chicago last October by Lord Lothian, British Ambassador to the United States. His speech was a clear violation of diplomatic privileges and immunities, and another such violation should be followed immediately by a request to the Government of Great Britain for his recall.

Very truly yours,

GEORGE HOLDEN TINKHAM.

National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. HARRY N. ROUTZOHN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

EDITORIAL FROM THE NEW YORK TIMES

Mr. ROUTZOHN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared March 15, 1940, in the New York Times, under the title "Wagner Act Changes":

WAGNER ACT CHANGES

The attack by Senator WAGNER on the amendments to the Wagner Labor Relations Act proposed by the House investigating committee brings considerable more heat than light to the discussion. Much of Mr. WAGNER'S attack is merely rhetorical, and it contains a number of statements that are clearly unjustified. Thus, there is no ground whatever for the statement that the Smith amendments would "more than repeal the Labor Act" and make it a "concrete weapon for the oppression of labor." On the contrary, those amendments retain the basic intent of the Wagner Act—to protect the right of collective bargaining—and merely strive to establish definite limits and safeguards against one-sided prosecution or the unreasonable interpretations which ambiguities in the present act have permitted.

It is difficult to see, moreover, the justification for some of the more specific criticisms of the Smith amendments that Mr. WAGNER makes. He calls the proposed new definitions of collective bargaining "destructive." But as the committee has pointed out, these definitions merely incorporate explicitly in the law itself interpretations that the Supreme Court has already laid down. Mr. WAGNER denounces the proposed amendment which would remove any right of an employee who has engaged in violence or unlawful destruction or seizure of property to be reinstated by order of the Labor Board. He declares that he is unable to believe that as a matter of inflexible Federal law "a man should lose all right to earn his bread because of a minor scuffle on the picket line." This is not an accurate interpretation of what the amendment actually would provide. A worker who engaged in violence or destruction of property could still, as far as this amendment is concerned, be employed by anybody, even the employer whose property he destroyed. All that the amendment would do would prevent the Board from ordering the reinstatement of such a man. Such an amendment would merely write explicitly into the law the decision of the Supreme Court in the Fansteel case.

Mr. WAGNER objects to the amendment that would limit back-pay awards to 6 months. But the Smith committee pointed out that cases had been brought to its attention in which the decision of the Labor Board was not rendered until at least 18 months after the case was argued before the Board, and in which the Board issued an order directing the payment of money during this entire period of time. To force a company to pay back wages to striking employees for whole years during which they were not working, as a result of legal delays over which the company had no control, could conceivably ruin a company. The mere existence of such possibilities can be deeply disturbing to business confidence. To ruin companies or undermine business confidence is not the way to help the great body of labor. Some reasonable limitation on back-pay penalties would, in addition to other advantages, tend to remove undue delays in decisions.

What is most significant in Senator WAGNER'S whole statement, however, is his final expression of willingness to amend the act in some particulars. The act, in other words, is no longer regarded by its sponsors and defenders as sacrosanct and untouchable. This is a great gain. But changes will obviously have to go much further than Mr. WAGNER suggests. It is not enough to deplore, as he does, the "highly undesirable" conduct of some members of the Labor Board staff. We must set up whatever legal safeguards seem indicated to prevent such abuses in the future. The Smith amendments doubtless have their defects. They may go too far in some directions and perhaps not far enough in others. But they are based on the most thorough study of the workings of the act that has so far been made, and they deserve a much more open-minded study and a more judicial analysis than Mr. WAGNER has seen fit to give to them.

Why the Attacks on Governor Horner?

EXTENSION OF REMARKS

OF

HON. LAURENCE F. ARNOLD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

EDITORIALS FROM THE CHICAGO HERALD-AMERICAN AND THE DECATUR (ILL.) HERALD

Mr. ARNOLD. Mr. Speaker, I have read with extreme disgust the suggestions of political office seekers that a health-investigating committee be appointed to determine the status of Governor Horner's health. Anyone who would, to gain selfish ambitions, harass one who has given his all to his beloved State and who fell stricken in line of duty should merit the contempt of all loyal Illinoisans.

During my last visit with the Governor, in December, he was able to make all decisions with reference to the welfare of Illinois, and had better judgment than any of his traducers. If he should now be suffering a temporary relapse, I know from my 4 years' close contact with the department heads Governor Horner so carefully selected that the citizens of Illinois have nothing to fear concerning the administration of their affairs.

I am including as a part of my remarks the following editorials from the Chicago Herald-American and the Decatur (Ill.) Herald:

[From the Chicago Sunday Herald-American of March 17, 1940]

WHY THE ATTACKS ON GOVERNOR HORNER?

Surprisingly, and unpleasantly, the primary campaign in Illinois has centered its fury on Governor Horner, who is not an issue in the campaign, because he is not a candidate.

The Governor's political opponents have assailed his political morality.

They have accused him of condoning dishonesty.

They have taken advantage of the fact that he is physically sick to spread intimations wildly exaggerating his condition.

They have tried to make it seem that he is concealing a great and ugly scandal.

A member of his cabinet, who was ill, died.

There is evidence that the man had been emotionally shaken, either by his illness or by circumstances in his life not yet revealed, and the Governor's opponents are trying to make it appear that something he did or failed to do brought on this tragedy.

That would be rough fighting in any political campaign.

In this one it just doesn't make sense.

Since the Governor isn't running for office, he is nobody's opponent; no candidate need attack Horner's character for the customary political purpose of taking the public's mind off defects in his own.

The Governor is not a fair target at all; when a candidate attacks him, it is as if a football player tackled a spectator, or say a coach, sitting on the side lines.

There is simply no occasion for dragging him into this campaign.

If the politicians felt that they must drag him in, they should have used enough restraint to save themselves from looking foolish.

Because whoever gives a sober thought to the charges they have flung at Governor Horner knows they simply can't be so.

His known character refutes them every one.

Nobody who remembers Henry Horner as judge of the probate court believes for a minute that he would condone dishonesty.

His years of service there in the difficult business of conserving and distributing estates among their proper heirs brought universal praise, universal recognition of an exceptional ability, and an iron integrity.

Naturally he took that same ability and integrity with him into the governorship.

Few Governors, if any, have worked as hard and as earnestly as he for the people who elected him.

What other Governor, for instance, sat up night after night, carefully reading each bill passed by the legislature before accepting or vetoing it, so that he himself would know exactly what was in it, instead of accepting the word of others?

Governor Horner has managed the public's tax money as if he were a trustee handling private funds, and everyone knows it. It is in the record.

He has run the State's business with shrewd intelligence and bold imagination, and that is in the record, too. It stands recorded forever in the list of his achievements for the State.

Henry Horner has been really one of Illinois' great Governors.

He will not be Governor much longer.

When he fought in the political wars he fought always with courage and energy and wit, but also with fairness and tolerance. Gallantry, they call it in the armies of the world.

He was stricken in line of duty and has been forced to withdraw from the battle.

He needs rest and relief from strife to regain his strength, and those who are still fightitng the political wars should let him have it.

He has deserved that much, and infinitely more.

He has deserved of the people of Illinois—all the people, including politicians of every party and faction—honor and gratitude for the things he has done, respect and admiration for the kind of man he is.

[From the Decatur Herald of March 17, 1940]

AS I VIEW THE THING

(By Sam Tucker)

This column ought not to be necessary, but it is. No newspaperman likes to advertise his own personal activities and friendships. We see too many publicity-hunting individuals.

During the last week, however, there has been a despicable series of attacks upon Henry Horner, who happens to be still the Governor of Illinois, and, what is more important to me, my friend. That last word is used in humility, because a reporter is of no great importance, but it is also used in pride.

Henry Horner is about to retire and has no more important favors to bestow. Merely political friends are deserting him like rats scurrying from a sinking ship. It just happens that I never needed from him any favor except news, and do not need any now. I have known him as the hardest-working, most conscientious, and able man I have seen in public service. It is for that reason I prize his friendship as much today as on that day, never to be forgotten, when he first arrived in Springfield as Governor.

Upon the urging of physicians and friends (and they were right), Governor Horner announced that he would retire at the end of his present term, giving up a cherished ambition. A day is positively set for his removal from the mansion and from the Governor's office. That has not been enough for his enemies and rivals. They must try also to poison the remaining weeks of his public service with slanderous accusations and insinuations spread over the State.

Candidates from political platforms have suggested that the Governor is mentally incompetent and that a secret cabal of custodians are making his decisions for him. (It would be to the advantage of the candidates in question if they could destroy his prestige among the people of Illinois.) A scurrilous Chicago newspaper joined the attack. (For this bit of dirty work the Chicago paper sent to Springfield not its trusted political reporters, who are well known to the Governor, but a police reporter and an automobile editor.)

Refused an interview, they intimated that nobody sees Mr. Horner except the "palace clique"; that the executive mansion of the State conceals some dark mystery; that the Governor, in fact, no longer is aware and in command of his office.

The insinuations are about as dirty as any that have ever been used in a political campaign. They demand a reply from somebody who has no political ax to grind. The people of Illinois have a right to know the truth. That is the reason for this column.

I have talked with Governor Horner in the last 24 hours. This is nothing new. I talked with him many times before he became Governor, and week by week through his long term of residence in the executive mansion. The point is, I have known him and seen him regularly, in sickness and in health; if there were any radical change in his mental processes, I think I would be qualified to recognize it.

What is the truth then about Governor Horner's health and his ability to carry on the essential work of his office? You have a right to know, in the face of all the malicious stories, and I shall try to give an honest description.

The Governor has suffered a very dangerous and prolonged illness. Friends feared as much years ago, when they found him working at his desk in the mansion, night after night, until 2 or 3 in the morning. He is not a born executive; he never has learned to delegate authority. So long as he was able, he undertook to do far too many of the routine tasks himself. He wore himself out trying to deal with the last-minute task of office and finally broke under the strain.

Today he is pathetically frail. His physical strength is slight. His mighty appetite has been curbed by the orders of doctors, but he still enjoys everything they will let him have.

On rising in the morning and reaching his office rested, he is remarkably like his old self. He tires rapidly, however, and after a few hours of interviews and study of papers he is in desperate

need of rest. Contradictory reports about the degree of his recovery come from visitors who have had interviews in the morning and those who have met him after noon.

Members of the official family in the mansion tell me, however, that he makes a slow, consistent gain since the set-back occasioned by a bad cold in January. Like all the big, barrel-chested folk, he suffers excessively of colds.

So much for physical description. The really essential matter is, the adequacy of his brain. Does he know what is going on in the State government? Can he direct it? Well, rather.

Nobody else is doing Henry Horner's thinking for him. His memory is clear and embarrassingly complete. His first question when he saw me was, "Where's your cane?" During half an hour he recalled a score of unimportant little jokes that had come up during our years of acquaintance. He was more alertly sensitive, however, to present problems. All the complicated relationships of State politics were on the tip of his tongue. He is most sincerely and profoundly eager for Harry Hershey's success.

As one who has lived fully and gaily, he is depressed by his enforced seclusion. He would rather die in the thick of a battle than endure this imprisonment. "I'll make some speeches before it's over, though," he says. Contrary to gossip, he sees many people each day; all the responsible executives of the State government in turn. If he declines to raise his blood pressure by receiving political enemies and representatives of newspapers sent to malign him, that is his privilege. He is not satisfied with everything that is done by subordinates in the statehouse and chafes under the necessity of conserving strength.

As a friend, I was saddened to hear him say that he would as soon be dead as be idle in retirement. The next moment, however, his face lighted with one of the familiar flashes of Horner wit. He is the same Henry Horner, and he will finish out his elected term in office with distinction, as he began.

Let's Save the Farm Credit Administration

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

ARTICLE FROM THE WASHINGTON POST

Mr. HORTON. Mr. Speaker, the farmers of my State do not want to see the Farm Credit Administration lose its independent status.

Certainly they are not willing to have it come under bureaucratic control and made the testing grounds for unsound business practices and socialistic set-ups.

In support of this contention I wish to extend my remarks by including an article which appeared in the Washington Post on March 14, 1940:

[From the Washington Post of March 14, 1940]

GOSS QUITS, ATTACKS FARM CREDIT BILL—JONES' MEASURE WOULD SUBSTITUTE ONE-MAN RULE, HE SAYS

(By Hedley Donovan)

Controversy over Federal farm-loan policy mounted last night as President Roosevelt made public the resignation of Albert S. Goss, land bank commissioner of the Farm Credit Administration.

Simultaneously with the White House announcement, Goss condemned farm-credit legislation under which "the Government pays the loss whenever the borrower wants to quit paying."

The retiring commissioner asserted the bill introduced by Representative JONES (Democrat) of Texas, chairman of the House Agriculture Committee, "would destroy the cooperative credit system which has operated successfully for 23 years and substitute for it a highly centralized bureaucratic lending agency under one-man control."

Goss said the Jones measure is "loaded with political bait." He expressed hope that "the foundations of a sound credit system have been so firmly laid that they will withstand the efforts being made in this election year to use the system for political purposes."

He called the bill a "secret rush act," charging that it was drafted without consultation with the land banks or farm-loan associations. Goss became commissioner in 1933. His resignation takes effect tomorrow.

The Jones bill would retire capital stock of the land banks and eliminate the present arrangement by which farm borrowers take 5 percent of their loan in stock. It would cut to 3 percent farm-loan interest rates, now fixed at 3½ percent on land-bank loans and first-mortgage obligations, and 4 percent on land bank commissioner loans and second-mortgage obligations.

Text of the formal statement issued by Goss follows:

"For 25 years I have been doing what I could to help build a farmer-managed cooperative credit system based on personal integrity, a proper selection of risks, and joint responsibility. These principles, honestly followed, will cut losses to a minimum and thus assure the cheapest money and best terms available. While not everybody can be served directly by such a system, it acts as a pacemaker and controls, in large measure, the rates and terms of all farm-mortgage lenders.

"Now the distinct tendency is toward a type of so-called credit in which personal responsibility is denied, loans are made to everybody, no adequate margin of safety is provided, and the Government pays the loss whenever the borrower wants to quit paying.

"I suppose my leaving the Farm Credit Administration has its origin in the sharp conflict between these two basic ideas.

"I hope the foundations of a sound credit system have been so firmly laid that they will withstand the efforts being made in this election year to use it for political purposes. Farmers should never forget that lending them deeper into debt is no substitute for lack of income, and that under sound farm conditions with fair prices, mortgage credit ceases to be a grievous problem. Through 23 years of sound operation they have built up an independent credit standing almost equal to that of the Government itself and they should not lightly surrender this cooperative credit system to order to embark on experiments in socialized credit. To ask them to do so is comparable to asking commercial banks to meet the unemployment situation because they have plenty of money to lend. To require them to do so by regulation or legislation in the face of their outspoken opposition is reprehensible."

Goss told the Post the Jones bill is typical of a tendency "to try to solve the farm problem by lending more and more money. And each new loan bill gets softer and softer."

The Jones measure, "in an effort to aid some very worthy farmers in the drought area," would "wreck a successful cooperative credit system serving the whole Nation," he asserted.

The Sugar Crisis

EXTENSION OF REMARKS

OF

HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

A SERIES OF THREE ARTICLES BY HON. FRANK C. OSMERS, JR., OF NEW JERSEY, PUBLISHED IN THE BERGEN EVENING RECORD, HACKENSACK, N. J., AND AN EDITORIAL ON THE SUBJECT FROM THE SAME NEWSPAPER

Mr. OSMERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following articles written by me and appearing in the Bergen Evening Record, of Hackensack, N. J.:

[From the Bergen Evening Record, Hackensack, N. J., March 1, 1940]

The limitation upon the import of refined cane sugar from Puerto Rico and other American islands expires today, March 1. All limitations against tropical refining as established originally in 1934 expire at the end of this year.

This may appear as relatively unimportant news to the average person, but unless Congress again renews the legislation which has afforded protection to one of America's largest industries, March 1, 1940, will go down in history as the day when began the gradual disintegration and eventual destruction of the United States cane sugar refining business.

PROBLEM IS NEW

New Jersey in general and Bergen County in particular have a vital stake in the decision which Congress will be called upon to make, for at Edgewater is located one of the biggest cane sugar refining plants in the United States. Established in 1904, this plant, while operating today at 60 percent of its capacity because of the growing importation of refined sugar from the Tropics, gives steady employment to about 1,300 persons with an annual pay roll of close to $2,000,000.

The sugar problem dates back to 1925. Prior to that time, and, in fact, for the past 25 years, the cane sugar refining industry increased efficiency, decreased consumer costs, and invested millions of dollars in mechanical improvements. Raw sugar was, and still is, imported from the tropical islands. But in 1925 the tropical raw-sugar producers saw an opportunity to enter into the refining business. There were no laws or Federal restrictions. Cuban plantations began in 1925 by shipping 1,000 tons of refined sugar to our shores. In the years that followed, her exports of refined sugar increased sharply until it was averaging nearly 500,000 tons a year. Puerto Rico, the Philippines, and other tropical islands immediately sensed a new avenue of business and began following the example set by Cuba. The year 1933 found the raw sugar producing islands sending nearly 700,000 tons of refined sugar to the United States.

ACTED IN 1934

Repercussions of tropical-refined sugar dumping were severely felt in the United States. A once thriving and prosperous industry which had been giving employment to thousands saw its business

dropping. Three large refining plants, unable to stand the pressure of such competition, closed their doors permanently. Two of these were in the port of New York. All other plants reduced capacity and retrenched by laying off thousands of workers. Allied industries, such as coal, textiles, chemicals, and cartons, suffered accordingly.

Taking official cognizance of this dangerous threat to the large home refining industry and other difficulties in sugar, Congress adopted the Sugar Control Act in 1934. The act set up a control system for all sugar people, growers, producers, and refiners. It regulated cane refiners as well as beet-sugar refiners. It placed a quota on the amount of refined sugar that could be shipped to the United States by the tropical islands. A ceiling was placed on the amount of raw sugar that the home cane refiners could buy in a year and they were required under the act to buy their raw sugar from specified sources.

The act is far too complex to discuss in detail, but another provision is worth high lighting in order to furnish a better understanding of the legislative problem. In order to aid the tropical islands, and in addition to a handsome tariff protection, the act provided that the Federal Government should grant large cash bounties to raw-sugar producers. Obviously this greatly benefited them. It stabilized their business, swelled their incomes, and gave definite protection.

THEY'RE PROTECTED

Some idea of the size of these cash bounties can be realized from statistics made available by the Government which show that from 1934 to 1939 Puerto Rican producers alone received about $34,000,000. Hawaiian sugar industrialists receive about $9,000,000 annually in cash subsidies from the United States Government. Cuba likewise was given ample protection under the act by being granted a preferred price for her raw sugar, a factor worth millions of dollars to her annually. American beet-sugar raisers and beet factories also came in for their share of cash subsidies under the act. In fact, every unit of the sugar industry, except the home cane refiners, got cash considerations from the Government. Home refiners benefited only from that part of the act which set limitations on the amount of refined sugar that could be shipped to this country in a year and the amount of beet sugar that could be refined in the United States annually. Since the limitation of Puerto Rican refined sugar has been allowed to die, at least temporarily, home refiners are now left without any protection from that source of Government-subsidized competition. New Jersey's refining will suffer.

[From the Bergen Evening Record of March 2, 1940]

The expiration this year of the Sugar Control Act is a grave threat to the American cane sugar refining industry with its investment of $250,000,000.

Unless Congress acts quickly either to renew the act or amend it, home refiners and allied industries will suffer a tremendous loss in business at the hands of tropical refiners from Puerto Rico, Cuba, the Philippines, and other islands whose exports of refined sugar to this country were limited under the Sugar Control Act. The subsidized beet-sugar industry must be kept within bounds also.

The problem is an acute one. It is of particular interest to New Jersey because in Edgewater is located one of the largest and most modern cane-sugar refineries in the world.

PRODUCTION OFF NOW

If the Edgewater plant, its production already slashed to 60 percent of capacity, is forced to shut down permanently because of the Federal Government's failure to provide protection against tropical refineries or beet sugar, the repercussions will be widely felt in our State.

That the Edgewater plant has a definite place in the industrial scheme of New Jersey is reflected in a few interesting facts and figures. Despite the fact that its production has been slowed up seriously in recent years, this plant today furnishes employment to about 1,300 persons who, in turn, support some 5,200 dependents. The annual pay roll of the Edgewater plant is close to $2,000,000. Approximately $100,000 is paid each year to the Borough of Edgewater for local tax purposes.

Let us look at a few more figures to see what a vital place this business has in the industrial set-up of our State. Consider, for example, that more than 100 ocean-going vessels are berthed there in a given year; fifteen to twenty million gallons of fuel oil are purchased annually by the plant, as well as about 50,000,000 cubic feet of water and about 10,000,000 paper packages or cartons.

Can New Jersey afford to swell its unemployed list by permitting this plant to close its doors? Can New Jersey afford to lose the huge amount of business made possible to other industries? Must our State see one of its most productive industries collapse because the Federal Government is indifferent to the need of continuing to provide protection against the influx or subsidized competition whether from the Tropics or from beet sugar?

Contrast working conditions at the Edgewater plant with those found in tropical refineries. Collective bargaining is in vogue at the Edgewater plant, with both major national labor organizations maintaining local unions in the plant. The basic minimum wage is around $6 a day with a 5-day week and an 8-hour day. Workers get vacations with pay and work under the most healthy and modern circumstances. In this connection, it is interesting to note that 53 percent of the Edgewater workers have been with the firm for 10 years or more, while 71 percent have worked for the company 5 years or more. Compare these facts with conditions found in tropical refineries, where workers on the average get around $1 a day and operate under a paternalistic plantation system without collective bargaining and without the benefits of inspection in modern and sanitary plants.

It is a palpable fact that the American refining industry paid the highest wage in the entire sugar system and still provides refining service at a low price to consumers. And yet today this industry is in danger of being displaced by the refined-sugar production of the tropical islands, where industrialists depend exclusively on cheap labor.

It has not been and will not be the intention of Congress to enact a sugar program which would injure sugar producers of the Tropics. Cuba, Puerto Rico, the Philippines, and other tropical islands are dependent for their livelihood upon the growing of cane sugar and the production of raw cane sugar. These countries are not, and never have been, dependent upon the refining of sugar. They are essentially plantation agricultural areas. To protect consumers and to be fair to the islands, no duly restrictive quotas should be set by our Government on the amount of raw sugar coming from the Tropics. But, obviously, if Congress is to have a general protective sugar system, then there should be a quota set on the amount of refined sugar which the Tropics can ship to America. Otherwise one of the best established industries in this State will not survive.

[From the Bergen Evening Record of March 4, 1940]

In the preceding articles I described how under the Sugar Control Act growers of sugar beets and cane sugar, including the plantations in our tropical islands, received direct and indirect cash benefits from the Federal Government. The natural question that follows is, Where does the money come from?

As usual, the consumer pays. In the case of direct sugar subsidies, it is passed on to the housewife in the form of a hidden sales tax, thereby creating a cash fund of approximately $65,000,000 annually out of which cash bounties are given. The indirect cash benefits arising from the import duties is worth about $200,000,000.

STATE CONTRIBUTES

The next question is, How much does New Jersey contribute toward these bounty funds?

Based on the last census figures there are about 4,000,000 persons in New Jersey. Statistics prove that each person uses 100 pounds of sugar per year on an average. Direct and indirect subsidies from tariff and processing taxes in the last 4½ years have been in the neighborhood of 2½ cents per pound, or $2.50 per person per year. This means that New Jersey consumers have coughed up about $45,000,000 in the last 4½ years toward the bounty funds. The money, in turn, contributed by New Jersey consumers, has not been used to protect the State's own home industry, but has been used to bolster and protect the sugar industries in other States, in the American tropics, and to a lesser degree in Cuba. New Jersey's refining industry receives no subsidies of any kind.

It seems to me that New Jersey consumers have a right to demand that Congress take quick action to protect a home industry from tropical islands already benefiting from subsidies partially contributed by New Jersey consumers.

Contrary to the general impression, cane-sugar refiners in the United States would make far larger profits and give greater employment if there were free trade in sugar. Free trade would mean a crippling of the raw cane sugar industry in the American islands and in Louisiana; low cost in raw sugar from Cuba would expand our imports from that island. Free trade would bring sudden death to the beet-sugar industry in our own Western States. With the collapse of the beet-sugar industry, the home cane refiners would acquire a substantial volume of business. With cheap raw and refined sugar there probably would be some expansion in consumption. As a result of these two factors the volume of the home refiners would increase and the cost per unit would decrease.

Any request by Congress for a quota upon refined sugar from the Tropics is not discriminatory against any island. In the first place, it is well to bear in mind that Cuba, for example, did not start to refine sugar for the American market until 1925, and at the present time there are only about 4 sugar mills out of approximately 165 which do refining. Cuba is overwhelmingly a raw sugar producing area. Her need is an adequate raw-sugar quota and a low tariff on raw sugar; the home refiners are not against this.

In Puerto Rico the same condition is true. As producers of cane and raw sugar the Puerto Ricans receive the benefit of a tariff on raw sugar, which is now about 1½ cents per pound. They also receive the benefit of direct cash bounties which amount to about 55 cents per 100 pounds. These subsidies, both through a tariff on raw sugar and the cash bounties, place the United States home refiners at a distinct disadvantage in competition with Puerto Rican refiners, who are also cane producers.

The United States refiners have a right to demand that they should not be subsidized out of business by any sugar group. If tropical producers or sugar-beet interests are to receive hand-outs from the Federal Government and from the consumers, they should not be allowed to expand their refining to the detriment of an established American industry.

Continuation of a Federal program to limit the shipping of tropical refined sugar here does not affect the price paid by the housewife. The United States Department of Agriculture is authority for the statement that the limitation upon the importation of tropical refined sugar does not affect the prices paid by con-

sumers. New Jersey refined or tropical refined sugar costs the same at the grocery store.

In summary I want to emphasize that New Jersey, along with eight other refining States, helps pay the sugar subsidy bill, but does not receive one cent of the subsidy benefits. That is why I am vitally interested in seeing that Congress takes the necessary steps to renew the Sugar Control Act. New Jersey cannot afford to lose its sugar-refining industry. The United States cannot afford to lose the entire refining business. And yet this is the threat today. American consumers are being forced to pay a Federal sales tax on sugar which in turn is used to help tropical islands choke a large home industry. Federal subsidies should not be permitted to kill nonsubsidized business.

Here is the problem that warrants the help and attention of every American citizen. The fate of a big industry hangs in the balance as do the jobs of thousands of American workingmen.

[Editorial from the Bergen Evening Record, Hackensack, N. J., March 5, 1940]

TOPSY-TURVY ECONOMICS

In a series of articles concluded in the Bergen Evening Record yesterday, Representative FRANK C. OSMERS, Jr., has discussed the importance of renewing the Federal restrictions on importation of tropical refined sugar. As Mr. OSMERS made clear, the question is of vital importance to Bergen County, since 1,300 jobs and an annual pay roll of $2,000,000 are involved, but its importance here is by no means its whole significance.

Until about 15 years ago there was no question of forcing United States manufacturers to compete with subsidized tropical sugar refiners. The tropical islands produced sugarcane which was shipped in its raw state and then refined here. At that time, however, the growers went into the refining industry. By 1934 the situation had become so grave that Congress passed restrictive legislation limiting the amount of refined sugar that could be shipped into the United States. One such restriction expired last Friday; by the end of this year all of them will have elapsed.

Even if the sugar industry of the United States needed tariff protection to maintain its wage standards and preserve itself from bankruptcy, it would be entitled to sympathetic consideration. In the present case, however, it asks no such help. All it asks is that the Tropics be restricted as to the amount of refined sugar they may ship here.

Their primary production role is growing cane sugar; to that end they are assisted by bounties paid plantations by the United States Government out of taxes collected from the people of the United States, including New Jersey residents. To have them use the bounties to undermine and wreck an essential United States industry creates a situation so anomalous that Congress should act at once to correct it.

St. Patrick's Day Address

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

ADDRESS BY HON. LANSDALE G. SASSCER, OF MARYLAND

Mr. D'ALESANDRO. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. LANSDALE G. SASSCER, of Maryland, at the annual St. Patrick's Day banquet of the Ancient Order of Hibernians and Ladies' Auxiliary of the District of Columbia, March 16, 1940:

It is such a distinct honor to be invited to speak at a Hibernian banquet, particularly here in our Capital City, that when I received the invitation through my good friend Mr. Daly I accepted with pleasure.

Through numerous close associations with the Irish during the war, and for many years in my business, public, and social life I feel that I have many cherished ties with your organization and your people—not the least of which is the blood of Ireland which pulses through the veins of my children passed on to them from their maternal grandmother. This blood of Ireland, which for generations, more than that of any other nation, has woven itself into the fabric of American life and contributed so generously to the development of our Nation, chiefly because among the fine traits that the Irish brought to this country is an innate love of God, country, home, and justice. Into the life of the nations to which the sons and daughters of Ireland have gone they have carried a wit and humor that has brightened dark hours, dried tears, and encouraged despondent souls. The ability to "smile through tears" and radiate sunshine to those about them is a wonderful characteristic, and during the trying periods of our Republic the resolute courage and wit of the Irish has been a strengthening and comforting influence.

Although Hibernians are holding St. Patrick's Day exercises almost all over the globe, it is quite fitting that an order such as yours, which down through the centuries has battled for freedom, should also celebrate here in the Capital of one of the few nations in which freedom is still a reality.

The fundamentals of your order and your ideals of freedom and justice are such that in your annual St. Patrick's Day exercises the people from all over the civilized world of all nationalities and creeds join with you in commemorating the principles of liberty and your history and in honoring the name of St. Patrick, a great saint and a great man, whose influence and teachings are daily felt throughout the world. According to most historians, St. Patrick was born in Scotland; sold at an early age into slavery, his escape and return to Ireland through the intervention of a vision to preach Christianity, his life challenges the imagination of all who read it; and his humility, perseverance, courage, and zeal are an inspiration to his followers.

It is well known that Ireland accepted St. Patrick and Christianity without bloodshed. This unusual happening in that pagan era was due largely to the work of the ancient orders, which were the progenitors of the present Ancient Order of Hibernians. These ancient orders were bound together since about 1331 B. C., by a vow of fraternity, friendship, and unity. This strong fraternity, back in the early pagan days, bound together by a vow directed to such noble purposes, created a structure upon which the progress of Ireland was developed and which through the years nourished and kept alive Christianity, culture, and learning. Well may you members of the Ancient Order of Hibernians today be proud of the contribution made by your organization to Ireland and to the world, and proudly may you carry the mantle passed down to you by Rorie O'Moore and the many other patriots who preserved and transmitted to you the spirit of the vow of the ancient orders.

We justly point with pride to the progress we have made in America in social legislation. It is interesting to note that the Irish Free State, established in 1922 and comparatively an infant in relation to other nations, has made astounding progress to which the older nations can look with envy. We recently established here our T. V. A. for the purpose of harnessing streams and creating power and extending rural electrification. On the River Shannon a hydroelectric plant was established in 1925, and 4 years later the Shannon was furnishing cheap electric power to all the counties in the Free State. This electric development has not only spread comforts and modern convenience to the people in remote areas, but has to a large extent made Ireland independent as to foreign coal.

The new government is rapidly advancing a slum-clearance program, and has built more than 50,000 low-cost cottages and homes, available to the average workers. The Irish Free State has been a pioneer in old-age pension, unemployment compensation, education, comprehensive road programs, and general laws for the protection of labor and agriculture, as well as public health, including loans to communities for sanitary facilities and new hospitals.

We in America are accustomed to having groups, societies, and foreign countries come to America to raise money for their causes, but it took this young struggling Irish Free State to surprise us by paying back the money, with interest, which was borrowed here in 1920 and 1921.

That spirit of creative genius which has made such rapid progress in recent years in that young government for those who stayed in Ireland, has placed a firm imprint upon the development and progress of our own Nation. Right from the very inception of this Nation, back in the early times when groups of log huts grew into cities and a fringe of seaboard was transfigured into a throbbing empire, men and women of Irish blood have contributed to the success and upbuilding of this Nation.

Although there was migration from Ireland to America during the colonization of this continent, as is evidenced by the fact that there were many Irish emigrants among the groups who settled at Plymouth, Jamestown, and particularly in my native State, the emigration materially increased during the period of Irish history when famine, terror, strife, and oppression reigned, which was the decade prior to our Civil War. At that time when our country was a comparatively new world of infinite possibilities, hopeful eyes were turned toward America. As the fugitives and refugees began arriving in the United States from Ireland, never before was there experienced a welcome equaling the warmth with which they were greeted and received by the Hibernian groups here.

The migration from Ireland was its loss and America's gain, as we learn not only from reference to our own history books, but from the additional evidence in a speech made by the Honorable Luke Gardiner in addressing the English Parliament on April 2, 1784, in which he attributed the American victory to the Irish emigrants, and said in part: "These emigrations are fresh in the recollections of every gentleman in this house. I am assured from the best authority, the major part of the American Army was composed of Irish, and that the Irish language was as commonly spoken in the American ranks as English. I am also informed it was their valor determined the contest so that England had America detached from her by force of the Irish emigrants." Our history also tells us that during the Revolutionary War, Washington's army was composed of from 40 to 50 percent of Irish, among which were many officers.

Likewise, in the War of 1812 and the Mexican War, the courageous sons of Ireland were found again fighting for America.

It is generally believed that the Irish participated chiefly in the Union Army during our Civil War. This, however, is not basically true, because, when the Civil War plunged America into sectional strife, with that military spirit which flowed in the blood of the Irish, they rushed to serve the flags, both North and South, which had sheltered them. Irishmen and Hibernians were loyal to the communities which had welcomed, accepted them, and extended hospitality. The Order of Hibernians then in Pittsburgh enlisted to a man and the large percentage of them gave their lives in the cause for which they were fighting. The New York Hibernians' division was disintegrated by its members rushing into the Irish brigade. Hibernians and Sons of Ireland in the South rushed with equal spontaneity and valor to the cause of the Confederacy, they too exemplifying the characteristic spirit of loyalty of the Irish people to the homeland.

Most of us here can remember the heroism of the Irish-American in the recent World War.

The pages of American history are so replete with names and biographies of famous Irishmen that in recounting them I am by necessity limited tonight to a few from my native State. As a Marylander I cannot, however, pay respect to the Sons of Ireland without mentioning Cecil Calvert, Charles Carroll of Carrollton, Bishop John Carroll, and Roger Brooke Taney, who played such an important part as statesman, jurist, and clergyman in the settling, molding, and developing of early Maryland.

May we, the Americans of today, composite products from many countries, with the blood of many races interfused in our veins, blessed by Christian guidance, strengthened by the spirit of liberty, inspired by the memories of the past, and stimulated by the needs of the present, jealously and resolutely preserve here in America the principles of liberty and justice, and direct our united efforts to the preservation of the American ideals of opportunity, religious liberty, and freedom.

May we, irrespective of our race or creed, cooperate together as brothers, welcoming all Americans, whether born here or newly arrived, to join us in the promotion of peace and happiness and the enjoyment and protection of the many advantages of our American system of government. But at the same time let us, in the common defense and the promotion of general welfare, join together in the same fraternal spirit to resolutely oppose and ban those who, although living here, feel that this Government is not good enough for them, and who would through subversive influences sow the seeds of dissention and destructive "isms" here.

Employment and Wages Lag as Industrial Production Rises Above 1929 Level

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

ARTICLE BY PAUL O. PETERS

Mr. HORTON. Mr. Speaker, under leave to extend my remarks, I wish to insert into the RECORD an article that appeared in the Syndicate Trade Press by Paul O. Peters, as follows:

WASHINGTON, March 18.—With both employment and wages lagging, industrial production during the latter part of 1939 rose to a point almost 10 percent above the 1929 level.

The increased production, with fewer employees, is attributed in part by the Department of Commerce to technological developments which not only displace labor but increase the man-hour production, and, while production is well above the 1929 level, commodity prices are approximately 25 percent lower today. In a special digest of employment and pay rolls prepared for Members of Congress last week, Dr. Isador Lubin, Commissioner of Labor Statistics in the Department of Labor, revealed that, while Nation-wide employment was 1,110,000 higher in January 1940 than in January 1939, employment in the manufacturing industries was still more than 10 percent below the employment average of 1929. The following table graphically illustrates the situation:

Employment and wages in manufacturing industries, 1929, and January 1940 compared

	Employees	Earned wages	Weekly average
1929 average	8,821,757	$11,607,278,000	$25.30
January 1940	8,017,000	[1] 186,156,000	23.22

[1] Weekly wage.

ON THE SPENDING FRONT

During the calendar year 1939, Federal Government expenditures amounted to $9,345,000,000 as compared with expenditures of but $3,591,325,000 in 1929. Appropriations for the fiscal year 1940 were more than $13,500,000,000. Were the appropriations all to be spent during the year, the business of running the Federal Government would require a larger sum than the combined earnings of all the wage earners employed in the manufacturing industries and a sum equal to almost twice the value of the total agricultural production of the Nation.

With rising State and municipal expenditures looming on the scene, it is apparent that labor must have higher wages and the farmers better prices to meet the impact of added governmental costs.

How Can We Better Sell Wildlife Conservation to the People?

EXTENSION OF REMARKS

OF

HON. FRANK H. BUCK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

ADDRESS BY HON. A. WILLIS ROBERTSON, OF VIRGINIA

Mr. BUCK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the gentleman from Virginia [Mr. ROBERTSON] at the Fifth North American Wildlife Conference, Washington, D. C., March 20, 1940:

Mr. Chairman, ladies and gentlemen of the conference, this splendid assembly of conservation officials and nature lovers has met here today to discuss how we can better sell wildlife to the people. I have contended for the past 30 years, and still contend, that you can't sell anything to anybody by force, not even the old watering trough to the horse. And you can't sell anything to most of us in the absence of a personal profit motive. There is no difficulty about selling this program to the fifteen million or more who hunt and fish. Selling it to an equal number of landowners is a horse of another color. Are they expected to furnish better hunting and fishing free? And if not, what is their profit motive to induce them to cooperate? The only effective sales campaign is education. Our manufacturers and our merchants learned that fundamental principle many years ago, and annually spend millions of dollars through the newspapers and through broadcasting stations in advertising their goods, wares, and services.

Conservationists have been slow to grasp these principles, due, no doubt, to the erroneous belief in many quarters that our wildlife resources were inexhaustible and we need take no thought of the morrow. But when the topsoil of the Dust Bowl began to blow into our Capital City; when we had to send to Canada for lumber for our homes; when we had to send to Japan and Russia for fish; when we had to go 100 or 200 miles to get unpolluted drinking water for our big cities; when we sat in a duck blind all day repeating the lines, "Vainly the fowler's eye might mark thy distant flight to do the wrong"; when we visited our favorite stream and returned with nothing except the classical fisherman's luck, public-spirited men like Jay Darling, Tom Beck, Harry Hawes, Fred Walcott, Senator Pittman, and a few others, whose names will ever be inscribed on the hearts of every nature lover, began telling the American public what was actually happening to a once glorious natural resource. And at long last the program of education started.

The first essential step in that educational program was the organization of the National Wildlife Federation. I do not minimize the educational work done by the Audubon Society, by the American Game Conference, by many other smaller conservation organizations, and by the various State game and fish departments; but it remained for the National Wildlife Federation to tackle the problem of reaching on a national scale the "grass roots," so to speak. Most of our best species of small upland game find their habitat in cultivated areas, and 1,000,000,000 acres of such areas in this country are privately owned. For many years hunters had been gathering at their city clubs or mountain lodges and engaging in wistful wishing for a return of the good old days, but few of them had read the inscription on the flyleaf of an old book: "He who learns and learns and does not as he knows, is one who plows and plows but never sows." And still fewer had read with an understanding heart the words of Samuel: "I heard the voice of the Lord saying 'Whom shall we send and who will go for us?' and I said, 'Here am I, Lord, send me.'"

Each spring some 13,000,000 fishermen would pack up their troubles in the old kit bag along with their fishing tackle and go to some mountain area where massive peaks invited the heavens to rest upon their stately columns, where majestic oaks that had survived the vicissitudes of the elements could teach how to clasp with tougher roots the inspiring earth, where sparkling streams

concealed in limpid pools the elusive trout, and where they could catch the personal inspiration of the lines: "To him who in the love of Nature holds communion with her visible form, she speaks a varied language; for his gayer hours she has a voice of gladness and a smile and eloquence of beauty, and she glides into his darker musings with a mild and healing sympathy that steals away their sharpness, ere he is aware."

But that was not putting any fish into a depleted stream. Each fall seven and a half million hunters would pay thirteen and a half million dollars for hunting licenses, as well as a million dollars for duck-stamp licenses, to pursue their favorite type of game, but that was not bringing into the conservation picture the owners of that 1,000,000,000 acres of farm land, except as silent sufferers of careless hunters or willful trespassers. Neither was it bringing back the flight of ducks, which in 1935 had reached the all-time low of 30,000,000, the deer, and turkeys that had completely disappeared from many of their favorite haunts; nor the cheery call of the bobwhite to the fence posts from which they had disappeared.

To reach the grass roots as a foundation upon which to build a constructive national program, this splendid organization set out to enlist in its active membership the farmers and landowners of the country as the first step in an educational program. Hand in hand with that private undertaking went a greatly quickened interest in conservation by the Federal Government. So much so that recently the Secretary of the Interior announced that during the past 7 years the Federal Government had made greater progress in conservation than during the entire previous history of the country.

The first undertaking of these private and public agencies, working hand in hand, was to let the people know the present balance to their credit (since the title to all wildlife is held by the States in trust for the people, with the exception of migratory birds, which are held in trust for the people by the Federal Government under its treaty-making powers). That inventory on the debit side showed thousands of miles of polluted streams, millions of acres of burned-over forest lands, million of acres of farm lands so badly eroded as to produce neither food nor cover for wildlife, the total disappearance of some valuable species, and great reductions in the supply of others. On the credit side it showed that the people of this country owned 26 national parks, with a total of 25,000,000 acres; 158 national forests with a total of 175,000,000 acres and 173,000,000 acres of public domain, all now being administered with a view to wildlife conservation, not only to preserve what we now have but to increase the supply for the future use and enjoyment of the people.

The Congress passed a bill to impose a Federal license on migratory bird hunters to produce a fund for the acquisition and maintenance of migratory bird refuges; it passed a bill to earmark the 10 percent excise tax on arms and ammunition for the development as grants-in-aid to the States for the development of upland game. It created a select committee of the House to study conservation problems from a national standpoint, to coordinate Federal conservation activities and to recommend necessary or desirable legislation. The Congress created the Civilian Conservation Corps that has built over 4,000 fish-rearing ponds, planted food and cover on 54,251 acres, and reforested 1,300,000 acres, and improved fishing conditions in streams to the extent of 6,135 miles. It created the Resettlement Administration that purchased 9,200,000 acres of submarginal land, much of which is now being devoted to wildlife conservation. The Congress created the Soil Conservation Service which has 526 projects in 45 States, with 57,003 farm owners cooperating in the retirement of 683,497 acres of land from soil-depleting crops, strip cropping an additional 1,084,812 acres, and doing hillside terracing to prevent erosion to the extent of 74,249 miles. The Soil Conservation Service has built 3,707 storage dams impounding 80,000 acres of water. The Congress has appropriated vast sums to the W. P. A., of which $227,000,000 have been expended on conservation projects, including the expenditure of $500,050 on fish hatcheries for the Bureau of Fisheries, supplemented by an allotment of $808,500 from the P. W. A. And that type of W. P. A. activity will be continued through the current year, improving existing Federal hatcheries and the fish-cultural facilities in the Yellowstone and Glacier National Parks, and a new pond fish hatchery in Alabama.

The Congress during the past 7 years has made relatively liberal appropriations for the operations of the Bureau of Fisheries, which has been making splendid progress not only in the improvement of scientific-management plans but in the actual improvement of fishing conditions through the annual distribution of some 8,000,000,000 fish, many of which were reared to legal size before being planted in the streams and ponds. The Bureau of Fisheries hopes it has saved the salmon industry on the west coast by designing practical and successful fishways to move the salmon to their spawning beds in the Columbia River past the Bonneville, Rock Island, and Grand Coulee Dams. Approximately a million salmon have ascended these fishways during the two seasons of their operation. The successful administration of the fisheries of Alaska have maintained an average yield of 6,500,000 cases of salmon during the past decade. The fur-seal herd of the Pribilof Islands has been increased from 130,000 animals in 1910 to about 2,000,000 animals at the present time and during the 30-year period in which the Bureau has managed this valuable resource 900,500 skins have been obtained. After 3 generations of careful selection, the Bureau, at its Pittsford, Vt., hatchery produced a type of brook trout that grew so rapidly they spawned a year earlier than wild stock, yielded double the number of eggs and were more resistant to disease. The restocking activities of the Bureau have been centered on the national-park and national-forest areas, which are under Federal control and open to the public, the prince and the pauper on equal terms.

The Congress has, likewise, supplemented the duck stamp and Pittman-Robinson Act funds to the Bureau of Biological Survey with the appropriation of sufficient funds to acquire approximately 12,000,000 acres of areas suitable for migratory birds, principally ducks and geese. As a result of that program, coupled with a wise restrictive shooting program, our supply of ducks has been increased 100 percent since 1935, to my mind the most remarkable recovery of a threatened specie in history. But let no one assume that recovery is a signal for letting the bars down to a million hunters, since the present supply of ducks in this country is only a fraction of what it once was, and far below the population of 120,000,000 birds which we should have before we can say we have brought back the ducks. The Biological Survey has made a valuable contribution to the preservation of domestic fur-bearing animals, from which our trappers derive an annual revenue of about $65,000,000. They have educated the people to the value of insectivorous birds on the protected list, more than 50 of which make war on that enemy of the cotton farmer, the boll weevil. And they have told us that the bobwhite of the Southern States include in their normal diet 50 kinds of insects that are agricultural pests. The Biological Survey has also shown great zeal and a commendable understanding of local problems in the administration of the Pittman-Robertson Act, under which 167 restoration projects have been started in 42 States at a cost of $1,350,000. And that program will be stimulated by the Federal appropriation this year of $1,000,000 more than was appropriated last year for the same purpose. The engineer of that outfit, Ira N. Gabrielson, has had his hand on the throttle and his eye on the rail.

Time will not permit me to elaborate upon the splendid accomplishments of the National Park Service under the leadership of Arno B. Cammerer, or the United States Forest Service under the leadership of that outstanding forester and beloved man, the late F. A. Silcox. It is more important for me, as a legislator, to hear the views of the delegates to this conference than it is for me to recount at length what has been done by the Federal Government. Yet reference to what the Federal Government has done is necessary in any program of education to better sell wildlife to the people. Knowledge of what needs to be done and knowledge of what is being done, coupled with a vision of what can be done, should quicken and stimulate public interest and public cooperation. In conclusion, my friends, I wish to touch briefly on another phase of this educational program to sell wildlife to the people, and that is the opportunities it offers to the people to find peace and contentment, now a stranger in many hearts. While the foreign situation is a subject of absorbing interest and, of course, vital concern, we must not let it obstruct the seriousness of our domestic problems. We have many unemployed men and women; we have class antagonisms; we have some un-American and subversive activities; we have many who think that the principles of a democracy should mean equality of property instead of equality of opportunity. We have many who do not realize that contentment is a frame of mind, an attitude of heart, and does not come from the possession of material things. We must teach the people how to find peace and contentment in the simple pleasures of the out-of-doors; we must teach them how the principles of equality of opportunity is being exemplified in the administration of our national parks and national forests. We must develop sound minds in sound bodies through outdoor recreation. We must develop patriotism and love of constitutional freedom in a representative democracy through the fullest and freest use of the wonderful natural resources that God created for the benefit of man, made in His own image.

One-half of all of the people of the world today are engaged in war, engaged in the business of destroying each other and each other's homes, while we can still give thanks that under the wise leadership of an able and conscientious Secretary of State we have not been involved, and the white wings of peace are still spread over our fair land. But our land isn't any fairer or richer in natural resources than the vast area we once called Russia. It, too, could have been a land of peace and plenty if its rulers had been wise enough and just enough to permit those resources to be enjoyed by all of the people instead of by the favored few.

While our State laws have all denied to the privileged few the right of private ownership in wildlife until reduced to possession; while ours was the first Nation in the world to establish a national park for the benefit of the people; while our Nation has set aside more areas for public use and enjoyment and spent more money on their development than any other nation in the world, we must not assume that the job of contributing to good citizenship in this manner has been completed. It has only been commenced. Highway development and the mass production of automobiles has done much to bring recreational areas closer to the underprivileged man in the city, but many additional such areas need to be established and developed. And if we succeed in our campaign to sell the advantages of wildlife and outdoor recreation to the approximate 85 percent of the people now unsold on that program, the demand thus created will far outstrip the supply unless our educational program included the esthetic enjoyment of these resources. Civilization has by no means eradicated the primitive killer instinct in man, which finds expression in the

needless killing of wildlife as well as in the barbarous killing of war. Woodrow Wilson said: "Our civilization cannot survive materially unless it be redeemed spiritually." In attempting to sell wildlife to the people, let us seek to place proper emphasis upon the spiritual values involved, recalling that

"The heavens declare the glory of God
and the firmament showeth His handiwork."

Real Facts About Chain Stores and Prices Paid to Farmers

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 19, 1940

Mr. CELLER. Mr. Speaker, I am a great admirer of the Texas onion. I prefer that big, tan-colored variety with plenty of juice in it and I like it cut up with a little vinegar, or sliced and placed between bread with a little salt. I have not quite gotten to the point where I can eat it like an apple, but given time I will probably accomplish that.

Now, I am not belittling or making light of the onion. I have often shed tears over it. It is an important staple of food. What makes me mention these facts is that there appeared in the CONGRESSIONAL RECORD the other day—March 8 to be exact—under extension of remarks, the statement of our distinguished colleague from Texas, the Honorable WRIGHT PATMAN, concerning his bill, H. R. 1, a bill to provide a Federal tax on interchain stores. A subsection of his remarks on page 1273 in the Appendix of the RECORD was entitled "Chains' Concern for the Farmer," in which was quoted the proportion of the price received for Texas onions by the farmer by comparison with the amount received by the chain store. This was from a Federal Trade Commission report, page 392, of part II of the Agricultural Income Inquiry. It was said that while the grower received 12.2 cents of the dollar paid for onions by the consumer the chains got 44.39 cents. It was not stated that the customary way of purchasing onions is as they lie on the field, not even packed, sorted, sacked, or loaded into a car as stated on page 374, part II, of the study. Now, to be completely honest in this comparison, it must be said the Federal Trade Commission stated that any conclusions as to whether chain stores or other purchasers of Texas onions paid higher prices "would not necessarily accord with the facts." But Mr. PATMAN has made this comparison by inference, and it is just as fair for me to use the figures as it is for him; and so I would like to quote the Federal Trade Commission as to how much the growers of Texas onions received from chain stores and how much they received from other purchasers during the onion-harvesting season of 1936 for onions sold in five markets—Boston, New York, Philadelphia, Baltimore, and Chicago.

Our distinguished colleague from Texas, in his honest enthusiasm for the furtherance of his bill, may lose sight of substantial facts which I think should be presented to this House. For facts and figures, I am willing to rely upon the Federal Trade Commission's reports. It is well to set forth pertinent extracts from these reports here and now, and I thus set them forth with all due respect to our distinguished colleague from Texas, for whom, nevertheless, I have the highest regard, but with whom, in this particular instance, I must differ.

I hold no brief for chain stores any more than I hold for the independent, up-to-date, sagacious, and efficient independent merchant. I am just as much for one as I am for the other. I cannot, however, swallow all the balderdash that comes from the lips of the inefficient and weak merchant who wants the Government to do the things for him that he should do for himself.

In that connection, I am anxious to set forth before this Congress the facts. The Federal Trade Commission reported:

Table 147 also shows (column B) that, at the prices effective in the stores immediately after receipt of these onions by the chain stores in the five markets, the average retail value (consumers' cost) of Texas onions was $1.73 per 50-pound sack; also that the average wholesale price and average growers' proceeds per sack were $1.01 and 21 cents, respectively, whereas the average wholesale price and average growers' proceeds per sack of onions sold to other purchasers (column F) were 88 cents and 18 cents, respectively.

Mr. Speaker, there was not quoted in the RECORD of March 8, aforesaid, the whole table. If such had been the case there would have been displayed the very evident figure of 21 cents per sack for onions sold to the chain stores and only 18 cents, or 14 percent less, for those sold to other purchasers.

Now, I am not arguing that the Texas onion grower receives too much for his onions. I doubt if he receives enough, and I further know that distribution takes a large part of the onion dollar. But the point I wish to make is that it definitely is not the chain stores that are responsible for such prices. In fact, the chain stores, because of economies in other directions, pay better prices to farmers, and they also sell to consumers better-quality products at savings on prices, with the result that farmers' markets are widened and increased and more farm products are sold.

Since the Federal Trade Commission's agricultural income inquiry was used to try to show how little the farmer receives for his products from one class of purchaser, with the very decided inference that this class of purchaser tries to beat down the prices of farm products, I have taken the liberty of considering the total prices paid to growers for all the agricultural items surveyed by the Federal Trade Commission in its inquiry, this being the only source of information pertaining to this particular subject on record. And, basing my figures on the tables shown on pages 477 and 479 of part II of the Commission's report, I find that the grower receives 45.63 cents of the wholesale dollar for fruits and vegetables sold to chain stores and only 43.48 cents, or 2½ percent less, for the same fruits and vegetables sold to other purchasers. This is shown in the following table:

Break-down of wholesale price (retail laid-down cost) received from chain stores and purchasers other than chain stores for 10 fresh fruits and vegetables, Oct. 16, 1935, to Dec. 16, 1936 [1]

	Chain-store purchasers	Purchasers other than chain stores
	Percent	*Percent*
Wholesale price (retail laid-down cost)	100.00	100.00
Wholesale and other distributors' margins	6.04	5.59
Freight and other transit costs	30.56	32.80
Packing, loading, storage, and miscellaneous	17.77	18.13
Proceeds to growers	45.63	43.48

[1] Based on the Federal Trade Commission's Agricultural Income Inquiry, 1937, pt. II, pp. 477, 479. Markets for chain stores included Philadelphia, New York City, Chicago, Boston, Baltimore, Atlanta, Kansas City, Detroit, New Orleans, Dallas, and St. Louis; for other purchasers, Philadelphia, New York, Chicago, Boston, Baltimore, Kansas City, Minneapolis and Atlanta. Fruits included table grapes, Florida oranges, and grapefruit, California Navel and Valencia oranges, Pacific Northwest apples, Georgia and Carolina peaches; vegetables included Maine potatoes, Idaho potatoes, Eastern Shore potatoes, Texas onions, Pacific Coast iceberg lettuce, Texas cabbage, Florida cabbage and Florida and California tomatoes.

Mr. Speaker, I wish to be perfectly frank in this statement, and I wish to repeat that the Federal Trade Commission stated that this does not "necessarily" mean that the chain stores pay more than other purchasers, but when it shows up so often that the farmers receive more for their products when selling through chain stores than other buyers, in such a wide survey, I am inclined to believe that they get better prices from them. At least it proves without question that the chain stores do not beat down the prices of farm products, as charged. As a matter of fact, the chains pay better prices. Moreover, it has been reported, in both the Federal Trade Commission and the United States Department of Agriculture studies, that the chain stores appear to be demanding better quality and are paying the usual premium prices for such quality. Now, I would like to ask, What better agency of distribution have we today than the chain store, which pays

better prices to farmers and producers and sells at such price savings to the consumer? If anyone can name one, I will be very glad to have the facts; but I want them to be facts and not fabrications.

The conclusion is inescapable, that the farmer fares better with the chains than he does with the independent merchants. In any event, there is a superabundance of data which indicates that at least he does as well with the one as he does with the other.

Flood Control

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

ARTICLE FROM THE MARINE JOURNAL OF FEBRUARY 15, 1940

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD an article reprinted from the Marine Journal of February 15, 1940, Flood Control Costs Not Properly Chargeable Against Navigation, as follows:

[From the Marine Journal of February 15, 1940]

FLOOD-CONTROL COSTS NOT PROPERLY CHARGEABLE AGAINST NAVIGATION

(By John L. Bogert)

The general impression among otherwise well-informed people is that immense sums of the taxpayers' money have been spent on our great rivers solely for the benefit of the Federal Barge Line and other water-transportation agencies. Nothing could be further from the truth. When locks and dams are built in any of our rivers their cost is properly chargeable to navigation, but for every dollar spent on locks and dams there has been another dollar spent on levees and other forms of bank protection. For 1,000 miles of the Mississippi River, from Cairo south, there are no locks and dams, but millions have been spent in trying to confine "Old Man River," just because he insists upon flooding all the cities, towns, villages, highways, and railroads along his route. If in the attempt to avoid the disasters that flow in the wake of a river flood immense sums of money have to be expended, just upon whom should the burden fall of providing those immense sums of money? Should they be chargeable against those whose property is saved from destruction, or should they be charged against the owners of floating equipment who use those same rivers but are uninjured by the river's rise to the extent of one dollar? So far as they are concerned, the more water in the river the better; the only thing that holds them up is lack of water. Let's try to get this thing straight. The water-transportation people are quite willing to admit that locks and dams are for their convenience and benefit, and if all moneys spent on rivers had to be assessed against the beneficiaries, the cost of the locks and dams would be chargeable against them. However, all the money spent for flood control would necessarily be charged against the land transportation beneficiaries—the railroads, the trucks, and the busses.

A photograph that appeared with this article shows the justice of the foregoing contention. It shows the completed section of the flood wall at Huntington, W. Va. On the left side of the wall one sees the Ohio River and the river bank. On the right side the tracks of the Chesapeake & Ohio Railway in the foreground, with the city itself in the background. The Ohio River at Huntington has a watershed of 55,620 square miles. The excessive precipitation during great general storms, which occur in the winter and spring months over the watershed, causes frequent floods on the Ohio River which affect Huntington. Existing records show that during the last 55 years the flood stage of 50 feet on the Huntington wharf gage has been equaled or exceeded 24 times. The maximum flood of record occurred in January 1937, having a crest stage of 69.2 feet on the wharf gage. The year before, in March 1936, a great stage of 58.9 feet was reached.

The 1937 flood covered about 65 percent of the flood-plain area. Approximately 70 percent of the total area of Huntington is located on this broad flood plain, which extends about 9 miles along the Ohio River. Ninety percent of the entire population of Huntington live on this flood-plain area, and but 10 percent live on the high ground of the adjacent hills.

It shouldn't require a high grade of intelligence to grasp the fact that navigation on the Ohio River had nothing to do with these floods or with the necessity for expending large sums of money to keep the floodwaters from overflowing its banks. The 1937 flood necessitated the suspension of all normal activity in the city; of the 40,000 persons living in the flooded areas, 25,000 were made refugees. Rail traffic was suspended at the height of the flood. Approximately 21,500 feet of wall and levee will be required to keep the water in the river and out of the city, the levee being from 42 to 55 feet high and the concrete wall from 12 to 14 feet high.

Now, suppose we try to get this thing straight. If there wasn't a barge of any kind, nor a towboat, nor steamer on the Ohio River, the levee and wall described above would still have to be built. So what? Why, just this: There is no justification in assessing one dollar of the cost of the levee or wall against navigation. If the railroads want to pay some share of the cost because the levee and wall save their tracks from being washed out, no one should object. But to try to saddle the waterway bargeman with any of the cost would be the height of injustice.

What occurs during floods at Huntington is characteristic of what happens all up and down the Ohio River, and, to a greater or less extent, on all the rivers tributary to the 1,000 miles of lower Mississippi River. Through this latter river all the floods from all the tributary rivers must seek the sea.

According to United States Geological Survey Water Supply Paper 334, the flood damages in the Ohio River Valley from the 1913 flood were $180,000,000, and 415 lives were lost. The 1907 flood damages were $100,000,000, and the 1933 flood damages were also $100,000,000. The same authorities estimate that the flood damages for the last 50 years in the Ohio Valley have exceeded $1,000,000,000.

If it be true that during the past 112 years the United States Government has spent $693,420,042 on the Mississippi River system, it must be evident that the barge lines which ply the lower Mississippi River are in no way responsible for by far the larger part of this huge sum. The adjacent cities, towns, and villages cannot exist unless protected from river floods. What is true of the individual localities is also true of the railways that serve them. Neither the Missouri Pacific system nor the Illinois Central system could afford to be assessed for any part of the many millions that have been spent in levees and concrete walls on our river banks. Nevertheless it was those millions so expended that they have benefited by, and it is for that very reason that they should be the last ones to stir up the question of assessing river improvements against the users of waterways. If a dispassionate analysis of the proportion of Government waterways expenditures that benefit the railways, on the one hand, and the expenditures that benefit water transportation, on the other, were to be made, there isn't a doubt but that the railways have benefited quite as much as the waterway user. So it is high time, the foregoing facts being recognized, this senseless chatter about subsidized forms of transportation should be dropped. All kinds of transportation need Government help, and they all get it. Don't ever let anyone tell you the railways don't get their share. Easy and secure access to their terminals must be provided at the taxpayers' expense, and it is so provided.

The persistent campaign to "smear" the navigation of our waterways, publicized at great expense, in our most important magazines can be well exemplified by the following "gem" which is taken from a full-page advertisement in Collier's for January 13:

"Railroads meet all their own costs and help support the Government as well. They operate under the strict control of rules and regulations built up over the past 50 years on the theory that they are a monopoly, but actually they compete with other forms of transportation which are promoted and subsidized by Government."

Economists long ago agreed that everyone "helps to support the Government, whether he pays taxes directly or indirectly." To that extent the railroads share the common lot, out of every dollar earned by everybody the Governments, National, State, and local, take out their "cut." But when the friends of the railroads claim that the railroads meet all their own costs, it just isn't so. They don't have to pay any special tax or assessments to pay for the levees and concrete walls that prevent their tracks from being washed out nearly every spring, and they don't have to pay any special tax or assessment to dig out the sand bars that mayhap form in front of their slips or docks. The railroads own ferryboats, tugs, car-floats, lighters, and other kinds of floating equipment, more than $100,000,000 worth. And, as has been pointed out, their floating equipment in the port of New York transfers more tons of freight than even is represented by the cargoes of the ocean steamships that frequent that port. And what is true in the port of New York is true in every port in the country where there is a railroad terminal at the water front. When the railroads pay taxes on their right-of-way, they are doing just what Mr. John Q. Citizen does on his private drives and bridle paths. Their right-of-way is theirs exclusively. The barge man who uses the national rivers or canals is but enjoying public property like the bus or truck man on a highway or street. If a street has to be repaved, are the trucks and busses that pass through it assessed for the cost of repaving? So why should the barge or towboat have to meet an assessment for keeping any waterway free from sandbars or silting up? In the first place, who is responsible for the silting up of our rivers? The sewers that pour their filth and chemical waste products into those same rivers. O reader, does it fit in with your sense of justice that the cost of river upkeep should be borne by those who use, or by those who abuse and injure waterways by turning them into sewage-disposal receptacles? The railroads meet some of their costs, but not all.

We imagine that it is a very grave question whether the railroads ever would have been regulated if it hadn't been for their pet slogan—"all the traffic will bear." The "rules and regulations built up over the past 50 years on the theory that they are

a monopoly" were thoroughly justifiable in the opinion of our most enlightened economists. While there was constant complaint that different stations on the same railroad were favored at the expense of others by a freight-rate structure that bore no relation whatsoever to the actual cost of the service rendered, it was natural that Congress should be petitioned for the creation of some regulatory body with power to protect communities discriminated against. To the thoughtful individual the unforgivable transportation sin is to build up one community by excessively low freight rates, and make up the losses thus incurred by imposing excessively high freight rates elsewhere on the line. If that practice had not been indulged in wherever there was possible water competition, it is a question whether there ever would have been an Interstate Commerce Commission.

No such state of affairs has ever existed in the field of water transportation, so far as we have been able to discover. Water rates have been quite usually quoted at about 60 percent of rail rates between the same points, which naturally raises the question: Why should the water rates be regulated? If the I. C. C., having the power under the Wheeler-Lea Act, orders the water rates raised to a closer parity with rail rates, the waterways carrier will lose business and the shipper probably also. The railroad will probably not be permanently benefited, since the traffic will not bear the increased rate.

Probably, the most senseless and inaccurate statement in the advertisement we quoted, is the one that asserts, that there are "other forms of transportation which are promoted and subsidized by the Government." If this is meant as a "fling" at the Federal Barge Line on the Mississippi River and Black Warrior River systems, it is wide of the truth. It has always been the expressed intention of the Government to sell the line "lock, stock, and barrel" to any private concern that could and would give satisfactory assurances that it was able financially to operate and develop the line, and was not trying to buy it, that it might ultimately give it the "kiss of death," as the Pennsylvania Railroad did to the Delaware and Raritan Canal, through which we got our hard coal at low prices; or as the New York, New Haven & Hartford Railroad did to the steamboats on Long Island Sound.

So far from the Federal Barge Line functioning with an operating subsidy, it operates entirely on the receipts taken in from the freight it transports, and quite a while ago turned back into the Government a substantial part of the money originally voted it for development purposes. It should interest everyone to know that the Federal Barge Line carries but a small percent of the total traffic that passes up and down the Mississippi River. Even if it were out of existence, the traffic on our western rivers would not be noticeably diminished. Just because the Federal Barge Line couldn't be bought up and scrapped by railroad bankers, it has served the Nation well.

And that brings us to the final aspersion of the Government as a promoter of "other forms of transportation." During the past 8 years no new canal save the abortive Florida canal has been started by the Government, and its mental attitude seems to be summed up in an expression of fear that the building of competitive waterways might so weaken the railroads as to prevent them from meeting the "needs of the public for efficient and safe transportation." During these years little Belgium has built the wonderful Albert Canal, which will undoubtedly save the industrial region around Liege; and Germany has commenced the canal that is to link the headwaters of the Rhine and Danube. Russia has also been busy with a system of canals that will ultimately make for untrammelled waterborne commerce from the Baltic to the Black Sea. With all the billions that the Government has spent, in an effort to find jobs for our unemployed, would it have passed up the perfectly obvious chance to set thousands at work digging the canal across New Jersey, which would not only rival in importance commercially the St. Mary's Canal, connecting Lake Superior with the others, but form as important a defensive means against invasion as the Albert Canal is against the German "blitzkrieg"? There are four possible canals in this country, the digging of which would set more than 100,000 at work directly, and so react on the industries of the Nation that prosperity would be here with a bang. Nevertheless, probably realizing that perfectly, Mr. Roosevelt and his advisers have listened to the prayers of the railroads, and so far, declined to start digging canals that might cripple some of our railroads. In the name of the prophet stop knocking the waterways. They don't knock the railroads. They wish them all the luck in the world with fast freight.

The National Rivers and Harbors Congress

EXTENSION OF REMARKS

OF

HON. CAROLINE O'DAY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

MESSAGE FROM THE GOVERNOR OF PUERTO RICO

Mrs. O'DAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include this message from the Honorable William D. Leahy, Governor of Puerto Rico, to the National Rivers and Harbors Congress Twenty-fifth Annual Convention, March 14–15, 1940:

Gentlemen, in these few words I hope to thank you, in the name of the people of Puerto Rico, for the excellent work of the Rivers and Harbors Congress.

Perhaps no other community under the flag of the United States depends more upon shipping than does the Territory of Puerto Rico. The economic life of the island is linked inseparably with water-borne commerce. The dredging of a harbor, construction of a dock, erection of a breakwater may not be of vital importance in a country so vast as continental United States. But in our small island such activity affects, directly or indirectly, the lives of Puerto Rico's 1,800,000 people.

Puerto Rico's geographical position makes it a perfect link between the mainland United States and the countries of Central and South America. In commercial position, Puerto Rico stands among the leaders in world trade with the United States. We are Uncle Sam's second best Latin American customer. Such importance cannot be neglected.

Today a new and vigorous Puerto Rico is rising. The island has taken on new life, first, because of its selection as a military stronghold to guard the Panama Canal Zone; and, secondly, because of its discovery as a tropical vacation land under the flag of the United States. To keep pace with its growing importance, Puerto Rico must have the best facilities for shipping that are available.

The official family and the people of Puerto Rico are grateful for your cooperation. Much has been done in the past. Much remains to be done in the future. For what has been done in the past your Congress has our deepest thanks. For what will be done in the future we have nothing but hope.

Thanks.

National Youth Administration

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

Mr. PATMAN. Mr. Speaker, I do not know of any organization in our Government that is performing a greater work than the National Youth Administration. I do not know of a better way for Government funds to be expended. When an investment is made in the education or improvement of a young man or a young woman, it will help the country for an average of 40 years. Such an investment by the Government provides good citizenship and will guard against some of the social evils that we are now trying to correct. There are a good many more students asking for this aid than can be helped. I do not know of an investment that is made by the Government that will yield a greater return than the investment in these young students and workers, who are to be the citizens and leaders of tomorrow. I hope the appropriation for the N. Y. A. is not reduced below the appropriation for last year. I am in favor of an appropriation of at least that much and will vote for that much and would even vote to increase the amount.

I am inserting herewith tables and information prepared by the National Youth Administration in Washington and in Texas, which is self-explanatory:

FEDERAL SECURITY AGENCY—NATIONAL YOUTH ADMINISTRATION

Summary of current operations

Employment program	Number of youth employed		
	Total	Male	Female
All programs	746,268	398,584	347,684
Out-of-school work program (January 1940)	311,918	177,667	134,251
Student work program, total (December 1939)	434,350	220,917	213,433
School-work program	314,310	148,256	166,054
College and graduate work program	120,040	72,661	47,379

Number of unemployed youth certified and awaiting assignment, Jan. 5, 1940	340,000
Estimated number of needy unemployed youth not certified, Jan. 5, 1940	2,119,000
Total unassigned needy youth	2,459,000

Labor turnover on out-of-school work program:	
Number of youths who left N. Y. A. projects, July 1939 through January 1940	154,820
Average number leaving each month is 9.1 percent of the number employed.	
After adjustment for reassingments the annual turnover rate is between 90 percent and 100 percent.	
Funds allotted for 1939–40:[1]	
Total	$95,182,927
Out-of-school work program	67,133,000
Student work program	28,049,927
School work program	13,675,370
College and graduate work program	14,374,557

[1] Exclusive of administrative costs.

Annual cost per youth

	Out-of-school work program	
	Federal funds[1]	Cosponsors' funds
Total	$268.80	$52.08
Youth labor	180.72	
Supervision	43.08	16.92
Nonlabor	24.60	35.16
Administration	20.40	

[1] Includes administrative costs for entire program.

Student work program[1]

Total	$59.41
School	39.69
College and graduate	113.31

[1] Wages to youths—all other costs paid by schools.

Out of every dollar of Federal funds spent by the National Youth Administration during the current fiscal year, 76.8 cents will go to young people in the form of wages; 11.6 cents will go to supervisors; 6.6 cents will go for materials, supplies, and equipment; 50 cents will go for administration.

Summary of current operations in Texas

Employment program	Number of youths employed		
	Total	Male	Female
All programs	39,501	22,535	16,966
Out-of-school work program, February 1940	18,133	10,946	7,187
Student work program, January 1940	21,368	11,589	9,779
School work program	15,128	8,099	7,029
College and graduate work program	6,240	3,490	2,750

Number of youths certified and awaiting assignment, Jan. 5, 1940	23,467
Estimated number of needy youths not certified, Jan 5, 1940	224,089
Total unassigned needy youths	247,556
	Number of persons
Employment by type of project, February 1940:	
Grand total	18,736
Total number of youths	18,133
Highway, road, and street	1,491
Improvement of grounds	679
Public buildings	3,252
Recreational facilities	1,296
Conservation and sanitation	513
Clerical and service projects	2,982
Recreational leadership	118
Professional assistance projects	1,135
Workshops	1,896
Sewing	521
Resident training centers	2,652
School lunches, nursery schools, and home making	1,450
Projects not elsewhere classified	148
Supervisors	603
	Amount
Funds allotted, 1939–40:	
Total	$5,158,130
Out-of-school work program	3,709,902
Student work program	1,448,228
School work program	702,458
College and graduate work program	745,770

Number of schools participating in the student-work program:	
Total	2,663
Schools	2,579
Colleges and universities	84
Average monthly earnings	
Out-of-school work program:	
Youths employees	$15.04
Supervisors	99.95
Student work program:	
School	4.73
College and graduate	12.73

THE PROGRAM OF THE NATIONAL YOUTH ADMINISTRATION IN THE FIRST CONGRESSIONAL DISTRICT OF TEXAS, JAN. 1, 1940

The school work program

Number of students aided	816
Number of participating schools	206
Funds allotted for fiscal year	$35,100

A high-school student who could not otherwise attend school may work for and be paid up to $6 per month; the average payment is $4.78.

The college and graduate work program

Number of students aided	203
Number of participating schools	5
Funds allotted for fiscal year	$23,220

These figures do not include students attending colleges or universities located outside the district. A college student who could not otherwise attend school may work for and be paid up to $20 per month; the average payment is $13.24.

The out-of-school work program

Number of out-of-school youths employed	1,755
Number of work-project units operating	62
Funds allotted for fiscal year	$351,550
Number of unemployed youths certified and awaiting assignment	1,216
Estimated number of needy unemployed youths not certified	29,391
Total unassigned needy youths	30,607

The projects being operated include:

Location	Description	Sponsoring agency	Local adviser
De Kalb	Gymnasium construction.	De Kalb School District.	W. E. Williams.
Avery	Resident center for girls.	Red River County	Marion Lawson.
Sabine	Farm community center.	Farm Security Administration.	A. M. Beakey.
Marshall	Resident center and shop.	City of Marshall	H. L. Graeser.
Linden	Experimental farm	County commissioner's court.	Kermit Womack.

Colleges participating in the National Youth Administration college and graduate work program in the First Congressional District of Texas

College	Student quota	Yearly fund quota
Total	172	$23,220
Bishop College	38	5,130
College of Marshall	28	3,780
Parris Junior College	39	5,265
Texarkana College	14	1,890
Wiley College	53	7,155

The Preservation of Free Private Enterprise

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. JOSEPH C. O'MAHONEY, OF WYOMING

Mr. O'MAHONEY. Mr. President, on numerous occasions recently, before gatherings of various kinds, I have

had occasion to express my belief that the reason why the institutions of democracy and capitalism are under attack throughout the world is that under modern conditions there are too many persons without property. I have repeatedly contended on this floor that one of the most fundamental cures for our present economic difficulties would be the encouragement of free private enterprise. That these opinions are held by large numbers of persons has been indicated by the number of requests I have received from time to time for the text of my remarks.

Last December I made a talk to the New York Board of Trade, at the Waldorf-Astoria Hotel, in which I set forth with some care the thoughts I have on this subject. In order that these requests may be more conveniently met, I ask unanimous consent that this talk on the Preservation of Free Private Enterprise may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Once again I must express my gratitude for an opportunity to talk to the members of this organization about the most pressing problem of our time—the preservation of free enterprise. The turmoil in which the whole world is involved gives eloquent testimony to the gravity of the question, and upon the answer which is given by the people of America depends in very large measure the future history of mankind.

If this seems too broad a statement of the issue, a glance at Europe should be sufficient to prove the point. The events now being enacted there are the result of the failure of European civilization to preserve the economic freedom of the masses and the conflict now in progress is a clash between the liberal philosophy of democracy on the one hand and the radical philosophy of despotic socialism upon the other. It is a conflict between man and the state, between the philosophy which holds that government and the servant of man is the philosophy which holds that it is his master.

In this conflict of deals there can be no question on what side the hearts and minds of most Americans are arrayed. We believe that "governments are instituted among men" to secure certain inalienable rights to individual men and that all governments derive "their just powers from the consent of the governed." This is the rock of principle upon which the American Republic was founded. It is the principle which is being assailed today by the totalitarian concept of government which reduces man to a position of complete servitude under the state.

Let no one imagine that European dictators are the causes of the crisis we behold. They are results, the accidental personal manifestation of the economic ills which have undermined free enterprise across the ocean. Different one from the other, talking different languages and moving in slightly different spheres of action, they are, each of them, nevertheless, the result of the failure of the European system to preserve free economic opportunity for every man. If we in America wish to protect and defend the American principle of liberal democracy, and we do, then our supreme duty is to protect free enterprise from every attack that may be leveled against it. It is of supreme importance, therefore that we understand just what we mean by free enterprise and that we understand the causes which have been undermining it, not alone abroad, but here in America as well.

Free private enterprise means not only that every man shall have an opportunity to work, but also that he shall have the right to own and hold the product of his toil. Free private enterprise is possible only under the capitalistic system, under a democratic system which recognizes the right of every man to develop in accordance with his own free will the talents with which he was endowed by an all-wise Creator, so long as he does not invade the rights and liberties of his fellows.

All this, I think, is clearly understood by the great majority of our people. Upon these elementary concepts of popular government there is no disagreement in the United States, except upon the part of a very small minority who have accepted European philosophies. What we have not clearly understood, however, seems to be that the preservation of private enterprise begins at the very bottom of the economic scale. It begins with those men and women, wherever they are, who are so situated that they are unable by their own unaided efforts to support themselves and their families. The very first task of the defenders of capitalism is to make certain that in America no person, whatever his status, shall be without the opportunity to earn and hold property.

It is precisely because this opportunity is now lacking that we are confronted by an economic crisis that challenges all the wisdom, tolerance, and understanding of which we are capable.

PEOPLE WITHOUT PROPERTY

The farm problem and the problem of industrial unemployment are the symptoms of the diminishing economic freedom which is the primary cause of the growth of big government. These symptoms are not of recent occurrence. They are the marks of this generation, and their beginnings were discernible long before any of the men who now occupy positions of leadership in business or in government attained their present importance.

Fifty years ago 70 percent of our population lived in the country and almost 75 percent of all farm operators owned their own farms. Today less than 45 percent of our people live in the country and only a little more than 55 percent of our farm operators are also farm owners. Farm tenancy has been steadily increasing year by year during the past half century. That means that so far as our agricultural population is concerned the private ownership of real property has been decreasing. That is a symptom which is bad for capitalism and which the defenders of that system must set about curing if they are going to preserve it.

With the growth of the factory system and the movement of the population from the country to the city, the problem of industrial unemployment began to arise. I shall not weary you with statistics, but every authority will agree that even in those days when we thought we were enjoying industrial prosperity we had an unemployment problem. The significant thing is not so much the actual figures reflecting the total number of unemployed at any particular time; it is rather that the unemployed as a whole are a class without property.

This is the supreme danger to the system of free enterprise—that during a period of more than 50 years the number of people who are without tangible, physical property or the opportunity to gain it has been steadily increasing. In other words, economic freedom has been undermined; and when economic freedom is threatened, political liberty itself is endangered. This is the fundamental fact which all believers in the philosophy of liberal democracy must keep clearly before their minds.

Our task is to restore economic freedom, to make it stable, to make it certain, and it is one which cannot be performed in any tempest of emotion. Let no one imagine that he can preserve the system of free enterprise by merely mobilizing discontent. That is what was done in Europe. That is the manner in which the totalitarian state was created. In Russia the discontent of the dispossessed was mobilized under the proletarian dictatorship. In Italy and in Germany the discontent and fears of the propertied class, who were not paying any attention to the problems of those at the bottom of the economic scale, were likewise mobilized. In each instance there was one faction which seized control and by force and despotism fastened its power upon the masses.

It is not by searching for a scapegoat, either economic or political, that we in America are going to show the world how the system of private enterprise may be preserved. We have to settle this matter in the American way, and that is by way of conference, of tolerant, wise search for the facts, and of faith and confidence in the ability and the will of the people of America to maintain a Government which shall preserve and maintain the rights of all.

Some there are, I know, who imagine that a planned economy is necessary. I do not believe that is the way out, whether the planning is done by concentrated private power or concentrated political power.

Some there are who believe that soaking the rich, as it is called, will redistribute property and restore opportunity. I do not believe in that course either. All the wealth that has ever been made or accumulated is, in my opinion, not a drop in the bucket when compared to the wealth that can be made and accumulated in a really free economy.

THE GROWTH OF GOVERNMENT

Some there are who believe that relieving business from what they are pleased to call Government interference will restore the balance. This again is a mistaken notion, which takes no note of the perfectly obvious fact that the expansion of Government powers has been the inevitable result of the concentration of economic power. Write this down as a proposition which cannot be denied: Political centralism, wherever it appears, is the product of economic centralism. Big government is the outgrowth of big business. It is not the product of any personal leadership, of any political school or cult, any political party, or even, let me add, of any President.

The growth of government in America has kept steady pace with the expansion of business. In just that degree to which steam and electricity have concentrated the population in the big cities and extended the radius throughout which men may exert their economic genius by reason of the improvement of the means of transportation and communication, to that same degree government has grown.

It was in 1887, when the railroads first became too great in their extent for successful regulation in the public interest by the States, that Congress established the Interstate Commerce Commission. That was 52 years ago and the legislative history of Congress from that day down to this has been the history of expanding Government powers ordained by the people and by both Democratic and Republican administrations in the effort so to regulate concentrating business that economic opportunity would be preserved for the masses.

It was a Republican Congress and a Republican President who enacted the Interstate Commerce Commission Act. It was a Republican administration which gave us the Sherman Antitrust Law. That was in 1890, and that law, passed in the Senate without a single dissenting vote, was an attempt to prevent the concentration of economic power to the detriment of free opportunity. That law was expanded and enlarged by a Democratic administration in 1914 when the Clayton Act and the Federal Trade Commission Act were passed. No one proposes to undo these laws, because it is recognized that they were created for the express purpose of preserving and maintaining the fundamentals upon which both the American Republic and the capitalistic system are founded.

When I hear people talking about regimentation of business by government I remember, for example, as a boy reading of the embalmed-beef scandal during the Spanish-American War, and a few years later of the passage of a Federal meat-inspection act to prevent such exploitation of the people and of the Government in the future. The Packers and Stockyards Act, giving the Secretary of Agriculture broad powers over a great industry, one of the greatest in the whole country, was enacted in 1921. Federal regulation of exchanges began as long ago as 1912 when the Grain Futures Act was passed. The Food and Drug Act, which in its day was denounced as an unwarranted interference by Government with business, was passed by Congress in 1926. In the next year the Radio Act came into existence, and so it has gone during the last 50 years, step by step, as business has become more and more national in its scope, the powers of the National Government have been expanded to meet the newly arising problems. It was a perfectly logical and inevitable development.

GOVERNMENT AIDS BUSINESS

There is no conflict between business and Government in any real sense of the word. Government today, as from the very beginning of this Republic, has been aiding business. Even the present administration, which is occasionally charged with being hostile to business, appropriated millions and created an improved Maritime Commission in order to build up a privately operated merchant marine. Until the exigency of the European war, by the almost unanimous decision the American people reversed its policy, I think it may be fairly said that this administration has done more to stimulate private enterprise upon the ocean than ever had been done before. The same record is to be found in the aviation industry, and those who are pleased to accuse the Government of having a defeatist attitude overlook the fact that under the present Government policy private enterprise in aviation has achieved its most profitable year since aviation began.

Out in my country—in the public-lands States—it is commonly charged that mineral lands are actually administered in the interests of big business rather than in the interests of the rank and file. The story of the tariff even now is the story of Government aid to business. Out in our country, where agriculture is the primary industry, we do not like the reciprocal-trade program of the present administration because we think that it subordinates the interests of agriculture to the interests of industry.

And so I could go on citing case after case to illustrate how Government aids business even while it is trying by various expedients to solve this fundamental problem of preserving private enterprise for the man at the bottom of the scale.

I do not want to be understood as intimating that Government has not made and is not making mistakes. I am merely trying to illustrate the fact, which is clear from our economic and political history, that the establishment at Washington has grown simply because business has grown; that this growth has gone on year after year, no matter what administration was in power; and that those who make up the Government are not hostile to business but are anxious to do everything in their power to foster and encourage it.

It is my conviction that business and Government can cooperate to solve this problem. Indeed, I assert that business and Government must cooperate, and that the European spectacle is an ever-present warning to us to get about the task without recrimination and without delay. It is easy to say, and, of course, it is quite true, that public spending is no cure for our economic ills. Deficit financing is merely a stopgap which cannot safely be allowed to continue indefinitely. Nor can we rely upon emergency profits from war trade. There may be a stimulus to business growing out of the war, but when all is said and done, profits are made only out of production, and when one-half of the world is bending all of its efforts and all of its energies to the destruction of wealth, it cannot hope to pay the other part of the world for supplying food to be consumed and materials to be blown away.

AN ECONOMIC CONSTITUTION NEEDED

Our duty lies here at home. If we want good business, we must first of all provide the masses of the people with the ability to purchase the things that they need and desire. Economically, it seems to me, we are in exactly the same position that founders of this Government were in during the period of chaos between the victory at Yorktown and the ratification of the Constitution. Business and Government both were then completely disorganized, but the leaders of that time had the wit and the will to confer and to draft a political constitution which established order and unity.

Have we the wit and the will to draft an economic constitution? We need it. We need, first of all, to define the powers and the responsibilities of those national corporations, those artificial agencies which carry on national commerce. We need to protect little business from the constant encroachment of big business, an encroachment which is not necessarily motivated by wrongful intent, but an encroachment which nevertheless does close the door of opportunity to the little man.

Why is it that State legislatures throughout the Union for the past 20 years have been building up trade barriers against one another? Simply because the growth of national business has overspread the local scene, and the little-business man feels that he is being overwhelmed. It is not government that encroaches upon his domain, it is business, big business.

It is not necessary to destroy big business in order to protect little business, nor is it necessary to clothe government with the authority to direct business. Discretionary control of business, whether big or little, when it resides in a political agency, is contrary to the fundamental principle upon which this Republic is founded. But if we are going to prevent the growth of that idea, then it is clear that we must find a national rule for national business which will permit big business and little business to exist side by side without further expansion of government control.

REGULATION DIFFERS FROM CONTROL

It must be remembered that there is a difference between control and regulation. The latter is the necessary rule of the game which must be laid down by government or else there is no order by which our economic life may be guided. When organized business which spreads beyond the local scene and covers States and even nations is not subject to regulation in this sense, the opportunity is afforded for the growth of those abuses which, through financial manipulation and unfair practices, lay the groundwork for arbitrary private control, a species of economic regimentation which is equally as bad as regimentation by public authority. Indeed, the one leads inevitably to the other, as the history of the present regime in Germany so eloquently proves.

We hear a lot of loose talk these days about the lost frontiers upon the part of both those who believe that government must supplant private enterprise and those who would abolish government regulation of commerce. It is true that the triumphs of inventive genius have not come to an end. It is true that greater and greater opportunities will be afforded mankind to live in peace and plenty as science and invention develop. It is true that new opportunities for profit will be uncovered as these new frontiers are discovered. But let us not forget that the geographical frontier of the past, which has disappeared, was the outlet to our ancestors when the concentration of economic power at home seemed to close the door of opportunity to them. When they could no longer successfully compete with uneconomic accumulations at home, when they were unable to acquire private property because of oppression and exploitation, it was possible for them to push on into the unknown to become the pioneers of new lands and to build new homes. Now they must acquire private property in some other manner, and the problem of discovering that manner so as to preserve private enterprise and private ownership of property is the question that is presented to us.

Businessmen and farmers, employers and employees, professional workers and those who work with their hands, and consumers all have a stake in the preservation of free enterprise. My own belief has long been that the solution is so simple that we have been unable to see it. We have persisted in treating the artificial business corporation as though it were a natural person, and although the Constitution of the United States gave the Federal Congress the explicit power to regulate all foreign and interstate commerce, we have persisted in refusing to let the National Government prescribe by law the duties and responsibilities of the corporations which carry on that commerce.

This refusal has proceeded out of a fear that it would mean more Government control of the activities of men. The fear was unfounded, but because we have failed to take a perfectly obvious means of making business free we have found ourselves watching the steady growth of bureaucratic power. But whether I am right or wrong in this belief that national charters for national commerce will liberate business from too much government and preserve opportunity for the masses of men, whether engaged in agriculture or in industry, of this I am certain—that the people of America have the courage and faith to maintain the principles of economic and political freedom to which all our greatest leaders have always been dedicated.

BUSINESS NEEDS ECONOMIC FREEDOM

Business needs the liberation of the natural person from the regimentation of monopoly as well as his protection from regimentation by government. There is no possibility for the continued expansion of business unless the power of the masses of men to purchase the products and services of business is steadily increased. A reasonable program for the preservation of private enterprise therefore calls for the exertion of our best talent to encourage farm ownership and agricultural profit upon the one hand and the stability of industrial employment upon the other.

Furnishing jobs for men is not the business of government; it is the responsibility of business. The first concern of every man who calls himself a defender of the institution of private enterprise is to make certain that private enterprise provides employment for all who are willing and able to work. Unfortunately, we too often think of labor as a commodity which may be used or set aside just as so much raw material may be used or set aside. This is a fundamental error, because business as well as government is created to serve men, and when it fails, first of all, to protect men, it fails to conserve its own best interest.

It cannot be too often repeated that the success of business is measured by the distribution of goods and services among men, and that this distribution is encouraged in a free economy.

Whatever tends to deprive men of their economic freedom is bad for business; and if there is any group in America which should be determined to cooperate with government in the elimination of all practices that restrain economic opportunity, it is such a group as that represented here today, the business executives of America.

Your interests and the interests of the common man are identical. You help yourselves most when you help him most.

The world is waiting for social and economic justice. We shall begin to achieve it when we cooperate to make certain that in America there shall be no people without property.

Letter From Administrator of Farm Security Administration Relative to Loans in Wisconsin

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

LETTER FROM WILL ALEXANDER

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to insert in the RECORD a letter received from Mr. Will Alexander, of the Farm Security Administration, giving a summary of its work in Wisconsin. This is a splendid showing, and I hope will be read by many people. It presents an answer to those who said the group to be benefited would and could not be rehabilitated. The program should be greatly expanded upon the basis of these fine results.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARM SECURITY ADMINISTRATION,
Washington, March 22, 1940.

Hon. ROBERT M. LA FOLLETTE, JR.,
United States Senate.

DEAR SENATOR LA FOLLETTE: We have just completed a Nation-wide survey of the progress being made by Farm Security Administration borrowers, and I felt that you might be interested in the figures for the State of Wisconsin.

We are proud to report that F. S. A. borrowers not only have increased their net worth and annual income but also are making satisfactory progress in the repayment of their loans.

The survey showed that the 7,440 standard rehabilitation borrowers in your State had an average net income last year of $683.13 per family, as compared with $494.17 in the year before they came to F. S. A. for help. This represents an increase of 38 percent.

Moreover, these families increased their average net worth—over and above all debts—from $1,216.19 before they came into the F. S. A. program to $1,658.17 at the end of the 1939 crop year, a gain of 36 percent.

In other words, these families not only have added $3,288,331 to the wealth of their communities, but they also have increased their annual incomes by a total of $1,405,851. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other businessmen of the State.

At the same time, the survey showed that the borrowers in your State already have repaid $2,674,234 into the Federal Treasury as installments on loans totaling $7,979,921. The typical rehabilitation family in Wisconsin has borrowed $1,072.57, and already has repaid $359.44. Since much of the money loaned does not fall due for 4 or 5 years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant because, according to normal business standards, our borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else; and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations, and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting, instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged $108.12 per family, or a total of $804,413 over a 4-year period.

Often it has been necessary to work out an adjustment of the family's old debts before rehabilitation could be successful. Local farm-debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion, they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether debt reductions totaling $2,993,389 have been negotiated for the farmers in Wisconsin. This represents a scale-down of 38.3 percent. As a direct result of these adjustments, $68,163 in back taxes have been paid to local government agencies.

In helping rehabilitation borrowers to plan their farm operations, we always urge them to get away from one-crop farming, and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in your State produced $1,381,301 worth of goods for home consumption last year, as compared with only $881,268 worth before they came into the F. S. A. program.

These families canned 1,835,597 quarts of fruits and vegetables last year, or an average of 247 quarts per family for home consumption. They also produced 2,332,961 gallons of milk, an average of 314 gallons; and 503,167 tons of forage, an average of 67.63 tons. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which came to F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently, the borrowers in Wisconsin are now operating an average of 126.34 acres, or an increase of 39.37 acres since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of F. S. A. is to help tenants and sharecroppers get more secure land-tenure arrangements so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 3,970 tenants in your State have obtained written leases in place of verbal agreements.

In making the survey our field workers found that there are 10,441 families in Wisconsin which are eligible and in need of rehabilitation loans, but have been unable to get them because of our limited funds.

Aside from the rehabilitation program the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties because of the limited funds available, we had made 60 such loans in your State, totaling $468,870, up to the end of the last fiscal year. This year we are expecting to make about 74 Bankhead-Jones loans in your State, totaling approximately $536,000.

This has been a rather detailed report, but I felt that the information might be useful to you. If you would like to have any further details about our program, I hope you will let me know.

Sincerely,

WILL W. ALEXANDER,
Administrator.

One Hundred and Fourth Anniversary of Founding of New York Law School

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

ADDRESS BY JUSTICE FRANK MURPHY

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an able and significant address delivered by Mr. Justice Frank Murphy, of the Supreme Court of the United States, at a dinner celebrating the one hundred and fourth anniversary of the founding of New York University Law School, New York City, March 2, 1940.

In his address, Mr. Justice Murphy has pointed out some of the dangers threatening the survival of democracy in our country which deserve our thoughtful consideration.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Three weeks ago we paused in reverence to observe the one hundred and thirty-first anniversary of the birth of Abraham Lincoln. We paid tribute to a statesman whose life work is a monument to

his unqualified faith and his resolve struggle for the democratic principle that "all men are created equal."

It is three-quarters of a century since that struggle ended in tragic martyrdom. In the interim nations have perished and been born. The boundaries of States have been altered and altered again. Governments have come and gone. The economic life of most of the human race has undergone an amazing transformation and the greater part of the population of the earth has been convulsed by war.

Yet today the elementary principle for which Lincoln labored and died is still the focus of a vast, world-wide struggle. The great, eternal question that stirred the heart of the somber emancipator, that inspired the founding fathers to heroic deeds, and that has led men on a hundred battlefields to go cheerfully to their deaths remains a source of civil and international contention. It is the everlasting question of whether man shall live in freedom and equality under just and enlightened laws or whether he shall live in constant obedience to the dictates of those who rule by force.

It seems almost beyond comprehension that in this land, with its background of a century and a half of self-government and civil liberty, there should be doubt as to how that question will here be ultimately answered.

AMERICA NOT IMMUNE

Yet honesty compels us to recognize that such doubt exists today in as great a measure as at any time, perhaps, since the establishment of the Constitution. It exists primarily because for a decade the country has been economically ill, and to the consequences of that sickness America is no more immune, in the last analysis, than other nations where unemployment and its train of unhappiness, insecurity, and discontent have ended in the destruction of democratic governments.

To admit this possibility is not to question the loyalty of the American people to democratic methods and institutions. It is merely to recognize that insecurity, fear, hunger, and the other derivatives of economic depression can become so powerful that even life-long loyalties are temporarily obscured and forgotten. It is to recognize that men plagued to the point of desperation by the uncertainty of their very existence do not ordinarily keep their perspective.

They do not think of history at such times. They do not stop to remember that mankind has been searching for the freedom which we in America now possess ever since the beginnings of history. They do not reflect how painfully and slowly that freedom has been won.

We, gathered peacefully together this night, may remember these things. We may recall the fragment of democracy that came into being in the city-states of ancient Greece. We may remember the birth of Christianity with its ennobling emphasis on the dignity of the individual, the edict of Emperor Conrad II giving crude recognition to the principle of due process; the magic words of Magna Carta; the petition of right; the Declaration of Independence; and the Constitution with its Bills of Rights.

We here in this quiet moment may remember these things and realize the enormity of mankind's loss should America some day turn away from the reign of law and justice. The grave question, however, is not whether we now remember but whether we and our fellow members of the American democracy will continue to remember, regardless of what emergency or crisis may come.

There are those who urge us specifically to cast aside our heritage of liberty and self-government and to search for the solutions of our problems under different political systems. To a degree, there is in such specific counsel potential danger for democratic institutions.

SEES A GREAT DANGER

I am persuaded, however, that a greater danger—greater because it is more subtle, more insidious—lies elsewhere. It is the danger inherent in attitudes and beliefs that in one way or another we ourselves have come to entertain. It is the danger that lies dormant in the belief—so often sincere—that our national troubles are attributable to one group or another of the population. It is the danger born of the tendency to seek a scapegoat in a religious or racial or political or economic group.

Of such tendencies and such beliefs dictatorships are born. On such attitudes demagogs rely for their march to power. In the soil of dissension and mistrust the seeds are sown which blossom into destruction for the reign of law and justice—for all that is fine and enlightened in the relations of man to man.

It is well that a democratic nation be on guard against those who would seize power without popular consent. But the task of preserving a society based on justice and law is far broader than that. It requires, among other things, that each of us take upon himself responsibility for guarding against that mental climate of dissension and mistrust in which the institutions of law and justice sicken and die.

Upon the lawyers, and equally upon those who train men and women to be lawyers, that responsibility rests with particular emphasis.

You who study the law, who practice it, who interpret and administer the law, know as well as any and better than most at what cost a society such as ours has been created, after centuries of heartbreak and struggle. Having studied the growth of the law from distant times when common men knew no law but the word of the ruler, you know how fortunate are they who rule themselves by orderly and peaceful methods and who stand before the bar of justice equal with all others.

That is why, in a world where government by law is constantly threatened, legal practice involves far more than the pursuit of a vocation. Having chosen to serve as a practitioner of the law, the lawyer becomes also a custodian and guardian of the law as an institution of civilized government.

He cannot remain aloof from that responsibility. It is not enough that he conduct his practice with efficiency and integrity. It is not enough that he direct his abilities and his influence toward the correction of defects in the law. The lawyer should himself be alert to see the conditions that endanger the system of law, and he should help the Nation to see them also.

ASKS WHAT WE WANT

Do we want to keep a system of justice in which every man is entitled to a fair trial, to the benefit of legal counsel, to protection against self-incrimination—to every essential of due process?

Do we want to keep a political philosophy under which the individual, no matter how lowly, is free to speak his thoughts, to write as he pleases, to assemble peacefully with his neighbors, and to worship in the manner his conscience dictates?

Do we want to maintain an enlightened society in which even the most impoverished or unpopular member may look with confidence to the courts for protection against injustice?

The lawyer, knowing that at heart the American people do want to keep these imperishable splendors, has a mission to help them see how they can be kept—and, equally, how they can be lost.

It is in times like these, more than any other, that a democratic people need advocates of law and justice to remind them constantly that in a nation divided by suspicion and hatred these blessings cannot endure, but that in a land united by mutual understanding and friendship they will prosper and grow strong.

We need to be reminded that there is no hope in any program or philosophy which levels the finger of blame at a single group and seeks to bring peace and security by purging or suppressing that group.

We need to be reminded what a tragic delusion it is to believe that justice and liberty can be denied to part of a nation and maintained for the rest. In the last analysis, there is no halfway house between democracy and despotism. For persecution is a brutalizing force and, once unleashed, it eventually destroys even those who brought it to life.

We need to be reminded that when a people turn away from the reign of law, and equal justice under law, to a system of discrimination and persecution, it is not as if they merely discard a worn-out garment. They cast away, instead, the dearly won gains of centuries of human struggle and anguish. They set their faces backward and begin the long, tragic march back to those early ages when the individual looked to government not for justice but for life.

There are those who believe that America is the last hope of democracy on earth. This may well be true, but even if it is not, in the great eternal contest between the forces of freedom and the forces of autocracy, no believer in government by law, and certainly no student of the law, can afford to be merely a spectator. We cannot afford to be disinterested.

Our stewardship must be a brave one and an active one. Our faith in the society of free men must be a courageous faith. By the active, zealous, and ungrudging practice of a democracy, we must endeavor to preserve its unmatched blessings for the generation which follows ours. Only by so doing can we creditably discharge our obligation as free and enlightened members of the human race.

Farm Prices

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

LETTER TO THE SECRETARY OF AGRICULTURE AND HIS REPLY

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter dated March 6, 1940, which I addressed to the Secretary of Agriculture, and the reply thereto by the Secretary, dated March 21, 1940.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 6, 1940.

The Honorable the SECRETARY OF AGRICULTURE,
Washington, D. C.

DEAR MR. SECRETARY: On Monday night of this week I made a national broadcast with Senator ROBERT A. TAFT, of Ohio, the subject

being the First Seven Years of the New Deal. During the course of Senator TAFT's remarks, he made the following statement:

"Farm prices, which make the farmer's income standard, were in general lower in August 1939 than they were in August 1933 after the first boom, and before any of the New Deal farm-control measures began."

I would appreciate it if you could have a check made in your Department and give to me any comments you care to make in reference to the argument of Senator TAFT which I have quoted.

Yours truly,

LEWIS B. SCHWELLENBACH.

MARCH 21, 1940.

Hon. LEWIS B. SCHWELLENBACH,
United States Senate.

DEAR SENATOR SCHWELLENBACH: This is in reply to your letter referring to your broadcast with Senator ROBERT A. TAFT and requesting comments on the following statement made by Senator TAFT:

"Farm prices, which make the farmer's income standard, were in general lower in August 1939 than they were in August 1933 after the first boom, and before any of the New Deal farm-control measures began."

I wish to point out that there are two serious errors in that assertion.

First, it is not true that the New Deal farm measures had not been placed in operation by August 1933. Adjustment in acreage of the cotton crop of that year had already been made. The sign-up in the winter wheat adjustment program was nearly complete and farmers were preparing to plant their new crop on the basis of the contracts they had signed. Measures to boost the price of tobacco were already being taken. Corn-hog farmers were formulating their adjustment program. An emergency campaign to adjust forward contracts already made by tomato and other vegetable producers with canners was being pushed. At least one milk-marketing agreement and one fruit-marketing agreement were in operation and numerous marketing agreements were in process of formulation.

The rise in the prices of farm products which took place in the spring and early summer of 1933 was due in a large part to the farm program and the expectation that through it the pressure of tremendous surpluses of many kinds of farm products overhanging the market would be relieved.

Senator TAFT evidently remembers that there was a substantial improvement in prices of farm products after the Roosevelt administration came into office in 1933, but apparently he was not sufficiently familiar with the measures that were taken at that time to understand what caused the price rise.

Second, when Senator TAFT says that farm prices "were in general lower in August 1939 than they were in August 1933," he is just as much in error.

According to the Bureau of Agricultural Economics, the index of farm prices, with the period from 1909 to 1914 taken as 100, was 79 in August 1933, whereas in August 1939, the index of farm prices was 88. The higher 1939 price level, moreover, was reflected in higher cash income from farm marketings. It was nearly $200,000,000 greater in August 1939 than in August 1933. It was $419,000,000 in August 1933, and $601,000,000 in August 1939, exclusive of farm-program payments.

I wish to point out further that, in making his comparison, the Senator has carefully selected his months. If he really wants to give a clear picture to the American people, he ought to take prices for February 1933, before the Roosevelt administration took office, and compare them with prices for February 1940. Such a comparison would show that in February 1940 the farm price of wheat was 84.1 cents per bushel, as compared with 32.3 cents in February 1933; that the farm price of cotton was 9.97 cents per pound in 1940, as compared with 5.5 in 1933; that the farm price of corn was 54.7 cents per bushel, as compared with 19.4; that the price of hogs was $4.97 per hundred, as compared with $2.94; that the price of cattle was $6.84 per hundred, as compared with $3.31; and that the price of butterfat was 29.7 cents per pound, as compared with 15.8 cents.

The general index of farm prices was 101 in February 1940, compared with 55 in February 1933.

Farmers of the United States well know that they are far better off now than they were 7 years ago, and they will not be fooled by statements to the contrary. Most city people, on the other hand, have no reason to keep close track of farm prices and farm affairs. The farmers, who strongly support their program and do not want to see it misrepresented, have every right to ask Senator TAFT to correct the wrong impression he has given to those unfamiliar with the real achievements that have been made under the national farm program.

Sincerely,

H. A. WALLACE, *Secretary.*

Merit Rating System

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Friday, March 22 (legislative day of Monday, March 4), 1940

LETTER FROM WILLIAM GREEN

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter which appeared in the New York Times of this morning, written by Mr. William Green, president of the American Federation of Labor, which is a very exhaustive and very convincing analysis of the opposition of labor to the introduction of the so-called merit rating system into the unemployment-insurance system, which is now being attempted, or at least agitated, in several States, including my own State of New York.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times of March 22, 1940]

LABOR AGAINST MERIT RATING—YOUNG-WADSWORTH BILL INADEQUATE FOR NEEDS, FEDERATION HEAD FINDS

To the EDITOR OF THE NEW YORK TIMES:

The American Federation of Labor opposes all forms of merit or experience rating in unemployment-compensation laws. A statement on the proposed Young-Wadsworth bill released recently by Timothy J. Mahoney, chairman of the New York State Employers Conference, a group dedicated to the promotion of an experience rating system in unemployment-compensation laws, undertakes to state the position of organized labor to show that it has no real objection to such a system. He says:

"Diligent effort has been made to determine the position of organized labor in this State and of the national federation with reference to the proposed system of experience rating, but no real objection to the system has been clearly defined."

While Mr. Mahoney may be authorized to argue on behalf of a few large employers in stable industries who want tax cuts for themselves under experience rating laws, he is in no way competent to speak for organized labor. The fact that he has persistently closed his mind to the objections raised by bona fide labor organizations disqualifies him for the role which he has undertaken as interpreter of labor's interests.

BENEFITS CALLED INADEQUATE

The American Federation of Labor objects to experience rating as proposed by the Young-Wadsworth bill because it is simply a device to reduce the income of the unemployment-compensation fund. If the income were excessive in relation to the need for it, tax reductions could be justified.

The plain fact is that this is not the case. The benefits paid under the New York unemployment-compensation law are pitifully inadequate to provide reasonably for unemployed workers during the usual periods of temporary unemployment. The required waiting period is too long, the duration of benefits too short, and the amount of the benefit check too small for reasonable protection for many workers.

Mr. Altmeyer, Chairman of the Social Security Board, has recommended that waiting periods be reduced to 1 week, that maximum weekly benefits be raised to at least $20, and that the weekly rate be set as 66⅔ percent of full-time earnings in States whose funds are sufficient. New York requires a waiting period of 3 weeks and still retains a $15 maximum and a benefit rate roughly approximating 50 percent of full time weekly wages. Mr. Altmeyer recommended that every State provide for partial unemployment benefits. The New York law lacks this provision. He recommended that the duration of benefits be increased to a uniform period of at least 16 weeks. New York provides for only 13 weeks.

The large percentage of workers who exhaust their benefit rights while they are still unemployed, even in a year of improving business such as 1939, shows clearly the inadequacy of the duration provision of New York's law. The unused reserves which have been increasing, and which Mr. Mahoney believes labor has forgotten, should have been used to pay reasonable benefits. Every dollar so used would have returned promptly to businessmen through the

channel of consumers' demand for goods. That is the channel best able to stimulate business activity and provide more employment and more profits.

HIGHER TAX ADVOCATED

It is no fault of organized labor that the laws have been so miserly and have provided so inadequately the benefits needed to make the unemployment compensation system adequate. From the beginning of the study which led to the enactment of the Social Security Act I pointed out the need for reasonable Federal standards for unemployment compensation benefits. A large minority of the Advisory Committee in 1934 voted for a 5-percent tax in order to insure funds sufficient to establish adequate benefits. The committee tied on the vote for a 4-percent tax. Three percent was adopted simply because it was believed industry should not be asked to assume a larger tax burden.

The benefit scale which it was estimated a 3-percent tax could support was admittedly meager. Now that it is apparent from our experience to date that the income from a 3-percent tax (2.7 percent for New York State) can support a more adequate benefit structure, it is imperative that this needed improvement be made. To propose that the income be reduced, as it would be under the Young-Wadsworth bill, before adequate benefits have been paid, is to waste our opportunity to establish a reasonable unemployment compensation system without adding a cent to the present tax bill.

FOR ADEQUATE BENEFITS

Mr. Mahoney professes to be unable to understand how experience rating would interfere with better benefit standards. It is obvious that if the tax rate is designed only to replace the amount spent each year for benefits, as it would be under the Young-Wadsworth bill, employers would be directly concerned to keep benefit payments at a minimum. They would oppose reasonable improvements in the law. That makes it vital that adequate benefits be established and paid before this incentive becomes operative.

I may quote one State unemployment compensation director's experience with the law: "Experience rating is largely responsible for the protest of employers against the payment of benefits to unemployed workers. These protests often have no actual basis in law. Some employers have adopted the policy of protesting payment of benefits in most every case regardless of merit."

That the New York State employers' conference is interested in tax reductions rather than increasing employment under experience rating is clear from their resistance to a plan of experience rating which would permit lower or higher rates according to the experience of different employers but would produce the same average income that is now being paid into the fund. If they were interested in a sound system of unemployment compensation, they would seek that incentive to increased industry which adequate benefit payments would give and would welcome the establishment of a benefit scale as adequate as the present tax rate would permit rather than attempt to perpetuate the present meager benefits by reducing the income of the fund.

If experience-rating formulae provide any incentive to employers to stabilize employment, that incentive would be even greater if rates for unfavorable experience were increased in equal degree as those for favorable experience were increased.

FAULTS SEEN IN BILL

The Young-Wadsworth bill avoids that greater incentive. It is carefully designed to decrease the income of the unemployment compensation fund before a sound system of benefits is created. If the benefits were adequate, the outgo from the fund would be approximately the same as its current income. Tax reductions would not be possible, although tax increases would be unnecessary, because the present income can pay for better benefits. This explains the anxiety of the advocates of the bill to get experience rating adopted before adequate benefits are written into the law.

Experience rating does not lessen unemployment. Even under the Wisconsin system, in which the individual reserve formula used was designed to place the maximum responsibility for stabilization on each employer, a very small amount of stabilization has been accomplished as a result of the law.

An impartial study by Dr. Charles Myers found fewer than 11 percent of the surveyed firms had achieved any appreciable stabilization because of the act, even including the borderline cases to give the law the benefit of every doubt. These firms were among the larger ones. Although they were fewer than 11 percent in number, they employed nearly 23 percent of all the workers.

And, offsetting the achievement noted in stabilization, Dr. Myers found "the development of a tendency to avoid benefits by devices (particularly extreme spreading of work) which do not stabilize employment, and the fact that stabilization increases somewhat the volume of unemployment."

PRICE CALLED TOO HIGH

That is too great a price to pay for so-called stabilization. The American Federation of Labor still wishes to avoid devices and "policies that crystallize unemployment." Experience rating is such a policy. We are concerned to promote an increase in the number of jobs and to provide security for unemployed workers. It is because experience rating obstructs both those objectives that we oppose it.

Since the experience-rating formula of the Young-Wadsworth bill places so much weight upon the State experience factor rather than on the individual efforts of the employer to stabilize, even that degree of stabilization attained in Wisconsin cannot be expected to result if that bill should be adopted in New York. The incentive to stabilize employment is pared to a minimum both by the way in which the employer's rate is calculated and by the absence of a real penalty for failure to stabilize. There is no possible incentive in the bill to increase employment as distinguished from some statistical evidence of stabilization, which may simply mean work spread too thin.

The bill is a device to cut taxes, to reduce the income of the fund, and to prevent the development of a fair benefit structure which will honestly serve the purpose for which the tax was originally levied—the reasonable protection of the unemployed worker and the stabilization and stimulation of industry by maintaining consumer purchasing power on a more steady basis. That aid to industry is a road to reduction of unemployment. It should not be blocked by the short-sighted policy of experience rating.

WILLIAM GREEN,
President, American Federation of Labor.

WASHINGTON, *March 18, 1940.*

Equal-Rights Amendment

EXTENSION OF REMARKS
OF
HON. WILLIAM H. SMATHERS
OF NEW JERSEY
IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

STATEMENT BY GOVERNOR MOORE OF NEW JERSEY

Mr. SMATHERS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD a release containing a statement by the distinguished Governor of the State of New Jersey, Hon. A. Harry Moore, on the subject of the equal-rights amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Governor Moore of New Jersey announced today his endorsement of the equal-rights amendment now pending in Congress and also in the New Jersey Legislature. In a statement to Miss Mary Philbrook, congressional chairman of the National Woman's Party, the Governor said:

"I approve of the equal-rights amendment.

"I feel that their adoption will be effective in removing discriminatory laws and will clear the way for women to work out their own salvation, especially in the industrial world.

"The doctrine of equal rights, which now operates in the exercise of suffrage, should be so extended that such inequalities as still exist to the detriment of woman's welfare will be wiped out.

"I believe the adoption of the equal-rights amendment will accomplish this."

Governor Moore's statement was in reply to an inquiry by Miss Philbrook as to his position on both amendments declaring men and women shall have equal rights. According to Miss Philbrook, who, in addition to being the congressional chairman of the National Woman's Party, is an active member of the New Jersey Committee to Eliminate Discriminations Against Women, Governor Moore has long been a warm supporter of the movement to obtain equality of rights for women and New Jersey women are very proud that their Governor has taken this splendid stand for the elimination of existing discrimination against women. Women of both parties in New Jersey are supporting the equal-rights amendment both in Congress and in the New Jersey Legislature.

Recently Mrs. NORTON, Congresswoman from New Jersey, and chairman of the Labor Committee of the House, declared that, in view of the wide demand for congressional action on this amendment, she felt the time had come when it should be submitted to the States for vote, and that such action would be in accordance with the democratic principle on which this Government is founded.

Mrs. Harvey W. Wiley, chairman of the National Woman's Party, wired Governor Moore today as follows:

"Congratulations on your advocacy of equal rights for men and women by State and national constitutional amendments. Your public recognition of this plan to wipe out inequalities which exist in law to the detriment of women has advanced a cause vital to

American democracy by many milestones and brings near the time when our fundamental law will enable all American citizens to share equally in the guaranties of our Constitution."

Teaching of South Dakota History

EXTENSION OF REMARKS

OF

HON. CHAN GURNEY

OF SOUTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE SIOUX FALLS (S. DAK.) DAILY ARGUS-LEADER

Mr. GURNEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Daily Argus-Leader of Sioux Falls, S. Dak., of March 19, 1940, entitled "As South Dakota History Is Being Taught."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sioux Falls (S. Dak.) Daily Argus-Leader of March 19, 1940]

A SOUTH DAKOTA HISTORY IS BEING TAUGHT

The other evening Harold Card, editor of the Webster Reporter and Farmer, was thumbing idly through a textbook his son had brought home from the public schools. Its name was Our State, a history of South Dakota for sixth graders. It was copyrighted in 1937.

Scanning carelessly through the book, Editor Card stumbled upon some statements that caught his rapt attention. Intrigued by what he had found, he continued on, meanwhile wondering whether he was reading a New Deal fantasy or an authentic textbook on history.

Here are a few excerpts that drew his particular interest as he went through the pages of the book:

"At last it was decided that the country might as well have the revenue from the sale of drink, and the eighteenth amendment was repealed in 1934."

"A tax upon property is really not a fair tax."

The book also explains that trees had been cut down and ponds, lakes, and water pockets drained.

"So now," the text recited, "we have to pay for our mistakes with years of poor crops."

In the book also are references to the need for assistance in the drought areas and credit is extended to Tom Berry, former Governor, in a manner that resembles the utterance of a campaign manager.

A paragraph from the book on this subject follows:

"Governor Berry tackled these serious problems with a stout heart. Governor Berry made several trips to Washington to plead our cause and was able to get more help than we would have got otherwise, because he made the President and Congress see that the State needed more aid on account of the drought as well as the depression."

The textbook also affords a glimpse into the future with a particularly new dealish tint. The following excerpt serves as an illustration:

"When the boys and girls who are in school today grow up they will work only 5 or 6 hours a day, 5 days a week."

The book also, Editor Card points out, carries a reproduction of the now notorious picture of the skull of a cow that was used so effectively in The Plow That Broke the Plains. The picture is accompanied by the statement that it was from an animal "that perished in South Dakota from lack of food and drink."

A further reference of interest is the following paragraph from a discussion of the State in business:

"The cement plant which is located at Rapid City is still owned and operated by the State. It has netted a profit sufficiently large to warrant continuing it, but it probably does not yield as great a net income as it would if it were operated by an individual for his net profit."

Along with Editor Card we are surprised and amazed by the contents of a book that is apparently employed generally in the South Dakota schools as a textbook.

The book contains expression of opinion on highly questionable topics.

The statement, for example, that a property tax is not a fair tax is notable in this respect.

And then we have the conclusion that the reason for the drought was the fact that trees had been cut and drainage programs initiated.

The records show that there were droughts in South Dakota long before the white man came to the prairies. It further shows that there are more trees here now than when the pioneers came. The people, in truth, have planted many more trees on the prairies than they have cut.

A choice political statement is that concerning Berry and the relief funds. Its political implications are obvious.

Notable, too, is the assertion that the boys and girls of today will be required to work only 5 or 6 hours a day and 5 days a week when they become adults.

And then there is the discussion of the policies of the cement plant accompanied by the bland assertion that the net income would have been larger if the plant had been privately operated. Perhaps we should be happy to welcome that statement as an indication of the superiority of private over public operation. But it ignores a basic fact—the fact that as a State-owned plant it commands a virtual monopoly of State business. A private owner would not be favored in this fashion.

The writer of a textbook of South Dakota history, it seems, should confine himself to the facts. Let him tell his story as the records and the statistics reveal it. When he seeks to go into the field of opinion, he is trespassing beyond the proper boundary of such a volume.

Editor Card, we feel, should be thanked for bringing this subject into the limelight. We hope the discussion will induce educators everywhere to make a study of the possible implications of textbooks now in use with a view toward outlining a program to avoid the type of material appearing in the sixth-grade history from which the quotations in this editorial have been taken.

Census of 1940

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

LETTER FROM THE DIRECTOR OF THE CENSUS

Mr. BARKLEY. Mr. President, I ask unanimous consent to have inserted in the Appendix a release by the Director of the Census, the Honorable William L. Austin, on March 20, 1940, which contains a letter written to the Senator from New Hampshire [Mr. TOBEY] by the Director of the Census.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF COMMERCE,
Washington.

William L. Austin, Director of the Census, has sent the following letter to Senator CHARLES W. TOBEY:

MARCH 19, 1940.

Hon. CHARLES W. TOBEY,
United States Senate, Washington, D. C.

MY DEAR SENATOR TOBEY: Now that the little census blitzkrieg which you led so gallantly seems about to have spent its force, and since we are approaching the Easter season when the spirit of charity and forgiveness should prevail, I am writing to ask you to join with me in binding up the wounds.

I am appealing to you to do this in the interest of a good census, and especially in the interest of more than 3,000 progressive cities whose chambers of commerce and leading citizens have organized to cooperate locally to see that the coming census is a good one. For, remember, these cities are about to have photographs taken which must be their official likenesses for the next 10 years, and it is important to them that the likenesses be sharply in focus.

These are the things which you can generously do now which will demonstrate that Americans, although partisans, can really get together for the common good after they have indulged in their political fun:

1. Write a letter, please, to Mrs. J. Warren Burgess, president of the Federation of Women's Clubs of Tulsa, Okla., telling her that you were in error when you announced over the radio that the census schedule of 1940 contained the question, Have you ever been divorced? Explain to her that you were in error in needlessly arousing the ire of many women, resulting in many violent protests to Members of Congress over a question which is not even in the schedule. Kindly explain to her that the question touching on this subject in the 1940 census is the same that has appeared in census schedules since 1890 and requires simply an indication of the marital condition of each person—man and woman—as of April 1, 1940. Each person will be listed as "single," "married," "widowed," or "divorced." If a divorced person is remarried, he or she will simply report "married," and there will be no probing into previous marital history. There will be no question on "how many times divorced," as you stated over the radio.

2. Please admit in your next radio address that when you stated that certain questions on occupation were asked only of men, and

not of women, you were completely in error, as the fact is that all employed persons, both male and female, will be asked to indicate the occupation and industry in which they were employed during the week preceding the census, and unemployed persons, both male and female, will indicate the occupation and industry in which they were last employed. Please be generous enough to admit, therefore, that this question has no relation to mobilization for war, but is intended simply to get basic statistics on the Nation's industrial and occupational skill.

3. Please be generous enough to admit that a large proportion of unemployment involves persons engaged in part-time employment and irregular employment, and that the best measure of the degree of such unemployment is the amount of wage income earned during the year. Be fair enough to explain that the main purpose of this inquiry on wages and salaries is to get a measure of this twilight zone between employment and unemployment; that the question on income involves only persons whose income is $5,000 and less and does not include income from dividends, interest, and other nonwage sources. It would be very helpful, in removing partisanship from the discussion of this question, if you would tell your followers that the congressional act directing the Census Bureau to make inquiries on unemployment was passed by a Congress controlled by your own party in 1929 and signed by a President of your own party.

4. Please be good enough to admit that the inquiry on home-mortgage data is not new in this census; that a Congress and a President (Benjamin Harrison), of your own party, in 1890 directed the Census Bureau to obtain this information and that no survey of housing conditions in the United States could be complete without this essential information.

5. Please be frank enough to state the recognized truth that bath and toilet facilities in any home are, perhaps, the most important characteristics to indicate the kind of abode; that they are vital facts in arriving at or justifying claimed values; and that no housing census would be complete without them. Please explain that municipalities, public utilities, real-estate men, bankers, and health authorities need these statistics to govern extensions of facilities in cities, and that these inquiries are for the public good.

6. Won't you please help to make your followers understand that the Census Bureau, through 150 years, has never violated the law requiring secrecy; that all of its executive staff, except the Director, is civil service; that the present Director, although a Democrat, has spent 40 years in the service, rising from a clerkship to the top; that he received most of his promotions during administrations of your own party; that he became Assistant Director during the administration of President Hoover; that even now our Assistant Director is a Massachusetts Republican, and that our chief statistician for population, who entered the service 30 years ago during the Taft administration, and the man who probably has had more to do in framing the income questions than any other man, is a Maine Republican.

7. Please be fair enough to admit that if there is any justified criticism over the manner of selecting local enumerators, such correction would be a responsibility of Congress, and that all censuses except one since 1870 have been conducted by a field force selected by your own party. I appeal to you in this manner because the quality and completeness of these 10-year surveys are of vital interest to men and women of all parties. They cannot be completely successful without public cooperation and to arouse public resistance through incorrect statements and improper implications is taking a desperate chance with public welfare.

With a sincere desire to have your cooperation rather than your opposition, I appeal to you to join in making the 1940 census successful. I appeal to you without any resentment for what has happened for I realize that to err is human; to forgive divine.

Respectfully yours,

WILLIAM L. AUSTIN, *Director.*

Frances Willard Centennial Total Abstinence Society

EXTENSION OF REMARKS

OF

HON. MORRIS SHEPPARD

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

LETTER FROM ARTHUR CHARLES JACKSON

Mr. SHEPPARD. Mr. President, I ask that there be incorporated in the Appendix of the RECORD a letter to me from Mr. Arthur Charles Jackson, president of the Frances Willard Centennial Total Abstinence Society.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE FRANCES WILLARD CENTENNIAL
TOTAL ABSTINENCE SOCIETY,
Washington, March 20, 1940.

MY DEAR SENATOR: Eight years ago I called your attention to the fact that Portland, Maine, is known to a million teachers, and other millions of young and old, as the birthplace of the world's best-loved poet, Longfellow; that it was the birthplace of the Christian Endeavor Society, which now has more than 7,000,0000 members in 80,000 unions in all parts of the world; and this past year the birthplace of the Frances Willard Centennial Total Abstinence Society, observing Frances Willard day in Statuary Hall on the anniversary of her death.

Today, March 20, is the one hundred and thirty-sixth anniversary of the father of prohibition—Gen. Neal Dow—also born in Portland, and regarded by students and well-wishers of humanity everywhere as one of the greatest benefactors of the human race.

The Portland Historical Society and the International Longfellow Society have placed a tablet upon the home where he was born, and hope that in the near future a suitable monument will be provided both for the city of his birth and for the Nation's Capital.

Peace, prosperity, and good will will become more abundantly the common lot of all when the lives of such Christian Endeavorers as Longfellow, Frances Willard, and Neal Dow are emulated by young and old.

Let us believe that every child of God, of whatever age, race, or religion, should have a right to life, liberty, and the pursuit of happiness, unmenaced and unpolluted by the frightful evils of the liquor traffic—a traffic regarded by millions of Christian men and women all around the world as one of, if not the deadliest, enemy of the human race.

Most sincerely,

ARTHUR CHARLES JACKSON,
President.

Shall This America Pass?

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

EDITORIAL FROM WHEELING (W. VA.) INTELLIGENCER

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Wheeling Intelligencer of March 14, 1940, entitled "Shall This America Pass?"

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Wheeling (W. Va.) Intelligencer]

SHALL THIS AMERICA PASS?

On March 11, 1910, the first pay of the Phillips Sheet & Tin Plate Co. was distributed. It totaled $3,200, representing wages for the first 2 weeks of the company's existence.

That was the beginning of Weirton Steel.

When the thirtieth anniversary of this event rolled around the other day, another 2-week Weirton pay was distributed. This pay roll was $2,021,757.

There, in a nutshell, is the story of American industry under the system of free individual enterprise which made this country great.

It is the story of America itself—the land of opportunity; the land where no man wears another man's collar; where a man's achievements are limited only by his will and character and intelligence and energy and industry.

That is, it is the story of the America we have known until now. For the America dramatized by the epic of Weirton is under fire and has been since 1933.

We are told that the E. T. Weirs of this country are in reality its public enemies. They are held up to scorn as "economic royalists." We are told that they have cornered the land's wealth by trampling on the necks of the underprivileged; that, therefore, they must be curbed and restrained and their wealth seized by a benevolent government and divided among the poor. So we have restrictive laws hemming in and harassing business on every hand. We have confiscatory taxation to pay for a swelling army of bureaucrats and a wastefully administered system of public relief. We have governmental control and invasion of more and more fields of private activity. Finally, we have, emanating from the seat of government itself, the doctrine that pump priming is no

longer a temporary expedient for the stimulation of activity; that, as permanent policy, the Government must invest more and more funds in constructive enterprise, and take over the direction of a "planned economy." We are told that the old order is outmoded; that it belongs to the "horse and buggy" age and must be supplanted.

In short, we have taken a long stride toward a collectivist state; toward, to speak bluntly, plain, unvarnished socialism.

Is that what we want?

Let's see:

When E. T. Weir, his late brother, and the handful of associates who launched the Weirton enterprise started, they had nothing to go on but the attributes God had given them, developed in the hard school of personal experience. From these materials they fashioned the present Weirton enterprise.

Now, who has profited from their careers? Let's take E. T. Weir, the guiding genius of Weirton. Mr. Weir can wear only one suit of clothes at a time. He probably eats less food than the average mill hand he employs. He can ride in only one automobile. And our guess is that he works harder than anybody in his company. In other words, he gets relatively little more out of Weirton than do thousands of others. His mode of living doesn't differ greatly from that of the average American citizen.

The point we are trying to make is that the fact that E. T. Weir has accumulated wealth doesn't mean that he consumes that wealth himself. The property he controls, the wealth invested in his name, go to providing a living not alone for the families of the thousands of men employed directly by Weirton Steel but the thousands of others involved in supplying and servicing Weirton—workmen in ore mines, in coal mines, on railroads, on highways, in fabricating plants—in countless other places. In short, the intelligence and energy and vision and executive ability which built Weirton Steel have created a vast amount of wealth which is helping sustain many thousands of people.

The country is richer, the people better off because of E. T. Weir and the economic and political system which made his career possible.

Let's look at the other side of the picture.

Let's suppose that the Government, in the interest of humanity, confiscated the Weirton Steel Co. tomorrow. Let's suppose Mr. Weir's personal wealth were seized and divided up among the poor, and somebody like Tom Corcoran or Harold Ickes put in charge of the mills. How far would this wealth go? How long do you suppose the property would hold together? How long would there be a $2,000,000 pay roll to distribute every 2 weeks? And what would happen to the thousands of families that have been living comfortably from Weirton Steel?

Let's suppose the Government always had controlled the steel industry. Do you believe that industry would have been as far advanced as it is today or that as many people would have profited from it as has been the case?

Weirton Steel is but a single example in the great industrial and business structure of America. What is true of it is true in greater or lesser degree of countless other enterprises. They are the product of free initiative. They are what made this country what it is.

You may believe it an exaggeration to say that all of this is threatened, but the fact is there nevertheless. The New Deal is essentially collectivist. Socialism is the inevitable end of the current governmental trend. It is written in every New Deal act, stamped on every official move. The paralyzing influence of governmental invasion already presses heavily upon the land.

We have but two choices—to go ahead with this program or to turn back.

To go ahead means to keep the present regime in power. To turn back means to clean house in Washington. And 1940 may be the last opportunity we will have to do this job.

Think it over.

Costs of War

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE SUNDAY OREGONIAN

Mr. McNARY. Mr. President, I ask to have printed in the Appendix of the RECORD an article which appeared in the Sunday Oregonian of March 17, 1940, entitled "Unbearable Costs."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sunday Oregonian of March 17, 1940]

UNBEARABLE COSTS

In the concluding chapter of Capt. Lowell M. Limpus' recent book, Twentieth Century Warfare, it is stated that in Caesar's time it cost only 75 cents to kill a man. During the Napoleonic wars, as a result of modern methods, the cost had gone up to $3,000 a man. In the American Civil War it had risen still further, to about $5,000. Then came a still more rapid mechanization, and in the World War the cost was at approximately $21,000—dead, 8,538,315; expense, $180,000,000,000.

Now—even if there should be real fighting on the western front—it is estimated that the cost per death will be in the neighborhood of $50,000. So, as Captain Limpus puts it, "it will cost as much to kill a single pollu on the Maginot line as it would have cost Pompey or Marius to dispose of 50,000 foemen.

General Mannerheim, in his radio address to the army after the armistice, fixed the losses at 200,000 for the Russians and 15,000 for the Finns. At $50,000 per man, that would mean the war bill is $10,750,000,000. It probably is lower, but only because of the great lethal efficiency of the Finns and the eagerness of the attackers. Certainly the Russians spent a great deal more than $50,000 for each defender who was slain; and probably in normal war, fought with modern machinery and numbers, the estimate of Captain Limpus will prove to be fairly accurate.

And considering a normal war on a large scale, what do all these figures add up to? What do they total? That should be obvious. They total bankruptcy for mankind. Nothing more—nothing less—exactly that.

Europe was bankrupt after the last war, and was only partially pulled out by the reserve strength of the United States, the overseas empires of Britain and France, the unexploited state of Russian resources, and the general fact that the outside world was less deeply involved than Europe. Today some of these strengths remain, at least in part. But it is possible they cannot hold up the structure again, even so inadequately as last time. So it is quite probable that if the cry of havoc spreads, and the nations really turn loose the dogs of war, there will come economic confusion such as we, still going our quiet ways, cannot now conceive.

Committee on World War Veterans' Legislation

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1940

Mr. RANKIN. Mr. Speaker, on yesterday the Committee on World War Veterans' Legislation reported a bill to compensate widows, orphans, and dependent parents of veterans of the World War.

Already there seems to be a barrage of propaganda and of misrepresentation going the round with reference to this proposed legislation. But I want to assure the House that we did the very best we could. We followed precedents set by the Congress in passing similar legislation with reference to dependents of veterans of the Civil War and of the Spanish-American War.

Newspapermen who are attacking this measure are evidently doing so without knowledge of its contents. I am sure that if they will read it carefully they will find that it contains safeguards against the very dangers of which they complain, since it limits the payment of compensation to widows who have no children by the veteran to the ones who were married to him during the war.

In my humble opinion, this measure will not cost one-third the amounts now being given as estimates, but it will take care of many needy dependents of deceased veterans.

One thing this proposed legislation has done—it has rediscovered Raymond Moley. Remember Raymond? He used to be what Westbrook Pegler calls a literary sharecropper here around Washington. That is, he wrote on the halves.

He is now a tenant at sufferance on the pay roll of News Week, one of these sawed-off magazines that are now crowding the parking space at the newsstands. In it he recently attacked me personally for having introduced certain bills at the request of the various veterans' organizations.

After having read his attacks on President Roosevelt, of course, I would not be surprised at anything he would say about anybody else. I am reminded of a little nursery rhyme which goes something like this:

The Saviour had his Judas Iscariot,
Who posed as meek and lowly;
But Washington had his Benedict Arnold,
And Roosevelt had his Moley.

Mr. Speaker, I want to assure the House that the members of the committee and the veterans' organizations have worked diligently on this matter in their conscientious efforts to do justice to all concerned. This measure does not go as far as many of us would like to go, but taking all factors into consideration, it was the very best we could do. Of course, it is subject to amendment.

Under permission granted me to extend my remarks in the RECORD, I here insert a copy of the bill, which reads as follows:

A bill (H. R. 9000) to provide more adequate compensation for certain dependents of World War veterans, and for other purposes

Be it enacted, etc., That part III of Veterans Regulation No. 1 (a), as amended, is hereby amended, by adding a new paragraph, IV, thereto to read as follows:

"IV. (a) Subject to the income limitation of part III, paragraph II hereof, as amended, the surviving dependent widow as hereinafter defined, child, or children, and/or dependent mother or father of any deceased person who served in the active military or naval service during the World War, and whose service therein was as defined by part III, paragraph I hereof, as amended, shall be entitled to receive compensation at the monthly rates specified next below:

"Widow but no child, $20; widow and one child, $28; widow and two children, $34 (with $4 for each additional child); now widow but one child, $12; no widow but two children, $18 (equally divided); no widow but three children, $24 (equally divided) (with $3 for each additional child; total amount to be equally divided); dependent mother or father, $20; or both, $15 (each).

"(b) As to the widow, child, or children, the total compensation payable under this paragraph shall not exceed $56. Where such benefits would otherwise exceed $56, the amount of $56 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

SEC. 2. For the purpose of payment of compensation under the provisions of this act, the term "widow" shall mean a woman who was married prior to July 3, 1921, to the person who served; or who was married prior to May 13, 1938, to the person who served, provided a child was born of such marriage: *Provided*, That the provisions of section 3 of the act of May 13, 1938 (Public, No. 514, 75th Cong.), insofar as they are not inconsistent with the provisions of this act, shall govern the determination of eligibility of a widow for benefits under this act.

Foreign Silver Purchases

EXTENSION OF REMARKS
OF
HON. HARRY FLOOD BYRD
OF VIRGINIA
IN THE SENATE OF THE UNITED STATES
Friday, March 22 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE WASHINGTON DAILY NEWS OF MARCH 21, 1940

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial from the Washington Daily News of March 21, 1940, paying a well-deserved tribute to the Senator from Delaware [Mr. TOWNSEND] for his effort in having presented to the Senate certain silver legislation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of March 21, 1940]

SILVER TAKES A LICKING

"Silver," according to ex-Senator Gore, "has all the attributes of money—except value."

The Senate Banking and Currency Committee seems to have come around to Mr. Gore's view. Yesterday it voted, 14 to 4, to endorse Senator TOWNSEND's bill ending our purchases of foreign silver. And high time, say we.

The Treasury has been shoveling out good American dollars in return for all the world's silver—new silver out of the ground, old silver out of strongboxes and jewel cases, and rainy-day hoards. And it has been paying much more than the metal is worth.

Why? We don't need it. All Mr. Morgenthau does with this foreign metal is bury it. He could never sell it, in a free market, for anything like what it cost him.

True, this Santa Claus policy of ours is "good for foreign trade." It would also be good for foreign trade if at intervals we simply gave away a billion dollars abroad, first come first served.

To stop our foreign silver purchases will be to step on some toes. Mexico's, for instance. Mexico is the world's biggest producer of silver. Under the law now facing repeal we subsidized Mexico by buying the output of its mines. And what does the "good neighbor" get in return? A kick in the pants.

Chairman Eccles, of the Federal Reserve System, who comes from an important silver State, Utah, said a year ago that "When you buy the world's silver you tend to destroy the use of silver elsewhere in the world." That is just what has happened.

Mr. Eccles added, "The only use we have for silver is to make more excess reserves, which are already excessive, and more bank deposits, which also are already excessive."

In other words, the silver policy is a carrier for the germ of inflation.

It looks now as if Senator TOWNSEND's one-man crusade for repeal is going to be a winner. We hope so.

The Government's Obligation to the Farmer

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES
Friday, March 22 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. ARTHUR CAPPER, OF KANSAS

Mr. CAPPER. Mr. President, I ask unanimous consent that there be printed in the Appendix of the RECORD an address delivered by me over the Columbia Broadcasting System on March 19, 1940, on the subject The Government's Obligation to the Farmer.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Friends in the radio audience, some 10 days ago three well-known Americans went on the air and told the American farmers of the friendship of the present administration for the American farmer.

The three men were President Franklin D. Roosevelt, Secretary of Agriculture Henry A. Wallace, and Postmaster General James A. Farley. Mr. Farley also is chairman of the Democratic National Committee. The country was assured that the broadcast was nonpolitical in nature.

The record does not exactly bear out that assertion, but I suppose that in a campaign even a President, a Secretary of Agriculture, and a Democratic national chairman may be excused for taking advantage of a more or less imaginary anniversary to spread some political propaganda.

This week the Senate is debating and will pass a bill appropriating approximately $1,000,000,000 for the relief of the American farmer.

I say that when it is necessary for the Federal Treasury to contribute a billion dollars annually to the farmers of America, that is a pretty certain sign that the American farmer is not prosperous.

And when we consider also that the Secretary of Agriculture himself says that the American farmers' income for the past 10 years has averaged $2,000,000,000 a year less than his services to the consumers of the country entitled him to receive, I say that is another sign that the American farmer is not prosperous.

The American Farm Bureau has issued a statement that instead of appropriating $200,000,000 for parity payments, as voted by the House of Representatives, the Congress ought to appropriate $700,000,000 to take care of the producers of five farm crops alone—cotton, wheat, corn, tobacco, and rice.

The New Deal has had 7 years to work on the farm problem—and the best it can produce is the fact that subsidies from the Federal Treasury running close to a billion dollars still leave the American farmer underpaid at least a billion dollars a year.

I say that a farm program which calls for a billion dollars a year from the Federal Treasury to partly make good the American farmer's annual deficit of $2,000,000,000 a year as his share of the national income is nothing to hold an anniversary celebration about.

When the Senate gets through with the agriculture appropriation bill, it will take up a proposal to extend the Reciprocal Trade Agreements Act for another 3 years.

Between the agriculture supply bill and the proposed extension of the Reciprocal Trade Agreements Act, we have an illuminating picture of what the New Deal has done for the American farmer.

Now, I am not criticizing the good intentions of President Roosevelt, nor of Secretary Wallace. I have a high regard for the intentions of both of them. I have a great liking also, personally, for genial Jim Farley, but I must say I don't know exactly where he gets a ticket as either a farm expert or as the farmer's friend. But I suppose they felt it was necessary to bring the Democratic Party into the 1940 picture some way. The President wanted to talk to the farmers as President rather than as a possible Democratic candidate for reelection, and Henry Wallace didn't want to make a partisan speech. So Jim Farley was brought in to remind the farmers that President Roosevelt and Henry Wallace, and their deeds, are hooked up some way with the Democratic campaign in this year 1940.

I say I give both President Roosevelt and Secretary Wallace credit for good intentions—the kind of good intentions that have paved the road to a place where the American farmer operates at an annual loss, according to Secretary Wallace himself, an annual loss of some $2,000,000,000 a year; to a place where 26 big insurance

companies own more than one-half billion dollars worth of farm lands, all acquired by foreclosure; where the farmer is getting only 40 cents of the dollar the consumer pays for food, whereas he used to get 53 cents of that dollar; to a place where he has to depend upon subsidies from the Federal Treasury to keep himself and his family alive and on the farm.

My friends, much as I admire and like and respect the very fine qualities of mind and character that are Henry Wallace's, I must say to you, regretfully and sadly, that the New Deal has failed to solve the farm problem.

I do not say it has not helped some farmers. The things done in the past 7 years have done more than that. The benefit payments, the conservation payments, the parity payments, the commodity loans, the subsidization of exports of surpluses and purchases of surpluses for relief distribution, lower interest rates—these have saved thousands of farmers from being foreclosed off their farms and from going on relief rolls.

But while I am glad that farmers have been helped, the fact remains that the farm problem has not been solved, and cannot be solved, by such methods.

The New Deal was going to restore parity prices for major farm products in the United States. Even after paying out $500,000,000 in soil-conservation payments; after spending $200,000,000 a year to dispose of surpluses at home and abroad; after expending $150,000,000 through the Farm Security Administration; after lending hundreds of millions in commodity loans—after all these expenditures from the Public Treasury, almost three-quarters of a billion dollars more annually would be required to bring parity income to American farmers, we are told by the American Farm Bureau.

My friends, I ask you in all seriousness, Is that a result which justifies an anniversary celebration at which the genial Democratic national chairman appears as the bearer of gifts to the American farmer?

I am reminded of an old saying—

"Beware of the Greeks bearing gifts."

As I remember the story, at the seige of Troy the Greeks made a gift to the Trojans of a huge wooden horse. Why the Trojans accepted the gift horse I never have quite understood. But they did, and gave it a place of honor in the public square. And after dark, Greek soldiers came out of the body of the wooden horse, and opened the gates of Troy to the enemy outside.

My friends, we might take a lesson from ancient history—

"Beware of the Greeks bearing gifts."

Gifts from the Federal Treasury, I say to you, are not the answer to the farm problem.

It is true that until we find the answer, the subsidies from the Treasury will continue. We cannot afford to ruin agriculture entirely.

The reason I am supporting these payments from the Treasury is this: Because the national farm program is a failure; the Treasury of the United States has to be drawn upon, or our entire economic structure will collapse.

The New Deal was going to restore the foreign market for American farm commodities through the reciprocal-trade agreements. The American farmer also was promised that these agreements would not take away his American market.

Now, what has been the result?

Well, I will tell you in a few brief sentences, stating facts from the record, and allow you to draw your own conclusions.

The Trade Agreements Act has been in effect 5 full years and a few months over.

I am going to give you the figures for those 5 years, compared with the 5 years immediately preceding the 5 years of the trade agreements.

These figures are taken from the record, my friends—from the record as reported by the Bureau of Agricultural Economics of the Department of Agriculture. I have presented these figures in the American forum of the air, where a panel of Congressmen supporting the trade agreements had every opportunity to dispute them, and did not dispute them. I have presented these figures to the Senate of the United States, and they have not been disputed. They cannot be disputed. They are the official record, part of the record on which the New Deal must justify itself to the farmers of America in the coming campaign.

Now the Bureau of Agricultural Economics in the Department of Agriculture, in its records of exports and imports of farm products, makes a division between imports that are competitive, and those that are noncompetitive with the commodities produced on American farms.

Noncompetitive products are those such as rubber, coffee, bananas, and other things that are not produced in marketable quantities—or not produced at all—in the United States. Competitive products are those which can be supplied the American market by the American farmers. This division is made by the experts in the Department of Agriculture, not by me. These figures are from the reports of the Department of Agriculture—I did not make them up; I did not compile them. I just pass them on to you for whatever they may be worth.

But I will say that they are highly significant.

The reports of the Bureau of Agricultural Economics show that during the 5 years preceding the trade agreements—ending June 30, 1934—the average annual imports of competitive farm products was $495,395,000. Keep that figure in mind—$495,395,000.

For the first 5 years of the trade agreements the average annual imports of competitive farm products into the United States was $616,149,000. I repeat the figure—$616,149,000.

During the 5 years of the trade agreements imports into the United States of competitive farm commodities have averaged, annually, $120,754,000 more than in the 5 years before we had the trade agreements.

That is an increase of 25 percent.

Yes, the trade agreements have helped farmers to the tune of $120,754,000 a year, but the help has gone to farmers of foreign lands, not to the farmers of America.

How about the imports into the United States of noncompetitive farm commodities? These have decreased from an average of $574,143,000 annually during the 5 non-trade-agreement years to $536,933,000. This is a decrease of $37,210,000 annually, or 7 percent.

How about exports of American farm commodities out of the United States to foreign lands?

Well, in the 5 non-trade-agreement years—and these include 1931, 1932, and 1933—the exports of American farm commodities averaged $982,593,000.

For the 5 trade-agreement years the average annual exports from the United States of American farm commodities amounted to $784,244,000.

Exports of American farm products averaged $184,389,000 a year less under the trade agreements. This is a decrease of approximately 20 percent.

Here, in a nutshell, is the result so far of the trade agreements so far as the American farmer is concerned.

Under the trade agreements, imports of competitive farm commodities increased 25 percent, imports of noncompetitive farm products decreased 7 percent.

Under the trade agreements, exports of American farm commodities decreased 20 percent.

In other words, farmers of foreign lands increased their sales in the American market 25 percent; at the same time the American farmers lost 20 percent of their foreign markets.

Yes; the New Deal trade agreements have helped the farmers—trouble is they have helped the foreign farmers, not the American farmers.

Another thing. In dealing with the farm problem contradictory programs have been in effect.

On the one hand we have Secretary Wallace subsidizing American farmers to reduce production on American farms. On the other hand, we have Secretary of State Hull subsidizing foreign farmers to produce more on foreign farms for the American market.

I say those two programs, working against each other, just do not make sense.

Now, I always have been opposed to making a political football of the farm problem. I have not played partisan politics on the farm question. My record shows that plainly enough. I have supported farm legislation that was opposed by a Republican President; I have supported loyally farm legislation sponsored by a Democratic President. I have voted always for whatever legislation came before the Senate for the purpose of helping agriculture, without regard to whether it was proposed by Republicans or Democrats, when I was convinced it would help the farmers.

But I must say that President Roosevelt, in my judgment, did not help the situation any a week ago Friday when he placed the blame for the farmer's ills on the policies of the 10 years preceding his New Deal administration. A comparison of those 10 years with the 7 years of the New Deal, since he has invited that comparison, does not indicate that the New Deal has been successful so far as agriculture is concerned. I am not going outside the field of agriculture in my discussion tonight.

Again I must go to the record. Summarized, here is the record:

In the 10 Republican years to which he referred, cash farm income averaged $9,392,000,000 a year, for the 7 New Deal years the average has been $7,247,000,000, or $2,000,000,000 a year less.

Average annual income per farm in the decade before the New Deal was $1,483; for the New Deal years it has been only $1,062. If those 10 years were bad for the American farmer, what word can I use to describe his plight under the New Deal?

As I have said before, I am not criticizing nor impugning the intent and objectives of the New Deal attempts to help agriculture. I am not saying that Secretary Wallace has not devoted himself untiringly, unselfishly to trying to help the American farmer.

But I do say that, measured by its announced objectives, the New Deal farm efforts have failed.

One objective was to rid us of the problem of burdensome surpluses. Now there is more surplus wheat, more surplus cotton, more surplus corn in the United States today than when the New Deal started its many programs.

Another objective was to restore parity prices—only beef cattle have been selling at parity prices, and the New Deal program left the cattle industry outside its sphere of helpfulness. The outbreak of the European war was followed by some rise in farm prices. But at the time the war broke wheat was selling at 51 percent below parity, cotton was 44 percent below parity, corn was 43 percent below parity, and so on through the list of farm commodities.

In line with this was the objective of restoring parity income to agriculture. Secretary Wallace himself, in published statements and before congressional committees, has admitted repeatedly that farm income is $2,000,000,000 under parity.

Now, suppose we take a look at this matter of parity prices and parity income. What parity means, under the definition made by Congress in writing the Agricultural Adjustment Act, is that the purchasing power of farm commodities, in terms of commodities farmers buy, will be the same as it was during the base period 1910–14.

This 1910–14 yardstick was selected by Congress on the assumption that farm and city income were relatively in balance during

that period; that in those years farm commodities flowed freely to the cities and city goods flowed freely to the farms.

What is the situation today? Secretary Wallace himself told the Senate Finance Committee, of which I am a member, when he appeared before us a few days ago. Prices the farmer receives are so low, compared to prices he has to pay, that his purchasing power is about three-fourths what it was in that base period, 1910–14.

Let me illustrate what I mean. There is a mail-order house that issues catalogs. We folks in the Farm Belt get those catalogs. The prices listed in them tell the story as well as it can be told and in language which I believe anyone can understand. We just compare those prices paid with prices received by farmers for their products. Here are some facts:

In January of 1913 a farmer could buy 100 pounds of eightpenny nails with what he received for 31 pounds of hog. In January this year it took 70 pounds of hog to buy 100 pounds of eightpenny nails—more than twice as many pounds of hog. If he tried to pay with cotton instead of hogs, it took 36 pounds instead of 17—again more than twice as much. In terms of beef, the 100 pounds of eightpenny nails cost 53 pounds instead of 39; in terms of wheat, 3.3 bushels instead of 2.4 bushels.

Suppose the farmer buys a 2-row check corn planter. In 1913 he could have bought it with 258 pounds of cotton, in 1940 it took 653 pounds; with 168 pounds of wool in 1913, 235 pounds in 1940; 579 pounds of beef in 1913, 956 pounds in 1940; 460 pounds of pork in 1913, but 1,268 pounds of hogs in 1940; for 63 bushels of corn in 1913, but 124 bushels in 1940; 40 bushels of wheat in 1913, but 78 bushels in 1940.

In 1913, 5.8 pounds of cotton would buy a pair of overalls; the same overalls this year would take 9.6 pounds of cotton. It took 10.3 pounds of hog in 1913 to buy this same pair of overalls; today, 18.7 pounds. The wheat grower could buy these overalls in 1913 with the proceeds from the sale of nine-tenths of a bushel of wheat; this year it would take 1.15 bushels of wheat. The corn grower could buy the overalls in 1913 with 1.4 bushels of corn; 1.8 bushels in 1940. Even the cattleman, better off today than most of his farm neighbors, would have to give 14.1 pounds of beef to buy a pair of overalls that he could have got in 1913 for 13 pounds of beef. How can the farmer succeed when what he buys costs twice as much as what he sells?

My friends, I believe I can tell you why the New Deal farm program has failed, just as its attempts to solve the unemployment problem have failed.

What is needed is cooperation of Government, finance, industry, business, agriculture, labor. What we have got is the separation of finance, industry, business, agriculture, and labor into pressure groups fighting each other.

I am more and more convinced that the farm problem, the unemployment problem, and the business problem of the United States cannot be solved by attacking each separately. Certainly not by these groups fighting each other. United we stand, divided we fall.

And I am certain that we cannot attain national prosperity by reducing the production of our farms, by reducing the production of industry and thereby of labor, and through doing less business.

In other words, the program of scarcity will not work. It cannot work. We ought not to try to make programs of scarcity our objective.

What we must have is more abundant production.

But, and I say this with full comprehension, that it justifies, from a short-range viewpoint, the attempts of the New Deal to formulate a national farm program.

I say also that business and industry and finance and labor cannot expect to have the farmer produce in abundance while they are producing in scarcity. Temporarily the other elements in our national economy may appear to have the advantage of the farmer when they can hold down the production of the things the farmer must buy and thereby increase the prices they receive for what they have to sell, while the farmer's surplus production forces down the prices on the foodstuffs and other commodities these groups get from the farmer. In the long run they will suffer, as they are suffering today, from the destruction of the farmer's purchasing power.

We are not going to solve the farm problem, nor the unemployment problem, nor the problem of business by short-cut methods. I think that is a fundamental fallacy in the attempts to date. The farm program, the relief rolls, and the efforts to prime business have attempted to short-cut the answer by dealing with effects instead of causes.

I do not claim everything done by the New Dealers is wrong; but, no matter how good their intentions, the results to a great extent are failure, doubt, and confusion throughout the Nation.

The farmers are in a terribly confused situation, and there isn't any easy way out. It means that we will all have to join hands and each do his part all along the line. We will all have to be more efficient producers and more economical producers.

If we can find a way to put the unemployed back to work—and I believe that job can be done—confidence will be restored. If confidence is restored, I am sure jobs would be forthcoming for everybody who wanted to work and who could work, and they could find jobs. That would make a big market at home, which we do not have now, for our surplus raw material and manufactured products—a much bigger market than we are going to be able to find abroad. Now, I am not narrow enough to believe that we have not got to broaden our foreign trade as well. We want all the foreign trade we can get, but I am not in favor of making the farmers pay the bill.

As I see it, the answer will be obtained by simpler, but more difficult, methods. The easy way out is for Congress to appropriate some money or to pass another law giving some group a special advantage. The hard way is the one we are going to have to adopt, unless we want to face a still harder way.

I think we have reached the place where we must choose between cooperation or regimentation.

There still is time for government, finance, business, industry, agriculture, and labor to get together on a give-and-take business and work toward a system of free exchange of goods and service in the United States; for the lowering of trade barriers between the United States and other nations and among the other nations.

We are going to have to tackle these various group problems as parts of one national problem. If groups involved do not cooperate, I can see the time coming when we in the United States will get the other alternative—regimentation, with strict Government control and regulation of every business and every person.

As for me, I prefer cooperation to regimentation. And that is the position of the Republican Party today, as anyone can discover by a careful reading and analysis of the Glenn Frank report.

Now, getting back to the farm problem specifically:

I do not favor trying to undo, nor to cease doing, all the things that have been done in the past 7 years.

The soil-conservation program is basically sound, but the machinery of operation is unwieldy, costly, and too much centralized as to control. It must be kept, and simplified, and improved as conditions warrant.

As long as business and industry, through tariff protection and other price-raising devices; as long as labor, through bargaining contracts and other wage-lifting devices, compel farmers to buy on high-price levels while selling on low-price levels—just that long we will face parity payments, commodity loans to raise price levels, subsidization of sales of surplus commodities at home and abroad. All these are attempted short cuts to equalize advantages that organized industry and organized labor, both measurably controlled as to quantity production, have obtained over an agriculture that is unorganized and uncontrolled as to quantity production.

I say again we face a choice—cooperation or regimentation.

Purchase of Foreign Silver

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE WASHINGTON POST OF MARCH 22, 1940

Mr. McNARY. Mr. President, I ask to have printed in the RECORD an article from the Washington Post of March 22, 1940, entitled "Mexico Won't Like It."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 22, 1940]

MEXICO WON'T LIKE IT

Senator TOWNSEND's energetic campaign to put a stop to Government buying of foreign silver has borne fruit. By a vote of 14 to 4 the Senate Banking and Currency Committee has reported favorably on his resolution to that effect, despite Secretary Morgenthau's reported opposition to discontinuance of the buying program at this time. Because of the emphatic character of the committee's endorsement, chances of passage of the Townsend bill seem decidedly improved.

The economic arguments in favor of abandonment of the purchase of foreign silver at artificially high prices are too well known to require repetition. Our acceptance of silver on highly favorable terms for the seller certainly supplies other countries with dollar exchange and thereby enables us to export goods that otherwise might not be bought. Nevertheless it is a very poor exchange from our viewpoint to give up valuable goods in return for an overvalued metal of which we already have a superfluity.

It is also true that withdrawal of the market support for silver afforded by Treasury purchases would mean a drop in the world price of silver, with consequent shrinkage in the estimated value of our silver hoard. But such price declines will come whenever we suspend purchases, and the longer we delay the greater the losses to be expected.

The chief sufferer from cessation of foreign-silver buying would be Mexico, the world's largest silver producer. Last year our purchases of Mexican silver amounted to $31,597,000. Recently we have been buying between $2,000,000 and $3,000,000 of Mexican silver monthly. These are very substantial sums which Mexico will undoubtedly miss if the Townsend bill should pass.

If the Mexican Government showed any disposition to grant return favors, or even to accord reasonably fair treatment to Americans with interests in the country, there would be regret over the incidental injury to this neighbor resulting from stoppage of silver

buying. But in view of Mexico's confiscation of American-owned railroad, oil, agrarian, and other properties, estimated to be worth over $1,000,000,000, our sympathies are dulled.

Perhaps loss of the benefits resulting from our silver buying might even cause Mexico to consider the advisability of making a few concessions in return for bounties received, and in the hope of more to come.

Slandering Kentucky

EXTENSION OF REMARKS

OF

HON. A. B. CHANDLER

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Friday, March 22 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE JACKSON (MISS.) DAILY NEWS OF MARCH 20, 1940

Mr. CHANDLER. Mr. President, I ask unanimous consent to have inserted in the RECORD an article appearing in the Jackson (Miss.) Daily News under date of Wednesday, March 20, 1940, entitled "Slandering Kentucky."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Jackson (Miss.) Daily News of March 20, 1940]

SLANDERING KENTUCKY

Well, here's a fellow who is just a gol-darned chump even if he is president of an organization with a highfalutin name.

A. L. Brandon, president of the National Association of Golf Course Superintendents, says that Minnesota bluegrass is better than Kentucky bluegrass for golf fairways; that it is sturdier, grows better, and stays green longer.

We don't believe a word of it, and right here is where we rush to the rescue and defy a slanderer of the fair name of the State of our forebears.

There is no bluegrass better than Kentucky bluegrass.

There are no women more beautiful than Kentucky women.

There are no horses faster than Kentucky horses.

There is no whisky better than Kentucky whisky.

There are no colonels more militant than Kentucky colonels.

There are no hams more luscious than Kentucky hams cured in the curling smoke of a slow hickory-wood fire.

There are no mint beds more luxuriant than the mint beds of Kentucky.

There is no tobacco better than the tobacco of Kentucky.

And all that goes, no matter who may doubt or dispute. We are ready at any moment to fight a duel on the subject.

John Nance Garner

EXTENSION OF REMARKS

OF

HON. TOM CONNALLY

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. MORRIS SHEPPARD, OF TEXAS, MARCH 23, 1940, AT WASHINGTON, D. C., ON JOHN NANCE GARNER

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address by my able colleague Mr. SHEPPARD, delivered over the radio on March 23, 1940, on the subject John Nance Garner.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Thirty-seven years ago, on March 4, 1903, a young Texan took his seat in the Congress of the United States. He was a young man in whom I was more than casually interested. Not only was he a fellow Texan, but he had been born in the congressional district which I represented in Washington, and had grown to maturity in that district before moving westward in search of broader opportunity. He found it in the far-flung land of promise along the Rio Grande in southwest Texas at Uvalde. After serving as county judge and then as a member of the Texas Legislature, he came to the Congress of the United States, and began a career of such distinction that it is unsurpassed by that of any other living American statesman.

I refer to JOHN NANCE GARNER, Vice President of the United States, and a candidate for the Democratic nomination for President.

The story of JOHN GARNER and his forebears is a saga of pioneer America. Nearly 100 years ago, while Texas was yet an independent republic, his grandmother, Rebecca Walpole Garner, having been left a widow with six children came from Tennessee and built her humble home on Blossom Prairie in Red River County, Tex. She had bundled her three sons and three daughters into a covered wagon, and with her own firm hands holding the reins, she had driven 700 miles toward the western horizon, until the broad expanse of Blossom Prairie in Texas opened before her eyes.

With the help of kinsfolk who had preceded her, she built her cabin, put in a crop, and reared her children. Her youngest son married the daughter of another pioneer family, and of that union JOHN NANCE GARNER was born in 1869. He grew up on the farm and was a good hand at all kinds of farm work. He studied at night and began to prepare himself for a public career. With little money but with an abundance of enthusiasm he left home when he was 19 to make his own way in the world. He studied law and was admitted to the bar in Clarksville, the county seat, and about 2 years later located in Uvalde.

When JOHN GARNER came to Washington a few years later he was already equipped with experience in both county and State governments in Texas, and his energy and ambition gave promise of the enviable reputation he was to acquire in the years to come. His native intelligence, his remarkable grasp of the fundamentals of government, and his rare comprehension of human nature and human needs caused him to become within a very few years one of the leaders in the Congress.

As his colleague in the House for 10 years, and later from my place in the Senate, I saw him advance through various stages of prominence in Congress until he became minority leader of the House and then Speaker of that body. During those 30 years—years of war and of peace, years of prosperity and of depression, years of hope and of despair—JOHN GARNER wrote into the political history of our country a record of public service which signalized him as Presidential material. His courage, his patriotism, his common sense were bulwarks of support for every sound and liberal principle of government through all these years. His leadership of the Democratic minority both in strategy and in debate in the Republican House elected in 1929 was one of the chief factors in the election of a Democratic House in 1931, the House of which he became Speaker.

When the Democratic National Convention was held in 1932, GARNER was strongly urged for the Presidency, a tribute to his achievements in the public interest. When a deadlock seemed imminent, he released his supporters in order to make possible the nomination of Franklin D. Roosevelt, an evidence of his ability to work unselfishly with his colleagues and associates.

During his service of 7 years as Vice President he has lifted that position from a place of virtual insignificance to one of influence and power second only to the Presidency. Probably never before in our Nation's history have the duties and responsibilities imposed upon American statesmanship been more exacting and more arduous than during the past 7 years. I do not believe it overstates the fact to say that GARNER has handled with consummate efficiency the biggest task that ever confronted a Vice President of the United States. It has been a task to test the stuff of which great leaders are made, and GARNER'S wisdom, patience, and political genius have marked him a leader among leaders. There is not a member of the Senate today, regardless of party, who does not respect him for the dignified conduct of his office, his unfailing courtesy, and his abiding sense of justice.

No Member of Congress has a record more liberal than that of JOHN GARNER. In 1905, toward the end of his first term in Congress, he introduced a graduated-income-tax bill in the House which was one of the first tax bills based on ability to pay. In 1913, as a member of the House Ways and Means Committee, he strongly advocated and was one of those responsible for writing into the Underwood tariff bill the first graduated income-tax provision to be enacted, and that was the beginning of our present income-tax system. He was the author of one of the first bills for a public-works program as a method of overcoming the depression. These and other liberal measures he introduced and stubbornly defended against the attacks of conservatives.

The distinctive feature of GARNER'S liberalism is that it is of the practical kind. His bill for public-works projects included the taxes to pay for those projects, because he has always believed that a government should live within its means. His efforts to promote the security and well-being of the workingman demonstrate a genuine sympathy with the masses. He opposed the sit-down strikes of a few years ago, because he believed that the interest of both labor and capital can best be promoted within the framework of the Constitution and with proper regard for law.

It is a significant fact that GARNER'S greatest usefulness to the American Government has derived from situations and circumstances which are not generally known to the people. Many do not know that few American statesmen possess the experience in international affairs which he has acquired in times of war and peace. Not only was a third of his 30 years in Congress devoted to service on the Foreign Affairs Committee of the National House of Representatives, but during the World War President Wilson often went to him as confidential adviser on matters pertaining to the enactment of war legislation. His keen insight into political problems, coupled with his modest yet frank and unassuming demeanor, have often caused him to be sought for confidential duties of the utmost importance—duties which he performed with fidelity and success, but without general public knowledge.

It seems that JOHN GARNER's whole political life has been devoted to quiet and unselfish service. Especially has that been true during the past 7 years, during which time, as Vice President of the United States, he has presided over the Senate. Publicly, he has been a Presiding Officer, casting few votes and participating in no debates. But privately, he has been the Democratic administration's able second in command, engineering much vital legislation through Congress, and holding liberal lines intact against every effort to frustrate the progressive program.

As a supporter of New Deal policies I desire to pay tribute to Vice President GARNER, whose ability and loyalty aided tremendously in translating those policies into realities.

Those of us in the ranks of Congress who have striven to enact the liberal program know how much the wise counsel and courageous leadership of JOHN NANCE GARNER has been responsible for the success achieved.

There have been times, of course, when GARNER's influence was that of restraint, but his occasional advice to make haste slowly was the result of his devotion to progressive aims and of his desire to avoid any error that might imperil them. His long experience and his calm, unerring judgment were a tower of strength during the years when a liberal philosophy of government was struggling for a foothold in the American system. To incorporate that liberal philosophy into the American system, without disturbing its basic fabric, has been a task to which the practical liberalism of JOHN NANCE GARNER has substantially contributed.

It should be obvious that the work of this administration ought to be perpetuated and that remaining liberal objectives should be attained. Clearly, then, the people should devote the most careful thought to the problem of choosing the one best qualified to succeed our present great President. What can be said to constitute such qualification? To my mind, the next President should be one who has been closely identified with the liberal program of the past few years, and who at the same time has had that length of experience in governmental affairs which alone can provide the perspective needed to orient that program into the basic ideals of American democracy.

If these are the qualifications that our next President should have, then those qualifications are possessed in a preeminent degree by JOHN NANCE GARNER. Elected on the same ticket with Franklin D. Roosevelt in 1932 and again in 1936, he has been a leader in the administration's program since its beginning. He has been loyal to its purposes and has contributed his skill and energy to their fulfillment.

I think it is frequently the case in political campaigns that the public mind is diverted from the fundamental issue, namely, the fitness of the man for the job. GARNER's whole career has been a training school to equip him for high governmental responsibilities.

Considering his long experience, his intimate knowledge of our Government, its legislative processes and its fiscal affairs, I doubt if there is another citizen of our great country better qualified for the Presidency than JOHN NANCE GARNER. Without question, from the standpoint of experience, as well as from the standpoint of his loyalty to the liberal program of this administration, JOHN NANCE GARNER is the ideal successor to the Presidency in 1940.

With his inborn straightforwardness and fearless candor, he has announced his candidacy without reference to the course anyone else may pursue or which may be pursued for anyone else. A candidacy of any other kind would be absolutely foreign to JOHN GARNER.

GARNER has run up his own flag, and under that flag he stands, a genuine and an individualistic American. Liberal in his political philosophy, conscientious and capable in his devotion to the public good, strong and alert in mind and body, temperate in all things, a man of unquestioned integrity and of unusual strength of intellect and character, JOHN NANCE GARNER looms today on the threshold of his greatest service to America.

Timber Resources of Vermont

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

LETTER FROM MR. R. M. EVANS, OF THE UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE

Mr. AUSTIN. Mr. President, farm wood lots and other privately owned commercial timberlands cover about 57 percent of the area of Vermont. They therefore constitute a subject of public importance. I requested detailed information from the regional forester, Mr. R. M. Evans, of the United States Department of Agriculture, Forest Service. I have obtained that information in a letter dated March 23, 1940, and I ask unanimous consent to have it printed in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D. C., March 23, 1940.

Hon. WARREN R. AUSTIN,
United States Senate.

DEAR SENATOR AUSTIN: It is a pleasure to enclose a copy of the annual report of the late Chief Forester, F. A. Silcox.

Vermont, as you know, has a real stake in forestry. Farm wood lots and other privately owned commercial timberlands cover about 57 percent of its area. The forest problem, involving the best management of these lands and the resources produced from them, is of direct interest to the owners. In addition, hundreds of industries, trades, and carriers, who use or handle wood and water in one form or another, are affected by the extent and profit with which supplies of forest raw materials are produced in the State.

Vermont's forest lands play an important part in the maintenance of income and of supplies of raw materials for forest-dependent communities, the protection of domestic water, the control of unseasonable stream flow through the State, the reduction of soil erosion, the maintenance or increase in productive capacity of land, and the alleviation of tax delinquency through good land-use planning.

Although Vermont timberland owners have made some advance in the adoption of sound forest practices, further safeguards are still needed if the State's economy is to continue to be favorably affected by her forests. Moreover, conditions in other States form a cumulative problem of national scope. In his last report Mr. Silcox points out that we have taken our forests for granted too long and are faced with a crisis that requires joint private and public action if we are to insure adequate resources to meet local and national social and economic needs. I believe you will be interested in the solutions he suggests through State and National aids in this problem which seems so great and fraught with so much national public interest that private effort alone may not secure the desired results.

In reviewing this report you will probably want to recall some of the cooperative work being done in Vermont by the United States Forest Service, such as the technical and financial aid available each year to your State forester for fire prevention and the production of forest planting stock. Also working with him, help is given private timberland owners in developing management practices designed to put their resources on a permanent and profitable basis. An outstanding example of such cooperation was the basic inventory of resources in Essex County, Vt., and Coos County, N. H., a prerequisite to management of the Forest Products Association, Inc., a cooperative of farm woodlot owners in these counties. In the interest of general forest improvement the Service cooperates in the supervision of the activities of eight C. C. C. camps engaged in forestry work in the State. It is also heading up the emergency timber salvage and fire hazard reduction work in the State.

The Green Mountain National Forest in Vermont comprises 160,494 acres of acquired land on which the resources are developed and managed under sustained-yield practices to permanently secure their benefits to local income and industry. On this area the Federal Government assumes full administrative and financial responsibility for forest-fire protection, relieving the State to that extent.

The Forest Service maintains and operates the Northeastern Forest Experiment Station, with headquarters at New Haven, Conn. This organization cooperates with State agencies in forest research. It operates a number of plots in Vermont, where studies in spruce, fir, and northern hardwoods are conducted to determine sound management practices suitable for New England. The station is also heading up water-control studies in New York and New England under the Flood Control Act of 1936. A detailed study to determine what measures are necessary for run-off and water-flow retardation and soil-erosion prevention is now under way on the Connecticut River and its sources.

If I can give you any further or more detailed information on the annual report or on the work of the United States Forest Service in your State, please call on me. I shall be very glad to do so.

Sincerely,

R. M. EVANS,
Regional Forester.

Agricultural Situation

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY FRED BRENCKMAN, WASHINGTON REPRESENTATIVE, THE NATIONAL GRANGE, WASHINGTON, D. C., MARCH 16, 1940

Mr. CAPPER. Mr. President, on March 16, 1940, Mr. Fred Brenckman, Washington representative of the National

Grange, delivered over the National Broadcasting System a very interesting radio speech on the agricultural situation. Since Mr. Brenckman speaks for one of the outstanding farm organizations in the Nation, and because of his known grasp of the problems of agriculture, I am sure that the Senate and the people of the country as a whole will be interested in his views as expressed in his speech. I therefore send a copy of the speech to the desk, and ask unanimous consent to have it printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In his syndicated column, which appeals daily in certain newspapers of the country, Gen. Hugh Johnson, first Administrator of the N. R. A., remarked some months ago that the farm problem had not been solved but that it had simply been postponed and intensified. Disagreeable as the facts in the case may be, we may as well face the situation realistically and admit that General Johnson spoke the truth.

While the effort has been to give agriculture price parity with the other groups in our national life, during the past 2 years the exchange value of farm products, compared with industrial commodities that farmers must buy, has been only about 75 percent of the level obtaining during the base period 1909–14. No industry could be expected to function very long under such a tremendous handicap and remain solvent. Instead of pursuing policies intended to reduce the spread or disparity to which I have alluded, the Government has deliberately followed the opposite course.

DECLINE IN FARM INCOME

In any event, notwithstanding all the efforts that have been made by the Federal Government during the past 7 years to improve agricultural conditions and notwithstanding the billions of dollars that have been appropriated by Congress for farm equalization payments or subsidies, the fact remains the cash income from farm marketings during the past 5 years was much lower than it was 10 years ago. During the 5-year period from 1925 to 1929, both inclusive, the cash income of agriculture averaged $10,220,000,000 annually. During the 5 years from 1935 to 1939 average cash receipts from farm marketings totaled $7,447,000,000 per year. From this it will be seen that with Government benefit payments excluded the farmer's cash income during the past 5 years fell $2,773,000,000 a year below the 1925–29 figure.

In making this comparison, it is important to keep in mind the fact that the population of the United States today is approximately 10,000,000 more than it was in 1929. If farm income had kept pace with the growth in population, the farmer's receipts from marketings would have been proportionately higher than they were 10 years ago.

It is true that the agricultural situation today is much better than it was in 1932, but it is scarcely necessary to say that 1932, when we were at the depths of a world depression of unexampled severity, was not a normal year.

In considering ways and means of restoring agricultural prosperity, it would be perfectly futile to place our reliance on political magic. Political magic has been tried on a colossal scale for 7 years and it has failed, just as it always does. It should also be recognized that since the farm problem is full of complexities, and since it constitutes a whole bundle of problems wrapped together, it cannot be cured simply by enacting a single piece of legislation. We must place our reliance on sound principles and we must exercise common sense.

The National Grange is very strongly of the opinion that one of the remedies that would work would be to give the American farmer the American market to the limit of his ability to supply it.

We are not impressed by the arguments that are being advanced by those who advocate the extension of the Trade Agreements Act for another period of 3 years. In considering the workings of the trade-agreements program from the standpoint of the farmer, it is proper to recall that in 1932, President Roosevelt gave assurances that tariff rates on agricultural commodities would not be reduced. In one of his addresses he said:

"I know of no effective excessively high-tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

However, the tariff has been reduced on approximately 200 items coming under the agricultural schedule. As we are all aware, the surplus problem has been the most difficult with which American agriculture has been faced since the close of the World War. It stands to reason that this problem cannot be solved, but it will be aggravated by importing foreign surpluses of competitive farm commodities and piling them on top of the American surplus.

The proponents of the trade-agreements program keep continually reminding us that if we want to sell to other nations, we must buy from them, and that trade is a matter of give and take. Nobody disputes the soundness of that proposition. But we must not lose sight of the fact that the United States has the biggest free list of any nation in the world. During the calendar years of 1938 and 1939, 61 percent of all our imports entered the country duty free. In view of this fact, it would seem that with the exercise of a little ingenuity and Yankee trading skill, we should be able to find an outlet abroad for some of our own surpluses without pursuing a policy which results in flooding our markets with commodities of which we already have more than enough. What advantage can there be in securing an export market if it is necessary to give up the American market in order to get it?

Persistent efforts have been made by the supporters of the reciprocal tariff program to convince the farmers of the country that they were being benefited by it and that our imports of agricultural products are so trifling as to render them inconsequential.

VAST ACREAGE DISPLACED BY IMPORTS

Nothing could be further from the truth. For the fiscal years of 1937 and 1938 our imports of competitive farm products averaged $537,198,000 annually. According to the Bureau of Agricultural Economics, the average acreage under cultivation in the United States during the years named was 341,475,000 acres; the average value of crops grown per acre was $16.02; and the acreage displaced by the competitive farm imports for the period under consideration was 33,533,000 acres per year. Does that seem like a small matter?

The value of all the crops grown in the great State of Texas during 1938 was only $302,957,000. For the State of Iowa the figure was $310,166,000. During 1938 the total value of all the crops grown in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and Virginia was only $533,014,000. It should be understood that these figures refer only to crops grown in the States named. Livestock products are not included.

The land on American farms that has been displaced by competitive imports is larger than the reduction in acreage that has been brought about since 1933 in connection with the corn- and cotton-control program. So it will be seen that while the Government, under the guise of soil conservation, is paying the farmers of the country approximately $500,000,000 a year to reduce acreage and production, under the trade-agreements program it is not only permitting but actually encouraging competitive imports of farm products valued at the same amount.

Moreover, we must not lose sight of the fact that our imports are priced on the basis of foreign costs. The import figures do not include the cost of transportation, insurance, and customs duties. If these were added, the total figures would be much higher.

It is also important to remember that competitive imports are always offered at a lower price than that which prevails at home. These imports place a ceiling, so to speak, on our price level, rendering it virtually impossible for domestic producers to secure prices commensurate with our higher cost of production and the American standard of living. In view of all these facts, it should be agreed that agricultural conditions would greatly improve if the American market were given more largely to the American farmer.

OUR ARMY OF UNEMPLOYED

One of the prime reasons for the depressed condition in agriculture during recent years has been our tremendous army of unemployed. It must not be forgotten that it takes purchasing power in the hands of the consumer to make and sustain farm prices. Those who are subsisting upon made work and those who are on relief are not as good customers of the farmers as would otherwise be the case. There is an interdependence between agriculture and industry that is fundamental and inescapable. They both go up or they go down together.

If the Government were to cultivate a more reasonable attitude toward our system of private enterprise, unshackling business and removing unnecessary restrictions, our army of unemployed would soon be reduced to small proportions and the better conditions that would ensue would be shared by agriculture in common with every other group.

Much of the legislation on our statute books is unseasoned and has had unsettling effects. For example, the Wagner Labor Relations Act, which was supposed to promote peace and understanding between labor and industry, has had the opposite effect. The supporters of the act blame this on bad administration.

Be that as it may, in 1937, the year of the sit-down strikes, there were 4,470 strikes called in the United States. The number of workers involved was 1,860,000, and the number of man-days of labor lost was 28,424,000, the highest on record. It is unnecessary to say that the losses and dislocations caused by these strikes were shared by agriculture and the Nation as a whole.

THE SCOURGE OF BUREAUCRACY

With further reference to the Wagner Act, a special House committee, headed by Congressman HOWARD W. SMITH, of Virginia, has been investigating the National Labor Relations Board, which administers this act. The testimony given at hearings shows that the Board has grossly abused the powers with which it has been vested. Its methods have been high-handed, arbitrary, and unfair. As an illustration, in questioning J. Warren Madden, chairman of the Board, the investigating committee learned that some time ago the Board made a ruling requiring a certain employer to hire two men and pay them back wages when these men had never been in the service of the employer before. This was done on the theory that the men had been refused employment by reason of their membership in a labor union. The back pay dated from the time when the men applied to the time when the Board made its ruling.

Under the act, if the men in question had been dismissed for union activity, it would have been legal for the Board to order their reinstatement, and the men would have been entitled to back pay if the Board had so ruled.

If any better way could be conceived to destroy our system of private enterprise than the ruling of the National Labor Relations Board in this connection, it is difficult to imagine what it might be.

The enactment of the Logan-Walter bill, which is intended to promote the more expeditious settlement of disputes between the Government and the citizen, and to put a check on the unbridled use of power by arbitrary bureaucrats, would have a sobering effect on such agencies as the National Labor Relations Board. The passage of this bill would provide a powerful stimulus to economic recovery and would go a long way toward reestablishing respect for the Government among the rank and file of the people of the United States. Those who hold public office must be given to understand that they are the servants of the people and not their masters.

THE BURDEN OF TAXATION

Excessive taxation is another factor that in large measure is responsible for many of our national ills, including unemployment. More than one-fifth of our total national income is required to pay the ever-mounting burden of taxation. In 1903 the per capita taxation, the theoretical amount which every man, woman, and child pays toward the support of government, was about $17. In 1922 the figure was $22.66. In 1938, the last year for which reliable figures are available, the per capita of taxation, including social-security taxes, was $107.51. At this rate the tax bill of an average family of four would be $430 per year. Is it any wonder that our system of private enterprise shows signs of bogging down when it is compelled to carry such an unreasonable load of taxation as this?

Nothing could be of greater importance than the correction of the economic maladjustments that are responsible for the present depressed condition of agriculture. There can be no such thing as genuine prosperity for the United States until we deal justly and fairly with those who produce the Nation's food supply.

Power Trust Declares War—In Oklahoma

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

Mr. RANKIN. Mr. Speaker, the Power Trust has now declared war against the United States.

I note Members on the Republican side applaud that statement vociferously. Perhaps some of them have enlisted for the duration of the conflict. So have I; but I am on the other side. I expect to continue this battle as long as I am in public life, or until we get electric energy to the people in every State at reasonable rates—rates they can afford to pay, rates based upon the cost of generation, transmission, and distribution.

Cicero once said of Cataline that he achieved his greatest victory over him when he succeeded in driving him from secret treachery to open warfare. We win our greatest victory over these monopolies, these selfish interests, when we unmask them and drive them to open rebellion. One of our greatest weapons is the blessed sunlight of pitiless publicity which we have been turning on their evil practices, their watered stocks, their inflated valuations, their waste, their extravagance, and the exorbitant overcharges they impose upon the helpless consumers of electric light and power.

One of the greatest weapons that I have yet been able to place in the hands of Members of Congress, and incidentally in the hands of the American people, is this new National Electric Rate Book, which I am now having published as a House document and which will be ready for distribution through the document room at an early date. It is the deadly parallel, showing the rates charged for electricity for all purposes in practically every community in America. Anyone can take that book and compare the rates in his own town or his own community with the rates in Tacoma or Seattle, Wash., Tupelo, Miss., Chattanooga, Tenn., Florence, Ala., or any other point in the Tennessee Valley area, or with Los Angeles, Calif., or elsewhere, and see just how much he and his neighbors are being overcharged for their electric energy. Or he can turn to cities like Cleveland or Columbus, Ohio; Jamestown, N. Y.; Jacksonville, Fla.; Springfield, Ill.; Danville, Va.; Richmond, Ind., or any other up-to-date community that has a municipally owned light and power system, investigate, and find out what profits they are making for the taxpayers of the community, and he will find that electricity could be supplied to any community in America at the Tacoma rates, the Ontario rates, or the T. V. A. rates without loss to legitimate investors.

As I said, this book will be one of the greatest weapons ever placed in the hands of the friends of electric light and power consumers in every State in this Union.

The battle is on; and I want to serve notice now that we are not going to be on the defensive; we are going to continue the offensive and fight the battle within the enemy's lines.

This utilities war against the United States has been openly declared in the State of Oklahoma, where the opposition is using Governor Phillips of that State as its commander in chief, a modern Don Quixote, who now seems to be marching up and down the banks of Grand River, with wooden sword and paper crown, trying to block the construction of a project to control floods, improve navigation, and develop hydroelectric power for the benefit of the people of that State.

Bleeding Oklahoma! How long will these utilities, these monopolies, these selfish interests, continue to control her State government and to rob her children of the benefit of the great natural resources with which Oklahoma has been so richly endowed?

Nature, with her lavish hand, never created a domain more bountifully blest from every standpoint than the State of Oklahoma. There is "balm in her climate, sublimity in her scenery, fascination in her waters, and wealth in her soil." She has practically everything necessary for the happiness and prosperity of mankind. Yet her people are comparatively poor, with a few shining exceptions; her farmers are discouraged and overburdened with taxes, and her unemployed are clamoring for work with which to earn their daily bread. Yet at the same time her coal and mineral resources are being gobbled up; her oil is being drained out largely for the benefit of foreign capital; enough gas is going to waste to generate electricity for a half-dozen such States; her own Governor is using, or misusing, the powers of his position to block the development of her hydroelectric power; the navigation of her streams and the control of floods, while the people of that State are paying in overcharges for electric lights and power the enormous sum of $11,000,000 a year, and the average farmer is denied the use of any electricity at all.

They know that if this dam is completed, and a yardstick provided enabling the people of that area to secure electricity at reasonable rates, it will crash these overcharges and ultimately lift this burden of more than $11,000,000 a year from the shoulders of the struggling electric light and power consumers of Oklahoma.

It will also increase the consumption of electricity to where the people of Oklahoma can begin to enjoy the real blessings of this electric age. The record shows that the residential consumers of Oklahoma last year used on an average of less than 60 kilowatt-hours a month. The record also shows that during the month of January 1940, the residential consumers of Tupelo, Miss., my home town, used an average of 227 kilowatt-hours each. Cheap rates bring increased consumption, and increased consumption of electricity means brighter homes and better living conditions.

Those people have to look to the Federal Government for relief from this Egyptian bondage in which the utilities are now holding them. They cannot get help from the Governor, who has not only joined the opposition, or has been with them all the time, but who is actually waging war against the United States to prevent the development of a project for their relief. They cannot expect to get relief through the State legislature as long as a large number of the influential members of that body, who occupy key positions, are on the pay rolls of the oil interests, the coal interests, or the power interests, either as attorneys, agents, directors, or stockholders. And I might say in passing that the Legislature of Oklahoma is no exception in that respect. The same conditions prevail in the legislatures, or, at least, in one house of the legislatures of a large number of other States.

We might as well strip our gloves off now, because this is going to be a fight to the finish. The Power Trust is now running Wendell L. Willkie, president of the Commonwealth & Southern, which is one of the worst offenders of all

these power monopolies, for President of the United States. He is out prating about democracy and talking about dictatorships, when he knows that these utility monopolies to which he belongs constitute the most ruthless Fascisti, the most consummate dictatorship ever organized and operated to control governments and to wring the lifeblood from the unprotected consumers of electric light and power.

There are 214,000 residential consumers of electricity in Oklahoma, and every single one of them is overcharged more than 100 percent every month that rolls around.

I have before me the report showing the residential rates charged in every town in Oklahoma on January 1, 1940. I am giving them here, together with a comparison of the rates charged at Tupelo, Miss.; Tacoma, Wash.; and in Ontario, Canada.

Oklahoma rates compared—Residential

Community	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Tupelo, Miss. (T. V. A. rates)	$0.75	$1.00	$2.25	$4.25	$6.15
Tacoma, Wash	.95	1.10	1.70	3.20	5.30
Ontario, Canada	.75	1.02	1.74	2.70	3.92
Oklahoma rates:					
Achille	2.36	3.11	4.91	8.91	11.41
Ada	1.81	2.74	4.54	8.54	11.04
Adair	2.50	3.55	5.75	8.30	10.80
Addington	2.75	3.80	6.00	8.90	11.40
Afton	2.50	3.55	5.75	8.30	10.80
Agra	2.36	3.11	4.91	8.91	11.41
Albert	2.50	3.50	5.90	9.90	12.50
Albion	2.50	3.55	5.75	8.30	10.80
Alderson	2.25	3.30	5.50	8.30	10.80
Alex	2.75	3.80	6.00	8.90	11.40
Aline	2.30	3.20	6.80	15.80	30.80
Allen	2.50	3.60	6.40	10.90	18.40
Altus	2.12	3.00	5.28	10.27	18.58
Alva	1.81	2.74	4.54	8.54	11.04
Amber	2.75	3.80	6.00	8.90	11.40
Ames	2.36	3.11	4.91	8.91	11.41
Anadarko	2.35	3.40	7.10	12.80	20.30
Antlers	2.50	3.55	5.75	8.30	10.80
Apache	2.75	3.80	6.00	8.90	11.40
Arapaho	2.75	3.80	6.00	8.90	11.40
Ardmore	1.81	2.74	4.54	8.54	11.04
Arnett	2.60	3.35	5.15	9.15	11.65
Asher	2.36	3.11	4.91	8.91	11.41
Atoka	2.50	3.55	5.75	8.30	10.80
Avant	2.50	3.70	6.30	8.90	11.40
Barnsdall	2.25	3.40	6.00	8.90	11.40
Bartlesville	1.91	2.81	4.91	8.30	10.80
Beaver City	2.50	3.40	5.80	9.55	15.80
Beggs	2.12	2.87	4.67	8.67	11.17
Bennington	2.36	3.11	4.91	8.91	11.41
Berwyn	2.36	3.11	4.91	8.91	11.41
Bessie	2.75	3.60	6.00	8.90	11.40
Bethany	1.61	2.43	4.23	8.23	10.73
Big Cabin	2.50	3.55	5.75	8.30	10.80
Billings	2.12	2.87	4.67	8.67	11.17
Binger	2.75	3.80	6.00	8.90	11.40
Bixby	2.12	2.87	4.67	8.67	11.17
Blackwell	2.00	2.75	5.75	9.50	15.75
Blair	2.75	3.80	6.00	8.90	11.40
Blanchard	2.75	3.80	6.00	8.90	11.40
Bluejacket	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Boise City	3.25	4.00	6.00	9.50	14.50
Bokchito	2.36	3.11	4.91	8.91	11.41
Bokoshe	2.36	3.11	4.91	8.91	11.41
Boley	2.50	3.55	5.75	8.30	10.80
Boswell	2.50	3.55	5.75	8.30	10.80
Boynton	2.36	3.11	4.91	8.91	11.41
Braggs	4.00	4.00	6.00	10.50	13.00
Braman	3.00	4.50	7.50	16.50	31.50
Bridgeport	2.75	3.80	6.00	8.90	11.40
Brinkman	2.75	3.80	6.00	8.90	11.40
Bristow	1.81	2.74	4.54	8.54	11.04
Britton	1.61	2.43	4.23	8.23	10.73
Broken Arrow	2.00	3.12	5.91	8.30	10.80
Broken Bow	2.26	3.31	5.51	8.30	10.80
Bromide	2.50	3.55	5.75	8.30	10.80
Buffalo	2.71	3.66	6.66	11.16	18.66
Burbank	2.63	3.20	6.00	10.25	16.50
Burneyville	3.00	3.00	5.40	9.28	12.15
Butler	2.75	3.80	6.00	8.90	11.40
Byars	2.36	3.11	4.91	8.91	11.41
Cache	3.45	5.30	9.60	22.35	43.60
Caddo	2.12	2.87	4.67	8.67	11.17
Calera	2.36	3.11	4.91	8.91	11.41
Calumet	2.36	3.11	4.91	8.91	11.41
Calvin	2.50	3.60	6.40	10.90	18.40
Camargo	2.60	3.35	5.15	9.15	11.65
Canadian	2.50	3.55	5.75	8.30	10.80
Caney	2.50	3.55	5.75	8.30	10.80
Canton	2.12	2.87	4.67	8.67	11.17
Canute	2.75	3.80	6.00	8.90	11.40
Cardin	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Carmen	2.30	3.20	6.80	11.30	18.80
Carnegie	2.50	3.55	5.75	8.90	11.40
Carney	2.36	3.11	4.91	8.91	11.41
Carter	2.75	3.80	6.00	8.90	11.40
Cashion	3.00	3.75	6.25	12.25	22.25
Castle	2.50	3.55	5.75	8.30	10.80

Oklahoma rates compared—Residential—Continued

Community	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Oklahoma rates—Continued.					
Catoosa	$2.50	$3.55	$5.75	$8.30	$10.80
Cement	2.75	3.80	6.00	8.90	11.40
Centrahoma	2.00	3.00	5.30	8.55	10.80
Chandler	2.12	2.87	4.67	8.67	11.17
Chattanooga	2.88	4.00	8.50	13.00	20.50
Checotah	2.12	2.87	4.67	8.67	11.17
Chelsea	2.25	3.60	7.20	13.95	22.95
Cherokee	1.95	3.00	4.95	6.45	11.45
Cheyenne	2.75	3.80	6.00	8.90	11.40
Chickasha	1.91	2.81	4.91	8.90	11.40
Choteau	2.50	3.55	5.75	8.30	10.80
Claremore	1.80	2.61	5.63	11.25	20.25
Clearview	2.50	3.55	5.75	8.30	10.80
Cleo (Cleo Springs)	2.36	3.11	4.91	8.91	11.44
Cleveland	1.25	2.00	5.00	9.25	15.50
Clinton	2.25	3.30	5.50	8.90	11.40
Coalgate	2.20	3.25	5.45	8.30	10.80
Colbert	2.36	3.11	4.91	8.91	11.41
Collinsville	2.50	4.00	7.00	9.25	16.75
Colony	2.75	3.80	6.00	8.90	11.40
Comanche	2.78	3.90	5.70	11.80	21.80
Commerce	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Cooperton	2.50	3.50	5.90	9.90	12.50
Copan	2.09	3.23	6.84	13.49	22.99
Cordell	2.50	3.60	5.50	9.25	16.75
Corn	2.75	3.80	6.00	8.90	11.40
Covington	2.12	2.87	4.67	8.67	11.17
Coweta	2.25	3.55	5.75	8.30	10.80
Coyle	2.36	3.11	4.91	8.91	11.41
Crescent	2.70	4.05	6.32	11.72	20.72
Crowder	2.50	3.55	5.75	8.30	10.80
Cushing	1.25	2.00	4.50	7.50	12.00
Custer City	2.75	3.80	6.00	8.90	11.40
Cyril	2.75	3.80	6.00	8.90	11.40
Dacoma	2.42	3.47	6.67	13.42	24.67
Davenport	2.12	2.87	4.67	8.67	11.17
Davidson	2.75	3.80	6.00	8.90	11.40
Davis	2.12	2.87	4.67	8.67	11.17
Dawson	2.28	3.18	5.28	8.30	10.80
Deer Creek	2.36	3.11	4.91	8.91	11.41
Delaware	1.90	2.80	5.30	9.80	17.30
Depew	2.36	3.11	4.91	8.91	11.41
Devol	2.75	3.80	6.00	8.90	11.40
Dewar	2.25	3.30	6.00	8.30	10.80
Dewey	1.91	2.81	4.91	8.30	10.80
Dill (Dill City)	2.75	3.80	6.00	8.90	11.40
Dougherty	2.36	3.11	4.91	8.91	11.41
Douthat	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Dover	2.36	3.11	4.91	8.91	11.41
Dow	2.25	3.30	5.50	8.30	10.80
Drummond	2.36	3.11	4.91	8.91	11.41
Drumright	1.81	2.74	4.54	8.54	11.04
Duncan	1.90	2.80	5.20	10.30	16.85
Do	1.90	2.80	5.20	8.90	11.40
Durant	1.81	2.74	4.54	8.54	11.04
Dustin	2.50	3.55	5.75	8.30	10.80
Eakley	2.50	3.50	5.90	9.90	12.50
Earlsboro	2.36	3.11	4.91	8.91	11.41
East Duke (Duke)	2.75	3.80	6.00	8.90	11.40
Edmond	1.76	2.70	5.55	12.05	22.05
El Reno	1.81	2.74	4.54	8.54	11.04
Eldorado	2.75	3.80	7.00	14.50	27.00
Elgin	2.75	3.80	6.00	10.50	18.00
Elk City	2.25	3.30	5.50	8.90	11.40
Elmer	2.75	3.80	6.00	8.90	11.40
Elmore City	2.36	3.11	4.91	8.91	11.41
Enid	1.70	2.57	4.37	8.37	10.87
Erick	2.25	3.30	5.50	8.90	11.40
Eufaula	2.12	2.87	4.67	8.67	11.17
Fairfax	1.25	2.00	5.00	9.25	15.50
Fairland	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Fairview	2.20	3.10	6.70	13.70	21.70
Fargo	2.60	3.35	5.15	9.15	11.65
Fletcher	2.75	3.80	6.00	10.50	18.00
Foraker	2.50	3.70	6.30	8.90	11.40
Forgan	2.50	3.40	5.80	9.55	15.80
Fort Cobb	2.75	3.80	6.00	8.90	11.40
Fort Gibson	2.36	3.11	4.91	8.91	11.41
Fort Towson	2.50	3.55	5.75	8.30	10.80
Foss	2.75	3.80	6.00	8.90	11.40
Francis	2.36	3.11	4.91	8.91	11.41
Frederick	2.25	3.30	5.50	8.75	13.75
Freedom	3.43	4.61	6.96	12.84	22.64
Gage	2.60	3.35	5.15	9.15	11.65
Garber City	2.12	2.87	4.67	8.67	11.17
Do	2.28	3.18	5.28	8.30	10.80
Garvin	2.50	3.55	5.75	8.30	10.80
Gate	3.17	4.12	7.12	11.62	19.12
Geary	3.04	4.24	6.54	11.04	18.54
Glencoe	2.36	3.11	4.91	8.91	11.41
Glenpool	2.36	3.11	4.91	8.91	11.41
Goltry	2.48	3.96	4.86	8.91	15.66
Goodwell	2.80	3.70	6.10	10.60	18.10
Gore	2.36	3.11	4.91	8.91	11.41
Gotebo	2.75	3.80	6.00	8.90	11.40
Gould	2.75	3.80	6.00	8.90	11.40
Gracemont	2.75	3.80	6.00	8.90	11.40
Grandfield	2.50	3.55	5.75	8.90	11.40
Granite	2.52	3.60	7.92	16.70	27.95
Grant	2.50	3.55	5.75	8.30	10.80
Greenfield	2.36	3.11	4.91	8.91	11.41
Grove	2.50	3.55	5.75	8.30	10.80
Guthrie	1.81	2.74	4.54	8.54	11.04

Oklahoma rates compared—Residential—Continued

Community	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Oklahoma rates—Continued.					
Guymon	$2.50	$3.40	$5.80	$9.55	$15.80
Haileyville	2.12	3.17	5.37	8.30	10.80
Hammon	2.75	3.80	6.00	8.90	11.40
Hanna	2.50	3.55	5.75	8.30	10.80
Harrah	2.12	2.87	4.67	8.67	11.17
Hartshorne	2.12	3.17	5.37	8.30	10.80
Haskell	2.12	2.87	4.67	8.67	11.17
Hastings	2.75	3.80	6.00	8.90	11.40
Healdton	2.12	2.87	4.67	8.67	11.17
Heavener	2.12	2.87	4.67	8.67	11.17
Helena	2.36	3.11	4.91	8.91	11.41
Hennessey	2.12	2.87	4.67	8.67	11.17
Henryetta	2.00	3.05	5.75	8.30	10.80
Hinton	2.75	3.80	6.00	8.90	11.40
Hobart	2.25	3.30	5.50	8.90	11.40
Hockerville	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Hoffman	2.50	3.55	5.75	8.30	10.80
Holdenville	1.81	2.74	4.54	8.54	11.04
Hollis	2.25	3.30	5.50	8.90	11.40
Homestead	2.50	3.50	5.70	9.58	12.30
Hominy	1.50	2.40	5.00	8.25	13.25
Hooker	3.00	4.00	5.50	9.25	15.50
Howe	2.36	3.11	4.91	8.91	11.41
Hugo	2.12	3.17	5.37	8.30	10.80
Hulbert	2.50	3.55	5.75	8.30	10.80
Hunter	2.36	3.11	4.91	8.91	11.41
Hydro	2.75	3.80	6.00	8.90	11.40
Idabel	2.12	3.17	5.37	8.30	10.80
Indiahoma	2.88	4.00	8.50	13.00	20.50
Indianola	2.50	3.55	5.75	8.30	10.80
Inola	2.50	3.55	5.75	8.30	10.80
Jay	2.50	3.55	5.75	8.30	10.80
Jefferson	2.36	3.11	4.91	8.91	11.41
Jenks	2.12	2.87	4.67	8.67	11.17
Jennings	2.36	3.11	4.91	8.91	11.41
Jet	2.36	3.11	4.91	8.91	11.41
Jones	2.36	3.11	4.91	8.91	11.41
Kaw City	2.50	4.00	9.00	17.00	29.50
Kellyville	2.36	3.11	4.91	8.91	11.41
Kendrick	2.36	3.11	4.91	8.91	11.41
Keota	2.50	3.55	5.75	8.30	10.80
Ketchum	2.50	3.55	5.75	8.30	10.80
Keyes	3.25	4.00	6.00	9.50	14.50
Keystone	2.50	3.70	6.30	8.90	11.40
Kiefer	2.36	3.11	4.91	8.91	11.41
Kingfisher	2.35	3.40	5.20	9.70	17.20
Kingston	2.36	3.11	4.91	8.91	11.41
Kinta	2.50	3.55	5.75	8.30	10.80
Kiowa	2.50	3.55	5.75	8.30	10.80
Konawa	2.12	2.87	4.67	8.67	11.17
Krebs	2.12	3.17	5.37	8.30	10.80
Kusa	2.50	3.55	5.75	8.30	10.80
Lamont	2.12	2.87	4.67	8.67	11.17
Langley	2.50	3.55	5.75	8.30	10.80
Langston	2.36	3.11	4.91	8.91	11.41
Laverne	2.16	3.24	6.75	11.70	20.70
Lawton	1.91	2.81	4.91	8.90	11.40
Le Flore	2.50	3.55	5.75	8.30	10.80
Leedey	2.75	3.80	6.00	8.90	11.40
Lehigh	2.50	3.55	5.75	8.30	10.80
Lenapah	1.90	2.80	5.30	9.80	17.30
Lexington	2.50	3.40	7.00	16.00	31.00
Lindsay	2.75	4.40	7.00	14.40	24.40
Loco	2.95	3.45	5.95	9.33	11.75
Locust Grove	2.50	3.55	5.75	8.30	10.80
Lone Wolf	2.75	3.80	6.00	8.90	11.40
Longdale	2.36	3.11	4.91	8.91	11.41
Lookeba	2.75	3.80	6.00	8.90	11.40
Luther	2.36	3.11	4.91	8.91	11.41
Madill	2.12	2.87	4.67	8.67	11.17
Manchester	2.75	4.25	8.00	18.00	33.00
Mangum	1.58	2.52	3.94	8.66	16.54
Manitou	3.00	4.80	7.50	16.50	31.50
Mannford	2.50	3.70	6.30	8.90	11.40
Mannsville	2.36	3.11	4.91	8.91	11.41
Maramec	2.36	3.11	4.91	8.91	11.41
Marietta	2.12	2.87	4.67	8.67	11.17
Marland	2.36	3.11	4.91	8.91	11.41
Marlow	2.00	2.85	5.35	10.60	19.35
Marshall (New Marshall)	2.12	2.87	4.67	8.67	11.17
Martha	2.75	3.80	6.00	8.90	11.40
Maud	2.12	2.87	4.67	8.67	11.17
May	3.10	4.60	8.05	17.05	32.05
Maysville	2.12	2.87	4.67	8.67	11.17
McAlester	1.91	2.81	4.91	8.30	10.80
McCurtain	2.50	3.55	5.75	8.30	10.80
McLoud	2.36	3.11	4.91	8.91	11.41
Medford	2.12	2.87	4.67	8.67	11.17
Medicine Park	2.88	4.00	8.50	13.00	20.50
Meeker	2.36	3.11	4.91	8.91	11.41
Miami	2.04	3.06	6.02	9.77	16.02
Milburn	2.36	3.11	4.91	8.91	11.41
Mill Creek	2.38	3.11	4.91	8.91	11.41
Minco	2.75	3.80	6.00	8.90	11.40
Moffett	2.36	3.11	4.91	8.91	11.41
Moore	2.36	3.11	4.91	8.91	11.41
Mooreland	2.25	3.30	5.50	10.00	17.50
Morris	2.05	2.95	5.05	8.30	10.80
Morrison	2.36	3.11	4.91	8.91	11.41

Oklahoma rates compared—Residential—Continued

Community	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Oklahoma rates—Continued.					
Mounds	$2.36	$3.11	$4.91	$8.91	$11.41
Mountain Park	2.75	3.80	6.00	8.90	11.40
Mountain View	2.75	3.80	6.00	8.90	11.40
Muldrow	2.36	3.11	4.91	8.91	11.41
Mulhall	2.36	3.11	4.91	8.91	11.41
Muskogee	1.70	2.57	4.37	8.37	10.87
Nashville	2.36	3.11	4.91	8.91	11.41
Newkirk	2.00	2.90	5.50	10.00	17.50
Nichols Hills	1.61	2.43	4.23	8.23	10.73
Nicoma Park	2.36	3.11	4.91	8.91	11.41
Ninnekah	2.75	3.80	6.00	8.90	11.40
Noble	2.36	3.11	4.91	8.91	11.41
Norman	1.81	2.74	4.54	8.54	11.04
North Miami	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Nowata	1.91	2.81	4.91	8.30	10.80
Oakwood	2.36	3.11	4.91	8.91	11.41
Ochelata	2.50	3.70	6.30	8.90	11.40
Oilton	2.12	2.87	4.67	8.67	11.17
Okarche	2.36	3.11	4.91	8.91	11.41
Okeene	2.02	3.24	5.04	11.79	23.04
Okemah	2.00	2.95	5.05	8.30	10.80
Oklahoma City	1.61	2.43	4.23	8.23	10.73
Okmulgee	1.91	2.81	4.91	8.30	10.80
Oktaha	4.00	4.06	6.00	10.50	13.00
Olustee	2.75	3.80	7.00	14.50	27.00
Oologah	2.50	3.55	5.75	8.30	10.80
Osage City	2.50	3.70	6.30	8.90	11.40
Owasso	2.50	3.55	5.75	8.30	10.80
Paden	2.36	3.11	4.91	8.91	11.41
Panama	2.36	3.11	4.91	8.91	11.41
Paoli	2.36	3.11	4.91	8.91	11.41
Pauls Valley	1.81	2.74	4.54	8.54	11.04
Pawhuska	1.75	2.65	5.25	8.65	13.65
Pawnee	1.90	2.80	5.20	11.20	21.20
Perkins	2.36	3.11	4.91	8.91	11.41
Perry	1.25	2.00	5.00	9.40	15.65
Picher	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Pine Valley	2.50	3.55	5.75	8.30	10.80
Pittsburg	3.00	4.65	10.75	22.25	37.75
Pleasant Valley	2.50	3.55	5.75	8.30	10.80
Pocasset	2.75	3.80	6.00	8.90	11.40
Ponca City	1.72	2.62	5.02	9.82	14.82
Pond Creek	2.25	3.30	6.50	12.50	22.50
Porter	2.50	3.55	5.75	8.30	10.80
Porum	2.36	3.11	4.91	8.91	11.41
Poteau	2.12	2.87	4.67	8.67	11.17
Prague	2.25	3.60	4.92	9.42	16.92
Preston	2.50	3.55	5.75	8.30	10.80
Pryor Creek (Pryor)	2.05	2.95	5.30	8.30	10.80
Purcell	2.10	3.20	6.20	12.20	22.20
Quapaw	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Quinton	2.50	3.55	5.75	8.30	10.80
Ralston	2.63	3.20	6.00	10.25	16.50
Ramona	2.50	3.70	6.30	8.90	11.40
Randlett	2.88	4.00	8.50	13.00	20.50
Ravia	2.36	3.11	4.91	8.91	11.41
Red Oak	2.50	3.55	5.75	8.30	10.80
Red Rock	2.36	3.11	4.91	8.91	11.41
Ringling	2.12	2.87	4.67	8.67	11.17
Ringwood	2.36	3.11	4.91	8.91	11.41
Ripley	2.36	3.11	4.91	8.91	11.41
Rocky	2.75	3.80	6.00	8.90	11.40
Roff	2.36	3.11	4.91	8.91	11.41
Roosevelt	2.75	3.80	6.00	8.90	11.40
Rosedale	2.36	3.11	4.91	8.91	11.41
Rush Springs	2.75	3.80	6.00	8.90	11.40
Ryan	2.70	3.90	8.20	15.70	28.20
St. Louis	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Do	2.36	3.11	4.91	8.91	11.41
Salina	2.50	3.55	5.75	8.30	10.80
Sallisaw	1.84	2.52	5.22	9.72	17.22
Sand Springs	1.50	2.35	4.65	8.90	11.44
Sapulpa	1.81	2.74	4.54	8.54	11.00
Sasakwa	2.36	3.11	4.91	8.91	11.41
Sayre	2.25	3.30	5.50	8.90	11.40
Schulter	2.50	3.55	5.75	8.30	10.80
Seiling	2.60	3.35	5.15	9.15	11.65
Seminole	1.81	2.74	4.54	8.54	11.04
Sentinel	2.50	3.55	5.75	8.90	11.40
Shamrock	2.36	3.11	4.91	8.91	11.41
Shattuck	2.36	3.11	4.91	8.91	11.41
Shawnee	1.70	2.57	4.37	8.37	10.87
Shidler	2.50	3.70	6.30	8.90	11.40
Skedee	2.63	3.20	6.00	10.25	16.50
Skiatook	2.25	3.40	6.00	8.90	11.40
Slick	2.36	3.11	4.91	8.91	11.41
Snyder	2.50	3.55	5.75	8.90	11.40
Soper	2.50	3.55	5.75	8.30	10.80
South Coffeyville	1.50	2.40	5.50	11.50	21.50
Sparks	2.36	3.11	4.91	8.91	11.41
Spavinaw	2.50	3.55	5.75	8.30	10.80
Spelter City	2.00	3.05	5.75	8.30	10.80
Sperry	2.50	3.60	6.00	8.90	11.40
Spiro	2.30	3.20	5.60	11.60	21.60
Sterling	2.75	3.80	6.00	10.50	18.00
Stigler	2.12	3.17	5.37	8.30	10.80

Oklahoma rates compared—Residential—Continued

Community	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Oklahoma rates—Continued.					
Stillwater	$1.50	$2.40	$5.50	$11.00	$17.50
Stilwell	3.12	5.00	6.87	12.62	22.62
Stonewall	2.50	3.60	6.40	10.90	18.40
Strang	2.50	3.55	5.75	8.30	10.80
Stratford	2.12	2.87	4.67	8.67	11.17
Stringtown	2.50	3.55	5.75	8.30	10.80
Strong City	2.75	3.80	6.00	8.90	11.40
Stroud	2.25	3.30	5.75	11.00	19.75
Stuart	2.50	3.55	5.75	8.30	10.80
Sulphur	2.12	2.87	4.67	8.67	11.17
Taft	2.70	3.61	5.89	10.39	12.89
Tahlequah	1.75	2.50	4.80	9.30	16.80
Talihina	2.50	3.55	5.75	8.30	10.80
Taloga	2.60	3.35	5.15	9.15	11.65
Tecumseh	2.25	3.30	6.50	12.50	22.50
Temple	2.50	3.55	5.75	8.90	11.40
Terral	2.75	3.80	6.00	8.90	11.40
Texhoma	3.25	4.00	6.00	9.50	14.50
Texola	2.75	3.80	6.00	8.90	11.40
Thomas	2.75	3.80	6.00	8.90	11.40
Tipton	2.50	3.55	5.75	8.90	11.40
Tishomingo	2.12	2.87	4.67	8.67	11.17
Tonkawa	2.03	3.11	5.63	9.68	16.43
Tryon	2.36	3.11	4.91	8.91	11.41
Tulsa	1.50	2.35	4.65	8.90	11.40
Do	1.50	2.35	4.65	8.30	10.80
Tupelo	2.00	3.00	5.30	8.55	10.80
Turpin	2.80	3.70	6.10	10.60	18.10
Tuttle	2.75	3.80	6.00	8.90	11.40
Tuxedo	2.28	3.18	5.28	8.30	10.80
Tyrone	2.80	3.70	6.10	10.60	18.10
Union City	2.75	3.80	6.00	8.90	11.40
Valliant	2.50	3.55	5.75	8.30	10.80
Verden	2.75	3.80	6.00	8.90	11.40
Vian	2.36	3.11	4.91	8.91	11.41
Vici	2.60	3.35	5.15	9.15	11.65
Vinita	2.00	2.90	5.25	8.30	10.80
Wagoner	2.00	3.05	5.75	10.75	18.25
Wakita	2.36	3.11	4.91	8.91	11.41
Walters	2.70	4.20	6.60	12.60	22.60
Wanette	2.36	3.11	4.91	8.91	11.41
Wann	2.03	3.24	5.74	9.12	11.54
Wapanucka	2.50	3.55	5.75	8.30	10.80
Warner	2.36	3.11	4.91	8.91	11.41
Washington	2.36	3.11	4.91	8.91	11.41
Watonga	2.25	3.30	5.75	11.00	19.75
Watts	2.50	3.55	5.75	8.30	10.80
Waukomis City	2.36	3.11	4.91	8.91	11.41
Waurika	2.50	3.55	5.75	8.90	11.40
Wayne	2.36	3.11	4.91	8.91	11.41
Waynoka	2.12	3.02	5.62	10.17	17.67
Weatherford	2.50	3.55	5.75	8.90	11.40
Webb City	2.50	3.70	6.30	8.90	11.40
Webbers Falls	2.36	3.11	4.91	8.91	11.41
Welch	2.09	2.84	4.84	9.09	11.59
Welch	1.90	2.42	4.37	7.87	10.37
Weleetka	2.25	3.60	8.10	13.05	22.05
Wellston	2.36	3.11	4.91	8.91	11.41
Westville	2.50	3.55	5.75	8.30	10.80
Wetumka	2.70	3.70	6.10	12.10	22.10
Wewoka	1.81	2.74	4.54	8.54	11.04
Whitefield	2.50	3.55	5.75	8.30	10.80
Wilburton	2.12	3.17	5.37	8.30	10.80
Willow	2.75	3.80	6.00	8.90	11.40
Wilson	2.50	3.85	5.00	15.50	28.25
Wirt	2.36	3.11	4.91	8.91	11.41
Wister	2.50	3.55	5.75	8.30	10.80
Woodward	2.12	2.87	4.67	8.67	11.17
Wright City	2.50	3.55	5.75	8.30	10.80
Wyandotte	2.09	2.84	4.84	9.09	11.59
Do	1.90	2.42	4.37	7.87	10.37
Wynnewood	2.04	3.09	6.29	13.79	26.29
Wynona	2.50	3.70	6.30	8.90	11.40
Yale	2.50	3.70	5.50	8.50	13.50
Yukon	1.96	2.48	4.58	9.58	17.08

Anyone who reads this list and compares the rates charged in these cities, towns, and communities in Oklahoma, with the rates charged in Tacoma, Wash., or Ontario, Canada, or Tupelo, Miss., or any other place that enjoys the T. V. A. yardstick rates—or any other place where the people get electricity at rates based upon the cost of generation, transmission, and distribution—anyone who makes these comparisons is bound to realize that Governor Phillips is now rendering the overburdened power consumers of Oklahoma the greatest injury of which he is capable.

Mr. BENDER. Is Governor Phillips a Republican?

Mr. RANKIN. Yes; Governor Phillips is an ex-Republican. He is an ex-Republican who was nominated in a Democratic primary.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. SCOTT W. LUCAS

OF ILLINOIS

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

ADDRESS BY R. W. BLACKBURN, SECRETARY, AMERICAN FARM BUREAU FEDERATION, BEFORE ILLINOIS LEAGUE OF WOMEN VOTERS, CHICAGO, ILL., MARCH 19, 1940

Mr. LUCAS. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address by Hon. R. W. Blackburn, secretary of the American Farm Bureau Federation, delivered on March 19, 1940, before the Illinois League of Women Voters, wherein he favors the continuation of the Reciprocal Trade Agreements Act.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In considering reciprocal-trade agreements you good women are studying a most controversial issue, doubly controversial this year because of the party partisanship that has been injected into congressional discussions on the extension of the Reciprocal Trade Agreements Act for another 3-year period.

It is now generally conceded that the act will be extended, and if it is extended the action will mark a notable recession from the high-tariff policies which prevailed for so long in this country.

All of you are well acquainted with the extent that the high-protective-tariff philosophy had permeated the thinking of the American people up to and including 1930, when the Hawley-Smoot Tariff Act was passed. During the years when industry was booming in this country, the high protective tariff was generally considered the keystone in the arch of American prosperity.

The passage of the first Reciprocal Trade Agreements Act in 1934 did not mean that the people of this country had changed their minds about tariffs; they were in the mood to try anything that offered even a faint chance of improving our economic condition. But the change that has come about in national thinking on this question since that time is truly amazing.

I do not mean to say that the American people have become free traders. Far from that. But I do believe that fundamentally the folks that make up the backbone of this country have become convinced that in previous periods of our history we carried the principle of tariff protection to an extreme that could not be justified, either in theory or in practical results. Of all the newspaper comment on this question that comes to our office—and we see a great deal of it—I believe that at least 75 percent of it is favorable to the principle of reciprocal trading between nations.

It seems to me that the shift in public opinion on this question in recent years amounts simply to recognition of a basic principle which this Nation studiously avoided when the Hawley-Smoot Act was being considered. That principle is simply that trade is a two-way affair; you cannot sell unless you are willing to buy something in return. We tried to promote foreign buying during the 20's by lending money to other nations. That policy proved to be unsound, for we ended up by losing both the money we had loaned, and also the goods that we had shipped out.

It is gradually beginning to dawn on many people that the best policy in tariff making, as in most other things, is to follow the principle of moderation. Many principles are sound enough when utilized in moderation, but when carried to extreme are likely to create repercussions which become destructive. For example, no one will argue against the principle that high wages are conducive to national prosperity. But I think most people will agree also that it is dangerous to try to raise wages too rapidly, or to have wage scales so inflexible that they cannot be adjusted to meet changing conditions. We have in this country craft unions which all but priced their members out of the labor market during the worst days of the depression. It was another instance of carrying a good thing too far. And so it was with the tariff, as I see it, and as I believe the public generally has recognized.

This great change in opinion could not have come about unless the reciprocal-trade agreements so far consummated had worked fairly well in practice. As a matter of fact, they have not been in operation long enough to warrant the drawing of any hard and fast conclusions regarding their effects on this country. In my opinion, the years in which they have been in operation have not been years which have been particularly favorable to the development of foreign trade. These years have been years of intense development of nationalistic tendencies by foreign nations. Panic-

stricken by threats of war, many nations have subordinated everything else to follow policies designed to make them self-sufficient in the event of hostilities. World-wide depression has militated against increased trade between nations. The record shows that our exports, as well as our imports, have been larger when prosperity has been general throughout the world. In such times all nations produce more, hence have more to trade with other nations. With higher prices, it becomes possible for goods to come in over tariff walls.

From our own angle, we must remember that we have experienced two of the worst droughts in history during the past 6 years, reducing our own production of farm commodities to the point at which we actually needed supplies from abroad. Following the record drought of 1936, our imports of farm commodities increased by more than 50 percent. The figures for that year are used by the opponents of trade treaties to prove that the effect on our own agriculture has been bad. As a matter of fact, our shortage of corn was so great that it was in our farmers' interest to have large supplies of Argentine corn come in over the tariff wall. If we had not had these imports, the price of corn would have risen to prohibitive levels, to the great disadvantage of our livestock producers.

But in spite of the unusual situation due to drought, the record of all the years since trade agreements have been in force does not indicate that American agriculture has been harmed by undue increases of competitive products.

The American Farm Bureau Federation last year sponsored a disinterested and entirely objective study of the effects of reciprocal trade on our agriculture by the department of economics of Iowa State College. At the conclusion of that study the men who made it reported as follows. I quote:

"In an over-all way the trade agreements are 'working' for agriculture and for industry; that is, for our economy as a whole. This conclusion is not based upon any notion of spectacular accomplishments. It is based upon three separate conclusions that seem solidly grounded: (1) There have been positive gains from the trade-agreements program in expanded business, both at home and abroad. Though possibly less substantial than many had hoped for, the gains have been real and in the right direction. (2) There have been important less tangible gains in that the United States has contributed to checking restrictionism in international trade which, both at home and abroad, had been hurting the farmer and which still was in full process of development when the trade-agreements program went into effect. (3) The trade agreements have proved to be an effective procedure for negotiating trade treaties. The past history of tariff making in Congress makes any student extremely pessimistic of that procedure as a means of lowering barriers to foreign trade."

To me, the most significant results revealed by that study are the figures for over-all increase or decrease in trade. The study covered trade agreements which embraced 88 percent of our reciprocal trade. Some few were left out because of not having been in force long enough to warrant definite conclusions or for other good reasons. For 1937 and 1938, as compared with 1934 and 1935, the record shows that our exports to trade-agreement countries increased 61.2 percent; and to non-trade-agreement countries, only 37.9 percent. Imports from trade-agreement countries increased 35.2 percent; and from non-trade-agreement countries, 37 percent. This comparison does not count the British trade agreement, because much of our tin and rubber, which are noncompetitive, come from British colonies. To me, it seems perfectly plain that any trade policy which has increased our exports very greatly, and increased our imports by only an insignificant amount, must be based on sound principles.

This occurred during a period, as I said before, which was not favorable to expanding trade between nations. I firmly believe that if this program could have been tried out during a period such as 1924 to 1929, when we were producing manufactured goods at a tremendous rate, and when surpluses were piling up, the results would have been simply astonishing, and might have done much to lessen the shock of depression in the years that followed. Instead of following that policy, however, we raised our tariff duties in 1930 to the highest level in history, effectively shutting out the possibility of relief through expanding trade with other nations.

The most vociferous of the opponents of trade agreements have a phrase which they use as their battle cry. It is, "the American market for the American farmer." That phrase sounds well and it has a broad appeal to many people. It sounds patriotic, but let us examine the facts. Maybe we have the equivalent of more than the American market. Maybe we must have more than the American market to attain prosperity. To take the most obvious example of the need for export outlets, consider cotton. Nearly half of our farm population lives in the cotton States, and throughout history we have shipped approximately one-half of our cotton to foreign markets. What will happen to the farm families which depend on cotton for their cash income if we suddenly decide to adopt a 100-percent nationalistic policy? We well know that if we place an embargo on all competitive imports it will be impossible for our former customers to create exchange to buy our own surpluses.

Instead of considering one commodity, suppose we look at the record for all of our principal agricultural exports and imports and reduce the figures to acreage equivalents—that is, the acreage required to produce our farm exports and the acreage required to produce our farm imports.

During the fiscal year 1937–38, the last year for which we have complete official records, the farm products we imported could have been produced on 7,564,000 acres of land. But our farm exports in that year required 36,367,000 acres of land, or nearly 5 times as much as were required to produce the products we imported. In other words, American farmers have much more than the American market now, and if we were to cut off both our imports and our exports we would have to shrink our productive plant by at least 28,000,000 acres. To me that is the complete answer to those who make a fetish of "the American market for the American farmer."

Everybody recognizes that the tariff has been the basis of the disparity which has developed between industry and agriculture. Industry, secure behind tariff walls and able to restrict its production to the amount that can be sold at a price which includes the amount of the tariff, has lived under one sort of economy, while agriculture, its markets the world, and itself unable to secure tariff advantages, as a rule, because we produce most farm products in surplus quantities, has lived under a different kind of economy. The result has been that the farmer has bought on protected price levels and sold on the free and open market with respect to most of its products.

The American Farm Bureau Federation has been organized for 20 years, and during most of that time it has been doing its utmost to secure legislation which would give agriculture the equivalent of tariff protection. We secured tariff increases on corn and wheat, only to find that a tariff is worthless in protecting the domestic price when we produce exportable surpluses.

We fought for 8 years for the McNary-Haugen bill, which was designed to segregate the surplus and keep it off the domestic market, so as to permit domestic prices to rise to an American level. Its purpose, in other words, was to make the tariff effective for agriculture. We supported tariff increases provided in the Fordney-McCumber Act of 1922. We apparently, along with nearly everybody else at the time, failed to realize that the change of this country from a debtor status to that of creditor called for a new foreign policy. We just didn't appreciate the significance of this change, and apparently some people don't appreciate it even now.

We worked for reduced freight rates to seaboard to permit us to get our surpluses into ocean commerce. We worked for an enlarged merchant marine and for deep waterways to help us to get our surpluses out of the country at low cost. The bulk of our activities during those years touched foreign trade in some respect.

In 1929, when a special session of Congress was called for the specific purpose of enacting farm legislation and for bringing about a limited revision of the tariff to help agriculture, we witnessed an orgy of tariff increases. For every increase agriculture got, industry got several times as many. The result, after a year of old-fashioned logrolling, was the Hawley-Smoot Act, representing the ultimate extreme in high-tariff protection in all our history. The fallacy of the tariff as applied to agriculture was forcibly driven home to farmers in the succeeding years when several farm products actually sold in our own markets for less than the amount of the tariff. Prices went through the tariff level as water goes through a sieve.

These experiences shook the faith of farmers in the tariff as it never had been shaken before, and made them receptive to new approaches to the problem of foreign trade. I would not have you infer from what I say that all of agriculture has discarded the tariff philosophy or that all of agriculture is in sympathy with the present reciprocal trade agreements policy. Some of the segments of American agriculture, notably the beef cattle and dairy interests, at least as indicated by the leaders of these segments, are violently opposed to reciprocal trade. There are State units of the American Farm Bureau Federation which do not subscribe fully to the official stand of our national organization, which is in full accord with the principles of reciprocal trade, but in favor of further safeguarding the negotiating of agreements by requiring the approval of the Secretaries of State, Commerce, and Agriculture before consummation of any agreement.

Nevertheless, and in spite of what I consider minor differences of opinion as to the method of negotiating agreements, and in spite of the open opposition of the farm interests that I have mentioned, I say again that there has been a far-reaching shift in sentiment in this country on the entire question of tariffs and foreign trade—one of the most significant changes that I have witnessed during my years in the farm bureau movement.

In addition to their own experiences with tariff matters, two other factors have contributed greatly to bringing about this change in public opinion. First, we in this country have been horrified onlookers while European nations have been driving headlong into war, largely through short-sighted policies of nationalism and self-containment. Second, they have become aware, to some extent, of the monopolistic practices and price fixing that have been carried on in this country behind protecting tariff walls.

Reports of the Temporary National Economic Committee show that some of our industries, through legally sanctioned corporate power, buttressed by tariff laws and other Government devices, have made trade agreements of their own against the public interest in the form of national and international cartels. Through these controls they have become immensely powerful, and the result has been that agriculture has had to pay managed prices for most of its equipment and supplies, while it has had to sell its production at prices which were subject to natural economic law. This is the source of much of the disparity between industry and agriculture.

Farmers are beginning to realize that one of the most effective ways of breaking up monopoly practices and monopoly prices may be through letting in some imports which are competitive with the products of our most highly protected industries.

The importance of concessions made by this country on manufactured goods has been grossly exaggerated. A few years ago we signed a reciprocal-trade agreement with what was then Czechoslovakia. Under the terms of this pact, we agreed to permit the Czechs to ship 5,000,000 pairs of shoes into this country annually. Now, 5,000,000 pairs of shoes looked like a lot of shoes, but when you analyze the situation you find that 5,000,000 pairs is only 1¼ percent of our total domestic output. It is hard to believe that imports of that volume could be a very great menace to our own shoe producers.

As a matter of fact, the size of our own country in comparison with the size of many of the small nations with which we have signed trade agreements is the factor which gives us a very great advantage. I mean that in the case of Czechoslovakia the 5,000,000 pairs of shoes that we permitted to come in were a trifling matter to us but were a matter of very great concern to the Czechs. If the Czechs had not been swallowed up by Germany, I believe this pact would have opened up trade which would have proved very profitable to this country. The same situation exists in Cuba. Because of small concessions on sugar by the United States, we have been able to sell a large quantity of lard to Cuba. In 1932, Cuban imports from the United States were only 53.6 percent of their total imports; in 1938 this figure had risen to 72.1 percent, almost entirely as a result of the trade agreement signed in 1934.

In negotiating all trade agreements, the United States guards against the flooding of our domestic market by imposing quota restrictions. Those restrictions are based on estimates of the volume of specific goods or commodities which can be absorbed without adverse effect.

I firmly believe that this country, in order to achieve lasting prosperity, must have national policies which will result in establishing an economic balance between groups which will assure security for labor, stability for industry, and parity for agriculture. And because I believe that the application of the principles of reciprocal trade between nations will contribute to that result, as well as contribute immeasurably toward improved world conditions, I am enthusiastic in supporting those principles.

It all comes down to a question of what is the best method of tariff making. We have the tariff and no one wants to get rid of it so suddenly as to upset the present national economy, but we want the tariff to be modified so as to work for us rather than against our own interests. We want to be able to adjust it up or down, according to the interests of the entire Nation.

I hold a deep conviction that the Nation can be prosperous only to the extent that all of our various groups are given fair opportunity to attain prosperity. I believe too that the only way that a nation can increase its income is through greater production, exchange, and use of goods. All artificial devices which are in any sense restrictive to the attainment of this objective should be examined most critically, and should be modified or discarded as experience seems to warrant. It will require a lot of cooperation by a lot of groups to attain the goal that everybody desires; and it will require that a lot of people plow under their prejudices in order to discern what really is best for the Nation in the long run. We are making progress. I believe that this country has a glorious destiny, if only the people have the wisdom to embrace the opportunity that is so manifestly theirs to translate the matchless resources of the Nation into homes and comforts and good living for all who are willing to make a modest effort to acquire them.

Hospitals for Rural Areas

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

LETTER FROM BERNARD M. BARUCH

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix to the RECORD the full text of a letter addressed to me by Mr. Bernard M. Baruch, one of America's foremost public-spirited citizens, strongly endorsing the legislation sponsored by the Senator from Georgia [Mr. GEORGE] and myself to authorize the appropriation of $10,000,000 next year for the construction of needed small hospitals in rural and economically depressed areas.

This letter expresses the general consensus of informed opinion among consumer and professional groups, as disclosed at the hearings just concluded. It is of interest that Mr. Baruch's father, who began his career as a country doctor and became one of America's outstanding medical authorities, pioneered in bringing better medical care to the medically needy. The experimental, carefully safeguarded program embodied in this proposed legislation is a vital, imperatively needed step in our progress toward better health security for all the American people. I am confident that a perfected bill will be reported and enacted into law at this session of Congress.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 20, 1940.

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I hope the plan for establishing small hospitals in rural districts will proceed and that the enabling legislation will be passed this session.

Owing to my close relations with southern rural communities, I know the real need for small hospitals. Even with the desire for economy, I advise most strongly this expenditure.

I understand that a hospital will be established only where the need for one is already demonstrated and where the community itself shows that it can support it.

My father was a country doctor and told me how some simple treatment might prevent disease and often disability. I have seen the good effects of rendering first aid and providing simple remedies to incipient cases in the few hospitals already established in the rural South.

May I say one word in regard to another subject—unemployment? It seems to me inhuman that people should be laid off from relief work when other jobs are not available for them. I have not seen anything done to relieve the situation—that is, to provide jobs—and I think it is a simple matter.

Sincerely yours,

BERNARD M. BARUCH.

Nation-wide Support for Silver Repeal Bill

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

EXCERPTS FROM EDITORIALS IN SUPPORT OF SILVER REPEAL BILL

Mr. TOWNSEND. Mr. President, I send to the desk a series of brief excerpts from editorials which have appeared in all parts of the country in support of my efforts to bring to an end Treasury purchases of unneeded foreign silver. I ask consent that these excerpts be printed in the CONGRESSIONAL RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NATION-WIDE SUPPORT FOR TOWNSEND'S SILVER REPEAL BILL—NORTH, SOUTH, EAST, AND WEST ASKING END TO FOREIGN SILVER BUYING

The following excerpts are typical of hundreds of editorials which have appeared to support Senator TOWNSEND'S efforts to end Treasury purchases of foreign silver.

ALABAMA

Birmingham Post: "Let's stop swapping dollars—which means swapping American airplanes and automobiles and typewriters and oil—for more foreign silver to inter at West Point. If we must buy to hoard, let's buy cheaper, more useful materials that might come in handy in a crisis."

Gadsden Times: "During these 5 years the Nation has purchased 2,000,000,000 ounces of silver for which it has no use—an amount that is some 80 times greater than the annual production in the United States at the time the Treasury raids began. Much of this silver has been bought from Mexico at prices far above the market and thus that country has been kept 'on the dole' by this country while it seized American properties."

Montgomery Advertiser: "There is a bill before Congress aimed at stopping this international charity. The foreign subsidy can, and should be stopped."

ARIZONA

Tucson Star: "Coincident with the announcement of the good-neighbor policy the government of President Cardenas revived with evident determination the policy of expropriation not only of lands but of industries. The expropriation has amounted to confiscation, because not a peso has been paid for what has been taken. Yet while Mexico has thus avoided payment, President Roosevelt has directed the Treasury to continue to buy $6,000,000 worth of Mexican silver each month."

ARKANSAS

Helena World: "The debates did not furnish any reason why the taxpayers of the United States should maintain any kind of camouflaged foreign relief for the neighboring country beyond the Rio Grande or any foreign nation."

CALIFORNIA

Anaheim Bulletin: "Congressional action canceling the program of purchase of foreign silver probably will be helpful in the end. * * *

"This may be helpful in starting a campaign to bring nations to their senses. We have been looked upon as the world's Simple Simon gone modern—the type who always has a penny. We cannot go on always in this role, and it is proper that Congress give the President an example."

Eureka, Humboldt Times: "This country should abandon its blundering silver policy because it is wholly uneconomic and tremendously costly to the American taxpayer."

Bakersfield Californian: "So far as the American people are concerned they never could see a valid reason for the purchase of foreign silver at an inflated price, and they cannot understand it even after years of wasteful expenditure in that direction. Any excuse that has been offered from governmental sources is absurd and it seems strange that the Senate should delay taking a definite stand against the continuation of the policy that now finds favor."

San Francisco Daily News: "It seems to us that it is time for Congress to pay heed to Senator TOWNSEND'S one-man crusade against this foolishness."

COLORADO

Durango Herald-Democrat: "Mexico produces 40 percent of the world's output of silver and the United States Government is its chief customer; or, in reality, the United States is carrying Mexico on 'relief.' Mexico makes the silver sales that swelled foreign silver purchases to over 84 percent during the past year. Mexico's silver sales are the backbone of its socialistic form of government. The profits from silver sales are used to promote trade with Germany and Japan."

Denver Rocky Mountain News: "Some argue that the silver policy provides purchasing power abroad with which to buy American goods. Well, so did our war and post-war loans to Europe. So did those Latin-American bonds."

CONNECTICUT

Norwich Bulletin: "In view of what the Senate subcommittee has voted, what some of the Government officials have said, and what seems a most logical course, it will be interesting to see what the decision of the State and Treasury Departments is after they have had the proposition submitted to them. Whatever it is, it is hoped that it will be answered promptly and not put aside to accumulate dust."

Bridgeport Post: "The purchase of silver by our Government is financing the unfriendly Government of Mexico at the expense of the taxpayers of the United States. It is hard to imagine a more absurd spectacle than Uncle Sam buying at a price well above the world market price all the silver that is offered for sale here by foreign countries.

"Including a considerable quantity of silver from Japan. Since Japan has no source of its own for such silver the implication is clear that it was stolen from the Chinese in the brutal war now being waged by Japan in China. Thus we become a receiver of stolen goods and what is worse, we pay the thief far more for the goods than they were worth in the first place and help him to continue his unlawful tactics."

DELAWARE

Wilmington News: "Turning to the argument that Mexico may treat American interests even more harshly if the silver subsidies are stopped, this is, as Senator TOWNSEND declares, merely 'yielding to blackmail.' That is the poorest kind of excuse for continuing a policy which has no other perceptible justification of any kind."

DISTRICT OF COLUMBIA

Times-Herald: "Thus, we're still tied to silver as some alleged kind of money and the piling up of the silver hoard at West Point is to go right on. This silver will be bought for more than it is worth; and the betting is good that it will do something drastic, if not destructive, to our money system some day."

Daily News: "It seems to us that it is time for Congress to pay heed to Senator TOWNSEND'S one-man crusade against this foolishness."

FLORIDA

St. Petersburg Independent: "In 1939 the silver production of the entire world was around 265,000,000 ounces. During the same period the United States purchased 340,000,000 ounces—five times the American production and 28 percent more than the entire world production. Worse still, we paid more for this silver than it was worth—about twice the market value for American silver, and above the market for foreign silver. If we had to sell any of it, the bottom would fall out of the market, and we would be able to get only a fraction of the price we paid."

Sentinel: "Inasmuch as the unlimited purchase of foreign silver at a high price was begun without any reason, it would seem to be unnecessary to look for any reason to stop it."

GEORGIA

Americus News: "So long as we donate $6,000,000 a year in the form of silver purchases, Mexico will pay our nationals $1,000,000 a year on their land-grab debt. * * * The New Deal silver policy has been growing increasingly unpopular for some time."

IDAHO

Blackfoot Bulletin: "And the sum total of our efforts to make silver a monetary unit again has been to destroy, perhaps forever, its monetary character in every country where 6 years ago it was part of the currency."

ILLINOIS

Peoria Morning Journal Transcript: "This system is excellent for Mexico. That country continues to get our money for low-grade ore on the theory that we are thus saving our own silver-mining industry. Ultimately our goal is to have one-third the silver we now have gold. But we also keep on buying gold, so that the end is nowhere in sight. Then after we get the silver—at an artificial price—the Mexican Government turns around and gives us some of our money back while selling oil from the expropriated properties to Fascist Italy for military and aviation purposes."

Moline Dispatch: "United States taxpayers in general are bearing the burdens of the silver-buying mania."

Greenfield Argus: "A good-neighbor policy is expensive to Uncle Sam, but rich gravy to Mexico. * * * Good Neighbor Uncle Sam loses money on his silver and loses money on his wheat to Bad Neighbor Mexico, whose present government plays this old-fashioned game of 'heads I win and tails you lose.'"

INDIANA

Evansville Press: "Sponsors of the Silver Purchase Act predicted that it would be a boon to China, and to our trade with China. What happened? Our silver policy made a mess of that country's finances, forcing it off the silver standard. And today we are probably buying less silver from China than from Japan—to finance Japanese purchases of our oil and scrap iron with which to Japanize all Asia."

Muncie Post-Democrat: "Mexico is being built up on silver purchases. Meanwhile she is using American oils that she confiscated last March in bartering with Germany; she is playing fast and loose in commerce and political sympathies with Communists and Nazis, and cultivating trade and friendly relations with Japan."

Indianapolis Press: "The Treasury is farther than ever from the statutory goal of 1 dollar's worth of silver for every 3 of gold. (That's because it has also been buying all the gold in sight.)"

IOWA

Mason Globe-Gazette: "New Deal shrewdness: Selling wheat to Mexico below cost for useless Mexican silver at twice the market price."

Centerville Iowegian Citizen: "A cartoonist pictures the United States of America passing out good money to Russia in payment for gold bought at a fictitious price that nets Russia millions, and doing the same for Mexico's silver. This despite the fact that Russia is trying to undermine us with socialism and Mexico seizes and holds properties of our citizens without paying for them."

Davenport Times: "It is an old story—investigation, a sound finding, and then, just in time to effect delay, mysterious talk about foreign policy. 'Shush,' Senator BARKLEY whispers about 'we should not do anything like this without consulting the State and Treasury Departments.' Right, Senator BARKLEY, and, meanwhile it might be well to inquire also concerning public opinion on the administration's senseless, costly, and in some respects, dangerous silver policy."

KANSAS

Lawrence Journal-World: "As the (Mexican) expropriation began 20 years ago, some of the owners will have waited 30 years for their money if the agreement is kept. Contrasted with that slow pay is the silver-purchase policy of the United States Government under which the Government is using the money of the American taxpayer to purchase Mexican silver at an arbitrary and artificially high price."

KENTUCKY

Covington Post: "The odd part is all this silver and gold we've been buying 'doesn't cost anything.' It works this way: The Treasury buys a million ounces of foreign silver, pays $350,000 in cash for it, then prints up $350,000 in new silver certificates, and is right back where it started; not a penny is added to the national debt. But, say the economists, wait until we try to sell some of that silver and then the cost will show up because we'll sell at less than we paid."

Louisville Courier-Journal: "The United States has borne with patience the openly antagonistic practices of its neighboring Republic. In buying Mexican silver and a considerable percentage of Mexican exports, it has returned good for evil."

LOUISIANA

Shreveport Times: "Mr. Cardenas and his radical friends will have to get along as best they can without a silver subsidy from Uncle Sam. In our opinion, that is good news, and will be welcomed as such by an overwhelming number of Americans."

MAINE

Biddeford Daily Journal: "It is bad enough for the money of taxpayers to be used in the accumulation of a metal of which this country has no need * * * and there is great curiosity as to how much longer the Mexican Government's communistic force * * * will be supported by American taxpayers."

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Springfield Union: "The really culpable thing about silver purchases has been the hocus-pocus by which silver bought down to 35 cents an ounce is legally held to have a monetary value of $1.29 an ounce."

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Boston Post: "Last week Mr. Morgenthau quite readily testified before a Senate committee regarding our purchases of silver from Mexico at prices well above fair market value. He said these purchases helped Mexico to buy our goods. But, as a matter of fact, over the last 10 years the official Department of Commerce figures show that Mexico bought more goods from us in the years before the New Deal silver-buying program was initiated than she has since."

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Red Wing Eagle: "Obviously Mexico is whipping the devil about the bush in using the profits obtained from silver purchases by the American Government to pay owners of farm lands. The Mexican Government says it has no money. If that is over a half truth, the only way settlement ever can be made for several hundred million dollars' worth of American, British, and Dutch oil properties seized by Mexico would be by compelling Mexico to return the properties to their lawful owners."

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Butte Montana Standard: "The good-neighbor policy of the administration has been trotted out as a reason why Congress should not interfere with the Government's program for the purchase of foreign silver. In other words, the administration at Washington wants to keep right on pouring American tax money into foreign countries. That program means that every income-tax payer, every payer of internal-revenue taxes is contributing something to the Government of Mexico; to other pan-American governments; and, until recently, to the Government of China."

NEW HAMPSHIRE

Manchester Union: "It is hoped that the Senate Banking and Currency Committee will sustain the recommendation of its subcommittee asking approval of the Townsend resolution calling for repeal of the present authority of the Treasury to buy foreign silver."

Manchester Leader: "In view of this treatment, there is not the shadow of an excuse for continuing the purchase of Mexican silver which we do not want."

NEW JERSEY

Plainsfield Courier-News: "Although the public has little interest in international metal market, people can understand they are buying too much of something they don't need and paying more than it is worth. Why not stop that waste?"

Camden Courier: "The Treasury ought to stop buying silver for the same reason that it ought to stop buying gold—because it is absurd to barter American commodities for a substance which may some day be valuable chiefly as watch charms."

Newark, The Star-Eagle: "Uncle Sap * * * the New Deal's whole silver policy has proved faulty."

Bridgeton, Bridgeton News: "The taxpayers' money has been invested to the extent of perhaps a billion dollars in sustaining the purchase of silver."

Asbury Park Press: "Some idea of the difference which will be noticeable is that every time in the last few years the Treasury has bought an ounce of United States mined silver at fancy prices it has also bought 6 ounces of foreign silver at fancy prices. The mines of the United States cannot possibly produce as much silver per annum as we have been buying abroad. Therefore the silver nut program adopted by the Senate would mean actually economy."

NEW MEXICO

Albuquerque, Albuquerque Tribune: "Senator TOWNSEND has a bill to stop buying of foreign silver which was endorsed this week by the 12 bankers of the advisory council of the Federal Reserve Board.

"The council pointed out that these silver purchases are increasing 'the already excessively large bank reserves.' In other words, they are a potential source of runaway credit and of inflation."

NEW YORK

New York Journal of Commerce: "The proper course of procedure for this country should be to halt silver purchases abroad as futile and wasteful, regardless of other considerations. If, however, considerations of foreign policy are to affect the decision with regard to foreign silver buying, then there is all the more reason to halt silver purchases abroad, in view of Mexico's flagrant disregard of the property rights of American citizens and corporations, whose holdings there have been appropriated in cynical disregard of the elementary tenets of international law."

New York Times: "It would be difficult to think of a worse argument than that for continuing our purchases of foreign silver, unless it is the argument sometimes attributed to Treasury officials, that we must continue to buy silver that we do not need at wholly artificial prices in order to supply the countries from which we buy it with the purchasing power to take our goods in return. Such an argument is fantastic. We could accomplish the same result by buying sand from Mexico or Canada or elsewhere at $10 an ounce. If a jeweler stood outside of his store and handed $20 bills to passers-by in the hope that they would use them to buy his watches, he would hardly be doing anything more ridiculous in principle."

New York Herald Tribune: "It is unfortunate that the Senate Banking Committee did not sustain the report of its subcommittee and call for the outright repeal of foreign silver purchases."

New York Evening Post: "We should not have to buy all the world's silver. We should be able to get out of that."

New York Daily Mirror: "America is in the peculiar position of subsidizing the Mexican Government by buying silver from Mexico at artificially high prices."

Troy Morning Record: "If anything further were needed to prove the idiocy of the United States Government's silver-buying policy, it is provided by the frank admission from Mexican sources that Washington's silver-purchase plan has kept really hard times from knocking down Mexico's door and also, of all things, enabling the Mexican Government to go on expropriating American oil company property."

NEVADA

Reno Gazette: "Foreign silver folly."

NORTH CAROLINA

Asheville Citizen: "The futility—in fact, the danger—of the Treasury's foreign silver-buying program becomes more apparent with every passing day. Our silver stocks are increasing constantly, yet they are still far from the goal set by the Silver Purchase Act of 1934. With each fresh purchase the excess of bank reserves swells, bringing closer the threat of inflation. * * * Abandonment of foreign silver purchases should be the first step in a concerted drive to reorient the basis of our national economy."

NORTH DAKOTA

Fargo Evening Forum: "The silver-buying program has been a farce and a costly one."

Fargo Morning Forum: "Mexico is being aided in doing these things through the misguided silver-purchase policy of the United States."

OHIO

Massillon Independent: "We have the silver but not the prosperity.

"The United States buys silver that is offered by foreign countries. It pays for it in American dollars. Like the gold that it has been purchasing, the vast hoard of silver is absolutely no use to the country. Both are burdens. But almost every day that burden upon the American people is increased on the grounds that we are playing the part of a good neighbor and saving the financial structure of the world from collapse. If the country does not collapse before it saves the world it will be lucky."

Columbus State Journal: "The sooner it is repealed the quicker the Nation will be headed back toward saner monetary policies."

Akron Beacon-Journal: "Americanism: Helplessly wailing when Mexico steals the property of our citizens; keeping Mexico from ruin by buying her silver at double its value."

The Cleveland Press: "We have been studying up on silver again, and our head aches."

OREGON

The Milwaukie Review: "Meanwhile Good Neighbor Uncle Sam continues to support the Mexican Government by purchasing Mexican silver at a special high price on the theory that this generosity creates a friendly feeling there for American trade."

PENNSYLVANIA

Philadelphia Inquirer: "Squandering millions of dollars every month for foreign silver to stick in the ground is not far short of lunacy. It's time to stop it."

Philadelphia News: "So far as we can see, our generosity in buying silver at prices above the world market has induced all silver-standard countries to send us all the silver they can and go on a managed-money basis themselves. * * * Where is the whole program leading us? What is it all about, and why? We think someone should let the public know these things, since it is a matter of vital public interest."

Philadelphia Bulletin: "We buy silver abroad now, chiefly from Mexico and China, ostensibly that they may pay for some of our goods. What we are doing is to buy from them an article we neither want nor need in order to give them a chance to draw something from us which is valuable. The council of the Reserve System doesn't think we can afford this any longer."

Philadelphia Record: "The Treasury ought to stop buying silver for the same reason that it ought to stop buying gold—because it is absurd to barter American commodities for a substance which may some day be valuable chiefly as watch charms."

Pittsburgh Press: "It seems to us that it is time to pay heed to Senator TOWNSEND's one-man crusade against this foolishness."

RHODE ISLAND

Newport News: "This silver policy seems to have few friends today, and unless Washington reports are wrong the limit of public and congressional patience concerning it seems to have been reached."

SOUTH CAROLINA

Charleston News and Courier: "Not the Americans, but foreigners, derive the benefits."

Manning Times: "Mexico produces 40 percent of the world's output of silver and the United States Government is its chief customer; or in reality, the United States is carrying Mexico on 'relief.' * * * Mexico's silver sales are the backbone of its socialistic form of government. The profits from silver sales are used to promote trade with Germany and Japan, and to continue the unlawful possession and operation of hundreds of millions of dollars' worth of foreign-owned oil properties which are held under confiscation by Mexico."

TENNESSEE

The Memphis Press-Scimitar: "Some argue that the silver policy provides purchasing power abroad with which to buy American goods. Well, so did our war and post-war loans to Europe. So did those Latin American bonds."

The Knoxville News-Sentinel: "Senator PITTMAN, the leading silverite in Congress, proclaimed that we wouldn't need to buy more than a billion ounces of silver to raise the world price to $1.29.

"The Treasury has bought more than 2,000,000,000 ounces of silver, yet the price on the London market is around 33 cents. Economists say it would skid much lower if the United States Treasury were not offering 35 cents for foreign silver."

TEXAS

Houston Post: "If the Government of the United States is to continue buying silver at a premium over world prices for the metal, ordinary common sense suggests that it limit its purchases to silver produced in this country. There can be no point in buying up silver produced in other countries at a premium and piling it up in the United States."

Austin American: "Loss of markets as well as investments in Mexico—a shabby return indeed for American economic help given Mexico in the form of pegged prices for silver."

The Fort Worth Press: "It is apparently useless to attack this domestic subsidy. But let's stop swapping dollars—which means swapping American airplanes and automobiles and typewriters and oil—for more foreign silver to inter at West Point. If we must buy to hoard, let's buy cheaper, more useful materials that might come in handy in a crisis."

VIRGINIA

Cape Charles Times: "Nor would we in any way want to throw cold water on this rosy Mexican dream because it is not as fantastic as the practice of the United States Government's continued generosity in buying Mexican silver—for which it has no earthly use—at a phony price."

WEST VIRGINIA

Point Pleasant, The Gazette: "Millions of dollars have been poured into Mexico as a result of our lifting the price of silver far above the price on the world market when we started that mad adventure to 'do something for silver.'"

WISCONSIN

Oshkosh Northwestern: "It seems of little use to try to make head or tail out of this Government's present relations with Mexico. * * * The regime responsible * * * depends heavily upon certain American governmental policies to keep its power. Chief of these policies is our idiotic silver-buying program."

Labor Relations in the Automobile Industry

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

REPORT BY PROF. WILLIAM H. McPHERSON ON LABOR RELATIONS IN THE AUTOMOBILE INDUSTRY

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a press release on a forthcoming report on labor relations in the automobile industry, prepared by Prof. William H. McPherson, of Oberlin College, published by Brookings Institution.

The report discloses the improvement in working conditions through development of collective bargaining in the industry in recent years, under the protection of the National Labor Relations Act.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WASHINGTON.—Labor relations in the automobile industry on the whole appear to be gradually improving, as experience in collective bargaining is gained, according to the report of a study that has been completed at the Brookings Institution. The study was made by Prof. William H. McPherson, on leave from Oberlin College, where he is assistant professor of economics.

The report is based on extensive field work, which included many conferences with union officials, officers of employers' associations, and personnel managers. The study covers makers of parts, bodies, and tools and dies, as well as the actual manufacturers of motor vehicles. Among the subjects discussed are collective agreements, hours, grievance procedure, strikes and boycotts, wage rates, profit sharing, wage differentials, productivity, and others of importance in employer-employee relations.

The group of companies which have accorded whole-hearted acceptance to the union, though small, is increasing, the report says. While most managers are reluctant to grant new concessions to the union, nearly all are apparently making a very sincere effort to assure successful functioning of the agreements they have signed. At the same time, the union is growing more responsible and is making a greater effort to assure observance of agreements, the author states.

Working hours have been noticeably shortened since the advent of unionism, but the author points out that this change would have taken place anyway as a result of Federal legislation. The

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Manchester Leader: "In view of this treatment, there is not the shadow of an excuse for continuing the purchase of Mexican silver which we do not want."

NEW JERSEY

Plainsfield Courier-News: "Although the public has little interest in international metal market, people can understand they are buying too much of something they don't need and paying more than it is worth. Why not stop that waste?"

Camden Courier: "The Treasury ought to stop buying silver for the same reason that it ought to stop buying gold—because it is absurd to barter American commodities for a substance which may some day be valuable chiefly as watch charms."

Newark, The Star-Eagle: "Uncle Sap * * * the New Deal's whole silver policy has proved faulty."

Bridgeton, Bridgeton News: "The taxpayers' money has been invested to the extent of perhaps a billion dollars in sustaining the purchase of silver."

Asbury Park Press: "Some idea of the difference which will be noticeable is that every time in the last few years the Treasury has bought an ounce of United States mined silver at fancy prices it has also bought 6 ounces of foreign silver at fancy prices. The mines of the United States cannot possibly produce as much silver per annum as we have been buying abroad. Therefore the silver nut program adopted by the Senate would mean actually economy."

NEW MEXICO

Albuquerque, Albuquerque Tribune: "Senator TOWNSEND has a bill to stop buying of foreign silver which was endorsed this week by the 12 bankers of the advisory council of the Federal Reserve Board.

"The council pointed out that these silver purchases are increasing 'the already excessively large bank reserves.' In other words, they are a potential source of runaway credit and of inflation."

NEW YORK

New York Journal of Commerce: "The proper course of procedure for this country should be to halt silver purchases abroad as futile and wasteful, regardless of other considerations. If, however, considerations of foreign policy are to affect the decision with regard to foreign silver buying, then there is all the more reason to halt silver purchases abroad, in view of Mexico's flagrant disregard of the property rights of American citizens and corporations, whose holdings there have been appropriated in cynical disregard of the elementary tenets of international law."

New York Times: "It would be difficult to think of a worse argument than that for continuing our purchases of foreign silver, unless it is the argument sometimes attributed to Treasury officials, that we must continue to buy silver that we do not need at wholly artificial prices in order to supply the countries from which we buy it with the purchasing power to take our goods in return. Such an argument is fantastic. We could accomplish the same result by buying sand from Mexico or Canada or elsewhere at $10 an ounce. If a jeweler stood outside of his store and handed $20 bills to passers-by in the hope that they would use them to buy his watches, he would hardly be doing anything more ridiculous in principle."

New York Herald Tribune: "It is unfortunate that the Senate Banking Committee did not sustain the report of its subcommittee and call for the outright repeal of foreign silver purchases."

New York Evening Post: "We should not have to buy all the world's silver. We should be able to get out of that."

New York Daily Mirror: "America is in the peculiar position of subsidizing the Mexican Government by buying silver from Mexico at artificially high prices."

Troy Morning Record: "If anything further were needed to prove the idiocy of the United States Government's silver-buying policy, it is provided by the frank admission from Mexican sources that Washington's silver-purchase plan has kept really hard times from knocking down Mexico's door and also, of all things, enabling the Mexican Government to go on expropriating American oil company property."

NEVADA

Reno Gazette: "Foreign silver folly."

NORTH CAROLINA

Asheville Citizen: "The futility—in fact, the danger—of the Treasury's foreign silver-buying program becomes more apparent with every passing day. Our silver stocks are increasing constantly, yet they are still far from the goal set by the Silver Purchase Act of 1934. With each fresh purchase the excess of bank reserves swells, bringing closer the threat of inflation. * * * Abandonment of foreign silver purchases should be the first step in a concerted drive to reorient the basis of our national economy."

NORTH DAKOTA

Fargo Evening Forum: "The silver-buying program has been a farce and a costly one."

Fargo Morning Forum: "Mexico is being aided in doing these things through the misguided silver-purchase policy of the United States."

OHIO

Massillon Independent: "We have the silver but not the prosperity. "The United States buys silver that is offered by foreign countries. It pays for it in American dollars. Like the gold that it has been purchasing, the vast hoard of silver is absolutely no use to the country. Both are burdens. But almost every day that burden upon the American people is increased on the grounds that we are playing the part of a good neighbor and saving the financial structure of the world from collapse. If the country does not collapse before it saves the world it will be lucky."

Columbus State Journal: "The sooner it is repealed the quicker the Nation will be headed back toward saner monetary policies."

Akron Beacon-Journal: "Americanism: Helplessly wailing when Mexico steals the property of our citizens; keeping Mexico from ruin by buying her silver at double its value."

The Cleveland Press: "We have been studying up on silver again, and our head aches."

OREGON

The Milwaukie Review: "Meanwhile Good Neighbor Uncle Sam continues to support the Mexican Government by purchasing Mexican silver at a special high price on the theory that this generosity creates a friendly feeling there for American trade."

PENNSYLVANIA

Philadelphia Inquirer: "Squandering millions of dollars every month for foreign silver to stick in the ground is not far short of lunacy. It's time to stop it."

Philadelphia News: "So far as we can see, our generosity in buying silver at prices above the world market has induced all silver-standard countries to send us all the silver they can and go on a managed-money basis themselves. * * * Where is the whole program leading us? What is it all about, and why? We think someone should let the public know these things, since it is a matter of vital public interest."

Philadelphia Bulletin: "We buy silver abroad now, chiefly from Mexico and China, ostensibly that they may pay for some of our goods. What we are doing is to buy from them an article we neither want nor need in order to give them a chance to draw something from us which is valuable. The council of the Reserve System doesn't think we can afford this any longer."

Philadelphia Record: "The Treasury ought to stop buying silver for the same reason that it ought to stop buying gold—because it is absurd to barter American commodities for a substance which may some day be valuable chiefly as watch charms."

Pittsburgh Press: "It seems to us that it is time to pay heed to Senator TOWNSEND's one-man crusade against this foolishness."

RHODE ISLAND

Newport News: "This silver policy seems to have few friends today, and unless Washington reports are wrong the limit of public and congressional patience concerning it seems to have been reached."

SOUTH CAROLINA

Charleston News and Courier: "Not the Americans, but foreigners, derive the benefits."

Manning Times: "Mexico produces 40 percent of the world's output of silver and the United States Government is its chief customer; or in reality, the United States is carrying Mexico on 'relief.' * * * Mexico's silver sales are the backbone of its socialistic form of government. The profits from silver sales are used to promote trade with Germany and Japan, and to continue the unlawful possession and operation of hundreds of millions of dollars' worth of foreign-owned oil properties which are held under confiscation by Mexico."

TENNESSEE

The Memphis Press-Scimitar: "Some argue that the silver policy provides purchasing power abroad with which to buy American goods. Well, so did our war and post-war loans to Europe. So did those Latin American bonds."

The Knoxville News-Sentinel: "Senator PITTMAN, the leading silverite in Congress, proclaimed that we wouldn't need to buy more than a billion ounces of silver to raise the world price to $1.29.

"The Treasury has bought more than 2,000,000,000 ounces of silver, yet the price on the London market is around 33 cents. Economists say it would skid much lower if the United States Treasury were not offering 35 cents for foreign silver."

TEXAS

Houston Post: "If the Government of the United States is to continue buying silver at a premium over world prices for the metal, ordinary common sense suggests that it limit its purchases to silver produced in this country. There can be no point in buying up silver produced in other countries at a premium and piling it up in the United States."

Austin American: "Loss of markets as well as investments in Mexico—a shabby return indeed for American economic help given Mexico in the form of pegged prices for silver."

The Fort Worth Press: "It is apparently useless to attack this domestic subsidy. But let's stop swapping dollars—which means swapping American airplanes and automobiles and typewriters and oil—for more foreign silver to inter at West Point. If we must buy to hoard, let's buy cheaper, more useful materials that might come in handy in a crisis."

VIRGINIA

Cape Charles Times: "Nor would we in any way want to throw cold water on this rosy Mexican dream because it is not as fantastic as the practice of the United States Government's continued generosity in buying Mexican silver—for which it has no earthly use—at a phony price."

WEST VIRGINIA

Point Pleasant, The Gazette: "Millions of dollars have been poured into Mexico as a result of our lifting the price of silver far above the price on the world market when we started that mad adventure to 'do something for silver.' "

WISCONSIN

Oshkosh Northwestern: "It seems of little use to try to make head or tail out of this Government's present relations with Mexico. * * * The regime responsible * * * depends heavily upon certain American governmental policies to keep its power. Chief of these policies is our idiotic silver-buying program."

Labor Relations in the Automobile Industry

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

REPORT BY PROF. WILLIAM H. MCPHERSON ON LABOR RELATIONS IN THE AUTOMOBILE INDUSTRY

Mr. WAGNER. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a press release on a forthcoming report on labor relations in the automobile industry, prepared by Prof. William H. McPherson, of Oberlin College, published by Brookings Institution.

The report discloses the improvement in working conditions through development of collective bargaining in the industry in recent years, under the protection of the National Labor Relations Act.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

WASHINGTON.—Labor relations in the automobile industry on the whole appear to be gradually improving, as experience in collective bargaining is gained, according to the report of a study that has been completed at the Brookings Institution. The study was made by Prof. William H. McPherson, on leave from Oberlin College, where he is assistant professor of economics.

The report is based on extensive field work, which included many conferences with union officials, officers of employers' associations, and personnel managers. The study covers makers of parts, bodies, and tools and dies, as well as the actual manufacturers of motor vehicles. Among the subjects discussed are collective agreements, hours, grievance procedure, strikes and boycotts, wage rates, profit sharing, wage differentials, productivity, and others of importance in employer-employee relations.

The group of companies which have accorded whole-hearted acceptance to the union, though small, is increasing, the report says. While most managers are reluctant to grant new concessions to the union, nearly all are apparently making a very sincere effort to assure successful functioning of the agreements they have signed. At the same time, the union is growing more responsible and is making a greater effort to assure observance of agreements, the author states.

Working hours have been noticeably shortened since the advent of unionism, but the author points out that this change would have taken place anyway as a result of Federal legislation. The

wage structure has been considerably altered. Extra pay for overtime and for night shifts has been introduced, and the use of piece rates has been sharply curtailed.

Hourly earnings have been greatly increased, but the author finds it impossible to determine how much of this rise has been due to the influence of the union, inasmuch as the trend of wages in this industry has been steadily upward, interrupted only by the depression. The apparent fact that wage differentials between organized and unorganized plants are now much greater than the contrasts between the same plants in preunion times indicates, however, that the union has probably been responsible for some of the increase in the general level, the author says.

The union generally has been more successful in forcing up wages in the large cities than in the small ones, and this tends to accentuate the trend toward decentralization and industrial migration from high-wage areas, which as yet has not been extensive. The migration consists less of plants leaving large cities than of an increasing share of available business being obtained by open-shop plants in small communities; in these the seasonal peak in parts manufacture dovetails fairly well with the farm peak, and a lower wage rate is therefore accepted.

The report states, however, that automobile centers of Michigan can apparently stand an appreciable wage differential in favor of most other places because of the availability of more suitable labor, lower transportation costs, high managerial efficiency, and other advantages. Further, it is noted that wage differentials are not always determined by the size of a city, as in the case of Chicago, whose wage rates are lower than those in some smaller cities of the Middle West.

The necessity, from the union standpoint, of organizing lower-wage areas and forcing wages to a point where there will be no competitive advantage over other areas has been increased by the union's success in establishing seniority systems in organized plants. Although seniority protects the average worker's position in any given plant, the system makes it harder for a worker to obtain a new position if his company goes out of business.

It is the aim of the union to standardize not only wage rates and labor conditions among competing plants, but also their labor productivity. The union contends that work has been speeded up so as to be detrimental to the health of the workers, and definitely seeks a slower rate of operations.

Managers say that since the advent of the union they have had more difficulty in inducing exceptional employes to produce a correspondingly exceptional quality of product, and the author states that it is probably the tacit, if not official, policy of many local union executives to discourage above-standard output.

Profit sharing, says the author, is favored neither by union officials nor by most companies. Although it was listed as one of the 10 major objectives of the original U. A. W., in 1936, by its president, other officials of the union never really desired it. They say that profit sharing indicates that wage rates could and should have been higher. They look on it as a type of incentive even less desirable than the piece-rate system, and say that the workers are inclined to regard it as a gift and therefore to become more subservient to management.

Managers say they often must take steps which have immediate adverse effects upon profits, such as scrapping equipment which is not entirely obsolete or fully depreciated. They fear employees would judge the wisdom of such steps on the basis of short-run results. In addition, they believe this industry is particularly unsuited to profit sharing because its profits fluctuate so sharply.

Establishment of an annual wage seems more remote than a year ago. Some managers appear ready to give serious consideration to such proposals provided the union would relax its limitations on overtime work, thus reducing the need of additional workers at peak periods, but limitations of the Wage and Hour Act have raised new difficulties.

Senate Bill 785 and Domestic Silver

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

TEXT OF LETTER SENT TO CHAIRMAN OF SENATE COMMITTEE ON BANKING AND CURRENCY

Mr. TOWNSEND. Mr. President, I ask consent that there be printed in the Appendix of the CONGRESSIONAL RECORD the text of a letter which I have today sent to the chairman of the Senate Committee on Banking and Currency, in which I point out that the language of Senate bill 785, as it has been reported out by that committee, in no way affects the Treasury's authority and obligation to acquire domestic newly mined silver under the provisions of the act of July 6, 1939. I send a copy of my letter to the desk.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *March 25, 1940.*

Hon. ROBERT F. WAGNER,
Chairman, Senate Committee on Banking and Currency,
Washington, D. C.

DEAR SENATOR WAGNER: In going over the galley proof of the hearings on March 19 on my bill, S. 785, I noticed that the very last item consists of a letter of March 20, 1940, from the secretary of the American Mining Congress, in which there is cited a portion of the opening section of the original version of my bill, S. 785, reading as follows:

"That the Silver Purchase Act of 1934, is hereby repealed, and all power and authority of the President and the Secretary of the Treasury with respect to the acquisition of silver, the changing of the weight or content of the standard silver dollar, or the monetary value of silver, or the issuance of silver certificates, under any act of Congress, shall cease and terminate on the date of enactment of this act."

Evidently when the secretary of the American Mining Congress sent the above letter he was unaware of the fact that the text of S. 785 as reported by the subcommittee to the full committee had been changed and that the language quoted in the American Mining Congress letter is no longer contained in the bill.

I think the erroneous impression on the part of the American Mining Congress should be corrected and I therefore request that this letter be printed in the hearings immediately following the letter from the American Mining Congress.

Walter-Logan Bill

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE NATIONAL GRANGE MONTHLY

Mr. BRIDGES. Mr. President, one of the most outstanding and meritorious measures now pending before Congress is the bill sponsored by Representative WALTER and the late Senator Logan.

The National Grange Monthly has recently published an article entitled "This Measure Long Needed to Curb Power of the Government; Otherwise a People's Liberty in Danger." I ask unanimous consent to have the article printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THIS MEASURE LONG NEEDED TO CURB POWER OF THE GOVERMENT; OTHERWISE A PEOPLE'S LIBERTY IN DANGER

One of the most meritorious measures now pending in Congress and which is scheduled to come up on a final passage in the near future is a bill placing definite checks and limitations upon the powers of the many administrative agencies of the Federal Government. This bill was sponsored by Representative FRANCIS E. WALTER, Democrat, Pennsylvania, and the late Senator Marvel M. Logan, also a Democrat, of Kentucky.

The bill provides that administrative rules implementing Federal legislation must be issued within 1 year after the enactment of the statute upon which they are based, that they may be issued only after public notice and hearings; that affected parties may obtain hearings upon requests for reconsideration of any rule; and that the Federal Court of Appeals for the District of Columbia shall have authority to determine whether any rule conflicts with the Constitution or violates the statute under which it was issued.

SUPPLIES LONG-FELT WANT

That there has been a crying need for legislation of this sort, particularly during recent years, cannot be doubted. There is entirely too much department-made law in this country. In clarifying this statement it should be said that in many instances, when an act is passed, the agency which is to administer it is given authority to make rules and regulations for its enforcement. These rules and regulations have the force and effect of law. Often there

is no appeal to the courts from the decisions of these administrative agencies.

How these powers are sometimes abused was well illustrated recently in connection with hearings being conducted by the Special House Committee Investigating the National Labor Relations Board. In questioning J. Warren Madden, Chairman of the Board, the committee learned that the Board made a ruling requiring a certain company to pay back wages to two men who had never been employed by the company before, on the ground that the men had been refused employment by reason of their membership in a labor union. The company was ordered to give the men jobs and also to pay them wages for the interval of time that had elapsed between the time the men applied and the time the Board made its ruling.

Under the Wagner Labor Relations Act, if the men in question had been dismissed for union activity it would have been legal for the Board to order their reinstatement, and the men would have been entitled to back pay if the Board had so ruled.

If any better way to destroy private enterprise could be conceived than the ruling of the National Labor Relations Board in this connection, it is difficult to imagine what it might be.

This is only one of many instances that might be cited to illustrate the wholly unreasonable lengths to which administrative officials of the Government sometimes go in making rulings and decisions in carrying out legislation enacted by Congress.

GOVERNORS MUST BE GOVERNED

In recommending the passage of the Walter-Logan bill, the House Judiciary Committee declares that the law must provide that the governors shall be governed and that the regulators shall be regulated if our present form of government is to endure. Continuing, the report of the committee declares:

"The phenomenon of the administrative officers and employees, the so-called bureaucracy, attempting to control all processes of government for their selfish ends is not new, either in this country or in the history of the world.

"The modern-day problems of government are entirely too technical to be performed in many cases by the untrained, and hence it is not possible to emulate the practice in the comparatively simple ways of President Jackson, in discharging all employees in responsible administrative positions and turning the machinery of law administration over to a newly appointed group of officials freshly drawn from the people.

"In order to secure and retain the services of competent people to man the administrative agencies of government, we have been compelled to establish a "career service" under civil service, but there is no gainsaying the fact that with competency and long tenure of office we also secure employees who tend in some cases to become contemptuous of both Congress and the courts, disregardful of the rights of the governed, and for lack of sufficient legal control over them, a few develop messiah complexes. They honestly and fervently believe that their mission in life is to at least reform the United States, regardless of the terms of the statutes, the Constitution, or anything else."

There can be no doubt whatever that the enactment of the Logan-Walter bill would provide a powerful stimulus to economic recovery and would go a long way toward reestablishing respect for government among the rank and file of the people of the United States. Those who hold public office must be given to understand that they are the servants of the people and not their masters.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

EDITORIALS FROM BALTIMORE SUN AND WASHINGTON DAILY NEWS

Mr. BILBO. Mr. President, I ask leave to have printed in the Appendix of the RECORD an editorial from the Baltimore Sun of today, and an editorial from the Washington Daily News of today, on the subject of the reciprocal-trade agreements.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun of March 25, 1940]

COTTON AND CATTLE PRICES IN THE DEBATE ON THE HULL PLAN

A spokesman of a cattle breeders' association was one of the most vigorous witnesses against extension of the Trade Agreements Act before the Senate Finance Committee. Oddly enough, he opened his attack with a plea for Senate ratification of trade agreements on the grounds that the present method of negotiating agreements is unconstitutional. He went on from that, however, to attack the program for the harm done the cattle industry in 1936 and likely, he thought, to be done again if the Agreements Act was extended.

A witness, in brief, who was against the trade-agreements program on economic grounds was eager to protect it against claims of unconstitutionality—claims, be it noted, which have less than nothing to stand on. It appears to be a highly paradoxical position. But the position seems less paradoxical when it is recalled that, from President McKinley's time to the present, the requirement of congressional approval in any form has given the lobbyists one last chance to kill reciprocal-trade agreements.

The cattle industry figures as a whole, indeed, exhibit the hollowness of the statistical and economic attack upon the trade program. For, though some cattlemen are at the head of the opposition, the fact is that the cattle industry is much the most prosperous branch of American agriculture. The goal of all the Government's farm programs has been to restore to farmers a purchasing power equal to that which they had in 1909–14. But the Government itself does not expect a hundred percent of these parity prices to be achieved at once. Even the parity program voted by a run-away Senate the other day aimed only at 75 percent parity.

Ever since 1936, however, the cattle industry has been in a highly prosperous condition. That prosperity is indicated by the prices received by cattlemen for their product in the last 12 months. On February 15, 1939, beef cattle prices were not only at parity, but beyond it, the figure being 105 percent of parity. On March 15 a year ago the figure was up to 107; it was a point higher for the next 2 months, was down to an even 100 in August, was 103 in November and December, 104 in January, and 104 last February 15.

All this is despite the fact that concessions on beef cattle were made in both of the Canadian trade agreements; though the limited extent of the concessions is suggested by the fact that in the current agreement quotas are imposed on Canadian imports in the most important category restricting such imports to 1½ percent of the average slaughter of cattle and calves in the United States for 1928–32.

Such attacks on the trade program are set in final perspective by a comparison of the cotton-parity figures with those for cattle. Cotton is, of course, an export crop, dependent heavily on foreign markets for whatever return to relative prosperity its producers may yet manage. That means that the extension of world trade at which the trade-agreements program aims is imperative for cotton. Yet, even under the trade-agreements program, cotton prices were at only 53 percent of parity a year ago, reaching 58 percent on September 15 and standing at 63 percent of parity last February 15. One of the farm groups most active against the trade agreements on the ground that they hurt agriculture, in a word, enjoys prices almost twice those of the farm group most dependent on the program.

The Senate may well take account of these price differentials in the debate on extension of the Trade Agreements Act scheduled to begin today.

[From the Washington Daily News of March 25, 1940]

TO TRADE OR NOT TO TRADE

Today the Senate begins debate on the bill to prolong the Hull-Roosevelt program of reciprocal-trade agreements. The House has already passed it.

The arguments have all been made, in the House and elsewhere, but they will be made again—and with the Senate's lavish disregard for brevity.

It seems to us that all the issues save one may be set aside as immaterial. The one that remains, after the chaff of oratory from the logrollers and protectionists is winnowed out, is this:

Does the United States want to trade, or does it not?

If it does not, then let the Hull program slide. The "easy" way to do that is to require Senate ratification of each trade agreement. This is the kiss of death that is proffered by the traditionalists, the tariff politicians, including even the chairman of the Senate Foreign Relations Committee, Silver KEY PITTMAN.

If we wish to continue as a merchant power, and to expand our foreign trade, and to be ready when peace comes with a tested formula for combatting the guerrilla economics that helped bring on this present war, then the Hull program must be voted new life.

The basic axiom of international economy is this: If you would sell, you must buy. The Hull program is a recognition of this simple truth. The opposition to the Hull program, despite all the fancy arguments and phony statistics, can be boiled down to this: "We want to eat our cake and have it. We want to sell, but not to buy. We want high tariffs to subsidize our particular constituents. We are not interested in promoting the only foreign trade that is possible in the long run—a two-way trade from which our whole economy would gain, and without which it must wither, as the Lord knows it withered after the Smoot-Hawley Act of 1930."

The magazine Fortune, out today, reports the result of one of its round tables, this time on the matter of foreign trade. The

17 participants included industrial, economic, educational, manufacturing, banking, farm, and labor leaders. Three of them advanced criticisms against the Trade Agreements Act. But the great majority favored renewal of the act, because:

"First, it constitutes an instrument by which the State Department can quickly negotiate a settlement of difficulties arising out of war trade.

"Second, we know of no satisfactory alternative to the Hull trade program.

"Third, the renewal of the Trade Agreements Act will serve notice on the world that the United States clings to the idea of free enterprise and will, when the proper time comes, lend its great influence to a plan for world reconstruction aimed at the revival of private enterprise.

"To abandon or emasculate this program, we fear, might strengthen the world-wide forces of totalitarianism."

A Tangled Skein

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 25, 1940

Mr. SPRINGER. Mr. Speaker, the people of this Nation are greatly concerned over the silence of the President on the third-term issue. Many men who occupy high positions in our Government are greatly concerned over this question, because every President from the days of George Washington down to the present occupant of the White House had the fortitude and the deep consideration for the people of our Nation to state publicly that they would not become a candidate for a third term. The precedent has been established by all who have occupied this exalted position that no one should ask for a third term. That precedent and established tradition should remain inviolate.

This question should be promptly answered by the President in fairness to the people and to those who aspire to seek the nomination for President on the Democratic ticket.

Our beloved and highly respected Speaker of the House of Representatives would welcome the assurance from the lips of the President that he would not seek to break this well-established precedent and tradition in this great Nation. Vice President GARNER eagerly awaits the final determination of the President on this highly important subject. Postmaster General Farley would also enjoy knowing what the President is going to do—yet that makes but little difference to the Postmaster General, because he is a candidate for the Presidency in his own right regardless of the determination of the President.

Mr. Speaker, I am confident the people recall that statesmanlike and memorable statement of Calvin Coolidge, "I do not choose to run for President in 1928."

We read and reflect on those unforgettable words spoken by George Washington in his Farewell Address when he announced in unmistakable language his declination to run for a third term. All Americans worship at the shrine of his great statesmanship.

Yet, Mr. Speaker, the President of this great Nation—one who occupies the highest office within the gift of any people—declines to say whether he proposes to run for a third term and thereby attempt to break another American tradition. The President was elected by the people, and by that same token he should be entirely frank and fair with the people. He should speak upon that subject; he should tell the people what he proposes to do; the people are entitled to know; the people are the rulers in this great Nation.

Therefore, Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a very interesting editorial entitled "A Tangled Skein," which appeared in the Washington Evening Star, of Washington, D. C., on Thursday, March 21, 1940, which follows:

A TANGLED SKEIN

The silence of President Roosevelt—on the third term—is winding a more and more tangled skein. Apparently it has brought almost to the parting of the ways the principals in the old Roosevelt-Farley combination. The Postmaster General has announced that he will be a candidate "without reservation" and his name will be so presented to the Democratic National Convention.

If this means anything it is that he will be a candidate against Mr. Roosevelt if the latter seeks a third-term nomination. Seemingly it puts Mr. Farley in opposition to his chief if the latter wishes to run. But no one knows whether the President wishes to run or will run. He has just issued a denial of a story that he told a Member of Congress he did not wish to run, that he favored Secretary of State Cordell Hull for the Presidential nomination, and that Mr. Farley would not do for a place on the Democratic national ticket because of his membership in the Catholic Church. The President was denying primarily his reported attitude against Mr. Farley, but at the same time his denial gave the lie to the whole story.

It is easy to believe that the supporters of Vice President GARNER for the Presidential nomination will hail Mr. Farley's "without reservation" entry into the race. Up to the present time, Mr. GARNER has been going it alone against the third-term bandwagon. Of the whole field of Democratic candidates, only he has been willing to say that he would contest the President if his name were presented to the Democratic National Convention. There have been many rumors that the Garner-ites were seeking an alliance with Mr. Farley, who has been supposed to be antithird term on principle, but the Postmaster General denied he was planning to team up with any other candidate.

In the light of Mr. Farley's "without reservation" statement, any move to displace him from his present Cabinet office would be regarded as clear proof that the President will run again. The silence of Mr. Roosevelt, if it is to be preserved, seems to preclude any activity on the part of the administration against Mr. Farley.

The way in which third-term advocates grasp at straws was demonstrated again yesterday when Secretary of the Navy Charles Edison announced his candidacy for the Democratic nomination for Governor of New Jersey. It was immediately argued that Mr. Edison was taking this step to help his chief carry New Jersey, a battle ground in the coming elections. It was argued, too, that Mr. Edison, had he not been reasonably assured that the President would head the ticket, would not have entered the gubernatorial race.

Nothing, however, is certain except that the third-term fog still continues thick enough to cut with a knife.

Cromwell Goes to War in Canada

EXTENSION OF REMARKS
OF
HON. FRANK B. KEEFE
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 25, 1940

EDITORIAL FROM THE CHICAGO TRIBUNE, MARCH 21, 1940

Mr. KEEFE. Mr. Speaker, the recent speech of James Cromwell, American Minister to Canada, has aroused the entire Nation to the necessity of constant vigilance if we are to stay out of the European war. Such utterances violate every semblance of our neutrality and can only lead to stirring up international hatreds, with the obvious purpose of driving this country into another European controversy.

A valued constituent and a veteran of the Spanish-American War, Mr. Charles F. Potratz, of Oshkosh, Wis., has very vigorously called this matter to my attention and expresses the sentiments of thousands of people in Wisconsin who are vigorously opposed to any propaganda being disseminated that may lead this country into European wars. He forwarded to me a very challenging editorial published in the Chicago Tribune under date of Thursday, March 21, which I am pleased to incorporate in these remarks.

CROMWELL GOES TO WAR IN CANADA

Young James Cromwell, the husband of Doris Duke, has twice confirmed the White House folly which made him American Minister to Canada. He offered one proof of it in some remarks at Val d'Or, Quebec, and clinched the case beyond argument in Toronto when he spoke at a joint meeting of the Canadian and Empire Clubs. Young Mr. Cromwell apparently decided that no American diplomatic representative should ever have the privilege of exceeding him in indiscretions, irresponsibility, and disregard of duty, of his country's interests, and of official proprieties.

As American minister Mr. Cromwell told his Canadian auditors that he was at a loss to understand how any intelligent citizen of any of the world's neutral democracies could say with conviction that he had no interest in the outcome of the war or that there were

no issues at stake which could affect him. For himself, said the American Minister, it was only too apparent that the life, liberty, and livelihood of neutral citizens might be dependent on the outcome of the present war. The future of coming generations was, he said, in all probability now at stake.

Along this line Mr. Cromwell discussed the character of the belligerents, their war aims, and the consequences of victory as it might fall to one combination or the other, drawing the conclusion that an enslaved world awaited the success of Hitler and a free world depended upon the triumph of Chamberlain.

Such talk from American citizens whose loyalties are transferred across the water builds up the legend which had its birth in the other World War, that Britain and France are fighting America's fight. It recreates the assumption that the United States must intervene again in Europe not only because humanity demands it but because the future of the American people will be determined on European battlefields. Thus Americans of foreign sympathy and expatriate feelings prepare the ground for the British and French propagandists to reproach this country for evasion of duty, for shuffling off responsibilities, and for placing them on the shoulders of people fighting to preserve the American stake in the world which, to be tolerable, must be free.

When Congress, at Mr. Roosevelt's insistence, removed the embargo on arms and permitted the British and French to obtain military supplies, it was apparent to people who had any recollection of the other war that this was but the first step in a proposed intervention and exposed the American people to the charge that they recognized the issues involved, would try to square themselves by selling goods at a profit, but would shirk their full duty, which was to send their soldiers in the wake of their war material. Every time an American whose words will be widely quoted makes such statements he gives arguments to the conspirators and intriguers, here and abroad, who seek to make the American people again a party to these recurrent conflicts of European rivals who emerge from one war only to prepare for another.

From such a future the United States is trying to divorce itself. Young Mr. Cromwell said, in his Toronto speech, that his remarks might result in the use of the headman's ax on him. If he is not recalled, it will be assumed that Mr. Roosevelt is not displeased by the indiscretions and misconduct of the man he appointed to the post of Minister in Canada. Mr. Cromwell has done his country an injury in Canadian opinion and in the world at large.

It may not be generally understood that he is an erratic young man of eccentric economic ideas and of an extravagant social life, familiar with American circles who see in the court life of England glories of a promised land for the fortunate who are able to win its favors. If Mr. Roosevelt does not immediately recall his glib appointee, it must be accepted as true that these remarks in no way offended him and were not out of harmony with the opinions and purposes of the White House, but indeed revealed what Mr. Roosevelt would like to present to the people of Canada and the Governments of Great Britain and France as well as to the people of the United States.

Cromwell spoke as American Minister at a formal gathering and in his official character. He couldn't divest himself of that if he chose, and although the comments of the young man would have been without significance if he were in private life, they came as the utterances of an American representative of the State Department. They are charged with meaning until they are disavowed and he is rebuked by removal from office. In private life he will become again just a young man who married an heiress and wanted to use graves of American soldiers for a dizzier social climb.

Cotton and Parity Prices

EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. BOLLES. Mr. Speaker, I am placing in the RECORD a statement by Frederick Moore, textile cost specialist, as appearing in the Textile Bulletin, which analyzes the parity-payment question. I am using only extracts from that statement, but in its principles laid down they cover all the phases of parity. Mr. Moore says:

The hope of America lies in maintaining its enthusiasm for research and in preserving free opportunity in seeking the rewards of activity. It cannot fix a tax on the products of activity of one group of individuals to compensate for some lack of activity or improvement in another group without destroying enthusiasm and forfeiting its guaranty of equal opportunity to all groups.

Variation in the nature and, therefore, in the cost of raw materials and commodities is so great, the results accomplished by different individuals and groups are so wide apart, the causes of such variations are so deep-seated and so built into the constitution of things, that any attempt by government to create a parity in price structure is not only doomed to utter failure but has possibilities of disrupting the entire economic structure of the American system of free enterprise.

The Farm Credit Administration

EXTENSION OF REMARKS

OF

HON. RICHARD M. KLEBERG

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

STATEMENT OF ALBERT S. GOSS, FORMER FEDERAL LAND BANK COMMISSIONER, FARM CREDIT ADMINISTRATION, BEFORE THE HOUSE COMMITTEE ON AGRICULTURE

Mr. KLEBERG. Mr. Speaker, Mr. Goss, whose statement follows, has had 23 years of experience in agricultural credit. The Farm Credit Administration has been ably served by Mr. Goss as land bank commissioner, and the farmers of our country have learned of his ability, service, and friendship. It is with sincere regret that I acknowledge his resignation. His views on the proposed bill, H. R. 8748, are worthy of attention and study.

The statement is as follows:

I appreciate the invitation to discuss this bill, for in its published form I believe it would largely destroy the cooperative credit system we have worked so hard to build these past 23 years. I realize the real issue is not whether a cooperative system would be destroyed, but rather whether farmers would be adequately served. After having been more or less intimately connected with the system over the greater part of its existence, it is my honest belief that the farmer's credit needs can best be met by a truly cooperative system, and I welcome the opportunity to point out certain weaknesses which make me believe the present bill will not be in the best interests of agriculture.

Unfortunately I find myself in a rather awkward position. Owing to the situation which prevailed because of my resignation as land bank commissioner, I have been unable to attend any of the hearings on the bill and have seen no transcript of testimony. On the other hand, I had not expected to appear before you until I received your invitation on last Friday evening, the date my resignation became effective, so have had no access to the statistical data, legal opinions, or other facilities which would otherwise be available, and the time has been too short to attempt to propose any suggested changes either in the proposed bill or in the present law. I regret that my comments may not be as complete and constructive as might be possible under other circumstances.

There are certain inherent features of strength and service in a cooperative credit system which this bill sacrifices, and in order to make clear what I mean I wish to review the conditions which led to its creation.

The system is really an outgrowth of the 1907 panic, when banks learned that they had to make fewer long-term and more short-term loans if they were to keep open. Through a large part of America mortgages had been hard to get and became harder. Rates were high and terms were short; 8 percent, 10 percent, and 12 percent money was not uncommon in many areas with loans usually running from 3 to 5 years with renewal charges at maturity. Lenders claimed that losses were so heavy that high rates were necessary, and short maturities were also necessary so they could take frequent looks at the security to assure safety. Responsible farmers began to realize that they were being penalized because of losses arising from loans made to irresponsible operators. Farmers and farm organizations took a hand and many plans were proposed to meet the situation. The most promising efforts were made along small cooperative lines. This was particularly true in areas where many of the farm leaders had had experience with cooperative credit in Europe.

FARMERS TAKE A HAND

The general plan was for a group of farmers needing land-mortgage credit to join in forming a cooperative credit society in which they jointly guaranteed the loans of their members, each member being responsible for his own loan and liable for a like amount as a joint guarantor. They reasoned that if they admitted to membership none but those whose notes they were willing to endorse, the losses would be few, that if misfortune overtook a member, the others would pitch in and help out; that if foreclosure became necessary they themselves, would take over the farm and

operate it until it could be sold, and that with such guaranties the lenders would have the maximum protection against loss, and could afford to lend at low rates and on longer terms. However, the idea was too new in America, and lenders were not attracted, though the plan was thoroughly sound.

Finally in 1912 President Taft appointed a commission to go to Europe to study the farm-credit institutions, some of which had operated successfully for nearly a century. The studies were long and exhaustive, and Congress had the aid of the commission and executives of European cooperative credit banks in drafting the Farm Loan Act of 1916. This act followed the basic principles of the cooperative credit societies the farmers had proposed, but united the societies through one financing agency, the land banks, which would pool the credit resources of all the societies, or national farm-loan associations, issue bonds upon the mortgages, and create a market for those bonds in the money centers of the Nation. Note carefully these four important points which were preserved in the act, for they are the very heart of any successful cooperative credit institution: First, individual responsibility; second, joint responsibility; third, selection of members, or risks; and fourth, sharing of any profits or losses which resulted from their mutual efforts. Thus each member became individually and financially interested in the success of the other members, resulting in a careful selection of risks, and carefully watching the loans when made.

I do not maintain that it has always been as pretty a picture as I have painted, for many mistakes were made. I will touch on that later when I point out how these mistakes have gradually been corrected and how the system is rapidly getting back to these cooperative principles which are thoroughly sound. First, however, I want to digress a moment to point out that there may be many different ideas as to what constitutes a true cooperative, but I believe everyone agrees on one basic principle, that being that the members share the profits or the losses in proportion to their patronage. In other words they share the profits or losses in proportion to the part they have played in creating those profits or losses. Another principle which is almost as universally agreed on is that the members jointly furnish the facilities for carrying on their activities.

A farm mortgage cooperative differs from most cooperatives in that there are usually not more than one or two major transactions with the association in the lifetime of most of the members. The framers of the Farm Loan Act met this difficulty in a very practical manner by providing a membership interest of 5 percent in stock, and providing for stock dividends. Since the stock is issued on a patronage basis, the dividends are tantamount to patronage dividends. Note carefully that the four essential points were preserved, individual responsibility, joint responsibility, selection of risk by those whose interests were at stake, and mutual sharing of profits or losses.

OPERATIONS STARTED

Now let us come down to date rather rapidly. The system started during the days of the greatest land inflation in our history, and ran down through the period of the deepest and what is proving to be our most extended depression. Thousands upon thousands of other financial institutions failed and possibly a majority of those which survived had to have more help than was given this cooperative farm-loan system. I venture the assertion that if the cooperative principles which had been written into the act had been faithfully followed throughout the system from the start, no Government aid would have been needed. Unfortunately, however, many of the banks attempted to operate as an old-fashioned centralized mortgage company and used the associations only as business getters. Little effort was made to have the members take part; the recommendations of the boards were largely ignored; the banks began to do business directly with the borrowers instead of through the associations, and the strongest safety factors in the system, individual and joint responsibility with careful selection of risks and careful servicing of loans, were pretty much abandoned.

I think it is inevitable that there should have been unusual losses due to the inflationary period when so many loans were made and the extreme depression which followed. Just as a reminder, farm income dropped from $18,500,000,000 to less than $4,500,000,000 dollars during this period. The remarkable thing is that the system stood at all, and it is worthy of particular note that those banks and those associations which clung to the cooperative principles came through with very little loss.

With this record of an embryo cooperative pulling through such a storm in creditable shape, it was but natural that Congress should turn to it in the emergency the Nation faced in 1933 and place upon it the responsibility for meeting the impending foreclosure disaster which confronted a million farmers. There were two main reasons: First, the machinery was in place and ready to do the job. Second, it would not put any strain on Government finances. You will recall that three basic steps were taken in the Emergency Farm Mortgage Act. Title I provided means for the land banks to carry on, for commission loans, for 5-year extensions and deferments, and for a temporary reduction in interest rates. Title II set up the Agricultural Adjustment Administration for the purpose of working out a farm program designed to bring prices back to normal. Title III provided for monetary adjustments to meet a world financial crisis. The three titles were complementary devices for restoring normal conditions. One of the most significant features of the Emergency Farm Mortgage Act was the principle of lending on normal values. I mention it especially because I believe the pending bill practically destroys this sound lending principle.

NORMAL VALUES

The normal-value lending concept recognizes that during the life of the loan there will be ups and downs in farm income, and it attempts to adjust the loan to the average income which is normally expected to prevail during the period when the loan will be repaid. With a 50-percent loan a borrower presumably has 50-percent equity in his property and can span a considerable period of below-normal income out of his own resources. With a 25-percent loan he cannot carry on so long without help. Congress recognized this and provided funds for the banks to use in making extensions and deferments to carry on until normal and above-normal income would return. The banks are equipped to render such aid and are constantly doing so.

It has been frequently said that stepping into a thoroughly demoralized real-estate market and making a billion dollars in loans based on normal values was the one thing that broke the back of depression. I doubt if a quarter billion dollars ever circulated faster in our national history than the first quarter billion loaned by the Federal land banks on the basis of normal values. Certainly nothing ever occurred which had a more stabilizing effect on farm values or started the wheels of progress turning faster. This could not have been accomplished except for lending on normal values, for there was no present income to lend on otherwise. Not only because of its proved worth but because of its inherent soundness, I feel you should move very cautiously before abandoning or weakening this principle of normal-value credit.

NATIONAL FARM LOAN ASSOCIATION

When the big lending rush was well in hand, the next move was to rebuild and rejuvenate the national farm-loan associations. Those which had followed a true cooperative course clearly pointed the way to successful reconstruction. Many had collapsed completely. Others were badly impaired, while others were slightly impaired, and many had met all their losses and had built substantial reserves. There were many problems to be solved, and the task could not be completed overnight.

I will mention but three of these problems:

First, the associations had little or no income, since none of the banks were paying dividends.

Second, many associations could not accept new business or retire stock because of impairment in capital.

Third, overlapping territory and ruinous competition between associations prevented a come-back.

Through a system of allowances for services rendered, the first problem has been met, and eventually the associations will have dividend income once more.

By striking a line between impaired stock and the stock of new borrowers and giving each a chance to work out, the second problem has been met.

By a thousand consolidations and grouping of offices the third problem has been met in 95 percent of the territory and with increasing satisfaction which gives promise of 100-percent performance before long.

Through these steps costs have been lowered, delinquencies reduced, earnings increased, and the system is repairing the inroads of the depression at the rate of a million dollars a month.

RESULTS SUMMARIZED

Now, what has this all totaled up to?

First. While it has served directly less than 40 percent of the farm-mortgage borrowers in America it has acted as a yardstick which has reduced interest rates for all farmer borrowers from 25 percent to possibly 50 percent.

Second. Where formerly loans were usually made for 3 or 5 years, and many never paid off, it has made common the use of the amortized loan.

Third. Where loans were largely made on sales value, it has led the way, and others have followed, in making loans at the normal agricultural value of the land.

Fourth. Where delinquency, unless promptly cured, usually led to foreclosure, it has led the way in a practical and humane collection policy which has largely been followed by most large institutional leaders.

Fifth. It has a record of delinquency fairly comparable to most institutional lenders and a record of foreclosure of approximately one-half that of other farm-mortgage lenders.

Sixth. It has 650,000 stockholder-members, with 3,700 farm-loan associations officered by approximately 24,000 directors and officers working to make this cooperative-credit system a success.

Constructed after 4 years of study and research, perfected during 23 years of operations, having successfully weathered the dangers of both great inflation and deflation, I feel great caution should be used before the essential framework of this structure should be drastically changed or tampered with.

THE BILL DISCUSSED

Now I propose to discuss some of the features of the pending bill to show why I have serious misgivings lest this do violence to the principles which have made for progress in the past.

First is the title. On reading the title, I get quite a different impression as to the purpose of the bill from what I got when I

studied the bill carefully. I merely want to suggest that the title be carefully reviewed.

I have no comment with reference to section 1.

Section 2 provides that the Governor shall establish an interest rate quarterly sufficient to provide a 1-percent spread for administration costs and losses. As I shall point out later in the bill, there are a number of features which I believe will materially increase both the costs of operation and the losses, and I feel quite confident that neither the land banks nor the Federal Corporation can operate on a 1-percent spread under the provisions of the bill. This would mean, of course, that the assets of the banks would be used up and the Government would have to make up the loss because of its guaranty on the bonds. During our 23 years of operation the banks have had the following experience:

Expense of operation, fifty-four one hundredths of 1 percent.

Losses, twenty-seven one hundredths of 1 percent.

Estimated losses and reserves for losses, twenty-eight one hundredths of 1 percent.

Total, 1.09 percent.

This has been practically the exact amount of the spread we have operated on during the past 23 years. Through the days of the deepest depression our expenses and losses were heavier than the figures indicated, but gradually, as we have been able to develop the farm-loan associations so that the boards of directors were taking an active part in servicing the loans, our costs have declined. It is my opinion that the land banks will eventually be able to operate within the 1-percent spread if we continue to develop membership interest and pursue thoroughly sound lending practices, but it will be some time before this is entirely accomplished. If, however, unsound collection policies are pursued and delinquencies are increased, our losses are going up. If my memory serves me correctly, it costs from 7 to 12 times as much to carry a delinquent loan as a current loan.

SPREAD ON COMMISSIONER LOANS

It is yet too early to say just what the effect of the second-mortgage loans will have upon the first-mortgage land-bank loans, but there is no question about the fact that the 75-percent loans will run into much more delinquency and difficulty than the 50-percent loans, and naturally the commissioner's loan carries a good deal of grief over into the land-bank field.

It is too early to say what spread will be necessary to support the Federal Farm Mortgage Corporation with its second-mortgage loans. Delinquencies are heavier than on 50-percent loans, resulting in increased costs. Losses are heavier, and in the case of second-mortgage commissioner loans it frequently develops that by the time we have carried the borrower for 4 or 5 years, piling up interest and taxes on the first-mortgage loan, there is no equity worth protecting. In such cases a foreclosure results in a 100-percent loss to the Corporation. Our experience so far shows that it will cost considerably in excess of 2-percent spread to carry these 75-percent loans.

The higher the loan, the higher is the servicing overhead. This is but natural, and I think some of the governmental agencies have found that the overhead cost of servicing 100-percent loans is 15 or 20 times as great as servicing 50-percent loans. I am very sure, therefore, that the provisions of paragraph (a), section 2, will result in a permanent subsidy on the part of the Government, both to enable the land banks and the Corporation to meet their bond obligations.

Section 2 (b) provides that interest on delinquent items shall be charged at the same rate as on the loan. Section 12 of the Farm Loan Act provides for 8-percent interest, but the banks are not required to collect 8 percent, and for some years have been collecting a much lower rate of interest. Our experience shows, however, that if the rate of interest is set at the same as the mortgage, many borrowers ride the banks as long as they can, paying every other obligation first, because they are getting the cheapest interest from the land banks. This is not universal by any means, but the volume is so serious as to have a material effect on the delinquencies and thereby increase the cost of operation.

Experience shows that many people require some sort of penalty to prevent their deliberately allowing delinquencies to run, and I think it would be a serious mistake to make it mandatory to charge the same rate of interest on delinquencies as upon the original loans. I appreciate the fact that a borrower in deep distress can least afford to pay interest, but the experience of the banks clearly indicates that there must be left with the administrators discretion to prevent abuse. I suggest that this matter can be handled much better by regulation, to fit the individual merits of the various types of cases which arise.

INTEREST SUBSIDIES

Section 2 (c) provides a means of enabling the banks to pay the flat 3-percent interest which is provided in section 2 (a) by requiring the Government, if bonds are not sold at 2 percent or less, to make up the difference between the 2 percent and the rate the bonds bring. First, I wish to call your attention to the fact that section 2 (a) reduces the rate of interest on all outstanding loans to 3 percent. This rate is to prevail throughout the life of the loan, which might average, for example, 25 years. Section 2 (c) provides for a Government subsidy until July 1, 1946. But if the system had to pay more than 2-percent interest after July 1, 1946, the banks would have to stand this additional loss which might run into hundreds of millions of dollars. Obviously, this would be thrown back on the Government, because it would have to guarantee the payments of the bonds, but I submit that it is short-sighted financing to leave any such possibility, and it is altogether undesirable to put the banks in a position where their assets and working capital will be lost and they will have to depend upon the Government for taking care of their bond obligations permanently. I also raise the question as to whether the Congress can constitutionally require the banks to reduce interest without reimbursing them for the ensuing losses.

LOSSES TO GOVERNMENT

This section also raises a possibility which should be carefully considered. Section 3 takes away from the banks the right to determine the amount and terms of the bonds they will issue and places this right solely in the Governor and the Secretary of the Treasury. It is altogether conceivable that some time in the future the Governor and the Secretary of the Treasury might desire to court the good will of the farmers and issue a number of series of 1-year bonds, getting the money possibly at less than 1 percent and making loans at less than 2 percent. If this is done and a business recovery would create a demand for money, we would find the banks loaded with very low-rate mortgages and faced with the necessity of marketing bonds which would provide no spread at all and might possibly carry a rate higher than the mortgages. The bill is wide open in this respect. And, again, the losses might run into hundreds of millions of dollars.

I think great care should be exercised in studying the long-term bond trends before any program is approved which would permit any substantial amount of borrowing on the short terms in order to make loans of 30 or 40 years. I feel that no condition can exist that would justify granting farmers of today unusually low rates of interest which possibly will have to be repaid by the farmers of tomorrow. If the farmers of today require this low rate of interest, let it be recognized as a straight subsidy which is met by Congress from year to year, or for some definite period, but do not enter into any program which will wreck the system for the future in order to meet a temporary need.

While we are discussing costs I would like to include a few figures in the record. Last week I asked our finance and research division how much of a job it would be to work out the fiscal effects of this bill if it had been in operation in 1939. I was told that a statement had already been prepared for the Governor and the figures were therefore available. I think the Governor has already presented them, but there is one feature I wish to add and comment on, so I trust you will pardon a repetition. In developing these figures the assumption was made that it would be possible to borrow money at the average rate the United States Government was paying for money on December 31, 1939, or 2.598 percent. The figures are as follows:

Under the provisions of this bill:

1. Interest subsidy would have been:	
(a) Federal land banks	$17,100,000
(b) Federal Farm Mortgage Corporation	12,600,000
Total	29,700,000
2. Interest subsidies actually paid during the year:	
(a) Federal land banks	29,000,000
(b) Federal Farm Mortgage Corporation	7,000,000
Total	36,000,000
3. Savings to Treasury in interest reduction	6,300,000
4. Loss of income (gross) to:	
(a) Federal land banks on loans	39,000,000
(b) Federal land banks on borrowers' stock investment	5,600,000
(c) Federal Farm Mortgage Corporation on loans	14,000,000
Total	58,600,000
5. Loss of income (4 above)	58,600,000
Less interest subsidy (1 above)	29,700,000
Net total loss of income	28,900,000
6. Profit last year, Federal land banks	12,000,000
Loss last year, Federal Farm Mortgage Corporation	6,700,000
Combined profit	5,900,000
7. Net loss of income (5 above)	28,900,000
Less combined profit (6 above)	5,900,000
Net combined loss	23,000,000
8. Under the proposed bill the net losses last year would have been, for:	
(a) Federal land banks	5,000,000
(b) Federal Farm Mortgage Corporation	18,000,000
Total	23,000,000

9. Comparative costs to the U. S. Government:

	Actual	Under the bill
Interest subsidies	$30,000,000	$29,700,000
Loss, Federal Farm Mortgage Corporation	6,700,000	18,000,000
Federal land banks		5,000,000
Total	42,700,000	52,700,000

These are the figures which I understand the Governor presented, showing a net combined loss of $23,000,000, or an increased loss above present costs after having absorbed all profits of $10,000,000. The figures which I wanted to add to it are these:

As you know, the President recently demanded a return from the Farm Credit Administration Act of capital funds amounting to $385,000,000. I understand that this amount has not been definitely determined upon, but the tentative allocation to the land banks was $200,000,000. If the land banks are deprived of these working funds, there will be an additional loss of $5,200,000, which would make the net annual loss to the banks and Corporation of $28,200,000. I think the annual loss of these funds should be considered very carefully in determining whether this new bill is worth this annual cost.

CENTRALIZED CONTROL

Section 3, as I have pointed out, provides for a centralization of authority which is very significant. Heretofore the boards of directors of the Federal land banks have been responsible for their fiscal policies as provided in Twelfth United States Code No. 884. This takes away from them the responsibility for their determining the amount and terms of bonds issued, and centralizes the responsibility of financing in the Governor and Secretary of the Treasury. I believe decentralizing responsibility and authority is the way to develop men and institutions and think that depriving the boards of their responsibilities and centralizing power in Washington is ill-advised.

This section also provides for the Government guaranty of the bonds and by inference repeals the sections of the law which require that bonds be secured by endorsed first mortgages, Government bonds, or cash. I refer specifically to lines 4 and 5 of page 5 which state that "No such bonds shall be issued in excess of the assets of the Federal land banks."

GOVERNMENT GUARANTIES

At this point I would like to raise the whole question of the advisability of the Government guaranteeing the bonds. If it is possible for the banks to operate as an independent system, under their own steam, I think it is far better than involving the Government in any guaranties, particularly where there are so many opportunities for enormous losses under unwise administration, as I have pointed out. It seems to me there may be two purposes of getting the Government guaranty of the bonds. The first would be to make up losses which would ensue from unsound lending or collection policies. I repeat again that I do not believe it wise to write into the law any unsound policies which will result in unnecessary losses. If aid is needed temporarily, it should be given in the way of a direct subsidy and not hidden away in forms which will cost the Government in the future untold millions of dollars.

As to the second purpose in securing low interest rates, I wish to present the following figures: When the system was first started it was natural that investors did not have the same confidence in farm-loan bonds as in Government bonds, and there was a substantial difference in yield of 2 percent or more. Gradually this difference narrowed. The figures I have cover the last few years, since they reflect the degree of confidence of the investing public in the policies pursued under the Farm Credit Administration. They show the difference in yield between Government bonds of like term and maturity and farm-loan bonds. The dates used are the nearest dates to January 1 and July 1 for which data are available:

	Percent
July 1, 1934	1.10
Jan. 1, 1935	.94
July 1, 1935	.49
Jan. 1, 1936	.46
July 1, 1936	.45
Jan. 1, 1937	.28
July 1, 1937	.25
Jan. 1, 1938	.21
July 1, 1938	.49
Jan. 1, 1939	.50
July 1, 1939	.36

From November 1 on I have the figures on a weekly basis, as follows:

	Percent
Nov. 1	0.22
Nov. 8	.22
Nov. 15	.30
Nov. 22	.21
Nov. 29	.22
Dec. 6	.21
Dec. 13	.18
Dec. 20	.20
Dec. 27	0.30
Jan. 3	.36
Jan. 10	.35
Jan. 17	.47
Jan. 24	.46
Jan. 31	.48
Feb. 7	.52
Feb. 14	.43
Feb. 21	.43
Feb. 28	.43
Mar. 6	.50

It will be noted that the difference in 1934 was 1.1 percent, that as we progressed in developing the cooperative features of the system and it became apparent that it was being operated on a sound basis and was building adequate reserves to meet losses, public confidence increased, and the difference in yield decreased until in December of last year it reached a low point of less than one-fourth of 1 percent. This difference is now widening and is now approximately one-half of 1 percent. It is my honest judgment that if the Farm Credit Administration continues to be operated on sound business principles eventually farm-loan bonds, secured by endorsed first mortgages, Government bonds, and cash, will sell at approximately the same yield as Government bonds, and no material advantage would be gained by requiring the Government guaranty. This may take some time, but I believe it very much worth while for this cooperative system to be able to stand on its own feet without Government aid.

It should not be necessary to remind you that there have been times in recent years when Congress was not as sympathetic to agriculture as you men are, and when agriculture could not get any form of assistance in meeting their problems. No doubt those times will come again, and I think it is a heavy responsibility to assume to destroy an independent organization and make it dependent upon the Government for funds or subsidies.

I wish to make one more point in connection with section 3. I am inclined to think the wording of the bill would result in guaranteeing the bonds of the joint-stock land banks, and I trust this is not the purpose of your committee.

I have no comment on section 4 if the general purpose of Government guaranteeing bonds is to be followed.

I suggest that the title of section 5 might be clarified if it read "Stock subscription abolished."

ABOLISHING FARMER OWNERSHIP

To me this section is the most dangerous one of the whole bill, because it removes the farmer's financial interest in his farm-loan association and, in my judgment, would destroy that active participation in the association's affairs which experience has proved to be so successful in maintaining the system on a sound basis and providing the right type of credit service to deserving borrowers. Without any stock subscription, I fail to find any provision in the bill whereby borrowers would share in the gains or losses of the system, and, in my judgment, this utterly destroys its cooperative features. It has been a principle well recognized in cooperative endeavors that the members should have a financial interest in their own organization. I believe a survey of the operations of cooperatives generally will show that the success of those in which the members had no financial stake has been so rare as to be almost nonexistent. To destroy deliberately this well-grounded cooperative principle seems to carry very grave danger.

It may be possible that a majority of our borrowers would favor it, because they would receive cash in these distressed times to the extent of 5 percent of their loan, and the jingle of cash would deafen them to the dangers which would ensue from killing off the cooperative institution. Until the case is carefully analyzed, it would have a strong appeal to many borrowers. That is the reason I have felt justified in dwelling on this phase of our organization at such length. This provision has been characterized as "the most attractive bait ever held out to destroy a cooperative," and the history of cooperatives is strewn with wrecks of otherwise successful cooperative institutions which have been destroyed by giving the stockholders cash for their interests, particularly where a little profit is added.

STOCK SETTLEMENTS

I appreciate the complexities of stock ownership of national farm-loan associations resulting from the disastrous times through which we have passed. But we are gradually emerging from those times, and the stock complications are rapidly getting straightened out. It seems to me that destroying the borrowers' participation in the earnings or losses of his institution is wiping out at one stroke all the progress made during the past 23 years of operation.

I would like to point out two questions which come to my mind in connection with section 6 (b). This provides that the capital stock of the Federal land banks should be paid off at par. A number of the banks through sound operation have accumulated substantial surplus accounts which I believe rightfully belong to the stockholders. Under the terms of the act, the annual losses would soon absorb all the surplus accounts and reserves and the borrowers who through sound management have accumulated these surpluses would be deprived of any interest in them. I do not think this is fair.

The second point has to do with deducting the losses "resulting from the defaults after June 16, 1933." This is somewhat ambiguous for I believe it would be quite difficult to determine

whether the losses occurring after June 16, 1933, arose by reason of defaults which existed before June 16, 1933, or after that date.

I find in section 6 (d) a sentence which appears somewhat ambiguous: "Each Federal land bank shall pay to the national farm-loan associations within its district an amount equal to the amounts required to be paid by such associations under this section." I believe there is some confusion over the operation of the indemnity accounts and just what funds would be available for retiring the stock of former borrowers, whose stock had been withheld by reason of impairment.

CENTRALIZING CONTROL OF ASSOCIATIONS

Section 8 (a) provides that the Governor shall determine the extent to which farmer participation in the Federal land-bank system can be increased, the general idea being to give to national farm-loan associations more duties to perform than they are presently handling. I fear this would result in a centralizing of authority and administration by regulation where individual treatment is preferable. A number of the banks have already given to farm-loan associations every responsibility they are able to handle. The practice followed by these banks is to study the operations of the associations carefully and pass over the responsibilities to them just as fast as they are able to carry them. No particular regulation issuing from Washington is necessary to accomplish this result, because the banks have every incentive to speed up this decentralization as rapidly as it can be handled. Any regulation would tend toward treating all cases alike, and I think you gentlemen can readily understand that the administration of some associations is such that they cannot be given full responsibility to handle collections, foreclosures, land sales, etc., until they have developed a sound business procedure. This is one point where it is essential that each case be handled on its individual merits.

This same section provides that the Governor may authorize such associations to retain one-fourth of 1 percent of the unpaid principal of outstanding loans as reimbursement for its services. Again, this seems to me to be usurping the functions of the banks and centralizing authority in Washington, where the Governor is is no position to know which associations are earning this compensation. I do not believe it practical to compensate all associations alike. The value of their services varies greatly and paying one-fourth of 1 percent to an association which is not doing its work properly is a tax upon the system which it should not be called upon to pay.

DESTRUCTION OF ASSOCIATION AUTONOMY

There is one more point I wish to make with reference to section 7 (a). The section provides that "where such associations cannot perform such functions," the Governor is authorized to turn over the functions of the farm-loan associations to the county committees appointed by the Governor. In other words, if the association is not operating in a manner which satisfies the Governor, he can deprive them of all their responsibilities and turn their affairs over to a committee of his own choosing. In my judgment this permits the complete domination of the whole farm-loan system by one man located in Washington, and I think it a most dangerous grant of authority.

Section 7 (b) provides that the Governor shall determine who can be conveniently included as a member of a farm-loan association. I believe this violates one of the fundamental principles of cooperative credit, in which the determination is left with the members, and again, that this centralizes the control and authority in Washington.

DEBT ADJUSTMENT

I have not had time to give careful study to the sections relating to farm debt adjustment committees, so my comments will touch but a few points which have occurred to me on first reading.

In section 8 (a) it will be noted that the Governor appoints the debt-adjustment committees, again centralizing authority in Washington.

Section 8 (b) and (c) provides for payment of per diem and expenses, but it is not clear who pays.

Section 8 (d) provides that a farm-loan association may act in lieu of a debt-adjustment committee, but I raise the question as to whether an association which is not interested in any earnings or losses would have any particular interest in the adjustment of debts other than to endeavor to get their neighbors' debts reduced to as low a figure as possible. This observation might apply equally to some debt-adjustment committees.

I have no comment to make with reference to section 9. I have three comments to make with reference to section 10 (a). This section provides that farmers who establish to the satisfaction of the Governor that their indebtedness is in excess of the productive value of the farm are entitled to refinance their land bank or corporation mortgages. If anyone borrows money from a land bank or from the Government and is able to pay it back, I think he should not be given any right to have his debt adjusted just because he has borrowed too much. Under this section, thousands of borrowers who are amply able to pay would get their debts scaled down at the expense of the Government. I think this is indefensible. Under a sound program of lending on normal values both borrower and lender should be prepared to carry on through periods of subnormal incomes. If borrowers are permitted to ask for a readjustment of their debts in every period of depression, the whole theory of normal lending is destroyed. There are individual cases where debt adjustment is warranted and advisable. The banks are making adjustments, but experience has shown that in most areas these cases are few and that the other means provided are adequate to carry the borrower over the period of subnormal income. To write into the law a right of debt adjustment when income declines will mean to invite thousands of borrowers to attempt to get debt adjustment, encourage delinquency, and increase the expense of operation. Again I feel that this is a question which must be decided on the individual merits of every case, and feel that it would be a serious mistake to extend any right of adjustment to all borowers when confronted with a period of subnormal income.

PRUDENT INVESTMENT LOANS

A few years ago Congress provided for making prudent investment loans. These loans were designed to meet a situation where the income from the farm was not sufficient to support the operator, but where outside income was available. Under the provisions of this section every holder of a prudent investment loan could have his loan scaled down to the productive value of the farm regardless of its location or the improvements thereon. This section would make it impossible to make any more prudent investment loans.

Section 11 (a) requires the Governor to refinance loans which qualify under the provisions of section 8 (a), which I have questioned. I repeat that this should not be a responsibility of the Governor but of the banks, and that no mandatory provision should exist, but each case should be handled on its individual merits.

MORE CENTRALIZED CONTROL

Section 11 (c) takes the handling of distressed land-bank loans out of the jurisdiction of the bank and places them in the hands of the Governor. It is true that the section provides that the bank shall be reimbursed at a figure agreed upon between the bank and the Governor, but it also provides that if, under the administration of the Governor, there are further losses, the bank shall share in those losses, although it has nothing to do with regard to the administration of the case. I believe this is eminently unfair. No such attempt is made to charge other lenders with losses or gains under the Governor's administration, because they are specifically exempt in the next paragraph, section 11 (d).

I have no comment on section 12 (a) other than to point out that everything is handled under the administration of the Governor, although the banks are required to share in any loss which may ensue. The banks are now operating along the general lines outlined in this section with reference to the sale of real estate, but it is done entirely on a cash basis and is handled under the jurisdiction of the banks.

Under section 12 (b) the Governor is required to deed the property to the option holder on the basis of "its productive value or the amount of the indebtedness whichever shall be less." The banks have thousands of cases where the recovery value is far in excess of the productive value. As an illustration of what I mean, let us assume that oil is located on a farm whose productive value is $3,000, but the original indebtedness is $8,000. Under the terms of this section, the borrower would be entitled to purchase the farm, oil well and all, for $3,000, when he was amply able to pay the $8,000 he borrowed. The injustice of this is readily apparent. There are many cases where the same principle prevails, although in a less striking degree.

INVITING LOSS TO GOVERNMENT

Section 12 (c) (6) provides that the Governor may rescind the conveyance in the case of delinquency. And it provides further "in event of any such recession, the corporation shall refund to the purchaser from the corporation all principal payments theretofore made by him, less the amount of any damages to the property occasioned by his fault." Under this provision any contract purchaser who became tired of his contract could cease paying, remain on the property for as long a time as he could wangle out of the Governor, and when he finally had to leave, the corporation would pay back to him all the money he had paid in on principal on the farm. He would be out his interest only, and would probably gain a year or two free rent.

Section 12 (d) exempts from the provisions of the Frazier-Lemke Act any contract holders. I am not arguing the merits of the Frazier-Lemke Act, but I raise the question as to whether contract holders are not as much entitled to the benefits of this act as are other debtors.

I have no comment with reference to section 13 other than to say that the banks are now following approximately this same policy, except that they administer it themselves rather than having the administration of their farm sales centralized in Washington.

I have no comment with regard to section 14, except to say that the banks are now operating on practically this same program, except that they administer it themselves rather than have the administration centralized in Washington. I believe there is a real danger in having the Governor administer real estate and the loans of the banks instead of entrusting this to the proper officers and the boards of directors. The whole bill seems to me designed to centralize complete control of the system from the farm-loan associations up in the hands of the Governor.

I have no comment with reference to section 15, except to point out that the banks are now effecting reamortization as provided in this section, except that they administer the loan themselves rather than transferring the administration to the Governor.

ABOLISHING PERSONAL RESPONSIBILITY

Section 16 has the effect of abolishing all personal responsibility. Whenever a borrower wants to quit paying, he can give a deed to his farm and walk off without any further responsibility. Under normal conditions, there are always many cases where the borrower concludes that the farm is worth less to him than the debt against it and even though he has borrowed the money and is able to pay it back, this section would give him the right to throw his loss upon the bank or the Government. As an example of what the banks contend with, let me cite a case which came to my desk recently. The case involved a large loan. The borrower happened to be a banker, who found himself hard pressed for cash and succeeded in getting extensions and advances for taxes for a period of several years. Probably his condition entitled him to this aid under the terms of the Emergency Farm Mortgage Act. He finally decided to abandon the farm, and first by promises which were not kept and later by legal means managed to retain possession long enough to remove three crops without paying a cent. His financial condition straightened out until he was amply able to pay. The bank foreclosed, but in this particular State was required to bring additional suit to establish deficiency judgment. The banker resisted this suit by every possible means, including appeals to both Senators and his Congressman. The deficiency was approximately $15,000. With a salary of $15,000 per year and ample free assets, there was no honorable reason why he should throw this loss either upon the farm-loan association or the bank. If this bill becomes law, that type of borrower can evade his just debts and throw the losses directly upon the Federal land bank and evntually the Federal Government, and, gentlemen, I think it is about time that someone began to think about the finances of the Government.

I believe this illustrates clearly why it is impossible to legislate equitably on matters of this kind, and why it is necessary that each case be handled on its individual merits. The banks take very few deficiency judgments. In some States a deficiency is automatically granted in foreclosure proceedings, but they are released except in cases where they are merited. Deficiencies are practically confined to cases of bad faith or cases where a borrower is trying to evade his just debts. For a long time complaints received upon this score have been so few as to be practically nonexistent, and I do not believe any such provision is warranted. If the bill should be amended to restore its cooperative features so that the members would be individually and jointly responsible, it is obvious that this section would make such restoration unworkable.

I feel that if there were time to study the bill carefully in the light of the experience of the administrative officers in the field, many more defects would be brought to light. I regret that there has been no such opportunity.

SOME COMPARISONS

In conclusion I would like to draw some comparisons to indicate the relative importance of the effect the bill seeks to attain when compared to the whole farm situation.

According to the latest figures available, there are approximately 6,800,000 farms in the United States. Let us write down—

	Percent
6,800,000 farmers	100
Unmortgaged farms	67
Mortgaged farms	33
Farms mortgaged to F. C. A.	13
Delinquent F. C. A. borrowers	3
Headed for foreclosure	0.6

Apparently the essential purpose of the bill is to prevent foreclosures. Two-thirds of those headed for foreclosure could not be helped by any system. They consist largely of cases involving bad faith or some physical problem, such as old age. When a farmer is no longer able to operate his farm and has no reserves, the case ceases to be a credit problem and becomes a social problem. Two points I want to make in connection with this: First, I urge that you take time to examine carefully into the causes of the foreclosures which have been so much discussed to see if the remedies suggested are justified or would be effective; second, I think you should study the whole problem very intensively before taking steps which may vitally affect all our farming population, in order to try to do something for less than one-half of 1 percent of the 6,800,000 farmers who are benefiting from the system. We have not lost sight of them, but there are other remedies available.

I wish to make another comparison to illustrate the relative importance of a 1-percent reduction in farm-loan interest. To the average wheat grower it is less than 1½ cents per bushel. To the average cotton grower it is less than 15 cents per hundredweight of cotton. Gentlemen, the problem of the American farmer is not 1-percent interest reduction, it is farm price. We cannot solve the farm problem by tampering with our credit structure. The only solution lies in compensatory prices.

You can spend weeks in working out a program of changing a cooperative system to a subsidized Government lending institution, and overnight wheat can drop 1½ cents per bushel and wipe out all you have done so far as benefiting the farmer is concerned. Do not misunderstand me. I am not opposing interest reduction, but I earnestly believe the price paid under the proposed plan is too much, and if the same amount of time and energy were devoted to aiding the marketing of our crops, it would probably result in bettering conditions in an amount far greater than the interest subsidies proposed.

CONCLUSION

At last let me suggest that if the misgivings I have expressed are only half true, or quarter true, the consequences are so vital and so far reaching that I believe your committee should call in those who are most familiar with the operation of the systems and those who are most directly concerned, because they are the operators, the borrowers, and owners. You probably know who drew the bill; but, so far as I have been able to learn, no one with any extended experience in the problems of operation ever saw the bill until the day before the hearings began, and most of the officers in the field have never seen it yet. I would strongly urge that before any such drastic step is taken you call in the presidents of the land banks who have struggled with these problems for years. Call in some of the members of the boards of directors of land banks who have had years of experience. I would like to hear the judgment of a man like Judge Lindsey, who was on the President's commission to Europe, helped draw the original act, and who has sat on the board of directors of one of our most successful banks for over 23 years. I think time should be given for the National Farm Loan Association to find out what it is all about and express their desires. The changes are too drastic and too profound to rush into them without the most careful and full study and investigation. I say this with all the earnestness I can command.

A United America—Part 9

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. THORKELSON. Mr. Speaker, in part 8 of A United America I began a discussion on the Bill of Rights, which I shall now continue by repeating in part what I have discussed before.

The Constitution and the Bill of Rights were drafted by the founders of this Republic to protect themselves and us against those who are now and who may in the future engage in usurpation of the liberties and rights that we reserved to the state and to ourselves in the Constitution. The fullest measure of protection for the people of this Nation may be found in the Constitution, for it protects the people not only against usurpation of rights and liberties by their own Government but also against insidious destruction by political parties and others who are now engaged in radical conversion and destruction of the Government of this Republic of the United States.

The greatest instrument of evil that confronts the world today is gold and the control of money as it now exists in nearly all nations. Gold and money is a public property which is earned by the people, and for that reason belongs to them. It was never intended to be set aside for the purpose for which it is now used—namely, as a power to destroy. This should be clearly evident when we recognize that both political parties are not only controlled by the power of money but they are also controlled or dominated by the same group of people. It therefore matters little which of the candidates may be elected to office, so long as he is tied to the apron strings of the international financiers.

What we need in America today is a political party composed of all Americans from both parties—people who believe in the fundamental principles of this Government and in the rights of the people to own and share in the wealth they have earned over a period of years. In such organization we will leave those who object to the fundamental principles of this Republic in a party of their own, which may be dominated, as it has been before, by the internationalist and the international financiers. The issue in the election will then be clear, for it will be either for America or against America, and I have no doubt where the choice will fall.

The Bill of Rights was never intended to sanction freedom of speech, freedom of the press, freedom of assembly, and the

freedom of the Communists and their dupes to petition the Congress of the United States for special legislation to protect such minorities or groups as teach or advocate changes, conversion, sabotage of industries, radicalism, communism, and destruction of the Government of the United States.

The Bill of Rights does not give the radical, the syndicalist, the Communist, and other Fabian groups the right to organize as political parties or the right to members thereof to run for office in the Government of this Republic of the United States. These groups and their members convict themselves when they advocate sabotage of industry and destruction of the Government, and must, because of such doctrines, be considered enemies of the United States. The only protection which the Constitution grants to the revolutionist, to the radicals, and to other enemies of the United States is housing in the Nation's penal institutions, where they may engage in such speech and assembly which the rules of the institutions provide for them.

All officials in the National, State, and local Governments have subscribed to an obligation "to preserve, to protect, and to defend the Constitution of the United States against all enemies." This means enemies from within as well as enemies from without. It is, therefore, the solemn obligated duty of all public officials to protect law-abiding citizens by arresting those who are engaged in dissemination of revolutionary doctrines which are in conflict with the Nation's constitutional laws. These radical minorities, being enemies of the United States, should not be permitted the right of assembly or the freedom of revolutionary speech, in assembly or over the radio. Neither should the communistic internationalist, who now owns and controls the Nation's picture industry, be allowed to portray or display pictures which are indecent or in conflict with the ideals of patriotic American people. A book or a moving picture is no more than a reflection of the mind and the mental state of the authors, and should be given no greater value than that which the author and his racial philosophies deserve. If these philosophies are foreign, the picture will also be foreign, and of little value to us, whose ideals are based upon a Christian civilization.

When public officials in National, State, and local governments fail in their obligated duty, the people of our Nation will themselves rebel against such public betrayal and, in sheer desperation, organize for their own protection against all enemies, including public officials who betray their trust. The many groups and individuals who are now denouncing the internationalist, the Communist, and the goyim dupes who fawn at the foot of Mammon are, in reality, the advance guards of an indignant and loyal American people. The tolerant majority, being accustomed to place their faith in officers elected to respect and uphold the law, are now awakening to the fact that they are being betrayed and persecuted by such officers.

This is evidenced in the persecution of Messrs. Ford, Edmondson, the young men who were arrested in Philadelphia, the Christian Front, the Christian Mobilizers, and the Reverend Winrod, who is without doubt a loyal and patriotic American citizen and, as such, suitable to fill any office in the Government. This persecution of many individuals, such as General Mosely, Father Coughlin, Mr. Deatherage, Messrs. True and Pelley, is purely an expression of intolerance by those who are instrumental in their persecution. None of them is guilty of any other crime than that of exposing the international Communists, his goyim dupes, and other enemies engaged in subversion and destruction of the Government of the United States.

Further evidence of Government persecution of patriotic citizens may be found in the frequent arrests of those who congregate in peaceful assembly to discuss the Communists and the failure of public officials to protect the majority rights and the Nation against sabotage and destruction by the Communists, who openly challenge the law by stating that they intend to destroy our institutions and the Government of the United States.

It is not within the scope of these remarks to enumerate the many, many instances in which the Federal Government transcends the law in its interference with free speech and peaceful patriotic assembly of law-abiding citizens, and around the corner violates and debases the law by giving aid and comfort to the communistic enemies of the United States who are engaged in seditious speech and revolutionary assembly. It is about time the people awaken when the Post Office and other departments are filled with a type of employee who, under the watchful eye of the enemies of the United States, photostat private mail and pass information to the Justice Department for investigation and persecution of innocent people. When the enemies of the United States attain the power where they can place their own people in informative and intelligence departments for the purpose of watching and reporting all information to their real employers our rights and liberties hang in the balance.

It is high time that Congress investigates those who issue orders to tap telephone wires, and who order investigations of such Members of Congress and private citizens as are opposed to seditious activities in the Government. Congress should engage in a most extensive investigation of those who have the power and are using such power to retard Department of Justice investigations of those who are engaged in dissemination of revolutionary doctrines, such as communism, for they are not only engaged in sedition but are, in fact, relentless enemies of the United States.

We, the people, must remember that we were bamboozled in 1913 into adoption of the seventeenth amendment, for no other purpose except to destroy the fundamental principles of this Republic. All could have been corrected by recalling those Senators who engaged in fraud and corruption. The same situation is opening up today, in Federal investigation and insinuation of corruption in the House of Representatives. The purpose, no doubt, is as it was in 1913, to bamboozle the people so that they will abolish Congress. The first step was taken in 1913, and if the people can be fooled again, it will be the final and last step, for when Congress is abolished we will then have a despot sitting in the chair of the President of the United States.

I think it is well for us now to recall the advice of Washington, 145 years ago:

> The alternate domination of one faction over another, sharpened by the spirit of revenge natural to party dissension, which in different ages and countries has perpetrated the most horrid enormities, is itself a frightful despotism. The disorders and miseries which result gradually incline the minds of men to seek security and repose in the absolute power of an individual, and sooner or later the chief of some prevailing faction, more able or more fortunate than his competitors, turns this disposition to the purpose of his own elevation on the ruins of public liberty.

Let us look facts squarely in the face. Our Nation is threatened from without by the communistic internationalist, who employs the Communist and the syndicalist to undermine and destroy our industries and the Government of the United States. The same group of internationalists are even reaching into our educational system, so much so that they are able to substitute communistic teachings for the sound fundamental principles upon which this country was established. This is a most insidious attack, because it begins in the minds of the younger generation and develops as a national principle when it is instead foreign, communistic, and destructive.

Let no public official be deceived, however, for light is dawning upon the American people. The fact that certain communistic minorities which are in control of money can through such power dominate the press, the cinema, the radio, and other avenues of communication, should in no sense be accepted by those who betray public trust as being sufficiently powerful to protect them against public wrath.

It is the duty of the Department of Justice and all other intelligence departments in the United States to step in, rigidly enforce the law, and so protect the people of this Nation. The orders for this must come from the President of the United States, and it is quite evident that he has not given such orders to the departments. We must therefore assume that he does not realize the seriousness of the

situation, for if he does realize it, he is as guilty as the Communist himself.

It is now up to the President to give orders to proceed. We may ask, what is he going to do about it? Will he take care, as he obligated himself to do, that the law be faithfully obeyed? Will he preserve, protect, and defend the fundamental principles of this Government, as set forth in the Constitution of the United States? If the President give orders that the Constitution be faithfully obeyed, this Nation will be saved and the people well protected. The American people are waiting for his answer.

National Youth Administration

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

LETTERS IN SUPPORT OF THE APPROPRIATION FOR THE NATIONAL YOUTH ADMINISTRATION

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters received by me in support of an increase in the appropriation for the National Youth Administration in the Labor-Federal Security appropriation bill:

MASSACHUSETTS STATE FEDERATION OF LABOR,
Boston, Mass., March 22, 1940.

Hon. JOHN W. McCORMACK,
Member, House of Representatives,
Congressional Office Building, Washington, D. C.

DEAR CONGRESSMAN McCORMACK: I sincerely hope you will give serious and favorable consideration to that portion of the Budget allotted to the National Youth Administration. I am confident you recognize, as I do, that the problem of caring for and giving attention to our youth is acute and very serious.

Although there is more that should be done, such as affording opportunity to work and take their places in our community life, it seems to me the Federal Government should not curtail its contribution to the encouragement of our youth. A continuance of the National Youth Administration activities seems to me to be very important.

I hope you may see fit to favor at least the amount contained in the President's original budget.

Thanking you, and with kind regards,

Respectfully yours,

KENNETH I. TAYLOR,
Secretary-Treasurer, Legislative Agent.

THE AMERICAN LEGION,
DEPARTMENT OF WISCONSIN,
Milwaukee, March 22, 1940.

Hon. JOHN McCORMACK,
Member of Congress,
House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN: In the general appropriations bill which will soon be considered by the Congress the appropriation for the next fiscal year will be considered for the National Youth Administration. In my opinion, this is one of the finest activities that the present administration has sponsored. I have had an opportunity of observing very closely some of the benefits derived from the program, and I might state that my secretary, who I have had now for 3 years, is a former N. Y. A. employee. I have also here in my office another girl who started originally under the N. Y. A. program, and I cannot speak too highly of both of them.

I know that efforts are being made to confuse the National Youth Administration with the American Youth Congress, but here in Wisconsin, I want to tell you emphatically, that there is absolutely no connection whatsoever between the two. The National Youth Administration here is a credit to the program itself, and we in the American Legion have been supporting it 100 percent.

I certainly hope that you will lend your support to the appropriation when it is being considered by the House, and I can assure you that we will be deeply grateful to you also for any support you can secure from other Members of Congress in order that the fine work of this organization will not be in any way curtailed.

Very sincerely yours,

G. H. STORDOCK,
Department Adjutant.

BOSTON CITY COUNCIL,
City Hall, March 20, 1940.

Congressman JOHN W. McCORMACK,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN McCORMACK: I take the liberty of urging your support of the full appropriation for N. Y. A. activities in the Commonwealth of Massachusetts.

By reason of a curtailed appropriation drastic cuts are being made in the personnel of N. Y. A. in Boston, with resultant hardships upon families really in need of assistance.

Many cases have been brought to my attention where youths have been assigned under N. Y. A. for a short time and they enjoyed a pleasant outlook on life and the feeling of being one of the supporting pillars of the family. To disillusion these youngsters is a cruel blow to their hopes and spirit of independence, and I earnestly urge your full support of an allotment of money which will be sufficient to carry a full complement of workers under N. Y. A.

Very truly yours,

WM. J. GALVIN, *President.*

THE COMMONWEALTH OF MASSACHUSETTS,
Boston, March 15, 1940.

Hon. JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: It is my understanding that the National Youth Administration appropriation bill will be considered shortly.

The work of the National Youth Administration in this State has been very helpful to young people, and it is my earnest wish and request, representing the largest senatorial district in population in the State of Massachusetts, that you give favorable consideration to the National Youth Administration appropriation.

Very truly yours,

JOSEPH L. MURPHY,
Senator, Wards 13, 15, 16, Dorchester.

THE COMMONWEALTH OF MASSACHUSETTS,
Boston, March 16, 1940.

Hon. JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: Last year I was appointed to serve as chairman of a commission to study the problem of youth unemployment in Massachusetts. During the course of hearings I was able to study very closely the workings of the different agencies that appeared before my commission. I can truthfully say that of all these agencies the National Youth Administration appeared to be the most beneficial to the aid of youth employment. I sincerely believe it deserves and merits the cooperation of Congress in helping it to continue its fine work.

I trust that you will find it possible to vote the National Youth Administration the same appropriation that it received last year.

With every good wish, I am,

Sincerely yours,

DAVID M. BRACKMAN.

MAYORS' CLUB OF MASSACHUSETTS,
March 16, 1940.

Hon. JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

Honorable SIR: The Mayors' Club of Massachusetts are extremely anxious and desirous that all possible moneys be made available for use by the National Youth Administration for the remainder of the fiscal year.

Please use every effort to see that this is done.

Very truly yours,

EDWARD J. VOKE,
President, Mayors' Club of Massachusetts.

N. V. NELSON & Co.,
Boston, Mass., March 16, 1940.

Hon. JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: As chairman of the National Youth Administration State-wide Advisory Committee, I am writing you requesting your favorable consideration of the bill, which I understand will be reported into the House shortly, for the appropriation of N. Y. A. funds for the next fiscal year.

As a businessman and as one who has been interested in young people for many years, I have been very close to the problem of youth unemployment in Massachusetts. Since being elected chairman of the State-wide committee composed of business people, social service, religious, and other persons interested in youth, I have closely observed the great benefits of the program in Massachusetts for these young people. Not enough of money can be appropriated to alleviate their situation and lack of opportunity.

I sincerely hope that you will make every effort to help these young people by voting for the National Youth Administration appropriation.

Sincerely yours,

NELS V. NELSON,
Chairman, N. Y. A. State-wide Advisory Committee.

America a Republic—Not a Democracy

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 25, 1940

A PAPER BY FRANK S. BOYERS, OF FORT WAYNE, IND.

Mr. GILLIE. Mr. Speaker, during recent weeks I have been in correspondence with an old friend of mine, Mr. Frank S. Boyers, of Fort Wayne, Ind.

Mr. Boyers, a retired businessman, on several occasions has expressed real concern over the fact that too many Americans are laboring under the impression that this great Republic of ours is a democracy.

Mr. Boyers asserted that something should be done to correct this delusion, and I agreed with him. When I suggested that he was well qualified to undertake this worthy service, he at first demurred. Finally, however, he agreed to accept the assignment.

The results of his illuminating study are presented herewith in the form of an able and interesting paper which he prepared with the assistance of his good wife, Mrs. Ida M. Boyers:

AMERICA A REPUBLIC—NOT A DEMOCRACY

(By Frank S. Boyers)

What is a democracy? Fundamentally, a democracy is that form of popular government wherein sovereignty or power to govern is both retained by the people and exercised by them direct.

Such a government is practicable for only very small countries.

What is a republic? A republic is a representative form of government wherein sovereignty, though retained by the people, is not exercised by them direct but through representatives elected by them at stated intervals.

Representatives, National and State: In this country our national representatives hold office at Washington, D. C., and consist of the House of Congress, the Senate, and the President. Our State representatives hold office at the various State capitals and consist of the State representatives, senators and the Governors.

America's first republic: The old Colony of Virginia was the first, at least the first of which we have any authentic record. On page 49 of Barnes' Brief History of the United States, used in the Illinois public schools, copyrighted in 1871 and later years, I find the following: "Governor Yeardly believed the colonists should have 'a hand in governing themselves'; and, July 30, 1619, called together 'the first legislative body that ever assembled in America.'"

Representatives, called burgesses, were chosen from the various plantations that made up the colony. Under this form of government the people prospered greatly, and the history goes on to say: "Virginia became almost an independent republic;" a republic, mind you, not a democracy; and almost independent.

All the Colonies republics: In all attempts at self-government that I find any record of, each of the Colonies, whenever it began to govern itself, set up a representative government. Certain it is that by the time of signing the Declaration of Independence all were republics, because in all their assemblies they acted through representatives.

Guaranteed Republics: Did you ever read the Constitution of the United States? Well, anyway, if you will look at the sixth section of the fourth article, you will see that it says, "The United States shall guarantee to every State in this Union a republican form of government."

"We are all Republicans!" An educated Democrat said that; yes, none other than Thomas Jefferson, a Federalist of "ye olden days," the third President of the United States and present-day idol of the Democratic Party, and now called by them a Democrat.

How times do change! I shall refer to this quotation further on, in my collection of quotations from the inaugural addresses of presidents and other great men from the time of George Washington to that of Theodore Roosevelt.

The why of a republic: A republic operates through representatives elected by the people at stated intervals, the only form of government of the people, for the people, and by the people that is practical for a large country.

Ten years ago, according to the 1930 census of this old United States of America, we then had fairly close to 123,000,000 people in this country, and there are a lot more of us today.

Reason a little: Supposing we all left our homes, our factories, our farms and went to Washington, D. C., each year to do the work our Representatives in General Congress now do for us. Where in the city of Washington or even in the whole District of Columbia could they put us up?

And supposing they could put us all up down there, and we began passing legislative bills, discussing and voting on this bill, that bill and the other bill, what a Babel that would be! Our unbalanced, topheavy tower would fall with a crash that could be heard around the world! And, rejoicing Europe wouldn't even need the radio to hear it.

Democracies necessarily small: Immutable, natural, physical laws inexorably make it impossible for a fundamental democracy ever to become a great nation. Our wise forefathers planned for a great nation; and, planning well, they made it a republic.

Why a great republic? Why not just an ununited lot of small ones? Because in union there is strength and permanence. So they formed our smaller republics, the States, into one great republic. That is why they gave us the United States of America, a powerful government, powerful enough to resist invasion, protect the lives of our people, resist un-Americanisms, and do many other things necessary for the continued prosperity of any government designed to live over a long period of time.

Great through the ages: To secure for themselves and retain for their descendants the inalienable rights of life, liberty, and the pursuit of happiness through the ages, our early fathers, with rarely equaled wisdom, builded a government they believed would live through the ages. And so they made it the Republic, a republic of republics; and just as long as we continue to elect representatives to carry on the processes of government for us, both in the States, individually, and in the United States, generally, just so long shall we be, as always have been, the Republic—a great republic.

QUOTATIONS OF PRESIDENTS

Following are the exact quotations of several of our Presidents, from Washington on down, in which reference is made to our republican form of government:

George Washington: "The destiny of our republican model of government."

John Adams: "A government in which the executive authority" (meaning the President) "as well as that of all the branches of the legislature, are executed by citizens selected at regular periods by their neighbors to make and execute laws for the general good." That, if you please, is representative government; and representative government constitutes a republic.

Thomas Jefferson, the able scholar, who certainly knew the meaning of words and how to select the right word at any given time, in his first inaugural address, said: "We are all republicans." And again, in the same address, Jefferson said: "Let us, then, with courage and confidence, pursue our own federal and republican principles, our attachment to union and representative government."

President Madison spoke of "our own republican institutions," * * * "this rising Republic," etc.

John Quincy Adams, spoken of as a man of unusual learning, talked of "our happy condition under a Constitution founded upon the Republican principle of equal rights."

Andrew Jackson, yes, even Old Hickory, said, "The eyes of all nations are fixed on our Republic."

Van Buren talked of "the earliest and firmest pillars of the Republic," * * * "the power and influence of the Republic."

President Harrison spoke merely of "a simple representative democracy or Republic," showing that he recognized the truth that as soon as a democracy becomes representative, it becomes a Republic.

James K. Polk spoke of "the infancy of the Republic," * * * "the ends for which our Republican Government was instituted."

Zachary Taylor said he had been called to be the "Chief Magistrate of a Republic," * * * and referred to "our own widespread Republic."

The great orator and statesman, Daniel Webster, speaking of the death of President Taylor in office, said: "The Chief Magistrate of a great Republic died suddenly," * * * "and those grand and imposing rites which the Republic confers on the most distinguished of her sons."

Franklin Pierce said: "I have been called, for a limited period, to preside over the destinies of the Republic." Please note he said for a limited period, and didn't expect a third term.

James Buchanan, speaking of the necessity for honesty in our Government, said: "Public virtue is the vital spirit of republics."

Abraham Lincoln: Probably no American, living or dead, has possessed greater love for the United States of America than Abraham Lincoln; and, I believe, none ever had greater love for humanity. He gave his life that men might be free. In Lincoln's speeches made in debate with Stephen A. Douglas, I find such expressions as these: "The principles of true Republicanism," * * * "the sheet-anchor of American Republicanism," * * * "the Fathers of the Republic," * * * "the history of the Republic."

President Grant's words were "our own great Republic, * * * under our Republic."

James A. Garfield said "the new Republic was beset with danger on every hand; * * * our own little children will soon control the destinies of the Republic."

Grover Cleveland spoke of our "Constitution launched by the founders of the Republic; * * * the inspiration of our faith in the Republic; * * * the prosperity of the Republic; * * * prudential economies which are best suited to the operation of a republican form of government."

Benjamin Harrison referred to "equipping the young Republic for the defense of its independence."

William McKinley referred to "our full duty as citizens of the great Republic * * *"; spoke of the fact that in a republic the people must not be illiterate, because illiteracy is "a grave peril to the Republic"; and "the trust imposed upon the Chief Executive of the Republic; * * * the builders of the Republic; * * * the Republic has marched on and on."

A name retrieved: And now I shall mention but one more, and then the name Roosevelt shall have been, at least in a measure, dragged from the mire into which he who raved against "nine old men" had caused it to flounder.

Theodore Roosevelt, affectionately referred to as "Teddy," something that can never happen to the man who ostentatiously parades three long names—Teddy of the Rough Riders appreciated "the tasks set before our fathers who founded and preserved the Republic," and "a lofty ideal which made great the men who founded this Republic in the days of Washington, which made great the men who preserved the Republic in the days of Abraham Lincoln."

When language reaches the sublime, it cannot do more.

Flood Control in the Lower Mississippi Valley

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

SPEECH DELIVERED BEFORE RIVERS AND HARBORS CONGRESS, MARCH 15, 1940, AND BROADCAST ON COAST-TO-COAST HOOK-UP OVER N. B. C.

Mr. BROOKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following:

Mr. Chairman, ladies, and gentlemen, the Mississippi River is the greatest river in the entire world. It, with its tributaries, drains more territory than any other river in any continent. Its tributaries, such as the Missouri, the Ohio, and the Red Rivers, are in their own right truly great rivers of the world. The Mississippi River Valley is the richest valley in all the history of all ages. Can we expect to have such a great boon without some attendant disadvantages?

Of course, the great problem of such a river system is the recurring floods which descend upon the rich and alluvial valleys periodically and inundate them. This gives us in the lower Mississippi Valley our No. 1 river problem—flood control. For 150 years the white man in this valley has been combating this great problem, trying to conquer it. First, the counties and the parishes set up their own levee boards to build protection from the ravishing waters. Then, the problem became a State one and, finally, a national problem. During the last 10 years, the Federal Government has expended upward of $650,000,000 for flood control in the United States; and still our work must go on.

One of the earliest recollections of my childhood was of the great ominous levees built on each side of the river by man. One of the first school recollections which I have was of the call for volunteers to man the levees when the flood lapped over the top of them, threatening at any minute to break through the dikes. One of my first great frights which sent a chill to the very marrow of the bone, was the cry of terror rising from the lips of the working and watching men as word came down the line, "The levee is gone. It's coming through. Run for your lives." Mr. Chairman, I know what flood damage is.

I believe in economy in government; and certainly the time has come in this land to put the brakes on expenditures but I believe in wise and prudent economy. And it is unwise to economize on flood control. We are by false economy often penny-wise and pound-foolish. I do not ask you to take my statement on this, but I quote from the Bible wherein we may be likened to the foolish man who, for economy reasons, according to St. Mathew, built his house upon the sand:

"And the rains descended and the flood came and the wind blew, and beat upon that house; and it fell; and great was the fall of it."

We must, as a Nation, be like the wise man who built his house upon a rock and "when the flood came it fell not," for it was built upon a rock.

This Nation must build its flood-control economy upon a rock. It must build well, provide adequate flood control regardless of the necessity of economy.

Ballots—Not Bullets

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

EDITORIAL FROM THE RANDOLPH REVIEW, ELKINS, W. VA.

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following splendid editorial from the March 21 issue of the Randolph Review, weekly newspaper published by James W. Weir, in my home town of Elkins, W. Va.:

BALLOTS—NOT BULLETS

The whole conception of the founders of our Government was that public officials should be chosen by ballots and not bullets, and that whatever Constitution of the United States, should be made through the agency of the ballot and not by force. This is the difference between the United States and the nations in which dictators rule; the difference between slavery and freedom; the difference between government from the top downward and government from the bottom upward, for which purpose, of course, governments were instituted among men.

Keeping that thought in mind, if this Government is to be continued as a representative form of government it is incumbent upon every citizen, of whatever sex or color, to cast his ballot in every election unless the people who constitute this country, and who are themselves the Government, do exercise their right of suffrage, government loses its representative nature. Sometimes we think that people do not appreciate their right of suffrage or all the blood which was shed to insure them such a right. Perhaps they would appreciate it more if they had lived in other lands where that right is denied except at the point of the bayonet or under the eyes of spies.

There are some citizens of the United States who profess great admiration for Adolph Hiter and for Stalin, and who believe that this country would be better off under a Hitler or Stalin. While, of course, they perhaps have a right to such views, we believe that where they do feel that way about it and look upon the Government of the United States as a failure or as not meeting their ideas of what a government should be, they should relinquish their citizenship and go to live under the Hitlers and the Stalins.

We much prefer this country, where there are no black shirts, brown shirts, or bloody shirts, and where each man or woman has an equal voice at the polls and an equal voice in government; and where, in fact, issues are not settled by bullets, but by ballots; and where purges and pogroms are foreign to our form of government.

A Rotten Custom

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

EDITORIAL FROM THE WICHITA EAGLE OF MARCH 20, 1940

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Wichita Eagle of March 20, 1940, relative to the proposed limitation on campaign contributions, and hereby go on record as being 100 percent in favor of the Senate-approved bill and hoping it will be passed by the House without delay. The editorial follows:

A ROTTEN CUSTOM

Should the Hatch bill, as amended and containing the $5,000 campaign contribution provision, pass it would be a grand, good thing. National politics long has been most rotten in one respect—committee slush funds. That practice has been terrible. Only a comparatively few rich people will whack up money for a campaign, and the way the politicians bleed those few is perfectly scandalous. The worst thing about the practice is that the need of cam-

paign funds constantly seems to grow. Money used in politics is like opium—the heavier the dose one season, the heavier the next season of doses must be.

Now, the Hatch bill as amended in the Senate this month limits a campaign contribution to $5,000 a year from an individual. That provision was proposed by the bill's opponents in order to cripple the measure. It is one of the best things in it. The House should keep it in the bill. Of course, such a law will not be strictly enforced. Some of the rich contributors will bootleg their money to the committees in excess of the $5,000, but at that it will be worth something to America to write down in the law books that the public realizes how rotten the campaign contribution custom can get to be.

A Partial Answer to the Farm Problem

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

HOW ONE GROUP OF FARMERS AT HAMILTON, ALLEGAN COUNTY, MICH., SOLVED THE FARM PROBLEM

Mr. HOFFMAN. Mr. Speaker, rugged individualists all, self-reliant, industrious, and thrifty, a few farmers in Allegan County, Mich., without Government aid and in spite of restrictive influences made possible by Government sanction, have demonstrated that the door of opportunity has not yet closed here in America.

Doubtless, a statement by me, pointing out how many others using the same methods in varied agricultural and manufacturing interests might profit, would be biased and overenthusiastic. Hence, an impartial and very brief summary of what has been accomplished is taken from the April issue of Nation's Agriculture, published by the American Farm Bureau.

FARM CO-OP FACES NEW PROBLEM

For 20 years the Hamilton (Mich.) Farm Bureau has supplied valuable business services to the farmers of the community around the village of Hamilton. In the beginning, it functioned as a purchasing agency for mixed livestock feeds and coal, and it provided feed-grinding service for members.

From a small beginning, the business has grown to relatively mammoth proportions, for last year gross business turn-over approached the million-dollar mark. Instead of buying mixed feed and fertilizer for members, the organization manufactures its own. It distributes high-quality seeds, operates a hardware store and elevator, and even a garage. It supplies members with petroleum products, coal, and tile; and it markets for its members eggs, poultry, livestock, and cream. Because celery is a big crop in the community, the Farm Bureau supplies the material for the crates in which it is packed for market, and Farm Bureau trucks carry it to market in Chicago. In short, the Farm Bureau supplies most of the business services that members need in connection with production and marketing of their products.

SUCCESS

The institution is tremendously successful. It has done things that people said simply could not be done. The cooperative marketing of poultry and eggs has always been considered a hazardous venture, and most farm cooperatives carefully avoid it. Here, however, under the prudent management of A. G. Lohman, who came off the farm to assume charge of the business, this phase of the marketing has been carried on, safely and profitably, for many years. It is that phase of the business that concerns us in this story.

No business enterprise, corporate, partnership, or cooperative can succeed without high-class management. Lohman has supplied it for this institution. When he started out, he had had two or three winter business-college courses. He had had no business experience but he had something far more essential, namely a good supply of common sense. Members are quick to give him full credit for what has been accomplished.

During December of last year, no less than 12 carloads of eggs went through the Farm Bureau packing plant and were sold in various markets. That's a lot of eggs, and those eggs made money for the producers because they were sold right. The selling doesn't start in the packing house, however. Successful selling of eggs must start back in the farm.

There was a time when the Farm Bureau handled the eggs just as wheat might be handled. Whatever eggs the farmers brought in were shipped to central markets and sold for what they would bring. This went on for a number of years. The producers were not satisfied with prices, but then eggs were just a farm byproduct anyway, so why worry much about them?

Up to about 1931, it apparently never occurred to any of the producers that the consumer might not be satisfied, either. But one day something happened which set Lohman back on his heels. A Chicago commission merchant called him and told him that he had sent him a telegram, telling him that he wanted no more eggs from Hamilton. He said that after sending the telegram he decided that he didn't want to wait for the wire to reach Hamilton. He used the telephone to make it more positive. He didn't want any more eggs from Hamilton.

Lohman did some pretty sober thinking for a few days, and then he told his board of directors about it. In the meantime he had been doing some investigating. He found that eggs were left around the warehouse in 90° temperatures sometimes for a long time before being shipped. No precautions were taken to keep the eggs cool on the long trip to market, and the result was that consumers probably got many eggs from Hamilton which were unfit to eat.

Lohman told the board that he was in favor of either quitting the business of marketing eggs entirely, or of putting a product on the market that they could be proud of. He told them further that the members had been working together for a long time, and that he thought they would be willing to cooperate in producing eggs of superior quality. He fully appreciated the difficulties in the way of getting 500 farmers to working together on a thing so delicate and unstable as quality in eggs; but then, these same farmers had done other things which had been hard to do, and he had faith in them.

LAUNCH CAMPAIGN

The board believed likewise, and so the poultry-improvement campaign was launched. The latest and best information available was got together, and given to the producers, who were encouraged to bring their production troubles to headquarters for personal assistance. Disease and parasites were attacked in a concerted drive; feeding problems were studied continuously; housing was improved. In the marketing process, eggs were candled to insure quality, and were kept at low temperatures from the time received at the grading plant until delivered. Those who did the candling and grading were trained to expertness, and soon they became licensed graders under Government supervision. It was not long until buyers were clamoring for more eggs. More than 70 percent of the eggs handled grade as U. S. Extras, which gives the producers a very nice premium for their extra effort.

Producers found the premium so attractive that they have increased the size of their flocks. Average flock now numbers close to 500. Gross sales from eggs from one flock of 1,100 last year amounted to more than $3,300. The increase in poultry flocks since the campaign was started, together with some increase in dairy cattle, has changed the county from a grain-exporting county to a grain-importing county.

The farms in the community are relatively small. Milk, eggs, and poultry, some cattle and hogs, and celery are the principal products. The agriculture is well diversified.

In the early days, the best egg market was in New York, but in recent years it has been discovered that people in Detroit and Chicago will pay a premium if you give them a quality product. Because of the shorter haul, there has been more money in supplying the better trade in Chicago and Detroit.

Up to recent times, the farmers who produce the eggs had the idea that this business was largely a matter between the producer, dealer, and consumer, with the Government supervising the grading.

Lately, however, they have found that union labor in Chicago is "muscling in" to try to dictate to the farmers as to how they shall run their business. First, the truckers' union objected to nonunion truckers from Hamilton driving Farm Bureau trucks into Chicago. That has been settled, temporarily, but the Farm Bureau has not had its final say on the matter.

More serious, and still unsettled, is the matter of candling and grading. The Chicago Egg Candlers' Union has decreed that cases of eggs, packed by Government graders in Hamilton today and offered for sale in Chicago tomorrow, must be torn down in Chicago and regraded by candlers and graders who are members of the Chicago union. Their excuse was that they have a contract with the egg jobbers specifying that all eggs handled by the jobbers must be graded by union labor. The Hamilton producers think that if the United States Government stamps a case of eggs "U. S. Extras," that ought to be good enough for anybody, but the union says "No." That sounds pretty silly to farmers, some of whom have daughters working in the Hamilton packing plant who will hold their own against graders anywhere when it comes to skill in grading.

Mr. Lohman reflected the sentiments of the members in the following statement:

"The laboring man undoubtedly has many complaints and grievances. No farmer will object to their organizing to better their own condition, but he does resent, after having already paid more money for equipment and necessities of life through higher wages and shorter hours for city workers, to have some labor organization demand that agencies merchandising and handling his products pay tribute to their organizations.

WHY?

"Why should egg jobbers in Chicago be compelled to sign contracts that all eggs they handle, including Government graded and

inspected eggs, be recandled by union labor? The Government graded eggs were candled, graded, and packed by the sons and daughters of the producers in their own organization. Recandling of these eggs would mean lowering of the grade, some breakage, and an additional expense which would have to be borne by the producer. Production and marketing of quality eggs will never be accomplished by candling and grading at some distant point. To be accomplished it will have to be done at the point of production.

"The farmers also are experiencing trouble with fruit and vegetables. Why should a farmers' cooperative organization which employs the sons and daughters of its own members be compelled to pay memberships and monthly dues to labor unions for its drivers and workers before they are permitted to unload their celery and produce in the Chicago market?

"A $50 membership and $5 a month dues are excessive and unfair. Some labor leaders are always sounding off about everybody being unfair to labor. Haven't they been much more unfair to the farmer and the consumer?

"For economic preservation, farmers may be forced to consider manufacturing some of their own necessities of life. * * *

PUBLIC REACTION

"Farmers' organizations should carefully observe the public's reaction toward labor organizations whose leaders and policies have been opposed to the welfare of the general public. The result is that an intense reaction in the mind of the general public is being generated toward all labor-union activities. All organizations, whether farmer or labor, must keep in mind that the power of their organizations is a matter of public trust and carries with it an element of responsibility to the public generally as well as to the immediate welfare of their own organizations. Violations of this trust will ultimately bring about a demand from the public for control and restriction of the powers which these self-centered selfish organizations have arbitrarily seized.

"It is high time that the Government, industry, labor, consumer, and the farmers get together and cooperate for the benefit of all and put forth their best efforts to make our American democracy safe for Americans."

The Visit of His Excellency, Dr. Rafael A. Calderon Guardia, President-Elect of Costa Rica

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

EDITORIAL FROM THE WASHINGTON POST

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein an editorial which appeared in this morning's issue of the Washington Post, about the visit to the United States of Dr. Rafael A. Calderon Guardia, President-elect of Costa Rica. I feel that this editorial is most timely and accurately reflects the feeling and sentiment of the American people.

[From the Washington Post of March 25, 1940]

In contrast with the state of affairs prevailing on other continents, the situation which obtains in the New World is particularly happy.

In the first place, the nations of North and South America are completely at peace with one another. And this fortunate state is not negative in character. It is much more than a mere absence of war. It is also a reflection of the growing friendship and steadily improved understanding which now characterizes inter-American relations. Peace in this hemisphere is not merely the goal of international aspirations, but the foundation stone on which a great structure of cooperation is being reared.

Contributing to better understanding among the governments and peoples of the New World are the exchanges of visits being made from time to time by statesmen of this hemisphere. An increasing number of distinguished Latin American leaders have, during recent years, found their way to Washington to confer with the President, the Secretary of State, and other high officials of the Government on matters of common concern to their nation and ours.

The latest of these welcome visitors is Dr. Rafael A. Calderon Guardia, President-elect of Costa Rica, who arrives in Washington this afternoon and will be a guest at the White House tonight. The nation whose Chief Executive he is about to become is a small one. But it is one of the most democratic and progressive in Latin America and one bound to the United States by many ties of friendship.

A Real Farm Problem

EXTENSION OF REMARKS

OF

HON. REID F. MURRAY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. MURRAY. Mr. Speaker, I maintain that the real farm problem is for the farm people of America to get a decent price for what they produce.

If this problem is not solved, we will be continually making tenants out of landlords. To indicate the exact conditions in the district which I have the honor to represent, I insert the following table from information obtained from the Farm Credit Administration:

The picture

County	Number of loans	Amount of loans	Percent delinquent	Number of farms owned or held subject to redemption	Percent of investment recovered when sold
Adams	188	$371,900	56.0	13	54.7
Green Lake	211	782,900	35.7	1	97.0
Langlade	616	1,259,800	45.9	46	53.6
Marathon	2,446	5,953,600	49.9	251	70.3
Marquette	156	376,900	47.9	2	
Portage	719	1,579,500	53.7	132	64.4
Shawano	1,316	3,134,200	51.6	100	59.5
Waupaca	1,078	2,950,100	51.6	50	48.3
Waushara	448	969,400	49.7	30	51.7
Wood	911	2,136,900	49.3	86	61.4
Total district	8,089	19,515,200	50.2	711	61.9

This table shows that in the Seventh Congressional District of Wisconsin we have a total of 8,089 Federal loans, including Federal land-bank and commissioner loans, which represent an investment of $19,515,200, and it shows that 4,060, or 50.2 percent, of these are delinquent, that the Farm Credit Administration has on hand 711 farms, that when they have been sold 61.9 cents on the dollar has been recovered.

The question is, How to meet this problem? My opinion is, first, to give the American farmer the first chance at the American market to the extent to which he has the ability to supply it; second, to stop subsidizing new farmers all over the United States with millions of dollars from the Treasury to increase our domestic production; third, a reduction in taxes by eliminating wasteful practices; and, fourth, by encouraging business through a program of confidence which will put the millions of dollars and millions of people back to work for the welfare of the people of this Nation.

The Third-Term Issue

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

ARTICLE BY GEORGE ROTHWELL BROWN

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by George Rothwell Brown, published in the New York Journal-American of March 24:

SHALL WE AMEND THE CONSTITUTION?—THIRD-TERM ISSUE AGAIN RAISED—MOVE IN CONGRESS WOULD BAR IT

(By George Rothwell Brown)

WASHINGTON.—It is a startling, perhaps even a very significant, fact that today, 7 years after the advent of the New Deal, there

are pending before Congress 281 resolutions proposing amendments to the Constitution of the United States.

Of these, 255 have been presented in the House of Representatives and 26 in the Senate.

This indicates the existence at the Capitol of a lively interest in the fundamental law, and a deep concern for guarding even more closely those basic principles of individual freedom for whose preservation the Constitution originally was largely created.

While some of the proposed amendments are in the direction of radicalism, it is worthy of observation that the more important ones seek to check the increasing predominance of the Executive power, principally by fixing a limit on the term of office of the President.

It is natural that at this particular time the question of limiting the Presidential tenure should be of serious concern in Congress, as it is in the country at large. Several amendments are pending to limit the period to not more than two terms of 4 years each. A considerable number would limit a President to one term of 6 years.

Almost from the beginning of the Government opinion in Congress and in the country has inclined more to a limitation of two 4-year terms than to a single 6-year term.

To accomplish the first indicated reform, which many of our wisest statesmen have long believed desirable, it would be necessary to amend article II, section 1, of the Constitution.

TEXT OF TWO-TERM CHANGE SUGGESTED

This could be done by inserting certain limiting or qualifying words, so that the clause would read as follows:

"The executive power shall be vested in a President of the United States of America. He shall hold his office during the term of 4 years, but he shall be ineligible for this office after the end of a second term," etc.

Many attempts have been made rigidly to restrict the term of office of the President, but never successfully.

During the Republic's first century 125 amendments limiting the Presidential term were offered in Congress, and more than 50 of these proposed a single 6-year term, the first one being submitted by Representative Joseph Hemphill, of Pennsylvania, in the Nineteenth Congress, in 1826.

Most of the amendments during the first century did not propose to change the 4-year term as fixed by the Constitution, but to limit to two the number of times the same person could be chosen President.

As early as 1824 a resolution passed the Senate by the significant vote of 36 to 3, limiting the President to two terms of 4 years each, and again a similar resolution was adopted by the Senate in 1826.

Sentiment in the House, however, was such that a two-thirds vote could not be mustered on either proposal.

The most serious attempt to make the President ineligible to more than two terms of 4 years each occurred in 1876, when the House by the emphatic vote of 234 to 18 adopted a resolution which read:

"That in the opinion of this House the precedent established by Washington and other Presidents of the United States, in retiring from the Presidential office after their second term, has become by universal concurrence a part of our republican system of government, and that any departure from this time-honored custom would be unwise, unpatriotic, and fraught with peril to our free institutions."

This, of course, was not in the form of a resolution to amend the Constitution.

Again in 1880 the attempt was made to limit the Presidency to not more than two terms of 4 years each, this time, as before, the concern having been created by the attempt to renominate Grant at the Republican National Convention in Chicago.

Fear of the overweening power of the Executive, particularly acute at the present moment, is by no means of an origin dating since the ratification of the Constitution.

It was a fear which filled the minds of many of the Nation's founders.

Toward the middle of July 1787 the Constitutional Convention at Philadelphia reached a decision that the Executive should be chosen by the National Legislature "for a term of 7 years, and to be ineligible to reelection."

But a few days later it was urged by William Churchill Houston, of New Jersey; Roger Sherman, of Connecticut; and Gouverneur Morris, of Pennsylvania, that this provision would destroy the motive of reward for good behavior.

COMPROMISE ADOPTED PUT NO LIMIT ON TERMS

Finally on September 24, 1787, the dispute ended when Judge David Brearley's committee brought in a compromise, which finally provided for a term of 4 years, with no restriction as to eligibility for reelection.

In this form this compromise was incorporated in the Constitution.

More than 90 proposed amendments to the Constitution since its adoption have affirmed the wisdom of a single term, or of two terms of 4 years each, without eligibility to reelection.

It has been computed that between 1826 and 1846 new methods of electing the President were proposed not less than 45 times.

In each of his eight annual messages Andrew Jackson recommended to Congress an amendment restricting the Presidency to one term of 4 or 6 years.

By this time the principle established by Washington that a President should serve not more than two terms seemed to have become a part of the unwritten constitutional law.

During the reconstruction period President Andrew Johnson advocated the restriction, and it was advanced in Congress 21 times between 1874 and 1876, but in no instance could it command the necessary votes in Congress.

From 1876 to 1936, when the last complete compilation was made, approximately 100 additional resolutions were introduced in Congress proposing to limit the Presidential term.

Two things between 1885 and 1912 stimulated a revival of concern in Congress and in the country for the fundamental idea that the Constitution should be amended to render it forever impossible for an ambitious or unscrupulous President to perpetuate himself in office.

One was the candidacy of Grover Cleveland, running for the Presidency again after an interval of 4 years.

It is interesting to note that when Mr. Cleveland completed his second nonconsecutive term he did not consider himself entitled by custom to a second consecutive term.

The other incident was the third-term candidacy of Theodore Roosevelt.

WILSON REPUDIATED OWN ONE-TERM PLEDGE

In 1894 William J. Bryan, then in Congress, introduced three resolutions proposing a single-term Presidency, and another making a President ineligible to succeed himself.

Through his influence the Democratic national platform of 1912 pledged itself to observance of the single-term principle, and Woodrow Wilson accepted that platform and was elected upon it.

However, this did not prevent him from repudiating the one-term plank when he became a candidate to succeed himself in 1916.

At the present session of Congress Senator HOLT, a Democrat, of West Virginia, has announced he will present a resolution, and demand a vote upon it, to place the Senate on record as opposed to the third term. It is identical with a resolution offered by Senator LA FOLLETTE on January 31, 1928, and greed to. It reads:

"*Resolved*, That it is the sense of the Senate that the precedent established by Washington and other Presidents of the United States in retiring from the Presidential office after their second term has become, by universal concurrence a part of our republican system of government, and that any departure from this time-honored custom would be unwise, unpatriotic, and fraught with peril to our free institutions."

It will be seen that the language is almost identical with that of the resolution adopted by the House in 1873.

The La Follette resolution was adopted when it seemed an effort might be made to renominate President Coolidge.

William E. Borah

EXTENSION OF REMARKS

OF

HON. HENRY C. DWORSHAK

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. DWORSHAK. Mr. Speaker, the late Senator Borah had been a member of Boise Lodge of Odd Fellows for 38 years, and that fraternal organization on March 19 conducted memorial services with appropriate tributes to its "most distinguished member."

The Grand Lodge of Idaho, I. O. O. F., at a special meeting held at Boise, Idaho, March 14, 1940, adopted the following resolution as a further testimonial to express the affection and esteem of many thousands of members of this fraternity:

RESOLUTION OF THE GRAND LODGE OF IDAHO, I. O. O. F.

On the evening of January 19, 1940, the people of this Nation were startled and grieved by the announcement that death had sought a shining mark, and that Senator William E. Borah's labors were over. His outstanding record in the Senate and his devotion to the cause of justice among nations in his many years as chairman of the Committee on Foreign Relations had given him the respect and confidence of the people of the world. The expressions of grief at his passing and of praise were general in all foreign countries.

William E. Borah became a member of the Independent Order of Odd Fellows by uniting with Boise Lodge, No. 77, Boise, Idaho, on the 9th day of December 1902, and so remained until the day of his death. He was a natural fraternalist, and the principles of friendship, love, and truth as taught by the order found a deep abiding place in his soul. During his long service as a Senator his fraternal spirit manifested itself in his friendship for humanity and his earnest and continued efforts to improve the conditions of the common citizen throughout the world. His most eloquent

expressions and his greatest efforts were for the weak and lowly of the earth: Therefore be it

Resolved, That the members of the Independent Order of Odd Fellows, in common with the people of Idaho and of this Nation, acknowledge our deep obligation to William E. Borah for his great public service, honestly, faithfully, and courageously rendered. We freely express our admiration of the lofty and fraternal, public, and private life of this gentle-hearted man. We rejoice that his enduring memory will long serve as an inspiration to fidelity, courage, and manhood in the men of today and in the generations to come; and be it further

Resolved, That this resolution be spread at length upon the minutes of the grand lodge of this jurisdiction, and a copy be presented to his widow.

JAMES F. AILSHIE,
FRANK MARTIN,
M. REESE HATTABAUGH,
S. E. BLAINE,
W. R. REEVES,
Committee.

Attest:

PRESLEY F. HORNE,
Grand Secretary.

Answering Representative Rich on Franking Privilege

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, March 25, 1940

Mr. PATMAN. Mr. Speaker, on page 3163 of the CONGRESSIONAL RECORD for March 20, 1940, appears the statement:

> We could save $100,000,000 a year if we took the franking privilege away from the bureaucrats of the various departments and prohibited them from sending out much of the useless material they are now sending out over the country.

The Congressman who made this statement did not state how he arrived at the figure given. However, it is apparently based on a statement made in a recent speech by a candidate for the Republican Presidential nomination, which has been given much publicity. The gentleman's figure was arrived at in this way: According to the report of the Post Office Department, the Government spent $35,700,000 for free mailing, exclusive of its own mail and the congressional franked mail. He then remarked that advertising firms spent one-third to one-fourth of the cost of a mail campaign on postage and on this basis the total cost of the New Deal's propaganda aggregated $107,000,000 in 1938.

This statement is not in accordance with the facts. The amount, $35,700,000, represents the postage at the regular rates which would have been collected if the mail had been subject to postage; the actual cost of handling by the Postal Service was considerably less.

Again, the statement implies that the entire mailings of the various departments of the Government consisted of propaganda. As a matter of fact, the postage figure of $35,700,000 included every activity of the Government, and the tremendous volume of correspondence necessarily incident thereto; it included every income tax blank distributed by the Internal Revenue Bureau; every "man wanted" circular sent out by the Federal Bureau of Investigaton; every Federal report and document; all Government interoffice mail; the millions of farmers' bulletins and leaflets on crop-raising methods, insect control, and so forth; every letter carrying a pension check to an ex-soldier or to one of the thousands of persons enjoying the benefits of the Social Security Act.

This vast amount of routine business constitutes the great bulk of all Government mail, which must obviously be carried on. The charge by inference that it consists in its entirety of propaganda is without any foundation in fact.

Would those who criticize desire to stop all mail to the C. C. C.? Would they desire to stop the sending of pensions to war veterans and veterans' widows? Would they desire to stop the sending of benefit payments to recipients of old-age and social-security annuities, unemployment compensation, or matter relating to other social welfare activities?

Although there has been a material increase in the volume of official free mail in the last 10 years, much of it is the result of the increased activities of the Government undertaken on behalf of the American people in order to overcome the effects of the depression. Notwithstanding this, it is worthy to note that during 5 of the past 7 years, the Postal Service has been operating with a net surplus, whereas during the preceding 7 years there were large postal deficits, that for the fiscal year 1932 reaching the staggering sum of $152,000,000, after taking credit for the free service and nonpostal items as authorized by the act of June 9, 1930.

Finland's War Is Over; Is Our Task Complete?

EXTENSION OF REMARKS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, March 25, 1940

Mr. DINGELL. Mr. Speaker, now that the war is over for Spartan Finland, the period of reconstruction begins and what a colossal and heartrending task even for the valiant Finns. A country devastated from border to border. Death and desolation everywhere in evidence, as the bloody imprint of communazi-ism, which will take a century to obliterate. Another victim of the fiendish, scab paperhanger is now added to Poland, Czechoslovakia, and Austria. Let me say parenthetically and positively that the civilized world holds Nazi Germany solely responsible for Finland's tragedy. Stalin, the head hunter of the Caucasus is a mere tool who would not have struck down his northern neighbor any more than he ever dared alone to stab Poland to death without Hitler's aid and encouragement. Moreover it was Hitler who by threat of immediate attack against Norway and Sweden prevented the transportation of French and British troops who were ready to aid the Finns. The Nazis threatened direct counteraction. They were determined Finland must be enslaved by the hordes of Communist Russia. Nazi Germany in the eyes of civilization stands convicted of her bestial act against innocent and peaceful Finland. Russia is a mere accessory to the fact.

What are we going to do about it? What excuses have we now to sustain any unwillingness to help maintain civilization, Christianity, and democracy? What is there left to hide behind as regards aid in restoration of the Finns? Nothing but hypocrisy, for there is no argument left. There is no war between Finland and Russia, declared or otherwise. No chance of violating our neutrality or offending the Stalin-Hitler combination, therefore let us act and act quickly. There are several bills in committee, one of which provides for a $60,000,000 unrestricted loan to Finland; the other provides for the remission of a little less than $6,000,000 paid in interest to the United States. And it is a token which could be handed over to show our love and respect for this brave race which so gallantly fought civilization's battle. To retain this money would be a sin. Under the circumstances, it could be likened to the sharp and heartless practice of a pawnbroker who collects his usurious interest from the sorrowing widow while he lives in luxury. We should not accept that kind of money. We do not need that kind of money.

As regards the possibility of an unrestricted loan, there being no question now of neutrality or Stalin's and Hitler's rights or feelings, and the credit is gilt-edged AA–1. Sound business practice would sustain such a loan. There need be no delay; no credit report is necessary. We know from experience that the borrower is the best risk in the world. Here is an opportunity to build, not destroy; rehabilitate, not devastate; to heal the wounds of a glorious nation and help in its restoration.

While I have the opportunity, let me again raise my feeble voice in Finland's behalf, and let me remind our great and generous American people that while the war is over the suffering from cold, starvation, and privation will continue for a long time to come. Everything is destroyed, transportation and distribution paralyzed. Homes, hospitals, factories, and churches are razed to the ground. Hundreds of thousands migrating west from the occupied areas, aimlessly forging their way through a near-Arctic winter, poorly clothed, penniless, and starving. America's humanitarian and philanthropic activities must not be suspended or reduced. Quite the contrary; we should redouble our energies and quicken our pace so as to restore to their rightful position these cultured, proud, and productive people now on the brink of despair. We must aid and encourage them in maintaining their self-respect.

Bituminous Coal Division Should Be Allowed Sufficient Funds to Operate

EXTENSION OF REMARKS
OF
HON. CHARLES H. LEAVY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Monday, March 25, 1940

Mr. LEAVY. Mr. Speaker, just today the examiners have filed with the Division Director, Howard A. Gray, their general report outlining factors for the establishment of minimum prices for the entire country, and they have recommended prices for the Rocky Mountain and Pacific coast regions.

Early in the month, on March 7, when we were considering the Interior supply bill, and while in Committee of the Whole House on the state of the Union, we adopted an amendment offered by the gentleman from Pennsylvania [Mr. ALLEN] which reduced the appropriation for the Coal Division $1,000,000 below the sum recommended by the subcommittee, which had carefully considered this whole matter. Due to a parliamentary situation, we were unable to get a record vote on this amendment and the appropriation bill passed, allowing but $1,187,000 for the Coal Division. Of course, we hope that the Senate will see fit to restore the cut. If this is not done it would simply mean that the major part of all the effort made and the money spent heretofore will be lost, because it is impossible for this agency to carry on through the next fiscal year with the sum allowed them in the bill as it passed the House.

In order that there may be a better understanding of what the Division is doing and just where they are at this time in their work, and to show how short-sighted and foolish it would be to reduce their appropriation in a sum such as was made by this body on the consideration of this Interior supply bill, I desire to make a part of my remarks at this time the release that I have heretofore referred to. It is as follows:

Secretary of the Interior Harold L. Ickes announced today that the three trial examiners who conducted the Bituminous Coal Division's final hearing on minimum prices yesterday began to issue recommended price schedules.

The examiners Saturday filed with Division Director Howard A. Gray their general report outlining the broad, basic factors for the establishment of minimum prices for the entire country, recommended boundaries of market areas in the United States, recommended prices for the Rocky Mountain and Pacific coast regions, and specific proposed findings of fact for the rail-coal shipments in that territory. These will be available Monday, March 25.

The examiners, Thurlow G. Lewis, Charles O. Fowler, and Samuel Jaffee, notified the Director that the actual work on the remaining price schedules and proposed findings are almost complete, and that they would be issued shortly. Final preparation in form for filing and mailing to interested persons would require a brief additional period, they said. The examiners and their staffs have been working night shifts, Sundays, and holidays for weeks to speed the completion of minimum prices.

Completion of the examiners' report will bring minimum prices to stabilize the Nation's three-and-a-half-billion-dollar bituminous coal industry into position for decision by Director Gray after he hears arguments on any exceptions to the examiners' report.

"Within a few weeks now the Coal Act will put an effective floor under coal prices, and let the coal producers of the country compete among themselves on a basis fair to themselves and to the consuming public," Director Gray said. "I know that the coal industry is greatly in need of minimum prices and I shall do everything in my power, consistently with a careful and thorough consideration of the issues, to expedite the remaining legal steps."

In their general report the examiners said that their recommended prices "are based upon the coordinated minimum prices, as coordinated by the district boards, the Commission, or the Division, with such modifications, deletions, and additions as are required and sustained by substantial evidence at the hearing."

Citing that the Coal Act requires that minimum prices preserve existing fair competitive opportunities between coal producers, the examiners described the bases used in recommending prices that would meet this standard.

Under the Coal Act the minimum prices are to return the coal industry a yield on the sale of its coal equal as nearly as possible to its average cost of doing business. This is to put the industry on a stable basis by stopping the widespread price wars and unfair trade practices which have caused a huge financial deficit in the industry each year since 1925.

In stabilizing the price of coal, not only must the minimum prices be set at the proper levels to return cost, but they must take into account the proper relative values of the coal and other competitive factors. Coals produced in different mines throughout the United States vary, often widely, in their relative value to the purchaser for many reasons, such as their chemical and physical characteristics, the way they burn, the amount of heat they will make, etc.

The examiners found that the copies of invoices and spot orders which the law requires all producers to file generally were not reliable for use in determining the relative market values of different coals except under certain circumstances. According to the examiners, the invoices showed "extremely wide and generally inexplicable ranges in the sales prices of identical coals and showed repeated instances in which less valuable coals sold at higher prices than more valuable ones, for no reasons deducible from the documents themselves." The data, the examiners said, rather than reflecting relative values of coals, showed "such factors as the bargaining power of particular consumers, dumping of surplus sizes, price-cutting raids to secure new territory, distress sales, and in general the demoralized conditions of the industry."

The use of these invoices and spot orders was not indispensable to a determination of effective minimum prices, the examiners found. Some producers protested in the hearing against the failure to use these data.

The examiners based their findings on the evidence found in the record of the hearing, which included such matters as the testimony of expert coal men, the chemical analyses of the coals, information on how the coals were distributed in the past, data as to freight rates and other transportation charges, physical characteristics of the coals, costs of production, and similar material.

The examiners pointed to the vast amount of evidence in the record of the hearing, which was closed on January 20, 1940, after having been almost constantly in session since May 1939. Among it were the records of the previous hearings by the Coal Commission. The District Producers' Boards, the Consumers' Counsel and his successor, the Consumers' Counsel Division of the Office of the Solicitor of the Interior, and Division experts furnished information. More than 300 producers and almost 100 consumers and other interested persons supplied additional evidence. Several hundred more persons filed written protests to specific proposed prices. All interested persons were afforded a full opportunity to file protests, adduce evidence, examine or cross-examine witnesses, argue, and file briefs. The transcript of the record ran over 26,000 pages, with 2,000 exhibits.

One of the most important factors in the record for the formulation of minimum prices was a study of coal distribution in 1937. The examiners found "that the calendar year of 1937 is a representative year, being indicative of the normal fair competitive opportunities for the distribution of bituminous coal throughout the United States, is the fairest available basis for an indication of probable trends of distribution in succeeding years, and is the latest and most nearly representative year which could have been availed of for this purpose."

This distribution data showed which geographical regions could be regarded as common consuming market areas for the purpose of coordinating prices; what kinds, qualities, and sizes of bituminous coal, from which districts, and by what method, and for which uses moved into each market area; the existing fair competitive opportunities enjoyed by the producers in each area, and provided a basis for testing the realization or return obtainable from the coordinated minimum prices.

The distribution information, the examiners found, comprised "the most complete, accurate, and authoritative body of statistical data regarding distribution of coal from mine to market that has ever been assembled for the bituminous-coal industry; and that such data were a proper basis for the formulating of common consuming market areas, for the ascertainment of the movements of various coals into such areas and of existing fair competitive opportunities therein, for the coordination of minimum prices

therein, and for the determination of the yield or return from such minimum prices."

The established minimum prices will cover the coal mined by about 13,500 producers who are participating in the stabilization plan provided by the Coal Act. Their production represents substantially all the commercial sales of coal in the country.

After 4½ Years of W. P. A.

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

ADDRESS OF COL. F. C. HARRINGTON, COMMISSIONER, WORK PROJECTS ADMINISTRATION

Mr. COCHRAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Col. F. C. Harrington, Commissioner, Work Projects Administration, Saturday, March 16, 1940:

The Work Projects Administration has just finished taking an inventory of all the work it has done during the first 4½ years of its existence; that is, from July 1, 1935, up to January 1, 1940.

There are two obvious reasons why we keep a regular record of our completed work of all kinds. First, we wish to see, from year to year, what types of projects are being selected by communities. We wish to know, in terms of money expended, whether we are increasing our output of benefits for communities to the fullest extent possible. Our job is not only to spend the money appropriated to us by Congress in setting the needy unemployed to work, but to conduct those work operations in such a way as to bring the best results to our communities. I am glad to say that our records show a continual increase over the whole country in the community benefits that are being secured by the use of W. P. A. projects.

The other reason for keeping such a record is to enable us to report to the American people what results have been secured by the expenditure of their money. The inventory which we have just completed, showing accomplishments during the whole period of the existence of the W. P. A., is one which should answer many questions that the public has a right to ask. This inventory shows, first of all, what has been done in the country as a whole. Then it shows what has been done in each State. And for each State it shows what has been done in each county. The American public is entitled to this information and it is given very specifically by this inventory.

To summarize the inventory over the radio this evening would obviously be impossible. The W. P. A. has operated some 250,000 separate projects, distributed over the whole country. The W. P. A. field of operations is far more complex than that of any private business in existence anywhere in the world. Not only do we construct roads and bridges, schools and hospitals, parks and airports, and perform various kinds of conservation work; but we also conduct classes in literacy and naturalization; we produce clothes for families on the relief rolls; we carry on traffic surveys; we aid in research work in State universities; we help communities in doing public-health work of every kind; and we cook and serve school lunches for the children of needy families. This is a brief selection of items from the list. The whole list of our different W. P. A. activities, and the figures showing our accomplishments in each branch of activity would take up more than the radio time at my disposal this evening. Besides, it is well known to all of us that statistics, to be appreciated, should be seen and not heard.

For this reason, therefore, we are making our W. P. A. inventory report available to the press of the Nation so that the American people can see for themselves what the W. P. A. has done. This report will be sent to the press during the coming week—first the national figures, and then the State and county figures. With the cooperation of the press, there will be available to every citizen a detailed answer to the question of what we have got in return for the money spent on W. P. A. work for the unemployed.

In advance of this report, I wish to speak briefly of what these figures indicate. One of the very largest of the activities in which the W. P. A. has been engaged is the construction and improvement of highways, roads, and streets. About 40 percent of all W. P. A. money has been spent on this kind of work. The total of W. P. A. road construction and improvement, during this 4½-year pediod, is 457,000 miles. I might tell you how many times so many miles would go around the world, but I think it will be more helpful if I point out that out of this total mileage of new and improved roads, a very large proportion—well over 350,000 miles—is secondary, rural, and farm-to-market roads.

We are inclined to think of roads in terms of tourist traffic, and we have neglected until recently our secondary-road system. Before the W. P. A. entered the picture, there were numerous rural sections where roads were practically impassable to automobile traffic for weeks and even months out of the year. At such times it was difficult for children to go to school, for doctors to visit their patients, and for farmers to get their produce to market. The W. P. A. in "pulling the farmer out of the mud," has done a work of very great economic and social value.

I should like also to dwell for a moment on the significance of the figures showing how many schools have been built and improved by the W. P. A. School construction in this country was allowed to lapse during the World War, and we had not yet caught up with our needs when the depression came. In 1935 a survey by the National Education Association showed that 700,000 of our children were going to school in buildings which had been condemned as unsafe and unsanitary—many of them actually firetraps. Many buildings were obsolete, many more in urgent need of repairs, and a very large number were badly overcrowded. So great were the needs that it is not surprising that there has been a widespread demand for W. P. A. projects both for new school construction and for the improvement and modernization of old schools. Our inventory shows that the W. P. A. has constructed 4,000 new school buildings, and 1,500 additions, besides improving and modernizing 28,000 other school buildings.

Another field of community needs is that of public health. Services for the prevention and control of sickness are lacking in rural areas and are grossly inadequate in many smaller cities. While hospital beds in private rooms stand empty, thousands of people with low incomes do not receive the hospital services they need. Forty percent of the counties in the United States have no registered general hospitals. Institutions for tuberculosis and mental disease are overcrowded and inadequately supported. Every year 2,000,000 cases of serious illness go entirely without medical treatment, and hundreds of thousands of people die of preventable illnesses. There is a need for more public hospitals, more urban clinics and rural health centers, and more sanitation work.

The figures in our inventory, which show the public-health activities of the W. P. A., should be read against that background.

The W. P. A. has constructed 156 new public hospitals, made 66 additions to existing hospitals, and has renovated and improved 1,436 hospitals. W. P. A. workers, in an average 2-week period, administer some 250,000 general medical and dental examinations, including treatments in clinics, schools, and homes; and 80,000 special tests for specific diseases.

Examples of W. P. A. health work would fill many volumes. One such volume would be filled with the emergency health work done by the W. P. A. immediately after every one of our great disasters of floods, drought, or hurricane. Another volume would be filled with the sanitary work done by the W. P. A. The Surgeon General of the United States Public Health Service has stated that by our sanitary work in the South we have advanced malaria control by 20 years.

As a part of our assistance to community sanitation, the W. P. A. has constructed one and three-quarter million sanitary privies, most of them in what used to be called the "typhoid belt" in the rural South. Some people have laughed at this kind of work, but the fact remains that since it began the typhoid death rate has been cut in half in one State after another. The same kind of sanitary work is producing good results in the fight against dysentery and hookworm. Public-health authorities everywhere in the United States have praised the W. P. A. for the assistance it has given them.

Those are all the figures that I will cite this evening. I wish to turn now for a few minutes to the W. P. A. workers themselves. I want to point out that the value of the work they do is not dependent on them alone. It is to a very large extent dependent on the way projects have been planned by the communities. In general it is true that where projects are well planned, W. P. A. workers do good work.

There are some disadvantages inherent in W. P. A. work as compared with private industry. Our work has to be done when workers are laid off from private industry, and this means that a good deal of it is done in the seasons of the year least favorable to efficient work. Also, unlike private employers, we cannot keep our workers steadily on the job until the work is done—we have to let our workers go as soon as private employment is available for them. They are glad to take private employment, because the wages are higher than W. P. A. wages; but they have no choice in the matter under the law—nor have we—they must take private employment when it is available or be cut off the W. P. A. rolls. And on this point I wish to say that we have investigated thousands of reports of alleged job refusals by W. P. A. workers and have almost invariably found that they were based on hearsay and were completely false in fact.

The conditions under which we operate are obviously different from those of private industry, and are in some respects, as I have said, very disadvantageous. Nevertheless, I am glad to say that the efficiency of our program has been steadily increasing. In view of the complexity of the W. P. A. program, and the fact that it has been operating only 4½ years—a very short time for any large program of operations—I think we can be gratified by the progress that we have made. I note with pleasure that the word "boondoggle" is being dropped from the American vocabulary as applied to W. P. A. work.

I think the American people are just beginning to realize how much valuable work is being accomplished for their benefit through the W. P. A. And this realization, I believe, is changing

the public attitude toward the W. P. A. It has been thought of in the past by many people as a necessary evil. We knew that something had to be done about unemployment, and the W. P. A. seemed to be a stopgap. It is when we look at the other side of the picture and see the great community need for the kind of work that W. P. A. workers have been doing, that we realize the lack of wisdom of such a view of the W. P. A.

It is unjust for anybody to think of W. P. A. workers as recipients of public charity. They earn the money by which they support themselves and their families. They are engaged in creating wealth for our towns and counties. They are helping to build up the Nation.

Like everyone else, I would like to see America's unemployed back at work in private jobs. But there are no sound reasons to believe that this can occur within the near future.

There is still much work that needs to be done for the benefit of our communities all over the United States. We shall have unemployed workers for some time to come. It seems only reasonable that we should continue to bring the workers and the work together and continue to make America a better place to live in. That, I believe, is and will remain our American way of dealing with the situation.

I. Agricultural Propaganda—The Most Flagrant Ever Issued by Any Department of Agriculture

EXTENSION OF REMARKS

OF

HON. CLIFF CLEVENGER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. CLEVENGER. Mr. Speaker, I have spent many years as a businessman, during which time I kept accounts. I am not a new dealer and can still make two and two equal four, but I cannot add up the printed propaganda of the Farm Security Administration and get the same answers as they do. In the June 16, 1939, issue of the CONGRESSIONAL RECORD, on page 7337, I find the following statements in regard to Georgia:

These families, therefore, have added a total of $2,687,040 to the wealth of the communities, or an average of $267.28 per family.

President Roosevelt says that we cannot eat our cake and have it too. It seems that the Farm Security Administration can take people off relief rolls, set them up as farmers, and make them profitable farmers, while, at the same time, the Farm Credit Administration has had to take back 100,000 farms because the owners could not pay their interest. This does not make sense.

On the same page of the June 16, 1939, issue of the CONGRESSIONAL RECORD, as the foregoing statement appears, I find the following:

This increase in the production of foodstuffs does not mean additional competition with farmers in other areas, since virtually the entire output was consumed at home.

It appears that the clients of the Farm Security Administration, with the magic touch of the apostles of the more abundant life, can eat all they raise and still make a profit of $267.28. Is not life wonderful under the guiding hand of the New Deal? One fact is certain, and that is, that the more money that is taken from the Treasury for putting new farmers into business, the more difficult it makes it for the regular farmer, who owns his own farm. The regular farmer is entitled to the domestic market without being forced to compete with a growing number of new farmers subsidized by 100-percent hand-outs from the United States Treasury.

I also find on page 7337, in a letter from the Farm Security Administration, the following statement:

I want especially to call your attention to the fact that this agency has made loans to about 1 out of 12 farm families in the State.

While this has been taking place, the regular farmers, carrying their own load, have seen hard times because the percentage of farm-loan delinquencies has been increasing until, now, according to the F. C. A., there are 35.7 percent of Federal land-bank loans delinquent and 32.9 percent of the commissioner loans delinquent in the State of Georgia.

I also find in this letter about Georgia, "If all farm families in Georgia had been able to make the same financial gains as our borrowers have, they would have increased the farm wealth of the State by about $66,750,000."

The farm problem for the country is simple indeed if you believe the above statement because we can forget soil conservation, parity, and other agricultural payments and turn the whole agricultural problem over to the Farm Security Administration and, with their magic touch, the farm problem is solved. However, when we check up we find that the F. S. A. distributed $14,013,687 in loans, made gifts or grants of $982,138, and that it cost them $2,280,251 to do business. I find that the overhead cost for being Santa Claus was 16 percent. They claim to have made about 1 out of 12 farmers in Georgia happy and prosperous, but in the meantime it shows that 35 percent of the regular farmers had to run behind, as 35 percent of them cannot even pay their own interest on their Federal land-bank loans. However, they must help by paying their taxes, help finance their competitors who have received the 100-percent hand-out from the modern Santa Claus. All New Deal programs seem to help the few but to bring a hardship to the average American citizen.

I am sure that the dairymen of Michigan, Illinois, Minnesota, and other dairy States will be pleased to read the following which appears in the same letter and on the same page of the CONGRESSIONAL RECORD as the aforementioned quotation:

By the end of the 1938 crop year, however, the borrowers in Georgia reported that they had increased their milk production by an average of 401 gallons annually, or a total of 4,028,869 gallons.

This was with a 100-percent subsidy from the United States Treasury; however, I am sure that the livestock sections of the country will be happy to know that in the report of the Administration for 1939, I note that there has been a 75-percent increase in cattle and a 100-percent increase in poultry and hogs. Is this one of the reasons why hogs and eggs are at such ruinously low levels in the country today?

One outstanding fact must be realized, and that is that we must begin to use some common sense. We cannot appropriate around a hundred million dollars a year to increase agricultural production by the farm-security route and then turn around and appropriate another $100,000,000 from the United States Treasury for the purchase of surplus commodities and have such a procedure make common sense. We must use judgment—use the farm-security money on a rural W. P. A. basis, and not try to use it to see how much more surplus can be added onto an already glutted market and expect the United States Treasury to continually stand this strain.

The New Deal agricultural program is crumbling and the propaganda that this Department issues is hastening its death, and rightly so.

II. SOME MORE AGRICULTURAL PROPAGANDA—FLAGRANT AND FRAGRANT

In the Appendix of the CONGRESSIONAL RECORD, page 1324, I find a letter from the Farm Security Administration. In addition to its frank admission of how much more the Farm Security Administration knows than the average farmer knows, it seems to prove once more that these funds are not being used as advantageously as they could be used when it comes to helping the rural people of America. In this report on Wyoming I find:

Moreover, these families increased their net worth, over and above all debts, from $1,726.70 before they came into the F. S. A. program to $2,322.61 at the end of the 1939 crop year, a gain of 35 percent.

In the first place, if a farmer has $1,726.70 worth of the world's goods, why should a relief agency pick him up and help him increase the farm surpluses of this country? I have always been led to believe that the Farm Security was supposed to help people that did not have other credit facilities, but anyone with $1,728.61 should be able to take care of himself in a rich productive State like Wyoming.

In the same letter I also find:

In order to get the family off to a good start, small grants have been made to supplement the loan. * * * They have averaged $114.96 per family or $338,212 over the 4-year period.

The average farmers who are living on their own farms would not have up to 35 percent delinquent Federal land-bank loans, as in South Carolina, if the United States Treasury would give them $114.96 every time each farmer needed it. With this gift or grant money, is it any wonder that the Farm Credit people paint such a rosy picture of their collections or their collection ability?

Another paragraph on the same page of the same letter reads as follows:

One of the most common reasons for past failure among the families which come to F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start we have made every effort to assist them in getting adequate size farms.

Consequently, the borrowers in Wyoming are now operating an average of 986 acres, or an increase of 219 acres since they came on the program.

Is not this wonderful? Here we have them taking people with 767 acres of good Wyoming land and $1,726.70 in money and increase their acreage to 986 acres and a total of $2,322.61 in money and giving them a $114.96 per family subsidy. Then they come to Congress and tell us how they are trying to help someone who is next door to the relief rolls.

These propaganda letters are so ridiculous, so inconsistent, and so brazenly self-praising that I can see why the people of this country are taking articles from the Agricultural Department with a grain of salt, as they do not make sense. In my mind, this may be explained by the following paragraph from the same page and letter as the above:

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it few of the families would have been able to make much progress or to repay their loans.

Here is the secret, according to the propaganda, of how this magic is accomplished. It is the superknowledge of the staff of this New Deal agency. If this type of personal guidance is to be extended to all of the farmers of the country, we will have to add another 150,000 on the pay roll of the Agricultural Department. There are 105,000 directly on the pay roll now, to say nothing of the other 100,000 who are indirectly on the pay roll and on the backs of the farmers and taxpayers of this country.

Have we reached the stage whereby the American farmer—who has reached the highest pinnacle ever attained by a rural people in this world—must submit to a wet-nurse program of a collectivist, visionary branch of our Government? I believe not. The farmers of my State seem to be making some headway in spite of the New Deal.

III. STILL SOME MORE AGRICULTURAL PROPAGANDA

As I read the CONGRESSIONAL RECORD I find numerous letters from the Farm Security Administration to various Members of Congress. They are evidently stock letters with different figures inserted for different States.

I note on page 1459 of the Appendix of the RECORD the following in regard to the State of New York:

The survey showed that the 2,725 standard rehabilitation borrowers in your State had an average net income last year of $703.33 per family as compared with $565.39 in the year before they came to F. S. A. for help.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged $59.64 per family, or a total of $162,519 over a 4-year period.

This should sum up as follows:

The year before the borrowers came under the benign influence and guiding hand of the New Deal magic agency their annual income was $565.39 per family. The annual income last year, under the Farm Security, was $703.33 per family, or a difference of $137.94; the grants or gifts have been on an average of $59.64 per family over a 4-year period. It must have been then, if this gift was made in a limited number of cases, that many of these borrowers were really behind in their earnings in comparison to their earnings before finding the right stall and getting in with the new dealers.

I also note the typical rehabilitation family in New York has borrowed $1,071.96. Here again we have a New Deal agency broadcasting the taxpayers' money in $1,000 chunks to and fro, without any security except what is purchased in most cases. Is it any wonder that the public debt has reached its legal limit? Is it any wonder, I ask, how it is possible to expect that many of these loans will be really recovered?

In the same letter I find:

Often it has been necessary to work out an adjustment of the family's old debts before rehabilitation could be successful. Local farm-debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

Altogether, debt reductions totaling $1,392,973 have been negotiated for the farmers in New York. This represents a scale-down of 17.2 percent.

THE TIME

I think that the time has come when every Member of Congress should ask himself if he thinks it a function of the Federal Government to continually have employees on the Federal pay roll whose work it is to go around the country and try to help people keep from paying their honest debts. This is not any emergency matter. These professional debt reducers are operating on indebtedness incurred as late as 1937. I think the time has come when the people can settle their own differences in an orderly and legal way, and I doubt the wisdom of a governmental policy that hires professional chiselers to carry on this kind of an un-American program.

The more I study this farm security set-up the more fantastic, the more communistic, the more un-American, the more impractical, and the more visionary it appears.

We, the Congress, appropriate over $100,000,000 for farm security which goes out and increases production by subsidizing new farmers to produce more; then we appropriate over another $100,000,000 to the Federal Surplus Commodities Corporation to take the surplus off the market. Then we lower the tariff and import over $4,000,000,000 worth of competitive farm products during the past 7 years. Then we turn around and appropriate another $500,000,000 for soil conservation, or for New Deal conservation.

I claim, Mr. Speaker, that this does not make ordinary horse sense. I maintain that the people of this country are tired of all this waste and extravagance, with its visionary cross-purpose schemes, and want to see these enormous appropriations discontinued before the public debt exceeds the assessed valuation of their property.

Even with the millions that have been poured into the Southern States, I find they have up to 35 percent delinquent Federal land-bank loans in many States and fundamentally they are worse off agriculturally than ever before. What is their future unless they can continue to draw checks out of the United States Treasury which is now so nearly empty? I am not so interested in the farm-credit situation as I am in the national-credit situation just at present. I think this is the time to call a halt on the visionaries.

On page 12 of the annual report of the F. S. A. we find:

Moreover, the borrowers doubled their ownership of poultry and hogs.

No doubt this is why Congress has to appropriate more money for the Federal Surplus Commodities Corporation as shown in the March 24, 1940, Washington Evening Star, which is as follows:

FEDERAL AGENTS PURCHASE EGGS ON BIG SCALE

CHICAGO, March 23.—Uncle Sam filled his Easter egg basket to the brim today in an effort to support prices.

Produce dealers, finding no other outlet for heavy egg supplies, unloaded 634,320 dozens to agents of the Federal Surplus Commodities Corporation, which distributes eggs in relief channels.

This was the extent of buying in the New York and Chicago markets.

Egg prices are the cheapest at Easter time in 6 years, with best grades only slightly above 16 cents wholesale. According to the Chicago Mercantile Exchange, the relief agency is prepared to buy surplus eggs in all North Central States and in Kentucky, an area which normally produces about 17,500,000,000 eggs annually, or half the Nation's supply. Thus, the F. S. C. C. is prepared to receive offers of surplus eggs in 40 States and the District of Columbia.

With today's purchases, the largest since the Government began its current buying program in December, accumulations now total 6,400,000 dozens.

We appropriate to increase farm crops; we appropriate to control the farm crops we appropriated to increase; and then we appropriate to decrease the farm crops that we appropriated to increase, and also that we appropriated to control. Is not life wonderful? This is what you could call spend and spend and spend, and lend and lend and lend. We will soon start paying the fiddler, as the sweet music of magic is near its end.

What Work Projects Administration Workers Accomplished

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

W. P. A. BEGINS "REPORT TO NATION" LISTING 450,000 MILES OF ROADS AND STREETS BUILT OR IMPROVED, VAST EXTENSION OF AIRPORTS AND AIRWAYS

Mr. COCHRAN. Mr. Speaker, when the true story of the accomplishments of the Work Projects Administration is analyzed, lasting and beneficial improvements are found in every part of the Nation.

As part of my remarks I include reports recently issued by Col. F. C. Harrington, Commissioner of Work Projects Administration:

One-seventh of all the highways, roads, and streets in the United States, or more than 457,000 miles, have been built, reconstructed, or improved by W. P. A. workers in 4½ years of operations, Col. F. C. Harrington, Commissioner of Work Projects, announced today.

The report was the first of a series showing accomplishments on W. P. A. projects from July 1, 1935, when W. P. A. was established, through December 31, 1939. It is based on the most comprehensive inventory of W. P. A. work ever compiled, the Commissioner explained, to make available "a report to the Nation on the public improvements resulting from the employment of millions of America's jobless." When completed, it will list all W. P. A. accomplishments county by county.

In addition to roads and streets, the largest single classification of W. P. A. projects, the first report covered the construction of airports, airways, and other transportation facilities.

"For every 10 miles you drive," Colonel Harrington said, "an average of 1½ miles have been built or improved by W. P. A. workers.

"Adopting a familiar form of comparison, the total mileage of highways, roads, and streets built or improved by W. P. A. in 4½ years would be approximately equal in length to 147 transcontinental highways from New York to Los Angeles or Seattle."

Colonel Harrington also cited the accomplishments on airports and airways as representing the bulk of public-property improvements in this field of transportation during recent years.

New airports built by W. P. A. during this period number 197; 337 were reconstructed or improved, and additions were built to 35. There were also 176 landing fields built by W. P. A., with 293 improved, and additions to 45 others. Construction of new runways totaled 1,756,000 feet, or more than 332 miles in length. More than 1,000,000 lineal feet of new runways were paved.

Airport buildings constructed by W. P. A. total 387. There were 430 such buildings reconstructed or improved and additions were built to 45. Outstanding among other improvements to airports and airways were the construction of 9,588 airway markers and the installation of 7,873 light standards to illuminate boundaries; 64 landing areas were floodlighted and 65 airway beacons were built. Extensive improvements to existing facilities also were made in promoting aviation safety.

Major improvements to the Nation's transportation system, as shown by the W. P. A. report, also include:

Approximately 56,000 new bridges and viaducts, ranging from large steel structures to small spans of wood or masonry. The aggregate length of this new construction was 1,766,701 feet, or nearly 335 miles. An additional 37,020 bridges and viaducts, totaling more than 1,500,000 lineal feet, were rebuilt or improved.

Nearly 3,400 miles of culverts were included in the list of new construction and more than 400 miles of existing culverts were improved.

Roadside drainage work by W. P. A. showed a total of nearly 43,000 miles of new pipe or ditch, with reconstruction or improvement of more than 68,000 miles.

New sidewalks and paths aggregated 15,341 miles, of which 12,679 miles were paved. An additional 5,470 miles were rebuilt or improved.

Construction of curbs reached a total of 14,403 miles. An additional 4,100 miles of gutters were built and more than 1,700 miles of guardrails and guardwalls were erected.

Traffic safety also was enhanced by the painting of control lines totaling 4,576 miles in length and the erection of 638,848 traffic signs. In improving road and street lighting, 21,696 light standards were installed, equipping nearly a thousand miles of thoroughfares, and an additional 55,312 light standards were rebuilt or improved along 1,378 miles.

Forty-nine thousand miles of roadside landscaping improvements also were shown by the report.

Illustrative of the variety of items included in this report were a total of 629 new tunnels built for vehicular or pedestrian traffic, or both.

Even waterway-transportation facilities were affected by the W. P. A. program during this period. Construction of 240 docks, wharves, and piers was reported, with the reconstruction or improvement of 234 such structures.

A similar inventory of accomplishment covering public buildings, public utilities, and sanitation is nearing completion, Colonel Harrington said, and will be followed by an accounting of all accomplishments on professional and service projects and other types. Although the period covered by the report is 4½ years, the Commissioner pointed out, W. P. A. operations did not reach full development until near the end of 1935, when grants through the Federal Emergency Relief Administration were discontinued. The report does not include work done under the Federal Emergency Relief Administration or the Civil Works Administration. It also excludes projects now operated by other Federal agencies but financed by W. P. A. funds.

SCHOOL CONSTRUCTION FEATURES W. P. A. PUBLIC-BUILDING PROGRAM

Twenty-three thousand new public buildings, including more than enough school buildings to supply 1 to each of the 3,070 counties in the United States, are among public improvements the Nation has received in exchange for its work-relief program during the last 4½ years, Col. F. C. Harrington, Commissioner of Work Projects, reported today.

Other improvements, the Commissioner said, include approximately 5,000 new playgrounds and athletic fields and almost 1,500 new water, sewage-treatment, and other publicly owned utility plants.

As a part of a comprehensive inventory of W. P. A. accomplishments, the present report covers public buildings, public utilities, sanitation, and recreation facilities, on which more than one-fourth of all W. P. A. workers have been employed. The period covered is from July 1935, when the program began, through December 1939. In the 4½ years, Colonel Harrington said, virtually every community in the United States has benefited through one or more improvements of these types.

In the public-building category alone, he added, W. P. A. has constructed more than 23,000 new buildings and made improvements and additions to 65,000. Schools, hospitals, town halls, and auditoriums are among the types included. In addition to the nearly 5,000 new playgrounds and athletic fields, he said, improvements and enlargements had been made to 10,000, and 7,700 new tennis courts and more than 600 new swimming pools had been built. In the field of sanitation and public health, he continued, W. P. A. constructed over 15,000 miles of sewers; built 1,750,000 sanitary privies for homes without plumbing facilities, and drained nearly 3,000,000 acres of mosquito-breeding swamps.

"The unemployed who have been put to work by W. P. A. have made a great contribution to our national wealth," Colonel Harrington stated. "There is not a county or city throughout the Nation which has not been enriched in some tangible way—a new or improved school, a water plant, new sewerage lines, a park or swimming pool—through the labor of W. P. A. workers.

"These are improvements which would not have been made had there not been a program such as this to make workers available, bearing nearly all the labor costs and defraying a portion of other charges.

"By giving the unemployed jobs on useful public projects we have also kept them off local relief rolls and preserved—in many cases, improving—their skills in preparation for the time when they could again find private employment."

Public-building projects constitute one of the most important fields of activity for W. P. A. workers, Colonel Harrington pointed out. Of particular significance, he said, are the 3,985 new schools which range from small two-room structures in rural sections to large city high schools and college buildings. W. P. A. also reconstructed or improved 27,664 school buildings and built 1,480 additions. New libraries numbering 110 were built and 752 were improved.

Of 6,435 new recreational buildings 843 are gymnasiums and 318 are auditoriums, he said. The remainder are miscellaneous

structures such as field houses, pavilions, picnic shelters, etc. New office and administrative buildings, which include town halls, police stations, courthouses, etc., total 1,063, while improvements and additions to 3,710 are reported.

One hundred fifty-six new hospitals were built, many in areas where no adequate facilities previously existed. W. P. A. workers also reconstructed or improved 1,436 hospitals and built additions of 66 others.

Outdoor recreation areas built or improved by W. P. A. include 1,302 new parks aggregating slightly more than 59,000 acres, improvements to 475,463 acres, and park additions totaling 2,471 acres. New playgrounds total 2,271, two-thirds of which are on school property. More than 10,000 new tennis, handball, and horseshoe courts were built and 295 miles of ski trails cleared and graded. New swimming pools total 629, and wading pools 636. More than 12,000 acres devoted to fairground and rodeo use were prepared or improved.

The 1,470 new publicly owned utility plants constructed by W. P. A. include electric plants, incinerators, water works, and sewage-treatment plants. A total of 9,646 miles of new water lines were laid and 239,000 consumer connections made. New sewer lines total 15,191 miles and 352,000 service connections were made.

An important contribution to public health has been made through the construction of more than 1,750,000 sanitary privies, Colonel Harrington said. These are built to serve families who do not have modern plumbing facilities, and usually replace structures which are a menace to public health. The United States Public Health Service has credited this program with much of the responsibility for the decrease in typhoid and other filth-borne diseases which have been prevalent in certain parts of the country, the Commissioner pointed out.

Another valuable aid to public health, he said, has been achieved through the drainage of 2,981,000 acres of swamp, the construction of 15,654 miles of drainage ditches and the application of over 2,000,000 gallons of spray in mosquito-control work.

W. P. A. COMPLETES ACCOMPLISHMENT REPORT WITH HEALTH AND EDUCATION SERVICES REACHING MILLIONS—CONSERVATION ACTIVITIES REVIEWED

Completing a report on 4½ years of W. P. A. operations, Col. F. C. Harrington, Commissioner of Work Projects, today made public an inventory of accomplishments by workers on professional and service projects and in the fields of flood and erosion control, irrigation, and conservation.

Several millions of persons are reached each week, the Commissioner stated, by W. P. A. health, education, recreation, art, music, library, and related programs.

In the health program it was found in a typical 2-week period that nearly a quarter million examinations and treatments were given in W. P. A. operated or staffed medical and dental clinics and in schools and homes to children and adults who were unable to pay for such services. Nearly 82,500 tests for specific diseases and more than 17,000 immunization treatments were reported.

Closely related in the effect on the Nation's physical welfare were more than 1,000,000 lunches served by W. P. A. workers on a single day to needy and undernourished children in more than 11,000 schools, the housekeeping assistance given 57,000 needy families in a single month, and manufacture of 218,000,000 garments for the destitute during 4½ years.

Educational services provided by W. P. A. are reaching adults in classes with an aggregate enrollment of more than 1,000,000, the Nation-wide report shows, and more than 300,000 are enrolled in literacy and naturalization classes alone.

On the basis of a special survey last year, when the rolls were larger, the public recreation activities supervised by trained W. P. A. workers were found in a typical week to be equivalent to participation for 1 hour each by 15,000,000 persons. Nearly half of this was physical recreation, both indoors and out, and the rest was divided principally between social and cultural recreation. The benefits of such supervised leisure-time activity are readily apparent, Colonel Harrington pointed out, particularly in communities with much unemployment, short working hours, and low income.

"While the W. P. A. construction program has been building up the physical plant of the Nation," Colonel Harrington said, "the professional and service projects have been contributing to its health and culture.

"Most of the millions of persons who this report indicates are deriving benefits from the 'white collar' projects are in the lowest income brackets and could not afford the important services and assistance our project workers have been able to provide. There are communities today in which the only public-health facilities are those provided by W. P. A. or where the only library is staffed by them, or the only opportunity for adults to study is afforded by W. P. A. teachers."

Typical periods were chosen for the inventory of professional and service accomplishments because of the impossibility of measuring cumulative results with the yardsticks applied to construction work in the two previous reports of this series.

These showed that, along with other work, W. P. A. constructed or improved more than 450,000 miles of highways, roads, and streets and built more than 23,000 public buildings from the beginning of W. P. A., July 1, 1935, through last December. Health and education were advanced notably by these programs, also, through the addition and improvement of education, recreation, transportation, and sanitation facilities.

Additional construction covered in the final report issued today includes 4,650 miles of firebreaks and 3,000 miles of fire and forest trails. W. P. A. workers also rebuilt or improved an additional 2,000 miles of firebreaks and trails.

Accomplishments in the fields of flood and erosion control included 6,000 miles of stream-bed improvements, more than 3,000 miles of river-bank and shore improvements, and construction or improvement of 2,700 miles of such works as levees and retaining walls. More than 3,700 miles of irrigation ditches and canals were built and 3,700 repaired or improved.

On the professional and service side of the W. P. A. program, the report shows adult education to be an outstanding activity. In addition to 309,000 enrollees studying for citizenship or learning to read or write, vocational training classes claimed 195,000 students and correspondence work 48,000 in a 2-week period studied. Forums and lectures conducted by W. P. A. project employees had an aggregate attendance of 162,000.

W. P. A. also operated 1,550 nursery schools, providing scientific care and preschool training during the 2 weeks for 43,700 children of unemployed and destitute families, the report shows. Special instruction was given 4,200 institutionalized and handicapped children.

W. P. A. conducted art classes with an enrollment of 45,500 and music classes with 179,000, the inventory disclosed. More than 2,500 performances by units of the W. P. A. music program drew an aggregate attendance of more than 1,000,000 during the period.

Medical clinics operated by W. P. A. or staffed with W. P. A. assistants provided 119,000 examinations and treatments, and dental clinics 35,000 during the first 2 weeks in January, the report shows. Home visits by W. P. A. nurses and doctors provided 17,000 examinations and treatments. In the schools, 35,000 examinations and treatments of various kinds were given.

Public and school libraries operated wholly or partly by W. P. A. workers during December totaled nearly 10,000, of which 115 were "bookmobiles," or light trucks stocked with books for the people of remote sections. During the 4½ years, W. P. A. workers repaired 68,000,000 volumes of school and general library books. During that period nearly 4,000,000 pages of Braille were transcribed for the blind.

Sewing projects, up to January 1, had completed 48,000,000 men's garments, 59,000,000 women's garments, and 110,000,000 garments for children and infants. Other items, such as towels, sheets, and surgical dressings aggregated 66,500,000. The articles produced by sewing projects, which comprise the largest single aspect of the W. P. A. nonconstruction program, were distributed by public relief agencies to needy persons.

The accomplishments cited in this and the preceding reports do not include the work done with transferred W. P. A. funds by other Federal agencies, which have operated projects manned by needy unemployed on the same basis as W. P. A.

Lincoln Day Address Before Democratic Dinner Club at Pomona, Calif.

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

ADDRESS OF COL. EDWIN S. GILL

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I am pleased to include significant portions of Col. Edwin S. Gill's Lincoln Day address to the Democratic Dinner Club of Pomona, Calif.:

When invited to speak here this evening in celebration of the birthday of Abraham Lincoln, I felt highly honored and accepted without question.

There is so much that can well be recounted about his life in a short address like this that no speaker can do more than merely touch a few of the highlights in his career. I shall first give you, very briefly, extracts from some of his speeches in the fifties, when he was an unknown westerner to the Nation as a whole, and bring to you examples of his wonderful knowledge of what the founders of our Nation were striving for in the eighteenth century.

Few who have read something of Lincoln's history have any conception of his constant reading and study of the life and history of his country. It was through this almost continuous reading that he educated himself, not merely about his own country, but about the world. In no place in his career is this better shown than in his speeches in 1856 when the nominee of his party for United States Senator from Illinois, and again in his debates with Douglas in 1858. In several of these talks he declared the Declaration of Independence and the beginning of the American Nation were wrong, if those words, "All men are created free and equal," were only phrases intended to fool men into fighting for an illusionary cause.

In his explanations of the Declaration he took the words "All men are created equal," not only seriously and solemnly, but passionately. He also told his hearers how the original Declaration, as drafted by Jefferson, denounced slavery and promised its abolition; that this attitude was supported by all but two Colonies. Finally, to secure unanimous approval of the instrument, these sentences regarding slavery were stricken from the document, it being verbally understood that each Colony should continue its policy of gradual emancipation of the slaves.

But the address that caught national attention was his "House divided against itself," delivered at Springfield June 17, 1858, following his nomination for United States Senator to oppose Senator Douglas. He began:

"If we could first know where we are, and whither we are tending, we could better judge what to do and how to do it. We are now far into the fifth year since a policy was initiated with the avowed object and confident promise of putting an end to slavery agitation. Under the operation of that policy, that agitation has not only not ceased, but has constantly augmented. In my opinion it will not cease until a crisis has been reached and passed. 'A house divided against itself cannot stand.' I believe this Government cannot endure permanently half slave and half free. I do not expect the Union to be dissolved—I do not expect the house to fall—but I do expect it will cease to be divided. It will become all one thing, or all the other."

His debates with Douglas gave Lincoln a national reputation, and even before they were finished his name was being discussed as that of a man fitted for the Presidential nomination of his party in 1860.

Following his nomination for President at Chicago, Lincoln withdrew to his home and refused to make an address in all the campaign aside from his response to the address of the committee appointed to notify him of his nomination. No other man ever entering the Presidency was so beset with conditions anything like those facing Lincoln, and he in a position where he could not say a word or lift his hand. How oppressive it was is shown in his farewell address to his neighbors when leaving Springfield for Washington.

In his first inaugural address Lincoln made as plain as the English language would allow that there would be no aggression directed or led by him. But he did warn that the Union must be preserved, and appealed to better thought much as a father might appeal to a wayward boy.

If Lincoln's Gettysburg Address is a multum in parvo, then his second inaugural address must be a super multum in parvo. To quote:

"Fondly do we hope—fervently do we pray—that this mighty scourge of war may speedily pass away. Yet if God wills it that it continue until all the wealth piled by the bondsman's 250 years of unrequited toil shall be sunk and until every drop of blood drawn with the lash shall be paid by another drawn with the sword, as was said 3,000 years ago, so still it must be said, 'The judgments of the Lord are true and righteous altogether.' "

Then, at his last cabinet meeting, held April 14, he expressed the hope there would be no prosecution, no bloody work after the war was over. None need expect he would take any part in hanging or killing men, even the worst of them. "Frighten them out of the country, let down the bars, scare them off," he said, throwing up his hands as if scaring sheep, "Enough lives have been sacrificed."

In closing, let me call attention to the many great lessons to be learned by studying the life of Abraham Lincoln.

I want to say, with all the emphasis I am capable of, that today, as in all our history, no other factor in life is so valuable and so essential as character. Read the lives and sayings of our great men of America, and you will find that each and every one of them held his place of leadership because it was built on industry, frugality, honesty, and character. All were God-loving men, and as a corollary also man-loving men. Drive out these false leaders and directors of thought for our young people, and substitute the principle of Americans for America. Americans who stand for advancement in all walks of life. But, advancement founded on the principles and doctrines upon which our fathers builded so wisely and so well. Not on atheism, communism, and denial of the Christian religion. Let us all help to lead our coming generation to a renewal of intense love for "My native land"; such love for it as those had who handed it down to us of the twentieth century, remembering that—

"Reputation is what men and women think of us.
Character is what God and angels know of us."

Gold and Its Power—Part 4

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. THORKELSON. Mr. Speaker, Mr. Sumner Welles, President Roosevelt's special peace ambassador, is soon to return to Washington, and it is encouraging to see, as stated in the Times-Herald March 16, 1940, that, "unlike Colonel House, Welles shows no partiality toward the Allies." This is hard to believe, as we note the many attempts by the press to whip up pro-English sentiment in the United States. It is generally recognized that the administration is not neutral, and this is also evident as we note the freedom of our ports to merchantmen with arms and the constant anxiety in higher administration circles to furnish aid to the Allies. It was for that reason that I took the position in the extra session last year that neutrality acts are, instead of what the name implies, pseudo treaties with favored nations. Those who will recall the early part of last year may remember that we were blanketed with English propaganda, which declined after May 1, 1939.

This British propaganda became quite active again when Congress adjourned and was very intensive when the Neutrality Act was up for debate in the Senate. It was during this time that much information was inserted in the RECORD exposing the overbearing attitude of Great Britain toward neutral nations. I realized at the time that, could this information reach the people, it would, if nothing else, counteract the British propaganda, which found such prominent space in the daily papers at a time when not a word was printed in regard to facts inserted in the CONGRESSIONAL RECORD.

It is indeed discouraging to find that one cannot, because of the ownership of the daily press, get pertinent facts about such an issue as neutrality before our people. It was the same indifference and control of the daily press that whipped our people into line during the World War, which finally ended by the United States joining England and France for an overdose of democracy.

To stir up public interest in the CONGRESSIONAL RECORD I, on October 11, 1939, inserted a letter that had been lying around my office since the first of the year. This so-called "House" letter was printed, and so was the name over which it appeared, and which I suggested to the reader be disregarded, as well as the addressee. My interest was not in the names appended to the letter, but was, instead, in the substance matter, which no one can disregard or deny is the truth. The American officers whose names appeared in the letter were knighted by the British Government, as stated, and Carnegie and Rhodes both expressed the hope in their books that the United States should again become a part of the British Empire. The valuation of the American people as stated in the letter is just about correct from a British viewpoint, for a statement has recently been made by British statesmen that we look like sheep because we dress alike.

The reaction to this letter was exactly what I expected; for as the owners of the daily press recognized the name of one of their own associates, they rallied forth in defense of the pro-English Mr. House, so recognized in his own and others' writings, and which the Herald now admits when it states:

Unlike Colonel House, Welles shows no partiality toward the Allies.

Nothing but what I expected happened, for the daily press heaped ridicule and ignominy upon me because I had been so gullible as to insert the letter in the RECORD. However, the result was good, for everyone became curious, and as they read the CONGRESSIONAL RECORD all sympathy for England sank to zero. I am still grateful to the daily press for this publicity, for it did, if nothing else, revive public interest in the CONGRESSIONAL RECORD, which is again being carefully read and quoted in many patriotic papers. It is only so that we can get the truth before the people, and when they know the facts, our Nation will be forever safe.

The House letter was withdrawn from the RECORD after having accomplished its purpose, and I now wish to inform those who are interested in reading it that it may be found in the last pages of the Geneva hearings before the Senate of the United States, years 1928 and 1929. In the same volume you may also find much information about British propaganda under the direction of Lord Northcliffe. I advise all those who are still pro-British to read this book, for it is

interesting and enlightening and will, I am sure, leave the reader a better American.

Mr. Speaker, we are now confronted with another attempt to aline us in a world federation of states, based upon exactly the same principles as the League of Nations. I believe Mr. Welles had such plan in mind when he started on this trip to Europe, but he will return a sadder and wiser man. The opinion of the British is interesting, and here is a quotation from the Washington Post, March 14, 1940:

BRITISH CALL WELLES MEDDLER—"UNCLE SHYLOCK" FEELING REVIVED

(By Frazier Hunt)

* * * But the high hope expressed a fortnight ago has disappeared and has been replaced by frank skepticism. In the high official circles where Welles was entertained he has naturally found only the most guarded criticism, but if he were able to mix with ordinary people he would find a growing anti-American sentiment here.

I am sure this is the real opinion of America as held among the British nobility. The United States is only of value to Great Britain when it can be used as a doormat for the British Empire. This trip should set the President and the State Department right, for our interest is purely an American interest, and we should now all join hands and shoulder to shoulder help to get our Nation back on the road to recovery. For the information of those who are still laboring under a delusion of world government, I shall quote the Patriot, January 18, 1940—founded in February 1922 by the late Duke of Northumberland, K. G.:

BEWARE OF FEDERAL UNION

Our forefathers held that the best way of avoiding war was to follow a pacific policy, but to be ready to defend ourselves vigorously in case of attack. That policy succeeded so well that for hundreds of years our country has escaped the worst horrors of war—invasion and destruction. But after the World War we decided that our forefathers had been wrong, and we took the advice of a crowd of intellectuals, Socialists, and others, whom we need not scruple to call our enemies, and put our trust in the League of Nations and disarmed to such an extent that we simply invited disaster. Luckily there was a breathing space between the MacDonald-Baldwin regimes, when we were scrapping our defenses, and the new disaster in Europe calling for the employment of our armed forces. Under more virile direction we did have some little time to prepare, though in the interval Mr. Eden and other believers in the League did their best to involve us in conflict when the part the Army, at any rate, could have played would have been completely inadequate.

The League of Nations has shown its last ineptitude in the case of Finland and Soviet Russia, and calls to mind the Cardinal's terrible curse in The Jackdaw of Rheims, when

"Never was heard such a terrible curse!
But what gave rise to no little surprise,
Nobody seem'd one penny the worse!"

Soviet Russia is certainly none the worse for having been excommunicated; in fact, she has joined the ranks of those powers, and not powers of no importance, which have seen the League is incapable of benefiting mankind as originally intended. The admittance of the League's failure, however, has not prevented just those of our intellectuals and others without intellect from planning again the reform of the world. The new idea is Federal Union.

Before his appointment as British Ambassador to Washington, Lord Lothian, one of the shining lights of that group which formed the round table and thought that they thought for the world, wrote a pamphlet on Federal Union. It is not easy to see how this union differs from the League of Nations, but the following is the explanation of the idea of Federal Unionists, given by Lord Lothian:

"Federal Unionists are not opposed to the League of Nations. On the contrary, they share entirely the ideals for which it stands. Nor are they opposed to international cooperation. On the contrary, they support it as a step in the right direction. In theory all the ideals of the League of Nations could have been accomplished by cooperation. But the reason why cooperation failed after 1918, as all earlier attempts to create an international cooperative system have failed, is precisely because they have left national sovereignty intact and because that element operates continuously and inexorably against the success of cooperation itself. That is why Federal Unionists are convinced that only by going a step beyond the Covenant and pooling some part of national sovereignty in a common organism which represents, not the national units or the governments, but the people of all the member nations as a whole, can the true ends of the League be attained."

National sovereignty, it will be seen, is now the bugbear, and is, indeed, described by Lord Lothian as the "basic cause of anarchy." Once all the nations are democratic in the real sense, then, apparently, there will be a chance for peace. The bright minds behind Federal union cannot understand that it is human nature itself which is at fault and which they must seek to change.

It is probable that Lord Lothian got his views, so antagonistic to national sovereignty, from Mr. Clarence K. Streit, who has written a lengthy book, Union Now, a December choice of the Right Book Club, and, incidentally, showing how the club has come under the control of internationalists. Mr. Streit is certainly a Socialist and expressed his belief that all men are created equal, and perhaps his long connection with the New York Times explains the very favorable reception given in that paper to Lord Lothian's speech in Chicago on January 4, when American readers were told:

"In the light of this speech, Britain in fact is ready to abdicate the Empire in the interest of world-wide security for democratic civilization."

Lord Lothian is the representative in the United States of America of a constitutional monarchy of which most Britons are proud and will never believe that their Empire is a menace to the peace of the world. If Lord Lothian is opposed to these beliefs then he is not a very fitting representative for Great Britain at Washington. But, unfortunately, there is an appearance of backing for his federal union ideas in high quarters, seeing that the Prime Minister, in his speech on January 9, made a remark as regards the end of the war leading to "an extension of Anglo-French collaboration in finance and economics to other nations in Europe, and, indeed, perhaps to the whole world," which, to say the least, is unhappy unless it is to be taken that Mr. Chamberlain has not grasped the significance of federal union.

Lord Lothian and other believers in federal union are obsessed with the idea of democratic cooperation, democracy as they use the word being the same as nation, for the initial union suggested by Mr. Streit in his book covers our Empire and the Dominions, five monarchies, and four republics. The whole principle of such a union does not seem very remote from that of the program of the Communist International:

"The Communist International fights for the creation of a world federation of Soviet Socialist republics. * * * The new proletarian republics would unite until at length they formed the world Union of Soviet Socialist Republics and united all mankind under the international domination of the proletariat."

In one case there is the democracy of the Federal Unionists and in the other the proletariat, both subject to some controlling influence. The League of Nations has shown its incapacity to function; if it is to be succeeded by a Federal Union, its chief success would probably be the end of the British Empire, and that is the aim of Germany. "Some enemy" is at the back of the Federal Union idea just as originally of the League of Nations.

This is an English viewpoint of the Federal Union and is more candid and truthful than opinions as expressed here. I have placed this discourse under the title of "Gold and Its Power," and it follows my remarks on the Inter-American Bank, which is a part of the same scheme. The purpose of all these international organizations is to destroy sound governments throughout the world, so that those with international aspirations may sit on the throne of an international world state. These people actually hope to attain their objective by hurling invectives at all who oppose them.

The internationalists, however, have finally come to the conclusion that they cannot create this world government except by destroying every sovereign government in the world, and it is with that purpose in mind that unseen forces are now at work in the United States to destroy our Government. In 1913, they were successful in destroying the sovereign government of the State when State representation was abolished in the Senate of the United States. They no doubt hope to destroy the sovereign government of the United States by suspension of the Congress, either by war or because of some critical internal upheaval.

This scheme of world control is promoted by the internationalist who now controls gold money and credit. The income from this, and the income from what the money can buy and control, is employed by the international Communist to spread these radical doctrines of destruction so that he himself may, in the midst of this intentional confusion, attain control of the Government. His avenue of approach is subtle, for by pretended charities and philanthropies he confuses and waylays our teachers, so that they innocently further his plans by so-called "liberal construction" of fundamental principles of government and life.

Let Us Establish the "United Nations of the Earth" and Have Permanent Peace

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. WHITE of Idaho. Mr. Speaker and Members of the House, the news reports in the Easter Sunday morning papers are disquieting and disturbing and to me alarming.

I am sure that the American people want to maintain the neutrality of this country in the present European war. If we are to remain neutral then our Government should follow the advice of our first President and keep out of entangling alliances. To do this, we must follow the plan laid down in the proclamation of the first President when he decreed:

After deliberate examination, with the aid of the best lights I could obtain, I was well satisfied that our country, under all the circumstances of the case, had a right to take, and was bound, in duty and interest, to take a neutral position * * *. I have given instructions to those officers to whom it belongs to cause prosecution to be instituted against all persons who shall, within the cognizance of the courts of the United States, violate the law of nations with respect to the powers at war, or any of them.

I am opposed to trafficking with any of the belligerents and voted against the cash-and-carry amendment to the Neutrality Act. Today we find that in face of all the assurances given the American people by our national leaders advocating the modification of the Neutrality Act at the time we changed the law to permit the sale of war munitions at the same time safeguarding our shipping by prohibiting American vessels from entering a zone of combat and the ports of the belligerents, now we find that the law is being violated. We learn from press dispatches appearing in the Sunday morning paper that—

The American Export and the American President lines, it was disclosed today, have for 5 months permitted their ships to call at the port of Marseilles, France, under a technicality in the American neutrality law.

This is an open and flagrant violation of the American neutrality law if the provisions of the act mean anything and the act is a safeguard against this Nation becoming involved in the war.

On the same front page we learn:

The Army and Navy were reported authoritatively yesterday to have decided on a general shake-up of their airplane-purchasing programs. * * * The new policy, shaped in cooperation with Treasury officials, involves the transfer to the Allies of possibly several hundred planes nearing completion for the American armed services (Army and Navy). * * * The projected new policy involves a basic revision of the existing official regulation that no late designed military plane should be sold abroad until the improved model was under contract to some Government agency. Two 400-mile-an-hour pursuit planes, the Lockhead P–38 and Curtiss P–40, were released to the Allies recently under this policy.

In the light of these facts, it is vitally important to know how far the Treasury officials will be permitted to go in committing acts that will involve us in this European war, and whether the Army and Navy experts are being put to work to design military planes to be turned over to the Allies, and in this connection what other interpretation can be placed on the statement—

The projected new policy involves a basic revision of the existing regulation that no late-designed military plane should be sold abroad.

Would we be willing to do this for Germany—place our latest defense armament at their disposal? I am sure that we concede that the Germans could take delivery of our defense planes here and fly them across the Atlantic. And are we willing to place these weapons in the hands of Japan? Just where is the intrigue of our administration officials leading us? Could the neutral nations of Europe do a thing like this and maintain their neutrality?

Mr. Speaker, if we are going to be maneuvered into taking sides and entering this war, I think we should know something of the issues involved in the conflict. I think that a careful study should be made of all the conditions that contributed to the situation that brought on the war.

The people on both sides are highly intelligent and have struggled under impossible conditions. It is my feeling that much of our press, our radio, and other sources of public information have been biased from the outset and that we have been propagandized by distorted news and colored statements, in fact that the reading public has been subjected to a constant and sustained campaign of propaganda.

Let Europe settle its difficulties and differences without any hindrances or interference from us and, when the warring nations are ready to make peace, let us join with the rest of the world powers to create an international authority, call it what you will, under a plan where all nations must lay down their arms and instruments of military destruction, give this international authority an army and navy to enforce its decrees and disarm and disband all other military forces that we may establish for all the human family inhabiting every land "the United Nations of the Earth" to the end that all people may attain the same objectives for which our Government was founded:

A more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty—

To all the people of the earth.

Our Melting Pot

EXTENSION OF REMARKS

OF

HON. SAM HOBBS

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. HOBBS. Mr. Speaker, at the outset, the grace of station WOL and the Mutual Broadcasting System in granting this opportunity is gratefully acknowledged, and my thanks therefor fervently expressed.

On Thursday evening, February 29, 1940, Hon. LEWIS B. SCHWELLENBACH, one of the two distinguished United States Senators of the State of Washington, used these facilities to purvey an address in the course of which he made a personal attack upon me and my bill, H. R. 5643, and inflicted a similar criticism upon colleagues whom I hold in high esteem, and upon our motives in proposing legislation dealing with various aspects of the immigration and deportation problems. Immediately I requested of station WOL the earliest possible opportunity to reply to Senator SCHWELLENBACH. Because of prior commitments which preempted the broadcasting time of the intervening weeks, the appreciated opportunity is just now afforded.

Senator SCHWELLENBACH says that the bills he decries are "directed against aliens" and that "the danger lies in singling them out as the objects of legislative disfavor." As far as my bill is concerned, it applies to no aliens except those who, by their own conduct, have brought themselves into one or more of these four classes: White slavers, narcotic venders, anarchists and others advocating the overthrow of our Government by force, and felons whose crimes involved moral turpitude, not as to their own entry or naturalization. It is not directed against aliens, but against the crooks, revolutionists, and criminals of that group.

Senator SCHWELLENBACH's argument, if followed to its logical conclusion, would condemn legislation punishing murder because it singled out murderers as the object of legislative disfavor.

The Senator shouts the worn, discredited shibboleths that my bill "provides for concentration camps for aliens" and that it might mean "imprisonment for life." The charitable interpretation of this quotation is that the Senator has not read the bill. There is not one word in it, directly or indirectly, authorizing the establishment of a concentration camp, nor anything of the kind. The bill specifically says that the detention authorized shall be "in established institutions." As for the life-imprisonment scarecrow, the Supreme Court has held that detention in aid of deportation is neither imprisonment nor punishment, and my bill expressly provides that the confinement prescribed must not be at hard labor.

The average alien in detention under my bill would not stay in custody 30 days. Just as soon as he had been convinced that our Government meant business he or his family or friends would immediately procure some kind of travel document, if not a passport; and if this could not be done, all he would have to do to procure his release would be to produce sufficient evidence of good cause and thereby go free on the order of the Secretary of Labor.

H. R. 5643 was the outgrowth of the work of the Committee on the Judiciary in pursuance of the inquiry under the resolution of Congressman J. PARNELL THOMAS, which sought the impeachment of the Secretary of Labor, the Solicitor of Labor, and the Commissioner of Immigration. The Committee on the Judiciary unanimously agreed that there was no evidence justifying impeachment, but in the course of the investigation preceding that conclusion, it was discovered that these officials were criticized because of the fact that many criminal aliens who clearly should have been deported were allowed to remain here in perfect freedom. We found, however, that the fault was not with our immigration authorities, but with our law. During the year 1938, 460 aliens who had been ordered deported by the duly constituted authorities of our Nation could not be deported because of the failure or refusal of foreign governments to permit their return. Some of us were shocked by that discovery. We had not realized that in so many cases the sovereign deportation power of the United States was being thwarted. We felt that the number of such cases might indicate collusion between many of these aliens and officials of their home governments, or worse. The vast majority of these aliens are as free as any citizen, and yet they had each been adjudged unfit to remain here and, after due, fair, and full process of law solemn warrants of deportation had issued. The problem was given careful, intensive, and extensive study. It was found that while, of course, all of these had forfeited their privilege of living in this country by violating our laws, yet in only a few cases were the offenses so serious, or so socially significant, as to warrant the provision of the manifest remedy. But in those few cases the offenses were both serious and socially significant. So the conclusion was reached that as to those few of such aliens whose conduct had placed them in any one of the four worst classes—white slavers, narcotic vendors, anarchists and others advocating the overthrow of our Government by force, and criminals whose crimes involved moral turpitude, not as to their own entry or naturalization—the right of detention necessarily incident to the right of deportation should be broadened, by authorizing, clearly, detention until deportation should have become feasible or other departure arranged, or until the Secretary of Labor, upon sufficient evidence of good cause, should order the release of any one of them temporarily or permanently, with or without rescission of the warrant of deportation.

My bill, H. R. 5643, simply seeks to write that conclusion into law.

A distinguished Member of Congress tells me that he knows of one alien woman in his district who has sent into the degraded pollution of bawdy-house life over a hundred American girls in his State. Yet we allow such people to live here as free as any one of us, even though they are aliens who have no right to live here and who ply their iniquitous trade in open defiance of our law. The perpetuation of such outrageous travesties upon justice is what the opponents of my bill are pleading for, whether they know it or not.

Children all over this country are being preyed upon by peddlers of marijuana cigarettes and other narcotics. Some of the flower of our youth are being transformed into dope fiends. There are perfectly moral, law-abiding aliens, by the thousand, clamoring for the privilege of living here. Should we not banish our alien dope peddlers so that, under our quota system, good aliens may take their places?

There certainly should be no place in America for alien anarchists and others who advocate the overthrow of our Government by force. There are thousands of aliens seeking to come here who would help us build a better nation instead of trying to destroy. My bill advocates the swapping of alien termites for alien builders.

Similarly, it is proposed to replace convicted criminals who have committed felonies involving moral turpitude not as to their own entry or naturalization, with other aliens, anxious to come, who have never committed crimes. Take Cesare Valenti for example. He had a criminal record composed of four convictions in his native Italy before coming here on a passport secured by perjury. Since he became a resident of the United States he has been arrested at least four times, and while serving a 15-year sentence for second-degree murder to which charge he pled guilty, he was one of the organizers of the Philadelphia poison ring which has murdered more than a hundred persons. Senator SCHWELLENBACH is a loyal American. He does not want Valenti nor any of his ilk here any more than I do. Yet, he does nothing about it and implies that I am a demagogue when I do.

We debated my bill on the floor of the House of Representatives. Every argument which Senator SCHWELLENBACH makes against it was made in that debate. Yet, after full hearing and critical examination, the House of Representatives passed my bill with only 61 dissenting votes. If it is such a bad bill and should be defeated, why does not Senator SCHWELLENBACH help us get a hearing in the Senate and there expose it? Does he doubt the wisdom or patriotism of his fellow Senators? Or does he think that they, too, are demagogues?

My bill, if enacted into law, would strain out and remove from the stream of our national life some of the polluting and poisonous elements; the dregs in our melting pot.

Is it directed at aliens because they are aliens? No—a thousand times no. Good immigrants have built our Nation. But not the four classes—white slavers, dope peddlers, criminals, and anarchists—which this bill, in kindly way, would urge to go back whence they came. These who have outraged our hospitality, broken our laws, debauched our youth, or plotted to overthrow our Government are not builders. They are wreckers. Their lives stain our flag.

Good aliens, who come here as our laws provide they may, and who try to build—not destroy, pollute, or poison—are welcome and appreciated. Millions of such are here. Who of us is not an immigrant per stirpes?

We all pay tribute of grateful homage to those millions of good aliens who have helped make America great. Few may be named, but all are in mind.

From Lafayette, Rochambeau, Alexander Hamilton, John Paul Jones, Commodore John Barry, Count d'Estaing, Count de Grasse, Maj. Pierre L'Enfant, General de Kalb, Baron von Steuben, Gen. Richard Montgomery, Haym Salomon, Gen. Thaddeus Kosciusko, Gen. Casimir Pulaski, Gen. William Alexander, Dr. James Craik, Robert Erskine, Gen. Alexander McDougal, Gen. Lachlan McIntosh, Gen. Hugh Mercer, Gen. Arthur St. Clair, James Wilson, John Witherspoon, Robert Morris, and Albert Gallatin, down through the years to Dr. Joseph R. Sizoo, Dr. Peter Marshall, Mr. Justice Felix Frankfurter, Albert Einstein, and Eduard Benes, aliens have here wrought mightily for good.

Alexander Agassiz, Hjalmar Hjorth Boyesen, Leopold Damrosch, Walter Damrosch, Pierre du Pont de Nemours, Mayor William R. Grace, Franklin K. Lane, Mr. Justice Sutherland, Peter Henderson, Ales Hrdlicka, Ludwig Lewisohn, Jacques Loeb, James McCosh, John Edward McCullough, Henry Morgenthau, Hugo Munsterberg, Thomas Nast, John Boyle O'Reilly, Abraham Mitrie Rihbany, Anton Seidl, Pierre Soulé, Karl Spreckels, Matthew Vassar, Henry Villard, Alexander Wilson, William B. Wilson, James Wilson, Karl Bitter, Gustav Lindenthal, James J. Hill, Jacob A. Riis, Edward D. Baker, Samuel Gompers, Anna Howard Shaw, Eleuthere Irenee du Pont, Stephen Girard, Felix Adler, John Jacob Astor, Emile Berliner, Oscar Hammerstein, Otto Kahn, Franz Lieber, Ottmar Mergenthaler, Albert Abraham Michelson, Johann August Roebling, Jacob Henry Schiff, Carl Schurz, Charles Proteus Steinmetz, Nathan Straus, Theodore Thomas, Michael Anagnos, Joseph Pulitzer, John Philip Holland, August Saint-Gaudens, Alexander Turney Stewart, Edward W. Bok, Knute Kenneth Rockne, Michael Heilprin, Judah Peter Benjamin, James Burnie Beck, Alexander Graham Bell, James Gordon Bennett, Andrew Carnegie, John S. Kennedy, James Pugh Kirkwood, James Laurie, Walter Lowrie, Dr. Henry Detweiler, John Muir, Archibald Russell, Michael Pupin, John Ericsson, Louis Agassiz, Meyer Guggenheim, Henry Rosenberg—a veritable honor roll!

We honor ourselves by honoring such men—American patriots.

Do opponents cry against this bill, "Undemocratic"?

If it be undemocratic for the duly elected Representatives of a sovereign people to stop a loophole in our deportation law through which 460 aliens in 1 year escaped their decreed banishment, then we should be just that undemocratic.

Do some say "Un-American"?

If it be un-American to restore the lost sovereignty of our Nation over deportation, we ought to glory in being just that un-American.

Make no mistake, that flag there—Old Glory—was not the product of silkworms and a dye vat.

Our flag—the most significant in all the world—is a living symbol of America's soul. We 130,000,000 people are in truth the flag.

The purity of common purpose for peace and freedom, plus the morals of the many, put that white honor stripe in our living flag. Our lives besmirch it, or keep it white.

That red is not a strike of shame, nor wrath, but of virility, of flaming youth, of new, aspiring, conquering blood which flows in us and to us from the ends of the earth.

That field against which the stars shine is put into our living flag by the loyalty and devotion of those of us who are "true blue."

Those stars are kept bright by the fervor of the love of those who "star" in our national life.

More than a hundred million souls, by the quiet might of righteous living, keep this symbolic silken flag waving proudly over the real living flag their lives compose.

Are we impotent to remove contaminating influences which stain our flag? Do we lack the courage?

The "sob sisters," who have joined the "reds" in fighting this bill, simply fail to appreciate the meaning of our sovereign right of deportation. Deportation means more than the making of an ineffectual order. It means banishment—the removal of the deportee from the free life of America. Our inability to banish and remove these poisonous alien elements from circulation in the bloodstream of our body politic makes us a laughing stock—our national sovereignty, in this regard, but a joke.

As long as we acquiesce in the shameful thwarting of our right of deportation, while every nation that may wish thumbs her nose at us, and, by refusing to take back her poisonous dregs, converts them into free residents of our homeland, our laws are set at naught; our solemn adjudications are as vain as the hand-washing of Pontius Pilate.

Increased Consumer Demand Is Key to Increased Production and Larger National Income. How Many People Should Government Employ Under Present Circumstances?

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

LETTER FROM JOHN F. SELLE, OF GAINESVILLE, FLA.

Mr. VOORHIS of California. Mr. Speaker, over and over I have said that if the method of Government employment of the unemployed was to be used to stimulate increased production, business activity, and national income, then this method must be used sufficiently extensively to bring the result aimed at. That result, of course, is to induce enough increase in national income and level Government revenue to balance the Budget on the basis of full employment.

One of the very best expositions of this point of view that I have ever read is contained in the following letter from a Florida businessman who faces frankly the problem his country faces.

There may be better ways of dealing with unemployment than this. But if we are going to take this way we should do so with resolution and carry through with it instead of periodically turning back as was done in 1937, with disastrous consequences, and as we are doing again right this minute.

Mr. John F. Selle's letter follows:

FEBRUARY 25, 1940.

Hon. JERRY VOORHIS,
Washington, D. C.

DEAR MR. VOORHIS: A few days ago I noticed a newspaper report to the effect that you were instigating a study of unemployment by a group of House Members, and I want to commend you for such a worth-while step. I hope that your efforts meet with the success that they deserve, and that you will not only reach the core of the problem, but will be able to suggest a workable remedy.

As you already know I have done considerable work along this line myself, and although I have sent you some of my observations already, I would like to offer some further suggestions which may possibly prove to be of some value in your investigation.

We cannot be content with the administration figure of $80,000,000,000 as a goal for national income. If every available and willing worker were to be employed today, full time and with present-day efficiency of technique, we would produce somewhere between ninety and one hundred billion dollars' worth of goods and services—at present prices—annually. Therefore, any income of less than ninety billion would require less employment than that which we are trying to attain, and would fall short of bringing full employment. Can we get an income of one hundred billions within the next few years? Can we solve our unemployment problems? We certainly can. It will not be an easy task but the difficulty lies in our own unwillingness to think clearly, and not in any inherent difficulty in administering the required reemployment program.

Although we have the ability to produce an income of one hundred billions, some thirty billions more than we are producing currently, we cannot increase our production to the higher level overnight. It takes time to install equipment and employ workers, but the program would be restricted only by this industrial lag. We can safely assume that industry could expand its production rapidly enough to be producing at the rate of eighty billions annually within a year, and at a rate of ninety-five billions within 2 years. The one-hundred-billion rate should be reached within the third year, and then retained with gradual increases as our production efficiency is increased by new inventions and application of new and improved techniques.

We can get this rapid industrial expansion in two ways. We can either get business so optimistic about the future that it will begin to expand production as fast as possible and hope that the increased production will find a market, or we can create a demand for enough goods to make it necessary for industry to expand just to fill the increased demand. I have little faith in the first method. Although there will be enough purchasing power distributed to buy the increased production we would have no assurance that the demand for individual items of production would expand in the same ratios as production of these items is increased. The first

method would also be very susceptible to any temporary lag between production and consumption. In my opinion it would be far better to create the demand first and then allow industry to fill this demand. In this way there would be no loss through errors in estimating the increase in demand for individual items at an increased national income level, and there could be no lag between production and consumption since the consumption will actually precede production. This effect would come about by depleting our inventory stocks faster than production at current rates could replace goods, and this would necessitate an increased rate of production to keep inventories at their normal minimum levels.

If we want to produce $80,000,000,000 worth of goods and services in 1940 we can assure this level by simply consuming $80,000,000,000 worth of goods this year. Production can and will increase to meet such a level of consumption. How can we consume that much? There are three groups of consumers: Individuals consuming for current needs, producers consuming capital equipment for production, and government. The consumption of these consumers is measured by the amounts they spend and the total spending of the three groups must total at least eighty billions if we expect to produce eighty billions' worth of goods this year. I do not care to say that it would be impossible to stimulate private spending and investment to a point where the amount of Government spending required to make up the difference between the total of the first two types of spending and the eighty-billion goal would be only about $6,000,000,000. I do say, however, that it is extremely unlikely that this could be done. As stated above, I prefer the surer method which would not be subject to individual reluctance to cooperate.

The present program of relief employment has not worked properly in bringing economic recovery because we have not made a real effort to determine the amount of spending required to bring the desired results. Because we have been administering the right medicine in too small a dose we have come to feel that the medicine is at fault. I believe that our only hope of full recovery lies in our ultimate recognition of the possibilities latent in Government spending and investment.

We are now borrowing about two billions annually and spending this amount on public works. The fact that this spending has for the past 3 years resulted in little change in national income or price levels indicates that private production is proceeding at the rate of two billions or so above private consumption. The total of private and Government consumption is just about seventy billions annually, and this consumption must be increased considerably to bring results.

If the Government were to put 2,000,000 more workers on relief rolls the added consumption of goods made possible by the spending of wages of these workers would immediately increase total consumption at the rate of about $2,000,000,000 per year. This increase in consumption would necessitate increased production and this could only be brought about through increased employment in industrial channels. If the new workers came from the unemployed residue rather than from relief rolls their wages would be spent also and still further increase consumption, making necessary still further increases in industrial employment. The rate of industrial production would expand fast enough to keep private employment mounting and the investment of capital in capital goods would also increase with still further reemployment. The increase in production could keep up with the increase in demand and there would be no unhealthy inflation of prices such as could be induced were demand stimulated at a faster rate by the addition of still more unemployed to relief rolls.

Since a dollar of new income inserted into the income stream at the point where income has the greatest velocity would increase national income by at least $3 a year, the extra two billions of Government spending would result in an increase in national income about six billions during the first year. Such an increase would encourage private investment and make possible the profitable investment of another two billions, more or less, of now idle capital, in addition to what we are or would be currently saving for investment. This sum paid in wages for the production of capital goods would result in another increase of about $6,000,000,000 per year in national income, and there you have your desired result, a national income for 1940 of better than eighty billions and an increasing rate of production which would assure a total income for 1941 of well above ninety billions, provided that the same principle of impetus to production is maintained until the maximum production is reached.

The objection will doubtless be made that this would require Government deficit spending of four or five billions per year and that we cannot afford this cost. We intend to spend about half this much, anyhow, and it will have no effect other than to prevent the national income from slipping backward, and will provide no forward impetus. If we could spend two billions more and raise our national income ten billions, would this program actually cost us anything? As a businessman, I am inclined to think that we might consider this spending as a most profitable investment. While our debt would increase only two billions (i. e., national debt), our national income would be increased five or six times that amount.

I can't see how such a program would fail to work. Admitting that it may be impossible to persuade Congress to appropriate the necessary sum, there should be no other great difficulties in the way. Once the four billion is appropriated, there are plenty of projects available to take care of this amount. I have a lot more to say about this selection of projects, but it is scarcely pertinent to this discussion. Unless such demand for goods as would be provided by the wages of the relief workers remained unsatisfied simply because stores refused to sell them what they wanted, there could not help but be an increase in demand. If prices were forced up, profits would increase, and there would be added incentive for business to expand its activities. Regardless of whether such a program generated a faith in the future or not, there would be rapid improvement.

Comparing this program with the indefinite and uneconomic wishful thinking of a plan like that embodied in the proposals of opponents to Government spending, I can see little basis for argument. The chances of this program being effective are much higher than the chances of any other general program, and the fact that it has not worked so far is no argument against it. In the early stages, when it only took a small spending dose to bring results, we got results. When it took a larger dose to bring further results, and we refused to use the larger dose, the cure lost its effectiveness. We have to use this principle properly, or we can't expect it to work.

I wish that I could testify before your group but I can't afford a trip just now. I've been singularly successful in converting almost everyone whom I've had a chance to talk with. Tomorrow I'm talking before the American Legion in Jacksonville and in 2 weeks before the Rotary Club there. I hope that this will be the start of some activity in the larger cities for I've been confined to smaller towns up to now. I'll let you know what reaction I find to these arguments in those groups.

Incidentally, I noticed in the RECORD a few weeks ago a number of petitions regarding your bill. You certainly have the home folks behind you and you have at least one supporter outside your State. I hope there are many more, for I think you're getting in some good licks. More power to you.

If this line of argument interests you I could probably amplify some of the points still further. Let me know if there is anything that you or your colleagues don't quite understand. I'll do my best to present proof and make it clearer.

Sincerely yours,

JOHN F. SELLE.

Statement by Matthew Woll on Reciprocal Trade Agreements Resolution

EXTENSION OF REMARKS

OF

HON. JOHN THOMAS

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Monday, March 25 (legislative day of Monday, March 4), 1940

STATEMENT BY MATTHEW WOLL, VICE PRESIDENT OF THE AMERICAN FEDERATION OF LABOR

Mr. THOMAS of Idaho. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by Matthew Woll, vice president of the American Federation of Labor, in the hearings on the reciprocal trade agreements resolution before the Finance Committee of the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

LABOR'S FACTUAL ANALYSIS OF TRADE-TREATIES—WOLL DEMONSTRATES TO FINANCE COMMITTEE LACK OF TRADE-TREATY BENEFITS

Support of the trade-treaty program rests principally on six points. We shall examine these one by one and then draw a general conclusion.

1. It is maintained that by reducing import duties and obtaining reciprocal concessions from other countries, our export trade is stimulated. This increase in exports, it is contended, in turn requires increased employment in factories and on the farms. The net result is allegedly a contribution to recovery and the promotion of prosperity. Let us examine this general contention.

NO BENEFITS SHOWN

The stimulation of our export trade as a result of the trade treaties signed to date cannot be proved. The evidence available does not support any such contention. If anyone is interested in verifying this statement, he has only to investigate (a) the exports from the United States to trade-treaty countries, not from 1934 to 1938 or 1939, but from the date when each trade treaty went into effect, with our exports to non-trade-treaty countries over the same period. For the nearest approach to scientific comparison each trade-treaty country should be compared with an adjacent non-trade-treaty country. The date of departure for comparison, to repeat, should be the year during which a particular treaty, and not the entire trade-treaty program, went into effect. The favorable results often attributed to the trade-treaty program are arrived at by using 1934 as the blanket basis for comparisons. This is not the proper statistical procedure.

(b) One should compare the increase in our exports from 1932, the low point since 1929, to 1935, with the increase since 1935,

which is the first year during which more than one trade treaty went into effect. Actually 1936 would be a more reasonable base since the trade treaties in 1935 were made with countries of minor commercial importance (Belgium, Sweden, and Haiti). If the exports increased materially in 1933, 1934, and 1935, it may safely be concluded that the trade-treaty program was not responsible for the increase. The increase of 1935 exports over 1932 exports was 40 percent; that of 1937 over 1935, 47 percent. Between these percentages there is not much to choose. But, proper investigation should include 1938. In that year exports declined. If 1938 is compared with 1935 the increase falls to 35 percent. In other words, exports in one way or another increased about as much without benefit of the trade-treaty program as under the program. Nineteen hundred and thirty-nine, in spite of the impetus given to exports by the outbreak of the European war, showed only a 3-percent gain over 1938, and this did not change the picture materially. If duty reductions should give rise to increased exports the present trade-treaty program cannot be used as a means of proving it.

COMPETITIVE IMPORTS TRANSFER JOBS ABROAD

Increased exports, it is held, lead to increased farm and factory employment. This is true on the face of it unless mechanization should offset the increase in output in terms of employment. But, there is another side to this proposition. Increased imports must accompany, to some extent at least, the large exports. Now, if the competitive products that are imported were manufactured in the United States, it is quite certain that the number of workers required to produce them would be considerably greater than the number required to produce an equal dollar volume of exports. This follows from the much lower wage rates prevailing in foreign countries. In other words, if an increase of $1,000,000,000 in exports gave rise to $1,000,000,000 in imports, we would trade a smaller number of man-hours worked in this country for a larger number of man-hours worked in foreign countries. Thus, while the trade would balance in dollars, it would be distinctly against us in employment. The promotion of export jobs by increasing imports is a losing transaction for our workers, and does not represent a means of bringing either recovery or prosperity to our farm and industrial worker as a whole. Undoubtedly exports help some farm and factory workers; but this help must be purchased at the expense of others who would go to work if the competitive imports were produced at home. Wages paid in various foreign countries may be found by consulting the monthly and annual publications of the International Labor Office.

2. The reduction of duties and the removal of trade barriers is said to promote international trade not only between the United States and other countries, but as a result of the example set between all nations of the world. This is supposed to reduce international economic rivalries, and since international economic rivalries embody factors which contribute to war the reduction of trade barriers is supposed to foster international peace. We next examine this proposition.

Let us dismiss the obvious fact that we have a trade-treaty program on the one hand, and a world at war in many sectors on the other. Let us overlook the contention that the trade-treaty program arrived on the scene too late to prevent the outbreak of hostilities based on economic struggles of long standing, even though the program had been in effect long enough to produce the alleged gains in trade claimed for it. Since the latter claim is erroneous, we may agree that nothing occurred which would have produced any appreciable effect upon the economic difficulties which presumably underlay the war.

TRADE TREATIES NO DETERRENT TO WAR

Can anyone say that the trade-treaty program brought about the lifting of a single exchange restriction, a single import quota, or removed a single export subsidy? If our so-called lead in the imposition of trade barriers had such pronounced and immediate effect that from 1929 to 1932 world trade collapsed because of world retaliation and counterretaliation, not only against the United States but against other countries which had nothing to do with the Tariff Act of 1930, why has the reversal of the world trend been so long delayed after 1934, when we began to offer inducements for the reduction and removal of barriers? The adverse effects required only 2 or 3 years to produce their full effects, i. e., from 1930 to 1932; but 5 or 6 years of our proffered hand of good will has been accompanied by increasing rivalry.

International trade leads to international interdependence. This, according to the theory, should lead to international pacification. Yet at the same time it appears that international rivalry grows to some extent, at least, out of competition for control of raw materials. National efforts are directed at independence and not dependence. If nations did not have so many foreign stakes, they should therefore have fewer occasions for rivalry and friction. If we, for example, had no stake in some foreign section, we should not be concerned about protecting such a stake, whether it be a market or an investment. We should be less likely to become involved in a war. Widespread trade leads to such stakes, both in the form of markets and investments.

Yet what value have these stakes to us compared to our domestic market? In 1939 our exports amounted to $3,177,000,000. Let us say that total domestic employment was 40,000,000 in manufacturing, transportation, mining, farming, and the various service trades. An increase of $1 in the weekly wage would have increased the domestic market for goods $2,000,000,000, given a steady price level. That gives an indication of the importance of our foreign markets.

International interdependence based on trade also produces international vulnerability to economic disturbances. Even though the United States is not involved in the European war, we are greatly affected by it. Should the war come to an end tomorrow, we could not escape the depressing consequences of general demobilization and the ensuing unemployment. Had we not created the interdependence which is regarded as the source of peace, we should not be so vulnerable to the machinations and ambitions of foreign dictators.

COUNTRY THREATENED WITH INDUSTRIAL INVASION

Now, this is not set forth as a counsel of isolationism but to demonstrate the fallacy that international interdependence is a guaranty of peace. International stakes may have a value, but pacification of the world is clearly not one of them. Nations fight for stakes, whether they are markets, sources of raw materials, or investments. These stakes may or may not be worth fighting for, but the interdependence which they produce is not a cure for war.

In 1920, after the close of the World War, during which our trade boomed, we found ourselves with $97,000,000 of returned goods on our hands. These represented a considerable surplus and acted as a depressant on domestic trade. If the present war leads to a similar boom in exports, the beginnings of which are already visible, we should prepare ourselves for another stream of returned goods. Perhaps we could then once more begin extending vast credits to foreign countries to pull us out of the ensuing depression. Prostrate foreign countries with depressed wages would seek our market in a strong effort to revive themselves at home. Would the trade-treaty program work in reverse or would it expose us to this depressing competition?

The collapse of our war trade after the World War is reflected in the trade trends from 1919 to 1922. In the following table exports and imports are shown for these years:

Year	United States exports	United States imports	Total
1919	$7,749,000,000	$3,904,000,000	$11,653,000,000
1920	8,080,000,000	5,278,000,000	13,358,000,000
1921	4,378,000,000	2,509,000,000	6,887,000,000
1922	3,765,000,000	3,112,000,000	6,877,000,000

In 1919 and 1920 trade volumes were the highest on record. The increase in trade, however, came in greater proportion in imports from 1918 to 1920. Exports increased 33.6 percent from 1918 to 1920, while imports went up 74.1 percent. From 1919 to 1920 exports increased only 4.3 percent, while imports rose 35.2 percent. Imports from Europe increased $806,000,000, or 216 percent, while exports to Europe increased only 5 percent in 1920 compared with 1919, both figures being for the fiscal years ending June 30.

The following editorial appeared in the February 22 issue of the Potters Herald and is worthy of your consideration:

"CONGRESS SHOULD EXPLAIN

"The Congress is now considering, upon the demand of Secretary of State Hull and other State Department intellectuals, supported by President Roosevelt, the continuance of the reciprocal-trade treaties.

"These trade treaties are contrary to the Constitution, are contrary to the express policy of every Democratic-controlled Congress from 1882 to 1932. They are contrary to and virtually set aside and nullify the protection of jobs and standards of living which American workers received through the Asiatic exclusion law, restrictive immigration laws, and fair labor standards law.

"Secretary of State Hull, in serving as Congressman and Senator, bitterly opposed the granting of taxing and treaty-making power to any appointed officials of our Government.

"Every leader of democracy prior to 1933 has publicly opposed this type of legislation."

Daniel J. Tobin, vice president of the American Federation of Labor, president of the Teamsters International Union, and chairman of Democratic labor committee in 1932 and 1936, a keen student of world and labor conditions, in a leading editorial in the Teamsters' February Journal, says, in part:

"The labor movement is destroyed in most of the countries of the world. That includes the Americas north and south of the United States. If the war conditions continue for 2 years from now, what is left of the labor movement in the European countries will be destroyed because of the economic destruction due to war. * * * Only those who close their eyes or through their ignorance or blindness to war conditions can fail to see that with the destruction of values in the European countries, no matter who wins the war, the economic conditions of those countries will be destroyed. * * * The markets of the world will be drawn down, and cheap labor will be forced upon all the workers of the European countries so that they can help pay the expenses of this awful catastrophe now obtaining in Europe and Asia. The hours of labor established by the French workers' union 2 years ago have been totally set aside, and instead of a 40-hour week they are now working 52 and 56 hours, and will soon be working 60 hours to meet the demands of a nation engaged in war and in danger of destruction. The trade-unionists of England are alarmed, and recently held a conference with the leaders of the French labor movement endeavoring to plan some method of procedure to protect the English worker; or let us put it another way—fearing that war will cause the destruction of the conditions which labor enjoys in that country similar to what has happened in France. Does anyone who

has any sense believe that the economic conditions of the United States can be preserved and that union-labor wages can continue to obtain here if the world is flooded with cheap-labor products and the country invaded by the products of labor of nations driven to destruction by war expenditures?"

In view of the statement of conditions so ably made by President Tobin and the historic policy of the Democratic Party we deem it fair to ask why the change in policy since 1932.

Can it be possible that international bankers, our few exporters and our automobile, office-appliance equipment, and canning trusts have been able to change this historic democratic policy?

Surely, some explanation should be made for this most unusual change in attitude at a time when it should be apparent to everyone that American markets will soon be flooded with the products of the pauper wage paid workers of Europe and Asia.

Your Congressman and your Senator should know your views on reciprocal-trade treaties, the continuance of which jeopardizes your job opportunities and your standards of living.

INCREASED IMPORTS OF MANUFACTURED GOODS

The reason for the great increase in imports after the War as compared with exports lay in the collapse of foreign currencies and the return to European farms and factories of the demobilized armies. Depreciated currencies made it more difficult for the Europeans to purchase from us and easier for us to buy from them. It is worth noting that the chief increase in total imports were in manufactured foodstuffs and finished manufactures. Imports of manufactured foodstuffs from all countries increased from $555,000,000 in 1919 (calendar year) to $1,238,000,000 in 1920, or 123 percent. Those of finished manufactures increased from $493,000,000 in 1919 to $876,000,000 in 1920, or 77 percent. On the other hand, imports of crude materials increased only 4.8 percent and crude foodstuffs only 5.8 percent.

In other words, competition with farm and factory producers of foodstuffs increased sharply, since the imports of manufactured foodstuffs increased 123 percent. Likewise competition with industrial workers increased sharply, since imports of finished manufactures increased 77 percent. Imports of raw materials, most of which have long been, and still are, on the free list, and are largely noncompetitive, increased only about 5 percent. In 1921, 87 percent of the crude material imports were on the free list while of manufactured foodstuffs only 10 percent were on the free list.

The flood of imports became so menacing to the American economy that the Congress passed an emergency tariff act in 1921, which was vetoed; another in 1922, which went into effect; and then revised the rates upward in the Tariff Act of 1922. The new rates were apparently not excessive, since trade increased steadily from 1922 to 1929.

EXPORTS RETURNED

Experience with returned export merchandise was very disheartening in 1920 and 1921. Total returned merchandise during the 2 years amounted to $163,000,000. Over 8,000 automobiles, valued at $13,500,000, were returned. Others were congested in export warehouses and on the docks. They continued to come back from dealers in foreign countries to which they had been shipped until well into 1923. From 1919 to 1923, automobiles valued at $22,800,000 were returned. During the 4 years from 1919 to 1922, both inclusive, total returned goods amounted to $254,000,000, or about $200,000,000 more than normal returns.

In 1922 the Director of the Bureau of Foreign and Domestic Commerce, in his annual report, said, "particular mention should be made of the prompt and effective assistance of the State Department, and its representatives abroad, in the solution of the difficulties in connection with the Cuban warehouse situation, arising from the heavy accumulations of undelivered American goods."

The report might have added that in addition to congestion of Cuban warehouses, Key West was congested with additional goods which had been destined for Cuba but never arrived there.

In the annual report of 1921, page 87, the Director of the Bureau above-mentioned, said in part:

"With the exchange rates of foreign currencies depreciated to a point which made our prices in dollars prohibitive * * * with the impossibility of settling in gold the balance already due us, with the difficulty of arranging further credit facilities, with cancelation of orders, with rejection of goods already shipped and the dishonoring of drafts; it was impossible for exports to continue at the rate * * * to which they had grown during and directly after the war."

On page 130 of the same report appears the following:

"The presence of large and varied stocks of refused merchandise in the customhouse at Buenos Aires has had the effect of seriously slowing up the demand for imported articles, as the idea prevails among consumers that these stocks will eventually be thrown on the market and liquidated at forced sales."

The annual reports of the Director of the Bureau of Foreign and Domestic Commerce for 1921 and 1922 are filled with instances of rejection of imported goods, canceled orders, distress sales, and similar difficulties. A compilation of quotations from these reports has been made and we offer them for the record.

Thus we see two results of the World War for which the State Department might prepare. One is a sharp increase in imports of competitive goods, i. e., manufactured foodstuffs and finished manufactures; and the other, lending of assistance to our foreign representatives to clear foreign docks and warehouses of undelivered American goods.

The report of the Director of the Bureau of Foreign and Domestic Commerce said, to quote further, "It is recognized that depreciated exchange rates of European currencies as compared to the American dollar raise the price of our products to prohibitive figures and act as a check on exports to that market.

"The purchase by American investors of long-time European securities such as railway, municipal, and industrial bonds, would help to correct the exchange rates."

In other words, having exported so heavily, and faced with decreasing exports and increasing imports because of depreciated European currencies, our only defense lay in sending money abroad to reestablish the currencies at a higher rate and thus correct the unhealthy foreign-trade conditions which had developed.

TRADE INCREASED WITH HIGHER TARIFF RATES

Would it not be better to avoid these conditions in advance by refusing to follow the foreign trade siren too far this time? All the accent today is on the removal of trade barriers. During the last war we had the Underwood tariff of 1913. Quotas, exchange devices, and similar restrictions were not yet instruments of trade policy. Yet our foreign trade fell from $13,358,000,000 in 1920 to $6,887,000,000 in 1921, a decline of almost 50 percent in 1 year. Then, after the duties were increased under the Tariff Act of 1922, trade increased again, not, to be sure, because of the tariff, necessarily, but nevertheless hand in hand with it. There is at least as much ground for crediting the increase in trade after 1922 to the higher rates in the Tariff Act of 1922 as there is for crediting the increase after 1932 to an act which went into effect only after a lapse of 2 years and the effect of which could not be felt until 1936. The Tariff Act of 1922 was at least contemporaneous with the increased trade. Compared with it the trade-treaty program looks more like jumping on the bandwagon. Trade had already increased 28 percent before more than one trade treaty had been signed. It had increased more than 47 percent before more than three additional agreements were signed, and, unimportant ones at that (Sweden, Haiti, and Belgium).

We see no process of logic by which the claim can properly be set forth that the trade-treaty program is designed (1) to prevent in any appreciable measure the reappearance of depreciated currencies in Europe during or after the present war and the consequent increase of imports from these countries once the war is over, and increased difficulty in exporting to them; and (2) we see nothing in the trade-treaty program to prevent an initial one-sided and overexpanded export trade. This is not to say that the latter will necessarily occur; but if it does not, the trade-treaty program which seeks to facilitate trade expansion cannot be credited with prevention of the unhealthy condition.

PROMOTING ANOTHER DEPRESSION?

The true interest of the United States lies not in extending its trade with the warring nations and thus increasing its vulnerability to an export debacle when the war ends; but lies rather in maintaining as nearly as possible a peacetime balance. We may be sure that after the war Europe will be in no position to increase its purchases from us, and much less so if the various nations buy to the hilt during the war. If they do the latter they will the sooner reach the position in which they found themselves after the last war, namely, that they cannot buy unless we furnish them the money. If we again do the latter, i. e., lend money, we shall need no Tariff Act of 1930 to repeat 1929–32. Just as the 1921 debacle was accomplished under the low Underwood tariff so can another disaster follow the present war if our traders run after war demand. If, then, we extend credit to the impoverished nations as we did after 1921, the 1929 debacle will surely reappear.

It would be far wiser to cultivate our own garden. The domestic market has vast possibilities. The less we depend upon European outlets or war outlets, the less will the economic reverberations of demobilization strike our country once the war ends.

Thus, we may conclude that international trade does not prevent war. Secondly, we will be in a more favorable position to avoid collapse of our trade if we keep it within reasonable bounds while the war goes on. Next to the avoidance of military involvement in the war, our avoidance of economic involvement is of paramount importance.

EXPORTS OF FARM SURPLUSES REDUCED

3. The United States regularly produces surplus agricultural products which it is held must be exported as the alternative to throwing them on the domestic market with disastrous consequences. Cotton and tobacco and sometimes corn and wheat are the chief products in this classification. In the absence of a foreign market for the surpluses, crop restriction and regimentation must be resorted to at home, it is contended. They allege that we should purchase enough abroad to provide foreign countries with funds with which to buy our surplus products. So goes the argument. Let us see how far the trade situation supports this contention and to what extent the trade-treaty program has fulfilled the claims made for it by way of opening markets for our surplus farm products.

We have on the free list a considerable number of important items which we regularly import. The most important of these are: Newsprint, pulpwood and wood pulp, coffee, rubber, bananas, fertilizer, jute, copper ore, tin, tea, raw silk, cocoa beans, palm oil,

copra, tapioca, tung oil, and carpet wool. Imports of these products account for a large part of total goods imported free of duty.

Total imports of goods on the free list during recent years have been as follows:

1932	$886,000,000
1934	992,000,000
1936	1,384,000,000
1937	1,765,000,000
1938	1,183,000,000

Our exports of raw cotton have been as follows:

	Bales
1932	8,916,000
1933	8,353,000
1934	5,753,000
1936	5,409,000
1937	5,728,000
1938	4,561,000

Exports of unmanufactured tobacco have been as follows:

	Pounds
1926–30	545,000,000
1933	438,000,000
1935	396,000,000
1937	434,000,000
1938	489,000,000
1939	358,000,000

The value of cotton and unmanufactured tobacco exports combined have been as follows:

1931–35 (average)	$547,000,000
1934	505,000,000
1936	508,000,000
1937	515,000,000
1938	383,000,000
1939	321,000,000

Wheat and corn exports averaged slightly over $20,000,000 from 1931 to 1935, and then declined to less than $5,000,000 until 1937 when the combined value of these exports was slightly over $40,000,000. In 1938 the combined exports jumped to $172,000,000, but in 1939 they declined to $56,000,000.

Now it is obvious that our imports of goods on the free list would provide foreign countries with sufficient funds to purchase all the cotton, unmanufactured tobacco, corn, and wheat that we have exported in recent years. It is not necessary that we seek to import more competitive dutiable products in order to provide foreign nations with necessary funds to purchase our chronic surplusage of agricultural products. Our imports of rubber, coffee, silk, tin, copper ore, wood pulp, and pulpwood, etc., provide adequate exchange to take our farm surpluses in ordinary years. If other countries do not liquidate our surpluses, the reason must be found elsewhere. Other sources of supply have been developed. Our cotton exports have declined sharply since 1932 and 1933. Yet our total foreign trade has expanded quite sharply. Whereas our total imports increased over 100 percent from 1932 to 1937, our exports of cotton declined 35 percent. Exports of unmanufactured tobacco have not reached the level of 1931 since that year. Lard, which is often mentioned as one of the exports helped by the trade treaties, has also failed to find an expanded foreign outlet. The average exports from 1931 to 1935 were 444,000,000 pounds per year. In 1936 exports were only 111,000,000 pounds, in 1937 only 135,000,000 pounds, and in 1938 only 204,000,000 pounds. In 1934, the year the trade treaties were first authorized, exports were 431,000,000 pounds.

Evidently failure of foreign countries to increase their purchases of cotton, tobacco, and lard was attributable to some other reason than any failure of the United States to increase its imports, for we have seen that our imports in general increased more than 100 percent from 1932 to 1938.

If we can find no relationship between increased imports, on the one hand, and the export of our two leading agricultural exports, on the other, what becomes of the theory that we should lower our duties in order to dispose of our agricultural surpluses abroad? If foreign markets are so shifting and undependable, for what purpose do we open our domestic market to greater competition in competitive goods?

PROPONENTS CLAIMS SHOWN TO BE FALSE

4. In order to export more we must import more, it is said. This is to say that if we wish to dispose of our farm surpluses abroad or wish to add to factory employment, we must reduce duties in order that foreign goods may come in in greater volume.

But we have just shown that increased imports have not led to greater exports of our farm surpluses of cotton, leaf tobacco, and lard. Previously we saw that increased factory employment attributable to increased exports represented a net loss in employment compared with what employment might be did we manufacture at home the competitive articles which we now import.

The fact is that our imports increased during the years when the average duty on dutiable items was the highest in many years. In 1932 the average duty on dutiable items was 57.8 percent. Yet in 1933 imports increased $108,000,000, and of this increase $90,000,000 was in dutiable items and only $18,000,000 in free items. In 1934, without a lowering of duties, except on Cuban sugar in September of that year, imports again increased. This time they went up $203,000,000, and of this increase 56.6 percent was in dutiable items. Now, in 1937, with returning prosperity and higher prices, imports increased $586,000,000; but even though duties had been reduced by 14 trade agreements, 65 percent of the increase came in items on the free list. In other words, while the duty was high, i. e., from 1932 to 1934, particularly because of the effect of a low price level in combination with specific rates, the increase in imports occurred largely in the dutiable items. In 1937, when the average duty on dutiable items had fallen to 37.4 percent, the principal increase in imports occurred in the items on the free list.

Thus, absolutely no correlation exists, unless it be a negative one, between increase of imports and reduced duties. The facts prove as clearly as anything can be proved in the field of foreign trade, that the level of duties existing before the trade treaties went into effect were not only not embargoes but were not so high that foreign exporters lost their competitive advantage. Certainly the duties did not offset more than the difference in cost of production in foreign countries and the United States. Why then should it be considered necessary to reduce this level of duties?

5. It is argued that the United States was in considerable part responsible for the wide resort to trade barriers and restrictions during the past 10 years by enacting the Tariff Act of 1930. Having taken the lead in the imposition of trade restrictions and having observed the disastrous consequences in paralyzed trade from 1929 to 1932, the United States, it is claimed, should acknowledge its error and take the lead in a sustained program to reduce these barriers. We proceed to examine these allegations and conclusions.

There is possibly little to be gained by pointing to the Empire preferential system enacted by the British Commonwealth in 1928, to the increase in the Cuban tariff in 1928, and to other trade restrictions, all of which preceded the 1930 tariff. Little will be gained from a mention of these facts since those who are bent upon hanging the economic distress after 1929 on the Tariff Act of 1930 refuse to be guided by facts. They have adopted a doctrinal theme song which is impervious to factual evidence.

Other nations have adopted trade restrictions in pursuance of economic policies aimed at national self-interest as they see it. The tariff policy of the United States can at best play but a small part in shaping internal economic policies of European and Asiatic countries. It would be as reasonable to say that the internal economic policies of the United States are shaped by the tariff policy of England as to say that the internal policies of England or Germany or France or Italy or Russia are shaped by our tariff levels. No realistic view of the adoption of internal economic policies can countenance such an absurd conclusion. Cuba, Brazil, Japan, and a few other countries of which leading products find a predominant outlet in the United States, would be greatly affected by radical departures in our treatment of their products; but, in most of these instances in which large outputs of raw products are shipped to the United States, we receive these products free of duty. This is true of coffee, silk, rubber, tin, copper ore, and other raw materials already mentioned.

The alleged disastrous effects of the Tariff Act of 1930 were so swift in making themselves felt that they preceded by nearly a year the actual enactment of the tariff. The mollifying effects of our benevolent trade-treaty program, on the other hand, are so slow that after 5 years of our extensive efforts trade quotas, exchange regulations, export subsidies, controlled exports, and trade shackles in general are more extensive and numerous than they were when we began.

PROPONENTS' HYPOCRISY EXPOSED

Why the Tariff Act of 1930 should have been followed so swiftly by economic retribution while the Tariff Act of 1922, which brought a greater percentage increase in average duties than did the Tariff Act of 1930, was followed by increased foreign trade and unprecedented domestic prosperity, has not yet been satisfactorily explained. The average rate of duty jumped from 29.5 to 38.1 percent when the Tariff Act of 1922 was enacted. This was an increase of 8.6 percentage points and this represents an increase of 29.1 percent, or nearly a third of the 1921 average duty. The 1930 tariff brought about an increase in the average rate from 40.1 percent in 1929 to 44.7 percent in 1930. This was an increase of only 4.6 percentage points. This figure should perhaps be doubled since the new tariff did not go into effect until midyear. The increase would then be 9.2 percentage points. This represents a 22.9 percent increase over the 1929 rate, or something less than one-fourth.

6. It is alleged that the trade-treaty program has brought about increased exports and thus has helped American farmers and industrial workers. At the same time it is held that the ruinous competition anticipated by so-called alarmists has not come to pass. We next examine this point.

We have already shown that the trade-treaty program cannot be credited with the increase in exports which have occurred since the act went into effect. We should modify this by saying that an indeterminate part of our increased exports to Cuba may properly be credited to the trade-treaty program. That our exports to Cuba would have increased in any case may be inferred from the increase in our shipments to the Philippine Islands, which are similar to Cuba in the production of sugar and tobacco and some other tropical products. Exports to Cuba rose from $45,000,000 in 1934, the year of the agreement, to $92,000,000 in 1937, while our shipments to the Philippines in the same period went from $47,000,000 to only $85,000,000. But in 1938 our exports to Cuba fell to $76,000,000 while shipments to the Philippines went to $86,000,000, thus giving

a higher increase than that in our exports to Cuba. Exports to some other nontreaty countries increased more sharply than did those to Cuba.

The reason that our exports to Cuba should have responded to our trade treaty lies in the fact that we reduced the duty on Cuban sugar from 1½ cents per pound to nine-tenths of a cent per pound, and because sugar is the principal product of the island and the United States is an important market for sugar from Cuba even though a quota limitation was placed on the imports. In probably no other case was the duty reduction granted by the United States so great a factor in the particular foreign country's total economy.

EXPORTS TO NONTREATY COUNTRIES HIGHER

As for the remainder of the world there is no possibility of attributing to the trade-treaty program increased exports to trade-treaty countries which cannot be matched by equal or greater increases in exports to nontreaty countries if the comparison is made from the year particular treaties went into effect through 1938, which is the latest year for which detailed statistics are available. In those instances where the exports to trade-treaty countries may be compared with exports to adjacent nontreaty countries, measured from the year in which the specific treaty went into effect, the results are very striking and show graphically the utter failure of the trade treaties to set off the treaty countries from the nontreaty countries. Charts which show exports to adjacent countries where one has entered into a treaty and the other where no trade treaty exists demonstrate the parallel trends and tell the story. In many instances exports to the nontreaty countries increased to a greater percentage than those to adjacent trade-treaty countries.

These facts once more show with compelling force that reduction of our duties does not in general determine trade movements. It demonstrates again that our tariff level was not too high; for, had it been too high, a reduction in the duty should have been reflected in heavier trade. This was not the result obtained with respect to our trade as a whole, compared with other periods of our history, nor with respect to our trade with trade-treaty countries. Since the trade-treaty program went into effect only a normal expansion in our trade has taken place.

The value of domestic manufactures according to Census Bureau increased from $30,557,000,000 in 1933 to $60,710,000,000 in 1937. In the same period exports rose from $1,674,000,000 to $3,349,000,000. The increase of each was virtually 100 percent. Exports merely followed the trend of recovery which was world-wide. In 1938 the Federal Reserve Board's index of industrial production in the United States fell to 86 from a level of 110 in 1937. Imports fell from $3,009,000,000 to $1,949,000,000. Industrial activity in foreign countries did not decline as much as they did in the United States. Preparations for war helped to sustain industrial activity abroad. According to the Yearbook of the International Labor Office industrial production in the United States declined from 92.2 in 1937 to 72.3 in 1938, while the world, exclusive of Russia but including the United States, showed a decline from 104.2 to 92.9. Were the United States omitted the decline would obviously have been less, or about 10 percent. If we now look at our exports in 1937 and 1938 we find a decline from $3,349,000,000 to $3,094,000,000, or slightly less than 10 percent. This is another remarkable correlation and again illustrates the lack of effect of the trade-treaty program on our exports.

It is difficult to know from how many angles the lack of effect of this program on our exports must be shown in order to make an impression. Even the decline in our imports in 1938, roughly from $3,000,000,000 to $2,000,000,000 after most of the trade treaties had been in effect longer than a year did not moderate the claims of the defenders. It merely blinded them a little more, and blindness stands them in good stead.

AUTO EXPORTS DROP 31 PERCENT

The automobile industry is often cited as an example of the benefits obtained through the trade-treaty program. United States exports of automobiles and trucks, including foreign assemblies from parts produced in the United States, since 1932, have been as follows, in units: [1]

Number exported

1932	120,239
1933	176,583
1934	310,522
1935	334,841
1936	346,067
1937	475,914
1938	325,942

From these figures it can be seen that exports increased sharply after 1932. By 1934 the exports had increased 158 percent, and by 1935, 178 percent. In other words, before the effects of the trade treaties could make themselves felt, exports had already recovered very sharply; 1938 exports compared with those of 1935 show a decline of 3 percent; 1937 exports were higher than those of 1935 by 42 percent, it is true, but the foreign market did not hold; unit exports dropped 31 percent from 1937 to 1938. If there is merit in exporting more automobiles and trucks, it is difficult to understand wherein the trade-treaty program may be credited with any contribution to the results.

[1] Source: Automobile Manufacturers Association.

The percentage of automobile and truck exports to factory sales in the United States are shown in the following table: [1]

Percent exports bear to United States factory sales

1932	8.7
1933	9.1
1934	11.2
1935	8.4
1936	7.7
1937	9.8
1938	13.0

Here we see again how exports increased before the trade-treaty program went into effect. In only 1 year, namely, in 1938, was the percentage of exports higher in relation to domestic factory sales than in 1934 when the trade-treaty law was enacted.

Thus, whether we compare unit sales or percentage of exports to domestic sales, we find that the trade-treaty program cannot be credited with the increases recorded since 1932. In both instances most of the ground had been recovered before the trade treaties made themselves felt.

What becomes then of the claim that employment in the automobile industry was stimulated by the trade treaties? Can anyone truthfully say that a hundred additional jobs were created in the automobile industry by the operation of the trade-treaty program? No such claim could be substantiated statistically. Exports go up or down in relation to the domestic and world-wide levels of prosperity. In 1937 domestic production in nearly all lines was on the highest level of any post-depression year; and so were exports. Automobiles and trucks were no exception. In 1938 the level of production declined sharply; and again automobiles and trucks were no exception. Also, once more, exports of automobiles and trucks as well as total exports declined; although as previously pointed out, total exports did not decline as much as domestic production because industrial activity in the rest of the world, because of war-industry activity, did not decline so much as in the United States.

From 1930 through 1937 alone the American people have spent more than $8,000,000,000 in the construction of highways. This vast outlay, with the expenditures of previous years, created the greatest market in the world for the products of the American automobile industry.

The American automobile producers have been among the principal proponents of the trade-treaty program. Great stress has been laid on the possible opening in foreign countries of additional outlets for American automobiles and trucks. We are led to wonder what further subsidies the American automobile industry will require or under what condition will they be satisfied?

With many thousands of jobs of American workers transferred to workers in foreign countries, through our entry into trade treaties, with the benefits of the Fair Labor Standards Act nullified, with the purchasing powers of many thousands of America's workers greatly reduced, with additional billions required yearly to provide for those unable to secure employment, a lesser expenditure for highways surely would not be helpful to the American automobile industry.

The higher wage level existing in some of the export industries is sometimes pointed to as of special significance. The fact is that the industries selected for comparison are mass-production industries which are highly mechanized and as a result have a comparatively low percentage of labor cost. In addition these industries are not subjected to low-wage competition from abroad. There is, therefore, every reason why such industries should pay relatively higher wages quite irrespective of exports.

TRADE TREATIES NOT RECIPROCAL

We may turn now to some other considerations. One of these is the matter of the most-favored-nations clause. These trade treaties are referred to as reciprocal-trade treaties. The fact is that we have made duty reductions which are almost world-wide in their application whereas the reductions which we have been accorded or promised in return are restricted to the countries making direct agreements with us. If there are many exceptions to this we have not heard of them. Only if other countries should make treaties among themselves all around and not with us so that we would make no concessions in return would we receive free benefits from the other countries as they are now receiving from us. The other countries, however, are not making such agreements and as a result we are in the position of giving away our market to third countries, i. e., countries not a party to particular agreements, without exacting concessions in return. This is a means of lowering our duties in general but it is not reciprocity, nor does it meet the usual conception of bargaining.

RAILROAD WORKERS LOSE JOBS

It is sometimes stated that the trade treaties and foreign-trade activity in general lead to increased railway freight activity. This contention overlooks the shorter haul which export freight requires compared with domestic goods destined for domestic consumption. Cotton, for example, one of our heaviest exports, is produced largely in States lying on or near the South Atlantic or Gulf coasts. Wheat moves largely by the Great Lakes or through Gulf ports if the exports are from Texas, Oklahoma, or Kansas. Apples are produced chiefly in Virginia, Pennsylvania, and New York, in the East, and in Oregon, Washington, and California, in the Northwest. Fruit canneries are located predominantly on the West coast. Canned salmon and tuna are seacoast products.

[1] Source: Automobile Manufacturers Association.

Tobacco is produced largely in North Carolina, Kentucky, and Virginia. Packing-house products are located near the Great Lakes or on or near the Mississippi. Petroleum is moved by pipe lines. Cotton goods are manufactured predominantly in New England and in North Carolina and Georgia. Aircraft is manufactured largely in southern California, Washington, New York, Connecticut, and Maryland. Coal comes from Pennsylvania and West Virginia. Automobiles are manufactured largely around Detroit and the Great Lakes.

These various products embody our principal exports and in no instance is a long rail haul involved in moving the bulk of the shipments to export points. On the other hand, in distributing these and numerous other products to consuming centers throughout the United States numerous long hauls in addition to short hauls are required. Ocean shipments of varying distances must be added to inland transportation in the case of exports, with the result that heavy goods must come from points comparatively near the water shipping points.

As for imports, it is generally true that if they are competitive with American goods and are bulky in character they do not usually move far inland, but concentrate their competitive effects in sections near the importing centers. Among such products may be mentioned glass, cement, milk, lumber, cattle, coal, petroleum, fresh fish, etc. Imports which are high in value compared with bulk penetrate the entire country, even in the face of domestic competition, but by their very nature such goods do not give rise to much freight tonnage. Precious stones, watches, scientific instruments, perfumes, lace, pottery, pharmaceuticals and drugs, oriental rugs, assences and extracts, wines and liquors, spices, nuts, and furs are imports of this type.

Among our heaviest imports are wood pulp and pulpwood, fertilizer, newsprint, sugar, bananas, coffee, rubber, cocoa beans, copper ore, copra, palm oil, tapioca, tin, carpet wool, etc. But these articles, with the exception of sugar, are on the free list and are not subject to duty reductions.

BENEFITS OF FAIR LABOR STANDARDS ACT NULLIFIED

If the competitive dutiable imports were produced in the United States, railways would enjoy greater tonnage than they obtain through carriage of exports of equal volume for the reasons already cited. As for the noncompetitive items, they are mostly on the free list and do not enter in greater or lesser quantities because of the trade-treaty program.

It is a legitimate question to ask why extension of the trade-treaty program is feared, if it has not led to any appreciable increase in imports. In the first place, we know that specific labor elements have been injured by existing trade treaties. Specific losses in some industries have possibly been offset by gains in others. Without any net gains appearing in the results as a whole, injuries and losses have nonetheless been experienced. What the Nation gains by possibly benefiting a few mass-production industries, such as the automobile, office appliance, fruit canning and packing industries, at the expense of others, it is difficult to see. So that one industry may possibly but not certainly export more, others are called on to suffer keener foreign competition.

In the second place, imports which concentrate their competitive effects in certain markets demoralize domestic prices and depress wages. The percentage imports of domestic production as a whole often gives a totally misleading impression of the triviality of the effects produced. Imports that may appear trivial when compared with total domestic production may bear heavily upon a limited section or may represent a considerable percentage of a particular class or division of a wider line of goods.

In the third place, the trade treaties do not lend themselves to the flexible range of action required to meet the exigencies of war conditions and are particularly ill-adapted to meet the requirements of post-war liquidation and readjustment.

In the fourth place, the trade-treaty program makes it more difficult for domestic industry to meet the provisions of the Fair Labor Standards Act whereby not less than 30 cents an hour must be paid and work limited to 42 hours per week unless overtime is paid. The Asiatic Exclusion Act was not passed because we consider the orientals undesirables but because of the low wages they are ready to accept. The effect is much the same when we accept their goods manufactured in the Orient without duties to compensate the difference in wage levels. The same holds true of our restrictive immigration laws. As we reduce our duties we approach the nullification of both acts. The intent of Congress will have been nullified by Executive action.

Finally it is in order to point out that a 3-year extension of the trade-treaty program may operate to extend some treaties as much as 6 years. A treaty renewed toward the end of the proposed 3-year extension would run 3 more years and could not be terminated by act of Congress. Only the President could denounce any given treaty and 6 months' notice is provided in the treaties before abrogration can be effected. In 6 months a great deal of economic damage may be inflicted upon the employment opportunities of American workers.

CONGRESS SHOULD ACT—NOT BUREAUCRATS

We find no support for the lowering of duties in the foregoing facts nor any reason for extension of the trade-treaty program. If, on the other hand, it is the will of the elected representatives of the people to seek further reductions in our tariff, we ask that these representatives ratify the reductions in conformity with the constitutional provisions regulating the Nation's entrance into treaties. So that a fair hearing may be obtained by those who may be deprived of employment and a livelihood through further duty reductions, we ask that all trade treaties be ratified by the Senate.

Further, we ask that a limitation be imposed providing that competitive imports of workers in foreign countries be denied entry into American markets at total landed costs, tariff duties paid, which are less than American costs of production or wholesale selling price of products of American workers when such competitive products of American workers are commercially available.

Buying Time to Think

EXTENSION OF REMARKS

OF

HON. PATRICK J. BOLAND

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

STATEMENT BY EARL McCLINTOCK, OF NEW YORK CITY

Mr. BOLAND. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by Mr. Earl McClintock, of New York City:

The past 6 years have brought many visible changes in our social, economic, and political life. To the narrow partisan, the bitter critic, and the so-called vested interests, these changes have appeared to be limited to the United States and the cry is often made that if another political party were in power or a different individual were at the head of our Government all would be different and we would again be enjoying the lush days of the 1920's. Even superficial study or thought would convince one that the whole world, without exception, has been and is in the throes of an upheaval such as has not been experienced since the aftermath of the Napoleonic wars. It would be tedious to relate, and no doubt tiresome to follow, the detailed changes in institutions of all nations and to trace back the causes of these changes to their real sources. It should be sufficient to state that the World War and the Russian Revolution are two obvious causes of general unsettlement. As far as the United States is concerned, though, we must seek underlying conditions that predate these causes by several decades.

Conditions that call for reforms never appear suddenly nor are they changes of the moment. Reforms grow out of recognition of abuses that may have been practiced for a century or more and are forced by the pressure of resentment of such abuses. The more flagrant the abuses and the longer they have been imposed upon a people the more fundamental the necessary changes are in our social, political, and economic set-up. Let us look at the state of the Union 10 years ago, when it appeared that our whole financial and economic system had crashed down upon a bewildered nation. Let us cite, not in the order of their importance, a few of the evils of the past, which brought about the collapse of 1929.

We must plead guilty to the avarice and greed that are the pitfalls of the citizens of any new country abounding in seemingly unlimited natural resources.

Enormous fortunes were made quickly. Railroads were constructed haphazardly, at great cost, with great waste, and with shocking dishonesty on the part of the promoters and builders. The railroads were saddled with all sorts of bonds, which in many cases exceeded even the wasteful cost, then came preferred stocks and common stocks, all of which the gullible public bought and were euchered out of time and time again by reorganizations conducted by the bankers and lawyers of Wall Street. Today the railroads are reaping the whirlwind of those days of high finance, banditry, greed, and lack of foresight. The same policy was followed by the leaders in such industries as United States Steel, the common stock of which was all water when it was organized and yet by exploitation was built up to a value well in excess of a billion dollars.

To make good these original fictitious values the leaders of finance and industry exploited labor to a point that bordered on slavery. When the steel companies and the coal companies and other users of common labor had need of men to do the hard, grimy, ill-paid work they imported labor from the poorer States of Europe by the hundreds of thousands. The exploitation of these human beings is one of the deepest blots on the history of American industry. The workers were housed in hovels; compelled to buy at company stores at exorbitant prices; worked 12 to 14 hours per day at wages which never permitted a man to get out of debt at the company stores, though they bought only the barest necessities of life. But the second and third generation of these imported laborers had acquired some education and comprehended how their forebears had been squeezed of every drop of lifeblood, and the new generation demanded decent wages, respectable conditions of life, and the labor unions came into being. Nor was this exploitation of men confined to the common laborer or to the early days of industry. Even in 1931 men who had spent up to 40 years of their life with a corporation found themselves out of a job and in the streets, with no capital, no food, no home. The corporations were bursting with cash, but no thought was given to the manpower that had

made possible the enormous profits in the past. No; only the stockholder was considered. The promoters, the bankers had already taken out their unearned millions and had safely invested them in Government or municipal bonds on the income from which they had to pay no taxes.

The war had caused industry to expand and to increase production far beyond the possible normal demand of domestic and foreign markets. Agriculture, too, had succumbed to the false theory that a new era had dawned and that there could be no limit to the demands for its products or to the ever higher prices they would bring. Good revenue-producing farm lands were mortgaged to buy still more land at fabulous prices. What had been—and should have remained—grazing lands were plowed up in order to produce more corn and more wheat. In industry, because of increasing demand and high costs of labor, more and more labor-saving devices were invented and installed. The whole national economy was off on a spree of unprecedented intensity. The country was literally money mad. Every man, woman, and child was intent on making a fortune quickly in Wall Street. Not only were stocks quoted at fantastic prices, but equities were pyramided through holding companies, and holding companies of holding companies ad infinitum. The public had come to look upon the financial and industrial leaders of the country as infallible—when actually they were as blind to economic realities as the lowliest bootblack. As a matter of fact, a fundamental change, far, far reaching in its effect, had taken place in our national economy in 1915—a change of which our financial, agricultural, industrial, and political leaders seemed unaware even 15 years later. The United States had changed from a debtor nation to a creditor nation.

This country had been developed with the aid of large sums of foreign capital. Many billions of this foreign capital had gone into the construction of our railroads, our industries, into mining, etc. From these investments there flowed abroad every year hundreds of millions of dollars, which could be and were used to purchase American commodities and manufactured goods. There was a natural flow of commerce that made unnecessary any shuttling back and forth of gold bullion. After the outbreak of the World War this condition changed. Foreigners dumped American securities on our markets. They were absorbed here, partly out of savings, but mostly out of huge profits made from supplying the Allies with the sinews of war. When funds derived from the sale of these securities had been used up in the purchase of munitions, grains, cotton, etc., our Government loaned billions of dollars to purchase more and still more supplies. Then the war ended. There was an abrupt end to the demand which we had feverishly and wastefully expanded to meet. Industry and agriculture went into a tailspin in the very early 1920's. But this was not yet the end. The world had to be reconstructed after the destruction of the war. Also, normal construction had been held up even in countries far removed from the scene of the war. Germany, France, Poland, Yugoslavia, Austria, Hungary, South American republics, Japan—in fact, the whole world—was in the American market for funds and secured them through bonds sold to the public.

The proceeds of these loans were used to purchase American agricultural and manufactured products. As long as the loans were being made—and spent—the country was literally booming. But the day of reckoning was bound to come. Loans could not be made indefinitely. When they ceased foreign countries had practically nothing wherewith to pay for our goods. There was no longer the foreign income from investments here; far too large a portion of the world's gold supply was held in the United States. What was even worse, there were no means, except in rare instances, of paying to the residents of the United States even the interest on the loans that had been made to the countries abroad. It was unthinkable to those in power that we should import goods or commodities to make possible exports or service charges on these debts. The result was inevitable. The bubble burst in the fall of 1929. Security values crashed; real estate slumped even more; commodities plunged; export demands dried up; industry was caught with huge inventories at high prices; farmers held heavily mortgaged lands bought at fantastic prices; insurance companies were besieged for loans by policyholders; banks had loans on securities and real estate which could not possibly pay out; employees from the lowliest labor to top executives were unceremoniously discharged.

Mr. Hoover was President. The bankers and industrialists rushed to Washington—with no idea as to the fundamental causes of the disaster—to advise the President that all that was needed to restore prosperity was "confidence." (What a familiar sound this word has even today.) So they all worked to reestablish "confidence." Industry started on an expansion program—when it was already overexpanded. The Government issued reassuring statements; the stock market recovered to an extent. The business, financial, and political doctors were treating only the symptoms and not the disease. As with the human body under such treatment, the patient improved for the moment—but the disease was still at work—and we slipped deeper and deeper into the mire. Then came the inspired idea to our leaders that if our already too-high tariff walls were raised even higher and no goods from abroad could possibly come in to compete with our own—then surely prosperity would be restored. The fallacy of this reasoning was apparent even to eastern Republican Senators. But—so the story goes—when one of them offered to vote against the Hawley-Smoot bill in the Senate (which would have served to defeat the bill) in order to save Mr. Hoover the embarrassment of vetoing it, Mr. Hoover requested him to vote for the bill, as he intended to sign it.

That Tariff Act of 1930 was the death blow to international trade; it marked the beginning of the intense growth of nationalism throughout the world. Each country now built a tariff wall around itself in the fond hope that it could become economically independent of the rest of the world. Our statesmen and bankers insisted that any of our commodities or goods bought abroad should be paid for in gold—not in goods or services. The effect of this policy soon became evident and in September of 1931 England went off the gold standard. Now, our industrial, financial, and political leaders were ignorant of the fact that the English pound sterling, and not the American dollar, governed world prices of commodities. As the value of the pound declined in terms of the dollar, the bottom dropped out of dollar commodity prices. Still Washington and Wall Street insisted on remaining on the gold standard. Not only did commodities go down to a 60-year low, but security prices reached almost the vanishing point. The banks were in difficulties and closed down by the hundreds. Farmers and home owners had their mortgages foreclosed, and their properties sold out at a fraction of the real values; not only were they dispossessed but found themselves burdened with staggering deficiency judgments. Business was at a standstill; bread lines were in the streets; there were civil disturbances; the Government in Washington was paralyzed.

Such was the situation when Mr. Roosevelt became President on March 4, 1933. His first act was to close all the banks until the new Government had time to move. The bankers and industrialists went to Mr. Roosevelt on their knees to be saved. Be it said to his credit, Mr. Roosevelt spurned any treatment of the mere symptoms of the country's troubles; he sought to correct the real underlying causes. The following is a summary, though not necessarily in chronological order, of the new policies adopted to put our economy on a sound basis.

Banks had to be reopened. Through the Reconstruction Finance Corporation their capital structure was strengthened. This was effected by means of loans and the buying by the Reconstruction Finance Corporation of preferred stocks in thousands of banks. Thus the banks were spared enormous losses that would have resulted from forced liquidation of loans, securities, etc. They were able to await more favorable markets which followed. Next came Federal insurance of bank deposits. While the amount of individual insurance in any one bank is limited to $5,000, statistics show that numerically 95 percent of the depositors come within this limitation. The run on banks always comes from the small depositors. By insuring their deposits, this nightmare of the bankers has been eliminated. Today the condition of the banks, on the whole, is sound. The Reconstruction Finance Corporation is still working on the few remaining sore spots.

The United States went off the gold standard. Then followed a rather clumsy way of revaluing gold, until the present price of $35 an ounce had been reached, as against the 99-year price of $20.67 per ounce. The President had received from Congress the power to increase the price to a maximum of $41.34 per ounce and to issue $3,000,000,000 in paper currency. At last the United States had, within limits, a mobile weapon to use against any unfavorable action of the pound sterling against the dollar. Theretofore the United States had been bound by the statutory price of $20.67 per ounce of gold. England, too, had until very recently the equivalent statutory price of, roughly, 84 shillings per ounce, but the price in the free gold market in London was at the same time roughly 150 shillings per ounce. It is the free gold price, not the statutory price, that establishes the international value of the pound. We have no free gold market. The United States statutory price of gold, therefore, establishes the international value of the dollar. In this respect we are still at a disadvantage with England, save for the power of the President to increase the price up to $41.67 per ounce. The effect of this revaluation or devaluation of the dollar to 59.06 percent of its former gold parity was to increase the value of the pound in terms of the dollar. Commodity prices increased, and the farmers were again prosperous. But with increasing prices came increasing production throughout the world—the old vicious circle again—and prices dropped.

The organized farm groups are clamoring again for an increase in the price of gold in terms of dollars. This expedient had worked in 1933, but it is evident to the most casual thinker that with present circumstances entirely different than in 1933, it could not possibly succeed again, excepting, perhaps, briefly and to a very limited degree.

The evils of investment banking, financing, stock jobbing and manipulation, which had been a canker on our economy for several generations, were a main cause of the 1929 crash. In the early days of the New Deal, regulation of the issuance of securities under the Federal Trade Commission was inaugurated. It was not, however, until the passage of the Securities Exchange Act and the public-utilities bill that the Government really had power to clean up this Augean stable. The Securities Exchange Commission has been an outstanding success since its inception. Its real work has just started.

The youth of the country was demoralized. Upon graduation from schools and colleges, there was little opportunity of securing gainful employment. The creation of the Civilian Conservation Corps has helped to tide hundreds of thousands of young men over a dangerous period.

The Social Security Act will prevent, eventually, misery and starvation in old age, but it is of no benefit now and the cost is

terrific. Changes are contemplated that should remedy these defects. Provisions for old-age pensions, in conjunction with the States is a stop gap that has become a political football. Unless the trend is checked forthwith the States and the Federal Government will go bankrupt.

The Home Owners' Loan Corporation has saved foreclosure on hundreds of thousands of homes and farms. Construction of new homes has been facilitated and made cheaper through the Federal Housing Administration. Billions of dollars have been spent in public works to stimulate industry and to give employment. Labor was given rights it never had before. While these rights have been abused to an extent, and organized labor itself is split into two hostile camps, the establishment of the National Labor Relations Board is a step in the right direction. The wage and hour bill, too, is an advance, although there are many rough spots still to be ironed out.

All of the legislation outlined above was definitely constructive—and will, in time, cure many of the deep-seated abuses from which our national economy has been suffering for years.

There has been, however, no solution of the Nation's most serious problems, unemployment and agriculture. In the urban centers are millions with no opportunities for work. The farmers produce crops for which there are only limited markets, and even then at prices which do not cover the costs of production.

From the early days in its history as a Nation the United States has had a series of financial panics, which occurred practically every 20 years from 1837 up to 1913. The country then had undeveloped frontiers which furnished not only a haven, but an opportunity for the victims of these business crises. There came the time in 1913, as another panic was developing, when these frontiers were closed. There were no more. Serious consequences were postponed by the World War in 1914, which produced unprecedented demands for munitions and commodities. As stated before, loans to foreigners carried along our export markets until the bubble burst in the fall of 1929. The millions thrown out of employment huddled in cities, had no hopes, as formerly, of being able to start life anew in undeveloped rich lands of the West and Northwest. They were faced with the alternatives of starvation, or becoming objects of private and governmental charity. Hunger is the surest spark to set off a revolution. Private charity could not cope with the gargantuan task; the Government had to step in. Local and State governments were unable to carry the full load, so the Federal Government assumed the burden.

As a temporary expedient, the policy of unemployment relief is correct. As a permanent fixed charge on the revenues of the Federal Government, it can lead only to eventual inflation and bankruptcy. There is little chance of expanding the export markets for manufactured articles unless we are willing to import something from our foreign customers. We cannot hope to make substantial sales for gold. We have far too much of the world's supply now. Mr. Hull has endeavored to reestablish world trade through reciprocal-trade agreements. This is a step in the right direction. It would have been far more effective and easier 10 years ago, before the nationalistic feeling for economic self-sufficiency had taken such a firm hold on the nations throughout the world, and when monetary supplies of gold were more evenly distributed. New inventions (such as the automobile at the turn of the century) could result in the establishment of new industries and thereby reduce the ranks of the unemployed by hundreds of thousands. However, no inventions with such far-reaching effects appear in the offing. It would seem, therefore, that we shall have with us always many millions of unemployed, unless the problem is attacked from some new angle. The suggestion has been made often that the standard of living in this country will have to be reduced. Such a step would involve lower wages, which, it is argued, would reduce costs and thereby stimulate greater consumption. This, in turn, would stimulate industry and take up, to some degree, the slack in employment.

To reduce the standard of living of our labor is not only contrary to American ideals, it would be suicide for any political party to endeavor to put it into effect. A totalitarian government such as Germany can squeeze labor and reduce the standard of living, but even in Germany there is a limit. That is evidenced now by labor disturbances and by passive resistance resulting in lower production in spite of longer hours of labor. This method of reaching a solution in the United States appears impossible.

The lend-spend theory of the administration is another temporary stopgap. The defeat of that measure in Congress brings clearly to the fore old-age pensions as a possible solution. Employment would be restricted to those between the ages of 18 and 55. Everyone over 55, from Henry Ford down, would cease working and be the recipient of a pension. The increase in the span of life and the lowering of our birth rate would make such a solution an intolerable burden on the workers, and would drain dry the sources of our national wealth.

We have another problem, equally difficult—agriculture. Up until 1930 the United States was a substantial exporter of prime commodities such as cotton, wheat, corn, meat, and so forth. Now, Russia, Argentina, and Brazil have become large growers of cotton. Egypt and India produce more cotton than ever before. There is a world overproduction of this commodity. Moreover, these cotton-producing countries have much lower costs which American cotton cannot hope to meet. Australia, Canada, Argentina, and Russia have taken away our foreign wheat markets. We have attempted to solve this problem by reducing acreage, paying the farmers for cooperation through subsidies which now amount to over a billion dollars a year. As planted acreage decreased intensive cultivation increased, so that we can now produce larger crops on millions fewer acres planted. We find ourselves, therefore, with greater and greater surpluses, lower prices, and an expenditure by the Federal Government of over a billion dollars per year. In spite of these vast expenditure the problem is not one step nearer a solution than it was in 1932.

It is admitted that substantial relief for unemployment and agriculture was necessary. But why, in the meantime, have the basic causes of our present low economic state not been studied and a permanent solution found? Mrs. F. D. Roosevelt has made one of the wisest observations of these troublesome times, "We are only buying time to think." In 7 years that time has cost us $20,000,000,000. But we have done no thinking.

People of brains must forget political, economic, and social differences and make desperate efforts to find a solution before we are overtaken by bankruptcy or revolution or both.

The Youth Problem and N. Y. A.

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, March 26 (legislative day of Monday, March 4), 1940

MEMORANDUM ON THE YOUTH PROBLEM AND THE ACTIVITIES OF THE NATIONAL YOUTH ADMINISTRATION

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a memorandum on the youth problem and the activities of the National Youth Administration.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

The National Youth Administration was set up to provide opportunity to young people. It was established to remedy a vast depletion of opportunity and to conserve and protect the youth of our country, by providing useful work, and to enable young people to "earn while learning."

In developing the N. Y. A. program, National Administrator Aubrey Williams, who has been its head since it was set up by President Roosevelt, has emphasized the twofold nature of the problem—the young people who are actually out of school, in the labor market and unemployed, and the young people who cannot continue their education without assistance and who will therefore add to the unemployed group unless they can stay in school. For those already in the labor market the problem is best met by providing them with part-time work on socially useful projects to develop facilities and services that they and their communities need. Properly tied in with the educational system, these projects benefit not only the public, but also give the young people themselves basic training in skills and the opportunity to develop proper work habits and attitudes. For those desiring further schooling, the problem is best met by part-time work to enable them to remain in school, at tasks which supplement their academic work through the valuable process of earning while learning.

MILLIONS GIVEN JOBS

In its first 5 years, which will end June 26, more than two and one-half million young men and women have been employed.

N. Y. A. has employed an average of 500,000 persons, and in the current fiscal year, with an appropriation of $100,000,000, is employing 450,000 college and high-school students, and more than 270,000 out-of-school unemployed between the ages of 18 and 25.

The out-of-school young workers under skilled supervision are constructing community youth centers, cooperative college dormitories, small school houses, vocational-training shops, small home-economics buildings, school-bus shelters, ski jumps, swimming and wading pools, tennis courts, and even huts for the isolation of tuberculosis patients. They are beautifying and improving public parks, laying out recreational areas, improving highways, repairing furniture and other equipment for schools, constructing such recreational equipment as swings or chinning bars or see-saws, and conserving soil and forest resources. Thousands of young women, as well as young men, are working as recreational leaders and assistants, both on public playgrounds and in the game rooms, swimming pools, and gymnasiums of such organizations as the Y. M. C. A.; and they are assisting in understaffed hospitals, libraries, museums, and offices of governmental or service agencies. Other young women are making clothes for needy families, helping to make and serve hot lunches for school children, assisting in nursery schools, and working on art and handicraft projects.

WHAT N. Y. A. MEANS TO YOUTH

The human values derived from N. Y. A. jobs cannot be reported statistically. We know the young people are saved from idleness, many of them from crime, delinquency, and despair. More

important, they learn how to work. In the words of one Texas N. Y. A. worker now employed in private industry:

"I learned how to work. Before I went into the N. Y. A. I had never had any sort of private employment. You taught me to be on time, to give full measure of work for my pay, to obey orders, to be alert. Before I went into the shops I couldn't have held this or any other regular job because I didn't know how important those habits are."

A young woman, a 1937 high-school graduate who was unable to go to college because of lack of funds, worked for N. Y. A. in a nursery school and then through a typing course obtained office work. She said, "I would still be going from place to place asking for work and receiving the same answer, 'Not experienced,' had it not been for the N. Y. A."

HOW MONEY IS SPENT

What do N. Y. A. workers do with their earnings? Many surveys have established the answers. First, they help at home, overnight placing themselves on the asset side of the family ledger. Next, most of these young people, after wearing hand-me-downs for years, buy themselves some clothes and the other necessities of modern life. Here is one young man's description of what his N. Y. A. job has meant to him:

"Maybe you don't know what it's like to come home and have everyone looking at you, and you know they're thinking, even if they don't want to say it, 'He didn't find a job.' It gets terrible. You just don't want to come home * * *. But a guy's gotta eat some place, and you gotta sleep some place * * *. I tell you, the first time I walked in the front door with my pay check, I was somebody!"

"Usually, after about the second pay check," an N. Y. A. supervisor said, "a boy will come to work with a new pair of trousers. They probably cost him two or three dollars, but they're his, and he bought them with his own money. Maybe on his next wages he'll get a pair of shoes. The girl will blossom out in a $2.95 dress. You can't possibly know what it means to her. We notice that she keeps herself cleaner, that her hair isn't straggling all over the place. You can actually see shoulders straightened up when these boys and girls appear with their new clothes."

The annual cost per out-of-school youth to the Federal Government, including administrative expenses, based on current operations, is $268.80. In addition, local agencies acting as cosponsors for N. Y. A. public projects, expend an average of $52.08 a year as their contribution.

WORK FOR STUDENTS

The part-time student work program, administered by school officials, provides monthly wages of $3 to $6 a month to secondary school students, and $10 to $20 a month for college students. One out of every ten college students in the country is paying part of his way with N. Y. A. earnings, and nearly as high a percentage of high-school students.

A total of 29,999 educational institutions—28,301 high schools and preparatory schools and 1,698 colleges and universities—are participating in this program. The offer of these projects has been accepted by practically every non-profit-making, tax-exempt, bona fide educational institution in the country. These student workers perform a wide variety of duties in assisting their schools to operate. They collect and prepare classroom material, and otherwise expand school functions not now covered by the operating budgets of the schools. They assist in preparation of supplementary reading material, prepare classroom exhibits, repair books, expand library service, and do much of the routine work that takes teachers away from teaching.

These workers also aid in repair and remodeling of buildings, school facilities, and classroom and laboratory apparatus. They perform valuable research work, help in school clinics and hospitals, assist in such courses as domestic science and home economics, maintain office records and files, and assist in general office work.

MAKE HIGH GRADES

A country-wide survey of scholarship records of N. Y. A. college and graduate students in 666 institutions showed that these students as a group received higher grades than the student bodies as a whole in 80 percent of the colleges. Two-thirds of the N. Y. A. students had scholastic averages that placed them in the upper half of the student body.

PLACEMENT SERVICES

N. Y. A. also operates a guidance and placement program to help all young persons into private employment. It collects facts on various occupations and industries which are made available to teachers and young people seeking such information. Special job information and vocational guidance classes are organized in some States, and consultation services have been established in many places. Junior job placement services for youth have been set up by the N. Y. A. in 187 cities and in 41 States as a part of the State employment services, and many of these have been taken over and continued by the States without cost to the N. Y. A. These junior job services in the last 4 years have registered nearly 667,000 young people, have placed 277,000 of them in private jobs, and have visited approximately 128,000 employers while seeking jobs. All out-of-school young persons employed on N. Y. A. are registered with these offices, which keep informed of the nature of work experience provided by N. Y. A. and in turn advise N. Y. A. of the types of jobs available in private industry.

MUST TAKE JOBS

N. Y. A. youth workers are required to take jobs in private industry if offered, even when these jobs are temporary or seasonal. During the fiscal year 1939, 254,000 young people left N. Y. A. projects, nearly all of them voluntarily, and most of them to take jobs or return to school. In the first 7 months of the fiscal year 1940, 154,820 young people left N. Y. A. out-of-school work projects, more than 30 percent of them to take private jobs. This separation rate is more than 9 percent a month, or more than 100 percent a year. This turn-over made it possible to employ 415,000 different young persons last year, although the average monthly employment was only about 219,000.

The problem faced by N. Y. A. is the largest single segment of unemployment. Thirty percent of all the unemployed are between 15 and 24. Hundreds of thousands of the 2,000,000 persons who leave school every year are unable to get jobs. In recent years, according to the estimates of the American Youth Commission, a nongovernmental research body, there have been 4,000,000 unemployed young people looking for jobs and not getting them.

MANY MORE NEED ASSISTANCE

This youth unemployment is concentrated among low-income families. A survey by N. Y. A. State administrators, covering local relief agencies, employment offices, school authorities, and county farm agents, as well as N. Y. A. records, showed that in January 1940 there were 340,000 young persons certified as in need of employment who could not be put on N. Y. A. projects for lack of funds. In addition, this survey developed an estimate of 2,119,000 more not certified but who were unemployed members of low-income families. These figures, of course, do not include the nearly 300,000 in the C. C. C. and an equal or larger number of young heads of families on W. P. A. pay rolls.

COMMUNITY IMPROVEMENTS

The out-of-school N. Y. A. program alone cooperated with more than 5,000 local communities during the 1939 fiscal year to provide better educational facilities, in addition to far-flung activities in development and extension of recreation, health and safety, conservation, and charitable institutions. More than 4,000,000 articles of hospital supplies were produced and 277 small hospital and medical buildings were constructed.

Young women working for N. Y. A. last year served nearly 19,000,000 school lunches to needy children who otherwise would have been improperly fed or hungry.

Highway travel has been made safer by N. Y. A. projects such as road and street repair, construction of curbs, gutters, guard rails, and parking areas. Contributions to air travel have been made through the making of airway markers, improvement of airports and construction of seaplane floats.

N. Y. A. sewing projects turned out 1,628,765 articles of clothing in the year for distribution to needy families through local agencies, in addition to the production and repair of 539,186 household articles.

THIRTY THOUSAND IN RESIDENT CENTERS

Resident training centers, now employing 30,000 out-of-school young people, were developed by the N. Y. A. to bring together young persons from small communities and rural areas for more intensive training. The workers live at the project site and wages are established to provide for food and other living expenses, with from $8 to $10 a month paid in cash. These projects have made it possible to provide better health facilities, supervision, and instruction than are available at smaller projects located near their homes. There are 575 resident centers in operation in 44 States, with from 20 to 500 workers employed in each.

Resident project work is of a wide variety, including shop work of every sort, agricultural training, conservation, domestic science, child care, sanitation, health, and general homemaking. In the shops, workers gain experience using tools and equipment, trade terms, shop arithmetic, safety practices, drafting, and general shop practices under actual production conditions. On all resident projects, the courses are on nonpaid time but are related as directly as possible to the work, and designed to give a well-rounded, practical experience.

Reciprocal-Trade Agreements and American Agriculture

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Tuesday, March 26 (legislative day of Monday, March 4), 1940

STATEMENT BY HON. HARRY S. TRUMAN, OF MISSOURI

Mr. THOMAS of Utah. Mr. President, on behalf of the Senator from Missouri [Mr. TRUMAN], who is necessarily absent, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by the Senator from Missouri, together with analyses of the effect of reciprocal-trade agreements upon farm exports and imports.

There being no objection, the statement and analyses were ordered to be printed in the RECORD, as follows:

STATEMENT BY MR. TRUMAN

During the recent debate in connection with House Joint Resolution 407, to extend the Reciprocal Trade Agreements Act for an additional 3-year period, charges were made by opponents of the measure that domestic agriculture has been injured by the operation of the act. It seems self-evident that if the trade-agreements program has been in fact injurious to American agriculture as claimed, opponents of the proposal to extend its operation another three years would produce facts and figures to support their charges. None have been produced. Why? It may be asked. The answer is simple, because in reality, throughout the entire trade-agreements period domestic agriculture has been substantially aided by the trade-agreements program.

The tariff is a highly complicated and technical question which unhappily has been used in the past to serve political ends at cross purposes with national welfare. The present administration in 1934 took the lead in world commercial relations in an intelligent and practical manner and placed the adjustment of tariff duties in the hands of the most competent men available for the purpose, men beyond the reach of political logrolling and tariff lobbying at the expense of national welfare.

The following analyses prepared by Mr. Robert B. Schwenger, of the Department of Agriculture, show in a striking manner the shallowness of the charges that trade agreements are injurious to American agriculture.

HARRY S. TRUMAN.

[From The Agricultural Situation, U. S. Department of Agriculture, vol. 22, No. 12, December 1938]

FARM EXPORTS UNDER TRADE AGREEMENTS

(By R. B. Schwenger)

In spite of the distorting effect on trade data produced by droughts, fluctuations in industrial activity, and a number of other factors during the past 4 years, available data on foreign trade in agricultural products indicate that trade agreements have substantially benefited American farmers. Agricultural exports to countries with which trade agreements were in effect by 1937 have risen many times more rapidly than those to other countries. The trade agreements have been drawn up in such a way as to prevent imports of commodities competitive with domestic farm products from disturbing American markets. The four agreements concluded during 1938, especially that with the United Kingdom, should greatly increase the extent to which farmers benefit from the trade-agreements program.

The following table compares the course of our trade with trade-agreement countries to that of our trade with other countries. Agreements with the 16 countries considered separately in the table were all in effect by August 1937. Most of these agreements went into effect during 1936. Agreements concluded during the current year are not considered, because none of them has appreciably affected data for the period shown.

Exports of United States farm products to the 16 countries rose by $102,000,000, or 55 percent, from the fiscal year 1935–36 (when only 3 of the agreements were in effect throughout the year) to the fiscal year 1937–38. Farm exports to all other countries rose by only $20,000,000, or 3 percent, for the same period. In the case of nonfarm products, there was little difference between the increase in exports to trade-agreement countries and that in exports to other countries.

Since our largest farm export is cotton, which did not suffer greatly from foreign trade barriers and could not, therefore, be directly benefited by trade agreements to any large degree, figures for farm exports other than cotton are significant. These are presented in the following table, where percentages of increase for exports to trade-agreement countries and non-trade-agreement countries are seen to be 108 percent and 38 percent, respectively.

United States foreign trade with trade-agreement countries[1] and with other countries

	Year ended June 30—				
	1935–36	1936–37	1937–38[2]	Increase (+) or decrease (−), 1937–38 over 1935–36	
UNITED STATES (DOMESTIC) EXPORTS					
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
Of all commodities:					
To the 16 countries	805	1,034	1,236	+431	+54
To all other countries	1,570	1,757	2,123	+553	+35
Of farm products:					
To the 16 countries	186	207	288	+102	+55
To all other countries	580	525	600	+20	+3
Of farm products other than cotton:					
To the 16 countries	98	110	204	+106	+108
To all other countries	269	239	372	+103	+38

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland, France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

[2] Preliminary.

United States foreign trade with trade-agreement countries and with other countries—Continued

	Year ended June 30—				
	1935–36	1936–37	1937–38	Increase (+) or decrease (−), 1937–38 over 1935–36	
UNITED STATES IMPORTS (FOR CONSUMPTION)					
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Percent*
Of all commodities:					
From the 16 countries	934	1,194	970	+36	+4
From all other countries	1,274	1,698	1,361	+87	+7
Of agricultural commodities:					
From the 16 countries	468	600	454	−14	−3
From all other countries	674	937	701	+27	+4

More than ordinary caution must be exercised in drawing conclusions, from these figures, about the effects of trade agreements. Unusually wide fluctuations have occurred in two other factors affecting the trade. In the first place, two of the greatest droughts in our history held down farm exports and boosted competitive imports from 1935 to 1937, while bountiful harvests in 1937 and 1938 have had the reverse effect on our trade. In the second place, the effect of these ups and downs in production has been magnified by the ups and downs of general economic activity. Our short crops were marketed during years of exceptionally good general demand; so that the shortage of exportable supplies and the need for imports were even greater than would otherwise have been the case.

On the other hand, our bumper harvests were faced with low industrial production, high unemployment, and an inactive market; so that exportable surpluses mounted rapidly and imports fell to negligible proportions. Hence it is important to carry this analysis further than the general changes in trade illustrated by the foregoing tables. Such further analysis, while not conclusive, seems to support the favorable conclusions indicated by the general figures.

Of the $106,000,000 increase in our exports of farm products other than cotton to the 16 trade-agreement countries during the period under consideration, the largest part (a rise of $45,000,000 or 141 percent) was recorded for exports to Canada. Practically all of this increase occurred in items upon which Canadian duties were reduced by the terms of the trade agreement. Furthermore, expansion in the quantity of our exports to Canada of some of the leading commodities on which Canadian duty reductions were granted was proportionately much greater than the expansion of our exports of those same commodities to the rest of the world. This was true not only for some of the drought-affected commodities such as wheat and oats, which expanded by enormous percentages under the influence of 1937 crops, but also of a number of other leading items such as grapefruit and fresh apples.

These facts are especially significant because Canada's economy is closely linked to our own. Her cycle of business activity has been very similar to that in the United States and, to some extent at least, her farm production suffered from the same droughts which we experienced. Consequently, our farm trade with Canada might be expected to be distorted somewhat less by these two factors than has that with other countries.

The second largest part of the $106,000,000 increase occurred in exports of farm products other than cotton to the Netherlands, which rose by $28,000,000 or 224 percent. Here again, the increase took place in items upon which the Netherland duties were reduced by the terms of the trade agreement. The third largest increase occurred in exports to Belgium, which rose by $19,000,000 or an increase of 208 percent. The fourth largest increase was a rise of $8,000,000 or 53 percent in our exports to Cuba.

Not all trade-agreement countries showed equally favorable results. Our farm exports to 5 of the 16 countries (Colombia, France, Haiti, Honduras, and Nicaragua) made a less favorable record than did those non-trade-agreement countries as a whole. It is to be noticed, however, that, except for France, these are predominantly agricultural countries where farm products could not, by the very nature of international trade relations, figure prominently in the trade agreements. In the case of France, the poor showing was, of course, due to the failure of French economic activity to recover substantially from the 1932 depression.

Corroboration for the conclusions to which the above figures seem to point is found in the import statistics of the trade-agreement countries themselves. Such statistics are available from 1934 to 1937 for the 11 most important of the 14 countries with which trade agreements were in effect by 1936. In 10 of these 11 countries, the United States proportion of total imports has risen since the conclusion of the trade agreements. The only exception is Brazil, where large sales by Germany had, until the beginning of 1938, increased its share in the Brazilian market and reduced the share of other countries, including the United States. The United States proportion of the total imports of all of the 11 countries rose steadily from 16.5 percent in 1934 to 20.1 percent in 1937.

[From the Agricultural Situation, U. S. Department of Agriculture, vol. 23, No. 1, January 1939]

FARM IMPORTS UNDER TRADE AGREEMENTS

(By R. B. Schwenger)

The reciprocal trade agreements program of the United States is aimed at the increase of mutually beneficial trade between the parties to the agreements.

Hence, it is natural to expect them to increase not only our farm exports (as data presented in the December issue of the Agricultural Situation indicate that they have) but to increase our farm imports as well. It is not desirable, howeveer, that they should increase imports of farm products which can be produced effectively in this country and it is especially undesirable that they should have a disruptive influence on domestic farm markets. An examination of available data indicates that the agreements have tended to increase farm imports but that safeguards included in the texts of the agreements have prevented any increases which might have disturbed domestic markets.

At first glance, the data for farm imports from trade-agreement countries and nonagreement countries appear to show a more favorable situation for the latter than for the former over the past 3 fiscal years. From 1935–36 to 1937–38, total farm imports from the 16 countries with which trade agreements were in effect by August 1937 decreased by 3 percent, while those from all other countries increased by 4 percent. This was due almost entirely, however, to lower imports from Canada and Cuba where, as is discussed below, the trade agreements have not been responsible for the reductions.

When the data on farm imports are broken down to show Canada and Cuba separately from the other trade-agreement countries, as in the following table, a rise of 22 percent is shown for trade-agreement countries other than Canada and Cuba.

United States imports from trade-agreement countries and other countries [1]

	Year ended June 30—				
	1935–36	1936–37	1937–38	Increase (+) or decrease (−), 1937–38 over 1935–36	
				Amount	Percent
United States imports (for consumption) of agricultural commodities:					
From 16 trade-agreement countries	$468,000,000	$600,000,000	$454,000,000	−$14,000,000	−3
From Canada and Cuba	204,000,000	249,000,000	131,000,000	−73,000,000	−36
From 14 other trade-agreement countries	264,000,000	351,000,000	323,000,000	+59,000,000	+22
From nonagreement countries	674,000,000	937,000,000	701,000,000	+27,000,000	+4

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

The decline in imports from Cuba is less surprising than it might at first appear, since the trade agreement was in effect throughout both of the years being compared. If we set 1933, the first full pre-agreement year, against 1935, the first full post-agreement year, total United States imports from Cuba rose from $58,000,000 to $111,000,000, a rise of 91 percent. For the same years total imports from all countries rose by only 41 percent. The corresponding figures for agricultural imports were a 93-percent increase from Cuba and a 43-percent increase from the rest of the world. Agricultural imports from Cuba during 1937–38 were 80 percent larger than during 1933. Thus, the Cuban agreement is no exception to the rule that trade agreements tend to expand trade in both directions.

The decline in imports from Canada did not occur, for the most part, in items upon which United States duties were reduced by the terms of the trade agreement. It occurred because a number of commodities which were imported heavily during the period of drought shortage in the United States (1935–37) have since been imported in only negligible quantities. Imports of commodities upon which United States duties were reduced under the agreement actually rose by 12 percent between 1935–36 and 1937–38.

The possibility of increased agricultural imports from trade-agreement countries disrupting domestic farm markets, however, has been carefully guarded against not only by refusing to reduce United States farm tariffs sufficiently or in such a way as to disturb domestic markets but also by introducing specific safeguards where reductions were made on the more important so-called competitive agricultural imports. Sugar, the largest item of trade affected by such reductions, is an excellent example. The reduction in the duty on sugar imports into the United States under the terms of the trade agreement with Cuba went into effect only after quantitative country quotas had been imposed on all sugar imports. These quotas prevented the lowered duty from resulting in any expansion of the quantity of sugar imported.

Another important case is that of live cattle, upon certain classes of which the United States duty was lowered by the terms of the trade agreement with Canada. The reduced duty applies only to a specified quantity, a very small fraction of our total cattle supplies. Even in years when this quota can be filled, it is too small to have a significant effect on domestic markets. Furthermore, in the second Canadian agreement, effective January 1, 1939, provision is made for the reduced duty to apply to only a specified number each quarter.

Other important tariff concessions which are similarly guarded include those on potatoes and grain. The concession in the duty on Cheddar cheese under the Canadian agreement has been criticized because it was not guarded by a tariff quota. Imports under the reduced duty, however, even in drought years, have represented a lower proportion of domestic production than during the 5 pre-agreement years, 1925–29. The proportion during the first 6 months of 1938 was one-third of 1 percent of domestic Cheddar cheese production. Hence, such criticism appears to be unwarranted.

In evaluating the figures for total imports of agricultural products from countries with which trade agreements have been concluded, it is important to remember that, except for a few countries such as Canada and Cuba, most of the agricultural products involved consist of such commodities as rubber, coffee, cacao beans, and other tropical products, in which the American farmer is interested as a consumer rather than as a producer.

When the 1938 trade agreements, particularly that with the United Kingdom, have been in effect long enough for a statistical record of their operations to be available, it is anticipated that the record will indicate much greater benefits to American farmers, especially through expanded farm exports, than they have received under the first 16 agreements. Those agreements covered countries which took only 28 percent of our agricultural exports during 1929. Agreements in effect on January 1, 1939, will cover countries that took 55 percent of those exports.

[Supplement to articles in the Agricultural Situation for December 1938 and January 1939]

FOREIGN AGRICULTURAL TRADE UNDER TRADE AGREEMENTS

Data on United States foreign trade in agricultural commodities during the fiscal year 1938–39 continue to support the conclusion (presented in the December 1938 and January 1939 issues of the Agricultural Situation) that trade agreements have benefited American farmers. Agricultural exports to countries with which trade agreements were in effect throughout the year were 15 percent ($28,000,000) higher than during 1935–36. Agricultural exports to all other countries declined 19 percent. If cotton is excluded, exports to the 16 trade-agreement countries rose 69 percent, and those to all other countries 26 percent. Agricultural imports declined about one-eighth from both the trade-agreement countries and others. The decline in imports from trade-agreement countries, as a group, was primarily the result of the decrease in agricultural imports from Canada and Cuba. Agricultural imports from the 14 other trade-agreement countries, taken together, rose 11 percent.

United States foreign trade with trade-agreement countries [1] *and with other countries*

	Year ended June 30—			
	1935–36	1938–39 [2]	Increase (+) or decrease (−), 1938–39 over 1935–36	
			Amount	Percent
United States (domestic) exports:	*Millions of dollars*	*Millions of dollars*	*Millions of dollars*	
Of all commodities:				
To the 16 countries	805	1,099	+294	+37
To all other countries	1,570	1,786	+216	+14
Of farm products:				
To the 16 countries	186	214	+28	+15
To all other countries	580	469	−111	−19
Of farm products other than cotton:				
To the 16 countries	98	166	+68	+69
To all other countries	269	339	+70	+26
United States imports (for consumption):				
Of all commodities:				
From the 16 countries	934	911	−23	−2
From all other countries	1,274	1,168	−106	−8
Of agricultural commodities:				
From the 16 countries	468	408	−60	−13
From Canada and Cuba	204	115	−89	−44
From the 14 others	264	293	+29	+11
From all other countries	673	591	−82	−12

[1] Belgium; Brazil; Canada; Colombia; Costa Rica; Cuba; El Salvador; Finland; France, including her colonies, dependencies, and protectorates other than Morocco; Guatemala; Honduras; Haiti; Kingdom of the Netherlands; Nicaragua; Sweden; and Switzerland.

[2] Preliminary.

Political Issues in the Coming Election

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Tuesday, March 26 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA

Mr. SCHWELLENBACH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on the subject Political Issues in the Coming Election, delivered by the junior Senator from Florida [Mr. PEPPER] at Middletown, Conn., on March 8, 1940, before the annual parley conducted by the Wesleyan parley committee.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Emerson has said that an institution is but the length and shadow of one man as Mohammedanism of Mohammed, Confucianism of Confucius, Christianity of Christ.

That's the reason that the issue in the coming campaign is one magnetic and magnificent name—Franklin D. Roosevelt.

A new voice began to cry in the economic and spiritual wilderness of America in 1932. There was an evangelical note in that voice. It echoed in the deep wells of human sentiment. It kindled the dying embers in the human heart.

Hear that voice speaking through the Democratic platform of 1932 with the fervor of the early patriots, "those who were responsible for those policies have abandoned the ideals on which the war was won and thrown away the fruits of victory, thus rejecting the greatest opportunity in history to bring peace, prosperity, and happiness to our people and the people of the world. They have ruined our foreign trade, destroyed the values of our commodities and products, crippled our banking system, robbed millions of our people of their life savings, and thrown millions more out of work, produced widespread poverty, and brought the Government to a state of financial distress unprecedented in time of peace.

"The only hope * * * is a drastic change in economic governmental policies.

"We believe that a party platform is a covenant with the people to be faithfully kept * * *."

In the Democratic platform of 1936 we hear the rising crescendo of that voice uttering a new declaration of independence for the people of America.

"We hold this truth to be self-evident—that the test of a representative government is its ability to promote the safety and happiness of the people. * * *

"We hold this truth to be self-evident—that government in a modern civilization has certain inescapable obligations to its citizens, among which are:

"(1) Protection of the family and the home.

"(2) Establishment of a democracy of opportunity for all the people.

"(3) Aid to those overtaken by disaster.

"These obligations, neglected through 12 years of the old leadership, have once more been recognized by American Government. Under the new leadership they will never be neglected."

For 7 years, now, that voice has been the voice of America; the hope of a Nation's underprivileged; the succor of a Nation's helpless; the assurance of a Nation's troubled.

In words which Jefferson himself might have written, those platforms thundered against monopoly, an unfair trade practice which threatened the independence of labor, the small producer, and the distributor; against financial interests fleecing the American people of their savings; by the sale of securities issued both at home and abroad; against excessive charges by utility companies; against a vicious banking system, which violated the confidence and jeopardized the savings of the American public; against an iniquitous tariff law which gave undue and abused privilege to a class at the expense of the whole people. And equally clearly, candidly, and courageously did that platform covenant with the American people that it would use the power of the people's government to give a greater, actual, practical security to America's citizens; those citizens struggling with the superior forces throttling their agriculture; those citizens struggling with the dominating forces of economic maladjustment which had thrown them out of employment and closed to them avenues of economic opportunity; to those citizens who aspired to a greater liberty of leisure gained by the reduction of excessive hours of labor; the kind of security that could be provided to the individual citizen only by unemployment and old-age assistance. Likewise in the same spirit did that platform pledge the Democratic Party to the restoration of the citizen's private liberty curtailed by the eighteenth amendment, and reiterate again democracy's fundamental doctrine of liberty, "equal rights to all, special privileges to none."

In those platforms there is truly a new declaration of independence—the faith of the people's party, that the peoples' government was concerned not merely with the technical, but with the larger liberty and the effective freedom of the American citizen. For obviously, if the American family might enjoy its traditional freedom around the sacred hearthstone of the American home, it was not enough that the Government should not itself trespass upon that liberty; the Government must see to it that neither the kidnaper, the marauder, nor any man who would take away that liberty by any kind of injustice, physical, moral, or economic, shall be permitted so to do. What higher form of freedom, what better state of liberty could the citizen be afforded under a true democracy of opportunity for all the people? Who more than Thomas Jefferson would have appreciated such a declaration of policy, and such a covenant of faith?

Surely, there is nothing inconsistent with the noblest conception of liberty for a party to assume an obligation to aid those overtaken by disaster. You may be sure that the American people are not easily fooled. Well do they know what liberty is their inheritance, what freedom they have the right to enjoy. So when the American people have given to these declarations of party objectives approval never paralleled in American history, you may also be sure that these concepts of individual liberty are in high accord with those which are deeply imbedded in American hearts.

The cyclonic forces which threatened to engulf the American people and the American social and economic order in March 1933 began to form when Alexander Hamilton and his associates wrote their political concept into the fabric of American political life. The economic despotism which some private enterprise wielded, the financial tyranny which the masters of the Nation's finance exercised at the end of 1932, the shameless abdication by the American Government of its duty to prevent these aggressions, and to preserve the traditional liberties of the individual American citizen prior to 1933, all had their origin in the views of the Hamiltonians, that the form of this Government should be a kind of fascism—ruled by the industrial and financial interests—and that the Government, when it did not especially contribute to and enhance the power of these ruling State corporations, should at least assure them the protection of the rule of the jungle, that "He may take who has the power, and he may keep who can."

Against a state of affairs provoked by these conditions and accentuated by the closing of the American frontier more than one-third of a century before; a state of affairs which for the first time drove the dark shadows of threatened revolution across the folds of the American flag—an otherwise peaceful nation in 1932 rose in righteous wrath.

It demanded that the money changers be driven out of the temples of finance; that business abuses be stopped, and at least a semblance of the moral law be applied to what ambitious and powerful men could do under the guise of business. It demanded the democracy reassert itself, and the people regain some control, at least, over their economic and political destinies. It demanded that the economic structure of the United States be built from the bottom up, and not from the top down. It demanded that the currency of this Nation be put to its legitimate purpose of serving the business needs of an industrious people.

It demanded that the rewards of business enterprise be fairly distributed and that the burden of toil be lightened upon the back of labor. It demanded that the true principles of democracy be applied to the industrial order as well as to the political order. It demanded that our untold resources be applied to the alleviation of human suffering to better homes, better food, better clothes, and better recreation for all the American people, and not just a few. It demanded the preservation for the American citizen of the greatest of American liberties—the right to work and the privilege of being succored in old age, at least to a peaceful death.

It demanded that the marvels of modern science, the genius of current invention and discovery be made the workhouse for a more abundant life for all the men, women, and children of America. It demanded that the door of economic opportunity, which had been jammed shut for decades by an avaricious monopoly, be opened again. It demanded that the Government of the United States be moved from Wall Street to Washington, where the people's Constitution put it. It demanded a revival of true American earnestness and zeal, the resurrection of age-old American ideals and dreams, when the United States was conspicuous for its spiritual wars. It demanded an America that had the spirit of the forefathers in its own crusading breast.

The American people got what they demanded in Franklin D. Roosevelt.

That is the reason that from every nook and cranny of the Nation, growing louder and more determined every day, comes the full-throated voice of the people in the simple and certain refrain "We will not give up Roosevelt."

Of course the people of the United States will not give up Roosevelt. He has restored democracy to this country; he has brought the Government back to the people; he has torn the instruments of power from the ramparts of the greedy and specially privileged. Like Andrew Jackson, he has rescued the Government for the people. Not through the mob but by the orderly processes of democratic government, he has shown ordinary men and women that they have a stake in this Nation; that they have a voice in its Government.

He has shown these ordinary men and women that democratic government really means; that is to say, that their Government, if it will, can keep them from losing their money in any bank; or losing their home under foreclosure; or losing their child from lack of medical care or hospital facilities; or losing their crops, if farmers, from natural hazard; or losing their savings through crooked stock promotors; or losing the right to work as a heritage of America; or losing the produce of their farms to the commodity speculators.

The people know—Roosevelt has shown them—that the way they get along, whether things are getting better or are getting worse, is definitely determined by the way their Government really governs.

Never again will the people of this country let another Hoover fiddle at government while the substance and the hearts of his people are burned up by flames he could have stopped.

What Hoover and his government will have to answer for:

Men and women having all they had sweated out of life gone in a bank failure—their homes torn out of their heart—their families wrecked and scattered. Boys and girls losing their chance of an education, their whole hopes of a decent future gone with the ill wind. Death and disease stalking upon the highway—stalking the wrecked, wasted bodies and blighted lives in every humble lodging. And Hoover afraid to govern, his courage and his character failing him.

Surely he must have seen the whole structure of our national life crumbling underneath his eyes—surely these men in high buildings, who sat astride great empires of wealth and who had access to the best information there was—these men who were his guides and his political masters—surely they must have seen what they were doing to the people of their country.

They either didn't see or were stupid; or they didn't care; or they didn't have the courage to govern and failed the Nation in a place of trust.

On that bleak day in March 1933 it was Roosevelt courage which filled the hearts of America, which braced this Nation for a reversal of its sad course. It was the same courage which made Franklin D. Roosevelt victor in every great crisis of his life. With the sound of that magnificent voice, America with its unerring instinct, knew that the Providence, which has always guided us, had again raised up from the people a leader, strong and brave.

Roosevelt is the issue in America again today. We gladly accept that issue, for Roosevelt is the hope of America.

The Roosevelt record is our bible. It sets forth our faith. It is at once our record and our testament of hope.

The people know that Roosevelt has been the best friend business in the United States has ever had in the White House. From 1933 to 1939 he poured into the empty tills of business in direct Federal expenditures about $26,000,000,000. Note what went with that money:

Food	$8,500,000,000
Housing	4,800,000,000
Household operations	2,350,000,000
Clothing	2,100,000,000
Medical care	900,000,000
Automobiles	900,000,000
Recreation	450,000,000
Furnishings	450,000,000
Personal care	450,000,000
Transportation (excluding automobiles)	400,000,000
Tobacco	400,000,000
Other purposes	100,000,000
Reading and education	300,000,000
Agricultural payments	3,700,000,000

In addition to that staggering aid to business, Roosevelt caused the Federal Government to buy for cash over $6,000,000,000 worth of materials of nearly every kind and character from every part of the Nation as an incident to the Federal program.

That $32,000,000,000 Roosevelt has poured into the lap of business in this country in 7 years in cash and in cash customers.

But Roosevelt has caused this Government to lend to business in the same period another $17,000,000,000 in cash. One billion dollars went to small business, financing foreign trade, electrification and electrical supplies, shipping, and the railroad; $5,000,000,000 went to financial institutions for business, farm, and home; $6,500,000,000 went to agriculture; $3,333,333,333 went to home mortgages; $1,500,000,000 went to public bodies.

That makes $32,000,000,000, plus $17,000,000,000, or $49,000,000,000, that Roosevelt has put out in cash from the Federal Government in 7 years to rehabilitate business in this country. In passing, let it be noted that half of those $17,000,000,000 in loans has already been paid back.

Contrast that record with the Hoover outlay of about $3,000,000,000 for 4 years while business was starving to death. And contrast the people who got the money Roosevelt put out with those who got the Hoover bounty.

The trouble with those opposed to Roosevelt is that when they speak of business they don't mean the business of the masses of the people of this country; they mean the business of the few. They don't mean little business; they mean big business. They don't mean the business of America's 29,000,000 families; they mean the business of America's 200 corporations which own one-fourth of this Nation.

It is the same old habit of the friends of big business which Bryan so eloquently described in Chicago a generation ago, when he said:

"We say to you that you have made the definition of a businessman too limited in its application. The man who is employed for wages is as much a businessman as his employer; the attorney in a country town is as much a businessman as the corporation counsel in a great metropolis; the merchant at the cross-road store is as much a businessman as a merchant in New York; the farmer who goes forth in the morning to toil all day, who begins in the spring and toils all summer, and who by the application of brain and muscles of the natural resources of the country creates wealth, is just as much a businessman as the man who goes upon the board of trade and bets upon the price of grain; the miners who go down a thousand feet into the earth or climb 2,000 feet upon a cliff and bring forth from their hiding places the precious metals to be poured into the channels of trade are as much businessmen as the financial magnates who, in a backroom, count the money of the world. We come to speak of this broader class of businessmen."

The Roosevelt money was poured into the foundations of our economic life and not into the superstructure. It was life-giving nourishment put around the roots of the economic tree and not poured on the leaves. This Roosevelt money went to every city, town, and hamlet, and not just to Wall Street. This democratic principle has proved itself to all the world in these results.

The people know that our national income fell from $81,000,000,000 in 1929 to $40,000,000,000 in 1932. They know Roosevelt immediately stopped the downward spiral and the figure went steadily up to $72,000,000,000 in 1937. In his recent Budget message the President told us that in that period the national income rose 69 percent. Continuing, the President said, "The people paid $3,000,000,000 more in taxes, but they had nearly 10 times more than that, or $30,000,000,000, to spend on other things." This statement deserves a headline.

But when we had reached that happy state, instead of going ahead to the greatest recovery and prosperity in our history, those who teach a false economy, the Budget balancers, complaining of Federal expenditures, prevailed in political counsel, and private enterprise at the same time got too greedy for profit; so, before we knew it, we were in another dangerous downward spiral in 1937, but, thank God, Roosevelt and not Hoover was in the White House, and Roosevelt again applied the mechanics which got us out of the 1932 depression and stopped the decline and again sent the factors of our recovery upward before they approached the depths of the period from 1929 to 1932.

There is the record of two administrations, as clear as a mountain peak. Hoover sat by for 4 years, with only a futile gesture, while conditions grew increasingly worse.

Listen to what President Hoover said on November 21, 1939:

"There is no reason why business should not be carried on as usual."

Again, said President Hoover on December 3, 1929, in his message to Congress:

"We have reestablished confidence; wages should remain stable."

I wonder if that's the kind of confidence those opposing Roosevelt are yearning for?

Again on January 21, 1930, President Hoover spoke:

"The tide of employment has changed in the right direction."

Again on March 7, 1930, President Hoover said:

"All the evidence indicates that the worst effect of the crash on employment will have passed during the next 60 days."

In June 1930 President Hoover told Amos Pinchot and his committee who came appealing for a great expansion of public work that they "had come 6 weeks too late."

In October 1930, President Hoover refused to call a session of the Congress, and said:

"No special session is necessary to deal with employment."

Finally, on December 2, 1930, President Hoover said to Congress, "Economic depression cannot be cured by legislative action or Executive pronouncement."

Here at last was the full confession of the hopelessness and despair on the part of the Government of the United States—the only source the people with their heavy hearts had to turn to to keep them from being crucified in the cruel economic crucible of the day and that Government without even a hope.

How encouraging it is to see Franklin D. Roosevelt by courageous and democratic action twice immediately reverse our Nation's course from the pit of depression to the height of Hoover's prosperity.

The figures don't tell the significance of that story in human terms but the increase in our national income under Roosevelt over what it would have been if it had continued at the 1932 rate is about $139,000,000,000. The people know what this has meant in their lives—to their future.

But big business, offended because it didn't get all the Roosevelt money spent, professes to be on the verge of nervous prostration about the Nation's debt. There is no record of that favored group, in any period of history, in peace or when their country was at war, ever having complained about any Federal expenditure that they got; but now they say, Roosevelt has ruined the country with debt.

The facts about the debts of this country that you hear so much about from those solemn-faced mourners who say our coun-

try is all gone to the dogs, is a very simple story. It was all clearly presented before the House Ways and Means Committee during hearings on the Revenue Act of 1938, page 727.

Gross public debt:	
June 30, 1939	$40,439,532,000
Mar. 3, 1933	20,937,351,000
Increase in gross public debt	19,502,181,000
Increase in Treasury assets:	
General fund balance:	
June 30, 1939	2,838,226,000
Mar. 3, 1933	158,528,000
Balance	2,679,698,000
Proprietary interest in Government corporations and credit agencies:	
June 30, 1939	3,668,238,000
Mar. 3, 1933	2,184,000,000
Difference	1,384,238,000
Exchange stabilization fund:	
June 30, 1939	2,000,000,000
Mar. 3, 1933	
Difference	2,000,000,000
Total increase in Treasury assets	6,630,930,000
Net increase in public debt	13,438,245,000

You remember I said the total increase in our national income between 1933 and 1939 over what it would have been if the rate of 1932 had continued was $139,000,000,000. In the course of that increase in our national income there has been a net increase of $13,438,000,000 in the national debt. Leaving a balance to the good if all the net increase in the national debt from 1933 to 1939 were paid out of the increased national income of about $115,500,000,000. A pretty good trade, I say! And it is well to remember that $2,000,000,000 of that net increase of $13,438,000,000 out of the national debt is attributed to the payment of the bonus which gave justice to the veterans of this Nation.

A simple set of figures, therefore, that one can remember on the fingers of his hand, tells the whole economic story of the last 7 years.

National income, $40,000,000,000 in 1932; $68,500,000,000, in 1939.

Twenty-six billion dollars of cash Federal expenditures between 1933 and 1939, upon the Federal program for recovery and better conditions in the country. Six billion dollars in cash put out in that period by the Federal Government for the purchase of materials to carry on that program. Seventeen billion dollars disbursed in cash by the Federal Government in that time in loans to big business, little business, and agriculture.

Total increase in the national income in that period above what it would have been if the rate of 1932 under Hoover had continued, $139,000,000,000.

Net increase in the national debt in the same period, $13,438,000,000 and $2,000,000,000 of that debt increase going to pay the bonus.

It is well to remember that the Democrats paid the bonus due the soldier boys while the Hoover Administration drove them out of Washington with a bayonet.

A few days ago the brilliant young prosecuting attorney in New York purported to startle the country with the announcement that "our productive plant and equipment have been running down at the heels for the past 7 years at an average rate of more than $1,000,000,000 a year." Mr. Dewey didn't favor the country with an announcement as to how he arrived at that figure or what the source of his authority was. If Mr. Dewey had simply inaccurately, by inadvertence of some sort, quoted a figure and made an error that would be quite understandable and quite forgivable, but in Mr. Dewey's case I am afraid that he didn't quite get the point that his advisers wanted him to make.

The true figures on this subject are easily ascertainable. Let me give you exact figures and the exact source. On pages 40 and 48 of the volume, National Income and Capital Formation, 1919–25, and page 2 of the bulletin, Commodity Flow and Capital Formation, both published by the National Bureau of Economic Research, the following facts are brought out:

Gross capital formation declined from $11,489,000,000 in 1929 to $2,987,000,000 in 1933, or 74 percent. That was in Hoover's day.

Net capital formation declined from plus $4,355,000,000 in 1929 to minus $1,974,000,000 in 1933. By 1937 gross capital formation had recovered to $9,383,000,000—a rise of 214 percent. That was under Roosevelt. Net capital formation had been transformed from a negative figure in 1933 to a positive figure of $3,143,000,000 in 1937. In the period of 1933–38, inclusive, net capital formation was not a negative figure of $7,000,000,000 as Mr. Dewey figured, but a positive figure of almost $3,500,000,000—a trifling error of $10,000,000,000 by the prosecuting attorney of New York. That was under Roosevelt.

You and I are not high-priced accountants, but we can understand that if used machinery is replaced by new machinery, the productive capacity of the machinery is increased instead of decreased. So the productivity of the American economic machine has greatly increased since 1933, not only because of expenditures over and above the depreciation allowance, also because of expenditures equal to the depreciation allowance.

Field ingot capacity increased from 70.2 million gross tons at the end of 1932 to 73.1 gross tons at the end of 1938. The percentage increases in capacity for the more important of these products between the end of 1932 and the end of 1937 was as follows:

	Percent
Seamless pipe and tube	16.7
Tin plate	27.3
Sheet	35.7

These figures were compiled by the American Iron and Steel Institute.

According to the Wall Street Journal of February 16, the steel industry expects to spend $140,000,000 for new equipment this year which will bring "the total spent or to be spent for new equipment since 1934 to about $1,000,000,000.

Petroleum refining capacity increased from 3,890,000 barrels per day at the end of 1932 to 4,509,000 barrels per day at the end of 1938.

Paper and paperboard capacity increased from 13,700,000 tons per year at the end of 1932 to 16,200,000 tons at the end of 1938. The gross during 1938 exceeded the gross during any previous year on record.

Electric power generating capacity increased from 33,900,000 kilowatts at the end of 1932 to 37,500,000 kilowatts at the end of 1939. The industry predicts that the increase during 1940 will be the greatest in 10 years. Everybody knows that American farm capacity has steadily increased since 1932. In fact in 1937 expenditures for new farm machinery and equipment greatly exceeded any previous years of expenditures since 1920, and has remained at a high level since.

Not only has our manufacturing machine not run down at the heels in the last 6 years, it has steadily increased in efficiency. The National Research Project made a most careful study of this question. Their analysis of 59 manufacturing industries show the output per man-hour increased each year since 1932 up to 1936. In that year, 1936, production per man-hour was 18.1 percent greater than in 1932, an average gain of 4.3 percent per year. Checks on recent data indicate that manufacturing output per man-hour today is 25 to 30 percent higher than in 1932, 30 to 35 percent higher than in 1929.

In fact, a few days ago, the Federal Reserve Board put out the fact that the output of our industrial machines in this country exceeded 1929, yet the project facts were that there were a million fewer men employed in turning out the output. It is a matter of common knowledge that we have an industrial machine that will easily produce this work, $90,000,000,000 a year, yet only able to produce now at the rate of $70,000,000,000 a year.

I have not attempted to give any inventory nor to mention what this Government in the last 7 years has done for the health of this country, the Nation-wide, federally supported campaign for the abolition of syphilis, of cancer, of tuberculosis, for maternal care, succor for the blind, aid to dependent children, assistance to the aged; nor have I spoken how the Federal Government has tried with remarkable efficiency to clean up the cesspools of corruption in the Nation's life, to purify the channels of commerce and trade, to keep ever open the doors of opportunities to those who want to enter into and live as part of our economic system; nor have I mentioned what it has done in striking down monopolies, breaking up restraints upon free trade, purifying the whole economic stream of the country.

Is it now time to abandon these objectives? Have they been found unworthy ends? Have we placed an undue emphasis upon the protection of the family and the home; the establishment of a democracy of opportunity for all the people, upon aid to those who are the victims of disaster? Is there no longer any need for government, and by that we mean for society in general, to concern itself about the welfare of individual men, women, and children; about whether they have jobs, decent homes, safe health conditions; about a fair chance to get a foothold in the economic system.

How tragic is the picture confronting us when we lift our eyes to the horizon of what yet needs to be done. There are 29,000,000 American families, consisting of an average of four and a fraction persons per family. Fourteen percent of these families have an annual income of $500 or less; 42 percent an annual income of $1,000 or less; 65 percent an annual income of $1,500 or less; 87 percent an annual income of $2,500 or less; 97 percent an annual income of $5,000 or less; 99 percent, $10,000 or less, as annual income, and 1 percent only, $10,000 or more per year. The figures for farm groups alone would be distinctly less. In some sections of the country the wage of a farm laborer sounds almost like the compensation of the Chinese coolie. With such a standard of living condemning 25,000,000 American citizens to a bare margin of nutritive safety, is there any wonder that there is a wide-spread pellagra and very general under nourishment, that every year there are over a million preventable deaths of somebody's loved ones. There are some 1,300 counties in the United States in which there are no hospital facilities. It is the opinion of the United States Public Health Service that in all probability another 10 years

could be added to the life expectancy of the citizenship of this country by the application of measures known to Medical Science to be wholly, or even partially effective; that the death rate in cancer could be cut in half, infant and maternal mortality with vigorous and intelligent attention could be reduced another 50 percent; that pneumonia, the "Captain of men of death," can be diminished at least 25 percent; that venereal diseases, a major cause of insanity, insecurity, and death, could be practically abolished; that tuberculosis could be practically wiped out; that the improvement of general conditions and the application of proper medical care would relatively abolish insanity; that the life expectancy of our people could be pushed up to 70 years even within the next decade.

Two hundred of the largest corporations of this country still own approximately one-fourth of all the wealth of this country, and about one-half of all the nonbanking corporate wealth of the Nation. One-tenth of 1 percent of the corporations of the United States earn 50 percent of the earnings of all the corporations of the country. In a recent year 4 percent of all the estates transmitted by inheritance represented one-third of all the property descending by inheritance.

In the year 1910, with a population of 92,000,000, there were 32,000,000 farmers in the United States. In 1938, with a population of 130,000,000, the country had only 31,819,000 farmers. There are 650,000 farmers tilling 100,000,000 acres of land where the farms are too poor to yield a decent living. Forty-two percent of the farm population are tenants. An additional 10 percent, rent the land they cultivate. Between 1930 and 1935 there were over 200,000 increase in the number of tenant farmers in the United States.

A territory as large as the State of North Carolina has been eroded into uselessness. There are probably 10,000,000 people in this country of employable age who actually need work, want to work, and can't find a decent job. We have more illiterates than college graduates. Only two and one-fourth million of our population are college graduates; only 5,000,000 are high-school graduates; 32,000,000 have had only elementary-school work. Rural school teachers receive less than $550 a year. Out of a population of 20,000,000 boys and girls from 16 to 24 years of age, nearly 5,000,000 are out of school, unemployed, and seeking jobs.

There are 700,000 crimes committed annually by people under 21 years of age in the United States. We have over 4,000,000 criminals. A felony is committed every 24 seconds. Thirty-six lives are taken every day by homicide. There is 1 murder in our civilized country every 40 minutes. In institutions of juvenile delinquency there are 30,000 inmates; in our State and Federal prisons, 140,000; in State and county prisons there are another 46,000. The total United States annual crime cost is estimated at $15,000,000,000, which is $28,500 every minute—over $40,000,000 every day.

In 1938 we had 300,000 children under institutional care, 350,000 patients in hospitals for mental diseases, 100,000 freeble-minded and epileptics in State institutions, 66,000 children blind and partially seeing, 100,000 crippled children, 500,000 deaf and hard-of-hearing children, another half million delinquent children, 1,000,000 more children with defective speech. Fifty percent of all these defectives lived in rural areas.

Does this picture convince anyone that the time for constructive effort and for a crusade for human welfare is past in America? Can anyone see this sad spectacle without his heart going out to the suffering and the sorrowful, to the neglected, the forgotten, the little-privileged the weak, the victims of their own disabilities, those caught in the fell clutch of untoward circumstance? Remember, there is none of these but who has a human soul and in his heart the echoes of all the left aspirations that have ever reverberated in the consciences of men. Remember that through his heart surges all those human hopes which man has ever dreamed of. Remember that he too, yearns anxiously for his place, though small, in the sun of life—in his country's destiny.

Here is presented, then, a period in our history when, in a way, never approximated in the Nation's past a whole political party, the Government of the United States by the will of the American people, has devoted itself to making things better for those who dwell upon this soil, and with a singleness of purpose which no administration past has observed, it has persisted in its determination to make this Nation a conspicuous example of how in the crucible of honest cooperative effort there may be refined the greatest and happiest Nation in all the world.

This policy has represented no maudlin sentiment, no unreasoning sympathy, no irresponsible emotionalism; it has been at once an administration that joined both head and heart. For, while it has placed first things first, while it has contemplated that the only thing that mattered about this country was the way the people who inhabited it lived, nevertheless, it has not only made conditions better for the man at the foot of the structure, but as well for the man who sits in his exalted position at the apex of the economic pyramid. That man in his rarified atmosphere is, too, better off than he was, because these things which were once but the signs of wealth have become tangible and real economic assets. His business, his home, his personal and physical well-being enjoy a security which comes from an ordered Nation where chaos, anarchy, the threat of revolution have been destroyed.

A Government has dared to grapple with economic difficulties challenging the best efforts and the best brains of the world. People have been guided into new services and new vocations; they have been taught new skill. Work has been provided for those displaced by the irresistible march of technological improvement. A purchasing power to enjoy the good things and to give a market to the sellers of good things has been developed. Without trespass upon a single immunity, without the violation of any right, without force, any manner of coercion, but through the sheer compelling power of intelligent and devoted leadership there has come about an order, a pattern, a spirit of coordination in our national life which makes America now the strongest Nation she has ever been in her history. Not only that, it has given America again the feel of herself. Like Antaeus of old, our people have touched Mother Earth, and in touching it they have gained new strength that comes only from contact with the eternal forces of the world.

Darker than at any time in American history is the world prospect today. The maelstrom of war threatens to engulf the earth. Where is there a man who the people can so implicitly trust to keep us out of war as Franklin D. Roosevelt? Where is the man who has had the many years' experience that Franklin D. Roosevelt has had to keep us from the precipice of war? Where is the man who knows so intimately and so perfectly the sentiment of the people of America for peace as does Roosevelt? Yet when the world comes again to chaos which will follow either continued war or peace, where is the man who so understands the world's problems or can offer so constructive a contribution to a peace which may follow the world's centuries-old aspirations for peace as Roosevelt?

Where is the man whose vision is so broad, whose sentiments for right and justice and fairness are so pronounced as in the great, generous heart of Roosevelt?

We are not without hope in America; we do not believe in futility; we have not quit fighting, hoping, dreaming of a greater America, a healthier, happier, a more prosperous America, a better, safer, saner world. That is the reason we are not willing to fold our hands and do nothing, either at home or abroad. That is the reason we are not willing to turn our Government, which is the instrument of our progress, into the hands of incompetents, of the blind, or those who do not want to progress. That is why we have reasoned in our hearts together. That is the reason we have scanned the whole horizon for the best and the greatest leader that America could have in this time of crisis. That is the reason we, the people of America, have an unshakable determination that we will not give up Roosevelt as the President of the United States.

We young men and women of America have a right to be concerned about our inheritance. A bit ago it was being wasted away and squandered by those who neither knew how to preserve it nor cared a great deal about its conservation. Now it is in the hands of a new trustee. It has been restored. It has been saved, not only for us but for our posterity. We have a right to expect and to demand that no little group of economic royalists shall again be allowed to build a wall around an economic system and emblazen to ambitious youth, from the crest of its ornamented gates, the sign, "Keep out—private property." Young men and women have a right to ask and to demand the answer to the question, What kind of a future are we building for them, for their bodies, their minds, their souls, and dynamic ambitions?

Ahead of us lies a vista that challenges the scope of the imagination, a future that grasps the fancy and sends the blood racing through the veins of a proud and understanding citizenry. The long road is winding toward the top of the hill. If we but hold our course, husband our resources for the final climb, spend ourselves in our fidelity to our cause, there shall soon burst upon our vision the green valley on the other side.

Extension of Reciprocal Trade Agreements Act

EXTENSION OF REMARKS

OF

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 26 (legislative day of Monday, March 4), 1940

EDITORIALS FROM THE WASHINGTON NEWS, THE WASHINGTON STAR, AND THE WASHINGTON POST

Mr. HERRING. Mr. President, during the next few days the Senate will have under consideration perhaps the most important piece of legislation that this session of Congress will be called upon to consider—reenactment of the Reciprocal Trade Agreements Act. The House of Representatives has already favorably acted upon it, passing the measure by a vote of 216 to 168 to extend it another 3 years. A recent analysis conducted by James S. Twohey Associates, New York, showed newspaper support in favor of extending the trade-agreements program had risen to 82 percent, which indicates in striking terms the sentiments of our millions of voters generally.

Thoughtful consideration, of course, ought to be given to the reenactment of the bill; but to make it a political football—particularly at a time whose exigencies demand flexibility in the carrying on of our commercial relations—would be a national tragedy. I ask that the three editorials, which I send to the desk and which indicate the sentiments of the country generally concerning extension of the trade-agreements program, may be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington News of March 25, 1940]

TO TRADE OR NOT TO TRADE

Today the Senate begins debate on the bill to prolong the Hull-Roosevelt program of reciprocal-trade agreements. The House has already passed it.

The arguments have all been made, in the House and elsewhere, but they will be made again—and with the Senate's lavish disregard for brevity.

It seems to us that all the issues save one may be set aside as immaterial. The one that remains, after the chaff of oratory from the logrollers and protectionists is winnowed out, is this:

Does the United States want to trade, or does it not?

If it does not, then let the Hull program slide. The "easy" way to do that is to require Senate ratification of each trade agreement. This is the kiss of death that is proffered by the traditionalists, the tariff politicians, including even the chairman of the Senate Foreign Relations Committee, "Silver" KEY PITTMAN.

If we wish to continue as a merchant power, and to expand our foreign trade, and to be ready when peace comes with a tested formula for combating the guerrilla economics that helped bring on this present war, then the Hull program must be voted new life.

The basic axiom of international economy is this: If you would sell, you must buy. The Hull program is a recognition of this simple truth. The opposition to the Hull program, despite all the fancy arguments and phony statistics, can be boiled down to this: "We want to eat our cake and have it. We want to sell, but not to buy. We want high tariffs to subsidize our particular constituents. We are not interested in promoting the only foreign trade that is possible in the long run—a two-way trade from which our whole economy would gain and without which it must wither, as the Lord knows it withered after the Smoot-Hawley Act of 1930."

The magazine Fortune, out today, reports the result of one of its round tables, this time on the matter of foreign trade. The 17 participants included industrial, economic, educational, manufacturing, banking, farm, and labor leaders. Three of them advanced criticisms against the Trade Agreements Act. But the great majority favored renewal of the act, because—

"First, it constitutes an instrument by which the State Department can quickly negotiate a settlement of difficulties arising out of war trade.

"Second, we know of no satisfactory alternative to the Hull trade program.

"Third, the renewal of the Trade Agreements Act will serve notice on the world that the United States clings to the idea of free enterprise and will, when the proper time comes, lend its great influence to a plan for world reconstruction aimed at the revival of private enterprise.

"To abandon or emasculate this program, we fear, might strengthen the world-wide forces of totalitarianism."

[From the Washington Star of February 15, 1940]

A GOOD START

Secretary Hull's trade-agreements program, continuation of which has been sanctioned by the House, is off to a good start in the Senate as a result of the announcement by Ohio's Senator TAFT that he is opposed to any amendment requiring Senate ratification of the agreements. In taking this eminently sensible position, Senator TAFT, a leading candidate for the Republican Presidential nomination, said that such a requirement "simply would kill the whole program."

It is difficult to see how anyone can dispute that contention. The main purpose and the greatest single virtue of the present program is that it removes the delicate task of tariff adjustment from the influence of narrow sectional interests and the consequential logrolling which has characterized virtually every congressional effort at formal tariff revision. If the trade agreements were to be made subject to Senate approval it would be almost impossible to negotiate any worth-while pact. Negotiators from other countries hardly would be willing to spend months preparing an agreement if they knew that in all probability it would be killed or drastically changed in the Senate. The proposal, as Senator TAFT said, simply would kill the whole program, and there should be no misunderstanding about that. If the trade program is to be killed it should be done without subterfuge by the taking of a vote on that specific issue, and not through the adoption of a ruinous amendment. The public then would know where to place responsibility for the economic distress which would follow.

Senate opponents of the present program have suggested other amendments which are designed to guard against the possibility that the limited power of tariff adjustment now vested in the President and the Secretary of State might be abused in the future. If this power had been abused in the past there would be justification for such amendments, but that is not the case. Without a doubt, the country as a whole has benefited from the agreements which have been negotiated, and it is to be hoped that the Senate will not hesitate to renew this executive power to work out the problem of leveling trade barriers by the only method which holds any real promise of success.

[From the Washington Post of February 23, 1940]

A REPUBLICAN APPROVES

Representative BRUCE BARTON'S advocacy of the reciprocal trade agreements program is outstanding for two reasons. In the first place, Mr. BARTON has refused to treat the question of continuing the program as a partisan issue. He has the distinction of being the only Republican in the House who has, as yet, openly indorsed it. In the second place, he has based his advocacy on the long-time benefits of cultivating two-way trade instead of concerning himself about the immediate effects of specific tariff changes upon our import trade.

On both counts, Mr. BARTON deserves to be congratulated for putting the interest of the Nation, as a whole, above lesser political and economic considerations. All economists stress the inevitability of admitting imports in order to provide foreigners with the means of buying our goods. But Mr. BARTON puts his emphasis not so much upon the necessity of our taking goods as upon the desirability of doing so. "It is a matter of common sense," he says, "that we should take useful goods—rather than, to us, useless gold—in exchange for our exports."

That argument is not only a more realistic but also a more compelling reason for lowering barriers to imports than the one usually assigned. Today many nations are able to buy from us considerable amounts of goods without selling an equivalent amount of goods to cover payments. That is because the export excess in our favor is covered by imports of gold. We take this gold at an artificially high, fixed price in unlimited quantities. And the more we take, the less we obtain of useful goods in exchange for our own valuable exports.

In discussions of our gold policy, these facts have frequently been brought out, but there has been little enlightening discussion of their bearing upon the future of the trade-agreements program. Mr. BARTON has performed a public service, therefore, in directing attention to the importance of stimulating a useful import trade as an alternative to acceptance of overvalued gold that adds to our already excessive stocks of the metal.

Tax Compromises in the Department of Justice—Some Aspects of Procedure and Policy

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

ADDRESS BY HON. SAMUEL O. CLARK, JR.

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Hon. Samuel O. Clark, Jr., Assistant Attorney General, United States Department of Justice, at the tenth tax clinic, section of taxation, of the American Bar Association, March 23, 1940:

In one way or another most of you have become familiar in a general way with the Tax Division of the Department of Justice and its function of representing in a myriad of cases a client who is engaged in the process, at times a painful one, of taking private wealth for public use. Possibly the aspect of the Department's work with which you are most familiar is the actual litigation of cases, for much of its task is performed in the Court of Claims, the district courts, the circuit courts, or the Supreme Court. Inevitably there are some cases which must be litigated, where the final solution can be found only in the courts. In some a definite ruling on doubtful points is sought as a guide for the future; in others there may be no common meeting ground for compromise. But litigation is not needlessly sought after. In the words of Burke, "All government * * * is founded on compromise and barter. We balance inconveniences; we give and take; we remit some rights that we may enjoy others * * *."[1]

There is a large body of cases where litigation to the bitter end is unnecessary, where a conclusion fair to both parties may be reached through mutual concessions without benefit of the final authoritative voice of the court. In view of the inevitable complexity of the tax law, the uncertainty which is a necessary adjunct of that

[1] Edmund Burke, speech on Conciliation with America.

complexity, and the multitude of tax disputes which fill our court calendars, the desirability of there being readily available an administrative as opposed to a judicial process for the disposition of cases is clear. The Tax Division recognizes the advantages flowing from a prompt disposition of cases through administrative negotiations and the importance of the existence of satisfactory machinery for the carrying on of such negotiations.

The importance of this function of the Tax Division is shown by the fact that almost one-fourth of the cases which pass through the Division are disposed of by compromise. Thus during the last 5 years, of the more than 8,000 cases disposed of by the Tax Division—and this figure does not include a large number of special tax cases—1,872 have been settled or compromised. Recognition of the importance of the compromise function has led to the designation of a specially trained group of lawyers in the Tax Division to handle this large volume of work.

The power of the Attorney General to compromise cases is an untrammeled one. It is a power which "is in part inherent, appertaining to the office, and in part derived from various statutes and decisions."[2] It extends to all cases arising out of the internal-revenue laws where such cases are in litigation in the courts as distinguished from the Board of Tax Appeals, or are referred to the Department for the purpose of instituting legal proceedings. Summarizing an opinion of the Attorney General, promulgated in 1934,[3] this power to compromise:

(1) is to be exercised with wise discretion; (2) is to be resorted to only to promote the Government's best interest or to prevent flagrant injustice; (3) is broad and plenary; (4) attaches immediately upon receipt of a case in the Department; (5) carries with it both civil and criminal features and (6) any other matter germane to the case which the Attorney General may find necessary or proper to consider before he invokes the aid of the courts; and (7) does not end with the entry of judgment but embraces execution.

While an exact marking out of the boundaries of this power is unnecessary to this discussion, one or two significant points may be briefly indicated. In spite of the broad scope of the power, nice questions of jurisdiction frequently arise, one of the most difficult of which is the determination of whether a given matter is germane to a case within the jurisdiction of the Department. For example, where a taxpayer is busy disputing with the Government two tax matters, only one of which is in litigation in the courts, and then wearies of the disputes and desires to dispose of both at once in a single compromise, has the Department the requisite jurisdiction to declare peace? In other words, is the dispute which has not reached the Tax Division germane to that which is in the courts?

Obviously, the existence of the requisite affinity or kinship cannot be determined by any rule of thumb; what is or what is not germane must usually be determined by the circumstances of each case. One test, however, which has been suggested is whether or not the matter which is not in litigation will be necessarily affected by the disposition of the case before the Department. For example, one case involved both income taxes and gift taxes, but only the income taxes were in litigation. The taxpayer offered to settle the case on the basis of paying a percentage of each of the taxes. The offer was rejected on the ground that the liability of the taxpayer in one case depended upon different principles of law than his liability in the other; that a decision by a court in one would have no direct bearing upon the outcome of the other; and that, accordingly, the gift-tax case, which had not been referred to this Department, was not germane to the income-tax case. On the other hand, assume that in a case pending before the Department the sole question involved is the taxpayer's cost basis of certain property and that there is also pending before the Bureau a claim for refund for another taxable year based entirely upon the same ground. In this situation the matter not in litigation will be necessarily affected by a disposition of the case before the Department, and, accordingly, it is germane for the purposes of compromise.

I wish to call attention also to cases which are referred to the joint committee. Under section 3777 of the Internal Revenue Code, no refund or credit of certain kinds of taxes in excess of $75,000 may be made until the matter has been before the Joint Committee of Congress on Internal Revenue Taxation for a period of 30 days. Accordingly, it has been the practice of the Department in recent years to condition the acceptance of offers involving refunds in excess of $75,000 upon the approval of the joint committee.

While the power to compromise cases is extremely broad, it is one which, in the words of the Attorney General's opinion, is to be exercised with "wise discretion and resorted to only to promote the Government's best interests or to prevent flagrant injustice." Assuming that technical jurisdiction exists, when and under what conditions may this power be appropriately exercised? Again, no definite formula has been evolved to define those cases where the Department of Justice may properly exercise its power to compromise. In general, however, a twofold standard is applied to determine the question of whether a given civil case is compromisable. The principal test, and one that is applied in the majority of the cases, relates to the merits. The other test is the financial condition of the taxpayer. In other words, if in a given case there is a reasonable doubt as to legal liability or as to collectibility, the case is generally considered a proper one for compromise. Conversely, where ingenuity of counsel cannot raise a bona fide doubt as to the merits, as where a judgment has become final, or the liability is certain, and where the existence of substantial bank accounts and unencumbered real estate makes it impossible to contend that the taxpayer cannot pay, generally there can be no compromise. "Certainty cannot be said to exist," however, "where there is a bona fide dispute as to either a question of fact or of law."[4] Where such is the case there is room for mutual concession and the problem then resolves itself into one of evaluating the possibilities, of weighing what is given against what is taken as honestly, accurately, and intelligently as possible.

Where the question of collectibility is involved, an investigation of the financial condition of the taxpayer is made by the Bureau of Internal Revenue. Naturally the Department relies in large measure upon the results of such an investigation. In some instances, in addition, the views of the United States attorneys are requested because of their familiarity with local conditions.

There is one factor which is frequently urged upon the Government by counsel for the taxpayers as justifying compromise and almost invariably rejected. That is the factor of inequity. This is not to say that the Department is blind to inequity, for the power to compromise may be exercised "to prevent flagrant injustice"—but the injustice must be flagrant. Too often, however, claims of flagrant injustice are found to be exaggerated or untrue or confused with mere hardship. Compromises in this category have been rather rare, but the power has been exercised where, for example, the taxpayer has made a showing that payment of the full amount in a lump sum would bankrupt him or would otherwise work some irremediable adversity. But even in these instances the Department has generally gone no further than agree to accept payment in installments of the amount offered in compromise. Also, in such cases provision is made for the payment of interest upon the deferred installments and the taxpayer usually is required to post collateral to insure full payment. The justification for this policy was stated by the present Attorney General in an address given a few years ago:[5]

"A liberal compromise policy which waives the claims of the Treasury for consideration of 'public policy' or hardship is impossible of administration without creating a favored class of taxpayers, and without creating many real discriminations, which give rise to stories of compromise by influence and partiality. * * * If the present policy seems severe, let it have credit for being impartial."

If in a case there is doubt as to liability or as to collectibility and, accordingly, it is a proper one for compromise, administrative machinery established for the consideration of compromise offers may be quickly put in motion. To some of you who customarily handle cases before the Department, it may appear that this machinery is complicated, has too many overseers, and is productive of unnecessary delay. Simplicity and speed are, of course, desirable, other things being equal, and these factors are emphasized so far as may be consistent with essential safeguards. In exercising the broad and plenary power to compromise there is substituted for the judicial an administrative judgment, and a heavy responsibility rests upon those who exercise that power. Every care must be and is taken to insure that it is not exercised carelessly or in a discriminatory manner.

It may be well to trace the course of the typical offer in compromise from the time of its submission to the receipt by the proponent of notice of the action which has been taken. Most of the offers are submitted directly to the Tax Division of the Department in the form of letters. Generally the Department does not require the use of a form such as Treasury Forms 656 and 656–C. When offers are submitted directly to the Department, it is the uniform practice to refer them to the Bureau of Internal Revenue, which is in effect our client, for the recommendation of the chief counsel, and in many instances in cases pending in the district courts to the United States attorney as well.

Upon receipt of the chief counsel's recommendation and the recommendation of the United States attorney when appropriate, the attorney in the Tax Division to whom the case has been assigned prepares a detailed memorandum which he sends over the desk of his section chief to the compromise section. The case is then assigned to one of the members of this section for consideration of the offer in the light of all the circumstances of the case. His conclusions are embodied in a covering memorandum, which is reviewed by the head of the compromise section, and is then considered by the principal assistant to the Assistant Attorney General in charge of the Division. The Assistant Attorney General personally reviews all compromises in the more important cases and in all other cases in which there is a divergence of views.

The file then goes to the Assistant Solicitor General, who is authorized to act finally upon offers in compromise of claims on behalf of the United States in all cases in which the gross amount of the original claim does not exceed $50,000, and of claims against the United States wherein the amount to be refunded does not exceed $10,000. The Assistant Solicitor General usually refers a compromise to one of the members of his staff, and upon completion of this review he takes final action or submits the matter to the Attorney General with his recommendation if the amounts just mentioned are exceeded.

The views of all of the individuals who pass upon the offer are placed in the file, together with all other recommendations made in the case. Needless to say, there are inherent differences between compromises to which the Federal Government is a party

[2] Opinion of Attorney General, 38 Op. A. G. 98; sec. 3761, I. R. C.
[3] Opinion of Attorney General, 38 Op. A. G. 98.
[4] Opinion of Attorney General, 38 Op. A. G. 98.
[5] 1934 Tax Magazine, p. 342, Changes in Treasury Tax Policy, by Robert H. Jackson.

and those between private litigants. In the former class of cases orderly procedure demands the safeguards which already have been touched upon. In the latter class the informality and expedition that might be obtained are limited principally by the confidence of one attorney in another and the distance to the nearest telephone. There may be those among you who feel that the "square corners"[6] the late Justice Holmes said a citizen must turn in dealing with the Government, are stretched into city blocks when it comes to compromising tax cases. Nevertheless, it is believed that the present procedure is best suited to situations in which the judgment of those handling cases for the Government is substituted for that of the courts.

Clearly, this procedure cannot be carried out in a day or a week. It does take time. However, every effort is being made to prevent unnecessary delays. Further, the Department is so geared that where an immediate decision is essential and where the facts are such that an informed judgment may be quickly reached, a decision may be secured within a period of a few days. Frequently informal conference between taxpayer's counsel and attorneys in the Tax Division are helpful from the standpoint of time saving and may be of material assistance in arriving at an accurate understanding of the merits of the case. The Department is always willing to discuss the possibility of disposing of a case in this manner, and the door has never been closed to anyone approaching the Tax Division with a legitimate and timely compromise proposal.

In addition to steps taken within the Tax Division, much can be done by counsel for the taxpayers toward expediting the consideration of a compromise offer. Considerable time is lost in many cases because the offer submitted is indefinite or ambiguous in its terms. Ambiguous offers, of course, must be returned for clarification. It is important that any offer made be explicit in all details. For example, in an offer to accept a refund of, say, $10,000, it should be specifically stated whether the payment of $10,000 and no more, or $10,000 plus interest, is contemplated. Likewise, in cases where there may be doubt as to collectibility, the net effect of a naked assertion of inability to pay is delay. Such an assertion is too frequently thrown in for whatever value it may have. It has none. The facts should be properly developed in the offer, and a statement of the taxpayer's assets and liabilities and any other pertinent information or documentary evidence should be presented. Again, obviously inadequate offers are frequently submitted. Such offers are in no way helpful to a taxpayer's case and so far as possible they are not permitted to delay a pending trial. A careful, intelligent appraisal by counsel of the settling value of his case will do much toward speeding up its final disposition.

Before leaving the subject of compromise in civil cases, I wish to refer briefly to the new pretrial procedure.[7] Frequently an offer in compromise is submitted as the result of a pretrial hearing held in accordance with the new Federal Rules of Civil Procedure. Of course, it is not possible for the Government's representative at the pretrial hearing to bind the Government to a compromise of a Federal tax case, since his authority in that respect is limited. However, the disclosures at the pretrial might indicate that the case is one that is susceptible of compromise and might lead to a satisfactory offer by the taxpayer. In many instances lawyers have hesitated, prior to the pretrial hearing, to take up the subject of compromise. The way is opened, however, by the pretrial judge's inquiry as to whether the case is one that might be compromised. This is now a common practice of the courts. It frequently brings about a discussion of compromise and causes counsel to explore the possibilities of thus disposing of the case. Counsel are often in a better temper to consider amicable adjustments after disclosure by each side of facts upon which it relies.

CRIMINAL CASES

In addition to the civil cases, the criminal tax cases form an important part of the work of the Tax Division in the Department of Justice. The criminal features of tax work, however, comprise too large a field to permit more than a few comments on some of the more troublesome problems which these cases present.

Certain misconceptions are apparently prevalent concerning the attitude and policy of the Department of Justice with respect to the prosecution of criminal cases. Simply stated, the act of willfully and fraudulently evading taxes constitutes a serious crime which may be punished by a penitentiary sentence, and it is the duty and policy of the Department of Justice to prosecute those who have committed it. The policy, however, is not one of "undiscriminating severity."[8] A case which is forwarded from this Department to the United States attorney for the institution of criminal proceedings is one which has been subjected to a painstaking scrutiny carefully designed to eliminate those cases where the invoking of criminal sanctions is not warranted.

Such a case began with a joint investigation by a revenue agent and a special agent of the Bureau. Upon the completion of the agent's investigation, the report of the special agent went to the office of the Chief of the Intelligence Unit of the Bureau in Washington. The case was then reviewed by the Penal Division of the Bureau and by the Tax Division of the Department of Justice. At one or more times during the course of the consideration of his case, the taxpayer had an opportunity to present whatever facts and explanations he desired.

This procedure is designed "to avoid groundless prosecution as well as to assure deserved ones."[9] A case which survives this process is one where it has been concluded, after a careful examination of the facts by a group of experienced lawyers both in the Chief Counsel's Office of the Bureau and in the Tax Division, that substantial evidence of guilt and a reasonable prospect of securing a conviction exist.

With this background the policy of the Department with respect to criminal prosecutions may be broadly sketched. Criminal proceedings are not regarded as implementing the ordinary civil remedies available for enforcing tax collections. Indictments are not used as clubs to compel payment of taxes by the individuals indicted. On the contrary, it is the view of the Department of Justice that the collection of the civil liabilities, including fraud penalties, is a matter entirely apart from the criminal aspect of the case. Trials of criminal cases have been insisted upon even where it has been apparent that as a result only a fraction of the amount which may have been offered in settlement of the case can be collected. In other words, where it has been finally concluded that substantial evidence of guilt and a reasonable prospect for conviction exist, the case cannot be disposed of by the mere payment of money, no matter what the amount, in settlement of the civil liabilities. This cannot be too strongly emphasized, for despite the age of the policy and the publicity given to it, some counsel for prospective defendants persist in attempting to dispose of the criminal features of a case by money payment alone. The only way in which the criminal aspect of such a case may be settled in the Department without a trial is by the entry of an unconditional plea to one or more of the major counts of the indictment. It is optional with the defendant whether he wishes to dispose of his civil liabilities concurrently with the entering of the plea.

Offers which are clearly inadequate and do not meet these standards will be summarily rejected and will not be permitted to delay the criminal proceedings. Where a settlement offer is made, it is the policy of the Department to require the payment of the full civil liability, including penalties and interest, or so much thereof as the taxpayer is able to pay. However, the taxpayer is, of course, given an opportunity to demonstrate that the proposed civil liability is clearly excessive. In general, the same standards are applied to the determination of the adequacy of money payments as are applied to offers in civil cases.

Accordingly, describing a criminal case which has been disposed of in the manner just referred to as one that has been compromised is misleading. The defendant pays the civil liability in full and admits his guilt by an appropriate plea to the indictment. It is hardly necessary to point out that no agreement is ever made with the defendant as to the degree of the criminal punishment that will be imposed. That is a matter which obviously lies exclusively within the discretion of the court. Moreover, it is the standing policy of the Department to make no recommendations to the court as to either leniency or severity of punishment where the civil liabilities are settled concurrently with the entry of the plea. In the typical case, however, an objective statement of facts is submitted for the information of the court. This statement covers the amount and source of the defendant's income, the amount of the tax evaded, the means or devices employed to that end, and other pertinent information bearing on the case.

The present policy of making no recommendation as to severity or leniency of punishment was adopted principally because of the erroneous impression, which was almost inevitably created by the joining of the civil with the criminal side of the case, that a close relationship existed between the collection of the civil liabilities and the particular recommendation made by the Department. This present policy, however, is apparently in turn subject to misinterpretation. It perhaps has been construed in some instances as indicating that the Department of Justice is not interested in the criminal penalties imposed. That is not the case. We feel that even as to first offenders the evasion of the tax may have been so flagrant that a prison sentence is called for. The fact that the defendant, after his crime has been detected, pays the taxes which he has evaded together with penalties and interest is, of course, one of the facts to be considered when sentence is imposed. But to my mind it is not a dominant fact. A contrary view causes the extent of the criminal penalty to rest upon the ability of the defendant to pay the civil liabilities and not upon the flagrancy of the crime.

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[6] *Rock Island A. & L. R. Co.* v. *United States* (254 U. S. 141, 143).

[7] The experience in regard to compromise at or after pretrial is significant. In the State courts of Massachusetts and in the Wayne County Circuit Court at Detroit, Mich., pretrial practice prevailed for several years before its adoption in Federal procedure. In the Massachusetts courts 25 percent of the cases are compromised before the pretrial judge and another 16 percent are compromised between the pretrial hearing and the regular trial. While it cannot be proved statistically that pretrial brought about all of those compromises, undoubtedly most of them were consummated as the result of pretrial. Experience in the State courts at Detroit and Pittsburgh and in the United States District Court of Massachusetts has been similar. The latter court was probably the first Federal court to have a pretrial calendar after the new Federal rules became effective. Out of 313 cases pretried in that court, 95, or nearly one-third, were compromised during a pretrial session lasting 3 weeks.

[8] 1934 Tax Magazine, p. 342, Changes in Treasury Tax Policy, by Robert H. Jackson.

[9] 1934 Tax Magazine, p. 342, Changes in Treasury Tax Policy, by Robert H. Jackson.

In conclusion, I wish again to emphasize that the Department is ready and willing to consider any reasonable, legitimate compromise or settlement proposal. In the nature of things we cannot make the offers, but we can and do smooth the way for the proponents. The Department will meet at least half way anyone who comes to us with a bona fide proposal. The only request we make is that the offer be reasonable, and that it take into account the realities of the situation.

Can Industry Hire the Unemployed?

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

ADDRESS BY HON. CORRINGTON GILL

Mr. COCHRAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. Corrington Gill, Assistant Commissioner of the Work Projects Administration, over the National Broadcasting Co. on Saturday, March 23, 1940, at 1:30 p. m., at a luncheon meeting of the People's Lobby, National Press Club, Washington, D. C.:

The question "Can industry hire the unemployed?" is certainly timely. Like many other large questions, all kinds of answers are given. All kinds of reasons are advanced to explain unemployment. This year will bring a new crop. Next to the war in Europe, probably no other problem will receive so much attention.

Some people blame industry for not doing something about unemployment. This, I think, is the wrong approach to the problem. Industry can do little or nothing directly about it. Industry hires all the workers it can. If business prospects are good you can be sure that industry will reemploy people. Individual business enterprises hire what labor they need—no more, no less. If 10,000,000 people are unemployed it is not because industry does not want to give them jobs. The real reason is that business cannot make a profit by giving these people work.

From the depths of the depression in 1933 to the end of 1939, business reemployed about eight and a half million workers. This is a real accomplishment—one that is frequently forgotten in the heated discussions about unemployment and the responsibilities of business. This big increase in employment was made because business prospects were good. Any further increases in employment will come about for the same reason.

This brings us to the question: How many workers must industry reemploy in order to bring unemployment down to a low level? We can get a good idea of the size of the job by looking at the number of people now regularly employed and the number available for work.

There is very little guessing on these points. Some people at present are trying to convince the public that little is known about the size of the unemployment problem. We know a good deal about it. Of course, we need to know more, and much more will be known after we get the 1940 census returns.

Let's look at the simple facts, and add up the figures which show us what we have to face. In the first place, how does regular employment compare now with the prosperity era of a little over a decade ago? Official figures show that employment a few months ago increased to a high level, partly because of the great activity brought about by the war. We know that the volume of industrial production reached an all-time peak. Yet the figures show that there were 1,500,000 fewer workers employed than in 1929. This is one element in our unemployment total. Incidentally, employment has dropped drastically in the last month or two.

Now, let's look at the second and largest element in our unemployment total. This is the increase in the labor supply that has taken place since 1929. The increase has amounted to 6,600,000 persons—that is, the number working or looking for work has increased by this amount over the number working or looking for work in 1929. There are two reasons for this growth.

In the first place normal population growth adds to the labor supply. Secondly—and this point is confusing to most people—the age structure of our population is changing. There are now relatively more people of working age than there were 10 years ago. Difficult as it is to believe, the increase in the number of people of working age has been greater than the increase in the total population.

This fact is important. It has been overlooked by some well-known newspaper columnists, and others as well, with the result that they think unemployment is less serious than it really is. The facts of the situation are that the labor supply is much larger than 11 years ago and there are fewer jobs to go around. Any way you look at it, you cannot escape the fact that the size of the problem has grown.

Let's add these figures up. The first figure I gave was the 1,500,000 unemployed who represent the decrease in employment from 1929 to 1939. Then add to this the 6,600,000 more workers in the labor supply. This comes to 8,100,000 increase in unemployment over an estimated 2,000,000 in 1929.

The situation then is this. Industry has reemployed about 8,000,000 workers since 1933. This represents a half-way mark because there are still 8,000,000 more who need jobs. Industry cannot put these all to work quickly, even under very favorable circumstances. It will take years to do the job. And each year another 600,000 workers are added to the labor supply. We have to keep on increasing employment each year by this figure just to hold our ground; if we want any reduction in the 8,000,000 who ought to get jobs we must increase activity much more.

Some idea of the size of the problem can be seen in this way. If industry increased employment each year by the enormous figure of 2,000,000, at the end of 5 years we would have unemployment down to about 3,000,000.

Such an increase is most improbable. Industry does not expand that much or that steadily for so many years at a stretch. What are the prospects that private industry will be able to absorb these unemployed workers?

I am not going to try my hand today at the tricky game of business forecasting. There are serious obstacles to the rapid and easy sort of long-time economic expansion we became accustomed to in the past. The disappearance of the frontier, and the apparent absence of any revolutionary development like the automobile have made it, and still make it, difficult to find adequate outlets for the savings we, as a Nation, tend to accumulate in prosperous times. War and other difficulties abroad dim the chances of foreign investment as a stimulus. Rigid price and cost policies, and the growth of trade barriers between the States, in recent years, have handicapped economic expansion. How rapid our progress will be in overcoming or circumventing these obstacles I would not want to predict. Twenty years, or even ten years from now, the level of economic activity may be such that unemployment will no longer be a serious problem.

We are concerned, however, about the present and the immediate future. The policies we are now formulating must be policies that will apply to the next few years. Here I think something definite can be said about the prospect for the absorption of the unemployed. From 1933 to 1937 the rate of recovery was, it is generally admitted, pretty rapid; as rapid, certainly, as we are likely to see in the next few years. Even if we could hit the recovery pace of 1933–37 again, it would take us 5 or 6 years to absorb most of the unemployed. A realistic appraisal of the present prospects for business expansion suggests that any such rate of increase is highly unlikely.

It is not now a question of recovery. We recently recovered to the 1929 level of activity. What we need is expansion far beyond the levels of any earlier period.

We must, of course, continue and intensify our efforts to stimulate and encourage expansion of economic activity in every way possible. But we must not delude ourselves into thinking that we can perform miracles. We are going to have a serious unemployment problem on our hands for a considerable time to come. It is better, not only for the unemployed but for the country as a whole, that we recognize this fact and make our plans accordingly. Not only must we provide a means of livelihood for the unemployed, but we should also make the fullest possible use of this opportunity to turn their desire for useful work to account in ways that will be of definite value to their community and to the Nation.

The Poor Pay the Taxes

EXTENSION OF REMARKS

OF

HON. ALLEN T. TREADWAY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

EDITORIAL FROM THE BOSTON HERALD OF MARCH 24, 1940

Mr. TREADWAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Herald of Sunday, March 24, 1940:

[From the Boston Herald of March 24, 1940]

THE POOR PAY THE TAXES

A little pamphlet entitled "C. I. O.'s 1940 Legislative Program for Jobs, Security, and Peace" and circulated by that organization should interest those who like to think that only the well-to-do are protesting against the tax exactions of the New Deal. In the final chapter, headed "Taxation," is this:

"Of all the Federal revenue collected in 1929, 30.2 percent came from taxes bearing primarily upon consumption such as excise

taxes, customs, tobacco, and liquor taxes. * * * By 1938, the percentage of taxes based primarily upon consumption was 51.3 percent."

That is, the classes for which the C. I. O. presumes to speak are paying two-thirds more now, under the supposedly beneficent New Deal, than in the first year of the Hoover administration, which the President has attacked often as the exploiter of the poor. The people of limited incomes are just beginning to realize that, as taxes go up, the proportion of their earnings which they retain goes down. The taxes are eased along to the ultimate consumer, and, of course, "there is a substantial withdrawal from consumer purchasing power."

Even stronger testimony of the same kind comes from a gentleman whose income is in the stratospheric levels. Our free-spending, free-speaking, free-thinking Minister to Canada, James H. R. Cromwell, was testifying before the Ways and Means Committee of the House in regard to estate, inheritance, and manufacturers' sales taxes. Replying to a question—according to the Saturday Evening Post—he said: "As a matter of fact 75 percent of taxes are now paid by the poor."

Our Federal-tax structure is a rambling, jerry-built thing which the Democrats threw together in panicky haste. The New Deal promised to correct its defects but, even with control of the Senate and the House by large majorities, it has not made good on its pledge. There is little solicitude for the people who must pay the bills, but there is no end of effort to provide ample funds for those who have the spending power. What is needed, obviously, is a set of men who will have a better attitude toward employers and employed and will have measures enacted which will correct the many inequities.

That is not likely to be accomplished if Democrats of a new kind should succeed the New Deal type. Only a President and a House which are free to start anew, without any feeling of obligation not to undo anything which has been done, and not to reflect discredit on the philosophy and philosophers of the Democracy, can reasonably be expected to do the job. Any Republican President would be more likely to accomplish the task than the most brilliant Democrat, hampered by boundless party commitments.

New Deal at Cross-Purposes

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

Mr. GILLIE. Mr. Speaker, "Consistency thou art a jewel." This adage from the old English ballad most certainly does not apply to the nimble-minded new dealers in the Department of Agriculture.

One year ago Secretary Wallace published a booklet entitled "Barriers to Internal Trade in Farm Products." This was a special report to the Secretary of Agriculture by the Bureau of Agricultural Economics. In this volume are examples of the trade barriers that have sprung up between the States during the past few years. They include the infamous port-of-entry system in some States. Indiana recently abandoned the McNutt-sponsored port-of-entry liquor racket. The booklet calls attention to the wrongs that have arisen from this practice of States setting up barriers contrary to the spirit of the law of the land.

Imagine my surprise, therefore, to find the following news article in the Washington Times-Herald of March 18, 1940:

WALLACE SETS UP MINIMUM PRICES ON MILK PRODUCTS

Farmers will be guaranteed minimum prices for milk products under a schedule for the Washington milkshed promulgated by Secretary of Agriculture Wallace.

C. I. Dunn, market administrator, issued the price scale after an audit of the books of the handlers concerned.

Indications were that the schedules would not result in any change in the present price of milk or cream to District consumers.

Dunn fixed composite prices for each dairy on the basis of the quantity of milk products ranging from milk for table use to ice-cream mix bought by the handlers in the past.

The composite price per hundredweight included: Embassy, Fairfax, $2.52; Harvey Dairy, Inc., $2.41; Highland Farms Dairy, $2.53; Model Farms Dairy, $2.80; and Walnut Hill Dairy, $2.65.

The following Associated Press dispatch from Washington is additional evidence of the cross-purposes of the price-fixing trade-barrier program of the New Deal:

WITNESS AT HEARING TELLS OF BARRIERS IN DAIRY INDUSTRY—EXPERT DECLARES THAT REGULATORY AUTHORITY MISUSED

WASHINGTON, March 20.—A University of Illinois dairy expert told the Monopoly Committee today that misuse of regulatory authority often resulted in trade barriers in the milk industry, boosting prices to consumers without adding any necessary protection to public health.

"The problem," Harrison A. Ruehe, head of the university's dairy department, testified, "is one that calls for solution by State, county, and municipal cooperation, but, most of all, by an enlightened understanding by consumers of the extra burden of costs occasioned by duplicating contradictory regulations.

"This will result in reciprocal acceptance of equivalent quality standards of inspection by health authorities and there will then be a free flow from State to State and intrastate of equally wholesome milk and dairy products."

Ruehe contended the Federal Government was responsible for one type of trade barrier through the Department of Agriculture's milk-marketing orders, which he said resulted in discouraging entrance of new producers into particular markets.

"During the past 20 years," the witness said, "there has been a progressive evolution of State, county, and municipal sanitary standards regulating milk and its products. This has been of benefit to public health and has had the support of the dairy industry. However, there has developed a misuse of inspection under these health measures which have had the effect of trade barriers."

Here we have just one more example of the cross-purposes of the New Deal. First, they write a book, one-half inch thick, telling the vices of trade barriers, and now they turn around and erect a trade barrier, or a Chinese wall, around the milkshed of Washington and other cities under the guise of health requirements. The protected monopolies are charging consumers 14 cents per quart for milk and 12 cents per quart for buttermilk.

This is one more example of "blowing hot" and "blowing cold." The administration states that they cannot fix prices, but they turn right around and do fix prices. They fix prices for the few at the expense of the many.

The more I see of the New Deal agricultural program, the more convinced I am that there is one thing which they can never be accused of, and that is consistency.

Appropriation for the Civilian Conservation Corps

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

LETTER FROM MILLARD W. RICE

Mr. ANDERSON of Missouri. Mr. Speaker, several days ago I spoke briefly on this floor regarding the proposed reduction in the appropriation for the Civilian Conservation Corps, at which time I pointed out that such a move was not in any manner in the interest of economy.

The Civilian Conservation Corps provides a haven not only for thousands of young men but for thousands of war veterans who would otherwise be on direct relief or some other form of aid. In connection with the C. C. C.'s great contribution to the welfare of the veterans, I ask unanimous consent to extend my remarks and include therein a letter which I received today from Mr. Millard W. Rice, legislative representative of the Veterans of Foreign Wars of the United States:

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Kansas City, Mo., March 25, 1940.

The Honorable C. ARTHUR ANDERSON, M. C.,
House of Representatives, Washington, D. C.

MY DEAR MR. ANDERSON: During the last several years, you have prominently identified yourself as one of those very much interested in securing adequate annual appropriations for the Civilian Conservation Corps, and you have several times taken steps, with the effective cooperation of others, to provide a greater appropriation for that purpose than had been recommended by the House Committee on Appropriations.

H. R. 9007, the proposed Labor-Federal Security Appropriation Act, 1941, recently favorably reported by the House Committee on Appropriations, would provide for an appropriation to the Civilian Conservation Corps of only $230,000,000, as compared with $295,000,000 for the current fiscal year, thus necessitating a reduction in the number of operating C. C. C. camps from 1,500 to 1,282, and thus necessitating a decrease in the average enrollment from 270,000 to 239,600, and incidentally necessitating a proportionate reduction in the number of veteran camps and veteran enrollees, ordinarily constituting about 9 percent of all C. C. C. enrollees.

In the past, it has been possible for a considerable number of veterans receiving domiciliary treatment in Veterans' Administration facilities, at a substantial cost to the Federal Government, to become enrollees in C. C. C. camps, and thus to become useful, productive, self-respecting employees, instead of dissatisfied, nonproductive patients in Veterans' Administration facilities.

It seems to be universally agreed that the Civilian Conservation Corps has been responsible for many worth-while construction and conservation projects, of permanent value to the Nation, and incidentally for the physical, psychological, and vocational rehabilitation of thousands of enrollees. These favorable results, amply substantiated by the testimony before the House Committee on Appropriations, would certainly seem to indicate that we ought to have more, rather than less, C. C. C. enrollees and C. C. C. camps.

At our organization's fortieth national encampment, held in Boston, Mass., August 27 to September 3, 1939, it went on record in favor of increasing the veterans' quota in Civilian Conservation Corps from 30,000 to 50,000, and to provide that veterans should be eligible for immediate reenrollment, in the event that private employment obtained by a former enrollee should shortly thereafter have been terminated.

We are happy to know that you and your associates are going to press for the adoption of an amendment on the House floor to increase the appropriation for the Civilian Conservation Corps from $230,000,000 to at least $280,000,000, for the next fiscal year. We sincerely hope that your efforts in that direction will prove to be successful.

Respectfully yours,

M. W. RICE,
Legislative Representative.

St. Patrick's Day Address

EXTENSION OF REMARKS
OF
HON. WALTER A. LYNCH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1940

ADDRESS BY REV. ROBERT I. GANNON, S. J.

Mr. LYNCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Reverend Robert I. Gannon, S. J., president of Fordham University, at the one hundred and fifty-sixth anniversary dinner of the Society of the Friendly Sons of St. Patrick in the Hotel Astor, New York City, on March 16, 1940:

When any function has been repeated as often as this glorious dinner of yours, it falls into a pattern, a kind of ritual. We always have Irish bacon and kale—one speaker always handles national affairs—Governor Smith always tells us how foolish men look from the top of the Empire State (especially real-estate men), and one speaker is always condemned to work on your emotions and suffuse the whole evening with a touch of local color.

Of course, there is not much trouble about the color. The lights are green, the flowers are green, the cakes are green, the music was green, the champagne was green—at least, it looked a little green the third time it came around—and here we have gathered together all the green bloods of the city, with the exception of our versatile mayor. Senator WAGNER has been talking to Bishop Donahue all night in a brogue you could cut with a knife. No, the color is easy enough. It's the emotion that chokes me. For you have wept at every ancient wrong and laughed at every ancient joke for 156 years flat. The only topic left now that is really new is the women of Ireland, God bless them. They are always new. Last year Judge Brogan talked about them in the sweetest speech I ever heard. This year we'll bring them out again, with a shot of Angostura.

Of course, there may be a few battle-scarred veterans in the balcony who are saying to their neighbors behind their hands: "I wish to high heaven I knew as little about women as he does. 'He jests at scars that never felt a wound.'" I admit there is a point there, but early in my researches I came upon an old Irish proverb, the translation of which goes something like this: "Three kinds of men fail to understand a woman: young men, old men, and middle-aged men." That takes in everybody on the dais. It is perfectly true that some of us are happily limited in our empirical knowledge, but after all, it is the theory that matters, because the women of Ireland have changed so little in the last few thousand years that history may be a great help to us in solving our problems.

Go back, then, to the beginning of the book and the earliest colleen that we read of, aside from the good little people, who were probably living in the Gap of Dunloe before the old serpent had tasted an apple himself; the first colleen was Caesair, who landed in Galway with her people about 4,000 years ago, to be exact, just 40 days before the universal flood. They would have been better off if they had stayed in their boats. But in 40 days, just by communing with the foggy dew—for there was nobody else in the place—she had absorbed enough Irish wit to remark with her dying breath as she sank for the third time and the waters closed over her head, "This is certainly going to be an awful lesson to me."

Then the mists roll down from the hilltops and part just here and there through the following centuries to show us Macha of the Golden Hair, queen of an Ulster that was Irish and free, and Maeve, the warlike queen of Connaught, and Deirde of the Hundred Sorrows—all types of Ireland itself. Not many names, perhaps, for so many years, but piecing together fragments of epics and songs from those far-off days, we find a womanhood, respected for its purity and intelligence and independence, too. You will find among the great ones doctors, lawyers, and poets, and what not. But most of them, even in those early days, were just what they are today, heads of families.

You may think there is something modern in a wisp of an Irish woman who rules her 6-foot man with a lift of the eyebrow, but it was just the same before the time of St. Patrick. Even then they hung onto their dowry and their independence and could always give a good account of themselves. In fact, they were excused from military service later in the Christian era only because public maneuvers interfered with their domestic campaigns.

The same sentiment we find recorded centuries later on a tombstone in Kilmurry, in County Clare:

> "This stone was reared by Sarah's lord
> Not Sarah's virtues to record,
> For they're well-known to all the town.
> This stone was raised to keep her down!"

And to this day a tombstone is the only surefire method.

Germany had her warrior maidens, the Valkyrie, but only in the Metropolitan Opera House—deep chested Divas with feathers in their tin hats. Herodotus talks about Amazons in Scythia—but everyone knows they were not half as real as a Leprechaun. Ireland, on the other hand, had women of flesh and blood who could swing a battle ax with the best of them; Queen Maeve, who could have knocked the British Boadicea well into France; Ineen Dhu, the mother of Red Hugh O'Donnell, who according to the minstrels had the heart of a hero and the soul of a soldier; and Grace O'Malley, the gallant sea captain who sailed up the Thames in her own ship and snapped her fingers under Queen Elizabeth's painted nose. There were the forebears of the heroic women of Limerick, who manned the walls after the breach and died by the thousands.

And yet for all that, the women who fought and sometimes lost were as nothing to the women who never fought and always won, for as Lecky points out so well, "the conquest of Ireland by the Puritan soldiers of Cromwell was nothing to the conquest of these same soldiers by the invincible religion of the Irish women." Who knows but that in this hall tonight there are men whose distant grandfathers were round-headed savages brought over from England to exterminate the Irish race, but who by the grace of God saw the gospel light in the eyes of a little colleen and stayed instead in the mountains of Wicklow to father a race of confessors to the faith.

For these women of Ireland were descended not only from warlike queens, they were descendents too of the mystical Brigid of the flaming faith. Just as she in her time had tended the Druid fires before the sacred oak until St. Patrick gave her the blessed sacrament, instead so they in their time took their natural virtues—a perfectly natural fearlessness and a perfectly natural strength—and burned them together in a tabernacle lamp.

It may seem strange and incongruous to some who are accustomed to seeing Cathleen ni Hoolahan dressed in her symbolic green with the golden crown on her head, but to me the embodiment of old Ireland has always been one poor Irish laundress whom I knew many years ago—more than 40 years ago in Staten Island. Her name was Mrs. Kelly and she took in washing to support her husband and the rest of her children, for her lord and spouse was not quite as much help as her eldest boy, Tom, who was 10. In fact, the only work I ever saw the old man do was to nail up a new addition to the house whenever a new little Kelly was expected, and new little Kellys were as good as the robins for telling when spring was due, they were that regular.

I am afraid that some women in the public eye today who have more daughters-in-law than they have sons, and more sons-in-law than they have daughters, would find the Kellys a very badly planned family. A planned family, you know, is one that you plan not to have. Can't our bright ladies think up the grand terms. Planned family! They can make anything seem clean and respectable merely by calling it something it isn't. I wonder what nickname they have for the latest selection of the board of higher education.

The badly planned Kellys, then, lived in a home-made tarpaper shack that was built in a rambling sort of way under an old oak

tree, down by the waters of the Upper Bay. But inside it was as clean as the heart of the mother that kept it; and the children, down to the baby, Barney, were all gentle and well behaved. Even on week days, when they didn't wear much, they still had some of their mother's innate refinement and dignity. And on Sundays when they passed our house in single file, the tallest going first, on the way to St. Peter's Church, there weren't many in the parish who wouldn't be proud to own them. It meant, of course, that Mrs. Kelly had worked far into Saturday night to iron out their shirts and ruffles and press their pants and brush their hats, but it meant too, that she could keep her head unbowed amid sorrow that would have broken common clay.

She could be merry on occasion, too, and her hospitality was famous among the little ones. Nothing I knew gave quite the thrill that came into stealing down to the shack late in the winter afternoon when Mrs. Kelly was tired after a day at the tubs. She would sit us down on the floor in a row, the neighbors' children as well as her own, and hand out bread and butter with sugar on it. And nothing in the last 40 years has tasted half as good. Then she would light an oil lamp and take down from the shelf the only frivolous book in the house, Willie Reilly. She had a Bible, but we didn't care for that. We always called for the frivolous book, and she would read to us and we would sit there in the dusk, charmed by the music of her voice.

Put all that into symbols, and what have you got? Granuelile, the tragic old Ireland that our grandfathers knew, sitting beside the ruins of her past, with the strings of her harp all broken, rags on her back, and tears on her face, but a light in her eye, and on her dear, dark head a crown which meant that her soul was still her own.

Oh, times have changed now. The old Ireland is gone and a greater, newer Ireland has taken her place—a glorious Ireland, all things considered; one of the few really civilized nations left on the face of the earth. She still has her troubles, of course, and will have while English garrisons are quartered in the black North. Her leaders are not as popular as they might be elsewhere, for, being Irish, every gossoon in the barnyard knows all about running the country, but sometimes I think that her sons are as well off as we are here and now. Their lives are more like the lives we led 40 years ago before something happened to the United States. Oh, I don't mean to imply that the land of the free and the brave was ever entirely above criticism. We always had a few political problems. It was always possible for a district leader to exist without visible means of support, and some of them did. In fact, the purloining politician was regarded in the old days as part of the general ovefhead, like the boll weevil and the potato bug, and due allowance was made for him. But when he had stolen the people's money he was satisfied. He never tried to steal their souls. Now there is a new swarm abroad in the land. They call themselves liberals, all in a spirit of good, clean fun, of course, just as Hitler calls himself a Socialist, being almost as social as he is democratic. So, too, for people who do not agree with them, these liberals are the greatest little slave drivers in the world. They are not as crude or as simple as the ward heelers with the big cigars. What they want is not so much our money as our children. They want our schools and colleges. They want the key positions in the civil service. They want control of relief and all the social agencies, and they are getting what they want. Later they hope, when they have the youth of the Nation in their power, to eliminate all religion and all morality that does not conform to their peculiar ideology.

But, dark as the picture is, it looks as though western civilization may yet prevail. In the first place, we can always depend on our enemies to overplay their hand. They are too smart for their own good. They are historically greedy and rash. Not content to slip quietly into places of influence, they must rush their men in through crooked civil-service examinations and get the spotlight of the Court of Appeals turned on them. Not content to slip a knife between the ribs of an eminent educator who isn't enough like themselves and inter his remains under flattering resolutions, they must slap public decency in the mouth by an appointment that, for sheer effrontery and contempt of the taxpayers, has not been equaled since the days of Boss Tweed.

Our first hope, then, lies in the greedy rashness of our adversaries. Our second hope brings us back to the women of Ireland. For I do not think that you and I, mere trailing men as we are, will do very much about the present situation. We are so used to the deadening compromises that a man meets with in the ordinary struggle for existence that we have dulled our powers of indignation. Not so the women. They have a God-given persistence that compensates for physical handicaps. It is no mere accident that widows outnumber widowers three to one. Give the women a clean-up job of any kind and they will see it through to the end. Especially, I may say, the women of Ireland and their daughters to the third generation. Let them once fully realize that this new and insidious political force that calls itself liberalism is aiming at their schools, their church, their home, their children, and we shall not have to do a thing but applaud their success.

For the women of Irish descent in America have taken prosperity in the main, as Mrs. Kelly would have taken it had it ever knocked at her tar-paper door. They have remained women of refinement, of dignity, of modesty, of charity, of courage, and of beautiful spirituality. They are still a blend of the warlike Meave and the Mystical Brigid. So that as we rise to drink a toast tonight to the women of Ireland—God bless them—not only the flowers and the music in the room but the hope in our hearts is eternally green.

Hon. Robert L. Doughton, of North Carolina—Long Tenure of Service

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 25, 1940

Mr. RANKIN. Mr. Speaker, we Members on the Democratic side of the House, in particular, are gratified to learn that our distinguished colleague from North Carolina, Hon. ROBERT L. DOUGHTON, chairman of the Committee on Ways and Means, has yielded to the demands of the people of his district and agreed to run for reelection. [Applause.]

I am glad to note that this applause comes from both sides of the aisle, which testifies to the high esteem in which the gentleman from North Carolina [Mr. DOUGHTON] is held by the entire membership.

There never was a time when we needed men of Mr. DOUGHTON's experience and ability in public life worse than we do today. Hon. Champ Clark, a former Speaker of this House, one of the ablest Speakers who ever occupied the chair, and one of the greatest Democrats of his day and generation, in an address which he delivered before the Press Club here in Washington during the time he was Speaker, said:

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

The old Charlotte district in Virginia knew this and kept John Randolph of Roanoke in the House till he became a great national figure. Then the Old Dominion sent him to the Senate and General Jackson sent him to St. Petersburg. There are sporadic cases of similar action in other districts.

It is an unwise performance for any district to change Representatives at short intervals. A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has the quicker he will get up. If he possesses these qualities, and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the "top-notchers."

Let us take the present House and see how long the men who hold the high places have served. I cannot name all, but will cite a few as samples.

Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, "he holds the belt," for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker 8 years, only one man, Henry Clay, having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of Ways and Means, his sixteenth; Mr. Fitzgerald, chairman of Appropriations, his eighteenth; Mr. Moon, chairman of the Post Office and Post Roads, his twentieth; Mr. Jones, chairman of Insular Affairs and "father of the House," his twenty-sixth; Mr. Flood, chairman of Foreign Affairs, his sixteenth; Mr. Hay, chairman of Military Affairs, his twentieth; Mr. Glass, chairman of Banking and Currency, his sixteenth; Mr. Adamson, chairman of Interstate and Foreign Commerce, his twentieth; Mr. Stephens, chairman of Indian Affairs, his twentieth; Mr. Slayden, chairman of the Library, his twentieth; Mr. Henry, chairman of Rules, his twentieth; Mr. Lever, chairman of Agriculture, his sixteenth; Mr. Padgett, chairman of the Navy, his sixteenth; Mr. Lloyd, chairman of Accounts, his twentieth; and Mr. Sparkman, chairman of Rivers and Harbors, his twenty-second. There are other big chairmanships, but these will suffice to show that as a rule the big places go to old and experienced Members, for most of the men who rank close to the chairmen are old-timers. The same thing holds good with reference to members of the minority. As an illustration, Messrs. Gillette and Cooper, who are serving their twenty-fourth year, are the ranking Republicans on Appropriations and Foreign Affairs, almost certain to be chairmen thereof should the Republicans ever again have a majority in the House, as in that event, in all probability, Mr. Mann will be Speaker, unless he is nominated for President next June.

Go through the whole list and you will find, with few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress, they keep him in the harness.

The Member of longest consecutive service is called the "father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelley, O'Neill, Harmer, and Bingham. Then it went to Mr. Dalzell, of Pittsburgh. When General Bingham announced the death of General Harmer, his immediate predecessor as "father of the House," he stated that the five Philadelphia "fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the Speakership and the chairmanship of the great Committees on Ways and Means, Navy, and Public Buildings and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Millikin—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing things.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them.

Times have changed, and many conditions have changed, but the words of Champ Clark hold good today.

A man's long service here not only gives him experience and prestige with the membership of the House but it acquaints him with every branch and bureau of the Government, as well as with the heads of the departments and the leaders in the various bureaus with which he has to deal. It gives him a tremendous advantage in shaping legislation or in serving the interests of the district he represents.

Some districts change so often they never get a chairmanship and their Representatives never rise to be leaders in the House. If the gentleman from North Carolina [Mr. DOUGHTON] had retired, the chances are that North Carolina would not have had the chairmanship of the Ways and Means Committee again for a generation, at least.

Take a look at the present House of Representatives and you will see that the men who occupy influential positions, as a rule, are the ones who have served for a long period of years. For instance, our distinguished Speaker, Hon. WILLIAM B. BANKHEAD, of Alabama, has been in the House for 26 years, and will, no doubt, be here many, many more if he so desires.

The gentleman from Colorado, Mr. TAYLOR, chairman of the Committee on Appropriations, one of the most powerful committees in the House, has been a Member of this body for more than 30 years; while the ranking Republican on that committee, the gentleman from New York, Mr. TABER, who would take his place in case of a change in administration, has served for 18 years.

The distinguished dean of the House of Representatives, the gentleman from Illinois, Mr. ADOLPH SABATH, who now occupies the position of chairman of the powerful Committee on Rules, has been a Member of his body for 34 years, while the ranking Rupublican on the Rules Committee, the gentleman from New York, Mr. FISH, has been here for more than 20 years.

The gentleman from Texas, Mr. RAYBURN, the majority leader, has been in the House for 28 years; and the minority leader, the gentleman from Massachusetts, Mr. MARTIN, has been here 16 years.

The gentleman from Texas, Mr. SUMNERS, chairman of the Committee on the Judiciary, has been a Member for 28 years. The gentleman from Georgia, Mr. VINSON, chairman of the Committee on Naval Affairs, has been a Member of the House for 28 years; and the gentleman from Alabama, Mr. STEAGALL, chairman of the Committee on Banking and Currency, has been here for 26 years. The gentleman from Texas, Mr. JONES, chairman of the Committee on Agriculture; the gentleman from California, Mr. LEA, chairman of the Committee on Interstate and Foreign Commerce; the gentleman from Texas, Mr. MANSFIELD, chairman of the Committee on Rivers and Harbors; and the gentleman from Virginia, Mr. BLAND, chairman of the Committee on Merchant Marine and Fisheries, have each served in the House for 24 years.

The gentleman from Virginia, Mr. DREWRY, chairman of the Democratic congressional committee; and the gentleman from Texas, Mr. LANHAM, chairman of the Committee on Public Buildings and Grounds, have each served in the House for 22 years; while the gentleman from New York, Mr. CULLEN, the ranking Democrat on the Committee on Ways and Means, and the gentleman from New York, Mr. DANIEL A. REED, one of the ranking Republicans on that committee, have each served 22 years. The gentleman from South Carolina, Mr. FULMER, ranking Democrat on the Committee on Agriculture, and who is next in line for chairman of that committee, has been in the House for 20 years.

The gentleman from New York, Mr. BLOOM, chairman of the Committee on Foreign Affairs; the gentleman from Missouri, Mr. CANNON, ranking member of the Committee on Appropriations, and the ablest parliamentarian this country has seen since the death of James R. Mann; the gentleman from New York, Mr. DICKSTEIN, chairman of the Committee on Immigration and Naturalization; the gentleman from Texas, Mr. LUTHER A. JOHNSON, ranking member of the Committee on Foreign Affairs, have each served in the House for 18 years.

If one of these gentlemen who hold these chairmanships, or one of these ranking Members should retire, it would not only deprive the House of the benefit of his long experience, but it would mean that that position would probably be taken away from the State for at least a generation.

As you know, I myself am chairman of a committee, the Committee on World War Veterans' Legislation, one that touches more individual lives than almost any other committee in the House. If I were to relinquish that position, the chances are it would not go to a Member from my State again at least for the next 25 or 30 years, if ever.

The gentleman from North Carolina Mr. WARREN, chairman of the Committee on Accounts, has served here for 16 years, as has the gentleman from Mississippi, Mr. WHITTINGTON, chairman of the Committee on Flood Control, the gentleman from Georgia, Mr. COX, ranking member on the Committee on Rules, the gentleman from Florida, Mr. GREEN, chairman of the Committee on the Territories, the gentlewoman from New Jersey, Mrs. NORTON, chairman of the Committee on Labor, and the gentleman from New York, Mr. SOMERS, chairman of the Committee on Coinage, Weights, and Measures.

These men of long service shape the policies of the Congress. I do not mean to discredit those younger men whom recent political changes have moved up to chairmanship of their respective committees, as the gentleman from Missouri, Mr. WOOD, chairman of the Committee on War Claims, or my distinguished neighbor, the gentleman from Alabama, Mr. JARMAN, who so ably presides over the Committee on Printing, and who relinquished another chairmanship to take that place. He is also vice chairman of the very important Joint Committee on Printing of the two Houses. Mr. JARMAN'S rise in that respect has been unusual.

Then there is the gentleman from Missouri, Mr. ROMJUE, chairman of the Committee on the Post Office and Post Roads, who has served in the House for 22 years; the gentleman from Oklahoma, Mr. CARTWRIGHT, chairman of the Committee on Roads, who has served for 14 years. The chairman of the Committee on the Civil Service, the gentleman from Georgia, Mr. RAMSPECK, has served for 12 years; and the chairman of the Committee on Education, the gentleman from In-

diana, Mr. LARRABEE, has served for 10 years; the gentleman from Louisiana, Mr. DEROUEN, chairman of the Committee on the Public Lands, has been here 14 years.

Mr. Speaker, I could carry this list on to include a large number of other leading Members of the House on both sides of the aisle, including such able leaders as the gentleman from Massachusetts, Mr. TREADWAY, the ranking member on the Committee on Ways and Means, who has been here for 28 years, and his colleague, Mr. TINKHAM, of the Committee on Foreign Affairs, who has been here for 26 years, and others whose names are familiar to us all.

I agree with Champ Clark that there is no other body of men in the world where experience means so much to the individual member, or to the people he represents.

At this time, let me say that we all regret to note the voluntary retirement of the distinguished gentleman from New York, Mr. CROWTHER, who has served in this body for 22 years. If his district persists in electing a Republican to Congress, it could do no better than to draft him and retain him in his present position as one of the ranking members of the Committee on Ways and Means.

Our distinguished colleague the gentleman from North Carolina, Hon. ROBERT L. DOUGHTON, who, as I said, is chairman of the powerful Committee on Ways and Means, has served in this body for 30 years. As a result of that service, he has risen to the chairmanship of the major committee of the House.

He is one of the most valuable Members of this Congress, and I am sure that every Member on the Democratic side, as well as our colleagues on the other side, will be glad to know that he has yielded to the demands of the people of North Carolina and agreed to run for reelection. [Applause.]

Lard Substitutes Bought by the United States Government for the War Department

EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

Mr. BOLLES. Mr. Speaker, today hog prices are the lowest in many years, with the farmer receiving 5 cents per pound and less on the farm for his hogs. He is being told that there is an oversupply of pork products. Yet at the very same time this Government, which is being supported by the farmers' hard-earned tax dollars, is purchasing and using lard substitutes in great quantities.

The War Department alone, Secretary of War Woodring admits, is purchasing an average of 10,000,000 pounds of lard substitutes a year. These lard substitutes are manufactured from fats and oils practically all of which are imported from foreign countries. Every pound of substitute used means one less pound of home-produced lard consumed.

Secretary of War Woodring gives the startling information that in 1937 only 3,361,000 pounds of lard were purchased by the Army, while during the same year 10,175,000 pounds of lard substitutes were bought. In 1938 but 2,444,000 pounds of lard were purchased, while the astounding amount of 10,884,000 pounds of lard substitutes were being used by the Army. In 1939 the Army bought but 3,284,000 pounds of lard, while at the same time buying 9,897,000 pounds of lard substitutes.

Cost prices had no real influence or effect in connection with these purchases, for in almost every instance prices paid for lard and lard substitutes were exactly the same.

Perhaps the above figures will give the American farmer some idea why he is unable to find a profitable market for his hogs. No wonder he is finding it so difficult to pay his taxes and to clothe and educate his family. With his own Government favoring the use of substitutes manufactured from imported foreign products it is easy for him to understand why hogs are selling at 5 cents per pound in the livestock markets of America.

Recalling that in an interview not long ago President Roosevelt personally favored the purchase of Argentine beef for Navy use, defending his position with the claim that Argentine beef was better than American beef, one cannot help but wonder if it is not a fixed policy of the present administration to entirely disregard the interests of American agriculture in making food purchases for the Government. It is about time that the farmers of America demanded their tax dollars be spent at home rather than abroad. Our American soldiers and sailors should be furnished good American lard from American hogs produced on American farms, rather than lard substitutes manufactured from cheap products shipped in from foreign shores.

Food-Stamp Plan

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, March 26 (legislative day of Monday, March 4), 1940

ARTICLE BY RAYMOND CLAPPER

Mr. BILBO. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very well written article by Mr. Raymond Clapper on the food-stamp plan. The article was published in the Washington Daily News of March 23, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News of March 23, 1940]

SUCCESSFUL EXPERIMENT

(By Raymond Clapper)

The food-stamp plan, by which surplus farm commodities are distributed to relief clients through grocery stores, has received a remarkable vote of confidence in the Senate, which gives this experiment a unique status among New Deal activities.

During the House economy drive the food-stamp plan was sacrificed. Agriculture Secretary Wallace had asked $80,000,000 for it. The Senate Appropriations Committee not only inserted this item when it revised the House bill but raised it to $85,000,000. Senator LA FOLLETTE attempted to increase the figure to $113,000,000, but parliamentary technicalities stood in the way. However, the $85,000,000 appropriation was approved on a roll call without a dissenting vote, and it is likely that the House will adopt this sum, or the major part of it.

To Milo R. Perkins, who is in charge of surplus commodity disposition for the Agriculture Department, goes the credit for the conception and skillful establishment of the food-stamp plan. It replaces the old system of buying carloads of surplus grapefruit, oranges, and other products and dumping them into the hands of relief authorities in various cities to be given away helter-skelter before they spoil.

The food-stamp plan is simple and eliminates all of that Government interference. Grocers buy their goods in the regular way, as if there were no stamp plan. The only difference is that customers come in—they have to be certified by relief authorities, from whom they obtain little books of stamps. Instead of paying cash for the goods, they pay in these Government stamps, which the grocer redeems at his bank, which, in turn, cashes them through the Government. The trick is in the little book of stamps. The Government has given the relief client 50 cents in blue stamps for each $1 worth of orange stamps he has purchased. With the blue stamps, which were given him free by the Government, he may buy only out of a special list of commodities designated by the Agriculture Department—a list which consists of commodities in which surpluses exist and which changes from time to time. Usually it includes varieties of meats, vegetables, and fruit.

This method pumps up the sale of surplus farm products. One poultry journal, checking on the effect of the plan, found that in Springfield, Ill., relief clients were able to buy many times more eggs. Before, the average relief family was using slightly more than 1 egg per person per week—a total of 57 eggs a year. After the stamp plan went into effect they were using 6.2 eggs per person—323 a year.

The plan is a subsidy, simple and direct, which operates through regular commercial channels to assist in moving surplus farm products into consumption. Some 14,000,000 persons in the country are eligible to receive such stamps. But the plan has been introduced gradually, so that it could be carefully adapted and perfected. It has been installed only where a community was united in asking for it. Hundreds of applications are pending which cannot be acted upon for lack of funds. Mr. Perkins has avoided the slap-dash, hurry-up, do-it-all-today, blanket attempt to impose the scheme on the whole country overnight. In this he has profited by the disaster which has overtaken other New Deal experimenters who tried to go too far too fast.

Of course, the whole thing is a stopgap subsidy. But it is an effective and smooth-working stopgap which doesn't mess everything up and create paralyzing controversy—and that is a real achievement.

We grow more than people can buy. In colonial days, Secretary Wallace says, it required 19 people on farms to support themselves and 1 city dweller. Now 1 person on the land supports himself and 3 people in town and 1 abroad. By raising the standard of living—as is seen in the sale of eggs at Springfield, Ill.—consumption of farm products can be vastly expanded. Possibly not enough. Perhaps there are just too many farmers. For the time being, however, agriculture has to be subsidized. New Dealers can do it one way. Republicans can do it another. But whatever you call it, and however you do it, and however unsound it may be, it cannot be escaped.

The thing that Milo Perkins has done is to take the inescapable subsidy and make it do the most good for all concerned. If you have to give a subsidy, you can do it efficiently. We have learned through this experiment one way to do it efficiently.

Purchase of Russian Gold

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, March 26 (legislative day of Monday, March 4), 1940

ARTICLE FROM COLLIER'S OF MARCH 30, 1940

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from Collier's of March 30, 1940, on the subject of the purchase of Russian gold.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Collier's for March 30, 1940]

THE RUSSIAN WAY

As appalling as any other single feature of the Finnish war has been the mass murder of their own men by the Russian generals, political commissars, and Ogpu operatives.

Mass murder is the only name we know of for it. It is nothing but mass murder when, at pistol point or under threat of death, hordes of poor, ignorant peasants are hurled in frontal attacks against integrated pillboxes, machine-gun nests and fortified positions, through splintered-steel hurricanes of cross-fire and interlacing barrages.

Anybody who wants to call it by some prettier name than mass murder is invited to consider this: That, though the total Russian losses probably never will be known, experts deduce from United States Army General Staff expectancy tables that the Russians suffered 50,000 dead and 250,000 wounded in the first 17 days of the great offensive against the Mannerheim line.

That isn't a great offensive, regardless of the winnings. It is a great massacre.

Horrible though the spectacle has been, however, it should have been surprising to nobody. Nobody, that is, who knows what the word "statism" means.

"Statism," a better though less familiar word than "totalitarianism," is the philosophy of the Governments run by Adolf Hitler and Benito Mussolini. It is nothing new in the world. It is, in fact, far older than democracy.

The core of the statism philosophy is simply that the individual person, with his hopes and fears and loves, his fragile body and his sensitive soul, is nothing; that the state is all.

So, in peacetime, if you live under a statist government, the state owns you. It runs every phase of your life—your job, your home life, the upbringing of your children, and any other phase you care to name.

The state tells you it is doing all this for your benefit. But that is merely to keep you and your fellow slaves quiet. The state is really running the mob of you for its own benefit—which means to feed the egomania of whatever Mr. Big happens to be on top of your particular statist ant heap.

The same holds true in war, only more so. If you're young enough and strong enough to go to war, you'll go. The whole mob of you and your fellow slaves will do exactly what Mr. Big and his henchmen tell you to do.

If the state is facing an enemy somewhere near its size, it will conserve as much man power as seems wise, assuming its generals have any military ability whatever. If it is trying to overwhelm a small but fearless nation like Finland, it will toss its uniformed and animated dummies and dolls into the holocaust until, by the very weight of their numbers, they smother the enemy.

That is what statism means in war. The Russian generals, commissars, and Ogpu operatives have merely been applying the statist philosophy to this war with absolute logic. What else are a statist government's soldiers for?

It does make us the least bit ill, though, to think that the United States Government for years has been buying gold from Soviet Russia, as well as from all other comers, at $35 an ounce.

In 1938, Russia mined 5,235,909 ounces of gold—$183,256,815 worth at the $35-an-ounce price which we have maintained since we clipped the dollar to 59.06 cents gold on January 31, 1934. It costs Russia about $11 an ounce to mine gold.

With the profits from the gold which it has sold to us directly or indirectly, Russia has bought goods of various descriptions; mainly war-making goods of late.

There is no law compelling our Treasury to buy gold that originated in Russia. Really, do we owe Russia the duty of helping it finance its plans for the destruction of democracy all over the world?

Activities of Governors

EXTENSION OF REMARKS

OF

HON. MATTHEW M. NEELY

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Tuesday, March 26 (legislative day of Monday, March 4), 1940

COMMENTS BY C. E. SMITH

Mr. NEELY. Mr. President, the Honorable C. E. Smith, who was formerly a member of the National Bituminous Coal Commission, is now a daily contributor to the Fairmont Times of a famous column entitled "Good Morning." This column for the 25th of March consists of a monograph on Governors of States. It is as rich in philosophical humor as anything the immortal Mark Twain ever wrote. It should be read by all Governors who take themselves too seriously, but especially by any one of them who, like the frog in the fable, endeavors to make himself appear as big as an ox. I ask unanimous consent that this unusual article be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Fairmont Times]

Governors have a way of taking things, especially themselves, too seriously. It doesn't make much difference what State it is, you'll find the Governor taking himself too seriously. That old fellow up in Michigan, for instance. At 80 years of age he began to talk against sin. Scared everybody, too. People thought he might start a movement to make sinning go out of the fashion. Then there's this Ohio Governor, who was riding high toward the G. O. P. presidential nomination. All of a sudden he got hipped on relief and made a lot of people believe he was opposed to the common people eating. What's going to happen to him? Just another Governor.

Down in Oklahoma is another one. He has started himself a war against the United States Government. When his little war is over you'll hear no more from him. In Georgia there's one who had to make his headlines by getting mixed up with the Federal court.

Rule VI, which is the one about taking yourself too seriously, seems to be the undoing of the Governors. No matter with what good intentions a Governor starts out some day rule VI will get him, and from that time on he will be bobbing in and out of trouble like a cork on a fishline, if you will pardon the simile.

Our notion is that a good Governor should be a fair-to-middling poker player and should know how to carve a turkey and slice a ham. If there is nothing else to pass around to the boys he should be like Ruby Lafoon and issue commissions to several thousand colonels. Most Governors lay a lot of stress on building up an organization. That never pays in the long run. The old rule that every patronage job makes one ingrate and 20 enemies usually runs true, and no matter how much patronage a Governor dishes out, the minute he goes out of office he hasn't enough friends to bury him. In the final analysis the only fellow in politics who is worth a damn is the fellow who wants a job and

not the fellow who has one. There is not a statehouse in America where more than half the help is really beholden to the Governor. They all give a lot of lip service and submit to being gouged out of a cut of their salary, but most of them are waiting to stick a long knife under somebody's fifth rib.

If a political machine had to depend on its beneficiaries to carry the elections it would be sunk without a trace. A machine is really nothing more or less than a lot of crazy people who take the ballots which have been cast by the voters and substitute others which they have themselves marked. You can never trust a voter in a ballot booth; that is, a political machine can't. Every member of a political machine is sore about something, and if you let him in a booth by himself with nobody looking on but him and God, his pencil will make some strange marks on that ballot.

So it is not only foolish and futile, but a waste of time, for a Governor to fiddle away his time building up an organization, because about the time he gets it well oiled and ready to go something will happen to force them to be honest and then the stuff's off.

In fact, we are getting the notion that political machines as instruments of carrying elections are things of the past. Voters are influenced by other considerations than machine politics. Take the large blocs of votes in this State. There are the coal miners, which constitute a large bloc in itself. Then there is the other labor vote, which was powerful enough 2 years ago to defeat a prominent Congressman in this district. There is the veteran vote, the school teacher vote, and so on. None of these groups is controlled by machine politics. They usually walk into the election room and cast their ballot without a single election worker having the slightest information of how they voted.

Which all means that if the machine cannot steal the election it has, in truth, very little influence on the result, and the chances are that a Governor, no matter how hard he has tried to be a good Governor, would be terribly disappointed if he could see the actual ballots cast by members of his hard-built organization.

So we, being older, are content to stand at the side of the road and let others daily along the primrose path of political preferment.

And we no longer have apprehension as to the welfare of our own side. We have had some bits of information as to the progress of the registration of voters. Believe it or not, the Democrats not only are holding their own, but in certain instances are making gains. This information should be of great value to some of our Republican friends. If it proves to be true, they can save time and money by waiting till the next time.

Soil and Water Conservation in the Washita Basin

EXTENSION OF REMARKS
OF
HON. JED JOHNSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1940

Mr. JOHNSON of Oklahoma. Mr. Speaker, under permission granted, I submit five resolutions adopted at a recent meeting of the Washita Valley Improvement Association held at Chickasha, Okla., for the purpose of coordinating and promoting efforts to conserve water and soil in the rich Washita River Basin of Oklahoma and Texas.

The importance of taking early and adequate steps to protect the rich bottom lands of the Washita Valley from floods and conserve the water resources of this river in order to regulate stream flow and to irrigate irrigable lands cannot be overestimated. Saving our soil and water is important. It is real national defense. It is something that cannot be delayed if we are to stop the costly floods in the Washita Basin.

The resolutions adopted at the Chickasha meeting are:

Resolution No. 1

Whereas surveys have been completed by the Department of War, the Department of Agriculture, and the Department of the Interior, of the Washita River and its drainage area to determine the best means of controlling the floods and the amount of land practicable to irrigation; and

Whereas the President of the United States has asked that these surveys be coordinated before submission to Congress; and

Whereas there seems to be difficulty among the departments in the coordination of these reports; and

Whereas the report is necessary before Congress can act: Now, therefore, be it

Resolved, That we ask our Congressmen and Senators to use all of their influence to bring about a quick coordination and release of these reports in order that authorization of this Congress might be had of the Washita project; be it further

Resolved, That copies of this resolution be sent to the President of the United States, the Secretary of War, the Secretary of Agriculture, the Secretary of the Interior, and to Members of the congressional delegation from Oklahoma.

Resolution No. 2

Whereas there are 255,290 acres of land in the drainage basin of the Washita River belonging to Indians, of which 58,000 acres are bottom lands; and

Whereas the Indians are wards of the United States Government and under the jurisdiction of the Department of the Interior; and

Whereas these lands represent a large part of the total lands in the Washita Basin: Now, therefore, be it

Resolved, That this meeting request the Department of Indian Affairs to cooperate with the people interested in the development of the Washita River to bring about the protection of the bottom lands from floods, and the development of the water resources by using the stored water to regulate stream flow and to irrigate irrigable lands; be it further

Resolved, That copies of this resolution be sent to the Department of Indian Affairs in Washington and to each Member of the congressional delegation from Oklahoma.

Resolution No. 3

Whereas the Washita traverses the State of Oklahoma from the northwest to the south central part of the State and is flanked on either side by the richest alluvial lands in the State of Oklahoma; and

Whereas 200,000 acres of this land are subject to overflow and many of our towns, as well as transportation facilities and other properties, are subject to the ravages of floods; and

Whereas there are over 400,000 acres of rich alluvial lands that could be developed by irrigation; and

Whereas many cities and towns need better and more adequate water supplies; and

Whereas pollution is a serious problem because of low flows; and

Whereas recreational facilities need improving: Now, therefore, be it

Resolved, That this meeting also endorse proper soil-conservation measures to hold all of the moisture that is practical on the ground where it falls; and be it further

Resolved, That since flood control and erosion are problems of the National Government, that we insist upon the Washita's being given full consideration of our National Congress for its development and complete protection from floods.

Resolved further, That this meeting request the assistance of the Izaak Walton League, the Farmers Union, the Wheat Growers Association, the various chambers of commerce, and other civic, industrial, and commercial organizations to aid in the securing of the development of agriculture and industry in the Washita Basin.

Resolution No. 4

Realizing, that when Congress makes appropriations for the control of the waters of the Washita, such control will include a joint program of soil conservation, flood control, and irrigation; and realizing further that any irrigation project will necessarily require the fullest scientific data to be of permanent benefit, be it

Resolved, That we present to the Department of the Interior and all other governmental agencies the advisability of establishing at the most likely location in the Washita Basin of a governmental irrigation experiment station wherein such data can be compiled through practical irrigation experiments and be made available for general use to all residents within the Washita Basin.

Resolution No. 5

Whereas the congressional delegation from Oklahoma and our State administration and officials have heretofore been working diligently toward obtaining flood-control projects on the Washita River, be it

Resolved, That the Washita Valley Improvement Association extend to them a vote of appreciation for the work which they have already done and urge that they continue their efforts until they obtain the proper results.

Tributes to Senator Borah

EXTENSION OF REMARKS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1940

TRIBUTES FROM VARIOUS SOURCES

Mr. WHITE of Idaho. Mr. Speaker, the whole world pays homage to Idaho's illustrious statesman, the late Senator WILLIAM E. BORAH. Our State and Nation will long miss the wise counsel of this great American patriot. On the day of his funeral at Boise, the capital of Idaho, memorial services

were held in the city of Kellogg, located in the great Coeur d'Alene mining region of northern Idaho, under the auspices of the Wardner Industrial Union and by the Kellogg Chamber of Commerce.

Under leave to extend my remarks in the RECORD, I submit for inclusion in the RECORD the resolution passed by the Wardner Industrial Union, a record of the meeting of the Kellogg Chamber of Commerce, and the address of Frank Griffin, prominent attorney and Democratic leader of northern Idaho, paying a glowing tribute to Senator BORAH at the union's memorial services.

RESOLUTION OF WARDNER INDUSTRIAL UNION

Whereas Hon. WILLIAM EDGAR BORAH, in the early years of his career as a lawyer, came into the county of Shoshone for the purpose of serving the State of Idaho and the citizens of this county in particular; and

Whereas at the time of his visit he found the industrial affairs of this county in a chaotic and disordered condition, and thereupon at once diligently exercised his extraordinary talents for the purpose of restoring order, confidence, and peace to a distraught community; and

Whereas by and through the sagacity of his counsel and the loyalty of his services, a standard of unity designed to create a spirit of cooperation and harmony in the field of mining was established, from which immediately accrued a peaceful and profitable industrial program; and

Whereas Hon. WILLIAM EDGAR BORAH was truly a friend of those who labor in mine and field and a formidable champion in the advocacy of their causes, and who from the commencement of his career in public life to the end thereof employed his matchless abilities toward improving their condition and promoting their welfare; and

Whereas divine Providence has, in its infinite wisdom, summoned our beloved friend and noble benefactor to another shore, causing us to mingle our grief with the millions of our fellow citizens, who, like ourselves, feel at this hour an unutterable consciousness of loss: Now, therefore, be it

Resolved by the Wardner Industrial Union in special meeting assembled, That we, the members of this organization, here acknowledge our gratitude and our indebtedness to the Honorable WILLIAM EDGAR BORAH for the great public and private services performed by him for and on behalf of the citizens of this district; and, saddened though we are by his sudden departure from this life, we are sustained by the knowledge that his enduring achievements will long serve both as an inspiration and as a sterling example not only for this generation but for the generations to come; and be it further

Resolved, That these resolutions be spread upon the minute book of this organization, and that a copy thereof be presented to his gracious and beloved widow.

THE WARDNER INDUSTRIAL UNION,
By JAMES LYONS, *President*.

Attest:

P. J. O'NEILL, *Secretary*.

KELLOGG CHAMBER OF COMMERCE, KELLOGG, IDAHO, MINING AND SMELTING CENTER OF THE COEUR D'ALENES

The Kellogg (Idaho) Chamber of Commerce held memorial services for the late United States Senator WILLIAM E. BORAH on January 25, 1940, at which resolutions of sympathy were adopted and forwarded to Mrs. Borah.

R. L. Brainard, president of the chamber and a personal friend of Senator BORAH for many years, delivered the address before the chamber. The meeting was attended by many friends of Senator BORAH who had been his strong supporters throughout his political career.

"We are too close to current events to fully appraise Senator BORAH's great contribution to America's national life," stated Mr. Brainard in his address. "That will be the work of future historians. Senator BORAH championed many causes. They were worth fighting for and some day America will catch up with them. In his death every good cause lost a fearless champion. He passed away in the full flower of his usefulness, and yet his life was peculiarly complete. When the summons came he left to us the blessed memory of a life of great lasting usefulness and a character rich in all the manly virtues."

TRIBUTE TO SENATOR WILLIAM E. BORAH DELIVERED AT MEMORIAL EXERCISES AT KELLOGG, IDAHO, UNDER THE AUSPICES OF THE WARDNER INDUSTRIAL UNION, BY FRANK GRIFFIN

BORAH, of Idaho, has answered his last roll call. A modern David has fallen. The saddle of a valiant crusader is empty. He who labored so long and faithfully in his Father's vineyard has departed for his eternal home.

WILLIAM E. BORAH, who for more than three decades served our State and Nation with an untiring zeal and an unselfish devotion, hastily summoned from his seat in the United States Senate by the Author of Creation, has gone to join that celestial congress "where the wicked shall cease from troubling and the weary shall find rest." His untimely passing has brought to those who knew him personally, and to those who have followed his brilliant career, a deep sense of pain and of sorrow. We are pained by the consciousness of the great loss sustained by the State and Nation, we sorrow because we know that his ringing voice, his happy smile, his magnetic personality, while they shall remain always green in our memories, still are at this hour a part of our yesterdays.

It is highly fitting that we of Shoshone County should, on this day proclaimed as one of mourning by the Governor of Idaho, reflect upon the splendid achievements of Senator BORAH and publicly express our gratitude for the services rendered by him for and on behalf of the citizens of this district.

As early as 1896 BORAH began his fight for the remonetization of silver, and went so far as to threaten a break with his party unless it adopted a plank endorsing the unlimited coinage of silver at the ratio of 16 to 1. Throughout his long career in the Senate he advocated measures calculated to stimulate the mining industry. Many of his efforts were successful and brought about a more profitable production of minerals from the mines of the Coeur d'Alenes.

In the early years of his career as a lawyer he came into this county and found it torn and disordered by industrial dissension. He immediately set himself to the task of restoring order and confidence to this community. How well he accomplished his purpose is best acclaimed by the fact that from the time he completed his services until the present day industrial strife in Shoshone County has been the exception rather than the rule. If I am rightfully informed, Senator BORAH, during the time to which I refer, assisted in drafting the constitution and bylaws of this organization. What amount of credit he is entitled to for his labors in your behalf I shall leave to your own conscience and good judgment to determine.

WILLIAM E. BORAH won and retained the admiration and esteem of Americans because of his relentless advocacy of justice and fair play for men of all classes and conditions of life. Shortly after his entrance into the United States Senate he came to be recognized as the representative at the Capitol of that inarticulate mass of men and women who could not afford the expense of private representation at the seat of government. This was a recognition he treasured; it conferred upon him a trust that he never betrayed and a reputation that he carried with him unsullied to his grave. That is why men and women in all walks of life have gathered today to honor his name. Yet BORAH, in his lifetime, had many powerful enemies, but he was an enemy of no man. He fought false methods, not men; he espoused principles rather than persons. His great heart closeted no malice, hatred, or spirit of revenge. Like Jefferson, his policies demanded "an equal and exact justice to all, with special privilege for none."

As a lawyer and later as a Senator, he never permitted the advocacy of a cause to embitter his nature with passion or prejudice. In one of his greatest orations, delivered under circumstances that could have easily aroused the passions, he declared:

"But in the midst of this awful tragedy let us strive to be just. This crime, when fastened upon its author, will place him or them beyond the pale of human forgiveness or pity. Therefore let us not place it unjustly or upon suspicion. Let us not believe it is the crime of any class or any portion of our citizens, or that it finds sympathy with anyone other than the actual perpetrator. Let us hope that when mystery yields up her secret it will be found that it is someone irresponsible toward all others, actuated by that stronge fanaticism and fiendishness which the lawbreaker bears toward the brave and upright and loyal, who has alone committed the crime. Oh, if men, high and low, rich and poor, would only learn obedience to the law, if they could only measure the worth of this, the rarest jewel in the crown of liberty!"

And again in the same address he said:

"Neither suspicion or rumor nor passion shall have sway, but justice nevertheless will be done."

BORAH was a typical American; his life's experiences will furnish rich and romantic material for some future Alger. Time will not permit a detailed statement of his life and public services, but allow me to remind you who may be discouraged with your lot in life—you who may deplore the fact that you were not born rich, or that you have no college degree or affluent friends—that BORAH came to Idaho with no inherited wealth, that he possessed no college degree, but acquired his legal training according to the fashion of Lincoln, that upon his arrival in Boise he had in his pockets the paltry sum of $15.75. No wealthy friends met him at the depot with horse and carriage. Without friends and in a far western city, with not enough money to pay 2 weeks' board at the most, this man, whose death we now mourn, by the force of his energy and ability, through self-reliance, integrity, and his persistent application to duty, rose from his humble station in life to become dean of the United States Senate and the most widely known American statesman in the world.

Is this not an achievement capable of inspiring every man, woman, and child in the United States? America is still the land of freedom and opportunity, and rich rewards await all who have the character and ability to merit them.

In an article published in the Red Book in 1936, BORAH, in discussing the Constitution of the United States, with particular reference to hard times, wrote:

"We hear constantly about these 'difficult times' as an argument in favor of wiping out all the rights and guaranties given the people

under the Constitution. It was in 'difficult times,' very difficult times, times which tried men's souls, that the Constitution was written, and 'centralization of leadership' was for all times rejected. It was in 'difficult times,' when economic and financial chaos reigned, that Washington calmly rejected the proffered 'centralization of leadership.' It was in 'difficult times,' very difficult times, a time when we were torn with civil strife, that the great martyr declared that the Government of the people must not perish.

"They had faith in our form of government; and difficult as the times were, they did not indulge in the defeatist policy of surrendering the vital principles upon which a free government rests."

Let us remember, therefore, that a defeatist attitude on our part is as inexcusable and unwarranted as an attack upon the Government itself. May the life of BORAH be an inspiration to all of us and a sustaining influence in hours of doubt and uncertainty.

"The moving finger writes; and having writ
Moves on; nor all thy piety nor wit
Shall lure it back to cancel half a line
Nor all thy tears wash out a word of it."

We know that in the story of life as WILLIAM E. BORAH wrote it for himself there is no single line that we would cancel; no single word that we would erase. Man stands bewildered before the unfathomable mysteries of life. We cannot comprehend why a powerful leader is stricken at a time when we appear to need him most. We can only bow to the will of Divine Providence and pray that God may give us more men of the character, courage, and ability that was BORAH'S.

The National Debt

EXTENSION OF REMARKS
OF
HON. FRANK O. HORTON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1940

Mr. HORTON. Mr. Speaker, it is well to bear in mind during these first-installment income-tax payment days of 1940 and while we are considering appropriation bills that the heavy taxes our people have been paying during the past long 7 years plus other Government collections represent but little more than half the amount spent by our Government during that same period.

Every man, woman, and child in this country would have to pay $321.41 to the Federal Government in order to wipe out the present national debt.

Every unnecessary appropriated dollar adds to the tax debt of the individual.

The following figures should cause us to stop, stop, and stop spending:

Internal-revenue collections, $28,827,231,324.69 from March 1933 to March 1940. Expenditures exceed collections by almost twenty-three billions.

Although the Federal Government collected $28,827,231,324.69 in the 7-year period from March 1, 1933, to March 1, 1940, this sum was $22,940,196,597.80 short of meeting the requirements of operating the regular departments of the Government, paying the interest on the public debt, and conducting the various programs for recovery and relief. As a consequence of this deficit spending, the national debt has risen from $22,538,672,164, at the expiration of Herbert Hoover's administration, to a record high of $42,365,353,180, reported at the close of business on February 29 by the Treasury Department.

The national debt, as on a per capita basis, amounts to $321.41 per person. Besides the national debt, the Federal Government as of February 29, stood as guarantor of unmatured obligations of various governmental agencies in the amount of $5,621,328,848.67. These contingent liabilities are from various lending, spending, and insuring agencies having total assets of $13,383,143,150, of which sums the proprietary interest of the United States amounts to $3,607,113,675. The liabilities of these same Government corporations and credit agencies, including capital and surplus, is categorically detailed at $13,383,143,150, the identical amount of the assets.

To keep the national debt from exceeding the limit of $45,000,000,000 fixed by Congress, the cash in the Treasury has been depleted until the working balance on February 29 was but $1,634,160,443.39, a figure far below a safe, sane, businesslike margin. Despite this fact, we hear rumors of still further depletion for direct benefit payments in order to avoid further taxation, and to stay within the national debt limit.

It just does not make sense.

Farm Imports

EXTENSION OF REMARKS
OF
HON. ROBERT L. RODGERS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1940

Mr. RODGERS of Pennsylvania. Mr. Speaker, the homely question has been asked, "Which is the most important leg of a three-legged stool?" Our economic structure compares to a three-legged stool—these three legs being agriculture, labor, and industry. If one leg is too short or another too long the stool is out of balance and we are courting danger.

The farm leg is an important leg. For every dollar of rise or fall in farm income we have a corresponding rise or fall of approximately $7 in national income. The pay rolls of labor go up or go down, the volume of business and industry is advanced or retarded. This shows that the three legs of the stool are of equal importance and should be of relative length.

How have the reciprocal-trade agreements affected the farm leg? In giving consideration to this question, we must bear in mind that when a trade agreement is made with one country, from whom the United States may have received proper concessions, the same rights of making imports apply to all other countries—Germany excluded—without any concessions whatever. In other words, while reciprocity, to a degree at least, may have been attained with one country there is no reciprocity whatever with the remaining countries. We want foreign commerce, of course. We want to export our surplus products for those things which we ourselves do not have or cannot economically produce.

How do other nations pay for the goods which they buy from us? There are only two ways, either in other goods, or in money, usually gold. The United States now has approximately two-thirds of the entire gold supply of the world. We are still receiving gold in payment for our exports. As our possession of the world's gold supply increases, thereby decreasing the purchasing power of the rest of the world by use of this medium, it becomes apparent that if we are to continue to have foreign trade, it must be increasingly from an exchange of goods.

Now if we are to preserve the American market to the American farmer, American labor, and American industry—maintain our wage scale and our standard of living—we cannot admit in direct competition with our own production an uncontrolled volume of products of other countries, produced on a lower wage scale, a lower standard of living, and without the sanitary and other regulations with which we have to comply. As a matter of fact, that is just what we have been doing under these reciprocal-trade agreements, while, at the same time, the New Deal administration is spending millions of dollars of the taxpayers' money in a futile attempt to control an uncontrollable surplus.

The following table of imports of farm products for the years 1938 and 1939 shows the tremendous increase in direct competition with our own agriculture—creating more surplus, depressing our markets, which, in turn, affects adversely both labor and industry, decreases our domestic purchasing power, and increases unemployment.

Farm imports

[U. S. Department of Commerce figures]

	Unit	1938	1939
Cattle	Head	424,022	753,570
Canned beef	Pounds	78,597,000	85,863,000
Mutton, fresh	Pounds	43	105,000
Cattle hides	Pounds	59,650,000	134,107,000
Sheep and lamb skins	Pounds	32,649,000	63,776,000
Silver-fox skins	Number	16,468	133,251
Barley	Bushels	126,000	776,000
Oats	Bushel	7,183	4,293,000
Wheat	Bushel	3,829,000	10,747,000
Wheat byproduct feeds	Tons	58,394	458,957
Hay	Tons	18,954	48,348
Potatoes, white or Irish	Pounds	45,820,000	93,859,000
Potato starch	Pounds	6,746,000	10,984,000
Tapioca	Pounds	230,879,000	382,803,000
Peas, canned	Pounds	450,000	1,159,000
Pineapples, prepared	Pounds	31,524,000	74,991,000
Cherries, fresh	Pounds	855,000	1,482,000
Wool, unmanufactured	Pounds	104,274,000	245,970,000
Wool noils, wastes, and rags	Pounds	3,803,000	18,343,000
Maple sugar and syrup	Pounds	3,984,000	12,268,000
Milk, dried and malted	Pounds	80,735	2,465,032
Casein (milk product)	Pounds	417,000	15,832,000

NOTE: 1939 increases over 1938.

The Fortune Poll for April

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

OTHER CONCLUSIONS ARE ALSO IN ORDER

Mr. ELLIS. Mr. Speaker, the Fortune Survey, or Fortune Poll, as reflected by the April issue of Fortune Magazine is most interesting. However, a study of the figures presented indicates that, while most of it appears to be splendidly done, there are a few instances where the full picture is not reflected in the conclusions reached by Mr. Roper. Both for the purpose of the figures reflected and the conclusions reached by Fortune, as well as other conclusions which I think are evident, I quote the heart of this month's report:

I. WHAT TO SPEND FOR

Bearing in mind that our problem is to build the strongest nation possible in order to meet any situation, on which of these four groups of things do you think the Government is warranted in spending the most money—increasing armaments, dealing with agricultural problems, reducing poverty and unemployment, or public construction? Which second? Third? Fourth?

First:	*Percent*
Reducing poverty and unemployment	43.0
Increasing armaments	31.5
Dealing with agricultural problems	16.3
Public construction	5.5

Listing first choices only.

It is interesting to note that Fortune gave four choices in the above and that three of the items are nonmilitary and for the general public good while one item is listed as increasing armaments.

In other words, Fortune could have concluded—and it is in order to conclude—that 64.8 percent believe that "to build the strongest Nation" it is better to spend to reduce unemployment, to relieve agricultural problems, and for public construction, as against the 31.5 percent who believe in attempting to attain the same goal by increasing armaments.

II. FOR REDUCING POVERTY AND UNEMPLOYMENT

Of these things having to do with reducing poverty and unemployment—providing work relief, providing old-age pensions, clearing slums and providing better housing, and training skilled labor—which do you think is, or might be, the most important on which to spend money in order to build up a better and stronger Nation? Which second? Third? Fourth?

First:	*Percent*
Old-age pensions	24.4
Slum clearance and better housing	20.2
Training skilled labor	24.9
Work relief	27.3

Only first choices listed.

III. FOR INCREASING ARMAMENTS

Of these things having to do with armaments—the Army, the Navy, the air force, training civilian pilots—which do you think is, or might be, the most important on which to spend money in order to build up a better and stronger Nation? Which second? Third? Fourth?

First:	*Percent*
The Navy	34.5
The air force	32.9
The Army	17.1
Training civilian pilots	11.5

Only first choices listed.

IV. SPENDING FOR AGRICULTURE

Of these things dealing with agricultural problems—removing poor farm land from cultivation, reforestation and preventing soil erosion, controlling pests that destroy farm crops, encouraging farmers to raise all they can by paying them a subsidy, keeping farmers from raising too much in order to keep prices from falling—which do you think is or might be the most important on which to spend money in order to build up a better and stronger nation? Which second? Third? Fourth?

First:	*Percent*
Reforestation and soil conservation	28.1
Controlling pests	15.7
Removing poor farm land	11.4
Subsidizing farmers	23.6
Controlling farm production	10.8

Only first choices listed.

V. A GUIDE TO PUBLIC WORKS

Of these kinds of public construction—Federal power plants, flood control, big national highways, airports—which do you think is or might be the most important on which to spend money in order to build up a better and stronger nation? Which second? Third? Fourth?

First:	*Percent*
Flood control	38.0
Big national highways	21.0
Airports	18.1
Federal power plants	13.9

Only first choices listed.

I am happy to see flood control take the lead as the most popular form of public works, but I submit that especially in view of the present national policy of dual development—flood control and power combined—it would be fair to combine these two items and that would give you a total of 51.9 percent. I submit that it was unfair to list "Federal power plants," for strictly speaking there is no such thing in the Nation. There are combined flood control, irrigation, and power projects; there are combined flood-control-power projects, but there are certainly no outstanding Federal power projects as such. One would naturally conclude that by this item receiving 13.9 percent of firsts that there certainly is an overwhelming sentiment in favor of public power development. Fortune concludes that "Federal power projects are not approved." This is not a proper conclusion and as stated borders on propaganda.

VI. QUANTITATIVE SPENDING CHARTER

Here the question was:

Which 3 of the 17 subdivisions (listed above) do you think the Government should spend most money on?

There were 13,062 specific votes as follows: the Navy, 1,435; the air force, 1,420; providing work relief, 1,293; providing old-age pensions, 1,173; slum clearance and better housing, 988; training skilled labor, 953; reforestation and soil conservation, 888; flood control, 865; the Army, 733; subsidizing farmers, 710; big national highways, 457; training civilian pilots, 454; controlling farm-crop pests, 416; airports, 361; removing poor farm land from cultivation, 351; controlling farm production, 311; Federal power plants, 254.

VII. BALANCING THE BUDGET

The most unpleasant political subject that will come up during the year, when politicians dare mention it at all, is taxation. And the public's answers to a question on that will appear below. But between spending and taxes there is the Budget, which at least two of the Republican hopefuls are hinting they would be prepared to balance if put into office. In making such a promise, does the G. O. P. have a convincingly popular proposal, or does the public cleave to the Rooseveltian doctrine that we can wait for prosperity to bring us an $80,000,000,000 income, and that the Budget will then balance itself? Which of these statements comes closest to describing your feelings?

	Total	Prosperous	Upper middle	Lower middle	Poor	Negro
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
The Federal Budget should be balanced immediately at all costs	9.1	12.3	10.3	9.3	6.0	9.1
The Government should make whatever changes are necessary in spending and taxation to bring the Budget into balance within a few years	48.4	63.7	60.7	50.4	38.1	23.5
We should continue with an unbalanced Budget until real recovery has set in	25.9	16.7	19.6	27.0	33.4	25.9
Do not know	16.6	7.3	9.4	13.3	22.5	41.5

VIII. PAYING THE BILL

Suppose it became necessary to increase taxes—which one or two of these methods would you prefer?

	Total	Prosperous	Upper middle	Lower middle	Poor	Negro
	Percent	*Percent*	*Percent*	*Percent*	*Percent*	*Percent*
Increase taxes on tobacco, luxuries, and liquor	40.5	42.6	45.6	41.7	36.4	31.3
Increase taxes on corporation profits	20.9	10.7	18.0	22.3	25.6	17.8
Increase the number of people paying an income tax by having people with lower incomes pay at least a small income tax	17.1	35.3	23.0	15.8	11.8	8.7
Place a Federal sales tax on all retail sales	14.2	23.7	16.9	15.5	9.6	6.6
Increase taxes on those now paying income taxes	14.0	7.9	11.5	14.6	18.4	8.7
Don't know	12.5	6.3	6.5	10.3	15.4	33.7

It will be noted that the listing here includes actually three different forms of income tax:

(1) Increase taxes on corporation profits; (2) increase the number of people paying an income tax by having people with lower incomes pay at least a small income tax; (3) increase taxes on those now paying income taxes.

It is also true that two forms of sales tax are included by listing a suggested increase on tobacco, luxuries, and liquor.

The interesting observation is that a total of 51 percent prefer increasing the income tax while a total of only 14.2 percent prefer a Federal sales tax on all retail sales.

Railroads Seek Only an Even Break

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

EDITORIAL FROM THE CARBONDALE (PA.) LEADER

Mr. VAN ZANDT. Mr. Speaker, the editor of the Carbondale (Pa.) Leader hit the nail on the head when he wrote the following editorial appearing in his paper of February 6, 1940. We who come from railroad communities ask that the railroads be given an even break, and this editorial speaks for America's great railroad family who are in favor of early passage of S. 2009—the Wheeler-Lea railroad bill—and is as follows:

[From the Carbondale (Pa.) Leader of February 6, 1940]

RAILROADS SEEK ONLY AN EVEN BREAK

American railroads, hamstrung by restrictions and bound up in Government red tape, have a just basis for the complaints they are registering against the policies which hold them back, and they have logic and reason on their side in urging that a bill now pending in Congress looking toward relief from the situation be passed.

It has escaped general attention, perhaps, but railroads presently are restricted in certain operations that not only are fostered but actually subsidized by government, among some of their competitors. An oil company, for example, is granted permission to become a common carrier through the medium of pipe lines; various barge lines, notably the one on the Mississippi River, are direct beneficiaries of Government largesse through subsidies; many trucking corporations are mere adjuncts to businesses which need transportation to make them prosper. But railroads are forbidden to engage in any sort of private enterprise, aside from cutting and selling timber on land they may own, except the sole business of transportation.

All they seek is that their competitors be restricted in proportion to the hamstringing that keeps the rails from prospering. They are certain that if given an even break in competition, they can get along. This is a reasonable hope on their part and one the Government should give ear to, for certainly this business of making one portion of our social or economic life prosper at the expense of another portion is not American, nor will there be a return to harmonious normal business until the condition is changed to one of equality all around.

Businessmen Speak Out Concerning the N. Y. A.—Its Program and Future Needs

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

REPORT OF A COMMITTEE APPOINTED BY THE CONFERENCE ON THE PROBLEMS OF YOUTH, CALLED BY THE ADMINISTRATOR OF THE FEDERAL SECURITY AGENCY, PAUL V. McNUTT, AND HELD IN WASHINGTON, D. C., ON DECEMBER 13–14, 1939

Mr. JOHNSON of Oklahoma. Mr. Speaker, yesterday I made some rather extended remarks in support of the appropriation for the maintenance of the N. Y. A. program on its present basis, and in opposition to the proposed cut of $15,000,000 below the sum being expended for the same purpose during the present fiscal year. In support of my position I mentioned a report of a committee appointed by a conference on the problems of youth called by the Administrator of the Federal Security Agency, Paul V. McNutt, held in Washington, D. C., on December 13–14, 1939. In my speech yesterday I mentioned some of the business leaders who participated in that conference, and also quoted briefly from the report of the committee appointed from that conference. I am pleased to submit, herewith, the report in question, believing it will be of special interest to Members of Congress, as well as millions of other citizens who are interested in the program of the National Youth Administration. The report follows:

A conference of leaders in business, labor, and education, the list of whose names is appended to this report, met in Washington on December 13–14, 1939, at the invitation of the Administrator of the Federal Security Agency, Paul V. McNutt, for the purpose of considering the problems which confront the Nation with respect to unemployment among youths from 16 to 24 years of age, inclusive.

The conference was so much impressed by the extent to which youths are unable to secure jobs that it passed a series of resolutions and appointed a committee to make a detailed study of the statistics of unemployment among youths and to determine the amount of appropriation necessary to make effective the recommendation formulated by the conference as follows: "It is quite impossible to meet the urgent needs of unemployed young people at the present time without the expenditure of larger sums of

public money than are now devoted to the solution of the unemployment problems of young people."

The committee met in Washington, D. C., on January 10–11, 1940, and examined recent reports that had been assembled for its consideration. It found:

(1) Unemployment among young workers below 25 years of age who are actively seeking jobs is more severe than among the members of any other age group in the United States.

(2) More than one-third of the unemployment in this country is among youths less than 25 years of age.

(3) Conservatively estimated, there are not less than 3,700,000 unemployed youths looking for jobs. Of this total number 3,000,000 are 18 to 24 years of age; 700,000 are 16 and 17 years of age.

(4) At least 70 percent of the unemployed youths included in the numbers cited belong to families the incomes of which are insufficient to provide basic needs.

(5) Needy youths 16 and 17 years of age, out of school, unemployed, and seeking jobs number at least 500,000.

(6) Needy youths 18 to 24 years of age, out of school, unemployed, and seeking jobs, number at least 2,100,000.

(7) Registered as pupils in secondary schools, and therefore not counted as unemployed, are many youths who would quite certainly be on the labor market if it were not universally recognized that it is difficult, and often impossible, for a youth to secure employment. The attendance at secondary schools has increased from less than 700,000 in 1900 to more than 6,500,000 in 1939. This increase is due in no small measure to the fact that youths cannot find places in private employing enterprises.

(8) The Federal Government provides part-time employment for about 800,000 out-of-school youths through the Work Projects Administration, the Civilian Conservation Corps, and the National Youth Adminstration. In other words, the Federal Government is supplying some work for not more than 22 percent of all out-of-school unemployed youths or 31 percent of such youths from needy families.

(9) There are now on the waiting lists of the National Youth Administration, certified as in need, 300,000 youths who are out of school and unemployed. This number is equal to the number for which the National Youth Administration now supplies work for out-of-school unemployed youths.

In the light of the facts, it is evident that the present provisions made by the Federal Government for unemployed, needy youths who are out of school are inadequate. It is evident that the Nation must take more effective measures than are now taken for the induction of young people into adulthood if these young people are to become self-respecting, self-supporting citizens. The presence of large numbers of youths who are unable to find their proper places in society can only lead to increased costs in the crime bills and relief bills of the future. Nineteen is the age, even under present conditions, at which more crimes are committed than at any other age. So long as young workers are not provided with jobs by private business, industry, and agriculture, public employment and guidance are clearly necessary.

The committee reviewed the methods and costs of the existing Federal programs for unemployed youth. The cost per youth of operating the program of the National Youth Administration is $263 per year for out-of-school youth engaged on work projects and $57 per academic year for youths who are given work and wages that make it possible for them to remain in school. In the judgment of this committee these costs are too low for the conduct of an adequate program. They demonstrate, however, the possibility of providing at a very small cost a part-time work program for a great many young people.

If the Federal Government undertook even a reasonably complete program for unemployed youth the cost would amount to more than $1,000,000,000 a year. The committee recognizes that the immediate appropriation of such an amount is not feasible. It recognizes also that too rapid an expansion of the present program might result in inefficiency and waste.

It believes that the existing program of the National Youth Administration can be expanded to the great advantage of the Nation. The procedure for the selection of desirable projects and the machinery for operating these projects has already been established. Plans for the coordination of these projects with local school facilities are being developed in many communities and should be systematically extended.

The committee, therefore, recommends that $200,000,000 be appropriated to the National Youth Administration for the fiscal year 1940–41. This sum would permit the National Youth Administration to continue its student-work program at an increased level, and would permit the employment of the 300,000 youths who are now certified as unemployed, out of school, and in need. It would also make possible more effective cooperation with local school systems.

If the foregoing recommendation is not accepted and the appropriation proposed for the National Youth Administration in the Federal Budget for 1940–41 is adopted, it will be necessary to reduce by 30 percent the funds devoted to aid for students in high schools and colleges and to reduce by at least 10 percent the employment of youths on the out-of-school work program. In the light of the need for the employment of these youths, and in view of the proposed reduction in the appropriations for the other two Federal agencies that employ youth, a reduction in the appropriation of the National Youth Administration will be nothing less than a disaster.

If, on the other hand, the funds made available for the National Youth Administration are increased as recommended, the committee is confident that the Nation will be fully repaid in goods and services which will benefit young people and the communities in which they live. The morale of young people will be restored, conservation of national resources will be promoted, and work experiences that contribute greatly to the employability of young people will be provided.

The committee believes that a part of the increase which it recommends should be explicitly allocated to the training in public schools of the youths on the work projects organized by the National Youth Administration. To this end, it recommends that a part of any increase in the appropriation made for the National Youth Administration be expended for the training in public schools of enrollees of the National Youth Administration.

A final recommendation which the committee has to make is the result of its experience in securing reliable statistics on unemployment of young people. A periodic survey should be made of the number of young people and their status with respect to education and employment. Such a periodic survey will furnish the only safe basis for the determination from year to year of public policy with respect to the youths of the Nation. It is recommended that the National Resources Planning Board be requested to prepare a plan for a periodic sampling survey of youths and that suitable arrangements be made for the conduct from time to time of such a survey.

Members of the committee: Henry I. Harriman, of Boston, Mass., former president of the United States Chamber of Commerce, chairman; H. M. Taliaferro, Grand Rapids, Mich., president of the American Seating Co.; Charles W. Taussig, New York City, president of the American Molasses Co., and chairman of the National Youth Administration National Advisory Committee; Dr. Edwin A. Lee, of Teachers College, Columbia University, New York; Matthew Woll, New York, vice president of the American Federation of Labor; Ralph Hetzel, Washington, D. C., director of unemployment for Congress of Industrial Organizations; Dr. George F. Zook, Washington, D. C., president, American Council of Education; Dr. Floyd W. Reeves, Washington, D. C., director of the American Youth Commission of the American Council on Education.

Where Does Arkansas Stand in Education?—And Why?

EXTENSION OF REMARKS

OF

HON. CLYDE T. ELLIS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

EDITORIAL FROM SOUTHWEST AMERICAN ON STATEMENT OF DR. A. M. HARDING

Mr. ELLIS. Mr. Speaker, more and more we are coming to the proposition that American wealth must be taxed where it is to educate American children where they are. Some of the most interesting facts and comparisons which have yet come to my attention are set out in an editorial by C. F. Byrns, one of the South's ablest and clearest thinkers, appearing in the Southwest American, of Fort Smith, Ark., on February 9, 1940. Mr. Byrns quotes Dr. A. M. Harding, who is one of the South's ablest educators. I quote the article in full:

A great deal of fuzzy thinking and talking goes on in Arkansas about the amount of money spent on our schools.

It has been said so often that Arkansas stands forty-sixth in public education that many people inside the State as well as outside it get the idea the State is woefully deficient in its educational effort, and is in fact a State of illiterate hoodlums who want nothing better than they have. That, of course, is not true.

Dr. A. M. Harding, director of the extension service of the University of Arkansas, has written a statement on this situation, published in the current University Extension News, which is so sensible and realistic that it merits reproduction here and careful thought by everyone who reads it. Here it is:

"Forty-sixth in education. How often I have heard this expression from people who know nothing about the problems of Arkansas. Too many people refer to our so-called educational shortcomings and put the blame on lack of enterprise and ability in our citizens. These critics, to my way of thinking, are not only harsh but uninformed. They place Arkansas forty-sixth educationally because we spend fewer dollars on education than most other States.

"Instead of noting the unprecedented growth of educational facilities in Arkansas since 1900, they compare what the State

now has with what New York can offer. They fail to take into consideration two factors which have a significant bearing on the composite educational picture. These are the wealth of the State and the ratio of children to the adult population.

"In 1936, the people of Arkansas had a total accountable income of $462,000,000. That same year Louisiana's income was $770,000,000; Oklahoma's, $769,000,000; Texas', $2,247,000,000; California's, $4,291,000,000; and New York's, $10,111,000,000. Even Mississippi, which traditionally trails Arkansas in State rankings, had a higher income in 1936, $466,000,000.

"New York spends more money per year on automobiles than Arkansas but our cars are just as good as theirs. The only point is that we lack the money to buy as many cars as they do.

"Why cannot these educational statisticians compare the different States on the basis of the percentage of accountable income spent on education? On this basis, Arkansas ranks twenty-seventh. Even when Arkansas spends a greater amount of her income proportionately on schools, still the total sum is much less than in the wealthier States.

"New Jersey, which ranks forty-sixth by this scale, is able to spend five times as much as Arkansas on the intellectual development of her children. While this does not necessarily mean that the New Jersey child receives more than five times as much education as the child brought up in Arkansas, or that his education is five times better, it does mean that, other things equal, he has better trained teachers, more up-to-date libraries, better equipped laboratories, more instruction in art and music, and more vocational training.

"At the same time, Arkansas has a much heavier educational burden than the high-ranking States in other sections of the country. There are marked differences in the ratio of children to adults. The last census showed there were 602 children of elementary and high-school age per thousand of adults in Arkansas, compared with 319 per thousand in California or 363 in New York. Arkansas is one of the States in the rural South whose people, largely agricultural, are trying to educate 13 percent of the Nation's children with only 2 percent of the national income.

"Arkansas, along with other States in the South, has a vital interest in the bill for Federal support of public schools. That, in addition to assistance from philanthropic agencies, is the only solution to the problem. Dr. Donald Davidson, of Vanderbilt University, states the answer succinctly in his new book, The Attack on Leviathan, when he says: 'Blood transfusion must replace the blood sucking of the last 70 years.'

"I join other southern educators in giving my unqualified support to the recommendation of President Roosevelt's Advisory Committee on Education that Congress provide generous grants for State and local education."

National Unemployment—Its Cause and Cure

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

MEMORANDUM ON NATIONAL UNEMPLOYMENT

Mr. JOHNSON of Oklahoma. Mr. Speaker, under leave to extend my remarks, I submit herewith a letter from Hon. Robert L. Owen, who for many years represented Oklahoma with distinction in the United States Senate, together with a memorandum he has kindly prepared on national unemployment. I trust that this will be given careful and thoughtful consideration by the Members. Senator Owen, author of our Federal Reserve Act, is an internationally known authority on money and banking.

The letter and memorandum follow:

WASHINGTON, D. C., *March 4, 1940.*

Hon. JED JOHNSON,
House of Representatives.

MY DEAR MR. JOHNSON: Your letter of March 2 requesting my views on our great national problem of unemployment received.

I enclose a memorandum which may be useful. It gives me the more pleasure to do this work for you because of the distinction you have achieved in your 12 years of service in the Congress of the United States. The action of your colleagues in the last Congress in making you chairman of the Democratic steering committee of the House of Representatives, and your selection this Congress as chairman of the speakers' bureau, Democratic congressional campaign committee, bear the highest testimony to your personal worth and ability as a leader among men. I am glad to see you one of the leaders of the Committee on Appropriations of the House of Representatives, and your present charge of the appropriation for the Interior Department is a great responsibility.

I feel proud of the Oklahoma delegation in Congress, for the State is ably represented, and it has by virtue of its services established a powerful influence in the House of Representatives.

Hoping that the memorandum I enclose may be of service to our country, I remain with the greatest respect,

Yours sincerely,

ROBERT L. OWEN.

NATIONAL UNEMPLOYMENT—ITS CAUSE AND CURE

(By Robert L. Owen)

Informed students of modern monetary science understand perfectly well the cause of 10,000,000 unemployed in the United States. And they understand equally well the cure for it. They know that it can be quickly cured, because they know the cause. Both the cause and the cure have been set forth by me, among many others, in Senate Document No. 23, prepared by me and submitted on the twenty-fifth anniversary of the signing of the Federal Reserve Act.

The Federal Reserve Act was framed by me after taking 3,000 pages of testimony, and within 4 days after I obtained a vote by the Senate in favor of the bill I submitted as a substitute for a House bill, it was signed by the President and became the Federal Reserve Act.

This act was intended to establish public control over the volume and value of money by regulating and stabilizing the price level through stabilizing bank credit, which functions as money. Woodrow Wilson's demand for public control over private control of the volume and value of money—that is, bank credit—will be found on page 100 of Senate Document No. 23, as follows:

"* * * the control of the system of banking and of issues which our new law is to set up must be public, not private; must be vested in the Government itself so that banks may be instruments, not masters, of business and of the individual enterprise and initiative."

This view of President Wilson had been entertained by such men as Benjamin Franklin, and by the great convention which established the Constitution and imposed on Congress the duty of coining, creating, and regulating the value of money. Quotations will be found in the appendix of Senate Document No. 23 from Presidents John Adams, Thomas Jefferson, Andrew Jackson, Abraham Lincoln, Garfield, and Hon. James G. Blaine.

Under Woodrow Wilson's management, up to 1920 when reactionaries got personal control of the Federal Reserve machinery, the Reserve System was a grand success. It brought abounding prosperity. It raised $40,000,000,000 and won the World War by financing the Allies. This great fund was over half liquidated before the forces of reaction caused the panic of 1921 through the deliberate and willful contraction of credit and currency in 1920–21, which threw 5,000,000 people out of employment.

Under Calvin Coolidge an overexpansion of credit took place as a reaction to the contraction of 1921, which resulted in inflating securities listed on the exchanges, the borrowing of billions of dollars for speculating in securities with the unavoidable collapse of October 1929, which resulted in throwing out of employment by 1932–33 about 14,000,000 people through the contraction of bank credit, or the contraction of our money supply, since 95 percent of our money supply consists of bank checks on demand deposits.

Let us look at the record. On October 23, 1929, a crash in the stock market took place, and within 6 weeks $6,000,000,000 of call loans contracted credit in the stock markets of the country resulting in a fall in the valuation of listed securities of $30,000,000,000 within 2 months. The financial airplane went into a tailspin. A violent wave of pessimism and stringent economy swept the Nation. People everywhere cut down consumption and caused production to fall off, which threw millions out of employment, and the lack of wages and salaries caused still further contraction in consumption, contracting further production; so that our national production fell from an estimate of $31,000,000,000 to $38,000,000,000 within 3 years. Within that time the banks contracted credit to the extent of over $20,000,000,000. The dollar increased in purchasing power 600 percent in terms of listed stocks on an average. Farm products fell far below the cost of production. The campaign of 1932 followed, and the Hoover administration was overthrown because of the depression and the failure of that administration to correct it.

The House of Representatives in May 1932 passed the Goldsborough bill, after taking 500 printed pages of testimony, in which a remedy was proposed by restoring the purchasing power of the dollar to the predepression normal and maintaining it. This bill instructed the Federal Reserve Board and the Secretary of the Treasury to make effective the policy. The Goldsborough bill passed the House by 289 to 60—117 Republicans voting for it. Of the 60 who voted against it, 48 Members were retired in the succeeding election. Never was there a more nearly unanimous declaration of policy by the representatives of the people on an issue so important. This bill was advocated by the National Farmers Union, the National Grange, the American Farm Bureau Federation, and the present Secretary of Agriculture supported this policy at that time in his testimony before the committee. The restoration of the dollar index to a predepression normal meant the restoration of the price level. The restoration of the price level meant expanding the supply of money through the expansion either by currency or by credit through the Federal Reserve banks.

When the people are unable to obtain wages and salaries, when their income from rents and profits is cut off by depression, they have not the means with which to buy, and under these conditions production and employment must cease in ratio or pile up unsalable inventories. The consumers' buying power must depend upon the increasing of the volume of money in circulation and a rising price level. Please remember that the price-level index is a percentage in 1939, for example, of the volume of money required in 1926 to buy a fixed volume of 784 listed commodities, which meant the index of 79, in 1939, meant that it took 21 percent less money to buy the same goods in 1939 as in 1926. Raising the price level means increasing this volume of money by 21 percent. In other words, the volume of money in the turn-over of the wholesale primary markets required an increase of over $10,000,000,000.

Every man of common sense ought to know that the value of property in terms of dollars depends on the number of dollars in circulation. When the dollars in circulation are cut down for whatever reason, it means that the price of property goes down. Improved property in the towns and villages of the country has fallen to less than half of its predepression value because of this contraction of credit. The rents have fallen off to a point where they are unequal to paying the maintenance, taxes, and the administration of shops and stores and dwellings.

The proof of the shortage of money is so shown by the fact that the check money actually emitted and debited by the banks against the demand bank depositor in 1939 was only $530,000,000,000; whereas, in 1926 it was $845,000,000,000, 14 years ago. And since that time the volume of money should have increased in the rate of 4 percent per annum under normal conditions of uninterrupted growth, or it should be now 50 percent more than $845,000,000,000. In other words, our money supply in 1939 should have normally had a turn-over of over $1,300,000,000,000 instead of $530,000,000,000.

In the years 1926, '27, and '28, up to July 1929, preceding the panic, the average turn-over of the demand deposits on the books of all the banks in the hands of private depositors was about 40 times per annum. The conditions of 1939 justify, therefore, the assertion that $530,000,000,000, divided by 40, would give the volume of demand deposits in actual circulation at about $13,000,000,000; while the total of demand deposits in the hands of private depositors is now about $24,000,000,000. In other words, eleven or twelve billion dollars of hoarded demand deposits are held as reserves, held on account of fear, and held for speculative purposes expecting a further crash in property values.

The cause of unemployment is a contraction of available money supply, through which alone the consumers may have wages, salaries, and income with which to buy the products created by the same people who consume them.

Under our present system, the banks and their customers create over 95 percent of all the money we use (check money). And they cancel check money when the loans are paid off, for whatever reason. Ninety-five percent of our check money is based on deposits created by debt. This creates an irresponsible monetary system where private persons create and destroy money according to their hopes and expectations of profit, or their fear of loss and lack of confidence. Chairman Marriner Eccles, of the Board of Governors of the Federal Reserve System, truly said, page 102, Senate Document No. 23, "The banks can create and destroy money. Bank credit is money. It is the money we do most of our business with, not with that currency which we usually think of as money."

The financial catastrophe of the panic of 1929 caused the liquidation of 10,000 banks, hundreds of thousands of commercial enterprises, and the bankruptcy of millions of individuals, thereby causing a profound loss of confidence resulting from the destruction of national income and the destruction of the value of property of all sorts.

What Chairman Eccles says is true—that the banks create our money and can create our money—but it is also true that privately owned banks cannot act in complete concern and control and regulate the volume and value of money, because they have no adequate means of cooperation. The only banking structure that has the power and the means with which to correct these conditions arising from a contraction of the money supply are the 12 Federal Reserve banks, backed by the power of the Government. These banks can create money just as easily as a private bank, and more easily; they can create the money precisely in the same way as a private bank. A private bank lends money to a private individual on a mortgage, or on stock-exchange collateral, or on Government bonds. Private banks can buy Government bonds, which means lending money to the United States at interest, and in doing so the private bank creates a demand deposit in exchange for the Government bond. The bank puts the Government bond in its portfolio and gives the Government a checking account. The Federal Reserve banks can do the same thing. They can buy outstanding bonds of the United States in the open market and thereby convert a nonliquid security into a liquid demand deposit, or money subject to check. The immediate effect of such a policy by the Government would be to raise the price level. An example of this took place when the Federal Reserve banks in the 4 weeks of September last bought $475,000,000 of Government bonds and notes. The immediate result was that the price level rose and the dollar index fell from 133 to 126. This action by the Reserve banks stimulated public confidence, excited the hopes of those who saw the prospects of a rising market, or rising price level. But this favorable action on the price level ceased when the Reserve banks disposed of the $475,000,000 and the price level began to fall again and the dollar index to rise. The price level was 75 in August last and went up to over 79 when the Federal Reserve banks expanded credit in the manner described. The effect was psychological. The restoration of confidence can only be achieved by a congressional declaration of monetary policy, such as declared by the Goldsborough bill of 1932, which was defeated in the Senate by a conservative vote.

President Roosevelt approved the Goldsborough bill. I personally presented to him the bill and the evidence upon which it was based. The friends of the monetary policy declared in this bill supported Mr. Roosevelt and secured his nomination and election in 1932. Mr. Roosevelt favored that policy, as appears from his statement in October 1933, in which he said:

"When we have restored the price level we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation."

This was the substance of his famous telegram to the London Economic Conference.

One of the greatest weaknesses of our Government is that Senators and Members of the House are so intensely occupied with political, legislative, and departmental duties and other preoccupations that it is extremely difficult for them to study such a question as monetary science. They can, therefore, be misled by propaganda, which is furnished them abundantly in methods so adroit that it does not seem to be propaganda.

The same thing is true with regard to the President and the members of his Cabinet. Their administrative duties are enormous, their preoccupations urgent and imperative. Therefore, this question and the solution of it is left in the hands of the Board of Governors of the Federal Reserve System. The Board is afflicted by the same nature of administration preoccupations. These interferences with study are not true with regard to men like Professor Fisher and the professors of political economy who have been working with him and corresponding with hundreds of professors of political economy studying this question. Now there has been assembled at least 300 professors of political economy who support the theory of public control of our money supply instead of private control, who favor the public creation and control of the volume and value of money instead of the private creation and destruction of money through private hopes and private fears. Private persons can have no policy which they are capable of carrying out for the welfare of the public and of themselves in a broad sense.

The cure of unemployment will be found in bills already pending in the Congress and introduced by Congressman Jerry Voorhis, of California, Congressman Wright Patman, of Texas, Senator M. M. Logan, of Kentucky, and Congressman Brent Spence, of Kentucky. Some years ago, in 1932, I believe, Congressman KENT E. KELLER, of Illinois, and Congressman JOHN E. RANKIN, of Mississippi, introduced such bills declaring a monetary policy.

The restoration of the spirit of confidence of the business people of this country can be completely accomplished by a sound, sensible, and sane declaration of monetary policy by the Congress and the requirement that the officials of the Board of Governors of the Federal Reserve System shall be subject to the control of Congress and removal from office if they fail to maintain the confidence of the lower House, which comes fresh from the people every 2 years. A vote of no confidence should be sufficient to remove any administrative officer who holds a position of such vast importance as the life and death powers of the Board of Governors over the business of this country.

The correctness of the principles which I am expounding to you here of the public control of the volume of money and value of money is now fully recognized by the Governments of Great Britain, France, Italy, Sweden, Finland, and even Germany has used these principles to expand its power enormously.

NATIONAL DEFENSE

Our citizens are deeply concerned over the question of national defense. There is no question of national defense which surpasses the problem we are now considering. The incompetency of monetary government led to the stock-market crash of October 1929. And our national production fell from $81,000,000,000 to $38,000,000,000 per annum. A total loss during the last 10 years of approximately $200,000,000,000 of production we should have had. And if we had advanced at the rate of 4 percent per annum, it would have made nearly as much more. (See S. Doc. No. 23, p. 48.) The restoration and maintenance of national maximum employment is the most powerful factor of national defense. We have the factories, equipment, power, and working force that could easily produce $130,000,000,000 per annum if fully employed in production.

To say that nobody knows what makes the value of money is a self-evident and ridiculous error. To say that nobody knows how to end unemployment has no substantial truth in it. There are thousands of scholars who know, and as one of the students of monetary science, I call your attention to Senate Document No. 23, Seventy-sixth Congress, in which this whole subject matter is explained so simply, so plainly, and so clearly that a high-school student should easily understand it. The difficulty has been that the preoccupations above described of the Members of the House and Senate, the Board of Governors, and the President, have prevented a complete mastery of the subject matter, and steps necessary to restore to a maximum national employment.

Our failure to solve this problem has resulted in the disclosure of 60 subversive organizations in this country discontented with their Government and seeking a change as a means of relief from distress.

I congratulate the Members of the House who are now studying this question of unemployment. I am positive that the solution is immediately available to them by the passage of an act establishing a national monetary policy and providing the simple means by which to enforce its faithful observance.

St. Lawrence Seaway

EXTENSION OF REMARKS
OF
HON. ALBERT J. ENGEL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1940

ADDRESS BY JOHN C. BEUKEMA

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address made March 9, 1940, before the Town Hall meeting at Buffalo, N. Y., by John C. Beukema, of Muskegon, Mich., secretary of the Michigan Great Lakes Tidewater Commission and chairman of the executive committee of the National Seaway Council, on the subject of the St. Lawrence seaway. Mr. Beukema's address follows:

In discussing the question before us, it must be remembered that an agreement between the two Governments has not yet been concluded; that we have no knowledge of what the contents of the treaty may be; and that we must, therefore, discuss the project rather than the treaty itself.

The paramount issue in the St. Lawrence seaway project is:

"Shall 45,000,000 people in the Great Lakes Basin and upper Mississippi Valley be denied the right to participate on equal terms with other sections of the country in world markets, as well as our own coastal and intercoastal markets?"

Corollary to it is the question:

"Shall the issue be decided on local or sectional considerations, or from the broad standpoint of national welfare?"

The seaway area comprises 17 States. It has the highest per capita production of any region on the globe. It produces 38 percent of all our manufactured products. It contains 32 percent of all our arable land. It produces between 65 and 70 percent of our principal staple crops, excluding cotton and tobacco. Forty percent of all United States retail trade is done in this section. Forty-five percent of all wages paid in manufacturing industry are paid here. It is Buffalo's primary market.

Yet this highly productive area finds its progress retarded by lack of the one attribute common to all great commercial regions since the world began—access to the sea.

Excessive transportation charges on practically every item entering world markets and domestic intercoastal markets obstruct its further expansion.

You doubt this? Then may I point out that the Midwest manufacturer—as far back as the Mississippi River—saves 20 to 35 percent of freight charges on goods forwarded to Pacific coast points by shipping via Philadelphia and the Panama Canal, a distance of 6,700 miles, as against shipping by rail direct west, a distance of 2,500 miles. The differential against him is the rail rate to Philadelphia, usually about half the total rate.

Further, the Midwest manufacturer, by shipping via the recently developed St. Lawrence all-water route to north European ports, finds it possible to deliver goods to far-off Tallinn in Esthonia, or Riga in Latvia at substantially the same transportation charge as he delivers these goods to Macy's in New York.

Last fall prize Delicious apples brought as low as 25 cents a bushel in the orchards of western Michigan. Thousands of bushels rotted on the ground. Yet this country sold Europe over 2,000,000 bushels of apples last fall. None of them came from Midwest producers. Why? Because of prohibitive transportation charges via Atlantic ports.

The bare cost of rail-water transfer at the port of New York, as determined by the Interstate Commerce Commission a few years ago in the New York Lighterage cases, is $2.75 per ton. To quote the language of the presiding examiner, this cost is "equivalent to 42.5 percent of the fifth-class rate from Buffalo to New York City."

Six years ago the first Norwegian freighter built for St. Lawrence Canal use entered the Lakes. This past year 13 paper mills in the Kalamazoo River Valley saved over $500,000 a year in freight charges on essential imports of Swedish and Finnish pulp, by bringing this pulp in via the St. Lawrence. Without this saving some of them would find it difficult to survive.

Opponents of the seaway agree that savings on wheat will be in the neighborhood of 4 to 5 cents per bushel on direct continuous water haul. Friends of the seaway claim greater savings. But do you realize what even 4 to 5 cents a bushel means to the Dakota farmer? It means the difference between want and a subsistence level. It means the difference between a new suit of clothes and a dress for the wife or no suit and no dress. It means the difference between shoes for the children and no shoes.

You cannot forever hold so productive and populous an area in economic thralldom. Not if you expect recovery and national prosperity.

II. THE SEAWAY AND BUFFALO

Buffalo is a great manufacturing city—one of the greatest. Its primary market lies not in the competitive East, it lies west. West, in this rich and productive region that I told you about; west, in the world's great market basket, the upper Lakes and Mississippi Valley. Situated at the foot of Lake Erie, Buffalo—once the seaway is opened—is in a strategic position to attract to itself those coast-bound industries that today must cling to the Atlantic seaboard because of their dependence on foreign raws. From Buffalo these industries can ship both east to the coast and west to the Rockies. Here they can ship from the center, instead of from the rim.

On what plea did Albany obtain the assent of the United States engineers to the deepening of the Hudson River at a cost of $21,000,000? On the plea that this improvement would bring tidewater 143 miles nearer to—I quote from the record—"the inland empire of the Middle West, which requires improved water transportation route, both for its domestic and foreign trade." If Albany had this vision, do not even greater possibilities present themselves to Buffalo?

I am aware of the fact that certain commercial interests of this city are opposed to the seaway. I believe (1) that their fears are largely imaginary; (2) that their prominence obscures the basic economics of the seaway as applied to this community. They have magnified fancied injuries; ignored major benefits. What is the Biblical phrase? "Straining at a knat and swallowing a camel."

This is a city of industries, of small businesses, of homes and workingmen. Let us, therefore, translate the seaway into terms of cost of living.

Most people eat bananas. It costs about $3.50 a ton to transport bananas across the Caribbean to New Orleans. The rail freight rate to my home city of Muskegon is $16.60 a ton, giving us an over-all rate of about $20 per ton.

If the seaway were opened and refrigerated ships permitted to come in, we could have these bananas unloaded on our docks on a direct haul from Belize, British Honduras, for about $7 a ton, or about one-third the present freight rate. Would not this cut the cost of living? The savings at Buffalo would be comparable.

Last year National Tea Co. saved $3.20 per ton in transporting canned pineapple from Honolulu to Chicago via the all-water route—Panama Canal, Hudson River, Barge Canal, Great Lakes route—as against direct-rail haul from San Francisco. Deepen the St. Lawrence and the saving will be $7 to $8 per ton.

Approximately two-thirds of the cost of the average pile of Pacific-coast lumber in a Great Lakes retail yard represents freight charges. Open the seaway and you will cut $5 to $7 per thousand off the cost of lumber. Does this not mean something to the home builder?

I might continue with instance after instance, commodity upon commodity. The proof is clear, the seaway will help the consumer.

Local opposition emanates, I believe, largely from two groups: (1) ship operator and milling interests, and (2) railroad interests.

I shall not attempt to answer the ship operator and milling interests on my own authority. I shall quote one of your own former citizens—one of the largest ship operators on the Great Lakes engaged in this trade, an officer and director in a dozen or more steamship companies, president of one of your large storage elevator companies—Mr. James E. Davidson, of Bay City, Mich.

Mr. Davidson testified as follows before the Senate Foreign Relations Committee at the last treaty hearing, and he told me only a few days ago that his sentiments are no different today:

"The Buffalo Chamber of Commerce, and certain other representatives, appear on record as opposing the completion of this project. I was born in Buffalo, my people once lived in Buffalo, I have large financial interests at the present time in Buffalo. I personally do not believe that the completion of the St. Lawrence project will have any damaging effect upon Buffalo. I think this statement is particularly true when grain is considered. I say this as an owner of elevators in Buffalo.

"In the first place, Buffalo has grown to be the principal milling center of bread wheat in the United States. In addition to this there are feed mills of various kinds and there are projects on foot for extension of the feed-milling industry at Buffalo. With this development of the flour-milling and feed-milling industry, I believe, that irrespective of the completion of the St. Lawrence project Buffalo will continue to draw for milling purposes a large portion of the bread-making wheat of the United States for domestic consumption of flour in the East. I believe that Buffalo will always be the logical place for the drawing of Canadian wheat to be milled in bond for the export trade.

"The completion of the St. Lawrence project, as I see it, will have no bearing whatsoever upon Buffalo's milling industry; and as long as the milling industry is not affected the movement of spring wheat cannot be affected. On the contrary, I can see where the St. Lawrence Waterway will furnish for Buffalo a cheap outlet for flour going into foreign trade. This would be applicable both with reference to domestic wheat which is milled and Canadian wheat which is milled in bond. So I have no hesitancy in advocating the completion of the project at the earliest possible date,

for I am reasonably sure that Buffalo not only will not be hurt but will, in the long run, be benefited."

Hence, on the economics of the seaway as applied to Buffalo, may I summarize as follows:

(1) The seaway won't hurt Buffalo, it will help Buffalo.

(2) Buffalo's Midwest markets will be expanded through the new prosperity which the seaway will bring. This implies increased employment and pay rolls in present Buffalo industries.

(3) New industries will be attracted here.

(4) Building of the seaway will cut the cost of living for every citizen of Buffalo.

(5) Buffalo's grain trade won't be hurt, in the opinion of one of the ablest and most experienced operators on the Great Lakes, with large investments in Buffalo.

III. BUFFALO'S HISTORY PROVES SEAWAY WILL BE BENEFIT

Your own maritime history should persuade you that the seaway will be of great and outstanding benefit to Buffalo.

On what does your present water-borne commerce rest? On the traffic in coal and ore and grain from the head of navigation at Duluth to this gateway at Buffalo.

What made this commerce possible? Was it not the piercing of the rock barriers at Sault Ste. Marie in my own State, which made continuous navigation from Superior's farthest rim to the Niagara frontier possible, and which converted these separate and commercially disconnected lakes into an inland ocean?

In 1844, when my State of Michigan broached this project, the great Henry Clay told the United States Senate: "It is a work quite beyond the remotest human settlement in the United States, if not in the moon." And a New England legislator declaimed: "Aye, build it so that the Ojibway, paddling down in his canoe, may gaze on the utter folly of the white man."

That was a hundred years ago. But fortunately, we had men of great vision in the United States Senate in that day, as I believe we have today. So the first canal was built. Today the locks at St. Marys carry the greatest tonnage of any waterway in the world; 50 percent more than Suez and Panama combined. On this commerce the greatness of Buffalo rests.

When the Welland Canal was built, Buffalo feared the loss of its commerce. Has that event transpired? In 1932, the year the canal was opened, the water-borne tonnage of the port of Buffalo was 11,146,000 tons. In 1937 it was 21,017,000 tons. Would this indicate that the piercing of the second rock barrier that separates the Great Lakes Basin from the coast injures Buffalo?

Now comes the question of the removal of the third and last barrier. The port of Buffalo is to be opened to the ships of the world. The world's cheapest form of transportation—ocean carriage—is to be brought to your very doors. It will cut the costs of the goods you consume. It will give your manufacturers lower freight charges to foreign, coastal, and intercoastal markets. And these savings will not be in freights alone. We, in Muskegon, save as high as $1.50 per box on office furniture, refrigerators, washers, and ironers, etc., through the use of a domestic container for export shipment, instead of the heavier and costlier export box. You can do this when you load on your own wharves. There are several other savings of direct loading I might mention if time permitted.

I recall that 20 years ago the manufacturer of an interurban electric-railway line serving my community came to my office and solicited our support for a bill barring all commercial trucks from the highways. I told him frankly: "I cannot support you. If trucks can render a cheaper and more flexible service, coupled with store-door delivery, than you can render, your business will have to make way. Your job is to prove that steel tires are more economical than rubber tires."

I sometimes wonder if those who oppose the seaway fail to realize that there is an evolution in transportation, as well as in everything else.

These defenders of the status quo remind me a great deal of the Boston legislators of a century ago who banned bathtubs, and the Postmaster General who solemnly reported to Congress that railroads would never replace the pony express.

My plea to you tonight, men of Buffalo, is: In the upper lakes and Mississippi Valley lies your true heart of empire, and when you build it you build your community.

Let us not forget that these same channels are open to lake shipping. The size of the present "lakers" is not limited by any feature of ship construction. It is solely limited by the navigable depths of channels and harbors and lock capacities. Bigger "lakers" of greater capacity, thereby reducing unit costs of haul, will be constructed when the deeper channels provided in this project are dug.

I know of no place in the world where freight is carried so cheaply as on the Great Lakes. Hence the bogey of foreign competition does not impress me. Nor does it impress experienced ship operators like Mr. Davidson. There is also the prospect that deeper channels will give a decided impetus to ship building on the Lakes, thereby stimulating employment in steel and allied industries.

When you study the history of the Great Lakes Basin, ladies and gentlemen, you cannot help but be impressed that transportation has always been its problem, and lack of adequate transportation the greatest single factor retarding its growth. Because of these rock barriers the original French conquest of the upper lakes was not by way of Ontario and Erie, it was by way of the Ottawa River and Georgian Bay. La Salle, when he built Fort Frontenac, sent La Motte to this vicinity to find a portage around Niagara and a shipyard location on Lake Erie.

Southern Planter, in his Notes on Political Economy, written a century ago, points out that half our national debt created in the War of 1812 was due to lack of transportation facilities in the Great Lakes region. In supplying the American forces on the Canadian frontier, he says, "every barrel of flour cost $50, every barrel of pork $8, and every cannon used there twice as much in the cost of transporting it as the cost of making it."

When the Erie Canal was built freights from New York to Great Lakes points dropped from $100 a ton to $8 a ton, and the great migration westward occurred.

So today this generation wrestles with a new problem—the problem of broadening its markets through reducing its transportation costs.

"The difference between the United States and China," the late John Hays Hammond once remarked, "is the difference between $1 per ton-mile on the Chinese coolie's back and 1 cent per ton-mile on our American railroads." He might have added, "or 1 mill per ton-mile on the bulk carriers of the Great Lakes."

This 1 mill per ton-mile made possible the marriage of Minnesota and Michigan ore and Appalachian coal. It made possible the wedding of Dakota wheat fields and Buffalo flour mills. Extend this 1 mill per ton-mile advantage to the ports of the world and you increase Buffalo's markets and promote Buffalo's growth proportionately.

IV. EXPORT-IMPORT COMMERCE AVAILABLE

Opponents of the seaway have said that there is no available export-import commerce in the Great Lakes Basin. The Michigan customs district ranks fourth in the United States in volume and value of imports-exports, despite the fact that a large proportion of Detroit's automobile exports are credited to New York and Philadelphia.

A Detroit Board of Commerce representative recently testified before the House Ways and Means Committee that every seventh dollar spent in Michigan comes from foreign trade. Over 600 industries in Michigan are interested in foreign trade, and one-eighth of our factory pay roll depends on it.

Need I call your attention to the exports of Chicago's packing-house industry, the manufactures and dairy products of Wisconsin, the exports of Illinois' agricultural-implement industry? The commerce is there, but too much of it moves at an excessive transportation cost.

The economics of this project have been repeatedly studied by the United States Department of Commerce, the United States engineers, United States Maritime Commission, Federal Power Commission, and other governmental agencies. These studies have been conducted under both Democratic and Republican regimes for 20 years. One of these studies was made by a board headed by former President Herbert Hoover, who is today an advocate of the project. The conclusions have always been the same, namely, that tremendous benefits would accrue to both the Midwest and the country as a whole.

United States engineers estimated the tonnage to be carried after the seaway is opened at 23,000,000 tons. Then, to be conservative, they reduced it to 13,000,000 tons. In 1938 the present outmoded canals, only 14 feet deep, carried 9,236,318 tons. At estimated savings of from $4 to $5 per ton, aggregate savings would be in the neighborhood of seventy to eighty millions of dollars per annum.

V. SEAWAY A MODERNIZATION PROJECT

Another vital point overlooked by our opponents is that we are not asking for a new seaway route. We are asking for the modernization of a present sea route. We are requesting that these ancient canals, originally dug approximately 100 years ago, be enlarged and deepened to admit modern shipping. It is the same sort of request that Buffalo has repeatedly made of the United States engineers, namely, that its harbor be deepened to accommodate new and larger ships.

Since we began expending money on the improvement of rivers, harbors, and channels, this country has invested approximately $3,000,000,000 for this purpose. Of this amount there has been expended $800,000,000 on seacoast harbors and channels, $250,000,000 on intercoastal canals, nearly $1,000,000,000 on the Mississippi River system, another $550,000,000 on flood control, and $260,000,000 on the Great Lakes.

The Great Lakes proportion of total Federal expenditures for this purpose is approximately 8 percent. Surely no undue proportion for roughly one-fourth of our population, excluding the more westerly States. We, in the Midwest, paid our share of Federal taxes for these improvements. Are we unreasonable in suggesting that we receive like consideration? Has the Midwest ever opposed a legitimate appeal for funds for the improvement of New York Harbor, or Philadelphia Harbor, or Baltimore, or Boston? Why, then, the dog-in-the-manger attitude of these ports?

Sectionalism, gentlemen, will never originate in the West, but it is a dangerous thing for the East to teach.

What was it Shylock said to Salarino? "The villany thou teachest me I shall execute, and it shall go hard but I will better the instruction."

VI. FEDERAL POLICY ON INTERNAL IMPROVEMENTS

The obligations of the Federal Government in a matter of internal improvement of this character were fully established 120 years ago in Henry Clay's memorable address delivered in the Senate on

March 13, 1819. In 1830 President Andrew Jackson in his annual message to Congress, said:

"It may sometimes happen that the interests of particular States would not be deemed to coincide with the general interest in relation to improvement within such States. * * * It may be assumed as a safe general rule that such improvements as serve to increase the prosperity of the respective States in which they are made, by giving new facilities to trade, and thereby augmenting the wealth and comfort of their inhabitants, constitute the surest mode of conferring permanent and substantial advantages upon the whole."

A viewpoint with which President Franklin D. Roosevelt apparently concurs in the present instance, for in his message to the Senate under date of January 10, 1934, in reference to the St. Lawrence seaway project, he says:

"It is, I believe, a historic fact that every great improvement directed to better commercial communications, whether in the case of railroads into new territory, or the deepening of great rivers, or the building of canals, or even the cutting of the Isthmus of Panama, have all been subjected to opposition on the part of local interests which conjure up imaginary fears and fail to realize that improved transportation results in increased commerce directly or indirectly benefiting all sections."

Let us pursue a broad national policy in this matter, rather than accept local sectional and selfish pleas. This, as Henry Clay pointed out, is "the American way." In so doing we may, in the words of another great American, Daniel Webster, "do something in our day and generation worthy to be remembered."

VII. THE SEAWAY AND THE RAILROADS

One question more: Will this take freight from the railroads? To assume so is to fly in the face of all experience. Every time you reduce the price of a product, you increase the range of possible purchasers. On that theory the automobile industry was built. Every time you reduce transportation costs, you expand consumption. Thereby you increase the volume of freight to be moved. Cut the freight costs of bananas 60 percent, as you can via the seaway, and see consumption of bananas increase in the entire Great Lakes Basin. Reduce the transportation cost on lumber from the Pacific coast by $6 or $7 per thousand, and see the construction industry expand.

After all, ships move goods only to ports. Railroads and trucks carry these same goods to interior points. Ports are always the greatest producers of rail and truck freight. Witness New York, Philadelphia, Baltimore, and New Orleans. Hence rail lines and sea lanes are complementary, not competitive. Railroads may lose some through freight, but they will be more than compensated by the increased volume of other freight, due to inevitable industrial and commercial expansion, after the seaway is opened.

The rails should be the last to urge a static condition. What made our western roads prosper but tourist traffic and the industrial development of the Pacific coast? What brought back our southern roads but the industrialization of the South and Florida's development as a winter resort? What brought back the thrice bankrupt Pere Marquette Railroad, in my own State, but the growth of the automobile industry? Railroad prosperity depends upon industrial expansion and the movement of populations, and any development that will produce these will benefit the rails.

Americans—Take Your Choice!

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

Mr. MUNDT. Mr. Speaker, under leave granted me by the House, I want to call attention to the following extract clipped from my home town newspaper, the Madison Daily Leader, which in turn had reprinted this item from the Indiana Food Merchant. In the few words contained in that newspaper item, I believe is to be found food for thought for all America.

Next November, America must make its choice. It must select the philosophy of government which it prefers. It can choose either socialism, communism, fascism, or new dealism, with their striking similarities of technique, and their futile reliance on one superman to do the thinking, planning, and legislating for an entire people, or it can reject these archaic, reactionary, and Tory tenets of government.

America, in my opinion, will not choose in its popular referendum next November, any of these history-disproved forms of statism; this land of free and independent people will not shackle upon itself the totalitarian technique; it will not use the third term as an entering wedge to replace representative government with hereditary rule by a family dynasty. Neither will it install the economic system of unregulated capitalism as its political philosophy without guarding the operation of capitalism by the political methods of true Americanism which respects capitalism for its economic value and refines it by representative government, so that its products and profits can bring happiness and security to the greatest number.

That is the system of Americanism which has made this country great. That is the traditional form of Americanism which had made the American way of life the envy of all the world. That is the type of Americanism for which both of our major parties have always stood in the past but which, unhappily, the New Deal has now discarded for a dangerous imitation of the one-man governments of Europe and Asia.

It is the American way of life, with the people serving as rulers and the Government officials functioning as servants of the people, that provides the creed for the Republican Party of 1940. And it is for the continuation of government of, by, and for the people that the American people will vote when they make their choice next November.

Mr. Speaker, the following newspaper extract packs into a few short words the teaching of thousands of years in the art of self-government. It presents in simple language the choice which America must make in the Presidential election of 1940. It merits the careful consideration and serious study of every American who wants to see this Republic survive as the greatest demonstration in the world that men can govern themselves and that indespensable supermen and ruling family dynasties have no part in the American system of free enterprise:

[From the Madison (S. Dak.) Daily Leader]

TAKE YOUR CHOICE

Socialism: You have two cows; you give one to your neighbor.

Communism: You have two cows; you give both to the government, and the government gives you the milk.

Fascism: You keep the cows, give the milk to the government, and the government sells it back to you.

Nazi-ism: The government shoots you and takes the cows.

New Dealism: The government shoots one of the cows, milks the other, and pours the milk down the sewer.

Capitalism: You sell one cow and buy a bull.

Americanism: You keep both cows, drink some of the milk and eat the butter from some of it and sell the balance to buy new clothes and a new automobile. You raise your own bull and more cows, stay at home, keep out of Europe's squabbles, mind your own business, and live happily ever after.—Indiana Food Merchant.

Our Foreign-Trade Policies

EXTENSION OF REMARKS

OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

RADIO ADDRESS BY HON. AUGUST H. ANDRESEN, OF MINNESOTA

Mr. AUGUST H. ANDRESEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered over the radio on March 16, 1940:

I am extremely pleased to have this opportunity of taking part in the National Grange program. Mr. Brenckman, the Washington representative of the Grange, has requested me to make a few observations on Our Foreign-Trade Policies—that is, the present foreign-trade policies of the United States.

There can be no question over the fact that foreign trade has a definite effect on our domestic economy. Failure to export surplus commodities such as cotton, wheat, tobacco, and pork create domestic surpluses and lower prices in this country. On the other hand, excessive imports of other farm commodities, which are competitive, like dairy products, beef, pork, eggs, poultry, etc., also produce surpluses in the United States and distressingly low prices. We have both situations today. As a consequence, agricultural

distress, unemployment, relief, excessive public expenditures, increased taxes, a huge mountain of debt, and depression still hang over this country.

Many ill-advised and short-sighted policies affecting our domestic and foreign trade have been put into operation during the past several years. We are now suffering from their effects. Among the most important of our undesirable policies which now threaten to destroy export markets, as well as the home market, for the average American producer are the programs which reduced tariff duties on competitive farm and manufactured imports; our monetary policy that provides for the purchase of foreign gold and silver at a premium; and the Government's failure to protect our American economy from the detrimental effect of depreciated foreign currency. I will briefly discuss these policies.

FOREIGN TRADE

A great deal has been said on the subject of foreign trade during the past 6 years—for in 1934 a Democratic Congress gave to the President of the United States absolute authority to lower tariff duties on competitive farm and manufactured products and to negotiate trade agreements with foreign nations, without any congressional interference or sanction. As an inducement to foreign nations to make concessions and negotiate with our country, the President was authorized to lower tariff duties as much as 50 percent of existing rates so as to make it easier and cheaper for foreign producers of competitive products to sell their commodities in this country in competition with American farmers and laboring men.

Of course, every foreign producer knows that the United States provides the best market in the world and therefore all foreign producers are clamoring to dump their cheaply produced products upon our doorsteps. The reduction in the tariff duties made by the President to any foreign country in a trade agreement immediately brought our "most-favored-nation" policy into operation, and every nation in the world except Germany was given the full benefit of all reductions in our tariff duties without giving any concession to us in return. To illustrate: When the duty in the Canadian agreement on dressed poultry was cut 4 cents a pound, and on eggs reduced 5 cents a dozen, Japan, Russia, and Italy, as well as all other countries except Germany, received the same concessions as were given to Canada in the treaty. Twenty-two trade agreements have thus far been negotiated by the President. As a concession to foreign producers, our country has lowered or reduced tariff duties on approximately 1,100 competitive products.

The administration has reduced the duties on more than 160 competitive farm commodities, and some farmers still wonder why our farm prices have not advanced. I just want to name a few of the farm commodities upon which duties have been drastically cut. These are: Cattle, pork, milk, cream, cheese, poultry, eggs, barley, oats, rye, apples, strawberries, potatoes, cabbage, and other vegetables, and many more competitive farm products which are now being produced in surplus quantity in the United States.

Because of the lower duties in the trade agreements, and the depreciation of foreign currencies, and despite the war in Europe, our country is being flooded with cheaply produced foreign farm products. A few illustrations might serve well at this point. In 1939, foreign producers exported to this country and sold to the American people 754,000 head of cattle; 86,000,000 pounds of Irish potatoes; 16,000,000 pounds of casein, made from milk; 59,000,000 pounds of cheese; and scores of other competitive farm products.

I may belong to the "horse and buggy" day, but it seems extremely idiotic to me that our country should have a policy of encouraging the importation of competitive farm products at a time when agricultural production is being curtailed in this country because of surpluses and low prices. Our farmers and laboring men cannot compete with cheap production in foreign countries and at the same time maintain any semblance of an American standard of living.

Truly, under the present operation of the trade agreements, American farmers are being sold into peasantry and laboring men into continued unemployment and distress. The latest figures show nearly 11,000,000 unemployed American citizens. Our relief load is growing daily. Who, then, is profiting by our foreign-trade policy? None other than those who are engaged in the manufacture of war materials and other machine-made articles. Foreign producers ship into this country competitive farm and manufactured products and use the American money which they receive as pay for their commodities for the purchase mostly of war materials. This may be a good horse trade for the manufacturers engaged in the war-material business, but our farmers get less than the traditional rabbit out of the transaction. We all want a healthy foreign trade, but why should the farmers be called upon to bear the brunt of the sacrifices in order to secure the type of business which is being done today?

A sound foreign trade can be reestablished and should be based upon the sale of our surplus commodities in exchange for the type of foreign products needed by us of which we do not produce a sufficient quantity to satisfy domestic requirements. Amongst the commodities we do not produce can be listed coffee, tea, rubber, tin, nickel, spices, and many others unknown to American production.

NEUTRALITY LAW AND FOREIGN TRADE

Our short-sighted foreign-trade policies have hurt American producers in many respects. The much-heralded neutrality law forced through Congress in the special session last November has brought the United States closer to the European war than most people realize. Instead of opening up a strong foreign market for American farm products, as promised by administration advocates, these exports have diminished to a vanishing point, and the United States has become the military arsenal for belligerent and other nations in the world.

Instead of the Allies buying farm products from this country, as was promised by England and the New Deal, they only buy implements of war and war materials. They have placed a virtual embargo against the purchase of any farm products grown here, and now secure their pork from Hungary, their beef from the Argentine, their tobacco from Turkey, their wheat from Canada, and the final order came through this week when England closed down entirely upon the purchase of fresh and canned fruits from the United States. Secretary Wallace predicts a decrease in our exports of farm commodities, and therefore a sad picture confronts us in getting rid of our farm surpluses in the world trade.

DEPRECIATED FOREIGN CURRENCY

Another important foreign manipulation which automatically shuts off exports from this country is the prevailing depreciation of foreign currencies. Our dollar has become high priced in foreign exchange. We now hold three-fourths of the world's supply of gold, and foreign nations must secure dollar exchange to pay for war materials purchased in this country. Therefore, they must sell more of their competitive products in our domestic market in order to secure the necessary dollar exchange. To accomplish this end, they have lowered the value of their money, which means that our dollar is worth from 13 to 66 percent more in the various foreign countries of the world. The final result of this clever manipulation will bring a flood of cheap foreign goods into our own market and a serious curtailment in our exports of American products. We can, if we will, protect ourselves from this foreign raid upon our American economy.

As a matter of fact, all trade agreements and detrimental foreign-trade policies should be canceled or suspended during the continuation of the European war, and as long as monetary instability prevails throughout the world. We should make it our business to first take care of American citizens in solving domestic problems, instead of continuing a Santa Claus policy for the rest of the world.

PREMIUM PAID FOR FOREIGN GOLD

We have played Santa Claus altogether too long. Foreign nations engaged in war or preparing for war still owe us a debt of over $11,000,000,000 from the last war. Six years ago, the administration in Washington established a new policy with reference to the purchase of foreign gold. The President boosted the price of foreign gold from $20.67 an ounce to $35 an ounce—paying a premium for foreign gold of $14.33 an ounce. We now have $18,250,000,000 worth of gold, or nearly 75 percent of the world's supply, buried in the ground down in good old Kentucky. Of this staggering King Midas hoard, we purchased more than $11,000,000,000 worth of gold from foreign gold speculators, and made them the magnificent gift up to January 1 of this year of nearly $4,500,000,000 from the United States Treasury. This gift to foreign gold speculators and international bankers represents 50 percent more than the sum paid out as soil conservation and parity payments to 6,000,000 farmers during the same period.

Yes; we are writing history in the United States, and when the war in Europe is over and millions of men now engaged in the war go back into productive employment, our troubles in America will begin on a grand scale, unless we immediately change our ill-advised foreign policies. Congress itself should assume independent leadership and get down to brass tacks for a sound solution of our domestic problems, considering the future welfare of our own citizens and the preservation of our American democracy.

Dedication of Post Office at Harrisonburg, Va.

EXTENSION OF REMARKS

OF

HON. THOMAS G. BURCH

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

ADDRESS BY HON. A. WILLIS ROBERTSON, OF VIRGINIA

Mr. BURCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of my colleague the gentleman from Virginia [Mr. ROBERTSON] at the dedication of the post office at Harrisonburg, Va., on March 23, 1940:

Mayor Swank, Senator Byrd, Assistant Postmaster General Purdum, and other honored guests, ladies, and gentlemen, it has frequently been said that the people of this Nation have enjoyed constitutional freedom for so long a period of time they take their political blessings for granted and forget the struggles and hardships through which they were won. It is still easier to take for granted conveniences that make of life an orderly process and which

enable a complicated and vast economic structure to successfully function.

One of the most widely used and most essential of modern conveniences is our postal system, which now reaches into every obscure hamlet of the United States, and furnishes prompt and efficient service to 130,000,000 people on the democratic basis of equality. For the price of a 3-cent stamp—the widow's mite, so to speak—the mother can communicate with her son in the Philippine Islands, 10,000 miles away, on the same basis that the sugar baron communicates with his Manila factory.

But it has not always been so. In the days of our first President it cost 25 cents to send a letter from Harrisonburg to New York City and the time of delivery was about 5 days. Rates increased with the distance. In those days a letter from Maine to Georgia took 20 days and from Philadelphia to Nashville 22 days. What a contrast with our present 18-hour air-mail service from New York to the west coast and 2-day service from New York to the Philippine Islands.

It is not beyond the realm of possibility that we will live to see the day when our Postal Service will include in its communication facilities delivery of letters by radiophotography, by means of which a radio transmitting set can send in perfect secrecy and instantaneously to any adjusted receiving set within its short-wave radius an exact reproduction of the letter filed with the transmitting set. Such a letter, of course, will carry the authentic signature of the writer, thus eliminating the uncertainty that occurred in the mind of a sweet young thing at one of our Virginia girls' schools before the days of the typewriter, when telegrams were written out in longhand by the operator. When this charming young lady was delivered such a telegram carrying her father's signature she said, "I don't believe this is from papa because it is not his handwriting."

To demonstrate its efficiency in the use of this new means of communication, the Navy Department sent each morning to the President on his recent South Atlantic fishing trip a complete newspaper. That remarkable device was perfected by a junior officer of our Navy, based on his study of the inefficiency of methods of communication, employed by Admiral Jellicoe in the famous Battle of Jutland in 1916. On that occasion had the British destroyers, which are the eyes of the fleet, been equipped to send a photographic chart of the position of every vessel in the German Fleet to each unit of the British Fleet, to be recorded in the chart-room not only of the flagship but in that of every other unit of his command, Admiral Jellicoe would have been enabled to deploy his heavier battleships in a method that would have completely crushed the German Fleet and saved the British Fleet from the most costly casualties in its entire history.

What a far cry it is from the present methods of communication to the early days of postal service, and how necessary it is for us to remember the inscription upon the walls of the United States Post Office in New York City: "Through storm and night, through snow and sleet, these couriers make their appointed rounds." And before the days of the iron horse these couriers who made their appointed rounds fulfilled the dictionary definition of the word "post," which means a messenger or carrier of letters. That name comes down to us through the centuries in the account of Zenophon, that the great King Cyrus employed posts throughout his dominions and erected large structures for post stations. The Syrians and Persians established stations or posts a day's distance apart, at which horses were kept ready, saddled, with waiting couriers for the transmission of public orders and edicts.

The postal service in China is one of the oldest in history, antedating that of the children of Israel. Of the latter we find-for instance, in the Book of Kings that Queen Jezebel wrote letters in Ahab's name, sealed with the king's seal, and sent them to the elders and nobles in the city. In the Book of Esther mention is made of sending letters by post to all the king's provinces. The Romans employed couriers for the promulgation of military and public orders to their scattered provinces and Charlemagne did the same. It is to be noted that these mail services of antiquity and even during the early centuries of the Christian era were for the benefit of the rulers and not for the benefit of the people. It does not appear from the record just how St. Paul got his epistles to the various churches with which he communicated by letter, but it is safe to say the Government did not send them for him. Public couriers handled only government letters until the fourteenth century. The tremendous stimulus given to the development of commercial conditions by the crusaders made business intercourse necessary and the post riders who had surplus horses soon found use for them in the conveyance of passengers and ultimately in the transmission of general information at a fixed compensation. But the real beginning of letter posts for private and business purposes dates from the year 1516 when Roger, county of Theru, established riding posts in the Tyrol, connecting Germany and Italy. England, from which we inherited our colonial postal service, did not have a postmaster general until 1533. During Queen Elizabeth's reign the foreign mail from Great Britain was mostly handled by a private corporation called Merchant Strangers that had its own postmasters and post stations. When James I of Scotland came to the throne he wanted better mail service with Scotland so he issued an order that posts should travel not less than 7 miles per hour in summer and not less than 5 miles per hour in winter.

In 1619 a separate postmaster general for foreign posts was appointed. At that time it took 2 months to get a letter from Scotland or Ireland to London. Our ancestors, as you will recall, came to Jamestown in 1607 and brought with them but hazy ideas about how a postal system should be operated. Each colony had its own postal system until 1691 when the control of the American posts was by the British Crown vested in Thomas Neale. Neale acting with the Royal Postmasters General appointed Andrew Hamilton, a former Governor of New Jersey, Postmaster General of America.

But Virginia declined at first to function under this new American Postmaster General. It continued to operate under a law of the Colonial Court, passed in 1657, which required every planter to provide a messenger to convey the dispatches, as they arrived, to the next plantation under penalty of a hogshead of tobacco for default. But on March 2, 1692, the Virginia House of Burgesses passed an act, known as the Neale Patent, conferring upon Neale the right to establish a general post office and operate a postal service in Virginia. On May 1, 1693, Neale's Postmaster General Hamilton established a post route from Portsmouth, N. H., to Williamsburg, Va. But we didn't have any postal service worthy of the name until ex-Gov. Alexander Spottswood became Postmaster General in 1730, with headquarters at Philadelphia. He selected Benjamin Franklin as his assistant in charge of rural mails. Franklin established many new post routes and opened the mails to the newspapers; and that was a bigger step in man's progress toward personal freedom than many realize—gunpowder, by which the weak could protect itself against the strong; the printing press as the basis for the education of the masses; the circulation of printed newspapers through which new ideas might be disseminated and concerted action aroused—all these were stepping stones to representative democracy—stepping stones to the drafting of that great charter of our personal liberty, the Constitution of the United States. In the Convention at Philadelphia that drafted that immortal instrument we find his First Assistant Postmaster General, later appointed along with William Hunter as joint Postmasters General for the Colonies, inserting a provision authorizing the Congress to provide for post offices and post roads. The first Postmaster General under President Washington was Samuel Osgood. It was made a Cabinet office in 1829.

The first Postmaster General, Benjamin Franklin, was a distinguished man of whom the present Postmaster General, James A. Farley, is a worthy successor. Under his able administration our Postal Service has reached the highest degree of efficiency in our history, and under his administration Harrisonburg has been given a post-office building which in beauty of architecture and convenience of appointments is rivaled by few and excelled by none. It will long stand as a silent witness to the fact that our representative democracy is dedicated to the constructive principles of peace. But as enduring as such a monument is, let us not forget the admonition of Daniel Webster, who said:

"If we work upon marble, it will perish. If we work upon brass, time will efface it. If we rear temples, they will crumble to dust. But if we work upon men's immortal minds, if we imbue them with high principles, with the just fear of God and love of their fellow men, we engrave on those tablets something which no time can efface, and which will brighten, and brighten to all eternity."

F. C. C. Order on Television

EXTENSION OF REMARKS

OF

HON. KARL STEFAN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

ARTICLE BY DAVID LAWRENCE

Mr. STEFAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by David Lawrence, from the Washington Star of Monday, March 25, 1940:

[From the Washington Evening Star of March 25, 1940]

F. C. C. ORDER ON TELEVISION IS CRITICIZED—MORE UNEMPLOYMENT SEEN IF ORDER ON RECEIVING SETS STANDS

(By David Lawrence)

Another governmental commission has joined the wave of arbitrariness and usurpation of power which has swept Washington lately. This time it is the Federal Communications Commission which has exceeded its powers and gone beyond the law. And this time, too, a big industry has been struck down, with the inevitable result that more unemployment will follow.

The Federal Communications Commission was empowered by Congress to allocate wave lengths for broadcasting and for television, but it was never given any power or control over the sale or merchandising of receiving sets. It now seeks to grab that control. In fact, if its present order is not upset by the courts the F. C. C. will exercise complete control next over what the owners

of radio sets may or may not do. There is as much legal justification for what the F. C. C. has just done to kill off or retard television—a pioneer industry in which millions have been spent in research—as there is for telling people what programs they may listen to with their receiving sets.

Encouraged perhaps by the liberties and license given governmental commissions by the Supreme Court, now controlled by five New Deal appointees, the Federal Communications Commission has really reached out for power over the whole television industry. The theory which Congress had in mind in creating the F. C. C. was that mechanical interference in the use of one wave length as against another and purely technical collisions would be avoided by governmental supervision. But the only man on the Commission who knows anything about technical problems, former Commander Craven of the United States Navy, dissented on the latest F. C. C. edict, so all technical requirements were doubtless met.

SUDDEN DECISION INJURES COMPANY

What is most surprising, however, is not so much the decree ordering that television development in effect be suspended, but the manner of its issuance. Instead of giving a hearing to the interested parties or any previous notification, the F. C. C., in a sudden decision, injures the good will of a leading company which has spent millions in research and development. The Logan-Walter bill now pending before Congress is designed precisely to prevent governmental commissions from doing what the F. C. C. has done. This latest abuse of power will give further ammunition to the advocates of that measure when it shortly comes before the House of Representatives for a vote.

What really is needed is a congressional investigation of the F. C. C. in its entirety to determine the extent to which the present law is being distorted. The F. C. C., for instance, declares it has authority over radio program content and it bases that on the vague phrases of the law, "public interest, convenience, and necessity," which were never intended by Congress to cover anything but the mechanical problems involved in allocating wave lengths. Despite the fact that Congress has written a specific prohibition of censorship, the F. C. C., through the public utterances of its members, claims the right to pass on program content in renewing licenses so that the broadcasting industry is under the thumb of a governmental commission.

MORE POWER USURPED

In the case of television, the usurpation of power has gone further than ever before. The F. C. C., in its latest order, comments on the merchandising plans of one of the leading companies which was ready to put television on the market. If there is anything wrong in the announcements of that company to prospective purchasers, the Federal Trade Commission is the agency to take care of anything misleading. But the Communications Commission in a public statement undertakes to interfere in the merchandising problem and even raises the question of obsolescence. Every automobile company makes cars which become obsolete in a year or so. Will the Government soon prohibit new models in automobiles? The F. C. C. declares that the first television sets may become obsolete. Yet the seller of new television sets knows that and has more at stake than the F. C. C. if there should be ill will because new sets are introduced in a year or so. And besides the sets are to be sold to people of means anyhow, who probably would be glad to pay a few hundred dollars for television sets, knowing that new models will come out subsequently. The seller, however, has already arranged a system of rebates should new sets be introduced.

Fundamentally the F. C. C. probably isn't interested in the merchandising problem as such, but in getting complete control over the recipients as well as the transmitters in television. The present law gives the Commission control only over transmitting instrumentalities. Once the F. C. C. acquires control over all receivers as well, the way is opened for a governmental control of all television, which is wholly at variance with the existing law.

WORK FOR IDLE MEN

There has been much talk of idle men and idle money. Television is a new industry. Some persons familiar with the recent inventions think an industry is about to be built that will attract much capital and afford much employment. Radio broadcasting could never have been brought to its present stage if a governmental commission had insisted first on passing on what is or is not the right kind of a receiving set or what the sets should cost or who should have them or how they might be used.

The actual order of the F. C. C. refers to permission previously granted for commercial sponsorship of television after September 1 next. But the Radio Corporation of America, for instance, which has developed the latest technique in television, was not going to furnish commercial programs for the present, anyway, and was merely getting ready, at its own expense, to handle the programs for the public in limited areas.

Europe has had television for 3 years. America has been getting ready to push ahead of what Europe has done, but the Federal Communications Commission has interposed its influence so as to establish the precedent of its alleged power over the merchandising of receiving sets.

Congress never delegated such authority to the F. C. C. but assumption of power is the habit of governmental commissions nowadays. Congress has not yet waked up to the fact that it is no longer the law-making body. The F. C. C. now must be added to the S. E. C. and the Labor Board as having transgressed the powers of Congress in interpretation of statutory authority.

Stabilization of Employment

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

ARTICLE FROM THE EAGLE MAGAZINE

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Eagle Magazine for March 1940:

[From the Eagle Magazine for March 1940]

WE WERE RIGHT! LABOR, CAPITAL, AND GOVERNMENT CONSIDER WAYS TO STABILIZE EMPLOYMENT

After 10 bitter years of the great depression, the people of the United States no longer ask for a "way out" of this depression. Today the country asks for a "way out" of all depressions. It asks for insurance against the reliving of the tragic years that began in October 1929 and continue even to this day.

A way out was actually offered to the country a few months after that fateful day in October 1929. Yes; a way out similar to that which Government and financial and labor leaders are now agreed must be taken if our country is to pull itself permanently out of depressions. That way out is the plan set forth by the Fraternal Order of Eagles in the Eagles-Ludlow bill.

Here is a brief history of the bill: In August 1930 the Grand Aerie unanimously adopted a resolution which declared that "the economic stability of our country is based upon the right of every American adult to work continuously at a saving wage." To put this resolution into effect the Grand Aerie commissioned four past grand worthy presidents, Conrad H. Mann, Frank E. Hering, Otto P. Deluse, and John M. Morin, to prepare and to introduce in Congress a bill that would have in purpose to stabilize employment, to insure a saving wage to the industrious worker, and to protect the dollars of the honest investor.

The bill that these Eagle leaders prepared is what is known as the Eagles-Ludlow bill. It was first introduced in the House of Representatives on December 1, 1930, by an Eagle Congressman, LOUIS LUDLOW, of Indiana. On December 3, 1930, an Eagle Senator, John J. Blaine, of Wisconsin, introduced an identical bill in the Senate. Soon thereafter, members of the Eagles' Stabilization of Employment Commission went before various committees of both Houses of Congress to urge adoption of the bill. These committee hearings were held on December 17, 1930, December 11, 1931, and March 2, 1932. After the last hearing, a subcommittee of the House appointed to study our bill unanimously recommended that the Eagles-Ludlow bill be adopted.

What does this bill seek to do? It provides for the creation of a Federal industrial commission of five members to be appointed by the President, by and with the advice and consent of the Senate. Members of the commission would be men chosen for their thorough knowledge of the problems of labor, industry, agriculture, and commerce. Through surveys and investigations, the commission would analyze economic problems in the light of both group and national interests. For instance, the problems of labor would be studied not only as they affect the workingman, but also as they affect the farmer, the merchant, the professional man, and the investor who puts his savings in business.

From these studies, the commission would make recommendations to the President and the Congress as how best to balance production and consumption in industry and agriculture; to encourage capital; and to give to labor steady jobs at a saving wage.

In other words, what the Fraternal Order of Eagles is really saying in its Eagles-Ludlow bill is this: We can prevent depressions. But to do the job, we need two things. First, we must have cooperation among labor, capital, and government. Secondly, we must have a commission of unbiased men who will see to it that whatever government, or business, or labor undertakes to do is for the good of all rather than for the good only of a group, or some special interest. Such an agency is the Federal Industrial Commission that the Eagles'-Ludlow bill advocates.

Today the Eagles-Ludlow bill is where it was 10 years ago—awaiting congressional action. There is, however, one important difference: Labor, capital, and government—grown wiser through experience—are now convinced that unemployment can be solved only by such a plan as is set forth in the Eagles'-Ludlow bill. Here are the proofs for this assertion.

On January 17, 1938, the National Association of Manufacturers advocated "the formation of a committee on a national policy of coordination and cooperation" in industry.

On April 29, 1938, President Roosevelt asked for a "bureau of industrial economics which would warn against the dangers of temporary overproduction and excessive inventories."

On June 16, 1938, the Temporary National Economic Committee was created. Its chairman is Senator JOSEPH C. O'MAHONEY, of

Wyoming. The first recommendation made by the committee was "the establishment of a Federal industrial research bureau to make constant studies of economic trends." More recently—on February 6, 1940, to be exact—Senator O'MAHONEY announced that the Temporary National Economic Committee would hold an economic hearing "in which employers, employees, and the investing public may be represented."

On June 23, 1939, Congress appropriated $225,000 to be used by Secretary of Commerce Harry Hopkins "to hire business experts to advise him on industrial economics." The administration hopes that this group of experts will be the nucleus of a projected bureau of industrial economics, which will become "a vast and vital storehouse of data to assist operations of American business and guide businessmen in planning their future courses."

On January 16, 1940, Senator ROBERT F. WAGNER, of New York, proposed in Congress the creation of a council representing "employers, employees, and the general public," which will study "our foremost domestic problem—full employment security."

On January 28, 1940, Donald R. Richberg, former N. R. A. Administrator and onetime member of the President's inner circle of advisers, wrote in the New York Times: "Our economic system is working badly because * * * we have not established the ways and means of cooperation between business managers, workers, property owners, and government. * * * We should establish a national institution for statistical information, research, and long-range planning that would cooperate with the representatives of investors, managers, and workers in promoting a healthy expansion of business and in planning for the steady increase of production and employment."

On January 29, 1940, the 2,400 delegates to the Golden Jubilee Convention of the United Mine Workers of America unanimously adopted a resolution urging the "White House to call a conference of labor, industry, agriculture, and government to solve unemployment."

On January 31, 1940, the executive council of the American Federation of Labor, speaking for 4,000,000 American workingmen, made this formal declaration: "The American Federation of Labor has come to the conclusion that it would be suicidal for this Nation to continue groping in the dark about unemployment. * * * We recommend that efforts to reduce unemployment be integrated. To this end, we urge Congress to create a national advisory council on unemployment which would have representatives of government, business, labor, farmers, and consumers. Such a council could bring about unity of purpose and unity of action on a constructive program."

Labor, business, and Government have been slow to recognize the soundness of the Eagles' plan for stabilizing employment; they have been too busy knifing one another in the back to see the wisdom of our proposal. Business tried retrenchment, and labor suffered. Labor tried the only weapon at its command—the strike—and business suffered. Government tried relief and work projects—at a huge cost to taxpayers. In the past 8 years the Federal Government has spent $66,000,000,000. That is the same amount of money that 28 administrations—from George Washington's to Woodrow Wilson's—spent in 131 years.

Yet 10,000,000 persons are still without jobs. Millions more have jobs but are without job security. We still do not have stabilization of employment.

However, after 10 years of groping in the dark, the country is beginning to see the light. All sane thinking and planning for the curing of our sick economy are now patterned after the economic principles set forth in the Eagles-Ludlow bill.

Southwest To Celebrate Four Hundredth Anniversary of Coronado's March

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

ARTICLE BY MARTELLE W. TRAGER

Mr. HOUSTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD an article by Martelle W. Trager which appeared in the Washington Post of March 24, 1940, as follows:

[From the Washington Post of March 24, 1940]

SOUTHWEST TO CELEBRATE FOUR HUNDREDTH ANNIVERSARY OF CORONADO'S MARCH—TRAVELING PAGEANT TO FOLLOW TRAIL SPANIARD BLAZED IN QUEST FOR RICHES

(By Martelle W. Trager)

Four centuries ago Gen. Don Francisco Vasquez de Coronado rode out of Compostela, Mexico, in search of the Seven Cities of Cibola, where the walls of the houses were said to be encrusted with precious jewels and the streets paved with gold. The imaginations of the Spanish nobles in Mexico (the New Spain) were fired by stirring tales of fabulous wealth in the country to the north of them and they induced the Spanish Crown to finance an expedition into the unknown country, and Coronado, then governor of Nueva Galicia, was selected to lead it.

The departure of the party of Spanish dons on February 23, 1540, was the occasion for great celebration, and Viceroy Mendoza came over the mountains from Mexico City to Compostela to see them start. Coronado, in golden armor and a long flowing velvet cape, was followed by a dazzling procession of Spanish nobles outfitted in splendid raiment and armor, 70 footmen, several hundred friendly Indians, a group of gray-robed friars, a commissary laden with silken tents, pack trains, and great herds of cattle, sheep, goats, and pigs. Camp supplies and provisions were loaded on the backs of 1,000 horses and mules.

Moving up the Pacific coast of Mexico and passing through what is now the State of Sonora, the colorful party went across what is now eastern Arizona and entered New Mexico from the west. For 5 months they rode over barren wastes, across trackless deserts, and through unbroken tracts of wilderness before they saw anything that looked like a town. Exhausted and weary they reached what is now western New Mexico only to find the glittering cities were primitive adobe pueblos, the jewels were chunks of turquoise, and the cibola were buffalo.

Failing to find the promised riches in the Zuni pueblos, Coronado moved westward to the Rio Grande and camped at Tiguex, an Indian pueblo near the present town of Bernalillo, during the winter of 1540–41. Exploring parties visited Tusayan (the Hopi country of northern Arizona) and the Grand Canyon of the Colorado. In the spring they crossed the plains of Texas. Finding nothing here but prairies and bison, most of the forces retraced their steps but Coronado and 30 companions were lured to western Oklahoma and Kansas by stories of a wonderful place called Quivira. An Indian named Turk said that in this land there were fish as big as horses, that dishes were made of gold, and that the lord of the country took his afternoon nap under a great tree on which was hanging many little golden bells that put him to sleep as they swung in the air.

FINDS FABULOUS STORY A SNARE

After enduring several months more of unbelievable hardships, the small party of men reached Quivira. Again they were disappointed, finding the golden city of Quivira to be only Wichita tepees. At last realizing the quest for the mythical treasure was only a snare, they killed the Indian guide who told them such untrue tales and returned to the Rio Grande. In the spring of 1542 Coronado led a tattered remnant of his expedition home feeling that his trip had been a failure because they had not found a country as rich as Mexico. On his return he reported to the viceroy that the wonderful stories about the fabulous wealth of the Seven Cities of Cibola were untrue.

Even though the expedition appeared to be a failure to Coronado, it blazed a trail for later Conquistadores and laid the foundation for the Spanish colonies that were established in the Southwest, the first one being Santa Fe, N. Mex., founded in 1610, 10 years before the Pilgrims landed in America.

From May to November of this year the Cuarto Centennial of Coronado's amazing overland trek will be celebrated in New Mexico, Arizona, Texas, and Oklahoma, spreading into Kansas in 1941. The celebration will be formally opened April 15 with a special ceremony at the spot where Coronado crossed from Mexico into the United States. The Mexican and United States Governments will participate in the ceremonies, which will include the dedication of an international monument at this point.

Plans are now under consideration to set aside 7,000 acres in both Mexico and the United States for the monument which is to serve as a stimulus to international friendship as well as a historic marker. The Mexican Government will send 75 cadets from Chapultepec (the West Point of Mexico) to participate in the opening ceremonies, and a group of them will continue over the trail followed by Cardenas when he discovered the Grand Canyon. Eventually a Coronado museum will be built at a point overlooking about 50 miles of the old trail.

The exact spot where Coronado entered the territory of what is now the United States has long been a matter of controversy. To reach a solution, the matter was referred to the National Park Service and early in January a special party of historians, headed by Dr. Herbert E. Bolton, director of the Bancroft Library at the University of California, drove to Compostela, Mexico, and retraced mile for mile the original route of the Coronado expedition of 1540. They determined the explorers entered the United States at Naco, Ariz., which is on the east slope of the St. Pedro Valley, about 10 miles south of Bisbee, Ariz.

SERIES OF FIESTAS, PAGEANTS PLANNED

Other plans for the observance of the four hundredth anniversary of Coronado's expedition include a series of pageants and fiestas, the erection and enlargement of museums, the development of interest in Southwestern folklore, rodeos, Indian dances and the presentation of traditional dramas. Plans of the Texas commission include bringing the Mexico City police band to some of the towns in the Panhandle.

Of the greatest popular interest doubtless will be the Coronado Entrada, a pageant recreating Coronado's expedition, written by Thomas Wood Stevens, author of the Magna Carta pageant given by the American Bar Association and the Yorktown sesquicentennial pageant. It will be presented on a large outdoor stage which

will be taken from city to city during the summer and fall, opening at Albuquerque, N. Mex., May 29, 30, 31, and June 1. Paul Horgan, author and playwright, will assist Stevens in the presentation of the entrada which will take 1½ hours. A small group of professional actors and speakers will go from place to place with the cavalcade but local people will be used for most of the parts.

The Jerome Cargill organization of New York is serving as production managers and is furnishing a staff of directors, electrical engineers, sound technicians, and stage craftsmen.

In the presentation of the eighteenth century historical pageant, costuming will play an important part. More than a thousand period garments designed by Miss Lucy Barton, author of Historic Costumes for the Stage and member of the faculty of the Traphagen School of Design in New York, will be used in the pageant. The costumes are to be exact copies of those worn by members of Coronado's party. The copying of the garments required extensive research except in a few instances.

The Coronado commission has released the following tentative dates for the presentation of the pageant: Albuquerque, N. Mex., May 29, 30, 31, and June 1; Clovis, N. Mex., June 4, 5; Pampa, Tex., June 13, 14, 15; Raton, N. Mex., June 22, 23; Santa Fe, N. Mex., June 28, 29, 30; Espanola, N. Mex., July 1, 2; Las Vegas, N. Mex., July 12, 13; Roswell, N. Mex., July 17, 18, 19; Taos, N. Mex., July 25, 26; Tucumcari, N. Mex., August 1, 2, 3; Dalhart, Tex., August 5, 6; Amarillo, Tex., August 15, 16, 17; Fort Sumner, N. Mex., August 20, 21; Hot Springs, N. Mex., August 24, 25, 26; Farmington, N. Mex., September 6, 7, 8; Hobbs, N. Mex., September 13, 14, 15; Portales, N. Mex., September 19, 20; Socorro, N. Mex., September 27, 28; Lubbock, Tex., September 30, October 1, 2, 3, 4, 5; Las Cruces, N. Mex., October 4, 5, 6; with special events at Ruidoso, N. Mex., June 15; Lincoln, N. Mex., June 22; and Grand Canyon, Ariz., August 10.

FOLK FESTIVALS WILL PLAY PART

Towns, schools, and civic organizations in the Southwest are cooperating with the Cuarto Centennial Commission in the celebration by presenting a series of folk festivals. More than 165 have been announced already and others are planned. The development of the folk festivals was chiefly under the direction of Sarah Gertrude Knott, of Washington, D. C., founder and director of the national folk festivals, the first of which was held in St. Louis in 1934.

The festivals, which are to be held in New Mexico, west Texas, Arizona, and Oklahoma, include traditional dramas, cowboy ballads, Spanish dances, Indian dances, Spanish and Anglo folk songs, community storytelling, and religious dramas. In some places in New Mexico it will be possible to see several of the same Indian ceremonial dances that were practiced in Coronado's time. Indian celebrations that will attract many tourists this summer will be the corn dance at Taos July 25; the annual intertribal ceremonials at Gallup August 14, 15, 16, and 17; and the annual fiesta at Santa Fe August 31 and September 1 and 2, inaugurated by Governor Penuela in 1717.

Land O'Lakes and the Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. H. CARL ANDERSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

RESOLUTIONS FROM THE LAND O'LAKES CREAMERIES, INC.

Mr. H. CARL ANDERSEN. Mr. Speaker, the Land O'Lakes is an organization of which Minnesota has a right to be proud. I am inserting for the RECORD copies of five resolutions adopted at the last annual meeting of this great cooperative, built by the dairy farmers of Minnesota. These resolutions were forwarded to me by Mr. John Brandt, president of Land O'Lakes Creameries, Inc., and I consider them as well representing the viewpoint of the average farmer for Minnesota and the Midwest.

They are as follows:

While reciprocal-trade treaties can be made a valuable asset in establishing trade relations between the United States and foreign countries, they can likewise become a national liability if they are not made in conformity with the principles we have established for the American standard of living, which cannot be maintained unless we protect the American producer and the American worker against the competition of low-paid foreign labor and depreciated foreign currencies which permit of lower costs of production.

We are not opposed to the principles of trade treaties if such agreements, when consummated, deal with such items of production or manufacture which we do not produce at all or cannot produce within the economics of our American standard of living or when such treaties do not effect parity price levels as compared with this standard.

We believe that the trade agreements already entered into and those contemplated by the Federal Government are and will be of further detriment, particularly to the dairy, livestock, and poultry producers. The progressive reduction of duties on these items threatens not only to limit the opportunities for American farmers to find markets in the United States, but to force a minimum rate of income to these producers far below the needs of farmers if they are to have anything that approaches a rightful share of the national income.

Prices of domestic products can never be higher at any time than the international price plus the "tariff wall." We protest against our interests being traded off for the benefit of a few large industries, such as the automotive, chemical, machinery, and other groups in order to enable such industries to increase their exports. We believe it is a short-sighted policy for these groups to support the downward revision through reciprocal-trade treaties of tariffs on agricultural products because of the fact that their increased exports under these arrangements will nowhere equal the increased demand for their manufactured products on the part of American farmers if they have parity prices with which to purchase these items.

We urge the Senators, Representatives, executive, and administrative departments of our National Government to recognize and adhere to the aforesaid principles with respect to trade treaties and that full hearings be given to the spokesmen for agricultural commodities affected in any way by treaty concessions, with a guaranty that the views of such spokesmen will be given every consideration and that no treaty will be consummated until a full and complete record of such hearings has been made available to the public.

And, furthermore, that the United States Senate must approve every proposed trade treaty or agreement in its entirety in order to make it effective.

We urge the enactment by Congress of legislation to prohibit the importation of dairy products from countries which do not have in effect cattle-disease programs that equal the standards set up for domestic producers by the Bureau of Animal Industry of the United States Department of Agriculture.

We reiterate our recommendation to Congress to extend the present emergency interest rates on Federal farm loans and to extend to agriculture a most favorable credit service until agriculture attains an income on a parity with industry and labor.

In our opinion national prosperity is largely dependent upon the foundation that can be built for it through prosperous agriculture.

A great deal of our planning is aimed at a 75-percent parity for agriculture. Seventy-five percent parity in agriculture will never bring about the desired results. Therefore, we urge a Federal policy which will bring agricultural groups into a position of parity with industrial, distributive, and organized labor groups whose present position is insecure, as it rests upon a foundation of 75-percent parity for agriculture.

We favor revision of the National Labor Relations Act so as to insure equal and fair treatment to both employee and employer. Such revision should be definite in its provisions so as to eliminate all arbitrary administrative interpretations of its provisions or the regulations adopted thereunder.

The revision should unquestionably follow the course of guaranteeing the constitutional rights of all groups or individuals and definitely forbidding acts of force or coercion, yet permitting to the fullest degree the rights of collective bargaining through organizations of their own choosing.

It should also provide for fair and impartial procedure and conduct of hearings with full review by the courts and, in this manner, insure the liberties and constitutional rights of all concerned.

Why the Millions for Farm Parity Pay

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

EDITORIAL FROM THE BLOOMINGTON (ILL.) PANTAGRAPH

Mr. ARENDS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include therein an editorial which

appeared in the Bloomington Pantagraph, Bloomington, Ill., under date of March 24:

WHY THE MILLIONS FOR FARM PARITY PAY

The $212,000,000 appropriation for parity payments in 1941, subject of much discussion in Congress, represents an attempt, only partially achieved, to secure for farmers the same purchasing power they had before the World War, 1909 to 1914. The Senate has already approved this item in its total farm appropriation of nine hundred and twenty-three millions.

Fair exchange value is, according to Secretary Wallace, that price for farm commodities which has the same purchasing power in terms of things farmers buy as these commodities had in the 5 years before the first World War.

The net income of persons living on farms was around three-fourths of parity in 1939, not counting Government payments.

In January the average price of farm commodities was 99 percent of pre-war, yet the average price of things farmers buy was 122 percent of pre-war, and if taxes and interest were included it would have been 128 percent.

Work shirts that sold for 57 cents before the World War now bring 73 cents.

Back in 1913 it took 31 pounds of hogs to buy 100 pounds of 8-penny nails, but in 1940 it requires 70 pounds of hogs to exchange for the same quantity of nails. We are quoting Secretary Wallace.

Corn planters that sold for $31 in 1913 now sell for $65. It formerly required 63 bushels of corn to buy a planter; now it requires 124 bushels.

So parity is an ideal toward which the A. A. A. program is working. The goal or parity price today would be around $1.13 for wheat, corn 82 cents, 51 cents for oats, 30 cents a dozen for eggs, $9.24 per hundredweight for hogs, and $6.67 for beef cattle.

Farmers did receive that parity price level for 4 years following the World War. They have not received that parity purchasing power for the last 20 years, however. It is argued that factories and stores and city employment would now be enjoying a better level of prosperity were their good customers, the farmers, getting actual parity prices.

Americanism

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. ROBERT R. REYNOLDS OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the RECORD an address which I recently delivered in my home town of Asheville, N. C., over radio station WISE.

My colleague, who sits at my rear, Hon. WILLIAM H. SMATHERS, happens to be a native of my State; and while I was making my remarks and mentioned Asheville, he said "The little gem city of North Carolina." I am indebted to him for that remark, because the little gem city is only about a stone's throw from the birthplace of our distinguished colleague.

I thank our colleague.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I wish to thank the management of radio station WISE for providing me with the opportunity to acquaint its audience and my listeners with my five-point all-American program for keeping America for Americans. These fundamentals I have consistently advocated for many years. I shall discuss each of the five major points briefly.

You have probably heard of The American Vindicator, of which I am editor. Well, The American Vindicator, published monthly at Washington, D. C., is sponsoring my five-point all-American program. It is likewise supporting just as enthusiastically legislation proposed by other Members of Congress whose bills, such as mine, have as their objectives the keeping of our country out of war, restriction of immigration so that American workmen may have American jobs, deportation of alien criminals and undesirables, registration and fingerprinting of all aliens, noncitizens, so that spies and saboteurs may be more easily apprehended, etc.

I should like to hear by letter from those who favor this program without reservation. Likewise, I should appreciate hearing from any person who may have ideas different from mine on how best to safeguard America.

This five-point program is as follows:

Point No. 1. Keep America out of war: To date, our part in the last World War has cost the American taxpayers approximately sixty-eight billions of dollars and more than 100,000 lives. Even now, 21 years later, our hospitals are insufficient to provide beds for our World War veterans requiring hospital care. Our veterans certainly should come first. Regardless of our personal opinions or sentiments, the United States should remain absolutely neutral. The age-old quarrels of Europe are no concern of ours, and we must not get mixed up in the present conflict. After all, this is only one of the many hundreds of wars in Europe within the past several centuries. We should devote our time, attention, and energies to the many problems here at home. Why should we waste effort in endeavoring to solve the problems of Europe? We must not let our sentimental attachments to the Old World lead us astray. We cannot be American and at the same time be pro-anything else. In a recent column by the pen of Gen. Hugh Johnson, he asserted that it was high time that all of us became pro-American. I am in thorough accord with that direct from the shoulder statement by that able writer who has the interest of the American people at heart.

Point No. 2. Fingerprint and register all aliens: At the present time no one knows how many aliens there are in the United States. Some say there are only 4,000,000. Others declare there are 7,000,000. Of these millions some arrived legally, while others came illegally. We should know how many aliens there are within our borders. We shoud know where they came from and when. We should know why they came and whether they arrived legally or illegally. But more important, we should know where they are now and what they are doing. This information can only be obtained by a law requiring the registration and fingerprinting of all aliens. Just stop and think for a moment. If we were to become involved in a war today we would have millions of potential enemies and spies within our midst. There are now, even while we are at peace, thousands of aliens in the United States who are charged with espionage and who are accused of sabotage.

I have repeatedly stated that if we ever became involved in war there would be countless acts of espionage and sabotage. It would be difficult to lay hands on these enemy alien criminals because we have no registration and fingerprinting law in this country. We know virtually nothing about the whereabouts or the activities of these enemy aliens. My prophecies have been borne out 100 percent by the records of the Bureau of Investigation, Department of Justice, which is under the able direction of the Honorable J. Edgar Hoover. The American people owe Mr. Hoover a vote of thanks for having built up the finest law-enforcement organization in the world. He deserves the undivided support of all true Americans.

Information provided by the Federal Bureau of Investigation reveals that, in protecting our national defense, this Bureau is now receiving daily 217 complaints of espionage, sabotage, and violations of our national defense laws, or at the rate of 78,000 annually. The rapid increase in this type of work is reflected in the figures which show that for 5 years before 1928 the Bureau handled on an average only 35 espionage and sabotage cases yearly. But in the year 1938, 250 of these cases were investigated. That is bad enough, but look at the record for 1939. In that year a total of 1,651 new espionage and sabotage acts were investigated. How our aliens are directly loyal to their home countries is best proved by the official figures of the Department of Justice. Note these facts. From July 1, 1939, to January 10, 1940, a total of 5,799 cases were received by the Bureau of Investigation for investigation. If we had a law providing for the mandatory registration and fingerprinting of all aliens, the work of this Department would be materially lessened. Agents of the Bureau could locate these aliens now engaged in espionage and sabotage, with much less trouble and expense to our taxpayers.

Point No. 3. Stop all immigration for the next 10 years. Our own American workmen should first be given an opportunity to get a job. With more than 10,000,000 Americans unemployed and additional millions working only part time, 3,000,000 on W. P. A. rolls, 300,000 young men in C. C. C. camps, and 750,000 boys and girls graduating annually from schools and colleges who cannot find work, here is a problem we all must face. So why should we permit the thousands upon thousands of refugees and foreigners from all sections of the world to enter the United States and take the jobs which rightly belong to our own people? Yes; it is high time that we became pro-American and looked after our own before we shed any tears about the unfortunate of other lands. American jobs should go first to American citizens.

Point No. 4. Deport all alien criminals and undesirable aliens: Our jails and penitentiaries are filled with alien criminals at the expense of American taxpayers. There are thousands of these aliens in our insane asylums and in our institutions for the treatment of those who have become habitual narcotic addicts. They are cared for, housed, clothed, and fed, and provided medical treatment with money taken from the pockets of the American people. We have too many law violators of our own without harboring those of other nations.

Crime costs the taxpayers of the United States more than $15,000,000,000 a year, according to the estimation of the Department of Justice. This includes not only the direct costs, such as the maintenance of penal institutions, the losses occasioned by criminal acts, racketeering, and other unlawful activities, but the indirect

costs, such as losses occasioned by the death of individuals through criminal activities. This is appalling. When will the American people awaken to this deplorable condition? No doubt the total cost will exceed fifteen billion in 1940 when the toll includes the destruction wrought by alien saboteurs. We should empty our prisons and asylums by sending these aliens, dope fiends, and dope peddlers back home. They should be the burden of their own nations instead of a useless and costly burden on the American people.

Point No. 5. Abolish all "isms" except Americanism: Wipe out nazi-ism, fascism, and communism with equal enthusiasm. America should know only Americanism. Sweep from our shores every alien "ism" that would destroy the foundation of our form of government. Why should we permit these false doctrines to be spread in our midst? We are the only people upon the face of the earth who submit to these false doctrines which are being daily spread by outspoken enemies of the American Government.

I believe that the Dies committee has actually done more to uncover the poisonous groups engaged in un-American activities than any other movement. That committee has revealed the activities of the Nazis, Fascists, and Communists alike. That committee has rendered a great service to the people of America, and the people owe a debt of gratitude to Congressman MARTIN DIES and his associates. I am glad that Congress several days ago voted to continue this committee by providing an additional appropriation of $75,000 for its expenses during the year.

Harry Bridges, of Australia, the west-coast labor leader, has been whitewashed of the charge that he is a Communist. He is still with us and no doubt will be permitted to remain here to carry on the same way he has for years past.

Earl Browder, the Communist leader, who stated before the Dies committee that if the United States and Soviet Russia should become involved in a war that he would do everything he possibly could to stop such a war—even to turn such a war into a civil war. Think of it. This Communist leader declares without reservation that in case of a war between the United States and Soviet Russia he would try to stop it, even if he had to create a civil war or revolution in the United States. Communist Browder has been convicted and sentenced for falsifying passports. He is now a candidate for a seat in the Congress of the United States.

Fritz Kuhn has been sent to prison; and he, at least for several years, can't participate in any un-American activities.

How much longer will the American people continue to remain the laughingstock of the world? How much longer will they allow minority, un-American organizations, possessed of unlimited funds from Moscow and elsewhere, to work night and day, like a lot of termites, with the avowed objective the destruction of the American Government?

Let's have more pro-Americans fighting for Americanism.

Let's have action.

Let's clean house.

Let's put our own affairs in order, attend to our own business, and look after our own people first.

Our citizens, our country, first.

I thank you.

Federal Bureau of Investigation

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE BRISTOL (VA.-TENN.) HERALD-COURIER

Mr. BILBO. Mr. President, I ask unanimous consent to include in the Appendix of the RECORD a very able article on the F. B. I., appearing in the Bristol (Va.-Tenn.) Herald-Courier, of March 24, 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Bristol (Va.-Tenn.) Herald-Courier of March 24, 1940]

ATTACKS ON F. B. I. FOMENTED BY LEADERS OF COMMUNISM—BEST OF ALL AGENCIES SHOULD HAVE UNITED SUPPORT OF CITIZENSHIP; HAS LIFTED LAW-ENFORCEMENT EFFICIENCY AND PERSONNEL

(By the Onlooker)

Some Members of the United States Senate and House have been sharpshooting recently at the Federal Bureau of Investigation, the law-enforcement branch that ran Dillinger to earth, has practically eliminated big-time gangsterism, and is shielding the Nation's banks with a cloak of protection that is making them almost inviolable because of the quick and voluminous apprehension of violators by the F. B. I.

Some of the tripe to which Congressmen are lending an ear is so ridiculous that the average citizen, interested in protecting the United States from "isms," is amazed that Representatives in the Congress will entertain it; practically all of the criticism originates from Communistic sources and certainly that is not a recommendation for action by the Congress against the most efficient agency of the Government. Rather, it alarms the general public that a minority advocating overthrow of the present form of government can by an inboring process gain a large voice in Congress against the very agency which has exposed its un-American activities to the Nation.

The Review, "a little paper with a big message," published by New Age, for the National Council, Young Communist League, and the New York Daily Worker, printed by the Communists of New York, appear to be the most prolific sources behind the criticism of the F. B. I.; and actually all that the G-men have done is in the course of its routine business; it has checked upon aliens who have not been naturalized, checked on naturalized aliens who are advocating subversive activities, and the result is that the Department of Justice at Washington has a thorough catalog of practically all such persons.

It would be food from heaven if the Communistic-inspired move could get through Congress a resolution investigating the F. B. I. Such a resolution could serve to restrict the agency's work; it could result in caution on voting any increase in funds.

Actually, additional funds should be granted the agency at its reasonable request and poppycock like the Review and the Daily Worker preachings should be answered with Congress approving more appropriations to safeguard against further dissemination of bosh that would tear away the very tenets of American life.

A pert example of abuse appears in the Review under the caption of G-men or Gestapo?

Of course, the Communists assail every existing agency and contrast the G-men to the Gestapo without explaining how subservient people in Germany and Russia are to their Gestapo and Ogpu, and that if they were citizens of either Russia or Germany they would be condemned and executed as traitors for voicing the very thoughts they are privileged to speak in the United States.

The Review, in its fifth volume, carried on its first page a scurrilous attack against the F. B. I.

"While the G-men wield the club and gun in the North, the Ku Klux Klan rides again in the Southlands," boldly declared the publication, "but the G-men refuse to stop this mob violence, vigilantism, and lynching."

That is a base attack, maliciously made and with the intent to deceive.

The Ku Klux Klan does not ride in the South, nor has any act of violence been even remotely laid to that organization in some years.

The F. B. I. has no power over local law enforcement and could not be concerned with a lynching unless State lines were crossed in the act of commission.

The Review article continues: "This is an attack upon you, upon your organization, upon your liberties. Be vigilant. Watch for this un-American, antilabor activity. Expose it wherever you find it," in reporting the arrest of several persons at Detroit. Along with it was a picture of the arrested persons as they appeared in manacles.

Hugh S. Johnson, former N. R. A. Administrator and vigorous critic of many New Deal measures, commented on the Detroit case thusly:

"The arrests were made after indictment by a Federal grand jury. * * * This group was accused not of being Communists but of recruiting, examining, and forwarding men to fight with the Communist forces in Spain. * * * F. B. I. was ordered by Attorney General Cummings to investigate this activity. As soon as Frank Murphy became Attorney General he ordered the F. B. I. to go ahead. Arrests were a result. There is a faint odor of politics, religion, and 'red' influence throughout, but it nowhere touches the F. B. I., which is under the absolute control of the Attorney General."

As to third-degree methods, General Johnson declares: "They have never been used by F. B. I. This particular attempt (the Detroit arrests) to smear the G-men will prove a complete dud."

Actually, the F. B. I. had nothing to do with the manacling of the Detroit prisoners. Their duty was ended when the prisoners were arraigned and they became charges of the United States marshal, who handcuffed them to a chain along with six other Federal prisoners who were being taken to a cell block.

Recently on the floor of the United States Senate, Senator REYNOLDS, of North Carolina, brought to the attention of that body the work of the F. B. I. and the distinguished Carolinian made this statement:

"I know of no other man in the United States who could adequately fill the place that is so ably occupied by J. Edgar Hoover (who is in charge of the F. B. I.). This is the time of all others in the history of this country when we need in that position a man of his character, his courage, his ability, and his experience. Particularly will we be convinced of that fact when we recall that prior to the declaration of war in Europe on September 3 the Bureau of Investigation of the Department of Justice received on an average only 250 complaints of espionage and sabotage annually whereas, since then, Mr. Hoover's bureau with its limited force of law-enforcement officers, now receives as many complaints of sabotage and espionage every day as it did every year prior to the declaration of war in Europe on September 3. I think the American people owe J. Edgar Hoover a vote of thanks for that which he has accomplished in this country in the protection of the American people, and I say again that of all times in the history of our Nation we were never more in need of a man of his character, ability, courage, and experience than now, as we realize when we

recall that last year there was issued by the Attorney General of the United States a statement in pamphlet form in which he said that crime today costs the American taxpayers $17,000,000,000 annually, and when we recall that the same report included a statement to the effect, according to my recollections, that there are today in this country more than 4,500,000 people engaged in the commission of crime."

Of the F. B. I.'s vigilance he said: "Those fellows are busy night and day looking after the interests of the American people and endeavoring, as best they can, to stamp out crime and to protect the homes of the fathers and mothers of this country."

The average American knows how well the Federal Bureau of Investigation has accomplished this purpose. The southwestern Virginia and east Tennessee region is a lofty and not isolated example of the advancement of law enforcement on the part of local authorities with the assistance of the Federal Bureau of Investigation.

The Bureau has trained numerous local officers in the latest of modern methods of crime detection; its fingerprint service alone, available to police departments in every city and county in the Nation, has helped solve innumerable crimes, and this facility, as well as other scientific studies of physical evidence, are available to the accused who is unjustly accused, as well as to the State which is trying to fix the blame for a criminal act.

In one case the Bureau helped prove that a Bristolian was not guilty of firing a fatal gunshot, an offense of which he had been accused by the State.

While the Communists may shout to the housetops against routine investigations of their conduct in their effort to destroy the present American form of government, every mother and father realizes, if only through the F. B. I. record in bringing kidnapers to the bar of justice, the great worth of this unimpeachable arm of law enforcement which could boast the fact that never has the charge been made, much less proved, that any of its members has allowed his palm to be crossed with a tainted penny.

In 1932 the Congress passed a kidnaping act, and as of June 30, 1939, 156 cases of kidnaping and plots to kidnap were investigated by the Federal Bureau of Investigation, and all but 2 of them have been solved. In the solved cases there have been 317 convictions in Federal and State courts. The sentences included 42 for life terms, 12 for the death penalty, and other penalties aggregating 3,649 years. Eight of the culprits committed suicide, 8 were killed, 7 died by murder at the hands of their gang members, and 2 were lynched.

The F. B. I. has brought additional protection, too, to the national banks under a law adopted in May 1934 making it a Federal offense to rob or attempt to rob a national bank or a member bank of the Federal Reserve System. Since passage of the act 647 bank robberies were reported to the F. B. I., resulting in 431 convictions in Federal courts, numerous other convictions in State courts, and fines amounting to $248,299. Thirty-seven of the bank robbers were killed while resisting arrest, and more than 19,000 banks have the protection of this arm of the Federal Government.

The value to local police of the F. B. I. is beyond calculation.

Bristol has a good example, its departments matching metropolitan methods of detection. Training courses offered by the F. B. I., the generous support given by the Bureau to local authorities, and the remarkably high caliber of the F. B. I. personnel have lifted the level of law-enforcement officers all over the Nation. The adage might be that one cannot assemble 40 men without having a traitor, but the fact remains that J. Edgar Hoover has assembled 1,600 men who are examples to the whole Nation in integrity, efficiency, and fairness in law enforcement.

And to have such a national asset assaulted and maligned by an alien group that has for its purpose the overthrow of democratic government! Forbid it!

The National Youth Administration—Splendid Accomplishments and Benefits in Southwest Washington

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

LETTER FROM JOHN H. BINNS

Mr. SMITH of Washington. Mr. Speaker, the National Youth Administration has made a splendid record in the State of Washington, and I know of many young men and women in my district who have greatly benefited from the program. I therefore supported the Johnson amendment to increase the appropriation to $102,000,000; in fact, I would gladly vote to appropriate an even larger sum to carry on the fine work being done by this organization in the interests of the young people of our country.

In order to present the facts regarding the operations of the National Youth Administration in my congressional district I insert a letter addressed to me by the able administrator in our State, Hon. John H. Binns, reading as follows:

FEDERAL SECURITY AGENCY,
NATIONAL YOUTH ADMINISTRATION FOR WASHINGTON,
Tacoma, March 25, 1940.

Hon. MARTIN F. SMITH,
House of Representatives, Washington, D. C.

DEAR MARTIN: I was glad to get your letter of March 21 expressing a desire for additional information concerning the N. Y. A. program in your district. We have prepared the figures which you desire and are sending them herewith. I am also sending you an additional copy of a more general report dated February 1.

The figures on the out-of-school program and the school work program truly reflect actual earnings by young people living in your district. The figures on the college work program do not take into account students living in your district but attending college elsewhere. There are, of course, a great many young men and women from your district at the University of Washington, the State college, and elsewhere, and I am sure that a break-down from these institutions would show that they are getting their full share of the college work funds. To obtain this information from the 19 colleges not listed would take several days and require a tremendous amount of checking by the institutions. I have hesitated to ask them for it unless you consider it vital. If you do, please advise me and I shall try to get it for you.

Yours very truly,

JOHN H. BINNS,
State Administrator, National Youth Administration.

The figures referred to by Mr. Binns are as follows:

National Youth Administration out-of-school work program, Third Congressional District, Washington, as of Mar. 20, 1940

County	Total number youth workers	Male	Female	Total monthly earnings	Average county wage	Number supervisors
Clark	250	189	61	$4,750	$19	4
Cowlitz	69	26	43	1,035	15	1
Grays Harbor	298	141	157	5,662	19	3
Lewis	113	62	51	1,695	15	1
Mason	18	6	12	270	15	
Pacific	37	24	13	555	15	1
Skamania	9	5	4	135	15	
Thurston	102	52	50	1,530	15	
Wahkiakum	7	2	5	105	15	
Total	903	507	396	15,737		10

National Youth Administration student work program, Third Congressional District, Washington (college work program)

County	Name of college	Number of student workers	Average monthly earnings	Total yearly quota
Lewis	Centralia Junior College	13	$12.54	$1,350
Clark	Clark Junior College	5	14.87	675
Grays Harbor	Grays Harbor Junior College	20	12.41	3,240
Cowlitz	Lower Columbia Junior College	10	16.50	1,485
Thurston	St. Martin's College	10	15.00	1,350
Total		67		8,100

National Youth Administration student work program, Third Congressional District, Washington (school work program)

County	Name of school	Number of student workers	Average monthly earnings	Total yearly quota
Clark	Battle Ground	21	$3.69	$702
Do	Camas	18	3.81	702
Do	La Center	8	5.40	378
Do	Providence Academy	2	6.00	108
Do	Ridgefield	10	5.40	486
Do	Union	6	3.00	162
Do	Vancouver	37	5.38	1,512
Do	Washougal	9	4.75	432
Total		111		4,482
Cowlitz	Castle Rock	22	4.27	756
Do	Kalama	8	5.32	432
Do	Kelso	23	4.91	1,188
Do	Robert A. Long	25	5.56	1,080
Do	Ryderwood	5	3.00	186
Do	Woodland	17	3.52	540
Total		100		4,182
Grays Harbor	Elma	19	5.73	685
Do	Hoquiam	42	4.66	1,728
Do	George B. Miller	12	5.77	548

National Youth Administration student work program, Third Congressional District, Washington (school-work program)—Con.

County	Name of school	Number of student workers	Average monthly earnings	Total yearly quota
Grays Harbor	Moclips-Aloha	5	$3.60	$162
Do	Montesano	10	6.00	540
Do	Oakville	17	3.38	540
Do	Oosta	17	5.29	615
Do	Quinault	6	4.39	162
Do	Weatherwax	78	4.18	2,836
Do	Wishkah Valley	14	3.00	378
Total		220		8,194
Lewis	Adna	8	3.00	216
Do	Boistfort	5	4.80	216
Do	Centralia	54	3.44	1,404
Do	Chehalis	17	4.00	540
Do	Morton-Randle	9	6.00	432
Do	Mossyrock	4	4.50	162
Do	Napavine	21	4.09	702
Do	Onalaska	6	4.14	216
Do	Pe Ell	6	5.12	216
Do	St. Mary's Academy	1	6.00	54
Do	Toledo	7	4.28	270
Do	Winlock	7	3.42	216
Total		145		4,644
Mason	Mary K. Knight	4	4.50	162
Do	Irene S. Reed	39	3.75	1,188
Total		43		1,350
Pacific	Ilwaco	10	3.00	270
Do	Lebam	3	6.00	162
Do	Naselle	4	4.31	162
Do	North River	4	6.00	216
Do	Raymond	6	4.70	324
Do	South Bend	4	4.87	270
Do	Valley	10	3.00	270
Total		41		1,674
Skamania	Stevenson	19	3.00	540
Thurston	Olympia	45	5.53	1,836
Do	Rainier	6	5.30	270
Do	Rochester	23	3.86	810
Do	Tenino	21	4.28	810
Do	Yelm	39	3.89	1,134
Total		134		4,860
Wahkiakum	Cathlamet	10	4.80	432
Grand total		825		30,358

Curtailment of C. C. C. and N. Y. A. Programs

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

TELEGRAM FROM GOV. GEORGE D. AIKEN, OF VERMONT

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram from Gov. George D. Aiken, of Vermont, with respect to the discontinuance of C. C. C. camps and curtailment of the National Youth Administration program.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

MARCH 25, 1940.

Senator ERNEST W. GIBSON,
United States Senate:

Wired Congressman PLUMLEY this morning: "Reports indicate that work of C. C. C. and N. Y. A. may be seriously curtailed by Congress. These two activities, judging from work done in Vermont, have been about the most valuable of all Federal innovations of recent years, building character in our youth while furnishing employment. I hope the work of these two organizations may continue as heretofore."

GEORGE D. AIKEN, *Governor.*

The National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

ARTICLE BY ERNEST K. LINDLEY

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article which appeared in the Washington Post of this morning by the very eminent writer on political, economic, and social problems, Mr. Ernest K. Lindley. The article is headed "Strangling the N. L. R. A."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of March 27, 1940]

STRANGLING THE N. L. R. A.

(By Ernest K. Lindley)

CONGRESS AND BOARD

Many proposals for amending the National Labor Relations Act are before Congress. Some are complex. Some, in the proper mixture, would amount to repeal of the law. But nobody is openly advocating its repeal.

Without waiting for the orderly consideration of proposed amendments, the House Appropriations Subcommittee has apparently decided that the law is not worthy of effective enforcement. It has set out to dispose of it by a combination of strangulation and amputation. It has cut about $330,000, or 10 percent, from the appropriation requested for an agency which for several years has been overworked as few agencies have been overworked since Hugh Johnson was managing the Blue Eagle. In spite of long hours at high pressure, the N. L. R. B. has not yet been able to catch up with the demands on it.

One slash of $57,000 would require dropping about one-fourth of the N. L. R. B.'s trial examiners. At present they number 39, and each of them takes testimony in about 30 cases a year. It is inconceivable that the number of cases heard by each examiner can be increased. If the cut stands, fewer cases will be heard. Although the number of cases brought to the Board shows signs of slacking off, many of the new cases are more complicated, or, to borrow Chairman Madden's word, more "subtle," than those sometimes heard in the earlier days.

Many employers started off on the assumption that the N. L. R. B. was unconstitutional. So they were advised in 1936 by some 58 of the highest-paid lawyers in the country, who obliged the American Liberty League by going on the record on this point. About a year later, the Supreme Court—the old Court, before a single Roosevelt appointee sat on it—emphatically decided that these lawyers and their clients, actual or prospective, were wrong. In those early days, employers and their lawyers openly challenged the law. They did not resort to the more refined evasions, the detection and determination of which naturally requires the taking of elaborate testimony, and therefore uses up the time of trial examiners.

While, on the whole, the House subcommittee rested on slow strangulation, through reduced appropriations, it resorted in one case to outright amputation. In effect, it decided to abolish the use of the N. L. R. B. of the Brandeis brief. The Brandeis brief is one packed with facts, usually economic data. Louis D. Brandeis, retired Associate Justice of the Supreme Court, developed it 30 years or so ago.

The Brandeis brief recognizes that intelligent interpretations of law cannot be made by logic operating in a vacuum. The courts must know not only the bare facts of a case, but the economic setting. In many types of cases involving finance, industry, and labor the Brandeis brief has come close to being the standard.

In its profound wisdom, however, a House subcommittee has decided, in effect, to repeal this great legal advance insofar as the N. L. R. B. is concerned by abolishing its economics division. It has cut out $45,900 for the 15 economists employed by this division. Apparently it overlooked $23,700 for the clerks and stenographers who now work for these economists, so that the net effect of this bit of discriminating economy would be to pay the salaries of 14 clerks and stenographers who would have no work to do.

Whether the N. L. R. B. needs 15 economists, or 10, or 5, or 20, I haven't the slightest idea. Chairman Madden, of the N. L. R. B., told the subcommittee he did not and could not know exactly how many it needs. He relies on the head of that division, David Saposs,

to tell him. He did say that every economist employed was employed only after Mr. Saposs had made a strong case to the Board members.

What is certain is that the N. L. R. B. cannot operate intelligently without the aid of economists. If it does not employ economists it must employ lawyers who are familiar with economics, or it must rely on another agency for its economic information. Some members of the subcommittee apparently thought it should rely on the Bureau of Labor Statistics in the Labor Department. Dr. Lubin, Chief of that Bureau; Chairman Madden, of the N. L. R. B.; and other persons assert that the work of the Economics Division of the N. L. R. B. does not duplicate that of the Bureau of Labor Statistics.

Economic facts probably were decisive in the test cases in which the Supreme Court upheld the N. L. R. A. in 1937. What part of an industry's raw materials was imported across State lines, and what part of its finished products was exported across State lines? These were basic facts in determining whether the industry was engaged in interstate commerce and, therefore, subject to Federal law. They were economic facts.

In the University of Chicago Law Review of last June, David Ziskind, a senior attorney in the Department of Labor, analyzed the results of the use of economic briefs in labor cases. He found that in 19 cases before Federal circuit courts of appeals, where one side used economic data and the other did not, the side which used them won 16 times and the side which did not won only 3 times. He found also that when the N. L. R. B. used them it usually won, and that when, for one reason or another, it had neglected the economic side, it had lost.

The effect of the proposed cut would be to deprive the N. L. R. B. of economic assistance and leave this powerful weapon to the exclusive use of violators of the law. This is a slash too significant to be explained under the heading of "economy."

That's Where Your Money Goes

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. THILL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

UNITED STATES DEPARTMENT OF AGRICULTURE FARM SECURITY ADMINISTRATION

Resettlement projects—Expenditures by States and fiscal years

States and Territories	1936	1937	1938	1939	Total cumulative as of June 30, 1939
Alabama	$805,010	$4,697,596	$2,521,912	$819,996	$8,844,514
Arizona	104,671	864,743	383,525	126,178	1,479,117
Arkansas	315,368	2,329,971	1,811,818	839,757	5,296,914
California	205,457	21,422	15,557	857	243,293
Colorado	36,636	565,397	703,344	413,260	1,718,637
Delaware	150	1,130	35	158	1,473
Florida	23,187	91,610	380,193	134,028	629,018
Georgia	226,635	756,741	1,266,662	307,761	2,557,794
Idaho		139,676	254,730	113,298	507,709
Illinois	102,509	422,651	47,792	33,723	606,675
Indiana	25,072	500,916	590,330	145,915	1,262,233
Iowa	139,301	37,076	22,728	16,939	216,044
Kansas	6,566	155,812	31,629	2,146	196,153
Kentucky	2,851	843,006	276,122	40,342	1,162,321
Louisiana	14,351	612,568	637,013	270,060	1,533,992
Maine	6,946	191,005	88,313	21,897	308,161
Maryland	2,572,647	8,467,643	3,290,950	722,413	15,053,653
Michigan	29,934	1,645,165	691,080	89,543	2,455,722
Minnesota	173,782	1,641,063	1,224,125	176,303	3,215,273
Mississippi	119,633	929,032	943,230	263,112	2,255,007
Missouri	38,561	361,150	837,666	240,862	1,478,239
Montana	110,630	922,165	1,200,420	476,783	2,709,998
Nebraska	114,787	239,406	141,626	64,948	560,767
Nevada	145	16			161
New Hampshire			701		701
New Jersey	1,513,372	1,844,022	292,803	103,443	3,753,640
New Mexico	169,317	440,639	226,655	24,123	860,734
New York	22,215	392,567	177,698	21,640	614,120
North Carolina	508,671	1,882,546	2,423,495	621,227	5,435,939
North Dakota	4,333	460,284	590,542	71,614	1,126,773
Ohio	1,579,071	6,189,046	4,976,240	874,081	13,618,438
Oklahoma	15,634	973,176	373,109	51,772	1,413,691
Oregon	26,195	735,107	347,806	93,144	1,202,252
Pennsylvania	516,125	665,847	527,447	370,100	2,079,519
South Carolina	52,102	723,742	1,366,226	640,855	2,782,925
South Dakota	9,305	220,596	80,799	122,417	453,117
Tennessee	634,495	1,370,443	1,161,178	285,880	3,451,996
Texas	265,051	1,714,746	979,044	163,911	3,122,752
Utah	15,162	20,123	83,409	20,961	139,655
Virginia	118,090	1,380,206	847,394	127,193	2,472,883

Resettlement projects—Expenditures by States and fiscal years—Continued

States and Territories	1936	1937	1938	1939	Total cumulative as of June 30, 1939
Washington	$145,774	$323,561	$74,513	$34,138	$577,986
West Virginia	979,763	848,754	742,312	752,396	3,323,225
Wisconsin	936,293	5,590,625	4,188,265	976,857	11,692,040
Wyoming	20,178	7,129	15	36	27,358
Virgin Islands	29,462				29,462
Washington suspense account	114,812				
Total	12,735,437	52,220,119	36,820,451	10,676,067	112,452,074

The foregoing table shows where our money goes to buy the New Deal's baby clothes. At least the table shows where plenty of money has gone. The resettlement projects, like the one at Arthurdale, W. Va., were conceived in the minds of scatterbrained idealists, and reared under a profligate spendthrift attitude.

Millions of dollars have been wasted. Dollars that will have to be repaid in the sweat of the brow of Americans still unborn. I have wondered how much of the money expended for these projects is carried on the books of the Government as assets at 100 cents on the dollar; and how much money will ever be recovered.

The following article from the Washington Times-Herald throws additional light on these ill-conceived experiments.

(By George Rothwell Brown)

Mrs. Roosevelt's public utterances are nearly always worthy of the most careful examination.

What she says, often in an off-hand manner, frequently becomes revealed later on as having been the forecast of a policy.

She was quoted in the Washington newspapers last week as having said at the Town Hall forum, that the Nation is facing "a period of insecurity in some of the material things," to make "a little more security for those who have been insecure," and to have added that women must prepare to sacrifice things "we have come to take for granted as part of the necessities of modern life."

It is certainly true that the Nation is facing a period of insecurity, but the hint here, by the first columnist of the land, that women must prepare for sacrifices is nonetheless disquieting.

One wonders what sacrifices Mrs. Roosevelt has in mind, what they are to be, and how soon we shall all be called upon to make them.

One thought that comes to mind is that the Nation must soon face the problem of debt payment, to the tune of more than twenty billions incurred by New Deal squandering policies.

To those who must make sacrifices in order that these blown-in billions may be paid, the process will seem simply that of back-breaking taxation.

To the New Deal it will mean the attainment of the main New Deal objective, the redistribution of the Nation's wealth from the haves to the have-nots.

It so happens that Mrs. Roosevelt herself, in one of the most striking services she has ever rendered in Washington, disclosed how badly the New Deal has operated to make a little more security for those who have been insecure.

Just across the Maryland line is the little socialistic community known locally as Tugwelltown, where a favored few families of low income not to exceed $2,000 annually have been given the privilege of residing in low-rent model houses in a project which, in total cost, figures out around $16,000 per family unit. Very soft for those enjoying these advantages, although the number is infinitesimal. Let us look at the other side of the picture.

Some time ago, Mrs. Roosevelt called attention to the shocking conditions existing at Blue Plains, Washington's home for the aged and infirm.

Investigation followed upon her disclosure, and a revolting condition among the city's most helpless and needy people was brought to light. The place was found to be a dumping ground for human derelicts, some of them feeble-minded, herded together like forgotten cattle, and lacking in medical attention, with only one half-day doctor for an institution that required a large staff.

Congress is going to do something about it, thanks to Mrs. Roosevelt.

Now, it so happens that one of the District Commissioners under whose term of office these conditions had existed at Blue Plains for 7 years of the New Deal, was reappointed by the President while Mrs. Roosevelt's revelations were stinging the consciences of the people of this city.

And a complacent Senate promptly confirmed him, without troubling to inquire why he had not discovered these frightful conditions himself, since that, presumably, was his job.

What shall we say of a political regime in Washington which spends a fortune at Tugwelltown, giving $16,000 houses to a favored few people (all deserving Democrats, no doubt), while permitting

for 7 long years such conditions to exist at Blue Plains as Mrs. Roosevelt brought to light, and which never would have been brought to light, in all probability, if she had not done it out of the goodness of a large heart and a restless energy?

When the time comes for the people of this Nation to make the sort of sacrifices Mrs. Roosevelt now hints at, let us hope the affairs of the Government will be in the hands of public officials endowed with at least a modicum of common sense.

SOME ILLUMINATING LOSSES

The following excerpts from the hearings before the Appropriations Committee in December 1939 give some evidence of the size of these undertakings and a picture of some of the losses that are sure to result. On page 968, we find:

Dr. ALEXANDER. I submit the following justification:

Appropriation Act, 1940	$1,987,400
Budget estimate, 1941	1,500,000
Decrease	487,400

DECREASE

The estimates provide for a decrease of $487,000 in the funds to be available under this appropriation for 1941. Approximately $200,000 of this reduction will be offset by a corresponding increase in the amount of income to be derived from the operation and management of these projects, which income will be used for the purposes of this appropriation as authorized under the Bankhead-Black Act approved June 29, 1936 (40 U. S. C. 431–434). It is contemplated that the balance of the decrease, approximately $287,400, will be accomplished through a reduction in the personnel located on the projects and in the regional and Washington offices presently engaged in the carrying out of the purposes of this appropriation.

It appears that with all these millions invested it is still necessary to appropriate additional funds. The returns will not even pay the overhead, to say nothing of any interest on the investment. Again, on page 968, we find the following:

Mr. CANNON. Under this item there has been a reduction of $487,400, most of which you have allocated to the first project, technical services and supervision of land-development maintenance. However, you do not expect a reduction in your project expenditure by that amount, I judge, as you have doubtless taken into consideration income which will be available this year from the operation of projects under the provisions of the act of June 29, 1936.

Mr. BALDWIN. There will be a net reduction in the operation of projects of about $287,000 that will result from savings largely in personnel.

On page 970 of the hearings the following table appears which shows the loss encountered in selling 8 of the 160 projects.

Projects conveyed to homestead associations or sold to individual clients as of Dec. 1, 1939

State	Name	Development cost	Selling price
Alabama	Jasper Homesteads	$1,038,885	$194,370
Minnesota	Austin Acres	226,185	63,796
Mississippi	Magnolia Homesteads	80,275	60,000
Do	McComb Homesteads	86,292	24,035
Do	Hattiesburg Homesteads	78,570	49,720
Texas	Dalworthington Gardens	301,790	150,000
Do	Three River Gardens	160,290	82,650
Do	Wichita Gardens	209,605	131,716
Total		2,181,892	756,287

This shows a 34-percent recovery when sold, to say nothing about the millions of dollars lost in operating these projects.

It must be remembered that there are large overhead expenses and carrying charges which are not shown in these tables.

The following editorial from the Milwaukee Journal of March 23, 1940, shows the ridiculous, unsound, and impractical policy followed by the New Deal spendthrifts in trying to solve the United States housing problem.

[From the Milwaukee Journal of March 23, 1940]

WAY BEYOND GREENDALE

Having "solved" the city low-rent housing problem, the United States Housing Authority is now tackling the rural low-rent problem. And in about the same way, except that this new scheme does not have even a nodding acquaintance with arithmetic.

The U. S. H. A. has picked six counties—in Arkansas, Georgia, Mississippi, South Carolina, Indiana, and Illinois—where it believes farm laborers should have new homes. The Government, through local housing authorities, is going to build these dwellings.

The house itself is to cost $1,600, set on an acre of land that is put in at $400. The total will thus be $2,000, with the U. S. H. A. furnishing 90 percent and the local housing authority 10 percent. The rural dweller—he who works on somebody else's farm for hire and is classed as a day laborer—will rent this home at approximately a dollar a week, or $52 a year. But he will not have to pay that much if he fixes the front porch or nails a board on the fence, now and then. He can scale the total down through bills for maintenance and repair to around $36 a year.

Now, here is where the magic part of it all comes in. The money for these homes will bear an interest charge of 2¾ percent. On $2,000 of investment, the interest would amount to $55 a year. The local housing authority and the Federal Government will get a maximum in rent of $52 a year for each home, or more likely they will get the minimum of $36 a year. (It would be a dull farm hand, indeed, who couldn't think up an adequate bill for repairs.) And the investment will be amortized in 60 years.

Pass over the fact that in 60 years the bungalow construction of this house will no longer exist as a habitable dwelling, the composition shingles on the roof will be gone—gone long ago—and the farm laborer will be gone unless he was a newlywed when he got the house and is lucky enough to become an octogenarian. Leave out the facts of life and just fiddle with arithmetic.

It is a marvelous answer these New Deal mathematicians get. Government lays down $2,000 on the line, counts $55 a year as expenses for the money, loses from $3 to $19 a year on operating expenses, to say nothing of the loss on principal, the property wears out completely, and at the end of six decades the New Deal magicians have the whole thing amortized. The $2,000 is back in the Federal Treasury, the interest has been paid the rural-housing problem has been solved, and nobody has lost a cent.

A government that can get that answer need not worry about deficits, the debt limit of $45,000,000,000, or anything else that has to do with financing. For it can perform miracles. Since the Federal housing program began, with its Greenbelts and its Greendales, we have seen nothing so marvelous as this.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

ARTICLE BY LINDSAY CRAWFORD

Mr. MINTON. Mr. President, in a recent issue of the Nautical Gazette there appeared a very interesting article by Lindsay Crawford, secretary of the Federal Trade Council of New York, entitled "Tariff Controversy Revived." I ask unanimous consent that the article may be inserted in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Nautical Gazette for March 1940]

TARIFF CONTROVERSY REVIVED

(By Lindsay Crawford, secretary, Federal Trade Council of New York)

It was too much to expect that a Presidential-election year would be allowed to pass without reference to the Reciprocal Trade Agreements Act, which expires in June, and the renewal of which will come up for discussion on resolution now before the Congress. It came as a surprise, however, to find that a leading candidate for Presidential nomination had introduced a bill (S. 3238) which proposes to make sweeping changes in the foreign commercial policy of the United States and in the procedure to be adopted in making future trade agreements.

The bill introduced by Senator VANDENBERG is a repetition, word for word in many parts, of the main provisions of the rejected Lewis bill of 1935 (S. 3464), with some additions which already have been subjected to severe criticism. This bill would abolish the United States Tariff Commission and transfer from the Interdepartmental Committee of the Department of State to a foreign-trade board all the powers and functions now centered in the State Department and its coordinated committee for the negotiation of trade agreements.

In policy, Senator VANDENBERG's bill would substitute the "conditional" form of the most-favored-nation principle for the "unconditional" form of the present trade-agreement program. While somewhat obscure in the language employed, it is apparent that the new bill aims also at restoring to the Senate the powers of ratification that body delegated to the Executive under the present act—within defined limits as to tariff changes—and aims further at carrying into effect the barter system of trade so long advocated by Mr. George N. Peek, former president of the Export-Import Bank—for some years a voice crying in the wilderness peopled by exiled members of the White House official family of other days. The Lewis bill of 1935 bears all the earmarks of Mr. Peek's authorship and, word for word, corresponds with addresses by Mr. Peek, as to its main provisions. Mr. Peek was a former foreign-trade adviser to the President, but his theories were found to be incompatible with the spirit and letter of the Reciprocal Trade Agreements Act.

The mandatory powers proposed to be conferred on the new Foreign Trade Board would enable it to "compel every person within the United States"—individuals, firms, banks, trusts, and Government departments and their officials—to produce books, contracts, letters, or other documents relating to (a) any transaction in foreign exchange; (b) transfer of credit or payment between American and foreign banks; (c) or the export or import of securities and of gold or silver. This is regarded in financial circles as a proposal to institute exchange control and to embark upon an ambitious scheme of economic planning which would bring the United States into line with those initial steps in governmental control which led to the totalitarian state, and control both of trade and all financial transactions. It is pointed out by critics of the Vandenberg bill that no country except Soviet Russia has willingly resorted to this extreme measure and that even Nazi Germany, as voiced by Dr. Schacht, looked upon this exchange-control system as an undesirable necessity.

Confronted with sharp criticism of his bill, Senator VANDENBERG predicts that "the Hull reciprocal-trade treaties would be extended for 3 years, but that the Hull treaties and his proposed Foreign Trade Board were not necessarily in conflict." In further explanation of the objects of his bill, the Senator says:

"The Hull treaties cannot handle the situation as it is today with its blockades, blocked exchanges, embargoes, and bilateral treaties. Unfortunately we can't set the international trade tempo for everybody."

Reference to the trade "agreements" and "treaties" is apparently carefully chosen as an argument that ratification of all tariff changes should be made by the Senate. Senator VANDENBERG frankly concedes to Mr. Peek authority for the soundness of his bill. He says in an interview (Herald-Tribune, February 13, 1940):

"* * * The Foreign Trade Board plan has specific machinery for the reduction of tariff on any industrial product that carries an import price higher than the cost of production here. It is not a one-way street. It is a two-way street. The plan provides machinery for the reduction of industrial tariffs wherever the tariff puts an import price up above the American cost of production of a like or similar commodity. For authority on the subject the plan is unequivocally endorsed by George N. Peek, who was for several years Mr. Roosevelt's foreign-trade adviser. I do not expect any free-traders or internationalists to approve it. * * *"

In adopting Mr. Peek as his foreign-trade adviser, Senator VANDENBERG is taking on a liability, as Mr. Peek ceased to be foreign trade adviser to the President because of fundamental differences in policy. Incidentally, Mr. Peek has found no support for his views among any large section of those engaged in foreign commerce. Under the Lewis bill, Mr. Peek as president of the Export-Import Bank would have been chairman of the proposed Foreign Trade Board. It is interesting to reflect that, under the Vandenberg bill, Mr. Peek might possibly be the one to supplant Secretary Hull as the one responsible, as chairman of the proposed new board, for administering an act "so unequivocally endorsed" by him.

The proposed definite exclusion of the State Department from foreign commercial and financial affairs is in itself a revolutionary change in the recognized functions of the State Department as the channel of communication between our Government and those of other sovereign states. The pretext put forward, that this will separate foreign commercial and financial matters from the political and diplomatic activities of the State Department, does not face the facts in the case: That these are frequently so interwoven as to be inseparable, and that no board can take the place of the State Department, where the influence and prestige of our Government abroad necessitates action through the recognized diplomatic channel. What, for example, would be the reaction in Tokyo, where the relations between the respective Governments have involved diplomatic representations by our State Department in which it is not possible to separate political from trade matters? What would be the reaction in Berlin or Mexico, or any other country that has been the subject of protests or other action by our Government?

A chief objection to the Vandenberg bill is its reactionary tendency, the obvious desire being to revive the policy underlying the 1930 Tariff Act, resort to a barter policy, revival of the discarded "conditional" treaty clause, and a general regimentation of the inquisitorial type of the N. R. A. to which American business was subjected by its official administrators. The change in policy outlined by the Vandenberg bill is somewhat vague and will be subject to searching analysis if and when the bill reaches the House and Senate. Clause 2, section 2, for example, "to promote policies with respect to foreign commercial and financial activities of the United States that will supplement and conform to national domestic policies," is far from being self-explanatory. What are the "national domestic policies" which Senator VANDENBERG has in mind?

Perhaps the most serious change proposed by the new bill is the control it would give to the Board over governmental lending and all foreign commercial and financial transactions now conducted through governmental agencies. Is it proposed to make the chairman both of the Export-Import Bank and of the Foreign Trade Board the Government agency in all foreign financial transactions, with the power to prohibit or modify these at the discretion of a Board, not more than three members of which shall belong to the same political party?

Although obscured by the wording of the bill, it seems apparent that present agreements will be allowed to expire. In other words, our trade agreements with 21 countries will be abrogated and negotiations opened bilaterally on a "conditional" most-favored-nation basis. This means, of course, that instead of the Board making an agreement with one country as chief supplier of commodities, subject to concessional bargaining and generalizing all concessions to other countries with whom we have most-favored-nation relations, the proposed Foreign Trade Board will negotiate separately with the 60 or more countries which at present benefit by generalization of agreement concessions. How this will relieve the Board from the pressure on its time and energies, as distinguished from the present simple method, only Senator VANDENBERG or his adviser, Mr. Peek, can explain.

There is no use disguising the fact that the Vandenberg bill puts the tariff issue back into politics. It is just as well, perhaps, that the defects of the Lewis bill should again be subjected to critical examination and that the broad principles and philosophy of the Hull policy and program should be brought into sharp perspective in contrast with Peek tariff doctrines which hitherto have failed to impress American businessmen as deserving of support.

Emphasis upon retaliation by the Vandenberg bill is far from being a constructive approach to the solution of the world's economic ills. The Senator appears to favor a nationalistic attitude on the tariff question. All who differ from him he classifies as 'internationalists." He seems to ignore or overlook the fact that his own bill is international in character, as it necessarily relates to the conduct of our foreign commercial and financial relations with other countries and governments. A first-class Senate debate on the issues raised by his bill could not fail to expose its isolationist tendencies and the incompatibility of the inquisitorial powers it seeks to confer on the Board, with the present system of trade agreement negotiations as conducted by the Inter-Departmental Committee of the State Department. The reorganization and coordination of Government foreign services, carried out recently, should not be set aside in favor of a Board which, obviously, will be divided politically and which can never attain the status of the State Department in the eyes of foreign governments.

In his statement in the Senate (CONGRESSIONAL RECORD—Senate, February 1), Senator VANDENBERG, in explanation of his proposal to create a Foreign Trade Board to take the place of the Inter-Departmental Committee of the State Department for negotiation of trade agreements, says: "The advantages of such a Foreign Trade Board are strongly suggested by the success of the British Board of Trade over many decades. * * *" The accompanying chart represents the British interdepartmental plan related to export trade, in which board-of-trade activities through the Department of Overseas Trade are carried out in cooperation with the Foreign Office and the Treasury, somewhat similar to the Inter-Departmental Committee organized under the State Department at Washington.

Peace and Neutrality

EXTENSION OF REMARKS

OF

HON. D. WORTH CLARK

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

LETTER FROM RICHARD L. NEUBERGER TO SENATOR CLARK OF IDAHO

Mr. CLARK of Idaho. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an illuminating letter written to me by Richard L. Neuberger, of Portland, Oregon.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

PORTLAND, OREGON, *March 18, 1940.*

HON. D. WORTH CLARK,
United States Senator from Idaho,
Washington, D. C.

DEAR WORTH: Let me congratulate you on your continual efforts to keep our country out of war and at peace with the world. That is the major issue confronting the United States. It confronts all people, whether they be Democrats as you and I are, whether they be Republicans, Independents, or members of any other political group.

War would endanger our precious democratic form of government, guaranteed by the Bill of Rights of the Constitution. War would threaten the lives and security and happiness of countless millions. It would imperil the child in school, the worker at his job, the merchant in his store, the housewife in her home, the farmer in the fields.

War would consume and destroy the national income of America. It would waste and squander money which is needed for useful, humanitarian causes. There are innumerable requirements right here in our own country to which we must direct our attention and our energy.

1. The development program started in the West by President Roosevelt must be continued. Reclamation, power, and irrigation projects are necessary to water thirsty acres and provide low-cost electricity. We must prevent soil erosion and save the land, which is our main heritage.

2. Adequate educational facilities are needed by thousands of children. It would be folly to spend money for shot and shell when that money is needed to build school buildings, employ teachers, and construct playgrounds.

3. Social-security benefits must be extended to more people. More generous old-age pensions are required by many needy Americans who are past 60 years of age. Unemployment insurance must go to every person who is conscientiously willing to work and has lost his job through no fault of his own.

4. We need to preserve and defend the gains made in the last few years—such gains as collective bargaining for workers, the guarantee of bank deposits, the advancing of loans to small-business men, the stabilizing of farm production.

5. No effort should be spared to bring about the security and happiness which are so essential to the American way of life. There must be opportunity for all people to make a decent living, an American standard of living.

Entanglement in war would take away our attention and efforts from these pressing problems at home. It would spend lives and resources in a futile cause. It would raise to unbelievable heights the public debt which now is a source of worry to so many of us. It would harass America and American democracy for generations to come.

That is why I am so appreciative of the manner in which you have persistently insisted upon peace and neutrality for the United States.

With kindest personal regards.

Sincerely,

RICHARD L. NEUBERGER.

Copyright Legislation

EXTENSION OF REMARKS

OF

HON. ELBERT D. THOMAS

OF UTAH

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

LETTER FROM THE COMMITTEE FOR THE STUDY OF COPYRIGHT

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a letter from the Committee for the Study of Copyright in explanation of the origin, character, and fundamental provisions of S. 3043, which I introduced in the Senate at the request of that committee on January 8, 1940.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 25, 1940.

HON. ELBERT D. THOMAS,
United States Senate, Washington, D. C.

MY DEAR SENATOR THOMAS: The Committee for the Study of Copyright welcomes this opportunity to explain the origin, character, and fundamental provisions of the proposed copyright bill (S. 3043) that you were good enough to introduce at its request on January 8.

Origin: Because of the conviction that the present copyright law of the United States makes it exceedingly difficult for the works of American authors to receive adequate protection when distributed in foreign countries and, reciprocally, for the works of foreign authors to secure similar protection in the United States, the National Committee of the United States of America on International Intellectual Cooperation in January 1938 set up a special committee for the study of copyright to investigate the problem of assuring to the United States its share, on a basis of equality with other nations, in the cultural development of the contemporary world.

The problem: Initial researches of this committee revealed not only that pirating of American works is increasing with the demand for such works in South America, in Europe, and in Asia, but that ill-feeling is continually being engendered against the United States because works of foreigners are constantly falling into our public domain. And to foreign authors, who fail because of lack of knowledge or ability to fulfill all the formalities required for copyright protection under the present law, the effect of works falling into the public domain is the same as of the piracy complained of by American authors. In consequence, the protection that some American authors have enjoyed under the Berne Convention through simultaneous publication in Canada has been resented and violated, especially by non-British countries of the International Copyright Union. Yet, solution through membership in the International Union for the Protection of Library and Artistic Works is not possible under the Copyright Act of 1909, nor is it possible under that act to improve inter-American relations regionally and outside the Berne Convention. The problem is primarily a problem of domestic copyright legislation.

Existing copyright system: Yet, quite apart from this need of finding a basis for reciprocal international copyright protection, investigations of the committee revealed that our copyright law is itself in need of revision. It learned that authors have long complained of inequities of the present system, whereby certain works (e. g., dramatic works, musical compositions, works of art, addresses prepared for oral delivery) may be protected when deposited and registered in the Copyright Office before publication, while others may be protected only after they have been published with notice, that fact registered, and two copies deposited in the Copyright Office. In addition, these last requirements are cause of grievance because copyright is frequently lost through failure on the part of printers, or other agents for the author, to perform all these formalities according to the letter of the law. Furthermore, under the present law copyright is one indivisible right. As such it may be assigned to an owner other than the author, in which case the assignee must record his assignment in the Copyright Office to assure its validity. But there is no provision for the protection of more than one assignment, nor for record of the transfer of his right to another by the first assignee. These provisions of the act of 1909 in regard to the assignment of copyright, which were suited to the methods of use and publication of the nineteenth century and the first decade of the twentieth, are no longer adequate, because they antedate the widespread use of the cinema and the advent of radio and television. Users, consequently, and with reason, have complained that the system of registration is insufficient to their needs. They urge a more complete registration of facts concerning copyrighted works in order that they may readily and surely ascertain ownership of the rights they wish to buy.

Character of the proposed bill: The thoroughgoing revision of the copyright law that the committee for the study of copyright is proposing is, however, the result of its method of drafting the bill it has presented. Since the various efforts that had been made to change the law were well known to the committee, it decided to try to avoid, if possible, a repetition of the conflicts that arose after every new bill was drafted, as was the case in the hearings on the Duffy bill. The committee for the study of copyright, therefore, invited representatives of the different groups interested in copyrighted works to try to reconcile their differences before, not after, the drafting of a copyright bill. S. 3043 is the result of such round-table conferences, and represents an honest attempt to rethink the theory and practice of copyright protection, nationally and in relation to international experience and practice; it also represents the harmonization of divergent interests in relation to the theory and general principles of practice that representatives of those interests themselves defined. In consequence this bill, which proposes complete revision of the copyright law, is not a compromise measure in the sense that someone outside the parties concerned formulated provisions unrelated to experience and consequently unsatisfactory to everybody; instead, it is a composite of provisions that record the adjustments that were made by the parties themselves who are concerned with copyrighted works. Only on a few points was there unwillingness to acquiesce in the adjustments which are described in the provisions of the bill; these have been indicated in the marginal notes and covering letter that were printed with the bill in the CONGRESSIONAL RECORD of January 8. Since absolute reconciliation of interests did not prove to be possible, the committee for the study of copyright presented a bill that it believes is suited to serve the public interest of the United States.

Nature and duration of copyright: A brief statement of copyright theory and practice is probably the best way to explain the reasons for the basic provisions of the new bill. In practice no search is

ever made to establish the originality of a work, nor is complete monopoly ever granted as in the case of patents. Copyright recognizes the right of the author to his form of expressing his ideas; similar ideas, even similarly expressed, by another may also be copyrighted. But the author wants the works which express his ideas recognized as his from and after creation and by virtue of such creation. When others wish to use his literary or artistic works for profit the author desires to be guaranteed the exclusive right to permit such use, whether it be for printing, for performing, for motion pictures, for broadcasting, for television, or for all these uses of the same work as is possible in the case of a drama. If, then, the author has copyright on creation in statutory law as in common law he can grant such rights to use his works whenever he has opportunity, without formalities as a condition of enjoying his copyright; and recordation in the Copyright Office of the grants of rights to use by grantees of such rights can be provided for the protection of those rights. In the application of such theory to practice the Copyright Office would be able to record facts concerning copyrighted works useful to users of such works without the possibility of penalizing the author or endangering authors' rights. Accordingly, the term of copyright becomes important; if grants of right to use works by means of modern methods of diffusion bring the author adequate income, he can continue to produce literary and artistic creations. But if he does this he also wants to be sure that his heirs will be provided for. Therefore he asks that copyright in his works be recognized by virtue of his having created them, and that the term of this right be for life and 50 years. In asking these two things the American author is only requesting for himself what authors in more than 50 countries of the world have had for upward of half a century. Moreover, experience has shown that reciprocal international copyright protection is only possible on the basis of the recognition of copyright existing in a work upon creation without requiring any formalities as a condition of that protection. The term of life and 50 years has been found practical, because it is always possible to know the end of the term. To accept a shorter term would put American authors in a disadvantageous position even at home, because the practice under all international conventions or agreements is to recognize the term prevailing in the country of origin.

Recordation of grants of rights to use a work: For these reasons, the new bill, S. 3043, provides that "authors shall have copyright in all their writings, whether published or unpublished, from and after the creation thereof, without compliance with any conditions or formalities," and that the term of this copyright shall subsist for the life of the author and 50 years thereafter. Then, since the author is the first owner of his works, it is provided that he may grant the right or rights to use such works, in whole or in part, and for any specified time or place. Owners other than authors may do likewise. But all such grants of a right or rights to use must be in writing. The grantee may record the same in the Copyright Office. This arrangement, patterned after the registering of deeds to real property, protects users and authors alike. The user may go to the Copyright Office for information about the ownership of literary and artistic works he may wish to buy. If he buys a right to use a work that has not been recorded, and if he records his grant, his right is to prevail over a prior unrecorded grant of the same right.

Common-law and statutory copyright: When the new bill provided copyright on creation without formalities, it made the principle of common-law copyright to apply to statutory copyright. Therefore, the drafters of the bill were faced with the problem of determining how far the jurisdictions of common-law and statutory copyright overlapped. At the time of a similar revision of the copyright law of Great Britain it was declared that common-law copyright became statutory copyright. But under our Constitution this procedure seemed to be neither possible nor advisable. The following adjustment was therefore made: Existing common-law rights are recognized; in fact, the provision of section 2 of the act of 1909, declaring that "nothing in this act shall be construed to annul or limit the right of the author * * * at common law or equity * * *," has been incorporated in S. 3043 (sec. 45); but this provision is followed by a proviso which states that when an author shall elect to have statutory copyright he surrenders his common-law rights. The proviso stipulates that "such election shall be deemed to have been exercised by, and shall be binding upon, an author or other owner who has made or authorized" certain specified acts ,such as publication of a work, deposit of copies, recordation of a grant in respect of any work, or "assertion in writing of any claim to copyright under this act, or of any right to remedies or proceedings for infringement of any such right or rights."

Deposit of manuscripts: Permission to deposit manuscripts in the Copyright Office is offered as an inducement to authors to elect statutory copyright. By such deposit works can be protected while being marketed, for statutory damages are provided for infringement of statutory copyright.

Statutory damages: Statutory damages, in turn, have taken on a new importance. Heretofore, they have been advocated as a deterrent to infringement. For this purpose they have been incorporated in every copyright bill passed by the Congress of the United States. In the proposed bill, however, statutory damages are retained not only for that reason, but, in addition, their availability is offered as a reward for conformity to the provisions of the law. Contrariwise, failure to fulfill the regulations of copyright protection is penalized, in most instances, by the loss of right to statutory damages.

Minimum statutory damages: Since the justice and reasonableness of minimum statutory damages as determined in the act of 1909 have long been subject of debate, it may be too much to hope that all interests will be completely satisfied with the revised provisions of the new bill. This is particularly true in view of the fact that broadcasters wish no minimum statutory damage for infringement of performing rights of music over the radio. They ask that the matter be left to the courts as is done in several countries that are members of the Berne Convention. The reasons advanced against doing this are that in European countries, where no minimum is set, performing-rights societies have government sponsorship, performing rights are recognized as important and their value is appreciated; and that in Canada, where performing rights have no such recognition, courts have awarded damages for less than a dollar, which authors claim is equivalent to a license to infringe.

American manufacture: The manufacturing provisions of the act of 1909 have also been subject to attack. Advocates of the adherence of the United States to the Berne Convention have been especially opposed to them because, by prescribing American manufacture for all works in the English language as a condition of copyright protection, they have stood in the way of our membership in the International Union for the Protection of Literary and Artistic Works. But by approaching the matter pragmatically and with the active cooperation of a representative of the printing trades, it has been possible to propose revision. American manufacture, of course, continues to be required of works by American authors and by persons resident in this country. But the ad interim clause has been omitted. This clause allowed authors of English-language works published abroad protection of their works in the United States until it was possible to republish here, which must take place within 6 months of first publication abroad, the Register of Copyrights being informed of this intention within the first 2 months of that interval. Then, in order to retain his copyright, the author must publish with notice, register that fact, and deposit two copies in the Copyright Office. The new bill permits importations of foreign newspapers, periodicals, or magazines; copies for libraries; works which form parts of private collections purchased en bloc, if not for sale or hire; works in raised characters for the blind; illustrations of a scientific work or reproductions of a work of art where the subjects represented are located in a foreign country; motion pictures with or without sound; and 12 copies in manuscript, typescript, mimeographic, or photostatic form. Works in a foreign language by authors not resident in the United States at the time of the creation of the work do not come under the manufacturing clause, nor do authorized translations in a foreign language of a work previously published in the United States. Works in the English language may be imported in limited quantities, if not for sale or hire; one copy per person imported in personal baggage, two copies for the author's own use; and one copy on any one invoice for personal use if no person other than a retail book dealer in the United States shall act as agent of the consignee in the acquisition of such copy. In addition to this list, which was designed to be in the public interest without harming labor, 500 copies are permitted through the usual trade channels if accompanied by an affidavit authorizing the importation, signed by the author or other owner. The purpose of this quota is to permit a trial sale to test the marketability of a work in this country, and thus to ascertain if republication by American labor might be profitable. If importations beyond the quota are made with the consent of the author, no remedies shall be available for infringement of future printing, publication, distribution, or vending of such work; but, all other rights within the copyright are retained to the author or other owner of such rights. For example, if the work is a novel, the author or other owner may lose his book-publication rights, but this loss does not affect the rights to dramatize the work and to publish the dramatization, to make a scenario out of it, to use episodes from it for continuities or for radio skits. But if the work is not republished and the quota is not exceeded, copyright in publication rights as well as in other rights may be retained until publication here is desired.

Deposit of copies in the Library of Congress: Abolition of formalities as a condition of copyright protection does not eliminate the requirement for deposit of copies in the Copyright Office. On the contrary, the regulations proposed by S. 3043 are designed to assure such deposit, for it is the publisher, whose right to publish will be recorded in the Copyright Office for his own protection, and not the author, who is made responsible for the deposit of copies of any work offered for sale in the United States. This arrangement will enable the Register of Copyrights to know from whom to require deposits of copies, should such request become necessary.[1] This should seldom be the case, for the requirement to deposit is tied with the obligation to give the Copyright Office proof of manufacture by American labor. The bill provides that the publisher at the time of deposit shall furnish the Copyright Office with proof of manufacture by American labor, either by having the name and location of the printer upon all copies or by filing an affidavit to that effect at the time of deposit. It is also required that a deposit of copies shall be made for any subse-

[1] At present the Copyright Office is handicapped in this regard because the Supreme Court ruled, on January 30, 1939, in the case of the *Washingtonian Publishing Co., Inc.*, v. *Pearson and Allen* (vol. 306, U. S. Repts., 30) that copyright in a work published with notice is valid although its owner fails to make the required deposit until the moment of bringing suit for infringement.

quent printing of a work that contains a revision thereof or a substantial addition thereto or any material change in the text or format. Failure to deposit is punishable by fine and by loss of the right to statutory damages in case of infringement. The drafters of the new bill believe it is important that the Library of Congress preserve a complete record of national achievement in literary and artistic works; they also believe this can be assured by the method proposed more readily than under the present system, even though the latter makes deposit a condition of copyright protection. Furthermore, the committee holds it to be an injustice to deprive an author of all his rights in his work because either the author or, as is often the case, someone other than the author failed in the fulfillment of the obligation to deposit two copies of the published work in the Copyright Office.

Fees: The Copyright Office is to be paid for its services. Fees are required at the time of deposit of copies, for the privileges of recordation of grants, and for any registration of claim to copyright that is desired. Fees are also required for copying and certifying copies of records, and for any requested search of Copyright Office records. But no fee is required as a condition of copyright protection, as is true under the provisions of the act of 1909, for, as already explained, copyright is granted in recognition of the creation of artistic and literary works.

New provisions: Among the new provisions of S. 3043, the noninfringing uses permitted to libraries for the benefit of study and research are of especial importance. The new bill clearly describes the conditions under which libraries may copy manuscripts and out-of-print books by means of microcopy and other photographic processes for those at a distance who would otherwise have no access to the desired resources for study. Noninfringing uses, especially by motion pictures and radio, when depicting public scenes or broadcasting public events, are also included. Diffusion by new methods hereafter known or devised is provided in order to make it possible for S. 3043 to meet new ways of using literary and artistic works without requiring revision of the law.

International copyright protection: And finally, reciprocal international copyright protection has been made possible. For the system designed for the improvement of copyright protection within the United States, which provides for copyright on creation, divisibility of copyright, and recognition of new methods of diffusion, is equally suited to serve as the basis for reciprocal international copyright protection through agreement or convention, inter-American or universal. S. 3043, when compared with the Berne Convention, appears to meet its requirements. Moreover, until the United States adheres to the Berne Convention or to an Inter-American Convention, bilateral interchange under presidential proclamation is possible, if the foreign country grants to the citizens of the United States the benefits of copyright on substantially the same basis as to its own citizens. Under the provisions of the proposed bill this means that foreign authors will no longer be required to fulfill all the formalities as at present, and relations with countries members of the Berne Convention can approach the reciprocal protection possible under that treaty. Moreover, it is hoped that the elimination of formalities from our law may encourage the simplification of copyright requirements on the part of countries wishing reciprocal relations with the United States. The proposed revision of the copyright law of the United States according to the provisions of S. 3043 is therefore offered by the Committee for the Study of Copyright as the solution of the problem of assuring to the United States its share, on a basis of equality with other nations, in the cultural life of our contemporary world.

Respectfully yours,

COMMITTEE FOR THE STUDY OF COPYRIGHT,
WALDO G. LELAND, *Chairman*,
EDITH E. WARE, *Executive Secretary*.
NATIONAL COMMITTEE OF THE UNITED STATES OF AMERICA ON INTERNATIONAL INTELLECTUAL COOPERATION,
JAMES T. SHOTWELL, *Chairman*.

Reciprocal Trade Agreements Act, Etc.

EXTENSION OF REMARKS

OF

HON. JOHN THOMAS

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Wednesday, March 27 (legislative day of Monday, March 4), 1940

STATEMENT BY HOWARD I. YOUNG BEFORE THE SENATE FINANCE COMMITTEE, AND COMMUNICATIONS FROM VARIOUS SOURCES

Mr. THOMAS of Idaho. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD the statement of Mr. Howard I. Young, president of the American Zinc Institute, before the Senate Finance Committee in opposition to the extension of the Trade Agreements Act, as it appeared recently in the Western Mineral Survey, published at Salt Lake City, Utah.

I also ask unanimous consent to have printed in the Appendix of the RECORD a number of communications I have recently received from farm groups in my State. All of these statements are from groups which have experienced at first hand the ruinous effects of the trade-agreements program.

There being no objection, the statement and communications were ordered to be printed in the RECORD, as follows:

STATEMENT OF AMERICAN ZINC INSTITUTE, INC., BEFORE THE SENATE FINANCE COMMITTEE, MARCH 1, 1940

The operations of the American zinc industry are Nation-wide. Zinc mining is carried on in 18 States in the western, central, and eastern sections of the United States. More than 30 States in all are concerned in the production and manufacture of zinc and its products. About 25,000 men are employed, and it is, therefore, reasonable to assume that at least 100,000 persons are directly dependent upon the zinc industry.

INFORMATION FILED

Almost 2 years ago the American Zinc Institute, on behalf of the domestic zinc producers, filed a statement with the committee for reciprocity information in connection with the trade-agreement negotiations with Canada. Supplementary briefs were filed, and oral presentations were made by various divisions of the industry in an attempt to defend the tariff rates on zinc ore and slab zinc established by the Tariff Act of 1922, which were unchanged by the Hawley-Smoot Act of 1930.

UNUSUAL ACTION

The zinc industry was puzzled at the contemplated concessions to Canada, as one of the stated principles of the trade-agreement program is that concessions shall be made only to the chief source of imports. As a matter of fact, imports had been unimportant except in 1937, when extraordinary drought conditions in Montana curtailed domestic production. Even in 1937, zinc imports from Canada were in fourth place, and represented less than 15 percent of total imports, Belgium, Peru, and Mexico each being responsible for a larger share. Furthermore, at no previous time had Canada been the chief source of our imports, nor has this situation changed to date.

OTHERS BENEFIT

In its statement filed with the Committee for Reciprocity Information on March 12, 1938, the Institute emphasized the probabilities of third country benefits as follows:

"We must expect immediate importations from other countries, particularly Mexico. * * * The low wage rates prevailing in Mexico justify current duties as a means of protection for American labor * * *."

The institute then quoted the following statement made in 1921 by the United States Tariff Commission, when zinc rates were discussed:

"Here (in Mexico) we find large deposits of high-grade zinc ore that have not been worked. As soon as there is adjustment of the unrest in those regions these deposits can furnish enormous quantities of desirable zinc ore at extremely low cost. The freight from these mines to the American zinc smelters is high, but in view of the low cost of producing the ore it can be delivered at Mississippi Valley points for less cost than much of the output from the mines even of that section of the United States."

ESCAPE CLAUSE

As a response to our expressed fears of third country benefits, we had to depend upon the answer that was given at the hearing time and time again when Senators, Congressmen, and representatives of industry mentioned the threat of a general invasion of our markets. They were told not to worry, that there would be the usual escape clause in the agreement which would insure against that risk. The zinc industry accepted this statement at its face value and it seemed to be the only ray of hope when on November 17, 1938, the announcement was made that the duties on zinc ore and slab zinc had been cut 20 percent.

NOT IN PUBLIC INTEREST

Because we believed a great wrong had been done and that a serious error had been made, energetic protests were filed promptly and continuously with the State Department. We felt sure that the soundness of our position would be recognized upon review. Adding to this assurance was the public statement of Dr. John W. Finch, Director of the Bureau of Mines, who in April 1938 pointed out that a reduction in the tariff on zinc could hardly be considered in the public interest. This opinion, it will be noted, was offered by Dr. Finch 6 or 7 months before the announcement of the duty cut. Dr. Finch's views were greatly amplified by the report issued by the Bureau of Mines under date of June 27, 1939, in the form of a detailed analysis of the reduction in the tariff on zinc. It is far too long to quote here, but this analysis supports the position of the industry and, in its final paragraph, states:

"The foregoing analysis of the zinc industry indicates clearly that domestic producers are confronted with a critical situation resulting primarily from unsatisfactory conditions abroad, the effects of which on the domestic market have been intensified by the 20-percent reduction in tariff."

(The full text of the Bureau of Mines analysis will be found on pages 2732–2735 of the hearings before the Ways and Means Committee.)

Months went by and we persisted in our protest with the result that we were invited to furnish data to permit of a special study of zinc by the Trade Agreements Division of the Department of State. We furnished everything which was requested, and more. In fact, we have continued to do so to date.

PRESENT DATA

As a result of direct representations to Secretary Hull, an informal hearing was finally arranged for September 18, 1939. The industry took great pains to see that a representative group of actual producers were present to discuss every phase of the industry. Quite a number of the members of the trade-agreements organization and various Government departments met with us, but the Bureau of Mines was not represented. Frankly, the industry was disappointed. We had to do most of the talking. Very few significant questions were asked. A great deal of information was voluntarily offered by the industry, and after the meeting a 19-page statement, supplementary to the conference, was submitted by the industry. Five months and more have passed. We are still waiting for the answer.

ASKS EXAMINATION

We insist that a thorough examination of the facts was not made before the duty concessions on zinc ore and slab zinc were determined upon. We submit that the fact that the Bureau of Mines was not consulted is a strong indication of the correctness of this statement. Furthermore, apparently the analysis since published by the Bureau of Mines, the Government authority on metals and minerals, has carried no weight with the trade-agreement organization; and this, we believe, warrants our vigorous protest.

Finally, we point to clause XIV of the Canadian agreement, which reads in part as follows:

"The Government of each country reserves the right to withdraw or to modify the concession granted on any article under this agreement, or to impose quantitative regulations on the importation of any such article if, as the result of the extension of such concession to other foreign countries, such countries obtain the major benefit of the concession, and if in consequence imports of the article concerned increase to such an extent as to threaten serious injury to domestic producers."

We submit:

(1) That third countries have obtained the major benefits of the duty concessions, as evidenced by the fact that 1939 imports show that Canada was responsible for 12 percent; Peru, 14.5 percent; and Mexico, 59.4 percent.

(2) That in consequence imports have increased to such an extent as to threaten serious injury to domestic producers.

(3) That the industry has applied for relief under clause XIV, but without result.

In presenting its case to the Ways and Means Committee, the American Zinc Institute emphasized that there are provisions within the Canadian agreement itself—the agreement responsible for the duty concessions on zinc—which could and should have been exercised to rectify the error and repair the damage. We reiterate this point, but because of the fact that in no case has the escape clauses on any item in any agreement been exercised, we are beginning to despair of any exception in our case, regardless of the facts. Therefore we respectfully urge this committee to consider suitable curbs or mandatory provisions to be included in the act, if it is extended, which will insure review and revision of duty concessions when indicated. We believe that the amendments suggested by the American Mining Congress would afford established American industries this vitally needed protection.

GROWERS & SHIPPERS ASSOCIATION OF IDAHO,
Nampa, Idaho, February 20, 1940.

Hon. JOHN THOMAS,
Senate Office Building, Washington, D. C.

DEAR SENATOR: It has been brought to our attention that in the negotiations of reciprocal-trade agreement with Chile one of the commodities involved is onions. While we are refraining from expressing any opposition relative to the reciprocal-trade agreements, we thought it advisable to advise you gentlemen who are representing the industry in Idaho of the fact that the growers of onions of the State of Idaho for the past 2 years have suffered tremendous losses due to the extreme low price of the commodity.

We would appreciate it if you would investigate and see if our information is correct and, if so, use your good influence in protecting the welfare of the Idaho onion industry.

I might add that the production of onions from Idaho must of necessity increase in quantity as the new land coming under cultivation is adapted to our standard commodities of potatoes, onions, sugar beets, and each must bear its relative increase in acreage.

Thanking you for past considerations and with kind personal regards, I remain

Sincerely yours,

GROWERS & SHIPPERS ASSOCIATION OF IDAHO,
DAVE L. BUSH, *Secretary-Manager.*

THE IDAHO STATE DAIRYMEN'S ASSOCIATION,
Boise, Idaho, March 19, 1940.

Hon. JOHN W. THOMAS,
United States Senator,
Washington, D. C.

MY DEAR SENATOR THOMAS: I wrote you some time ago, asking that you support the Pittman amendment, providing for Senate ratification of all future trade agreements.

Again I urge that you use all your influence to pass this amendment. You no doubt will hear from other dairymen and creamery operators in regard to this matter.

Thank you for any cooperation which you can give.

Very truly yours,

W. L. HENDRIX, *President.*

CALDWELL, IDAHO, *February 3, 1940.*

Hon. JOHN THOMAS,
United States Senate, Washington, D. C.

DEAR SENATOR THOMAS: At the regular meeting of Canyon County Pomona Grange, held January 18, the following resolution was passed.

Whereas the Canyon County Pomona Grange is in favor of true reciprocal agreements with other countries, whereby the products of each country are required by the other to fill their mutual needs, and

Whereas the grange believes the American farmer is entitled to the American market to the extent of his ability to fill the requirements of the same, and

Whereas the reciprocal trade agreements program, which will soon expire, does not meet these requirements or conditions, and a continuation of the same will be asked.

Therefore, the Canyon County Pomona Grange asks our delegation to throw its influence against the extension of the program and bring about a repudiation of all treaties entered into under this program that have not been ratified by the Senate.

MRS. ANDREW SMITH,
Secretary, Canyon County Pomona Grange.

DAIRYMEN'S CO-OP CREAMERY OF BOISE VALLEY,
Caldwell, Idaho, March 11, 1940.

Hon. JOHN THOMAS,
United States Senate, Washington, D. C.

DEAR SENATOR THOMAS: We regret passage of the bill by the House of Representatives extending the Trade Agreements Act for 3 more years. We are depending on you to vote for an amendment to the bill which will provide for the Senate ratification of trade agreements.

The dairy industry gives year-round employment for a large number of people, and we know of no other product that gives the farmer a steady income every month, every week, and every day of the year.

The reciprocal-trade agreements have been very detrimental to our people, and we believe that no individual not familiar with agriculture can understand how much damage trade agreements can injure Idaho farmers.

Very truly yours,

J. R. BROWN, *Manager.*

Civilian Conservation Corps—One of Most Popular Activities of Federal Government

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. SMITH of Washington. Mr. Speaker, I have vigorously favored an increase in the appropriations for the Civilian Conservation Corps and supported the Scrugham and Leavy amendments, on account of the outstanding accomplishments of this agency throughout the Nation and particularly in my own congressional district in southwest Washington. The useful and constructive work performed by the young men in the C. C. C. camps has received universal praise. In my State and district in addition to building trails, roads, bridges, the prevention of floods and soil erosion, and other public improvements, their services in effectively fighting forest fires has resulted in a saving of millions of dollars. The young men themselves have benefited greatly from the training and instruction which they have received, and, of course, their own compensation and the allotments to their dependents have provided added purchasing power. The expenditures for materials and supplies in the vicinity of the camps have been a direct benefit to numerous business firms and merchants.

I am advised that new camps will be established in my district for the summer of 1940 as follows: Camp NP–10, at Quinault, in the Olympic National Park, and reestablishment of the camp at Packwood, Mount Rainier; and the following camps will be continued in operation: Camp P–208

at Elma, Camp SCS–12 at Montesano, Camp F–34 at Randle, Camp P–223 at Doty, Camp F–40 at Carson, and Camp P–219 at Rainier.

I regret that if the reduction in the appropriation is restored in the Senate, which I hope it will not be, the following camps will likely be discontinued, which will be a serious loss and detriment to all concerned: Camp at Yacolt, camp at Skamania—known as Beacon Rock, Camp P–213 at Cathlamet, and the Millersylvania Camp in Thurston County where the project work has been completed.

Mr. Speaker, the fine record of the Civilian Conservation Corps under the able direction of the late Robert Fechner is being continued under his able successor, Hon. James J. McEntee.

Special Joint Congressional Forestry Committee

EXTENSION OF REMARKS
OF
HON. HAMPTON P. FULMER
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

Mr. FULMER. Mr. Speaker, on yesterday the House passed House Concurrent Resolution 51, extending the time for making a report by the Special Joint Congressional Committee on Forestry until the Seventy-seventh Congress.

This committee is composed of five Senators, as follows: Senators J. H. Bankhead 2d, Alabama, chairman; W. J. Bulow, South Dakota; C. L. McNary, Oregon; E. D. Smith, South Carolina; D. W. Clark, Idaho; and five Congressmen, as follows: Congressmen H. P. Fulmer, South Carolina, vice chairman; Wall Doxey, Mississippi; W. M. Pierce, Oregon; D. A. Reed, New York; H. L. Englebright, California.

We held hearings at Jacksonville, Fla., Syracuse, N. Y., Mobile, Ala., San Francisco, Calif., Portland, Oreg., Madison, Wis., and several hearings here in the city of Washington.

These hearings were completed some 10 or 12 days ago. The information gathered is now being printed in various volumes.

The request for this extension of time was necessary because the committee would not be able to write a report by April 1, 1940, at which time the life of this committee was scheduled to expire.

For the information of the Members and those who are deeply interested in our natural resources, our forestry resources being one of our major national resources, I will state that we were able to gather valuable information in the various sections of the United States where hearings were held.

I am one who conscientiously believes that the natural resources of the country belong to the people and should be utilized in the interest and welfare of all the people.

Not only were we able to get a real picture of the forestry situation from numerous witnesses appearing before the committee at these various hearings, but we were privileged to cover considerable territory adjacent to the place where we held hearings, during which time we had the opportunity of observing just what is happening to the forestry resources of the country. I want to state to you that unless something is done to stop the ruthless destruction of the forests of this country the years will not be many before the country as a whole will find itself in the position of certain definite sections of the country where large sawmill operators and pulp mills, who apparently are interested only in the dollar, have cut millions of acres clean.

You have heard about the Ozark tenant farm problem in Missouri. Certain operators moved into the southeast of that great State, and they have utterly destroyed the forests, which has brought about unemployment, delinquent-tax lands, and the closing down of many furniture factories, necessitating these folks securing forest products over long hauls from other sections.

NORTH LAKE STATES

The Northern Lakes region, often called the cut-over area, is a vast empire of some 57 million acres in northern Michigan, Minnesota, and Wisconsin. The region takes in 86 counties, the total population is slightly over one and one-half million, or about that of Detroit.

Here lives a population of one and one-half million. Many of these people suffer from lack of economic opportunity. Many are unemployed. Too many have to have relief of one kind or another. The people and the region, faced with excessive costs of local government, high taxes, and relatively low income, constitute one of the Nation's critical social and economic problems.

Woodsmen, miners, farmers, and others once made a good living in this region; some prospered, but with the turn of the century the trend of opportunity declined. Even before 1929 there were more workers than jobs. Today the region holds a stranded population.

The area of old-growth saw timber in the region has been reduced from fifty-seven million to two and seven-tenths million acres by logging and fires. Sixty-five percent of the second growth has little use at present. A program of restoration and protection for the forests will help industry to maintain its present position and insure its increased importance in the future.

Up until recent years the Lake States softwood furnished most of the construction timber, fence posts, telephone poles, and ties for an expanding agricultural and railroad empire. Its hardwoods made furniture, flooring, and other household articles for the Nation. By 1900 most of the pine was gone, and 20 years later the cream of the hardwoods had been removed. In 1890 Lake States lumber production was 35 percent of the Nation's total. Thirty years later it was but 8 percent. Today it is 4 percent.

In the North Pacific area, including the redwoods in California, Douglas fir in Oregon and Washington, we still have considerable valuable timber. However, most of it is in the hands of large operators who own large areas. While some few of these operators are doing a fairly good job in properly cutting, there are numerous operators, including large operators, who are cutting everything clean.

I passed through one section containing 35,000 acres owned by a large corporation. This area is covered by a logging railroad, and all of the timber is being cut, after which it will pass into the hands of the State of Oregon, as tax-delinquent land, and perhaps unpaid taxes for 3 or 4 years will be included in the tax delinquency.

At the time we held hearings at Portland, Oreg., a local paper in Coose County had to add 52 pages for the purpose of advertising tax-delinquent lands. These lands were owned by individuals, not by large operators or nonresident owners. Now, what does this mean? It means that those who own these lands will become nonlandowners. This will mean unemployment and the necessity for relief funds on the part of the Federal Government.

The next move I find on the part of the people of the great State of Oregon will be to place these lands in the Federal Forest Service. I, also, find that because of so much of the land having gone into the hands of the Forest Service, and because of so many thousands of acres being tax delinquent, the counties are now coming to the Federal Government requesting a larger tax payment for the purpose of helping the counties to defray their expenses.

In the meantime, the pitiful thing that is happening is that they are increasing the tax on those who are continuing to hold their lands, which, naturally, sooner or later will force them to give up, and again we have more tax-delinquent lands and more nonlandowners, as well as additional unemployed people.

WHAT ABOUT THE SOUTH?

One of the greatest resources we have in the Southeast is and has been our forest resources. I find, however, that practically all of the virgin timber has been destroyed, and thousands and thousands of acres have been cut clean, with tax-delinquent lands increasing, farmers becoming tenant

operators, and unemployment increasing by leaps and bounds.

Recently we have had forty-odd pulp and paper mills move into the Southeast. Many of our people were happy because of these industries coming to the South, believing that it would mean employment, increased purchasing power because of income from forest products and wages to the wage earners.

WHAT IS HAPPENING?

These mills operate under a hog-tied monopolistic program in buying pulpwood. Let me give you this concrete example: These mills divide the area into what is called regions, perhaps composing several counties. They then make connection with some party—a banker, merchant, or some other person who is financially able to carry out their contracts with the mills in buying and shipping pulpwood from that area.

This agent or contractor receives the price paid by the pulp mills, and the price is on a uniform basis in every State, out of which this agent or contractor proceeds to employ additional agents or contractors to purchase pulpwood direct from the farmers.

Practically all of the pulpwood is bought from the farmer in what is known as hog-round lot, containing so many acres. This contractor then proceeds to hire cheap labor; in fact, he is forced to hire cheap labor because of the price that he receives from the regional agent, and then they proceed to cut everything from the size of your arm on up. In a great many instances quite a lot of the timber thereon would make sawmill timber, which is much more valuable than pulpwood.

The price that is paid to the farmer ranges from 50 cents to $1 per unit. A unit contains 160 cubic feet, instead of 128 cubic feet, which is a standard cord of wood.

Farmers have tried to sell direct, but they are forced to sell through these agents; and, so far as having any bargaining power or being able to secure a price in line with the value of their products, they are just as helpless and as hopeless as a man who is confined to a chain gang.

This morning I had in my office the Assistant Administrator of the Wage and Hour Administration, securing information out of the investigations which we had made in the South about the pulpwood situation.

It is the purpose of the Wage and Hour Administration to thoroughly investigate and, if possible, prosecute the pulp and paper mills on the grounds that they are not complying with the wage and hour law for the reason that their agent representing the pulp and paper mill is not paying a fair wage.

I do not believe that the agent or the contractor operating under the regional agent should be held responsible for the ridiculously low wages which are being paid in the South, in that it is impossible to pay a halfway decent wage and pay farmers even the price that farmers are now receiving for their pulpwood, which is, as stated, far below the actual cost of producing pulpwood.

The trouble with the large operators, as well as the pulp and paper mills is that they all belong to their various associations, and they are operating under trade-practice rules and regulations, which naturally brings about a hog-tied monopoly in not only buying forest products but in selling their manufactured products. In fact, this is the serious trouble in our country today. Practically every one of these large and well-organized groups not only control their production but they control their distribution and the fixing of prices, all of which is at the expense of farmers and the consuming public generally.

During these hearings I have made statements along this line; but in every instance the representatives of these various groups, who were always present, stated that such views were ridiculous. To bear out my contention, the following clipping from the press may be of interest:

SOUTHERN PINE INDUSTRY RUNS AFOUL OF LAW

NEW ORLEANS, February 21.—The Federal Government, moving against an alleged monopoly in the southern pine industry, today fined the Southern Pine Association, comprising more than 275 mills in 11 States, and 2 affiliated organizations.

United States Judge Wayne G. Borah fined the association $10,000, and the Southern Pine Lumber Exchange, of New Orleans, and the National Association of Commission Lumber Salesmen, of Cleveland, Ohio, $1,000 each when they entered nolo contendere pleas to charges of violating the Sherman Antitrust Act.

The judge ordered the defendants to discontinue grading, inspection, and grade-marking practices by which the southern pine industry was allegedly controlled.

The indictment charged the Southern Pine Association and the Southern Pine Lumber Exchange compiled and distributed reports on production, orders, and shipments "which did not reflect the true southern pine industry"; and that the defendants, by "approving" certain dealers, grade-marking lumber after inspections, agreeing on price standards, and other practices, controlled the industry in Virginia, the Carolinas, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Oklahoma, and Tennessee.

I regret exceedingly that the committee was unable to write its report and make its recommendations to the Congress at this time. I make this statement for the reason that I hoped very much that we would be able to consider some helpful legislation—legislation which would tend to build up and preserve our forest resources in the interest of the people.

Some time ago I introduced a bill (H. R. 8550) known as the forest restoration bill.

I regret that we shall not be able to get any consideration of this bill during the present session, for the reason that I believe that not only will this bill work very successfully in every State in the Union; but, as far as the South is concerned, it would save us from the same situation that I have referred to in the State of Missouri, the North Lake States section, and other sections of the country where the forest resources have already been destroyed.

The Case for Labor

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

ARTICLE BY WILLIAM GREEN, PRESIDENT, AMERICAN FEDERATION OF LABOR

Mr. ANGELL. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article by William Green, which was published in today's issue of the Washington Post:

[From the Washington Post of March 27, 1940]

A. F. OF L. AND UNIONS

(By William Green)

Westbrook Pegler's charge that the American Federation of Labor condones and protects dishonest unionism is a deliberate falsehood.

The American Federation of Labor denounces the miserable few who manage to worm their way into the labor movement for dishonest purposes and personal advancement. We call upon our affiliated unions to root out and expel any individual found guilty of a betrayal of trust. In addition, we call upon the constituted public authorities of our cities, States, and Nation to enforce the law that applies to all our citizens without fear or favor.

The American Federation of Labor is a union of trade unions. It is composed of the following groups of organizations:

One hundred and six national and international unions, which have 33,744 local unions.

Forty-nine State federations of labor (including Puerto Rico).

Eight hundred and six city central bodies.

One thousand five hundred and sixty-eight directly affiliated local trade and Federal labor unions.

Four departments, which have 942 local councils.

The national and international unions, many of which antedate the American Federation of Labor itself, hold charters of affiliation with the American Federation of Labor, which gives them full autonomy and full authority to govern their own internal affairs. Their relation to the American Federation of Labor is like that of the States to the Federal Government. Their elected officers are responsible to the members of the union, not to the American Federation of Labor. The officers of the American Federation of Labor have no legal or constitutional authority to supersede the officers of a national or international union or to

give them orders. The American Federation of Labor has no power of compulsion over these unions. Their association with the American Federation of Labor is an entirely voluntary one.

That is as it should be. The underlying principle of the American Federation of Labor is voluntarism. These unions are represented in the annual conventions of the American Federation of Labor on the basis of their membership. They can, if they wish, vote to change the constitution of the American Federation of Labor so as to give the central authority police powers over them. They have not done so and they probably will not do so because they are jealous of their independence. They fear dictatorship. They reason that in a democratic organization supreme power should be vested in the membership rather than a small group of officers at the top.

Under these circumstances, if control of a national or international union passes into bad hands the American Federation of Labor must rely on the public authorities and the membership of the individual union to correct the situation. True, the other organizations in the American Federation of Labor can vote to expel a union from the federation, but that would punish the members of the union rather than the real culprits. That is not a cure, but amputation.

Experience has demonstrated that cases of this kind are extremely rare and that they are quickly remedied. Crooks cannot get away with it indefinitely in unions any more than in public life. The members of organized labor feel they are capable of governing their own unions. They do not consider it wise to sacrifice self-government to dictatorship for the sake of protection from the possible danger of racketeers.

The American Federation of Labor does have power to regulate to some extent the affairs of directly affiliated Federal labor unions, State federations of labor, and city central bodies. This power is effectively exerted whenever the necessity arises. I challenge Mr. Pegler or anyone else to point out a single case where the American Federation of Labor failed to act against wrongdoing in any of these organizations over which it possesses regulatory powers.

Mr. Pegler further charges that the American Federation of Labor demands public prosecution of union offenders in one breath and then, in the next, opposes the current antitrust campaign against unions conducted by Assistant Attorney General Thurman Arnold.

The American Federation of Labor does oppose this campaign. It will never agree that organized labor comes within the scope of the Sherman Antitrust Act, which was adopted to break up corporate and financial trusts. When this law was applied against unions, the American Federation of Labor secured the enactment of the Clayton Act, which specifically exempted labor unions from the provisions of the Sherman Act.

The American Federation of Labor and its affiliated unions condemn collusion, price-rigging, and monopolistic combines between local unions and employers. We insist, however, that such manifestly illegal practices, if they exist, should be prosecuted under the properly applicable laws, not the antitrust laws. We fear, with good reason, that the antitrust laws can be used as an instrument to destroy organized labor and place it under the thumb of the Federal Government. No legal prestidigitation can ever convince us that working men and women associated in a union for their self-protection against the entrenched power of industry and capital constitute a trust inimical to the welfare of the Nation.

President Roosevelt recently declared that most newspaper columnists are wrong 80 percent of the time. I would raise that estimate to 100 percent with respect to Mr. Pegler's baseless attacks on the American Federation of Labor.

The Reciprocal Trade Agreements Program Has Failed

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

RADIO ADDRESS BY HON. BERTRAND W. GEARHART, OF CALIFORNIA

Mr. GEARHART. Mr. Speaker, though I firmly believe that American enterprise, both agricultural and industrial, is entitled to the protection of a high tariff on competitive items from low-cost countries, I am also quite convinced that our export market can be expanded through the judicious use of the reciprocal trade agreements method—by "hoss trading," to make use of a popular and thoroughly understood colloquialism. I would be happy to support a proposal, constitutional in form, which is purposed to that end if I could be assured that it would be administered with due regard for and in recognition of the traditional tariff policy of the United States.

My opposition to the continuance of the so-called Trade Agreements Act of June 12, 1934, is based primarily upon my objection to the philosophy which has controlled the administration in its negotiation of agreements under the authority conferred by its enactment. The law has never been administered—as its fervent friends assured us it would be—in recognition of the give-and-take principle—that is, the granting of concessions within our own market in return for specified privileges in markets beyond our borders—but rather merely as an instrument for the accomplishment of a horizontal leveling of the protective-tariff walls set up by the Smoot-Hawley Tariff Act of 1930.

In other words, in agreement after agreement the tariff schedules on innumerable items have been slashed, with no other objective in view than to reduce our tariff protection to an approximate 50 percent of that which was fixed by the representatives of the people a decade ago.

In the last analysis, the real objection of the opponents of the move to extend this program, which has worked so much to the disadvantage of Americans and so much to the advantage of those who live beyond the seas, lies in the failure of the State Department to make full use, in its negotiations with other nations, of the tremendous bargaining power of the Nation with a view to the widening of our opportunities in foreign markets, and with a firm determination of preventing a disproportionate increase in the importation of competitive items.

I do not believe, Mr. Speaker, that I could better define the kind of reciprocal trade agreements law of which I would approve—one which would make full use of the tremendous bargaining power of our country in the foreign field—than did the late and lamented William McKinley, when he in his famous Cleveland speech said:

> The end in view is always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and cannot produce ourselves, and which do not involve any loss of labor to our own people but tend rather to increase our employment.

If the State Department had permitted itself to have been guided by this formula, which is so succinctly and persuasively stated, I do not believe there would be today very much opposition to the renewal of the trade-agreements program. It is a pity, indeed, that this program, fraught as it is with such great possibilities, has fallen into the hands of those who have become so infatuated with the indefensible principle of free trade that they can no longer deal with the subject of international trade realistically.

Mr. Speaker, on last Saturday night, because of the courtesy of the Columbia Broadcasting System, it was my privilege to address the people of the Nation on this subject. Though the time that was made available to me was not great enough to do justice to this most intricate subject, because I do treat of two points which I consider of great importance, I ask the unanimous consent of the membership of this body to conclude my instant remarks by reading into the RECORD that which I then had to say:

> Though the debate over the renewal of the reciprocal trade-agreements law has been extensive, there are certain phases of the issue which have not been, in my opinion, adequately discussed, one of which involves the promises made which remain unkept.
>
> Because I would like to discuss the subject from this particular angle, I am grateful indeed to the Columbia Broadcasting System and to station WJSV for the privilege which is, because of their courtesy, now mine.
>
> In 1934, when the proponents of the so-called Reciprocal Trade Agreements Act first urged the adoption of the program, two definite reasons were advanced. The first involved the promise to bring back through the use of this new method of regulating international trade the days of bumper prosperity which the country enjoyed during the 1920's.
>
> The second reason which these enthusiasts advanced was really but a part of the first one. They assured us—promised us, in fact—that the operation of the program would result most certainly in expanding our exports, to the end that farmers and industrialists alike would be able to enjoy again those good old days when everything we touched turned to gold.

In applying the acid test to the trade-agreements program, we must, of course, measure the economic conditions of today, the conditions prevailing under the Trade Agreements Act now in effect, as against the high state of bumper prosperity we enjoyed in the 1920's.

Has the Nation been brought back to that high state of prosperity enjoyed in 1929? Have they, under the administration of the trade-agreement law, been able to lift our Nation out of that abyss into which we plunged in 1932?

If, under reciprocal trading, the Nation has been brought back to a state of prosperity equal to or better than that which we enjoyed in 1929, then, indeed, the program must be counted as a success. But, if on the contrary, the Nation is still wobbling about on that low level of prosperity which was ours in 1932, then, indeed, we must be prepared to admit that the program has not achieved its promised objectives.

So, as a great American used to say a few years ago, "let us look to the record." The test of the pudding is in the tasting thereof.

In December of 1938, the National Industrial Conference Board completed a study which they entitled "Depression and Recovery in the United Kingdom and the United States," which is very, very illuminating indeed.

When we proceed to discuss this matter of recovery, we should remember that it was not only the United States that suffered from the depression; that the economy of the United Kingdom suffered the same shocks in 1929 as were suffered in the United States. As we were toppled from that high pinnacle of prosperity of 1929 down into that valley of discontent, which is represented by 1932, England, Wales, and Scotland tumbled right along with us.

But the United Kingdom, in its efforts to extricate itself, sought no relief through the adoption of any such a fantastic program as is represented in our so-called Reciprocal Trade Agreements Act of 1934. The United Kingdom merely tightened its belt and readjusted its expenditures in relation to its reduced income, applied common sense to its economy.

So it will be interesting indeed to compare the progress toward recovery that was made in the United States where reciprocal trading was the vogue and in England where they would have nothing to do with the fantastic idea at all.

What did this study of the National Industrial Conference Board reveal? Limitations upon time will permit me to refer to but a few startling facts which a comparison of the years of 1929 with 1938 elicited, facts highly favorable to the United Kingdom; tragic ones insofar as these United States are concerned.

Taking 1929 as representing par-100, the rate of recovery as measured by the index of industrial production in the United Kingdom was found to be 115.5 for the year 1938; whereas in the United States the industrial-recovery record for 1938 was at the below-par figure of 72.3.

Consequently, the United Kingdom at the end of 1938 stood fifteenth among the nations and the United States was at the bottom of the list of important nations in the world.

A comparison of per capita national income in these same two countries is likewise highly informative. In 1929, the per capita national income in the United Kingdom was $417; in 1938 it had climbed to $500. In the United States, per capita income in 1929 was $635; in 1938 it had fallen to $500.

Applying still another test, the National Industrial Conference Board found that the wages of American labor, from 1929 to 1938, fell 18½ percent, whereas in the United Kingdom the total wage paid to British labor increased by 20 percent.

And this vast difference cannot be accounted for by pointing to England's national-defense expenditures as these in 1938 only accounted for 6 percent of her total wage disbursements.

Interesting as are the facts and figures which I have just mentioned, it isn't necessary to tell an American audience that 6 years of reciprocal trading has not achieved its first promised objective, that is, a return to the high state of prosperity which we enjoyed during the Republican administrations of the 1920's. As a matter of fact, it is not necessary to cite figures to this result at all. One must merely appraise his own economy, evaluate his own situation, to find all of the proof that is necessary.

If the program has failed—if the promise of returned prosperity has not been kept—why should we persist in giving away the best market in the world to foreigners for nothing more substantial than the iridescent hope that somehow, someway we will, in return, get a foothold in another and far less desirable market on the other side of the world?

Is not the American farmer, the American manufacturer, the American producer, entitled to the American market insofar as he can efficiently supply it?

Because I believe that this market does belong to the Americans, because I believe that Americans should have a first right in their own market, I am opposed to the further reduction of our tariff schedules just to satisfy the whims and hallucinations of that gentry who have wedded themselves to the give-away policy of free trade.

Have our foreign markets been expanded, has the importation of products competitive to that which we produce in the United States been reduced, as promised by the advocates of the trade-agreements program?

If this, the second promise, has failed, what reason remains for continuing the program which has meant so little to Americans, so much to those who live and produce on the other side of the world?

As it is a western agricultural district in far-away California that I represent in the national legislative halls, it is the effect of the trade-agreements program upon competitive agriculture that interests me most. Let us for the moment consider the plight of the farmer under the trade-agreements program.

Though the agriculturists of our country were assured time and time again during the course of the campaign of 1932 by the candidate who was later to assume the highest office in the gift of our people that the tariff levels insofar as agriculture was concerned would not be lowered, the tariffs on hundreds of agricultural items have been slashed, many of them as much as the law will permit.

In 1934 agricultural imports were valued at $821,954,000. In 1939 agricultural imports jumped to $1,117,790,000. In other words, agricultural imports increased by $295,836,000; that is, by 36.6 percent.

Let us now consider agricultural exports. In 1934 our agricultural exports were valued at $733,400,000. In 1939 our agricultural exports fell in valuation to $655,583,000. In other words, while our agricultural imports were increasing, agricultural exports, under the adverse influence of the Trade Agreements Act, fell off in value by $77,817,000, or, by, 10.6 percent.

When we contemplate these figures, we must not forget that one of the purposes of the trade-agreements program was to expand our exports market and to prevent a disproportionate expansion of imports of competitive items.

This cold and stark record discloses beyond the peradventure of a doubt that instead of having expanded our exports of agricultural products that our exports of these items in 1939 was less than our agricultural exports in 1934, the year when the trade-agreements program was enacted into law.

In fact, a further and more detailed examination of the figures disclose that our export of agricultural products in 1939 were not only less than they were in 1934, the year when the trade-agreement program was initiated, but were less than they were in 1932, the bottom year of our economic depression.

And they try to tell the American agriculturist that he is not being hurt; that the importation of competitive agricultural products is not restricting his right to supply his own market; that the encouragement of competition in his own field is increasing his prosperity, expanding his happiness. Well, it is just too hard to understand. The American farmer simply can't see it that way.

And neither can I.

Because the promises have failed in respect to every essential point, the Trade Agreements Act should not be extended.

Southern People Support the Geyer Bill

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. GEYER of California. Mr. Speaker, some people have been wondering what support there is in the South for the move to abolish the poll tax as a prerequisite for voting. As far back as December 1937 there appeared in the Southern Planter, of Richmond, Va., an editorial "The Poll Tax—a Menace to Democracy," excerpts from which read as follows:

A suffrage limitation, called a poll tax, was written into the Constitution of 1902 and thus placed beyond the legislative power of the general assembly to amend or repeal. The following are its essential provisions:

1. An annual levy of $1.50 upon every voter, payable as a condition of registration.
2. Cumulation of poll-tax delinquency over a period of 3 years.
3. Prepayment of all matured poll taxes, at least 6 months prior to the election.
4. Provision for nonenforcement, i. e., easy escape from the tax collector by simple neglect of the voting requirements.

How amenable to the will of the people are these statutes, not one of which is fundamental, organic law, not one of which is not reasonably debatable?

The poll tax has been tried and proven to be a great disqualifier of worthy voters and an instrument in the hands of the majority of suppression of effective opposition. Since it is only through the votes of citizens that the fruits of free speech, free press, and education can be realized in public policy, the vote-destroying poll tax is an instrument of tyranny. * * *

In 1896, 295,000 men voted in the Presidential election in Virginia. By 1904 the voter poll tax had taken effect, and in that year's Presidential election 130,000 citizens were all that voted, only 26 percent of the potential electorate as compared with the untaxed vote in 1896 of 64 percent. Here was a loss to the State, after computing the increase in population, of 180,000 citizens accustomed to vote.

In 1912 Virginia went to the polls for one of the State's most distinguished sons, Woodrow Wilson. For him they cast 90,332

votes, and when this is increased by the votes for all other candidates, the total is only 136,000 out of a potential strength of 520,000, a vote only 25-percent efficient.

Between 1912 and 1920 women were extended the right of suffrage on a par with men. Were women more inclined than men to pay poll taxes and prepare for elections 6 months in advance? No; they were less likely—particularly farm and other rural women—to buy their admission tickets to the voting booth 6 months in advance. Only 230,000 men and women voted in the 1920 Presidential election, just 18 percent of the 1,247,000 persons in Virginia of voting age. * * *

And thus before the bar of public opinion stands arraigned the poll tax: The destroyer of democracy, the natural ally of dictators, Virginia's public enemy No. 1. It is more to be feared than the German propaganda, more threatening than the Russian Comintern, for, if it survives, representative free government in Virginia must ultimately perish.

In introducing my bill, H. R. 7534, I did it in response to an urgent request from a large southern organization, the Southern Conference for Human Welfare. Since that time I have received a flood of letters from all eight poll-tax States, as well as from other States in the Union, sanctioning my action. In addition, I have noticed a growing number of editorials in publications in these and other States, supporting the abolition of the poll tax. The following are a few examples of the letters and editorials in my file:

GARDENDALE, ALA., *February 27, 1940.*

Hon. LEE E. GEYER,
Washington, D. C.

DEAR SIR: I am writing to you in regard to your bill to abolish poll taxes as a requisite to vote. Jefferson County, Ala., has a population of 630,000. It has one Representative in Congress. He was put there on the last election by a little over 22,000 votes. Jefferson County is also one of the most lawless counties in the United States. The small vote is the reason. There are more people on relief in Jefferson County than there were votes cast for the successful candidate for Congress in the last election. I sympathize with the object of your bill. I see no valid reason why it should not pass.

There is a sales tax in Alabama. It hits both rich and poor. I need not remind you that the American Revolution was fought over the principles that taxation without representation is tyranny. Disfranchised people in the South are not all ignorant. They are merely poor. If your bill finally loses the only course left is for Congress to abide by its sworn duty to support the Constitution of the United States. It must reduce the Representatives in Congress of the eight poll-tax States according to the number of disfranchised persons above 21 years of age. The ball has started to rolling and the people of the South must have the right to vote or three-fourths of the Congressmen must lost their jobs.

Respectfully,

C. M. HARDING.

An excerpt from an editorial, Favoring a Free Ballot, Macon Telegraph, Macon, Ga., March 9, 1940, reads:

Attention has been called to the fact that the registration books for the 1940 primaries will close on May 5, and in this connection it is recalled that a drive is being made in Congress to prohibit any State from collecting a poll tax as requisite to register and vote.

Commenting on this drive, Governor Rivers is quoted as saying that he is in favor of such legislation and he has always felt that three things should be free—schools, highways, and the ballot.

MARKED TREE, ARK., *March 2, 1940.*

Hon. LEE GEYER,
Representative From California,
Washington, D. C.

DEAR MR. GEYER: My attention has been called to the fight you are making in Congress for the abolition of the poll-tax receipts for a prerequisite for the right to vote.

Please accept my hearty congratulations and my endorsement. I wish I were up there to help you.

Very truly yours,

C. T. CARPENTER.

DEAR CONGRESSMAN GEYER: I understand that your bill dealing with the poll tax is now before the committee in Washington. The sentiment is unanimous among those with whom I associate that such a bill as yours, which prohibits the requirement of a poll tax for voting in Federal elections, would be a splendid advance in achieving democracy. It will not be long before our State will make a determined effort to abolish it for local voting purposes, but the Federal Government could make that advance now by passing the bill as proposed by you.

The poll-tax requirement in Texas disfranchises at least one-third of our people each year and, in fact, forbids them the right of citizenship. I endorse fully your bill.

Very truly yours,

W. J. HAMMOND.

HOUSTON, TEX.

Hon. LEE E. GEYER,
Washington, D. C.

DEAR SIR: I have just listened to your very good hard-hitting address in regard to poll tax. I believe your bill—H. R. 7534—a timely and badly needed remedy for a situation which has seemed to grow worse instead of better. However, it was a surprise to learn that only eight States—and those States southern—charged for the right to vote.

This year I paid $3 for my wife and myself for poll-tax receipts. Last year I did not feel we could spare the extra dollar and a half and so paid only my own. What you can do to rectify a regrettable situation will be remembered each year by the people of the South.

What I can personally do to help your bill you may depend upon my doing, and I will bring it before the members of Local No. 7.

Sincerely yours,

C. P. MARION, *Secretary.*

GREENSBORO, N. C.

Hon. LEE GEYER,
Washington, D. C.

DEAR MR. GEYER: I herewith submit copies of a resolution which was adopted in Burlington, N. C., March 10, at the State-wide legislative conference of the North Carolina League for Progressive Democracy.

Present were 300 from 25 C. I. O. unions, 13 A. F. of L. unions, 5 independent unions (railroad brotherhoods, etc), 2 farm organizations, 8 college faculties, 6 youth groups, 3 Negro organizations, 2 Y. W. C. A. units, and 3 old-age pension groups. Our registration records show that, in addition, individual lawyers, doctors, and merchants attended the day's session.

I hope that you will be able to use this resolution in behalf of your bill aimed at abolishing poll tax.

Sincerely yours,

MIKE ROSS,
Assistant Secretary-Treasurer.

An excerpt from the inaugural address of the Governor of Mississippi reads:

CORRUPT PRACTICES ACT

The expressed will of the people in Mississippi is supposed to be the law of the land. It is the source of all legitimate government. If we would protect our people against oppression and corruption, we should keep our Government in the hands of the masses. Why should we disfranchise a man because he is poor? Why should we, by law, penalize poverty? Think of making a man and his wife pay $8 before they can participate in an election. That is the law today. Many who voted last year were required to labor for several days in order to obtain poll-tax money. A voter in a primary now is required to pay $2 each year for 2 years before he can vote.

Thousands of our good citizens in Mississippi are working on relief or receiving support from the Federal Government. It is wrong and oppressive to demand that they take relief money, and that is the only kind they have to pay poll tax in order to participate in the primaries. I am absolutely opposed to a poll tax being required of our citizens in order for them to participate in the primaries.

I can see a marked tendency in this country to deprive the masses of participating in elections. Such oppression should not be tolerated in a free State any longer. The best and safest form of government is that which most nearly represents the voice of the people. Why should a man, who is required to work and help support his State and all its great institutions be deprived of the right to participate in the choosing of the officers who are to govern the State?

I recommend that you repeal that part of the so-called "Corrupt Practice Act" which requires the payment of poll taxes before participation in the primary election.

NASHVILLE, TENN.

Mr. LEE GEYER,
Washington, D. C.

DEAR MR. GEYER: I have been reading in the Southern Almanac about your good work to eliminate the poll tax in the South. I hope you will succeed in this because when we get the right to vote we will feel that the country is more like the democracy which we hear so much about.

Sincerely,

RICHARD HARD.

An excerpt from the Birmingham News, Birmingham, Ala., March 7, 1940, reads:

Now that the city commission election is well past, with the result and the way Cooper Green has taken hold of his new duties as commission president, it should not be considered captiously critical to point out that Mr. Green was chosen in an election in which only 5.7 percent of Birmingham's population participated. The official vote was 17,721, and Birmingham's estimated population is 304,884.

There are other figures worth looking at, however. In 1930, 61 percent of Birmingham's population were 21 years of age or over, and were either native-born Americans or naturalized aliens. Assuming that percentage still holds, Birmingham today has 186,000 potential voters. Of that number slightly less than 9 percent took part in the recent election.

FEBRUARY 24, 1940.

Hon. LEE E. GEYER,
Washington, D. C.

MY DEAR SIR: We recently learned that you shall do your utmost to have legislation passed by the Congress to abolish the nefarious and un-American poll tax, now disfranchising countless citizens in eight Southern States. * * *

Will you kindly send us a copy of the bill which you have introduced in the above particular? * * *

If we may be of any assistance to your noble efforts, please do not hesitate to call upon us.

With best wishes, I am,

Most sincerely yours,

J. L. LEFLORE,
Chairman, Regional Conference of Southern Branches, National Association for Advancement of Colored People, Mobile, Ala.

An excerpt from an editorial, Highlights of Virginia Suffrage History, in the Southern Planter, Richmond, Va., February 1938, reads:

People who oppose poll-tax repeal in North Carolina, Virginia, or anywhere else, are not afraid of the Negro, they are afraid of democracy. They are unwilling that government shall be of the people, by the people, and for the people.

FORKSVILLE, VA., *March 4, 1940.*

Hon. Mr. GEYER,
Washington, D. C.

DEAR SIR: The writer extends greetings and wishes to congratulate you regarding your efforts to do away with the poll tax in Virginia and other seven Southern States. * * *

The writer assures you that he will appreciate, and I feel sure 90 percent of the Virginians will also, if you can get your bill through Congress.

Yours very respectfully,

V. GARLAND DAVIS.

An excerpt from The Commonwealth of Virginia in an editorial, The Poll Tax—A Burden Upon Education, reads:

The outspoken defenders of the voter poll tax are, as a rule, quite insincere; for in clever speech they voice their desire for the tax as a support for the public schols, but in their hearts they cherish it as a sort of central wheel in a vicious political machine—a device for keeping the electorate small and readily controllable. Clothed in the guise of the defenders of education, they smugly decline to discuss the issue further than to pose the question, "What would our free schools do without the revenue from the poll tax?"

Our answer to this poser is, Have three times as much revenue for the schools by disconnecting the tax from elections. Treated strictly as a tax the yield of the poll tax would be three times as large and its burdens far more equitable. From one-third of the adult population of Virginia the public schools and local treasuries now receive, on a 4-year average, about $700,000 annually; from the other two-thirds they receive nothing; but if the poll-tax collections were made fair and equal upon all persons over 21, they would receive more than $2,000,000.

In addition to the above letters and editorials the following letters and excerpts from the press give personal testimony as to the effect of such a tax upon individuals or their communities:

ENSLEY, ALA.

Hon. LEE GEYER,
Washington, D. C.

DEAR SIR: This is to inform you that I registered August 18, 1933, and have not been able to vote on account of unpaid poll taxes.

Very truly yours,

G. H. LUCIUS.

PARIS, ARK., *March 1, 1940.*

DEAR CONGRESSMAN: We go on record congratulating you and your bill, which is to go before the Judiciary Committee March 4, to keep a State from levying a poll tax to vote for Federal elections. We are in need of such a bill, due to the fact that there is not over 30 percent of all people who have the right to vote, due to the fact that they haven't got the money to buy a poll tax.

Such a bill would be appreciated by this local, United Mine Workers of America, and we want to again thank you for introducing this most important bill.

Signed by the committee.

O. R. NELSON.
G. L. CONNAUGHTON.
LAURENCE REDDING.

An open letter from Ralph Sanders, minister of the First Christian Church, Cullman, Ala., to the Cullman Democrat, published February 8, 1940, discusses the poll-tax evil in his community:

Before the expiration of the period for paying poll taxes on February 1, 1940, more poll taxes were paid than at any other time in the history of the county. It is common knowledge that a large part of this excess was made by persons or their representatives who paid taxes so that the voter could qualify in the coming elections. It is such common knowledge that one of our papers recently carried, as a joke, an item about a certain citizen who paid his own poll tax. Jokingly the paper accused him of trying to be different from everybody else, or of trying to get notoriety for himself. Another issue of the paper gives striking inference that its editors know about the practice for in its news story about the large number paying poll taxes this year it says, "Those without funds or unwilling to pay out of their own pockets 'some-way' found funds immediately available with which to become voters."

You do not need to be long in a group of men who are discussing community enterprise before you will find out everybody in the group knows about some person or their representative engaged in the widespread payment of poll taxes. During the past several days person after person was approached by other persons as they sought to find out where to go to get their taxes paid. * * *

RALPH SANDERS.

Endorsed and signed by: John E. Marion, R. B. Lavendar, J. H. Brown, Theo. F. Mehl, Cecil C. Hemly.

MONTGOMERY, ALA., *March 7, 1940.*

Hon. LEE GEYER,
Washington, D.. C.

DEAR SIR: Enclosed you will find some newspaper clippings from Montgomery Advertiser on your bill to kill the poll-tax collections in the States. You are doing a good job. Keep it up. The tax on voting is the dirtiest law ever forced on a free people. I was for years an A. F. of L. organizer. I know these rotten politicians as well as anyone. * * *

This depression is 10 years old and hundreds and thousands in Alabama have less than a hundred dollars a year cash income—give them all a chance to vote and by the help of God they will elect people to office who believe in a half-way decent living for his fellow man. The politicians know now who to depend on voting. * * *

I believe that the gallant men of 1776 meant for every citizen of America to vote and vote free without taxes. You are on the right track. Give both the white and colored who can qualify the privilege to exercise his (God) given right as a freeborn American citizen, the tax-free vote.

Most respectfully,

CLARENCE W. WALLS.

Since the introduction of H. R. 7534 to amend an act to prevent pernicious political activities a growing sentiment for poll-tax repeal within the States has been reflected in the press. The following are some of the press comments within the poll-tax States:

From the Nashville Tennesseean, Nashville, Tenn., March 7, 1940:

J. Ridley Mitchell, former Fourth District Congressman, said today he was not a candidate for the Democratic nomination for Governor but would become one "if the people want me."

He said he favored abolition of the poll tax as a prerequisite for voting, asserting "the poll tax disfranchises too many persons who should have the same political right to cast a ballot as the person who has the money to buy the tax."

From the Fort Worth Star Telegram, Fort Worth, Tex., March 8, 1940:

The poll tax is, of course, a head or personal tax that has been employed for centuries. The idea of using the ballot box as a collection agency originated in this country. A much more practical means of bringing in revenue from a head tax would be to fasten the poll levy on the drivers' license certificates. Thereby Texas would collect more than 2,000,000 poll-tax assessments rather than less than a million, at present.

From the Knoxville News Sentinel, Knoxville, Tenn., March 5, 1940:

George H. Cate, former Tennessee welfare director, declares that the chief issue facing Tennessee right now is the repeal of the poll-tax requirement for voting.

Says Mr. Cate: "We should begin working right now to elect a legislature that is definitely committed to poll-tax repeal. Once that is done, all good things will follow." * * *

No man should pay a tax for the right to vote. The poll tax is at the root of many a governmental ill, and its repeal will put people in a position to make the fight for democracy that should be made.

From the Richmond Times Dispatch, Richmond, Va., Tuesday, March 5, 1940, a reprint of editorial, End the Poll Tax Racket, Newport News Daily Press:

Will the legislature find time to enact into law the Walton bill setting penalties for the payment of poll taxes en bloc?

As sound as the measure is, there is strong opposition to it in some quarters. Certain politicians have made a practice of paying poll taxes en bloc for many years, and the voters have come almost

to expect this payment as their right. Such a practice, of course, is undemocratic. But it exists, and some are tenaciously clinging to it.

The Democratic Party must correct poll-tax abuses or the day may not be far distant when the poll tax as a prerequisite of voting is done away with. There already is a strong movement in this direction, and abuses give the abolitionists valuable ammunition in their fight.

From the Nashville Times, Nashville, Tenn., March 7, 1940:

Governor Cooper has stated that a special session of the legislature for the purpose of repealing the poll-tax requirement for voting is out of the question. If our chief executive is not wholeheartedly in favor of this step toward more popular government, we believe he is wise not to call such a session. The gesture is futile unless the Governor is enthusiastic over the reform. Hostility on his part, or even lukewarm endorsement, would probably mean the repeal would be voted down.

We must confess to a certain disappointment. The Governor detects hidden political motives in the letters urging him to act now. We do not doubt but that these exist in certain quarters. But the best way to take the issue out of peanut politics is to have it endorsed by all factions. If Mr. Cooper were to put himself at the head of a movement to do away with the poll tax, he could accomplish more than anyone who aspires to run against him.

However, even though the poll tax seems to be with us for some time longer, repeal cannot be deferred indefinitely. This is an archaic law prevailing in a few Southern States, which for no good reason prevents us from having a real democracy. Economic conditions of today serve to make the levy a tremendous obstacle to voting in the case of a number of citizens. The South is becoming too progressive to permit that obstacle to exist forever. No King Canute of the twentieth century will be able to turn back the tides.

Comments on the bill have not been confined to the poll-tax States alone as illustrated by the following press excerpts and letters:

From the San Francisco Chronicle, San Francisco, Calif., March 4, 1940:

If more than lip service were given to democracy and if the search realy was to uproot whatever subverted and sabotaged the democratic processes, the eyes of the Nation would be centered today upon congressional hearings in Washington on the Geyer bill.

The right of millions of persons, now disfranchised, to be represented in their local, State, and National Governments will be under discussion Wednesday before the House Judiciary Committee. * * *

At the request of the Southern Conference for Human Welfare, which with a large number of southern women's organizations has been trying to obtain repeal of the poll-tax laws in eight States, Congressman GEYER of California introduced H. R. 7534 last session.

This bill is a direct appeal to Congress to declare the poll tax illegal in all general elections for Presidents and for Congressmen. * * *

As the voting law stands in Texas, Arkansas, Alabama, Georgia, South Carolina, Tennessee, Virginia, and Mississippi, two-thirds of the voting population is disfranchised.

These are not simply laws to insure race supremacy, they are economic and political above all else.

From the San Francisco Bay Area District Council No. 2, Maritime Federation of the Pacific:

FEBRUARY 27, 1940.

Mr. LEE GEYER,
Washington, D. C.

DEAR MR. GEYER: We wish to assure you of our support for H. R. 7534, entitled, "An act to prevent pernicious political activities," which you have introduced in Congress.

Payment for the privilege of voting is a disgrace to our claims of being a democratic nation and is a flagrant violation of the rights of the people in those States where poll taxes are levied. You may rest assured that the maritime workers in the San Francisco Bay area are appreciative of your efforts in behalf of abolishing this openly discriminatory practice.

We would greatly appreciate your keeping us informed as to the progress of this bill in Congress.

Sincerely yours,

REVELS CAYTON, *Secretary.*

DEAR MR. GEYER: We, of the Forty-fourth Assembly District Democratic Club of Los Angeles, want to commend you for your poll-tax bill, H. R. 7534.

We believe that this is a great step forward to give the Negro element of our population the rights and standards of living to which they are entitled as American citizens.

Therefore, we urge the immediate passage of H. R. 7534.

FORTY-FOURTH ASSEMBLY DISTRICT DEMOCRATIC CLUB.
CHARLES A. NELSON, *Secretary.*

[Wire]

CHICAGO, ILL., *March 9, 1940.*

DEAR SIR: We offer our wholehearted support regarding your poll tax bill; also we urge you to fight the antialien bills now before the House. We are opposed to any change in the Wage-Hour Act and trust that you will continue to contest un-American policies respectfully.

PACKINGHOUSE WORKERS ORGANIZATION COMMITTE, LOCAL 24.

SAN FRANCISCO, CALIF., *February 29, 1940.*

Hon. LEE GEYER,
Washington, D. C.

DEAR CONGRESSMAN GEYER: We wish to express our appreciation for the introduction of H. R. 7534, entitled "An act to prevent pernicious political activities," and assure you of our support.

Payment for the privilege of voting is a disgrace to our claim of being a democratic nation and is a flagrant violation of the rights of the people in those States where poll taxes are levied.

You may rest assured that the thousands of workers organized in the C. I. O. and represented by this council are appreciative of your efforts in behalf of abolishing this openly discriminatory practice.

We would appreciate your keeping us informed as to the progress of this bill in Congress.

Respectfully yours,

SAN FRANCISCO DISTRICT INDUSTRIAL UNION COUNCIL.
GERMAIN BULCKE, *Secretary-Treasurer.*

UNIVERSITY OF CALIFORNIA FACULTY CLUB,
March 4, 1940.

MY DEAR CONGRESSMAN: Your efforts to remove poll-tax requirements for voting are appreciated in your own State. I enclose clippings from this morning's San Francisco Chronicle as evidence.

You are entitled to full support in your effort to have a full investigation of the effects of the poll tax.

Sincerely,

PAUL S. TAYLOR.

SAN FRANCISCO, CALIF., *March 1, 1940.*

Congressman LEE E. GEYER,
Washington, D. C.

DEAR MR. GEYER: We have learned that you have introduced in the House of Representatives a bill entitled "An act to prevent pernicious political activities."

It is our understanding that the passage of this measure would eliminate the levying of poll taxes against Negroes and whites in certain Southern States. Such poll taxes have been used effectively to prevent citizens of the United States from voting as is their constitutional right.

The 4,000 members of this union appreciate your efforts on behalf of these people who have been prevented from voting by the poll-tax evil and we assure you that we will render all possible support to assure its adoption by the Congress of the United States.

Very truly yours,

HENRY SCHMIDT,
President, International Longshoremen's and Warehousemen's Union, Local 1-10.

UNITED FISHERMEN'S UNION OF THE PACIFIC,
SAN FRANCISCO BRANCH,
San Francisco, Calif., February 28, 1940.

Congressman LEE E. GEYER,
Washington, D. C.

DEAR MR. GEYER: It has come to our attention that H. R. 7534, entitled, "An act to prevent pernicious political activities," introduced by yourself in Congress, is being held up in subcommittee of the House Judiciary Committee.

We are writing to Representative FRANCIS WALTER, chairman of this subcommittee, a vigorous protest against holding up this bill in committee any longer, and urging that it be reported favorably out of committee.

We wish to assure you of our sincere support in your efforts to do away with the undemocratic poll tax as a condition of voting in Federal elections, and thus give the vote to millions now disfranchised in eight Southern States where this evil practice now exists.

We would appreciate hearing from you as to the progress of this bill in Congress.

Sincerely yours,

JOHN SMIRCICH, *Agent.*

FEBRUARY 29, 1940.

DEAR MR. GEYER: The Warehouse Union, Local 1-6, I. L. W. U., assures you of its support of H. R. 7534, entitled "An act to prevent pernicious political activities," which you have introduced in Congress.

The fact that, in the South, people have to pay for the privilege of exercising their democratic rights is, we feel, a shame and a disgrace upon our Nation. We wish to extend our congratulations to you for attempting to rectify the situation and give back to the people in those States where poll taxes are levied their democratic rights.

Truly yours,

JOE OWENS,
Recording Secretary.

After the Deficit—What?

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

EDITORIAL FROM THE SATURDAY EVENING POST OF FEBRUARY 24, 1940

Mr. GEARHART. Mr. Speaker, in the February 24 issue of the Saturday Evening Post there appeared a most remarkable editorial, one which the editors entitled "After the Deficit—What?"

Because of the kindness of Mr. Allan P. Matthew, a public-spirited citizen of San Francisco, Calif., in calling this editorial to my attention, I am able to offer it for inclusion in the CONGRESSIONAL RECORD as a part of my instant remarks.

The editorial follows:

[From the Saturday Evening Post of February 24, 1940]

AFTER THE DEFICIT—WHAT?

It is a sign that so nearly everybody begins to believe, at least a little, in Fortunatus' purse. The deficits go on piling up—twenty-seven billions in 9 years—and nothing happens except that Secretary Morgenthau now suggests that the statutory debt limit, fixed 23 years ago at forty-five billions, be increased to fifty billions. The more the Government lives beyond its income the higher its credit goes. The more it borrows the less it pays, so that now you see the United States Treasury discounting its notes at the bank for less than 1 percent. This is the house of magic. Why balance the Budget?

It is a sign that the President is no longer annoyed, only slightly amused, when the words he uttered in 1932 are quoted. Speaking then of the puny Hoover deficit, he said: "Let us have the courage to stop borrowing * * * stop the deficits. It is my pledge * * * a stern and unremitting administration policy of living within our income." For, alas, how often it had befallen the good ship Liberal to be forced on the rocks by an unsound fiscal policy. All he needs now to say is that times have changed. "Following 1933," he says, in his last Budget message, "the fiscal policy of the Government was more realistically adapted to the needs of the people."

It is a sign that the President now says the Government cannot balance the Budget by reducing its expenditures. That is quite out. It would be socially wrong to try. It might, in fact, be ruinous. But if those who keep talking about it in "glib generalities," saying the Government ought to do it, will only go to work and earn more money with which to pay taxes, then "they will be in a position to anticipate balanced budgets without curtailing essential social programs." Meanwhile the deficits will be met by borrowing as much as is necessary.

And these are signs of what?

We wish we could say they are signs only that we are playing with national bankruptcy. That is true. The house of magic has no other exit. Even so, there is that way out. You can pay and forget it. But from a worse thing that could happen there is no such easy escape. These signs are telling us what that is. They say to us that we are losing control of government, if, indeed, we have not already lost it.

The long story of man's struggle first to gain freedom and then to keep it turns upon the single truth that freedom and government are by nature antagonistic. This is so because one limits the other. The more government, the less freedom; the more freedom, the less government. You cannot have absolute freedom because that is anarchy. Government, therefore, is necessary to freedom. But you can have absolute government with no freedom at all.

There exists in all government, latent or active, a passion to do innumerable things, to administer the affairs of people, to extend its power and authority infinitely. What hinders it is the idea of freedom. And long before government dares to attack freedom, it will begin instinctively to undermine it by holding out to people in exchange for it such baubles as security, instant pain killer, the pink bottle, relief from the anxieties of self-responsibility.

Thus, the first thought of a free people must always be how to limit government, else it will swallow them up; and the conclusion of experience is that the only practical way to limit government is to limit its purse.

This Government of ours was set up to be constitutional in principle, representative in form, and limited in fact, with emphasis on limitation; and it was not a democracy, as we now say. It was a republic. It was limited by word of the Constitution, by a balance of the executive, legislative, and judicial powers, and, very importantly, by tight strings on the purse. That is to say, its power of taxation was limited.

And so it endured for a long time, unique in the world, successful beyond any other, as if at last the problem of how to reconcile freedom and government had been solved. All that we are, our greatness entire, is owing to freedom in the American measure. The spirit was grimly kept, as it had to be, and the slightest break in it was strongly rebuked; once by Cleveland, who vetoed a bill appropriating $25,000 out of the Public Treasury to buy seed for drought-stricken farmers, saying as he did it that it was well, even in a little matter, so big was natural sympathy, to assert the principle that it was the part of the people to support their Government, not the part of government to support its people.

Then a time comes when the country is in terrible pain. A law of correction is acting, but it is a very hard law. False members of the economic edifice that were erected in ecstasy are falling, and as these fall they threaten to involve the good members too. The Government is ready, eager, to put forth a supporting hand, and the hitherto jealous spirit begins to waver. Why not, for only once in a way? Is it not the people's own Government? Is it not as if the people were putting forth their own hand to support themselves? Yet the jealous spirit that is saying "no" must be quieted, and that is done by saying to it: "This is a national emergency, like war."

So it begins; and that member of our political edifice which you may call historic wisdom falls without a crash, silently. It is forgotten that the hand of government, touching a thing to give it support, fastens upon it and is unrelaxing.

But in what way does the Government support anything? It produces nothing. It has no wealth of its own. In its supporting hand there is only what it takes from the people. How, for example, does it support the unemployed of the cities but by taking from the cities in taxes what the cities might have taken from themselves, and then giving it back to them to be distributed among their unemployed?

Well, besides having now an unlimited power to levy taxes under the income-tax law, the Government has also an unlimited power to borrow. The States and cities have exhausted their credit; they cannot borrow any more. But the Government has credit, the last credit there is. It can borrow for the general welfare, from the future for the present. This is dangerous. It is a way of buying time. But it shall be for the duration of the emergency only. It shall stop before it is too late; the future shall be paid back with interest. This is the forethought of solvency, an old habit among us; but the Government is not interested in solvency. Its interest lies in all doing, for the good of the people, who cannot do it so well for themselves.

Now, look again at the deficits, not as an astronomy of money but as current history.

They tell how a government that, as a matter of principle, was supported by the people, because not otherwise could they control and limit it, has become a government that supports its people. Its supporting hand now touches the entire life, discharging with equal zeal responsibilities both social and economic. Under the head of one it brings support to the unemployed, because there is not enough work; to the young because they were never well started; and to the old because they have never had enough comfort. Under the head of the other it supports agriculture, with subsidies and aids amounting to more than a billion and a quarter a year, because it was too ill-rewarded; then business, with billions poured into the pump because it needs priming. When many debtors cannot afford to pay their debts and their creditors cannot afford to forgive them, then the Government must support the private debt structure, because, as the President says, although "isolated debts can be defaulted without great harm to the general economy," this is not true "when, as in 1933, a large part of our private debt was in danger of default." It follows, as he adds, that "a part of the existing public debt * * * is in fact accounted for by the necessary assumption by the Government—through the familiar bailing-out process—of private debts on the verge of default."

Mark the word "necessary." Mark also what he is saying. Private debt was converted into public debt. At the same time the debt structure of States and cities was about to break down, and the Government found it necessary to support that, too, and to borrow in their stead.

All the effects are hypnotic, stealing away the jealous tradition and putting in place of it habits of dependence; States, the richest cities, business, debtors, agriculture, classes and groups, the unemployed, the young, the old, and the halt, all depending on the Government for support.

As this change takes place and becomes definite the language of the Government begins to change. It no longer pretends, as at first, that it is ever going to balance the Budget by reducing its expenditures. Let those who say it can be done indicate the victims. Shall the supporting hand of government be withdrawn from these and not from those? And if from all at once, who will answer for the consequences? There now is that challenge in the President's Budget message. The recession in 1937, he says, was owing to the fact that the Government did "curtail its net expenditures too sharply." It expanded them again, and all was well—except for another deficit.

Now, if Government expenditures cannot be reduced, and since, in the nature of things, deficits cannot go on forever, what can the sequel be? What will come after deficits?

The deficit phase is temporary. While it lasts, people have the delusion of getting something for nothing. They are eating up tomorrow, but tomorrow also will come, lean and starved. Then reality.

When the Government is no longer able to borrow, it will have to increase its income by taxation. To do this, it will have to compete more and more with the States and cities for control of the sources of tax revenue. The taxpayer now pays local taxes, State taxes, and Federal taxes. This triple squeeze of him is wasteful and unscientific. Now it is proposed that there shall be but one squeeze; the Federal Government shall collect all the taxes and apportion back to the States and municipalities what is fair. At the same time the President is proposing that rich areas and communities shall be taxed according to their ability to pay, in order that poor, underprivileged communities shall have more.

But we are not talking about taxes. What we are saying is that the unbalanced Budget is not primarily a problem of public finance. It is an opiate administered by Government, inducing false dreams of security and well-being forever, with no pain of responsibility.

What could happen within the lullaby—"our frame of government"—is already more than we had been able to imagine. From where we were 10 years ago, when, as the President says, "the relatively low and constant level of expenditures through the 1920's accurately reflected the relatively minor role played by the Government"—from there to where we now are was a longer step than it would be from here to a complete surrender of the spirit of self-responsibility and a debacle of liberty.

When the deficit phase ends and the people come awake, they will find themselves supporting government again, as always before, because no government supports itself, let alone the fantasy that it can support people; but when they come awake, what kind of government will they be supporting—one that they control or one that controls them?

Anniversary of Greek Independence

EXTENSION OF REMARKS

OF

HON. HERMAN P. EBERHARTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

RADIO ADDRESS BY HON. HERMAN P. EBERHARTER OF PENNSYLVANIA

Mr. EBERHARTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me over the radio on March 23:

The second Grecian civilization was ended when, on May 29, 1453, the Turks captured famous Constantinople, the capital of the 1,000-year-old Byzantine Empire. A period of 368 unhappy years followed. Then on the 25th of March 1821 Archbishop Germanos, of Old Patras, blessed the widespread revolution of continental Greece and the islands which at that time formed a part of the mighty and cruel Ottoman Empire.

For more than three and one-half centuries the historic land of Greece was darkened by the sinister clouds of barbarian rule. Fate had it that the enlightened and progressive Grecian people should become subservient to a race of religious fanatics, who descended upon the Greek Empire's thriving Provinces in Asia Minor, in Europe, and throughout the Mediterranean, rushing from far-off Turkestan with a fury and lust for blood unprecedented in the history of the human race.

During that period, despite fierce persecution and untold suffering, the Greeks never lost faith in the future of their proud race. Thoughts of a brilliant past kindled their patriotism and their undying love for liberty. Throughout those disheartening centuries they found comfort and hope in their devotion to the religion of the Nazarene. Thus the church had become the nation's ark.

The book of history records in countless pages the unparalleled sacrifices and the superhuman efforts that the Greeks exerted in their uneven struggle to free themselves from the tentacles of the Turkish octopus that had gradually become deeply entrenched over vast parts of Asia, Europe, and Africa. There were times when the road to liberty seemed endless and hopeless. Nevertheless, the struggle went on from 1453 to 1821, mostly without effect. But the conflagration that began 119 years ago today and lasted until 1829 resulted in the liberation of continental Greece, the Peloponnesus, and several of the islands, and brought about the beginning of the end of the once formidable empire of the Turks.

The human mind will forever remember and revere such places as:

Missolonghi, where a small army of brave men repulsed the Turks during three sieges and blockades, which kept the city under the fire of a large Turkish army and navy from 1822 to 1826, bringing death to 50,000 Turks. When finally the defenders, lacking food and ammunition, decided on an exodus, only 1,300 managed to break through the Turkish lines alive. The aged, the disabled veterans of many battles, as well as the emaciated women and children, who remained in the city, applied the torch to the powder magazine, choosing a gruesome death rather than surrender to the Turks. Deservedly, therefore, Missolonghi is known as the Sacred City of modern Greece.

Psara, a tiny island, but the birthplace of Constantine Canaris and many other fearless men of the sea, whose ships worked wonders against the oppressors during the revolution. There, to avenge the victories of Canaris and his renowned sailors, the Turks sent an army of 14,000 men and 140 men-of-war that devastated the island. Of its 53,000 inhabitants and refugees from Chios and Smyrna, only about 3,000 escaped. The others were butchered.

Chios, where the people hoisted the flag of liberty, although they completely lacked means of warfare and defense. Their love of freedom resulted in rivers of blood, when 70,000 of its population of 100,000 were massacred or sold as slaves by Rear Admiral Cara Ali, who was subsequently burned to death when Canaris destroyed his flagship.

Spetsae and Hydra, the two small islands whose merchant marine, led by Admiral Miaoulis and by Bouboulina, the only woman admiral in the history of the world, cooperated with that of Psara in routing the Turkish Navy in almost every engagement, and in bringing food and supplies to the besieged cities, towns, and islands.

The human mind will never forget Theodore Colocotronis, who shattered Turkish forts and dispersed Turkish armies in the Peloponnesus; Marcos Botsaris and his indomitable Suliotes, the beloved George Caraiskakis, who swept the tyrants from continental Greece; also, among other great patriots, Alexander Ypsilantis, who relinquished his high office with the Russian Government and hastened to fire the first shot of the insurrection in distant Rumania, where he and his 300 scions of prominent Greek families, living in that then Turkish Province, challenged the supremacy of the barbarians and died in glory.

The cause of freedom found the Grecian women playing as important a role as the women of ancient Sparta played. Suffice it to mention only the women of Zalongon who, on realizing that their proud little town, high in the mountains of Epirus, was about to fall into the hands of the enemy, danced the dance of death. One by one they danced over the high precipice adjoining their town, and down they went, to certain death.

To such men and such women, not only the greater Greece of our day but the nations of the world as well, pay reverent tribute today for theirs was the most cherished of causes—the cause of priceless liberty!

"From the sacred ashes rising
Of the Greeks great and free,
Valiant as in olden ages,
Hail! all hail, O Liberty!"

Exposing the Truth About Antialien Legislation—Intolerance, the Hand-Maiden of Antialien Legislation

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

ARTICLES FROM THE NEW YORK POST AND THE FORT WORTH STAR-TELEGRAM

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I am including herein two articles which have recently appeared in the daily press, which articles discuss the pending antialien legislation in Congress, and forcefully depict the danger inherent in such legislation. The bills, to which reference is made, indicate an intolerance which is altogether incompatible with the spirit of our American institutions. Personally, I fear the effect upon the Bill of Rights and upon our democratic processes of the enactment into law of the pending bills. Visiting upon the helpless alien our hatred, disgust, or indignation because of economic conditions in America is analogous to Hitler casting the blame upon the helpless Jew for economic, post bellum conditions in Germany, against which he perennially inveighed prior to his coming to power in 1933 following the end of the Weimar Republic.

[From the New York Post of March 5, 1940]

SEEKING A SCAPEGOAT

In his first public speech as a member of the Supreme Court, Associate Justice Frank Murphy said that the greatest danger to this democracy lies in the belief "that our national troubles are attributable to one group or another of the population. It

is the danger born of the tendency to seek a scapegoat in a religious or racial or political or economic group."

By coincidence Justice Murphy made his speech at the same time that a special conference met in Washington to protest against passage of any of the group of 70 antialien bills now pending in Congress. His words have special pertinence to the proposed legislation. The 70 bills, several of which have been passed by the House of Representatives, would deny jobs to aliens, fingerprint and register them. One even provides for the establishment of a concentration camp for noncitizens in the United States.

In general, these antialien bills have been framed on the erroneous theory that noncitizens are responsible for many of our economic difficulties. The alien is the scapegoat. The alien is blamed for the Nation's unemployment problem, despite the fact that during the past decade the unnaturalized immigrant population of the United States has decreased in size by some 880,000 persons.

Instead of looking for some positive solution for unemployment, those who are responsible for the introduction of the antialien bills merely attempt to fix the blame on a politically inarticulate group. These noncitizens, they say in effect, are the cause of the trouble. Let's discriminate against them; let's deprive them of their civil rights; let's fix some stigma upon their status.

It is a poor, stupid idea. It is precisely the tactic of the Nazi Government. We cannot believe that the United States Congress can conceivably make the mistake of passing any of the antialien bills which await its attention.

[From the Fort Worth (Tex.) Evening Star-Telegram of March 8, 1940]

ORIGINS OF INTOLERANCE

President Roosevelt, in his message to the American Committee for Protection of Foreign Born, painted an accurate picture of the tendency of racial and other groups to live together fairly satisfactorily in a democracy. In other words, there is a human tendency among people, left to their own devices, to "live and let live."

Intolerance, which was deplored in the President's message, springs up among a people who are living fairly satisfactorily together when leaders or agitators come on the scene. Until Hitler appeared in Germany, Jews and "Nordics" lived together for years without great discord. When agitators stir up disaffection, racial, industrial, or even religious, they create intolerance, which is a product of fear, envy, and ignorance.

The tolerant person has his attitude because he is enlightened. Life is richer, fuller, and more fathomable for him. The intolerant person, therefore, must realize that his views and prejudices are the manifestations of his own deficiencies, failures, and frustrations. He is the dupe of the false leader who stirs up the tool's passions. By tracing the origins of intolerance, one can readily see that it has two victims.

Airplanes

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

EDITORIAL FROM THE ADRIAN (MICH.) DAILY TELEGRAM

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Adrian (Mich.) Daily Telegram:

[From the Adrian (Mich.) Daily Telegram of March 16, 1940]

AIRPLANES

The War Department recently released for export to England and France a high-speed pursuit airplane known as the Curtiss P–40, and it is said that certain other modern types have been, or will be, released.

As might be expected, various Members of Congress are greatly stirred up. The grounds of their objections, or their alarm, are summarized in Senator LA FOLLETTE'S demand for an investigation to determine whether sales of airplanes abroad will (1) delay American defense plans, (2) give away military secrets, or (3) raise the cost of our own building program.

These questions are pertinent. To many they may seem vitally important. But there is another question paramount to them all, and which must dominate American policy in such matters. It is this: Which is more important, to prepare to fight a future war without help, or to assist the Allies to win the present war?

In our opinion the arguments are overwhelmingly in favor of the second policy. If the Allies are defeated, we shall have to make ourselves ready to fight a most formidable European and Asiatic combination. That means that we must rapidly make America the greatest fighting power in the world on the sea and in the air. The cost will be colossal; but we can do it, and regardless of cost it must be done.

If the Allies win, on the other hand, no such early conflict is in sight. Our armament program will be more moderate, less hurried, and less costly. And, more important still, our national security will be enormously increased.

This forecast is so sound and probable that it may be accepted, not as a bit of imagination but as a fact. It follows, therefore, that it is vitally to the interests of the United States that we should give the Allies every possible help in the way of war materials.

What, then, as to the three objections raised by Senator LA FOLLETTE?

1. As to delaying our own air program, building planes for the Allies probably would not have that effect. But it would not matter if it did. At the very worst, our great air forces would not be used for at least a number of years in any war against a victorious Germany. Therefore whether we build more or fewer planes this year would have little effect upon our own future war. But whether we supply more or fewer planes to the Allies this year might have an immense effect upon the present war. It might determine whether or not we have to fight a war of our own later all alone.

If we actually should have to fight such a war several years hence, our air power would not depend on the number of 1940 and 1941 planes we might have on hand; it would depend on our capacity for rapid production then. And that would depend on the amount of skilled labor then available. The more planes we build now for the Allies the larger force of skilled labor will be built up and the greater our productive capacity will be.

2. As to giving away secrets, that is much less important than it might seem, for the secrets of today are not the secrets of tomorrow. Even if we gave the Allies the benefit of our very latest airplane designs, they would be out of date long before we had a war of our own to fight.

The Curtiss P–40—one of the newest Army planes, which we have released to the Allies, and which stirred up all the furor—is already out of date. A new plane is being brought out which the Secretary of War says is of definitely superior performance. In short, P–40 is not vitally important to us any more; we shall be building something better. But P–40 is immensely valuable to the Allies, for it is better than what they have. They need it now, and it is to our interests and safety that they should have it now.

3. As to raising the cost of our own airplane program, selling planes abroad would not affect the cost of those already contracted for by our Government. Whether it might make costs higher in 1941 or 1942 is problematical. But even if it did, such an increase would be a low price to pay for the advantage of strengthening the Allies against Germany. It would be cheap national defense for the United States.

The greatest value these new airplanes can have for us is in the hands of the Allies. If we withhold them, they are of no use to us until we go to war; but in the hands of the Allies they would help to save us from having the kind of war that we are afraid of.

The interests of this country in the war are clear, and American sympathy is equally clear. It is so overwhelmingly on the side of the Allies as to be not far from unanimous. Nine Americans out of ten fear and dread a German victory, and would be glad to help the Allies in any way short of actual involvement in the war. Fortunately the greatest help we can give is in supplying airplanes. The Allies are ready to pay for them in cash. No question of neutrality is involved. Our Government can help the Allies by making efficient planes available to them, without any cost, danger, or detriment to our own national interests.

That should be the American policy. Any other course would be a mistake which might later prove to be colossal.

Labor-Security Appropriations

EXTENSION OF REMARKS

OF

HON. LAWRENCE J. CONNERY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. CONNERY. Mr. Speaker, the Appropriations Committee, in this bill which is before us for discussion, is attempting to slowly strangle both the Wage and Hour Act and the National Labor Relations Act. This is being done by cutely cutting appropriations for these two agencies for the coming fiscal year, beginning July 1, 1940, thereby making it impossible for the personnel of these organizations to properly enforce these statutes, which mean and have meant so much to the workers and the underprivileged of this country.

If this House sanctions these cuts, it will proclaim to the country that, regardless of the fact that the vast majority

of our people throughout the length and breadth of the land favor the Wage and Hour Act and the National Labor Relations Act, in fact, welcome them as a boon, a small minority of this House constituting an antilabor bloc is in control. The people of the country want both of these great pieces of labor legislation to be continued, and therefore it is the duty of this House to restore to this bill the cuts in appropriations which this unfriendly committee has made.

Only recently the membership of the House was apprised of the fact that I have introduced a resolution, which is now before the Rules Committee, calling for an inquiry by the Committee on Labor into the activities of the so-called Bata interests, which have already encamped themselves nearby at Belcamp, Md., and are threatening to spread themselves across the country in a Nation-wide exploitation of men, women, and children who toil for a living. This Bata Shoe Co., which comes to us from Nazi-controlled Czechoslovakia, while having begun operations at Belcamp only last September, already is afoul of our wage and hour law. It is charged that this company has openly and willfully violated the provisions of the Fair Labor Standards Act in that less than the mandatory minimum wages provided by such legislation has been paid to the workers at the Belcamp plant and at other places.

With conditions such as these existing, the great necessity of this House taking appropriate action toward adequately granting sufficient funds for proper investigation of cases of this nature by the Wage and Hour Division is very evident. I cite but this one case at the moment but there are countless similar situations existing throughout the country and an adequate force and personnel must be maintained to protect those whom we seek to protect through the wage and hour law.

At this point I wish to call to your attention certain excerpts dealing with the Bata matter in order that the House may have a better understanding of the situation. I am desirous of emphasizing the fact that these excerpts are from an official Government publication, the Leather Fortnightly, published by the Bureau of Foreign and Domestic Commerce of the Department of Commerce:

[Department of Commerce, Harry L. Hopkins, Secretary. Bureau of Foreign and Domestic Commerce, F. H. Rawls, Acting Director; N. H. Engle, Assistant Director. The Leather Fortnightly. Issued the 1st and 15th of each month. Washington, D. C., June 15, 1939. Prepared by J. G. Schnitzer, business specialist for leather and leather manufactures, leather and rubber division, E. G. Holt, Chief]

[From the Leather Fortnightly of June 15, 1939]

GERMANY AND THE BATA SHOE CO.

The position of the Bata shoe concern within the economic and industrial framework of the present German boundaries represents one of the outstanding problems created by the new conditions. While as a consequence of the incorporation of Sudeten Germany, in September 1938, not less than 536 Bata chain stores and repair shops were closed, the situation since Germany took over Czechoslovakia is entirely different, involving the inclusion of the main Bata factories into the German economic system. The Bata concern has the reputation of being the world's largest footwear export organization, and for former Czechoslovakia this firm represented a very important producer of foreign exchange. It must not be overlooked that this firm's export capacity depended to a very large extent upon its extensive domestic sales which were made through an efficiently organized network of chain stores with annual sales on the home market in 1938 valued at almost $36,500,000, and export trade amounting to $7,870,000. By the closing down of the Sudeten stores the firm lost 20 percent, and by cessation to Hungary and Poland about 9 percent of the domestic volume; if Slovak sales of about 14¼ percent are added, the total deficit of domestic sales amounts to about 43 percent. Under these circumstances it will prove a more difficult problem for the concern to maintain export volume since some of the export trade was effected at some loss, but without government subsidy. To what extent it will be possible to open the German market for Bata is as yet an unsolved problem, particularly since the opposition to this firm and its products by the German shoe industry and trade continues to be very strong. It is hoped, however, that with Bata's ability and export experience, that some success in developing other foreign markets and regaining some of the lost territory will be attained. There can be no doubt as to the seriousness of the matter, the more so if it is considered that the Bata factories employed about 30,000 workers, produced from 175,000 to 200,000 pairs of footwear daily, and retailed their products at an average price of 2.86 marks as compared with an average of 5.76 marks for German-made shoes. This enormous price reduction for Bata was only possible by means of a wage cut of 40 percent, to which was linked the obligation to bring down the cost to workers of all daily necessities by one-half. To adapt this system, entirely foreign to economic wages developed in Germany, will call for the closest scrutiny and consideration by government and industrial quarters. That the ultimate solution of this complex problem is a matter of considerable concern for the German shoe industry is borne out by the annual report of a large German shoe manufacturing concern in which it is emphasized that the question as to what extent the inclusion within the German industrial and economic framework of the Bohemian and Moravian protectorate which, as is well known, had an extensive export of footwear at lowest prices, will affect the entire shoe industry, will depend upon the measures decided upon by the Government. It is expected, or at least hoped, that the settling of this problem will take into full consideration the vital interests of the German shoe industry. The German retail footwear trade appears to hold more optimistic views on the question at issue, inasmuch as at a recent convention of the shoe retail trade which took place in Hamburg, the Reich leader for this trade pointed to the increased production and sales of footwear in Germany. Increased domestic demand could now be supplied by Bata's export losses since an essential part of these will find its way into the German Reich. In the meantime, certain adjustments within the organization of the Bata concern appear to be already contemplated, inasmuch as the present stock capital of the company is to be reduced, and the board and management to be enlarged by the inclusion of new members, probably of German nationality. (American Consulate General, Frankfort, May 10.)

BATA SHOES UPSET HUNGARIAN MARKET

Shoe production in Hungary continued at high levels during the first quarter of this year, as orders for army shoes remained at favorable volume. There has been, however, a slight decline in the production of civilian shoes due, it is reported, to the large stocks which the Bata firm was able to bring into the area that was annexed by Hungary. Local producers estimate these stocks at as high as 3,000,000 pairs, and report that they are being retailed at about one-half the price of Hungarian shoes. There has been considerable discussion of the advisability of permitting the Bata factory at Ersekujvar to continue to operate, but at present it appears that permission will be granted over the objections of the local shoe manufacturers, inasmuch as nearly all of the employees are Hungarian. Exports of shoes increased from 218,475 in the first 3 months of 1938 to 253,302 pairs in the similar months of the present year. In the early months of 1939, Hungarian leather-footwear exports to the United States amounted to 28,476 pairs. Imports of shoes by Hungary in the first 3 months of this year amounted to less than 3,000 pairs. (American Legation, Budapest, May 19.)

[From the Leather Fortnightly of October 1, 1939]

POSITION OF THE BATA SHOE CO. IN GERMANY

By the incorporation of Sudeten Germany and the subsequent dissolution of the Czechoslovak State, the Bata firm at Zlin lost a substantial part of its domestic market. The political changes also adversely affected the export business of this large shoe-manufacturing firm. As the Bata Co. naturally constitutes a vital factor in the protectorate's industrial and economic life, the Reich Government considered it in the general interest to open the German market to this firm's products, and it is hoped that the loss suffered by the elimination of its Sudeten chain-store system will thereby be made good. Under the arrangements arrived at, it appears that Bata obtained a fixed sales contingent on the German market. The German retail trade will be supplied from a central delivery store and the establishment of retail chain stores will not come into the question. The Reich will, moreover, assist the firm in the development of its export trade, since the latter also represents a valuable factor in Germany's own export trade. All things considered, the political changes appear to have in no way impaired the concern's vitality, and the executives confidently expect that the loss in exports will not only be regained but even enlarged. Moreover, Bata's known policy of gaining a foothold in foreign countries is energetically continued. Factories have been established in the United States and Canada, and sales organizations, through subsidiaries, are further developed in Slovakia, Hungary, Rumania, and Yugoslavia. While at one time the name of Bata was taboo on the German market, its products, although they may hardly be called popular, are greeted as a welcomed relief, as the German shoe factories are flooded with orders with which they are unable to cope, and the entire output for the remainder of 1939 is entirely sold. Incoming orders can only be filled by working overtime, and certain natural limitations prohibit such activity, such as the restricted supply of leather. However, this scarcity is gradually being overcome by increased production of substitute materials, which now appear to be available in large quantities. (American Consulate General, Frankfort, August 23.)

[From the Leather Fortnightly of January 1, 1940]

LEATHER AND LEATHER-GOODS INDUSTRIES IN BOHEMIA AND MORAVIA REGIMENTED

Notice No. 24 (L–1) of the Minister of Commerce of the Protectorate Bohemia and Moravia, dated November 17, published and effective as of November 18, 1939, subjects the production of leather, leather goods, and shoes to strict regimentation. Supplies of hides and skins are to be used primarily suitable for export

goods; then leather for military requirements; and remaining supplies may be used for other purposes. Buffalo hides and leather may only be used for making technical leather products, inclusive of raw-hide articles, but not including belting. Belting leather can only be produced from hides unsuitable for other technical leathers. Imported lamb and similar skins, hides, and leather may be used only for membranes for pressure regulators and gas meters unless a special permit of the Ministry of Commerce is obtained. The notice list places an embargo on the use of specific varieties of leather for certain purposes, including a prohibition on the use of leather for automobile trunks, picnic outfits, steamer trunks, automobile covers, and other products. Likewise, the use of leather for wall coverings and upholstery is also forbidden. It is also prohibited to manufacture patent-leather shoes, and women's shoes of metallic leathers, especially kid. Women's shoes of velvets may not be produced, with the exception of house slippers, and slippers which retail at a price higher than 60 crowns can no longer be manufactured. None of the restrictions cover fish leathers or articles produced for the export trade. The monthly leather consumption contingent has been placed at 80 percent of the 1938 average. This quota is based on the leather processed in 1938 for sale in Bohemia and Moravia, the Sudetangau, Austria, and the Old Reich. No quota restrictions apply to the volume of production of technical leather and leather goods. Sales of leather and leather goods to retailers are restricted to 80 percent of the 1938 average, except for uppers, where the quota is 100 percent. (Office of the American Commercial Attaché, Berlin, November 21.)

Letters Urging Passage of Hall Farm Bill

EXTENSION OF REMARKS
OF
HON. EDWIN A. HALL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

LETTERS FROM J. T. JOHNSON AND BENJAMIN W. PARKER

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters from two of my constituents with regard to the hay shortage:

CHENANGO FORKS, N. Y., *March 12, 1940.*

Congressman EDWIN A. HALL.

DEAR MR. HALL: I was very much pleased to read in the daily paper today the letter you wrote to Representative JONES of the Agriculture Committee in an effort to get us much-needed help.

Our difficulties may seem of small importance to committee members in Washington but to us it is a calamity. This drought section only covers southern New York and northern Pennsylvania, but that does not make the situation any less serious.

Mr. HALL, although I know that you are fully aware of our situation, I am going to give you a little more information than perhaps you have had up to the present time, and you may use this letter in any way you see fit, to get the truth to the committee.

As you know, our not having rain all last summer resulted in all of our crops being a failure. Corn and hay, our main crops were about 25 percent of normal, and that was fed up before winter set in as we had to commence feeding our stock in July (when most years we do not feed much until November 1).

Since November 1 most of us farmers have been buying all of our hay (and grain) and have had to pay from $18 to $22 per ton for hay and a good many farmers have had to sell their stock to keep them from starving while most of us are compelled to sell our best cows to buy hay and feed, cows which we will need next summer if we expect to exist.

As most of the cattle in this section are in a poor condition, they do not bring much on the market and do not go very far in buying hay at such high prices.

I can truthfully say that a good share of the cattle in this section are on a starvation diet, and some of them have had to go without any feed for some time, as we have had heavy snows in this section, making it impossible to draw hay.

We have about 2 months more that we will have to buy this high-priced hay and grain, and by that time those that have not sold all of their stock will have their herds cut so badly that it will be impossible to pay taxes (which are past due now), other bills, and buy seed, etc., to sow in the spring.

We have had a good many dry summers in this section but never before in the memory of the oldest residents have we had a summer when all crops were a failure and the farmers compelled to start the winter with empty barns and silos.

I think your bill is just the thing to help us or any other section of the country which may need help in the future. In good years we would be glad to help any other section which might be hit as we are now.

Mr. Hall, in closing will say I hope you can get at least a personal investigation of our situation. I can show you a good many farm families that are on a starvation diet along with their stock and expected to pay taxes to keep the Government running.

We read and hear over the radio that everything in other sections of the country is on the gain, which is certainly a good thing at this time.

Respectfully,

J. T. JOHNSON.

DEPOSIT, N. Y., *March 24, 1940.*

EDWIN A. HALL,
Member of Congress,
Washington, D. C.

DEAR MR. HALL: May I take this opportunity to thank you for your recent efforts to get a hay bill passed. While it is true that any legislation passed now won't be of any help to the dairy farmer of the drought area this year we cannot help but think what the future is going to be.

Prospects for the future of the dairy farmer aren't any too bright, and what with the dry summer we have just had a good many of us are mortgaging our future for the next 3 years. I myself had to buy 30 tons of hay, so you can imagine how a good many of us feel, while we didn't want or don't want hay given to us, some arrangements should have been made last fall to help out a bad situation.

The Farm Security Administration has done a good job in lending money to farmers to buy hay and feed with, but as we all know it has to be paid back. As chairman of the F. S. A. Hay Purchasing Co-op, I found hay in New York State very high. Most of the farmers that had hay for sale were holding it for an exceptionally good price. Don't blame them a bit, but, on the other hand, they expected a little too much. Michigan hay could have been put into the drought area, if the Government would have helped out on the freight, for $10.60 a ton. Dealers are having it put into Broome County for from $18.25 to $20.60 f. o. b. By the time it is trucked to farms and dealers get their commission it is costing the farmer about $23 to $24 a ton delivered. With grain at $38 per ton and hay $24, just how is a farmer going to pay his taxes, etc., and live? Sorry to have to take up so much of your time in reading this but again want to thank you on behalf of myself and the rest of the dairy farmers that have seen your article in the Binghamton Press of March 23, 1940. I remain,

Respectfully yours,

BENJAMIN W. PARKER,
Farm Bureau Committeeman.

Do Not Cut N. Y. A.

EXTENSION OF REMARKS
OF
HON. ED. V. IZAC
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

Mr. IZAC. Mr. Speaker, now that the National Youth Administration appropriation bill is before us, I should like to comment briefly on the importance of continuing this worthy project and of increasing rather than decreasing the appropriation therefor. In the past we have presumed that because we have made it possible for each American boy and girl to obtain a limited education under the public-school system we have done all that is necessary for the youth of the country. If this theory were tenable, we should no longer interest ourselves in what becomes of the youth after they have passed the mandatory school-age limit.

However, I am proud of the fact that this administration and we of the Congress have united in an effort to recognize our further responsibilities to the youth of the land by providing additional educational facilities and thus better equipping them for their life's work.

I know it must be the aim of every parent to provide the fullest and most thorough education possible for his child, and I am convinced that it is only when material means are lacking that any father or mother would deny this kind of preparation to their children. And so, during the stress of depressed economic periods, I feel that government can no better justify its existence than by interesting itself in providing those things which the fathers and mothers are unable to afford. For better education means better opportunities

in life for the individual; and a better citizenship for a greater Nation.

Recently I asked the National Youth Administration supervisor of San Diego and Imperial Counties, Calif., to tell me something of the work accomplished in my congressional district, and I take pleasure in submitting the fine report I have just received from Mr. Van A. France, N. Y. A. supervisor, area 1, San Diego, Calif.:

FEDERAL SECURITY AGENCY,
NATIONAL YOUTH ADMINISTRATION FOR CALIFORNIA,
San Diego, March 20, 1940.

The Honorable ED. V. IZAC,
Member of Congress, Twentieth District California, House of Representatives, Congress of the United States, Washington, D. C.

DEAR SIR: Thank you for your letter of March 5 in which you expressed your interest in the N. Y. A., and your desire for a summary of the activities of the National Youth Administration program in San Diego and Imperial Counties.

I might point out that in many instances, the general public is confused in regard to the actual function and purpose of the N. Y. A. Work provided by this program is divided into two distinct branches. They are:

I. STUDENT AND COLLEGE WORK PROGRAM

The underlying aim of the student and college work program is to give part-time work to high-school and college students, in order to assist them financially in remaining in school.

As you know, adequate public educational facilities are available for any young person, but we sometimes forget that in order to take advantage of these educational facilities, it is necessary for a student to have some money for clothing, fees, lunches, carfare, and incidentals.

Youths assigned to the N. Y. A. in high schools can earn a maximum of $6 per month and a minimum of $3 per month. The college work program provides jobs which pay a maximum of $20 per month.

The operation of this program has been organized to negate any chance of a centralized bureaucracy. Local school and college administrators are responsible, not only for the selection of students who will participate in the program, but also for the assignment of jobs and the determination of rates of pay. This system has been found to be successful because the benefits of the N. Y. A. program can be adjusted to individual community problems.

In every case the youth assigned to the N. Y. A. program must earn every cent that he is paid through his N. Y. A. job.

Most of the N. Y. A. jobs in this district are along the lines of construction, maintenance, clerical work, and other activities which are of benefit to the individual schools. Each school makes every effort to provide jobs that are not only of value to the institution itself but also of value to the youth worker in giving him work experience which will qualify him for future employment in private industry.

With only one exception, every school in San Diego and Imperial Counties is now operating an N. Y. A. program, and every principal feels that the benefits received through these student work jobs are of real help to the school and to the student.

II. OUT-OF-SCHOOL WORK PROGRAM

Youths between the ages of 18 and 24 who are out of school and unemployed members of relief or lower-income families, can be assigned to part-time jobs through our out-of-school N. Y. A. work program.

In the State of California these young people work 60 hours per month for a wage varying between $18 and $21.

All N. Y. A. projects are cosponsored by local public and civil agencies. Although we are able to take care of only a small percentage of the total number of unemployed youth in this district, for those that we are able to assign we try to provide worth-while jobs which will fit each worker for a useful place in his own community.

We have found that the average youth that applies to us for work does not have a basic understanding of the qualifications required for employment in private industry. For that reason we make every effort to provide jobs that will not only offer work experience which will definitely lead to a permanent private job, but we also attempt to set up related training courses that will further equip them educationally for going out into private industry.

It is interesting to note that the average length of time that a youth remains on the program in California is 7 months, and that the majority of the youths leaving the program find permanent or temporary private jobs.

It is often erroneously believed that the N. Y. A. carries the entire burden of financing N. Y. A. projects. This is not the case. In this district every project which is now in operation is supervised by local cosponsors. Although N. Y. A. provides the funds for actual payment of youth workers' wages and for general supervision, the cosponsors in most cases provide all of the material costs and all direct and technical supervision.

As an example, I might mention the fact that the San Diego County Board of Supervisors provides the N. Y. A. with an annual fund of $2,500, which is used for purchasing materials for N. Y. A. projects sponsored by San Diego County.

Perhaps you might be interested in a few of the outstanding project units which have been completed or are being completed by N. Y. A. youths. A few of them are:

(1) Chula Vista Park: Under this project, cosponsored by the city of Chula Vista, a new public park has been constructed. The park facilities include not only equipment for recreational purposes, but also a lagoon and an outdoor amphitheater used for community functions.

(2) Visual Education: The city of National City has sponsored this project employing thirty N. Y. A. young people to prepare visual education aids, such as models, dioramas, charts, and posters for local schools.

(3) Construction, Balboa Park: Forty N. Y. A. youths have been assigned to construction and development in Balboa Park. This project is cosponsored by the city of San Diego.

(4) City Shops: This project is cosponsored by the city of San Diego, under which N. Y. A. boys act as shop assistants to the regular employees in the San Diego City Shops. You might be interested in knowing that in the past 6 months, nearly 50 percent of the youths who have been assigned to this work have received sufficient training to go out into private jobs.

(5) Holtville Union High School: Thirty N. Y. A. youths are constructing recreational facilities for the use of the Holtville Union High School and the community of Holtville.

(6) Migrant Labor Camps: Youth members of migratory labor families in Imperial County are assigned to construction, landscaping, and general development work at the three Farm Security Administration migrant camps in Imperial Valley.

A variety of other activities, such as aircraft construction, training, domestic work experience, drafting, stenography, arts and crafts, laboratory technique, and farming are in operation through the cooperation of local agencies.

To the above work project activities are now assigned 745 youths. Two months ago our total assigned figure was 1,100, but it has been necessary to reduce our rolls because of the general lack of funds.

I have tried to make the foregoing summary as concise and to the point as possible.

I would like to bring out the fact, however, that under the decentralized operation policy of the National Youth Administration, we have been able to very closely integrate our activities with local public schools and other public agencies.

Although the program is young, I feel that we have done a real job in developing useful American citizens, and it has been encouraging to know that the local people and agencies with whom we deal are favorable to the N. Y. A. program.

For your information, I am attaching one clipping from the San Diego Union, which has covered some of our N. Y. A. activities in San Diego County.

May I express my sincere appreciation for this opportunity of explaining a few of the high lights of our N. Y. A. projects in this district. I hope that you will find it useful.

Yours very sincerely,

VAN A. FRANCE,
N. Y. A. Supervisor, Area 1.

Appropriation for National Youth Administration

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

TELEGRAM FROM THE PRESIDENT OF ST. JOSEPH'S COLLEGE, PHILADELPHIA, PA.

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram from a college in my district:

PHILADELPHIA, PA., *March 19, 1940.*

Hon. FRANCIS J. MYERS,
Representative Building, Washington, D. C.:

May I respectfully request that the Members of the Philadelphia representation in Congress oppose any reduction in the appropriation for the National Youth Administration inasmuch as the tangible beneficial results for needy students would be lost with no apparent substitute to take their place.

THOMAS J. LOVE,
President, St. Joseph's College.

The Wage and Hour Appropriation

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday afternoon I spoke in favor of the Norton amendment to restore the appropriation to the Labor Department bill for the Wage and Hour Division. And today I worked and voted for the Casey amendment to restore the necessary number of inspectors to carry on the service of that division. To vote against the appropriation would mean industrial suicide for the industries and workers in Massachusetts. The wage and hour law would have no effect without proper personnel and inspectors to enforce it. It might mean, and undoubtedly would mean just that—that the act would be enforced in Massachusetts and not enforced in some other parts of the country, which would be an injustice and hardship to Massachusetts industries and workers.

I shall ask for time to speak in favor of the appropriation when the bill is taken up by the Senate Committee on Appropriations, as I believe it is vital for the Wage and Hour Division to have the necessary money and personnel in order to enforce the law. What a farce to have the law on our statute books and then to nullify—and what folly for Massachusetts to vote against it. In order to secure the minimum wage of 35 cents an hour for shoe workers, I appeared at the hearings and have worked steadily on the matter, and was delighted when Colonel Fleming announced it. It will be a great benefit to our Massachusetts industries and workers and both groups are pleased with themselves.

The following are some of the telegrams I have received from Massachusetts showing the interest in adequate appropriations for inspection and enforcement:

BOSTON, MASS., *March 25, 1940.*

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.:
We, the Boston Joint Board, Amalgamated Clothing Workers of America, having a membership of 5,000 clothing and cleaning and dyeing workers, urge you to cooperate with us in protesting against any cut in appropriations for wage, hour, and labor boards.

FRANK LERMAN,
Assistant Manager.

LOWELL, MASS., *March 26, 1940.*

EDITH NOURSE ROGERS,
House Office Building, Washington, D. C.:
Any cuts in the appropriation for the N. L. R. B., or the Wage and Hour Administration are tantamount to crippling amendments to the acts. We expect you to favor the original appropriation.

JEAN J. BEAULFILLE,
Secretary, Lowell Industrial Union Council.

LOWELL, MASS., *March 26, 1940.*

Hon. EDITH NOURSE ROGERS,
House Office Building, Washington, D. C.:
The slash one million eighty thousand from the Wage and Hour Administration means no enforcement of the recent Fleming decision for the shoe industry. We expect your support to the full appropriation for the N. L. R. B. and Wage and Hour Administration.

RALPH MOTARD,
President, American Federation of Hosiery Workers, Branch 105.

LOWELL, MASS., *March 26, 1940.*

EDITH NOURSE ROGERS,
Member of Congress,
Washington, D. C.
The slash $1,080,000 from Wage and Hour Administration means no enforcement of the recent Fleming decision for the shoe industry. We expect your support to the full appropriation for the N. L. R. B. and Wage and Hour Administration.

HORACE BAILEY,
Secretary, Joint Council 15, United Shoe Workers of America.

BOSTON, MASS., *March 25, 1940.*

EDITH NOURSE ROGERS,
House Office Building:
Labor's Nonpartisan League of Massachusetts is opposed to any cuts in present appropriations for the Wage and Hour Administration and the National Labor Relations Board and requests you to vote against any cuts for these two important agencies. League also opposes Smith amendments as designed to wreck Wagner Act.

CLIVE KNOWLES,
Executive Director.

BOSTON, MASS., *March 25, 1940.*

Representative EDITH NOURSE ROGERS,
House of Representatives:
New England shoe manufacturers advise full restoration Budget appropriation Wage and Hour Division imperative for proper enforcement act. Your cooperation appreciated.

MAXWELL FIELD,
Secretary, New England Shoe and Leather Association.

BOSTON, MASS., *March 26, 1940.*

Hon. EDITH NOURSE ROGERS,
House of Representatives, Washington, D. C.:
One thousand furniture-worker members of our organization demand that the underhanded attempts to cripple the National Labor Relations Board and Wage and Hour Administration by slashing appropriations to these bodies be defeated. The eyes of all working people are on Congress. We call upon you to vote against the proposed cuts now pending.

W. ROBERT MCCARTHY,
Secretary, United Furniture Workers of America, Local 136B, C. I. O.

San Francisco Chronicle Columnist Discusses the Use of Experts by the Labor Board

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

Mr. VOORHIS of California. Mr. Speaker, I have not taken the position that the National Labor Relations Act was perfect nor that it should not under any circumstances be amended. But I have taken and do take the position that the basic structure of the act should not be destroyed. I think the right of collective bargaining is essential to labor and should be fully protected.

I have said on occasion that I believed there were weak spots in the personnel employed by the Labor Board. I think Dr. Leiserson, a member of the Board, has made some constructive suggestions regarding this matter.

But I believe the proposal to take from the Board its research staff would be a serious mistake. Not only do I believe that such a step would seriously cripple the work of the Board, but I am also of the opinion that Mr. David Saposs, head of the Research Division of the Labor Board, against whom this proposal is apparently in part directed, has been unjustly charged with holding views which are not in fact his views at all. From what I can learn, Mr. Saposs is not only no Communist but a most effective opponent of communism wherever he finds it.

The observations of Mr. Arthur Eggleston in his column, The Labor View, in the San Francisco Chronicle, are pertinent in this connection. I quote a portion from that column for the 12th of March 1940:

[From the San Francisco Chronicle of March 12, 1940]
(By Arthur Eggleston)

Main objection to the National Labor Relations Board as well as to other administrative agencies is obviously directed to the one characteristic which marks them all off from the courts.

The National Labor Relations Board and the other quasi-judicial boards and commissions are possessed of the kind of expert specialized knowledge which enables them to see a little further into the record than the courts which must review their orders. To the violator, actual, prospective and possible, that ability is obviously a drawback. The real argument for overturning this administrative process, which has grown up because a need existed for it, is based on this very simple fact.

It is not that the judges of the circuit or other courts are any less sincere or any less willing to accord labor or any other group protected by a special expert tribunal, the rights due them. It is rather that the experts know the subtle ways in which unfair labor, trade, or other practices are made to appear something else and something legal.

The way in which the Smith committee majority amendments are linked together is a beautiful example of contemplated legislative mayhem at its best. Not only is it proposed to bypass the experts with specialized knowledge of labor relations by forcing the courts to weigh all evidence and decide which testimony and evidence should be accepted. But in order to prevent the courts from obtaining real insight into the record, it is proposed to strip the Labor Board of its right to use economic experts to assist the courts in understanding social and economic implications of the cases.

The proposal is undoubtedly the most revealing of all. It is as though the board of trustees of a great university, under cover of encouraging scientific research, would go into the physical and chemical laboratories and break the fine precision instruments. It would be an act of cultural vandalism. That is exactly the term to describe what the Smith committee majority proposes.

Sale of Airplanes

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

STATEMENT BY THE SECRETARY OF WAR

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement of the Secretary of War:

STATEMENT OF THE HONORABLE HARRY H. WOODRING, THE SECRETARY OF WAR, TO THE MILITARY AFFAIRS COMMITTEE OF THE HOUSE OF REPRESENTATIVES, MARCH 27, 1940

By way of preamble, gentlemen, let me say that the policies of the War Department regarding the sale of military matériel, and particularly of airplanes to foreign governments, are designed primarily to strengthen our own arrangements for national defense. The fact that these transactions aid business by creating a profitable industry is important, but that is not a military consideration, except for its obvious contribution to the national defense.

There are two major considerations involved in this present matter relating to national defense in the air. One relates to the modernization of planes now under contract for the Air Corps and the other pertains to development of our capacity for the construction of planes. Conditions affecting both these considerations have altered greatly within a year. Early in 1938 there was general agreement on the need, not only for a large addition to our strength of active airplanes but also for the establishment of a large reserve of modern types. At that time changes in design involved a relatively slow process. Today, 1 year later, active warfare has greatly speeded up improvements of airplane types. We must now protect our investment with reference to the planes we have under order and yet to be delivered. I mean that we should employ every legitimate means to insure, for our own defense, the delivery of the latest and most modern types, rather than passively to await delivery of planes which have already been superseded by more advanced models.

We are the last people in the world to wish to benefit by the misfortunes of others, but we would be blind if we failed to realize that the war in Europe is a great laboratory in which all types of munitions, and especially aircraft, are being given a critical service test, with the result that many unanticipated weaknesses and deficiencies are becoming apparent.

With respect to our production capacity, the orders placed in this country by foreign governments, both neutral and belligerent, have resulted in large additions to our airplane factories, and in thousands of mechanics being trained. American production of airplanes, which a year ago was decidedly limited, is now increasing very rapidly. This condition changes last year's picture, because the increase in our productive capacity reduces the emphasis on delivery of planes in excess of operating requirements, and renders it not only permissible but advisable for us to accept delay in the delivery of such planes, in order to obtain through the medium of change orders, the most advanced types for later delivery.

Our problem is to meet this change in conditions; to conserve the interests of national defense, and to obtain the best possible equipment for the Air Corps from orders already placed with industry. The present situation is favorable to the solution of this problem, and sound business judgment, consistent with national security and public opinion on the subject, demands that we take advantage of the developments in aircraft and so adjust our policy that we can give our country an air force of the most modern type.

Authority to permit American manufacturers to export airplanes and munitions of war is vested in the National Munitions Control Board, by the Neutrality Act of 1939. This Board consists of the Secretary of State, who is chairman, and the Secretaries of Treasury, War, Navy, and Commerce. The Board exercises its functions through the Division of Control, State Department, in accordance with the rules incorporated in a document entitled "International Traffic in Arms," a copy of which I have here.

A license from the State Department is required for export shipment of planes and munitions of war, and the State Department will not issue a license until the War and Navy Departments have stated that there is no objection on the ground of military secrecy of the item covered.

Prior to December 1939, all matters relating to the release of military items were handled through joint written agreements between the State, War, and Navy Departments. Due to the enormous increase in foreign orders, the President, in December 1939, appointed a liaison committee consisting of representatives of the Treasury, Navy, and War Departments, to coordinate all foreign government purchases in the United States. The operation of this committee has not altered the responsibility of the War Department in recommending what items should or should not be released.

The recommendation of the War Department in connection with the release of any item is taken after full consideration of the circumstances in each case, based on its merits. In general, this action is governed by the following policies:

There are certain items which, by reason of the importance of the military secrecy involved, should not be released under any consideration. With respect to certain other items, it is realized that the creation of substantial additional productive capacity for our industries is of sufficient importance to the national defense to warrant, as a justifiable consideration, disclosing some otherwise restricted design.

Generally speaking, there is little about any plane or airplane engine which can be maintained a military secret for more than a few weeks after tests have been made. Actually, we know a great deal about the latest types of planes being produced by all foreign nations, and it is to be presumed that foreign nations know at least as much about our own planes. While protecting to the best of our ability the secrecy of a few important devices, we must at the same time realize that planes and their engines turned out in quantity production do not fall with the category of secrets which can long be kept. Nevertheless, in the past airplanes and aeronautical equipment have not been released for foreign sale until similar types of superior performance have been tested and are under contract for the United States Government. Also in the release of designs to manufacturers we have stipulated that the manufacturer shall acknowledge the priority of present and future orders of the United States Government—the exercise of such priority to be entirely at the discretion of the United States Government agency concerned.

We have refrained in general from releasing our designs for manufacture or detailed assembly abroad, as this would neither improve our own productive capacity nor contribute to the strengthening of the national defense. Neither, for the same reasons, have we agreed to the release for manufacture or detailed assembly abroad of the designs owned by private manufacturers, if such release could legally be prevented.

Inquiries have recently been received from foreign governments for the purchase of obsolete or surplus War Department arms and armament. The Secretary of War is charged with the responsibility for such sale of surplus War Department matériel, and the following provisions of law and policy which have governed the administration of this responsibility, will, I believe, be of interest to you:

Sale of War Department property is limited to those items declared surplus by the War Department at prices and under conditions fixed by the War Department. Property is declared surplus only upon advice of the General Staff. No War Department property will be sold to individuals, but only to foreign governments not actually engaged in conflict. Initial negotiations for the purchase of surplus War Department property are made between the foreign government concerned and our State Department. On tentative approval of the transaction by the State Department, the War Department continues negotiations with the accredited representative of the foreign government and arrives at a tentative agreement as to the terms and details of the sale. This tentative agreement is submitted to the State Department, and, after formal notification from the Secretary of State that such sale is in conformity with our foreign policy, the War Department completes it.

As a result of the aircraft procurement policy of which this committee and I were joint authors, and which provided for design competition and especially competitive bidding, we have today possibly a half dozen types of planes superior to any in the world. This is a gratifying accomplishment.

We now have a great many planes under contract for delivery to the Air Corps, but because we are acquiring an increasing productive capacity, the necessity for early delivery of other than operating equipment is no longer so pressing. Therefore, we are adjusting the Government's foreign sales policy to conform to the following:

When it is to the advantage of the national defense the War Department will negotiate for deferred deliveries on contract planes. If manufacturers take advantage of foreign orders, then prior to release for sale abroad, manufacturers shall agree to accept change orders on existing War Department contracts. The Government

must be fully protected, and any authorized delays must not interfere with the delivery of equipment for units immediately necessary for our defense needs.

The release policy for foreign sale of our most modern designs will be liberalized to accomplish the foregoing, to further stimulate productive capacity and to insure improved types of planes for our forces. Each such case must be decided on its merits. Prior to the release of any of our designs for sale abroad, the manufacturer must negotiate with the War Department for such changes in those models which are under contract for the United States Army in order to insure that improved types of airplanes are delivered to the War Department.

No military secret will be divulged or released to any foreign purchaser of military airplanes.

Neither designs owned by the War Department nor manufacturer-owned designs over which the War Department has control, will be released for manufacture or detailed assembly abroad.

Foreign governments must agree to furnish us full and complete information on the design, equipment, and combat performance of American-made planes.

To summarize: The productive capacity for military planes is of vital importance to the national defense. The Air Corps augmentation of last summer and the war in Europe have increased this capacity, to an extent which makes it desirable for us to accept delays in the delivery of planes in order to secure later models.

Development of plane types is today so rapid that the acceptance of certain models now being manufactured, involves the possibility of our Air Corps receiving in quantity types which would soon be surpassed in performance by later models.

As I have already stated, to put the foregoing in simple business terms, we must protect our investment. Coupled with this thought is the helpful fact that planes available for early delivery at this moment are of more interest to foreign purchasers than are prospectively better models yet to be manufactured.

It appears not only a safe policy but a highly desirable policy for our Government to accept later delivery dates for certain planes in order to secure the advantage of "change orders" which will give our Air Corps improved equipment. It is believed that by taking advantage of the existing market for military planes, we can secure the necessary changes in types by negotiation. Such a procedure should assist in maintaining us progressively in a situation where we will have the most modern equipment, whatever the later developments.

It must be understood in carrying out such procedure that before manufacturers would be permitted to delay delivery of planes for our Army in order to fill foreign orders, they would have to agree to accept the modifications in the contracts which would give us an improved type of plane. Also it should be understood that we should enter into no delays that would interfere with the equipment of units immediately necessary to our defensive needs.

To make this change in policy fully effective, the War Department may find it necessary to ask Congress for authority to extend the time during which present appropriations will be available for obligation and expenditure.

There are questions honestly asked by many people, to which the public, and particularly the Members of Congress, are entitled to have answers, and I should like to reply very frankly on behalf of the War Department that military secrets have not been released to foreign governments; that foreign orders have not delayed Army aircraft orders, nor have these orders increased the cost of Army planes.

On January 24, 1939, when I appeared before the House Subcommittee on Appropriations, I stated: "I feel it my duty to emphasize the fact—one that is apparent to all of you gentlemen—that regardless of international conditions, technical developments in means of warfare in the past 5 years now compel a readjustment and reorientation of our plans and preparations for adequate national defense." I should like to emphasize again that during the past 14 months such rapid strides have been made in the development of military aircraft that a further readjustment and reorientation of our plans appear to be necessary. I have endeavored in this statement to outline the direction which we believe this readjustment should take.

What the N. Y. A. Appropriation Amounts To

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. VOORHIS of California. Mr. Speaker, the $100,000,000 which the Collins-Johnson amendment offered today in the House would provide for the National Youth Administration is just about equal to the cost of one really first-class battleship. If for national-defense purposes the battleship is necessary, then it is surely even more necessary that the youth of America be kept in school or at work rather than condemned to confusion and unemployment. Without this amendment, 123,000 such young people must be laid off by the N. Y. A. to join the army of the unemployed. I do not believe we can justify our action if we vote against this amendment and against the opportunity of these young people to earn their way.

Appropriation for National Youth Administration

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. KEFAUVER. Mr. Speaker, when the Federal Government makes an investment in its young people, some people call it spending. I would like to suggest that such spending is a gilt-edged investment in the Nation's future—an investment in democracy and peace and prosperity. As President Roosevelt said of the National Youth Administration in 1935 when it was established, "The yield on this investment should be high."

Such spending should be chalked up on the credit side of the ledger rather than in the red ink, for in addition to the many local public works which the National Youth Administration have carried out, the young people employed are given training in skills which greatly increase their contribution to the industry and economy of the country.

It is becoming evident to many people that the problem of unemployment among young people is a permanent rather than an emergency situation. For many years, starting long before 1929, the age at which young people obtain jobs has been increasing. It is a matter of common knowledge that a man or woman is lucky now if he is able to get a job at the age of 20. Yet the large mass of our youngsters drop out of school at 16, most of them because of lack of money.

What happens to our young people in the 4 years between 16 and 20? Some of them do get jobs. The Federal Government through the National Youth Administration is providing jobs through the high schools and colleges, which enable hundreds of thousands to continue in school. This has the double result of keeping this great number off the labor market and out of mischief, and of enabling the young people better to prepare themselves for life.

The other millions who do leave school present an equally troublesome problem. You can find them in every city, at every crossroads, some of them loafing, some of them looking for work, all anxious to take their places in the world. A job in private industry means to them the only chance they have to marry and to establish their homes. Most of them stay at home, where their presence although a comfort to their parents, makes it harder for the family to make ends meet.

Working for the National Youth Administration, some 500,000 of these out-of-school, out-of-work, out-of-luck young people are being trained this year in work habits, and how and why it is necessary to get to work on time and to apply one's self to the job in hand. Furthermore, they are contributing to their own communities by developing useful facilities for education, recreation, conservation, adding to the services of relief agencies and other public institutions.

The National Youth Administration appropriation this year is $100,000,000, and its benefits have been extended to nearly three-quarters of a million young people, both in school and out of school. But this program is able to reach only one in four or five of the young people who need such opportunities. Instead of slashing this fund, and instead of throwing hundreds of thousands of young people back into the street and bar rooms, the Congress should increase

this appropriation to more nearly meet the need that has developed.

In my own State of Tennessee, there are 18,840 young people employed in both the student work program and the out-of-school work program. Of this number, 10,392 are working their way through schools and colleges under the N. Y. A. and 8,448 out-of-school very needy young people are employed on work projects sponsored by the local communities. For every one employed on this out-of-school work program, there are four youths who are not employed. A total of 35,000 young people in Tennessee are in need of N. Y. A. work and cannot get it because of insufficient funds. In my own district there are almost 4,000 young people who are in need of this N. Y. A. employment and are unable to secure it. A reduction in youth employment means a real catastrophe to these youth. I cannot accept a reduction in the funds which are available to the State of Tennessee for the employment and education of youth.

Pete Jarman, of Alabama

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. RAMSPECK. Mr. Speaker, an illustrious Member of this body who established a great record here, both as a Member and as an occupant of the Speaker's chair, and who probably came as near being President of the United States as anyone ever has without enjoying that distinction, indulged in a most interesting and worth-while address to the Washington Press Club on March 16, 1916, an address which I consider it worth while for everyone to read. Consequently, I insert here as a part of my remarks the address of the Honorable Champ Clark on that occasion:

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

The old Charlotte district in Virginia knew this and kept John Randolph of Roanoke in the House till he became a great national figure. Then the Old Dominion sent him to the Senate, and General Jackson sent him to St. Petersburg. There are sporadic cases of similar action in other districts.

It is an unwise performance for any district to change Representatives at short intervals. A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has the quicker he will get up. If he possesses these qualities, and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the "top-notchers."

Let us take the present House and see how long the men who hold the high places have served. I cannot name all, but will cite a few as examples.

Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, "he holds the belt," for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker 8 years, only one man, Henry Clay, having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of Ways and Means, his sixteenth; Mr. Fitzgerald, chairman of Appropriations, his eighteenth; Mr. Moon, chairman of the Post Office and Post Roads, his twentieth; Mr. Jones, chairman of Insular Affairs and "father of the House," his twenty-sixth; Mr. Flood, chairman of Foreign Affairs, his sixteenth; Mr. Hay, chairman of Military Affairs, his twentieth; Mr. Glass, chairman of Banking and Currency, his sixteenth; Mr. Adamson, chairman of Interstate and Foreign Commerce, his twentieth; Mr. Stephens, chairman of Indian Affairs, his twentieth; Mr. Slayden, chairman of the Library, his twentieth; Mr. Henry, chairman of Rules, his twentieth; Mr. Lever, chairman of Agriculture, his sixteenth; Mr. Padgett, chairman of the Navy, his sixteenth; Mr. Lloyd, chairman of Accounts, his twentieth; and Mr. Sparkman, chairman of Rivers and Harbors, his twenty-second. There are other big chairmanships, but these will suffice to show that as a rule the big places go to old and experienced Members, for most of the men who rank close to the chairmen are old-timers. The same thing holds good with reference to Members of the minority. As an illustration, Messrs. Gillette and Cooper, who are serving their twenty-fourth year, are the ranking Republicans on Appropriations and Foreign Affairs, almost certain to be chairmen thereof should the Republicans ever again have a majority in the House, as in that event, in all probability, Mr. Mann will be Speaker, unless he is nominated for President next June.

Go through the whole list and you will find, with few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress; they keep him in the harness.

The Member of longest consecutive service is called "the father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelley, O'Neill, Harmer, and Bingham. Then it went to Mr. Dalzell, of Pittsburgh. When General Bingham announced the death of General Harmer, his immediate predecessor as "father of the House," he stated that the five Philadelphia "fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the Speakership and the chairmanships of the great Committees on Ways and Means, Navy, and Public Building and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Millikin—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing things.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them.

Time changes many conditions but what Speaker Clark said with reference to seniority is just as true now as it was when he made that speech 24 years ago. Let us refer to the present House and compare the service of those now holding the major assignments referred to by Speaker Clark.

The gentleman from Alabama, Speaker BANKHEAD, is serving his twenty-fourth year; the gentleman from Texas, Majority Leader RAYBURN, the fourth Member of the House in point of service, his twenty-eighth year; the gentleman from Massachusetts, Minority Leader MARTIN, his sixteenth; the gentleman from North Carolina, Mr. DOUGHTON, chairman of Ways and Means, the third Member of the House in point of service, his thirtieth; the gentleman from Colorado, Mr. TAYLOR, chairman of Appropriations, second Member in point of service, his thirty-second; the gentleman from Missouri, Mr. ROMJUE, chairman of Post Office and Post Roads, his twenty-second; the gentleman from New York, Mr. BLOOM, chairman of Foreign Affairs, his eighteenth; the gentleman from Alabama, Mr. STEAGALL, chairman of Banking and Currency, his twenty-sixth; the gentleman from California, Mr. LEA, chairman of Interstate and Foreign Commerce, his twenty-fourth; the gentleman from Illinois, Mr. SABATH, dean of the House, which was evidently referred to as "father of the House" in Speaker Clark's day, chairman of Rules, his thirty-fourth; the gentleman from Texas, Mr. JONES, chairman of Agriculture, his twenty-fourth; the gentleman from Georgia, Mr. VINSON, chairman of Naval Affairs, his twenty-eighth.

Just as was the case then, the same is true of the minority because the gentlemen from New York, Messrs. TABER and FISH, the ranking Republicans on Appropriations and Foreign Affairs, who would become chairmen of these committees in case of a Republican victory, are serving their eighteenth and twenty-second years, respectively.

Of course, there is one outstanding and very unusual exception to this rule, but it is always the exception which

proves the rule. The distinguished gentleman from Alabama, Mr. JARMAN, who is now serving in only his fourth year, accomplished the heretofore unheard of feat of becoming chairman of the Memorials Committee when the first committee assignments were announced during the first few weeks of his service. As he commenced his second term, he relinquished that chairmanship to become chairman of the more important Committee on Printing. He is also vice chairman of the very important Joint Committee on Printing. Of course, I do not mean to compare the Memorials and Printing Committees with Ways and Means, Appropriations, Foreign Affairs and so forth, but there is also no comparison between the lengths of service of this outstanding legislator and those of the older members of this House who occupy those exalted positions.

Congressman Green's Record

EXTENSION OF REMARKS
OF
HON. JED JOHNSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, March 26, 1940

Mr. JOHNSON of Oklahoma. Mr. Speaker, our colleague from Florida, the Honorable R. A. (LEX) GREEN, has a record of achievement which is worthy of our commendation. Under leave to extend my remarks in the RECORD, I include the following statement of Mr. GREEN'S record and services:

The value of a Member of Congress rests largely in his understanding of the needs of his people and of the Nation; his vision to foresee the needs of the future and to meet these needs by appropriate action. His value is tested not by the number of bills introduced but by the importance, directly and indirectly, of such bills, and their bearing upon legislation finally enacted.

His more than 15 years' service here has given him power and influence. He has most efficiently served as assistant Democratic whip for more than 10 years. I, as a ranking member of the House Appropriations Committee, know the value of his seniority here and his worth to the country as a whole. I feel that our administration here in Washington owes him a debt of gratitude for his splendid work and outstanding achievements.

During his services in Congress Mr. GREEN has sponsored many bills. Of great importance among these measures are the following:

AIR BASE FOR JACKSONVILLE, FLA.

On March 25, 1938, he introduced H. R. 10031, which provided for the construction of an air base at Jacksonville. Soon after the introduction of this legislation, by an act of Congress, the Secretary of the Navy appointed a special board to make a survey of naval air base needs throughout the country. This board consisted of Rear Admirals A. J. Hepburn, E. J. Marquart, Capts. J. S. Woods, A. L. Bristol, Jr., and Ralph Whitman.

Mr. GREEN persuaded this board in the fall of 1938 to twice visit and inspect possibilities at Jacksonville, Fla. He accompanied them on both inspection tours and stressed to the board the wisdom of the establishment of the air base there.

On January 3, 1939, this board, known as the Hepburn board, recommended to Congress that the air base for the southeastern part of the United States be located at Jacksonville at the old Camp Foster site. It further recommended carrier piers and berthing facilities at the mouth of the St. Johns River and an auxiliary base at Banana River. On January 4, 1939, Mr. GREEN introduced H. R. 1654 to carry out the Hepburn board's recommendations for the Southeastern Naval Air Base for Jacksonville. He appeared before the House Naval Affairs Committee and plead for the establishment of this base there. Other cities in South Carolina, Georgia, and Florida were contenders for this establishment. Florida's two Senators, statesmenlike, refrained from taking sides against one Florida city for any other Florida city and gave out press statements to this effect.

In a leading Florida newspaper the following Associated Press story was carried:

WASHINGTON, D. C., March 1, 1939.—Senator ANDREWS, Democrat of Florida, emphasized he had no choice between the two cities (Jacksonville-Miami) but would seek to get authorization for whichever site the Hepburn board recommended.

Both of Florida's Senators fought for Florida to get the base but could not take sides with any city in Florida. Thus, Mr. GREEN had to fight his battle single-handed for Jacksonville.

The House Naval Affairs Committee during the course of this deliberation made two inspection trips of possibilities at the competing cities. Mr. GREEN accompanied the Naval Affairs Committee on both trips and stayed constantly in touch with and before this committee until on March 28, 1939, the House Naval Affairs Committee by a vote of 15 to 7 designated Jacksonville for this naval air base. This vote ended the contest both in the House and Senate, and Mr. GREEN had won a signal victory and carried to his district the prized Federal establishment of the past several years.

Chairman VINSON of the House Naval Affairs Committee, who has served so long as chairman of this committee, and has been a Member of Congress 28 years, gives the following brief history of this great accomplishment by Mr. GREEN.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON NAVAL AFFAIRS,
Washington, D. C., February 2, 1940.

Hon. GEORGE C. BLUME,
Mayor, City of Jacksonville, Jacksonville, Fla.

DEAR MR. BLUME: As suggested, I am glad to give you a brief summary of the legislative history of the southeastern air base.

On March 25, 1938, Congressman LEX GREEN introduced H. R. 10031, which provided for the construction of an air base at Jacksonville, Fla. I suggested to Congressman GREEN soon after the introduction of his bill the possibility of special legislation for creation of a Board of Naval Experts; and provision for this Board was had in the next expansion bill of 1938.

Pursuant to this legislation, Secretary of the Navy Swanson appointed for such a Board Rear Admiral A. J. Hepburn, Rear Admiral E. J. Marquart, Capt. J. S. Woods, Capt. A. L. Bristol, Jr., Capt. Ralph Whitman, and Commander W. E. Hilbert. These naval officers made a survey of naval air-base needs for our country and on several different occasions visited the Southeast. Upon the urgent request of Congressman GREEN, close inspection was made of the Jacksonville, Fla., area.

On January 3, 1939, this Board reported to the Congress its recommendations, among which was that we would have a southeastern air base and that it would be located at Camp Foster, Jacksonville, Fla., together with carrier piers at the mouth of the St. Johns River and an auxiliary base at Banana River. On January 4, 1939, Congressman GREEN introduced H. R. 1654, to carry out the Hepburn board's recommendation insofar as a southeastern air base was concerned.

My committee made two official inspection trips of the proposals offered in the Southeast including places in South Carolina, Georgia, and Florida. Hearings were held by the committee and due consideration given to the various sites available in the Southeast. On March 28, 1939, my committee by a vote of 15 to 7 designated Jacksonville as the place for the air base. Upon this affirmative action by my committee, I informed Chairman WALSH of the Senate Naval Affairs Committee and requested him to include Jacksonville in the naval bill which was then before the Senate. He did this in his committee and there was no further contest in either the House or the Senate concerning the location of the southeastern air base.

During this entire procedure, Congressman GREEN was most diligent in his efforts for the air base to go to Jacksonville and without his experience and tactful methods of handling this matter Jacksonville might have lost the air base.

The entire Southeast is proud of this great national defense establishment and you are assured that our efforts will be had for its full development for usefulness for the purpose for which it was established.

With kind personal regards, I am,
Sincerely yours,

CARL VINSON,
Chairman, Naval Affairs Committee.

Approximately $7,000,000 worth of contracts will be awarded and construction at the Jacksonville Naval Air Base is going

on rapidly. It is estimated that between $25,000,000 and $40,000,000 will, in the reasonable near future, be expended here. This is giving employment to hundreds of persons, many of whom would be otherwise unemployed. This base will add from five to ten thousand in population and the pay roll will mean several millions annually.

Mr. GREEN's efforts for this base have been praised by many. Congressman O'Connell said:

Mr. Speaker, the Committee on Naval Affairs, of which I am a member, feels justly proud of the recent passage of our huge naval-expansion bill. The American people are awake to the eminent need of our national defense and security. A very large percentage of the world's population is now at war. Our best assurance of security is national preparedness.

Looking to the security of our Nation, my colleague from Florida, Congressman LEX GREEN, has introduced H. R. 10031, which has for its purpose the establishment at Jacksonville, Fla., of a naval air base. Members of our committee planned a few days ago to inspect there these possibilities. This meeting was necessarily postponed on account of important program in the House. Members of the committee plan to visit Jacksonville in the near future and inspect sites for the location there of these national-defense assets. We are deeply interested in adequate defense of the southeast section of our country, and, in fact, all parts of it. We are interested in the possibilities at Jacksonville, Fla., and feel that Congressman GREEN is doing a great service in this matter for national defense.

NATIONAL DEFENSE

Mr. GREEN is a strong advocate and supporter of adequate national-defense measures. He has on every occasion supported measures for appropriations for the enlargement and strengthening of our national defense. He has also given his full force and support to legislative efforts to combat un-American and subversive activities and foreign "isms."

RURAL ELECTRIFICATION ADMINISTRATION

On January 20, 1936, the House of Representatives passed H. R. 8300, introduced by Mr. GREEN which provided for the survey of flood control and power possibilities in the Suwannee River. Army engineers are now completing this survey to establish a little T. V. A. on this stream and give cheaper electrical current to every farm in that area. His district was the first one in Florida to have an R. E. A. project and the only one in the State to have a farmer-owned R. E. A. generating plant. Two of the five R. E. A. projects in Florida are in his district. It is Mr. GREEN's ambition to offer cheap electrical current to every farmer in his district.

One of the Federal R. E. A. administrators recently wrote him as follows:

WASHINGTON, *February 28, 1940.*

The Honorable LEX GREEN,
House of Representatives, Washington, D. C.

DEAR LEX: I am enclosing an interesting tabulation of information about the Florida R. E. A. projects. I cannot help noticing the large number of areas in your district that have been served already by our projects. If anyone accuses us of favoritism, we shall, of course, have to explain that your great activity and interest in this project made you first on the scene.

You are represented, in part, in five out of our eight existing projects, and the first cooperative project developed in Florida was in your district. I understand that another project is now brewing in Baker County.

You are one of those Congressmen working with and instructing their constituents in such a manner that the Federal agencies are able to serve the people.

Yours very sincerely,

BOYD FISHER,
Special Assistant to the Administrator.

In Florida Mr. GREEN is considered the father of rural electrification.

The gentleman from Mississippi [Mr. RANKIN] recently said of him:

Mr. Speaker, under permission granted me to extend my remarks, I am inserting a letter addressed to the distinguished gentleman from Florida [Mr. GREEN] on the subject of rural electrification.

The gentleman from Florida has been most diligent in his support of rural-electrification legislation, and I am delighted to note that he has been successful in securing this project for the people of his own district.

I can say from experience that there is nothing a Congressman can do that will be of greater benefit to the people in the rural sections than to secure for them the blessings of cheap electricity. I congratulate the gentleman from Florida and hope that every other Member who represents a rural district will follow his example. The letter reads as follows:

RURAL ELECTRIFICATION ADMINISTRATION,
Washington, April 12, 1938.

Refer to: Florida 14, Clay, Alachua, Bradford, Putnam, and Union; Florida 15, Lafayette, Suwannee; Florida 20, Madison.

The Honorable LEX GREEN,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: Further reference is made to your interest in the above projects. On February 24, 1938, $205,000 was allocated for Florida 14. This will build approximately 143 miles of line to serve 390 signed customers and an additional 523 prospective customers. Included in this amount are funds to purchase and rehabilitate existing lines in and around Keystone Heights, as well as generating equipment in the town. It is expected that this project will be enlarged to take care of additional needs of this locality in the future as demand increases.

Your aggressive effort and cooperation for these projects is appreciated. Florida 14 was the first project approved in Florida.

Yours very truly,

C. O. FALKENWALD,
Director, Examining Division.

Hon. George Carver, manager of the Suwannee Valley Cooperative Association, Inc., recently wrote:

SUWANNEE VALLEY ELECTRIC COOPERATIVE ASSOCIATION, INC.,
March 12, 1940.

Hon. LEX GREEN,
Member of Congress, Starke, Fla.

DEAR SIR: I wish to take this opportunity of expressing my high regard for your effort toward the advancement of rural electrification in Florida. I sincerely believe I express the thoughts of the majority of, if not all, our cooperative members.

Your continued efforts in behalf of the wonderful program of "electricity on the farm" cannot help but be appreciated by the thousands of farmers throughout the State.

Very respectfully yours,

GEORGE CARVER,
Project Manager.

CANAL ACROSS FLORIDA

In his campaign for Congress 16 years ago, he promised his constituents to work for a canal across Florida, connecting the waters of the Atlantic Ocean and the Gulf of Mexico. On February 1, 1926, a few weeks after he was sworn in as a Member of Congress, Sixty-ninth Congress, first session, he introduced H. R. 8742 which provided for preliminary examination of the proposed waterway across Florida. This bill was included in the general rivers and harbors bill and passed.

Upon completion of preliminary examination by the War Department, he introduced on February 7, 1930, H. R. 9650, which provided for actual physical survey of the proposed canal across Florida. This bill passed, became a law, and surveys involving the expenditure of about $400,000 and several years' work by the Board of Army Engineers were made.

Upon the basis of this survey, on January 3, 1935, he introduced H. R. 2785 providing for actual construction of a sea-level ship canal across northern Florida, connecting the waters of the Atlantic Ocean and the Gulf of Mexico.

During the past 15 years he has traveled, at his own expense, to different parts of the United States and addressed many audiences, including the National Waterways Association, in the interest of this project.

Through his efforts and the efforts of other friends of the project, endorsement was obtained by such important waterways organizations as the Atlantic Deeper Waterways Association, the Mississippi Valley Association, and the National Rivers and Harbors Congress.

He has addressed the House of Representatives a large number of times, but one of the most effective addresses ever delivered on the subject was made by him on the floor of the House on February 14, 1935. He spoke at length on the subject, using charts, maps, and diagrams, and explaining in detail the feasibility, the practicability, and the economic soundness of the project.

He has discussed the subject a large number of times over radio. On February 9, 1935, speaking over a national hook-up.

He conferred several times with President Hoover, urging the President's approval. As a member of the Rivers and Harbors Committee of the House, he had discussed this subject a number of times with President Roosevelt prior to April 5, 1935. At a lengthy conference held with President

Roosevelt on this occasion, he pointed out to the President the national importance of the project, and also the national support which the project had, and urged the President to begin construction. At the conference he was joined by Senator Fletcher and other members of the Florida delegation. The President that day gave assurance that the project would be begun. On the 3d day of September 1935 actual construction was begun on the project as a result of allocation of $5,000,000 by the President from special funds. Since construction began, Judge GREEN, as a member of the Rivers and Harbors Committee of the House, has been active and aggressive in his efforts to carry on the project to completion.

On February 12, 1936, he addressed the House of Representatives at length on the subject and urged the Congress to continue appropriations for construction.

In 1938 the Committee on Rivers and Harbors of the House, of which Mr. GREEN is a member, reported a bill for the completion of this project. Likewise, during the present Congress, his committee has again favorably reported the Florida Canal bill and it is now on the calendar awaiting action of the House. This is probably the largest and most important individual project ever to be reported by the House Rivers and Harbors Committee, and this report was brought about through the diligent and efficient efforts of Mr. GREEN.

The veteran Chairman MANSFIELD, of this committee, wrote:

Mr. H. H. BUCKMAN,
Consulting Engineer, Atlantic-Gulf Ship Canal Authority, Jacksonville, Fla.

DEAR MR. BUCKMAN: I am in receipt of your letter in which you refer to the Atlantic-Gulf ship canal across Florida.

In regard to the Atlantic-Gulf ship canal across Florida, as you are doubtless aware, that great project was approved by the Committee on Rivers and Harbors and is now pending upon the calendar. The project is rapidly gaining strength and has recently been recommended by Speaker Bankhead, Majority Leader Rayburn, Majority Whip Boland, and by Judge Driver, president of the National Rivers and Harbors Congress. Certainly a measure that has the support of these eminent gentlemen should be worthy of consideration by Congress and by the Nation. I will say that your Congressman [Mr. GREEN], who is the author of the canal bill, has been most aggressive in his efforts for this project. He is a high-ranking member of this committee and has been instrumental in obtaining important improvements for his district and State.

I consider the ship canal across Florida as a great project for national defense, as well as serving the interests of commerce. It was highly recommended by General Summerall, former Chief of Staff of the Army, and by other military and naval authorities. As an illustration of the part it would perform in national defense, I will call attention to the great Kiel Canal, which Germany constructed almost exclusively for military and naval purposes. If you will take the map of Florida and of the Denmark Peninsula, you will see that these two canals are almost identical. Certainly Germany considers the Kiel Canal of great national importance, and I believe it cannot be reasonably denied that the proposed canal across Florida would be equally important.

I am, with sincere regards,

Very truly yours,

J. J. MANSFIELD, *Chairman.*

Hon. James A. Farley, chairman of the National Democratic Committee, also praises Mr. GREEN for his manner in handling the canal measure and his usefulness.

Hon. R. A. GREEN,
House of Representatives, Washington, D. C.

DEAR LEX: I acknowledge receipt of the data on the Florida Canal.

You are ably handling the Florida Canal matter in the House of Representatives. You are doing it in a splendid fashion and are assisting in exactly the same manner as you have the Democratic Party in the general legislative program. Since President Roosevelt's inauguration more legislation of lasting benefit to the American people has been enacted than during any other period in the history of our country.

Assuring you of my appreciation for your support, I am

Sincerely yours,

JIM.

In addition to his achievements for the Florida Canal Mr. GREEN, as a member of the Rivers and Harbors Committee, has been able to secure large appropriations for the harbors of Fernandina, Jacksonville, Steinhatchee, Cedar Keys, and many other places in the State.

IMPEACHMENT OF FEDERAL JUDGE RITTER

On May 31, 1933, Congressman Wilcox, of Florida, introduced a resolution to investigate the conduct of Halsted L. Ritter, a judge in the southern district of Florida. On the morning of February 14, 1936, the House Judiciary Committee, by a majority vote, adopted a report made by Congressman Miller, a member of the Judiciary Committee. This report turned Ritter loose. On the afternoon of the same day Mr. GREEN took the floor of the House and impeached Ritter for high crimes and misdemeanors. He filed nine specific articles of impeachment and at length discussed Ritter's unfitness for the bench. On March 2, 1936, on the floor of the House, he plead for impeachment and a clean judiciary.

The House that day voted by a substantial majority to impeach Ritter. After several days of trial by the United States Senate, Ritter was, on April 17, 1936, by a two-thirds vote, convicted and removed from office.

Judge Ritter was the fourth one in all the history of our country to be thus removed, and Mr. GREEN has received the commendation for his courageous efforts in this from all parts of the United States.

SOLDIERS' HOME

April 15, 1929, Mr. GREEN introduced a bill for the establishment of a national home for disabled soldiers in the State of Florida. This bill was passed and actually led to the establishment, not only of the home in St. Petersburg, Fla., but of similar institutions in Alabama, Mississippi, and South Carolina. It was one of the most important pieces of soldiers' relief legislation ever passed.

On December 1, 1930, he introduced a bill authorizing the Secretary of the Navy to return to Florida the silver service set donated to the U. S. S. *Florida* by the Florida people. The legislation was passed.

PUBLIC BUILDINGS

On December 12, 1930, he introduced a bill providing for construction of post-office buildings as an unemployment relief measure. His bill gave impetus to the gigantic Federal building program and led directly to the building of the Federal building at Lake City, Fla., and also of many other Federal buildings in Florida.

At his suggestion, a magnificent Federal building was in 1935 erected at Perry, Fla. Since then Madison, Jasper, and Starke have all obtained Federal buildings. The one at Madison is completed and construction will begin in the next few weeks on the ones at Jasper and Starke. His is one of the few districts in the United States which has a Federal building for every town with $10,000 per year postal receipts. He now has a special bill pending for new Federal buildings for several places in his district including one for Gainesville, Fla.

TURPENTINE EXPERIMENT STATION

On December 21, 1929, he introduced a bill directing the establishment of a naval stores experiment and demonstration station on the Osceola National Forest in Florida. The legislation was approved and the station established at Olustee, Fla., and is giving untold benefits to the naval-stores and pine-tree industries. It benefits not only Florida but the entire South.

He has attended practically all conferences between turpentine producers of Florida and Department of Agriculture and R. F. C. officials in an effort to receive surplus commodity loans and all other benefits for the turpentine farmers. He has received an expression of the full appreciation of the turpentine farmers for this aid given them.

CONFEDERATE GRAVE MARKERS

In 1928 and 1929 he introduced legislation providing for the Government to furnish tombstones or grave markers for the graves of Confederate veterans. It led to the appropriation of funds for this purpose, and today thousands of these stones have been distributed to Confederate graves throughout the country.

VETERANS' LEGISLATION

On December 10, 1931, he introduced a bill providing for payment of pension benefits to widows and orphans of World War veterans, regardless of the cause of the veteran's death. The substance of this legislation passed the House but died in the Senate.

In 1933 and 1935 he reintroduced this legislation as well as a bill for straight pension to war veterans. He has now pending H. R. 5074, which bill would give disability allowance pensions to all disabled World War veterans for 10 percent, $12 per month; 25 percent, $20 per month; 50 percent, $30 per month; 75 percent, $40 per month; total permanent disability, $60 per month. The bill would also give automatic increase of 10 percent in service-connected compensation. He has filed a petition to force a vote on this bill and the sentiment in the Congress for passing this legislation is growing rapidly. He also has a bill for non-service-connected widows and orphans of veterans and it is believed that this legislation will be passed before adjournment.

Mr. GREEN has consistently voted for all measures for benefit or relief of World War veterans, Spanish-American War veterans and their widows and orphans. He voted to pass the bill for adjusted-service certificates (bonus) over the veto of the President.

He daily receives letters and words of appreciation from veterans and their families for his efforts for pension legislation and for helping them present their claims to the Veterans' Administration.

One, today, wrote him as follows:

I am glad to know you still remember us. I often think about you and what you did for us when we really needed your help. I realize you are working for the veterans, and I want you to know that I appreciate it. Words cannot express my appreciation for what you have done for us.

Your friend,

(Signed) E. A. CREWS.

On April 25, 1935, he introduced a bill for an appropriation of $600,000 for added facilities for the veterans' hospital at Lake City, Fla. Since this time he has been instrumental in obtaining adequate appropriations for the expansion of this facility and for its general improvement.

LEGION DISTINGUISHED-SERVICE MEDAL

The American Legion post of his home county awarded him the Legion Distinguished Service Medal for 1933.

FEDERAL AID FOR ROADS

He has supported all legislation for Federal aid to roads, and on May 3, 1933, introduced a bill to appropriate $200,000,000 for highways. A greater amount was appropriated. On April 16, 1936, he addressed the House, favoring passage of the Cartwright road-appropriation bill. The bill passed.

He has consistently and on every occasion voted for Federal participation in highway construction, and his district has received its full portion of Federal road funds. Among outstanding projects which he has helped his district to achieve was the Main Street Bridge at Jacksonville, Fla.

MEDITERRANEAN FRUITFLY DAMAGES

In 1930 Mr. GREEN was the first to introduce a bill looking to survey of fruitfly eradication damages in Florida and for payments therefor. He has consistently worked for payments for these damages and a few days ago appeared before the committee and spoke in behalf of this.

FEDERAL FARM LOANS—SOIL CONSERVATION

On March 10, 1933, he introduced a bill providing for extension of time on Federal land-bank mortgages, and for other purposes. This bill gave impetus to the administration's legislation extending time on loans and permitting additional loans by the Federal land banks throughout the country. He has also been very active for legislation providing for crop loans. He has actively supported every farm-relief measure since he has been a Member of Congress.

The record shows that 77 percent of the cropland in his district last year was operated by farmers participating in the A. A. A. program. Union County, which is the county of his birth, participated up to 94 percent—the highest of the entire State.

SCREW-WORM CONTROL

On January 3, 1935, he introduced H. R. 3020, providing $2,000,000 for screw-worm control and for continuance of the tick-eradication program. Funds were provided for both purposes in the 1935 appropriation bill.

Additional appropriations have been had since this date and Mr. GREEN is now endeavoring to obtain funds to be used in practical ways for screw-worm control this summer. He is also cooperating with Florida cattlemen in their efforts for tick eradication in the Florida Everglades. This was recently acknowledged by the State veterinarian as follows:

MARCH 9, 1940.

Hon. LEX GREEN,
House Office Building, Washington, D. C.

DEAR MR. GREEN: I am pleased to acknowledge receipt of your telegram of the 8th instant, advising that you have conferred with Secretary Wallace and that he will meet the Florida congressional delegation and our committee at 10 Wednesday morning, March 20.

Thanking you and with kind regards, I am

Yours very truly,

J. V. KNAPP, *State Veterinarian.*

TOBACCO QUOTAS—TAX REFUND

In 1937 Mr. GREEN introduced a bill for the refund of taxes paid under the Kerr-Smith Act. This became law and many of these claims were refunded to the growers.

Mr. GREEN has attended practically every conference of the House Members and Department of Agriculture officials in an effort to obtain liberal tobacco quotas for Florida. A number of times on the floor of the House he has spoken in the interest of larger tobacco quotas and through his efforts Florida quotas have on two occasions been raised.

HISTORICAL MONUMENTS

In 1937 Mr. GREEN introduced H. R. 5241, for the establishment of a National Monument at Fort Caroline on the St. Johns River in Duval County. Following recent conferences with Federal park officials in Washington he more recently introduced H. R. 8886, which would authorize the acquisition of land and $250,000 for the purchase of same to mark this historic site.

FISHING INDUSTRY

He has on every occasion supported all measures for loans and benefits for the fishing industry of his district.

OLD-AGE PENSIONS

Early during the Roosevelt administration he introduced a bill giving Federal pension to the aged without State contribution. He supported and voted for the administration old-age pension and security bill, but worked for more liberal provisions, including Federal pension without State contribution.

He has consistently and earnestly worked for adequate pension for the aged and has on every occasion voted for the maximum amount offered for this purpose. He introduced H. R. 9048, new Townsend plan bill, and has on a number of occasions addressed the Ways and Means Committee and the House in behalf of this cause. His speech before the Congress on this subject on February 26, 1940, has received national acclaim. He has received hundreds of letters from all parts of the Nation commending him on his plea for the aged. Several of these letters are as follows:

DADE CITY, FLA.

Hon. LEX GREEN.

DEAR SIR: Thanks a million for your fearless stand and may God bless and keep you is our wish for you.

We certainly do need a champion such as you and want you to know we are pulling for you every minute. We are members of Townsend clubs and pray daily that it will go over. Thanks again.

PETER FALVEY,
San Antonio Club.
HARVEY PARKER,
Richland Club.

JACKSONVILLE, FLA., *March 9, 1940.*

Hon. R. A. (LEX) GREEN,
Member of Congress, House Office Building, Washington, D. C.

DEAR CONGRESSMAN GREEN: We Townsendites are grateful to you for your support in our cause, and we are not unmindful of the fact that the time is near at hand when we may show our appreciation through votes cast in your behalf. While there may be some persons who are in doubt, I am striving to win them over, and so far I have been successful in my attempts, and I shall continue to work for you, as I believe in you.

We shall continue in our efforts in your behalf as you have put forth efforts in our behalf.

Very sincerely yours,

J. S. RUSSELL,
President, Townsend Club No. 1.

LOS ANGELES, CALIF., *March 11, 1940.*

Hon. LEX GREEN,
Washington, D. C.

MY DEAR FRIEND: You are certainly a statesman. You are greatly appreciated as the true blue by our people here in California. I got your speech made before the Congress on your view of the Townsend national recovery plan. I am secretary-treasurer of my Townsend club and I read your speech to the club at our meeting last Tuesday. You will never know how much your strong statements in our interests were appreciated.

I am also secretary-treasurer of the organization of the associated clubs of the Townsend Movement for Southern California. At our meeting last Saturday morning it was not necessary to read your speech, for everyone at the meeting knew of your speech and there were plenty of the highest compliments for your wonderful work in Congress. We need to put first things first. It seems that you are in the front ranks. Better government is one of our slogans.

I well know that you are a busy man and I have no desire to trespass upon your time. I thank you very kindly.

Sincerely yours,

DR. A. L. HUNT.

MARCH 14, 1940.

Hon. LEX GREEN.

MY DEAR MR. GREEN: If I live until our next voting day, I sure vote for LEX GREEN, as I have done always from the first time you went to Congress. I am an old man now, but I believe in LEX GREEN.

I will be 76 my next birthday, next July 15. I only get $15 per month. My wife will be 66 the 14th of April, and they have not done anything for her. Claim they have no funds.

If this bill should become a law, we old men could get us some clothes and a mess of meat sometimes. There is lots I like to write you, but I know you are a busy man.

You have many friends in this little town who will vote for LEX GREEN to get back on the jobs May 7. We can trust you always, Mr. GREEN, to do favors what lies in your power. You are the old peoples' friend, so I will say the good God ever guide you to do the right thing.

From your old friend,

PETER S. LANCASTER.

MUSCATINE, IOWA, *March 9, 1940.*

Hon. LEX GREEN,
Washington, D. C.

MY DEAR SIR: I could use 5,000 of your speech of February 26, but will appreciate any number you may send me.

I would be willing to reimburse you for the expense of printing if you would send me 5,000. Would like to put them in every house in this town and cover the rural routes.

Thanking you, I am,

Yours truly.

W. A. HUDLER,
707 West Fourth Street.

CEDARVILLE, N. J., *March 12, 1940.*

Congressman LEX GREEN.

DEAR SIR: Would you be kind enough to mail me 75 of your speeches made in the House in February?

I call it a masterpiece of Townsend philosophy. I would like to distribute your speech in my Townsend club. Every Townsend member should read it.

Yours very truly,

ELMER BORNE.

The founder of this great organization, Dr. Francis Townsend, recently commended our colleague as follows:

JANUARY 22, 1940.

The Honorable LEX GREEN,
House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: I am happy to inform you that the services in Congress you were elected to perform by the Townsend followers of Florida have been satisfactorily carried out.

You are hereby endorsed for reelection as Member of Congress for your district and I have today heartily recommended that you be given full support by your constituents for another congressional term, and have requested all members of our organization in your district to lend you their undivided support.

You can depend upon me to be of active service to you in your coming campaign; therefore, do not hesitate to command me.

Most sincerely yours,

DR. F. E. TOWNSEND,
Founder and President, Townsend National Recovery Plan, Inc.

LABOR—RAILROAD RETIREMENT PENSIONS

He supported and voted for both of the Crosser railroad employees' retirement (pension) bills, the train-length-limit bill, unemployment insurance, employers' liability law, and has a consistent record favorable to labor legislation. Recently in a public address, Mr. GREEN said: "I believe in the dignity of labor and the majesty of toil. There is no aristocracy except that of honor, and no rable save that of crime. I have wielded both the sledge hammer and the broadax and am not too good to do it again if necessary. I honor the man who earns his bread by the sweat of his brow."

Labor leaders say he has the best labor record of any Floridian. He has consistently been endorsed and supported by labor organizations including the railroad brotherhoods, and now bears their strong commendation for reelection. The president of the American Federation of Labor recently expressed approval as follows:

JANUARY 24, 1940.

Mr. CHARLES E. SILVA,
President, Florida State Federation of Labor,
Tampa, Fla.

DEAR SIR AND BROTHER: Congressman R. A. (LEX) GREEN has represented the Florida Second Congressional District continuously for the last 15 years. During that period of time he has constantly kept in touch with the officers and representatives of the American Federation of Labor at our headquarters and has invariably supported legislation which we were advocating.

He has proven himself by his conduct and votes to be a true friend of the American Federation of Labor.

I wish you would bring this letter to the attention of our members in Mr. GREEN's district, with the request that they and their friends vote for him.

Fraternally yours,

WILLIAM GREEN,
President, American Federation of Labor.

Labor groups consistently commend his efforts as expressed in the following:

NATIONAL FEDERATION OF FEDERAL EMPLOYEES,
LABOR BUILDING, WASHINGTON, D. C., *February 19, 1940.*

Hon. LEX GREEN,
Member of Congress,
Washington, D. C.

DEAR CONGRESSMAN GREEN: On behalf of the National Federation of Federal Employees we express to you our sincere appreciation of your vote for the passage of H. R. 960, the Ramspeck bill, extending the classified executive civil service of the United States.

Your action with regard to this measure has helped materially to improve the entire personnel situation in the Federal Government.

Sincerely,

LUTHER C. STEWARD,
President.
GERTRUDE M. MCNALLY,
Secretary-Treasurer.

ENGINEERING EXPERIMENT STATIONS

On January 25, 1937, Mr. GREEN introduced H. R. 3629, for the establishment of engineering experiment stations in the land-grant colleges. Throughout the United States this bill met with popular approval, but was held up pending survey of the National Resources Planning Board. On February 1, 1940, he reintroduced this bill as H. R. 8260. It is now undergoing study by the departments of the Government. This bill has strong support of the executive committee of the land-grant college committee and in all probability will become law.

SHORE EROSION

On April 13, 1936, he introduced H. R. 12258, to provide for Federal cooperation to prevent erosion and destruction of beaches and water fronts. The Government is now seriously embarking upon this worthy undertaking.

P. W. A.

Mr. GREEN has been a consistent supporter of the P. W. A. program and has been instrumental in obtaining allocation of funds for his congressional district for a large number of buildings in his district, and the Florida tuberculosis sanatorium at Orlando represents an outstanding P. W. A. accomplishment.

AGAINST CARPETBAGGERS

He has protested against out-of-State Government employees working in Florida. On August 22, 1935, Mr. GREEN introduced House Joint Resolution 398. This resolution made it a criminal offense for a Government official to be employed in any State until he had been a bona fide resident of such State for 2 years prior to his assignment. The effects of this resolution almost broke up Federal-employee carpetbagging in Florida and gave to Florida people Florida jobs.

COAST GUARD STATION FOR CEDAR KEY

On January 18, 1937, Mr. GREEN introduced H. R. 3142, for the establishment of a Coast Guard station at Cedar Key. He has recently reintroduced this measure and favorable action is very hopeful on account of the expansion of the national-defense program. He has also repeatedly urged the reestablishment of Coast Guard facilities at the harbor of Fernandina and owing to emergency conditions at this time Fernandina may soon have Coast Guard service enlargement.

STEPHEN FOSTER MEMORIAL STAMP

On January 23, 1939, he introduced House Joint Resolution 128, which provided for the printing by the Post Office Department of a postage stamp in the honor and memory of the life and works of the renowned composer Stephen Foster. The stamp has been issued.

MARINE HOSPITAL FOR JACKSONVILLE

Realizing the need for a marine hospital at Jacksonville, Mr. GREEN, in 1937, introduced legislation for this purpose. Legislation passed, but was vetoed by the President. On January 20, 1939, he introduced H. R. 2985 for this purpose, and on March 21, 1940, he appeared before the House Merchant Marine and Fisheries Committee in this behalf. The bill has the approval of the United States Public Health Department, and it is believed it will be enacted into law at this session.

In an effort to assist the shipping industry at Jacksonville, Mr. GREEN has introduced H. R. 5682, which has the approval of the Public Health Department, and shall in all probability be enacted into law.

GUARANTEEING OF BANK DEPOSITS

Mr. GREEN voted for the bill to guarantee the deposits in banks and has been consistent in supporting all legislation helpful to the businessmen and industry of Florida, such as the R. F. C. appropriation. Other measures for financial relief have had his support and cooperation for enactment. Chairman STEAGALL, of the House Banking and Currency Committee, has commended Mr. GREEN for his cooperation.

WORK PROJECTS ADMINISTRATION

Mr. GREEN has been a supporter of W. P. A. legislation and advocated appropriation adequate to take care of the needy and give employment to those out of jobs. At the last session of Congress he voted against the 18-month lay-off provision and voted for an increase in the appropriation. He has always, at conferences and by speeches on the House floor, advocated equal payments throughout the United States for similar work on W. P. A. projects. Recently he introduced H. R. 9065, which would compel the payment of equal wages for the same work in all parts of the United States. In a recent speech on the floor he deplored the payment of $35.10 per month to laborers in Florida and $55 per month in some of the other States. The bill would also repeal the 18-month lay-off provision as well as the 25-percent sponsorship requirement, and would put up Federal funds 50–50 with State funds to certify the needy. It would make unnecessary past work history requirement for certification. He has at all times defended W. P. A. workers and advanced their full rights. During the early part of this month he appeared before the House Appropriations Committee in behalf of adequate appropriations for N. Y. A. work. He plead in behalf of dependent children, most of them in school, who would be cut off from employment and school if this appropriation was reduced.

COMMODITY FOOD-STAMP PLAN

Mr. GREEN was the first one from his State to confer with officials of the Federal Surplus Commodities Corporation and make efforts for the beginning of the commodity food-stamp plan for Duval County. As the result of his efforts, this plan is to be established in Duval County during the next month. It will be a great help to the W. P. A. workers and, in fact, increase their food income by the amount of several dollars each month. It is estimated by Commodity officials that this will increase sales of local grocerymen by $200,000 from about May 1 to July 1, and that the increase from July 1, 1940, to July 1, 1941, will be a million dollars. This will be of tremendous benefit to the economic and business life of Jacksonville.

In reviewing the record of my colleague [Mr. GREEN], I am reminded of an address made on March 16, 1916, by former Speaker Champ Clark at the Washington Press Club reception, and printed in the CONGRESSIONAL RECORD on March 17, 1916, as follows:

It is a high honor to be a Representative in Congress, if for only one term, and with the number of terms the honor increases in geometrical rather than in arithmetical proportion. A Member's usefulness to his country should increase in the same proportion. A man has to learn to be a Representative just as he must learn to be a blacksmith, a carpenter, a farmer, an engineer, a lawyer, or a doctor.

"Poeta nascitur non fit"—a poet is born, not made—says Horace; but Congressmen—that is, useful and influential Congressmen—are made largely by experience and practice.

The old Charlotte district in Virginia knew this and kept John Randolph, of Roanoke, in the House till he became a great national figure. Then the Old Dominion sent him to the Senate and General Jackson sent him to St. Petersburg. There are sporadic cases of similar action in other districts.

It is an unwise performance for any district to change Representatives at short intervals. A new Congressman must begin at the foot of the class and spell up. Of course, the more brains, tact, energy, courage, and industry he has the quicker he will get up. If he possesses these qualities, and if his constituents will keep him in the House, he is as certain to rise as the sparks are to fly upward. No human power can keep him down. It is only fair and rational to assume that every Representative's constituents desire to see him among the top-notchers.

Let us take the present House and see how long the men who hold the high places have served. I cannot name all, but will cite a few as samples.

Mr. Speaker Cannon is serving his fortieth year. He holds the record, or, in pugilistic parlance, "he holds the belt," for length of service in the House in our entire history. In several Congresses he was chairman of the great Committee on Appropriations and then was Speaker 8 years, only one man, Henry Clay, having been Speaker longer.

I am serving my twenty-second year; Minority Leader Mann is serving his twentieth year; Mr. Kitchin, chairman of Ways and Means, his sixteenth; Mr. Fitzgerald, chairman of Appropriations, his eighteenth; Mr. Moon, chairman of the Post Office and Post Roads, his twentieth; Mr. Jones, chairman of Insular Affairs and "father of the House," his twenty-sixth; Mr. Flood, chairman of Foreign Affairs, his sixteenth; Mr. Hay, chairman of Military Affairs, his twentieth; Mr. Glass, chairman of Banking and Currency, his sixteenth; Mr. Adamson, chairman of Interstate and Foreign Commerce, his twentieth; Mr. Stephens, chairman of Indian Affairs, his twentieth; Mr. Slayden, chairman of the Library, his twentieth; Mr. Henry, chairman of Rules, his twentieth; Mr. Lever, chairman of Agriculture, his sixteenth; Mr. Padgett, chairman of the Navy, his sixteenth; Mr. Lloyd, chairman of Accounts, his twentieth, and Mr. Sparkman, chairman of Rivers and Harbors, his twenty-second. There are other big chairmanships, but these will suffice to show that, as a rule, the big places go to old and experienced Members, for most of the men who rank close to the chairmen are old-timers. The same thing holds good with reference to members of the minority. As an illustration, Messrs. Gillette and Cooper, who are serving their twenty-fourth year, are the ranking Republicans on Appropriations and Foreign Affairs, almost certain to be chairmen thereof should the Republicans ever again have a majority in the House, as in that event, in all probability, Mr. Mann will be Speaker, unless he is nominated for President next June.

Go through the whole list and you will find, with few exceptions, that the men of long service have the high places.

New England and the cities of Philadelphia and Pittsburgh have understood the value of long service all along, and, having elected a fairly good man to Congress, they keep him in the harness.

The Member of longest consecutive service is called the "father of the House." Five Philadelphians in immediate succession bore that honorable title—Randall, Kelley, O'Neill, Harmer, and Bingham. Then it went to Mr. Dalzell, of Pittsburgh. When General Bingham announced the death of General Harmer, his immediate predecessor as "father of the House," he stated that the five Philadelphia "fathers of the House" had served a total of 147 years, and he served 8 or 10 years after making that interesting statement.

In the second and third Congresses in which I served, Maine, with only four Members, had the Speakership and the chairmanship of the great Committees on Ways and Means, Navy, and Public Buildings and Grounds—a most remarkable circumstance, giving the Pine Tree State an influence in the House and the country out of all proportion to her population and wealth. These four men—Reed, Dingley, Boutelle, and Millikin—each served in the House 20 years or more. Other States might profit by her example.

No man should be elected to the House simply to gratify his ambition. All Members should be elected for the good of the country.

The best rule, it seems to me, is for a district to select a man with at least fair capacity, industrious, honest, energetic, sober, and courageous, and keep him here so long as he discharges his duties faithfully and well. Such a man will gradually rise to high position and influence in the House. His wide acquaintance with Members helps him amazingly in doing things.

I can speak freely on this subject without violating the proprieties, for my constituents have kept me here 22 years, and for 20 years have given me nominations without opposition, for all of which favors I thank them from the bottom of my heart. Their generous action and unwavering friendship have enabled me to devote all my time to the public service. I have not been compelled to spend any portion of my time in "mending my fences." My constituents have attended to that. God bless them.

The speech of Speaker Champ Clark is deserving of the thoughtful study of every voter of the country.

It is a nationally known fact that those districts which have retained their Representatives in Congress for the longest continuous terms have received the best service and the greatest recognition. The present Speaker of the House, Mr. W. B. BANKHEAD, of Alabama, has been in Congress for 24 years. The majority floor leader, Mr. SAM RAYBURN, of Texas, has been in Congress for 28 years. The chairman of the Ways and Means Committee, Mr. R. L. DOUGHTON, of North Carolina, has been in Congress for 30 years, and the chairman of the Appropriations Committee, Mr. ED TAYLOR, of Colorado, has been in Congress for 32 years, and the chairman of the Judiciary Committee, Mr. HATTON W. SUMNERS, has been in Congress for 28 years—the longer the successive tenure of office the greater the service and usefulness of the Representatives. Why should a constituency exchange experience and efficiency for inexperience? The Congress, since the inauguration of President Roosevelt, has responded nobly to the call of duty and should receive the endorsement and approval of a Nation now upon the high road to recovery.

World conditions are unsettled and all the major powers except the United States are engaged in war. This is of grave significance to our Nation. We are now facing one of the most critical periods in the history of our Republic—men of courage, honor, and experience are needed in public life. Mr. GREEN measures up to the high standards of noble statesmanship; his record and career in the Congress has proven him worthy and dependable. Men of his high character and ability are needed to help guide the destiny of our Nation.

Appreciation of his character, service, and ability is expressed by the gentleman from Pennsylvania, the Honorable PATRICK J. BOLAND, Democratic whip, and the gentleman from Texas, the Honorable SAM RAYBURN, House Democratic leader, as follows:

OFFICE OF THE MAJORITY WHIP,
HOUSE OF REPRESENTATIVES,
Washington, D. C., March 18, 1940.

Hon. R. A. (LEX) GREEN,
House of Representatives, Washington, D. C.

DEAR LEX: I wish to extend to you my sincere thanks, as my assistant whip, for the splendid and effective cooperation you gave me during the past 10 years.

At such times when it was impossible for me to be on the floor of the House, I knew that you would perform the duty of assistant whip with such diplomacy and efficiency that desired results would be forthcoming. I feel that our administration here in Washington owes you a debt of gratitude for your splendid work, and I wish at this time personally to express my thanks for your cooperation.

Your long experience here has given you strength and power in the councils of our great Democratic Party. Your aggressiveness, high character, and fair dealings have enabled you to accomplish things of outstanding importance for your district and for the country as a whole. Men of the courage and character of your type are needed in the Congress during the critical period now facing our country. I hope that the voters of your district will continue your services as a Member of Congress.

With very kind personal regards, I am,

Sincerely yours,

P. J. BOLAND, *Majority Whip.*

OFFICE OF THE MAJORITY LEADER,
HOUSE OF REPRESENTATIVES, UNITED STATES,
SEVENTY-SIXTH CONGRESS,
Washington, D. C., March 26, 1940.

Hon. LEX GREEN,
House of Representatives.

DEAR LEX: I do not know when this session of Congress will close, but before it does I want to thank you for your fine spirit of cooperation with the House leadership. Your service here for your State and the country at large has been outstanding.

I want you to know how personally grateful I am to you for your loyalty, not only to the House organization but also to the administration. I have depended on you much, and during the time you have been a Member of the House of Representatives you have impressed yourself upon its membership in a way that has made you very influential.

Your work as chairman of the Committee on the Territories, and as a member of the Committees on Flood Control, Immigration and Naturalization, and Rivers and Harbors, and as assistant Democratic whip has been of great service.

I trust that during this critical period the people of your district will exercise the good judgment to return you to the House of Representatives where, on account of character and ability, you have gained in power and influence.

With every good wish for you personally, I am,

Sincerely yours,

SAM RAYBURN.

EXTRACTS FROM MR. GREEN'S ANNOUNCEMENT FOR CONGRESS

My record is an open book; upon it I stand. There is nothing hidden, and your examination of it is invited. During the past 15 years as your Congressman I have done all within my power to bring to you every possible protection and assistance from our Federal Government. Possibly mistakes have been made, because we all make mistakes, and probably none is without fault. I shall be satisfied, however, if, upon examination of my record, you will give careful consideration to each vote cast and official acts which I have performed, place the good on one side of the scales and the errors on the other side of the scales, and vote for the side that weighs heavier. I have no fear of the outcome of such a ballot, because I feel certain that you will find in my record more merit and perfection than demerit and imperfection.

I bring this high office back to you without stain or tarnish. Even my most severe critics have always admitted that I have been honest and industrious and that I have always been faithful to the interest of the plain people and loyal to my esteemed friends. I trust that it may be your desire to continue me as your Congressman for another term.

ACCOMPLISHMENTS

In my campaign 16 years ago I promised to work toward definite goals. Among these were the following: First, to convert Muscle Shoals into a plant for the production of fertilizer. I voted for the Muscle Shoals bills twice during the Republican administration and it was vetoed by President Hoover and President Coolidge, but under President Roosevelt I voted for the Muscle Shoals bills and he signed them. Second, cheaper freight rates. Freight rates have been reduced and should and will be further reduced in the future. Third, increased loans to farmers.

Since the Democrats came into power we passed the Federal farm-relief bills which have loaned and paid in subsidies and soil-conservation benefits to the farmers of our Nation billions of dollars. Also the A. A. A. and other farm measures, which have increased prices of farm commodities. Fourth, Federal aid to schools. The Government is now expending a greater amount in education, buildings, and extension work. Fifth, increased Federal aid for roads. Since I have been a Member of Congress we have appropriated probably 10 times as much for Federal roads as during any other similar period. Sixth, extended hospital treatment for veterans. Hospital facilities for veterans are 5 times greater since I have been a Member of Congress. Seventh, restriction of immigration. We have restricted immigration about 95 percent since I have been a Member of Congress. Eighth, the construction of a canal across Florida. I have introduced and the Congress passed bills on the canal since I have been in Congress, and considerable work has been done on the canal.

On September 26, 1939, I formally announced my candidacy for reelection as a Member of Congress. Newspapers in my district at that time carried the following statement:

"Congressman LEX GREEN, who has represented the Second District for the past 15 years, announced today that he would be a candidate to succeed himself in the May primaries.

"His seniority in the House has given him strength, prestige, and contacts which is of vital help to the Second Congressional District and the State of Florida. He holds the only chairmanship which is held by Florida in either the House or the Senate—that of the

important Committee on the Territories. In addition to this committee he is a member of the Immigration Committee, also the Committee on Flood Control, and is near the top of the powerful Committee on Rivers and Harbors. He has for the past 10 years served as assistant Democratic whip, and in this capacity has rendered helpful services to the Democratic administration during the past 7 years of this party's control. It is believed by his friends that he is in a position to render valuable services in the House during this critical period.

"Today Congressman GREEN said: 'Our Nation is facing possibly one of the gravest emergencies in its history—about three-fourths of the world's population is now engaged in war, and these wars are not without significance to America. Our Nation is a peace-loving nation, and it is our earnest hope not to become involved in war. Friends of mine have expressed their desire that I should seek reelection, and this I shall do.

" 'With the faithful cooperation of the voters of our district, we have been able to obtain during the past 15 years many substantial benefits to our district and State. Among these are the naval air base at Jacksonville; rural electrification for more than one-half of the counties of our district; surveys for and the beginning of the Florida Canal and other major waterway developments; legislation beneficial to the farmers, the growers, and the industries of our district; benefits for war veterans and their dependents; benefits for the aged and needy; and many other Federal benefits have been realized.

" 'Our earnest and cooperative efforts will be in the future to: First, keep our Nation out of war and at peace with the world; second, developing the naval air base at Jacksonville and the National Guard establishment for our district; third, adequate defense for our Nation and combating things un-American; fourth, a square deal for labor; fifth, adequate pensions and security for the aged, the dependent, and needy, reform of social security and the enactment of the Townsend plan; sixth, adequate pensions for all disabled veterans and their dependents, widows, and orphans; seventh, rural electrification expansion; eighth, completion of the Florida Canal and development of our inland waterways and harbors; ninth, adequate W. P. A. and other emergency appropriations and reforms of W. P. A. law and administration, and hospitals in every place where needed; tenth, legislation for the benefit and protection of our farmers, growers, and livestock men and for forestry and industry. Earnest and conscientious efforts for all things for the welfare, help, and protection of the people of our district, State, and Nation.

" 'If you continue my services here I will do all within my power to accomplish these 10 points, and I hope to make substantial accomplishments in this direction.' "

PRESENT DEMOCRATIC ADMINISTRATION

A clear understanding of the President's emergency-relief program is needed. Please carry your thoughts back 7 years in order to thoroughly understand and fully appreciate the scope and purpose of this gigantic relief program, it is well to refresh our memories of the chaotic condition which faced the American people about 12 months before his election. At this time business and industry was at its lowest ebb since the beginning of the depression. Agriculture was in the depths of despair; ten or twelve million idle men and women were walking the highways and streets in increasing numbers looking for jobs. By the 1st of March 1933 a banking holiday had been declared in many States of the Union. The people had almost lost confidence in the ability of their Government to bring about a recovery. Economic chaos threatened the country to a more alarming extent than in the darkest days of the preceding years. Wheat had sold as low as 18 and 25 cents per bushel; cotton 5 to 6 cents per pound; and corn as low as 10 or 12 cents per bushel; in fact, some of the corn growers of the Middle West were burning their corn for fuel, while the coal miners were without food and in need of this very corn for food for themselves and families. There was an abundance of wheat, corn, cotton, wool and meats; yet millions of people hungry for the want of these foodstuffs and cold from lack of cotton and woolen garments. Granaries and warehouses were filled to capacity, yet railroad cars stood idle and rusting out in the railroad yards, and idle freight boats rode at anchor throughout the harbors of our country. Industry was paralyzed, credit was destroyed. In fact, local credit was almost nonexistent. The old custom of 150 years ago of trade and barter and exchange was in common use. One individual would trade and barter products or commodities for some other needed product or commodity in order to obtain cloth, food, fuel, and necessities of the body. Agriculture was on the very brink of bankruptcy. Money had either gone into hiding or was locked up in bank vaults.

The then-remaining banks in the country were closing in alarming numbers, carrying with them the life savings of honest American citizens. Church and charity funds and the trust funds of orphans were not even spared. There was a deficit even in the Budget of our Federal Government which had occurred for the past 3 years and which aggregated over $5,000,000,000. But what was even worse than all of this, there were forces of doubt, suspicion, and destruction at work in our midst which threatened our social and civic institutions and the very foundation of our Government itself. In part, these were the chaotic conditions which faced the American people in the most trying times in the peacetime history of our country; but our American Government was founded through valor and courage, and in its darkest hours it has always produced leadership. The American people have in this darkest hour of the country's history found courageous and able leadership which has come forth and proceeded unafraid. A New Deal was not only required but a leader of kind heart, firm hand, and quick decision was needed to put the New Deal into effect and to inspire that confidence in the American people which was all-essential to recovery. Such leadership appeared in the person of Franklin D. Roosevelt. Probably the most fateful hour and fateful minute in the history of the American Republic was on the 4th day of March 1933, when, in his inaugural address, he said:

"So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed effort to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days."

To this clarion call the American people in all walks of life have responded most nobly and have almost shaken off the shackles of depression. President Roosevelt is a man of action. Through his able leadership the Congress has passed during the past 7 years a series of measures which have reshaped the economic and industrial life of the Nation. I will briefly mention a few of these measures:

AID TO FARMERS

Farm-relief measures, including the A. A. A., Soil Conservation and Benefit Payment Acts: These various acts have more than doubled the incomes of 30,000,000 who dwell on the farms. The purchasing power of this group has been increased about $6,000,000,000; farm mortgages have been refinanced; extensive crop, agriculture, and farm-security loans have been made. Muscle Shoals, which had been idle, now has been converted into an experimental fertilizer-producing plant and into the great T. V. A. power establishment. T. V. A. reduced power rates throughout the country and was the beginning of rural electrification, which has been carried to some 25 percent of the farms in this country. The price of fertilizer has been reduced.

BANK DEPOSITS GUARANTEED

The Glass-Steagall Banking Act, the deposit insurance or deposit guaranty law, and other banking bills have stabilized the currency of our country and reopened banks throughout the country; credit has loosened up in practically all places and banks are now lending money in 10 times the amount lent out in 1933. There is no fear of a bank closing on deposits, and the general public has the utmost faith in the safety of our banking institutions. The banks now have on deposit about twice the money deposited in 1933. The Federal Securities Act has practically stopped the cheating, swindling, and stealing in the sales of securities and stocks.

Under the Home Owners' Loan and Housing Acts, millions of people have been enabled through Federal financing at low rates of interest to own their own homes—and, after all, the home, as such, is the very Gibraltar and strength of our American civilization.

LABOR

Organized labor has probably gained more during the past 7 years than at any other time in the history of the world: the right to bargain collectively, unemployment insurance, employers' liability law, the railroad benefit or pension acts, and many other measures for the protection and benefit of labor.

OLD-AGE PENSIONS

For the first time in the history of our country the Government has recognized its responsibility to the aged and needy. Social-security benefits are extended to the aged, the dependent children, and the blind. Did you ever hear tell of 1 dime being given by the Federal Government to the aged and needy except under the Roosevelt administration? Of course, this job is not half finished, and will not be finished until straight, adequate pensions are paid directly from the Federal Treasury to all the aged in our country. This I shall continue to work for.

P. W. A. and W. P. A. have carried out construction programs which have substantially added to the material wealth in buildings to the Nation, and at the same time these programs have fed the needy and given employment to those who were otherwise unemployed and destitute.

TIMES BETTER

During the past 7 years, under the Democratic administration, we have seen great improvements in business; factory pay rolls have about doubled; five to six million persons who were unemployed are now following gainful occupations. The income of the American people has increased from about $38,000,000,000 to more than $70,000,000,000. Automobile production and gasoline consumption has more than doubled; and, in fact, general business is from 50 to 100 percent better now than 7 years ago. Practically every farmer or businessman in this country is better off now than he was 7 years ago. Stores which were then closed are now doing a thriving business, and thousands of people who were then destitute and hungry are now employed on W. P. A., and otherwise, and have things to eat and use. Of course, this job is not yet done, and it is my hope to see the time come soon when every person in our country desiring to work will have a job, and all want will be entirely banished from our land. There is enough material to make shelter for all; there is enough cotton and wool

to give warm garments to every back in America; there is enough wheat, corn, and meat to give these necessities of life to every hungry mouth in the Nation; there are enough automobiles in our land to take every American, large and small, to ride at the same time. In fact, there is an abundance of every necessity and comfort of life that all may be supplied and cared for. It is my ambition and your ambition to work toward the economic goal of comfort and plenty for all. Our Nation is now traveling in this direction. Let us all go forward instead of turning backward.

WAR CLOUDS

The greatest threat to civilization now is war. More than 75 percent of the world's population is engaged in war, and these people are experiencing the horrors and tragedies of armed conflict. Our Nation is about the only major country which is now at peace with the world. We have recently seen Ethiopia, Finland, Poland, Czechoslovakia, and several other small nations overrun and devoured by powerful and strong military powers. Spain has recently been reduced to ruins by armed conflict of zealous military powers. Cannons are roaring; swords are flashing; airplanes are dropping missiles of death from the air; mines and submarines infest the waters from the Bering Sea through Asia, North Africa, and Europe, to beyond the British Isles. Canada, our next-door neighbor, is a part and parcel of this armed conflict. Any hour or day this struggle may grow more bloody and tragic. Probably 35,000,000 soldiers are now called to the colors of these fighting nations. Innocent children and old people are huddling themselves together in caves and beneath the shelter of rocks and in the dense forest to escape the onslaught of death by modern instruments of war. War has no conscience and is the respecter of no individual or human rights. Our own Nation is feverishly arming to defend itself. Our Nation does not want war; the American people are a peace-loving and noble people. I favor adequate provision for our national defense, but I am opposed to our Nation being drawn into this European war. The best security for our Nation to keep out of this war is to prepare adequately to defend our own Nation here on American soil. This is the most critical period in the world's history, and our Nation must be prepared to meet and surmount the crisis.

DO NOT SWAP HORSES IN THE MIDDLE OF THE STREAM

Our Nation is in the middle of the stream at home and abroad; in fact, civilization may be threatened. I have done the best I could to properly and efficiently serve you in Washington as your Congressman during the past 15 years. I am no stranger to you—practically all of you have known me personally over these many years. I was born near Lake Butler on a little farm; picked cotton at 4 years of age; plowed at 8 years of age; taught school at 16; graduated from the University of Florida and attended law school at Yale University. I served in the State legislature, as county judge of Bradford County, and for the past 15 years here. I am familiar with the conditions here, and earnest in my service for the best interests of the people of our district. I would like to serve you another term. If you had a house almost completed, I do not believe you would change carpenters without good cause. If you were improving from a serious illness, I do not believe you would change doctors if your doctor was faithful and sincere. If you were almost to the end of your journey, I do not believe you would stop to trade automobiles if the one you had was running smoothly. If you had a faithful and experienced employee in your own business, I do not believe you would replace him with one without trial and experience. While I have had 15 years' experience in Congress, I am still only 48 years of age, at the time of life when I should be able to render you the best services. It is my desire to do this, and I hope that the people of our district will see fit to continue my services. I hope you will not "swap horses while in the middle of the stream." You have kept me here long enough for me to be a committee chairman, the only chairmanship held by Florida in the House or Senate. I am very near the top of three other committees—the Flood Control Committee, Immigration and Naturalization, and the powerful Committee on Rivers and Harbors. The Rivers and Harbors Committee assignment is of tremendous benefit to our State, which has a 1,300-mile seacoast and countless streams, and to our district, which borders on both the Atlantic and the Gulf. Last year through this committee we were able to obtain millions of dollars' worth of improvements for our district and State. My assignment as assistant Democratic whip for the past several years is probably the only party assignment held by Florida for the past half century. These assignments and this seniority belong to our district and is held in my name and made possible only through your kind support. If you elect me for another term, I shall continue to labor for things of benefit for our district and for the cause of the plain people.

WHISPERING CAMPAIGN

The special interests have always opposed me by word of mouth and through certain newspapers. They have always tried to mislead my friends into voting against me because I have stood for the masses and worked for the interest of the rank and file. If I were President and possessed a vast fortune, I still would want the same friends which I now enjoy. In Holy Writ we read, "Blessed are the meek, for they shall inherit the earth." In this I firmly believe.

I cannot forget my own handicap and struggle in trying to obtain an honest education. I plowed, hoed, dug ditches, chipped pine gum, and cut cross ties. I am doing all within my power to give you proper and efficient service. Your letters are answered, your interest here cared for; my secretaries work long hours in an effort to help to give you efficient service. Not a single one on my pay roll is related to me either by blood or marriage, and every one is a resident and voter of our district. Do not be misled by the whisperings of the enemy. I will go up or I will go down in the cause of the common people, and I urge that you stand by me. Every victory that I have won and every worth-while accomplishment has been made possible only through the efforts of my loyal friends. You have stood by me in the past and never permitted me to go down in defeat.

Do not be misled by the whisperings, because you have known me these long years. My belief in the fundamental principles of democracy and my sincerity of purpose to serve the plain people of our district shall never change. My sympathy and effort for the laboring man and the underprivileged will be forever paramount. My ardent belief in the true principles of Americanism and white supremacy grows stronger with age, and with a keener sense of the importance of same. In defending the weak and aiding the helpless, I am happy. In honestly serving to the best of my ability my fellow man, I am content. I am the same man you voted for 16 years ago. My faith in you, my friends, is founded upon the strong rock of hope and confidence.

I have kept the faith, and in you my faith now abides.

Calling all Friends of N. Y. A.—Calling all Friends

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. MURDOCK of Arizona. Mr. Speaker, what is the parliamentary situation with regard to the N. Y. A. appropriation when the committee rose today? Obviously, the friends of N. Y. A. have won a partial victory in carrying the Johnson amendment to the Collins amendment on a teller vote. Let me emphasize that this is only a partial victory and might easily be turned into a defeat within 5 minutes after the committee resumes its session tomorrow or whenever it resumes its session on this bill.

As a friend of the N. Y. A. and one who wishes a generous appropriation for this great constructive work, I deeply regret that the committee rose today just when it did, for with the large attendance in the chamber at the time of rising, the other two amendments on this item already offered probably could have been disposed of in less than 10 minutes. All debate, I understand, has expired and nothing remains on these 2 amendments but a vote.

If the friends of N. Y. A. and the supporters of the Collins and Johnson amendments are not steadfast and alert, the Taber substitute amendment might carry, or the Collins amendment as amended might fail to carry within a few minutes after the committee resumes its sitting. As I understand it, the Taber substitute amendment will be the first to be voted on in the Committee of the Whole, and naturally I think such a drastic reduction should be overwhelmingly voted down. Perhaps there is little likelihood for the Taber substitute amendment prevailing, but the vote then comes on the Collins amendment as amended by the Johnson amendment. With the leadership having this bill in charge opposed to the Collins amendment, both as amended and without amendment, many members who had not given it study might be inclined to "go with the committee."

Therefore, this adequate appropriation for the N. Y. A., which so many of us have striven for, is not "out of the woods." It is not safely assured by the vote taken in the Committee of the Whole before that committee rose today. To follow through to a complete victory for this worthy cause every friend of N. Y. A. must be present when a sitting is resumed on this bill and must adhere steadfastly to his conviction expressed by his vote late today.

Selection of Candidates for the Military Academy

EXTENSION OF REMARKS

OF

HON. WILLIAM J. MILLER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

LETTER FROM BRIG. GEN. JAY L. BENEDICT

Mr. MILLER. Mr. Speaker, under date of March 7 I inserted in the CONGRESSIONAL RECORD a report made to me by a committee which I had appointed to select candidates for the Military Academy at West Point and the Naval Academy at Annapolis.

Under date of March 18 I received the following letter from Brig. Gen. Jay L. Benedict, Superintendent of the United States Military Academy, which may be of interest to the Members of the House:

UNITED STATES MILITARY ACADEMY,
West Point, N. Y., March 18, 1940.

Hon. WILLIAM J. MILLER,
House of Representatives, Washington, D. C.

DEAR MR. MILLER: Your remarks in the CONGRESSIONAL RECORD of March 7, 1940, on your method of selecting candidates for the Military Academy, have come to my attention.

Methods used in the selection of candidates by Members of Congress are their own responsibility and the Military Academy has no desire to project itself into this field. I cannot refrain, however, from congratulating you upon devising such an excellent method and informing you of the very favorable impression it has made upon us here at the academy. It is considered greatly superior to the ordinary competitive mental examination.

Our own system of determining entrance qualifications is necessarily restricted to tests of mental and physical qualifications. It contemplates that other desirable qualities, such as personality, character, initiative, determination, potential leadership, etc., be determined by the appointing authority before principals and alternates are designated for our mental and physical tests. Your method should be most effective in accomplishing this.

Another very desirable feature is the testing of scholastic aptitude and achievement by methods that do not require special preparation and put a premium upon so-called "cramming." I feel that your fine method is in the best interests of the country and of the Military Academy as well as the young men of your district. We here shall watch with interest the progress of the young men that it sends to us.

With best wishes,
Sincerely,

JAY L. BENEDICT,
Brigadier General, Superintendent.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

EDITORIAL FROM THE NEW YORK TIMES

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of March 26, entitled "A Great Issue":

A GREAT ISSUE

Debate began in the Senate yesterday on a question which overshadows in importance most other issues on the calendar of Congress at this session. This is the proposal to renew the authority under which Secretary Hull has negotiated 22 reciprocal-trade agreements. A measure providing for such renewal was passed by the House a month ago, with the Republicans almost solidly against it. It is already clear that in the Senate the Republicans will have the support of a considerable number of Democrats who are willing to break with the administration on this issue.

It was one of the leaders of the Democratic Party in the Senate, Mr. PITTMAN, who fired the first shot yesterday at the Hull program. To Mr. PITTMAN the power which the President and his Secretary of State enjoy under the Reciprocal Tariff Act suggests a comparison with the power which totalitarian governments enjoy abroad. The comparison is fantastic. The President and Mr. Hull are simply authorized to negotiate agreements under certain definite restrictions and within certain definite limitations fixed by Congress itself. Congress may change these restrictions and limitations at any time it chooses to do so. It may confine the authority of the administrative branch as narrowly as it likes. The only penalty here is that it will get no trade agreements, and no trade expansion, unless it gives the administration at least a little leeway for purposes of negotiation.

It would be a more accurate statement of the case to say that the surest way to bring about some form of totalitarianism in this country is to knock on the head every reasonable and realistic proposal looking toward a revival of our foreign trade. For it is the loss of foreign markets—witness Germany; witness our own experiments with N. R. A. and A. A. A.—that prompts governments to dabble in such devices as "price control" and "production control" and other forms of economic regimentation designed to shape the domestic economy exclusively to the needs of a domestic market. The Republicans who in one breath denounce the administration for "regimenting" the country, and in the next breath denounce it for lowering tariffs which now discourage trade, are more than inconsistent; they are blind.

The Hull trade program is a practical method of removing barriers to trade with a minimum of disturbance to domestic industries which are subsidized by existing tariffs. The program has worked in practice. It has helped our trade. It has benefited the consumer. It offers the one best hope of achieving that closer union of the Pan-American republics of which we hear so much. From whatever point of view it is considered, it meets the needs of a critical time.

The St. Lawrence Seaway and Power Project

EXTENSION OF REMARKS

OF

HON. PIUS L. SCHWERT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

LETTER AND RESOLUTION FROM THE TRI-ABBOTT SOUTH PARK BUSINESSMEN'S ASSOCIATION, OF BUFFALO, N. Y.

Mr. SCHWERT. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a letter and resolution from the Tri-Abbott South Park Businessmen's Association, Inc., Buffalo, N. Y., in opposition to the St. Lawrence seaway and power project:

BUFFALO, N. Y., *March 25, 1940.*

Representative PIUS L. SCHWERT,
Washington, D. C.

DEAR "PI": Enclosed you will find a copy of the resolution adopted by officers and members of the Tri-Abbott South Park Businessmen's Association at its last regular monthly meeting.

Citations by seaway proponents of results obtainable through the project are highly questionable. We, as a business organization, strongly condemn the proposed seaway as a death blow to Buffalo and the Niagara frontier shipping and general business.

With best wishes and trusting you will give our resolution due consideration, I remain,

Very truly yours,
TRI-ABBOTT SOUTH PARK BUSINESSMEN'S ASSOCIATION,
JOHN M. DEAN, JR., *Secretary.*

Whereas it is proposed to construct a St. Lawrence seaway for both navigation and power purposes;

Whereas said seaway project would adversely affect the entire Niagara frontier and would much more materially affect the entire city of Buffalo, creating irreparable damage to the shipping interests, railroads, grain elevators, wharves, and general business of the city, and

Whereas at best the results to be obtained from said project are highly questionable; now therefore be it

Resolved, That the Tri-Abbott South Park Businessmen's Association hereby protests against the construction of said seaway

and strongly urges its representatives in both New York State and Congress to work against the plan as being inimical to the best interests of the city of Buffalo and the Niagara frontier, and also against the best interests of the United States of America.

TRI-ABBOTT SOUTH PARK BUSINESSMEN'S ASSOCIATION,
JOHN M. DEAN, Jr., *Secretary.*

The Hatch Bill

EXTENSION OF REMARKS
OF
HON. JOHN H. BANKHEAD, 2D
OF ALABAMA
IN THE SENATE OF THE UNITED STATES
Thursday, March 28 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. SHERMAN MINTON, OF INDIANA

Mr. BANKHEAD. Mr. President, on April 24 last, the Senator from Indiana [Mr. MINTON] delivered an address on a radio broadcast on the Hatch bill.

That speech well states, in a concise way, many reasons entertained by him and other Senators for opposing the passage of that bill. I ask unanimous consent to have it printed in the Appendix of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The Hatch bill was designated by some newspapers as a bill for purity in politics. This was a misnomer, as purity has nothing to do with it. This is obviously true because the act exempts thousands of people from its terms. It's clear that if a thing is pure for "A" to do, it cannot be impure when done by "B." The purity label was just for propaganda purposes, and if the labeling had been done under the Pure Food and Drug Act it would have been an unlawful labeling, and someone would have gone to jail. You must not poison or mislabel food, but you may news.

So I am glad to have an opportunity to discuss over the air what we were trying to do who opposed the bill.

The bill was represented at the beginning as a bill that no one was opposed to and would promptly pass. The bill was earnestly and vigorously debated for 2 weeks, and on the crucial vote—on the Miller amendment—the vote was 44 to 41 against the Miller amendment, and voting for the Miller amendment among the 41 were some of the most distinguished Senators who ever served in the United States Senate. So it wasn't so one-sided as the newspapers represented.

That it was a highly political measure was evidenced by the fact that the Republican Members voted solidly, with two exceptions, in support of the bill through 2 weeks of controversial debate and many amendments, and after the first 2 days not a Republican opened his mouth in the debate. Now, don't tell me that these Republican political heirs and next of kin of Harding, Fall, Daugherty, Denby, Forbes, and Miller supported the Hatch bill because they believed in purity in politics. Perish the thought!

Another false representation about the Hatch bill was the statement that it was an attempt to keep people from playing politics on the job while the Government was paying them for work. If that had been true, we could and would all have joined in support of the bill, but that was not the purpose of the bill. It went further and attempted to control the employee after he was through work and was off the job, and at a time when he owed no duty whatever to his employer. So the bill was not aimed at seeing that the Government's employees didn't play politics on the job.

The original Hatch Act, passed in 1939, made it a criminal offense for any person, whether in politics or business, no matter who he was, to intimidate, coerce, or threaten a voter in the exercise of his right to vote, or certain officeholders to use their official authority to influence or control elections. It made it a crime to coerce W. P. A. workers, or solicit funds from them for political purposes, or for anyone to furnish to anyone else for political purposes a list of W. P. A. workers. It made it a crime to promise a political job in return for political support. All these things were condemned and made crimes under the original Hatch Act. They were directed at coercion, intimidation, and threats to voters, and the overreaching and oppression of W. P. A. workers. These offenses comprised the first eight sections of the original Hatch Act. We were all for these provisions. I, and my colleagues who voted with me in opposition to the pending Hatch bill, voted to sustain these provisions. We were as much against coercion, intimidation, and threats to voters and the imposition upon the W. P. A. workers as anyone. It was in section 9 we found our objection. This section made it an offense for which one would lose his job, and if he lost his job be blacklisted off that job for life, if he voluntarily took an active part in politics, not just on the job but any time—even when he was at home or with his friends and neighbors on his own time.

Now, the Miller amendment, which was crucial in the fight, preserved all the provisions against coercion, intimidation, threats, or oppression of voters and W. P. A. workers, but sought to make it lawful for a Government employee, State or Federal, to voluntarily take part in politics. In other words, we sought to draw the line between intimidation, coercion, threats, and oppression of voters, and voluntary action by that voter. In short, we thought that if an employee of the State or Federal Government wanted voluntarily to take part in politics, on his own time, it was his right as a free-born American citizen to do so.

The curse of democracy is the disinterestedness of the people. The trouble we know we have in a democracy is to get the people to take part in the democratic process. Instead of discouraging and penalizing law-abiding citizens, I think we should be encouraging them to take part in politics, by which the democratic process is made to work. We, who opposed the Hatch bill, sought only to draw the line between force and voluntary action.

The Hatch Act, which is now law, applies to Federal employees. The pending Hatch bill would reach all employees of State, county, or city who are employed in a department that receives funds from the Federal Government, no matter how small the amount. None of these employees, State or Federal, can of their own free will, on their own time, take any part in politics. If one does, he loses his job, and if he is a Federal employee, he is blacklisted off that job forever, and if he is a State employee, he can't get a job in the State, county, or city set-ups for 18 months. So, a man who works on the highway can't come home at night and within the walls of his own home or elsewhere solicit anyone to vote for the party he believes in, or the candidates he believes in, without running the risk of losing his job and being blacklisted. Does that sound like Americanism, or Hitlerism? Is it American to thus muzzle American citizens? What is there impure or pernicious about a free American citizen voluntarily taking part in a political campaign on his own time? We opposed this un-American principle, both in the original Hatch Act and the pending Hatch bill.

It cannot be said that the people affected by the Hatch Act and the pending Hatch bill are in the same position as the civil-service employees, who are forbidden to take part in politics, for the reason that the employees affected by the Hatch Act have none of the advantages or safeguards the civil-service employees have. I offered an amendment to the pending bill to put the Federal employees affected by the Hatch Act under civil service, but it was defeated. Even the Senator from New Mexico voted against it.

In addition to believing that it was unwise and un-American to punish free American citizens for taking part in their own Government, on the penalty of losing their jobs and being blacklisted, we believed that as to the pending bill, which granted or withheld Federal funds so as to control the hiring and firing of State employees, was an attempt by the Federal Government to control the activities of the States in violation of the Constitution. It was freely admitted by the sponsors of the pending Hatch bill that the withholding or granting of Federal funds, under the bill, had nothing at all to do with what the Government was spending its money in the States to accomplish. For instance, if Federal money was granted in aid of roads, it wasn't to be withheld for any reason that had anything to do with the necessity for roads. The purpose of the bill was to see to it that no State employee, in any part of the State, county, or city that received any funds from the Federal Government, however small, should take any part in politics.

In other words, it was an attempt by the Federal Government, by a scheme, apparent on the face of the bill, to coerce the States to do something the Federal Government had no power to require, under its own power, to be done in the first instance. This, the Supreme Court has repeatedly said, is an invasion of the rights reserved to the States, under the tenth amendment. To show you that the Federal Government has no power to do directly what it is trying to do indirectly, we have only to ask ourselves the question: Could the Federal Government pass a law making it unlawful for a State employee to take part in his State elections? It doesn't take a lawyer to know that the Federal Government has no such power. If it hasn't that power, can it coerce the States, that have that power reserved to them under the tenth amendment to the Constitution, into doing what the Federal Government has not been granted the power under the Constitution to do? The Supreme Court says "No." It is a plain, unwarranted invasion of States' rights. In these days, when so much power is of necessity, and lawfully, being transferred to Washington, we should not pass this kind of coercive legislation, to blackjack the States into turning over more of their power to the Federal Government.

"This Hatch bill," said Senator GLASS of Virginia, "is the worst attempted invasion of States rights since the effort was made to pass the Force bill."

So, we are opposed to the Hatch bill because it is a coercive meddling by the Federal Government into the rights of the States.

We are further opposed to the Hatch bill because its enforcement is placed in the hands of the Civil Service Commission. If a person working for the State should commit that awful offense of taking a part in politics, the Civil Service Commission in Washington, upon complaint of some local stool pigeon, will send its snoopers out to pry open the doors of some State employee's home to find out if he got into a political argument in his own home, and urged some of his neighbors to vote for his party, or his candidates. If the Civil Service Commission finds the employee did commit the offense, the Hatch bill, as originally presented to us, permitted the bureaucrats in the Civil Service Commission to say how much Federal funds should be withheld, and on what terms, and to require the employee to be fired, and blacklisted for 18 months.

Furthermore, the Civil Service Commission was given the power, under the bill, to define the offense. This was a clear and unconstitutional delegation of legislative power. The power of the Civil Service Commission over funds, and to define offenses, we were able to curtail some by amendment, but the principle remains.

So, you people out in the States, can expect more Federal snoopers running over your States, looking for what? Someone who has committed a crime? No! Just a poor fellow who wanted to take part in what he thought was a free, democratic form of Government, that's all.

I know it will be said that patronage organizations result from political activities of people holding political jobs. Yes, there are such organizations, and the Hatch bill can destroy such, but that doesn't mean purity, or the end of organizations in politics. It only means another kind of organization will grow up in its place. Political parties have jobs to be done, and if the people who hold political jobs can't do them for the party they believe in and belong to, then another kind of organization will take its place, and that will be an organization of paid workers, paid by the party that's got the money to pay, and that party will have the money that is controlled by the "money bags" of this country. There is the menace. Money is the most pernicious, corrupting influence in politics, and the Hatch bill fosters the building of political organizations with money.

The Hatch bill, as drawn, never had a line in it about the use of money by the "big boys," and over the opposition of the sponsors of the bill, we got the Bankhead amendment, which limits campaign contributions to $5,000.

New York Power Rates Compared

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 14, 1940

Mr. RANKIN. Mr. Speaker, I was surprised on yesterday to hear the gentleman from New York [Mr. TABER] in his attacks on the Tennessee Valley Authority, make the bold statement that "we sell electricity there as low as 1.69 mills to householders."

As a matter of fact, the wholesale rate to all municipalities and cooperative associations is more than twice that amount and, of course, the rate to householders is still higher.

During the Republican administration—his administration—the Hoover administration—the Government made a contract to sell power generated at Muscle Shoals to the Alabama Power Co. for 5 years, 1930–35, at less than 2 mills a kilowatt-hour, or less than half what Florence, Ala., is paying for it now, although when the Alabama Power Co. resold this power to the ultimate consumers in Florence, they charged them 10 cents a kilowatt hour or a spread of about 6,000 percent.

Now, the city of Florence is buying this same power from the T. V. A. at 4.18 mills a kilowatt-hour, or almost three times what the Alabama Power Co. was paying for it under that contract with the Hoover administration. It is selling it to the ultimate consumers, the householders, in Florence at a maximum rate of 3 cents a kilowatt-hour, where the Alabama Power Co. charged 10 cents a kilowatt-hour.

Yet the gentleman from New York [Mr. TABER], who was here during the Hoover administration, and was a part of that administration, would have you believe that the T. V. A. is selling power to the householders at 1.69 mills a kilowatt-hour, and that the Federal Government is making up the difference.

It is a strange thing to me that these old guard Republicans continue to oppose, and even misrepresent, our power program, which is doing more for the masses of the American people than anything else this Government has undertaken for the last 100 years.

Cheap electricity is the greatest economic blessing we could bring to the people of this country. These enemies of the T. V. A. and of rural electrification are constantly prating about farm relief and at the same time trying to block our program of rural electrification, which, if properly extended, would provide the greatest measure of relief the farming people have ever known.

They parade from one end of this country to the other attacking Secretary Hull's reciprocal-trade agreements, pretending that they are detrimental to the farmer, when, as a matter of fact, what they are after is to protect the tariff barons of industry, who want to rob the farmer through high protective tariffs and give him nothing in return.

They strain at a gnat and swallow a camel; they strain at a light bulb and swallow the Power Trust. They are constantly inveighing against communism in this country. Communism never had a worse enemy than I am, and have always been. But if there is communism among our American people, it has been produced by the oppressive policies of former administrations that rob the masses for the benefit of the favored few.

Cheap electricity in every home and decent treatment in trade, commerce, and transportation rates will do more to drive communism from this country than all the meaningless platitudes that can be preached from the housetops by those friends of the predatory interests, whose very records indicate that they would keep the word of promise to the ear and break it to the hope of the overburdened masses of mankind.

They even take a mild back-handed slap at fascism and dictatorships; yet they know that there has never been a more complete system of fascism or a more consummate dictatorship than the organized utilities of this country, which attempt to override, destroy, or evade every law which comes in their way, corrupt legislators, control governors, intimidate the courts, and subsidize the press in order to be able to continue their ruthless robbery of the unprotected consumers of electric light and power in every State in the Union. This gigantic Fasci, this huge octopus, that sprawls over the United States, winds its tentacles about every State capitol, and reaches into the pockets of 27,000,000 consumers of electric energy and exacts overcharges of approximately $1,000,000,000 a year for which the American people get nothing in return, is more deadly to American institutions and more dangerous to our form of government than all the foreign power that fascism now commands.

We are spending money for slum clearance in order to give the people in the crowded sections of our cities more decent places in which to live. Give them cheap electricity, make it possible for them to use the necessary electrical appliances, and stop selfish interests from robbing them, and they will clear up their own slums, clean up, remodel, or rebuild their own homes, and make them brighter and better places in which to live.

The old guard even clamors for clean politics, having forgotten the days of Samuel Insull, and overlooking the fact that the most corrupt political influence in this Nation today is that of these organized utilities that are now trying to destroy the T. V. A., trying to get control of Bonneville and Grand Coulee, and trying to cripple or destroy our rural-electrification program.

But these alleged friends of the people tell you that they want to increase home ownership when electric rates, charged by these utilities in their own home towns even, are so high that it virtually amounts to the consumer paying

rent to the Power Trust to get to live in his own house, or do business in his own establishment.

They tell you that they want to relieve unemployment. The policies they advocate would relieve a man of his home, and his personal property, in order that he might continue to contribute to the tariff barons through the prices of the necessities of life, and to the Power Trust through the exorbitant rates he has to pay for electric energy.

They talk about restoring prosperity. Whose prosperity do they want to restore? The program they are advocating would increase the prosperity of the favored few who profit by the tariff, and by the exorbitant rates these utilities compel the American people to pay; but it would impoverish the millions who have to pay the bills.

Last, but not least, they clamor for national defense, and then advocate a policy that would destroy the first line of defense, which is the American home.

They would block the development of our inland waterways, upon which we would have to depend for our transportation in case of war. They seem to be afraid that in developing these waterways we would also develop the electric energy in these streams, that belongs to the American people and is now going to waste, and distribute it to the people of the Nation at rates they can afford to pay. That is why they oppose the St. Lawrence and the Niagara River projects.

Of all the men in this House who ought to support our power program, including the T. V. A. and the R. E. A., the gentleman from New York [Mr. TABER] should lead the way; for the people he represents are overcharged more than 100 percent for their electric energy every time they pay a monthly light bill. If any of you doubt that statement, compare the rates the people of his home town of Auburn, N. Y., pay with the Ontario rates, with the T. V. A. rates, or with the Tacoma, Wash., rates, or with the rates charged by the municipal system in Jamestown, N. Y.

Oh, I know he will throw up his hands in holy horror and shout "Federal subsidy," or raise the tax issue; but just remember that Tacoma, Wash., receives no subsidy, and her electric-light and power system pays a higher rate of taxes than is paid by the average power company throughout the Nation.

Remember also that the municipalities that use T. V. A. power invariably pay a larger percentage of their gross revenues in taxes, or in lieu of taxes, than is paid by the average private power company throughout the country, including the State of New York.

But we do not have to go out of the gentleman's home State of New York for our comparisons. We will simply take the city of Jamestown, N. Y., which has its own public power system, and compare the rates there with the rates in the gentleman's home town, his home district, and throughout the rest of New York.

There are 3,215,000 residential consumers of electricity in the State of New York. If they all received their power at the Ontario rates, these residential consumers alone would save $66,000,000 a year on their light and power bills. If they received it at the Tacoma, Wash., rates, they would save $59,000,000 a year; if they received it at the T. V. A. rates, they would save $49,500,000 a year; and at the Jamestown rates they would save more than $40,000,000 a year. Yet, as I said the other day, the Jamestown system, with a gross annual revenue amounting to $842,752 in 1938, made a gross annual profit of $227,545, which went to the people in Jamestown, who pay the taxes of that city. That is a greater percentage of gross income than any private power company pays in taxes anywhere on this earth—much less in New York.

As I have pointed out before, the people of the whole State of New York are overcharged all the way from $157,872,000 a year according to the T. V. A. rates, to $176,683,000 a year according to the Ontario rates, or the rates charged in the Province of Ontario just across the Niagara River; and about $140,000,000 a year according to the Jamestown, N. Y., rates.

If anyone who is interested in this subject will get the reports of the Federal Power Commission giving these rates in every city, town, and community of 250 people throughout the State of New York, and then get one for the States of Washington, Mississippi, Alabama, or Tennessee, and make his own comparison, then check them with his own light and power bills and with the Jamestown rates, he will find that every statement I have made is correct.

If he will get a copy of the National Electric Rate Book now being published in loose-leaf form by the Federal Power Commission, or get a copy of the one that I have had made into a House document, before they are all gone, he can make these comparisons himself, not only in the State of New York but in every other State in the Union.

Mr. Speaker, this is one of the greatest issues that now confronts the American people—that of providing them with electricity at rates they can afford to pay, at rates based upon the cost of generation, transmission, and distribution—and taking this power to every farm home in the Nation at those rates.

That will aid our program of farm relief more than anything else that has yet been done. It will offset a thousandfold any local injustices that might be suffered as result of the reciprocal-trade agreements; it will help to drive communism and fascism from American soil and preserve democracy for future generations. It will promote slum clearance and help to clean up politics by driving the corruptionists from their positions of power; it will aid the movement toward home ownership as well as relief from unemployment, contribute to our national defense, and give us a new era of national prosperity.

I am giving the residential rates in every city, town, and community of 250 people in the State of New York, compared with the T. V. A. rates, the Tacoma rates, the Winnepeg rates, the Ontario rates, and the Jamestown, N. Y., rates. Read and compare them carefully and you will see that residential consumers in the State of New York are overcharged more than 100 percent.

I am using my home town, Tupelo, Miss., in the T. V. A. area. The Tupelo light and power system pays a greater percentage of its gross income in lieu of taxes than the power companies pay throughout the State of New York and then makes so much profit it has to reduce rates every year. Every time rates are reduced consumption goes up and profits increase.

Domestic consumers of electricity throughout the State of New York use on an average of less than 60 kilowatt-hours a month, and only 48 percent of them have electric refrigerators, while domestic consumers in Tupelo used an average of 227 kilowatt-hours during the month of January 1940, and 86 percent of them used electric refrigerators.

Here are the rate comparisons:

Residential rates compared

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
Tupelo, Miss. (T. V. A.)	6,361	$0.75	$1.00	$2.25	$4.25	$6.15
Jamestown, N. Y.	45,155	.80	1.25	2.55	4.80	8.55
Tacoma, Wash.	106,817	.95	1.10	1.70	3.20	5.30
Fort Williams, Ontario, Canada	25,050	.75	1.02	1.74	2.70	3.92
New York rates for entire State:						
Accord	457	2.02	2.79	4.89	8.42	11.92
Adams	1,613	1.60	2.20	4.10	8.15	11.90
Adams Center	670	1.72	2.42	4.32	8.37	12.12
Addison	1,538	1.90	2.80	5.30	8.30	11.55
Afton	812	1.65	2.40	4.50	7.50	10.50
Akron	2,188	1.49	2.16	4.06	7.31	11.06
Albany	127,412	1.18	1.81	3.66	6.91	10.66
Albertson	892	1.72	2.54	5.26	9.26	12.76
Albion	4,878	1.50	2.17	3.99	7.24	10.24
Alden	846	1.63	2.31	4.15	7.25	12.25
Alexandria Bay	1,952	1.70	2.45	4.49	8.24	11.99
Alfred	639	1.90	2.80	5.30	8.30	11.55
Alfred Station	750	1.90	2.80	5.30	8.30	11.55

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Allegany	1,411	$1.44	$2.04	$3.64	$6.39	$10.14
Allentown	388	1.59	2.26	4.16	7.41	11.16
Almond	438	1.90	2.80	5.30	8.30	11.55
Alplaus	550	1.18	1.81	3.66	6.91	10.66
Altamont	858	1.18	1.81	3.66	6.91	10.66
Altmar	378	1.59	2.26	4.16	7.41	11.16
Alton	300	1.65	2.40	4.85	8.42	12.80
Altona	600	2.13	3.25	5.19	9.19	14.19
Amagansett	953	1.85	2.82	5.85	10.35	13.85
Do	953	2.11	3.38	7.61	15.11	25.11
Amenia	1,200	2.36	3.50	6.50	10.50	15.50
Amityville	4,437	1.72	2.54	5.26	9.26	12.76
Amsterdam	34,817	1.27	1.99	3.94	7.19	10.94
Andes	395	2.13	3.25	5.65	9.65	12.65
Andover	1,241	1.55	2.30	4.55	7.80	12.80
Angelica	838	1.50	2.25	4.35	8.35	13.35
Angola	1,543	1.59	2.26	4.16	7.41	11.16
Antwerp	868	1.70	2.45	4.49	8.24	11.99
Apalachin	300	1.65	2.40	4.50	7.50	10.50
Aquebogue	450	1.85	2.82	5.85	10.35	13.85
Aqueduct	300	1.18	1.81	3.66	6.91	10.66
Arcade	1,643	1.54	2.21	4.11	7.36	11.11
Ardsley	1,135	1.70	2.45	5.20	8.70	13.70
Arena	400	2.13	3.25	5.65	9.65	12.65
Arkport	575	1.90	2.80	5.30	8.30	11.55
Arkville	500	2.13	3.25	5.65	9.65	12.65
Arlington	3,800	1.78	2.55	4.65	8.18	11.68
Armonk	400	1.70	2.45	5.20	8.70	13.70
Ashokan	320	2.02	2.79	4.89	8.42	11.92
Ashville Post Office	480	1.59	2.26	4.16	7.41	11.16
Athens district 1	1,618	1.78	2.55	4.65	8.18	11.68
Athens district 2	1,618	2.02	2.79	4.89	8.42	11.92
Athol Springs	324	1.59	2.26	4.16	7.41	11.16
Atlanta	600	1.90	2.80	5.30	8.30	11.55
Atlantic Beach	250	1.57	2.24	4.67	8.67	13.67
Attica	2,212	1.59	2.26	4.16	7.41	11.16
Au Sable Forks	1,009	1.75	2.50	4.71	8.76	15.51
Auburn	36,652	1.75	2.50	4.90	8.90	11.65
Aurora	389	2.05	3.10	5.50	9.00	12.25
Ausable Forks	1,800	2.13	3.25	5.19	9.19	14.19
Averill Park	700	2.28	2.88	5.28	9.28	14.28
Avoca	940	1.90	2.80	5.30	8.30	11.55
Avon	2,403	1.59	2.26	4.16	7.41	11.16
Babylon	4,342	1.72	2.54	5.26	9.26	12.76
Bainbridge	1,324	2.13	3.25	5.65	9.65	12.65
Baiting Hollow	428	1.85	2.82	5.85	10.35	13.85
Bald Mountain	300	1.65	2.40	4.40	7.65	11.40
Baldwin	10,992	1.59	2.26	4.67	8.67	12.17
Baldwinsville	3,845	1.57	2.29	4.25	7.50	11.25
Ballston Lake	300	1.18	1.81	3.66	6.91	10.66
Ballston Spa	4,591	1.27	1.99	3.94	7.19	10.94
Balmat	250	1.70	2.45	4.49	8.24	11.99
Balmville	550	1.78	2.55	4.65	8.18	11.68
Bangall	270	2.02	2.79	4.89	8.42	11.92
Bangor	300	1.70	2.45	4.49	8.24	11.99
Barker	410	1.59	2.26	4.16	7.41	10.41
Barrytown	429	2.02	2.79	4.89	8.42	11.92
Barryville	450	2.62	3.22	5.62	9.62	12.62
Batavia	17,375	1.44	2.04	3.64	6.39	10.14
Bath	4,015	1.33	2.01	3.71	6.71	11.71
Battenville	300	1.65	2.40	4.40	7.65	11.40
Baxter Estates	314	1.72	2.54	5.26	9.26	12.76
Bay Shore	6,488	1.72	2.54	5.26	9.26	12.76
Bayport	1,274	1.72	2.54	5.26	9.26	12.76
Bayville	1,042	1.72	2.54	5.26	9.26	12.76
Beacon	11,933	1.78	2.55	4.65	8.18	11.68
Beaver Brook	250	2.62	3.22	5.62	9.62	12.62
Beaver Dams	250	1.55	2.30	4.16	6.91	10.66
Beaver Falls	617	1.70	2.45	4.49	8.24	11.99
Bedford	1,000	2.36	3.50	6.50	10.50	15.50
Bedford Center	300	2.36	3.50	6.50	10.50	15.50
Bedford Hills	1,842	2.36	3.50	6.50	10.50	15.50
Belfast	600	1.65	2.40	4.85	8.42	12.80
Belle Isle	250	1.18	1.81	3.66	6.91	10.66
Belle Terre	294	1.72	2.54	5.26	9.26	12.76
Bellerose	1,202	1.59	2.26	4.67	8.67	12.17
Belleville	450	2.05	3.10	5.60	10.85	17.10
Bellmore	8,200	1.72	2.54	5.26	9.26	12.76
Bellport	633	1.72	2.44	5.14	9.14	14.14
Bellvale	250	2.04	3.24	5.80	9.80	13.43
Belmont	1,085	1.65	2.40	4.85	8.42	12.80
Bemus Point	280	1.59	2.26	4.16	7.41	11.16
Benton	400	1.90	2.80	5.30	8.30	11.55
Bergen	724	1.60	2.35	4.35	7.60	11.35
Bergholtz	260	1.13	1.70	3.06	5.31	9.06
Berkshire	264	1.65	2.40	4.50	7.50	10.50
Berlin	1,200	2.28	2.88	5.28	9.28	14.28
Berne	260	1.65	2.40	4.40	7.65	11.40
Bernhards Bay	250	1.57	2.29	4.25	7.50	11.25
Bethpage	3,500	1.72	2.54	5.26	9.26	12.76
Big Flats	500	1.55	2.30	4.16	6.91	10.66
Binghamton	76,662	1.65	2.40	4.50	7.50	10.50
Black River	923	1.70	2.45	4.49	8.24	11.99
Blasdell	2,015	1.13	1.70	3.06	5.31	9.06
Blauvelt	500	1.96	2.77	5.58	9.89	12.98
Bliss	400	1.65	2.40	4.85	8.42	12.80
Bloomingdale	420	1.75	2.50	4.71	8.76	15.51
Bloomville	367	2.13	3.25	5.65	9.65	12.65
Blue Mountain Lake	275	2.44	3.32	5.72	11.72	21.72
Blue Point	979	1.72	2.44	5.14	9.14	14.14
Bluff Point	400	1.90	2.80	5.30	8.30	11.55
Bohemia	800	1.72	2.54	5.26	9.26	12.76

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Bolivar	1,725	$1.65	$2.40	$4.85	$8.42	$12.80
Bolton Landing	596	1.65	2.40	4.40	7.65	11.40
Bombay	367	1.70	2.45	4.49	8.24	11.99
Boonville	2,090	1.24	1.84	3.82	7.20	13.25
Bowmansville	250	1.63	2.31	4.15	7.25	12.25
Brainard Station	270	1.27	1.99	3.94	7.19	10.94
Branchport	300	1.90	2.80	5.30	8.30	11.55
Brant	285	1.59	2.26	4.16	7.41	11.16
Brant Lake	400	1.65	2.40	4.40	7.65	11.40
Brasher Falls	444	1.70	2.45	4.49	8.24	11.99
Breesport	250	1.55	2.30	4.16	6.91	10.66
Brentwood	741	1.72	2.54	5.26	9.26	12.76
Brewerton	427	1.57	2.29	4.25	7.50	11.25
Brewster	1,664	2.36	3.50	6.50	10.50	15.50
Brairclift Manor	1,794	1.70	2.45	5.20	8.70	13.70
Bridgehampton	1,250	1.85	2.82	5.85	10.35	13.85
Bridgeport	350	1.57	2.29	4.25	7.50	11.25
Brightwaters	1,061	1.72	2.54	5.26	9.26	12.76
Broadalbin	1,341	1.65	2.40	4.40	7.65	11.40
Brockport	3,511	1.50	2.17	3.99	7.24	10.24
Brocton	1,301	1.20	1.80	3.70	6.70	11.70
Bronxville	6,387	1.70	2.45	5.20	8.70	13.70
Do	6,387	1.70	2.45	5.20	8.70	13.70
Brookfield	350	2.13	3.25	5.65	9.65	12.65
Brookhaven	495	1.72	2.44	5.14	9.14	14.14
Brookville	371	1.72	2.54	5.26	9.26	12.76
Brownville	842	1.70	2.45	4.49	8.24	11.99
Brushton	470	1.70	2.45	4.49	8.24	11.99
Buchanan	1,346	1.70	2.45	5.20	8.70	13.70
Buffalo	573,076	1.13	1.70	3.06	5.31	9.06
Burdett	310	1.55	2.30	4.16	6.91	10.66
Burke	325	2.13	3.25	5.19	9.19	14.19
Burlingham	350	2.09	2.92	5.75	10.08	13.20
Burlington Flats	252	2.13	3.25	5.65	9.65	12.65
Burnt Hills	390	1.18	1.81	3.66	6.91	10.66
Cadosia	300	2.13	3.25	5.65	9.65	12.65
Cadyville	400	2.13	3.25	5.19	9.19	14.19
Cairo	800	2.02	2.79	4.89	8.42	11.92
Caledonia	1,487	1.59	2.26	4.16	7.41	11.16
Calicoon	850	2.62	3.22	5.62	9.62	12.62
Calicoon Center	331	2.62	3.22	5.62	9.62	12.62
Calverton	572	1.85	2.82	5.85	10.35	13.85
Cambridge	1,762	1.65	2.40	4.40	7.65	11.40
Camden	1,912	1.59	2.26	4.16	7.41	11.16
Camillus	1,036	1.57	2.29	4.25	7.50	11.25
Campbell	350	1.90	2.80	5.30	8.30	11.55
Campbell Hall	275	2.02	2.79	4.89	8.42	11.92
Campville	300	1.65	2.40	4.50	7.50	10.50
Canaan	400	2.28	2.88	5.28	9.28	14.28
Canajoharie	2,519	1.27	1.99	3.94	7.19	10.94
Canandaigua	7,541	1.65	2.40	4.85	8.42	12.80
Canaseraga	620	1.90	2.80	5.30	8.30	11.55
Canastota	4,235	1.78	2.60	4.65	8.40	12.15
Candor	669	1.90	2.80	5.20	9.20	11.95
Canisteo	2,548	1.90	2.80	5.30	8.30	11.55
Canton	2,822	1.50	2.19	3.99	7.74	11.49
Cape Vincent	898	1.70	2.45	4.49	8.24	11.99
Carman	500	1.18	1.81	3.66	6.91	10.66
Carmel	1,500	2.36	3.50	6.50	10.50	15.50
Carthage	4,460	1.70	2.45	4.49	8.24	11.99
Cassadaga	480	1.59	2.26	4.16	7.41	11.16
Cassville	250	1.70	2.45	4.53	8.28	12.03
Castile	900	1.71	2.56	5.27	8.12	12.87
Castleton on Hudson	1,506	1.18	1.81	3.66	6.91	10.66
Castorland	315	1.70	2.45	4.49	8.24	11.99
Cato	403	1.65	2.40	4.85	8.42	12.80
Catskill	5,082	1.78	2.55	4.65	8.18	11.68
Cattaraugus	1,236	1.59	2.26	4.16	7.41	11.16
Caughdenoy	250	1.57	2.29	4.25	7.50	11.25
Cayuga	344	2.05	3.10	5.50	9.00	12.25
Cayuga Heights	507	1.75	2.50	4.90	8.90	11.65
Cazenovia	1,788	2.08	2.83	5.63	10.63	18.13
Cedarhurst	5,065	1.57	2.24	4.67	8.67	13.67
Celoron	1,182	.93	1.45	2.93	5.18	8.93
Cementon	520	2.02	2.79	4.89	8.42	11.92
Center Cambridge	375	1.65	2.40	4.40	7.65	11.40
Center Moriches	1,963	1.72	2.44	5.14	9.14	14.14
Centereach	600	1.72	2.54	5.26	9.26	12.76
Centerport	434	1.72	2.54	5.26	9.26	12.76
Central Bridge	275	1.65	2.40	4.40	7.65	11.40
Central Islip	1,615	1.72	2.54	5.26	9.26	12.76
Central Square	542	1.57	2.29	4.25	7.50	11.25
Central Valley	1,049	2.04	3.24	5.80	9.80	13.43
Ceres	370	1.65	2.40	4.85	8.42	12.80
Chadwicks	300	1.70	2.45	4.53	8.28	12.03
Chaffee	300	1.54	2.21	4.11	7.36	11.11
Champlain	1,197	2.13	3.25	5.19	9.19	14.19
Chapel Corners	650	1.78	2.55	4.65	8.18	11.68
Chappaqua	3,000	1.70	2.45	5.20	8.70	13.70
Chateaugay	1,169	2.13	3.25	5.19	9.19	14.19
Chatham	2,424	1.79	2.58	4.60	8.60	13.60
Chaumont	596	1.70	2.45	4.49	8.24	11.99
Chautauqua	325	1.59	2.26	4.16	7.41	11.16
Chazy	500	2.13	3.25	5.19	9.19	14.19
Cheektowaga	6,000	1.63	2.31	4.15	7.25	12.25
Chemung	400	1.55	2.30	4.16	6.91	10.66
Chenango Bridge	400	1.65	2.40	4.50	7.50	10.50
Chenango Forks	350	1.65	2.40	4.50	7.50	10.50
Cherry Creek	539	1.63	2.31	4.15	7.25	12.25
Cherry Valley	707	1.65	2.40	4.40	7.65	11.40
Chester	1,154	2.04	3.24	5.80	9.80	13.43
Chestertown	288	1.65	2.40	4.40	7.65	11.40

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued:						
Chichester	325	$2.13	$3.25	$5.65	$9.65	$12.65
Chittenango	815	1.57	2.29	4.25	7.50	11.25
Chittenango Station	350	1.57	2.29	4.25	7.50	11.25
Churchville	652	1.50	2.08	4.06	6.81	10.56
Churubusco	350	2.13	3.25	5.19	9.19	14.19
Cicero	317	1.57	2.29	4.25	7.50	11.25
Cincinnatus	645	1.65	2.40	4.50	7.50	10.50
Clancyville	900	1.78	2.55	4.65	8.18	11.68
Clarence	900	1.63	2.31	4.15	7.25	12.25
Clarence Center	400	1.63	2.31	4.15	7.25	12.25
Clarendon	230	1.59	2.26	4.16	7.41	10.81
Clark Mills	1,266	1.70	2.45	4.53	8.28	12.03
Clarkson	307	1.59	2.26	4.16	7.41	10.81
Clarksville	400	1.18	1.81	3.66	6.91	10.66
Claverack	449	1.27	1.99	3.94	7.19	10.94
Clayton	1,940	1.70	2.45	4.49	8.24	11.99
Clayville	801	1.70	2.45	4.53	8.28	12.03
Clemons	510	1.65	2.40	4.40	7.65	11.40
Clermont	805	1.27	1.90	3.94	7.19	10.94
Cleveland	416	1.57	2.29	4.25	7.50	11.25
Clifton Springs	1,819	2.05	3.10	5.50	9.00	12.25
Clinton	1,475	1.70	2.45	4.53	8.28	12.03
Clinton Corners	450	2.02	2.79	4.89	8.42	11.92
Clintondale	603	2.02	2.79	4.89	8.42	11.92
Clyde	2,374	2.05	3.10	5.50	9.00	12.25
Clymer	535	1.59	2.26	4.16	7.41	11.16
Cobleskill	2,594	1.65	2.40	4.40	7.65	11.40
Coeymans	800	1.78	2.55	4.65	8.18	11.68
Cohocton	860	1.90	2.80	5.30	8.30	11.55
Cohoes	23,226	1.18	1.81	3.66	6.91	10.66
Cold Brook	288	1.70	2.45	4.53	8.28	12.03
Cold Spring	1,784	1.78	2.55	4.65	8.18	11.68
Cold Spring Harbor	714	1.72	2.54	5.26	9.26	12.76
Cold Water	270	1.59	2.26	4.41	7.83	12.21
Colden	575	1.63	2.31	4.15	7.25	12.25
Coldenham	250	2.02	2.79	4.89	8.42	11.92
Collins	370	1.59	2.26	4.16	7.41	11.16
Collins Center	400	1.59	2.26	4.16	7.41	11.16
Colonie	1,176	1.18	1.81	3.66	6.91	10.66
Colton	300	1.70	2.45	4.49	8.24	11.99
Columbiaville	424	1.27	1.99	3.94	7.19	10.94
Commack	568	1.72	2.54	5.26	9.26	12.76
Comstock	1,303	1.27	1.99	3.94	7.19	10.94
Conesus	400	1.59	2.26	4.16	7.41	11.16
Congers	1,800	1.96	2.77	5.58	9.89	12.98
Connelly	850	1.78	2.55	4.65	8.18	11.68
Constableville	348	1.91	2.71	4.51	8.51	13.51
Constantia	500	1.57	2.29	4.25	7.50	11.25
Cooks Falls	360	4.02	5.02	8.02	15.52	28.02
Do	300	4.40	6.80	14.00	29.00	54.00
Coopers Plains	296	1.65	2.40	5.00	8.20	11.45
Cooperstown	2,909	2.13	3.25	5.65	9.65	12.65
Copake	550	2.28	2.88	5.28	9.28	14.28
Copake Falls	350	2.28	2.88	5.28	9.28	14.28
Copenhagen	539	2.25	3.60	9.00	20.50	38.00
Copiague	1,125	1.72	2.54	5.26	9.26	12.76
Coram	300	1.72	2.44	5.14	9.14	14.14
Corbettsville	320	1.65	2.40	4.50	7.50	10.50
Corfu	418	1.59	2.26	4.16	7.41	11.16
Corinth	2,613	1.90	2.80	4.60	9.10	16.60
Corning	15,777	1.65	2.40	5.00	8.20	11.45
Cornwall	1,350	1.78	2.55	4.65	8.18	11.68
Cornwall Village	1,910	1.78	2.55	4.65	8.18	11.68
Cortland	15,043	1.34	2.00	3.88	7.13	10.88
Cossayuna	300	1.65	2.40	4.40	7.65	11.40
Cottekill	450	2.02	2.79	4.89	8.42	11.92
Cove Neck	276	1.72	2.54	5.26	9.26	12.76
Coxsackie	2,195	1.78	2.55	4.65	8.18	11.68
Craigsville	400	2.04	3.24	5.80	9.80	13.43
Cranberry Lake	300	1.70	2.45	4.49	8.24	11.99
Craryville	500	2.28	2.88	5.28	9.28	14.28
Creek Locks	325	2.02	2.79	4.89	8.42	11.92
Crescent	250	1.18	1.81	3.66	6.91	10.66
Croghan	732	1.70	2.45	4.49	8.24	11.99
Cropseyville	500	1.18	1.81	3.66	6.91	10.66
Croton Falls	600	2.36	3.50	6.50	10.50	15.50
Croton on Hudson	2,447	1.70	2.45	5.20	8.70	13.70
Crown Point	357	1.65	2.40	4.40	7.65	11.40
Crugers	250	1.70	2.45	5.20	8.70	13.70
Cuba	1,422	1.59	2.26	4.16	7.41	11.16
Cuddebackville	250	2.09	2.92	5.75	10.08	13.20
Cutchogue	903	1.85	2.82	5.85	10.35	13.85
Cuylerville	400	1.90	2.80	5.30	8.30	11.55
Dalton	540	1.65	2.40	4.85	8.42	12.80
Dannemora	3,348	2.13	3.25	5.19	9.19	14.19
Dansville	4,928	1.65	2.40	5.00	8.20	11.45
Darien Center	300	1.59	2.26	4.16	7.41	11.16
Dayton	300	1.63	2.31	4.15	7.25	12.25
De Kalb Junction	450	1.70	2.45	4.49	8.24	11.99
De Ruyter	466	1.57	2.29	4.25	7.50	11.25
Deansboro	300	2.13	3.25	5.65	9.65	12.65
Deer Park	426	1.72	2.54	5.26	9.26	12.76
Deferiet	739	1.70	2.45	4.49	8.24	11.99
Delanson	372	1.65	2.40	4.40	7.65	11.40
Delevan	558	1.54	2.21	4.11	7.74	13.36
Delhi	1,840	2.13	3.25	5.65	9.65	12.65
Delmar	4,500	1.18	1.81	3.66	6.91	10.66
Delphi Falls	265	1.57	2.29	4.25	7.50	11.25
Depauville	300	1.70	2.45	4.49	8.24	11.99
Depew	6,536	1.63	2.31	4.15	7.25	12.25
Deposit	1,887	2.13	3.25	5.65	9.65	12.65
Derby	800	1.59	2.26	4.16	7.41	11.16

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Dewitt	500	$1.18	$1.81	$3.66	$6.91	$10.66
Dexter	1,020	1.70	2.45	4.49	8.24	11.99
Dickinson Center	259	1.70	2.45	4.49	8.24	11.99
Dobbs Ferry	5,741	1.70	2.45	5.20	8.70	13.70
Dolgeville	3,309	1.70	2.45	4.53	8.28	12.03
Dover Plains	1,100	2.36	3.50	6.50	10.50	15.50
Downsville	532	2.13	3.25	5.65	9.65	12.65
Doyle	750	1.63	2.31	4.15	7.25	12.25
Dresden	276	1.90	2.80	5.30	8.30	11.55
Dryden	666	1.90	2.80	5.20	9.20	11.95
Dundee	1,086	1.90	2.80	5.30	8.30	11.55
Dunkirk	17,802	.84	1.33	2.61	5.82	10.93
Dunsback Ferry	529	1.18	1.81	3.66	6.91	10.66
Durham	250	2.02	2.79	4.89	8.42	11.92
Durhamville	625	1.78	2.60	4.65	8.40	12.15
Durlandville	250	2.04	3.24	5.80	9.80	$13.43
Dykemans	300	2.36	3.50	6.50	10.50	15.50
Eagle Bridge	300	1.65	2.40	4.40	7.65	11.40
Eagle Mills	500	1.18	1.81	3.66	6.91	10.66
Earlville	868	2.13	3.25	5.65	9.65	12.65
East Aurora	4,815	1.63	2.31	4.15	7.25	12.25
East Bloomfield	331	1.65	2.40	4.85	8.42	12.80
East Branch	250	2.13	3.25	5.65	9.65	12.65
East Chatham	250	2.28	2.88	5.28	9.28	14.28
East Durham	275	2.02	2.79	4.89	8.42	11.92
East Frankfort	500	1.70	2.45	4.53	8.28	12.03
East Greenbush	616	1.18	1.81	3.66	6.91	10.66
East Hampton	1,934	1.85	2.82	5.85	10.35	13.85
Do	1,934	2.11	3.38	7.61	15.11	25.11
East Herkimer	550	1.45	2.20	3.76	7.11	10.86
East Hills	279	1.72	2.54	5.26	9.26	12.76
East Islip	1,817	1.72	2.54	5.26	9.26	12.76
East Kingston	500	1.78	2.55	4.65	8.18	11.68
East Marion	270	1.85	2.82	5.85	10.35	13.85
East Moriches	335	1.72	2.44	5.14	9.14	14.14
East Northport	2,180	1.72	2.54	5.26	9.26	12.76
East Norwich	731	1.72	2.54	5.26	9.26	12.76
East Otto	250	1.59	2.26	4.16	7.41	11.16
East Patchogue	861	1.72	2.44	5.14	9.14	14.14
East Pembroke	500	1.59	2.26	4.16	7.41	11.16
East Quogue	495	1.85	2.82	5.85	10.35	13.85
East Randolph	502	1.63	2.31	4.15	7.25	12.25
East Rochester	6,627	1.59	2.26	4.41	7.83	12.21
East Rockaway	4,340	1.57	2.24	4.67	8.67	13.67
East Rush	300	1.59	2.26	4.16	7.41	11.16
East Setauket	834	1.72	2.54	5.26	9.26	12.76
East Springfield	350	2.13	3.25	5.65	9.65	12.65
East Syracuse	4,646	1.18	1.81	3.66	6.91	10.66
East Williamson	400	1.65	2.40	4.85	8.42	12.80
East Williston	493	1.59	2.26	4.67	8.67	12.17
East Worcester	500	1.65	2.40	4.40	7.65	11.40
Easton	337	1.65	2.40	4.40	7.65	11.40
Eastport	964	1.72	2.44	5.14	9.14	14.14
Eastview	1,000	1.70	2.45	5.20	8.70	13.70
Eaton	400	2.13	3.25	5.65	9.65	12.65
Ebenezer	2,600	1.63	2.31	4.15	7.25	12.25
Eddyville	640	1.78	2.55	4.65	8.18	11.68
Eden	870	1.59	2.26	4.16	7.41	11.16
Edenville	250	2.04	3.24	5.80	9.80	13.43
Edmeston	650	2.13	3.25	5.65	9.65	12.65
Edwards	562	1.70	2.45	4.49	8.49	13.49
Eggertsville	520	1.13	1.70	3.06	5.31	9.03
Elba	492	1.59	2.25	4.16	7.41	11.16
Elbridge	452	2.05	3.10	5.50	9.00	12.25
Elizabethtown	636	2.13	3.25	5.19	9.19	14.19
Ellenburg Center	300	2.13	3.25	5.19	9.19	14.19
Ellenville	3,280	1.84	2.52	4.62	8.22	11.72
Ellicottville	978	1.75	2.50	5.50	9.87	16.12
Ellisburg	253	1.72	2.42	4.32	8.37	12.12
Elma	800	1.63	2.31	4.15	7.25	12.25
Elmira	47,397	1.55	2.30	4.16	6.91	10.66
Elmira Heights	5,061	1.55	2.30	4.16	6.91	10.66
Elmont	492	1.59	2.26	4.67	8.67	12.17
Elmsford	2,935	1.70	2.45	5.20	8.70	13.70
Elsmere	1,200	1.18	1.81	3.66	6.91	10.66
Elwood	1,010	1.13	1.70	3.06	5.31	9.06
Endicott	16,231	1.11	1.56	3.11	5.61	8.36
Do	16,231	1.65	2.40	4.50	7.50	10.50
Endwell	2,500	1.65	2.40	4.50	7.50	10.50
Ephratah	949	1.65	2.40	4.40	7.65	11.40
Esopus	350	2.02	2.79	4.89	8.42	11.92
Essex	400	2.13	3.25	5.19	9.19	14.19
Etna	360	1.90	2.80	5.20	9.20	11.95
Evans	350	1.59	2.26	4.16	7.41	11.16
Evans Mills	514	1.70	2.45	4.49	8.24	11.99
Fabius	267	1.57	2.29	4.25	7.50	11.25
Fairfield	250	1.70	2.45	4.53	8.28	12.03
Fairhaven	562	1.65	2.40	4.85	8.42	12.80
Fairmount	300	1.18	1.81	3.66	6.91	10.66
Fairport	4,604	1.13	1.80	3.30	6.35	10.10
Fairview	1,500	1.78	2.55	4.65	8.18	11.68
Falconer	3,579	.93	1.45	2.93	5.18	8.93
Fancher	250	1.59	2.26	4.16	7.41	10.81
Farmingdale	3,373	1.72	2.54	5.26	9.26	12.76
Farnham	453	1.59	2.26	4.16	7.41	11.16
Fayetteville	2,008	1.18	1.81	3.66	6.91	10.66
Felts Mills	500	1.70	2.45	4.49	8.24	11.99
Ferndale	520	2.62	3.22	5.62	9.62	12.62
Feura Bush	350	1.18	1.81	3.66	6.91	10.66
Fillmore	488	1.65	2.40	4.85	8.42	12.80
Findley Lake	257	1.59	2.26	4.16	7.41	11.16
Firthcliffe	750	1.78	2.55	4.65	8.18	11.68

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Fishers Island	687	$3.85	$5.35	$11.35	$12.78	$17.78
Fishkill	553	2.02	2.79	4.89	8.42	11.92
Flanders	386	1.85	2.82	5.85	10.35	13.85
Fleischmanns	495	2.13	3.25	5.65	9.65	12.65
Floral Park	10,016	1.59	2.26	4.67	8.67	12.17
Florida	822	2.04	3.24	5.80	9.80	13.43
Flower Hill	288	1.72	2.54	5.26	9.26	12.76
Fly Creek	325	2.13	3.25	5.65	9.65	12.65
Fonda	1,170	1.27	1.99	3.94	7.19	10.94
Forest Home	278	1.75	2.50	4.90	8.90	11.65
Forestport	416	1.70	2.45	4.49	8.24	11.99
Forestville	677	1.63	2.31	4.15	7.25	12.25
Fort Ann	389	1.27	1.99	3.94	7.19	10.94
Fort Covington	764	1.70	2.45	4.49	8.24	11.99
Fort Edward	3,850	1.27	1.99	3.94	7.19	10.94
Fort Hunter	308	1.27	1.99	3.94	7.19	10.94
Fort Johnson	833	1.27	1.99	3.94	7.19	10.94
Fort Miller	314	1.27	1.99	3.94	7.19	10.94
Fort Montgomery	850	2.04	3.24	5.80	9.80	13.43
Fort Plain	2,725	1.27	1.99	3.94	7.19	10.94
Fowlerville	250	1.59	2.26	4.16	7.41	11.16
Frankfort	4,203	1.39	2.00	4.19	9.09	16.59
Franklin	451	2.13	3.25	5.65	9.65	12.65
Franklin Springs	360	1.70	2.45	4.53	8.28	12.03
Franklin Square	4,000	1.59	2.26	4.67	8.67	12.17
Franklinville	2,021	1.59	2.26	4.16	7.41	11.16
Fredonia	5,814	1.44	2.04	3.64	6.39	10.14
Freeport	15,467	1.35	1.95	3.90	7.00	11.45
Do	15,467	1.59	2.26	4.67	8.67	12.17
Freeville	374	1.90	2.80	5.20	9.20	11.95
Frewsburg	1,193	1.59	2.26	4.16	7.41	11.16
Freysbush	298	1.27	1.99	3.94	7.19	10.94
Friendship	1,154	1.65	2.40	4.85	8.42	12.80
Fulton	12,462	1.57	2.29	4.25	7.50	11.25
Fultonham	400	1.65	2.40	4.40	7.65	11.40
Fultonville	831	1.27	1.99	3.94	7.19	10.94
Gabriels	300	1.75	2.50	4.71	8.76	15.51
Gainesville	270	1.90	2.80	5.30	8.30	11.55
Gansevoort	250	1.27	1.99	3.94	7.19	10.94
Garbutt	300	1.59	2.26	4.16	7.41	11.16
Garden City	7,180	1.59	2.26	4.67	8.67	12.17
Garden City Park	1,250	1.59	2.26	4.67	8.67	12.17
Gardenville	1,000	1.63	2.31	4.15	7.25	12.25
Garnerville	1,200	1.96	2.77	5.58	9.89	12.98
Garrison	1,400	2.02	2.79	4.89	8.42	11.92
Gasport	600	1.59	2.26	4.16	7.41	11.16
Geneseo	2,261	1.65	2.40	4.85	8.42	12.80
Geneva	16,053	1.75	2.50	4.90	8.90	11.65
Genoa	500	2.05	3.10	5.50	9.00	12.25
Georgetown	300	2.13	3.25	5.65	9.65	12.65
Germantown	250	1.27	1.99	3.94	7.19	10.94
Ghent	750	2.28	2.88	5.28	9.28	14.28
Gibson	400	1.65	2.40	5.00	8.20	11.45
Gilbertsville	362	2.13	3.25	5.65	9.65	12.65
Glasco	1,409	2.02	2.79	4.89	8.42	11.92
Glen Cove	11,430	1.72	2.54	5.26	9.26	12.76
Glen Head	2,500	1.72	2.54	5.26	9.26	12.76
Glen Park	559	1.70	2.45	4.49	8.24	11.99
Glenfield	260	1.70	2.45	4.49	8.24	11.99
Glenham	600	2.02	2.79	4.89	8.42	11.92
Glens Falls	18,531	1.27	1.99	3.94	7.19	10.94
Glenwood Landing	350	1.72	2.54	5.26	9.26	12.76
Gloversville	23,099	1.27	1.99	3.94	7.19	10.94
Golden Bridge	300	2.36	3.50	6.50	10.50	15.50
Good Grounds	500	1.85	2.82	5.85	10.35	13.85
Gorham	500	1.90	2.80	5.30	8.30	11.55
Goshen	2,891	2.04	3.24	5.80	9.80	13.43
Gouverneur	4,015	1.70	2.45	4.49	8.24	11.99
Gouverneur	4,015	1.50	2.15	3.95	6.70	9.45
Gowanda	3,042	1.63	2.31	4.15	7.25	12.25
Grafton	572	1.18	1.81	3.66	6.91	10.66
Grahamsville	325	2.02	2.79	4.89	8.42	11.92
Grand Gorge	300	2.13	3.25	5.65	9.65	12.65
Grandview on Hudson	252	1.96	2.77	5.58	9.89	12.98
Granville	3,483	1.96	2.86	5.11	9.11	14.11
Great Bend	400	1.70	2.45	4.49	8.24	11.99
Great Neck	4,010	1.72	2.54	5.26	9.26	12.76
Great Neck Estates	1,738	1.72	2.54	5.26	9.26	12.76
Great Neck Plaza	530	1.72	2.54	5.26	9.26	12.76
Green Island	4,331	1.25	1.92	3.94	7.74	12.74
Greendale	305	1.27	1.99	3.94	7.19	10.94
Greene	1,379	1.95	2.85	5.00	9.50	17.00
Greenlawn	1,237	1.72	2.54	5.26	9.26	12.76
Greenport	3,062	1.71	2.65	5.08	9.63	16.91
Greenvale	1,500	1.72	2.54	5.26	9.26	12.76
Greenville	467	2.02	2.79	4.89	8.42	11.92
Greenwich	2,290	1.65	2.40	4.40	7.65	11.40
Greenwood	400	1.90	2.80	5.30	8.30	11.55
Greenwood Lake	332	2.04	3.24	5.80	9.80	13.43
Groton	2,004	1.50	2.00	3.50	6.25	10.00
Groveland	550	1.59	2.26	4.16	7.41	11.16
Guilderland	300	1.18	1.81	3.66	6.91	10.66
Guilford	400	2.13	3.25	5.65	9.65	12.65
Hadley	400	1.65	2.40	4.40	7.65	11.40
Hagaman	867	1.27	1.99	3.94	7.19	10.94
Hague	550	1.65	2.40	4.40	7.65	11.40
Hailesboro	258	1.50	2.15	3.95	6.70	9.45
Haines Falls	590	2.02	2.79	4.89	8.42	11.92
Halesite	583	1.72	2.54	5.26	9.26	12.76
Hall	350	2.05	3.10	5.50	9.00	12.25
Hamburg	4,731	1.63	2.31	4.15	7.25	12.25
Hamden	300	2.13	3.25	5.65	9.65	12.65

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Hamilton	1,700	$1.55	$2.25	$4.55	$7.80	$11.55
Hamlin	500	1.59	2.26	4.16	7.41	10.81
Hammond	364	1.91	2.71	4.51	9.01	16.51
Hammondsport	1,063	1.90	2.80	5.30	8.30	11.55
Hampton Bays	1,127	1.85	2.82	5.85	10.35	13.85
Hancock	1,427	2.13	3.25	5.65	9.65	12.65
Hannibal	410	1.57	2.29	4.25	7.50	11.25
Harpursville	400	1.65	2.40	4.50	7.50	10.50
Harriman	657	2.04	3.24	5.80	9.80	13.43
Harrison	8,500	1.70	2.45	5.20	8.70	13.70
Harrisville	896	1.70	2.45	4.49	8.24	11.99
Hartsdale	3,500	1.70	2.45	5.20	8.70	13.70
Hartwick	450	2.13	3.25	5.65	9.65	12.65
Hastings on Hudson	7,097	1.70	2.45	5.20	8.70	13.70
Hauppauge	538	1.72	2.54	5.26	9.26	12.76
Haverstraw	5,621	1.96	2.77	5.58	9.89	12.98
Hawthorne	2,000	1.70	2.45	5.20	8.70	13.70
Haynersville	300	1.18	1.81	3.66	6.91	10.66
Hemlock	317	1.59	2.26	4.16	7.41	11.16
Hempstead	12,650	1.59	2.26	4.67	8.67	12.17
Hempstead Gardens	1,100	1.59	2.26	4.67	8.67	12.17
Henderson	262	1.72	2.42	4.32	8.37	12.12
Henrietta	300	1.59	2.26	4.41	7.83	12.21
Herkimer	10,446	1.45	2.20	3.76	7.11	10.86
Hermon	527	1.70	2.45	4.49	8.24	11.99
Herrings	274	1.70	2.45	4.49	8.24	11.99
Heuvelton	578	1.70	2.45	4.49	8.24	11.99
Hewlett	2,359	1.57	2.24	4.67	8.67	13.67
Hewlett Bay Park	407	1.57	2.24	4.67	8.67	13.67
Hewlett Neck	253	1.57	2.24	4.67	8.67	13.67
Hicksville	6,772	1.72	2.54	5.26	9.26	12.76
High Falls	300	2.02	2.79	4.89	8.42	11.92
Highland	2,000	1.78	2.55	4.65	8.18	11.68
Highland Falls	2,910	2.04	3.24	5.80	9.80	13.43
Highland Mills	800	2.04	3.24	5.80	9.80	13.43
Highview	250	2.09	2.92	5.75	10.08	13.20
Hillburn	1,303	1.96	2.77	5.58	9.89	12.98
Hillsdale	500	2.28	2.88	5.28	9.28	14.28
Hilton	923	1.59	2.26	4.41	7.83	12.21
Himrod	350	1.90	2.80	5.30	8.30	11.55
Hinsdale	300	1.59	2.26	4.16	7.41	11.16
Hoag Corners	265	1.27	1.99	3.94	7.19	10.94
Hobart	580	2.13	3.25	5.65	9.65	12.65
Holbrook	321	1.72	2.54	5.26	9.26	12.76
Holcomb	294	1.65	2.40	4.85	8.42	12.80
Holland	825	1.63	2.31	4.15	7.25	12.25
Holland Patent	337	1.70	2.45	4.53	8.28	12.03
Holley	1,558	1.35	1.69	3.04	5.52	8.89
Holmesville	250	2.13	3.25	5.65	9.65	12.65
Holtsville	315	1.72	2.44	5.14	9.14	14.14
Homer	3,195	1.34	2.00	3.88	7.13	10.88
Honeoye	700	1.59	2.26	4.16	7.41	11.16
Honeoye Falls	1,187	1.59	2.26	4.16	7.41	11.16
Hoosick	296	1.90	2.50	4.30	7.80	11.55
Hoosick Falls	4,755	1.90	2.50	4.30	7.80	11.55
Hopkinton	750	1.70	2.45	4.49	8.24	11.99
Hornell	16,250	1.65	2.40	5.00	8.20	11.45
Horseheads	2,430	1.55	2.30	4.16	6.91	10.66
Houghton	300	1.65	2.40	4.85	8.42	12.80
Howard	400	1.90	2.80	5.30	8.30	11.55
Howells	260	2.09	2.92	5.75	10.08	13.20
Howes Cave	250	1.56	2.40	4.40	7.65	11.40
Hubbardsville	250	2.13	3.25	5.65	9.65	12.65
Hudson	12,337	1.27	1.99	3.94	7.19	10.94
Hudson Falls	6,449	1.27	1.99	3.94	7.19	10.94
Hughsonville	300	1.78	2.55	4.65	8.18	11.68
Huguenot	500	2.09	2.92	5.75	10.08	13.20
Hulberton	420	1.59	2.26	4.16	7.41	10.81
Hume	300	1.65	2.40	4.85	8.42	12.80
Hunter	624	2.02	2.79	4.89	8.42	11.92
Huntington	6,683	1.72	2.54	5.26	9.26	12.76
Huntington Bay	357	1.72	2.54	5.26	9.26	12.76
Huntington Station	4,614	1.72	2.54	5.26	9.26	12.76
Hurley	400	2.02	2.79	4.89	8.42	11.92
Hurleyville	800	2.62	3.22	5.62	9.62	12.62
Hyde Park	1,200	2.02	2.79	4.89	8.42	11.92
Ilion	9,890	1.03	1.55	2.75	5.15	8.65
Indian Lake	350	2.44	3.32	5.72	11.72	21.72
Inlet	251	2.35	3.40	5.20	9.20	14.20
Interlaken	660	1.90	2.80	5.20	9.20	11.95
Inwood	8,193	1.57	2.24	4.67	8.67	13.67
Irondequoit	18,024	1.59	2.26	4.41	7.83	12.21
Irving	250	1.63	2.31	4.15	7.25	12.25
Irvington	3,067	1.70	2.45	5.20	8.70	13.70
Island Park	1,002	1.91	2.96	5.96	10.46	15.46
Do	1,002	1.57	2.24	4.67	8.67	13.67
Islip	2,183	1.72	2.54	5.26	9.26	12.76
Islip Terrace	1,092	1.72	2.54	5.26	9.26	12.76
Ithaca	20,708	1.75	2.50	4.90	8.90	11.65
Jamesport	251	1.85	2.82	5.85	10.35	13.85
Jamestown	45,155	.80	1.25	2.55	4.80	8.55
Jamesville	800	1.18	1.81	3.66	6.91	10.66
Jasper	250	1.90	2.80	5.30	8.30	11.55
Jay	400	2.13	3.25	5.19	9.19	14.19
Jeddo	250	1.59	2.26	4.16	7.41	10.81
Jefferson	300	2.13	3.25	5.65	9.65	12.65
Jeffersonville	448	2.62	3.22	5.62	9.62	12.62
Jewett	250	2.02	2.79	4.89	8.42	11.92
Johnsburg	276	1.65	2.40	4.40	7.65	11.40
Johnson	500	2.09	2.92	5.75	10.08	13.20
Johnson City	13,567	1.65	2.40	4.50	7.50	10.50
Johnsonburg	400	1.63	2.31	4.15	7.25	12.25

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued:						
Johnsonville	812	$1.65	$2.40	$4.40	$7.65	$11.40
Johnstown	10,801	1.27	1.99	3.94	7.19	10.94
Jonespoint	400	1.96	2.77	5.58	9.89	12.98
Jordan	1,145	2.05	3.10	5.50	9.00	12.25
Jordanville	300	2.13	3.25	5.65	9.65	12.65
Katonah	1,180	2.36	3.50	6.50	10.50	15.50
Keene	600	2.13	3.25	5.19	9.19	14.19
Keene Valley	511	2.13	3.25	5.19	9.19	14.19
Keeseville	1,794	2.13	3.25	5.19	9.19	14.19
Kendall	263	1.59	2.26	4.16	7.41	10.81
Kenilworth	1,000	1.13	1.70	3.06	5.31	9.06
Kenmore	16,482	1.13	1.70	3.06	5.31	9.06
Kensington	824	1.72	2.54	5.26	9.26	12.76
Kenwood	400	1.83	2.53	3.84	6.84	11.84
Kerhonkson	560	2.02	2.79	4.89	8.42	11.92
Kill Buck	300	1.59	2.26	4.16	7.41	11.16
Kinderhook	822	1.27	1.99	3.94	7.19	10.94
King Ferry	600	2.05	3.10	5.50	9.00	12.25
Kings Park	2,500	1.72	2.54	5.26	9.26	12.76
Kings Point	1,294	1.72	2.54	5.26	9.26	12.76
Kingston	28,088	1.78	2.55	4.65	8.18	11.68
Kirkland	300	1.70	2.45	4.53	8.28	12.03
Kirkville	250	1.57	2.29	4.25	7.50	11.25
Kirkwood	250	1.65	2.40	4.50	7.50	10.50
Kiskatom	300	2.02	2.79	4.89	8.42	11.92
Knowlesville	250	1.59	2.26	4.16	7.41	10.81
La Fargeville	408	1.70	2.45	4.49	8.24	11.99
Lackawanna	23,948	1.13	1.70	3.06	5.31	9.06
Lacona	546	1.59	2.26	4.16	7.41	11.16
Lake Clear Junction	250	1.75	2.50	4.71	8.76	15.51
Lake George	848	1.27	1.99	3.94	7.19	10.94
Lake Huntington	400	2.62	3.22	5.62	9.62	12.62
Lake Katrine	350	2.02	2.79	4.89	8.42	11.92
Lake Placid Village	2,930	1.90	2.78	4.96	9.48	16.98
Lake Ronkonkoma	683	1.72	2.54	5.26	9.26	12.76
Lake Success	295	1.72	2.54	5.26	9.26	12.76
Lake View	550	1.59	2.26	4.16	7.41	11.16
Lakeview	2,381	1.57	2.24	4.67	8.67	13.67
Lakeville	300	1.72	2.54	5.26	9.26	12.76
Do	400	1.59	2.26	4.16	7.41	11.16
Lakewood	1,837	1.59	2.26	4.16	7.41	11.16
Lancaster	7,040	1.63	2.31	4.15	7.25	12.25
Langford	250	1.59	2.26	4.16	7.41	11.16
Larchmont	5,282	1.70	2.45	5.20	8.70	13.70
Lassellsville	320	1.65	2.40	4.40	7.65	11.40
Lattingtown	643	1.72	2.54	5.26	9.26	12.76
Laurel	250	1.85	2.82	5.85	10.35	13.85
Lawrence	3,041	1.57	2.24	4.67	8.67	13.67
Lawyersville	262	1.65	2.40	4.40	7.65	11.40
Le Roy	4,474	1.59	2.26	4.16	7.41	11.16
Lebanon Springs	400	2.28	2.88	5.28	9.28	14.28
Lee Center	400	1.65	2.40	4.48	8.23	11.98
Leeds	314	2.02	2.79	4.89	8.42	11.92
Leicester	285	1.90	2.80	5.30	8.30	11.55
Leon	300	1.63	2.31	4.15	7.25	12.25
Leonardsville	400	2.13	3.25	5.65	9.65	12.65
Lewiston	1,013	1.13	1.70	3.06	5.31	8.31
Lexington	400	2.02	2.79	4.89	8.42	11.92
Liberty	3,427	2.62	3.22	5.62	9.62	12.62
Lilly Dale	261	1.59	2.26	4.16	7.41	11.16
Lima	897	1.59	2.26	4.16	7.41	11.16
Limestone	599	1.59	2.26	4.16	7.41	11.16
Lincklaen	447	1.57	2.29	4.25	7.50	11.25
Lincoln Park	500	1.78	2.55	4.65	8.18	11.68
Lincolndale	500	2.36	3.50	6.50	10.50	15.50
Lindenhurst	4,040	1.72	2.54	5.26	9.26	12.76
Lisbon	250	1.70	2.45	4.49	8.24	11.99
Lisle	325	1.65	2.40	4.50	7.50	10.50
Little Falls	11,105	1.60	2.35	4.27	8.02	11.77
Little Genesee	253	1.65	2.40	4.85	8.42	12.80
Little Valley	1,196	1.15	1.60	2.80	5.55	9.30
Liverpool	2,244	1.18	1.81	3.66	6.91	10.66
Livingston	406	1.27	1.99	3.94	7.19	10.94
Livingston Manor	1,612	2.62	3.22	5.62	9.62	12.62
Livonia	774	1.59	2.26	4.16	7.41	11.16
Lloyd Harbor	480	1.72	2.54	5.26	9.26	12.76
Locke	315	1.90	2.80	5.20	9.20	11.95
Lockport	23,160	1.52	2.19	3.59	6.59	11.59
Locust Valley	1,800	1.72	2.54	5.26	9.26	12.76
Lodi	322	1.55	2.30	4.16	6.91	10.66
Long Beach	5,817	1.57	2.24	4.67	8.67	13.67
Long Eddy	300	2.62	3.22	5.62	9.62	12.62
Long Lake	750	2.44	3.32	5.72	11.72	21.72
Loomis	250	2.62	3.22	5.62	9.62	12.62
Lorraine	848	2.39	3.61	7.12	12.40	21.10
Loudonville	527	1.18	1.81	3.66	6.91	10.66
Lowville	3,424	1.70	2.45	4.49	8.24	11.99
Ludlowville	271	1.90	2.80	5.20	9.20	11.95
Luzerne	632	1.65	2.40	4.40	7.65	11.40
Lycoming	320	1.57	2.29	4.25	7.50	11.25
Lynbrook	11,993	1.57	2.24	4.67	8.67	13.67
Lyndonville	708	1.59	2.26	4.16	7.41	10.41
Lyons	3,956	2.05	3.10	5.50	9.00	12.25
Lyons Falls	882	1.91	2.71	4.51	8.51	13.51
Macedon	566	1.65	2.40	4.20	7.20	12.20
Machias	1,200	1.59	2.26	4.16	7.41	11.16
Madison	287	2.13	3.25	5.65	9.65	12.65
Madrid	900	1.70	2.45	4.49	8.24	11.99
Mahopac	1,500	2.36	3.50	6.50	10.50	15.50
Mahopac Falls	800	2.36	3.50	6.50	10.50	15.50
Maine	400	1.65	2.40	4.50	7.50	10.50
Malden on Hudson	400	2.02	2.79	4.89	8.42	11.92

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued:						
Malone	8,657	$1.70	$2.45	$4.49	$8.24	$11.99
Malverne	2,256	1.57	2.24	4.67	8.67	13.67
Mamaroneck	11,766	1.70	2.45	5.20	8.70	13.70
Manchester	1,429	1.65	2.40	4.85	8.42	12.80
Manhasset	3,500	1.72	2.54	5.26	9.26	12.76
Manlius	1,538	1.18	1.81	3.66	6.91	10.66
Mannsville	313	1.72	2.42	4.32	8.37	12.12
Manor Haven	376	1.72	2.54	5.26	9.26	12.76
Manorville	411	1.72	2.44	5.14	9.14	14.14
Marathon	860	1.59	2.39	4.49	7.46	12.49
Marcellus	1,083	2.05	3.10	5.50	9.00	12.25
Marcellus Falls	350	2.05	3.10	5.50	9.00	12.25
Margaretville	771	2.13	3.25	5.65	9.65	12.65
Marion	700	1.65	2.40	4.85	8.42	12.80
Marlboro	1,150	2.02	2.79	4.89	8.42	11.92
Maryknoll	375	1.70	2.45	5.20	8.70	13.70
Maryland	250	1.65	2.40	4.40	7.65	11.40
Massapequa	1,260	1.72	2.54	5.26	9.26	12.76
Massapequa Park	400	1.72	2.54	5.26	9.26	12.76
Massena	10,637	1.70	2.45	4.49	8.24	11.99
Mastic	300	1.72	2.44	5.14	9.14	14.14
Matinecock	484	1.72	2.54	5.26	9.26	12.76
Mattituck	1,938	1.85	2.82	5.85	10.35	13.85
Maybrook	1,159	2.02	2.79	4.89	8.42	11.92
Mayfield	722	1.65	2.40	4.40	7.65	11.40
Mayville	1,273	1.42	2.00	4.12	8.02	12.92
McDonough	250	1.65	2.40	4.50	7.50	10.50
McGraw	1,082	1.57	2.29	4.25	7.50	11.25
McKownville	506	1.18	1.81	3.66	6.91	10.66
Meadowmere Park	500	1.57	2.24	4.67	8.67	13.67
Mechanicville	7,924	1.70	2.45	4.35	8.35	13.35
Medford	772	1.72	2.44	5.14	9.14	14.14
Medina	6,071	1.50	2.17	3.99	7.24	10.24
Mellenville	475	2.28	2.88	5.28	9.28	14.28
Melrose	310	1.65	2.40	4.40	7.65	11.40
Melville	589	1.72	2.54	5.26	9.26	12.76
Memphis	250	2.05	3.10	5.50	9.00	12.25
Menands	1,522	1.18	1.81	3.66	6.91	10.66
Mendon	350	1.59	2.26	4.41	7.83	12.21
Meridian	264	1.65	2.40	4.85	8.42	12.80
Merrick	7,000	1.72	2.54	5.26	9.26	12.76
Mexico	1,297	1.57	2.29	4.25	7.50	11.25
Middle Falls	396	1.65	2.40	4.40	7.65	11.40
Middle Granville	650	1.96	2.86	5.11	9.11	14.11
Middle Hope	320	2.02	2.79	4.89	8.42	11.92
Middle Island	300	1.72	2.44	5.14	9.14	14.14
Middleburg	948	1.65	2.40	4.40	7.65	11.40
Middleport	1,596	1.59	2.26	4.16	7.41	11.16
Middlesex	250	1.90	2.80	5.30	8.30	11.55
Middletown	21,276	1.83	2.62	5.41	9.70	17.20
Middleville	760	1.70	2.45	4.53	8.28	12.03
Milford	491	2.13	3.25	5.65	9.65	12.65
Mill Neck	516	1.72	2.54	5.26	9.26	12.76
Millbrook	1,296	2.02	2.79	4.89	8.42	11.92
Miller Place	250	1.72	2.54	5.26	9.26	12.76
Millerton	919	2.02	2.79	4.89	8.42	11.92
Millport	389	1.55	2.30	4.16	6.91	10.66
Millwood	400	1.70	2.45	5.20	8.70	13.70
Milton	1,505	2.02	2.79	4.89	8.42	11.92
Mineola	8,155	1.59	2.26	4.67	8.67	12.17
Minetto	500	1.57	2.29	4.25	7.50	11.25
Mineville	787	2.05	2.88	5.03	9.03	14.03
Minoa	899	1.18	1.81	3.66	6.91	10.66
Modena	400	2.02	2.79	4.89	8.42	11.92
Mohawk	2,835	1.22	1.76	3.47	7.17	12.17
Mohegan Heights	450	1.70	2.45	5.20	8.70	13.70
Mohegan Lake	600	1.70	2.45	5.20	8.70	13.70
Moira	369	1.70	2.45	4.49	8.24	11.99
Monegaups Alley	250	2.62	3.22	5.62	9.62	12.62
Monroe	1,621	2.04	3.24	5.80	9.80	13.43
Monsey	500	1.96	2.77	5.58	9.89	12.98
Montauk	608	1.85	2.82	5.85	10.35	13.85
Montezuma	300	2.05	3.10	5.50	9.00	12.25
Montgomery	884	2.02	2.79	4.89	8.42	11.92
Monticello	3,450	2.62	3.22	5.62	9.62	12.62
Montour Falls	1,489	1.55	2.30	4.16	6.91	10.66
Mooers	465	2.13	3.25	5.19	9.19	14.19
Morsvia	1,295	1.90	2.80	5.20	9.20	11.95
Moriah	500	1.65	2.40	4.40	7.65	11.40
Moriches	297	1.72	2.44	5.14	9.14	14.14
Morris	554	2.13	3.25	5.65	9.65	12.65
Morrisonville	750	2.13	3.25	5.19	9.19	14.19
Morristown	505	1.70	2.45	4.49	8.24	11.99
Morrisville	583	2.13	3.25	5.65	9.65	12.65
Mottville	500	1.59	2.26	4.16	7.41	11.16
Mount Kisco	5,127	1.70	2.45	5.20	8.70	13.70
Mount McGregor	500	1.27	1.99	3.94	7.19	10.94
Mount Morris	3,238	1.65	2.40	4.85	8.42	12.80
Mount Sinai	500	1.72	2.54	5.26	9.26	12.76
Mount Upton	400	2.13	3.25	5.65	9.65	12.65
Mount Vernon	61,499	1.70	2.45	5.20	8.70	13.70
Mountain Dale	450	2.62	3.22	5.62	9.62	12.62
Mountainville	460	2.02	2.79	4.89	8.42	11.92
Mumford	450	1.59	2.26	4.16	7.41	11.16
Munnsville	345	1.78	2.60	4.65	8.40	12.15
Munsey Park	411	1.72	2.54	5.26	9.26	12.76
Munson	300	1.59	2.26	4.67	8.67	12.17
Muttontown	282	1.72	2.54	5.26	9.26	12.76
Nanuet	1,500	1.96	2.77	5.58	9.89	12.98
Napanoch	642	1.84	2.52	4.62	8.22	11.72
Naples	1,070	1.90	2.80	5.30	8.30	11.55
Narrowsburg	500	2.62	3.22	5.62	9.62	12.62

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Nassau	670	$1.27	$1.99	$3.94	$7.19	$10.94
Nassau Point	400	1.85	2.82	5.85	10.35	13.85
Natural Bridge	600	1.70	2.45	4.49	8.24	11.99
Nedrow	750	1.57	2.29	4.25	7.50	11.25
Nelliston	553	1.27	1.99	3.94	7.19	10.94
Nelsonville	470	1.78	2.55	4.65	8.18	11.68
Nesconset	2,100	1.72	2.54	5.26	9.26	12.76
Neversink	250	2.62	3.22	5.62	9.62	12.62
New Baltimore	650	2.02	2.79	4.89	8.42	11.92
New Berlin	1,076	2.13	3.25	5.65	9.65	12.65
New City	1,000	1.96	2.77	5.58	9.89	12.98
New Hackensack	275	2.02	2.79	4.89	8.42	11.92
New Hamburg	320	2.02	2.79	4.89	8.42	11.92
New Hampton	400	2.09	2.92	5.75	10.08	13.20
New Hartford	1,885	1.18	1.81	3.66	6.91	10.66
New Hyde Park	3,314	1.59	2.26	4.67	8.67	12.17
New Lebanon	350	2.28	2.88	5.28	9.28	14.28
New Milford	300	2.04	3.24	5.80	9.80	13.43
New Paltz	1,362	2.02	2.79	4.89	8.42	11.92
New Rochelle	54,000	1.70	2.45	5.20	8.70	13.70
New Scotland	300	1.18	1.81	3.66	6.91	10.66
New Suffolk	600	1.85	2.82	5.85	10.35	13.85
New Windsor	1,300	2.02	2.79	4.89	8.42	11.92
New Woodstock	368	2.08	2.83	5.63	10.63	18.13
New York:						
Bronx	1,265,258	1.66	2.41	4.72	8.00	13.05
Brooklyn	2,560,401	1.66	2.41	4.72	8.00	13.05
Manhattan	1,867,312	1.66	2.41	4.72	8.00	13.05
Queens	1,079,129	1.66	2.41	4.72	8.00	13.05
Do	1,079,129	1.57	2.24	4.67	8.67	13.67
Richmond	158,346	1.70	2.45	4.90	7.90	10.90
Mills	4,006	1.18	1.81	3.66	6.91	10.66
Newark	7,649	2.05	3.10	5.50	9.00	12.25
Newark Valley	795	1.65	2.40	4.50	7.50	10.50
Newburgh	31,275	1.78	2.55	4.65	8.18	11.68
Newcomb	400	2.44	3.32	5.72	11.72	21.72
Newfane	1,200	1.59	2.26	4.16	7.41	11.16
Newport	696	1.70	2.45	4.53	8.28	12.03
Newton Falls	750	1.70	2.45	4.49	8.24	11.99
Newton Hook	450	1.27	1.99	3.94	7.19	10.94
Newtonville	500	1.18	1.81	3.66	6.91	10.66
Niagara Falls	75,460	1.13	1.70	3.06	5.31	8.31
Nichols	533	1.65	2.40	4.50	7.50	10.50
Nicholville	550	1.70	2.45	4.49	8.24	11.99
Nile	300	1.65	2.40	4.85	8.42	12.80
Nimmonsburg	250	1.65	2.40	4.50	7.50	10.50
Niskayuna	500	1.18	1.81	3.66	6.91	10.66
Niverville	295	1.27	1.99	3.94	7.19	10.94
Norfolk	1,307	1.70	2.45	4.49	8.24	11.99
North Bangor	319	1.70	2.45	4.49	8.24	11.99
North Bellmore	1,897	1.72	2.54	5.26	9.26	12.76
North Chatham	300	1.27	1.99	3.94	7.19	10.94
North Chili	350	1.59	2.26	4.41	7.83	12.21
North Cohocton	300	1.90	2.80	5.30	8.30	11.55
North Collins	1,165	1.59	2.26	4.16	7.41	11.16
North Creek	771	1.65	2.40	4.40	7.65	11.40
North Germantown	327	1.27	1.99	3.94	7.19	10.94
North Greece	275	1.59	2.26	4.41	7.83	12.21
North Haven	282	1.85	2.82	5.85	10.35	13.85
North Hills	339	1.72	2.54	5.26	9.26	12.76
North Hoosick	485	1.90	2.50	4.30	7.80	11.55
North Hornell	452	1.90	2.80	5.30	8.30	11.55
North Java	250	1.63	2.31	4.15	7.25	12.25
North Lawrence	375	1.70	2.45	4.49	8.24	11.99
North Merrick	2,000	1.72	2.54	5.26	9.26	12.76
North Pelham	4,890	1.70	2.45	5.20	8.70	13.70
North Rose	750	1.65	2.40	4.85	8.42	12.80
North Roslyn	985	1.72	2.54	5.26	9.26	12.76
North Syracuse	1,766	1.18	1.81	3.66	6.91	10.66
North Tarrytown	7,417	1.70	2.45	5.20	8.70	13.70
North Tonawanda	19,019	1.13	1.70	3.06	5.31	9.06
Northport	2,528	1.72	2.54	5.26	9.26	12.76
Northville	618	1.85	2.82	5.85	10.35	13.85
Do	1,250	1.65	2.40	4.40	7.65	11.40
Norwich	8,378	2.13	3.08	5.48	9.48	12.48
Norwood	1,880	1.70	2.45	4.49	8.24	11.99
Nunda	1,085	1.65	2.40	4.85	8.42	12.80
Nyack	5,392	1.96	2.77	5.58	9.89	12.98
Oakdale	260	1.72	2.54	5.26	9.26	12.76
Oakfield	1,919	1.59	2.26	4.16	7.41	11.16
Oceanside	5,744	1.57	2.24	4.67	8.67	13.67
Odessa	379	1.55	2.30	4.16	6.91	10.66
Ogdensburg	16,915	1.60	2.35	4.41	8.16	11.91
Olcott	300	1.59	2.26	4.16	7.41	11.16
Old Brookville	423	1.72	2.54	5.26	9.26	12.76
Old Forge	840	2.35	3.40	5.20	9.20	14.20
Old Westbury	1,264	1.72	2.54	5.26	9.26	12.76
Olean	21,790	1.44	2.04	3.64	6.39	10.14
Olmstedville	350	1.65	2.40	4.40	7.65	11.40
Omar	250	1.70	2.45	4.49	8.24	11.99
Oneida	10,558	1.60	2.35	4.43	8.18	11.93
Oneida Castle	490	1.78	2.60	4.65	8.40	12.15
Oneonta	12,536	2.13	3.08	5.48	9.48	12.48
Onondaga Hill	300	1.18	1.81	3.66	6.91	10.66
Onoville	500	1.59	2.26	4.16	7.41	11.16
Ontario	650	1.65	2.40	4.85	8.42	12.80
Ontario Center	275	1.65	2.40	4.85	8.42	12.80
Orange Farm	200	2.04	3.24	5.80	9.80	13.43
Orangeburg	750	1.96	2.77	5.58	9.89	12.98
Orchard Park	1,144	1.63	2.31	4.15	7.25	12.25
Orient	616	1.85	2.82	5.85	10.35	13.85
Oriskany	1,142	1.70	2.45	4.53	8.28	12.03

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Oriskany Falls	853	$2.13	$3.25	$5.65	$9.65	$12.65
Orwell	500	1.59	2.26	4.16	7.41	11.16
Oscawana	350	1.70	2.45	5.20	8.70	13.70
Ossining	15,241	1.70	2.45	5.20	8.70	13.70
Oswegatchie	750	1.70	2.45	4.49	8.24	11.99
Oswego	22,652	1.57	2.29	4.25	7.50	11.25
Otego	555	2.13	3.25	5.65	9.65	12.65
Otisville	809	2.09	2.92	5.75	10.08	13.20
Otto	450	1.59	2.26	4.16	7.41	11.16
Ovid	537	1.90	2.80	5.20	9.20	11.95
Owego	4,742	1.65	2.40	4.50	7.50	10.50
Oxford	1,601	2.13	3.25	5.65	9.65	12.65
Oyster Bay	7,500	1.72	2.54	5.26	9.26	12.76
Oyster Bay Cove	407	1.72	2.54	5.26	9.26	12.76
Painted Post	2,328	1.65	2.40	5.00	8.20	11.45
Palatine Bridge	503	1.27	1.99	3.94	7.19	10.94
Palenville	300	2.02	2.79	4.89	8.42	11.92
Palisades	500	1.96	2.77	5.58	9.89	12.98
Palmyra	2,592	2.05	3.10	5.50	9.00	12.25
Panama	320	1.59	2.26	4.16	7.41	11.16
Parish	508	1.57	2.29	4.25	7.50	11.25
Parishville	300	1.70	2.45	4.49	8.24	11.99
Parksville	500	2.62	3.22	5.62	9.62	12.62
Parma	300	1.59	2.26	4.41	7.83	12.21
Parma Center	250	1.59	2.26	4.41	7.83	12.21
Patchogue	6,860	1.72	2.44	5.14	9.14	14.14
Patterson	600	2.36	3.50	6.50	10.50	15.50
Paul Smiths	418	1.75	2.50	4.71	8.76	15.51
Pavilion	425	1.59	2.26	4.16	7.41	11.16
Pawling	1,204	2.36	3.50	6.50	10.50	15.50
Pearl River	3,300	1.96	2.77	5.58	9.89	12.98
Peconic	631	1.85	2.82	5.85	10.35	13.85
Peekskill	17,125	1.70	2.45	5.20	8.70	13.70
Pelham	2,053	1.70	2.45	5.20	8.70	13.70
Pelham Manor	4,908	1.70	2.45	5.20	8.70	13.70
Pembroke	250	1.59	2.26	4.16	7.41	11.16
Penfield	600	1.59	2.26	4.41	7.83	12.21
Penn Yan	5,329	1.90	2.80	5.30	8.30	11.55
Do	5,329	.75	1.13	2.63	4.78	8.53
Pennellville	255	1.57	2.29	4.25	7.50	11.25
Perkinsville	350	1.90	2.80	5.30	8.30	11.55
Perry	4,231	1.65	2.40	5.00	8.20	11.45
Perrys Mills	284	2.13	3.25	5.19	9.19	14.19
Perrysburg	317	1.63	2.31	4.15	7.25	12.25
Peru	558	2.05	3.10	5.50	9.00	12.25
Petersburg	500	2.28	2.88	5.28	9.28	14.28
Phelps	1,397	2.05	3.10	5.50	9.00	12.25
Philadelphia	817	1.31	1.81	4.33	7.25	12.88
Philmont	1,868	1.79	2.58	4.60	8.60	13.60
Phoenicia	475	2.13	3.25	5.65	9.65	12.65
Phoenix	1,758	1.57	2.29	4.25	7.50	11.25
Piermont	1,765	1.96	2.77	5.58	9.89	12.98
Piffard	260	1.59	2.26	4.16	7.41	11.16
Pike	321	1.65	2.40	4.85	8.42	12.80
Pine Bush	800	2.36	3.11	5.21	8.71	11.71
Pine Hill	289	2.13	3.25	5.65	9.65	12.65
Pine Island	400	2.04	3.24	5.80	9.80	13.43
Pine Plains	800	2.02	2.79	4.89	8.42	11.92
Pittsford	1,460	1.59	2.26	4.41	7.83	12.21
Plainview	500	1.72	2.54	5.26	9.26	12.76
Plandome	769	1.72	2.54	5.26	9.26	12.76
Plandome Heights	285	1.72	2.54	5.26	9.26	12.76
Plandome Manor	272	1.72	2.54	5.26	9.26	12.76
Plattekill	400	2.02	2.79	4.89	8.42	11.92
Plattsburg	13,349	1.83	2.65	4.45	8.45	13.45
Pleasant Valley	500	2.02	2.79	4.89	8.42	11.92
Pleasantdale	303	1.18	1.81	3.66	6.91	10.66
Pleasantville	4,540	1.70	2.45	5.20	8.70	13.70
Plessis	300	1.70	2.45	4.49	8.24	11.99
Pocantico Hills	350	1.70	2.45	5.20	8.70	13.70
Poland	462	1.70	2.45	4.53	8.28	12.03
Pompey	250	1.57	2.29	4.25	7.50	11.25
Ponquogue	430	1.85	2.82	5.85	10.35	13.86
Poquott	349	1.72	2.54	5.26	9.26	12.75
Port Byron	890	1.55	2.30	4.30	7.30	12.30
Port Chester	22,662	1.70	2.45	5.20	8.70	13.70
Port Crane	497	1.65	2.40	4.50	7.50	10.50
Port Dickinson	1,902	1.65	2.40	4.50	7.50	10.50
Port Ewen	1,500	1.78	2.55	4.65	8.18	11.68
Port Gibson	350	2.05	3.10	5.50	9.00	12.25
Port Henry	2,040	1.65	2.40	4.40	7.65	11.40
Port Jefferson	2,465	1.72	2.54	5.26	9.26	12.76
Port Jervis	10,243	1.83	2.62	5.41	9.70	17.20
Port Kent	300	2.13	3.25	5.19	9.19	14.19
Port Leyden	717	1.70	2.45	4.49	8.24	11.99
Port Washington	10,413	1.72	2.54	5.26	9.26	12.76
Do	681	1.72	2.54	5.26	9.26	12.76
Portageville	460	1.90	2.80	5.30	8.30	11.55
Portland	400	1.20	1.80	3.70	6.70	11.70
Portlandville	400	2.13	3.25	5.65	9.65	12.65
Portville	969	1.59	2.26	4.16	7.41	11.16
Potsdam	4,136	1.70	2.45	4.49	8.24	11.99
Pottersville	329	1.65	2.40	4.40	7.65	11.40
Poughkeepsie	40,288	1.78	2.55	4.65	8.18	11.68
Prattsburgh	584	1.90	2.80	5.30	8.30	11.55
Prattsville	500	2.13	3.25	5.65	9.65	12.65
Prospect	277	1.70	2.45	4.53	8.28	12.03
Pulaski	2,046	1.59	2.26	4.16	7.41	11.16
Pultneyville	257	1.65	2.40	4.85	8.42	12.80
Putnam Station	450	1.65	2.40	4.40	7.65	11.40
Putnam Valley	300	2.36	3.50	6.50	10.50	15.50
Pyrites	300	1.70	2.45	4.49	8.24	11.99

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued:						
Quaker Hill	275	$2.36	$3.50	$6.50	$10.50	$15.50
Quogue	758	1.85	2.82	5.85	10.35	13.85
Randolph	1,308	1.63	2.31	4.15	7.25	12.25
Ransomville	750	1.44	2.04	3.64	6.39	9.39
Ravena	1,963	1.78	2.55	4.65	8.18	11.68
Ray Brook	250	1.75	2.50	4.71	8.76	15.51
Raymertown	350	1.18	1.81	3.66	6.91	10.66
Raymondville	400	1.70	2.45	4.49	8.24	11.99
Red Creek	560	1.65	2.40	4.85	8.42	12.80
Red Hook	996	2.02	2.79	4.89	8.42	11.92
Redwood	524	1.70	2.45	4.49	8.24	11.99
Remsen	437	1.70	2.45	4.53	8.28	12.03
Remsenburg	400	1.72	2.44	5.14	9.14	14.14
Rensselaer	11,223	1.18	1.81	3.66	6.91	10.66
Rensselaer Falls	285	1.70	2.45	4.49	8.24	11.99
Rensselaerville	300	2.02	2.79	4.89	8.42	11.92
Reserve	637	1.63	2.31	4.15	7.25	12.25
Retsof	300	1.59	2.26	4.16	7.41	11.16
Rexford	500	1.18	1.81	3.66	6.91	10.66
Rhinebeck	1,569	2.02	2.79	4.89	8.42	11.92
Rhinecliff	500	2.02	2.79	4.89	8.42	11.92
Richburg	580	1.65	2.40	4.85	8.42	12.80
Richfield	260	2.13	3.25	5.65	9.65	12.65
Richfield Springs	1,333	2.13	3.25	5.65	9.65	12.65
Richford	350	1.65	2.40	4.50	7.50	10.50
Richland	300	1.59	2.26	4.16	7.41	11.16
Richmondville	618	1.94	2.76	4.89	8.64	12.39
Richville	302	1.70	2.45	4.49	8.24	11.99
Rifton	349	2.02	2.79	4.89	8.42	11.92
Ripley	1,200	1.59	2.26	4.16	7.41	11.16
Riverhead	4,963	1.85	2.82	5.85	10.35	13.85
Riverside	671	1.65	2.40	5.00	8.20	11.45
Rochester	328,132	1.59	2.26	4.41	7.83	12.21
Rockland	500	2.62	3.22	5.62	9.62	12.62
Rockland Lake	580	1.96	2.77	5.58	9.89	12.98
Rockville Centre	13,718	1.35	1.97	3.95	7.15	11.65
Rome	32,338	1.60	2.35	4.43	8.18	11.93
Romulus	450	2.05	3.10	5.50	9.00	12.25
Ronkonkoma	1,500	1.72	2.54	5.26	9.26	12.76
Roosevelt	5,848	1.59	2.26	4.67	8.67	12.17
Roscoe	900	2.62	3.22	5.62	9.62	12.62
Rose	400	1.65	2.40	4.85	8.42	12.80
Rosendale	539	2.02	2.79	4.89	8.42	11.92
Roseton	1,000	2.02	2.79	4.89	8.42	11.92
Roslyn	719	1.72	2.54	5.26	9.26	12.76
Roslyn Estates	347	1.72	2.54	5.26	9.26	12.76
Roslyn Harbor	363	1.72	2.54	5.26	9.26	12.76
Roslyn Heights	3,500	1.72	2.54	5.26	9.26	12.76
Rossie	720	3.00	3.00	4.70	8.70	12.20
Rotterdam Junction	849	1.18	1.81	3.66	6.91	10.66
Round Lake	442	1.80	2.55	4.75	8.75	13.75
Rouses Point	1,920	1.82	2.65	4.45	8.70	14.95
Rosbury	475	2.13	3.25	5.65	9.65	12.65
Rushford	500	1.65	2.40	4.85	8.42	12.80
Rushville	452	1.90	2.80	5.30	8.30	11.55
Russell	500	1.70	2.45	4.49	8.24	11.99
Russell Gardens	387	1.72	2.54	5.26	9.26	12.76
Rye	8,712	1.70	2.45	5.20	8.70	13.70
Sackets Harbor	742	1.70	2.45	4.49	8.24	11.99
Sag Harbor	2,773	1.85	2.82	5.85	10.35	13.85
Sagaponack	358	1.85	2.82	5.85	10.35	13.85
St. James	1,169	1.72	2.54	5.26	9.26	12.76
St. Johnsville	2,273	1.27	1.99	3.94	7.19	10.94
St. Regis Falls	889	1.70	2.45	4.49	8.24	11.99
St. Remy	300	2.02	2.79	4.89	8.42	11.92
Salamanca	9,577	.94	1.39	2.92	5.54	9.29
Salem	1,081	1.96	2.86	5.11	9.11	14.11
Salem Center	300	2.36	3.50	6.50	10.50	15.50
Salisbury Center	300	1.70	2.45	4.53	8.28	12.03
Salisbury Mills	400	2.02	2.79	4.89	8.42	11.92
Do	400	2.04	3.24	5.80	9.80	13.43
Salt Point	280	2.02	2.79	4.89	8.42	11.92
Sammonsville	250	1.27	1.99	3.94	7.19	10.94
Sanborn	450	1.44	2.04	3.64	6.39	10.14
Sands Point	438	1.72	2.54	5.26	9.26	12.76
Sandusky	330	1.54	2.21	4.11	7.36	11.11
Sandy Creek	648	1.59	2.26	4.16	7.41	11.16
Sangerfield	250	2.13	3.25	5.65	9.65	12.65
Sanquoit	700	1.70	2.45	4.53	8.28	12.03
Saranac	350	2.13	3.25	5.19	9.19	14.19
Saranac Inn	500	1.75	2.50	4.71	8.76	15.51
Saranac Lake	8,020	1.75	2.50	4.71	8.76	15.51
Saratoga Springs	13,169	1.27	1.99	3.94	7.19	10.94
Saugerties	4,060	1.78	2.55	4.65	8.18	11.68
Savannah	600	1.84	2.54	4.34	7.09	10.84
Savona	545	1.90	2.80	5.30	8.30	11.55
Sayville	3,590	1.72	2.54	5.26	9.26	12.76
Scarborough	500	1.70	2.45	5.20	8.70	13.70
Scarsdale	9,690	1.70	2.45	5.20	8.70	13.70
Schaghticoke	555	1.65	2.40	4.40	7.65	11.40
Schenectady	95,692	1.18	1.81	3.66	6.91	10.66
Schenevus	562	1.65	2.40	4.40	7.65	11.40
Schodack Landing	412	1.18	1.81	3.66	6.91	10.66
Schoharie	827	1.65	2.40	4.40	7.65	11.40
Schroon Lake	314	1.65	2.40	4.40	7.65	11.40
Schuyler Falls	250	2.13	3.25	5.19	9.19	14.19
Schuyler Lake	275	2.13	3.25	5.65	9.65	12.65
Schuylerville	1,411	1.65	2.40	4.40	7.65	11.40
Scio	425	1.59	2.26	4.16	7.41	11.16
Scotia	7,437	1.18	1.81	3.66	6.91	10.66
Scottsville	936	1.59	2.26	4.16	7.41	11.16
Scriba	250	1.57	2.29	4.25	7.50	11.25
Sea Cliff	3,456	1.72	2.54	5.26	9.26	12.76

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Seaford	3,100	$1.72	$2.54	$5.26	$9.26	$12.76
Selden	350	1.72	2.54	5.26	9.26	12.76
Selkirk	723	1.18	1.81	3.66	6.91	10.66
Seneca Castle	250	2.05	3.10	5.50	9.00	12.25
Seneca Falls	6,443	2.05	3.10	5.50	9.00	12.25
Setauket	384	1.72	2.54	5.26	9.26	12.76
Seward	300	1.65	2.40	4.40	7.65	11.40
Shandaken	500	2.13	3.25	5.65	9.65	12.65
Sharon	280	1.65	2.40	4.40	7.65	11.40
Sharon Springs	364	1.65	2.40	4.40	7.65	11.40
Shelby	300	1.59	2.26	4.16	7.41	10.81
Shelter Island	1,113	2.50	3.70	7.75	14.25	24.25
Sherburne	1,077	1.37	2.20	4.60	7.85	11.10
Sherman	769	1.59	2.26	4.16	7.41	11.16
Sherrill	2,150	1.83	2.53	3.84	6.84	11.84
Shokan	300	2.02	2.79	4.89	8.42	11.92
Shortsville	1,332	1.65	2.40	4.85	8.42	12.80
Shrub Oak	600	1.70	2.45	5.20	8.70	13.70
Shushan	250	1.96	2.86	5.11	9.11	14.11
Sidney	2,444	2.13	3.25	5.65	9.65	12.65
Sidney Center	351	2.13	3.25	5.65	9.65	12.65
Silver Creek	3,160	1.63	2.31	4.15	7.25	12.25
Silver Springs	879	1.45	2.28	4.38	8.93	16.43
Sinclairville	589	1.59	2.26	4.16	7.41	11.16
Skaneateles	1,882	1.43	2.05	4.09	7.19	11.69
Skaneateles Falls	300	1.59	2.26	4.16	7.41	11.16
Slingerlands	675	1.18	1.81	3.66	6.91	10.66
Sloan	3,482	1.63	2.31	4.15	7.25	12.25
Sloatsburg	1,623	1.96	2.77	5.58	9.89	12.98
Smallwood	250	2.62	3.22	5.62	9.62	12.62
Smithtown	250	1.72	2.54	5.26	9.26	12.76
Smithtown Branch	951	1.72	2.54	5.26	9.26	12.76
Snyder	1,500	1.13	1.70	3.06	5.31	9.06
Sodus	1,444	1.65	2.40	4.85	8.42	12.80
Sodus Center	300	1.65	2.40	4.85	8.42	12.80
Sodus Point	525	1.65	2.40	4.85	8.42	12.80
Solvay	7,986	1.12	1.80	3.78	6.31	10.40
South Bethlehem	500	1.18	1.81	3.66	6.91	10.66
South Byron	255	1.59	2.26	4.16	7.41	11.16
South Colton	300	1.70	2.45	4.49	8.24	11.99
South Corning	714	1.65	2.40	5.00	8.20	11.45
South Dayton	570	1.63	2.31	4.15	7.25	12.25
South Fallsburgh	1,500	2.62	3.22	5.62	9.62	12.62
South Floral Park	460	1.59	2.26	4.67	8.67	12.17
South Glens Falls	2,689	1.27	1.99	3.94	7.19	10.94
South Jamesport	299	1.85	2.82	5.85	10.35	13.85
South Lansing	300	1.90	2.80	5.20	9.20	11.95
South New Berlin	350	2.13	3.25	5.65	9.65	12.65
South Nyack	2,212	1.96	2.77	5.58	9.89	12.98
South Onondaga	250	1.57	2.29	4.25	7.50	11.25
South Otselic	365	1.65	2.40	4.50	7.50	10.50
South Salem	355	2.36	3.50	6.50	10.50	15.50
South Schenectady	450	1.18	1.81	3.66	6.91	10.66
South Wales	333	1.63	2.31	4.15	7.25	12.25
Southampton	3,737	1.85	2.82	5.85	10.35	13.85
Southfields	450	2.04	3.24	5.80	9.80	13.43
Southold	1,651	1.85	2.82	5.85	10.35	13.85
Sparkill	960	1.96	2.77	5.58	9.89	12.98
Sparrow Bush	600	2.09	2.92	5.75	10.08	13.20
Speculator	261	1.65	2.40	4.40	7.65	11.40
Spencer	628	1.90	2.80	5.20	9.20	11.95
Spencerport	1,249	1.45	2.13	4.13	6.88	10.63
Spencertown	300	2.28	2.88	5.28	9.28	14.28
Spring Glen	250	1.97	2.80	4.90	8.50	12.00
Spring Valley	3,948	1.96	2.77	5.58	9.89	12.98
Springfield Center	285	2.13	3.25	5.65	9.65	12.65
Springs	325	1.85	2.82	5.85	10.35	13.85
Springville	2,540	1.45	2.13	4.28	7.73	13.48
Springwater	500	1.90	2.80	5.30	8.30	11.55
Staatsburg	500	2.02	2.79	4.89	8.42	11.92
Stafford	250	1.59	2.26	4.16	7.41	11.16
Stanford	1,103	2.13	3.25	5.65	9.65	12.65
Starkville	250	1.27	1.99	3.94	7.19	10.94
Stella	250	1.65	2.40	4.50	7.50	10.50
Stephentown	250	2.28	2.88	5.28	9.28	14.28
Stewart Manor	1,291	1.59	2.26	4.67	8.67	12.17
Stillwater	1,051	1.70	2.45	4.35	8.35	13.35
Stittville	350	1.70	2.45	4.53	8.28	12.03
Stockport	300	1.27	1.99	3.94	7.19	10.94
Stockton	300	1.59	2.26	4.16	7.41	11.16
Stone Arabia	310	1.27	1.99	3.94	7.19	10.94
Stone Ridge	350	2.02	2.79	4.89	8.42	11.92
Stony Brook	790	1.72	2.54	5.26	9.26	12.76
Stony Creek	270	1.65	2.40	4.40	7.65	11.40
Stony Point	2,700	1.96	2.77	5.58	9.89	12.98
Stottville	1,079	1.27	1.99	3.94	7.19	10.94
Strykersville	300	1.63	2.31	4.15	7.25	12.25
Stuyvesant	400	1.27	1.99	3.94	7.19	10.94
Stuyvesant Falls	600	1.27	1.99	3.94	7.19	10.94
Suffern	3,757	1.96	2.77	5.58	9.89	12.98
Sugar Loaf	250	2.04	3.24	5.80	9.80	13.43
Summitville	300	2.09	2.92	5.75	10.08	13.20
Sylvan Beach	450	1.59	2.26	4.16	7.41	11.16
Syosset	1,500	1.72	2.54	5.26	9.26	12.76
Syracuse	209,326	1.18	1.81	3.66	6.91	10.66
Taberg	400	1.59	2.26	4.16	7.41	11.16
Tallman	750	1.96	2.77	5.58	9.89	12.98
Tannersville	656	2.02	2.79	4.89	8.42	11.92
Tappan	1,200	1.96	2.77	5.58	9.89	12.98
Tarrytown	6,841	1.70	2.45	5.20	8.70	13.70
Terryville	250	1.72	2.54	5.26	9.26	12.76
Theresa	873	1.52	2.27	4.27	12.77	25.27

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
Theresa	873	$1.55	$2.30	$4.48	$9.48	$16.98
Thiells	700	1.96	2.77	5.58	9.89	12.98
Thomaston	250	1.72	2.54	5.26	9.26	12.76
Thornwood	1,500	1.70	2.45	5.20	8.70	13.70
Three Mile Bay	290	1.70	2.45	4.49	8.24	11.99
Ticonderoga	3,680	1.79	2.58	4.60	8.60	13.60
Tillson	400	2.02	2.79	4.89	8.42	11.92
Tivoli	713	2.02	2.79	4.89	8.42	11.92
Tomkins Cove	1,200	1.96	2.77	5.58	9.89	12.98
Tonawanda	12,681	1.13	1.70	3.06	5.31	9.06
Towners	250	2.36	3.50	6.50	10.50	15.50
Trenton	313	1.70	2.45	4.53	8.28	12.03
Triangle	250	1.65	2.40	4.50	7.50	10.50
Tribes Hill	601	1.27	1.99	3.94	7.19	10.94
Troy	72,763	1.18	1.81	3.66	6.91	10.66
Trudeau	500	1.75	2.50	4.71	8.76	15.51
Trumansburg	1,077	1.90	2.80	5.20	9.20	11.95
Truxton	250	1.57	2.29	4.25	7.50	11.25
Tuckahoe	6,138	1.70	2.45	5.20	8.70	13.70
Tully	680	1.57	2.29	4.25	7.50	11.25
Tupper Lake	5,271	2.01	2.76	5.51	10.51	18.01
Turin	260	1.91	2.71	4.51	8.51	13.51
Tuxedo Park	867	2.04	3.24	5.80	9.80	13.43
Tuxedo Village	2,300	2.04	3.24	5.80	9.80	13.43
Ulster Park	640	2.02	2.79	4.89	8.42	11.92
Unadilla	1,063	2.13	3.25	5.65	9.65	12.65
Union Center	400	1.65	2.40	4.50	7.50	10.50
Union Springs	794	2.05	3.10	5.50	9.00	12.25
Uniondale	1,000	1.59	2.26	4.67	8.67	12.17
Unionville	438	2.09	2.92	5.75	10.08	13.20
Upper Brookville	332	1.72	2.54	5.26	9.26	12.76
Upper Jay	250	2.13	3.25	5.19	9.19	14.19
Upper Nyack	842	1.96	2.77	5.58	9.89	12.98
Utica	101,740	1.18	1.81	3.66	6.91	10.66
Vail Mills	250	1.65	2.40	4.40	7.65	11.40
Valatie	1,246	1.27	1.99	3.94	7.19	10.94
Valhalla	2,200	1.70	2.45	5.20	8.70	13.70
Valley Cottage	1,000	1.96	2.77	5.58	9.89	12.98
Valley Falls	577	1.65	2.40	4.40	7.65	11.40
Valley Stream	11,790	1.57	2.24	4.67	8.67	13.67
Van Etten	370	1.90	2.80	5.20	9.20	11.95
Varysburg	250	1.63	2.31	4.15	7.25	12.25
Vernon	602	1.78	2.60	4.65	8.40	12.15
Vernon Center	369	1.78	2.60	4.65	8.40	12.15
Verona	310	1.78	2.60	4.65	8.40	12.15
Verplanck	1,267	1.70	2.45	5.20	8.70	13.70
Versailles	250	1.63	2.31	4.15	7.25	12.25
Vestal Center	500	1.65	2.40	4.50	7.50	10.50
Victor	1,042	1.65	2.40	4.85	8.42	12.80
Victory	473	1.65	2.40	4.40	7.65	11.40
Voorheesville	644	1.18	1.81	3.66	6.91	10.66
Waddington	679	1.70	2.45	4.49	8.24	11.99
Wading River	475	1.85	2.82	5.85	10.35	13.85
Walden	4,283	2.36	3.11	5.21	8.71	11.71
Wallace	300	1.90	2.80	5.30	8.30	11.55
Wallkill	800	2.02	2.79	4.89	8.42	11.92
Walton	3,496	2.13	3.25	5.65	9.65	12.65
Walworth	300	2.36	3.26	6.16	12.16	22.16
Wampsville	280	1.78	2.60	4.65	8.40	12.15
Wantagh	1,284	1.72	2.54	5.26	9.26	12.76
Wappingers Falls	3,336	1.78	2.55	4.65	8.18	11.68
Warners	721	2.05	3.10	5.50	9.00	12.25
Warnerville	300	1.94	2.76	4.89	8.64	12.39
Warrensburg	2,000	1.65	2.40	4.40	7.65	11.40
Warsaw	3,477	1.65	2.40	5.00	8.20	11.45
Warwick	2,443	2.04	3.24	5.80	9.80	13.43
Washington Mills	500	1.70	2.45	4.53	8.28	12.03
Washingtonville	663	2.04	3.24	5.80	9.80	13.43
Wassaic	350	2.36	3.50	6.50	10.50	15.50
Water Mill	379	1.85	2.82	5.85	10.35	13.85
Waterford	2,921	1.18	1.81	3.66	6.91	10.66
Waterloo	4,047	2.05	3.10	5.50	9.00	12.25
Waterport	300	1.59	2.26	4.16	7.41	10.81
Watertown	32,205	1.55	2.30	4.10	7.85	11.60
Waterville	1,298	2.13	3.25	5.65	9.65	12.65
Watervliet	16,083	1.18	1.81	3.66	6.91	10.66
Watkins Glen	2,956	1.35	2.03	4.48	8.73	14.98
Waverly	5,662	2.19	2.89	5.59	9.59	12.59
Wawarsing	300	2.02	2.79	4.89	8.42	11.92
Wayland	1,814	1.90	2.80	5.30	8.30	11.55
Wayville	500	1.27	1.99	3.94	7.19	10.94
Webster	1,552	1.59	2.26	4.41	7.83	12.21
Weedsport	1,325	1.71	2.25	4.41	9.00	12.25
Wells	400	1.65	2.40	4.40	7.65	11.40
Wellsburg	581	1.55	2.30	4.16	6.91	10.66
Wellsville	5,674	1.33	1.93	3.33	5.58	9.33
West Albany	1,969	1.18	1.81	3.66	6.91	10.66
West Babylon	1,500	1.72	2.54	5.26	9.26	12.76
West Bloomfield	350	1.59	2.26	4.16	7.41	11.16
West Camp	400	2.02	2.79	4.89	8.42	11.92
West Carthage	1,722	1.70	2.45	4.49	8.24	11.99
West Chazy	350	2.13	3.25	5.19	9.19	14.19
West Clarksville	250	1.65	2.40	4.85	8.42	12.80
West Falls	400	1.63	2.31	4.15	7.25	12.25
West Haverstraw	2,834	1.96	2.77	5.58	9.89	12.98
West Hempstead	1,000	1.59	2.26	4.67	8.67	12.17
West Hurley	315	2.02	2.79	4.89	8.42	11.92

Residential rates compared—Continued

Community	Population	25 kilowatt-hours	40 kilowatt-hours	100 kilowatt-hours	250 kilowatt-hours	500 kilowatt-hours
New York rates for entire State—Continued.						
West Islip	800	$1.72	$2.54	$5.26	$9.26	$12.76
West Milton	300	1.27	1.99	3.94	7.19	10.94
West Oneonta	307	2.13	3.25	5.65	9.65	12.65
West Park	700	2.02	2.79	4.89	8.42	11.92
West Sayville	1,128	1.72	2.54	5.26	9.26	12.76
West Sand Lake	600	2.28	2.88	5.28	9.28	14.28
West Valley	470	1.59	2.26	4.16	7.41	11.16
West Walworth	306	1.59	2.26	4.41	7.83	12.21
West Webster	300	1.59	2.26	4.41	7.83	12.21
West Winfield	779	2.13	3.25	5.65	9.65	12.65
Westbrookville	360	2.09	2.92	5.75	10.08	13.20
Westbury	4,750	1.72	2.54	5.26	9.26	12.76
Westernville	250	1.65	2.40	4.48	8.23	11.98
Westfield	3,466	1.08	1.62	3.33	6.33	11.33
Westhampton	502	1.85	2.82	5.85	10.35	13.85
Westhampton Beach	994	1.85	2.82	5.85	10.35	13.85
Westmoreland	400	1.70	2.45	4.53	8.28	12.03
Westons Mills	400	1.59	2.26	4.16	7.41	11.16
Westport	790	2.13	3.25	5.19	9.19	14.19
Wheatley	300	1.72	2.54	5.26	9.26	12.76
White Plains	35,830	1.70	2.45	5.20	8.70	13.70
White Sulphur	350	2.62	3.22	5.62	9.62	12.62
Whitehall	5,191	1.65	2.40	4.40	7.65	11.40
Whitesboro	3,375	1.18	1.81	3.66	6.91	10.66
Whitesville	523	1.59	2.26	4.16	7.41	11.16
Whitney Point	639	1.65	2.40	4.50	7.50	10.50
Willard	600	1.90	2.80	5.20	9.20	11.95
Willet	250	1.65	2.40	4.50	7.50	10.50
Williamson	1,000	1.65	2.40	4.85	8.42	12.80
Williamsville	3,119	1.13	1.70	3.06	5.31	9.06
Williston Park	4,427	1.59	2.26	4.67	8.67	12.17
Willowvale	500	1.70	2.45	4.53	8.28	12.03
Willsboro	1,100	2.13	3.25	5.19	9.19	14.19
Wilmington	300	2.13	3.25	5.19	9.19	14.19
Wilson	600	1.44	2.04	3.64	6.39	10.14
Wilton	250	1.27	1.99	3.94	7.19	10.94
Winchester	300	1.63	2.31	4.15	7.25	12.25
Windham	300	2.13	3.25	5.65	9.65	12.65
Windsor	661	1.65	2.40	4.50	7.50	10.50
Wingdale	500	2.36	3.50	6.50	10.50	15.50
Winterton	300	2.09	2.92	5.75	10.08	13.20
Winthrop	400	1.70	2.45	4.49	8.24	11.99
Witherbee	1,567	2.05	2.88	5.03	9.03	14.03
Wolcott	1,260	1.65	2.40	4.85	8.42	12.80
Woodburne	500	2.62	3.22	5.62	9.62	12.62
Woodbury	307	1.72	2.54	5.26	9.26	12.76
Woodhull	290	1.90	2.80	5.30	8.30	11.55
Woodlawn	1,920	1.13	1.70	3.06	5.31	9.06
Woodmere	4,958	1.57	2.24	4.67	8.67	13.67
Woodridge	774	2.62	3.22	5.62	9.62	12.62
Woodsburgh	376	1.57	2.24	4.67	8.67	13.67
Woodstock	300	2.02	2.79	4.89	8.42	11.92
Worcester	450	1.65	2.40	4.40	7.65	11.40
Worth	413	2.39	3.61	7.12	12.40	21.10
Wurtsboro	423	2.09	2.92	5.75	10.08	13.20
Wyoming	376	1.90	2.80	5.30	8.30	11.55
Yaphank	400	1.72	2.44	5.14	9.14	14.14
Yonkers	134,646	1.65	2.40	5.15	8.70	13.70
Yorkshire	300	1.54	2.21	4.11	7.36	11.11
Yorktown Heights	1,500	2.36	3.50	6.50	10.50	15.50
Yorkville	3,406	1.18	1.81	3.66	6.91	10.66
Youngstown	639	1.13	1.70	3.06	5.31	8.31
Youngsville	250	2.62	3.22	5.62	9.62	12.62

The overcharges to commercial consumers throughout the State of New York are even greater, invariably, than they are to the domestic consumers. But I will not burden the RECORD further. At a later date I will probably give the overcharges to commercial consumers throughout the State.

But for the present I shall rest my case on the overcharges the domestic consumers in that great State have to pay, as I have shown, and most earnestly commend these figures to the prayerful consideration of the distinguished gentleman from New York [Mr. TABER] and to all his colleagues.

The power question, cheap electricity for all, is one of the greatest economic issues before the American people today. Every one of you is going to have to face that question in the coming campaign, and throughout your service in this House. Personally, I have burned all bridges behind me; I expect to continue this battle as long as I am in public life or until we provide electricity to every human being in this country at the proper rates, or at rates based upon the cost of generation, transmission, and distribution—and until we electrify every farm home in America at those rates.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

LETTER FROM THE AMERICAN NATIONAL LIVESTOCK ASSOCIATION AND ARTICLES FROM THE WOOL CLIP AND THE GRAND FORK HERALD

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter I have received from the secretary-treasurer of the American National Livestock Association on the pending bill for the extension of the Reciprocal Trade Agreements Act.

I also ask unanimous consent to have printed in the Appendix of the RECORD an article published in the Wool Clip, of March 15, 1940, entitled "United States Wool Fabric Imports Increase." The article states that the increase in the importation of rags from Great Britain since the reciprocal-trade agreement with that country went into effect was over 1,000 percent.

I also ask unanimous consent to have printed in the RECORD an article by Judge Buttz, of Devils Lake, printed in the Grand Forks Herald of February 25, entitled "Trade Pacts Damaging Agriculture, Buttz says."

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
Denver, Colo., March 26, 1940.

Hon. LYNN J. FRAZIER,
United States Senate, Washington, D. C.

DEAR SENATOR FRAZIER: Yesterday's paper carried an announcement that Great Britain may reduce her purchases of United States cotton, possibly creating the necessity for a cotton loan by the Commodities Credit Corporation. Previously it has been shown that the British market is now practically closed to our pork exports and that she is to a large extent going around the United States market in buying her wheat, tobacco, and other agricultural products. Recently announcement was made by Canada that our pork exports to that country were to be limited to a peacetime basis, thereby shutting off any possible wartime benefit for our hog producers. These developments serve better than anything else possibly could to indicate the futility of the reciprocal-trade program, which we were led to believe was to be a cure-all for the ills of trade restrictions of one kind and another between our country and foreign countries.

Advocates of the reciprocal-trade program asserted that through generalization of the benefits to the world at large the interchange of goods between countries would be facilitated to the mutual benefit of all. We are finally coming to understand, with 21 agreements in effect, that no such situation has been created. Instead, most of the countries of the world which have benefited by our trade-agreement program have not reciprocated by carrying on this policy themselves but instead have resorted to other devices to secure trade. Numerous bilateral agreements have been made between such countries, many of them limited to a direct barter exchange of commodities.

With such a condition existing, we shall probably never know whether or not the reciprocal-trade policy advocated by Secretary Hull, if practiced by all countries, could prove meritorious in any degree. We only know now that, with the United States committed to such a policy and the world at large reaping the benefit therefrom through freer access to our market and with our own exports being bottled up by the direct-barter arrangements referred to above and by the purchase of agricultural products for the warring nations in other countries, cutting out the United States to the greatest degree possible, instead of benefiting, we are today being punished for the part we have played.

Before the beginning of the war it was claimed that the trade-agreement program would operate to maintain peace. Now that the world is at war, we are told that we must carry on because the trade agreements will prove the salvation of the world in working out post-war settlements. American agricultural producers are afraid that these claims have no more foundation in substance than those that have previously proved to be false and that, instead of being the salvation of this country and of the world, when peace comes we will find our markets, shorn to a great degree of tariff protection, the dumping ground of a world which will have no money to buy our surpluses and which will be eagerly seeking a means of converting its surpluses into cash.

The remedy for the existing situation so far as the trade agreements already made are concerned will have to be found in the future. We have available today, however, a means to protect ourselves against further error. The bill to extend the Reciprocal Trade Act beyond June 12, 1940, is now before the Senate. It seems to be commonly accepted that it will be passed but with some restriction upon the Executive power imposed in order to prevent the trading away of any more of the American market on such agricultural commodities as livestock, meat products, dairy products, flaxseed, beans, and numerous others. We urge you to use your influence to that end by securing the adoption of either the Pittman amendment requiring Senate ratification or the O'Mahoney amendment requiring congressional approval.

Yours very truly,

F. E. MOLLI, *Secretary.*

[From the National Wool Clip of March 15, 1940]

UNITED STATES WOOL FABRIC IMPORTS INCREASE

On a dollar basis, woven fabrics of wool and other hair, excluding mohair, imported into this country increased last year 72 percent over 1938.

Comparative statistics of wool imports for the first 8 months of 1938 and 1939, compiled by the Department of Commerce, show that since the reciprocity treaty went into effect, imports of wool products from Great Britain have increased 168 to 1,000 percent.

Despite the war, Great Britain is making every effort to maintain these increased imports of wool products at the highest level. The tariff concessions have enabled her to cultivate a textile market in this country and land her woolen goods here below the American cost of production. This provides her with the vitally essential dollar exchange which she can use to purchase her military necessities.

Figures to September 1, the latest available, show that imports of noils, wastes, and rags used in the manufacture of woolen goods have increased in varying percentages. Rags had a phenomenal increase of from 492,125 pounds in 1938 to 5,461,292 pounds in 1939. Imports of manufactured woolen goods also show large increases. Eight million seven hundred and forty-nine thousand five hundred and eighty-seven square yards, or more than double the quantity previously imported, came into this country in the first 8 months of 1939.

Reports from Bradford, England, announce the formation of a committee for the wool textile industry to assist the English government's efforts to increase their exports of worsted and woolen material in a campaign to capture world markets. This committee's activities are directed not only at the attainment of maximum export trade during the war, but also to obtain permanent increases in overseas trade.

TRADE PACTS DAMAGING AGRICULTURE, BUTTZ SAYS

WADENA, MINN.—No trade agreement can be justified which bankrupts one industry to build up another, declared Judge C. W. Buttz, of Devils Lake, in an address Saturday before the Minnesota State Wool Growers Association.

Judge Buttz is a director and executive committeeman of the National Wool Marketing Corporation of Boston, selling agency of 26 State wool organizations and largest wool cooperative in the world with an $18,000,000 business. He is a leading purebred sheep breeder of the Northwest, has been district judge for a quarter century, and is an authority on wool marketing. He addressed the convention on Federal trade agreements.

TWENTY-TWO AGREEMENTS MADE

Twenty-two trade agreements have been made with foreign countries and agreements with South America and Australia are proposed, the judge said.

"Nearly one-fourth of this country's total imports in 1938 were competitive agricultural products," he declared. "In 1939 with these numerous trade agreements operating, our agricultural exports were one-third less than in 1938. In 1939 Argentina and Uruguay alone shipped us over 80,000,000 pounds of canned beef, representing more than 500,000 average steers on the South St. Paul market. You can't possibly buy a tin of canned beef from your grocer unless it was packed in some South American country. If you don't believe me, try it. The British agreement of last year reduced duty on imported woolens and other fabrics. Heavy cattle, calves, pork products, milk, cream, cheddar cheese, eggs, honey, oats and oatmeal, rye, barley, feedstuffs, apples, berries, cherries, seedless raisins, white potatoes, and other importations are permitted under various agreements.

"South American proposals would add corn, flax, turkeys, casein, cheese, hides, and wool.

"The authority of the President to make further treaties of this sort expires June 12, and the administration is turning heaven and earth to get a renewal of power from Congress.

"No trade agreement can be justified which bankrupts one industry to build up another. British negotiations depressed the price of your wool in 1937 and 1938, as its consummation does today. Wool price advance in September has settled back 5 to 10 cents per pound because of the dickering with Argentina, even though negotiations are now camouflaged by suspension while effort is made to have Congress continue the power to make them. Only through our cooperative wool organizations have we been able to sustain present levels."

FLAYS PRESENT SET-UP

In closing Judge Buttz said: "It just does not make sense that this Government spends millions in subsidizing exportation of agricultural surplus and in hand-outs for producing less while another

department makes drastic tariff reductions to foreigners, inviting billions of imports of absolutely competitive products that we already produce beyond our needs. Unless Congress recalls the supervision of treaty making given it by the Constitution so that the elected Representatives of the people may pass on these agreements, agriculture may well be alarmed lest its workers be reduced to peasantry, peonage, or serfdom and that Americas greatest industry go to the shambles. In the Senate of the United States, where his vote is equal to that of the eastern manufacturer, industrialist, and other pressure groups, the wool grower and farmer is a respected citizen. There lies his hope."

Ethyl Gasoline Corporation et al. Against United States

EXTENSION OF REMARKS

OF

HON. GUY M. GILLETTE

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

OPINION OF SUPREME COURT

Mr. GILLETTE. Mr. President, a short time before the death of the late lamented Senator from Idaho, Mr. Borah, he had introduced in the Senate—in which introduction I had a very insignificant part—a bill looking to the divorcement of pipe-line transportation of oil from other phases of the industry. Three days before his death he asked me to aid in any way I could in bringing the matter to a hearing.

The matter is now before a subcommittee of the Judiciary Committee for consideration and hearing. In that connection I ask unanimous consent to have printed in the Appendix of the RECORD the text of the Supreme Court opinion of March 25 in the Government's suit against the Ethyl Gasoline Corporation. It is of particular interest as showing the control which has been exercised over independent oil jobbers by the Standard Oil Co. of New Jersey and the Ethyl Gasoline Corporation.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States. No. 536. October term, 1939. *Ethyl Gasoline Corporation, Earl W. Webb, and John Coard Taylor, appellants,* v. *The United States of America.* Appeal from the District Court of the United States for the Southern District of New York. March 25, 1940]

Mr. Justice Stone delivered the opinion of the Court.

The Government brought this suit in the District Court for Southern New York, to restrain appellant, Ethyl Gasoline Corporation, a Delaware corporation, and the other appellants, who are its officers, from granting licenses, under patents controlled by it, to jobbers to sell and distribute lead-treated motor fuel, and from enforcing provisions in licenses to oil refiners which restrict their sale of the motor fuel to the licensed jobbers, as violations of the Sherman Antitrust Act. (26 Stat. 209, 15 U. S. C., sec. 1, as amended August 17, 1937, 50 Stat. 693.) The trial court granted the relief sought and from its decision in favor of the Government the case comes here on direct appeal under the provisions of section 2 of the Expediting Act of February 11, 1903, as amended (36 Stat. 1167, 15 U. S. C., sec. 29); section 238 of the Judicial Code, as amended (43 Stat. 938, 28 U. S. C., sec. 345).

The case was tried on an agreed statement of facts which was incorporated in the findings of the trial court and, except as noted, there is no dispute as to the facts. The appellant corporation is engaged in the manufacture and sale of a patented fluid compound containing tetraethyl lead, a poisonous substance, which, when added to gasoline used as a motor fuel, increases the efficiency of high-pressure combustion engines in which the fuel is consumed. The Ethyl Corporation owns two patents covering the composition of the fluid, No. 1,592,954 of July 20, 1926, and No. 1,668,022 of May 1, 1928. It has a third patent, No. 1,573,846 of February 23, 1926, claiming a motor fuel produced by mixing gasoline with the patent fluid compound, which is claimed also by the two patents first mentioned. It also has a patent, No. 1,787,419, of December 30, 1930, claiming a method of using fuel containing the patented fluid in combustion motors. The corporation manufactures and sells the patented fluid to oil refiners, solely for use in the production of the improved type of motor fuel. It issues licenses under its patents to refiners and to jobbers of motor fuel on terms and conditions presently to be noted, but it does not charge or receive any royalty for its licenses. It derives its profit solely from the sale of the patented ethyl fluid to its refiner licensees.

THE LICENSING AGREEMENTS

Appellant grants licenses under its patents to most of the large oil-refining companies in the United States, to manufacture, sell, and distribute motor fuel containing the patented fluid. The licenses provide that appellant will sell to the licensees their requirements of the patented fluid. They prohibit the licensees from selling the manufactured product to any except to other licensed refiners, to jobbers licensed by appellant, and to retail dealers and consumers. They require the licensed refiners to mix the patented fluid with the gasoline at their refineries with equipment approved by appellant and in conformity to regulations promulgated by the Surgeon General of the United States and any other governmental body having jurisdiction. The refiners agree to impose obligations on all purchasers to conform to such health regulations and to require them to impose like obligations on those to whom they sell. The refiners agree, upon notice by appellant, to discontinue sales to other refiners or jobbers whose licenses appellant has canceled. The licenses also provide for the maximum amount of the fluid to be used in the gasoline, and that, within that limit, the licensees' regular or "best nonpremium" gasoline shall have a maximum octane rating of 70[1] and shall be sold as the next highest priced motor fuel of the licensee below the licensee's ethyl gasoline, which shall have a minimum octane rating of 76 and shall be sold at a certain fixed price differential above the average net sales price of the licensee's best nonpremium grade of commercial gasoline. The licenses further provide the conditions under which the name of the Ethyl Corporation and its trade-mark or trade names may be used in connection with the advertising and sale of the patented motor fuel.[2]

Jobbers are generally required by appellant to apply for licenses through the refiners from whom they expect to purchase the motor fuel. The licenses to jobbers purport to grant the right to sell and deliver to retail dealers and consumers within a specified territory regular and ethyl gasoline, manufactured and sold by a designated licensed refiner.[3] The licensed jobbers are required to furnish appellant monthly with a list of all places at which the motor fuel is sold under the licenses. They agree to comply with health regulations relating to the handling of the motor fuel promulgated by the Surgeon General or other governmental agency; to post and distribute any notices concerning the handling of such fuel as required by the appellant; to permit physical examination of employees, and to require customers purchasing for resale to assume similar obligations. Adulteration and dilution of motor fuel distributed under the licenses is prohibited, and requirements similar to those contained in refiner licenses are imposed with respect to the use of appellant's corporate name and trade names in connection with the advertising and sale of the motor fuel. Appellant is given the right to cancel the jobbers' licenses at any time for failure to comply with their terms, and either party may cancel, with or without cause, on 30 days' written notice.

EFFECT OF THE LICENSING AGREEMENTS ON THE OIL INDUSTRY

The licensing system established by appellant affects and controls the business of the major part of those engaged in manufacturing and distributing motor-fuel oil in the United States. Appellant issues licenses to 123 refiners, including every leading oil company, except one, the Sun Oil Co., which does not generally do business through jobbers. They refine 88 percent of all gasoline sold in the United States, and the gasoline processed by them under the license agreements is 70 percent of all the gasoline thus sold, and 85 percent of all gasoline processed to obtain a high octane rating.

Any jobber in the United States desiring to sell lead-treated gasoline must secure a license from the Ethyl Corporation, revocable at its will, before it can procure the gasoline from licensed refiners. Of the 12,000 jobbers doing business in the United States approximately 11,000 are licensed by appellant. The jobber must procure a new license on changing his source of supply. The greater part of all gasoline treated with the patented fluid is sold and transported in interstate commerce. It is sold in part through wholesale and retail outlets owned and controlled by the refiners and in part to individual retailers and consumers. A large volume and a substantial part of the whole is distributed through licensed jobbers to whom it is delivered at their bulk storage plants through the channels of interstate commerce.

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[1] The utility of lead-treated gasoline for use in high-compression engines is expressed in terms of octane numbers, an arbitrary scale of measurement indicating the relative degree of compression to which the fuel may be subjected without causing "knock" in the engine, which is prevented or reduced by the use of the fuel. The octane rating of motor fuel increases with the amount of the patented fluid added to the gasoline, which, in any case, is small. Appellant's licenses to refiners authorize the manufacture of gasoline of high-octane rating, 68 or more, of two classes, "regular," in which there is 1 part of tetraethyl lead to 4,200 parts of gasoline, and "ethyl gasoline," in which there is 1 part of tetraethyl lead to 1,700 parts of gasoline.

[2] The name of the Ethyl Corporation and its trade-mark or trade names, "Ethyl" and "Q," may not be used in connection with the advertising and sale of regular gasoline. All the licensees, with the exception of the Standard Oil Co. of New Jersey, which markets the product under the name "Esso," are required to use the word "Ethyl" in connection with the sale and distribution of the ethyl gasoline.

[3] The only obligation which the licensor assumes toward the jobbers is to defend them against patent and trade-mark infringement suits.

By their terms the licensing agreements serve to exclude all unlicensed jobbers from the market, and in the particulars already mentioned, and in others presently to be discussed, they control the conduct of the business of licensed jobbers in the distribution of the patented motor fuel and enable appellant at will to exclude others from the business. The refiners' licenses also in terms place restraints on the sales price of refiners by establishing the prescribed differential between regular and ethyl gasoline. From this and from the other stipulated facts the Government argues that the control acquired through the licensing agreements over the refiners and jobbers has been used by appellants to control the business practices of the jobbers, and particularly to maintain resale prices of the patented motor fuel in unlawful restraint of interstate commerce. In support of this contention it relies upon the long-established practice of appellant to refuse to grant licenses to jobbers who cut prices or refuse to conform to the marketing policies and posted prices of the major refineries or the market leaders among them.

DECISION BELOW AND CONTENTIONS OF APPELLANTS

The trial court concluded that in view of the indefinite language of the stipulation it was, perhaps, a permissible, though not a necessary, conclusion that an agreement or understanding for the maintenance of prices existed between the appellant and the jobber licensees. But it considered it unnecessary to decide this issue, since it found that the appellant's licensing practices affecting the jobbers, in conjunction with the agreements and cooperation of the licensed refiners, had been used by appellant as the means of excluding from the market the unlicensed jobbers who do not conform to the market policies and posted gasoline prices adopted by the major oil companies or the market leaders among them, and that appellant uses the control thus established to coerce adherence to those policies and prices generally by the licensed jobbers, and that this restriction upon the industry effected through the license contracts with refiners and jobbers was not within appellant's patent monopoly, and operated unreasonably to restrain interstate commerce in the processed gasoline.

It concluded that the licensing system was not, as appellant argues, necessary for the protection of such legitimate interests as the patentee had in the protection of the quality of the treated gasoline sold upon the market, and its use by the jobbers with safety to the public health. Appellants were accordingly enjoined from enforcing or attempting to enforce, or including in any subsequent agreement provisions that refiners shall sell lead-treated gasoline only to licensed jobbers, and from requiring or attempting to require jobbers to secure licenses, and from enforcing or attempting to enforce the provisions of any outstanding jobber licenses. The decree also declared the jobber licenses illegal and required appellant to notify the jobbers that the licenses have been canceled.

Appellant, insisting that it does not use the jobbers' licensing system to maintain prices, makes two principal attacks on the decree. It urges that the licensing of the refiners and jobbers, the restraints upon the sale of the patented fuel by the refiners, and the restrictions placed upon the jobbers, are all reasonably necessary for the commercial development of appellant's patents and for insuring a financial return from them, and are therefore within its patent monopoly. In any case, it is said that the conditions attached to the refiners' and jobbers' licenses are appropriate and reasonably adapted to the maintenance of the quality of the product and for the protection of the public in its use of a product containing a dangerous poison, and both are essential to the maintenance of the market for the patented fuel, on which the market for appellant's patented fluid depends. And since the jobbers' licenses are a necessary or appropriate means of protecting the interests of appellant and the public in the quality and safe use of the patented product, it is argued that the decree abolishing the whole system of jobbers' licenses went further than was necessary or proper to prevent such restraint as there may have been exerted on the jobbers with respect to prices and marketing policies.

RELATION OF THE LICENSING AGREEMENTS TO PRICE MAINTENANCE

For the moment we may lay to one side the particular restrictions enumerated in the contracts of the refiners with jobbers, and turn to the relation of appellant's licensing policy to the maintenance of price policies by the jobbers. While the trial court found no contract or agreement which purports to prescribe resale prices or to exact any price policy of the jobbers, the stipulation of facts shows that appellant, through its patents, its contracts, and its licensing policy, has acquired the power to exclude at will from participation in the Nation-wide market for lead-treated motor fuel all of the 12,000 motor-fuel jobbers of the country, by refusing to license any of the 1,000 unlicensed jobbers, or by canceling, as it may at will, the licenses of any of the 11,000 licensed jobbers. This we assume, for present purposes, it could lawfully do by virtue of the power conferred by its patent to exclude any or all others from selling the patented product. But it does not follow that it can lawfully exercise that power in such manner as to control the patented commodity in the hands of the licensed jobbers who had purchased it, or their actions with respect to it in ways not within the limits of the patent monopoly, and conspicuously among such controls which the Sherman law prohibits and the patent law does not sanction is the regulation of prices and the suppression of competition among the purchasers of the patented articles. That appellant, by the plan and scope of its licensing policy, has acquired vast potential power to accomplish that end cannot be doubted. And we think the record supports the finding of the trial court that appellant has exercised that power continuously for a considerable period as a means of control over the price policies of the licensed jobbers.

From the stipulation of facts, it appears that since 1929 appellant has pursued the practice of investigating, through field agents, the business ethics of jobbers applying for licenses, and of rejecting such applications upon the adverse report of the agent. Appellant admits that the phrase "business ethics" is used to denote compliance with marketing policies and prevailing prices of the petroleum industry, which are the marketing policies and posted prices of the major oil companies or the market leaders among them. Among these is the Standard Oil Co. of New Jersey which owns one-half of the capital stock of the appellant.[4] While not all applicants who have failed to maintain prices and marketing policies have been rejected, the record leaves no doubt that appellant has made use of its dominant position in the trade to exercise control over prices and marketing policies of jobbers in a sufficient number of cases and with sufficient continuity to make its attitude toward price cutting a pervasive influence in the jobbing trade.

In many instances, although not in all, an adverse report by the investigator as to the applicant's business ethics has been the sole ground for rejecting his application, and appellant admits that the greater number of applications for licenses which have been denied were rejected because of such an adverse report. In the cases in which licenses have been refused, something less than one-half of the rejected applicants were later granted licenses on their assurance that their marketing practices would be changed. The total number of rejections for failure to comply with that standard does not appear, for appellant has failed to keep any record of the ground of rejection of applications for licenses, admittedly because it is reluctant to preserve in its records "the extent to which maintenance of prices and marketing policies by jobbers entered into the granting of licenses."

Jobbers' licenses do not appear to have been canceled because of failures to maintain policies or prices of the major oil companies whenever they have occurred, but it is an established practice of appellant to investigate the business ethics of licensed jobbers in order to ascertain whether they maintain the marketing prices, policies, and practices prevailing or ostensibly prevailing in the industry. Representatives of appellant have from time to time, but not in every case, reported a jobber to his supplier or refiner for not maintaining the marketing policies of the latter, and in some cases they have united in persuading the jobber to mend his ways. Appellant has generally required each licensed jobber to purchase all his treated fuel from a single refiner and in some instances has refused a license to jobbers who wished to change their source of supply from one licensed refiner to another.

These long-continued practices have had the effect upon the industry naturally to be expected. Large numbers of refiners and the majority of jobbers believe that the jobbers must maintain the required business ethics in order to obtain licenses, and a number of licensed jobbers believe that they are required by appellant's licensing practices to maintain prices and abide by the marketing practices of the major oil companies. Appellant, in its printed instructions to field representatives as to the manner of conducting investigations of licensed jobbers, after pointing out that one of the reasons for the investigation of the jobber before the issuance of the license is to insure that he "will not resort to unethical methods in competing with our other licensed jobbers and refiners," and after describing the methods of conducting the investigation,[5] sums up the result as follows: "We have, through these supplemental investigations, been able to correct the ethyl picture to a considerable extent, and have succeeded in eliminating from our jobber lists some of our former accounts who were not a credit to us as licensees of the Ethyl Gasoline Corporation."

SCOPE OF THE PATENT MONOPOLY

It is not denied, and could not well be, that if appellant's comprehensive control of the market in the distribution of the lead-treated gasoline, as disclosed by the record, had been acquired without aid of the patents, but wholly by the contracts with refiners and jobbers, such control would involve a violation of the Sherman Act (*Paramount Famous Corp.* v. *United States*, 282 U. S. 30, 43; *United States* v. *First National Pictures, Inc.*, 282 U. S. 44. Cf. *Frey & Son, Inc.*, v. *Cudahy Packing Co.*, 256 U. S. 208; *Federal Trade Commission* v. *Beech-Nut Packing Co.*, 257 U. S. 441). And so we turn to the consideration of the patents and the patent law to ascertain whether the monopoly which they have given appellant affords a lawful basis for the control over the marketing of motor fuel which the record

[4] The remainder is owned by General Motors Corporation and E. I. du Pont de Nemours Co.

[5] The investigator is reminded in the Field Representative Manual that the question as to "business ethics" "can be answered only if the field representative has obtained sufficient information to be sure of his opinion." "Ethics of the jobber is based on the territory in which he is marketing and the conditions surrounding the sale of gasoline by other ethyl gasoline distributors. Care should be taken, if possible, to find out the instigator of any practices which tend to unfair competition. Business ethics is a relative quality, and no hard-and-fast rule can be given to govern all cases. Information given to field representatives and picked up in the various contacts should be weighed carefully before a final decision is reached. One of the three words, 'good,' 'questionable,' or 'unethical,' is to be used in answering this question."

In January 1935 the question as to "business ethics" was eliminated from the form report of field agents. But business ethics has since continued to be one of the principal subjects of investigation and, as before, the result of the field agent's investigation has been included in his reports, and his recommendations have been generally accepted and acted upon by his superiors.

discloses. (*Cf. United States* v. *General Electric Co.*, 272 U. S. 476.) In considering that question we assume the validity of the patents, which is not questioned here.

The patent law confers on the patentee a limited monopoly, the right or power to exclude all others from manufacturing, using, or selling his invention (R. S. sec. 4884, 35 U. S. C., sec. 40). The extent of that right is limited by the definition of his invention, as its boundaries are marked by the specifications and claims of the patent (*Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U. S. 502, 510). He may grant licenses to make, use, or vend, restricted in point of space or time, or with any other restriction upon the exercise of the granted privilege, save only that by attaching a condition to his license he may not enlarge his monopoly and thus acquire some other which the statute and the patent together did not give.

He may not, by virtue of his patent, condition his license so as to tie to the use of the patented device or process the use of other devices, processes, or materials which lie outside of the monopoly of the patent licensed (*Motion Picture Patents Co.* v. *Universal Film Mfg. Co.*, supra; *Carbice Corporation* v. *American Patents Corporation*, 283 U. S. 27, 31; *Leitch Manufacturing Co.* v. *Barber Co.*, 302 U. S. 458; cf. *United Shoe Machinery Co.* v. *United States*, 258 U. S. 451, 462; *International Business Machines Corp.* v. *United States*, 298 U. S. 131, 140); or condition the license so as to control conduct by the licensee not embraced in the patent monopoly (*Standard Sanitary Mfg. Co.* v. *United States*, 226 U. S. 20; *Interstate Circuit, Inc.* v. *United States*, 306 U. S. 208, 228–230); or upon the maintenance of resale prices by the purchaser of the patented article. (*Adams* v. *Burke*, 17 Wall. 453; *Bobbs-Merrill Co.* v. *Straus*, 210 U. S. 339; *Dr. Miles Medical Co.* v. *John D. Park & Sons Co.*, 220 U. S. 373; *Bauer & Cie* v. *O'Donnell*, 229 U. S. 1; *Straus* v. *Victor Talking Machine Co.*, 243 U. S. 490; *Boston Store of Chicago* v. *American Graphophone Co.*, 246 U. S. 8; cf. *United States* v. *General Electric Co.*, supra, 485.)

Appellant, as patentee, possesses exclusive rights to make and sell the fluid and also the lead-treated motor fuel. By its sale to refiners it relinquishes its exclusive right to use the patented fluid and it relinquishes to the licensed jobbers its exclusive rights to sell the lead-treated fuel by permitting the licensed refiners to manufacture and sell the fuel to them. And by the authorized sales of the fuel by refiners to jobbers the patent monopoly over it is exhausted, and after the sale neither appellant nor the refiners may longer rely on the patents to exercise any control over the price at which the fuel may be resold. (*Adams* v. *Burke*, supra; *Bobbs-Merrill Co.* v. *Straus*, supra; *Bauer & Cie* v. *O'Donnell*, supra; *Motion Pictures Patents Co.* v. *Universal Film Co.*, supra.)

The picture here revealed is not that of a patentee exercising its right to refuse to sell or to permit his licensee to sell the patented products to price cutters. (Compare *United States* v. *Colgate & Co.*, 250 U. S. 300, with *United States* v. *A. Schrader's Son, Inc.*, 252 U. S. 85.) A very different scene is depicted by the record. It is one in which appellant has established the marketing of the patented fuel in vast amounts on a nationwide scale through the 11,000 jobbers and at the same time, by the leverage of its licensing contracts resting on the fulcrum of its patents, it has built up a combination capable of use, and actually used, as a means of controlling jobbers' prices and suppressing competition among them. It seems plain that this attempted regulation of prices and market practices of the jobbers with respect to the fuel purchased, for which appellant could not lawfully contract, cannot be lawfully achieved by entering into contracts or combinations through the manipulation of which the same results are reached by the exercise of the power which they give to control the action of the purchasers. Such contracts or combinations which are used to obstruct the free and natural flow in the channels of interstate commerce of trade even in a patented article, after it is sold by the patentee or his licensee, are a violation of the Sherman Act. (*Federal Trade Commission* v. *Beech-Nut Company*, supra, 453; *United Shoe Machinery Co.* v. *United States*, supra; *Victor Talking Machine Co.* v. *Kemeny*, 271 Fed. 810, 817; cf. *United States* v. *A. Schrader's Son, Inc.*, supra.) Agreements for price maintenance of articles moving in interstate commerce are, without more, unreasonable restraints within the meaning of the Sherman Act because they eliminate competition (*United States* v. *Trenton Potteries Co.*, 273 U. S. 392), and agreements which create potential power for such price maintenance exhibited by its actual exertion for that purpose are in themselves unlawful restraints within the meaning of the Sherman Act, which is not only a prohibition against the infliction of a particular type of public injury but "a limitation of rights which may be pushed to evil consequences and therefore restrained." (*Standard Sanitary Mfg. Co.* v. *United States*, supra, 49; *American Column Co.* v. *United States*, 257 U. S. 377, 400; *United States* v. *American Linseed Oil Co.*, 262 U. S. 371; *United States* v. *Trenton Potteries Co.*, supra, 397, 398.)

The extent to which appellant's dominion over the jobbers' business goes beyond its patent monopoly is emphasized by the circumstances here present that the prices and market practices sought to be established are not those prescribed by appellant-patentee, but by the refiners. Appellant neither owns nor sells the patented fuel nor derives any profit through royalties or otherwise from its sale. It has chosen to exploit its patents by manufacturing the fluid covered by them and by selling that fluid to refiners for use in the manufacture of motor fuel. Such benefits as result from control over the marketing of the treated fuel by the jobbers accrues primarily to the refiners and indirectly to appellant, only in the enjoyment of its monopoly of the fluid secured under another patent. The licensing conditions are thus not used as a means of stimulating the commercial development and financial returns of the patented invention which is licensed, but for the commercial development of the business of the refiners and the exploitation of a second patent monopoly not embraced in the first. The patent monopoly of one invention may no more be enlarged for the exploitation of a monopoly of another, see *Standard Sanitary Manufacturing Co.* v. *United States*, supra, than for the exploitation of an unpatented article, *United Shoe Machinery Co.* v. *United States*, supra; *Carbice Corporation* v. *American Patents Corporation*, supra; *Leitch Manufacturing Co.* v. *Barber Co.*, supra; *American Lecithin Co.* v. *Warfield Co.* (105 F. (2d) 207), or for the exploitation or promotion of a business not embraced within the patent. *Interstate Circuit, Inc.*, v. *United States*, supra, 228–230.

PROTECTION OF HEALTH AND QUALITY OF PRODUCT

The trial court was of opinion that such interest as appellant has in protecting the health of the public in connection with the distribution of the fuel, and in preventing adulteration, deterioration, and dilution of the motor fuel in the hands of the jobbers may be adequately protected without resort to the jobber license device which has been and is capable of being used for other and illicit purposes. (Compare *International Business Machines Corporation* v. *United States*, supra, 139, 140.) This conclusion is, we think, amply supported by the record. The precautions taken to protect the public health in the handling of the motor fuel by jobbers and service stations includes the health restrictions imposed on jobbers by the refiners included in their contracts with jobbers, inspections, more or less perfunctory, by representatives of appellant and the posting by jobbers and distributors of notices supplied by appellant stating that the fuel contains lead and is for use as a motor fuel only. These activities are not interfered with by the decree.

There is no authentic instance of injury resulting from the handling of lead-treated gasoline after its manufacture attributable to its lead content. Extensive expert study, carried on under direction of appellant over a period of years, detailed in the record, resulted in a report that the risk arising from the absorption of lead through the skin in the handling of the lead-treated fuel is so small as to be negligible, and that the use of the fuel made in conformity to the refiners' licenses has not caused or produced any dangers or hazards to health.

The avoidance of such dangers as there may be in the handling of the motor fuel by jobbers and distributors is plainly not beyond control by public-health regulations, and would seem, as the district court thought, to be amply secured, in any case, through the self-interest of the refiners in requiring the purchasers of their gasoline to take proper health precautions including the posting of notices which appellant supplies and by the continuance of appellant's inspection, all of which are permissible under the decree. It is likewise apparent that the interest the appellant has in preventing dilution, adulteration, and deterioration of the treated gasoline in the hands of the jobbers may be similarly protected without continued resort to jobber licenses, which is precluded by reason of their use and the danger of their continued use for other and illegal purposes.

Since the unlawful control over the jobbers was established and maintained by resort to the licensing device, the decree rightly suppressed it even though it had been or might continue to be used for some lawful purposes. The court was bound to frame its decree so as to suppress the unlawful practices and to take such reasonable measures as would preclude their revival (*Local 167* v. *United States*, 291 U. S. 293; *Warner & Co.* v. *Lilly & Co.*, 265 U. S. 526, 532). It could, in the exercise of its discretion, consider whether that could be accomplished effectively without disestablishing the licensing system, and whether there were countervailing reasons for continuing it as a necessary or proper means for appellant to carry out other lawful purposes. Since the court rightly concluded that these reasons were without substantial weight, it properly suppressed the means by which the unlawful restraint was achieved (*Local 167* v. *United States, supra*, 299, 300; cf. *Merchants Warehouse Co.* v. *United States*, 283 U. S. 501, 513).

Affirmed.

Mr. Justice McReynolds and Mr. Justice Roberts took no part in the consideration or decision of this case.

The Census

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

EDITORIALS PERTAINING TO THE CENSUS

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the RECORD editorials pertaining to the census from the Cincinnati Times-Star, the Easton (Pa.)

Express, the St. Louis Globe-Democrat, the Salem (Oreg.) Journal, the Concord (N. H.) Monitor, the Oregon Journal, the Kennebec Journal, the New York Sun, the Colorado Springs Gazette, the Bayonne (N. J.) Times, and the Ashland (Ky.) Independent.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Cincinnati Times-Star of March 18, 1940]

AS THE BUREAUS BACK OFF

First a subcommittee of the Senate Commerce Committee, and then the full committee, approved the Tobey resolution that the two questions relative to income be deleted from the 1940 census on the ground that they were illegal and never authorized by Congress. Then Census Director Austin ruled that nobody with an income over $5,000 need say how much. Then Commerce Secretary Hopkins announced that persons with incomes under $5,000 a year need not give this information to an enumerator but could inclose it anonymously in a sealed and franked envelope to be mailed to Washington.

All these Senate affirmations and bureaucratic retreats mean nothing to the President, who asserts, through Private Secretary Early, that for the first time within his knowledge a Senator (meaning TOBEY but not naming him) has "openly advised the American people to violate the law." He does not come off well in this controversy with TOBEY, who notes Mr. Roosevelt's apparent position "that an unauthorized ruling of a departmental bureau constitutes a law of the United States," and declares: "It is time to call a halt to attempts of departments to arrogate to themselves the function of a legislative body, especially in matters which threaten the people with imprisonment for not bowing to the will of a bureau."

The President's familiar pose as the man who never makes a break has got him into another jam, and his supporters with him.

[From the Easton (Pa.) Express of March 16, 1940]

FRANKLIN D. ROOSEVELT AGAINST TOBEY

Regardless of partisan politics, it seems to us that Senator CHARLES W. TOBEY, Republican, of New Hampshire, drove Mr. Roosevelt, Democrat, President of the United States, into a corner yesterday in their controversy over the 1940 census questionnaire.

The Chief Executive, without naming names, through his Mr. Early, accused the New Hampshire solon of having urged the public to break the law by not answering certain queries in the questionnaire.

Whereupon Mr. TOBEY pointed out that Congress has passed no law enabling the Census Bureau to ask the said questions, but that the Bureau is making its own law.

Thus, once again it looks as though the occupant of the White House—as he has done on a number of other occasions—has pushed his chin smack into the Bill of Rights.

Experience never seems to teach the gentleman anything.

[From the Easton (Pa.) Express of March 19, 1940]

CONSTITUTION AND CENSUS

The Tobey-Roosevelt debate on the subject of prying into private incomes has had a change of personnel, Harry Hopkins substituting for the President, but the argument continues in virtually its original direction.

Going back a little for a fresh start, let it be remembered that Senator TOBEY recently took the position that the income questions of the census are unnecessary and need not be answered. Thereupon the President took the Senator severely to task for what he called inciting the citizens to break the law. The Senator's retort was "What law?"

The President didn't answer that one, but to Harry Hopkins with failing hands the torch is flung, and Harry carries on, as nobly as could be expected under the circumstances, by proudly declaiming that in the Constitution citizens are ordered by the "founding fathers" to answer census questions. Let's stop right here and see what the Constitution says on this matter.

Subsection 3 of section 2 of article 1 says, in part:

"The actual enumeration shall be made within 3 years after the first meeting of the Congress of the United States, and within every subsequent term of 10 years. * * *"

So. Harry is right so far. The founding fathers did command the citizens to answer the census questions. But let's finish the sentence—

"* * * in such manner as they (Congress) shall by law direct."

Hence, as Senator TOBEY suggests, the census provided for by the Constitution is a matter of counting the citizens, not of conducting a clinical investigation of their bodies and souls. As he has pointed out, the proposed census plan is not a law but "an unauthorized ruling of a departmental bureau."

As we likewise have taken occasion to point out, the Census Bureau's action in this case is an example of the usurpation of legislative power by the Executive and a part of the evil against which the Logan-Walter bill is directed.

In answer to the latest Tobey statement, Secretary Hopkins says that the Senator's discussion of law is too complex for him. All things considered, that may be a good answer, but we doubt that the cited discussion is too complex for the electorate of the United States. It involves merely a distinction between a law and the lack of one.

[From the St. Louis Globe-Democrat of March 16, 1940]

CRACK IN CENSUS LAW

Secretary of Commerce Hopkins now rules that individuals unwilling to give census enumerators verbal answers to intimate questions about income and how it is spent, may mail the information to Washington without signing their names. They may use franked envelopes which will be supplied by the enumerators. This is a surrender in the face of public protest but is an evasion of the law rather than a permanent remedy. What Congress should do is to amend the law to rid it of offensive features which are a plain invasion of the rights of an American citizen.

Senator TOBEY has received considerable abuse from new dealers, including the President, for his leadership in the Nation-wide protest. The cry of "cheap politics" has been raised by the administration, but this does not explain why Democrats as well as Republicans share resentment and have given their voice to the demand that the census law be altered. The unvarnished facts are that the administration proposes to conduct a snoop census which would seek information of an intimate and frequently embarrassing character. This information could easily become public property if the enumerators gossipped, as well they might. This information might easily be available to any prying politician who wanted a financial index of his community.

And despite the plea of Secretary Hopkins that the statistics are necessary to ascertain the extent of mass buying power and unemployment, there is the substantial suspicion they will contribute little or nothing of value to the solution of economic problems. An unemployment census can be made without obtaining the life history of every man and woman who happens to have a job.

Senator TOBEY has performed a useful public service in leading the fight against the present census law. The President, himself, plays doubtful politics when he attempts to impugn the New Hampshire Senator's motives, and brand him as an inciter of law violation. Since when is it criminal to say that a nefarious law should be amended?

[From the Salem (Oreg.) Journal of March 16, 1940]

ROOSEVELT AGAINST TOBEY

President Roosevelt is one of those dictatorial and meddlesome executives who want to run the whole show and resent, to the extent of using their high office, to punish those who honestly disagree. He tried to purge the party of Senators and others who opposed his court-packing plan, he publicly labels with opprobrious epithets those who protest his policies, uses political patronage to punish dissenters, and the vast bureaucracy he has created for coercive purposes.

The latest attempt to browbeat a nonconformist is his attack on Senator TOBEY of New Hampshire, for the latter's opposition to census questions about personal income, devised without constitutional authority by census officials. TOBEY had said citizens were within their rights in refusing to answer such questions and advised them to go to jail rather than answer them. Presidential Secretary Early told newsmen:

The President would have told you that for the first time in his knowledge a United States Senator openly advised the American people to violate the law and had held himself out as the one person who will not answer the two income questions when he knows full well that, in his case, the answer will be unnecessary, since the enumerator would know the Senator earns more than $5,000.

Senator TOBEY replied in a telegram to the President that the Senate Committee on Commerce had determined that the income questions were illegal and in conflict with the Bill of Rights, and added:

"If it is your position that an unauthorized ruling of a departmental bureau constitutes a law of the United States, then it is important that the people recall that such were the tactics used by Hitler in gaining powers never sanctioned by the people. It is time to call a halt to attempts of departments to arrogate to themselves the function of a legislative body, especially in matters which threaten the people of this free country with imprisonment for not bowing to the will of the bureau."

Senator TOBEY has all the best of the argument but is probably on the Presidential blacklist.

[From the Concord (N. H.) Monitor of March 18, 1940]

REBELLION

The magnitude of the tornado that has come out of what looked to be a tempest in a teapot—public indignation over prying census enumerator questions—is evidently getting under the skin of the President.

When the protest was first aired by Senator TOBEY, official Washington was quick to laugh it off, with the President leading. Oddly it would not laugh off. Then sneers were tried, with the implication that the New Hampshire Senator is "only playing politics." But sneers failed to appease public indignation.

Now the President accuses Senator TOBEY of inciting the public to violation of the law and official Washington after having tried ridicule and sneers is becoming angry and petulant.

Can it be that the nonofficeholding, taxpaying, private citizen in America has grown sick and tired of everlasting contact with superior-feeling officeholders, grown sleek and fat on official salaries? And has the private citizen, who after all is a free-born American, lately gathered the private citizen as a poor worm, exposed to any inquiry his superior puts to him and privileged only to pay taxes?

It may be.

[From the Oregon Journal of March 15, 1940]

THOSE DEBATED CENSUS QUESTIONS

The census questions that intrude upon the privacy of American citizens are far from the original purposes of the Founding Fathers of this republic.

As set forth in section 2 of article 1 of the Constitution, it was to be an "actual enumeration." The purpose was to base upon population counts the number of representatives any State might have in the lower House of Congress, and also the apportionment of direct taxes.

The first census was directed to be taken within 3 years after the first meeting of the Congress and thereafter within each 10-year period.

The provision was defensive. It was intended to prevent the larger States from dominating the smaller and to insure to the latter full representation.

Also it was in the nature of reaction against the former British custom of sending swarms of officers to pry about in the colonists' homes, to humiliate and embarrass them and in every way to dispute that a man's home is his castle.

When James Otis protested such invasion, John Adams said, "The child of independence was born on that occasion."

To make more certain the protection of privacy, the fourth amendment to the Constitution read, in part:

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated. * * *"

A law passed in 1929 provides for the questions of the 1940 Census—34 for the population census with 50 for every fourteenth person; 232 for the farm census, and 31 for the housing census.

All of which is complex and alien in the light of original intent.

The census was intended to count noses, not secrets.

[From the Kennebec Journal of March 20, 1940]

BUREAUCRACY

Mrs. Eleanor Roosevelt has characterized the controversy over the census questionnaires as a tempest in a teapot and this probably represents the New Deal view. From one angle she is right, but from another this shows a very incomplete conception of the whole situation. The real issue is not whether women shall be compelled to tell their age or how many times they have been divorced, but bureaucracy, the worst form of government. This census fight emphasizes strikingly how very far the New Deal has gone toward bureaucratic control of the Government, and here is a very good place to call a halt and reverse the dangerous trend. The census is as good a peg as any upon which to hang a thorough debate to determine once for all the status of bureaucracy in this country.

Back in 1932 the only mandate given the New Deal by the people was to do something about the depression and business recovery. The first thing it did was to junk the platform upon which it had been elected, and set sail on a wild program of economic experimenting. It took the do something as carte blanche to do anything it wished and has so acted ever since. Nothing is more obvious politically than that the New Deal has gone vastly further than its supporters expected and is now way beyond the limits of old-fashioned American, constitutional government. This has been accomplished by permitting each bureau to interpret general authority as it pleased and to legislate as much as execute law. We are governed right now almost as much by bureau-made as by regularly enacted law and not even a Philadelphia lawyer can guarantee clients they are within or outside the law in any important action they may wish to take.

The census questionnaire is a very good sample of this bureaucratic rule. Apologists say that the reason for making such intimate requirements regarding incomes is to determine what type of public relief, like housing, is needed, and other welfare questions. This, however, ignores the fact that a majority of the taxpayers may not favor these elaborate and extravagant housing projects that have come so far short of serving their purpose. The experts admit most of these projects have failed, by and large, and consequently they must have more information to straighten them out.

Then there is the question of broadening the tax base so as to make the people more tax conscious. Before this is attempted the average of the smaller incomes must be known to determine the rate. But who wants the tax base broadened and who needs to be made tax conscious anyhow? Only the bureaucratic experts engaged in remaking America. Certainly nothing like this was anticipated when the New Deal received the mandate to do something for business recovery. Their conception of that has been as broad as the country itself and broader than the Constitution, even as most liberally interpreted.

Had all this theory and experimenting worked out successfully the abuse of power might have been overlooked. It has, however, been marked by more failures than success, but new dealers condone every failure with the assurance they can do better with other methods—and more money. The New Deal, in fact, has not one important, outstanding success to justify its methods and a debt of $48,000,000,000, $3,000,000,000 beyond the congressional limit and $8,000,000,000 beyond what was originally fixed by economists as safe for the country. This weakens our whole economic condition tremendously with practically no adequate compensation.

Taking this census controversy as representative, as it surely is, of the strong trend of the New Deal into the worst form of government, bureaucracy, it is far more than a tempest in a teapot, as Mrs. Roosevelt claims. Neither can those who understand be silenced by any autocratic commands from the bureaucrats and their theorists in Washington. This census questionnaire, in fact, may be the turning point for bureaucracy and the beginning of the rebellion of the people against the New Deal autocracy and misrule generally. Smaller things have marked epochs in our history.

[From the New York Sun of March 21, 1940]

NOW "SOAK THE POOR"—WHERE THE SNOOPERS' QUESTIONS IN THE CENSUS WILL LEAD

To the EDITOR OF THE SUN.

SIR: I have read President Roosevelt's criticism of Senator TOBEY for pointing out certain "snooping" questions inserted in the census questionnaire obviously not authorized by the census law itself, and advising that citizens are not legally obligated to answer them. I have also read Secretary Hopkins' unconvincing effort to justify inserting these snooping questions by attempting to maintain that authority given in the census law to ascertain how many people are unemployed authorizes him to force both employed and unemployed citizens in the small-income brackets, who have been specifically exempted by law from filing any income-tax return whatever, to disclose what their incomes are.

Having already forced citizens in the medium- and high-income brackets to disclose their incomes, and then indulged in a "soak the rich" fiesta to the saturation point of soakability, with resulting 7 years' stoppage of recovery, halting of revival of private enterprise, and paralysis of reemployment in order to find a new golden goose to kill, to continue their squandering, the New Deal spenders are now put to the less politically popular necessity of "soaking the poor." Hence the deep interest in low-bracket incomes.

It would, of course, be bad medicine politically to come out in the open and ask authority directly to obtain this low-bracket income information, especially in an election year, for this would let the cat out of the bag by forewarning citizens with low-bracket incomes that they are next on the list for a tax soaking. But if the information could be obtained under the convenient cloak of an apparently innocent census enumeration questionnaire, how clever this would be.

It is not, however, Secretary Hopkins' painful efforts to justify his unauthorized snooping by torturing the word "unemployed," in the census law beyond its widest connotation, but the sudden abhorrence of President Roosevelt at the constitutional obliquity of a United States Senator informing citizens they need not answer manifestly unauthorized Peeping Tom questions inserted in a census form by an administrative department of the Government.

Can this be the same President Roosevelt who not so long ago urged Congress to pass a "must" law whether it was constitutional or not? And the same President Roosevelt who when a member of his own Cabinet declared in a public press interview that the decision of the United States Supreme Court (unanimous, I believe), holding the processing tax of the A. A. A. unconstitutional, "legalized stealing," remained silent, and refrained from lifting the user of such words by the slack of his pants out of his Cabinet and public life, as such a gross violation of his oath of office obviously richly deserved?

SCRICTATOR.

NEW YORK, *March 19.*

[From the Colorado Springs Gazette of March 2, 1940]

GUINEA PIGS

Senator TOBEY, of New Hampshire, epitomized the whole controversy over the form of the census when he asked the Census Director, William L. Austin: "If a citizen stands on his constitutional rights this year and refuses to answer (questions of the census enumerator), will you send him to jail?"

The census that was an enumeration for the purpose of representation has obviously became an unwarranted search into the personal affairs of the citizen.

Ever since the New Deal came into being the American people have been merely so many guinea pigs for its experiments. They are put more completely in the role now because the census offers the first opportunity the New Deal government has had to deal with citizens individually. Nor do new dealers make any pretense about it. Says Dr. Willard L. Thorp, economic adviser to the census. "The information now sought is necessary to future economic planning," which is to say, to New Deal regimentation.

The citizen's view is that the information sought is his own affair and not Government's, and that prying into matters of private concern is an invasion of his rights as a citizen.

What is his income and how he gets it he thinks is no concern of Government except as it may have a tax claim, and certainly not information to be demanded by a census taker.

What his house cost; whether it is mortgaged; and if so, who owns the mortgage; what is its rental value; what is its state of repair; what equipment he has put in it; whether it has a bath or a shower; and if so, whether he uses it—these things the citizen properly thinks are personal matters concerning which Government has no right to question him.

But the citizen is wrong. Under the new dispensation, he belongs to Government, and beginning April 1 he will be lined up on his own doorstep to tell Government everything it wants to know about himself on penalty of a stiff fine and jail sentence. His only satisfaction is that next November he can throw Government out on its ear.

[From the Bayonne (N. J.) Times of March 18, 1940]

AN OBVIOUSLY POLITICAL MOVE

We are getting just about as tired as you must be of the charge that this or that is done "for political reasons," made whenever one political figure lashes back at another for any statement that is in opposition to that uttered by another.

Some of the pronouncements made by figures in public life are apparently prepared in the firm conviction that the great mass of the American people are blithering idiots.

If we could only get that thought across to those who have been elected to various political offices, things might be much simpler. We all thoroughly understand that practically every move, every statement is made by those on both sides for very definite political reasons, be it to enhance the one or to embarrass the other.

That being so, we can assume that everything up to that point is equal. From that point on we are pretty well able to distinguish the true from the false and make our own decisions.

Take the current controversy over the personal questions that have been inserted into the 1940 census, which has aroused a sufficiently great storm of interest to lead Secretary Hopkins to revise the method whereby the offending questions can be answered anonymously and personal affairs not be disclosed to the enumerator who may be one's neighbor and perhaps not a friendly one at that.

Senator TOBEY of New Hampshire is the focal point in the battle.

New Hampshire, it must be remembered, cannot be classed as an enthusiastic New Deal State. It voted against President Roosevelt in 1932 and gave him but a thin margin in 1936. What's more, Mr. CHARLES W. TOBEY is an unconverted Republican.

So Mr. TOBEY, having accomplished at least a compromise on the income question, is the recipient of Mr. Roosevelt's excoriation and is virtually branded a traitor for having encouraged the people to violate "the law."

Oh, shades of the great purge.

Mr. Roosevelt hasn't been feeling well, which may explain things, but in this matter he patiently should have "stood in bed."

That there was objection to telling anyone just how much money you owe and what your income is didn't need Mr. TOBEY's voice. We Americans don't like the bureaucracy that has ruined Europe, and this further extension of the census had all the earmarks of the infiltration of more busybody tactics.

But for Mr. Roosevelt to call this "a violation of the law" is just a little too silly to swallow.

Rather than building up a complicated census with a surfeit of economic questions that will take many, many political appointees to gather and file and summarize, we think the Government might well realize by this time that without any questions we have too many employed and too low an average income for those in the lower wage and salary brackets.

It would seem that the first job to be done is to get the unemployed to work.

If they go to work in productive private employment, that fact alone should work mightily to create a demand for consumer goods that will boost all incomes.

But that won't come until government realizes that business supports the people and people support business, and that you cannot forever hamstring business and expect the end of unemployment.

Eight years of W. P. A. have left many the man, who must depend upon it for the support of himself and his family, sick of the economic imprisonment it has imposed on him. He looked to W. P. A. and like governmental made-work projects as a stopgap until "business got better."

But it didn't get better, and prying and probing into private lives won't do it, despite the fact that Secretary Early, speaking for the President, says: "The President would have told you that these questions * * * will develop the same basis statistics about the low-income groups that are now available for the higher-income brackets through the Treasury. (Incidentally, the information the Treasury supplies is not personalized.)

Need we mention that the information could be had through a host of Government bureaus such as the Social Security Administration and the Wage and Hour Division?

Government knows that, but a Republican taking a slam at Mr. Roosevelt's favorite, Mr. Harry Hopkins, cannot be tolerated even if the President himself has to make foolish charges because an American, speaking for Americans, dares to voice his claim to his rights.

[From the Ashland (Ky.) Independent of March 19, 1940]

THE KING CAN DO NO WRONG!

Magnitude of the Nation-wide protest against the snooping features of the national census to begin April 1 was dramatized by President Roosevelt when he assailed—through his secretary—Senator TOBEY from his sickbed. Mr. Roosevelt apparently thought the matter so pressing that it had to be taken up before he recovered from his indisposition.

The President's explanation that the questions on personal income were inserted in the census questionnaire at the request of business does not sound convincing, and if business or anyone else had made the request it should not have been granted. Does the President, who has constantly assailed business and businessmen and held them up to ridicule, want the Nation to believe that if business had requested the income information, Harry Hopkins, of all people, would have jumped? It was Harry who inserted the obnoxious features in the 1940 census. Senator TOBEY says he exceeded his authority under the law when he did so.

When Mr. Roosevelt says Senator TOBEY advocates violation of Federal law by citizens of the United States when he opposes Federal snooping which was not authorized by Congress, but which is to be engaged in by order of a Presidential appointee, he confirms what those opposed to the census in its projected form have been charging. He admits that his philosophy is, "the king can do no wrong!"

This is not an American philosophy. It is, as Senator TOBEY says, the philosophy of Hitler. Congress will be remiss in its duty to the sovereign voters of this country if it does not rebuke the administration for attempting to make a totalitarian quiz out of the American census.

Narrow partisans who are attempting to delude the ignorant maintain that the 1940 questions are quite the same as those asked in other decade counts. But a four-page digest prepared by the Census Bureau itself fails to disclose a single query as to the citizen's income, though the digest goes back to the First Census, in 1790.

It is also claimed that the objectionable questions on personal income and property have been approved by the "experts." But who are these "experts"? Washington bureaucrats with a flair for statistics.

To say that it is illegal for a census taker to reveal the answers given by a citizen is merely to hide behind statutory theory. With more than a hundred thousand politically appointed persons engaged in the work, is it reasonable to believe that high standards of law observance and ethical conduct will be prevalent?

It is beside the point, also, to contend that inclusion of the controverted questions was urged by business. The census is a national undertaking, and its tenor should not be determined by special interests in any field—economic, educational, or social.

The average American has a duty to object to giving highly personal information to a questioner who may be a neighbor, an acquaintance, a political ward heeler, or the friend or relative of a party boss. Not to object under such conditions would be to reflect curious indifference to the American principle of individual liberty.

It is this inalienable right to reasonable privacy that has generated opposition to census snooping. New Deal zealots cannot deny this fact, even though their leader resort to his customary pretensions as to a monopoly on intellectual competency and moral insight.

Issues of the November Election

EXTENSION OF REMARKS

OF

HON. CHARLES L. McNARY

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. ARTHUR H. VANDENBERG, OF MICHIGAN

Mr. McNARY. Mr. President, I ask unanimous consent to have printed in the RECORD an able and profound speech delivered by the senior Senator from Michigan [Mr. VANDENBERG], broadcast on Monday, March 25, in which the Senator from Michigan discussed the determining issues in the November elections.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow Americans, I am asked tonight to answer this question: "From a Republican viewpoint, what will be the determining issues in the November elections?"

The American people have a habit of choosing their own "determining factors." Sometimes an unanticipated incident or a single,

pungent phrase may unexpectedly dominate the popular emotions. "He kept us out of war" lasted long enough—with only 5 months to spare—to elect Woodrow Wilson in 1916.

No seer can penetrate the 1940 prospectus in this regard. Indeed, this year's campaign is peculiarly uncertain because of two unknown quantities. One is the undisclosed intention of the President respecting a third term. This issue might crowd out all others if it arises. The people might well conclude that perpetuated White House tenancy, contrary to 150 years of unwritten law, would menace the life of American democracy—remembering that Thomas Jefferson warned against such tenure, saying that under such circumstances the office "will in fact become for life, and history shows how easily that degenerates into an inheritance." The other unknown quantity is the war—an issue which could dominate all others if the people should conclude that our national policy heads us into foreign entanglements and into other peoples' wars.

By next November either or both of these contingencies might be the paramount concern. I can well imagine a third-term issue rising to this magnitude, particularly at a restless moment when dictatorship has democracy by the throat all round the globe. In such event the deadly, dominating phrase might be, "If a third term, why not a fourth or fifth?" Similarly, if the war were to drift toward our involvement—say, for the sake of argument, in the pattern of the President's famous Chicago speech in favor of quarantines—the voters might forget all else. Then, despite our deep abhorrence of these alien ideologies, the monopolizing challenge might become, "Millions for defense, but not one man or dollar for war on foreign soil," or "Let's swap horses and stay on this side of the stream."

Of course, the war issue might work in reverse if the people were to conclude, despite the facts, that the President is our best peace insurance. But this only serves to show how speculative is this 1940 theme. I freely concede myself the supreme importance of this life-and-death issue, as I think my own pro-peace record proves. Our entry into another World War would swiftly plunge us into such rigid Government controls—the secret mobilization plans are ready right now—that our liberties would vanish overnight; and our exit from the conflict, even though victorious, would find us in the chains of home-made tyranny and bankruptcy. We are quite near enough to both without a war; which is to say, upon the one hand, we are already in the grip of "government by Executive decree" to an alarming extent, and, upon the other hand, the public credit is already crowding the red-ink danger line of disintegration.

Yes; in the shadow of our drift toward entry into another war, every other issue would sink to insignificance—even the third-term issue, unfortunately, as some of our best political calculators fully understand. Therefore, there is no certain answer to tonight's question until destiny unfolds. But I hope we may be spared any such decision; first, because of the horrible implications of the decision itself; second, because we cannot wait much longer to set our own house in order. The place where we must "save democracy" is right here at home, before it is too late. We must not allow ourselves to be needlessly diverted. It is upon this theory that we shall be able to fix our minds upon our own unanswered internal necessities that I proceed briefly to respond to the question of the evening: "From a Republican viewpoint, what will be the determining factors in the November elections?"

The controlling factor is a state of mind. It believes that in 7 years the New Deal has created more problems than it has solved; that many of its pell-mell programs and devices are proven wrong, yet never will be corrected or withdrawn by the authors of these errors; that even its useful social-minded progress needs new management to make it work. This state of mind believes that the New Deal is at war with private enterprise and wants every multiplying, dictatorial control over life and livelihood in the United States; that this is not the route to economic health and to the normal reemployment which is our prime necessity; that, on the contrary, legitimate private business must be emancipated to the task of creating new wealth and new jobs in the only way it can be done, American style.

This state of mind believes that sanity and solvency in government—and constancy of direction—must precede sustained recovery. It believes, too, that this administration is impatient of constitutional restraints and essential American traditions—all a part of today's deterring uncertainties—as evidenced by impatient attacks upon the courts; by the delegation of vast and unprecedented powers to the single authority of the Executive; by the persistent subordination of States' rights and home rule to Federal despotism in essential matters; by irritated attempts to purge even its own partisans when they fall out of goose step with the Chief; by dangerous concentrations of power in Washington and, too often, a willingness to use public resources for the purpose of keeping in power (sometimes impolitely called "playing politics with human misery"); and, last, but far from least, by the willingness of third termites to lengthen the tenure of this supreme authority beyond all dictates of prudence, precedent, and propriety.

This state of mind is often Democratic as well as Republican. Right or wrong, there it is. A state of mind is the hardest possible thing to defeat. The burned child fears the fire. This is exhibit A in 1940 calculations. The country is ready for a change. But it wants to know that the change will be for the better. It is in no mood for blind reaction. It wants to recapture the solid things of yesterday. But it distinctly wants to move forward to better things tomorrow. It wants prosperity, but it equally wants to pass prosperity around. This state of mind will be controlling in November in the degree that the Republican Party proves that it is constructively prepared to forward march to better things for our whole people.

One of the most important factors in this psychology of change is the growing national consciousness that we cannot spend ourselves into prosperity; that pump priming is a ghastly failure in defeating a depression that has lingered longer in the United States than in any other major country on the globe; that these mounting deficits and debts, which now crowd the very ceiling of economic safety as well as the limits of the law, have got, one day, to be paid out of the sweat of our whole people (to quote the President himself in an earlier day).

Listen! When the New Deal shall have finished its 8 fiscal years, it will have collected $40,000,000,000 in taxes—which is 44 percent as much as all of its predecessors in 144 years from George Washington to Herbert Hoover. Even the 8 Wilson years, including the World War, collected only 24 billions. But despite this colossal drain out of the pocketbooks of all our people, it was far from enough to pay the bills of these liberals—liberals being those who are liberal with other people's money. During its 8 fiscal years, the New Deal will have spent $65,000,000,000, which is 58 percent as much as all of its predecessors in 144 years. Even Wilson's 8 years, including the World War, cost only 47 billions. So the New Deal will have run a total deficit of $26,000,000,000 in 8 years which is 5 billions more than the deficits of all other administrations in 144 years from Washington to Hoover. The net result is that the New Deal in 8 years has run a debt equal to the entire net debt for the preceding 144 years, to say nothing of nearly 6 billions more in the guaranteed obligations of various Federal corporations.

No wonder anxiety is in the air. No wonder revolt is in the offing. Manifestly this trend cannot go on much longer—no matter how rich we think we are. This expenditure, often unavoidable because it took the place of regular business activity which the New Deal anesthetized, may have bought temporary relief in some quarters. But unemployment is just as big a challenge as it ever was; and, meanwhile, we have piled up an appalling hazard to the stability of every value in the land. Four more such years would precipitate the very calamity which President Roosevelt himself did not hesitate to foretell in 1932 when our red ink was only pale pink. We are charging our bills to the next three generations. It will be A. D. 2,000 before the last of them are paid. Talk about better days ahead for youth! Youth is the chief victim of this debacle. Youth will pay the fiddler—tomorrow.

What to do? Cut back expenditures as rapidly as possible, freely admitting that Government must continue to supply relief until the capitalistic system can supply real jobs. Deny all new Federal services and bounties—no matter how persuasive—until we have found a way to pay for the existing services and subsidies which we retain. Stop pump-priming suicide. Give as much consideration to the man from whom you take a dollar as to the man to whom you give it. Above all, restore the national economic confidence which will permit American private business—stunned and stunted for 8 sterile years—to produce the new wealth which will give us an annual income of eighty, yes, one hundred billions. I agree with the President that when we are an $80,000,000,000 country, many of our other problems will disappear. But I do not agree that you can make an $80,000,000,000 country out of a $60,000,000,000 country by spending the difference. And the national state of mind confirms this conclusion. Hence its importance in this November prospectus.

Anxiety regarding debts and deficits is paralleled by equal anxiety about needless governmental meddling with business, and Government competition with private enterprise, and disrupting Government controls over commerce, and punitive attacks upon the profit system. If you want to know what has happened to us, just note how there has been relatively only a dribble of new investment for 7 stagnant years, although banks are bulging with idle money aching for a dividend. Issues of new corporate capital in all 7 years from 1933 to 1940 have been only half what they were in the 1 year of 1929 alone. Eight billions in 1929. Only three hundred and seventy-one millions in 1939. Venture money is in a coma. Yet we have a frustrated, postponed need for more billions of replacements and expansions in private business than ever before in our history. Given a fair chance and a decent incentive, private enterprise will create the new wealth which will make us an $80,000,000,000 country in 6 months. Our problem that soon might be is how to control a boom.

We are not talking about a return to piracy in the market place. We are simply talking about giving legitimate business its chastened chance. We are talking about the natural effect of an administration which believes in private enterprise and which does not believe in political overlords and Federal straitjackets and sometimes even in socialism itself. We are talking about less government in business and more business in government. This is not an attack, for example, on the purposes of the Security Exchange Commission law. It is a demand for rational simplification of its process. This is not an attack upon the purposes of the National Labor Relations Act, with its collective bargaining which is here to stay. It is a demand for mutually fair amendments which—in the best interests of labor itself—will discourage needless interruptions to the continuity of profitable industrial production which must precede the continuity of profitable employment. It is simply a plea for the elimination of needless obstacles which impair recovery and reemployment.

Make no mistake; next November's state of mind will be thinking deeply upon this score.

The accumulation of vast, floating powers in the Executive—a concentration of power heretofore unheard of in the American system—not only multiplies these uncertainties that hobble business but also actually jeopardize the American constitutional theory of government. For example, the President—himself alone—can change the value of our money overnight. He can flood us with paper money any time he pleases. What could be more unsettling? Again, he can change our tariffs as he pleases (bounded only by a 50-percent restraint), a constant threat to every protected industry and every protected job, and every protected farm product in the land. All these floating powers must be recalled. Congress must resume its constitutional function. Yes; and speaking of monetary threats, we must quit buying all the loose gold and silver in the world at swollen prices—for no better purpose than to bury it in the ground at Fort Knox and West Point. This policy is as fantastic as it is dangerous. Incidentally, it directly aids the treacherous and ugly Soviets at Moscow. Russia mines her gold at $11 an ounce, unloads it on us at $35 an ounce, and puts the profit in a treasury which threatens every decent ideal of western civilization. The popular state of mind is going to be exceedingly critical of all these things when next November rolls around.

Of course, the plight of agriculture is going to be a major issue. Despite all the public money poured into it, and despite the restless succession of one wishful device after another, agriculture continues in the doldrums. It is tired of patent medicines that never cure. It is tired of enforced scarcity under orders from Washington, enforced by swarms of policing agents. It is tired of competitive imports that hurt. It wants parity with industry and its fair share of the national income, and until it gets it there can be no sustained prosperity for anybody else. It wants parity for all farm crops—not just a favored five. It is ridiculous, for example, to omit livestock, milk, and eggs when they are larger in volume than any of the favored five. The dairy industry accounts for a fifth of our farm economy, yet it counts for nothing under existing parity. Yes; agriculture wants parity—not by direct subsidies out of a bankrupt treasury, but by a farm program which itself produces parity prices, as is entirely possible and highly proper. It wants the domestic American market for its own domestic production, free of competitive alien competition. It wants a continuation of soil-conservation payments on a sound basis; but it wants all crops covered and not just the favored five. It wants easy credit, including reasonable crop loans in emergency. But instead of devices for more debt, it chiefly wants to get out of debt and into a natural income which yields cost of production and a fair profit. My own view is that it needs the two-price system to achieve this goal—an American standard of price for that portion of its crop domestically consumed, and the world price for its exportable surplus—and this will come when the well-known McNary-Haugen formula is modeled down to date.

Yes; the farmer is definitely part of this November state of mind. And no one has a greater stake than he in the restoration of industrial prosperity—because when his consumer customers generally can afford to buy his products on the scale essential to decent living for all our people, the farm problem will be immeasurably simplified. It is the same old vicious circle. "United we stand; divided we fall"—in our economics quite as much as in our national unity. The November question, of course, is just how united the divers and sundry victims of the New Deal will be, and just where they will stand.

Within the limits of this discussion, I have been unable to touch all the factors, from a Republican viewpoint, which will be influential in November. Indeed, no factor will be more conclusive than the Republican Party's ability to write a platform which is clear and explicit in its formula, and to find seasoned leadership which leaves no room to doubt the dependability of the program. But I have indicated the general trend. To sum it up, it is my view that the fundamental stake is free enterprise, free institutions, and free men. It involves economic recovery, American style. It involves the restoration of maximum individual liberty of action, maximum State and local self-government, and a renewal of the constitutional limitations which have made us the world's greatest representative democracy.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE DES MOINES REGISTER

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial by W. W. Waymack, published in the Des Moines Register, an independent Republican newspaper. The editorial refers to the pending joint resolution for the extension of the Reciprocal-Trade Agreements Act.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register]

DO WE REPUDIATE DOLLIVER?

Saturday we printed a timely article on Senator Dolliver's fight against the Payne-Aldrich tariff.

We pointed out editorially that this was a great revolt, led by Iowa's great Republican Senator, against the old tariff dogmas and tariff-making practices.

We further pointed out that Dolliver was steam-rollered and the tariff bill was passed—but that it recoiled with terrific effect, as Dolliver said it would.

And we pointed out also that, from that day on, the real tradition of Iowa Republicanism has been skepticism and challenge toward the old logrolling tariffs.

Today the Senate is to start on the Hull trade-agreements program, and the real fight is going to be on whether to emasculate that program by requiring every agreement to be ratified by the Senate.

As every student of the thing knows, this means that every trade agreement affecting tariffs would be slaughtered in the Senate, and that we would be put back to the stage where the only possible way of tariff revising is the logrolling method.

So the lessons of the Dolliver struggle are of vital importance now.

Dolliver was no radical, though he was called that, of course, by the interests he was disturbing.

He was steam-rollered in the Senate. Political patronage was taken from him. President Taft, whom Dolliver characterized as a genial gentleman, surrounded by men who knew precisely what they wanted, was deluded into attacking him.

But Dolliver was right. In the Senate debate he proved he was right. In the political elections that followed he was proved not only right but "smart."

And the essence of it all was in these four things:

1. Dolliver proved that even the smaller house, the Senate, could not possibly pass intelligently on any complicated tariff revision, because it is a human impossibility for a majority to know what is actually in a tariff overhaul—what the new rates will do. Only by concentration on that thing alone, ignoring other legislative problems for months and months, could even so keen a mind as Dolliver's find out the facts. He repeatedly drove from the Senate floor the very men who led in pushing the steam-roller bill, by showing that they themselves were miserably ill-informed. He showed absolutely that, not through the fault of individual Senators, but through the unworkability of the system, a "scientific" tariff revision is impossible by the process of having Congress itself frame a tariff bill, item by item.

2. Dolliver proved that the only possible tariff revision, by this ancient method, was and is a logrolling revision, in which the broad national interest is completely submerged and the law actually is written by the groups that get the subsidies. The whole episode proved that a party pledge not to boost tariffs is incapable of fulfillment, for the moment it is undertaken under the logrolling method the best of intentions collapse. The Republican Party had been thus pledged before the Payne-Aldrich boosts were made.

(Incidentally, as further proof, the whole thing was repeated 20 years later with the Smoot-Hawley Act.)

3. Dolliver forced the party to declare categorically for reform of tariff making. The plan proposed by Republicans then was to shift responsibility to the Tariff Commission, which was to decide what fair rates were under broad principles laid down by Congress. The rest of the assumption was that thereafter Congress would merely vote those changes the Commission proposed. Dolliver endorsed this idea—but he warned, with great acuteness, that nothing whatever would come of it unless the new method were allowed to "work." It never was allowed to work. The tariff crowd took care of that, as he warned they probably would.

4. Dolliver made as clear as day that logrolling tariffs were the chief bulwarks of monopoly within the United States; the chief underminers of competition as the basis of free enterprise; the chief penalizers of consumers to benefit industrial "relief clients."

He said in the course of a magnificent speech:

"I am tired of the present methods of revising the tariffs."

He said of the logrollers:

"They took everybody into the arrangement except the American public."

He said as to the power of monopolies to control tariff making and to put burdens on the public:

"So far as I am concerned, I am through with it. I intend to fight it, and I intend to fight it as a Republican and as an American citizen."

To the threat of party punishment if he failed to follow "the party line" laid down by the tariff racketeers, he declared he would accept the more courageous alternative, since he had—

"Either to throw away my own opinions and accept the opinions of other people, or to retire from an arena in which the solidarity of a party is regarded as of more importance than its integrity."

That, ladies and gentlemen, is the alternative of other intelligent leaders within the Republican Party today.

It is dressed up a little differently now, but the alternative is the same.

Destruction of the trade-agreements program by a camouflaged vote means destruction of the only device that in even the slightest degree has ever shown promise of shaking us loose from the logrolling system.

Though there is much dissent within the Republican Party, again it is a question whether a few vociferous leaders can establish a vicious "party line," and then successfully bludgeon honest dissenters into silence by considerations of party "solidarity" throughout the preconvention period this year.

The 1936 Vice Presidential nominee, Colonel Knox, has refused to be silenced.

Are there no other leaders with the courage, or the insight, of Jonathan P. Dolliver?

Is his example so lost on Iowa that this State's Republican leadership will tamely submit to be led by the Grundys and the Pews, modern replicas of the tariff highbinders of Dolliver's own day?

Senator Guffey of Pennsylvania

EXTENSION OF REMARKS

OF

HON. JAMES H. HUGHES

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE PHILADELPHIA RECORD OF MARCH 28, 1940

Mr. HUGHES. Mr. President, the distinguished Senator from Pennsylvania [Mr. GUFFEY] will shortly go before the people of his State for renomination. I might give many reasons why the Senator from Pennsylvania should be renominated, some of which are set forth in an editorial from the Philadelphia Record of March 28, 1940, under the heading "Why Guffey should be renominated." I ask unanimous consent that the editorial may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia Record of March 28, 1940]

WHY GUFFEY SHOULD BE RENOMINATED

Before the real issues of the Democratic primary campaign become submerged in oratory, it might be a good idea to make a dispassionate, factual analysis of Senator JOSEPH F. GUFFEY'S record and of the opposition to him.

First let's think of the Democratic voters who must make the choice. At least four-fifths of all Pennsylvania Democrats are new dealers. They didn't enroll in the party until the New Deal. They are not attracted by antique party slogans such as tariff for revenue only. They don't emit rebel yells at campaign rallies.

They're in the Democratic Party because they support the progressive policies of Franklin D. Roosevelt.

Has Senator GUFFEY failed those Pennsylvania Democrats?

It will bear repeating that there is not a single member of the United States Senate with so consistent a record of voting for New Deal measures as Senator GUFFEY.

If you lost money in the bank panic, you can remember that Senator GUFFEY supported the bill creating Federal Deposit Insurance Corporation that now prevents such losses and that he voted, since, to liberalize it.

If you are a farmer saved by stabilized agricultural markets, you can remember that Senator GUFFEY supported and voted for the New Deal's farm legislation.

If your community has benefited from the construction of a new P. W. A. financed school, public building, or housing project, you can remember that Senator GUFFEY led in the fight for Federal Works appropriations.

If you have been unemployed, you can remember that Senator GUFFEY has supported every W. P. A. appropriation and has consistently fought against so-called "economy cuts" in W. P. A.

If you look upon the social-security system as one of the greatest advances of our time, you can remember that Senator GUFFEY supported it, fought for it, voted for it.

And in no case has he voted against the New Deal.

We can understand how New Deal Democrats have rough sledding in party primaries in some Southern States where the Democrats have been traditionally conservative. But we cannot understand why Senator GUFFEY is challenged in a primary contest to be decided by Pennsylvania Democrats, who are new dealers almost to a man.

Senator GUFFEY'S critics say they are not opposing him because of his record in Washington, but "because he split the Democratic Party" in Pennsylvania in that cat-and-dog fight primary of 1938.

Looking back, no one would approve all of GUFFEY'S actions in the 1938 fight. But to suggest that GUFFEY alone split the party is nonsense. Almost every Democratic leader in the State was guilty of excessive factionalism on one side or the other.

If those who are allowed to cast stones at GUFFEY are restricted to leaders blameless of factionalism in 1938, then we will have a very quiet campaign indeed.

Did GUFFEY carry the 1938 fight on after the voters had decided the issue?

No. Instead, he went further than any other Democratic leader in binding up the wounds of the 1938 family row.

Charles Alvin Jones opposed GUFFEY'S candidate for Governor in the primary and beat him. But GUFFEY nominated Jones for the Federal Circuit Court of Appeals, the position he now holds. State Chairman David Lawrence was GUFFEY'S principal foe in 1938, yet when Lawrence faced trial in Harrisburg, GUFFEY was there to testify in Lawrence's behalf; Lawrence was acquitted. Senator GUFFEY nominated Judge Guy Bard for the Federal district bench, though Bard supported the anti-Guffey ticket in 1938. Former Governor Earle opposed the Guffey faction in 1938. Yet GUFFEY sponsored Earle for his present post as Minister to Bulgaria.

GUFFEY cannot be repudiated by the Democrats on his record as a factionist any more than he can be repudiated on his record as a Senator.

As primary day approaches, the Democratic voters will realize in larger and larger numbers that it is impossible to be against a loyal New Deal Senator without being against the specific reforms and policies of the New Deal.

Extension of Reciprocal Trade Agreements Act

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

LETTER AND TELEGRAM ENDORSING EXTENSION OF TRADE AGREEMENTS ACT

Mr. MEAD. Mr. President, I ask unanimous consent of the Senate to have printed in the Appendix of the RECORD a letter from the executive vice president of the Buffalo (N. Y.) Chamber of Commerce, endorsing the provisions of the pending measure.

I wish to say, Mr. President, that the Chamber of Commerce of Buffalo is located in an ideal section to appreciate the value of the Trade Agreements Act and the desirability of its renewal, for that community has suffered considerably from the operation of the Smoot-Hawley tariff law and the subsequent restrictive provisions of the British Trading With the Empire Act.

I should like to have published, together with the letter to which I have referred, a telegram from Mrs. Joseph Palmer, president of the East Aurora (N. Y.) League of Women Voters, stating that that organization strongly supports the extension of the Trade Agreements Act and conveying the information that it was approved at their last session by a vote of 4 to 1. That is the sentiment generally in my community.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

BUFFALO CHAMBER OF COMMERCE,
Buffalo, N. Y., March 22, 1940.

Hon. JAMES M. MEAD,
United States Senate, Washington, D. C.

DEAR SENATOR MEAD: On the recommendation of our Foreign Trade Committee, the board of directors of the Buffalo Chamber of Commerce yesterday authorized me to communicate to you the chamber's position with respect to the renewal of the Trade Agreements Act.

Feeling that the basic economic advantages of this policy outweigh all other considerations, we recommend the extension of the authority to enter into trade agreements with foreign countries for another 3 years. While we would urge you to support the renewal when the legislation reaches the Senate, we also suggest

you caution the State Department to exercise the greatest care in future trade agreements and renewals with particular respect to the flexibility of the termination clauses. Because present wars in Europe and Asia may very seriously affect the economic structure of this country in post-war years, adequate protection should be given United States industries by the inclusion of a clause providing for a very short termination notice.

We feel that this country should be in a position to void very promptly existing agreements in the event of acceleration of production and low labor costs abroad in the post-war era; the possibility of severe variations in foreign exchange; an unrestricted fight for world commerce; further acts of Congress or other groups, which may raise costs in this country and other eventualities which may tend to injure United States industries and business.

This reservation is attached to our endorsement of the objectives of the trade-agreement policy notwithstanding the escape clauses which are contained in agreements already entered into.

Very truly yours,

SAMUEL B. BOTSFORD,
Executive Vice President.

EAST AURORA, N. Y., *March 25, 1940.*

Hon. JAMES MEAD,
Senate Office Building, Washington, D. C.:

The East Aurora League of Women Voters, upon a 4-to-1 vote, urges strongly that you support the extension of trade agreements and vote against amendment requiring Senate ratification. Extension is vital contribution in international situation should be decided by general good resulting not by pressure of certain interests.

MRS. JOSEPH PALMER, *President.*

Judicial Review of Administrative Decisions

EXTENSION OF REMARKS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

OPINION OF SUPREME COURT

Mr. COCHRAN. Mr. Speaker, the Rules Committee having granted a special rule for the consideration of the bill commonly referred to as the Logan-Walter bill, undoubtedly it will be reached within the near future.

A year ago, acting upon the suggestion of former Attorney General Cummings, the President suggested to the then Attorney General, Justice Murphy, the appointment of a committee to investigate the "need for procedural reform in administrative law." The President further wrote: "A thorough and comprehensive study should be made of existing practices and procedures with a view to detecting any existing deficiencies and pointing the way to improvements."

An outstanding committee was appointed, the personnel of which follows: Dean Acheson, chairman; Ralph F. Fuchs, Lloyd K. Garrison, D. Lawrence Groner, Henry M. Hart, Jr., Carl McFarland, James W. Morris, Harry Shulman, E. Blythe Stason, Arthur T. Vanderbilt.

It is my opinion that the Congress would do well to delay consideration of such an important matter until the final report of this committee is available.

On January 29, 1940, the United States Supreme Court in an opinion handed down in Federal Communications Commission against the Pottsville Broadcasting Co. directly referred to judicial review of administrative decision.

Mr. Justice Frankfurter delivered the opinion of the Court. There was no dissent, Mr. Justice McReynolds concurring in the result.

This opinion relates to the subject and therefore, Mr. Speaker, as part of my remarks I ask permission to place it in the RECORD. The opinion follows:

[Supreme Court of the United States. No. 265. October term, 1939. *Federal Communications Commission, petitioner,* v. *The Pottsville Broadcasting Co.* On writ of certiorari to the United States Court of Appeals for the District of Columbia. January 29, 1940.]

Mr. Justice Frankfurter delivered the opinion of the Court.

The court below issued a writ of mandamus against the Federal Communications Commission, and, because important issues of administrative law are involved, we brought the case here (308 U. S. —). We are called upon to ascertain and enforce the spheres of authority which Congress has given to the Commission and the courts, respectively, through its scheme for the regulation of radio broadcasting in the Communications Act of 1934 (ch. 652, 48 Stat. 1064, as amended by the act of May 20, 1937, ch. 229, 50 Stat. 189; 47 U. S. C. 151).

Adequate appreciation of the facts presently to be summarized requires that they be set in their legislative framework. In its essentials the Communications Act of 1934 derives from the Federal Radio Act of 1927 (ch. 169, 44 Stat. 1162, as amended, 46 Stat. 844). By this act Congress, in order to protect the national interest involved in the new and far-reaching science of broadcasting, formulated a unified and comprehensive regulatory system for the industry.[1] The common factors in the administration of the various statutes by which Congress had supervised the different modes of communication led to the creation, in the act of 1934, of the Communications Commission. But the objectives of the legislation have remained substantially unaltered since 1927.

Congress moved under the spur of a widespread fear that in the absence of governmental control the public interest might be subordinated to monopolistic domination in the broadcasting field. To avoid this Congress provided for a system of permits and licenses. Licenses were not to be granted for longer than 3 years. (Communications Act of 1934, title iii, sec. 307 (d).) No license was to be "construed to create any right, beyond the terms, conditions, and periods of the license." (Ibid., sec. 301.) In granting or withholding permits for the construction of stations, and in granting, denying, modifying, or revoking licenses for the operation of stations, "public convenience, interest, or necessity" was the touchstone for the exercise of the Commission's authority. While this criterion is as concrete as the complicated factors for judgment in such a field of delegated authority permit, it serves as a supple instrument for the exercise of discretion by the expert body which Congress has charged to carry out its legislative policy. Necessarily, therefore, the subordinate questions of procedure in ascertaining the public interest, when the Commission's licensing authority is invoked—the scope of the inquiry, whether applications should be heard contemporaneously or successively, whether parties should be allowed to intervene in one another's proceedings, and similar questions—were explicitly and by implication left to the Commission's own devising so long, of course, as it observes the basic requirements designed for the protection of private as well as public interest. (Ibid, title I, sec. 4 (j).) Underlying the whole law is recognition of the rapidly fluctuating factors characteristic of the evolution of broadcasting and of the corresponding requirement that the administrative process possess sufficient flexibility to adjust itself to these factors. Thus it is highly significant that although investment in broadcasting stations may be large a license may not be issued for more than 3 years; and in deciding whether to renew the license, just as in deciding whether to issue it in the first place, the Commission must judge by the standard of "public convenience, interest, or necessity." The Communications Act is not designed primarily as a new code for the adjustment of conflicting private rights through adjudication. Rather, it expresses a desire on the part of Congress to maintain, through appropriate administrative control, a grip on the dynamic aspects of radio transmission.[2]

Against this background the facts of the present case fall into proper perspective. In May 1936, the Pottsville Broadcasting Co., respondent here, sought from the Commission a permit, under section 319 ibid, title iii, for the construction of a broadcasting station at Pottsville, Pa. The Commission denied this application on two grounds: (1) That the respondent was financially disqualified, and (2) that the applicant did not sufficiently represent local interests in the community which the proposed station was to serve. From this denial of its application respondent appealed to the court below. That tribunal withheld judgment on the second ground of the Commission's decision, for it did not deem this to have controlled the Commission's judgment. But, finding the Commission's conclusion regarding the respondent's lack of financial qualification to have been based on an erroneous understanding of Pennsylvania law, the Court of Appeals reversed the decision and ordered the

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[1] For the legislative history of the act of 1927, see H. Rept. No. 464, S. Rept. No. 772, 69th Cong., 1st sess.; 67 CONGRESSIONAL RECORD, 5473–5504, 5555–5586, 5645–5647, 12335–12359, 12480, 12497–12508, 12614–12618; 68 CONGRESSIONAL RECORD, 2556–2580, 2750–2751, 2869–2882, 3025–3039, 3117–3134, 3257–3262, 3329–3336, 3569–3571, 4109–4155. A summary of the operation of previous regulatory laws may be found in Herring and Gross, Telecommunications, pp. 239–245.

[2] Since the beginning of regulation under the act of 1927 comparative considerations have governed the application of standards of "public convenience, interest, or necessity" laid down by the law. "* * * the Commission desires to point out that the test, 'public interest, convenience, or necessity,' becomes a matter of a comparative and not an absolute standard when applied to broadcasting stations. Since the number of channels is limited and the number of persons desiring to broadcast is far greater than can be accommodated, the Commission must determine from among the applicants before it which of them will, if licensed, best serve the public. In a measure, perhaps, all of them give more or less service. Those who give the least, however, must be sacrificed for those who give the most. The emphasis must be first and foremost on the interest, the convenience, and the necessity of the listening public and not on the interest, convenience, or necessity of the individual broadcaster or the advertiser." (Second Annual Report, Federal Radio Commission, 1928, pp. 169–170.)

"cause * * * remanded to the * * * Communications Commission for reconsideration in accordance with the views expressed." *Pottsville Broadcasting Co.* v. *Federal Communications Commission* (98 F. (2d) 288).

Following this remand, respondent petitioned the Commission to grant its original application. Instead of doing so, the Commission set for argument respondent's application along with two rival applications for the same facilities. The latter applications had been filed subsequently to that of respondent and hearings had been held on them by the Commission in a consolidated proceeding, but they were still undisposed of when the respondent's case returned to the Commission. With three applications for the same facilities thus before it, and the facts regarding each having theretofore been explored by appropriate procedure, the Commission directed that all three be set down for argument before it to determine which, on a comparative basis, in the judgment of the Commission will best serve public interest. At this stage of the proceedings respondents sought and obtained from the Court of Appeals the writ of mandamus now under review. That writ commanded the Commission to set aside its order designating respondent's application for hearing on a comparative basis with the other two, and to hear and reconsider the application of the Pottsville Broadcasting Co. on the basis of the record as originally made and in accordance with the opinions of the Court of Appeals in the original review (98 F. (2d) 288), and in the mandamus proceedings. *Pottsville Broadcasting Co.* v. *Federal Communications Commission* (105 F. (2d) 36.)

The Court of Appeals invoked against the Commission the familiar doctrine that a lower court is bound to respect the mandate of an appellate tribunal and cannot reconsider questions which the mandate has laid at rest. See *In re Sanford Fork & Tool Co.*, petitioner (160 U. S. 247, 255–56). That proposition is indisputable, but it does not tell us which issues are laid at rest. Cf. *Sprague* v. *Ticonic Bank* (307 U. S. 161). Nor is a court's interpretation of the scope of its own mandate necessarily conclusive. To be sure, the court that issues a mandate is normally the best judge of its content, on the general theory that the author of a document is ordinarily the authoritative interpreter of its purposes. But it is not even true that a lower court's interpretation of its mandate is controlling here. Cf. *United States* v. *Morgan* (307 U. S. 183). Therefore, we would not be foreclosed by the interpretation which the Court of Appeals gave to its mandate, even if it had been directed to a lower court.

A much deeper issue, however, is here involved. This was not a mandate from court to court, but from a court to an administrative agency. What is in issue is not the relationship of Federal courts inter se—a relationship defined largely by the courts themselves—but the due observance by courts of the distribution of authority made by Congress as between its power to regulate commerce and the reviewing power which it has conferred upon the courts under article III of the Constitution. A review by a Federal court of the action of a lower court is only one phase of a single unified process. But to the extent that a Federal court is authorized to review an administrative act, there is superimposed upon the enforcement of legislative policy through administrative control a different process from that out of which the administrative action under review ensued. The technical rules derived from the interrelationship of judicial tribunals forming a hierarchal system are taken out of their environment when mechanically applied to determine the extent to which congressional power, exercised through a delegated agency, can be controlled within the limited scope of judicial power conferred by Congress under the Constitution.

Courts, like other organisms, represent an interplay of form and function. The history of Anglo-American courts and the more or less narrowly defined range of their staple business have determined the basic characteristics of trial procedure, the rules of evidence, and the general principles of appellate review. Modern administrative tribunals are the outgrowth of conditions far different from those.[3] To a large degree they have been a response to the felt need of governmental supervision over economic enterprise—a supervision which could effectively be exercized neither directly through self-executing legislation nor by the judicial process. That this movement was natural and its extension inevitable was a quarter century ago the opinion of eminent spokesmen of the law.[4] Perhaps the most striking characteristic of this movement has been the investiture of administrative agencies with power far exceeding and different from the conventional judicial modes for adjusting conflicting claims—modes whereby interested litigants define the scope of the inquiry and determine the data on which the judicial judgment is ultimately based. Administrative agencies have power themselves to initiate inquiry, or, when their authority is invoked, to control the range of investigation in ascertaining what is to satisfy the requirements of the public interest in relation to the needs of vast regions and sometimes the whole nation in the enjoyment of facilities for transportation, communication, and other essential public services.[5] These differences in origin and function preclude wholesale transplantation of the rules of procedure, trial, and review, which have evolved from the history and experience of courts. Thus, this Court has recognized that bodies like the Interstate Commerce Commission, into whose mold Congress has cast more recent administrative agencies, "should not be too narrowly constrained by technical rules as to the admissibility of proof," *Interstate Commerce Commission* v. *Baird* (194 U. S. 25, 44), should be free to fashion their own rules of procedure and to pursue methods of inquiry capable of permitting them to discharge their multitudinous duties.[6] Compare *New England Divisions case* (261 U. S. 184). To be sure, the laws under which these agencies operate prescribe the fundamentals of fair play. They require that interested parties be afforded an opportunity for hearing and that judgment must express a reasoned conclusion. But to assimilate the relation of these administrative bodies and the courts to the relationship between lower and upper courts is to disregard the origin and purposes of the movement for administrative regulation and at the same time to disregard the traditional scope, however far reaching, of the judicial process. Unless these vital differentiations between the functions of judicial and administrative tribunals are observed, courts will stray outside their province and read the laws of Congress through the distorting lenses of inapplicable legal doctrine.

Under the Radio Act of 1927 as originally passed, the Court of Appeals was authorized in reviewing action of the Radio Commission to "alter or revise the decision appealed from and enter such judgment as to it may seem just." Section 16 of the Radio Act of 1927, 44 Stat. 1169. Thereby the Court of Appeals was constituted "a superior and revising agency in the same field" as that in which the Radio Commission acted. *Radio Commission* v. *General Electric Co.* (281 U. S. 464, 467). Since the power thus given was administrative rather than judicial, the appellate jurisdiction of this court could not be invoked. *Radio Commission* v. *General Electric Co.*, supra. To lay the basis for review here, Congress amended section 16 so as to terminate the administrative oversight of the Court of Appeals. (c. 788, 46 Stat. 844). In "sharp contrast with the previous grant of authority" the court was restricted to a purely judicial review. "Whether the Commission applies the legislative standards validly set up, whether it acts within the authority conferred or goes beyond it, whether its proceedings satisfy the pertinent demands of due process, whether, in short, there is compliance with the legal requirements which fix the province of the Commission and govern its action, are appropriate questions for judicial decision." *Radio Commission* v. *Nelson Bros. Co.* (289 U. S. 266, 276).

On review the court may thus correct errors of law and on remand the Commission is bound to act upon the correction. *Federal Power Commission* v. *Pacific Co.* (307 U. S. 156). But an administrative determination in which is imbedded a legal question open to judicial review does not impliedly foreclose the administrative agency, after its error has been corrected, from enforcing the legislative policy committed to its charge. Cf. *Ford Motor Co.* v. *Labor Board* (305 U. S. 364).

The Commission's responsibility at all times is to measure applications by the standard of "public convenience, interest, or necessity." The Commission originally found respondent's application inconsistent with the public interest because of an erroneous view regarding the law of Pennsylvania. The court of appeals laid bare that error and, in compelling obedience to its correction, exhausted the only power which Congress gave it. At this point the Commission was again charged with the duty of judging the application in the light of "public convenience, interest, or necessity." The fact that in its first disposition the Commission had committed a legal error did not create rights of priority in the respondent, as against the later applicants, which it would not have otherwise possessed. Only Congress could confer such a priority. It has not done so. The court of appeals cannot write the principle of priority into the statute as an indirect result of its power to scrutinize legal errors in the first of an allowable series of administrative actions. Such an implication from the curtailed review

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[3] See Maitland, The Constitutional History of England, pp. 415–18; Landis, The Administrative Process, passim.

[4] See, for instance, the address of Elihu Root as president of the American Bar Association:

"There is one special field of law development which has manifestly become inevitable. We are entering upon the creation of a body of administrative law quite different in its machinery, its remedies, and its necessary safeguards from the old methods of regulation by specific statutes enforced by the courts. * * * There will be no withdrawal from these experiments. * * * We shall go on; we shall expand them, whether we approve theoretically or not, because such agencies furnish protection to rights and obstacles to wrongdoing which under our new social and industrial conditions cannot be practically accomplished by the old and simple procedure of legislatures and courts as in the last generation." 41 A. B. A. Rep. 355, 368–369.

[5] See *United States* v. *Lowden*, ante, p. —, decided December 4, 1939; Herring, Public Administration and the Public Interest, passim.

[6] The Communications Commission's Rules of Practice, Rule 106.4, provided that "the Commission will, so far as practicable, endeavor to fix the same date * * * for hearing on all applications which * * * present conflicting claims * * * excepting, however, applications filed after any such application has been designated for hearing." Respondent contends, and the court below seemed to believe that this rule bound the Commission to give respondent a noncomparative consideration because its application had been set down fo. hearing before the later and rival applications were filed. The Commission interprets this rule simply as governing the order in which applications shall be heard, and not touching upon the order in which they shall be acted upon or the manner in which they shall be considered. That interpretation is binding upon the courts. *A. T. & T. Co.* v. *United States*, 299 U. S. 232.

allowed by the Communications Act is at war with the basic policy underlying the statute. It would mean that for practical purposes the contingencies of judicial review and of litigation, rather than the public interest, would be decisive factors in determining which of several pending applications was to be granted.

It is, however, urged upon us that if all matters of administrative discretion remain open for determination on remand after reversal, a succession of single determinations upon single legal issues is possible, with resulting delay and hardship to the applicant. It is always easy to conjure up extreme and even oppressive possibilities in the exertion of authority. But courts are not charged with general guardianship against all potential mischief in the complicated tasks of government. The present case makes timely the reminder that "legislatures are ultimate guardians of the liberties and welfare of the people in quite as great a degree as the courts." *Missouri, Kansas & Texas Ry. Co.* v. *May* (194 U. S. 267, 270). Congress, which creates and sustains these agencies, must be trusted to correct whatever defects experience may reveal. Interference by the courts is not conducive to the development of habits of responsibility in administrative agencies. Anglo-American courts as we now know them are themselves in no small measure the product of a historic process.

The judgment is reversed, with directions to dissolve the writ of mandamus and to dismiss respondent's petition.

Reversed.

Mr. Justice McReynolds concurs in the result.

Filipinos Demand Special Privileges

EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. KRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks on a bill pending before the Committee on Immigration and Naturalization, in which the Philippines are demanding special privileges, and to include therein an article by Paul Sharrenberg.

The SPEAKER. Is there objection?

There was no objection.

Mr. KRAMER. Mr. Speaker, the California Joint Immigration Committee, composed of representatives of the California State Federation of Labor, the California Department of the American Legion, the Native Sons of the Golden West, the Immigration Study Commission, and certain other Californians of national standing, was instrumental in having enacted into the Federal Immigration Restriction Act of 1924 the provision excluding as permanent settlers all aliens ineligible to American citizenship. Since that time the committee has been maintained to defend that measure from attack and repeal.

Nearly 150 years ago the founding fathers of this Republic laid down the basis for a white America in the naturalization law of 1790, which provided that citizenship should be restricted to "free white persons." The law was amended after the Civil War to include "persons of African nativity and persons of African descent."

The exclusion measure has been, and continues to be, America's legal fortification against the hordes of Asia, who would overwhelm us if we permitted them to do so. California's living standards have been in constant danger since the early days from repeated migrations of these Asiatics—Chinese, Hindus, Japanese, and Filipinos. Each separate infiltration, as it progressed, became a menace and has been fought with determination by the people. The Chinese were excluded in 1862, the Hindus in 1917, the Japanese in 1924, and the Filipinos in 1936 by the Philippines Independence Act, which limits their coming to 50 per year until 1946, when the act becomes effective. After that time they will be entirely barred under the exclusion measure.

If citizenship were to be granted to Filipinos, it necessarily must be granted also to all other Asiatics as well. There can be no discrimination. Thus the exclusion measure would be nullified immediately, since everyone would then become eligible to citizenship. The gates would be opened to all Asiatics, and their total immigration under quota would amount to well over 1,000 annually. The California alien land law would also be nullified.

Another point which should have earnest consideration is the fact that alien wives for both American-born and naturalized orientals, were citizenship privileges granted them, would then be admissible outside the quota. Also, every oriental born in a country of the Western Hemisphere and a citizen thereof would be admissible, since there is no quota restriction on citizens of those countries except that of emergency regulation.

It is a proven fact that orientals are absolutely unassimilable with the basic white population, forming as they do, distinct racial blocs. That even their children are also not assimilable is proved by the experience of the second-generation Japanese, who constitute the largest American-born oriental group in California. They are in every way splendid people, but in spite of their evident desire to become an integral part of the American population, they cannot find suitable employment despite education and fitness; they are restricted socially to their own racial group; they may not intermarry with Caucasians; they cannot find desirable living accommodations and are barred from many places of recreation and amusement. This condition is the result of the deep-seated and fundamental determination of the American people to keep their blood and their country white.

Although it is not generally known, it is another fact that Filipinos, besides underbidding and crowding out white labor in certain rural areas of California, have displaced many white workers in the cities, mostly women and men over 40 years of age working in restaurants, hotels, and institutions.

We must respect the civil rights of orientals living here, both American-born and alien. But to grant to alien Asiatics the privilege of citizenship, a privilege bringing with it the right of entry under immigration quota, would tend to lower American living standards and would be contrary to the welfare of the citizens of California and to the Nation as a whole.

For the reasons stated in this brief introductory, I take pleasure in presenting herewith an article from a recent issue of the American Federationist, written by Mr. Paul Scharrenberg, legislative representative of the American Federation of Labor, and for many years a member of the California Joint Immigration Committee. This article, which appears under the caption, "Filipinos Demand Special Privileges," not only sets forth the attitude of the American Federation of Labor toward the proposed naturalization of Filipinos, but also quotes the commitments made by Resident Commissioner Osias of the Philippines 10 years ago, when the House was debating the then-pending grant of independence to the Philippine Islands.

The article by Mr. Scharrenberg follows:

[From the American Federationist of December 1939]

FILIPINOS DEMAND SPECIAL PRIVILEGES

(By Paul Scharrenberg)

During this session of Congress several bills have been introduced to grant naturalization privileges to Filipinos now residents of the United States. The authors of these bills maintain that the United States can well afford to be generous to the Filipinos. They do not seem to realize, however, that their proposals are entirely contrary to the very precept of the Independence Act as endorsed by the Philippine Legislature and ratified by a plebiscite of Filipino people.

The fact is that the American people, through various congressional enactments, have been more than generous to the Filipinos. The record of the American Federation of Labor, also, is clear and above reproach in the lengthy controversy to grant the Filipinos their freedom and independence in the manner desired by themselves.

The American Federation of Labor convention which met at El Paso in 1924, by unanimous vote, adopted the following resolution:

"*Resolved*, That we respectfully petition and urge the Congress of the United States to forthwith grant the earnest prayer and petitions of the Filipinos—the right to exercise, in full, liberty, freedom, and self-government."

Thereafter, at every session of Congress the American Federation of Labor exerted its full and unqualified influence for Philippine independence. Those who opposed Philippine independence charged that labor's support for this cause was actuated by selfish motives. It was even hinted that labor had entered into an unholy alliance with the big sugar interests and with the dairy farmers who were apprehensive about the importation of coconut products used in the manufacture of oleomargarine.

Disregarding these unsupported charges, it is a fact that several of the national and international unions affiliated with the American Federation of Labor were greatly concerned about the constantly increasing imports of manufactured products from the islands. It was known that these products were manufactured at the lowest possible labor costs and it could not be denied that such imports constituted a menace and a threat to the immensely superior conditions of American workers.

In addition to the political pressure of the directly affected groups, there was wholesome public support for Philippine independence, especially from Pacific Coast States, where public opinion had been solidified for such legislation, first, because it was felt that our hold on the Philippines would sooner or later draw us into war with Japan, and, second, because of the general desire to close our gates to all Asiatic immigration, Filipinos included.

So Congress in 1932 passed the first Philippine independence bill. This measure did not seem to be satisfactory to the Filipinos. At any rate, the Philippine Legislature refused to approve the bill.

On March 24, 1934, the Tydings-McDuffie independence bill, drawn more in accordance with Filipino desires, was approved by President Roosevelt, and on May 1, 1934, it was ratified by the Philippine Legislature.

The act provides that in 1945 the United States shall withdraw entirely from the islands and on July 4, 1946, the Commonwealth shall become the Republic of the Philippines. When the Tydings-McDuffie bill was pending in Congress the American Federation of Labor paid special attention to the sections pertaining to immigration. As finally passed the bill provided:

1. That all Filipino immigration to continental United States shall cease upon ratification of the act by the Philippine Legislature, except for a quota of 50 persons per annum.

2. That Filipinos in the Territory of Hawaii shall not be admitted to the continental United States.

3. That upon withdrawal of American sovereignty over the Philippines "the immigration laws of the United States (including all the provisions thereof relating to persons ineligible to citizenship) shall apply to persons who were born in the Philippine Islands to the same extent as in the case of other foreign countries."

There can be no doubt that all the implications of the language in the immigration section of the Independence Act were fully understood and accepted by the official spokesmen for the people of the Philippines. On January 29, 1930, there was an interesting discussion upon this subject in the House of Representatives. Representatives Barbour of California, Johnson of Washington, and Resident Commissioner Osias of the Philippines participated in the discussion. To quote from the CONGRESSIONAL RECORD:

"Mr. BARBOUR. What I want to get at is this: After the Philippine Islands have independence will they be willing to be treated by the United States in every respect as other foreign governments?

"Mr. OSIAS. Yes, sir. If independent, we will be willing to be treated as other foreign governments, not only from the standpoint of immigration and labor but from the standpoint of the tariff—and I wish the people and Congress of the United States never to have any doubt about that. The Filipino people have carefully weighed the consequences of freedom, and they are prepared to shoulder the obligations and responsibilities that go with independence.

"Mr. JOHNSON of Washington. Will the gentleman yield?

"Mr. OSIAS. I yield gladly.

"Mr. JOHNSON of Washington. I do not want to embarrass the gentleman, but the only class of people in the Philippine Islands who can be naturalized are those who have served a certain length of time in the Navy. Would the gentleman like to see that amendment, which was passed in war times repealed?

"Mr. OSIAS. I am willing to take the consequences that go with freedom, and there are 13,000,000 Filipinos behind me when I make that statement. [Applause.]"

It will be noted that Commissioner Osias did not mince words. Speaking officially for his people he declared in so many words that they were willing and ready to take the bitter along with the sweet. They asked for freedom and were prepared to take all the consequences and to shoulder the obligations and responsibilities that go along with freedom.

These pledges were made only a few years ago but at the first session of the Seventy-sixth Congress we find the present Resident Commissioner of the Philippines, Mr. JOAQUIN N. ELIZALDE, in the House Committee on Immigration pleading for the passage of a bill (H. R. 3657) to grant the privilege of naturalization to certain Filipino seamen so as to qualify them for jobs on American merchant vessels.

At the very time Commissioner ELIZALDE appeared before the House Immigration Committee another hearing was held by the House Committee on Merchant Marine and Fisheries and testimony was presented to the latter committee that there were then approximately 18,000 unemployed American seamen in Atlantic and Gulf ports.

When speaking about the hardships imposed upon his countrymen by the adoption of legislation requiring the manning of American ships by American citizens Commissioner ELIZALDE conveniently overlooked another pertinent law affecting Filipinos in the United States. For the past 4 years Congress has provided free transportation to Filipinos who voluntarily desire to return to their native land and this session of Congress generously extended the provisions of that law to cover applications filed prior to December 31, 1940. This privilege of free rides home is not given to any other nationals. It is given exclusively to Filipinos, excepting, of course, persons who have been ordered deported for cause.

Still another bill, now pending in Congress (H. R. 7239) proposes to naturalize all Filipinos who are permanent residents of the United States. The author of this bill very generously seeks to provide special naturalization privileges for Filipinos. Neither a certificate of arrival nor a declaration of intention is required under the terms of this bill. It should be noted that according to the census of 1930 there were 63,052 Filipinos in the Territory of Hawaii.

It is more or less of a mystery why Filipinos cannot find happiness at home. In other Asiatic countries, with their dense population and decidedly limited natural resources, the struggle for mere existence is necessarily a lifelong problem. The Philippines, however, are not overpopulated. To the contrary the islands could comfortably support double and even treble the present population of approximately 13,000,000. The total area of the Philippines is 114,400 square miles, or only about 7,000 square miles less than Great Britain.

So far as natural resources are concerned the islands are rich beyond compare. In agriculture, forestry, and especially in the vast mineral resources there are boundless opportunities for development.

All of this must be known to those who sponsor legislation granting special naturalization privileges to the Filipinos. Yet, they refuse to leave well enough alone. The crux of the matter seems to be that the Filipinos have acquired a habit of getting what they wanted. Numerous tangible benefits such as gifts, loans, special tariff concessions, and finally the grant of independence have been accepted as though they were coupons on a Liberty bond. However, when asking for special naturalization privileges the Filipinos are attacking the entire structure of Asiatic exclusion laws which now prevent the migration of any Asiatics for permanent residence in the United States.

Congress, in 1924, inserted a clause in our general immigration laws providing that aliens ineligible to citizenship shall be barred as immigrants. This legislation was supported by the American Federation of Labor because it provided a logical, practical, and effective solution of the Asiatic immigration problem. It followed the Federal law which since 1790 has made all the yellow and brown races ineligible to citizenship because of unassimilability and the menace they would offer if established here. Certainly if immigration is to be restricted, we would commence with that element which is barred from citizenship.

Those Members of Congress who sponsor Filipino naturalization laws should realize that if such privileges were granted to natives of the Philippines, the natives of Japan, China, and other Asiatic countries would have justifiable cause for complaints of discrimination. Then, if the privilege of naturalization were granted to all Asiatics the props would be knocked from under our present effective immigration barriers.

Business Recovery

EXTENSION OF REMARKS

OF

HON. JAMES J. DAVIS

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Thursday, March 28 (legislative day of Monday, March 4), 1940

EDITORIAL BY PAUL BLOCK

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial by Mr. Paul Block which appeared in the Pittsburgh Post-Gazette of March 25, 1940.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUSINESS RECOVERY CAN COME NOW OR AFTER THE ELECTION—IT IS UP TO MR. ROOSEVELT

A rather strange situation exists among our voters if we are to believe the many surveys and polls which have been taken.

These prove that businessmen (from large and small business), as well as people who have good-paying jobs, are almost unanimously against Mr. Roosevelt and most of the New Deal measures, whereas the great majority of the men and women earning low wages and those on part-time work, as well as people on W. P. A. and relief, are in favor of Mr. Roosevelt.

One could imagine that men at the head of large industries, as well as the businessman who is still doing pretty well, would be among the first to say, "Why change, we are doing all right?" And the same might be expected from those whose jobs have not been disturbed, in fact, whose salaries have risen.

However, there is an answer, and one not very difficult to find.

Those in business have seen more and more of their kind being throttled by overburdening taxes and rules by the various bureaucratic commissions, which today are actually dictating the terms under which business may carry on.

These businessmen, small as well as large, see the handwriting on the wall; they see profits being reduced or wiped out, and they figure that 4 more years of the New Deal and there will be few, if any, profits left, and that free business enterprise, the method which made this country great, will be virtually, if not entirely, wiped out.

And those who are still earning good wages also recognize this. They know that if business is not allowed to make a profit, because of so-called further reforms, people with money, through fear of the future, will not invest in new enterprises or for the expansion of industry. And so pretty soon their jobs may be less secure, and because of continuously increasing taxes, their incomes will be lower, even though their salaries may not have been reduced.

And that brings us to the lower-salaried workers, and those on W. P. A. and relief.

One would imagine they would be among the very first to demand a change which might benefit them. For over 7 years Mr. Roosevelt and his crackpot aides have been running the Government and have not been able to be of any real help to these low-wage workers.

These men and women ought to demand a change in Washington, for nothing could be much worse than what they are suffering with now.

Do they fear a change because the new dealers have preached that the end of capitalism is at hand; that the expansion in business and the development of new industries through inventions and research is over?

Have some of our people, especially those whose hardship has been greatest, accepted the defeatist attitude which the new dealers have acclaimed?

Well, we don't pretend to be prophets, but our advice is, "Don't lose courage." Watch and see how business will start rising almost the day after Mr. Roosevelt declares that he will not, under any circumstances, accept a third term. We still feel confident he will not accept, but most every one differs with us.

So if we are wrong, the country will have to wait until after election before real business improvement comes. We feel confident a new President will be elected, with an administration which will fight for the return of free enterprise and the American form of government.

PAUL BLOCK, *Publisher.*

National Youth Administration

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

SUMMARY OF WORK IN CONNECTICUT

Mr. SHANLEY. Mr. Speaker, the National Youth Administration under its Director Richard Barrett has done a splendid job in Connecticut. In my own district, the home of Yale University, Albertus Magnus College, Arnold College, the Connecticut College of Pharmacy, Junior College of Commerce, and State Teachers College, all have been beneficiaries from the entire N. Y. A. program. It has the highest endorsement of educational leaders and I take this opportunity of complimenting the national organization as well as its Connecticut subdivision for a job well done. I am including a short summary of their program.

THE PROGRAM OF THE NATIONAL YOUTH ADMINISTRATION IN THE THIRD CONGRESSIONAL DISTRICT OF CONNECTICUT

The school work program

Student quota	707
Number of participating schools	25
Funds allotted for fiscal year	$38,194

A high-school student who could not otherwise attend school may work for and be paid from $3 to $6 per month; the average payment is $5.42.

The college and graduate work program

Student quota	531
Number of participating schools	8
Funds allotted for fiscal year	$39,960

These figures do not include students attending colleges or universities located outside the Third Congressional District. A college student who could not otherwise attend school may work for and be paid from $10 to $20 per month; the average payment is $11.21.

In the combined student work program, including the school work program and the college and graduate work programs, there are 1,238 youth employed in 33 schools and colleges with a total earning of $78,154.

The out-of-school work program as of Jan. 5, 1940

Number of youth employed on the N. Y. A. out-of-school program	1,234
Average monthly earnings of youth employed on the out-of-school program	$20.48
Number of unemployed youth certified and awaiting assignment	246
Estimated number of needy unemployed youth not certified	9,212
Total unassigned needy youth	9,458

A total of 2,472 youth are employed by the N. Y. A. in this congressional district.

Colleges participating in the N. Y. A. college and graduate work program in the Third Congressional District of Connecticut

College	Student quota	Yearly fund quota
Total	531	$39,960
Albertus Magnus College	18	2,430
Arnold College	10	1,350
Berkeley Divinity School	1	135
Connecticut College of Pharmacy	16	2,160
Junior College of Commerce	12	1,620
Junior College of Physical Therapy	4	540
State Teachers College, New Haven	35	4,725
Yale University	435	27,000

Government Help Must Be Sympathetic and Intelligent

EXTENSION OF REMARKS
OF
HON. WILLIAM E. HESS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

ADDRESS BY HON. ROBERT A. TAFT, OF OHIO

Mr. HESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Senator ROBERT A. TAFT, of Ohio, in Chicago, Ill., the first week of March 1940:

I wish to discuss this evening what we might call the humanitarian activities of government. Since the depression of 1929 and the tremendous unemployment resulting from it we have seen a great extension of Government aid to those with little or no income. There are literally scores of Government bureaus handing out aid in all directions. It is no new principle of government. Local governments, cities, and counties have always furnished aid and relief to the poor, supplemented by a large measure of private charity administered through Protestant, Catholic, Jewish, and nonsectarian agencies. But the depression of 1929 multiplied our problem manyfold and led to the diversified relief, social security, and housing programs with which the Federal Government is now concerned.

That feature of the New Deal which seems to me most permanent is the acceptance of the principle that the Federal Government shall concern itself with these matters. There can be no doubt of the seriousness of the problem and the real danger of starvation which threatens so many millions. I think it is greatly aggravated by the economic planning, price fixing, and regulatory and spending policies of the Federal Government. Nevertheless, it is a situation which we face and which any government with the slightest humanity earnestly desires to meet. Before the depression of 1929 we hoped that it was a minor problem easily handled by local government. We hoped that under our American system every man who wished to work could earn an adequate living and provide for his own old age or educate his children so that they might do so. The depression of 1929 showed that we had not solved our economic problems so completely.

Furthermore, even if we succeed in putting back to work the greater part of the unemployed, we are still likely to find that many people have to work at jobs which do not return a living wage. The product of their labor is not sufficiently valuable to the rest of the people. We have accepted the principle that in some way these people must be helped so that their families, and particularly their children, may have the support which other children have to secure an education and a start in life.

There are still a good many people who close their eyes to the actual conditions which exist, and insist that poverty is always the result of a man's own faults. On the other hand, the new dealers have adopted the term "underprivileged," which implies that the fault lies entirely on the American system; that those who are earning their own living by their own industry are in some way getting special privileges from the Government. The truth lies between. Some of those who need aid will never succeed in earning their own living under any system, perhaps because of their own character. But there are millions of others who are merely unfortunate. Anyone who goes up and down the streets of our great municipalities will find family after family whose members would be eager and industrious workers if jobs could be found for them. Every social worker knows that most of his cases are of that character. Men on W. P. A. have been made the butts of all kinds of jokes, which are unfair to most of them, and have led many people to the belief that relief itself is unwise and unnecessary. The system is unwise, but it is no fault of the men on W. P. A. Those who have acquired that belief simply do not understand the condition that faces our industrial centers. It is unfortunate that the methods pursued have created a prejudice against all relief.

The problem is still of such magnitude that Federal assistance is not only proper but essential. The problem of transient unemployed is an interstate problem, with which the Federal Government has a direct concern. It is one which the present administration has neglected.

Apart from transients, relief is in the first instance a local problem. It was so declared to be in the Democratic platform of 1932, as well as in that of the Republicans. But the Federal Government had to help because of the tremendous financial burden which the local governments were unable to meet. Our State and local governments are greatly handicapped in raising taxes. They cannot tax the wealthy without driving them from the State. They cannot tax industry without discouraging its growth in the State. The most lucrative methods of taxation are not available to the States and localities, as they are to the Federal Government. Most of our States had steadily expanded their activities until all of their resources were required for the current operation of schools, cities, villages, and roads, and the normal functions of State and county government.

The New Deal was not the first to adopt Federal aid, for extensive loans were made by the Federal Government to localities under President Hoover. During the early years of the New Deal, relief was administered locally, largely by the old community-chest staffs, with aid from the Federal Government. But Harry Hopkins finally insisted, as a condition of Federal aid, that the Federal Government administer relief. There was never any good reason that I know of for Federal administration. The W. P. A. system is both expensive and inadequate. It provides a Federal work program, which encourages men to stay on relief. A Federal work program, as it actually works out, is neither relief nor public works. From political necessity, it is operated in some counties where no relief is needed, and in others it is entirely inadequate. It is never adjusted fast enough to real needs, but it always reaches a peak just before the November election, as it did in 1936 and 1938; and falls off when there is most distress, as in the depression the last part of 1937.

At the same time it takes real public works away from the private contractors who pay union wages and could give work to their more efficient workmen, and yet do the work at much less cost to the public.

W. P. A. only reaches a small proportion of those needing help. The Federal Government entirely washes its hands of the millions who cannot get on W. P. A., and imposes a burden on local communities for direct relief which in cases of exceptional unemployment or community poverty they cannot meet. The Federal Government has never kept its promise that it would take care of all the employables, because the expense of a Federal work program is so great that even a spendthrift administration won't add so greatly to Government expenses. There is an unfair discrimination between men in the same condition of hardship, and politics and favoritism often prevail. Congress is now considering the strengthening of the Hatch bill, passed because the Democrats themselves admitted that W. P. A. had become a football of politics.

The Federal Government should make the plans for dealing comprehensively with the entire relief problem, but the administration, except for transiency, should be local. The Federal Government should assist the States and localities with financial aid so long as that is necessary; but as a condition of that aid should require that State relief plans be established by law, comprehensive, and administered without political favor. The whole problem ought to be administered as a unit, and administered locally. Each locality should determine how much work relief and how much direct relief is necessary and advisable. It should determine what projects are worth while and what are not worth while. It should coordinate the whole employment and relief problem.

When a man loses his job the Federal-State employment agencies should attempt to find a new one. For a certain length of time he receives unemployment insurance. If a job is not found before that runs out, he should be carried for awhile on direct relief. Ultimately he would be put on some form of work relief. During the whole process he should have every incentive to find himself a new job in cooperation with the official employment agency.

This whole process can only be worked out locally by people in close touch with the local situation and the individual case. Undoubtedly the locality should put up a certain percentage of the total cost, one-third except in exceptional cases, so that it does not abuse the aid which the Federal Government is giving. The plan I suggest has been urged on the administration by the Community Chest organizations of the United States for several years, and has the support of many of those familiar with the tremendously difficult problem. But the Federal Government has never been willing to give up the political power and Federal prestige resulting from a Federal work program.

There are fields other than relief in which the Federal Government should rightly give some aid. Private industry, left to itself, has never furnished a satisfactory solution for the housing needs of the lower-income groups. Government assistance is required to see that everyone has a decent place to live and bring up a family. Up to this time the Federal activities in United States Housing Authority, Federal Housing Administration, home-loan banks, and various resettlement projects, have been expensive but purely experimental, and have only reached a small fraction of those in need. It is high time that we develop a unified program, adequate to solve the real problem, without the tremendous cost to the Government involved in the present subsidies provided by the United States Housing Authority. Here again the problem is largely a local problem and the plan approved should impose more and more responsibility on local communities with incidental Federal assistance. It should look toward cheaper housing, which all but the very poorest can acquire as their property. America should be a nation of home owners, not renters.

The field of medical aid to the lower-income groups, who are wholly unable to meet extraordinary sickness, has been considerably developed by local governments. There is no reason in the world why the Federal Government should take over the whole problem, with a strong slant toward socialized medicine, as the Wagner bill would provide. But there is good reason why the Federal Government should survey the field and give some additional financial assistance, over that which it is already giving, to help States and localities give this aid. There is no hardship to any family as great as serious sickness. Medical care is expensive. The doctors have provided a tremendous amount of free service, and are prepared to go on; but Federal aid for medical care, wisely administered, can provide a great help to a lot of families in the time of their direst need without any socialization of medicine.

We have further adopted the principle of Federal assistance to old-age pension systems. The subject is too broad to discuss fully in the time allotted to me, except to note that we have today two completely overlapping systems, one the State aid with he Federal Government paying one-half the cost, and the other the great reserve system with its burdensome pay-roll tax and elaborate machinery. A complete revision and unification of the system is still necessary.

The system of State aid we have established for relief, old-age pensions, housing, and medical care is probably the greatest and most expensive experiment in social subsidy any country has ever undertaken. If it succeeds it should do as much as any nation can do to prevent acute misfortune. But there are a lot of dangers still to be overcome. Government administration always tends to become bureaucratic and completely lose sympathy with the real purposes of the work. If it is going to be sympathetic it must be administered by people in close touch with those who need the help. It can't be run from marble palaces in Washington.

Furthermore, it must be on a sound financial basis. Up to date we have paid for it largely with borrowed money, but in the long run we must have a system which will pay the cost. Otherwise the whole system will come to an end. It must be economically administered, because the Government is not a magician who can draw dollars out of a hat. The assistance given to the poorer people can only be provided by the other four-fifths, or two-thirds, of the population. There is no great reserve of food and clothing in any country. The only people who can support others who do not work or do not earn their own way are those who are working at or about the same time. It is right that they should do so, but if the burden becomes too heavy we are likely to find that a revolt against the whole system will throw us back to the position we were in before we started. Furthermore, if the burden is too heavy, it so discourages the others from working, it so discourages the development of new business and the growth of old business that there are still fewer jobs and less income. It is not so difficult to "kill the goose that lays the golden egg."

There is an idea that relief money comes from the skies or from the wealthy. If you confiscated all the incomes over $10,000 a year in the United States—and you could surely not go lower than that because there are at least 200 leading new dealers drawing $10,000 from the Government today—you would only raise enough money to run the Government at its present cost for less than 6 months. Any further Government expense today comes out of everybody, rich and poor alike, through pay-roll taxes and sales taxes, and every other kind of tax on the consumer and the producer. There isn't any other way to get that amount of money. So administration has to be economical, and yet it has to reach all those in need without personal or political favor.

We can give the New Deal credit for a great advance along humanitarian lines, but the administration of all these experiments is so loose and inadequate and unplanned that the whole system is in serious danger of breaking down, and dragging the country down with it. The changes I have suggested in relief must be made. The medical and social security program must be thoroughly studied and redesigned to be equal and efficient and economical.

Finally we must remember that the whole problem can be made much easier; that two-thirds of it can be solved if we can get the

country back to the condition of prosperity which existed in the twenties. Relief at best is a mere palliative. There will always be need for some of it, but what the unemployed need most is jobs and not relief. The only way they can get jobs is in private industry. The new dealers have done their best with Government employment. They have increased the Federal pay rolls from 563,000 to 932,000, almost doubling it in 7 years, at an increased cost of $1,200,000,000 a year. But that is just a drop in the bucket. The only way to build up private industry is to reduce Government regulation of business, and Government interference with the farmer and the retailer and the manufacturer, so that we may resume the progress we made up to 1929. We have 10,000,000 more people now than we had then. We ought to have a total income 20 percent bigger than it is today to meet the needs of that additional population. We have always come out of past depressions by a steady increase in the number of private industries and the growth of little industry into big industry. There are hundreds of industries ready to go if they have the slightest confidence that the Government will let them alone to make their own success. The Government can help. It can prevent monopoly and keep the channels of trade open. But it has to stop trying to run every man's business and every man's farm. If it does, private industry can expand to give jobs to most of the unemployed; aid and relief to the more unfortunate can be more adequate and well financed.

Adequate Appropriations Necessary for Proper Enforcement of Labor Laws

EXTENSION OF REMARKS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

Mr. WOLVERTON of New Jersey. Mr. Speaker, today this House is face to face with a subtle but determined effort to undermine and destroy the usefulness of laws recently adopted by Congress to improve working conditions.

The effort is more difficult to combat and, therefore, more dangerous to the cause of labor because it is not a direct attack on the laws by the usual method of amendment or repeal, but an indirect attack by cutting the appropriation of funds necessary for enforcement and proper administration of the laws. The result, if successful, will be just as effectual and harmful as if the attack had been made in a more open and direct manner.

No one will openly charge that the Congress did wrong when it passed the law to prohibit child labor, nor when it sought to fix wage and hour standards that would eliminate sweatshop conditions and make more certain and secure continuity of employment. Already the benefits resulting from these laws have been apparent. The future, with the additional benefits yet to accrue, will undoubtedly provide further justification for the enactment of such laws unless curtailment of adequate appropriations to enforce and administer the laws destroys their usefulness.

Failure to provide these funds will be, in effect, to sabotage the laws by making them less effectual. Therefore it is our clear duty to provide adequate funds to make effectual enforcement possible of attainment. To do otherwise is to destroy the worth-while purpose that prompted their enactment and make possible the return of sweatshop wages and hours of employment. I am unwilling to be a party to any movement that would produce any such unworthy result. I deem it to be our duty to advance and not to retreat.

Who would benefit if we cut the appropriation for the enforcement of these labor laws below the Budget figure? Certainly the men, women, and children in whose behalf they were enacted will not benefit. No; for them it would mean a return to the condition from which they were so recently relieved. Would it benefit the employer who has been willing to pay living wages to his workers? No; for him it means that he must again compete with unscrupulous employers who pay only sweatshop wages and demand long hours of service in return. The fact is that no one will gain by cutting these appropriations other than those who have practiced the methods of employment that were outlawed by the laws, the proper enforcement of which is now sought to be destroyed.

We must not overlook the fact that these laws were enacted to meet a situation that was working toward a breaking down of the American standard of living. Low wages resulting from keen competition for work by the millions of unemployed workers had to be checked. The desire to keep body and soul together made it necessary for the unemployed to take any kind of a job, and at any wage, no matter how low, in order to help support themselves and their families. Furthermore, we saw an ever-increasing number of established industries in the Northern States finding it necessary to move into Southern States to meet the competition that had arisen from that section because of its strikingly low wage scale. To stop this trend toward a wage that would not permit a continuance of our boasted American standard of living and to retain industries in the localities where they had long been established required drastic and positive action. Such legislation was not only necessary from the standpoint of the worker, but it was also necessary to protect the reputable employer from the unfair competition of the chiseler in industry.

In view of the necessity for legislation of the character enacted and the worth-while purpose it seeks to serve, it is impossible for me to understand the viewpoint of those who seek to cut the appropriations below the Budget recommendations. The need for economy in our national expenditures is real, but not to the extent of wrecking or seriously interfering with the proper enforcement and administration of laws that protect the worker and reputable employer from the chiseler and sweatshop operator. The benefits that have accrued justify the granting of adequate appropriations for the enforcement of these laws, and, in accordance with these views, I shall vote against the cuts that are sought to be made in these appropriations.

Retirement

EXTENSION OF REMARKS
OF
HON. ROBERT RAMSPECK
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

Mr. RAMSPECK. Mr. Speaker, in the regular session of Congress last year, the House adopted amendments to the Civil Service Retirement Act which I thought would tend to safeguard that act, including an amendment raising the contribution of employees to 5 percent.

When the bill went to conference the amendment increasing the contribution was deleted from the bill, largely because of the opposition of certain groups of employees.

For some time I have been apprehensive that an effort would be made to place the Federal employees under the Social Security Act. It was with that apprehension in mind that I urged an increase in the employee contributions.

It is my belief that some of the employees subject to the civil-service retirement law receive too much for the amount they contribute. Their benefits, in proportion to what they pay, are out of line with the benefits payable under social security, to employees in private business.

The cost to the United States, of the retirement law, as it affects some of the employees, is too great. I believe that to correct this situation would be a friendly act toward the employees, and would prove a safeguard for the Civil Service Retirement Act.

If this situation is not corrected I am afraid the result will be a serious effort to place Federal employees under social security.

Because I believe my colleagues and the employees should have all possible information regarding this matter, I have had prepared a discussion and comparison of the two systems for inclusion with this statement.

Practically all Federal employees who have given the subject a careful study are opposed to the transfer of the civil service retirement system or any of the functions of such

system to the social security retirement system. The reasons for such opposition are, in part, as follows:

First. The civil service retirement system was established exclusively for the civilian employees of the Federal Government and its agencies, and is in fact an inherent part of the Government's personnel policy. The employees, therefore, hold that the administrative control of the retirement system should be vested in the Government's central personnel agency and that all legislation relating thereto should be under the jurisdiction of the Civil Service Committees of the House and the Senate, as these committees consider and formulate the other legislation governing personnel matters.

The social security retirement system was established exclusively for workers in private industry, the law is administered by an agency not charged with the duty of formulating general personnel policies for the Government, and is under the jurisdiction of congressional committees which do not, as a rule, draft legislation relating to personnel matters.

Second. On August 1, 1940, the civil service retirement system will be 20 years old and may be regarded as a "going concern." During these years many amendments have been made toward perfecting the system.

The social security retirement system is new and is still in its experimental stage. That this is true is evidenced by the fact that between the date of the enactment of the original law and the date it became effective for retirement purposes the basic law itself was radically changed. Doubtless, other changes will be made in the future, as the operation of any law shows its defects.

Third. The social-security system includes millions of workers in private industry, with the tenure of employment of many of them of intermittent or of uncertain duration, and with a wage rate so low that only small sums can be contributed for retirement purposes, and as a result the rate of deductions from the pay cannot well be large, nor can the rate of annuity be much above a relief basis.

In the Federal service the tenure of employment is much more stable; the average rate of pay is greater; and the rate of deduction and the rate of annuity can, therefore, be higher. Certain additional benefits are also possible under the Federal system, owing to the greater deductions from the salaries.

Fourth. The civil service retirement system has been wholly free from political pressure from the beginning, both legislatively and administratively. As the employers contribute one-half the cost of the social-security system, and as these employers are distributed throughout the whole country, this system will be subject to more or less political pressure all through the years to come.

Fifth. The establishment of the civil service retirement system was largely due to the activity of Federal employee organizations, after a campaign extending over a long period of years, during which these organizations contributed their time, money, and energy quite freely. The amendments to the law were likewise largely due to this same agency.

Human experience clearly shows that when a small group is absorbed by a very large group, the welfare of the very large group is given the principal consideration, and the welfare of the small group is generally neglected or even ignored. Federal employees, therefore, believe that a consolidation of the social security and the civil service retirement systems would tend to wreck the latter system. Federal employees also believe that the inclusion of any Federal employees or the inclusion of any of the functions of the civil-service-retirement system under the social security retirement system would result in a complete consolidation of these two systems ultimately.

Sixth. Moreover, there is no necessity for the inclusion of any Federal employees under the social-security-retirement system, nor is there any necessity for the transfer of any of the functions of the civil service retirement system to the social-security system; for all the justifiable benefits granted by one system can, by appropriate legislation, be extended to the other system. Plainly, the Government should not compel the employers and workers in private industry to provide benefits for these workers which the Government is unwilling to provide for its own employees. Perfecting the retirement law is only one of the steps in making Government service a career for Federal employees. The civil service retirement system should, therefore, be continued as a separate system, administered by the Civil Service Commission, and with the legislation relating thereto to be under the jurisdiction of the Civil Service Committees of the House and Senate.

A STUDY OF THE SOCIAL SECURITY RETIREMENT SYSTEM

Ever since the social-security law was enacted—April 14, 1935—there has been some agitation for a consolidation, or at least a coordination of the civil service retirement system with the social security retirement system.

The proponents of this combination argue that Federal employees would be greatly benefited by a coordination of the two systems. They maintain that the many thousand employees excluded from benefits under the civil service retirement system and the thousands of other employees now included under the system, but who forfeit their annuitable status when they resign or otherwise leave the service, could be given benefits under the social-security system. They also call attention to the fact that under the social-security system the wives, widows, dependent minors, and dependent parents are entitled to retirement allowances.

If all the provisions of these two retirement systems were comparable there might be a basis for at least coordination; but unfortunately the fundamental provisions of the two systems are so radically different that they cannot possibly be harmonized, and there is little doubt that any coordination of the civil service retirement system with the social security retirement system would ultimately destroy the civil service retirement system, as it would be completely absorbed by the social-security system, which nearly all Federal employees agree would be the supreme disaster to our retirement system.

The statement that the social-security system grants benefits not given by the civil service retirement system, when fully analyzed, is found to be an illusion. It is true there is provision for additional annuity for the wives, widows, minor children, and dependent parents; but the employees themselves pay for these benefits through reduced annuities and forfeited deductions. Single employees suffer the greatest loss. Married employees with comparatively short services and low salaries are most benefited, part of which benefit is paid by the higher salaried employees with long services.

Owing to the differences in the methods of computing the annuities and the other provisions of the two systems it is almost impossible to compare them clearly and accurately. Perhaps the easiest way to show the difference is to take three employees under the purview of the civil service retirement system and retire them under the social-security system; this will at least show the benefits under the latter system.

All retirements under social security are with forfeiture of principal. The dollar-a-month deduction does not apply either, so it is excluded from consideration.

Let us assume that three male employees who have contributed to the fund for 30 years on fixed salaries of $2,100, $2,400, and $3,000 are retired on an annuity with forfeiture of principal. The accumulated deductions of these employees at the end of the 30 years, with the forfeiture annuity purchasable therewith at age 65, and the total annuity payable such employees under the provisions of the civil service retirement system would be as follows:

Salary	Total deductions	Annuity purchasable	Total annuity
$2,100	$4,204.44	$437.97	$1,337.97
$2,400	4,850.78	505.29	1,405.29
$3,000	6,006.35	625.66	1,525.66

Under the social security system the rates are different for a single man and a married man. The table must,

therefore, show the rate for both. The wife of the annuitant when she reaches age 65 receives a supplemental annuity equal to one-half the annuity of her husband. The annuity of these three employees if retired under the social-security system would be as follows:

Salary	Annuity if single	Annuity if married
$2,100	$507	$760.50
$2,400	546	819.00
$3,000	624	936.00

The higher rate does not begin until the wife reaches age 65.

The annuity paid the employees, if unmarried, the amount paid for by the employees themselves, and the amount paid for by the contribution of the employer are as follows:

Salary	Annuity	Paid by employee	Paid by employer
$2,100	$507	$437.97	$69.03
$2,400	546	505.29	40.71
$3,000	624	625.66	None

It will be noted that the deductions of the $3,000 employee more than pay for his entire annuity. This table clearly shows the source of part of the fund used to pay the benefits of the widows and dependents, the employer's contribution is used to pay the annuities of the wives, widows, and dependent relatives.

The survey made by the Civil Service Commission for the board of actuaries, as of June 30, 1930, showed that 54 percent of the employees included under the civil service retirement system had salaries of $2,000 or over, and 51 percent had salaries from $2,000 to $3,000. It is thus apparent that if our retirement system were consolidated with the social-security system, approximately 54 percent of the employees would pay into the fund a sum which would pay the whole cost, nearly the whole cost, or more than the whole cost of their annuities, if they were unmarried and had no dependents.

Nor is this all; under the civil service retirement system, if these three employees should die a few days before they attained age 65, the total amount of the deductions would be paid to their beneficiaries or estate. This would not be the case if these employees were under social security; for, if they had dependents entitled to annuity, the money would remain in the fund as a basis of the annuity for these dependents. If they had no wife or children under 18 years of age, and if their parents were dead, all that would be paid as a death benefit would be six times the monthly rate of annuity. The death benefit would be as follows:

For $2,100 employee	$253.50
For $2,400 employee	273.00
For $3,000 employee	312.00

The rest of the accumulated deductions would forfeit to the social security retirement fund. Obviously, over a period of years a vast sum would thus forfeit to the fund.

Let it be clearly understood that the social-security system is not criticized, condemned, nor held as inadequate for the purpose for which it was created. This system includes millions of workers who are paid low wages and are irregularly employed. The annuity rates established under this system for such workers are really generous. They contribute only small sums to the fund at irregular intervals. What is held to be true is that a retirement system such as the social security would be inadequate and unsatisfactory for a group of workers such as the Federal employees.

Federal employees should assume a realistic attitude toward social security, for its impact on the civil service retirement system is very great; and unless the civil-service system is amended to include the benefits granted under social security, some Federal employees and some of the functions of the civil service retirement system will be brought within the purview of the social security. This will be the entering wedge; the final result will be the complete consolidation of the two systems. Such consolidation will probably occur when the next "economy wave" hits us; and there will be no doubt as to the economy, for the annuity rate of the average employee under the civil service retirement system is markedly greater than the benefit under social security.

The first amendment needed is one which will bring practically all the civilian employees of the Federal Government within the purview of the civil service retirement system, except those who are included under some other retirement systems established by the Government for Federal employees. The enactment of bill H. R. 960 will do this, for all employees brought under the civil service will automatically acquire a retirement status.

The second amendment needed is one which will preserve the annuitable status of the employees who become separated from service before they become eligible for retirement benefits. The social-security law contains such a provision. An amendment establishing a nonforfeitable status after a service of 5 years would accomplish this. Such separated employees would be entitled to a deferred annuity when they reached the prescribed age of retirement, if they left their money in the fund.

The third amendment relates to employees who have received a refund of their accumulated deductions and later get back into service. Such employees can reestablish their annuitable status only by redepositing the refund with interest, which many of them are now unable to do. An amendment permitting these employees to waive the period of service covered by the refund would reestablish their annuitable status.

The fourth amendment needed relates to disability annuitants who recover and are unable to secure a restoration to service. An amendment making such employees eligible for retirement under section 7 of the act would preserve their annuitable status.

Plainly these four amendments to the law would bring all excluded employees within the purview of the civil service retirement system, and also preserve the retirement status of those who become separated from service before reaching retirement age.

The amendment of August 14, 1939, providing for joint and survivorship annuity, provides a larger benefit for the wives and widows of annuitants than the similar benefit under social security.

The social security provides benefits for the widows of deceased workers who die before becoming eligible for retirement benefits, provided they have children under 16 years of age—under 18, if the children are still in school. Such benefit for the widow ceases when the child or children reach age 16 or 18, whichever age applies, but again becomes effective when the widow, if not remarried, reaches age 65.

Here we have quite a problem, as the deductions from the salaries are insufficient to justify an amendment granting this benefit. Even a larger deduction might not cover this expense. It should be clearly understood that whatever widows' benefits are provided they must be paid for by the employees.

However, two amendments appear to be necessary to further protect the widows of deceased employees and deceased annuitants as follows:

First. When the wife is much younger than the husband the joint and survivorship annuity cannot well be used. An amendment which will permit the employee to set aside his accumulated deductions as a death benefit for his wife of beneficiary, and merely use the interest, will give the widows additional protection. For example: Take an employee with an individual credit of $4,000, this sum could be set aside as a death benefit for the wife and be used to purchase her an annuity on the death of the employee.

Second. Under the present law both the Government and the employee contribute to the fund, but if the employee dies in service the Government cancels its contribution and merely returns the employee's contribution with the interest.

Under some retirement systems the widow receives not only the contributions of the employee but also the contributions of the employer, either the whole or a part of it. Under Social Security the employer's contribution is never withdrawn, and is largely used to pay the cost of the retirement benefits of the widow and dependents. It is believed that the present law should be amended to provide that the widow of a deceased employee should be paid, in addition to the employee's accumulated deductions with the interest, a death benefit equal to at least one-half the amount of the employee's accumulated deductions. A reasonable limitation on the amount of such death benefit could be fixed, and the benefit could be paid in monthly installments.

Obviously, the amendments suggested will increase the cost of the retirement system; but all are essential in preventing the transfer of some Federal employees under the social-security system. This added cost and the further additional cost of the other amendments to the law, especially those relating to a lower optional age of retirement, which are so greatly desired by the employees, will materially increase the cost of the retirement system. Plainly, if the employees desire this protection and the additional benefits of the other proposed amendments, they must pay their full and just share of the increased cost; to do otherwise is to assume a predatory attitude.

The danger is not imaginary; it is real. At the last session of the Congress a bill was introduced which, if enacted, would have placed all Federal employees covered by the civil service retirement law partially under the social-security system and a large number of Federal employees wholly within the purview of that system. Studies are being conducted at the present time with some such end in view. Influential groups believe that a consolidation of the two systems is not only feasible but also desirable. If the Federal employees themselves do not act, the groups favoring the consolidation will win out. The issue will probably be decided within a few years. The principal argument now used by the proponents of consolidation is that the Federal employees would greatly benefit thereby. Seemingly, safety lies in securing the suggested amendments, so that no employee would be benefited by a transfer to the social-security system.

The outstanding danger at the present time is the refusal of certain employees to accept an increase in the deductions from the salaries commensurate with the benefits desired. Figuratively speaking, these employees may, unconsciously, be playing with dynamite, for during an economy drive the fact that the employees persistently refused to pay their just and fair share of the cost may be the determining cause for the transfer of the whole system to Social Security.

A COMPARISON OF THE SOCIAL SECURITY AND THE CIVIL SERVICE RETIREMENT SYSTEMS

Question. When were the Civil Service Retirement Act and the Social Security Act approved?

Answer. The Civil Service Retirement Act was approved on May 22, 1920, and the Social Security Act on August 14, 1935.

Question. When did the deductions from the salaries under each act begin?

Answer. The deductions from the salaries for the civil service retirement system began on August 1, 1920, and the deductions for the social-security system on January 1, 1937.

Question. What was the effective date for the commencement of the annuity benefits under each act?

Answer. The annuity benefits under the Civil Service Retirement Act began on August 20, 1920, and under the Social Security Act on January 1, 1940. The original date of commencement under the latter act was Jauary 1, 1942, but the law was amended on August 10, 1939, making the beginning date January 1, 1940.

Question. What is the rate of deduction from the salary of the employee under each act?

Answer. The rate of deduction under the civil service retirement law was 2½ percent of the salary up to July 1, 1926, and 3½ percent of the salary thereafter; the rate of deduction under the Social Security Act is 1 percent of the salary from January 1, 1937, to January 1, 1943. The rate fixed in the original Social Security Act was as follows:

	Percent
1937, 1938, and 1939	1
1940, 1941, and 1942	1½
1943, 1944, and 1945	2
1946, 1947, and 1948	2½
1949 and thereafter	3

Question. What groups of employees, or workers, are included under each retirement system?

Answer. The civil-service retirement covers only the employees of the Federal Government and its agencies, including the employees of the District of Columbia; the social-security system covers only workers in private industry.

Question. Are all the civilian employees of the Federal Government included under the civil service retirement law, and are workers in private industry included under the social-security law?

Answer. No; many thousand civilian employees of the Federal Government are excluded from benefits under all the Government's retirement systems; and millions of workers in private industry are excluded from benefits under the social-security system.

Question. Efforts have been made to bring these excluded Federal employees within the purview of the social security retirement system. Is such inclusion necessary to give these employees annuity benefits?

Answer. No; the enactment of bill H. R. 960 would make possible the bringing of practically all these excluded Federal employees under the purview of the civil service retirement system.

Question. Employees now covered by the civil service retirement system forfeit their annuitable status if they become separated from service before they become eligible for retirement benefits. It has been advocated that the social-security law be extended to cover these employees. Is such extension of the social-security law necessary to give these employees annuity benefits?

Answer. No; all standard life-insurance companies issued paid-up policies to all persons who have carried their policies for a certain number of years and are then unable to continue the payments. In other words, the payment of a certain number of premiums establishes a nonforfeitable status. The social-security law recognizes this life-insurance principle and contains a provision establishing a nonforfeitable status after a definite period of service. By incorporating this nonforfeitable provision in the civil service retirement law, the annuitable status of these "separated employees" would be maintained and when they reached the prescribed retirement age they would become eligible for retirement benefits.

Question. Disability annuitants who recover and are unable to secure a restoration to service also lose their annuitable status. Could the retirement law be amended to preserve their annuitable status?

Answer. Yes; by making these annuitants eligible for retirement benefits under section 7 of the act their annuitable status would be preserved.

Question. Workers in private industry frequently enter the Federal service and Federal employees often leave the Federal service and enter private industry. If such employees establish a nonforfeitable status under both the social security and civil service retirement systems, would they not be entitled to two annuities?

Answer. Yes; and rightly so. Retirement is a form of insurance, and the employees cited would be in the same position as a person carrying two insurance policies, one in one company and the other policy in a different company.

Question. Has this principle of two benefits already been established by the Federal Government?

Answer. Yes; a number of employees are in service who are receiving a pension, a compensation, or a military retirement allowance, and such employees are also entitled to annuity benefits.

Question. Would it be practicable to coordinate these two retirement systems and provide that when an employee from private industry enters the Federal service the amount he has to his credit in the social-security system be withdrawn and placed to his credit in the civil service retirement system, and that such similar transfer be made for the Federal employee leaving Government service and entering private industry?

Answer. No; the rate of annuity under the two systems is not only markedly different, the basis of computing the annuity is also radically different. There is as much difference in these annuity policies as there is in an ordinary life policy and an endowment policy of a life-insurance company. In justice each employee is entitled to the full benefit granted by the system at the time his contributions to the fund were made.

Question. What is the basis of computing the annuity under the social-security system?

Answer. The basis of computation is the average monthly wage during the period that the worker was covered by the system.

Question. At what age does the worker become eligible for retirement benefits under social security?

Answer. The eligible age of retirement under this system is 65 years, but retirement at that age is not mandatory.

Question. Is there a limitation on the average monthly salary used in computing the annuity?

Answer. Yes; the monthly salary, or wage, is limited to $250 a month—$3,000 salary for the year. (No deduction is made on the salary in excess of $3,000 a year.)

Question. What is the formula used in computing the annuity under the social-security system.

Answer. The formula for computing the "primary insurance benefit" is as follows: 40 percent of the first $50 of the salary, plus 10 percent of the balance of the salary (not exceeding $200), plus 1 percent of the amount thus obtained multiplied by the number of years of service.

Question. Does the social security retirement system provide supplemental benefits for the wives, widows, dependent children, and dependent parents of the worker?

Answer. Yes; under certain conditions all these relatives are provided for. The worker's share of the annuity is called the primary annuity and if there be no widow or dependent children or dependent parents, this primary annuity is all that is paid.

Question. What would be the primary annuity after a service of 30 years on fixed salaries of $2,100, $2,400, and $3,000, with the retirement age 65?

Answer. Such primary annuity would be as follows:

Salary	Yearly annuity	Monthly annuity
$2,100	$507	$42.25
$2,400	546	45.50
$3,000	624	52.00

Question. How much supplemental annuity is added for the wife, and when does it begin?

Answer. The supplemental annuity for the wife does not begin until she reaches the age of 65, the amount is one-half the primary annuity; that is one-half the amount paid the worker.

Question. What would be the total benefits, primary and supplemental, based on these salaries, $2,100, $2,400, and $3,000, with 30 years of service, after the wife attained the age of 65 years?

Answer. Such total benefits would be as follows:

Salary	Yearly benefit	Monthly benefit
$2,100	$760.50	$63.38
$2,400	819.00	68.25
$3,000	936.00	78.00

Question. In case the annuitant died after the wife reached the age of 65 years what would her annuity be, based on the three salaries cited?

Answer. The widow's annuity would be three-fourths of the worker's primary annuity, or as follows:

Salary	Yearly benefit	Monthly benefit
$2,100	$380.25	$31.69
$2,400	409.50	34.13
$3,000	468.00	39.00

Question. Were the retirement benefits as given under the provisions of the original social-security law, the act of August 14, 1935, the same as those under the present social-security law?

Answer. No; the "primary insurance benefits" under the original social-security law were materially greater than under the present law.

Question. What were the old monthly rates and what are the present monthly rates, and what would be the monthly loss in annuity for employees with fixed salaries of $2,100, $2,400, and $3,000 after a service of 30 years?

Answer. The old monthly rate, the new monthly rate, and the monthly loss in annuity based on these salaries are shown in the following table:

Salary	Old rate	New rate	Loss
$2,100	$58.75	$42.25	$16.50
$2,400	62.50	45.50	17.00
$3,000	70.00	52.00	18.00

The annual reduction in annuity is $198 for the $2,100 salary, $204 for the $2,400 salary, and $216 for the $3,000 salary.

Question. What was the purpose of this reduction in the rate of annuity?

Answer. Seemingly, the reduction was made to provide a fund for the widows and dependent relatives.

Question. What was the refund paid to the estate of the worker in case he died before becoming eligible for retirement benefits under the provisions of the original social-security law?

Answer. The refund was a sum equal to 3½ percent of the total salary of the worker received by him during the period he was covered by the law.

Question. What amount is refunded to the estate of a deceased employee, or worker, who dies before he becomes eligible for retirement benefits, under the present social-security law?

Answer. If the employee leaves a widow or dependent relative entitled to annuity there is no refund of deductions, as the money is used to pay the supplemental annuity. If the employee left no widow, minor child under 18 years of age, or dependent parent, the refund is a sum equal to six times a primary insurance benefit. This is paid in a lump sum.

Question. What is the amount of this "primary insurance benefit"?

Answer. A sum equal to the monthly rate of annuity paid the worker.

Question. What will be the accumulated deductions on a $3,000 salary at the end of 30 years with the deduction rate at 3½ percent of the salary?

Answer. Approximately $6,006.35.

Question. If this $3,000 employee died at age 64, leaving neither a widow nor minor child under 18 years of age, and both parents were dead, what would become of his $6,006.35?

Answer. In such case the primary insurance benefit under the present social-security law would be the monthly benefit of $52, and the employees' other children or heirs entitled to his estate would receive six times this amount, or $312.

Question. What would become of the balance of the money?

Answer. The balance would forfeit to the social security retirement fund and would largely be used to pay the benefits for the widows and dependent relatives of other workers.

Question. Is it then true that the annuity benefits for the widows and dependent relatives of the worker, paid under the social-security law, are based upon a reduction of the annuity rate paid the worker and a reduction in the rate of refund paid the heirs of a deceased worker?

Answer. Yes; the benefits for the widows and dependents are made possible by a reduction in the benefits paid the workers.

Question. What will the accumulated deductions amount to at the end of 30 years on fixed salaries of $2,100, $2,400, and $3,000, with the deduction rate at 3½ percent and interest at 4 percent compounded annually; and how much annuity with forfeiture of principal will such accumulated deductions purchase a male at age 65, under our system?

Answer. The amount of such deductions and the forfeiture annuity purchasable therewith are as follows:

Salary	Total deductions	Annuity purchasable
$2,100	$4,204.44	$437.97
$2,400	4,850.78	505.29
$3,000	6,006.35	625.66

Poll of Future Voters of America

EXTENSION OF REMARKS
OF
HON. GEORGE W. GILLIE
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

LETTER FROM ORA M. YODER

Mr. GILLIE. Mr. Speaker, one of the significant developments of our modern age has been the surprising rise of public-opinion polls to a place of prominence in our national life. We have the Gallup poll, the Fortune poll, and many other similar polls which purport to reveal the exact sentiments of the American people on such vital issues at neutrality, third terms, the farm program, and so forth.

Although recognizing the fact that the field is fairly well covered, I wish at this time to present the results of a unique and significant poll of my own. It is a limited survey of what the future voters of America think about major questions facing the present Congress.

This poll was conducted for me by Mr. Ora M. Yoder, an enterprising instructor in the Shipshewana School, Lagrange County, Ind., among students in his class in American Government.

This school, in the heart of the Midwest farm belt, is typical of the hundreds of fine schools in rural America which each year are graduating thousands of young citizens of tomorrow.

Mr. Speaker, I herewith present, for the guidance of my colleagues, the results of this poll as described by Instructor Yoder in a letter to me:

SHIPSHEWANA SCHOOL,
Shipshewana, Ind., March 22, 1940.

Mr. GEORGE W. GILLIE,
Room 434, House Office Building, Washington, D. C.

DEAR MR. GILLIE: I have taken up some of the questions you listed on your letter of March 15 with my United States Government class. Some lively discussions followed, and considerable interest was developed about these issues. We spent approximately an hour on each question.

On the question of appropriations for relief, the class agreed by a vote of 9 to 6 (some not voting) that appropriations for relief should be cut, with the following comments: "Many get it who could find other work, especially in rural districts." "It makes people lazy." "Many on relief live better than those who are not on relief." There was one vote for an increase which should come for old-age pensions.

The question on national defense became quite heated but resulted in 15 for same amount, 5 for more, and none for reduction, with the outstanding arguments as follows: "Our defense is adequate." "There is no need for large defense." "Airplanes and equipment soon become obsolete." "Why spend for defense when our large neighbor Canada is friendly?" "If we are neutral, fair, and square in our dealing, other nations will not deliberately sink our ships."

The consensus of opinion on farm legislation was that appropriations should be reduced and farmers be left alone.

Interesting arguments were presented in regard to a new tax bill. They came to the conclusion that if the Government wants to spend more than their receipts, they should pay as they go. Raise the tax because the people will receive the benefit now, and if the expenditures are for worthy causes and the benefits are worth the cost, the people will and should bear the burden now. It is not fair to humanity or to future generations to spend money now and make our children pay for it. The class asks that Government expenses be cut until they equal the income or raise the income, but not to go into debt any deeper.

By a vote of 15 to 4 the class passed a bill that all presidents be allowed to serve only two terms. They said occasionally a good man might run for a third term, but the risk of drifting toward a dictatorship is too great to warrant taking any chance.

We will appreciate any material on current issues and do appreciate letters as of March 15. Hoping you may find this information of some value in making your choices on some of the legislation.

Yours for a better government,

ORA M. YODER,
Teacher of Civics.

Deft Hands and Level Heads

EXTENSION OF REMARKS
OF
HON. CHARLES HAWKS, JR.
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

ADDRESS BY HON. LOUIS JOHNSON

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable Louis Johnson, the Assistant Secretary of War, before the State-wide American Legion meeting at Milwaukee, Wis., March 18, 1940:

Fellow Legionnaires, I return to you today after a lapse of almost 7 years to continue my plea for unity in our ranks, for loyalty to our ideals, and for perseverance in our efforts toward a strong and happy America.

In 1932–33, when I came to you as your national commander, it was a most critical and distressing moment in the history of our organization. Confusion and despair had seeped into the ranks of World War veterans. Seeds of discontent—discontent with our form of government and with our economic system, had been planted in our midst. Thanks to your hearty cooperation, we uprooted those evil influences, cast them aside, carved out a victorious path through the morass of depression and despair, and started along the road toward recovery and happiness.

At that time I learned for myself, as has every national commander in the history of our organization, that Wisconsin Legionnaires are loyal, dependable, energetic, and courageous. You gave me every support in 1932–33. You are standing behind me today in my fight for adequate national defense. I admire you, "iron jaws" of the Thirty-second Division who, in 1917–18, "shot through every line the enemy put before you." You have the capacity, the will, and the power to break down any wall that enemies of America and the American way of life may try to build around you.

As far back as the War between the States, sons of Wisconsin were hailed as "men of iron." Soldiers of the Badger State always go into battle inspired and may they never return vanquished. In the World War, you, my comrades, won the admiration of your friends and elicited the praise of our Allies. The French awarded you the Croix de Guerre with Palm and upon you appropriately conferred the title of "Les Terribles"—the terror-striking men. You, the "iron jaws" of 1917–18, were indeed the worthy successors of the Iron Brigade of 1861–65.

Many of your comrades of the Thirty-second Division paid with their precious lives during the World War ordeal. More than 3,000 of them were killed in action or died from wounds received in battle. No National Guard Division has matched these sacrifices. Today the present members carry on the old traditions; and to signify that they are the descendants of the "Brigade of Iron" the gunners of the One Hundred and Twentieth Field Artillery bear on their shield the reminder, "Catervae Serreae."

In emphasizing the Thirty-second Division, I am not overlooking the other organizations in which men of Wisconsin conducted themselves so gallantly—the Custer Division, or the Eighty-fifth, which upheld the Stars and Stripes in northern Russia and the Rainbow, or the Forty-second Division, which fought in so many sectors on the western front. Then there were the 7,000 replacements, captains and privates of the One Hundred and Twenty-eighth Infantry, who were transferred in March 1918 to the First Division, to share with pre-World War Regulars the brunt of many important battles.

You, in Milwaukee, are familiar with the military accomplishments of your citizens during the World War and we who have occasion to review them, note them with pride and satisfaction. Twenty-one of our Milwaukee comrades were awarded the Distinguished Service Cross. I doubt whether such a record can be equaled in any city of your size. Their heroism was confined neither to rank, race, nor religion. The roll of honor carries not only such names as Douglas MacArthur, the brilliant brigadier general, who later rose to Chief of Staff, and William Mitchell, who led our air forces in France, but also that of Pvt. Elroy Bub and Corp. John Kochanik and Sgt. Albert B. Brown. Most of these D. S. C. men were born in Wisconsin but Kimon Karelis, who came from Greece, and Steve Kubacki from Germany and Vinton Pawel from Russia; they, too, proved of equal worth in combat. Though I have not the time to recall all of their citations, I feel that Vinton Pawel's is worthy of special emphasis. Here was a supply sergeant who properly belonged near the kitchens, behind the lines, who, when the crisis came, went forward into battle and when the officers were killed, personally led the attack. His citation speaks for itself:

"As supply sergeant of his company, he voluntarily and fearlessly led a platoon of his company in an attack on St. Amand Farm at the Soissons-Paris Road, spurring his men on to their objectives under intense machine-gun fire. His company officers having been killed, wounded, or called to higher units, he assumed command of his company, frequently exposing himself to heavy enemy fire during its reorganization and preparation for a renewal of the advance. On July 20–21 he again led his company in the assault, inspiring his men by his utter disregard of personal safety, maintaining constant liaison with his flanks and with his battalion commander, refusing repeatedly to be evacuated, although severely and painfully wounded by shrapnel, until relieved on July 22 by a commissioned officer."

Proud as we are of the exploits of Sergeant Pawel, and the other heroes with and without decoration, you and I sincerely hope that we never again will be called upon to cite men for valor on the field of battle. We do not want war; but who in the world of today would be so bold as to say we may never fight again?

If the call should ever come in our lifetime, I am confident that the present generation will meet its patriotic duty with the same fervor, the same energy, and the same devotion that you, my comrades, displayed in 1917–18. I have full confidence in our youth and in their loyalty to American ideals. And why not? Most of them come from American homes, yes; homes of Legionnaires, if you will, where the ideals of our country are inculcated in the cradle, nurtured through childhood and sustained through adolescence. The young men and young women of America have their feet firmly on the ground. They have level heads to guide them in a crisis. They can be trusted to carry on our cherished traditions. There are, to be sure, some who have drifted away from our concepts and have been won over to alien doctrines, but they represent an infinitesimal fraction of the cross section of American youth; and, many of them, too, will return to the fold when their adolescence ripens to full maturity. We had some of their prototype in our own generation before 1917–18. You remember them, I am sure, but when the test came most of them stood with us, shoulder to shoulder. I therefore have no misgivings as to the loyalty of the great body of youth of our country.

But I do have some doubts about their ability to meet the requirements of modern combat. The modern soldier must be not only a disciplined fighter but a skilled mechanic. He must have a firm grasp of the powers and the capabilities of his weapons, as well as the strength and the courage to use them efficiently and intelligently. Guns, tanks, planes, and the other numerous battle accessories today call for craftsmen skilled in handling machines, as well as fighters bred in discipline. Any ordinary chauffeur can drive a car, but the pilot of a heavy tank who must traverse varied terrain, climb over steep hills, drive through thick forests, wade across deep gullies, and speed across wide open fields while planes from above and artillery from the flank shower him with a deadly spray, must indeed be a mechanic in arms.

This is only one side of the demand for skill. Behind our planes, our tanks, our trucks, and all of our modern, delicate engines of war is the manual dexterity of our industrial mechanic. For

the production of our war equipment and our munitions in our civilian factories we must look to deft hands. Where and how are we going to obtain this skill?

In an article in our own American Legion magazine of November 1939 entitled "Geared to Go," I pointed out the need for vocational training in our high schools as an excellent means of meeting threatened deficiencies in skilled labor. As always, American Legion comrades responded.

Here, in the city of Milwaukee, you have done an admirable job in developing skilled labor. You were one of the first communities in this country to appreciate the need for and the value of public vocational education.

This civic enterprise has brought your community many industrial advantages; and the Milwaukee Vocational School has grown with its added responsibilities. I have no hesitation whatever in saying to you that we, who are interested in vocational training of our youth, regard the Milwaukee Vocational School as one of the best in the world. It affords educational opportunities for those who wish to improve themselves while working, for those who much re-educate themselves vocationally because of the disappearance of their craft, for those who enter into apprenticeship, and for the boys who wish to prepare themselves for a job prior to entering industry. All courses of instruction in this institution are arranged with the consent and advice of the faculty and based upon their intimate knowledge of the industry of the city in which the students live and where they must be employed.

I cannot dismiss the subject of vocational training without paying my respects to Dr. R. L. Cooley, director of the Milwaukee Vocational School, who recently resigned his office because of ill health. Dr. Cooley has a national reputation as one of the leaders of vocational education throughout the United States. You, in Milwaukee, have appreciated his value in time of peace. We, in the War Department, called upon him during the World War as the adviser on educational work in the Motor Transport Corps. The spirit that he injected into the Milwaukee Vocational School is expressed in motto after motto that leaders of educational training throughout the country have adopted. Here are a few of his well-known sayings, familiar perhaps to 400,000 of you who had the privilege of attending his school:

"The teacher has not taught until the student has learned.

"I would rather improve a fellow's attitude than his arithmetic.

"Ignorance is not a cure for anything.

"If you begin to build badly at the bottom, you've got to take what you are going to get at the top.

"Human junk is so expensive we must quit making it."

Important as is the public vocational program as a means of developing the deftness of the hands of our young men, there are other important ways of increasing the reservoir of skilled labor in America. Let me mention a few.

Manufacturing establishments can give formal apprenticeship courses in accordance with the minimum standards adopted by the Federal Committee of Apprentice Training.

Industry can provide on-the-job training supplemented by training extension courses in related subjects in public vocational schools for employed semiskilled labor to increase its usefulness.

We can train skilled craftsmen to become supervisors and leaders. State vocational educational systems can be of help in providing trained foremen, conference leaders, and instructors for teacher-training courses. Technical men and young college graduates can be developed to design and produce the machinery that the modern age demands.

Most important of all, we must bring back to our youth the spirit of the dignity of labor. In the days of our pioneers, men boasted of their dexterity. They took a keen delight in their handiwork and found happiness and diversion in their manual skill. They shod their own horses and wrought their own wagons. They wove their own cloth and built their own homes. They took pride in their artisans. They respected their craftsmen. Every member of society, even among those who entered the professions learned to use his hands. There was a dignity to labor which gave it a worthy rank in the life of the American pioneer.

Later generations maintained this attitude. They developed for America a seemingly inexhaustible supply of skilled workers, who made possible our industrial supremacy and created our unparalleled prosperity.

Today, however, the specter of an actual shortage of skilled labor in certain crafts and occupations has appeared. That situation we must correct. I have outlined for you a number of projects which, properly developed, can return labor to its old dignity. The deft hands and level heads of the youth of America must be mobilized to retain for us and for our children the high pinnacle of success and happiness that we now enjoy.

The future of America, in peace and in war, rests largely upon the courage, the character, the discipline, the poise, and the balance of the young men and young women of America. Their lives, their jobs, their careers, and their attitude toward our institutions depend on the training we give them today. We must win in them a desire to adhere to the ideals of courage, of perseverance, of tolerance, of liberty, and to the dignity of labor.

Skilled in hand, brave in heart, and strong in mind, let us all move forward to a happy and united America, with you, Wisconsin Legionnaires, in the vanguard of our progress.

And finally, my comrades of the American Legion—you who since the days of 1917–18 have preached the gospel of a sound national preparedness—may I urge you to continue your efforts for a sound policy of adequate national defense. It is the most certain road toward peace. And when I speak of preparedness, I refer, not only to the sinews of battle—money, men, and munitions—but to the thoughts, the attitudes, and the aspirations of our people. Peace is a spiritual desire. It comes, not from the ability to use force for aggression but to fall back upon it for protection.

We must have a combination of the power of self-defense and a policy of peaceful arrangement of our affairs.

We want peace in America so that our children may enjoy the privelege of play and recreation, our young men the opportunity for self-expression, and our mature men and women the assurance of contentment and security. Toward these objectives we should eternally strive. Let us keep our country free from the scourges of war which are destroying the Old World. Let us make of America an abiding place for the civilization of the world—a land of peace and prosperity.

Federal Revenue Collections and Expenditures in Missouri

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. ANDERSON of Missouri. Mr. Speaker, in these days when many of the States of this Union look to the Federal Government for aid and assistance in matters that should always remain the exclusive concern of the States themselves, it is well to look about us to see if there remain any of the States which recognize the obligations of their sovereignty. I have the great honor to represent one such State—Missouri.

Although the Federal Government has spent $639,969,502 in the State of Missouri for various activities from March 1933 to June 1939 and $32,000,000 for recovery and relief in the 7 months to February 1, 1940, Missouri can still claim the distinction of being the only State west of the Mississippi, with the single exception of California, that pays into the Federal Treasury more than it takes out.

Internal revenue collections from the State of Missouri from March 1933 to December 1939 amounted to more than $669,000,000. In addition to this sum there were other amounts paid by Missouri firms and individuals in the form of customs duties which are difficult to segregate, since Missouri is not separately listed as a customs-collecting district.

Although Federal revenue collections from Missouri exceeded Federal expenditures in Missouri by millions of dollars, the situation in the neighboring State of Kansas was quite the opposite. During this same 7-year period the Federal Government was spending $444,106,786 in Kansas and collecting in revenue only $136,625,326.

In Illinois the Federal Government collected $2,394,890,811 in revenue and spent only $1,308,374,980.

Following is an illustration of how the money was spent in Missouri and what it was spent for. During the period from March 4, 1933, to June 30, 1939, the Federal Government's expenditures in Missouri can be listed as follows:

Agricultural Adjustment Administration	$96,626,968
Farm Security Administration	7,052,518
Civil Works Administration	19,266,118
Civilian Conservation Corps	48,541,500
Bureau of Public Roads	44,001,366
Public Works Administration	58,828,509
Work Projects Administration	196,246,925
Social Security Act	22,866,022
Public buildings (Treasury)	9,891,990
Soil conservation	458,474
Land-utilization program	3,959
Agriculture experimental stations	157,347
Agriculture extension work	579,040
Agricultural and mechanical arts	114,385
Forest funds	16,094
Forest Service roads	81,816
Rivers, harbors, flood control	9,836,203
Vocational education	578,238

United States Employment Service	$667,884
State Home for Sailors and Soldiers	6,387
Federal Surplus Commodities Corporation	3,460,857
National Guard	1,200,272
Veterans' Administration	16,170,367
Various miscellaneous projects	20,416,848
Total expenditures on cash basis	629,969,502

The item on the Surplus Commodities Corporation is on a cash-value basis. The item in regard to the Veterans' Administration is for the fiscal year 1939 only.

FEDERAL LOANS CLOSED IN MISSOURI

In addition to the cash expenditures of the Federal Government in Missouri just mentioned, Federal loans in the amount of $267,651,891 were closed during the same 7-year period, as follows:

Reconstruction Finance Corporation	$63,644,759
Farm Credit Administration	79,830,470
Commodity Credit Corporation	19,555,799
Farm Security Administration	13,133,229
Farm Tenant Purchase Act (1939 only)	807,183
Rural Electrification Administration	2,947,629
Public Works Administration loans	8,736,005
Home Owners Loan Corporation and Treasury, 1939	41,000
Home Owners Loan Corporation	75,521,175
Disaster Loan Corporation	66,983
Federal Reserve Board	3,417,659
Total Missouri loans to June 30, 1939	267,651,891

During this same period the Federal Government insured loans in Missouri in the amount of $18,170,590 under the Federal housing program, title I, and $49,507,197 under the Federal Housing Act, title II, the total amount thus insured being $67,677,787.

With the expenditures for veterans not included for the fiscal year of 1939, the grand total under the headings of "Grants," "Loans closed," and "Loans insured," for Missouri in the period from March 4, 1933, to June 30, 1939, amounts to $965,299,180.

Thus, we can examine the record and see that Missouri has been the recipient of vast sums of money under the Federal program. And yet our State has put into the Federal Treasury a greater amount, giving Missouri the distinction of being the only State west of the Mississippi with the single exception of California that pays into the Federal Treasury an amount which is greater than the amount spent by the Federal Government in the State.

Employee Earnings Under Old-Age and Survivors' Insurance Program

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. SHEPPARD. Mr. Speaker, for information of the Members I wish to discuss the status of records of employee earnings under the old-age and survivors' insurance program which is under consideration in this bill.

Benefits under the old-age and survivors' insurance program are based upon the worker's previous earnings in covered employment. The worker, when employed, pays his pay-roll tax contributions upon these earnings; simultaneously, his employer pays a similar tax on his total pay roll. Both in the collection of the pay-roll tax contributions, and subsequently when the worker dies or retires, in calculating the benefits due to him or to his survivors, a record of his earnings is essential. This record of each insured worker's earnings is built up from the employer's tax returns. Each quarter—four times a year—each employer covered by the Federal Insurance Contributions Act is required to submit a return giving the name, identifying account number, and wages earned by each of his employees (see Exhibit A, Form SS–1a). These returns are forwarded, along with the taxes due, to the local collector of internal revenue. The collector separates the tax payments from the return and then forwards the information relative to the earnings of each individual employee to the Bureau of Old-Age and Survivors Insurance of the Social Security Board. This Bureau, upon receiving these employer's returns, with the aid of the most modern mechanical accounting equipment, transfers this data relative to each employee's earnings to his or her individual insurance account.

It was to be expected that employers would, at the start, experience some difficulty in accurately reporting employees' wages. This situation has now been corrected to such an extent that employers' reports are, for the most part, wholly adequate for properly maintaining the employee wage records. For example, employers reported about 10 percent of all employee wage items in 1937 without the essential identifying account numbers. In 1938, the proportion of items incompletely reported (i. e., without account numbers) was reduced to 3.53 percent; and in 1939, to 2.47 percent. Simultaneously, the number of items reported by employers with misspelled names, or transposed digits in the account number, has been reduced. This improvement in employer reporting now permits the identification of all but a relatively small number of items currently as they are received.

The so-called John Doe cards are employee wage items that are recorded on alphabetically filed cards (exhibit B) and posted to employer ledgers (exhibit C), rather than to individual employee ledgers. They have not been posted to the employee-ledger accounts because employers have made incomplete or inaccurate reports of the employee's name or identifying account number. These items have been reported either without correct account numbers, or names, or with such omissions, misspellings, or transpositions as to prevent their immediate posting to the employee accounts.

When there is an inaccuracy in recording a worker's social security account number on the employer's report, or when the number is lacking entirely, the matter is immediately taken up with the employer who reported the employee's earnings. Such a situation may arise because a worker fails to give his number to his employer, because of the illegibility of the name reported, because the employee without the knowledge of the Board works under a name different from that shown on his account number card, or because there has been a mistake in the reporting of the account number or of the name.

The suspension of any item, pending complete identification, does not permanently jeopardize the employee's chance of getting the full amount of his benefits. These suspended items are posted to alphabetically filed cards and to employer ledgers and, hence, are always available for reference when any employee's claim is filed, or when he inquires as to the status of his insurance account. Many of these items are being posted to the individual employee accounts daily as the result of their reference to the Board's files, and the reference of these items to the reporting employers for correction or completion.

The Social Security Board has repeatedly invited employees to inquire as to the status of their respective old-age insurance accounts. To date, more than 300,000 such inquiries have been received and promptly answered. The answers to these thousands of employee inquiries demonstrate to those employees who have inquired the substantial accuracy and completeness of these records. The Board is continuing, through the press, through posters, through placards in streetcars, and through radio statements, to invite employees to inquire as to the status of their accounts in order to insure that the doubts engendered by inaccurate publicity are allayed. Furthermore, on the basis of these wage records, the Board has already paid more than $27,000,000 in claims, without challenge. No individual has yet indicated that he has been deprived of benefits or received smaller benefits than he was entitled to because of inaccurate records of employee earnings.

During the calendar years 1937 and 1938, employers reported earnings for their employees of $55,089,827,754. As of March 1, 1940, $390,563,200 in wages were still in suspense.

In short, only 0.71 percent, or less than three-quarters of 1 cent of each dollar of wages reported by all employers, remain in suspense. Moreover, since the identification of these items is a continuing process, this small proportion is being steadily reduced.

The employee wage items reported by employers for 1939 have not as yet been completely processed. The fourth-quarter tax returns were not due until February 1. However, sufficient work has been accomplished so that substantial samples are available. These show that of the wage items reported for 1939, the proportion of incompletely and incorrectly reported wage items is running substantially below that for previous years, with corresponding improvement in our records.

With respect to costs, the efficiency of the wage-record system maintained by the Bureau of Old-Age and Survivors Insurance is demonstrated by the fact that the cost at no time has exceeded 20 cents per annum per employee account. Moreover, this cost is being steadily reduced. During the fiscal year 1940, it is estimated, the cost of maintaining these employee earnings accounts will approximate 18 cents per annum per account. The over-all efficiency of the Bureau of Old-Age and Survivors Insurance is demonstrated by the fact that, while the experts who assisted in the development of the old-age insurance system estimated the annual cost of administration would exceed 8 percent of the annual pay-roll tax collections, the actual cost to the Federal Government for the operation of the Bureau of Old-Age and Survivors Insurance and all other expenses of any agency of the Federal Government participating in the administration of this program has been less than 5 percent.

"Equal Justice Under Law"

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. HOFFMAN. Mr. Speaker, "Equal Justice Under Law" is the legend inscribed in marble over the portal of the home of the Supreme Court of the United States, which for more than a hundred years has been the faithful guardian of the poor and the oppressed, as well as the protector of the rights of the prosperous, the wealthy.

Unfortunately, apparently yielding to the implied threat carried in the tricky scheme to destroy its integrity by adding subservient Justices, recent decisions of the Court have indicated that it is disposed to shirk its responsibility as the protector of the rights guaranteed in the Bill of Rights and our Constitution, and to uphold the enactments of Congress, no matter how unjust or contrary to the provisions of our Constitution those laws may be.

This change in the attitude of our Supreme Court renders it all the more necessary that the people send to Congress only those Representatives who possess the desire, the intelligence, and the courage to withstand the demands of special groups; to resist the attempts to change our form of government; and to preserve for those who come after Lincoln's government of the people, by the people, and for the people; a government not of men but of law, and under which all may receive equal justice under law.

That in recent years a determined and all too successful effort has been made to destroy our form of government cannot be denied by those who have knowledge of the facts.

If the words and the acts of the present administration be traced and the results be weighed against the background of our history and our constitutional liberties, it will be found that, instead of a skillful weaving into the protective mantle of our Constitution of new, brightly colored and strengthening strands of improved procedure to preserve the whole, it has been attempting to supplant the homespun cloak which has protected us for, lo, these many years, with another, an outworn and shoddy robe worn by the dictators and which gives no protection to the common people from either the chilling blasts of nazi-ism or the consuming fires of communism; from the acts of a Hitler or the firing squads of a Stalin.

The charge is here deliberately made that this administration has followed a course:

(a) Which will bring national bankruptcy.

(b) Which has contributed to the causes of unemployment.

(c) Which has (1) worked injustice to employers; (2) deprived them of free speech and a free press.

(d) Which has (1) interfered with the right of employees to work; (2) prevented them from bargaining collectively through representatives of their own choosing.

(e) Which has deprived both employee and employer of (1) the constitutional right to due process of law, including the right to be confronted by the witnesses who give evidence against him; (2) the right of cross-examination; (3) a fair and impartial trial.

(f) And which tends to overthrow our form of government and create a dictatorship.

A DRIVE INTO NATIONAL BANKRUPTCY

The President, knowing the result of his actions, is intentionally following a course which he said would lead our Nation into national bankruptcy.

The purpose of the President's advisers, to whom he has apparently yielded, was clearly stated in 1934 by that distinguished student and accurate observer of national affairs, Bainbridge Colby, Wilson's Secretary of State, when he made the statement:

> It is openly charged, and indeed admitted, that a substantial number of the President's immediate advisers are not desirous of business revival, feeling that to prolong the depression will produce a better psychological background for the prosecution of their revolutionary designs. The overturn of our institutions, including the Constitution, is their avowed goal.

The President knew the nature of our national illness. He knew the danger of excessive spending, of deficit borrowing. He was aware of the remedy. He asked the privilege of administering it.

Let me quote his words:

On September 9, 1931, at Syracuse, N. Y.:

> We don't know what the future holds for us. This depression is today's problem. * * * I think most of us are agreed, too, that we cannot and must not borrow against the future to meet it.

On July 30, 1932, at Albany, N. Y.:

> Let us have the courage to stop borrowing to meet continuing deficits.
>
> * * * * * * * *
>
> Revenues must cover expenditures by one means or another. Any government, like any family, can for a year spend a little more than it earns. But you and I know that a continuation of that habit means the poorhouse.

Speaking of the Nation, in October of 1932, at Pittsburgh, Candidate Roosevelt said:

> If, in some crisis, it lives beyond its income for a year or two, it can usually borrow temporarily on reasonable terms.
>
> But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay and continues to pile up deficits, it is on the road to bankruptcy.

Again, on March 10, 1933, in his message to Congress, he said:

> Too often in recent history liberal governments have been wrecked on rocks of loose fiscal policy. We must avoid this danger.

On September 29, 1932, at Sioux City, Iowa, Candidate Roosevelt had said:

> I accuse the present administration of being the greatest spending administration in peacetimes in all our history—one which has piled bureau on bureau, commission on commission, and has failed to anticipate the dire needs or reduced earning power of the people. Bureaus and bureaucrats have been retained at the expense of the taxpayer.
>
> On my part, I ask you to assign to me the task of reducing the annual operating expenses of the National Government.

In his message to Congress on March 10, 1933, he said:

> With the utmost seriousness, I point out to the Congress the profound effect of this fact [that there had been deficits in the

Hoover administration] upon our national economy. It has contributed to the recent collapse of our banking structure. It has accentuated the stagnation of the economic life of our people. It has added to the ranks of the unemployed. Our Government's house is not in order and for many reasons no effective action has been taken to restore it to order.

We must move with a direct and resolute purpose now. The Members of the Congress and I are pledged to immediate economy.

I am therefore assuming that you and I are in complete agreement as to the urgent necessity, and my constitutional duty is to advise you as to the methods for obtaining drastic retrenchment at this time.

I am not speaking to you in general terms. I am pointing out a definite road.

Prior to that time, on the 19th day of October 1932, at Pittsburgh, he said:

I regard reduction in Federal spending as one of the most important issues of this campaign. In my opinion, it is the most direct and effective contribution that Government can make to business.

In 1932 he also said:

It is my pledge and promise that this dangerous kind of financing shall be stopped and that rigid governmental economy shall be forced by a stern and unremitting administration policy of living within our income.

Aware of the nature of our illness, knowing the remedy, having promised to apply it, Franklin Delano Roosevelt broke faith with the people of this country, repudiated his party platform, deliberately entered upon, and has consistently followed, a program of wasteful spending of borrowed money, and has recklessly followed the course of borrowing against the future to meet present-day needs, after having told us that such a course would send us as a Nation to the poorhouse and into national bankruptcy.

"Wherefore by their fruits ye shall know them." By his acts must the President be judged.

Having told us in 1932 that continuing deficits would bankrupt us, that our only remedy was to live within our income, that the only way by which we could safely accomplish that was to reduce Government employees, Government bureaus, Federal expenditures, he will have deliberately and with his eyes open, at the end of his second term, by more than $5,000,000,000, doubled our national debt.

National bankruptcy, which his policy is bound to bring about, will inevitably be followed by the bankruptcy of millions of individuals, of thousands of corporations. Individual and national bankruptcy means suffering and privation—an ideal background for the overthrow of an existing government; the establishment of a dictatorship.

THE ADMINISTRATION HAS CONTRIBUTED TO THE CAUSES OF UNEMPLOYMENT

The President advised us that the spending by the Federal Government of borrowed money was "a brake on any return to normal business activity;" that it "added to the ranks of the unemployed," and his own deficit spending during the past 7 years has demonstrated the truthfulness of his contention, for unemployment has not been solved.

On the contrary, in spite of the millions who have been given jobs through the expenditure of Federal funds, we are now told that the unemployed number somewhere between nine and thirteen million.

THE ADMINISTRATION'S COURSE HAS WORKED INJUSTICE TO EMPLOYERS—DEPRIVED THEM OF FREE SPEECH AND A FREE PRESS

The National Labor Relations Act

The purpose of the National Labor Relations Act was to lessen the causes of industrial disputes affecting interstate and foreign commerce. Every law, to justify its existence, must apply equally to all those who come under its operation.

The national labor relations law prescribes many acts which, if done by employers, are declared to be unfair labor practices. It in no way prohibits or punishes as unfair labor practices acts of employees which injure or destroy the business of the employer. It does not compel the employees to bargain collectively at the request of the employer, but it punishes the employer if he refuses to bargain collectively with the representatives of the employees.

Under the act as construed employees or representatives of employees may destroy the business of the employer by mass picketing. They may break up his machinery. They may wreck his buildings. They may assault and beat up loyal employees, members of the office force, the employer himself. Yet the act, designed to promote industrial peace, provides no punishment for the employees or their representatives who do these things; it gives no remedy to the employer who has been injured.

Under the act, as construed by the National Labor Relations Board, the employee or the union organizer may make, publish, and circulate untrue, degrading, and vicious statements as to the employer's motives or acts. The employer may be falsely charged with the most reprehensible and disgraceful conduct; with being greedy, avaricious, cruel, unpatriotic. Yet, under this act, brought into existence to promote industrial peace, he is without remedy.

On the other hand, the employer is guilty of an unfair labor practice if he truthfully informs his employees who have no desire to join a union that those who are attempting to organize them are Communists, convicted criminals.

The employer is guilty of an unfair labor practice if, while a union is attempting to organize his employees, he voluntarily increases their wages.

He is guilty of an unfair labor practice if he advises his men that they need not pay, either to obtain or to hold a job with him. Such was the basis of the decision of the Board holding Henry Ford guilty of a violation of the act.

Although the relationship of employee and employer has existed for years and the relationship has always been pleasant, the employer may not either talk or write to his employees about working conditions, even though the bargaining agency misrepresents, untruthfully states his position. Nor may he post notices on his bulletin board stating that he is willing to make certain concessions after the bargaining agent of the employees has refused to agree to his proposal.

The bargaining agent may make a demand. That demand may be unreasonable. It may be excessive. The employer may be willing to make certain concessions. Yet, under the law as interpreted and administered by the Board, if the employer attempts, either verbally, by letter, or through the posting of bulletins, to make known his position to his own employees, to advise them of the concessions which he is willing to make, he is guilty of an unfair labor practice.

Although the employer may bargain with the utmost good faith, if the negotiations have reached the point where he can make no more concessions, and the bargaining agency makes a demand, under the ruling of the Board the employer is guilty of an unfair labor practice if he does not make a counter-proposal.

This ruling means, not that the employer must bargain collectively. It goes further than that. It means that he must make concessions, whatever be the demand of the bargaining representative.

The National Labor Relations Board has held that it is an unfair labor practice for an employer to discharge leaders in a strike who had brought about mass picketing, barred the entrance to the employer's premises, stopped all trucks even though they were on emergency business, and required all orders to be put through a telephone office on the picket line.

After the Court in the Fansteel case held that employees and strike leaders who had destroyed property need not be reinstated with back pay, the Board held, and a court upheld that decision, that other employees who had destroyed property of a lesser value than $300, or who had only beaten up fellow workers or company officials just a little, were to be taken back and reimbursed for lost time.

Keep in mind that I do not state that the foregoing Board decisions are decisions which will ultimately be upheld by our courts. My charge is that they are decisions of the National Labor Relations Board, which has maladministered an unfair act.

Where an employer refused, because of their union activities, to take on two applicants for jobs, neither of whom had ever been employed by him, the Board ordered him to give them jobs and to reimburse them for the time lost from the

day they made application until the time they were given work.

There is another law which has enabled labor racketeers to take advantage not only of employers, but of employees as well. I refer to the Norris-LaGuardia Act, which prohibits the issuing of injunctions restraining strikers, except in certain cases.

This act provides, among other things, that an injunction shall not be issued where there is a labor dispute, unless the employer can establish, among other things, the fact that the local authorities either will not or cannot give protection. Under this act, the courts have defined a labor dispute to include a controversy between an employer and those who never were employees.

As an illustration: In Washington, the New Negro Alliance picketed the place of a grocery company, demanding that the grocery company employ more Negroes as clerks. The employer refused and when he sought the protection of the courts, he was met with the decision of the court to the effect that, although none of those demanding employment, although no member of the New Negro Alliance, had ever been employed in his place of business, nevertheless, because he refused to hire them, a labor dispute existed and therefore he was without remedy, unless he could show that the civil authorities had refused to give him protection or could not give him protection.

There are other cases which hold that, although none of the employees belong to a union which is seeking membership in that plant or store, nevertheless, if a union demands that the employees join its ranks, pay initiation fees, dues, and special assessments and become members, a labor dispute is created, and picketing cannot be prohibited.

The result is well illustrated by at least two cases in the Nation's Capital. On E Street, one establishment employed for an interior decorating job a member of one union. Another union picketed the store, although the wages paid were union wages. In retaliation, pickets from the union of the painter who was doing the decorating picketed another job farther down the street where the construction work was being done by members of the second union. A few days later, another incident of the same kind occurred.

Could anything be more absurd, more ridiculous, more unfair? In both of these instances, the employer was in no way at fault. He hired union workmen; he paid union wages. Yet he had his place of business picketed by members of a rival union.

On such a theory, no employer would be free from having his customers annoyed, his business destroyed, by a union where a rival was awarded the job.

The construction given to a labor dispute by the Norris-LaGuardia Act has been adopted by the Board and by the courts when construing the same term contained in the National Labor Relations Act.

To the same effect is the case of Fur Workers Union against H. Zirkin & Sons, Inc., where the Circuit Court of Appeals of the District of Columbia held (and the decision was affirmed by the United States Supreme Court) that two C. I. O. employees—the total employees numbering 11—were justified, as a matter of law, in calling to their assistance outside sympathizers who had never worked in the Zirkin place of business, in order to effectively throw a picket line around the place of employment and so prevent a majority of the employees from going to their work.

THE POLICY OF THE ADMINISTRATION HAS INTERFERED WITH THE RIGHT OF EMPLOYEES TO WORK AND PREVENTED THEM FROM BARGAINING COLLECTIVELY THROUGH REPRESENTATIVES OF THEIR OWN CHOOSING

The President, by supporting John L. Lewis, whose organization contributed $470,000 to the New Deal campaign fund, in his organizing campaigns, in his sit-down strikes and through the activities of the National Labor Relations Board, which the President appointed and for which he is responsible, has deprived employees of the right to work until they have signed on the dotted line, paid the initiation fees and dues demanded by John L. Lewis.

This situation is so well known that it is unnecessary to cite more than one specific case—the sit-down strikes in Michigan, which began in Flint, Mich., on the last day of December 1936, and continued for 44 days; the Chrysler strikes at Detroit, Mich., which ran for 54 days, and the purpose of which was to force a closed shop and the check-off upon General Motors and Chrysler.

When comes the day in America that the head of the family cannot go to his daily task without paying tribute to a union organizer, or, for that matter, to any person, for the privilege of exercising his right to work, to earn a livelihood for himself and his family, then has arrived the day when men are no longer free, when America is no longer the land of opportunity.

"Equal justice under law?"

The President, John L. Lewis, and the Communists in his wake have made a mockery of that legend. There was a time in the history of our country when the black man worked when and where and at the task provided by the white man. Thank God, that time has gone. To bring about the end of that practice, millions of dollars were spent and hundreds of thousands of lives were lost and a whole section of our country was laid waste.

Today, in another form, Lewis seeks to force every man who labors to come to him or his representatives for the privilege of working and to pay for that privilege a fee fixed by the International Council of the C. I. O.

To prove that the right given employees by section 7 of the N. L. R. A., that is, the right to bargain collectively through representatives of their own choosing, is denied them, we need but call attention to the rulings of the Board in the Longshoremen's case on the west coast and to the cases affecting the bituminous-coal miners.

In the Longshoremen's case, decided by the Circuit Court of Appeals of the District of Columbia and affirmed by the United States Supreme Court, it was held that, under the act, in those cities on the west coast where the majority of the employees in any plant or city belonged to the A. F. of L., they must give up their membership in that organization and either join the C. I. O. or lose their jobs. This because, in the whole territory, the C. I. O. was in the majority.

The same result was reached in the bituminous-coal industry, where the miners were told that, if they wanted to mine coal, they should join the United Mine Workers.

A similar result followed in the plants of the Pittsburgh Glass Co., where, in Crystal City and Festus, Mo., some 1,700 workers, who had their own independent union, were ordered by the Board to bargain through C. I. O. representatives.

BY SPONSORING AND SUPPORTING THE BOARD IN ITS INTERPRETATION AND ADMINISTRATION OF THE N. L. R. A., THE ADMINISTRATION HAS DEPRIVED BOTH EMPLOYEE AND EMPLOYER OF THE CONSTITUTIONAL RIGHT TO DUE PROCESS OF LAW, INCLUDING THE RIGHT TO BE CONFRONTED BY THE WITNESSES WHO GIVE EVIDENCE AGAINST THEM

The due process of law which is guaranteed to every citizen by our Constitution has been interpreted to mean the right of the accused to be confronted by the witnesses who appear against him, the right to cross-examine those witnesses, and the right to a fair and impartial trial by unbiased, unprejudiced jurors or judges.

The hearings before the Smith investigating committee disclose, among other things, the following violations of this constitutional right.

From the files of the Board, it appears that investigating and reviewing attorneys, wholly without industrial or judicial experience; biased and prejudiced against employers, against capital, against the profit system, have made investigations and sat in cases where employers were charged with unfair labor practices.

These investigating and reviewing attorneys have, on occasion, made investigations of their own, of which the accused was wholly unaware, and they have used that information, so surreptitiously obtained, against the employer.

Reviewing attorneys have not only in some cases considered thousands of pages of typewritten testimony which was in the record, but have had information submitted to them which was outside the record, and these reviewing attorneys have then gone before the Board and orally expressed their conclusions as to what the evidence showed.

Upon those oral conclusions so expressed, the Board has indicated what the decision should be and, at times, the reviewing attorney has prepared that decision, submitted it to the Board and, upon approval, it became the decision of the Board.

Under the law, when the accused employer appealed from that decision to the circuit court of appeals, he was confronted by that provision of the N. L. R. A. which provided that the decision of the Board, if sustained by evidence, should be conclusive. And, upon appeal to the United States Supreme Court, the same provision held.

So that, in the end, we have a decision of the United States Supreme Court based upon a decision of the circuit court of appeals, which is based upon a decision of the Board, which, in effect, is the decision of the reviewing attorney, without judicial or industrial experience and all too often entertaining a prejudiced opinion of the employer.

In at least two cases circuit courts of appeal have held that, while decisions of the Board could not be based wholly upon hearsay evidence or rumor, hearsay was admissible, for, under the law, the Board is not bound by the strict rules of evidence.

Although the National Labor Relations Act expressly states—section 4 (a)—

> Nothing in this act shall be construed to authorize the Board to appoint individuals for the purpose of conciliation or mediation (or for statistical work), where such service may be obtained from the Department of Labor—

The Board has established what it is pleased to call an Economic Division. At the head of this Division it has been pleased to put one David Saposs, born in Russia, a man thoroughly saturated with communistic ideas; a man, who, according to the testimony taken before the Smith committee—see page 70 of the hearings of February 14, 1940—was a member of the Conference for Progressive Labor Action.

The preamble to the constitution of that organization, referring to the American profit system, stated that:

> Planless, profiteering, war-provoking, imperialistic capitalism must be abolished. It cannot be reformed. * * * We must have a workers' republic and a planned economic order under which the masses will labor to create plenty, security, leisure, and freedom for themselves, not profits, privilege, and arbitrary power for a few.
>
> The job of abolishing capitalism and building a new social order must be done by the workers. * * * We, the workers, must provide the revolutionary will, the courage, and the intelligence for the task.

In another article, entitled "The Role of the Middle Class in Social Development," Saposs again attacks the American form of government; the conditions which have brought about freedom and prosperity for the American worker.

He is, in short, an enemy of all those things which in this country have given the man who toils with his hands a higher standard of living, more comfort, more luxuries, greater opportunity than any other worker in any part of the world.

While here in America it has always been considered that a person accused of an offense is entitled to a trial in open court, where he may hear all of the testimony which enters into the record; where he may see the witnesses who testify against him and where he may, through attorney, cross-examine those witnesses, it is the function of Dr. Saposs, when an employer has been accused of an unfair labor practice, to make an independent investigation, outside and beyond the record, interviewing such witnesses as he may choose to examine, ascertaining and considering such facts or statements as may please his fancy, and then to put upon the statements of the witnesses he has seen, upon the statements he has read or heard, his own interpretation and report back to the reviewing attorney or to the Board his conclusions, based on the investigation which he has made.

Put in a different way: This man Saposs, whose writings show that his views are not in accord with those principles which have given to the workingman of America the position which he now enjoys, is the unseen, the secret, the biased, and the prejudiced adviser to the court, that is, to the reviewing attorney or to the Board, which passes upon the guilt or the innocence of the employer, who has no opportunity to test the value of Saposs' conclusions by a cross-examination of the witnesses from whom Saposs derived his information.

Saposs, speaking figuratively, is the thirteenth member of the jury; the unseen member, who, in secret, whispers to the reviewing attorney, to the Board, his biased and prejudiced views; his views, which, in the opinion of many, tend to deprive our citizens of their constitutional rights.

To illustrate the fact that the Board has no regard for the constitutional mandate that every person shall have a fair and an impartial trial, but one more case will be cited.

From the files of the Board comes a memorandum in the handwriting of the Board's secretary, Nathan Witt. The facts are these:

There was trouble brewing at Pittsburgh between the Inland Steel Co. and its employees. Someone from the C. I. O. called someone connected with the National Labor Relations Board. In answer to that call, on the 2d day of June 1937, Nathan Witt went to Pittsburgh, where he met Lee Pressman, general counsel of the C. I. O., and Phil Murray, vice president of the C. I. O.

It was decided by the three that the union should make a demand upon Inland that a written contract be signed by the company. The question at issue did not relate either to wages, hours, or working conditions. All three of these conspirators knew that Inland would not sign a written contract. All three knew, or at least they should have known, that in April of that same year the Supreme Court had held in a unanimous decision that an employer need not even enter into a contract.

The purpose of the demand was to cause a strike, to give an excuse for the filing of a complaint of an unfair labor practice against the company.

The demand was made. The company refused to sign and, on the 12th day of June, the Board filed its complaint against Inland. It took 2 years and 8 months of expensive litigation on the part of the company to obtain a decision from the circuit court of appeals holding that the company was not guilty of an unfair labor practice because of its refusal to sign.

Here we have a Board which, under the law, acts as investigator, prosecutor, judge, and, as one circuit court of appeals said, as executioner, through its secretary, entering into a conspiracy with the general counsel and the vice president of the C. I. O.; instigating and fostering a strike, so that an unfair labor practice charge could be lodged against the company—a queer, queer way to promote industrial peace.

Rightly or wrongly, the National Labor Relations Board has lost the confidence of the American people. It has been charged as being biased and unfair, not only by employers, but by representatives of the C. I. O. and of the A. F. of L.

If this Nation is to have industrial peace, the present National Labor Relations Board must be abolished and a new Board and a new staff, made up of fair, conscientious, experienced men, appointed to interpret and administer the act. In no other way will industrial peace come to us as a Nation.

If the financial integrity of our Nation is to be preserved, there must be an end to deficit spending, for the Nation, no more than the individual, can spend itself into prosperity.

If we are to continue to be a Nation of free people, governed by a Constitution, by laws rather than by men, those in charge of our national affairs must be ousted from the places of authority in which they have so glaringly betrayed the trust we reposed in them.

An end to the remaking of America can be brought about in the November elections. God grant that we shall have the wisdom and energy to, with his help, accomplish that purpose.

Tribute to Hon. James Wolfenden, of Pennsylvania

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS

Mr. DITTER. Mr. Speaker, under leave to extend my remarks, I include the following address by Hon. JOSEPH W. MARTIN, Jr., of Massachusetts at a testimonial dinner given in honor of Hon. JAMES WOLFENDEN by the Wolfenden Republican Club at Haverford, Pa., on March 26, 1940:

I recall with great pleasure a visit to this live Republican organization more than a year ago. It was following the 1938 elections, and at that time we were filled with new hope and new courage. I am glad of an opportunity to return, and I am delighted to report our optimism is still running strong; and justification for it has been demonstrated in the local elections of 1939 and in a number of special congressional elections.

I am happy tonight that I may pay tribute to your own great Congressman, my warm personal friend, and your beloved leader—JIM WOLFENDEN. No man in Congress has a more powerful personal influence than Jim; a legislator with a keen mind and excellent judgment, he has won the confidence and respect of the entire House. Delaware County and Pennsylvania are indeed fortunate that he is in Congress to watch and protect the many interests of a great industrial community.

I wish also to express my respect and admiration for your brilliant neighboring Congressman, BILL DITTER, who has just delivered a most stirring address. He is an outstanding Member of Congress, and as chairman of the committee whose purpose it is to elect a Republican House, he will be much in the news in the next few months. Upon his efforts will, in a large measure, depend the future course of our country. And I am sure he will prove equal to all we expect of him.

THE REPUBLICAN TIDE

I come here tonight to plead especially for the election of a Republican House. While I do not minimize the importance of a Republican in the White House, I say it is fully as important that we have a Republican House of Representatives. Elect a Republican House, and the Nation will at once move forward with new confidence. We will see once more the smiling, happy faces of millions of our workers as they go back to work in private enterprise at decent American wages.

In the 1938 elections Pennsylvania increased her Republican delegation in the House to 19, adding 12 new districts to the Republican territory. Today there are only 11 out of 67 counties in your great State which are not in some Republican congressional district.

And let me add that in my duties as Republican leader of the House I have found this Pennsylvania delegation a sturdy band of real Republicans. Reelect them all this year, with another dozen like 'em, and we'll show you what real Americanism in Washington can do for recovery and prosperity.

I need not remind you that in the 1938 congressional elections the Republican Party once more became the majority party in the 38 States outside of the deep South. In that great sweep we carried 1,123 counties in this vast two-party area as against only 885 counties carried by the Democrats.

Today, therefore, Republican workers are in actual majority control of 3 out of every 5 counties in the 38 States which maintain the 2-party system—and in Pennsylvania your position is even stronger.

But here is another fact of even greater significance about the 1938 elections: Republican candidates lost in 37 districts by a margin of less than 3 percent of the total vote, and in 20 other districts by a margin of 5 percent or less. This means that if we increase the total Republican vote this year by 5 percent we can gain 57 additional congressional districts. Does anybody in touch with the thought and pulse of America today question that we will carry all these districts next November?

Look at the recent special elections in Ohio. In both the Seventeenth and Twenty-second Ohio Districts early this month we increased the Republican position by better than 7 percent as compared with 1938. If this percentage of gain can be achieved evenly throughout the country in November, we will gain 70 Republican seats in the House, whereas only 50 additional districts are needed to give us control. Later, in Iowa, these results were confirmed. There, in the heart of the Farm Belt, we carried the home district of the New Deal Secretary of Agriculture.

A mighty tide of Republicanism is sweeping through the land. The New Deal came with the wind, floundered for 7 years in its own "dust bowl," and is now headed back to its own wonderland of insolvency and broken promises.

Because America wants to get back to work, the people are determined to place their Government once more in the hands of practical and constructive leadership.

Our workers, farmers, and businessmen took new hope, and all business registered a strong surge of confidence when the full sweep of the Republican landslide was realized in November 1938.

That election, which doubled our Republican membership, ended the New Deal's irresponsible scheme of rubber-stamp legislation. A vigorous and united opposition in Congress since has insisted that every piece of legislation be examined carefully.

Since that time there has been no "must" legislation from the White House.

A new spirit of prudence also was manifest almost immediately in the enactment of spending bills. We Republicans were not strong enough to eliminate all political extravagance, but we were strong enough to head off many new follies. And after the 1940 returns are in we will be strong enough to command a dollar's worth of honest public service for every dollar of Federal expenditure.

And we will be able to root out waste, favoritism, and disgraceful political racketeering in Federal spending.

We will be in a position to stop experimental squandering.

We will restore sanity, honesty, and fairness to our Government.

CENSUS SNOOPING

The country has been stirred deeply during the last 2 months by revelations touching the 1940 census questions.

Never before in our history has there been such an attempt by government to pry into the most intimate concerns of the people.

Never before has there been such an attempt to catalog every citizen as he may fit into the master chart of our national planners.

Members of the House and Senate were quick to expose this invasion of privacy and security when the census forms were printed. Inquiry disclosed that some of these intolerable questions had been placed in the census, not by Congress, not by the Bureau of the Census, but by powerful officials in the highest ranks of the New Deal.

Why does a routine American census thus take on the form of a national registration, such as would delight any dictator?

New Deal officials in Washington have attempted to dismiss this Nation-wide expression of indignation. But the tempest will not subside until real satisfaction is offered to the American demand for reasonable privacy and security in the personal affairs of the citizen.

The incident is significant in that it again illustrates the core of the whole New Deal philosophy—the idea that every aspect of life must be organized, controlled, directed, and supervised by an elaborate scheme of prying bureaus and commissions in Washington. That doctrine is the great challenge to America in the 1940 elections.

Is government the creature and the servant of the American people? Or are our people mere puppets of the bureaucrats, mere cogs in the wheels of managed economy?

Shall we continue to have a government of the people, by the people, and for the people, or shall we have a government controlled and dominated by a few bureaucrats in Washington? You will answer this question with your votes next November.

NATIONAL DEFENSE

One of the major problems before Congress today is national defense. For more than a year a special committee of House Republicans has been studying this subject. It has made two reports to the Republican conference, the most recent on March 11 of this year. And in that report appeared this challenge and warning—that national defense, in the final analysis, is more than men and ships and fleets of planes. Behind all these, in any scheme of national defense, must be a sound and vibrant economic organization. The committee then pointed out the dangers which we find today in the loose and reckless fiscal policies of the Government.

At the end of the present fiscal year, next June 30, the national debt will be approximately $45,000,000,000, the limit fixed by law. Taxes are the highest since the World War years, and have already reached the point where increased rates fail to produce increased revenues. On top of this the New Deal has been piling up deficit after deficit for 7 years, at the average rate of more than $3,000,000,000 every year. During the same years expenditures for national defense have increased from $600,000,000 a year to almost $2,000,000,000 available for the fiscal year 1941.

What do these figures mean? They mean only this, that involvement in war under the circumstances of the moment would burden the American financial structure to a degree which might easily bring on serious dislocation to every field of commerce and industry.

The people of America have not forgotten that during our 18 months' participation in the World War we spent in excess of $35,000,000,000. We went into the war with a debt of approximately $1,000,000,000 and came out with a debt of $26,000,000,000.

This brings us to the heart of the recent Republican report on national defense. It reads:

"Let us remember, therefore, that should we be drawn into a war of first magnitude we should have to start with a debt of at least $44,000,000,000, probably more, and then finance the effort on top of that debt. It is a prospect which must concern every thoughtful person in the land."

Our position is that sound domestic policies which build up private enterprise, expand production, and develop a wholesome and healthy financial situation must be regarded as essential parts of any honest program of national defense. Vast fleets and many regiments can be no stronger than the productive organization which supplies and sustains them. And no productive organization can be stronger than the financial situation which provides the money and credits for plant and equipment.

The country applauds the Republican position that considerable savings can be realized by the elimination of waste and extravagance, by the elimination of overlapping and duplicating Federal agencies, and by the sharp curtailment of bureaucratic propaganda, questionnaires, and snooping.

Savings along these lines easily could supply our immediate needs in national defense expansion. Until such savings are honestly attempted, the people should not be called upon for increased taxes to maintain the New Deal load of reckless extravagance and futile pump priming.

The first step in national defense is a sound and honest Federal Budget. And we don't need two budgets to do the job. One budget is enough if it be an honest one.

DOMESTIC PROBLEMS PRESSING

During the last few months the powerful propaganda machine of the New Deal has endeavored to focus public attention more and more upon international problems. A smoke screen of mystery and secret international arrangements has been spread over the whole face of official news from Washington.

This propaganda campaign can have but one objective—to distract the attention of the American people from the follies and failures of the New Deal.

Today the entire third-term movement floats on a cloud of internationalism.

The American people have no way of knowing for a certainty whether this secret international activity is headed toward American involvement abroad. There are many public professions of peaceful policy. But the American people have every right to ask again and again whether the conduct of our foreign relations day by day conforms, in fact, to the policy of peace, to which the American people are overwhelmingly committed. We had one bitter experience in 1916. Then a President was elected on the slogan, "He kept us out of war." But in 5 months after the election we were in the war!

Our people will not be deceived again.

They deny that our first line of defense is on the Rhine or anywhere else in Europe.

I have said before, and I say again tonight, with all the conviction and sincerity I may convey, that our first line of defense is at the farm gate and at the factory door. America wants to go back to work. America wants to keep out of war.

NEW DEAL FAILURES

The people of the United States have given the new dealers more than a fair chance to test their theories and policies. But where are we today? Confronted again by a declining curve of business and a rising tide of unemployment.

The President was entrusted with vast new powers over money, tariffs, agriculture, housing, banking, and transportation. Yet we find today, after 7 years of extravagant experiments, 10,000,000 unemployed and a national debt increased by $25,000,000,000.

We have 4,000,000 young people between the ages of 18 and 24 who never have had a regular job.

Farm prices never have attained the pre-war parity, which was so eloquently proclaimed to be the New Deal goal. And today farm prices again are drifting downward to distressing levels. Is this a fair return for the $6,000,000,000 appropriated by Congress for New Deal agricultural rehabilitation?

Every citizen has a right to ask why the United States has shown less recovery than most of the other important industrial nations of the world? That is the fact revealed by the 1939 report of the economic section of the League of Nations. In that report the United States ranks eighteenth among all nations of the world in point of recovery toward the level of 1929. Such small nations as Holland, Belgium, and Switzerland, each of which is hardly as big as one of our average States, have done better in the march toward recovery since 1930.

Why is it that a nation with the natural resources and manpower of the United States should be at the tail end of the world recovery procession?

Recovery cannot begin until our people may once more face the future with full confidence, and a feeling of personal security under the law.

Nothing can be more fatal than excessive meddling or interference on the part of government.

We do not believe this great country has reached the end of the road.

On the contrary, we Republicans envision a day when our national income may reach $100,000,000,000 a year.

We look forward to the day when the eyes of youth will glow once more with the light of hope, adventure, and enterprise.

We look forward to the time when American business may do more than work for the tax collector.

We look forward to the day when the job maker and the job giver rightfully will be regarded as keymen in a revived scheme of economic abundance.

America has the resources, the skill, the technical equipment, and the manpower to push this Nation to heights of prosperity undreamed in the past.

Our first task is to restore the vigorous forward-looking and hopeful spirit of our people.

We are a nation in the chains of uncertainty and confusion.

Worst of all, no one now has any confidence that our situation will improve so long as prevailing policies are retained in Washington.

These are the New Deal accomplishments of 7 years. No party with such a record can go before the American people and expect to get a mandate to continue. The people are aroused. They will not be fooled again.

That is why we can confidently expect this year the election of a Republican President and a Republican House in Washington; and I am sure Pennsylvania will contribute magnificently toward these results in November.

Nebraskans Resent James R. Cromwell's Agitation For America's Entry Into the War

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. CURTIS. Mr. Speaker, recent statements made by our Minister to Canada have disturbed many thoughtful Americans. An editorial in the Grand Island Daily Independent, of Grand Island, Nebr., said in part:

THE TALKATIVE MR. CROMWELL

James H. R. Cromwell, newly appointed Minister to Canada, has fallen into the error of so many amateur diplomats—that of letting his interest in the country to which he is accredited interfere with his interest in the country of which he is an envoy.

Mr. Cromwell is very indignant at the isolationists in the United States. He believes the British and French allies are fighting for the perpetuation of individual liberty and freedom. While he doesn't say so, the presumption is strong that he wants this country to do what it did in 1917, and make the world safe for democracy.

Mr. Cromwell is not the first American diplomat to become so enamored of another nation that he became indiscreet in his public utterances, and let his sympathies go to his head. Ambassador Page, in London at the start of the World War, and Ambassador Herrick, in Paris, were so violently pro-Ally that they kept our State Department in constant hot water.

This is the result of the old American custom of appointing as ambassadors and ministers men who have contributed heavily to the campaign fund of the party in power, and frequently without regard to any fitness whatever for the task. A few such diplomats have been surprisingly efficient; most are, at best, mediocre. The career men in the Department, whose appointments have followed years of training, are far more likely to succeed than the rich boys with a yen for distinction.

At the same time the following editorial appeared in the Omaha World Herald of Omaha, Nebr.:

JIMMY'S $50,000

According to all reports Jimmy Cromwell, America's champion son-in-law, contributed $50,000 to Mr. Roosevelt's 1936 campaign against the money changers.

That liberal amount certainly entitled him to his appointment as Minister to Canada. Jimmy apparently felt that it also entitled him to express his candid opinion of Adolf Hitler and American participation in the European war. But in that he was wrong. His outburst brought an unprecedented and well-deserved telegram of rebuke from his boss, Secretary Hull.

The affair indicates that maybe there is some merit in the Senate's amendment to the Hatch Act, to limit campaign contributions to $5,000.

After all, if Jimmy had contributed only $5,000 to the 1936 campaign his qualifications for the job in Canada would have been decreased by exactly nine-tenths. As a job-seeker, then, he would have been one of many. He would have had to compete with a lot of other $5,000 men and the chances are he would not have gotten the job.

The more we think about it the better we like the Hatch bill, the way it now reads.

Congressional Secretaries' Club Given Facts Relative to History and Growth of the Library of Congress

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

ADDRESS OF DAVID C. MEARNS, SUPERINTENDENT OF READING ROOMS OF THE LIBRARY OF CONGRESS, BEFORE THE CONGRESSIONAL SECRETARIES' CLUB, THURSDAY EVENING, MARCH 21, 1940

Mr. CRAWFORD. Mr. Speaker, through the efforts of the Congressional Secretaries' Club I feel that there has been a decided improvement on Capitol Hill in the efficiency of many of our offices. Much of this is due to the fact that this fine group of secretaries have been devoting their own time one and two nights a week after working hours to better acquaint themselves with the functions of the various agencies of government.

To do this they have heard informative addresses followed by questions and answers during their regular weekly meetings and in addition they have made tours through such places as the Government Printing Office, the Federal Bureau of Investigation, the Library of Congress, the Navy Yard, the National Archives, and others.

I have heard considerable comment on a highly informative address given the secretaries a few nights ago by David C. Mearns, superintendent of the reading rooms of the Library of Congress, and because this address contains such good information and the answers to questions frequently asked us by our constituents relative to the Library, I am presenting it to the House as of possible value to each of our offices.

Mr. Mearns' address follows:

THE LIBRARY OF CONGRESS

Like Joan of Arc, your servants in the Library hear voices, but, unlike the Maid of Orleans, the voices that we hear belong to you and are transmitted to us through the facilities of the Chesapeake & Potomac Telephone Co. We are, therefore, particularly gratified by your personal appearance tonight and anxious to exhibit our wares in the most becoming manner we can contrive.

The Library of Congress is 140 years old. When the Continental Congress sat in Philadelphia the directors of the Library Co.—that notable institution founded by Dr. Franklin—extended to the Revolutionary legislators "the use of such books as they may have occasion for during their sitting," and later, after the ratification of the Constitution, when the First Congress of the United States convened in New York City, its membership was accorded similar courtesies by the New York Society Library. In 1791 the Government returned to Philadelphia, and the Library Co. promptly renewed the facilities enjoyed by the "old Congress." It was not, therefore, until April 24, 1800, when preparations were being made for the removal of the Government to Concocheague (as the site of the District of Columbia had been called by the Indians) that legislation was approved providing that for the purchase of such books as may be necessary for the use of Congress at the said city of Washington, and for fitting up a suitable apartment for containing them and for placing them therein, the sum of $5,000 shall be, and hereby is, appropriated."

That there would be need for a library at the permanent seat of government was obvious. Washington was a boom town, and aside from a few public buildings and some boarding houses and congressional "messes," or eating places, spread between Capitol Hill and the President's House, it was a city only on paper—Major L'Enfant's paper.

This is the way a young bride described it to her doting family: "At last we drew near this, our future abode; we left the woods among which a boundary stone marked the beginning of the city; we entered a long, unshed road which rises a hill and crosses a vast common covered with stout oaks and blackberries in abundance. I look in vain for the city; I see no houses, although among the bushes I see the different stones, which here and there mark the different avenues. Footpaths and roads dissect the extensive plain, which is exactly like the common, the other side of the Raritan, only more extensive and more productive of blackberry and sweetbriars. At last I perceive the Capitol, a large, square, ungraceful building; approching nearer, I see three large brick houses and a few hovels scattered over the plain. One of the brick houses is where we lodge. We drive to it; it is surrounded with mud, shavings, bricks, planks, and all the rubbish of building. Here, then, I am. I alight, am introduced to Mr. Stelle, and led into a large, handsome parlor. I seat myself at the widow and, while Mr. Smith is busied with the baggage, survey the scene before me. Immediately before the door is the place from whence the clay for bricks has been dug and which is now a pond of dirty water. All the materials for building—bricks, planks, stone, etc.—are scattered over the space which lies between this and the Capitol, and which is thickly overgrown with briars. * * * Some brickkilns and small wooden houses and sheds diversify the scene. * * * The Capitol stands on a hill which slopes down toward the Potomac; from the bottom of this hill to the river extends a thick and noble wood; beyond this you see the river; the scene is then closed by a range of hills, which extends north and south as far as the eye can reach."

Thus was Washington in 1800, but of especial interest to us is the fact that the tavern from which that letter was written stood on the site of the present Library of Congress. Nearly a century was to elapse, however, between Margaret Bayard Smith's dutiful subscription and the opening of these doors.

ARRIVAL OF THE FIRST BOOKS

In the spring of 1801 the first books, numbering 740 volumes, arrived from England, packed in 11 hair trunks and a map case, and an economy Congress directed that the trunks be sold forthwith and that the proceeds be covered into the miscellaneous receipts of the Treasury. As for the books, they were stored temporarily in the office of the clerk of the Senate, a room south of the Senate Chamber in the old north wing of the Capitol.

JEFFERSON TO THE RESCUE

When the War of 1812 broke out, the collections had increased to 3,004 volumes, but on the evening of the 24th of August 1814 an invading army kindled the flames which destroyed the Capitol with the books from the Library of Congress. To repair the loss, ex-President Jefferson offered to sell to the Government his private library, and on January 30, 1815, James Madison approved an act providing for its purchase for $23,950. It was more than a replacement, for it not only doubled the contents of the Library wiped out by the enemy's tinder boxes, but it also diverted to the public use the most carefully selected collection which had been brought together on this continent, and one which represented every discipline. For 3 years thereafter (while the Capitol was being restored) the Library of Congress was administered from the attic story of Blodgett's Hotel, on E between Seventh and Eighth Streets. This building the Government had purchased a few years before for the joint accommodation of the General Post Office and the Patent Office.

In 1815 the staff of the Library consisted of the Librarian, whose salary was fixed at $1,000 a year, a nameless Negro maid, whose compensation was $1 a day, and a Negro boy, who was allowed the munificent sum of $4 a month. For a short time a Mr. Martin Larner assisted the Librarian in labeling and bookplating the collection, and was given $35 for his pains. In that year, too, was published the Catalog of the Library of the United States, the first to be arranged according to Mr. Jefferson's classification, which divided the universe of knowledge into 44 subjects. Despite its recent trial by fire, the Library was heated by an open grate, as bills for cordwood and brass fenders, among the surviving accounts, would seem to prove. The office supplies appear to have been modest. There were, for example, a broom to keep the place tidy, a pair of shears, a jug of japan ink, three quires of foolscap paper, three boxes of paste, some sealing wax, two lead pencils, and a memorandum book, which recorded the uses made of the Library by such distinguished statesmen as Daniel Webster, John C. Calhoun, and Henry Clay. In the evenings or on cloudy days the apartment was lit with candles.

In 1818 the Library returned to the Capitol and was placed temporarily in a room on the top level of the Senate wing. There it remained until 1824, when it was removed to the gallery especially designed for its accommodation on the west side of the principal or main floor. In its alcoves, it is said, the belles of the city used to hold their receptions and receive the homage of their suitors. In 1851 the progress of the Library was halted briefly when another disastrous fire destroyed more than half the books, including two-thirds of the Jefferson collection; but Congress acted promptly to acquire replacements, and the work of extending its resources moved forward again. In 1866 the 40,000 volumes of the transactions of learned societies and academies in the Smithsonian Institution were, by law, transferred to the Library of Congress. A year later the present system of international exchanges was established and the Peter Force collection of Americana was purchased, by a special appropriation, for $100,000. In 1870 the entire copyright business was brought under the direction of the Librarian, and new effect was given to the law requiring the deposit of copies as a condition precedent to registration.

INTO ITS OWN BUILDING

Almost immediately it became apparent that the Library deserved and required a separate building, but it was not until 1886 that appropriations were forthcoming, and another decade was to pass before the collections, numbering about 800,000 volumes, were transferred to this place that we know so well. The new building did a great deal more than provide adequate accommodation for the collections; it also made possible, through the development of apparatus and the establishment of departments, an enlarging service to Congress and the scholarly public.

By 1924 the following achievements could be enumerated:

1. All spaces in the building were duly differentiated and equipped for specialized, as well as general, uses.

2. The specialized material had been installed in appropriate cases.

3. A scheme of classification, systematic and elastic, described as the "best for a large library," had been devised and put into practice.

4. There had been adopted processes of cataloging, including forms of entry, which are now standard for American libraries.

By an act of Congress approved March 3, 1925, the Library of Congress Trust Fund Board was created. It not only granted authority to accept endowments but also to receive gifts of money for immediate disbursement. As a result of this legislation the collections have been enhanced "by a huge importation of source material of concern to the investigator," and consultants in various fields of learning have been recruited, "who, with the equipment of teachers or investigators, are here not to teach or pursue research but to aid in the serious use of the collections by assisting in the interpretation of them."

In 1939 the annex, erected on the square immediately east of the main building, was opened to the public.

Today the collections comprise almost 6,000,000 volumes and pamphlets, 1,500,000 maps and views, 1,222,000 pieces and volumes of music, 550,000 prints, 100,000 bound volumes of newspapers, and so many manuscripts that a numerical estimate is not feasible.

LARGEST COLLECTIONS IN THE WORLD

The Library possesses the largest collection of books on aeronautics in the world, the largest collection of Chinese books outside of China and Japan, and perhaps the largest collection of Russian books outside of Russia. In the Division of Manuscripts are the private papers of nearly all the Presidents and of many of our greatest statesmen. Through a Rockefeller grant reproductions of European archives relating to the history of the United States have been secured. In the rare-book collection are approximately 85,000 volumes; among them many first editions, rare bindings, about 25,000 early American pamphlets, more than 1,500 bound volumes of eighteenth century American newspapers. Of the more than 4,600 fifteenth century books, 3,000—including the St. Blasius-St. Paul copy of the Gutenberg Bible—were purchased by a special act of Congress in 1930. In the northwest courtyard is the auditorium for public concerts of chamber music, presented to the Government by Mrs. Elizabeth Sprague Coolidge in 1925; adjoining it is the pavilion given by Mrs. Matthew John Whittall in 1938, where the quintet of Stradivari stringed instruments and the Tourte bows—her previous gift to the Division of Music—are kept on exhibit when not in actual use. At the expense of an anonymous doner a gallery on the second floor has been remodeled as a center for hispanic studies. Endowment funds exceed $2,000,000 and gifts of money received for immediate disbursement have amounted to about $1,415,000. The main building and the annex contain nearly 36 acres of floor space, and about 414 miles of steel shelving.

Mr. MacLeish, the Librarian, has asked me to assure you of his disappointment because a previous engagement makes it impossible for him to welcome you tonight. Were he here he would, I believe, want to tell you something like this:

When Mr. Jefferson offered his library to Congress he said of it: "I do not know that it contains any branch of science which Congress would wish to exclude from their collection; there is, in fact, no subject to which a Member of Congress may not have occasion to refer."

It is that last opinion of the dignity and responsibility of the duties and function of the Congress which determined the subsequent development of the Library of Congress. Its great collections with their inclusiveness of all disciplines, its scholarly services, its magnificent catalogs, its divisions of music and fine arts, its priceless manuscripts, its ancient books, are all in the Library of Congress, because "there is, in fact, no subject to which a Member of Congress may not have occasion to refer." That it is also a national institution—indeed, the National Library—is a byproduct of that fact.

Refund of Processing Tax on Hogs

EXTENSION OF REMARKS

OF

HON. ANTON J. JOHNSON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. JOHNSON of Illinois. Mr. Speaker, on August 5, 1939, there was introduced a bill, Senate Joint Resolution 66, making provisions for the refund of the processing tax on hogs marketed for slaughter by the raisers and producers who, in fact, bore all or part of the burdens of such tax.

Farmers have inquired of me if it be necessary to employ an agent or attorney or pay fees to collect their processing-tax refund. My answer is "No." The bill contains the following language:

No fees shall be charged for filing such claim. It shall not be necessary that the claimant be represented by an attorney.

There were certain farmer organizations set up to promote this bill and they served a most useful purpose. This bill has passed the Senate and now rests in the House committee with discharge petition No. 25 on the Speaker's desk and which I have signed.

Information comes to me that certain agents are now collecting fees in advance from farmers for collecting these refund taxes. It is my warning to farmers they beware of fee-collecting agents. At this time no attorney or agent is necessary.

Gannett—Candidate To Be Watched

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

ARTICLE FROM THE PATHFINDER

Mr. O'BRIEN. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include an article published by Emil Hurja concerning the distinguished newspaper publisher, Frank E. Gannett. The title of this article is "Gannett—Candidate To Be Watched," and is as follows:

Almost overnight—in fact, within 2 months—a new face has come into the national political struggle which seems destined to loom larger as the Republican convention approaches.

Frank Gannett, of Rochester, is just beginning his third month of intensive preconvention campaign. Already he has visited 34 States in his whirlwind drive to educate the voters on the issues that must be decided in 1940. In his own plane he has recently covered more than 20,000 miles, addressed scores of audiences and met political leaders throughout the country. Returning from a coast-to-coast trip, Mr. Gannett says that his chances for the nomination are as good as anyone's. On the side, he expresses confidence that he will be the nominee, and publicly he says, "If I am nominated I'll be elected."

Mr. Gannett bases his opinion on his talks with party leaders. He points out that all States west of the Mississippi will send unpledged delegates, and that party leaders are turning to him because of the desire for a businessman for President. There is a demand, he says, for a President, as head of the largest business on earth, who understands the principles of private enterprise and can make it function so as to give high production and employment.

Pathfinder polls of public opinion show that Mr. Gannett has picked up so much support in 2 short months that he has emerged to take a place with Dewey, Taft, Vandenberg, Hoover, and Landon. As a result of this rapid gain in recognition, it is apparent that Gannett has become a candidate to be watched.

Gannett might well make a powerful vote-pulling Republican nominee. The American people generally are attracted to any man who has from humble beginnings reached the heights of business success by thrift and hard work. Gannett's father was a poor farmer who built his own home of forest-hewn lumber in the Finger Lakes region of central New York. There Frank Ernest Gannett was born on September 15, 1876.

At 9 he began working to help out the family. He delivered newspapers, peddled books, and labored on the farm. At 18 he won a Cornell scholarship, worked his way by waiting table, operating a laundry agency, and reporting for a newspaper (which he now owns). He was graduated with high scholastic honors and savings of $1,000.

After a year as secretary to the chairman of the first Philippine Commission he returned to Ithaca as city editor of the News at $15 a week. Six years later he bought a half interest in the Elmira Gazette for $20,000, putting down $3,000 of his own savings and borrowing the rest.

That was just the beginning. Today Gannett owns 19 newspapers in New York, Connecticut, New Jersey, and Illinois. They form the third largest newspaper chain in the Nation (the Hearst and Scripps-Howard chains are larger).

In addition to his business success Mr. Gannett's backers point to two other factors they consider would make him a good Republican Presidential nominee. One, that he has been the mainspring of drives which resulted in four major New Deal defeats.

As organizer and chairman of the National Committee to Uphold Constitutional Government, he fought tooth and nail the President's Supreme Court enlargement bill, his first reorganization bill, his attempted "purge" of antinew dealers in Congress, and his 1939 lending-spending program.

With 90 percent of the American people concerned about our becoming involved in the European war, Mr. Gannett's supporters point out that he has better knowledge of international affairs than any other candidate, with the possible exception of Mr. Hoover.

"How we vote in November," says Mr. Gannett, "will determine the future of America and the kind of government under which we and our children must live.

"Dictatorships are born in the suffering that comes from economic disorders and wrong government policies. I have personally gone through the dictator countries, and have seen in all its horror what it means to be deprived of the precious liberties guaranteed us by our Constitution. Constitutional government and our system of private enterprise—which alone can give satisfactory jobs—will not be safe until we correct conditions and make sure it cannot happen here.

"We must clean out the theorists who, with unlimited powers and billions of the taxpayers' money, have bungled our affairs. We must return to sound business principles and put in charge men who know how to make the private-enterprise system work. We must keep Government the servant, not the master, of the people.

"I know how, by putting experience and understanding in charge, we can bring reemployment and prosperity. Our people need only sound leadership to march forward to good times and new heights. We must put an end to Government interference with honest business and give free enterprise an opportunity to function. I have visited the South American countries and have seen how their farmers have been given restored income and good prices without restriction and regimentation. We can do the same for our farmers here.

"We can restore opportunity for youth and, while continuing necessary relief, bring renewed hope to the poor and unfortunate. I would concern myself, not with unemployment but with reemployment and jobs for all. We can stimulate new developments, revive the spirit of initiative, and have once more a dynamic, surging America.

"I can promise that we will follow Washington's precept and keep out of entangling alliances and foreign war. Our job is to put our own house in order and thus make America great and prosperous. Our task is to stop overspending and end stifling taxation, and to restore and preserve constitutional balance in government."

Mr. Gannett is particularly interested in the farm problem and expects wide support from the agricultural States. For several years he has been chairman of the board of the American Agriculturist, the oldest farm paper in the Northeast. He has also been, since 1926, a trustee of Cornell University and in touch with the Cornell Agricultural College, the fountainhead of information and advice for farmers.

He contends that farm income must be restored to normal and that the farmers' loss of $35,000,000,000 of income since 1929 accounts for much of our depression. He believes we should study the methods followed successfully by other countries—Argentina, Brazil, Australia, New Zealand—where farmers were doubling their crops and receiving high prices while we were plowing under cotton and killing little pigs.

He believes that the best way to restore prosperity is to make the farmers prosperous so that they may be able to buy the things they need, thus putting the factories up to capacity and giving employment to idle millions.

"My call to farmers," he says, "is use your political power to put through the program on which the great national farm organizations, including the Farm Bureau, the Grange, the National Cooperative Council, have united. Go to the precinct men and the county chairman of your party, and tell them that in 1940 you will vote only for candidates and a party that pledges action for reform that will give to American agriculture its just income. Use your political power. Save agriculture to save America."

Washington State College's Fiftieth Birthday

EXTENSION OF REMARKS

OF

HON. KNUTE HILL

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. HILL. Mr. Speaker, today the State College of Washington, one of the leading land-grant colleges of this country, is celebrating the fiftieth anniversary of its founding—its golden jubilee. Tonight, at the Hamilton Hotel, in Washington, D. C., and elsewhere throughout the country, 35,000 alumni and former students will be grouped to celebrate this event, and to hear a national broadcasting system carry a program dedicated to the State college, and originating on its campus, to all parts of the United States.

It is my privilege to represent the congressional district in which the State College of Washington is located, and therefore, it becomes a personal pleasure for me to express the appreciation of the people of Washington to the president and faculty for their devoted service to the institution, and to the principles of public education.

On this fiftieth birthday of Washington State College it is also appropriate to pay our particular respects to President E. O. Holland, and President Emeritus Enoch A. Bryan, whose able administrations are responsible for its splendid growth and development. Doctor Bryan served as president from 1893 to January 1, 1916, when he resigned to become commissioner of education for the State of Idaho, returning in 1923 to become research professor of economics, and economic history. Doctor Holland left a brilliant career in education in Indiana and Kentucky to join the State college in 1916, and has continued as its president since that date.

It is also fitting on this occasion to honor the following of the faculty, who have served the State College of Washington with more than 25 years of long and distinguished service: Herbert Kimbrough, vice president; H. V. Carpenter, dean, college of mechanic arts and engineering; A. A. Cleveland, dean, school of education; C. C. Todd, dean, college of sciences and arts; E. E. Wegner, dean, college of veterinary medicine; J. F. Bohler, director of athletics; W. W. Foote, librarian; F. T. Barnard, registrar; and W. C. Kreugel, bursar. Nor could I properly fail to mention the harmonious association with the Federal Government of E. C. Johnson, dean of the college of agriculture and director of the experiment station; F. E. Balmer, director of the extension service; and A. E. Drucker, dean of the school of mines and geology, whose able cooperation has contributed much to the success of the joint Federal-State programs of agricultural and mineral development.

The Federal Government participates in the conduct of this institution as a land-grant college. It is fitting, therefore, that recognition be here given to this memorial day. As seems proper, the following brief summary is devoted to a statement of the part which the Federal Government has played in the development of this great institution of higher learning:

The State College of Washington has its origins in an act passed by the Thirty-seventh Congress of the United States and signed by President Lincoln on July 2, 1862. The purposes of this act at the time it was passed were revolutionary in educational circles, for it was based on the philosophy that in a democracy the children of all the people should have the opportunity of developing their talents to the utmost. Up to the time of the passage of this act by the Congress, higher education in America, as throughout the world, had been limited almost exclusively to young people training for entry into the professions of that day, such as the ministry, the law, and medicine.

History has proved the wisdom of this revolutionary educational doctrine. The principles which underlie the Morrill Act of 1862 have today spread throughout the Nation. Not only has every State at least one such land-grant institution whose work is founded specifically upon the Federal enactments, but the scores of private denominational and other institutions throughout the country have perforce followed suit. The State College of Washington, in celebrating its fiftieth anniversary today, is celebrating also the birthday of a movement in higher education which has changed completely the function, purposes, and to a large extent the procedures of the colleges and universities of the country.

At the beginning of this movement the area now known as the State of Washington was part of the Washington Territory. The State of Washington began its existence in the year 1889. One of the first acts of the first legislative assembly of the new State was to enter into joint agreements with the Federal Government for the founding and establishment of a land-grant institution. The act which became the charter of the State College of Washington was signed by the Governor of this State on March 28, 1890. A few months later, in January 1892, the doors of the college first opened for instruction. The building was a one-story brick structure 36 by 60 feet, costing approximately $1,500.

From this single building on a lonely hill in 1892 has grown an institution housed in 33 major buildings, for the most part class A fireproof, with 1,000 acres of land and other equipment and improvements sufficient to bring the total valuation to $13,500,000. The few thousand dollars expended during the school year 1892–93 has grown to an annual budget of $2,250,000, with a permanent

endowment of lands of $7,000,000. The 84 students of the early day have increased to an enrollment of approximately forty-two hundred attending the regular sessions, with considerable additional numbers attending summer sessions, short courses, etc. The first faculty of 5 has increased to 343. The tiny campus surrounding the single building of 1892 has expanded to include, through the research and extension activities of the institution, the entire State. There is today no county in Washington that does not have at least one, some as many as five, full-time resident members of the State college staff serving the needs of the citizens living in that locality.

PARTICIPATION OF FEDERAL GOVERNMENT IN THE DEVELOPMENT OF THE STATE COLLEGE

What specifically has been the part of the National Government in the development of this great college? As previously stated, the Federal act of 1862, known as the Morrill Act, provided the educational and social philosophy on which the college was founded and has since been developed. The same act provided also an endowment of some 90,000 acres of public lands lying within the borders of the State of Washington.

Another Federal act signed on March 2, 1883, provided for the establishment in certain Northwestern States, of which Washington was one, of a school of science. To such States as accepted its provisions, this act carried a gift of 100,000 acres of public lands lying within the borders of the State. The first Legislature of the State of Washington accepted the provisions of this act and combined the functions of the school of science so created with those specified by the terms of the Morrill Act. By this wise centralization of the similar educational functions, the new institution was given a permanent endowment of 190,000 acres of land—this before it opened its doors for instruction; indeed, before its location within the State was finally determined upon.

The history of the control of similar Federal endowments for public education reveals instances where the lands involved have been soon sold for a dollar or two an acre and the small resulting funds used in their entirety to meet pressing emergencies; to the contrary in the State of Washington. To date but 40,000 acres of its lands have been sold, leaving a permanent endowment today of 150,000 acres of land and $7,000,000 in invested funds. The land is appreciating rapidly in value and will continue so to do as the State develops. The ultimate total of this gift of the Federal Government to the State College, if policies of the past are continued in the future, will be very large.

The establishment of the fundamental policies on which the State College was founded and has since been developed, and the gift of 190,000 acres of public land for a permanent endowment did not constitute the sole participation of the Nation in the beginnings of the institution. On August 31, 1890, an act of Congress was signed which provided for annual incomes to be devoted to furthering the purposes of the Morrill Act of 1862. The college first received from this source $15,000 per year, which sum was increased by annual increments of $1,000 until it reached $25,000 annually.

Additional current revenue was given to the new institution by a Federal act signed on March 2, 1887, later known as the Hatch Act. This act provided for the establishment of agricultural experimentation in connection with the land-grant college in the various States. The financial support given the State College of Washington at the beginning of its existence by the terms of this act amounted to $15,000 per year.

Thus, we see that the Nation, before the State College of Washington existed except in legal enactments, contributed a magnificent permanent endowment and annual cash income beginning at $30,000 and increasing within 10 years to $40,000.

INSTRUCTION ON THE CAMPUS

This initial policy has been continued throughout the years in each of the three divisions of the work of the institution, namely, instruction on the campus, research in the laboratories and in the fields, and extension throughout the State. Federal contributions in each of these fields in the years since the founding of the college will be examined briefly. First, the instructional work on the campus. On March 4, 1907, what has come to be known as the Second Morrill Act became a law. By the provisions of this act the $25,000 being received annually under the terms of the act of 1890 was increased by $3,000 per year until an annual total of $50,000 was being contributed by the Federal Government. This sum was further increased by the enactment on June 29, 1935, of a Federal law which increased the amount then being received. At the present time the State College is receiving from the Federal Government approximately $89,000 per year for aid in the instructional work on its campus.

This work is given in 11 colleges and schools and two departments, as follows: College of Agriculture, College of Mechanic Arts and Engineering, College of Sciences and Arts, College of Veterinary Medicine, College of Home Economics, School of Mines and Geology, School of Education, School of Pharmacy, School of Music and Fine Arts, Graduate School of Social Work, Graduate School, Department of Physical Education and Athletics, Department of Military Science and Tactics.

AGRICULTURAL EXPERIMENTATION

The initial provision for agricultural experimentation made by the act of Congress signed on March 2, 1887, was augmented by an act signed on March 16, 1906. By the terms of this act the $15,000 already being received was added to each year until a total of $30,000 was being received annually. The next increment to the Federal support of this work was made by the provisions of the Purnell Act signed on February 24, 1925. Under the terms of this act the State College receives an annual sum amounting to $60,000 which, added to the $30,000 previously mentioned, made a total Federal support of agricultural experimentation of $90,000 per year.

On June 29, 1935, further participation in this type of activity was provided by an act of Congress known as the Bankhead-Jones Act. Under the terms of this law as it applies to agricultural experimentation, the college received during the year 1938–39 a total of approximately $25,000. Adding this $25,000 to the previous sums of $60,000 and $30,000, it is apparent that the Nation is now contributing to agricultural experimentation in the State of Washington through the experiment station at the State College a total annual sum of $115,000.

This work is carried on through the activities of 87 staff members working at the main experiment station on the campus of the college, at four branch experiment stations so located in various sections of the State as to serve best its major agricultural interests, and at scores of experimental plots scattered strategically throughout the State. The researches of the staff in such industries as wheat, fruit, small fruits, cranberries, dairy, poultry, livestock, irrigated farming, dry-land farming, etc., have been of incalculable value. Various attempts have been made to place a monetary figure on these services. The most conservative of these show that the increased income of the State today in one year, by reason of the work of the State College in agricultural experimentation, more than pays all of the costs to the State of the State College since its foundation.

AGRICULTURAL EXTENSION SERVICE

The third division of the work of the college, in common with all land-grant institutions, is that of extension service. By far the major portion of the task of carrying the facilities of the institution to the people of the State off the campus is performed by the agricultural extension service. This service is unique in that it is the only one of the three divisions of the work of the college that did not receive specific financial support by the Federal Government at the time the institution was founded. The function itself was recognized, as the records show that farmers' institutes were held in nearby communities during the first years of the history of the college. The work was expanded as the financial resources of the institution permitted as the years went by. But it was not until 1914 that the Federal Government took official cognizance of this work and provided inducements for its development.

On March 18, 1914, the Smith-Lever Act became law. This act had for its function the encouragement of land-grant institutions throughout the country in making available the resources of the institutions to the people of the States in their homes and on their farms. By its provisions the college received during the first year $10,000, which increased annually, until at the present time the Nation is contributing approximately $62,000 under the terms of this act in conjunction with the supplementary Smith-Lever Act of July 24, 1919, and the additional cooperative Smith-Lever Act of July 3, 1930.

The next recognition by Congress of the importance of this activity was made by the enactment of the Capper-Ketcham Act signed on May 22, 1928. By its terms the college is now receiving a little more than $26,000 annually for agricultural extension. On June 29, 1935, the Bankhead-Jones Act, previously referred to, was signed and became law. This act provided encouragement and additional financial support for instruction on the campus and agricultural experiment station work, previously cited, and for the agricultural extension service. Additional financial support for agricultural extension service so provided amounts now to approximately $131,000 annually.

Summing up these various provisions of the Federal Government for the encouragement of the agricultural extension service of the State College of Washington, it appears that the institution is now receiving an annual sum of approximately $219,000 from the Nation to aid in making available to all the people of the State information that would be helpful to them in their various activities. Two measures of the response of the people to this type of work may be cited here briefly. The first of these is found in the number of requests for information made to this service.

During the past year an average of 1,000 responses to such requests in the form of printed bulletins or personal letters have been made each day by the State College of Washington. The second measure of appreciation is the fact that each county in the State is supplying a large portion of the funds necessary to make available to the citizens of the county the services of a full-time resident member of the staff of the college; indeed, some of the larger counties with more diversified farm interests are supplying sufficient funds to make available the services of five such resident experts.

TOTAL CONTRIBUTION

When all these annual contributions of funds are considered, it appears that the Federal Government today is contributing annually approximately one-half million dollars to the support of the instruction on the campus, research work, and agricultural extension service of the State College of Washington. While this total may in itself seem considerable, it, after all, is but a small portion of the total amount of money necessary to conduct an institution of the size and scope of the State College of Washington for 1 year. As mentioned in the first few paragraphs, the total annual budget approximates $2,250,000. It is apparent that the funds supplied by the Federal Government are but a small fraction of this total. The college itself, through its various operations and income from its endowment fund, supplies the major portion of these funds—well

over $1,150,000 annually. The State of Washington, like the Federal Government, makes an annual contribution of approximately $600,000.

As we look back over the years and see the vital part which the Federal Government has played in the founding and development of this great institution of higher learning in the Pacific Northwest, we may well be proud, for the State College of Washington, as it stands today on the fiftieth anniversary of its founding, illustrates a high degree of the development of the educational philosophy on which our predecessors in these halls in 1862 based the then revolutionary doctrine incorporated in the Land Grant Act of that year. It does more than this; it shows the theories which underlie this movement made into reality. It is a specific and concrete illustration of how the benefits of higher education, previously reserved to the professional classes of that day, law, medicine, and theology, have been applied, to use the words of the original Land Grant Act of 1862, "to promote the liberal and practical education of the industrial classes in the several pursuits and professions of life."

We, the Members of the Seventy-sixth Congress, may say without exaggeration that through the inspiration and aid provided by our predecessors the State of Washington has been enabled to succeed, through its land-grant college, in giving to the 95 percent of its people engaged in the several pursuits and professions of life the educational and cultural privileges previously reserved for the exclusive benefit of its traditional professional classes.

The Attitude of Youth

EXTENSION OF REMARKS
OF
HON. EARL R. LEWIS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 27, 1940

LETTER FROM CARL KRAUSE

Mr. LEWIS of Ohio. Mr. Speaker, as the campaign of this year draws near, men of both political parties are trying to learn the attitude of the voters with respect to the issues involved. Recent Republican victories in special congressional elections, in the Twenty-second and the Seventeenth Ohio Districts, the Thirty-first and the Thirty-fourth New York Districts, and the Sixth District of Iowa, seem to indicate a strong Republican trend in these pivotal States.

Perhaps the thinking of the average voter under present conditions is aptly portrayed, and the results of these congressional elections and the general election in the fall, whose result they portend, is aptly revealed by the following letter received by me from a Democratic constituent living in my district in eastern Ohio.

The letter is unusually revealing and is as follows:

MALVERN, OHIO, *March 4, 1940.*

Hon. EARL R. LEWIS,
House of Representatives, Washington, D. C.

MY DEAR MR. LEWIS: I am writing to you because I feel that I may confide my trust in you. You have proven that you are not partisan, and that is one essential element of true Americanism.

In view of the serious unemployment of both young and old people, I want to express my views as a future young citizen.

We cannot boast of our true democracy while millions of young men are denied honest jobs to support themselves and their parents. This situation makes us lose faith in democracy. But, thank God, we can try to change these dire conditions through democratic processes.

Without fear of contradiction I can safely state that I have supported the Roosevelt administration more than anybody in this country. But after 7 years of Government programs, the young people are worse off than at any other time in history. As long as we are denied jobs, no Government agency can solve this serious problem. In following the record of Congress during this session I fail to find any attempt to cope with the unemployment situation. Nevertheless this is some relief, because every new law seems to make things worse instead of better.

We, the young people of America, do not want Government subsidies, like the American Youth Congress make us believe. I further want to state that the American Youth Congress does not represent the majority of us.

The only thing we want is a chance to prove our worth. The Democratic Party has failed to clear the obstacles from the path in order to give us that chance even after the spending of billions of dollars.

The Government forced two loans on my mother. They fail to make it possible to pay these back. Our debts, both as public taxpayers and private citizens, are increasing rapidly, and at the same time the chances of earning are decreasing.

This situation should stop. Therefore you may have my support in doing this. I look to you likewise in giving your support to our case—a chance for an honest-earned living.

My difference of opinion is due to the fact that I love my country more than I love the Democratic Party.

Yours truly,

CARL KRAUSE.

N. L. R. B. Intrenched As Labor's Maginot Line

EXTENSION OF REMARKS
OF
HON. THOMAS F. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

ARTICLE BY JAMES POPE

Mr. THOMAS F. FORD. Mr. Speaker, in view of the back-door attack on the National Labor Relations Board, through the device of cutting its appropriation in such a manner as to cripple its operations, I am attaching hereto an article that appeared in the March 10 issue of the Courier-Journal of Louisville, Ky., which, in my judgment, is a splendid analysis of the philosophy and forces that motivate the opposition of this worth-while act.

[From the Louisville Courier-Journal of March 10, 1940]

NATIONAL LABOR RELATIONS BOARD ENTRENCHED AS LABOR'S MAGINOT LINE—OVERCOMES GUNSHYNESS, SURVIVES WILLIAM GREEN'S CONDEMNATION, AND IS PROBABLY SAFE FROM MAJOR CHANGES IN THIS ELECTION YEAR WHEN CONGRESS IS UNLIKELY TO PASS DRASTIC LABOR LEGISLATION

(By James Pope)

Martial analogies have become a little threadbare, but it does seem apt to say that the National Labor Relations Board has suffered from the report of the Smith committee a far from disastrous bombing; that the Board remains entrenched, with communications intact, upon its well-fortified isthmus; and that unless Congress rushes reinforcements not now in sight, the attack will develop no serious damage.

The National Labor Relations Board is no longer gunshy. It has been bombed with epithets like "kangaroo court" and "drumhead court martial," and it has survived William Green's condemnation that "* * * the administration of the Board is a travesty on justice."

The Board's three members—Chairman Warren Madden, William M. Leiserson, and Edwin S. Smith—have been threatened with a blitzkrieg for many months. The Smith report was hardly that.

And being men with normal sensitivity to politics, the members are probably extracting comfort from the thought that friendly committees will reconstruct the proposed amendments in House and Senate, and that Congress, in this election year of 1940, is unlikely to pass any drastic labor legislation anyway.

To be skeptical of the practical effect of the Smith report is not, however, to ignore it. Some of its recommendations have the support of the A. F. of L. Some seem to impartial critics to be fairly well justified.

DITCH COLLECTIVE BARGAINING?

And one of the proposed amendments would strike so potently at the whole labor movement that it stands out in bold relief as a threat (if no more than a threat) against the No. 1 principle for which labor has battled these 40 years.

That principle is the right of labor to organize and bargain collectively. Not primarily the right to higher wages or the right to shorter hours or the right to decent working conditions. These are boons which collective bargaining enables labor to obtain in varying degree. Fundamental is the right to bargain, and the active approval of this right by the United States Government.

The Smith committee proposes that the language of the Wagner Act, characterizing the denial of collective bargaining as leading to strikes, and setting forth that it is the policy of the Government to encourage collective bargaining, shall be stricken from the act.

If it is, church is out so far as labor is concerned. The other 20 proposed amendments would be dwarfed in any possible effect they might have, once the collective-bargaining principle is ditched.

ORGANIZATION SLOW

To understand this, a glance at the background of the labor movement is pertinent. Against this background the proposed amendments to the Wagner Act may attain a clearer relief.

The Wagner Act is 5 years old. The effort it epitomizes is far past the century mark in this country.

In 1806 some Philadelphia shoemakers got fined for the monstrous crime of banding together to seek higher wages.

Thirty-six years later a Massachusetts court held that the people had as much right to organize for higher wages as for the promotion of temperance. The germ became discernible to the naked eye. But it grew slowly.

A bloody, disastrous fight marked the progress of labor's seeking after recognition. The century was waning before President Cleveland appointed a commission to investigate the causes of the Pullman strikes and to recommend a guide for relations between laborer and employer. The Commission urged employers:

"* * * to recognize labor organizations; that such organizations be dealt with through representatives * * * it (the Commission) is also satisfied that if employers will consider employees as thoroughly essential to industrial success as capital, and thus take labor into consultation at proper times, much of the severity of strikes can be tempered and the number greatly reduced. * * *"

A commission appointed by Theodore Roosevelt in 1902 produced similar findings, but employers altogether lacked enthusiasm for the reiterated principle.

"STRUGGLE FOR LIBERTY"

In 1916 another commission reported on the Ludlow massacre and on the whole field of industrial relations, after hearing 740 witnesses. Here is what the Commission said:

"It has been pointed out with great force and logic that the struggle of labor for organization is not merely an attempt to secure an increased measure of material comforts of life, but is part of the age-long struggle for liberty; that this struggle is sharpened by the pinch of hunger and the exhaustion of body and mind by long hours of improper working conditions; but that even if the men were well fed they would fight to be free."

Chief Justice Taft observed from the bench in 1923 that "A single employee was helpless in dealing with the employer."

Thus the philosophy was built up over 40 years. Many labor leaders went to jail; no employer suffered that fate. But sentiment grew and legislation followed. The Norris-LaGuardia Act of 1932 embodied the principle that labor could organize and bargain, though every man must have a free choice on the question of joining a union. This declaration made before the New Deal administration came in, was incorporated into the Wagner Act.

Obviously, then, if that act is amended to destroy the principle of collective bargaining, the other amendments will be largely academic.

STRIKES DECREASE

For 2 years after the passage of this act the National Labor Relations Board was helpless, paralyzed by injunctions. It became effective only after the Supreme Court upheld validity of the act, so its 5-year record really covers only 3 years of genuine activity.

Up to February 1, 1940, the Board handled 25,968 cases involving 5,805 workers. Of these, 22,402 were closed. Fifty percent were closed by agreement, 16 percent dismissed by the board of regional directors, 22 percent were withdrawn, 7 percent were closed by Board decisions.

The statement has been made, apparently unchallenged, that 42 percent were decided in favor of the employer.

In the same period, the Board intervened in some 2,614 strike cases and settled 1,973, or 75 percent. It averted 806 strikes, and held 2,630 elections affecting over a million workers.

The trend of strikes is definitely downward. The decrease last year was one-third.

Man-days of idleness, caused by strikes, decreased from 28,424,808 in 1937 to 9,148,273 in 1938, or about 68 percent.

So reads, in brief, the credit side of the ledger.

What are the chief complaints against the Board?

From John L. Lewis that the Board favors the A. F. of L.; from William Green that it favors the C. I. O. (Of the cases closed last year, employers recognized the A. F. of L. in 434, the C. I. O. in 436—a photo-finish if there ever was one.)

STIRS LABOR STRIFE?

In a review of the Board and its work by Walter Gellhorn and Seymour L. Linfield, of the Columbia University School of Law, the complaints against the Board are cited thusly:

"It stirs up labor strife by bringing unwarranted charges against employers."

"It doesn't give respondents fair notice of the charges against them, so that they cannot properly prepare their defense.

"Its hearings are conducted in a disorderly and arbitrary fashion."

"It doesn't observe the rules of evidence."

"There is too much confusion in the roles of judge and prosecutor in the Board's work."

Messrs. Gellhorn and Linfield add that after examining these criticisms in detail they "are convinced that no one of them is fairly supported by the record of events."

It may be that criticism has confused its target. Poor administration was conspicuous and wide open to attack during the early years of the Board's operation, but most critics assailed the law, not the administration. Defenders of the law contend that since Leiserson has gone on the Board (about 10 months ago) the administration has improved immensely.

Their argument is that most of the objections have been met by the Board's own reform, and that the act itself needs little altering.

The Smith committee delivered a broadside against the Wagner Act itself, but the shells were of unequal power.

SMITH is an antinew dealer from Virginia. Two Republicans, HALLECK (Indiana) and ROUTZOHN (Ohio) signed his report. The two New Deal Members, HEALEY (Massachusetts) and MURDOCK (Utah) dissented.

PROPOSED AMENDMENTS

This line-up should be borne in mind during a quick survey of the proposed amendments and their probable effect.

1. The Board shall be reconstituted (the same three members could be appointed) with judicial functions merely, while an administrator is charged with the duty of receiving and investigating complaints, and presenting them to the Board.

Labor is against this device for dividing authority, but the harm it may cause is not apparent. Certainly it would not cripple the working of the act. The A. F. of L. wants a five-man board. A compulsory geographical distribution of members is favored by many.

2. The Board shall have authority to subpena records and witnesses on application of the administrator or any party to proceedings.

Not so good. Would cause endless delay in hearings and clutter proceedings with books and records that might obscure essential issues.

3. No bargaining unit larger than the largest unit asked by parties to proceedings shall be certified.

The Board has on occasion certified units on a large scale seemingly unjustified. The amendment would put a check on this tendency, and is entirely defensible.

4. Certification shall be effective for 1 year, during which employee representation could not be made a subject of controversy.

Apparently innocent, but might give hostile employers a chance to break unions during this year of grace.

5. Board shall be barred from acting on representation cases involving C. I. O.-A. F. of L. disputes unless two factions have agreed in writing on settlement of dispute.

Why shouldn't the Board act on cases involving disputes? Looks like a political device of the namby-pamby type.

6. Employer refusal to bargain with either of two disputing factions shall not be construed as unfair labor practice.

Fair enough. Employers should not have to bargain when two factions clamor for representation. The Board should settle the dispute.

7. Employers shall be protected in freedom of speech, provided no intimidation is involved.

Your guess is as good as anybody's about this. If Congress can define freedom of speech within limits that prevent intimidation, a Congressional Medal will be in order.

8. All hearings shall be conducted in accordance with rules of evidence in United States circuit courts.

Would add difficulties to Board's efforts to get at facts. Present freedom in considering evidence is subject to abuse, but seems necessary to sound administration.

9. Board shall make findings on preponderance of evidence, and courts can review this evidence.

A cardinal fighting point. If the work of the Board is subjected to judicial review, delays costly to labor will ensue. Also, court dockets will become glutted, and new courts probably become necessary to handle the mass of appeals.

10. Board to be stripped of power to order reinstatement of employees found guilty of violence.

MOST OPPOSED BY LABOR

Ambiguous. Minority of committee thinks the effect would be "sentence of economic death" to many workers.

Some of the amendments cited above have been telescoped with others of common purpose. It will be noted that most of them are opposed by labor, that some of them would have no important effect on the operation of the Wagner Act, and that some are genuine threats to the Board's freedom of action.

Why did the committee fail to please the United States Chamber of Commerce by omitting an amendment to make labor accountable for unfair labor practices as well as employers? It seems a good opportunity missed.

But does it matter?

COMMITTEE APPROVAL UNLIKELY

Representative MARY NORTON, of New Jersey, is chairman of the House Labor Committee, and she has already announced her belief that the House will defeat the amendments. Her committee is unlikely to approve them.

If they get to the Senate, the Labor Committee there is expected to sit on any amendments that seem hostile to labor organizing and bargaining rights.

So the political fortunes of the Smith committee report do not appear at the moment to be happily starred.

The report is useful in that it crystallizes the voice of opposition to the Wagner Act, shows defenders of the citadel of labor what they have to resist.

In a recent address, Mark Ethridge, general manager of the Courier-Journal and Times (whose notes form the basis of this discussion), observed that the Wagner Act is "the Maginot line of labor's fight for freedom to organize, just as employers organize into corporations."

Mr. Ethridge views the Smith report as useful in that "It brings into focus the whole field of labor relations, and projects clearly the fundamental issue: Shall labor retain its hard-won privilege of collective bargaining or shall this privilege be withdrawn at a time when heartening progress is being made in the reduction of strikes and the increase of productivity?"

Seven Years of the New Deal

EXTENSION OF REMARKS

OF

HON. GEORGE H. BENDER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 20, 1940

Mr. BENDER. Mr. Speaker, 7 years ago this month, President Franklin Delano Roosevelt swore the oath of allegiance to our Federal Constitution and assumed the highest political office within the gift of the world's greatest republic. The anniversary is one of the most significant in American history, for it brings to mind the circumstances of that difficult period in 1933 when the Nation's economic life appeared to be bordering upon complete collapse. For a brief moment in that tragic era, we seemed to be caught up in an overwhelming, all-engulfing flood, which threatened to destroy everything which our people had so laboriously created in almost 150 years of independence.

To rout the forces of economic hopelessness which were assailing us, our representatives delegated to the President powers totally unprecedented in the history of our country. He was virtually dictator of the Nation's economic destiny. His will was law. For 100 days, from March to June, the legislative mills of our Congress ground out an endless stream of legislation in response to every wish of the White House. Proclamation followed proclamation in the spirit of militant warfare. In very fact, the President himself declared that he was waging war—a war upon the forces of depression. In ringing tones, he told us that the only enemy we had to fear was fear itself. Seemingly, he had a plan.

Today it is March 1940. Yet the same difficulties which surrounded us in 1939 are still present. To be sure, the Nation is no longer in the desperate external plight we found 7 years ago; but there is more than a strong suspicion that whatever has been gained since 1933 has been achieved in spite of rather than because of the ministrations of the New Deal. We have reached an income level higher than we saw in 1933. But we have raised our taxes tremendously in the process. We have in no manner met the vast and far-reaching problem of mass unemployment. We have created social-security legislation, but we have by no means created social security. Elaborate codes have been set up to assure our unemployed working men and women of some insurance benefit, but they have gained neither security nor comfort from these pittances. Old-age pensions are pointed to as glorious creations, but they serve only to illumine the desperate position in which our aged find themselves.

The picture is tragic. After 7 years of an administration which was to meet our problems fearlessly, to melt difficulties away as the hottest sun melts even the hardest ice, we are in no better position fundamentally than we were before. Every gain registered is offset by some major loss. The rise in national income is reflected by a still sharper rise in the national debt. To achieve momentary respite from our current troubles we have mortgaged the future and stored up new problems for the days to come.

We have planted vineyards, but their fruit may prove to be the grapes of wrath. Labor is divided within itself, but united in bitterness against capital. Business peers anxiously and timidly into the future, fearful of what it may see directly ahead. Farmers shake their heads wonderingly, amazed at an administration which embarks upon a program of scarcity in the midst of hunger.

These are facts worth pondering upon the seventh anniversary of the most turbulent national peacetime administration the American people have ever seen. They give us sound grounds for misgiving. In many unprejudiced minds they must lead to the conclusion that the gulf between theory and practice under the New Deal is too wide to be spanned. Its fallacies are basic. Its errors have been more than errors of method. They have been errors of policy. Deficit spending, pump priming, crop curtailment, unfair competition with industry, a program of expanding class conflict—none of these can be justified in the light of events.

American citizens of every political faith must, nevertheless, be grateful for the lessons we have learned in these trying years. Like the thousands of unsuccessful experiments conducted by scientists the world over, the New Deal has marked out a direction and charted it upon the Nation's map—"No road." Down this path there waits nothing but disappointment.

The first steps are before us.

In the elections of 1940 we have the opportunity to write "Finis" to the unsound experiment we have undertaken. We have the second chance which is the comfort and solace of every experimenter. Seven years of wandering down blind alleys without a beam to guide us should be more than enough. It is time for us to turn on the lights.

The Silver Question

EXTENSION OF REMARKS

OF

HON. GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

ARTICLE BY DR. LEWIS HANEY

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following short article by Dr. Lewis Haney, published in the New York Journal-American of March 22:

[From the New York Journal American of March 22, 1940]

DR. LEWIS HANEY, PROFESSOR OF ECONOMICS, NEW YORK UNIVERSITY, CALLS SILVER ACTION A FAVORABLE SYMPTOM

The vote of the Senate committee to end the President's power to buy foreign silver is of real interest and importance.

First of all, I would chalk it up as one of the favorable symptoms, suggesting that common sense and business recovery are beginning to prevail against the New Deal delusions.

The active and courageous fight of Senator TOWNSEND is to be praised. That his sense of timing is also good is shown by his success. The bill is actually apt to pass, since the committee vote was 14 to 4 in its favor.

This sign comes along with the general recognition of the badness of the Wagner Labor Act, and the fair and open attack by the Investment Bankers Association on the arbitrary acts of the S. E. C. Truly, the people are beginning to see the light.

Such developments mean that well-intentioned wish thinkers, who have been led into hasty reforms, are being disillusioned. The bitter and biased radicals are on the defensive. It is beginning to seep in that the reasonable critics of the New Deal economics have been definitely right. Such men as Senators SMATHERS, PEPPER, BARKLEY, and WAGNER are going to have to do a lot of explaining to their aroused constituents.

Incidentally, the repeal of foreign silver subsidies will leave the domestic silver subsidy naked. Probably it won't be long before we quit that foolishness, too. The only real defense for it is that it doesn't cost as much as most of the other New Deal spending sprees.

The change in silver buying also means the weakening of a good many economic errors that have prevailed during recent years. These are somewhat as follows:

1. The repeal of silver buying marks the beginning of the end of the notion that the Nation needs more money.

One of the main arguments for unsound money schemes is always the claim that there isn't enough money in circulation, and that therefore more currency should be printed or coined.

When Roosevelt defended this wild silver-buying spree, he talked about increasing our metallic reserves as if we needed more money.

2. It reminds us that more money does not necessarily circulate. Today we have huge masses of gold and silver, and enormous bank-deposit credits; but circulation is almost dormant.

When the Government spends the stuff, it flows back and freezes. It does not circulate. Why? Because business is frozen

by abnormal uncertainty and fear. Commercial lending and investing are dead.

The only way to get money to circulate is to get goods to circulate. The only way to get goods to circulate is to encourage production and trade.

3. The idea of "helping the weak" by doing unsound and wasteful things is shaken. Originally, the new dealers claimed that by purchasing silver they would help China. They hastened her financial ruin. Now they are "helping" Mexico by giving her dollars for her large silver output. (Reports from Mexico state that if the bill is passed, Roosevelt is expected to veto it.)

The way to give relief is the direct and open way. Mixing relief with unsound and devious policies is bad.

4. The repeal of silver buying will mark a change in the attitude of some toward wasteful Government spending, or "pump-priming."

For every silver dollar which the Government prints or coins, it writes up a "profit," which is called "seigniorage." It takes about 27 cents worth of silver, and pays about 35 cents for it. Then it enters it on the books as a dollar. The difference between 27 cents worth of silver, written up to 35 cents, and a dollar, is the Government's "seigniorage" charge. This is about 65 cents on the dollar.

This fake "seigniorage" profit amounts to well over a billion dollars. The spenders and wasters are eagerly waiting to start inflation by putting it into circulation. They tell the world that the more money we waste on buying overvalued silver the more money we have.

Our Producers and Consumers Can Be Served Best by Their Local Retailers

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

STATEMENT BY HON. JOHN M. HOUSTON, OF KANSAS, BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON WAYS AND MEANS AT THE HEARING ON H. R. 1

Mr. HOUSTON. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following statement made before the subcommittee of the Committee on Ways and Means considering legislation on the bill providing for an excise tax on retail stores:

STATEMENT OF HON. JOHN M. HOUSTON, OF KANSAS, IN SUPPORT OF H. R. 1

Mr. Chairman, your committee has on file petitions urging the enactment of H. R. 1, a bill providing for an excise tax on retail stores, signed by 1,106 residents of the Fifth Congressional District of Kansas, which I have the honor to represent. These petitions have been filed with your committee by me since the beginning of this session of Congress, and they were signed by wholesalers, retailers, and others, many of whom I know personally. The petitions came to me with letters beseeching Congress to break the monopolistic control of the great interstate chain stores in order that the independent retailers may survive.

In addition, I have received during the past few weeks numerous letters from other parts of Kansas. A Topeka manufacturer of steam boilers, oil refinery equipment and other supplies, wrote as follows:

"The chain-store situation is growing worse every day, and I am serious when I state that unless something is done, and done quick, it will eliminate all stores operated and owned by local merchants."

An Emporia wholesale grocer declared:

"There can be no question but that the greatest menace with which our country is confronted is the extinction of individualism of our people and concentration of wealth in the hands of a few. It is fundamental and elementary that if you pull the profits, for example, out of Wichita, or Sedgwick County, and shoot them off to Wall Street investors, that city and county will suffer in that ratio. * * * It is just a case of the home builders splitting up their business among the foreign chains, whose owners do not give a tinker's damn for the welfare of these local citizens."

A Junction City wholesale grocer begged support of H. R. 1 for the good of the country as a whole. He said:

"There is just one thing sure and certain; that if we intend to keep the United States independent and conserve the business of the United States for our children, something must be done to curb the unfair activities of the chain stores."

An Arkansas City wholesale grocer, in business for over 45 years, wrote:

"I remember clearly when the chains invaded our territory, and have been studying this matter ever since. I have come firmly to the conclusion that H. R. 1 should be passed.

"The chains invaded our localities after our cities were built, our churches and schools built, our streets paved and the communities had become prosperous without any contribution on their part; they do not contribute to local relief, churches, charities, except in a miserable sum entirely out of proportion to their business; they break down local rent schedules by destroying independent merchants; they compel our boys and girls to work for absentee owners of business for long hours at starvation wages; they are draining capital from our local towns; they destroy the independence and self-reliance that built the towns which they did not create.

"They never fail to beat down the prices on farm products. They are the first to leave the town if it is overtaken by drought, cyclone, epidemic, or other unforeseen disaster. They charge different prices in different cities in the same State, and even in the same city, according to competition from an independent merchant across the street who is marked as the next victim. They do not at any time render assistance in the form of credit to any citizen; they never pay their just and fair share of taxes in proportion to the volume of business they do and in proportion to the stocks they carry.

"I firmly and honestly believe that unless this situation is corrected they will drive our independent merchants entirely out of business. I am in hopes that prosperity will return to the people in our communities, and I know of no way to get better and quicker results than by the curbing of monopolistic chain-store competition."

Those are the statements of real Kansans who actually helped in the building of Kansas towns and cities and in the making of the State of Kansas what it is today.

The Honorable Frank Murphy, now Associate Justice of the Supreme Court of the United States, is reported to have once said:

"Trusts and monopolies in America have been fostered and promoted in the past by the Federal Government to such an extent that they virtually have wiped out the small independent businessman. We must restore this independent businessman or we will be a Nation of corporative peons in another decade.

"The day is already here when a boy graduating from college can seek a career only in some monopolistic enterprise if he has any hope whatever of achieving comparative success.

"We have come to the point of making jokes about the disappearance of the corner grocer."

I cannot view with complacency, or as a joke, the displacement of the individual resident retail merchant or the resident retail organizations in the towns and cities of my district, my State, and the Nation, whether in numbers or in trade volume, by the nonresident owned and directed interstate chain-store corporations.

I will not undertake to present a national statistical picture of the conditions of which I complain. That will be done in detail by others who will appear before you. But I do know that in my own district the well-being of the resident-owned retail stores is being sapped by the inroads of the interstate chain-store corporations.

When I visit the towns and cities and look up and down the streets, I observe easily the prevalence of retail stores of all kinds whose owners and responsible directing heads are nonresidents of my district and the net profits from the operations of which in my district go out of my district for reinvestment or other use elsewhere.

I have observed also that the stores of these nonresident concerns occupy sites or are situated in localities that formerly housed or supported with their trade stores of the individual merchants resident of my district. I do not like this situation; in fact I am saddened by it. I am convinced that this change has brought no net social gain but, on the contrary, distinct social harm and loss.

Nor will I undertake here to enter a discussion of whether these chain-store systems sell to the consumer cheaper than the independents; or if it is true whether they sell cheaper because they are enabled to do so by using their mass buying power to coerce from farmers, growers, and processors buying prices below the prevailing market levels for others and thus to the harm and deprivation of such farmers, growers, and processors; or whether there is really any true standard by which such differences of selling prices may be measured in view of the many varying factors that go to make up whatever differences may exist. You will have adequate factual testimony from others on all of those points.

But if it be determined that certain chain systems are enabled to sell to their patrons cheaper than the independents, I beg that you, the members of this committee, inquire sharply and penetratingly into the reasons why.

For anyone to sell cheaper than another he must buy cheaper. If the chain-store systems or the leaders among them buy cheaper through the use of oppressive tactics on growers and producers, as is attested by the Federal Trade Commission's report following its fresh fruit and vegetable inquiry, so that their patrons may reap an advantage in consumer prices, there is nothing admirable or truly economic or socially beneficial in that. It is merely the use of organization size and organized economic power to serve a selfish end. Such procedure harms many growers and producers, benefits some consumers, but benefits more than all the owners of the leading interstate chain-store systems whose return on investment ranges around 17 to 18 percent.

I am interested, not in the prosperity of these nonresident interstate chain-store systems, but in the well-being of all the people of my district, including the farmers, the laboring men, the manufacturers, the processors, the retailers, the wholesalers, the bank-

ers, the printers, the insurance men, the traveling men, the hotels, and all consumers.

If the consumers are to be benefited, I want all the consumers in my district to be benefited and not merely those who patronize the chain stores. If cost of distribution is to be reduced, I want the cost of all distribution reduced and not merely chain-store distribution. I do not want the interstate chain-store systems to grow so large and so powerful, whatever may be their artificial or mechanical efficiency, that they will displace or dominate to the equivalent of displacement, all other forms of distribution so that no other form will be left operative. The cost of distribution should be reduced, but not to the point where it brings detrimental social repercussions.

For some consumers or some groups of consumers to get exceptionally low prices is one thing; it is quite another thing if such exceptional prices are socially unjustifiable. If such prices are made possible by the oppression of growers and processors or the displacement of labor or the shirking of community burdens, then such prices are socially evil, however attractive they may appear to their recipients. Hence they are to be enjoyed only to the harm and peril of the whole social structure.

I state to you from my own knowledge and study that the interstate chain-store systems work more harm by their oppressive buying practices and their growing domination of retailing made possible thereby than can be cured by any mechanical efficiency however great.

I want to see the retailing in my district done by individual shop owners who are residents of their communities and who are responsible for the fate of their communities whether it be for weal or woe. I believe that the welfare of these local communities is better entrusted, so far as retailing is concerned, to many individual resident owners and proprietors and resident-owned concerns whose fate is necessarily bound up with the present and future of their communities than to the agents of a few nonresident corporations whose interest in the community is essentially the net profits that they can take out of it.

I want the stabilizing economic and political force of the resident shop owner to prevail in my district. I want the economic grass roots embedded in the soil of my district to grow and multiply and yield abundantly. I do not want to see them perish or become dry and sterile by some blight arriving from the outside.

I believe that local retailing should be done by the local interests of my district and State and not preempted or dominated in buying and selling prices by the power of the interstate chain-store systems. For these reasons I favor H. R. 1 and would urge the members of this committee to report it favorably.

Tax Damper on School Endowments

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

EDITORIAL FROM THE ST. LOUIS GLOBE-DEMOCRAT

Mr. HENNINGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Globe-Democrat of March 19:

[From the St. Louis Globe-Democrat of March 19, 1940]

TAX DAMPER ON SCHOOL ENDOWMENTS

The plight of privately endowed colleges and universities, as a result first of depression losses and then of high income-tax rates, is a matter that should command the close attention of Congress. It seems apparent, now that the economy bloc is taking a licking, Congress will soon be called on to find ways of increasing Federal revenue. One proposal already advanced contemplates a 10-percent boost in existing income taxes. Such an act would increase the financial incubus that already clings to the back of educational and other institutions which depend wholly or partially on gifts from private sources.

This threatening danger was cogently presented in a letter written by Chancelor George R. Throop, of Washington University, and sent to Missouri Congressmen on behalf of the 12 colleges and universities composing the Missouri College Union. These schools only a few years ago obtained an income from invested funds averaging 5 or 6 percent. Now that income has been cut to 3½ percent or less, and endowments are far less frequent and of necessity less generous.

This condition applies not alone to universities and colleges. Drastic income levies threaten endowment possibilities and revenues of churches, libraries, hospitals, and various other philanthropic agencies.

One of the most healthy and distinctive implements of American progress in the past has been philanthropy. Billions of dollars have gone into private endowments that wrought a spread of culture, learning, religion, beyond the power of estimation. They have created a network of institutions dedicated to advance of our civilization, and which can find no parallel anywhere else in the world. Now this well shows a tendency to dry up. Taxes have dug so deep into income and hampered pioneering business initiative so critically, people are either unable to indulge in philanthropy or fear insecurity too much.

An increase in taxes upon income will further curtail endowments. Dr. Throop's letter observes "the capacity of large incomes to bear such (increased) tax is not in question; but its probable effect upon the services of our educational and charitable institutions is a matter which demands careful thought. * * * These services are today in jeopardy."

Rocketing income levies still higher would seem inevitably destined to strike a crushing blow to thousands of universities, to hospitals and libraries, indirectly to churches and other institutions that have had a cultural and moral value to the Nation beyond material computation.

Arbitrary Ruling by the Federal Communications Commission Ties up Development of Television

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR OF MARCH 26, 1940

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial which appeared in the Christian Science Monitor of March 26, 1940, and which merits careful consideration by every Member of the House and Senate.

The decision of the Federal Communications Commission to suspend its recently granted permission for limited commercial application of television seems unreasonable and arbitrary in view of past experience. The analogy drawn in the editorial is a splendid one and I think we all realize that neither the automobile, the telephone, or the radio, could possibly have reached their present-day stage of perfection had their public use been delayed and retarded until a hundred percent degree of satisfactory service was an attained reality.

[From the Christian Science Monitor of March 26, 1940]

TELEVISION TIED UP

How far should a Federal commission go in specifying how an industry should develop a new art? That seems to be the crux of the question presented by the order of the Federal Communications Commission to suspend its recently granted permission for limited commercial application of television.

The concern of the F. C. C. to protect the public against purchasing sets which must be considered experimental in the present status of television is understandable. But the Commission goes pretty far in its alarm lest the public buy what it thinks is a set for all time when the receiver becomes out of date in a year or two.

The F. C. C. warns that pushing the sale of receivers at this time may not only intensify the danger of leaving these instruments on the hands of the public but may react to crystallize transmission standards at present levels.

If experience is any guide, this is hardly a justification for tying up the television industry for another long period. Privately owned industries cannot attract capital with which to perfect their products except by asking the public to share in the developmental costs through buying the goods or services.

Telephone service in the early days was an uncertain affair. Early automobiles seldom arrived on time at their destinations. Early motion pictures were a mass of jerky actions and grotesque performances. The public did not feel themselves defrauded by buying these products in their early days.

Up to now, private judgment has determined how long the public participation in a new and experimental industry should be deferred. Are we at a point where a Government agency will determine this? The F. C. C. says the sales promotional activities of the Radio Corporation of America may be retarding television. But in taking this suspensive action the F. C. C. may equally be charged with retarding television.

It is to be hoped that the F. C. C. and the R. C. A. will get together and work out quickly a useful plan of action. Otherwise credence will be given to the persistent rumor that this action represents anti-big-business feeling on the part of certain commissioners rather than a reasonable supervisory action in a new and important industry, television.

The Migrant Problem in California

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

LETTER FROM CAREY McWILLIAMS

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a letter from Carey McWilliams, of the Division of Immigration and Housing, of the State of California. In this letter Mr. McWilliams answers certain charges made by J. S. Watson, of the Associated Farmers.

The letter follows:

DIVISION OF IMMIGRATION AND HOUSING.
Los Angeles, March 26, 1940.

Congressman LEE GEYER,
House Office Building, Washington, D. C.

MY DEAR MR. GEYER: It was most kind and thoughtful of you to go to the trouble of sending me a copy of the blast of the Associated Farmers of California against me based upon an interview which I gave to the press in Washington.

I should like, for your information, to reply to these charges. The substance of my remarks was solely directed to impressing official Washington with the gravity of the migrant problem. No one in California will question the seriousness of the problem itself. As you know, the State Chamber of Commerce has recently taken official cognizance of the problem and has earnestly petitioned Congress to investigate all aspects of the matter. Apparently my critics feel that anyone who discusses this matter, not in abstract terms but in terms of human misery and suffering, is inciting to riot and encouraging all sorts of dire and awful developments. I emphatically disavow any such intentions. But I have had occasion, particularly during the last year, to talk with many of the migrants themselves, and I think I know a little about the conditions that they are up against and what they themselves are thinking. I was not a prophet in saying that the unemployed citizens of California would strenuously protest against the relief measure recently enacted by the legislature at the special session. Before I left for Washington 4,000 people marched to Sacramento to register their protest against the bill, and other demonstrations and protests were in preparation at the time. With all of these protests and demonstrations, needless to say, I have had nothing to do. I have neither advised, consulted, nor otherwise encouraged such demonstrations.

Mr. Watson accuses me of inconsistency. He states, for example, that I have said that the large-scale farm operators want a surplus of farm workers; and, on the other hand, that I have said these same operators are now anxious to get some of the migrants out of the State. Having stated the matter in this manner, he asks how both these statements can be true. There is really nothing inconsistent in these statements. It is quite easy to demonstrate that the type of agricultural economy that has become entrenched in California is dependent upon a large supply, or pool, of unemployed labor to tap at the peak seasonal periods. Over a period of a great many years, these same growers have recruited this supply of labor in a variety of ways—from Mexico, from the Hawaiian Islands, from the Dust Bowl. They want (and say they need) a relative surplus of workers. There has been, in fact, a surplus of workers in agriculture in California since about 1921, with the exception of a few brief periods intervening. But this time, in connection with the Dust Bowl migration, the supply has reached such proportions that even these same interests are a little worried at the possible consequences. Besides, it is not so much the number of Dust Bowl migrants that concerns them as it is the tendency which this type of labor has shown to settle down in the community and to become permanent residents. They do not like to think of the possibility of their employees becoming voters in the districts in which they work. And, of course, unlike Filipino workers and most Mexican workers, the Dust Bowl migrants are American citizens and want to exercise the franchise. One other factor must be considered—the Associated Farmers is not, of course, a genuine farm organization at all, but a so-called "farmers' front" organization, behind which are organized the most powerful employer groups in California. These groups want to see all relief standards lower in this State; not merely for migrants or agricultural workers who have resided in the community for only a short time, but for California citizens who have lived here all their lives. Consequently, as a means of lowering all relief standards these groups point to the migrant influx and, by this means, persuade the legislature that a 3-year residence law in California is necessary. The effect of such action is, of course, that all unemployed persons are made to suffer in California under the erroneous assumption that the relief problem is synonymous with the migrant problem. Realizing, also, that the Dust Bowl migration threatens to continue, these same interests have attempted to start a back to the Dust Bowl movement and have launched certain prosecutions of migrants for bringing indigent persons into the State. The inconsistency, therefore, is only apparent and not real.

The best answer to Mr. Watson's diatribe is to be found, not in any statement from me which rightly or wrongly might be regarded as self-serving but in the transcript of the La Follette committee hearings in California. In the thousands of pages of testimony received during these hearings having to do with the Associated Farmers, the nature of the organization, the practices it has indulged in, and the character of the interests that now dominate every phase of California agriculture are clearly and irrefutably demonstrated and set forth. No one familiar with this transcript could possibly be misled or deceived by the Associated Farmers.

In closing may I take this opportunity to urge upon you the desirability of supporting the suggestion for the appointment of a congressional committee on agricultural labor and interstate migration, so that the national aspects and importance of this problem may be clearly established. Anything that you can do in support of this suggestion, as well as in furtherance of Mr. VOORHIS' legislation on the same subject, would be all to the good.

Thanking you again for your thoughtfulness in sending me a copy of Mr. Watson's statement, I am,

Yours very truly,

CAREY MCWILLIAMS.

P. S.—Incidentally, on the matter of "irresponsible statements" and "inciting to riot," may I call your attention to the declarations made by representatives of the Associated Farmers before the La Follette committee? You will find in the transcript many instances of the contemptuous attitude shown by this organization and its officials to a committee of the United States Senate. They accuse me of "inciting to riot"; but they have engaged in riots—not one but a dozen or more—and on this score merely note in the La Follette committee transcript the testimony on the Madera riot of October 1939.

The key to the entire attitude of the Associated Farmers on the migrant and relief question has fortunately been provided by Dr. George B. Clements, of the Los Angeles Chamber of Commerce, when he says: "The white transients are not tractable labor. Being American citizens, they are going to demand the so-called American standard of living" (Weekly People, March 16, 1940). This single statement sheds more light on the position of the Associated Farmers than any comment that I might make.

The Pity of It

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

LETTER FROM S. HERNES

Mr. COFFEE of Washington. Mr. Speaker, I herewith read into the RECORD for the benefit of the Members of the House a letter written by a resident of my district, Mr. S. Hernes, of 7428 South G Street, Tacoma, Wash., which is a tragic and touching and moving statement as to conditions prevailing at home. It reveals all too poignantly the suffering of the plain people and offers a potent argument as to why charity should begin at home.

The letter is as follows:

EDITOR OF THE TIMES:

Recently here in America a 12-year-old boy hung himself because he was tired of eating nothing but mush. His widowed mother and her 6 children were refused relief because one of them earns $4 a week. The boy had complained many times about his diet of mush and on the eve of his departure he scribbled a note that read: "I'm tired of eating mush." Thus he was found in his room by his schoolmate, who was to have studied arithmetic with him that evening. Time and again we have heard that the ill-housed, ill-clad, and the ill-fed shall be given assistance. Can it be that relief agencies have orders to refuse aid because their superiors feel that an income of $4 a week is sufficient to sustain a family of six? No mention of this boy appeared in the press. It seems that such news is considered by the press of less importance for its headlines than the marriage of a movie star or one headed for Reno, or the removal of an eye from a dog. Millions of dollars will soon be loaned to Finland and other European countries for the sake of democracy, and that word falls far short as to what it should mean to millions here in America, including the mother who must house, clothe, and feed her family on a diet of mush on top of her sorrow.

S. HERNES.

Congressman Tinkham Calls Thomas E. Dewey an Internationalist and Political Interventionist and States That He Is Unfit To Be the Republican Candidate for President

EXTENSION OF REMARKS

OF

HON. GEORGE HOLDEN TINKHAM

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. TINKHAM. Mr. Speaker, the greatest issue before the American people today is the maintenance of our traditional foreign policies against the efforts of the internationalists and political interventionists who would involve the United States in war in Europe and Asia.

This issue will be decided by the American people themselves in the approaching primaries and on election day next November.

The Republican voters in Wisconsin, Nebraska, and Illinois will have an opportunity within the next 2 weeks to play a part in keeping the United States out of foreign entanglements and foreign wars by selecting delegates to the Republican National Convention who will support candidates for the Presidential nomination who are known to be opposed to the internationalism and political interventionism of President Roosevelt and Secretary of State Hull.

Some of the Republican candidates for the Presidential nomination have remained suspiciously silent on the great international issues involving the security and peace of our country and the continuance of our present form of government.

One of them, Mr. Thomas E. Dewey, has publicly endorsed the internationalist policies of President Roosevelt.

In a speech which he delivered before the Women's National Republican Club of New York on January 20, 1940, Mr. Dewey deliberately declared that "we find the administration—referring to the Roosevelt administration—broadly following the policies both in Europe and in the Far East laid down during the 12 years of Republican administration." He then went on to praise Henry L. Stimson, former Republican Secretary of State, who, when he retired as Secretary of State, left the United States on the verge of war with Japan. Mr. Stimson is a pronounced internationalist and political interventionist; he was one of the most active proponents of the repeal of the arms embargo, a measure which was opposed by 90 percent of the Republicans in Congress, and is one of the strongest supporters of the internationalism and political interventionism of President Roosevelt.

Mr. Dewey practically stated that there is no difference between the foreign policies of the Republican Party and the internationalist policies of the Roosevelt administration. Such a statement is a repudiation of the efforts of the Republicans in Congress, who, since President Roosevelt's "quarantine" speech at Chicago in 1937, have been endeavoring to combat the various attempts of the Roosevelt administration to undermine American neutrality. The Republicans in Congress opposed the repeal of the arms embargo, the granting of power to the President to impose economic sanctions, and the political intervention of the President in the affairs of other nations, all of which they realized were bound inevitably to involve the United States in the ceaseless conflicts and wars of Europe and Asia.

This public statement by Mr. Dewey evidenced his utter lack of sympathy with traditional American foreign policies. It showed that he is not in accord with the Republican leadership in the House and Senate and is unfitted to be the Republican candidate for President.

The issue in Congress between the Republicans who have been insisting upon the continuance of the traditional American policies of strict neutrality, of nonintervention in the political affairs of other nations, of no entangling alliances, and of peace for the United States, and the supporters of the internationalism and political interventionism of the Roosevelt administration has been clear-cut.

Mr. Dewey chose to align himself with such Republican internationalists and political interventionists as Henry L. Stimson and Nicholas Murray Butler, together with President Roosevelt, Secretary of State Hull, and the United States Minister to Canada, James H. R. Cromwell.

The people must judge the candidates on their record and their public statements. Where they find a Republican candidate who supports the internationalism and political interventionism of the Roosevelt administration, they should recognize him as one opposed to American neutrality and willing to take the road to war.

Our Youth Problem

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 26, 1940

RADIO ADDRESS BY HON. LEE E. GEYER, OF CALIFORNIA

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks in the RECORD, I including the following address which I delivered over the radio on March 25:

A Congressman receives a great deal of mail. Some of the letters are neatly typed on expensive stationery. A Congressman knows that such letters were dictated one morning along with a few dozen others.

But we get another type of letter, too—letters written in longhand on any sort of paper, letters that we know come from the heart of America.

Let me read one of these:

"Dear Congressman," it begins, "I am writing to you for help. I need a job. For 2 years—since I left high school—I've knocked on every door in town—the mills, the stores, every place. Once in a while there are a few days' work, delivering packages or filling in for a sick office boy. But they say there are no permanent jobs for me. I'm 20 years old. My family needs my help and I don't want to be a burden to them forever. Besides this, a certain young lady and I would like to start a home of our own. This we are fearful of doing due to the uncertainty of an income in the future. Are we to be denied the same privileges that have always been taken for granted in this great democracy of ours? Where can I turn? Honestly, I'll do anything that is honest and honorable."

How shall I answer this letter? What can I tell this young man? How can we answer this same plea coming from more than 4,000,000 boys and girls who are in the same boat?

I can no longer say "Go West, young man, go West," for the physical frontiers are no more. I can no longer say "Start a little business of your own," when I know that these boys and girls haven't the capital for even a little business, when I know that small businesses are dying like flies. I will not say to them in these times "Join the Army or enlist in the Navy."

This boy and more than 4,000,000 others have been turned down by private industry. They are out of school and anxious to work but private industry is able to get along without them. Producing more than we did in 1929, there are fewer men and women employed in our factories and fields, our mines and mills.

There are people who say, "Yes, but this is not a special problem of youth." I agree with them that unemployment for adults is tragic, too, that we must find ways to give jobs to all who are willing and able.

But for these 4,000,000 young people, between the ages of 16 and 25, there is a special problem. They are at an age best suited for the development of their skills and talents. They are at an age when frustration hurts much more, when continued idleness leads to demoralization and sometimes to crime.

And for the Nation as a whole, they constitute a special concern. It is in this age group that there is the greatest percentage of unemployment. And yet, the Nation will depend in the future on the ability and skill of these same young people to work our fields and factories, run our mills and mines. The very future of American democracy is in their hands.

Congress has recognized this problem and for 5 years has appropriated funds for the Civilian Conservation Corps and the National Youth Administration. Seeing more than 4,000,000 youth performing no useful services, receiving no training, these governmental programs were devised to help a few, but only a few. Altogether, less than a million out-of-school young people have

been given aid through the C. C. C., N. Y. A., and W. P. A., at the peak of these programs.

W. P. A has been so limited lately that there is no longer room for these young people. The C. C. C. program has already been curtailed and will be further limited if Congress accepts the President's proposal to cut its present Budget by $60,000,000.

The National Youth Administration Budget proposed by the President will limit that program still further so that only 250,000 part-time jobs will be available at less than $20 a month average and only about 340,000 needy high-school and college students will be helped so that they may stay in school with an average of $7 a month.

Everyone will agree that the National Youth Administration, as a sign of recognition for the plight of youth, is a great step forward. But it is no answer for the young man who wrote to me. In his country thousands of young people are on the N. Y. A. waiting list. Throughout the country there are still 4,000,000 youth untouched by these governmental programs. Yes; government is turning them down just as private industry has turned them down.

It is because of the inadequacy of this Federal program for youth that I have introduced a bill into Congress known as the American Youth Act. It is a bill "to provide vocational guidance, vocational training, and employment opportunities for youth between the ages of 16 and 25; to provide for increased educational opportunities for high-school, college, and postgraduate students."

Let me quote from the declaration of policy of the American Youth Act: "The traditional American ideal of opportunity for young people must be preserved. In the past, new fields were opened by the Federal Government to provide an outlet for the initiative of generations of American youth, through such legislation as the Homestead Act of 1862. It is hereby declared to be the policy of Congress, in order to promote the general welfare, to make it possible for the youth of the United States to obtain these opportunities once more."

The American Youth Act will establish a permanent National Youth Administration instead of the temporary one which exists today and which can become the victim of politics. It will authorize the appropriation of $500,000,000—less than the price of 10 battleships—to provide job and educational opportunity, vocational training, and guidance.

To the young person who needs a job, the American Youth Act will mean useful work and training at the prevailing rate of wages, with at least 4 hours of appropriate education each week. To the community it will mean more parks, playgrounds, recreation centers, schools, and hospitals. The community will also profit by having a young generation at useful work instead of hanging around poolrooms, taverns, and street corners.

Students who must have part-time jobs or scholarships in order to continue in school or college will be provided for. Adult workers will have less competition from young people who can't afford to stay in school and therefore compete for their jobs at lower wages.

Unlike the present National Youth Administration, directed by one man whose policies are subject to no check, the American Youth Act provides for a board of directors made up of representatives from educational, civic, labor, youth, and social-service organizations which shall be responsible for the general policies.

But let me warn you—this bill will have no easy road through Congress. The same forces are in action that have already sabotaged such forward-looking social legislation and are working night and day to wipe off the statute books all of the gains of the New Deal.

I have been watching closely the source and the leadership of this opposition. I have discovered that, in the main, it comes from the Representatives from a certain group of States where minority government prevails; States where a poll tax must be paid for the privilege of voting; where the right to vote is not recognized, but where voting is a privilege enjoyed by less than a fourth of the people.

Senator PEPPER evidently made the same discovery over in the Senate—and in a brilliant speech last August he condemned the unholy alliance that exists between the opposition groups in the two major parties.

On the day Senator PEPPER made that speech, I introduced a bill in the House (the Geyer anti-poll-tax bill)—it should be a companion measure to this American Youth Act. That bill will restore democracy to the people of that section of the country. It will increase the influence of youth. It will give a stronger voice to the allies of youth; to the workingman and the farmers, to the small business man, the senior citizen, and the unemployed. It will make certain southern Representatives more responsive to letters such as the one I read to you—letters that come in to us written in longhand with pencil or pen—sometimes on tablet paper.

The anti-poll-tax measure will dilute the influence of the opposition and make it easier to pass a bill such as the American Youth Act.

I feel sure that all of you will agree that this program of youth aid is desirable and urgently needed. But a few of you will be murmuring, "But where will the $500,000,000 come from? Can the Government afford this program?"

Do you know that juvenile delinquency and the petty crimes of young people cost this country $3,000,000,000 each year, six times the cost of the Youth Act program? Do you know that the great bulk of this crime and delinquency is the direct result of youth unemployment? The American Youth Act will save the taxpayer money by helping to reduce the crime bill.

And there is another answer to those who question the ability of the Federal Government to raise the funds necessary for the American Youth Act. When the Government wants to build battleships, increase our Army and Navy, we always find the needed funds. Is it more important to equip ourselves with weapons of destruction or to save the young people of our Nation from idleness, hopelessness, demoralization?

The President, submitting the proposed Budget to Congress, cut the social-welfare items, cut the amounts to be appropriated for the C. C. C., the N. Y. A., the Office of Education, and the Public Health Service. But these cuts did not reduce the total amount to be spent, because at the same time he proposed that we almost double our expenditures for the Army and Navy, for so-called national defense. Our peace-loving people do not wish to be involved in war. They do not wish to spend funds for war preparations at a time when they are so badly needed for social services.

A forthcoming survey in Fortune Magazine shows that the great majority of the American people believe that, from the standpoint of national defense, it is more important to end unemployment than to increase armaments. The American people know that battleships are no substitute for that best of all defense—a free, happy, prosperous people. They also know that armaments are of no social use and that the kind of limited employment which may be provided in armament plants is no substitute for useful employment producing the things the people need and can use.

Our young people are especially concerned that we shall not be involved in Europe's war. They are anxious to work—to build much-needed hospitals, schools, housing projects—not battleships. Appropriations for these useful and badly needed public services can be an answer to the boys and girls who are writing their Congressmen asking where to find jobs. Appropriations for the American Youth Act is an immediate answer to those who need training, who wish to continue their education.

Every businessman knows that the first rule of good business administration is to preserve his capital assets. Before other expenditures, he knows that he must set aside funds for depreciation and depletion. For if he does not take out this insurance on his capital, the future of his income will always be in jeopardy.

The youth of this Nation are our capital assets. Five hundred million dollars a year is surely not too much to set aside to prevent the depreciation of their skill. If we do not want to throw away the income-producing power of our country for years to come, we must set aside at least this sum for the program of the American Youth Act.

And it cannot be an afterthought. We cannot say, "Let's build battleships first, and then if there is anything left over, we can take care of our young people." That is not a policy of national defense. It is rather a policy of national ruin.

Abraham Lincoln once said: "What constitutes the bulk of our liberty and independence? It is not our frowning battlements, our bristling seacoast, the guns of our war steamers, or the strength of our gallant Army. These are not our reliance against the resumption of tyranny on our land. All of them may be turned against our liberty without making us stronger or weaker. Our reliance is in the love of liberty which God placed in our bosoms. Our defense is in the preservation of the spirit and you have planted the seeds of despotism around your own doors."

Let us heed these words of Lincoln and spare no effort or expense to see that the love of liberty remains in the hearts of the young people of our country. Government must give them the opportunities which private industry fails to give to them. And it must be done now. If we fail to provide these opportunities through legislation such as the American Youth Act, then the faith of young people in democracy will vanish. The passage of this youth act becomes a responsibility which the whole Nation must share.

I truly believe that if American democracy means anything it means that if business, industry, and finance cannot or will not provide, all who want to work, with a job guaranteeing a decent standard of living that it is the duty of government to do so.

I believe the pasage of this act combined with a Nation-wide adequate old-age pension will do more to safeguard a continuance of this present form of Government than hundreds of new battleships built to fight we know not whom.

The Financial Situation

EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

LETTER OF BEN DIEFENDORF

Mr. WHITE of Idaho. Mr. Speaker, in considering the cause of the existing depressed business conditions and finan-

cial trends now under way in this country, I desire to present for the attention of the Members of the House an analysis of the present condition and the suggested remedy presented by an experienced financial expert, the former Idaho State finance commissioner, Mr. Ben Diefendorf, who has given thoughtful and serious consideration to the subject. Mr. Diefendorf is presented herewith:

JEROME, IDAHO, *February 13, 1940.*

FROZEN CREDITS—SLOW DOLLARS

Hon. COMPTON WHITE,
United States Congressman.
Washington, D. C.

DEAR CONGRESSMAN: 1. Forty-three billion United States bonds and debts are frozen credit in addition to the billions in life insurance.

2. We are in a cycle of speed transportation and production, due to machinery using gasoline and electricity.

3. The "dollar credit" must be thawed out and speed used on the dollar in a rapid turn-over to keep up with production, transportation, and increase consumption.

4. This means the earnings of the dollar must be nil unless used in production, transportation, labor, commerce, and pleasure.

5. The United States should stop bond issues and issue money to stop frozen credit and interest.

6. The "dollar credit" under the present set-up does not move in keeping with human necessities and has no speed in turn-over when frozen in bonds and life insurance.

7. Even though interest has been reduced, it has had no effect on the dollar, but has frozen more credit because of the reduction of interest.

8. When we come to the end of the road we are on, it will shake the equity "imagined," and the borrower will lose his "imagined" equity; the lender will have to take it over, and he will be busy for some years.

9. The 10 percent of the people who have the ability and control the dollar must come forward with a plan.

Yours respectfully,

BEN DIEFENDORF.

W. P. A. Construction

EXTENSION OF REMARKS
OF
HON. JOHN JENNINGS, JR.
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

LETTER FROM A CONSTITUENT

Mr. JENNINGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following card received by me from a carpenter living in my district:

DEAR JUDGE JENNINGS: I make my living as a carpenter. I want the construction work to be done through the relief bill to be done by contract after competitive bids.

I want this done because W. P. A. construction puts me on relief where I get lower wages, no social-security or workmen's compensation benefits. I wish you would tell this to the Appropriations Committee.

I want a real job, not a relief job.

J. H. JONES,
340 E. Oklahoma Ave.

Our Foreign Policy

EXTENSION OF REMARKS
OF
HON. ROBERT R. REYNOLDS
OF NORTH CAROLINA
IN THE SENATE OF THE UNITED STATES
Friday, March 29 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY JOHN A. MATTHEWS, LL. D.

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. John A. Matthews, LL. D., on Sunday, February 18, 1940, which was broadcast over station WHBI.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My fellow Americans, next Thursday we will celebrate the birthday anniversary of George Washington. He lived in the "horse and buggy" age. But his horse sense as first President of the United States, is something to be conjured with in these days of streamlined statesmanship.

Today I want to discuss with you the advice given by our first President in those "horse and buggy" days, on the principles which he believed should actuate our foreign relations, in order that you may see how the untoward happenings of recent months have resulted from our failure to heed Washington's salutary advice.

Indeed I fondly wish that the spirit of the late lamented Senator Borah, whose statesmanship was not streamlined at the expense of common horse sense, would arise in the Senate on the eve of Washington's birthday and read and comment on the passages from Washington's Farewell Address which deal with our foreign relations.

I am impelled to this thought and wish by the following remarks of Senator REYNOLDS, of North Carolina, during a Senate debate on the matter of our taking action against England's unwarranted and illegal rifling of United States mail at the Bermuda stop of our airships en route to Europe. Said Senator REYNOLDS:

"Mr. President, we are facing a dangerous situation. Of course, it is dangerous for any man in public life to open his mouth or to utter one word in behalf of his country if of necessity in that argument he must mention Great Britain, because it is said that those who openly oppose our entrance into this war are pro-Nazi. So far as I am concerned, I do not care what they say or write about me, so long as I have the right in this body or in any other public forum to speak out in the interest of the American people, and I say it is high time that the American people became pro-American. It is high time that we begin looking after our interests, the interests of the United States, instead of pussyfooting around and being afraid to say anything that might be construed to be against Great Britain."

My fellow Americans, may I ask you to keep those words of Senator REYNOLDS in mind?

It is eminently fitting on this the eve of Washington's birthday anniversary that we should ponder these words of warning advice on the matter of foreign relations contained in Washington's Farewell Address:

"A passionate attachment of one nation for another produces a variety of evils. Sympathy for the favorite nation, facilitating the illusion of an imaginary common interest in cases where no real common interest exists, and infusing into one the enmities of the other, betrays the former into a participation in the quarrels and wars of the latter, without adequate inducements or justifications. It leads also to concessions, to the favorite nation, of privileges denied to others, which is apt doubly to injure the nation making the concessions, by unnecessarily parting with what ought to have been retained, and by exciting jealousy, ill will, and a disposition to retaliate in the parties from whom equal privileges are withheld; and it gives to ambitious, corrupted or deluded citizens who devote themselves to the favorite nation, facility to betray or sacrifice the interests of their own country, without odium, sometimes even with popularity."

Has not our sympathy for the Allies, and particularly for England, in her controversy with Germany both before and since the inception of this European war, facilitated the illusion of an imaginary common interest between England and America in this power politics war in Europe?

What common interest has America in that wicked and unjust war? What common interest has the United States in the controversy about the Polish Corridor and Danzig, a controversy which Lloyd George said 21 years ago, "Must in my opinion sooner or later lead to a new war in Europe;" a controversy which the Nation and Athenaeum, an outstanding English publication, characterized in these words in 1927: "The corridor separating east and west Prussia is impossible. * * * This corridor is poisoning the political atmosphere of Europe, and we (English) are implicated in it;" a controversy which Lord Rothermere referred to in the Daily Mail for November 9, 1932, in these words: "The dividing of Germany into unequal halves in order to give Poland access to the sea was the worst robbery the peace conference committed. The existence of the corridor is a provocation to Germany and a danger to the Polish."

The answer of the war mongers and the internationalists, that we have a common interest in this European power-politics war to prevent the spread of totalitarianism, brown or red, lest it span 3,000 miles of ocean to our shores, is as false as it is hypocritical.

Red communism, which is different only in color and in insignia from brown nazi-ism, exists in our land today. Its avowed adherents and fellow travelers have bored into our schools and colleges, hold positions under our National, State, and municipal governments, and until very recently when Stalin spurned the hand of Chamberlain for that of Hitler, red communism and its official governmental representative in the United States were not only personae gratae to our Government, but on occasion, and as recently as last summer, Russia was referred to by the mayor of New York City as a nation whose governmental origins were akin to our own.

Yea more, Mr. President, that same red communism, not so long ago, reached its lethal hand into our erstwhile good neighbor,

Mexico, drenched the altars of that land with the blood of massacred priests, nuns, and Christian people, and no governmental word of warning, no congressional or senatorial resolution of prevention was enacted by us, to prevent that red totalitarianism from crossing, not 3,000 miles of ocean, but the silver strip of river called the Rio Grande.

No, my friends, there is no common interest between the Allies and us in this European war of power politics. But our propagandized sympathy for the Allies has, as Washington said, "facilitated the illusion of an imaginary common interest where no real common interest exists," and that imaginary common interest propagandized by foreign and American war mongers and internationalists has, as Washington said, given "to ambitious, corrupted, or deluded citizens (who devote themselves to the favorite nation) facility to betray and sacrifice the interests of their own country, without odium, sometimes even with popularity."

I challenge these warmongers to differentiate between the aggression of Hitler in Poland, and the aggression of Stalin in Poland and Finland, and I call upon them to answer why their favorite nation has not declared war against Russia if England's war aims, so often expressed, are to stop aggression against small nations. I challenge these common-interest war mongers to differentiate between the continuing aggression of their favorite nation, today, in India, in Ireland, and in South Africa, and the aggression of Hitler and Stalin in Poland and Finland, and I ask them to answer that challenge in the truthful facts of history and not in the camouflaged explanation of English propagandists. Finally, I challenge these war mongers to show the American people how these totalitarian nations, red or brown, or both, whether they win, lose, or draw in this European war, can even remotely threaten the physical integrity of the United States.

The physical integrity of our national domain is safe against attack by any and every kind of weapon and bomb except the bombs of propaganda, bombs which are manufactured and hurled by "ambitious, corrupted, or deluded citizens," as Washington called those who, as he put it, "betray or sacrifice the interests of their own country without odium, sometimes even with popularity."

And now, may I call your attention to other events which have happened in our country because of our failure to follow the advice of Washington as to our foreign policy.

Has not our propagandized passionate attachment for the allies, and particularly for England, led us, as Washington predicted, into "concessions of privileges which have caused us unnecessarily to part with what we ought to have retained"? Was not the repeal of the arms embargo—itself an unneutral act in time of war between nations—brought about only by parting with much of our rights upon the seas? And despite our parting with our rights upon the seas, have we not parted—and with merely perfunctory protest—with our rights of unhampered commerce in nonbelligerent zones with neutral nations? Have we not even parted with our dignity and self-respect as a great Nation, by submitting our cargoes destined for neutral nations, first to inspection, euphemistically called navicerting, in our own ports, by agents of the so-called favorite nation, and then to stoppage, inspection, and arbitrary confiscation for contraband?

And finally have we not been subjected to the illegal taking of our ships with cargoes for neutrals, into the ports of the so-called favorite nation, thereby bringing upon us the threat of the destruction of our ships by Germany, with the consequent loss of American life?

Have we not by our "concession of privileges" to England, parted with our export market for tobacco, cotton, and agricultural products in England, in Argentina, and Brazil, to mention only presently ascertainable loss of export markets? In a word have not our concessions to the so-called favored nation brought us to the stage where England looks upon us presently, merely as her arsenal, in the hope and expectation that she will force our sons ultimately to carry the weapons which she has propagandized us into manufacturing in mass production, and which her failure to pay for will be the final step into war to save the investments of the war mongers and munition manufacturers?

May I ask you, who do me the honor to listen now, to ponder these further words of warning advice as to our foreign relations, in Washington's Farewell Address:

"Against the insidious wiles of foreign influence, (I conjure you to believe me fellow citizens, the jealousy of a few people ought to be constantly awake; since history and experience prove, that foreign influence is one of the most baneful foes of republican government. But that jealousy, to be useful, must be impartial, else it becomes the instrument of the very influence to be avoided, instead of a defense against it. Excessive partiality for one foreign nation and excessive dislike for another, cause those whom they actuate to see danger only on one side, and serve to veil and even second the arts of influence on the other. Real patriots, who may resist the intrigues of the favorite, are liable to become suspected and odious; while its tools and dupes usurp the applause and confidence of the people, to surrender their interests."

Can anyone deny that excessive partiality to the Allies and particularly to England, and excessive dislike for Germany, have, as Washington said, actuated our people to see danger only on one side, and have served to veil and even second the arts of influence on the other?

Let us consider for a moment what danger Germany holds for America, and then let us take the veil from the arts of influence of England.

We can discard with little comment the war mongers' scare that Nazi ideology, totalitarianism with its un-Christian dogma of racism, will ever supplant democracy in America, unless and until, which God forbid, our Nation should discard Christianity.

But what of the oft-repeated propaganda of the war mongers and internationalists that Germany is or will be a threat to the integrity of our national domain? The answer of every disinterested student of military affairs is that a post-war Germany, vanquished or victorious, has no more chance, either alone or in concert with Russia, Japan, Italy, or whomever else, of successfully invading our shores than England has, and she tried it once when we were in swaddling clothes as a nation, and she tried it surreptitiously and vicariously a second time in our Civil War, and both times we licked her.

My friends, "our detached and distant situation," as Washington in that same Farewell Address, described our ocean barriers against foreign aggression, is as complete and effective a defense of our borders today as it was in Washington's day.

True, indeed, the horse and buggy of Washington's days has been succeeded by methods of transportation for peace and armaments for war that have annihilated time and space. Navigation of the stratosphere might enable bombing planes to cross the oceans. But the horse sense of even the "horse and buggy" days will convince anyone except the war mongers and the internationalists that these stratosphere bombers, even if they were to get here in appreciable numbers, would never get back, if indeed our American defenders, who will be at least as adept as our imaginary attackers, have not consigned them to Davy Jones' locker long before they even sight our coast lines.

And now, ladies and gentlemen, let us take the veil from the arts of influence of England. Let us see whether there is any danger lurking in her hitherto undisclosed aims in this war of power politics.

I have before me an editorial from the Saturday Evening Post of February 10, 1940, entitled "Propaganda," from which I would like to read:

"That there is an organized propaganda for getting this country into the war is a fact which we think no literate intelligence would dispute. * * * There are those for example, who suspect it was more than a curious coincidence that the British Ambassador's message (Lord Lothian's speech before the Chicago Council on Foreign Relations) was paralleled to an idea that had been actively developed here beforehand as an American theme, uniting the thought of all who are for taking this country into the war. The Ambassador suggested a federation of democracies. Sea power should no longer be in the hands of one nation; it should be in the hands of the democracies. The united sea power of the united democracies, would, of course, give them control of the world.

"Now that happens to be the central idea of a book entitled "Union Now," written by Clarence K. Streit, who is an American journalist. Moreover, this book has had a sudden career. There is an organized campaign behind it, with committees, bureaus, speakers, funds, and, in Europe, a distinguished British sponsorship. A militant cult seems to have formed about it in a spontaneous manner, treating it as the political Koran of the New World. * * * If there is here any foreign design or subsidy, we should be interested to know; and we should know what to do about it. * * *

"What this book, Union Now, proposes is a federation of 15 democracies, namely, the United States, Great Britain, Canada, Australia, New Zealand, Union of South Africa, Ireland, France, Belgium, Holland, Switzerland, Denmark, Norway, Sweden, and Finland, in the form of a supreme world government, with a constitution, an executive, a legislature, a judiciary, and a common citizenship, with the ultimate power to make war and peace, to make treaties, to issue money, and to regulate trade. The military strength of this federation would be such that it could be reduced one-half and still stand as 2 to 1 against all the rest of the world. Its economic strength would be even more formidable, since to begin with it would own half the earth, control two-thirds of all trade, and possess a practical monopoly of raw materials. Who could survive against it? Other nations would be permitted to join only provided the people in them overthrow their dictators and embraced democracy.

"We wish," continues this editorial, "that those who try to move us with the word 'democracy'—not excluding the British Ambassador (Lord Lothian), who did it so well—could be obliged to say what it is they are thinking. It is owing only to a defeat of British diplomacy that Russia is not a 'democracy,' fighting on the side of 'right.' In the verbal confusion now surrounding the word (democracy) it can be made to mean anything you want it to mean or to sanctify any end whatever, even conquest.

"Union Now makes nonsense except as a variation of the theme that once before involved us in Europe's warfare. Let us this time attend to the saving of our own democracy."

I have read this editorial at such length, in order that you may realize, on this the eve of Washington's Birthday, the prophetic truth of his advice on our foreign policy; in order that the Senate may see how this "excessive partiality" for England and "hatred" for Germany have, as Washington put it, "served to veil and even second the arts of influence" of England in our midst, yes, even to camouflage what appears to be a well-organized and financed attempt to supplant American democracy with an English-controlled world government.

George Washington, in his Farewell Address, said:

"Europe has a set of primary interests, which to us have none, or a very remote relation. Hence, she must be engaged in frequent controversies, the causes of which are essentially foreign to our

concerns. Hence, therefore, it must be unwise in us to implicate ourselves, by artificial ties, in the ordinary vicissitudes of her politics, or the ordinary combinations and collisions of her friendships or enmities. * * *

"Why quit our own to stand upon foreign ground? Why, by interweaving our destiny with that of any part of Europe, entangle our peace and prosperity in the toils of European ambition, rivalship, interest, humor, or caprice?"

My fellow Americans, may I, your humble broadcaster, plead with you to keep faith with George Washington.

Unemployment

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Friday, March 29 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by me on March 23, 1940, on the occasion of nation-wide meetings on the subject of unemployment.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I congratulate you who have come together today to consider the challenging problem of unemployment in America. I congratulate you upon the patriotism which brings you to consideration of this threat to American stability, for nothing saving the threat of war itself so endangers the safety and security of our country as the existence of conditions which keep a man or a woman from finding a job.

Speaking of the magnitude of this unemployed army and its dependents, Corrington Gill, Assistant Commissioner of the Work Projects Administration, in a book, Wasted Manpower, issued last year, said:

"When the unemployed number between ten and eleven million, one out of every five persons in our employable population lacks a job. If we include those who are dependent upon these jobless workers, a total of about 25,000,000 persons have a direct stake in the solution of the unemployment problem.

"The combined total of the unemployed and their dependents at this level is greater than the population of all the New England States, plus New York and New Jersey. Looked at another way, this total is greater than the number of persons residing in the 10 largest cities in the United States. Put another way, our present total of unemployed and their dependents is approximately the same as the total population of the United States in 1850."

There are two ideas about whether the people's government is interested in whether its people have a job or not. One idea was expressed in 1932 by Merle Thorpe, assistant director of President Hoover's organization on unemployed relief. Mr. Thorpe said:

"When old-age pensions were adopted, England took the first step to destroy the foundations of thrift. Labor exchanges and unemployment insurance were then introduced, on the idiotic idea that it was the duty of the Government to find its citizens work."

The American people in the election of 1932 repudiated that idea. The American people will continue to repudiate a Government which is indifferent to the suffering of its people.

In the Democratic platform of 1936, we hear the ringing voice of the people of America uttering a new Declaration of Independence.

"We hold this truth to be self-evident—that the tests of a representative government is its ability to promote the safety and happiness of its people.

"We hold this truth to be self-evident—that government in a modern civilization has certain inescapable obligations to its citizens, among which are:

"(1) Protection of the family and the home.

"(2) Establishment of a democracy of opportunity for all the people.

"(3) Aid to those overtaken by disaster."

These obligations, neglected through 12 years of the old leadership, have once more been recognized by the American Government.

You know that it has not been Franklin D. Roosevelt who has been inconsiderate of the jobless of America in the last 7 years. For 4 long years, from 1929 to 1933, the lines of the unemployed grew longer and longer. Fortune and family crashed in every corner of the land. To meet the problem of unemployment, all the Republican administration did was to create the Reconstruction Finance Corporation, with power to make loans to private and public agencies for relief purposes. Between the creation of the R. F. C. in July 1932 and the 1st of January 1933, $80,000,000 only was disbursed for relief purposes. That amount was approximately the same that the R. F. C., under that Republican administration, in the same period, loaned to the Honorable Charles Dawes' bank in the city of Chicago.

In contrast, the Roosevelt administration, in the last 7 years, to create jobs and to raise the purchasing power of the people of this country, has spent in cash over $26,000,000,000.

This same administration, in the same period of time, has spent another $6,000,000,000 for materials to be used essentially in a works program.

In the same time this Roosevelt administration has loaned another $17,000,000,000 to business—big, middle-sized, and little—and this, too, went to create jobs for the unemployed of America.

That makes $49,000,000,000 that this administration has actually put in cash into the channels of commerce and trade, primarily to give employment to those who sought a job in our country.

That money has borne fruit, for half of the loans have been paid back. The national income approaches the high of 1929. The output of our industrial machine exceeds the 1929 days. The difference in our income in 1939 and in 1932 is more than twice the total net increase in the national debt, to the middle of last year.

Six hundred thousand workers a year, we are told, grow into the employable-age group in excess of the number who grow out of that group. In 7 years, therefore, our labor supply has increased from that source at least 4,000,000. Another 500,000 each year, we are told, lose their jobs to machines of one sort or another. In the last 7 years, then, another three and a half million have been added to the labor supply from that source. That means that we have had to find jobs for at least seven and a half million more than those who were jobless in 1932. If the number of unemployed were 16,000,000 in the beginning of 1933, and seven and one-half million have been added to the unemployed since 1933, we have had an unemployment load of some twenty-three and one-half millions. If, by the agreement of all factual agencies, the number of unemployed is now ten to twelve millions, we have relatively reduced the number by half of what it was.

We have set up unemployment insurance, the principal reliance of most countries abroad for unemployment relief. That is going to help more and more.

But it is not enough to have made progress on this problem. It must be solved; for a nation can no more exist seriously unemployed than a nation can exist half free.

The program offered by David Lasser and his organization, which I have introduced in the Senate, affords a good minimum program. It has two divisions. It would require the W. P. A. to increase the number of its employees to 3,000,000, an addition of 700,000 to the number of the W. P. A. in February. It would, in addition to creating those new jobs, save their jobs for the 800,000 men and women who must under the present law, enacted over the President's vigorous opposition at the last session of the Congress, go off the W. P. A. by the 1st of July. It would fix a minimum of $70 a month for the W. P. A. worker.

In its second part the bill would create in the Federal Security Administration an unemployment assistance board to disburse Federal grants to the States which would submit satisfactory work-relief plans to the Federal Government. The Federal Government's share of the contribution in such cases would be 50 percent of the cost of the operation of the plan, except that the Federal cost could be increased to two-thirds of the total cost in States of lowest per capita income.

This bill is only a part of the answer. The problem ramifies into our whole national life, into the education of our children, the training of our citizens, the health of our people, into adequate credit and capital being available for business, and particularly little business. It is a war upon many fronts—a war which must be waged with unyielding relentlessness. It is in the spirit of democracy—such a spirit as is manifesting itself in the State of Florida today in the opening of the headquarters of the first State-wide Congress on Education and Democracy—it is in the spirit of America's pioneers and America's dreams that we say the working power of the earnest men and women of America must not be wasted. Unemployment in America must be destroyed.

Unemployment Our Greatest Problem

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Friday, March 29 (legislative day of Monday, March 4), 1940

ARTICLES FROM LABOR

Mr. O'MAHONEY. Mr. President, because of the tremendous importance to the people of America of a solution of the problem of unemployment, and because of the widespread interest which has been manifested in a measure designed to solve unemployment, which I introduced in this body a few weeks ago, I ask unanimous consent to have printed in the Appendix of the RECORD an article which appeared on March

26, 1940, in Labor, the weekly journal of the railway brotherhoods.

In addition to this article, I should also like to have printed in the RECORD an editorial which appeared in the same journal on July 25, 1939, commenting upon a statement contained in the preliminary report of the so-called Monopoly Committee, in which special emphasis was laid upon the fact, so often apparently overlooked, that people come first in the economic system.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From Labor of March 26, 1940]

MEN-BEFORE-MACHINE BILL WINS WIDESPREAD INTEREST—PRAISE OF ELECTRICAL WORKERS' PLAN GREATLY EXCEEDS CENSURE IN FLOOD OF LETTERS RECEIVED BY O'MAHONEY

A flood of letters poured in upon Senator JOSEPH C. O'MAHONEY this week from all corners of the country—congratulating and criticizing him for his bill to "balance men and machines."

As reported in last week's Labor, O'MAHONEY introduced the bill at the request of the International Brotherhood of Electrical Workers, whose March Journal described the measure and its purpose.

It would have Uncle Sam collect "differential payments" from employers who make "more than average use of machines" and use the money to compensate employers who produce with fewer machines and more workers. Thus it aims to increase employment.

Despite the fact that newspaper editors and columnists heaped ridicule on the bill, a large majority of the letters received by O'MAHONEY warmly welcome this new kind of attack on the unemployment problem. Praise came from manufacturers, bankers, industrial engineers, and, of course, from workers who have lost their jobs because of machines.

"You will be a godsend to this country if your bill becomes law," wrote "a man who cannot find a job." "Take the Louisville & Nashville, for instance; about 2,000 people were put out of work on that railroad during the past 10 years. In the office alone 600 people lost their positions because of the International Business Machines Co. What is to become of the poor people who cannot find jobs?"

"Consider the plight of the celluloid workers," writes another man. "Since the use of the injection molding machine process, myself and thousands of others are now out of that line of work for good. The machine produces the work with less than 15 percent of the former labor."

PHONOGRAPH KILLS JOBS

Says a woman: "My husband is one of the thousands of musicians who have been deprived of the chance to make a living because of the use of phonograph records by the radio stations. I hope you can convince your fellow Senators of the importance of your bill."

Among many other letters from workers is this: "With all my heart, soul, and mind I congratulate you for taking upon yourself the task of entering the lion's den. The robots must be given less work than men or mankind perishes."

A banker denounces the New York Evening Sun for an editorial ridiculing the bill and saying that, "in the long run, machines create more jobs than they abolish." This banker says that "the unpleasant fact is that human laborers must live in the present, not in the future or the long run."

ANOTHER BANKER BOOSTS

Another banker writes that "machinery is creating a vast amount of unemployment, because of the larger operators crowding out the little fellows."

An industrial engineer says that his first-hand "experience making surveys of industrial plants" convinces him that O'MAHONEY is making the right "attack on the unemployment problem."

A "consulting engineer" declares that "I am in favor of machines as a means for securing 'a more abundant life,' but not in favor of machines where hand labor is more economical. And, Senator, you would be amazed and shocked to know the extent of that practice. I think your bill would correct this inconsistency in our economic system."

WILL SOLVE PROBLEM

One of the manufacturers wrote that "this is the most progressive piece of legislation advocated for many years and will solve the greatest problem facing our country—unemployment."

The head of a large insurance company wrote O'MAHONEY that "your solution of the unemployment problem has the backing of many people in my class—the middle class of America."

Among those against the bill are two newspaper publishers whose names speak for themselves. One is William Randolph Hearst; the other is "Moe" Annenberg, publisher of the Philadelphia Inquirer, a power in reactionary Republican politics and now being prosecuted by the Federal Government on charges of evading income taxes and conducting a Nation-wide gambling racket.

HEARST'S IGNORANCE

Enclosed in one letter was a "column" written by Hearst himself, as a brand-new feature in his newspapers. Hearst showed amazing ignorance by calling Senator O'MAHONEY "Congressman O'MAHONEY," and his column abused the bill. So did a long editorial in Annenberg's paper which was enclosed in another letter.

[From Labor of July 25, 1939]

"NATURE MOCKS INTELLIGENCE OF MEN"—SENATOR O'MAHONEY PRESENTS A STINGING INDICTMENT OF THE CRUEL ABSURDITIES OF AMERICA'S ECONOMIC "SET-UP"

Before he was a lawyer and a legislator, Senator JOSEPH C. O'MAHONEY was a newspaper man, and a good one. In those far-off days he wrote many editorials, but never did he present a great issue more clearly and impressively than in his statement of America's economic condition in the preliminary report of his monopoly committee, made public this week. The Senator wrote:

"People who are able and willing to work cannot find employment.

"People who are hungry cannot provide themselves with food.

"People who produce what the idle and the hungry need cannot sell it and, indeed, can find a market for only a small portion of what they are capable of producing.

"Owners of money and owners of machines cannot put their property to sure and certain use.

"The abundance of nature mocks the intelligence of men, who seem incapable of distributing it among their own kind, either equitably or profitably."

What answer can our statesmen make to that indictment? "The abundance of nature mocks the intelligence of men." There's a line which will not be soon forgotten. As a matter of fact, it tells the whole story. Nature and Nature's God have been more than generous to us, but, nevertheless, in the midst of this superabundance, we condemn to slow starvation millions of our fellow Americans, able and anxious to work.

Administrative Procedure Bill

EXTENSION OF REMARKS
OF
HON. SHERMAN MINTON
OF INDIANA
IN THE SENATE OF THE UNITED STATES

Friday, March 29 (legislative day of Monday, March 4), 1940

REPORT OF BAR ASSOCIATION OF THE CITY OF NEW YORK

Mr. MINTON. Mr. President, the Association of the Bar of the City of New York have had under consideration and study Senate bill 916, commonly known as the Logan bill, and have made a report on their study. I ask unanimous consent that a copy of the report may be inserted in the Appendix of the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

Joint report of the Committees on Administrative Law and on Federal Legislation of the Association of the Bar of the City of New York on S. 916, introduced by Mr. Logan in the Seventy-sixth Congress, first session, and its companion bill, H. R. 4235, introduced by Mr. CELLER, both entitled "A bill to establish a United States Court of Appeals for Administration to receive, decide, and expedite appeals from Federal commissions, administrative authorities, and tribunals in which the United States is a party or has an interest, and for other purposes"

The Committees on Administrative Law and on Federal Legislation of the Association of the Bar of the City of New York respectfully submit the following report disapproving S. 916 and H. R. 4235:

These bills, as indicated in their titles, create a United States Court of Appeals for Administration to hear appeals from specified administrative bodies. The court is to be composed of a chief justice and 10 associate justices, and is to be located in the District of Columbia. It may hold special sessions in any part of the United States.

The court is to have exclusive jurisdiction to review on appeal all final orders and decisions now subject to review by the Federal courts (court review being limited to questions of law, the findings of fact of the administrative tribunals to be conclusive if supported by substantial evidence) of the administrative authorities and tribunals following:

(1) The United States Board of Tax Appeals.
(2) The Processing Tax Board of Review in the Treasury Department.
(3) The Interstate Commerce Commission, except as to orders for the payment of money.
(4) The Federal Communications Commission, except as to orders for the payment of money.
(5) The Commodity Exchange Commission.
(6) The Federal Power Commission.
(7) The Federal Trade Commission.
(8) The National Bituminous Coal Commission.
(9) The National Labor Relations Board.
(10) The Securities and Exchange Commission.
(11) The United States Maritime Commission, except as to orders for the payment of money.

(12) The Secretary of Agriculture in respect to orders (except orders for the payment of money) issued under the Packers and Stockyards Act, under the Perishable Commodities Act, orders issued as Chairman of the Commodity Exchange Commission, and orders issued to prevent monopolization, restraint of trade, and unduly enhancing prices of associations of producers of agricultural products.

(13) The Federal Reserve Board in respect of orders under the antitrust laws.

(14) The Secretary of Commerce, in respect of orders to prevent monopoly or restraint of trade in the fishing industry.

(15) The Post Office Department, in respect of orders requiring publications to be sent by freight.

(16) The Federal Alcohol Administration in the Treasury Department.

(17) The Civil Aeronautics Authority.

(18) Administration of the Wage and Hour Division of the Department of Labor.

We do not believe it to be sound procedure to establish a single appellate court to hear appeals from the above administrative authorities in substitution for the jurisdiction now vested in the United States circuit courts of appeals, district courts, and courts of the District of Columbia. These bodies, it is obvious, deal with a great variety of matters which have little if any relationship to each other.

The widely divergent scope of the administrative agencies subject to review by the proposed court does not lend itself to the development of a reviewing tribunal to become expert in a given field, unless it be the development of a sort of technique in dealing with questions of administrative procedure. But this would be a very minor role of the new court and would not in itself warrant the establishment of a single court of review for all the agencies enumerated.

We think the country should not lose the advantages of having appeals from the orders of these important administrative bodies heard by courts having wide experience in all fields of the law. The law should not be pigeonholed according to the source of the order being reviewed; for the rulings on review of one type of order impinge upon and must be reconciled with rulings upon review in other types of cases if we are to have a unified and consistent body of law. In reviewing antitrust decisions of the Federal Trade Commission, why should the country be deprived of the valuable judicial experience of Federal judges who have heard and will continue to hear similar antitrust cases commenced by the Attorney General or by private litigants in the district courts?

In our opinion, there is danger in the exclusive concentration in a single court of so extensive a scope of review. It runs counter to the established general practice of decentralization of the lower branches of the Federal judiciary.

Accordingly, we record our disapproval of this bill.

Respectfully submitted.

Committee on Administrative Law Association of the Bar of the City of New York: John Foster Dulles (chairman), Edward S. Greenbaum, Alfred Jaretzki, Jr., Robert C. Page, Blackwell Smith, Hayden N. Smith, Alan M. Stroock.

Committee on Federal Legislation Association of the Bar of the City of New York: Cloyd Laporte (chairman), Eduardo Andrede, Herbert H. Bell, Porter Ralph Chandler, Arthur Hobson Dean, Noel Thomas Dowling, Milton Handler, Orrin G. Judd, John B. Marsh, Paul D. Miller, Robert G. Page, Simon H. Rifkind, Samuel Rudner, Charles H. Willard, John E. F. Wood; auxiliary members: Melbourne Bergerman, Henry J. Kennedy, Melvyn Gordon Lowenstein, Samuel J. Silverman, I. N. P. Stokes, 2d, Lauson H. Stone.

Proposed Amendments of the Labor-Security Appropriation Bill

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. LUDLOW. Mr. Speaker, while I am a firm believer in economy, and while I regard at least 98 percent of the cuts we make in appropriations year in and year out as being amply justified, there are infrequent occasions when the Appropriations Committee cuts too deeply.

My considered judgment is that the bill making appropriations for the Department of Labor, Federal Security Agency, and related independent agencies for the fiscal year 1941, has made cuts in three items that can hardly be justified in the public interest. The three establishments which in my opinion have suffered from too zealous use of the pruning knife are the Wage and Hour Division of the Department of Labor.

The National Labor Relations Board.

The National Youth Administration.

During the consideration of this bill I have supported amendments to restore the full Budget estimates for the two first-mentioned activities and to raise the appropriation for the National Youth Administration to $100,000,000, the amount appropriated for the current year.

Let us try to analyze the situation in respect to the Wage and Hour Division and visualize, if we can, the calamitous effects that are certain to result if the Budget estimate for that Division is not restored.

The President, through his Budget Bureau, recommended $7,486,000 for that agency. The bill before us reduces that amount by $1,346,000—a 20-percent cut.

That would cripple the Division in many respects, but the main injury it would inflict would be to whittle down the inspection force by 350 men who are vitally needed in compliance work.

EPIDEMIC OF NONCOMPLIANCE FEARED

I fear the result would be that a veritable epidemic of noncompliance would sweep over the country. Honest businessmen, as usual, would obey the law and they would become the victims of chiseling competitors who could not be brought into line because there would not be enough inspectors to detect evasions and enforce compliance. This not only would be an insufferable hardship to the honest element in business—the very element that ought to be protected—but it would tend to break down the entire wage and hour structure. The wage and hour law is the result of a long and epochal struggle to improve the condition of our workingmen and working women. It deserves a better fate than to be broken down and destroyed by indirection. It merits a fair trial and I am voting to give it a fair trial by implementing it with the funds necessary to carry on its operations.

I am sure that our sound business interests want this law to have a chance to prove its worth. Many businessmen who were not for it at the beginning do not now want to see it wrecked and they would censure us if we were to starve it by withholding the essential funds to make it fully operative.

Similar reasoning, I think, should be applied to the cut in the appropriation for the National Labor Relations Board. If we take away $57,000 from that Board's trial examiners' section we reduce their number by one-fourth. Each examiner has been handling 30 cases a year. That means an average of 10 working days per case, which is a very limited time to sit in a case and write a formal report. The proposed cut would make it necessary for the Board to refuse to undertake 25 percent of its hearings. At least 250 cases a year, as the gentleman from Georgia [Mr. RAMSPECK] so aptly put it, "would have to be resolved by strikes instead of by law." Nor can I agree that the Board's Division of Economic Research should be wiped out entirely, as is proposed in this bill.

That office is an important part of the machinery set up in the act, and data prepared in that section has been the basis on which the Board has won many of its successful suits. There may be legitimate criticism of some of the policies and acts of the National Labor Relations Board, but those should be corrected by amendments to the law prepared by a legislative committee and passed in the usual way provided for the consideration of all legislation, and we should not seek to strike at the heart of the National Labor Relations Board by the indirect method of withholding appropriations. As in the case of the Wage and Hour Division, I favor restoring the full Budget estimate for the National Labor Relations Board.

NATIONAL YOUTH ADMINISTRATION

I also voted to increase the appropriation of the National Youth Administration so that it may carry on its useful operations next year on the same scale as this year. I do not think that an elaborate explanation of that vote is necessary. Without the National Youth Administration an education would be entirely beyond many a poor boy in America. If there had been a National Youth Administration in my early life

it would have been possible for me to have obtained the education which I so much longed for but which fate denied me. I want the children of the future to have better opportunities than we had in our day and generation.

Concerning the need of maintaining this appropriation at the 1940 level, a good friend of mine, Dr. Herman B. Wells, president of Indiana University, wired to me recently:

Proposed 30-percent cut in college N. Y. A. next year will force many young persons of ability who lack money to leave college. We are receiving slightly more applications this year than last and see no present prospect for reduced applications next year.

LETTER FROM ROBERT S. RICHEY

In conclusion, I present a letter from Robert S. Richey, the very able and alert administrator of the National Youth Administration for the State of Indiana, which describes the operation of that activity in Indiana. The letter follows:

Hon. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: It was very kind of you to see me the other day when I was in Washington. I wanted to talk to you some more about N. Y. A. activities, but I realize that you were very busy at that time and had other problems to think about. Therefore, I thought it best to give you a narrative report of some of the N. Y. A. activities in your district. Even though I left a copy of this in your office, I am sending you another for your files.

This year we expect to reach from fifteen to seventeen thousand different youths on our out-of-school work program. In addition, we are benefiting some 8,500 youths in Indiana high schools and some 4,100 different youths in Indiana colleges. Of the almost 900 high schools in this State, 750 are participating in the N. Y. A. high-school aid program, and all colleges in the State which are tax-exempt and non-profit-making in character, 40 in all, are on the N. Y. A. college aid program.

I recall you asked me how many youths we have in Indiana for whom we are not able to care. In this respect, although our economic condition is not as bad as that of many other States, we still have great need for such a youth-employment program. Our estimates and those of the Biggers' report show from fifty-five to sixty thousand out-of-school and unemployed youths in Indiana. These are centralized largely in the industrial areas, such as Indianapolis, Lake County, etc. Our chief rural problem lies in the heavy relief areas south and west of Indianapolis.

As I told you, our principal objective on the out-of-school work program is to get these youths into private employment as soon as possible. This goal is kept before them at all times, and through our guidance and counseling services, and by giving them various types of work experience, we have been able already this fiscal year to place an average of three to four hundred youths from our projects in private employment each month. During the year of 1938-39, some thirty-two hundred youths left our projects for jobs in private industry.

On your next visit to Indiana I want very much for you to see some of our workshops and recreational, clerical, and other training projects.

I know there are many problems facing you this session of Congress with respect to Federal appropriations and expenditures. However, I know also that you realize that an appropriation to take care of as many of our needy boys and girls as possible is justified, and will be appreciated by many people in our State. I am sure you will give every consideration to the worth-while activities of the National Youth Administration.

Sincerely yours,

ROBERT S. RICHEY,
State Administrator.

Wrath Against the Day of Wrath—The Foolishness of Being a Demagogue—There Is No Such Thing as Political Expediency

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EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

The House had under consideration the Labor-Security appropriation bill (H. R. 9007), 1941.

Mr. PLUMLEY. Mr. Speaker, I sadly appreciate and fully recognize my helplessness, as well as the futility of any attempt on my part to urge economy in expenditures from an already empty Treasury. Aided and abetted by well-intentioned but misinformed and misguided "pressure groups," the Congress has, as evidenced by votes already of record, again started the country once more down the slippery road that can lead only to inflation, repudiation, and bankruptcy.

Congress should know better and has only itself to blame for what may follow this ill-considered desire to be demagogues and temporarily popular.

Mr. Speaker, I served last year as a member of the subcommittee that is handling this bill on the floor. I feel competent, therefore, to suggest that it is obvious to one listening to the discussion that very few Members have read the bill and that even fewer have read the report. On the other hand, the subcommittee spent weeks in study of the facts and in the drafting of the bill. They are all of them, I know, just as interested to retain the National Youth Administration and to conserve the Civilian Conservation Corps as any of you. Such cuts in appropriations as they have made are based, in the first place, on their well-considered judgment that such cuts will not seriously restrict or cripple these organizations.

If you will read the report, you will have to admit that such is the fact. Not a cent of cut has been made that is not in their judgment made absolutely necessary by the depleted condition of the Treasury and the necessity for the strictest limitation of expenditures therefrom.

Therefore, let me urge you to read the bill and the report. You will be surprised to see how carefully the subcommittee has gone to work to conserve the activities and to protect the taxpayer.

The surprising thing about the discussion is the apparent lack of interest evidenced in the man who is going to pay the bills. It is easy to stand up and make a gesture of great interest in youth; but youth will not thank you for adding all these unnecessary millions to the burden of debt they must bear and pay. Read the bill. Read the report. Do both before you vote and then later discover how shallow are your pretenses and how demogogical are your words and actions in the premises.

You are just storing up wrath against a day of wrath when you add another unnecessary dollar to the load that youth must eventually bear.

I say this because I know that the bill amply provides for every justifiable need for expenditure in order to carry on the work—somewhat restrictedly, yes; but economically. If we are ever to get out of this swamp of destructive debt we must economize, and economy, like charity, begins at home.

With every wage earner in my State of Vermont whose pay check does not exceed $20 a week contributing almost 25 percent of that week's wages, or over $4 a week of it, to pay taxes hidden in food, clothing, and a hundred other places, when and while he is doing this and thereby depriving his family of so many things they need and should have, I am not going to vote to increase his taxes by voting to increase unnecessary expenditure of his money for the benefit of somebody else.

With the head of the average wage-earner's family in my State of Vermont paying out over $200 a year now in indirect and hidden taxes, I do not propose to vote to increase his burden unnecessarily.

The unskilled laborers in my district, married men with a wife and two children, who earn around $1,000 a year, are paying over $190 a year in taxes today, whether they know it or not.

The foreman, or so-called skilled mechanic, a married man with a wife and two children, living in my district, who earns approximately $2,000 a year, is paying out over $200 a year in taxes. Yes; taxes.

A great many people think that just because they pay no income tax and have no real-estate tax to pay that they are not paying any taxes.

You can talk about soaking the rich and letting them pay, but the truth is, if every cent of all the incomes of over $100,000 were to be taken by the tax collectors and paid into the Treasury, that would not furnish enough money to run the Federal, State, and local governments over 10 days at the outside; and if you took all the incomes of $5,000 and over and pooled them, you would collect only money enough to pay the cost of this Government for 3 months and a half at the outside.

I recognize the fact that you politicians know that there may be unpleasant consequences when the people realize that taxes hit every man and woman in this country; the poor as well as the rich, the wage earner as well as the big corporation, and that is why there was developed this indirect system of taxes, under which every man and woman pays without realizing that they are paying.

I am opposed to increasing these hidden taxes, or to enlarging the size of the burden, or increasing the public debt, the burden of which, in the last analysis, rests on every man and woman.

The average man does not appreciate the fact that since you are talking about the public debt you are talking about his share of it. The public debt for each individual in the United States has increased from $40 to $442—and that is what it means to you and to each individual in dollars and cents—whether you are a wage earner, a salaried worker, a professional man, or not.

You, the average man, and woman, earner, have been paying these taxes without knowing you were paying them, and you have had no way of telling exactly what your tax bill amounted to.

You, the average man, and woman, earner, have been paying, and are still paying, other peoples' taxes, those who have shifted their taxes to your pocketbook. You are the ultimate consumer; you cannot pass your taxes along; you pay.

Just because you are single and earn $18 a week and live in a furnished apartment you think that taxes cannot hurt you. Well, the truth is if you are earning $960 a year you are paying $116 in hidden taxes. I could reduce this to the items, but I am telling you if you could find some way of getting around the hidden taxes you are paying as a single man it would be the same thing as a 12-percent raise in your salary.

Now, you representatives of the people still have the nerve and the audacity to spend money like drunken sailors, and to increase the tax load which the people must bear, when by your own figures, those which you have produced, millions of dollars which you are appropriating today are absolutely unnecessary.

The farmer is the hardest hit of all. Every additional cent of debt increases the invisible mortgage on his farm. He may hold a warranty deed, but every billion-dollar debt increase means a 290-cent invisible mortgage on every acre of cropland he owns, if agriculture were to bear the burden of the load.

This gets right down into every man's pocketbook. There is a difference between spending when you have it, and borrowing to spend, or going into a morass of debt from which this country can never escape, just to let folks know you are a good fellow. You would not spend your own money that way. You cannot spend mine, or that of my constituents, that way without a protest from me.

The tax load on each one of us can be lightened only by reducing government costs. I am the last one to suggest that the tax load should be lightened at the expense of the necessary duties of government, provided such duties are efficiently performed, but I am determined so far as anything I may say and may do, that the waste and inefficient and reckless spending of the people's money must stop.

The sooner the people themselves come to realize that they—the rank and file—are the actual taxpayers the sooner there will be a stop of this program, and the better off all of us will be.

The taxpayer has some rights, as you will discover when you recover from your debauch of reckless spending in which you seem determined to indulge again. If you think that by voting to load down posterity with an unbearable burden of debt, in order to make it appear that you are broad-minded is going to get you any votes, you will wake up some day and be ashamed of the reckless way in which you have forced the taxpayer into the hands of the pickpockets of the Treasury, to make a Roman holiday with up-to-date oratorical skyrockets that will come down like a dud on your head.

It is short-sighted political expediency for you to vote these dollars away, for if you would read the bill you would discover just how much of a joke you are making of yourselves in your attempt to pose as philanthropists while you spend other peoples' money.

The C. C. C. and N. Y. A. have no better friend on this floor than I am. That is a matter of record and not a statement made for advertising purposes. Read the hearings before the committee. Examine the CONGRESSIONAL RECORD.

Because I am the friend of these organizations I deprecate all the hollow mockery which is attending the consideration of their needs. Read the bill. Read last year's hearings. Read this year's hearings. Read the bill, and then vote according to your honest judgment.

I am opposed to a renewal or revival of the policy of wanton, wasteful, extravagant, unnecessary spending of the taxpayer's money in order to perpetuate this paternalistic New Deal program, or to continue in office those who, in order to continue themselves in office have to stultify themselves, to vote for this uneconomical, unnecessary, and unjustifiable attempt to increase the amount above the President's recommendation, the Budget estimate, and the committee's report.

But read the bill. Read the report, and if you do you will say less, and think more.

Flood Control and Navigation in the Red River Valley

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 29, 1940

RADIO ADDRESS BY HON. OVERTON BROOKS, OF LOUISIANA

Mr. BROOKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which I delivered recently over the radio:

My friends, I have been asked to speak for a few moments on Flood Control in the Lower Mississippi Valley. As this is such an extensive subject, I have decided to confine my remarks to only one part of this subject, namely: The Red River Valley. While much has been said in reference to the development of the Lower Mississippi Valley, oftentimes the development of the Red River Valley in such discussions is overlooked.

The Red River, however, is one of the great tributaries of the Mississippi River and forms a confluence with the Mississippi River at Angola, La., which is about midway between Vicksburg, Miss., and Baton Rouge, La. The source of the Red River rises in Colorado and the river itself courses its way for some 1,500 miles through the great States of Texas, Oklahoma, Arkansas, and Louisiana. While its volume is not as large as some rivers, it is yet one of the truly great rivers of the world.

Development of flood control and navigation in the Red River Valley has scarcely commenced as the parent project of all development is the construction of the Denison Dam, which comes foremost. As you know, Congress has authorized the spending of $54,000,000 for the building of Denison Dam, about 12 miles west of Denison, Tex., on the boundary between Oklahoma and Texas. The purpose of this dam and reservoir is to provide:

(1) For flood control.
(2) For navigation.
(3) For power purposes.

The great dam, when constructed, will create a tremendous reservoir for the storing up of water descending from the upper reaches of the Red River and its tributaries. So tremendous will be this pool that it is difficult to calculate its real capacities.

Engineers who have spent almost a lifetime studying this project tell us that when the dam is constructed, with an orderly operation of this project, no flood from waters arising above the dam will ever be possible in the lower Red River Valley. Floods arising below the dam will be greatly diminished in intensity, size, and volume. The possibilities from flood control alone are difficult to contemplate in the great alluvial Red River Valley.

In reference to the further use of this stream for commerce (and I appreciate the fact that I am now addressing the Rivers and Harbors Congress) engineers tell us that the completion of the construction of this dam is a forerunner of the return of navigation on Red River. The orderly release of the impounded waters accumulated from above the dam into the channel below during times of drought will go far to maintain a steady volume and a minimum depth in the Red River channel. The retention

of the floodwaters in times of floods and heavy rains will do much to retard the velocity of the current of this river even almost to its very mouth where it empties into the Mississippi and Atchafalaya Rivers. By reducing this velocity the channel will become more permanent, and erosion of the banks from the swiftly moving waters will be reduced to a very minimum. This effect will be felt through the entire valley.

When the dam is completed and the exact effect upon the entire river can be measured accurately, the real work to make the river suitable for navigation will begin and in this connection the flood-control projects below Denison Dam, such as the Bodcau Dam and Reservoir located in north Louisiana; the Wallace Lake Dam and Reservoir located likewise in Louisiana; and other reservoirs being built likewise have the effect of improving the channel, insuring a steady volume of water and a gradual release, over a period of time, of the accumulated waters. The opening up of the channel of Bayou Pierre, which parallels the Red River from Shreveport to Natchitoches, La., a distance of some 80 miles, with the resulting improvement of drainage behind the Red River levees and the resulting aid to the proper release of waters into the Red River is certainly worthy of mention. All of these projects and many others are stories in themselves. Did time permit I could present each one individually, in detail, to you here today.

There are those who scoff at the building of the Denison Dam. There are those who attempt to point out disadvantages arising out of the construction of this project. They say that land will be necessary in the construction of the reservoir. They say that this land is available for farming and for the mining of oil. They point out these petty disadvantages as reasons why this great project must be stopped and must be forever abandoned. They say force may be used to stop the building of this Denison Dam.

If there is oil under the land which may be necessary for a reservoir, it can be mined even though the project is constructed and the land is inundated. The amount of land is small, comparatively speaking, which will be used as the bed of the pool in which water is stored when one considers the vast possibility of irrigation and of hydroelectrical energy. Millions of acres may be reclaimed by irrigation methods and millions of people may be put to work by the creation of low-priced electrical energy.

What are these local disadvantages in comparison with the development of a great empire in the southwestern part of the Nation? What are they in comparison with the development of the Red River Valley?

We who live in the heart of this valley, midway between its headwaters and its mouth, know the tremendous possibilities available from the proper use of one of God's greatest natural resources. We should have a large voice in the decision of a matter which means so much to millions of people who live in this area of the Nation. We want to see this work completed. We want to see further development in the way of flood control until all danger of floods in the Red River is forever eliminated. We want to see the work continue until commerce is restored to this river and until thriving towns feel the beneficent effect of low water freight rates giving a stimulus to the activities of those who build and maintain the great Southwest. We who are most vitally concerned ask, require, and demand that we have the use of the God-given waters of the Red River Valley for the purpose of flood control and navigation.

Mr. Dewey—Say "Thank You"

EXTENSION OF REMARKS
OF
HON. KENT E. KELLER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Friday, March 29, 1940

Mr. KELLER. Mr. Speaker, I have read the speech of Hon. Thomas E. Dewey, delivered at Chicago last night. In this he criticizes the Democratic Party according to his best prosecuting-attorney style. He properly flays the abuses that have been permitted, and he did not leave out a single one. If he had stopped at that it would not have been so bad. But he ends his diatribe by making the usual foolish Republican charge that this administration is responsible for the unemployment which everybody knows we inherited from the Republican Party as the result of the most terrible panic and depression in the history of our country.

Of course it is expecting a lot from a prosecuting attorney to require of himself the statement of facts which he always requires of others. But even the buzzing of the tremendous Presidential bee should not destroy all the generosity which is supposed to reside in the hearts of men.

I refer to a statement in Mr. Dewey's speech in which he says:

> For the past 5 years I have had 25 W. P. A. employees doing special accounting investigation in my office.

And now I offer a photostatic copy of a letter from Hon. Thomas E. Dewey before the bee was buzzing so loudly as it is at present, addressed to Mr. Corrington Gill, Assistant Administrator, Works Progress Administration, Washington, D. C.

COUNTY OF NEW YORK, DISTRICT ATTORNEY'S OFFICE,
New York, April 7, 1938.

MR. CORRINGTON GILL,
Assistant Administrator, Works Progress Administration,
Washington, D. C.

MY DEAR MR. GILL: I am gravely concerned at the possibility of interruption of the W. P. A. project now attached to this office, the news of which you conveyed to me yesterday. The discontinuance of the project would be nothing short of a calamity in the administration of criminal justice.

For the past 2 years this project has been continuously assisting in racket investigations of great importance. These successful prosecutions would not have been possible, with one exception, without the tremendous volume of accounting labor expended in each. Unless intimately connected with the office, no one could have any conception of the work done by the 25 W. P. A. accountants and the 10 staff accountants regularly attached to my office. Literally thousands of full sets of books have been examined, the suspicious items isolated and their histories developed in form to compel the testimony of reluctant or intimidated victims of organized crime.

By way of illustration, my office has been working for more than 2 years upon an organized monopoly in the electrical industry maintained by fraud and violence. This contractor's monopoly has, in my judgment, cost the National, State, and municipal governments, for electrical work in the city of New York, many millions of dollars in the past decade.

This investigation involves the exhaustive examination of the corporate books and records of several scores of contractors whose total annual business aggregates many millions of dollars. Only in this way can the evidence be procured. With a small staff burdened with many other duties, I think I can fairly state that this investigation would break down completely without the assistance of the W. P. A. project. The savings to the Federal Government alone, after the monopoly has been broken, would, in my judgment, pay for the continuance of the W. P. A. project for 10 years.

One other illustration may be helpful. For more than 4 years a group of professional criminals directly connected with the notorious Lucky Luciano have, under the guise of a legitimate labor union, extorted money from workers and employers in the taxicab industry in New York City. Officers of four of the largest companies and many of their employees have been intimidated or beaten and their cabs seriously damaged or destroyed. By combining the extensive and skilled accounting work largely performed by men on the W. P. A. project with an investigation by my office, this racket has been broken and the defendants are either in custody or fugitives from justice. The economic loss to the community as a result of this racket has been tremendous and its destruction by arrests during this past week made an important contribution to the peace and security of industry and labor in New York.

In each of these two illustrations the work is going forward, with a vast amount still to be done. There are at least a dozen other situations of almost equal magnitude, in each of which it is imperative that the accounting work be continuously available.

This need for additional accountants, I hope, is not permanent but will continue for another year or more. It is a project of the highest social value to the community. While the expense of the project does not appear to me to be substantial, on a comparative basis, it might be possible to make some reduction in cost if that would be helpful.

Should any further information be useful to you in presenting this matter to the President, I will be happy to provide it. It is my sincere hope that authority for the continuance of the project can be procured.

With kindest personal regards,
Sincerely yours,

THOMAS E. DEWEY.

And after reading this letter, we get an entirely new appreciation of the W. P. A. and the extraordinary service rendered by them. Mr. Dewey's letter shows two things for which he ought to be going around saying "thank you" to the Democratic Party, instead of making faces at it. Because it appears that the credit for breaking up the gangster rings is due very largely to the fine work of these W. P. A. workers whom the Democratic Party has furnished to Mr. Dewey for 5 years.

The second service for which Mr. Dewey should be saying "thank you" is the resulting fact that these W. P. A. workers have, through their intelligence and labor in catching these gangsters, made possible to Mr. Dewey the possibility of being considered as a Presidential nominee. He ought to be thankful for that; because, if these W. P. A. workers had not done their work, it is entirely questionable whether Mr. Dewey would ever have thought to aspire to this high office.

Read the letter yourself. It is a photostatic copy of the original and tells the story of a great service by humble men, whose work Mr. Dewey has continued to use on W. P. A. wages without trying to raise their pay to something commensurate with their value.

Women and Cancer

EXTENSION OF REMARKS
OF
HON. EDITH NOURSE ROGERS
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Friday, March 29, 1940

RADIO ADDRESSES BY HON. EDITH NOURSE ROGERS, OF MASSACHUSETTS, AND DR. THOMAS PARRAN

Mrs. ROGERS of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me today over the Columbia Broadcasting System, and also the radio address of Dr. Thomas Parran, Surgeon General of the Public Health Service:

Many of you who are unfamiliar with what has been going on in this field in recent years may wonder why I choose a title like "Women and Cancer." I'm not going to give a medical lecture and tell you how much cancer women have or what they ought to do if they fear they have it—that is something that physicians must do. No; I want to discuss briefly just what women are doing as a group and as individuals in the fight against cancer.

Today the control of this disease is insolubly bound up with the activities of women throughout the Nation. Let me give you a bit of history. In 1913 the American Society for the Control of Cancer was formed. Until 1936 its energies were devoted almost entirely to cooperating with National, State, and local medical organizations to raise the standards of diagnosis and treatment of cancer. Four years ago, however, the leaders of the society decided that they must make an intensive effort to enlist the cooperation of the general public.

The reason for this was simple: great progress had been made in research and in medicine, and physicians were able to cure cancer, but only in its early stages. Since cancer is usually painless in its early and curable period, too few people who had the disease went to their physicians in time. How were men and women to be taught the importance of going to their doctors early? That was the problem facing the American Society for the Control of Cancer.

To solve it, the society approached a small group of women, most of whom were associated with the General Federation of Women's Clubs, and asked them to undertake a great task, the education of the public in the essentials of cancer control. Women responded quickly.

Leaders were found in State after State to carry on with the cooperation and under the supervision of outstanding physicians. In 1937 the Women's Field Army of the American Society for the Control of Cancer conducted its first educational campaign in 39 States. The next year Congress enacted a measure, which I sponsored, setting aside April as cancer-control month, and requesting the President to issue annually a proclamation appealing for public help in this great work.

Today this peacetime army is under way in 46 States and the District of Columbia. The original handful of volunteers has grown to tens of thousands of volunteers. Last year there were information centers on cancer—that is, local units of the field army—in half the counties of the Nation. This year we expect to have these focal points of cancer education in nearly every county in the country.

The Field Army is a great achievement of which every woman should be proud. Less well known is the fact that many women have done, and are doing, fine pieces of work against cancer in medicine and in research. Last month leaders of the Women's Field Army, at the national assembly in Louisville, made public the names of 11 women who "should be honored as pathfinders, as craftsmen, and as fellow workers by all those concerned with saving lives from cancer." The achievements of these women are too long and too technical for me to list them here, but it may be said that they were cited for their study of cancer-producing chemicals, for experiments in the physiology and genetics of cancer in mice, for work on the origin of cancer of the lung, and for developing methods of regulating and gaging dosage in X-ray and radium treatments. These are significant contributions to cancer control.

Two of the women have done unique work the importance of which all of you will readily appreciate. An essential in the control of cancer, according to medical authorities, is a complete annual physical examination for those over 35, however well they may feel.

The importance of these examinations is being demonstrated graphically by Dr. Catherine Macfarlane, of Philadelphia, who, as an experiment, is giving a pelvic examination semiannually to 1,200 women for 5 years. The women are volunteers. In the first series of examinations, three early, unsuspected cancers of the cervix were discovered. There is every reason to believe that these cancers have been cured. Three early cancers in 1,200 women—how many cancers would be uncovered in examinations of 25,000,000 women? In New York City another woman physician, Dr. Elise Strang L'Esperance, has formed what she calls cancer-prevention clinics where anyone fearing they have cancer may go for a complete physical examination. Since the formation of these clinics, 27 early cases of cancer have been discovered. From the work of these two women physicians we have ample evidence of the value of comprehensive physical examinations, evidence that I hope all those who are listening will take to heart.

Now, there was one other women cited at Louisville whom I should like to mention. She is Dr. Anna C. Palmer, of Milton, Mass., president of the Cured Cancer Club. Dr. Palmer is 83 years old and serves as a splendid illustration of the fact that today cancer is curable and is being cured throughout the country. One of the strange and difficult things about this disease is the way the terror that had some justification 20 years ago still clings on in many minds. The women of the country, the Women's Field Army, the women physicians, the women research workers, are all united to fight this fear and to replace it with an intelligent alertness.

In closing, I should like to say a few words about a measure that I have introduced into the Seventy-sixth Congress. Its purpose is to expand the National Cancer Institute Act by providing funds through grants to States and private institutions on the basis of population, the death rate from cancer, existing facilities for diagnosis and treatments, and the financial needs of the respective States.

Federal funds are to be matched by equal amounts by the States. This measure would do for cancer what was done by the Venereal Disease Control Act in 1938. My bill conforms in principle and structure to the legislation embodied in title 6 of the Social Security Act.

If this measure is enacted, we shall be better equipped to face and conquer cancer. In my opinion this bill will implement and make more valuable the fine education women are doing everywhere. Throughout the country women are doing their bit in their daily lives in the war against cancer.

You see, there is a place and a duty for everybody during April—the cancer-control month. For your own good, follow the advice of the Women's Field Army: Have a complete physical examination, secure the free literature on cancer control and read it. For the good of others, enlist in the Field Army and help spread its message to the millions who need it.

ADDRESS BY DR. PARRAN, SURGEON GENERAL OF PUBLIC HEALTH SERVICE

With chaos and destruction of life elsewhere in the world it is increasingly important that we in this country redouble our efforts in disease prevention and life saving. One of our first lines of attack should be against cancer.

The people have accepted the idea that a disease which takes a sweeping toll of lives each year from the productive ages of our population; a disease which knows no State or county boundaries; a disease which is so costly in its diagnosis and treatment that but few of its victims can pay the costs unaided—is a public-health problem. Cancer is such a disease.

It is the realization among medical men of the possibility of cure for the cancer sufferer that motivates modern control efforts. Some 25 years ago professional groups and interested citizens joined to launch in the United States a movement which had as its objective the educating of physicians and the public to an effective understanding of the primary importance of early diagnosis and prompt expert treatment. As has so frequently been the case in the advancement of health in this country, the private voluntary agency led the way to national action. The movement, initiated by the American Society for the Control of Cancer, has widened in scope and its influence is reflected by a growing national interest in cancer, and by increased support of research and the provision of diagnostic and treatment facilities.

Under the command of the Women's Field Army units in 46 States and the District of Columbia, 23,000 volunteer workers have enlisted to fight cancer with knowledge. One hundred and thirty thousand others have enlisted to support them.

The growing interest in cancer has been further accelerated by the joint efforts of the American Medical Association, the American College of Surgeons, and the National Cancer Institute of the Public Health Service.

Experience during the past 25 years, however, has clearly indicated that, important as it is, education alone will not stem the mortality from cancer. We must know better how to prevent and cure the disease. Also, the advance in scientific knowledge and improvement of technical skills and tools have placed cancer in the category of high-cost diseases. Organized services, special equipment, and physicians highly trained in tumor pathology, radiology, and surgery are essential in modern diagnosis and treatment of cancer. Unless these services and facilities are readily available to an extent comparable with education, we may fail in our objective—early diagnosis and prompt, expert treatment.

In 1935 only 4 States had recognized the importance of cancer as a public-health problem and taken steps for more widespread application of scientific knowledge of cancer—Massachusetts, New Hampshire, New York, Connecticut. Now 9 States have cancer-control laws and 17 others have instituted some sort of cancer-control work. A few localities have competent diagnostic and treatment facilities within fairly easy reach of all; but it is distressing how little is being done in many areas to apply the knowledge we now have to cure cancer. In fact, there are in the United States only 307 cancer centers or clinics which meet the minimum standards set up by the American College of Surgeons. We need many more.

Every State should have a cancer-control program which would include at least the following:

1. Approved cancer clinics where expert diagnosis and treatment is available to all, regardless of ability to pay.
2. An educational program for the public.
3. Free laboratory services to physicians for the competent examination of tissue specimens.
4. Post-graduate training of doctors to keep them informed of the latest advances in diagnostic and treatment methods.

Established in 1937, the National Cancer Institute of the Public Health Service promotes coordination of cancer research; procures and lends radium to hospitals for treatment of cancer sufferers; provides fellowships for research; and cooperates with State health agencies in prevention, control, and eradication of cancer. Nineteen individuals and institutions have received grants-in-aid of research in the amount of $200,000. Thirty-six doctors have been given training for a period of 1 to 3 years in diagnosis and treatment of cancer. Through the knowledge they acquire 36 communities will have available the services of competent cancer specialists. Twenty-four scientists have been granted fellowships for research. Radium has been loaned to 48 hospitals and cancer clinics.

What the National Cancer Institute will eventually mean to the Nation in the saving of lives may only be conjectured at this time. Already we can see tangible and immediate benefits to present cancer patients through wider education and improved facilities for diagnosis and treatment. Also, it promises much for the future through the advancement of knowledge.

We have not yet put our finger on the true cause of cancer, nor have we discovered a specific means of prevention. Our present knowledge is not enough. Research must be continued. No investigator in the cancer field is pessimistic about the ultimate outcome of the search. We have complete faith in the effectiveness and power of the scientific method which already has resulted in the control of many diseases and the saving of countless lives. Give us a few more decades and we will conquer cancer also. In the meantime let us apply the knowledge we now have, find the disease early, and give prompt, expert treatment. Cancer can be cured.

Cost of Production Against Parity Payments

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. LEMKE. Mr. Speaker, the Senate has amended the agricultural appropriation bill by inserting $212,000,000 for parity payments. Of course, this $212,000,000 is an insult to our intelligence. To give the farmers parity payments on all of their products under our present agricultural program would require $7,500,000,000. Of course, the Treasury could not stand that. The whole program is insane—it is a flop. But as long as the Members of Congress have not sufficient independence and courage to remedy that insane situation I shall vote for parity payments, and shall vote to increase them.

May I ask my conservative colleagues on both sides of the aisle, and especially on the Republican side, why, in place of opposing this $212,000,000 appropriation, you do not do something constructive. Why do you not help us do away with these subsidies once and for all? Why do you not step up to the Speaker's desk and sign petition No. 5, which now has 118 signatures on it? We need just 100 more. This petition has for its object the bringing up for consideration and passage of H. R. 2371, the nonpartisan cost-of-production bill.

If you, my friends on both sides of the aisle, are sincere and wish to protect the Treasury, if you mean business and really want to balance the Budget, then help us get cost of production, 100 percent parity, for the farmers on that part of their products domestically consumed. The passage of this bill will balance the Budget within less than a year. It comes with poor grace to continue to oppose parity appropriations when you permit the condition to continue which makes those appropriations imperative. Remove the cause and then these appropriations will become unnecessary.

You will not be able to fool the farmer again with high-sounding phrases such as farm chemurgy, equality with industry, and 75 percent of parity. The farmer is through with that kind of slush. This time you will have to shoot square with him or he will shoot you with a blank ballot on election day. He is more interested in what you do for agriculture than in the particular political label you are branded with. He wants you to balance the Budget by giving him cost of production. He knows that laws are passed by Congress, not by the President. He asks that you accept that responsibility or forever hold your peace on parity appropriations.

Eighteen Members of the Senate and 16 of the House, realizing that the Secretary of Agriculture's farm program has been a flop, introduced a nonpartisan cost-of-production farm bill. These Members know that during the last 6 years of farm regimentation, of the crazy policy of destruction and curtailment of agricultural wealth, about 1 farmer out of every 5 lost his farm by mortgage foreclosure, tax, or judgment sale. The price of that erroneous policy comes too high.

This cost-of-production bill would increase the farmers' yearly income $7,500,000,000. Since every dollar of farm cash income increases the national income by $7.55, therefore the national income would be increased by $56,625,000,000. That would mean prosperity by plenty and not starvation by scarcity—by the curtailment and the destruction of agricultural wealth.

This bill provides that as a minimum price the farmer is to receive cost of production for that part of his products domestically consumed. There is no difference between a cost-of-production price and a real parity price. But, since the Secretary of Agriculture does not understand what cost of production means, the House Committee on Agriculture has amended H. R. 2371 so as to read "parity prices" in place of "cost of production prices." Now the few followers that the Secretary still has can sign petition No. 5 without hesitating.

This bill would not cost the Federal Government one penny. When it becomes a law there will be no further need for subsidies to the farmer. There will be no further need of the 27 varieties of Federal agencies now riding on the farmers' back. There will be no further need for an army of Federal employees to regulate the daily lives of the farmers. When this bill becomes a law the Government will no longer have to bail out the farmer—the farmer will bail out the Government.

To those of my colleagues who are so afraid of price fixing permit me to suggest that ever since 1876 we have fixed prices by acts of Congress.

There are 23 valid acts of Congress, dating from August 1876 to June 1938 which authorize and direct Federal agencies to regulate prices, rates, charges, wages, and services, directly protecting practically every economic group, except agriculture. Agriculture remains the unprotected base of this economic pyramid.

Act of August 15, 1876 (19 Stat. 200, p. 5; U. S. Code 25: 261): Commissioner of Indian Affairs authorized to prescribe prices at which goods are to be sold to Indians.

Act of October 15, 1914 (38 Stat. 730, c. 323, p. 2): Supplemented Antitrust Act of 1914, prohibiting difference in prices to purchasers to lessen competition, and so forth.

Act of June 3, 1916 (39 Stat. 213, p. 120; U. S. Code 50: 80): Secretary of War authorized to determine prices to be paid for military supplies in time of war.

Act of September 7, 1916 (39 Stat. 735, p. 18; U. S. Code 46: 817): Shipping Board (i. e., Maritime Commission at present) authorized to prescribe just and reasonable rates, fares, and charges of common carriers by water in interstate commerce.

Act of August 10, 1917 (40 Stat. 231, 284–286): Fixed guaranteed prices of wheat; authorized President to fix price of coal and coke during period of war.

Act of October 6, 1917 (40 Stat. 421 (c)): President authorized to fix prices of articles necessary for conduct of war, produced under license to use processes, and so forth, owned or controlled by an enemy or ally of an enemy.

Act of February 28, 1920 (41 Stat. 483–487; U. S. Code 49: 6, 15). Interstate Commerce Commission authorized to fix charges, etc., of common carriers in interstate commerce, etc. (Amended by act of Mar. 4, 1927, 44 Stat. 1447, p. 2.)

Act of June 10, 1920 (41 Stat. 1073, pp. 19, 20; U. S. Code 16: 812, 813): Federal Power Commission authorized to regulate charges of licensees under Federal Power Act, if no State commission has such regulatory power.

Act of August 15, 1921 (42 Stat. 166–167; U. S. Code 7: 211, 212): Secretary of Agriculture authorized to prescribe charges, etc., of stockyard owners or market agencies in certain cases.

Act of September 21, 1922 (42 Stat. 1000, p. 5 (c, d)): Authorized Secretary of Agriculture to designate as "contract markets," governing boards which prevent misleading reports or manipulation of prices of grain in interstate commerce.

Act of June 25, 1926 (44 Stat. 769, c. 674): Provided that owners of potash rights agree to market the potash produced at a reasonable price.

Act of May 18, 1933 (48 Stat. 65, p. 12; U. S. Code 16: 831k): Tennessee Valley Authority to fix schedule of resale prices in contracts for sale of surplus electric power.

Act of June 19, 1934 (48 Stat. 1072, p. 205; U. S. Code 47: 205): Federal Communications Commission authorized to prescribe charges for communication by wire or radio or transmission of energy.

Act of June 6, 1934 (48 Stat. 889, p. 9) (Securities Exchange Act of 1934): Prohibited manipulation of security prices.

Act of August 14, 1935 (49 Stat. 649, ch. 532; U. S. Code Supp. 7: 218c): Act of August 15, 1921, above, made applicable to live-poultry dealers and handlers.

Act of June 30, 1936 (49 Stat. 2036, ch. 881, 2039, p. 6; U. S. Code Supp. 41: 35, 40): Secretary of Labor to determine minimum wages to be paid by Government contractors.

Act of April 26, 1937 (50 Stat. 77–81; U. S. Code Supp. 15: 833): National Bituminous Coal Commission authorized to prescribe maximum and minimum coal prices for code members.

Act of June 3, 1937 (50 Stat. 247 (f); U. S. Code Supp. 7:608c): Secretary of Agriculture authorized to fix prices for milk.

Act of August 17, 1937 (50 Stat. 693 VIII): Amended antitrust laws relating to contracts in restraint of trade by providing that contracts prescribing minimum prices which are lawful in intrastate transactions are not to be rendered illegal in the resale of such commodity at the minimum price elsewhere.

Act of September 1, 1937 (50 Stat. 904, par. 201): (Sugar Act of 1937.) Provided for regulation of sugar prices to consumers.

Act of June 21, 1938 (52 Stat. 822–824; U. S. Code Supp. 15:717c, 717d): Federal Power Commission authorized to fix charges of natural gas companies.

Act of June 23, 1938 (52 Stat. 955, par. 5; U. S. Code Supp. 46:1131): Maritime Commission authorized to prescribe minimum-wage scales in contracts under Merchant Marine Act. Same (p. 964, par. 43; U. S. Code Supp. 46:845a). Maritime Commission authorized to prescribe rates, etc., of carriers subject to Intercoastal Shipping Act.

Act of June 25, 1938 (52 Stat. 1064, par. 8; U. S. Code Supp. 29:208): Administrator of Wage and Hour Division authorized to fix minimum wages.

In conclusion permit me to suggest that every manufacturer, every wholesaler, and every retailer fixes his price. The farmer is the only one who, when he buys something, asks "How much is it?" and when he sells something asks "What will you give me?"

Under these conditions, may I ask the Members of Congress to have the decency to sign petition No. 5 and help us get H. R. 2371 up for discussion and passage? Even if you are not naturally good-natured, good sportsmanship, I am sure, will empel you to sign petition No. 5 and give us a chance.

Ambassador Daniels

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. COOLEY. Mr. Speaker, in view of the unjustified attack made on yesterday by the distinguished gentleman from New York [Mr. FISH] upon the present administration and the Ambassador to Mexico, but without any desire to further dignify the gentleman's remarks, I would like to call to your attention a few pertinent facts with regard to this Government's attitude toward the situation complained of.

The gentleman's assertions with regard to the Mexican policy of the administration and the work of Ambassador Daniels relate specifically to the expropriation policies of the Mexican Government. It is said that American farm lands and oil properties have been virtually confiscated by the Mexican Government without vigorous protests from President Roosevelt or the State Department and that this alleged attitude encourages a continuation of "lawless and ruthless confiscation" in other countries.

It is not the case that there has been failure vigorously to protest the expropriations in question. On the contrary, the Department of State in notes dated July 21, 1938, and August 22, 1938, most vigorously protested against expropriations without payment of prompt, adequate, and effective compensation. I am informed that protests to the same effect have been orally delivered to the Mexican Government on numerous occasions by the Secretary of State and by Ambassador Daniels. In fact, I am informed that no suitable opportunity has been omitted for calling the attention of the Mexican Government to the views of the United States on the subject.

The reports of proposed nullification of certain titles in Campeche, from which American chicle companies derived titles, that gave rise to the present discussion were based on a decree now being contested in the Mexican courts. It is noted that the decree itself provides a period of 1 year within which the derivative companies may apply for confirmation of their right in part or all of their holdings. Moreover, according to information I have just received the applications for injunction by two of the companies have been accepted by the appropriate Mexican Federal court, which has suspended action until the case is decided by the supreme court, probably not before November. The third company decided not to seek an injunction at present. Ambassador Daniels has extended every proper assistance in this and numerous other cases involving the protection of American citizens or interests.

As to the expropriation of American-owned lands and the obtaining of compensation therefor from the Mexican Government, attention is invited to the note of the United States dated November 9, 1938, and to the reply of the Mexican Government to Ambassador Daniels dated November 12, 1938, which are available at the State Department, effecting an arrangement for the payment of compensation for American-owned lands taken by the Mexican Government in connection with this program. It is to be noted that the Mexican Government on May 31, 1939, in compliance with this arrangement, delivered a check to Ambassador Daniels for $1,000,000 on account of these claims. The American section of the Agrarian Claims Commission, established in pursuance of the agreement mentioned, has practically completed a detailed study of more than 250 claims submitted by American citizens whose lands were taken. I am advised that this work is being rapidly pushed toward conclusion.

The interest of Ambassador Daniels in his duties is further evidenced by the fact that in 1936 the American Chamber of Commerce in Mexico City passed a resolution thanking

him for his hearty cooperation with and interest in the chamber's affairs since his arrival in Mexico. The Ambassador has continued this interest to the present time. He has made a number of public addresses and in all of these he has emphasized the history, traditions, ideals, and greatness of our country. American tourists, businessmen, and organizations visiting Mexico have always found him desirous of assisting them in every possible manner with a view to making their visits as pleasant and profitable as possible.

While it is the case that no solution has yet been found for the problems arising out of the expropriation of American-owned oil properties in Mexico, it cannot accurately be said that there has been failure on the part of the United States to make known its consistent view that the United States is unable to recognize the legality of expropriations unless accompanied by the payment of prompt, adequate, and effective compensation. The Secretary of State, the Under Secretary of State, and Ambassador Daniels have on various occasions invited the attention of the Mexican Government to this policy and have called attention to the fact that the views expressed in the notes of July 21 and August 22, 1938, apply with equal force to the oil expropriations.

In this relation, public statements were issued by the Secretary of State on March 21 and March 30, 1938, and by the Under Secretary of State on August 14, 1939, on the subject, these being only some of a number of statements made publicly and to Mexican officials by responsible officers of the United States Government.

But for burdening this RECORD, I would include in my remarks the notes and communications I have referred to. As I have said, they are available at the State Department to anyone interested, and it is to be regretted that the distinguished gentleman from New York did not familiarize himself with the situation before waging his unwarranted attack upon the administration and the Ambassador to Mexico.

With further reference to the work of Ambassador Daniels, attention is invited to the fact that it may be said that during a trying period in which Mexico was seeking to perfect a program of social reform and criticism was rife of that program and efforts were made to take advantage of that situation to create ill will between the two countries, Ambassador Daniels has been a realist and very successful in maintaining an attitude of calm examination of such of the issues arising as were of concern to the United States. As has been seen, the land expropriation matter is in course of settlement. There can be no question of the views of this Government in the oil matter.

It is scarcely possible to exaggerate the value of the services of Ambassador Daniels in fostering proper social and cultural relations between the people of the United States and the people of neighboring Mexico. At a time when the passions of the peoples of the world were easily aroused, his sane and friendly attitude toward difficult and trying problems has served well in maintaining a proper perspective as to the relative merits of these questions. An emotional approach to them could easily have resulted in disastrous effects upon the relations between Mexico and the United States.

In my opinion Ambassador Daniels should be congratulated rather than condemned upon the manner in which he has discharged the duties of his office.

Appropriation for Wage and Hour Division

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. BRYSON. Mr. Speaker, if we can be persuaded to deny the Wage and Hour Division an appropriation sufficient to insure proper enforcement of the Fair Labor Standards Act, what then of the millions of American workers whose right to lead a finer, better, and happier life was affirmed when the wage-hour law was placed on the statute books? The harm that may be done by letting down these men and women at this time is something which I fear to contemplate for it will most certainly leave on the march those forces of reaction which are now moving against the legislative gains of recent years. Permit this fact to be fully understood by the Members of this House, who in the great majority, stand for principles and acts of social and economic betterment, and we shall defeat this effort to jeopardize the future of the wage-hour law.

In its report to the House what did the Appropriations Committee say about the Wage and Hour Division? Words to this effect, it must be admitted, and nothing else: "We have made a drastic reduction in the Budget estimate for the Wage and Hour Division because we believe that the Fair Labor Standards Act should be amended."

The reduction, according to the committee report, was made not because the Budget estimate was found in error or excessive, not because the committee could see no need for expansion in the Wage and Hour Division, but simply because it was felt that the Fair Labor Standards Act should be amended. Thus we find that those seeking to make a damaging slash in this appropriation bill have attempted neither to discount the estimates furnished by the Budget Bureau and Wage and Hour Division nor to justify the sweeping reduction which they recommend.

This furnishes us once more with the spectacle of an indirect attempt to destroy the purpose and effectiveness of the Fair Labor Standards Act. It is at least significant that every serious attempt on the life of the Fair Labor Standards Act has been of an indirect, nicely concealed nature. Note carefully the fact that few, if any, have cried out "abolish the act," but how we have heard the whisper "amend, amend," "reduce, reduce."

However we may view the matter the facts are:

First. That Congress has placed on the statute books a law which guarantees to American workers protection against sweat-shop labor practices.

Second. That enforcement of this law against sweat-shop labor practices has been declared the duty of the Wage and Hour Division of the Department of Labor.

Third. That if Congress fails to provide the Wage and Hour Division with the necessary funds to meet the enforcement requirements, the law cannot be properly enforced; if the law is not properly enforced it will soon be lost and protection against sweat-shop labor practices for millions of American men and women will be at an end.

I am unwilling, quite unwilling, to see the curtain dropped for thousands of workers throughout the Nation who look for continued protection under the wage-hour law. I know what this act has meant to the people of my State, South Carolina, where shortened working hours and increased pay has been extended to an estimated 25,700 employees.

Fear of further administrative difficulties was advanced in the Appropriations Committee report. Let us put aside these fears insofar as the Wage and Hour Division itself is concerned. These fears belong to the past, I feel sure. We should have every reason to believe that Colonel Fleming, who has already won the confidence of those who have observed his activities, will, to use the language of the committee report, "satisfactorily work out means and methods of administering this act that will be in conformity with elements of reasonableness and good judgment." But if the best work is to be done, Congress must stand behind the Wage and Hour Division and provide funds necessary to assure uniform enforcement of the act.

In fairness to those employers who have voluntarily complied with the law, we must see that the Wage and Hour Division is adequately staffed to check violations of the law. We shall commit an injustice against those who are abiding by the law if we do not provide the means to restrain those who are violating it.

As I make this plea for the protection of honest employers against the chiselers, I am thinking particularly of the splendid manner in which numerous textile-mill executives in my own congressional district have complied with the provisions of the act. I am proud to say that, although the textile employers of South Carolina expressed some alarm as to the effect of increasing wages in that industry without a differential, they have made no attempt to block application of the 32½-cent minimum set last October. No injunctions against the act have been filed in South Carolina.

It is my hope and belief that the industrial leaders of the southeast will face the future with the Wage and Hour Division in a cooperative frame of mind. Such will be the case, I predict, if we furnish the Wage and Hour Division with sufficient machinery to do a good job of enforcement.

The Farmer's Radio in Danger

EXTENSION OF REMARKS

OF

HON. AUGUST H. ANDRESEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 29, 1940

ARTICLE FROM THE NATIONAL GRANGE MONTHLY

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I desire to call to the attention of the House to a new type of bureaucratic domination now being attempted in Washington, and therefore I am asking consent to have printed in the RECORD the following article which appeared in the April issue of the National Grange Monthly:

[From the National Grange Monthly]

THE FARMER'S RADIO IN DANGER—A SERIOUS SITUATION AT WASHINGTON—CALLS FOR UNITED ACTION BY THE RURAL PEOPLE

Radio broadcasting service to American farmers is in jeopardy, according to reliable information in Washington. With more than 70 percent of the farm homes of the Nation dependent upon service from "clear channel" radio stations, it is reported that there is a possibility that the Federal Communications Commission, the body that regulates radio, may curtail these stations in order to give more service to the big cities.

It has well been said that "eternal vigilance is the price of liberty." This truth applies to the threat confronting the farmers and other remote radio listeners. While our liberty is not involved in the customary sense, the right and opportunity of farmers to hear the Nation's best radio programs at night is at stake.

The danger to radio listeners living on many farms and in remote areas springs from the possibility that the Federal Communications Commission may abandon its heretofore consistent policy of having "clear channels"; that is, certain channels on which stations of high power render radio service over wide areas.

CLEAR CHANNELS SERVE AGRICULTURE

According to the Commission's own surveys of rural listening, more than 70 percent of American farmers have to rely on clear-channel stations for radio reception at night. If these channels are broken down and more than one station is permitted to operate on the same clear channel at night, the service of the present stations operating on these channels will be severely curtailed. Farmers living outside the service areas of local and regional stations, now getting good service from clear-channel stations, will then find their radio service damaged, if not destroyed.

When we realize that television, which offers such a great potential service in education and entertainment for the public, will be essentially a service for city people, and that most farmers will get practically no benefit from it, we should be eternally and doubly vigilant to protect the service that the farmers are now getting from broadcasting.

Television is developing on the higher wave lengths, which do not carry much beyond the horizon from the transmitter, and this will cause television stations to be located at the highest point in a city, usually a high building. The great majority of farmers live beyond the horizon of the highest buildings in their nearest cities. Since there is apparently very little that can be done now to get television to farmers, it is all the more important that farmers and those living in small towns, particularly in remote areas, should become articulate and make known the fact that they do not wish to lose the radio service they are now getting.

When the first Radio Commission was created back in 1927, agriculture had a representative on the Board who received his appointment after endorsement by the National Grange and other farm groups. The addition of a farm representative on the Board resulted satisfactorily for agriculture, because the system of clear channels was established and farmers for years have been getting satisfactory service as a result. Probably because the reception has been so satisfactory, farmers and remote listeners have become lulled into a sense of false security.

FARMERS NO LONGER REPRESENTED

But now, since everlasting change seems to be the guiding motive of various administrative agencies in Washington, and because there are new members on the Federal Communications Commission, without a representative of agriculture among them, there is justification, perhaps, in concluding that the members of the Commission as now constituted are not so intimately acquainted with the listening habits of the farmers. Under these conditions, it appears that the farm population must again assert itself in order to protect the radio service which today is at its disposal.

The reason for breaking down clear channels comes fundamentally from a demand for more stations in cities, most of which are oversupplied with radio service from their local, regional, and clear-channel stations. Consequently such a breaking down of the clear channels as it contemplated would make the city listener richer in radio service, and the farm listener poorer.

Radio has become an essential source of news to the farmer. He depends upon it for market information, entertainment and education, as well as for cultural and religious programs not otherwise available; it is therefore apparent that it would be unwise and unfair for any Federal agency sitting in Washington to arbitrarily decide that clear-channel radio service to farmers and remote listeners is no longer necessary. In fairness to the members of the present Communications Commission, it should be said that apparently they have simply not heard the farmer's side of the story.

One of the surveys made by the Commission itself shows that 80 percent of the area of the United States is served at night only by clear-channel stations. As has already been stated, 70 percent of the people living in rural areas are dependent upon the same channels.

This may be stated in another way, depending upon facts gathered by the Commission's own survey: There are 50,605,000 persons entirely dependent on clear-channel stations for nighttime broadcasting facilities, most of whom reside in rural areas. Perhaps these statistics have been buried in the Commission's own files and are not being given the consideration to which they are entitled.

Under all the circumstances, farmers and others who dwell in the big open spaces of the country should become vocal. It would be entirely proper for residents of the rural districts to write the Federal Communications Commission, Washington, D. C., requesting that nothing be done to impair the fine radio service we now have. The point should be emphasized that clear-channel radio service for people living in small towns and in the rural sections is just as necessary today as it ever was.

Business Recovery Can Come Now or After the Election—It Is up to Mr. Roosevelt

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, March 29, 1940

EDITORIAL FROM THE BLOCK NEWSPAPERS

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial which appeared in the Block newspapers on a recent date. This editorial follows:

[From the Block newspapers]

A rather strange situation exists among our voters if we are to believe the many surveys and polls which have been taken.

These prove that businessmen (from large and small business) as well as people who have good-paying jobs are almost unanimously against Mr. Roosevelt and most of the New Deal measures, whereas the great majority of the men and women earning low wages and those on part-time work, as well as people on W. P. A. and relief, are in favor of Mr. Roosevelt.

One could imagine that men at the head of large industries, as well as the businessman who is still doing pretty well, would be among the first to say, "Why change, we are doing all right." And

the same might be expected from those whose jobs have not been disturbed, in fact whose salaries have risen.

However, there is an answer, and one not very difficult to find.

Those in business have seen more and more of their kind being throttled by overburdening taxes and rules by the various bureaucratic commissions which today are actually dictating the terms under which business may carry on.

These businessmen, small as well as large, see the handwriting on the wall; they see profits being reduced or wiped out, and they figure that 4 more years of the New Deal and there will be few if any profits left, and that free business enterprise, the method which made this country great, will be virtually, if not entirely, wiped out.

And those who are still earning good wages also recognize this. They know that if business is not allowed to make a profit, because of so-called further reforms, people with money, through fear of the future, will not invest in new enterprises or for the expansion of industry. And so pretty soon their jobs may be less secure, and because of continuously increasing taxes, their incomes will be lower, even though their salaries may not have been reduced.

And that brings us to the lower-salaried workers, and those on W. P. A. and relief.

One would imagine they would be among the very first to demand a change which might benefit them. For over 7 years Mr. Roosevelt and his crackpot aides have been running the Government and have not been able to be of any real help to these low-wage workers.

These men and women ought to demand a change in Washington, for nothing could be much worse than what they are suffering with now.

Do they fear a change because the new dealers have preached that the end of capitalism is at hand; that the expansion in business and the development of new industries through inventions and research is over?

Have some of our people, especially those whose hardship has been greatest, accepted the defeatist attitude which the new dealers have acclaimed?

Well, we don't pretend to be prophets, but our advice is, "Don't lose courage." Watch and see how business will start rising almost the day after Mr. Roosevelt declares that he will not, under any circumstances, accept a third term. We still feel confident he will not accept, but most every one differs with us.

So if we are wrong, the country will have to wait until after election before real business improvement comes. We feel confident a new President will be elected, with an administration which will fight for the return of free enterprise and the American form of government.

Supreme Court Makes Important Decision on Puerto Rican Land Ownership

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, March 29, 1940

TEXT OF THE DECISION OF THE SUPREME COURT OF THE UNITED STATES

Mr. CRAWFORD. Mr. Speaker, in 1937 the Puerto Rican Reconstruction Administration released as a public document for sale through the Superintendent of Documents a Census of Puerto Rico, 1935, on Agriculture, Farms and Farm Property, Crops, and Livestock. The presentation was prepared under the supervision of Dr. Leon Truesdell, chief statistician for population in the United States Bureau of the Census under special assignment as general supervisor of the Census of Puerto Rico, with the assistance of Sol Luis Descartes and Ray Hurley. From the census report we learn there are some 52,790 farms in the island ranging in size from under 3 acres up to 500 acres or more. A cuerdas of land is equivalent to about 1.01 acres and the total cuerdas in the 52,790 farms amounts to 1,913,047. The farms under 3 cuerdas total 1,782; those ranging in size from 3 up to 20 cuerdas amount to 36,492 farms, containing 279,590 cuerdas; farms ranging in size of 20 up to 499 cuerdas contain 966,694 cuerdas; and the 335 farms consisting of 500 and over cuerdas carry some 663,458 cuerdas in area. The latter class of farms aggregates 34.7 percent of all land in farms. The farms with less than 500 cuerdas aggregate 65.3 percent of the total farm lands. Therefore, Mr. Speaker, we may assume that the following opinion of the Supreme Court touches upon and to a more or less degree, approximates 34.7 percent of the farm land of the island.

CULTIVATION OF SUGARCANE IMPORTANT ACTIVITY

When one considers the activities of the Federal agency known as the Puerto Rico Reconstruction Administration and the millions of dollars that have already been spent, and the influence which is now being exerted on the affairs of the island through the P. R. R. A. and the Department of the Interior, they can well afford to analyze the effect the Supreme Court decision may have on the future of the island. The ambitious program now being so aggressively promoted by the Department of the Interior, and which takes the form of H. R. 8239, upon which hearings have been in progress before the House Insular Affairs Committee during the past 2 weeks, is, in my opinion, very definitely related to the opinion of the Court. Going back for some 6 years, we find the report of the Puerto Rico Policy Commission (Chardon report). Its 146 pages present an enlightening story of the far-flung plans which have to a greater or lesser degree already been financed by our Federal Treasury. Tens of millions of dollars have already been transmitted to Puerto Rico. H. R. 8239 further expands on the ambitious program. That island and its people, it would appear, is now our great experimental laboratory. The decision of the Court may well contribute toward an acceleration of our activities, and especially may this be true if we facilitate, through the enactment of additional legislation and the appropriation of additional funds, the powers of the P. R. R. A. and other agencies of the Federal Government along with those of certain authorities present plans call for in the island. Those who are interested may well consider the dissimilarity of Puerto Rico Senate Bill No. 166 and the provisions of H. R. 8239.

If the sugar plantations of the island should be broken up into small areas and sold to individual farmers financed by funds supplied by the Federal Government, and the entire operations be turned over to some Federal authority, or agency of the Puerto Rican government, we may yet witness the first great transformation to occur under the American flag. The opinion of the Court follows:

[Supreme Court of the United States. No. 582.—October term, 1939. *The People of Puerto Rico, Petitioner,* v. *Rubert Hermanos, Inc.* On writ of certiorari to the Circuit Court of Appeals for the First Circuit. March 25, 1940]

Mr. Justice Frankfurter delivered the opinion of the Court.

The question here in controversy is a matter of great importance to Puerto Rico and involves the power of its legislature to enforce congressional policies affecting the island. We, therefore, brought the case here on a writ of certiorari (309 U. S. —), to review a decision of the Circuit Court of Appeals for the First Circuit. (106 F. (2d) 754.) That court had reversed the judgment of the Supreme Court of Puerto Rico (53 P. R. 779) (Spanish edition), sustaining a proceeding in quo warranto brought against respondent.

The proceeding was initiated in the Supreme Court of Puerto Rico under jurisdiction conferred upon it by the local legislature. The substance of two measures, enacted in 1935, and set out below, authorized the government of Puerto Rico to bring a quo warranto proceeding in its supreme court against any corporation violating Federal law.[1] Accordingly the attorney general of the island

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[1] Act No. 33 of July 22, 1935, Laws of Puerto Rico, Special Session, 1935, p. 418, providing:

"SECTION 1. There is hereby conferred upon the Supreme Court of Puerto Rico exclusive original jurisdiction to take cognizance of all quo warranto proceedings that the Government of Puerto Rico may hereafter institute for violations of the provisions of section 752, title 48, United States Code, and for that purpose it is provided that the violation of said provisions shall constitute sufficient cause to institute a proceeding of the nature of quo warranto.

"SEC. 2. All laws or parts of laws in conflict herewith are hereby repealed.

"SEC. 3. This act, being of an urgent character, shall take effect immediately after its approval.

Act No. 47 of August 7, 1935, Laws of Puerto Rico, Special Session, 1935, pp. 530–532, providing:

"SECTION 1. Section 2 of an act entitled "An act establishing quo warranto proceedings," approved March 1, 1902, is hereby amended as follows:

" 'SEC. 2. In case any person should usurp, or unlawfully hold or execute any public office or should unlawfully make use of any

brought the present suit against respondent, a corporation organized in 1927 under Puerto Rico's corporation law. The gravamen of the suit was alleged defiance by respondent of the congressional restriction imposed upon "every corporation authorized to engage in agriculture * * * to the ownership and control of not to exceed 500 acres of land." This restriction, according to the complaint, embodied "the public policy of the people of Puerto Rico" first declared by Congress in its joint resolution of May 1, 1900 (31 Stat. 715), supplementing the Foraker Act of April 12, 1900 (31 Stat. 77).[2] This limitation upon the corporate ownership of land was continued when Congress in 1917 revised the constitutional framework of Puerto Rico's government in what is the existing Organic Act, section 39 of the act of March 2, 1917 (39 Stat. 964 (48 U. S. C., sec. 752)).

The present controversy derives from the fact that Congress affixed no direct consequences to disobedience of its land policy for Puerto Rico. The main issue presented here is whether Puerto Rico's legislative assembly has power to graft such consequences upon the congressional prohibition. This was the issue as the Supreme Court of Puerto Rico conceived it, and we are not disposed to deal with it differently. It was suggested by the dissenting judge in the Court of Appeals that the Supreme Court's judgment may be supported by construing the 1935 legislation as a means of enforcing the local land policy—identic, to be sure, with that declared by Congress—embodied in the 1911 corporation law of Puerto Rico. To do so, however, would take us into niceties of pleading and of local law which were not canvassed by the insular court. Such a course would be peculiarly gratuitous when the issue which the local court in fact decided is easily resolved.

In the setting of the traditional relation between the broad outlines designed by Congress for the government of territories and the powers of local legislatures to move freely within those outlines, the difficulties conjured up against the view taken by the Puerto Rican court rapidly evaporate. The objections urged against it illustrate vividly the power of subtle argument to give an appearance of difficulty to what is relatively simple. The breadth of local autonomy reposed by Congress in the legislative assembly was elucidated too recently and too thoroughly in *Puerto Rico* v. *Shell Co.* (302 U. S. 253) to call for repetition here. Suffice it to say that the opinion in that case underlined the fullness of scope which Congress gave to Puerto Rico when it provided by section 37 of the Organic Act of 1917 that "the legislative authority shall extend to all matters of a legislative character not locally inapplicable * * *" (39 Stat. 964, 48 U. S. C., sec. 821). Drawing on the practice of Congress in its treatment of territories throughout our history, and assimilating that practice into the Puerto Rican situation, the Court concluded that "The grant of legislative power in respect of local matters contained in section 32 of the Foraker Act and continued in force by section 37 of the Organic Act of 1917 is as broad and comprehensive as language could make it" (302 U. S. 261).

Surely nothing more immediately touches the local concern of Puerto Rico than legislation giving effect to the congressional restriction on corporate land holdings. This policy was born of the special needs of a congested population largely dependent upon the land for its livelihood.[3] It was enunciated as soon as Congress became responsible for the welfare of the island's people, was retained against vigorous attempts to modify it,[4] and was reaffirmed when Congress enlarged Puerto Rico's powers of self-government. Surely Congress meant its action to have significance beyond mere empty words. To treat the absence of a specific remedy for violation of the restriction as an implied bar against local enforcement measures is to impute to Congress a dog-in-the-manger attitude bordering on disingenuousness. We refuse to believe that Congress was bent on the elaborate futility of a brutum fulmen. What was said in another context, *Texas & N. O. R. Co.* v. *Ry. Clerks* (281 U. S. 548, 569) is apposite here: "The definite prohibition which Congress inserted in the act cannot, therefore, be overridden in the view that Congress intended it to be ignored. As the prohibition was appropriate to the aim of Congress and is capable of enforcement, the conclusion must be that enforcement was contemplated." The suggestion that enforcement might come only through quo warranto proceedings by the Attorney General of the United States is equally feckless.

A much more rational explanation, consistent with the organic relation between Congress and the local government, is at hand. As the ultimate legislative guardian of the island's welfare, Congress confined the legislature's discretion within the limits of the 500-acre restriction. How this policy was to be realized was for Puerto Rico to say. "Local authorities may ascertain facts and decide questions upon which depends appropriate exertion of the power much more conveniently than may the Congress," *Commission* v. *Havemeyer* (296 U. S. 506, 515–516).

It is admitted, as, indeed, in view of the Shell case, it could not be denied, that the remedy here pursued would have been available to the legislative assembly if that body had adopted the congressional policy in a substantive statute of its own. But respondent contends that the same result cannot be achieved by investing the insular courts with jurisdiction directly to enforce the congressional policy. Such useless indirection is compelled neither by the organic act nor by any general consideration underlying the distribution of power between Congress and the insular legislature. So long as the legislative assembly acts within the framework which Congress has set up, it merely avails itself of the power conferred in section 37 of the organic act. It has done so here.

There remains for consideration an objection based on section 256 of the Judicial Code (28 U. S. C., sec. 371). That section vests in "the courts of the United States, * * * exclusive of the courts of the several States," jurisdiction of all suits "for penalties and forfeitures incurred under the laws of the United States." Whether a law passed by Congress is a "law of the United States" depends on the meaning given to that phrase by its context. A law for the District of Columbia, though enacted by Congress, was held to be not a "law of the United States" within the meaning of section 250 of the Judicial Code (*Am. Security Co.* v. *District of Columbia*, 224 U. S. 491). Likewise, we hold that section 37 of the organic act is not one of "the laws of the United States" within the meaning of section 256. Section 37 is peculiarly concerned with local policy calling for local enforcement from which local courts should not be excluded by a statutory provision plainly designed for the protection of policies having general application throughout the United States.

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franchise, or likewise shall hold any office in any corporation created by and existing under the laws of Puerto Rico, or any public officer shall have done or suffered any act which, by the provisions of the law, involves a forfeiture of his office, or any association or number of persons shall act within Puerto Rico as a corporation, without being legally incorporated, or any corporation does or omits any act which amounts to a surrender or forfeiture of its rights and privileges as a corporation, or exercises rights not conferred by law, the Attorney General, or any prosecuting attorney of the respective district court, either on his own initiative or at the instance of another person, may file before any district court of Puerto Rico a petition for an information in the nature of quo warranto in the name of the people of Puerto Rico; or whenever any corporation, by itself or through any other subsidiary or affiliated entity or agent, exercises rights, performs acts, or makes contracts in violation of the express provisions of the Organic Act of Puerto Rico or of any of its statutes, the Attorney General or any district attorney, either on his own initiative or at the instance of another person, may file before the Supreme Court of Puerto Rico a petition for an information in the nature of quo warranto in the name of the people of Puerto Rico; and if from the allegations such court shall be satisfied that there is probable ground for the proceeding, the court may grant the petition and order the information accordingly. Where it appears to the court that the several rights of divers parties to the same office or franchise may properly be determined on the same proceeding, the court may give leave to join all such persons in the same petition, in order to try their respective rights to such office or franchise.

" 'When any corporation, by itself or through any other subsidiary or affiliated entity or agent, is unlawfully holding, under any title, real estate in Puerto Rico, the People of Puerto Rico may, at its option, through the same proceedings, institute [sic] in its behalf the confiscation of such property, or the alienation thereof at public auction, within a term of not more than 6 months, counting from the date on which final sentence is rendered.

" 'In every case alienation or confiscation shall be through the corresponding indemnity as established in the law of eminent domain.' "

[2] Section 3 of the joint resolution provides:

"No corporation shall be authorized to conduct the business of buying and selling real estate or be permitted to hold or own real estate except such as may be reasonably necessary to enable it to carry out the purposes for which it was created, and every corporation hereafter authorized to engage in agriculture shall by its charter be restricted to the ownership and control of not to exceed 500 acres of land; and this provision shall be held to prevent any member of a corporation engaged in agriculture from being in anywise interested in any other corporation engaged in agriculture. Corporations, however, may loan funds upon real-estate security, and purchase real estate when necessary for the collection of loans, but they shall dispose of real estate so obtained within 5 years after receiving the title. Corporations not organized in Puerto Rico, and doing business therein, shall be bound by the provisions of this section so far as they are applicable.

"Whether the restriction operates directly as a limitation upon the powers of the corporation or merely as a limitation upon the legislative assembly's power to confer corporate privileges, its effect is to render corporate land ownership in excess of the prescribed acreage unlawful." See the opinion of Attorney General Wickersham, 28 Op. A. G. 258, 260–261.

[3] See Gayer, Homan and James, The Sugar Economy of Puerto Rico, pp. 97–132; Diffie, Porto Rico: A Broken Pledge, pp. 45–88; Fleagle, Social Problems in Porto Rico, pp. 19–27; Hanson, Planning Problems and Activities in Puerto Rico (Report to National Resources Committee, 1936). Compare Clark, etc., Porto Rico and Its Problems, pp. 495–500, 628 et seq.

[4] See H. R. 23000, 61st Cong.; H. Rept. No. 750, 61st Cong., 2d sess.; S. Rept. No. 920, 61st Cong., 3d sess.; 45 CONGRESSIONAL RECORD, 6861 et seq., 7220 et seq., 7584 et seq., 7604 et seq., 8177 et seq.; 46 CONGRESSIONAL RECORD, 2644.

Other objections urged at the bar and in respondent's brief do not call for particular mention. On the only questions now before us, we think the Supreme Court of Puerto Rico acted within the scope of power validly conferred upon it by the legislative assembly.[5]

The judgment of the circuit court of appeals must therefore be reversed.

Mr. Justice McReynolds did not participate in the decision of this case.

Competitive Farm Products

EXTENSION OF REMARKS
OF
HON. ROBERT F. JONES
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Friday, March 29, 1940

Mr. JONES of Ohio. Mr. Speaker, I have received a table from the Department of Commerce showing the quantities and value of competitive farm products during the entire years of 1938 and 1939.

The Agriculture Department has paid the American farmer to raise less, while, at the same time, competitive farm products of cheap labor of foreign countries, as shown on the table below, have been brought into this country. The American farmer cannot compete with the foreign farmer because the American standard of living and cost of labor are higher.

Any farmer in my district, or any farmer in America, can look at the amount of grain that has been imported into this country and check for himself the number of acres of land that would be used in America to produce the quantity, stated below, that has been imported from foreign countries. The New Deal reciprocal-trade program is responsible.

The following is a list of farm products brought into this country from foreign lands which compete with the products of the American farmer:

Imports for consumption of specified farm products into the United States during the calendar years 1938 and 1939

	Unit of Quantity	1938		1939	
		Quantity	Dollars	Quantity	Dollars
Cattle:					
Edible	Number	424,000	9,111,000	754,000	20,207,000
Inedible (for breeding)	Number	10,000	899,000	10,000	941,000
Meat products	Pound	148,649,000	29,754,000	150,794,000	27,312,000
Canned beef	Pound	78,597,000	8,397,000	85,863,000	8,572,000
Cheese	Pound	4,083,000	903,000	59,070,000	12,844,000
Eggs (in shell)	Dozen	232,000	44,000	329,000	57,000
Hides and skins, raw, except furs (total)	Pound	181,993,000	29,833,000	323,446,000	47,056,000
Cattle hides	Pound	59,693,000	5,180,000	134,107,000	12,124,000
Sheep and lamb skins	Pound	32,649,000	5,304,000	63,776,000	9,909,000
Silver-fox skins	Number	16,000	463,000	133,000	2,468,000
Casein	Pound	417,000	28,000	15,832,000	886,000
Barley	Bushel	126,000	71,000	776,000	334,000
Oats	Bushel	7,000	5,000	4,293,000	1,506,000
Wheat (total)	Bushel	3,829,000	2,542,000	10,749,000	6,009,000
Wheat flour	Pound	14,289,000	224,000	17,279,000	195,000
Barley malt	Pound	100,576,000	2,825,000	101,130,000	2,141,000
Hay	Ton (2,000 pounds)	19,000	142,000	48,000	381,000
Chickpeas, dried	Pound	7,728,000	330,000	8,332,000	323,000
Potatoes, white or Irish	Pound	45,820,000	581,000	93,859,000	1,527,000
Sago	Pound	11,803,000	150,000	22,807,000	292,000
Tapioca	Pound	230,879,000	3,880,000	382,803,000	5,521,000
Arrowroot	Pound	5,653,000	305,000	8,346,000	453,000
Peas, canned	Pound	450,000	39,000	1,159,000	122,000
Tomatoes, canned	Pound	62,520,000	2,434,000	55,400,000	2,222,000
Pineapples, prepared or preserved	Pound	31,524,000	1,529,000	74,991,000	2,997,000
Apples	Bushel	26,000	44,000	46,000	72,000
Wool, unmanufactured	Pound	104,274,000	22,605,000	245,970,000	49,667,000
Cotton, unmanufactured	Pound	105,382,000	9,615,000	103,578,000	8,292,000
Tobacco, unmanufactured	Pound	71,406,000	36,028,000	82,447,000	36,918,000
Flaxseed	Bushel	15,364,000	19,872,000	16,028,000	18,424,000
Castor beans	Pound	114,073,000	2,046,000	161,611,000	2,832,000
Potato starch	Pound	6,746,000	155,000	10,984,000	246,000
Maple sugar and sirup	Pound	3,934,000	631,000	12,258,000	1,767,000
Wool noils	Pound	2,279,000	1,165,000	6,022,000	2,412,000
Wool wastes	Pound	730,000	296,000	3,904,000	1,270,000
Wool rags	Pound	794,000	262,000	8,418,000	3,322,000

Prepared by Division of Foreign Trade Statistics.

[5] The imposition of a fine by the Supreme Court of Puerto Rico, as a part of the power to grant relief ancillary to the main proceeding for forfeiture of the corporate privileges, was within the scope of authority validly conferred upon it by the 1935 legislation. Compare *State of Illinois* v. *Illinois Cent. R. Co.* (33 Fed. 721). See High, Extraordinary Legal Remedies, sections 745–762.

T. V. A.

EXTENSION OF REMARKS
OF
HON. GEORGE W. NORRIS
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES
Monday, April 1 (legislative day of Monday, March 4), 1940

ARTICLE BY DON WHITEHEAD

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Washington Post of yesterday, entitled "T. V. A., Oldest New Deal Experiment, Closing Seventh Year." The article is written by Mr. Don Whitehead, an Associated Press staff writer.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post]

T. V. A., OLDEST NEW DEAL EXPERIMENT, CLOSING SEVENTH YEAR—TYCOONS OF INDUSTRY SEE T. V. A. AS SYMBOL OF NEW EPOCH

(By Don Whitehead)

KNOXVILLE, TENN., March 30.—The New Deal's $500,000,000 baby, the Tennessee Valley Authority, will be 7 years old on May 18, and already it has outgrown its rompers.

Conceived as the Nation's first major experiment in planned economy 2 months after Franklin D. Roosevelt became President, the Authority has grown until today many Tennessee Valley inhabitants consider it a vital force in their lives.

There are few persons in the area from the Mississippi Delta to the highlands of east Tennessee not affected directly or indirectly by the growth of the giant corporation and its numerous projects involving power production, navigation, flood control, agriculture, and social adjustment.

Some, from the lowliest sharecropper to the industrial tycoon, think of T. V. A. as a symbol of a new era in which the historic Tennessee Valley is having its face lifted and its future carved anew.

PROJECT VISITED BY 40,000,000

So intriguing is the giant effort at regional planning that 40,000,000 persons from all parts of the world have come to see, to study, to ponder upon the undertaking.

What the future will hold, of course, is a highly controversial subject throughout the Nation, depending on the point of view and perhaps upon political alinements. Those who direct the course of the experiment foresee marginal thousands lifted into solid economic security, soil and forests conserved, an entire region rehabilitated commercially and socially. Some others, of course, are less optimistic.

The basic plan for accomplishing this ambitious program was the unified development of the Tennessee River, which rises in the hills of Virginia and North Carolina, winds lazily through eastern Tennessee to course across northern Alabama before swinging north through a tip of Mississippi and thus across western Tennessee into Kentucky and the Ohio River.

By a series of 10 big dams the Authority proposed to make the Tennessee navigable from Knoxville to the Ohio (almost 600 miles), control floods, and produce electric power. All other activities stemmed from these projects.

It was in 1933 that Congress passed the act which launched the "great experiment" and its history-making activities.

Immediately after its creation T. V. A. was plunged into a maelstrom of controversy, internal conflict, and a long series of legal battles involving the constitutionality of the entire program.

Hardly had the ink dried on the President's signature approving the T. V. A. Act when idealistic T. V. A. Chairman Arthur E. Morgan was at odds with his fellow directors, David E. Lilienthal and Harcourt A. Morgan.

This dissension was climaxed 4 years later with charges by Dr. Arthur Morgan of mismanagement and allegations that there was fraud in an unsuccessful attempt by George Berry, then Democratic Senator from Tennessee, to obtain damages from T. V. A. for marble lands flooded by the Authority's Norris Dam on the Clinch River near here.

Subsequently President Roosevelt removed Dr. Morgan from office for "contumacy," and a congressional investigation exonerated the directors of any wrongdoing. James P. Pope, former Senator from Idaho, was named as a director to succeed A. E. Morgan.

During this time T. V. A. was in open conflict with privately owned electric utilities in the valley, most of which were controlled by the Commonwealth & Southern Corporation.

The fight over the legality of the Authority's power program and effort to set up a yardstick for electric-power rates proceeded through State and Federal courts until finally the Supreme Court in 1938 affirmed a ruling by a special three-judge Federal court upholding the constitutionality of the T. V. A. program.

The internal friction, legal scraps, and congressional debate over the New Deal experiment to a large degree obscured the progress the Authority was making during those formative years. With the strife at an end, the court battles won, and with the aid of a Congress sufficiently friendly to provide appropriations, the Authority's program emerged from the clouds of controversy as well advanced.

PROJECTS UPHELD BY SUPREME COURT

So let's take a peek at the status of T. V. A. on the eve of its seventh birthday:

Power—

The Supreme Court decision holding the T. V. A. projects constitutional catapulted the Authority into the position of being one of the country's largest power producers, with virtually an exclusive market for the sale of its cheap electricity.

Within a period of less than a year T. V. A. rounded out its power empire by the purchase of some privately owned utilities controlled by Commonwealth & Southern. Its customers increased from a few thousand to almost 400,000. Revenues boomed to an estimated $15,000,000 annually.

The final break in the long stalemate between the T. V. A. and private utilities came about a year ago when T. V. A., in cooperation with valley municipalities and electric cooperatives, agreed to buy the Commonwealth & Southern properties in Tennessee for $78,600,000.

Last December the Authority purchased the north Mississippi electric properties of the Mississippi Power Co. for $2,000,000, and last month arranged to buy the Alabama Power Co. properties in north Alabama for $4,100,000.

Under the agreed plan the Authority purchased generating and transmitting properties, while the municipalities and cooperatives became owners of the electric-distribution plants.

With the huge market the T. V. A. has under contract about all the power it can produce until the giant Kentucky Dam near Paducah, Ky., is completed in 1945 or 1946.

Sales of electric appliances reached new heights. During 1939 residential consumers of T. V. A. power purchased $7,072,000 worth of appliances. Consumer use of electricity per residential customer increased from 104 kilowatt-hours at the beginning of the year to 113 kilowatt-hours at the close, at an average cost of 2.16 cents per kilowatt-hour.

SEVEN OF ITS DAMS ARE COMPLETED

Flood control—

Already the Authority has seven of its dams completed and in operation—Wilson, Chickamauga, Wheeler, Guntharsville, and Pickwick Landing Dams on the Tennessee River, Norris Dam on the Clinch River, and Hiwassee Dam on the Hiwassee River. This leaves only the Kentucky Dam at Gilbertsville, Ky., the Watts Bar Dam, and the Coulter Shoals Dam near Knoxville, all on the Tennessee, to be completed.

When the chain of dams, with their great storage basins, are finished, the Tennessee River will be harnessed, changed from a flowing stream to a series of still lakes.

At floodtime, the dams will take the crest of the high water that sweeps into the Ohio River, and release it gradually. The Authority estimates that the Tennessee, uncontrolled, contributes as much as 25 percent to the flood crests in the lower Ohio and that the dams will reduce flood crests at Cairo, Ill., and on the lower Mississippi from 2 to 3 feet—vital inches when the Father of Waters is on a rampage.

The flood program, however, is not confined to the river, but goes back to the land where the rains fall. To accomplish this, the T. V. A. has evolved a cooperative program with farmers and other Government agencies for reforestation, crop rotation, and erosion control to check the flow of water from the land.

Navigation—

With completion of the series of dams, a 9-foot navigable channel will be provided from Knoxville to the Ohio River.

There is some traffic already on the river by boats of shallow draft, but when the channel reaches its maximum depth, the Authority anticipates a heavy flow of freight by river, with Chattanooga as the major port.

Full development of navigation along the river is contingent to a large degree on port facilities, and establishment of joint water-rail and water-truck rates which cannot be authorized by the Interstate Commerce Commission until there is common-carrier service on the river. The Federal barge line is now prohibited by law from operating except on the Mississippi and Warrior Rivers.

AUTHORITY RESTS WITH CONGRESS

Regional recreation—

The development of the Tennessee Valley into a vast playground on a regional basis is a future aim of T. V. A., but Congress must give the agency the authority for this work, already recommended by President Roosevelt.

Under the plan, T. V. A. would develop the lakes for boating, fishing, swimming, and other forms of recreation, with cabins for vacationists and park facilities for tourists.

Norris Lake now is a recreation center for thousands in east Tennessee, southeast Kentucky, and southwest Virginia. There are 1,800 boats, valued at more than $300,000, and ranging from skiffs to 40-foot launches, on the lake where once there were not more than half a hundred "johnboats."

Agriculture—

The gullied and scarred countryside in the valley gradually is being rebuilt under the direction of T. V. A. and other Government agencies as part of the Authority's program of water control on the land.

There are 26,000,000 acres in the Tennessee Valley watershed, of which 18,000,000 is farm land. Of this tillable soil, 7,000,000 acres is subject to erosion.

To combat this, the Authority has engaged in an intensive program of reforestation, farm terracing, erosion control, and improved tillage to conserve the soil and check the water.

More than 88,000,000 trees have been planted by T. V. A. in cooperation with C. C. C. workers. Erosion control has been practiced on 94,400 acres on 8,900 farms, covering 1,314,000 acres.

The problem of low rural income was an obstacle, a study showing that between 1933 and 1936 some 6,000 families in T. V. A. reservoir areas had median net family cash incomes of $100 to $318 per year.

Low-cost farm practices were essential, and T. V. A. is now engaged in a program of (1) research and demonstration of special low-cost machinery for handling soil-conservation crops; (2) research and demonstrations of local processing of the region's farm crops; (3) studies of cooperative business; and (4) projects relating to the effective utilization of electricity.

During the past year the agency's extension service specialists conducted 775 meetings, demonstrations, and schools on farm and home uses of electricity. The meetings were attended by 24,517 people.

Such is the Tennessee Valley Authority as it nears its seventh anniversary.

New York's Stake in Forestry

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, April 1 (legislative day of Monday, March 4), 1940

LETTER FROM R. M. EVANS

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. R. M. Evans, Regional Forester, in regard to the forest and timber resources of the State of New York.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE,
Washington, D. C., March 23, 1940.

NEW YORK'S STAKE IN FORESTRY

(By R. M. Evans)

New York, as you know, has a real stake in forestry. Farm woodlots and other privately owned commercial timberlands cover about 40 percent of its area. The forest problem, involving the best management of these lands and the resources produced from them, is of direct interest to the owners. In addition, hundreds of industries, trades and carriers, who use or handle wood and water in one form or another, are affected by the extent and profit with which supplies of forest raw materials are produced in the State.

New York's extensive forest lands play an important part in the maintenance of income and of supplies of raw materials for forest-dependent communities, the protection of domestic water, the control of unseasonable stream flow throughout the State, the reduction of soil erosion, the maintenance or increase in productive capacity of land, and the alleviation of tax delinquency through good land use planning.

Although New York timberland owners have made some progress in the adoption of sound forest practices, further safeguards are still needed if the State's economy is to continue to be favorably affected by her forests. Moreover, conditions in other States form a cumulative problem of national scope. In his last report, Mr. Silcox points out that we have taken our forests for granted too long and are faced with a crisis that requires joint private and public action if we are to insure adequate resources to meet local and national social and economic needs. I believe you will be interested in the solutions he suggests through State and National aids in this problem which seems so great and fraught with so much national public interest that private effort alone may not secure the desired results.

In reviewing this report, you will probably want to recall some of the cooperative work being done in New York by the United States Forest Service, such as the technical and financial aid available each year to your Director of Lands and Forests for fire prevention and the production of forest-planting stock. Also working with him, help is given private timberland owners in developing management practices designed to put their resources on a permanent and profitable basis. As an example, the Forest Service made the basic resource cruise on which the operations of the Tioga Woodland Owners Association, Inc., were established. It is cooperating with State agencies in operating the first forest-farming unit under the Norris-Doxey Act, located in Essex County, N. Y. In the interest of general forest improvement, the Service cooperates in the supervision of the activities of 32 C. C. C. camps engaged in forestry work in the State.

The Forest Service maintains and operates the Northeastern Forest Experiment Station, with headquarters at New Haven, Conn. This organization cooperates with State agencies in forest research. It has under way the project dealing with cooperative management and utilization at Cooperstown, N. Y., referred to on page 12 of the forester's report. It has made an analysis of the forest resources on the individual properties of the members, and marks the trees to be cut by a system designed to improve the quality and growth rate of the stand. Techniques developed at Cooperstown have attracted widespread interest and have served as model for a new forestry cooperative recently established in the vicinity of Saratoga Springs. In January 1940, an analysis of outlets available for forest products from a specific economic unit in the white-pine region of northeastern New York was begun with funds obtained under the Norris-Doxey Cooperative Farm-Forestry Act.

Forest planting ranks as a major forestry activity in New York. In this field, the station is studying methods of establishing hardwoods and desirable mixtures of hardwoods and softwoods on the Chenango Experimental Forest near Norwich, N. Y., an area made available by cooperation from the State conservation department.

The Finch-Pruyn Experimental Forest, near Newcomb, N. Y., is managed under cooperative agreement with Cornell University and Finch-Pruyn & Co. Here several phases of a large-scale study of forest management of the spruce-fir and northern hardwoods types are being made.

The Northeastern Station is directing investigations in eastern New York under the Flood Control Act of 1936. A survey has been completed on Buffalo Creek, and work on the upper Susquehanna watershed is now in progress. Preliminary examination has also been made of a local flood problem on Walkill Creek.

R. M. EVANS, *Regional Forester.*

The 1940 Census

EXTENSION OF REMARKS

OF

HON. CLYDE L. HERRING

OF IOWA

IN THE SENATE OF THE UNITED STATES

Monday, April 1 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE DES MOINES REGISTER

Mr. HERRING. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the Des Moines Register of March 29, 1940, printed under the heading, "What to Do When Census Man Knocks."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Des Moines Register of March 29, 1940]

WHAT TO DO WHEN CENSUS MAN KNOCKS

Starting next Tuesday, the census man will be knocking on doors all over the United States. If you want to be prepared for him, this article will help.

A census of the census man shows he can take it, as well as dish it out.

Before he could get a crack at us, we went down to census headquarters at the old Federal Building and put Ross Ewing, census director for Des Moines and western Iowa, on the spot.

HE WAS UNDAUNTED

Here's what Ewing, surprised but undaunted, replied when he was quizzed about the census he and his assistants will conduct starting Tuesday.

Question. To begin with, Mr. Ewing, how are we to know whether the guy who comes to the door isn't a deputy sheriff, a bill collector, or a fraternity brother from Iowa City?

Answer. The census enumerator has official credentials which he will show if he is asked.

Question. Should we ask?

Answer. Sure, if there's any doubt in your minds.

Question. How much of our very valuable time will he take, if we are average housewives—if we were housewives?

Answer. About 15 minutes.

Question. Should we give him a cigar or a highball?

Answer. You can offer such, but the census enumerator will not accept. He will not mind, however, if he is offered a place where he can sit down and open his enumerator's book—it's about the size of a pillow case.

Question. This stuff we tell him—is it on the q. t.—strictly between us and Uncle Sam?

Answer. Sure. To divulge census information would cost the enumerator up to $1,000, or 2 years in jail, or both. But he averages 100 names a day and wouldn't remember any particular case, anyhow.

Question. How do we know that the income-tax people or the G-men will not check back on us through these census reports?

Answer. The reports are available only to the Census Bureau, and no other agency is permitted to see them for purposes of taxation, investigation, or regulation.

Question. O. K. Now, what will the enumerator want to know?

Answer. First off, he'll ask whether the home is owned or rented, and what the valuation or rent is. Then he'll ask the name of every person in the household and relationship to the head of the house.

He'll ask about the sex, color, age, marital status, education, birthplace, and citizenship of each.

Next he'll inquire where the family lived on April 1, 1935. That's to get some sort of a check on migration trends, particularly among such people as the dust bowlers, and the like.

AMOUNT OF WORK

He'll ask how many over the age of 14 are working in private industry, or are doing nonemergency work for the Government, how many hours each worked during the preceding week, and how many weeks in 1939.

Then will come a few questions about anybody working for W. P. A., C. C. C., N. Y. A., and so on, how long they've been looking for work or have been on these emergency jobs up to March 1940.

He'll also ask about those who neither are working nor seeking work—whether they're keeping house, going to school, or what.

WHAT INDUSTRY?

He'll ask about the type of work each does, what kind of industry he works in, what class of worker he is—that is, whether he's a salaried employee, an employer, and so on.

Finally he'll inquire about the amount of income in 1939.

(Secretary of Commerce Harry Hopkins recently ruled that any person may, if he wishes, write the answer to the income question on a blank without appending his signature and give it to the enumerator to be mailed by him to the Census Bureau in Washington.)

Question. Is that all he'll ask us?

Answer. That's all, except in certain cases. For statistical purposes, the Government is asking 5 percent of the population some supplementary questions—every fourteenth, twenty-ninth, fifty-fifth, and sixty-eighth person enumerated.

Question. What do these additional questions deal with?

Answer. The enumerator will ask about the place of birth of the person's father and mother and what was the mother tongue spoken in the home during childhood.

He'll ask whether the person is a veteran of the United States military forces and what the service was. If the person is not a veteran, the enumerator will ask if he is related to a veteran.

SOCIAL SECURITY

Then there's a social security question—whether the person has a social-security number and whether social-security deductions were made in 1939.

For people past the age of 14 there is a work question dealing with the usual occupation, the usual industry, and the usual class of work done.

Finally, women who are or have been married will be asked whether they were married more than once, their age at first marriage, and the total number of children born.

Question. And that's all?

Answer. Yep.

Question. What if we're not home when the enumerator comes?

Answer. If nobody's home the enumerator will inquire from a neighbor how many persons are in the family, leave the proper number of lines in his book, and come back some other time. If he still can't connect, he'll leave a self-addressed card on which the person can state what hour and day he is available. There'll be no foot-in-the-door business.

Question. Suppose the enumerator asks questions we don't want to answer? What then?

Answer. We never threaten penalties. If the enumerator can't sell himself, he calls in his squad leader, then his supervisor. I've never known a case where the person finally refused to answer.

Question. Mr. Ewing, why is all this excitement about the current census?

Answer. There, gents, you've got me. The population census has been held since 1790, the manufacturers' census since 1810, and the agricultural census since 1840.

Below the Rio Grande

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, April 1 (legislative day of Monday, March 4), 1940

ARTICLE BY LEON PEARSON

Mr. REYNOLDS. Mr. President, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD a very interesting article by the pen of Mr. Leon Pearson, columnist, entitled "Below the Rio Grande," with a subtitle "Hollywood Has Upset Latins' Respect for Our Democracy."

The motion-picture producers gave to millions, no doubt, a laugh at the expense of the United States Senate when they filmed and released a motion picture entitled "Mr. Smith Goes to Washington"; but apparently they have not provided a laugh for the State Department, which has been endeavoring to create more friendly feelings, respect, and increased trade in the Latin American countries, according to the opinion of Mr. Pearson.

The clipping to which I refer was taken from the Washington Times-Herald, issue of Sunday, March 31, 1940.

As Mr. Pearson has so truthfully said, by the distribution of this motion picture in the countries south of the Rio Grande, "Hollywood has put a kink in the good-neighbor policy."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BELOW THE RIO GRANDE—HOLLYWOOD HAS UPSET LATINS' RESPECT FOR OUR DEMOCRACY

(By Leon Pearson)

Hollywood has put a kink in the good-neighbor policy. South of the border, they used to think North American democracy was the paragon of perfection. Every gringo had told them so. But now they are going to the movies and getting other ideas.

Mr. Smith Goes to Washington is now being distributed throughout Latin America, and with harsh results. The Latin audiences are suddenly led to believe that the Government in Washington is occupied only with venality, corruption, and intrigue.

Diplomats in Washington, who know the United States Senate better than Hollywood does, are alarmed over reports from Latin America. After seeing the picture, audiences are exclaiming, "So this is your much vaunted democracy. You speak scornfully of our revolutions, but look at the scandalous things in your own Government."

Officials here are disturbed. They know that the Latins get acquainted with the United States principally through the films; that young Brazilian girls beg to study English so they can understand what Clark Gable is saying to Vivien Leigh.

Conferences on the question have led to the decision that Hollywood must be brought in on the carpet. Knowing that the Latin American market is now the largest foreign outlet Hollywood has, officials intend to point out that a big responsibility goes with the big market.

The point will be made that the "Mr. Smith" film plays right into the hands of Nazi-Fascist propagandists, who have been the principal foes of the good-neighbor policy in Latin America.

Some kind of pan-American trade scheme will have to be devised to break a serious economic impasse. Even before the war broke, we were selling Latin America far more than we bought.

That created for them an unfavorable balance of trade and a troublesome exchange shortage. Now it is worse. Since September, we have tremendously increased our exports to Latin America. And more than ever they are scratching around for dollars to make payment.

In January of this year, United States exports to South America were more than twice the exports of January 1939. To Mexico and Central America the increase was more than 33 percent.

The trend continued in February. During that month last year, we sold Brazil $5,000,000 worth of goods, this year the figure was $10,000,000. The increase with Argentina was even greater, and with Chile, greater still. Today, Chile is taking 60 percent of her imports from the United States, as against 25 percent a year ago.

There are only two ways to make payment for such imports. One is to borrow the dollars and the other is to create them by sales to the United States. The borrowing is only a temporary expedient, and at present the principal lending agency—Export-Import Bank—is not in a position to make any substantial credits to Latin America. True, the bank has just got a fresh $100,000,000 from Congress, but already three-fourths of it has been earmarked for non-Latin countries.

The other is far more sound, namely, to take more products from Latin America.

When Ambassador Najera came back from Mexico and resumed discussions with Secretary Hull, conjecture centered around the reported settlement with Sinclair. But there was another phase of their discussions, as yet unreported.

Hull asked Najera, in effect, how about international arbitration? The moot question was whether President Cardenas had closed the door on arbitration, or had left it open a crack. In a press interview 2 months ago, Cardenas, without waiting for a United States proposal of arbitration, declared he would have none of it.

But this was not an official declaration, and the State Department here took no official cognizance. But they did want to know how much the President of Mexico really meant what he said. So they asked Najera to find out.

He brought back an answer which in Hull's opinion still leaves the door open a crack. Result probably will be a proposal for international arbitration under the Washington treaty of 1929. Meantime the Sinclair discussions are making no progress whatever.

The Silver Program

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, April 1 (legislative day of Monday, March 4), 1940

ARTICLE BY HENRY H. HEIMANN

Mr. TOWNSEND. Mr. President, I ask consent that there be printed in the Appendix of the CONGRESSIONAL RECORD the article by Henry H. Heimann in the March 15, 1940, Monthly Business Review of the National Association of Credit Men, entitled "Our Silver Program."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OUR SILVER PROGRAM

Last month's review, carrying certain observations about the gold inflow into this country and its effects on our economic and financial situation, brought a number of approving letters and some requests for comments on the silver-buying policy of this country. At the time of its adoption in 1934 I wrote that "the use of silver cannot be objected to if it is utilized on a market-price basis. To try to establish a ratio out-of-market as between silver and gold indicates poor judgment."

The results of the silver-purchase program bear witness to the poor judgment exercised. Witness the record.

The law requires the Treasury to buy silver until it has achieved either of these two objectives: (a) Succeeded in lifting the price of silver to $1.29 an ounce, or (b) accumulated silver in quantity equal to one-third of our gold stocks.

Despite our buying since 1934 of $900,000,000 worth of foreign silver—not including purchases of American-mined silver—the price of silver is still not $1.29 an ounce. As this is written it is around 35 cents an ounce.

Despite our buying since 1934 of $900,000,000 worth of foreign silver—not including purchases of American-mined silver—we are farther from the one-third-must-be-silver goal than we were when we started, because our gold inflow has been greater than our silver buying.

What is the solution? Discontinuance of the foreign-silver-buying program is part of the answer. If we feel it is advantageous—as good business or good politics—to subsidize our domestic silver industry, let us at least discontinue foreign silver purchases. Contrary to the claims of the policy's advocates in 1934, benefits have not been realized. China went off the silver standard, ostensibly because of our program's effects on its financial set-up, instead of

being aided by it. And whatever purchasing power has been developed abroad by our silver-buying program has come at the expense of the American people who provided the funds which bought that foreign silver.

The bill now before Congress, which would call a halt to this program of foreign silver buying, deserves the support of American business.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

ARTICLE BY LOUIS J. TABER

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Louis J. Taber, published in the April issue of the National Grange Monthly:

[From the National Grange Monthly for April 1940]

BRISTLING FACTS PROVE THE FALLACY OF THE TRADE AGREEMENTS ACT—NATIONAL MASTER TABER MARSHALS UNANSWERABLE ARGUMENTS BEFORE A COMMITTEE HEARING AT WASHINGTON

At a hearing before the Senate Finance Committee on March 4, Louis J. Taber, master of the National Grange, made a statement bristling with facts intended to prove that the workings of the Trade Agreements Act have not been beneficial to agriculture.

One of the arresting features of his statement was to the effect that our competitive imports of agricultural commodities displace more than 33,000,000 acres on American farms. This, according to the grange spokesman, amounts to more than the reduction in acreage that has been brought about since 1933 in connection with the corn and cotton control programs, which aggregates 29,401,000 acres.

"Thus," said Mr. Taber, "we have the spectacle of the Government, under the guise of soil conservation, paying the farmers of the country approximately $500,000,000 a year to reduce acreage production, while permitting and even encouraging competitive imports of farm products valued at the same amount." The full text of Mr. Taber's statement was as follows:

In appearing before the Finance Committee, I want to make it clear that the National Grange continues its opposition to the renewal of the Reciprocal Trade Agreements Act for another period of 3 years. Before the Ways and Means Committee on the 25th of January, the views of the National Grange were presented in an extended brief. To conserve the time of the committee, we but reemphasize some of the compelling reasons why this act should not be continued.

We oppose the passage of this legislation in its present form for six general reasons:

1. Since this act was passed, the exports of agricultural commodities have been reduced and the importation of competitive farm products has been increased.

2. The general effect of reciprocal treaties and the legislation itself has had a depressing effect on the agricultural price level, and reduced farm income.

3. This legislation has reduced import duties and customs receipts. It violates the constitutional provision that revenue legislation should originate in the House of Representatives.

4. It affects both domestic and foreign commerce, a responsibility belonging to the Congress of the United States.

5. These trade agreements are in fact treaties, and as such violate the constitutional requirement which calls for ratification by the United States Senate.

6. With the adoption of acreage limitation for the farmer and wage and hour restrictions in labor and industry we should not permit importations from countries where wages are lower or hours are longer, or where the farmers have no limitations on production.

We want to make it clear at the outset that the attitude of the National Grange on this question is not a matter of recent development. Under a former administration the Grange opposed the reciprocal-treaty program between the United States and Canada because we were convinced that it would be detrimental to the best interests of the American farmer. In 1934 when this legislation was pending before Congress we registered our opposition because it was feared that it would work out to the disadvantage of the American producers. In 1937 the Grange registered a protest before both the Ways and Means Committee and the Finance Committee against the extension of the provisions of the act at that time.

For many years the National Grange has continuously and unanimously declared in favor of the American market for the American farmer, to the limit of his capacity to efficiently supply the same.

This information is given to emphasize the fact that the Grange has always been nonpartisan in its approach to this question. Our resolutions are adopted at the annual conventions, with delegates present from the North, the South, the East, and the West; and our position on this question has always been approved in an overwhelming manner. For more than 50 years the Grange has led the fight for tariff justice. Our fathers demanded "tariff for all or tariff for none." When the Farm Board legislation was being enacted, the Grange appealed to this body to include the export debenture or some other method of bringing tariff justice to agriculture. At our last annual session, held at Peoria, Ill., in November, the Grange again went on record in opposition to the extension of the trade-treaty program in its present form. We are glad to note that every farm organization is now opposed to the passage of this act without some type of corrective amendment.

As advocates of the trade-agreements program have placed so much emphasis on the importance of our export market, and have minimized the disastrous effects of competitive imports, we feel it necessary to call attention to the fact that the trade-agreements program has not increased the percentage that our farm exports have to the total value of goods shipped abroad. In 1934 the percentage of agricultural to total exports was 32.1. After 6 years of reciprocal treaties, according to the latest data available, our agricultural exports for 1939 were but 21 percent of the total, the lowest in the entire history of the Republic. On the other hand, agricultural imports remained at approximately 50 percent of the total in value of all goods imported into the United States.

AGGRAVATES FARM-SURPLUS PROBLEM

As we are all well aware, the surplus problem has been the most difficult with which American agriculture has been faced since the close of the World War. In our efforts to solve this question, Congress passed the Agricultural Marketing Act of 1929, the Agricultural Adjustment Act of 1933, and the various subsequent acts that were passed in this connection. It stands to reason that this problem cannot be solved, but that it will be aggravated by importing foreign surplus of competitive farm commodities and piling them on top of the American surpluses.

In appraising the workings of the Trade Agreements Act from the standpoint of the farm population, it will be recalled that in 1932 Mr. Roosevelt made an address in Baltimore, during the course of which he declared:

"I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

Nevertheless, the tariff has been reduced on approximately 200 items coming under the agricultural schedule. In numerous instances the rates have been reduced on commodities of which we have troublesome surpluses. While the Surplus Commodities Corporation has been buying up these surpluses in an effort to stabilize the price level, the Department of State, in one trade agreement after another, has been lowering the duties on items that the Surplus Commodities Corporation has been buying and distributing among families on relief. With the permission of the Chairman, I should like to insert in the RECORD at this time a table giving a list of 18 selected commodities having a bearing on this question.

Purchase of selected agricultural commodities by the Federal Surplus Commodities Corporation, and imports of those commodities, fiscal years 1936 and 1939

Commodity	Quantity purchased	Amount spent	Imports	
			Quantity	Value
Apples, fresh ..... bushels	6,180,847	$4,978,816	52,000	$90,000
Beets ..... pounds	17,858,256	149,383	1,000	(1)
Cabbage ..... do	152,706,155	1,562,503	339,000	8,000
Carrots ..... do	7,612,950	72,379	270,000	3,000
Cauliflower ..... do	793,576	17,968	39,000	1,000
Celery ..... do	20,391,300	381,384	96,000	3,000
Cheese ..... do	3,445,500	478,211	110,167,000	23,584,000
Eggs ..... dozen	11,319,300	2,255,659	551,000	106,000
Fish ..... pounds	3,677,398	262,966	658,345,000	60,259,000
Grapefruit ..... do	188,441,360	2,524,313	12,753,000	155,000
Grapes ..... do	15,830,326	319,489	[2] 771,000	1,050,000
Milk, fluid ..... gallons	18,440,847	4,229,949	22,000	5,000
Peas:				
Canned ..... cases	864,192	1,427,780	[3] 1,610,000	165,000
Dried ..... pounds	6,000,000	122,313	4,616,000	183,000
Fresh ..... do	77,940	2,808	4,582,000	223,000
Potatoes: White ..... bushels	6,579,548	4,286,457	[4] 1,697,100	1,444,000
Raisins ..... pounds	50,199,000	2,137,251	825,000	92,000
Rice, milled ..... do	85,948,000	2,861,207	[5] 137,024,000	2,294,000
Tomatoes: Fresh ..... do	20,741,815	465,259	120,692,000	2,633,000
Wheat cereal ..... do	106,550,500	1,942,517	(1)	(1)
Total		30,479,112		92,298,000

[1] Not available.
[2] Cubic feet.
[3] Pounds.
[4] Includes seed potatoes.
[5] Broken rice.

Source: Annual Reports of the Federal Surplus Commodities Corporation. Fiscal years 1938 and 1939; Foreign Crops and Markets, Nov. 17, 1939.

As this table shows, during the fiscal years of 1938 and 1939, the Surplus Commodities Corporation spent $30,479,112 in buying up surpluses of the commodities listed in the table. During the 2 years in question, our imports of these same commodities were valued at $92,298,000. It should be understood that these figures apply only to the commodities listed in the table to which I refer. This list, of course, is not all-inclusive and could easily be lengthened.

We all approve of the work that has been done by the Surplus Commodities Corporation under the conditions prevailing during recent years. The Grange has supported the appropriations made by Congress for this work. But who would go so far as to say that the Government should buy up not only our own farm surpluses but foreign surpluses that have been imported and give them away?

It is being continually dinned into our ears that if we want to sell to other nations, we must buy from them, and that trade is a matter of give and take. No sensible person will dispute the soundness of that proposition, which is self-evident. It is well to remember in this connection that the United States has the biggest free list of any nation in the world. During the calendar years of 1938 and 1939, 61 percent of all our imports entered the country duty free. It would seem, therefore, that with the exercise of a little ingenuity and Yankee trading skill, we should be able to find an outlet for some of our own surpluses without pursuing a policy that results in flooding our markets with commodities that we do not need and of which we already have more than enough.

Certainly we should take from other nations the things that we need and do not produce at home. That is exactly what we have always done, but, most emphatically, we should not make it easier for other nations to send us the things we do not need and of which we already have a surplus.

Labored efforts have been made by the supporters of the trade-agreements program to convince the farmers of the country that they are being benefited by it, and that our imports of agricultural commodities are so small as to render them inconsequential.

IMPORTS DISPLACE VAST AMERICAN ACREAGE

Nothing could be farther from the truth. According to official Government statistics, our imports of competitive farm products for the fiscal years of 1937 and 1938 averaged $537,198,000 annually. Let us now consider the acreage of American farms displaced by those competitive imports. According to the Department of Agriculture, the average acreage under cultivation in the United States for the fiscal years of 1937 and 1938 was 341,475,850. The average value of the crops grown on this total acreage for the two years in question was $5,524,015,000 per annum. The average value of crops grown per acre was $16.02. By dividing this figure into the value of our competitive farm imports for the period under consideration, it will be seen that the acreage displaced on American farms was 35,533,000 per year.

The total value of all the farm crops grown in the imperial State of Texas during 1938 was $302,957,000. During the same year the total value of all crops produced in Iowa was $310,166,000. During 1938 the total farm value of all the crops grown in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania was only $393,521,000. The value of all farm crops grown in Missouri, North Dakota, South Dakota, Nebraska, and Kansas during 1938 was $529,668,000, which was $7,530,000 less than the value of the competitive farm products imported during that year. I want to make it plain that the figures quoted in this connection refer solely to crops and do not include the value of livestock and poultry products.

The 33,533,000 acres of cultivated land displaced by competitive farm imports amounts to more than the reduction in acreage that has been brought about since 1933 in connection with the corn and cotton control programs. In the case of corn, the reduction amounts to 14,171,000 acres. The reduction in cotton acreage between 1933 and 1938 was 15,230,000, giving us a total reduction of 29,401,000 acres for the two crops.

Thus we have the spectacle of the Government, under the guise of soil conservation, paying the farmers of the country approximately $500,000,000 a year to reduce acreage and production, while permitting and even encouraging competitive imports of farm products valued at the same amount.

It is important to keep in mind the fact that our imports are priced on the basis of foreign costs. The import figures do not include the cost of transportation, insurance, and customs duties. If these items were added, the total import figures would be much higher.

Then, too, it must not be forgotten that competitive imports are always offered at a lower price than that which prevails at home. These imports place a ceiling, so to speak, on our price level, rendering it virtually impossible for domestic producers to secure prices commensurate with our higher costs of production and the American standards of living.

TREMENDOUS DROP IN COTTON EXPORTS

When the trade-agreements legislation was passed 6 years ago, the hope was held out to our farmers that under this program an export market would be found for our unwieldy and price-depressing surpluses. But all the rosy and alluring promises that were made in this connection have not been fulfilled.

In support of this statement, let me cite the fact that during the fiscal year ending July 1, 1934, we exported 8,366,000 bales of cotton. During the fiscal year ending July 1, 1939, our exports amounted to only 3,605,000 bales, showing a loss of 4,761,000 bales. Roughly speaking, therefore, our cotton exports have been more than cut in half. During the fiscal year ending July 1, 1934, our exports of pork and pork products amounted to 705,981,000 pounds. For the fiscal year ending July 1, 1939, exports of these products totaled 350,372,000.

Our exports of wheat, including flour, increased from 35,000,000 bushels in 1933 to 115,734,000 bushels for the year ending July 1, 1939. However, most of the wheat we have exported has gone out of the country under a subsidy and not under the workings of the reciprocal-trade agreements. The same has been true with reference to cotton during the past year.

Our exports of leaf tobacco showed an increase of 111,700,000 as between the fiscal year ending June 30, 1934, and June 30, 1939. However, since the outbreak of the new European war, Great Britain, one of the countries with which we made a trade agreement, which formerly took the bulk of our tobacco exports, has made arrangements to buy most of her tobacco in Turkey, so that this export market will be lost to us.

Summing it all up, during the fiscal year ending June 30, 1934, the last year before the reciprocal-tariff program went into effect, our exports of farm commodities totaled $787,343,000. Our agricultural exports for the fiscal year ending June 30, 1939, amounted to $682,962,000. This shows a loss of farm exports amounting to $104,381,000. On the other hand, during the fiscal year ending June 30, 1934, our imports of farm commodities totaled $998,616,000. This shows an increase in imports of $159,664,000. In the light of all this, it is difficult to see how it could rationally be argued that the workings of the trade-agreements program has been beneficial to agriculture.

When the Reciprocal Tariff Act was passed in 1934 it was viewed as an emergency measure and was made self-repealing at the end of 3 years. But it was renewed for another period of 3 years in 1937, and now the proposal is to extend it for still another term of 3 years, on the theory that we are still confronted with an emergency. It seems to us that any situation which persists for a duration of 9 years cannot properly be classified as an emergency but must be regarded as a settled condition.

AN UNSOUND AND DELUDED POLICY

Among other things, the Grange objects to the unconditional most-favored-nation policy that has been pursued in the making of the reciprocal-trade agreements that are now in effect. The nations that are benefiting by our generosity in this connection are not responding but are making bilateral agreements among themselves. A policy under which we gain concessions from one country while making concessions to virtually all other countries producing and exporting a given commodity places us at a distinct disadvantage. Moreover, each new agreement we make under this policy, generalizing tariff reductions to the rest of the world, leaves us with so much less bargaining power when it comes to making future agreements.

Again, proper steps have not been taken to protect American interests against foreign-currency depreciation under the workings of these agreements. This is placing us at a further disadvantage in our foreign-trade relations.

Many domestic producers resent the fact that appeal to the courts is barred under this legislation by virtue of the provision that section 516–B of the Tariff Act of 1930 does not apply in matters relating to reciprocal-trade agreements. Nor is it any longer necessary to make fact-finding investigations regarding the difference in the cost of production as between this and other countries before changing tariff rates, as was the case under section 336 of the Tariff Act of 1930.

If this legislation is to be reenacted, it should certainly be amended so as to call for congressional ratification of any future trade agreements that may be made thereunder. Every agreement we make affects the revenues of the Federal Government, and it is expressly provided in the Constitution that all matters relating to taxation must originate in the House.

Since 1934 we have reduced the duty on imports of sugar from Cuba from 2 to 9 cents per pound. Between September 3, 1934, and December 31, 1939, the Treasury sustained a loss of revenue in this connection amounting to $133,924,000. In the meantime, the retail price of sugar to the consumer has not been reduced to the extent of a single mill. The chief beneficiaries have been two of the biggest banks of Wall Street, which own the major portion of the Cuban sugar industry. All this was done in violation of the constitutional principle that revenue legislation must originate in the House.

Viewing these agreements as treaties, which they really are, it is interesting to keep in mind the fact that in 16 of the 22 countries with which we have dealt, they were subject to some form of parliamentary ratification. Those who take the position that the United States Senate cannot be trusted to perform its proper functions in this matter not only turn their backs upon the Constitution, but they betray their lack of faith in the processes of popular government.

Neely Block Booking Bill

EXTENSION OF REMARKS
OF
HON. LELAND M. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

EDITORIAL FROM THE ARGONAUT

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Argonaut, a 64-year-old paper published in San Francisco, Calif., and edited and published by W. W. Chapin. The editorial is entitled "Legislative Sabotage Threat to Movie Industry," and presents strong arguments against the proposed Neely block booking bill from a nonpartisan point of view.

THE ARGONAUT PUBLISHING CO.,
San Francisco, March 20, 1940.

Hon. LELAND M. FORD,
House Office Building, Washington, D. C.

DEAR MR. FORD: We wish to call your attention to a significant editorial entitled "Legislative Sabotage Threat to Movie Industry," which appeared in the Argonaut on February 23 of this year. As the oldest publication on the Pacific coast, independently and fearlessly fighting the battle of capital investment and freedom of enterprise, the Argonaut stands unalterably opposed to any form of legislation which unjustly cripples an industry whose home is in the West, but which is of great importance to the entire United States. We hope, therefore, that in the forthcoming controversy centering around the Neely bill, each Member of the House will be aware of the strong arguments against the proposed law which the Argonaut, from a nonpartisan viewpoint, presents.

Sincerely yours,

W. W. CHAPIN, *Publisher.*

[From the Argonaut of February 23, 1940]

LEGISLATIVE SABOTAGE THREAT TO MOVIE INDUSTRY

What may appear to be sound legislation, because of clever wording which gives a very definite impression of the righteousness, is more often than not inimical to the honest purpose which it proposes to serve. Such is the case of the Neely bill which was passed by the Senate in the last Congress and which is now receiving the attention of the House. To all intents, this bill is a stiff blow directed at the seemingly monopolistic powers that be which rule the motion-picture industry, whereas it is actually a moralistic attempt to subvert the creative genius of this young and thriving industry by an unjustified censorship. The proposed statute has its roots in that variety of groups and individuals which feel so keenly the responsibility of public morality and have set themselves to do something about it. Their reasoning, even if sincere, is specious and therefore must be vigorously opposed if the art of motion pictures is not to suffer an immediate decline.

Expressly, this bill intends to prohibit compulsory block booking and blind selling in the leasing of motion pictures. Block booking refers to the practice of selling a quantity of pictures to exhibitors, at one time; while blind selling concerns the practice of arranging the sale of pictures before production has begun. The bill in question will require the single sale of pictures and the necessity of submitting a detailed synopsis, from which there can be no deviation without penalty, before the picture is produced. If nothing else excites suspicion this last proposal should. The picture which must adhere to a prearranged pattern, without benefit of the countless ideas and inspirations which contribute to its effectiveness and merit in the process of making, is doomed to dullness. There are, however, more important reasons why the Neely bill should be defeated.

A decade ago Hollywood was distributing pictures which appealed to the lowest tastes, which achieved notoriety for a varying degree of obscenity. That is all past. Violent public protest forced the industry to establish a censorship of its own, and from that day to this motion pictures have in the main been free from these offensive qualities. The so-called sex pictures are produced by independent companies of minor importance and are always sold singly. What the Neely bill is supposed to combat it does not even recognize. It might be pointed out, as an additional argument, that the exhibitor, assuming that there are certain pictures which he does not like, is permitted to turn back 10 percent of those for which he has signed a contract.

From an economic standpoint, the major producers cannot forego these privileges of block booking and blind selling. Because of the great expense involved, they must have a reasonably certain guaranty of their market in advance. If distribution were reduced to peddling after production the entire industry would become a dispirited commercial enterprise fallen into a hopeless stereotype. Block booking makes experiment possible; by assuring profits from the routine productions it permits the development of cultural or educational subjects which are of superior artistic, though not financial, value. The masterpieces of the screen owe their existence to this system. It follows that were the industry forced to sell its productions singly it would be burdened with numerous additional expenses which, in consequence, would lower the standards of achievement and increase the cost to the consumer, i. e., higher admission prices the country over.

Perhaps the motion-picture industry has not devised the best way of distributing its products, but to other than a minority of busybodies, it has been quite satisfactory. The product placed before the American public in recent years has constantly improved, and at times has achieved real greatness. These methods, which will also improve with time and not with legislation, must be given the credit. We should like to advise Congress, in the name of common sense, to keep hands off.

Our Foreign Policy

EXTENSION OF REMARKS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

Mr. SPRINGER. Mr. Speaker, just before we became involved in the disastrous World War the then President, Woodrow Wilson, sent his special emissary, Col. E. M. House, to Europe on a mission to investigate the conditions across the ocean and to make report upon his return of the things discovered while there. The people in this Nation have not forgotten that quite soon after the return of Colonel House to this country a relentless submarine warfare was inaugurated and our ships were torpedoed by Germany, our citizens were killed and drowned, our property was destroyed, and our flag was wholly disregarded. If the people of our country have forgotten those historic incidents, then I am certain my comrades of the World War have not forgotten those successive steps which led us into that terrific conflict which made invalids and cripples of thousands of our buddies and which sent to their graves during that war and since it was over many, many thousands of those boys who marched by our side, behind our flag.

Quite well do we recall, Mr. Speaker, that Colonel House made his trip to Europe in secrecy; his mission was then unexplained as to why he went. When Colonel House returned to this country, after he had acquired the knowledge he sought in Europe, he was closeted in secrecy with the President and the Secretary of State, and he made his report, we assume, to those high officials. Colonel House did not make any report to the Congress of the United States; and the people of this country, although they craved information regarding the conditions in Europe, were not given any information on those foreign conditions. The report was locked in secrecy, and the people were without advice or information on a very important subject which, in the end, proved so disastrous.

Can the present be leading us into a parallel with the past? Every American is deeply interested in our foreign policy and in our foreign conditions. The people of this Nation seek to avoid war. They do not want any participation in this European conflict. The men and women of our country—the boys upon the farm, in the factory, in the mines, and in business and industry—are entitled to know something about our foreign affairs and the existing conditions in Europe; they are entitled to know whether there is danger of our involvement in this European war, and, if so, how we may avoid it. If there should come the time when this great Nation is involved in the present European war, I wonder who would fight the battles for the people? Would it be the President of the United States? Would the Secretary of State, Hon. Cor-

dell Hull, bare his breast to the bullets of a foreign foe? Or would Mr. Sumner Welles, Under Secretary of State, who has been in Europe on the secret mission, participate in a single battle? If those gentlemen who now possess all of the facts Mr. Welles obtained while abroad are to fight the battles of our country in case of war, let them withhold all of the information obtained. In that event, the people do not want any of the secret knowledge obtained. If the President desired to obtain the information for which Mr. Welles was sent to Europe in order to determine his attitude respecting a third term as President, and which trip was paid for by the people of this country, then he might well desire to retain the information obtained in secret.

Since the return of Mr. Sumner Welles from his "blackout" trip to Europe, at the expense of the taxpayers of this country—which trip he made on foreign ships I am advised, attended by a foreign valet, and while in Europe he purchased many suits of clothing which were made by foreign tailors—he has been heralded as the "best-dressed man in our country." In the face of it all, we have millions of starving and struggling people in our country who would enjoy just one crust of bread purchased from the wasted money on that needless and highly dangerous sojourn in Europe for some mission which is known to but the three people—the President, the Secretary of State, and the sojourner, Mr. Sumner Welles.

If a foreign policy is adopted unknown to the people of this Nation which would involve us in this European war who would be drafted and forced into the military forces of our country to fight the battles for our Nation? It would be the men and boys of our country—the boys in college, the boys upon the farm, the boys in the factory, the miners, the clerks, the office assistants, and those of every walk in life. The men who are heads of families would not be excluded. The war would directly affect every home and every family in our land. We have not forgotten those memorable years, 1917 and 1918, when the boys went away to war.

Then I wonder who—who is entitled to know about our foreign policy? There is but one answer—there can be but one answer—the people. Those who must bear the hardships, the sacrifices, the burdens, and the sorrows in case of war are entitled to know from the lips of Mr. Sumner Welles what he knows and what our foreign relations are; they are entitled to know whether we are on the threshold of war, or whether we can and will remain in peace in our country. The President of the United States of America knows the answer, the Secretary of State has the same information, and Mr. Sumner Welles, the sojourner who sought that information from European countries, can tell us. Then let them speak to the American people. The people want to know.

Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a very brief but carefully written editorial which appeared in the Palladium-Item, of Richmond, Ind., on the 28th day of March 1940, on the subject "Another Practical Lesson"; I urge every Member of the House to read this illuminating editorial; the editorial follows:

[From the Richmond (Ind.) Palladium-Item of March 28, 1940]

ANOTHER PRACTICAL LESSON

The visit to Europe of Sumner Welles started with a bang and seems to be ending as a fizzle.

It has been some days now since the Under Secretary was the cynosure of all eyes at home and abroad. His mission apparently was to promote a basis for peace, but as in the past, American diplomacy is far behind in its dealings with the power politicos of the old country.

From the beginning it was obvious that Welles would be tolerated as a possible tool of government leaders overseas in their attempt to gain advantage over their foes. Welles has had little to announce, but he has admitted he returns with no peace formula. Now the question is whether the trip was not more a matter of gaining first-hand data for President Roosevelt's private benefit. Critics have contended all along that Mr. Roosevelt would await Welles' report before determining his third-term stand.

Developments among the belligerents and the pressure being placed on European neutrals demonstrates our foreign neighbors are far ahead of the United States in the subtle art of waging war diplomatically as well as practically. Finland's dictated peace; Russia's warning against a Scandinavian defense alliance; collaboration between Germany and Russia and possibly Italy, and stern measures being taken by England and France, all counsel citizens of the United States to stay at home and prepare to preserve their own liberty.

Gold and Its Power, Part 6

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

Mr. THORKELSON. Mr. Speaker, in this, the sixth discourse on Gold and Its Power, I shall conclude my discussion of the Gold Reserve Act. I have read Gold Clauses in Obligations, a 42-page pamphlet of the Opinions of the Supreme Court of the United States. After having perused this legal gem, I comprehend and recognize the unseen hand.

THE COURT ERRED

The Court erred in that it held the power of Congress greater than that of the United States, when in reality the contrary is true, for Congress has no greater power than that given to it in the Constitution, by the people of these United States.

The Court erred, furthermore, in that it misinterpreted the written meaning and did not give full consideration to the unwritten rights in the Constitution, which the people have reserved to the States and to themselves. These rights are fully protected under the ninth and tenth amendments, and must not be treated disparagingly by the Government or denied to the people.

The Supreme Court, in the upholding of the act, did not only deprive the people of gold, which has always been considered a private property, but did, in addition to that, confuse sound gold-secured standard money with unsound legal tender unsecured money, and both of these with the purchasing power of the dollar.

GOLD MONEY

The Court should have recognized that a nine-tenths fine 25.8 grains gold dollar is acceptable in all countries in the world on its face value, and is today the standard upon which the ounce value of gold is based.

The Court should also have recognized that the present nine-tenths fine 15.521 grains gold dollar is only used in foreign transactions, and was in reality set up to give favored foreign nations the advantage to buy $35 credit or merchandise for one ounce of gold, the actual value of which was and is now $20.67—a transaction in which we donate $14.33 worth of merchandise for every $20.67 or ounce of gold spent in the United States.

LEGAL TENDER

Legal-tender money is devoid of standard value, and is not redeemable or secured by gold. It is purely an inflated dollar, which will, as long as it is acceptable, buy about the same quantity of merchandise or credit as the old gold dollar of 1932. It is the unchangeable buying power of this dollar that is confusing, for I often hear this question: "What is the difference? This dollar will buy as much as the gold dollar." I can only reply that there is no apparent difference in the buying power, for when we abandoned the gold standard and adopted the inflated dollar, prices on commodities remained the same, and this price level is now maintained by importing such merchandise as increases in price. In other words, under the present monetary system and legal-tender dollar, price level must be maintained, either by imports or by subsidizing our own producers. This, of course, is a hopeless outlook, as there can be no increase

in wages or in earnings, in agriculture or in industry, without provoking a wild inflation that will, like all inflations, terminate in national bankruptcy.

THE FINANCIAL TRICK

The internationalist is a financial Moloch as he contaminates the world with his insatiate greed. Many of these international financiers assembled in Washington, March 4, 1933, and under the elected leadership of the President established a bank holiday for Shylock.

Speaking from my viewpoint or from that of the people, I am firmly convinced that were they aware of the full effect of the Gold Reserve Act, everyone who gave it support would be removed from Government service. The Gold Reserve Act will without doubt be recorded as one of the blackest betrayals in the history of the Republic.

HOW THE ACT AFFECTED OUR OWN PEOPLE

Under the act the President abandoned the gold standard only within the borders of the United States, an action which led to repudiation of Government obligations to our own people. It also led to confiscation of gold, gold money, and gold certificates including forced sale to the Government of mined produced gold, under the pretense of an increase in price per ounce. This act has left our own people unsecured, our industries and agriculture strangled, and our working people idle and in despair.

HOW THE ACT AFFECTS FOREIGN NATIONS

We did not abandon the international gold standard. No, indeed, the administration was good-neighborly and more concerned with the welfare of foreign people than of our own. We cheapened the international dollar by reducing its weight in gold, so that foreign nations could buy 35 of our dollars for 1 ounce of gold, whereas, before the act was adopted, they could buy only $20.67 for the same ounce of gold. In other words, we are now donating to favored foreign nations under the President's good-neighbor policy 70 percent of all merchandise and credit they buy in the United States. To recapitulate, we, the taxpayers of the United States—and in this category I include all of us—furnish free to favored foreign nations or friendly neighbors $70 worth of merchandise out of every hundred dollars spent by these favored governments in the United States. Is it any wonder that we are broke, that our people are idle, and that we are looked upon by foreign nations as the biggest suckers in the world?

HOW THE ACT AFFECTED SHYLOCK

The international bankers were the powers behind this act, and the international bankers are the beneficiaries of this law. This crowd of exploiters is in a more secured position today than ever before in history since the golden calf has been an issue. They have had and have now complete power over gold, and the loyal support of the majority in the three branches of the Government of the United States. These international racketeers could not share the gold with the people, the owners of it. No, indeed. To be doubly secured, even gold certificates were confiscated and gold securities repudiated. This all happened under the Gold Reserve Act, which was enacted by a bunch of "rubber stamps" in the Seventy-third Congress. The act deprived the people of all gold, even of the monthly production from mines and smelters. This gold, a little over $18,000,000,000, is no longer owned by the people of the United States, and it is not owned by the United States Government, but all of it—lock, stock, and barrel—is owned by the international bankers or by their instrumentalities, who are holding industrial investments and bonds amounting to over $13,000,000,000. The remainder of the gold in the United States Treasury and vaults is owned by interests outside of the Treasury and by the Board of Governors of the Federal Reserve banks, who are private preferred owners of a property that rightfully and legally belongs to the people of the United States.

I hope this will lift the curtain on the owners of the gold and reveal to the Supreme Court the injustice it visited upon our people when it upheld the act, for it sanctioned the biggest steal in the history of this Republic.

WHERE ARE WE TODAY?

We are helpless as we realize the $29,000,000,000 liabilities which are held against the gold in the Treasury of the United States. It does not matter whether this is a real or fictitious claim, for the result is the same. The situation that confronts us is something like this: A relatively small group of international bankers control the world supply of gold and can, by liquidation of securities held by them, deplete the gold supply of any nation they select to punish by gold withdrawals. This power should never be left in the hands of a private group of international exploiters, because gold and other money is in reality earned by the people and, therefore, their property. The international bankers are in no sense the actual earners of this gold, but in ownership and control of banks they have used this gold money and credit to enrich themselves at the expense of those who have spent their time and their lives to build this great Nation in which we live.

This is a brief synopsis of what the Gold Reserve Act has done to the people of the United States, which in itself is sufficient to condemn those who were instrumental in the adoption of the law.

The Supreme Court should now study the Constitution, so that it will be in a position to deliver an intelligent opinion based upon the Constitution itself instead of upon case citations, which can only lead the Court further and further away from the basic principles of the Constitution itself.

The Constitution is a basic law that belongs to the people, and in which the people set up a government of their own choice to carry out all administrative functions prescribed by them. The powers which the people delegate to the Government in the Constitution are explicit and expressed in plain understandable language. Some of these powers which may appear to be incomplete should not be misconstrued or liberalized, for they are the unwritten or unexpressed powers which the people reserve day by day to the States and to themselves.

Banking, ownership, and use of money exemplify such unwritten rights of which the people must not be deprived. Gold and money was looked upon as a commodity to always remain in free circulation for the convenience and the benefit of the people. As long as our Nation was free of those whose god is gold and whose saviour is a bribe, nothing unforeseen happened, for everyone was willing to live and let live. Banks and private depositories were well distributed and located in convenient localities throughout the whole country. In this wide distribution, development was rapid, for money could be had when needed for development of such sound business as the bank felt was to the better interest of the community. It was this freedom of ownership and the rights that go with it that the people reserved to themselves.

Conditions have changed since that time, for the Nation is now overrun with money-mad monsters, who are short on principles and long on greed. This group now has a strangle hold upon the national finances, through their bank corporations, banking chains, and associate banks which are held in hand and under control of bank monopolies. Gold and gold money should never be allowed to remain under the domination of a private group of people, but should, instead, be owned and stored in the Treasury of the United States, as a security for our Nation and for our people. The various bank corporations and bank chains should be abolished, including our own Export and Import Bank, for all of them retard development and are destructive to our own industries. Personally, I favor a wide distribution of banks of different types, based upon the use to which the deposits are put. We should have at least three types of banks, one type in which all deposits should be fully protected by reserve and surplus; another paying greater interest on deposits, but allowed a wider range of investments, and the third paying a still greater interest on deposits, but less liquid because of a much wider range of investments and loans. In such arrangement, the people would know and could place their deposits in depositories of their own selection. It was because

of this that the Constitution conferred limited power to Congress in disposition of money. I shall now quote article I, section 8, paragraph 5:

Congress shall have the power to coin money, regulate the value thereof, and of foreign coin, and fix the standard of weights and measures.

There is no confusion in this paragraph, for a clear distinction is drawn between the words "regulate" and "fix." The latter refers to a permanent state of fixing weights, but the word "regulate" was purposely used in referring to money, because the value must be established upon the weight of the piece of gold which is assayed, and value regulated by the weight of gold in grains in different pieces of money.

This should be clear, for the only control we have in regulating the value of foreign money is in melting, refining, or assay, which establishes the value of the piece of money itself. We cannot regulate the value of foreign money except when we coin such money by the request of foreign governments. Congress, of course, is at liberty to regulate the value of our own money, but regulation of value actually refers to the regulation of the size of the piece, such as 5-, 10-, and 25-cent pieces, and is not that of an arbitrary increase or decrease in the grain gold content of the dollar, for did we indulge in such foolish procedure, we ourselves could not know the value of each piece unless the weight of gold was stamped on the money.

It was to avoid confusion that all nations agreed upon a fixed price for gold and a predetermined number of grains in each piece. We, to conform to this, designated 25.8 grains of gold nine-tenths fine as the standard value of our dollar. This should never be changed and need not be changed, because international credit is balanced upon grains of gold instead of dollars, francs, and shillings.

Devaluation of money and playing with gold is a trick of the internationalist to confuse those who will not learn and to satisfy his own ego. In 1934 we reduced the gold content of our dollar from 25.8 to 15.521 grains of gold, and I have already stated why this reduction was made and the beneficiaries of this foolish venture. So much for article I, section 8, explanation of which I hope is clear.

What I am interested in is this article I, section 10. Did the Supreme Court consider that section of the Constitution? Yes, it did; a part of it which states that: "No State shall emit bills of credit," but the honorable Court failed to consider the statement that: "No State shall make anything but gold and silver coin a tender in payment of debts." I shall now quote the whole paragraph:

No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, or law impairing the obligation of contracts, or grant any title of nobility.

How can the Supreme Court reconcile its stand upon the Gold Reserve Act, a law which makes it impossible for the States and for the people to pay debts with gold and silver coin, as provided for in the Constitution? An act which makes criminals of the actual owners of this property if it is found in their possession and used in the manner which the Constitution provides?

The Gold Reserve Act transcended the very essence of the Constitution itself, for it nullified article I section 10. This act, therefore, is tantamount to an amendment of the Constitution. This is clearly a matter which should have been placed before the people, according to the procedure set forth in article V, and to think that five Justices of the Supreme Court required 30 pages for delivery of assentors' decisions!

I shall now discuss in brief the general aspect of the arguments which were employed by the Supreme Court in its consideration of this act.

The Court errs in that it upholds and defends acts of Congress when it should instead "preserve, protect, and defend the people's rights," as set forth in the Constitution. No acts of Congress are right, nor should any of them be protected by Court ruling, except such acts as conform to the Constitution of the United States. It is true that Congress is empowered to legislate; but we, the people, in granting this power to Congress, assume that the Members elected to serve in the Congress of the United States understand the document which they obligate themselves "to preserve, to protect, and defend."

Congress, therefore, has no greater power than that which is given to it by the people in the Constitution, and which it must not exceed.

The Supreme Court does not quote the Constitution except for a reference on page 8—Senate Document No. 21, Seventy-fourth Congress, Gold Clauses in Operation—which was used in arguments on the Legal Tender case. This I shall not discuss, for it is perfectly obvious that it is within the right of the Federal Government to issue money, no matter whether such currency is designated legal tender or legal money. Surely no one will deny that it is an extremely silly procedure for the Government to borrow the deposit money of the people of the United States through the medium of private bankers, and pay interest on such loans to these banks upon a property or money which never belonged to them. This is particularly true today, when we take into consideration the fact that money now in use cannot be redeemed in gold or silver. As a matter of fact, it is this connivance between our own Government and our private bankers which is responsible for the transfer of gold to them as security for extension of credit.

If ownership of the $18,000,000,000 now in the Treasury were vested in the people of the United States, we would be in a reasonably secure position, even considering the present national debt. As it is now, we do not own the gold in the Treasury, and we are confronted with a $45,000,000,000 national debt, upon which we pay interest to private bankers, who never at any time owned the money, which they loaned to the Government and which is secured by interest-bearing Government bonds.

We are now using a purely inflated currency called legal tender, similar to money used in nations which have no gold. We should, if we had good sense, place an embargo on the gold in the Treasury of the United States, repudiate gold certificates, and prohibit gold payment on private or industrial investments whether held by foreign nations or by banks in the United States. We would in such procedure, at least, save the interest we are now paying on the present national debt, and at the same time, protect the gold reserve for the benefit of the people and the security of the Nation.

EMERGENCY

Congress should be commended because of its blind response to the emergency. Under this slogan, powers of Congress were turned over to the President, the gold was turned over to the international bankers, and the American people were left on their backs with a commodity or managed money. Who was the "emergency" for? For the internationalist?

SUPREME COURT

In the Opinions of the Supreme Court appear citations of many cases which were emplcyed to substantiate majority decision on the Gold Reserve Act. Some of these decisions obscure the issue, for they relate to cases where the purchasing power was the sole consideration. In such cases there is no cause for action as there is no difference in the purchasing power of the gold dollar and the legal-tender dollar. Other cases are also confusing, for they are evidently based upon the so-called sweating of gold or loss of weight sustained by handling. In such cases value depends upon the weight of gold, and will be deducted if the piece is underweight.

I shall now, in honor to the Justices who dissented, quote the minority opinion, which in this case is correct:

FEBRUARY 18, 1935.

Mr. Justice McReynolds, dissenting:

Mr. Justice Van Devanter, Mr. Justice Sutherland, Mr. Justice Butler, and I conclude that, if given effect, the enactments here challenged will bring about confiscation of property rights and repudiation of national obligations. Acquiescence in the decisions just announced is impossible; the circumstances demand statement

of our views. "To let oneself slide down the easy slope offered by the course of events and to dull one's mind against the extent of the danger * * * that is precisely to fail in one's obligation of responsibility."

Just men regard repudiation and spoliation of citizens by their sovereign with abhorrence; but we are asked to affirm that the Constitution has granted power to accomplish both. No definite delegation of such a power exists; and we cannot believe the far-seeing framers, who labored with hope of establishing justice and securing the blessings of liberty, intend that the expected government should have authority to annihilate its own obligations and destroy the very rights which they were endeavoring to protect. Not only is there no permission for such actions; they are inhibited. And no plenitude of words can conform them to our charter.

The Federal Government is one of delegated and limited powers which derive from the Constitution. "It can exercise only the powers granted to it." Powers claimed must be denied unless granted; and, as with other writings, the whole of the Constitution is for consideration when one seeks to ascertain the meaning of any part. * * *

The power to issue bills and "regulate values" of coin cannot be so enlarged as to authorize arbitrary action, whose immediate purpose and necessary effect is destruction of individual rights. As this Court has said, a "power to regulate is not a power to destroy" (154 U. S. 362, 398). The fifth amendment limits all governmental powers. We are dealing here with a debased standard, adopted with the definite purpose to destroy obligations. Such arbitrary and oppressive action is not within any congressional power heretofore recognized.

I could quote much more of the dissenting opinions, which I am sure would be of the greatest interest to those who believe in the fundamental principles of this Republic as set forth in the Constitution of the United States. Space, however, forbids, so I shall conclude with the prayer that God may bless those four who did not forget their obligated duty to the people of this Nation.

Walter Winchell on Preparedness

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, April 1 (legislative day of Monday, March 4), 1940

ARTICLE BY WALTER WINCHELL

Mr. MEAD. Mr. President, I have before me a rather remarkable article on preparedness, written by Walter Winchell, which I ask to have printed in the Appendix.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WINCHELL ON PREPAREDNESS

(By Walter Winchell)

A tough-guy world calls for a hard-boiled statement, and here it is: Any nation which has much to lose has much more to defend. For example:

If patriotism alone were enough, Poland would be alive today. If courage and love of liberty were themselves enough, the Czechoslovakian legions would be occupying Berlin now.

But they aren't enough, and the time has come to say so. Any country believing in a bill of rights needs heavy artillery. Any nation with a free constitution needs plenty of pursuit ships and bombers. Too many worth-while things have ceased to exist behind second-best navies.

In this crisis, which has infected the world, the United States carries a double responsibility. Besides having ourselves to protect—with one of the smallest armies of them all—we have told the world for 120 years that we would fight to protect Canada and South America. In brief, the Monroe Doctrine is more than our fixed policy—it is now our sacred promise.

We know now that Poland fell at Munich, and that Czechoslovakia fell at Vienna. And we know now that in the game of power politics Washington might fall along with Halifax, Habana, or Rio de Janeiro. Therefore, let no nation, or combination of nations, make any mistake about this: If so much as one foot of land from Alaska to the Argentine is occupied by any foreign invader, these United States will fight for that foot of land until that invader is expelled or destroyed.

But history must never say of us that the good neighbor in peace was a false ally in war. And that we wanted to help our neighbors, but that we were not prepared. We must stop kidding ourselves that Americans can lick anybody. Maybe we can't. Don't forget that we have fewer soldiers than tiny Belgium; we have fewer guns and tanks than Switzerland; and we have more old-fashioned and obsolete fortifications than any other country.

It is said that the road to international brotherhood is paved with good intentions. Let the United States start patroling that road with more first-class fighting men than any enemy would want to meet.

Dedication of Federal Building, Harrisonburg, Va.

EXTENSION OF REMARKS

OF

HON. HARRY FLOOD BYRD

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, April 1 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. SMITH W. PURDUM

Mr. BYRD. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address made by the Fourth Assistant Postmaster General, Hon. Smith W. Purdum, on the occasion of the dedication of the post-office and courthouse building at Harrisonburg, Va., on March 23.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is indeed an honor for me to be here today with the people of Harrisonburg and Rockingham County and to join with you in the dedication of your new post-office and courthouse building.

The Postmaster General, Hon. James A. Farley, has asked me to present his personal greetings and his congratulations upon the completion of this well-deserved public improvement for your community.

I desire to express my sincere thanks to Hon. A. WILLIS ROBERTSON, Congressman from this district, and to your postmaster, Mr. G. Frederick Switzer, for their kindness in inviting me to be present and to participate in the dedication.

It makes me very happy to be with you all here in Harrisonburg today. I always recall with most pleasant memories my previous visits, covering a long period of years, to this fine section of the State of Virginia. It always gives me great pleasure to come within the confines of this splendid State. I am proud to say that I know Virginia well, and likewise her people, whom I regard with great affection.

The visitor to Virginia, and particularly to this section, is impressed with the lavish beauty of its scenery, the fertility of its soil, and the variety of its agricultural products, and especially the culture and hospitality of her people.

All of us should ever be mindful of the early history of this State, for in these sections were planted the seeds of those things that have meant so much to the people of our country down through the years to the present time.

We should pause to pay tribute to those brave men and women who came to Virginia in the early days and who played so large a part in the founding and formation of this State and of our Nation. They bequeathed to their descendants those attributes of courage, wisdom, and sturdy independence that has enabled Virginia to maintain the place that it has always held among the States of the Union.

It is also fitting that on this occasion we should mention particularly Alexander Spotswood, Governor of Virginia in Colonial days, and Deputy Postmaster General for the Colonies from 1730 to 1739. His service to the people of Virginia is well remembered.

In building a community there are three important factors—the spiritual, the educational, and the material—the spiritual as represented by its churches and clergy, and reverence for the divine Providence; the educational as represented by its schools, colleges, libraries, and civic organizations; and the material as represented by the secular affairs and the business life of the community. Harrisonburg has always been mindful of these three important factors, as evidenced by its fine schools, colleges, churches, and business houses, with a constant growth from year to year.

I take this opportunity to mention one of Virginia's fine institutions of learning located in Harrisonburg which has made history and is held in high esteem by those who are familiar with the splendid work it has done and is doing. I am very proud to say that some of my daughters attended this institution, for which I shall always be grateful. Right now I express my gratitude to the instructors and their associates of the State Teachers' College, now so well known and well-named Madison College.

Good postal service is as important to your splendid community as it is to the largest commercial and industrial cities of our Nation. Each home and each family await the daily visit of the mailman for news from friends or relatives from near or far-off places; for the newspapers or the weekly or monthly periodicals

which contribute so much to the information, intelligence, and happiness of our people.

Now, and as it has been through the years, efficient postal service is of utmost importance in the business and social life of our communities, our States, and our Nation. Even in colonial times, its necessity was fully realized. The system of postal communication between the Colonies which was developed by Benjamin Franklin was a vital factor in securing united action by the Colonies in their fight for freedom and independence.

When the Constitution was adopted in 1789 there were 75 post offices doing an average business of about $100 a year each. Fifteen of these post offices were in the State of Virginia, at Alexandria, Bowling Green, Cabin Point, Colchester, Dumfries, Fredericksburg, Hampton, Hanover Court House, Norfolk, Petersburg, Richmond, Smithfield, Suffolk, Williamsburg, Yorktown.

From this humble beginning the United States Postal Establishment has grown into the largest single business enterprise in the world, with approximately 44,000 post offices and revenues of about $750,000,000. Of necessity, the Postal Service had to keep pace with the tremendous growth and development of our country. The successful accomplishment of this objective has been due to several factors. In the first instance, we are indebted to the founding fathers for the sound base upon which the American Postal System was established.

The Constitution gives the Congress the power "to establish post offices and post roads," and all through our history the Congress has exercised this prerogative with discretion and good judgment. The Members of the House of Representatives and of the United States Senate have always been mindful of their obligations to the people of the country in the provision of good postal service, and, through the granting of appropriations and the enactment of wise and beneficent legislation, have provided for the expansion of the Postal Service and its functions in an orderly and efficient manner to meet the increasing demands of a growing nation and a progressing civilization.

The multitude of postmasters and postal employees throughout the country are giving their best efforts to the end that the American people might at all times have the best possible Postal Service, without waste and extravagance. All of these factors have contributed to make our Postal Service what it is today, an efficient, courteous service for all the people, and one which embraces among its employees the highest type of American citizenship. This is especially true of the State of Virginia and your own city of Harrisonburg, where Postmaster Switzer and the postal employees working with him are striving to render courteous and efficient service.

Good Postal Service requires adequate and modern quarters and facilities. The need for better facilities for the post offices, the United States courts, and various Federal agencies was recognized by Congress, and for several years, beginning in 1934, annual authorizations were made for the erection of Federal buildings throughout the Nation in every State and in the Territories and insular possessions. These building programs have met the housing requirements of the post office and other Federal agencies in about 1,900 individual communities over the country.

In the dedication of this Federal building, it is proper that credit be given to the Public Buildings Administration of the Federal Works Agency, which supervised the preparation of the plans and the construction of the building; to the general contractor, A. Farnell Blair, of Lake Charles, La., and to the Government's construction engineer, Mr. Bruce K. Jones. However, we should not forget that without the hands of labor, this building would not have come into being, and this applies not only to the carpenters, bricklayers, and mechanics and artisans of every character who participated in the actual construction but as well to the lumbermen in the forests, to the miners, to the men in the stone quarries, and to the workers in the mills and factories who produced and fashioned the materials necessary in making possible this imposing edifice. In the dedication of this building, therefore, let us pay sincere tribute to all those whose physical efforts have contributed to its consummation.

I have told you that it is always a pleasure for me to come back to Virginia, and I am doubly pleased when I have the opportunity to come into the Seventh Congressional District because it is represented in Congress by one of the finest types of public servants that it has been my privilege to know. He has carried into the National Congress the same diligence in behalf of the people of his district, the same industry, and the same devotion to duty that has characterized his entire public career. He is respected in the House of Representatives for his sound judgment, clear thinking, and intense interest in the welfare of the people, not only of his district and of his State, but of our Nation. I am happy to have the opportunity to pay sincere tribute to your Congressman and my good friend, Hon. A. WILLIS ROBERTSON.

It is also fitting and proper that we should mention at this time a man who is well known to all of you in this section of Virginia, who bears a name outstanding in the annals of this State, and whose career has been such as to bring further honor upon that name. He was one of the finest Governors Virginia ever had, and now serves with ability and distinction as the junior Senator from this State—a great American and statesman—Hon. HARRY FLOOD BYRD.

The dedication of a Federal building is a noteworthy occasion. The dedication of this building is an important event to the citizens of your splendid city, county, State, and to our Nation. Such an event is so representative of our great Republic, for our people in all walks of life gather together and give testimony by their presence and voice to their fidelity, loyalty, and love for our National Government and its institutions.

It gives me much pleasure, and I am sure that it is a source of gratification to the fathers and mothers here, to see so many young men and women and boys and girls present. These young people will in due time take up the work and carry on when we drop out of the picture. Therefore it behooves us to so conduct ourselves at all times and to let our speech in private and in public be such that it will be of value to the youth of the land.

It is my belief that of all the governmental activities to be housed in this structure, those which are closest to the lives of our people are the postal establishment and the United States courts. The postal establishment is one to render an important daily service in every city, village, hamlet, and rural section of our land, coming into direct contact with the lives of all our citizens. The United States courts render a service of justice to all, regardless of creed, color, or position in life, as indicated in that wonderful oath to which all United States judges subscribe before entering upon their duties, and which is in part as follows:

"I do solemnly swear that I will administer justice without respect to persons, and do equal right to the poor and to the rich, and that I will faithfully and impartially discharge and perform all the duties incumbent on me, according to the best of my abilities and understanding, agreeable to the Constitution and laws of the United States; and that I will support and defend the Constitution of the United States against all enemies, foreign and domestic."

I have mentioned the valuable contributions of the postmasters and postal employees to the success of the Postal Service. However, no business organization or line of endeavor can be successful without competent leadership. In the Post Office Department we are fortunate to have as our chief a man who brought to that high office excellent business qualifications which, coupled with humane administrative principles, have not only maintained the Service at a high level of efficiency, but have also vastly improved the working conditions of postal employees. I shall always be grateful for the opportunity afforded me to share in the administration of the Postal Service under the leadership of a splendid citizen and a great American—Postmaster General James A. Farley.

We, who are a part of the postal establishment, one of the great Departments in the executive branch of our National Government, must constantly bear in mind that we are the servants of the people, and that we have no authority which does not come to us from the people through their duly elected Representatives in the National Congress. It is the duty of each and every one of us in the Postal Service to strive to do our utmost to render an efficient and economical service. To do so will redound to our credit and will have the approbation of our people, the Members of the House of Representatives, the United States Senate, the Postmaster General, and the President of the United States.

I thank you.

Robert H. Hinckley, Chairman, Civil Aeronautics Authority

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, April 1 (legislative day of Monday, March 4), 1940

ARTICLE FROM THE WASHINGTON TIMES-HERALD

Mr. SCHWELLENBACH. Mr. President, on Saturday morning there appeared in the Washington Times-Herald an excellent article about Hon. Robert H. Hinckley, Chairman of the Civil Aeronautics Authority. I ask unanimous consent that it may be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald of March 30, 1940]

WASHINGTON DAILY MERRY-GO-ROUND

(By Drew Pearson and Robert S. Allen)

The story has been told how at 4 o'clock last Tuesday morning, while European aviation was chalking up new records for death and destruction, the far-flung air lines of the United States set a different kind of record—1 full year of operation without a single fatality or serious injury.

A number of factors have deservedly been given credit for this historic achievement: Better planes, better personnel, better airports and radio facilities. There also was one other that played a leading part in the spectacular holiday from death—a man who eats, drinks, and sleeps aviation.

He is Robert H. Hinckley, the quiet-mannered, indefatigable Chairman of the Civil Aeronautics Authority, to whom air safety records are an old passion.

Twelve years ago, long before there was anything even resembling the C. A. A. and when almost every passenger plane that took off flirted with death, Hinckley organized the Utah-Pacific Airways. Its route was over some of the most treacherous flying terrain in the country—the Rockies. But in the 3 years that he directed the line, it suffered not one fatal mishap.

It's not strange that only a few know this. There are many things about the tall, handsome Utahan, who will be 50 in June, that even his best friends don't know. He is that kind of man. Publicity is not his forte. But doing outstanding jobs definitely is. In his retiring, genial way he has been doing them all his life.

PILGRIM DESCENDANT

Bob Hinckley is one of the most unusual men in Washington. He is a Pilgrim descendant, a onetime missionary, a highly successful businessman, one of the most brilliant executives in the Government, and an ardent new dealer.

One of the things that few know about him is that he has a jail record. Hinckley is proud of it. It happened when he was seriously considering becoming a different kind of "sky pilot."

In his veins flows the blood of a long line of religious ancestors. One of them was Thomas Hinckley, Puritan Governor of the Plymouth Colony from 1681 to 1692. Another was Hinckley's grandfather, Ira Hinckley, who accompanied Brigham Young to Utah and became a pillar of the Mormon Church.

The religious zeal of his forbears burned bright in young Bob. At the age of 19 he gave up his studies at Brigham Young University and accepted a call as a Mormon missionary in Europe. Most of his 3 years there was spent in Germany, where he had two experiences that greatly influenced his later life.

One, in 1913, was his first airplane flight, with Melli Beese, famous pioneer aviatrix. The other was the interlude in the cooler.

Hinckley was arrested by German authorities for spreading the Mormon gospel. The Kaiser's police were outraged that a foreigner should be doing missionary work in the Reich and they jailed young Hinckley on a charge of "disturbing the peace." After a few days he was released on condition that he leave the country.

AIR-LINE PIONEER

Returning to the United States, Hinckley decided he was not cut out for a clerical career, and reentered the university to prepare himself for teaching. But after 2 years as a high-school instructor in Mount Pleasant, Utah, the fever of the motor age gripped him and he went into the automobile business, becoming in a few years one of the largest dealers in the State.

It was a natural step for him to become interested in aviation and to envision its commercial possibilities. But others in those days of early planes were less optimistic. They commended his daring but held on to their own cash.

Hinckley was undaunted. He went ahead alone, organized the Utah-Pacific Airways and made it one of the few successful pioneer air lines.

During all this time, while immersed in his extensive business activities, he also was alertly interested in public affairs. He found time to serve several terms as a liberal Democrat in the Utah Legislature, as mayor of Mount Pleasant, and as president of the Utah Municipal League.

In the historic campaign of 1932, Hinckley was one of the leaders who put Prof. ELBERT THOMAS into the field against the powerful veteran Republican Senator Reed Smoot and defeated him. This accomplishment, plus his record as a liberal and his success in business, brought Hinckley to the attention of President Roosevelt early in 1933.

RELIEF PIONEER

At that time the New Deal was preparing to set up its first relief program. Roosevelt sent for Hinckley to ask him to help with the job.

"My business affairs need me badly, Mr. President," Hinckley replied, "but I'll drop everything and pitch in. I think we can get the set-up you want going in 3 months, and then I'll have to get back to my own problems."

That was 7 years ago. Hinckley is still in Washington.

After the emergency-relief job was completed, he was commandeered to formulate a permanent-relief program. When that was done and the W. P. A. was established, Hinckley again was impressed as western director in charge of 11 States.

His record in this post was so outstanding that when the C. A. A. was created to replace the chaotic Bureau of Air Commerce, Roosevelt again refused to allow him to quit, and put him on the new agency. Six months later, when Chairman Edward J. Noble was elevated to Undersecretary of Commerce, Hinckley was the unanimous choice to succeed him.

SERENE CRUSADER

Outwardly there is nothing of the dynamo about Hinckley. He is one of the mildest and kindliest of men. But things have a way of moving with dispatch and order when he is on the job.

It was Hinckley who, almost single-handed, sold the student-pilot-training program to a scary Congress. The politicos admitted the need for more pilots, but were afraid that accidents would boomerang against them. Hinckley talked them out of their funk and they gave him the money he requested. This year 10,000 youths are receiving flying instructions—and there hasn't been one serious accident.

It was Hinckley who summoned air-line operators and quietly but firmly told them there was only one way to stop fatalities, and that was to put an end to bad-weather flights.

"Now, gentlemen," he said, "you can do this in one of two ways. Stop chiseling on one another and voluntarily agree among yourselves to cancel flights in bad weather, or the C. A. A. will step in and make you do it. Take your choice. What will it be?"

The operators chose voluntary regulation, and the past year's spectacular record is a tribute to the sincerity with which they abided by their pledge and Bob Hinckley's confidence in them.

The Republican Party is the Peace Party

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

RADIO ADDRESS OF HON. HAMILTON FISH, OF NEW YORK, OVER THE BLUE NETWORK OF THE NATIONAL BROADCASTING CO., MARCH 30, 1940

Mr. THILL. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio address by Hon. HAMILTON FISH, of New York, over the National Broadcasting Co.'s Blue Network on Saturday evening, March 30, 1940:

Someone coined the phrase that "Thomas Jefferson founded the Democratic Party, and Franklin D. Roosevelt dumfounded it." Certainly he has dumfounded it with his policies of internationalism, interventionism, and quarantinism of foreign nations, a complete departure from our traditional foreign policies.

Jefferson was most outspoken against involvement in Europe. He said, "I have ever deemed it fundamental for the United States never to take an active part in the quarrels of Europe. * * * They are nations of eternal war."

The German White Book, released to the press yesterday, proves my contention that the war hysteria in the United States emanated directly from the White House and has been ably abetted by our Ambassadors in Europe and the warmongers at home.

If the American people do not wake up, we will be sold down the river into war by the New Deal internationalists.

It is no answer to the charges contained in the German White Book to raise the hue and cry of "propaganda," or to sprinkle a few grains of salt on its tail.

The German foreign office has made extremely serious charges that cannot be brushed aside or laughed off, as is the custom of President Roosevelt. The entire foreign policy of the United States and the lives of American citizens are at stake.

If Mr. William C. Bullitt, our Ambassador to France, acting as a representative of President Roosevelt, gave any commitments of our entrance into the European war, or even that we would finance it, it would constitute an impeachable offense. The Congress of the United States, thank God, has the only constitutional power to declare war.

I do not propose to prejudge Mr. Bullitt or President Roosevelt, but both owe it to the American people to give a categorical and detailed answer to each and every charge made by the foreign office of a nation with whom we are at peace.

Unfortunately, the remarks attributed to Ambassador Bullitt by the Polish Ambassador at Washington have a familiar ring, but are somewhat stronger and more concrete than have been reported previously.

Apparently under the New Deal quarantine policy some of our ambassadors and ministers, instead of promoting peaceful relations abroad, have sought to foster war in Europe. Last week, Mr. James Cromwell, our Minister to Canada, sounded off the battle cry to war. Where there is so much smoke, there is apt to be a good-sized fire.

The whole sequence of events can easily be traced back to the tragic quarantine speech of President Roosevelt in Chicago a few years ago, when the American people were aroused and alarmed as if by a fire bell in the middle of the night.

The American people are entitled to know whether Ambassador Bullitt gave any assurances of America's participation in the European war, or even of any financial assistance.

The Congress will probably wait for the publication of the full text of the correspondence in order to properly examine it and determine its authenticity.

The alarming part, and crux of the charges, are contained in a report of an interview of Ambassador Potocki at Washington with Ambassador Bullitt a year ago. This is what Ambassador Potocki is reported to have sent to Foreign Minister Beck: "From the

interview with Bullitt I gained the impression that he had received from Roosevelt a most exact definition of the standpoint that the United States occupies today in regard to the European crisis: (1) Activation of foreign policies under leadership of President Roosevelt against totalitarian states; (2) war preparations by the United States; (3) decided opinion of President Roosevelt that France and Great Britain must put an end to all policy compromise and not make any territorial changes; and (4) that the United States will participate actively and place war supplies and finances at their disposal." This is nothing new, but it substantiates the charges I have publicly made against President Roosevelt on numerous occasions, of promoting war hysteria, destroying American neutrality, attempting to intervene in Europe, and seeking to finance its wars.

I shall demand a complete investigation of the statements alleged to have been made by Ambassador Bullitt. After careful examination of the facts, if the evidence warrants action by the House of Representatives, I shall introduce a resolution of impeachment.

There is ample precedent for such action. Former Ambassador Bayard was censured for making a tariff speech in Great Britain and impeachment procedings were instituted. The remarks made by Ambassador Bullitt were not on mere tariff or domestic subjects, but involved the war-making powers of the Congress.

It is the duty of the Congress to safeguard its constitutional functions and to impeach the President or any Ambassador or Minister who seeks to usurp such powers and drag us into war.

If these charges are true, they would constitute virtually a treasonable act. If President Roosevelt has entered into secret understandings or commitments with foreign governments to involve us in war he should be impeached.

President Roosevelt's internationalism and his dangerous halfway policies of intervention and his measures short of war are well known in America and abroad.

The Congress will probably adjourn by June 1, and there will be a critical period of 7 months before the new Congress will convene. I hope that the Congress will either repeal the emergency powers given to the President under existing laws or make them subject to a declaration of war or emergency to be proclaimed by the Congress.

All permanent emergency war powers should be withdrawn and be retained by the Congress and thereby restore representative and constitutional government in the United States.

The President already has vast powers to promote peace or entangle us in foreign wars. It is foolhardy to extend his authority by additional emergency powers that would place the destiny and security of our great Nation at the whim of any one man. That is dictatorship with a vengeance. It is not the American way. Let Congress revoke its grant of emergency powers and fear of intervention will disappear as the morning mist before the rising sun.

The American people have not and should not be divided into peace and war groups along party lines. The preservation of peace should be the continuous policy of both the Republican and Democratic Parties and of the American people.

However, we are confronted with an actual situation wherein President Roosevelt controls and dominates the foreign policies of his party to such an extent that he has forced his own League of Nations and internationalist views upon the New Deal, and has made it the party of intervention—and he is rapidly making it the war party in the United States.

This unfortunate situation is parallel to that of 1916, when President Wilson was seeking reelection on an issue of keeping out of war. He actually got us into war within 30 days after his inauguration.

This must not happen again in America.

At that time Secretary Lansing, Colonel House, our Ambassador at Large, and Ambassador Page at London had, as we now know, already determined to take us into the World War.

Today we have the same types in the administration, such as our Ambassador to France, our Minister to Canada, swashbuckling members of the Cabinet, and a host of prominent New Dealers—and some not so new, such as Senator CARTER GLASS—and the old League of Nations group.

The spring and summer months will bring with them an increased tempo in the winter-stagnated European war. Foreign propagandists will flourish and multiply like spring flowers and increase their activities in the United States. War hysteria and passions will be inflamed by atrocity stories as in the World War. Hatred and excessive partiality will crush and pervert the truth and sacrifice our own interests. Increasing economic entanglements and the siren call of profits will make war seem natural and inevitable.

Such is the course of war and the power of propaganda.

How can this be checked, if not actually prevented? The Dies committee should investigate and expose all foreign propagandists—British, French, Nazi, Fascist, and Communist—and the source of such propaganda, without fear or favor.

We have enough troubles in America without being made victims of a mass barrage of inflammatory and poisonous foreign propaganda.

War is man-made. Therefore, man can keep out of war, particularly in great nations and where there is a strong enough will to preserve peace. The public registration of foreign agents should be required by law. War-profit taxation should be levied up to 90 percent in order to take excessive profits out of wars and to discourage our participation in them.

Up to now some of the Presidential candidates of both the Republican and Democratic Parties seem to be playing a game of hide-and-seek, as evidenced by their silence and evasion of the war issue, which is uppermost in the minds of all the American people.

While the voters are seeking their real views they are adroitly attempting to hide and conceal them by generalities and lip service to peace. This issue, affecting the security of our country and the lives of our youth, is discussed daily in American homes. Most of our citizens, irrespective of party, are vitally interested in keeping America out of foreign entanglements and wars.

The electorate are entitled to know exactly where each candidate stands, without equivocation and mental reservation, on Americanism as against intervention in the eternal wars of Europe. There is a vast difference between the foreign policies of the Roosevelt administration and those of the Republican Party as expressed by its Members in Congress.

Public polls demonstrate that more than 90 percent of the people want to preserve American neutrality and stay out of foreign wars. They have a right to express their sentiments on this issue at the polls next November.

It would be the most unfair and cruelest kind of political deception and fraud if the candidates of both parties should give mere lip service to peace while privately undermining American neutrality and secretly favoring intervention.

The Republican candidates for the Presidency must stand on the record created by the Republican Party in the Congress against the internationalism and interventionism of President Roosevelt since his Chicago speech in 1937 proposing that we quarantine nations with whose forms of government we do not agree.

The Republican Party in the Congress has insisted on adhering to our traditional policies of neutrality, nonintervention, and no entangling alliances, and 88 percent of the Republican Members of the House of Representatives voted to oppose the repeal of the arms embargo as being the initial step toward destroying American neutrality.

Practically 100 percent of the Republican Members of Congress are firmly opposed to granting any power to the President to establish economic sanctions, to determine the aggressor nation, or to quarantine foreign nations with American blood and treasure.

A clear-cut issue has been made by the Republicans in Congress against the foreign policies of President Roosevelt.

I cannot understand the reason why any Republican candidate for President or any other national office, who is in accord with the practically unanimous expression of his party in the Congress in thwarting the internationalism of the New Deal administration, should fail to take the voters into his confidence as to where he stands on the record made in Congress by the elected Representatives and Senators of his own party on international issues.

It is all very well to elucidate about domestic issues, such as debts, deficits, and taxes, but all of these will be meaningless—and doubled—in no time if we are involved in another foreign war.

In addition, it would mean a black-out of representative government, our free democratic institutions, and our own liberties, to be replaced by a dictatorship that even Stalin or Hitler would envy.

Presidential candidates are important in themselves, but party platforms on which they and the candidates for Congress stand are more important.

The election of a Republican majority in the House of Representatives is just as vital as electing a Republican President.

Nothing contained in the Republican national platform in 1940 will be more scrutinized than its foreign-policy plank.

The framing of such a plank, reflecting the views of the peace elements within the Republican Party and of millions of Democrats who are striving for more abundant life instead of more abundant death on the battlefields of Europe, will be essential to party success.

There must be no platitudes, generalities, or lip service to peace. It must be a ringing challenge against interventionism, and for Americanism against internationalism, and a forthright answer to the disciples of despair and intervention who prattle that war is inevitable.

As ranking Republican member of the Committee on Foreign Affairs of the House of Representatives, I propose to use every influence at my command to have the Republican Party adopt a strong antiwar platform at its national convention. If this is done, it will establish in the minds of the people that the Republican Party has a real peace program, and is the party of peace in America.

I submit for the consideration of the delegates at the Philadelphia convention, to be held on June 24, the following plank on foreign affairs:

REPUBLICAN FOREIGN POLICIES

We pledge the Republican Party:

(1) To stand squarely against involvement in foreign wars.

(2) To uphold our traditional foreign policies, proclaimed by George Washington, of neutrality, nonintervention, no entangling alliances, and respect for international law.

(3) To maintain adequate national defense and uphold the Monroe Doctrine.

(4) To oppose the granting of power to the President to enter into economic sanctions, collective security, and to quarantine foreign nations, or to make any secret understanding or commitment with any nation that would weaken American neutrality.

(5) To combat all propaganda from whatever source aimed to undermine the will of the American people for peace, and require the public registration of all foreign propagandists.

(6) To expose the contentions of the warmongers and interventionists that war is inevitable.

(7) To refrain from denouncing foreign forms of government and spreading hatred against nations with whom we have peaceful relations by "measures short of war."

(8) To cease the purchase of gold and silver at artificial prices from foreign nations, enriching them, and impoverishing ourselves.

(9) To stop making foreign loans.

(10) To take the profit out of war by enacting an excess-profit tax on munitions of war.

(11) To repeal the emergency powers given the President, and make them subject to a declaration of war, or an emergency proclaimed by the Congress.

(12) To exert our moral influence to promote peace in Europe, based on the principles of arbitration, mediation, and peaceful settlement of international disputes.

Why a Union, and What Can It Do for You?

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

Mr. HOFFMAN. Mr. Speaker, a union is an organization of employees who have joined together for mutual benefit. Usually they seek improved working conditions, shorter hours, and higher wages, and attempt to bring these about through collective bargaining.

A union is not only advisable but it is necessary where an employer refuses to maintain healthful working conditions, reasonable hours, and pay an adequate wage. The reason for the formation of a union and the presentation of requests for improved conditions by a bargaining agent, rather than by each individual acting for himself, is that an individual making such a request or demand might be discharged, while, if the demand comes from a representative of a majority or of all the employees, it carries a great deal more weight, as the employer cannot often discharge all those who make such a request.

A union, however, should be made up of, and its bargaining agent should represent, the employees in the plant where the demand is made. An outsider who has no interest in the employees themselves, no interest in the business, should not be permitted to interfere and bring about dissension between employee and employer.

Before employees who have formed a union and selected as their bargaining representative some outsider, permit him to make demands upon their employer, they might well ask themselves whether this bargaining agent, this outsider, is prepared to give them a job at better wages, shorter hours, and better conditions than they are now enjoying.

The foregoing thoughts are brought to mind because of information requested in a letter received from a friend in my home town of Allegan, Mich., a small city of some 4,000, where the C. I. O. has recently formed a union in the plant known as Blood Bros., and by the statement attributed to one Thomas, head of the U. A. W. A., to the effect that bargaining negotiations will soon start with Blood Bros.

Thomas, you may recall, is the fellow who claims credit for the last Chrysler strike, which had that plant shut down for some 54 days with a demand that Chrysler employ only C. I. O. members. The strike ended with a small increase in pay—something like a 3-percent and in some few instances as much as a 6-percent increase in pay. But the loss of wages was such that it will take the employees of that company something over 3 years to make up what they lost during the strike, if they have steady work, while with lay-offs and subsequent strikes there is no assurance that any of them will ever make good the wages lost during the 54 days.

Contrary to the oft-expressed opinion of my political enemies, I am a firm believer in unions and in collective bargaining, but I have no use whatever for labor racketeers and organizers who come from other cities, bring violence and lawlessness, and who make their living and draw exorbitant sums out of the pay checks of workers.

Long ago we were told that a laborer was worthy of his hire. There is no doubt about the soundness of that doctrine. Before employees in any plant give up a portion of their pay checks to labor organizers from outside their city, they should ask themselves what they may expect to gain by such a procedure.

Mr. Thomas, so the press states, says he is going to Allegan to bargain with Blood Bros. That may increase the prestige of Mr. Thomas. Just what will it do for the employees?

I have no financial interest in Blood Bros. I do not know whether they are paying a fair wage; whether they are forcing the men to work too long or not giving them work enough. I know nothing about their financial condition. But one or two things I do know. One is this: That jobs in Allegan are none too plentiful.

Another is that neither Thomas nor the C. I. O. will create a job in Allegan; that neither will give anyone employment at an industrial job or pay anyone wages.

If Blood Bros. are not paying fair wages, and if they can afford to pay more, then they should do so. On the other hand, what can be gained by following Thomas, calling a strike, if the company cannot and will not pay more? Will Thomas or the C. I. O. give a better job when the trouble is over?

I have often wondered why, if the C. I. O. knows so much about what should be paid and the hours that should be worked and the rate of production, it does not, in some small community like Allegan, establish a factory and operate it as a factory should be operated. The C. I. O. had something like $3,000,000 in cash at the end of 1936. What a wonderful thing it would be if that organization would, in some community in the United States, in Allegan, for example, give us a demonstration of just what an employer should do in operating a factory.

There are buildings available in Allegan. Undoubtedly, the city would be glad to furnish a building if the C. I. O. will open a factory, hire men, pay them the wage that the C. I. O. thinks is just and equitable, and operate the business in the manner that the C. I. O. has been attempting to force private industry to operate its plants.

If the C. I. O. wants to be fair and just, why does it not follow such a course? Why continually find fault with all those who are giving employment, who are meeting pay rolls, who are enabling men to live and to buy some of the luxuries as well as the necessities of life? Is it not about time that the C. I. O. show us how an industrial plant should be operated rather than always finding fault with the man who is operating one?

If Thomas closes Blood Bros. by a strike or drives it out of the town, will he have another job ready for the Allegan workers? The C. I. O. never has provided an industrial job for anyone. It never operated a factory nor met a pay roll.

That organizers are not always solicitous about what happens to the local men is well illustrated by a strike not so long ago at Dowagiac, Mich. A couple of organizers who, it was said, received $15 a day and expenses, went to that town and organized a strike. They incited some of the employees to violence and, when the strike was over, a local man went to jail for destruction of company property, while the organizers went on their way to another job.

Wonder what the employee, as he sat in jail because he carried out the suggestions of the organizer, thought about.

No one denies the right of employees to strike. No one questions their right to picket. It is equally true that neither pickets nor strikers have the right to prevent another man who wants to work from going to his job, and those who state otherwise are just giving bad advice.

Local folks should remember that these outside men do not own homes in Allegan; they do not depend for their livelihood upon Allegan jobs. What they are doing is organizing unions, collecting initiation fees and dues, and

drawing their salaries, and all too often calling strikes. They cannot draw salaries; they have no job, unless there is, or they can stir up, trouble between employers and employees.

Another thing I know: If Thomas thinks for one moment that he can go into Allegan County, pull a strike and by force keep men from going to their jobs, either in Blood Bros. or in any other plant, then he has another guess coming.

If Thomas takes his plug-uglies from Detroit or Flint or some other community to Allegan and puts on his so-called educational campaign by use of a piece of gas pipe or a loaded rubber hose, he is quite likely to run into law-enforcement officials who believe and will maintain that their oath of office requires them to enforce the law.

Moreover, if he by force beats up any man who wants to work and who does not want to join his union in order to hold his job, he will find himself involved in damage suits that may be a novelty to him.

Nor have Blood Bros. any right, under the National Labor Relations Act, to compel their employees to join a union. They cannot discharge an employee because he belongs to a union nor have they any right to discharge him because he refuses to join a certain union.

Personally, I wish the employees of Blood Bros, all the good luck in the world. No one questions their right to form a union of their own or to join what is termed an outside union, and I would be the first to assist them, did they ask it, in securing fair working conditions, adequate wages, and continuous employment.

I practiced law in Allegan for almost 40 years, and no man ever came to my office seeking legal aid and was turned away because he could not pay a fee. That policy will be continued, and the fact that Thomas has raised so much hell in Detroit, that the C. I. O. has had in its ranks so many Communists, that it has in its treasury millions of dollars, will not enable it to run roughshod lawlessly over Allegan.

From some place in these United States must come the lesson that here in America man is still free to work at a job offered him without being compelled to join any organization. That lesson might as well be learned in Allegan, Mich., the State which Murphy gave over to the C. I. O., their communistic allies, and the sit-down strikers early in 1937.

I hope that if any differences of opinion arise between the men who work at Blood Bros. and the management of that company they can be settled in a friendly spirit; that no one connected with the management of Blood Bros. will be arbitrary or unfair and that no single employee will get the notion that Thomas or the C. I. O. is going to give him a job if Blood Bros. is put out of business.

My memory goes back to the time when we lost the Overton Creamery. Our home folks remember it. Farmers in our little community were getting some $50,000 a month for their milk. A lawyer told them they were not getting enough, although they were receiving more than other producers in other parts of the State. A strike was the result. It ran on and on. Finally Overton sold his plant to the Pet Milk Co., which closed the plant, taking its business to Wayland, at which point they now operate. The net result was that Overton went out of business (he later made good financially, so the strike was a blessing in disguise to him); Allegan merchants and Allegan County farmers lost the benefit of a $50,000-a-month milk check and dairying became a minor industry.

Allegan needs industrial plants. Industrial plants have left some of the larger cities because of labor trouble. It has been stated that both Holland and South Haven and certainly Kalamazoo are to get new industrial plants because of labor troubles in the larger cities.

The C. I. O. has ruined business in more than one small city. By its activities it aided in throwing permanently out of employment some 20,000 rubber workers at Akron, Ohio. It practically wiped the town of Coral, Pa., off the map.

Aided by Governor Murphy at Flint, it cost the workers a wage loss of $44,000,000. With Murphy's help, it defied the courts, it violated the law, it took possession of Lansing for a day.

But Murphy is no longer Governor of Michigan, and Governor Dickinson will not stand for the same kind of violence, intimidation, and coercion which the C. I. O. got away with at Flint. Allegan has always been a law-abiding town. There is no reason to believe that either the city administration or the county authorities will sit idly by and see men beaten or driven from their jobs by Thomas and those he may mislead.

Thomas should remember that Washburn went to jail for inciting a riot at Lansing and that if he proposes to bring lawlessness to Allegan city or Allegan County he will undoubtedly discover that neither the prosecuting attorney nor the sheriff of Allegan County subscribe to the doctrines of the prosecutor and sheriff of Wayne County, who were so recently indicted.

I hope that if industrial troubles arise in Allegan they will be settled, as all such matters should be settled, over the council table. And I hope if lawlessness comes to Allegan County that it will be met as it should be met, by the forces of law and order, and that those who believe that under the guise of picketing and of striking they have the right to crack the heads of those who want to work will learn once and for all that such a procedure will not be tolerated in Michigan outside of Detroit.

Home Ownership Encouraged Under President Roosevelt's Administration

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

Mr. PATMAN. Mr. Speaker, before President Franklin D. Roosevelt was nominated, he caused to be published some very interesting articles on home and mortgage financing, and especially about usurious interest and different items costing an excessive amount, which retarded home ownership. The successful way that President Roosevelt's views have been carried out since he became President is almost unbelievable. His statements were made the year before he was nominated for the Presidency and long before he was nominated. The Democratic platform in 1932 embodied his views. Today the small saver and home owner of this country can thank the Roosevelt administration for the safety it has thrown about his savings and the security it has given him in the ownership of his home. I desire to describe conditions prior to 1933 and outline what President Roosevelt has caused to be done since that time to correct them.

SAVINGS AND HOME OWNERSHIP SINCE 1933

I. CONDITIONS PRIOR TO 1933

The crisis of 1933, which confronted the present administration at the outset, represented the culmination of a series of maladjustments and inequities. As far back as 1915, during the administration of President Wilson, Mr. John Skelton Williams, Comptroller of the Currency, had recognized the existence of serious abuses in the mortgage financing field. He startled the American public with the statement that more than one-third of the national banks of the United States were exacting usurious interest charges on mortgage loans. In the September 2, 1915, call report Mr. Williams found that in 36 States 1,247 national banks were charging on some of their loans rates in excess of those permitted by the usury laws of their States. In fact, Mr. Williams pointed out that the maximum rate charged by 26 banks was 100 percent per annum or more.

Obstacles to new construction

Because of the housing shortage in New York City in 1921, an investigation was made by the Lockwood committee of the obstacles to new construction. The committee unearthed overwhelming evidence that the New York State usury law was being flagrantly violated by mortgage lenders. It found

that savings banks, life-insurance companies, and lending institutions in general were charging effective interest rates as high as 20 to 50 percent on real-estate loans. During the hearings conducted by the Lockwood committee, Mr. Samuel Untermyer obtained sworn statements that financial institutions in general had been demanding and receiving bonuses, commissions, and discounts reaching as high as 20 percent on loans where the stated charges were only 5½ or 6 percent.

Farm mortgages also included

This unjust condition was found to exist not only in the urban real-estate field but in that of farm mortgages as well. Bulletin 1045, an official publication of the Department of Agriculture, contains a detailed analysis of interest charges by banks on farm-mortgage loans in 1921. This study of the Department of Agriculture, made under the auspices of a Republican administration, likewise shows that in many States the prevailing rate charged by banks exceeded the maximum rate permitted by usury laws. A number of devices were used for evading these laws, such as discounts, commissions, bonuses, and other similar charges which were not figured in the interest rate but which very effectively raised the cost to the borrower.

President Hoover's first conference

The situation as shown by these reports and studies continued through the decade of the twenties. As late as 1931 even President Hoover recognized that all was not well in the home-financing field and, as was his custom, called a conference to consider the question. An analysis of questionnaire surveys conducted by this conference showed that the usury laws were still being circumvented and that home owners were paying exorbitant prices for the privilege of home ownership. The final reports of the President's Conference on Home Building and Home Ownership indicate the wide prevalence of such practices as the charging of bonuses, commissions, premiums, discounts, and exorbitant interest rates on second-mortgage loans.

Interesting report of President's conference

The report of the President's Conference on Home Building and Home Ownership, volume II, page 65, shows in tabular form charges exacted on straight-mortgage loans by banks. This table, which is reproduced below, is a national summary of replies received from 884 banks. It will be noted from this table that in 1931 loans usually were made at only 48 percent of market value. Loans were made for a very short period of under 3 years and at a nominal interest rate of 6.34 percent. In addition to this interest rate, a commission of over 2 percent was charged, and renewals, which were a practical necessity, involved an additional charge of almost 1.7 percent.

	1931	1924
Usual percentage of market value lent ..... percent	47.69	52.14
Maximum percentage of market value lent ..... do	53.92	55.98
Loan periods ..... years	2.89	3.10
Interest rate ..... percent	6.34	6.45
Commission rate ..... do	2.01	2.11
Renewal rate ..... do	1.68	1.76

Terms of buildings and loans at that time severe

The terms of mortgage loans written by building and loan associations at this time were also exceedingly severe, from the borrower's standpoint. The President's conference on home building and home ownership, on the basis of information collected from 1,242 associations, published the following information on the mortgage practices of building and loan associations. This table has been reproduced from volume II, page 67, of the conference report.

	1931	1928	1924
Usual percentage of market value loaned ..... percent	57.36	62.94	64.15
Maximum percentage of market value loaned ..... do	64.34	69.03	69.78
Usual loan period ..... years	10.15	10.11	10.06
Interest rate ..... percent	6.88	6.91	6.99
Payment per $1,000 per month ..... dollars	12.26	12.48	12.58

Home ownership under President Hoover expensive

From this table it can be seen that in 1931 building and loan mortgages were usually made at only 57 percent of market value, that the loan period was only slightly longer than 10 years and that the common interest rate was 6.88 percent. It is obvious from this study that the privilege of home ownership during the Hoover administration was indeed an expensive one.

However, it should be pointed out that at the time of President Hoover's Conference on Home Building and Home Ownership, building and loan associations were the only type of financial institution in this country which had ever made a general practice of financing home ownership on the basis of long-term amortized loans. From the time these institutions were first established over 100 years ago, they have consistently financed American homes on this basis. It is true that until recently the lending term of building and loan associations was only slightly longer than 10 years. Nevertheless, compared with the lending terms of other financial institutions, this was a liberal amortization period. Through the years the only consistent source of home mortgage funds on other than a short-term, high-interest rate, straight basis was the building and loan association of this country.

Major step to reduce cost of home ownership

With the establishment of the H. O. L. C. in 1933, a major step was taken to reduce the cost of home ownership to the average American citizen. This Corporation, for the first time in our Nation's history, provided a loan to be gradually amortized over a 15-year period, with interest at 5 percent. The 5-percent interest rate on H. O. L. C. loans represented an effective charge of just this amount. No commissions, bonuses, fees, discounts, or other hidden charges were employed to increase the effective cost of home ownership. Prior to the establishment of the H. O. L. C., the average monthly payment per thousand dollars on amortized mortgage loans, as shown by the above table, regularly exceeded $12. In the case of H. O. L. C. loans, this charge was reduced to $7.91 per thousand dollars. At that time this represented far and away the lowest monthly carrying charge ever offered to an American home owner who was financing his home on an amortized mortgage.

In addition, H. O. L. C. borrowers were not required to pay the full $7.91 per thousand dollars until after the Corporation ceased its lending operations on June 12, 1936. Up to this time collections were made on an interest basis only. In other words, the very liberal refinancing plan of the H. O. L. C. not only provided for a generous amortization period, and a very low interest rate, but also gave its borrowers the additional advantage of a 3-year moratorium on principal payments.

Further liberalization of H. O. L. C. terms

Even these very liberal lending terms of the H. O. L. C. have been further liberalized in recent months. Last fall, by action of the Federal Home Loan Bank Board, the interest rate collected on H. O. L. C. mortgages was reduced from 5 percent to 4½ percent. During the closing days of the last session of Congress, a bill was enacted authorizing an extension of the amortization period on H. O. L. C. loans from 15 to 25 years. Truly no borrower in the history of this country has ever enjoyed the liberal terms made available to him through the H. O. L. C.

Homes can be easily and safely purchased today

To illustrate the comparative ease and safety with which homes can be purchased today, let us take a typical example of an F. H. A. insured mortgage loan. Instead of being written for a period of 2 to 10 years, this mortgage is written for a term of 20 to 25 years, the interest rate is only 4½ percent instead of 6 percent to 7 percent. The typical F. H. A. mortgage is written at 80 percent to 95 percent of appraised value instead of 45 percent to 60 percent. High interest rates, onerous second and third mortgages have been eliminated, and the home owner relieved of this particularly heavy burden. In short, the prospective purchaser of a $5,000 home today, if he finances it with F. H. A. insurance, can purchase his home

at a monthly mortgage cost of $26.83, where under the Hoover administration he would have been forced to pay an average of $63 to $65 for the same house. In order to show this comparison in a graphic manner, the following table has been prepared, based on the report of the President's Conference on Home Building and Home Ownership and present regulations of the F. H. A.

	1931, building and loan associations	1931, banks	Present Federal Housing Administration practice
Down payment	$500	$500	$500
First mortgage	3,200	2,500	4,500
Second and third mortgages	1,300	2,000	
Monthly mortgage payment:			
First mortgage	39.23	[1] 13.21	[2] 26.83
Second and third mortgages	[3] 26.00	[4] 50.00	
Total	65.23	63.21	26.83

[1] Interest only.
[2] The figure of $26.83 represents the monthly cost of a $4,500, 25-year loan at 4½ percent, plus a ½ percent mortgage insurance premium.
[3] Monthly payment of $20 per $1,000 assumed.
[4] Monthly payment of $25 per $1,000 assumed.

The foregoing comparison of the costs of home ownership under the Hoover administration and the present administration represents, in both cases, the average minimum cost. No attempt has been made to present figures on financing costs other than nominal interest charged. For example, it was very common practice in 1931 to levy commissions, bonuses, discounts, fees, fines, and forfeitures, all of which raised the effective costs of home ownership to the borrower. While most of these charges have been very materially reduced today, certain fees and commissions are still permitted under the law and regulations of the F. H. A.

Share sinking-fund plan burdensome on borrowers

Mention should also be made of the more advantageous loan plan which is today available to every home seeker. Prior to 1933 practically all building and loan associations in the country made their mortgage loans on what was known as the share sinking-fund plan. Under this plan the borrower paid interest on the full face amount of his loan, although he was required to make regular monthly payments to curtail this principal. The effective result of this plan was that the borrower was, in actuality, paying at least 1 percent more than the contract rate called for. In addition, expensive fines and forfeitures were levied against the borrower whenever his payment was not made exactly on time.

New plan much better

This whole picture has been changed through the introduction of the direct reduction loan, now the most common type of loan plan among savings and loan associations. Under this plan the borrower makes monthly payments which are credited both to the payment of interest and the reduction of his principal. At no time is he charged interest on more than the outstanding balance of his mortgage loan. The borrower knows exactly, under this plan, that after the payment of a stipulated number of monthly installments he will own his home free and clear. The contract rate is the effective rate under this plan and the borrower is at no time penalized by the imposition of hidden charges.

Federal institutions established

All Federal savings and loan associations are required by regulations of the Federal Home Loan Bank Board to confine their mortgage lending to loans of the direct reduction type. The establishment of these institutions was provided by Congress in the Home Owners' Loan Act of 1933. There was a real need for these institutions, operating under Federal charter and supervision, and on a basis which embodies the best practices of the building and loan development in this country. Not only do Federal savings and loan associations make all of their mortgage loans on the modern direct reduction basis, but each investor in these associations is insured up to a maximum of $5,000 by the Federal Savings and Loan Insurance Corporation. As evidence of the confidence in which the American public holds these institutions during 6 short years of operation, their number had grown to 1,409 by the end of 1939. Total assets of these associations on that date were $1,577,981,000.

Bank failures aggravated situation

When provision was made for the establishment of Federal savings and loan associations, the country was confronted with one of its greatest emergencies. The financial crisis of 1933 came at the end of one of the wildest and unrestrained periods of speculation in our country's history, indeed, in the history of the world. When that speculative orgy collapsed it left American financial institutions in a state of virtual paralysis. During the period 1921–32 more than 10,000 banks, with deposits of nearly $5,000,000,000, failed. On February 14, 1933, the situation became so tense in Michigan that the Governor was forced to proclaim a State-wide moratorium because it was apparent that the larger banks in Detroit could no longer withstand a serious run. This action by the Governor of Michigan was rapidly followed by a series of such proclamations, which by March 4 had closed all of the banks in 30 States. The institutions remaining open at this time could not possibly survive the strain, therefore the President, on March 6, ordered all banking transactions suspended for a period of 4 days.

R. F. C. with very limited powers created under Mr. Hoover

The only action of a positive nature taken by President Hoover to forestall the growing financial crisis was establishment of the Reconstruction Finance Corporation with authority to make loans to distressed banks, corporations, and public utilities. The theory motivating this action was that if sufficient funds were poured into the top of the financial funnel, they would trickle down to assist the small borrowers and savers of the country. It was thought, in short, that if the position of large banks and corporations was maintained, the prosperity corner would immediately be turned. It took the banking crisis of 1933 to prove the unsoundness of this argument.

Building and loan associations suffered along with bank depositors

The millions of depositors in commercial banks were not the only ones to suffer during the financial panic which culminated in 1933. Savers in building and loan associations and other mortgage lending institutions also found themselves in the same boat. The accumulated savings of these people, built up over long periods of years and at great sacrifice in many cases, were wiped out. Again the Hoover administration approached this problem only by supporting institutions and not through direct aid to individuals.

Wholesale foreclosures

This collapse of financial institutions was accompanied by a catastrophic increase in the foreclosure rate. During 1932 nonfarm foreclosures totaled 273,000, a figure three and a half times the normal annual average of 78,000. During 1933 foreclosures reached the staggering total of over 1,000 a day.

Very limited powers granted Federal Home Loan Bank System under Mr. Hoover

The Federal Home Loan Bank System was established in the closing days of the Hoover administration as a measure designed to remedy the paralyzed condition of the real estate and mortgage field. The measure as recommended by the Hoover administration provided for a credit system designed entirely to support mortgage lending institutions. There was no intent to assist the millions of savers and home owners through the measure other than as a result of general aid granted to home financing institutions. In fact, President Hoover issued a statement from the White House on November 13, 1931, as follows: "The proposed banks (are) to make no initial or direct loans to home owners."

Indirect methods unsatisfactory

There is no doubt that the indirect methods advocated by President Hoover as an adequate solution of the problem were of some assistance. However, there were several factors which prevented the Federal Home Loan Bank System from providing an effective remedy. In the first place, the system was not

established until the situation had become so severe that direct Government intervention was the only solution. The act was not passed until July 22, 1932, and by the end of that year the system had only 101 members, an insignificant total. The 12 Federal home-loan banks simply could not exert enough influence when that influence was most needed to stem the wave of foreclosures.

Over the protests of President Hoover and his advisers the Congress adopted an amendment proposed by Senator Couzens to permit the 12 Federal home-loan banks to make direct loans to home owners. The restrictions and regulations established by the original Federal home-loan bank were so stringent and unworkable, however, that the banks made only three small loans for a total of $9,000 and at a cost of $136,591. Although thousands of applications for direct loans were filed, the bank system proved a complete failure as a means of saving the homes of distressed borrowers.

Real problem not tackled

Throughout the Hoover administration the only positive attempt to counteract the depression was the establishment of the Reconstruction Finance Corporation and the Federal Home Loan Bank System as credit agencies for the large financial institutions and corporations of the country. The Hoover administration failed utterly to tackle the real problem with which it was confronted. Time after time President Hoover called White House conferences attended by business leaders of the country to confer with him and advise him of steps to be taken to bring back prosperity. Let us review the ineffectiveness of this means of combating a national emergency.

Methods to combat national emergency ineffective

During the week of November 16, 1929, shortly after the stock market crash, President Hoover called a White House conference of prominent bankers, businessmen, and public-utility executives to make plans for saving the country from the effects of the panic. After this conference, statements were issued by the President referring to the development of a cooperative spirit and responsibility in the American business world and the need for mobilization of industrial and commercial agencies. At this conference it was decided that some definite organization should be established under a committee representing the different industries which would undertake to follow up the President's program. Another conference, held in Washington on December 5, 1929, was called by the United States Chamber of Commerce and was opened by President Hoover. The conference was told by President Hoover that "The cure for such storms is action; the cure for unemployment is to find jobs." As a result of this conference, a committee was appointed to cooperate with the Government in overcoming the effects of the stock-market panic. The committee met in Washington on January 23, 1930, and issued a statement to the public that "The current situation is favorable." The committee never met again.

A series of optimistic business reports was issued monthly until March of 1931, when even these stopped. During all of this period the President took no steps to see that the business of the Nation was organized to combat depression and unemployment.

Another conference called

In the spring of 1932 a committee was formed in the New York Federal Reserve District to see what could be done to improve the credit situation by permitting extensive use of acceptances and certain other devices. It was suggested to President Hoover that similar committees be formed in other Reserve districts. The President immediately called another Washington conference to be held on August 26. Again this White House conference duly assembled and appointed another organization committee to cooperate with committees then organized in Federal Reserve districts. This committee was practically identical in personnel with the first. Like its predecessors, this committee did nothing but issue optimistic reports on the state of American business.

It was not at all a surprise that the ineffectual efforts of President Hoover to revive confidence and combat the depression resulted in what was perhaps the greatest loss of public confidence in our Government that this country has ever seen. Bank failures became everyday experiences. Unemployment mounted to staggering totals. Construction reached a virtual standstill. It is small wonder that millions of the savers and depositors of the country withdrew their funds from financial institutions wherever they could, and kept whatever they could salvage in hoarding.

Hoarding denounced

President Hoover's only attempt to allay this national fear in the stability of financial institutions was to ask Col. Frank Knox, on February 6, 1932, to head a Nation-wide drive to combat hoarding. On February 17, 1932, Colonel Knox announced the establishment of an organization to be known as Citizens' Reconstruction Organization, and he authorized the use of the initials "C. R. O." as an official abbreviation. Colonel Knox's campaign had no positive results whatsoever. Total bank deposits declined from $56,900,000,000 on June 30, 1931, to $45,400,000,000 in 1932. This represented the period during which the C. R. O. operated.

Investigating committees to investigate reports of investigating committees

The Hoover practice of appointing investigating committees and holding conferences to discuss national problems became notorious in its circumlocutions and its impotence. One conference followed another in rapid succession, put out voluminous reports, which interpreted for the public the nature of national problems and possible solutions. Each conference and report led only to further conferences and further reports. The administration seemed unwilling to apply the remedies recommended or to assume any initiative or responsible leadership for correcting conditions which became more and more critical.

Republican newspapers and Republican leaders in both Houses of Congress expressed chagrin and despair. Cartoonists exposed to ridicule the appointment of investigating committees to investigate the accuracy of investigators' reports, but no influence either within or without the Republican Party was strong enough during the critical days preceding the inauguration of President Roosevelt to stem the tide of deflation and discouragement.

II. CHANGES IN THE HOME-MORTGAGE FIELD

At the same time President Hoover was following his do-nothing procedure in the White House Mr. Roosevelt, then Governor of the State of New York, wrote and published a number of articles giving his viewpoint on what should be done to meet the very critical situation facing the country at large. The statements, made and published as early as 1931 and 1932, show that President Roosevelt had a complete grasp of the problems and the remedies needed to correct them. We have already seen that President Hoover and his Republican advisers were willing to take only such recovery steps as would provide assistance to the top of our financial structure.

As President Roosevelt stated in 1932 in an article appearing in Liberty Magazine:

> The Reconstruction Finance Corporation is loaning a greater portion of its $2,000,000,000 fund to the great interests—on collateral which is supposed to have a sound value but which is frozen. It is saving some industries and railways from receiverships and some stockholders from losing their properties. It is also true that a lesser portion of this fund is going to the smaller banks and lenders. A still smaller portion will eventually save some individual borrowers from foreclosure. But in spite of extravagant claims this fund is in the main helping the corporations. This is commendable, but it is but half the human job to be done immediately.

Mr. Roosevelt's views opposed to those of Mr. Hoover

Mr. Roosevelt's views on the way to solve the problem were diametrically opposed to those of Mr. Hoover. He stated in the same article—

> Credit is absorbed from bottom to top as well as it filters from top to bottom. A little of the enormous fund now in use will trickle down to the best risk. But at the same time another

fund dedicated to the individual borrower through the smaller banks should be rising up. This fund should be used where essential to prevent foreclosures by reducing the present rates of interest and to hold amortization in abeyance.

In this statement appears the germ of such agencies as the Home Owner's Loan Corporation and the Federal Housing Administration. The H. O. L. C. was indeed a fund dedicated to the individual borrower. The whole purpose of the Corporation was to save from needless foreclosure the hundreds of thousands of American homes which were threatened with this catastrophe. Mr. Roosevelt's interest was in protecting these homes for their owners; not in pouring vast sums of money into financial institutions in the fond hope that sufficient credit would filter through to accomplish this same end.

Usury imposed several ways

In particular, President Roosevelt was concerned about the usurious rates of interest then being charged to home owners. In the same article quoted above, he said:

Usury is the lending of money at more than the legal rate of interest. Usury is imposed in several ways. A loan is arranged on paper at the legal rate; a commission is charged of 2 or 4 or 6 percent in addition. Or a note is signed for the full amount of the loan and less is actually received, thereby costing more than the legal rate.

More than 6 and 7 percent is illegal in almost every State. Yet in many places in this country today even the best risk—a man who needs to borrow half the cash to buy a farm, a home, or to build—must pay considerably more than the legal rate of interest for his mortgage.

Interest rates considerably reduced

In the home financing field, agencies of the Federal Government have brought about a very considerable reduction in charges to borrowers. The H. O. L. C. loaned a total of over $3,000,000,000 to a million home owners. In this operation the Corporation obtained from prior mortgagees concessions of approximately $200,000,000 in the principal amount of the loans. All of this saving was passed on to the borrowers. Until last October the H. O. L. C. charged 5 percent on its loans. Since that time the interest charge has been reduced to 4½ percent. This represents a saving of 2 to 2½ percent on the rates previously paid by H. O. L. C. borrowers on their first-mortgage loans.

Enormous savings to borrowers

On the basis of careful studies made by officials of the H. O. L. C., it is estimated that total savings to H. O. L. C. borrowers are approximately $103,000,000 per year. Not only is the H. O. L. C. saving its borrowers a very substantial sum in interest payments but, together with the F. H. A., it has forced a reduction in interest charges generally throughout the country. The combined total of estimated savings to mortgage borrowers throughout the country, due to the reduction in interest rates and the elimination of second and third mortgages, is $323,000,000 per year.

Fewer foreclosures

Largely through the activities of the present administration in the housing field, stability has been restored to the real-estate market since 1933. The number of foreclosures has been declining at a rapid rate for the past few years and is now only about one-third the 1932–33 annual rate. The problem which threatened to dispossess countless American families has been successfully met and the danger is past.

Residential construction increasing

The volume of residential construction has been steadily increasing from the low point of the depression. Last year about ten times as many homes were constructed as in 1933. Under the guidance of the Federal Government, the houses being constructed today have advantages of skillful design and construction inspection, and are constantly meeting a wider market. Home ownership is every day becoming a real possibility and not a visionary hope for more and more American families in the low-income brackets. From 1929 to 1933 the number of home owners in this country declined by approximately one million. Since 1933, not only did the H. O. L. C. save hundreds of thousands of homes from foreclosure, but other housing agencies of the Federal Government have reversed the downward trend in home ownership and increased markedly the number of home owners in this country.

Money comes out of hoarding under Mr. Roosevelt

We have already pointed out how, in the closing days of the Hoover administration, vast sums of private savings were withdrawn from financial institutions and put into hoarding. It was not until the New Deal came into existence that any constructive plan was devised to restore public confidence in financial institutions and put these vast sums of money back to work. On June 30, 1933, the total deposits of all active banks in the United States stood at only $41,533,470,000. By June 30 last they had risen to $64,576,694,000.

The establishment of the Federal Deposit Insurance Corporation to insure deposits played an important part in the return of cash from hoarding. Similarly, the Congress established the Federal Savings and Loan Insurance Corporation to restore the confidence of small investors in home financing institutions. As in the case of insurance of commercial bank deposits, the knowledge that share accounts in building and loan associations are guaranteed as to safety by an instrumentality of the Federal Government has brought millions of dollars out of hoarding into these associations.

Very few bank failures

The increasing confidence of the American public in its financial institutions is supported by the fact that since the establishment of the F. D. I. C. only 17 national banks, with deposits of $11,848,952, have failed. During the years 1921 to 1933, prior to the establishment of the F. D. I. C., the number of active banks in the United States and possessions declined from 30,812 to 14,624. Because every individual account in insured institutions is guaranteed up to $5,000, no American saver with this amount or less to his account in an insured bank or savings and loan association has suffered the loss of a single penny since 1933.

Credit for American recovery

To President Roosevelt and those who have carried out his purposes must go the credit for American recovery. The record shows that in the field of housing and mortgage finance administrative efforts have averted what threatened to be a major catastrophe and have brought about not only recovery but a period of real progress.

The above statement from the heading "Savings and Home Ownership Since 1933" to the end was submitted to Mr. John H. Fahey for comment. The following copy of my letter to him and his reply to me are self-explanatory:

MARCH 22, 1940.

HON. JOHN H. FAHEY,
Chairman, Federal Home Loan Bank Board,
Washington, D. C.

DEAR MR. FAHEY: Recent criticism of New Deal policies and administration have led me, within the past week, to assemble information of significance upon which the public can rely as to accuracy. The public is entitled to have the facts and to have the means of ascertaining with certainty that they are the facts.

I am enclosing draft of one of the statements affecting the Federal Home Loan Bank Board and its agencies, statements which I propose to present to the House in the near future. Because of my determination to make sure beyond peradventure that each statement is accurate, I am writing to request that you read the text carefully and let me have the benefit of your advice as to whether each statement is clear and accurate. I know of no one in a better position to advise with reference to the background and experience of the Home Owners' Loan Corporation and the Federal Home Loan Bank Board than you.

You know what the financial and real-estate conditions were in the twenties and early thirties. You know of the usurious practices, of the speculative orgies, of the appalling insecurity and

costliness of home ownership. You know what the former administration failed to do about them and what the present administration has done.

Will you kindly give me the benefit of your advice with the return of the enclosed text at your earliest convenience?

Yours sincerely,

WRIGHT PATMAN.

FEDERAL HOME LOAN BANK BOARD,
Washington, D. C., March 29, 1940.

Hon. WRIGHT PATMAN,
Committee on Banking and Currency, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I have your letter of March 22 and have read with interest your excellent statement referring to the Federal Home Loan Bank Board and its agencies. I thoroughly agree with you that the public is entitled to these facts and your statement will, I am sure, erase from the public mind many false impressions based upon misstatements relative to constructive changes which have been effected since 1933.

The experience of our Board in the home-mortgage field leads me to conclude that not only is your statement clear and accurate but that it could, indeed, go much further. The Home Owners' Loan Corporation, for example, in its wholesale refinancing of over 1,000,000 home-mortgage loans, brought to light many flagrant injustices and malpractices. In its files the H. O. L. C. has a large number of cases where mortgages, before they were refinanced by the Corporation, carried effective interest rates of 15 percent to 20 percent and even higher. We found, time after time, that borrowers trying desperately to pay off their mortgages were burdened at every turn by prohibitive costs.

For example, our files show that in cases where borrowers regularly paid an effective rate of about 7 percent on their first-mortgage loans they were also forced to carry usurious second and third mortgages. On these the effective interest rate was usually 15 to 20 percent as a result of commissions, bonuses, and discounts exacted by the lender. To cite only one example, the H. O. L. C. found that a prominent lending institution operating in one of our largest cities customarily charged a 40-percent discount in addition to the regular interest rate of 6 percent on its second mortgages. This meant that the borrower received only $600, although he obligated himself to repay $1,000 plus interest. When many of such loans were refinanced by the H. O. L. C., the borrowers were relieved of their obligations on the second-mortgage notes.

In its refinancing operations the H. O. L. C. came in contact with many thousands of cases of suffering caused by usurious second-mortgage practices. A typical case of this sort involved an elderly couple in my own State of Massachusetts. They had suffered severe reverses during the early days of the depression and, sorely in need of funds, signed a second-mortgage note on their home. The note required by the lender was written in the amount of $2,000, although the elderly borrowers received only $1,627.43. In other words, there was a discount of approximately 19 percent. In addition, the terms of the contract provided that the borrowers had to pay interest at 6 percent per annum on the loan until it was paid up. When the Corporation stepped into this case, the second-mortgage lender was forced to accept a substantial write down on his note and the borrowers were no longer required to pay these unjust charges.

If the Home Owners' Loan Corporation had done nothing else for the home owners of America, it would have paid for itself many times over in the savings it has effected for them in eliminating these burdensome costs.

You may be interested to know what President Hoover's Conference on Home Building and Home Ownership discovered to be common mortgage practice among mortgage companies and banks in the twenties and early thirties. The report of this conference shows that lending institutions of this type quite commonly made second-mortgage loans for terms of only 1 or 2 years on which they charged, in addition to 6- or 7-percent interest, a discount of anywhere from 10 percent to 20 percent.

The H. O. L. C. found that the vast majority of the first mortgages it took over from banks and mortgage companies were straight loans with an average term of less than 3 years. Renewal commissions of 2 percent to 3 percent were regularly charged on these loans. As a matter of fact, building-and-loan associations were, for all practical purposes, the only type of lending institution which made long-term amortized loans prior to 1933.

You know well the vast improvement which has been brought about in the general credit structure of our country, and particularly in the field of mortgage finance, in the last 8 years. The home borrower of today, largely as a result of the activities of the Federal Government, has ample credit available at low interest rates to make the purchase of his home a sound, safe, and economical business proposition, not the onerous and exacting burden that it was in years gone by.

I sincerely hope that the statement you have prepared drawing attention to these facts will be given the attention it deserves. It should be deeply significant to every home borrower and saver in the country.

Sincerely yours,

JOHN H. FAHEY, *Chairman.*

The Pelley Letters

EXTENSION OF REMARKS
OF
HON. FRANK E. HOOK
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

LETTERS FROM HON. FRANK E. HOOK, OF MICHIGAN, AND ROBERTS & McINNIS

Mr. HOOK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letters to the Attorney General:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 1, 1940.

Hon. ROBERT H. JACKSON,
Attorney General of the United States,
Washington, D. C.

DEAR SIR: You will recall that some time ago I placed in the CONGRESSIONAL RECORD extracts from letters purportedly written and signed by William Dudley Pelley, leader of the Silver Shirt organization, and that later officers of the Dies Committee stated that these letters were forgeries based on the testimony of David D. Mayne taken under oath before that committee.

I need not go into a long dissertation of the facts surrounding this matter because I feel that you are well acquainted with them. However, on February 10 Gardiner Jackson and Harold Weisberg made the matter the subject of a sworn complaint. After quite a space of time and then only after recourse to the Department of Justice, an investigation was concluded by the Federal Bureau of Investigation and an inquiry was commenced before the grand jury for the District of Columbia. A presentation was conducted by United States District Attorney David A. Pine, who has now been elevated to the Federal bench, and Mr. John Wilson, one of his assistants. It is my understanding that the grand jury has finished its deliberations and has taken no action thereon and that all charges against David D. Mayne were ignored.

I respectfully refer you to the speech I delivered in the House of Representatives on March 29, which is contained on page 3709 of the CONGRESSIONAL RECORD of that date.

I believe that a grave question is involved, including the powers and the methods of legislative bodies. I am very serious when I request that you personally investigate the circumstances of the action of the grand jury and the methods of the presentation of the cause to the grand jury. I believe this investigation should be such that the doubt which now exists as to the adequacy of the presentation of the facts should be cleared up. I personally feel that if this case was properly presented that the present situation would not exist.

It is not a personal question with me, and it is not a question of the individual characters that may be involved, but the wide scope of public reaction that may result with regard to this whole matter.

I might say further that I am going to use every effort in my legislative capacity as a Member of the House of Representatives to get to the bottom of this whole matter.

I would be pleased to confer with you at any time and give you all the information I have that may touch upon this entire matter.

Sincerely yours,

FRANK E. HOOK,
Member of Congress.

MARCH 29, 1940.

Re David Mayne.

Hon. ROBERT H. JACKSON,
United States Attorney General, Washington, D. C.

DEAR SIR: You will recall that Congressman FRANK HOOK, of Michigan, placed in the CONGRESSIONAL RECORD extracts from certain letters purporting to have been written and signed by William Dudley Pelley, leader of the Silver Shirt organization, and that officers of the Dies committee stated that the letters were forgeries, their statements being based on testimony under oath of David Mayne before the Dies committee. Shortly thereafter these conflicting versions precipitated a hearing before the Rules Committee of the House of Representatives, at which both Messrs. Pelley and Mayne testified. Mayne testified, again under oath and without immunity, that the letters were forgeries and that, in substance, he had forged them and sold them to Harold Weisberg for the purpose of entrapping and causing injury to Mr. Weisberg and Mr. Weisberg's associate, Mr. Gardner Jackson. Pelley testified before the same committee that he had not written nor signed the letters in question, thus corroborating Mayne's testimony that the letters were forgeries. Mr. Weisberg testified before the Dies committee that with certain money received from Mr. Jackson he had purchased the letters from Mayne, after causing Mayne to swear before a notary that they were genuine; that it was through Mr.

Jackson and himself that the letters reached Congressman HOOK; and that the effect of the sale of the letters as genuine and of their subsequent repudiation was great injury to the reputation and business of Mr. Jackson and himself.

The matter was made the subject of a sworn complaint addressed to the United States attorney for the District of Columbia and executed by Messrs. Jackson and Weisberg. After a considerable lapse of time and recourse to the Department of Justice, an investigation was concluded by the Federal Bureau of Investigation and an inquiry was commenced before the grand jury for the District of Columbia. The presentation was conducted by the then United States Attorney, Hon. David Pine, and Mr. John Wilson, one of his assistants, and was very prolonged, voluminous testimony and documentary evidence being received. Today the report of the grand jury was tendered to the district court, and it appears that all charges against Mayne were ignored.

The specific allegations were that Mayne was guilty of forgery with intent to defraud and injure Messrs. Jackson and Weisberg; that he was guilty of conspiracy with intent to violate a Federal statute; that he was guilty of perjury, necessarily so because of the conflict in his sworn testimony before the Dies committee and the Rules Committee, if not on his oath on the authenticity of the documents; and that he was guilty of obtaining money under false pretenses.

While Mayne declined to testify before the grand jury on the ground that he would incriminate himself, both of the parties to the complaint and numerous supporting witnesses appeared before the grand jury and presented all of the documentary evidence they had, including great quantities of documents indicating that Mayne was in a position to have had bona fide letters of Pelley. The Silver Shirt publication Liberation editorially commented that Mayne was entitled to protection by the Dies committee and that it anticipated that he would receive such protection.

Today I talked with Mr. Wilson, Assistant United States Attorney, and he told me that the case had been fully presented in his opinion; that he had reached the view that there was no perjury involved as a matter of law and had so advised the grand jury. He added that he was also doubtful as to whether or not "the documents could be the subject of forgery" and he had so advised the grand jury. Since my clients have advised me of their testimony before the grand jury and since Mr. Wilson stated that there were no witnesses who appeared for Mayne or who controverted the essential facts, I find myself hopelessly mystified at the action of the grand jury, unless:

1. They found that the documents were not forgeries but true documents, which would eliminate the forgery and the false pretenses charges, perhaps, but would aggravate the offense of perjury in his testimony before the Rules Committee of the House of Representatives which certainly constitutes testimony under oath before an official or governmental body, or

2. That so many doubts on questions of law were placed before the grand jury that it became confused as to its powers.

Since Mayne is practically penniless, no adequate civil remedy exists although it may be that an action in which we can know all of the testimony in a public forum may be advisable. However, a grave public question is involved, including the powers and the methods of legislative bodies. For this reason I earnestly request that you personally investigate the circumstances of the action of the grand jury and the methods of the presentation of the cause to the grand jury so that no doubt may exist as to the adequacy of the presentation of the facts—and the law—before it.

Respectfully yours,

ROBERTS & MCINNIS,
By WILLIAM A. ROBERTS,
Counsel for Gardner Jackson and Harold Weisberg.

The Wheeler-Lea Bill

EXTENSION OF REMARKS
OF
HON. VINCENT F. HARRINGTON
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

LETTER FROM JOHN L. BOGERT

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks, I wish to include in the RECORD a letter by Mr. John L. Bogert, associate editor of the Marine Journal, as follows:

MARINE JOURNAL,
New York, March 18, 1940.

Mr. FRED BRENCKMAN,
Representative, the Grange,
Washington, D. C.

DEAR MR. BRENCKMAN: In your excellent radio address delivered last February 17, you used the following words:

"This raises the question: Who owns the rivers of the United States?"

Your question was most pertinent. Congress has no constitutional right to limit the use of the navigable waters landing into the Mississippi and St. Lawrence, since the Northwest Territory Ordinance distinctly specifies the contrary and also that this rule shall "forever remain unalterable, unless by common consent."

Accordingly, the abrogation of this rule would have to be passed on separately by the several States who were signatories to the original Northwest Territory Ordinance.

When the United States took over the jurisdiction of the Northwest Territory it entered into a contract with the grantors, and accepted the conditions imposed by the grantors.

You are absolutely right when you say: "If this bill should be enacted there would be no new carriers for the simple reason that the restrictions of the legislation virtually instruct the Interstate Commerce Commission to deny any person or concern a certificate of convenience and necessity if the Commission comes to the conclusion that present transportation facilities are adequate to take care of existing commerce."

The Grange would be performing a great service to the Nation if it would get an expression of opinion on this point from the ablest constitutional lawyers.

Very truly yours,

JOHN L. BOGERT,
Associate Editor, Marine Journal.

The Warsaw Documents

EXTENSION OF REMARKS
OF
HON. JOHN W. McCORMACK
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

EDITORIALS FROM THE BOSTON HERALD AND THE BOSTON POST

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorials:

[From the Boston Herald of March 30, 1940]

THE WARSAW DOCUMENTS

As forgery, according to Nazi doctrines, is not even a petty offense, but a laudable accomplishment if it works to the advantage of the state, the 16 "documents" made public in Berlin yesterday may be merely an item in German propaganda. The famous Ems telegram of Bismarck which precipitated the Franco-German War 70 years ago was cooked up. Faked passports counterfeited letters, and fraudulent material of other kinds are but negligible incidents when unscrupulous diplomats are hard pressed.

Even if they are not spurious, the memoranda issued in Germany do not seem to be of any great importance. They include oral remarks imputed to Ambassadors Kennedy and Bullitt and reports said to have been sent to Warsaw by Count Jerzy Potocki, Polish Ambassador to the United States, in November 1938. Mr. Bullitt's supposed opinions were his own, not those of his Government. Nor was Mr. Kennedy speaking with any authority for his country. The contents of the Potocki letter are, in part, so grotesque that it is difficult to believe that he wrote it.

What Bullitt is accused of having said to Count Potocki about the antipathy of the President toward the Soviet and Nazi regimes happens to be in accord with the well-known facts. But there is as much bitterness toward Hitler and Stalin among Americans who distrust and hate the President as there is among the most pronounced of the new dealers or even among the French and English.

If Mr. Bullitt actually declared that the United States would ultimately become a belligerent, he was showing a maximum of obtuseness. There is a firmer resolution today than there was at the time of the Munich crisis or when the war began 6 months ago to keep our soldiers and sailors on this side of the Atlantic. Every test of public opinion, from Nation-wide polls to letters published by the newspapers, indicates this unmistakably; Republicans and Democrats alike have the objective of peace at almost any price compatible with decency and honor. Each party is striving to obtain credit for making war impossible.

Forged or unforged, the seized documents are not of a nature to affect our attitude in the slightest, whatever their efficiency may be in Germany, where the people are denied access to truth which hurts.

[From the Boston Post of March 30, 1940]

GERMAN EXPOSÉ

The "startling" revelations by the German foreign office from documents found in the Polish capital assert that American officials assured Poland that the United States would come to the aid of the Allies. They consist in reports made by the Polish Ambassador

to the United States and Polish Embassy officials in London to their government of conversations with American Ambassadors Kennedy and Bullitt and second-hand reports about the President.

There is nothing sensational in them. It must be realized that the Polish Ambassador was eager to show his Government how much he knew of American public opinion and the inside of things here. He naturally sent what he though would please.

Even if what he reported was correct, the quotations really mean nothing.

If the Germans thought Americans would be stirred by the "revelations," they will find themselves mistaken.

Putting Christ Into Uniform

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

ARTICLE FROM THE CHRISTIAN CENTURY

Mr. GEYER of California. Mr. Speaker, we claim to be a Christian nation—I use the term "Christian" in its broad sense. The houses of our 48 State legislatures, the United States Senate, and this body open with prayer. We put on our coins "In God We Trust." Most Members of this body are members of some organized religious body. The above facts being true, all should be interested in the following article written by Dr. Harry Emerson Fosdick, pastor of one of the largest churches in New York. This article appeared in the December 13, 1939, issue of the Christian Century:

[From the Christian Century of December 13, 1939]

PUTTING CHRIST INTO UNIFORM

(By Harry Emerson Fosdick)

This new European war calls up many memories of the last war, with some of which the pulpit has no particular concern. One memory, however, we may well face—we put Christ himself into uniform. Willingly would we let that be forgotten, that the younger generation might not know what we said and did in 1917; but with another war rampant, we had better confess frankly what we did, what war always tempts Christians to do—we put Christ into uniform. Jesus was our Lord; we could not go to war and leave Him behind. We wanted Him for the comrade of our sacrifice and the sponsor of our task, and we took Him along.

WOULD CHRIST FIGHT TO KILL?

First, we made Him our recruiting sergeant. As one of the foremost ministers in America in 1918 said: "Jesus Christ calls His followers to the colors and * * * their response to the call constitutes a triumph for Christianity such as the world has never before known." But that was not enough. These men from Christian homes and churches were going out to kill; in all the ingenious ways that science gives us skill with, they were going to slaughter men—yes, women and children—in the mass murder of a modern war; and we put Christ into uniform and sent Him with them.

Said one of our leading intellectual lights in the pulpit in 1917: "As Christians, of course, we say Christ approves of the war. But would He fight and kill? * * * There is not an opportunity to deal death to the enemy that He would shirk from or delay in seizing! He would take bayonet and grenade and bomb and rifle and do the work of deadliness." Indeed, one of the loveliest Christians I knew, an intellectual, a devout spirit, whose very devoutness made it impossible for him to do anything that he thought Christ would disapprove, said this: "I would not enter this work till I could see Jesus himself sighting down a gun barrel and running a bayonet through an enemy's body." So we put Christ into uniform.

There have been statements aplenty about what war does to everybody else, but not so many about what it does to Christ himself. It conscripts Him too. It sends Him to the front too. One scene in the New Testament provides our inevitable text. In Pilate's court, after Pilate had condemned Him, the soldiers led Jesus into the Praetorium and mocked Him before they took him out to crucify Him. Some items in that scene we vividly recall—the crown of thorns, the spitting in the face, the beating with the rod—but one item often is lost sight of. They "put on Him," we read, "a scarlet robe." What was that scarlet robe? Undoubtedly, part of the uniform of a Roman officer. Somewhere in the Praetorium they found the cloak of a military chieftain and, putting that on Jesus, mocked Him. See Him there, the Prince of Peace, forcibly clad in the garb of military authority, while the soldiers, mocking, salute Him! Would not any Christian in his senses cry, "Take that scarlet robe off Him! Of all the disguises that misrepresent Him, that is the worst!"

That was bad enough when in the Praetorium long ago His enemies did it, but how often His friends have done that too. They have conscripted Christ. The burden of our message is—whatever you and I personally may think or do about war—in the name of historical accuracy, intellectual clarity and common decency, take that robe off Jesus.

CHRIST DIED ON CALVARY LONG AGO

Consider, to begin with, that the Christian's motives for conscripting Jesus are easily understandable. War is a costly and terrible affair—so terrible that no one can sustain it until he sees it as a sacred duty. No nation can maintain war without idealizing it as a holy cause. Now, for Christians the simplest way to idealize any enterprise is to get Jesus into it. That does the business. If He can go to war, we can too. We say that a Christian is one who adores Christ. Beware of saying that too easily. A man who adores Christ wants above all else to agree with Christ. But when a man deeply desires to agree with Christ, nothing is easier than to make Christ agree with him. The psychologists call that rationalization. Adoring Christ, we face what seems a social necessity—some enterprise such as war that seems to us wrong and yet seems necessary. How can we make it seem right? Of course, we use Jesus. We elect Him chairman of the board of sponsors for the war. What can He do? He cannot talk back. He died on Calvary long ago.

That crucifixion did not hurt Christ. He handled that magnificently. But what we, His friends, have done to Him—using him as sponsor of every sort of evil social custom, employing Him as a rubber stamp to guarantee the rectitude of the most damnable things on earth, from czardom and feudal systems to slavery and war—that is the greatest tragedy that ever has befallen Him. And this tragedy springs—strange anomaly—from our adoration of Christ, from men and women who want so much to agree with Him that they make Him agree with them.

So, in the 1850's an American minister defended slavery thus: "American slavery is not only not a sin, but especially commanded by God through Moses, and approved by Christ through His apostles." That sort of rationalization concerning war we were guilty of in 1917. We hated war. It was against our principles. We had had 3 years to watch it in Europe. We knew what it was like. We even had before us the words with which drillmasters in the camps taught boys the uses of the bayonet. Here is a verbatim report of one drillmaster: "You've got to get down and hook them out with a bayonet; you will enjoy that * * * Get sympathy out of your head. We go out to kill. We don't care how, so long as they are killed. * * * And I say to you, if you see a wounded German, shove him out and have no nonsense about it. * * * Kill them, every mother's son of them. Remember that your job is to kill them—that is the only way—exterminate the vile creatures."

We knew that war meant that and a thousand things like that. Yet it seemed necessary; we thought we had to go in; we could not go in without idealizing it; so we conscripted Jesus to make it a holy cause. Especially we ministers did that. We could not go to war and leave Him behind. One of the leading ministers in this country said, "We must keep the flag and the cross together, for they are both working for the same ends." My soul! In hooking them out with a bayonet, the flag and the cross both working for the same end!

If you say, "We would not do that now," I reply that you may be sure some of us would not. Never again! And I agree that in these last weeks the American clergy on the whole have been much more conscientiously and courageously Christian than some dared expect. Still, ever and again from some of my ministerial brethren, I hear echoes of the old abomination. If the heat were put on, they would do it again. Unable conscientiously to go to war without Christ, they would put a scarlet robe on Him and take Him along. That is why a British general in the last war said of the clergy, "The clergy are the best fomenters of blood lust that we have." Yes, indeed, for they have Christ to use.

NOT PEACE, BUT A SWORD

Consider, now, the arguments we Christians commonly have employed to justify the scarlet robe on Jesus. For, of course, we have sought in the Gospel records for historical backing to support our picture of Jesus doing the deadly business of a modern war. Some American Christians are doing that today, falling back on the same two passages that were used in the last war and arguing from them that Jesus would sanction bloody violence and even participate in it.

The first passage is the one where He says, "I came not to send peace, but a sword." One of the best selling books on the market now has for its title "Not Peace, but a Sword," and multitudes of Christians fall back on that phrase of the Master when they wish to justify the scarlet robe. But read the passage in the Gospel. Jesus is telling His disciples that when they break free from orthodox Judaism they will have divisions in their families. Loyalty to Him, He says, will break up households, and they must have courage to endure that. So concerning that He says to them: "I came not to send peace, but a sword. For I came to set a man at variance against his father, and the daughter against her mother, and the daughter-in-law against her mother-in-law: and a man's foes shall be they of his own household." That is what the passage is about. It has nothing to do with war. The word "sword" is a metaphor for difference of opinion within families about religion, and in Luke's

parallel passage, as though that evangelist feared someone might crazily take the word "sword" literally, he drops the metaphor and uses the word "division" instead. Says Jesus, according to Luke, "Think ye that I am come to give peace in the earth? I tell you, nay; but rather division."

Yet if tomorrow America should be dragged into this war you would find Christians falling back upon that phrase, "Not peace, but a sword," ripped from its context and twisted to meanings that were not in Jesus' mind, whereas the historic fact is that when Jesus used the word "sword" literally, he said, "All they that take the sword shall perish with the sword." * * *

How helpless a man is when he is dead! No sooner has he gone than, as it were, men fall upon him, the very men who were his friends. They use his name for things he never would have used it for; they twist his words in meanings that he never held; they claim his sponsorship for enterprises that he hated. And what can he do? He is gone, and his name and memory are at the mercy of those that are alive. And nowhere is this tragedy of Christ more terrible than when, on the basis of things He never said and never did, men put on Him a scarlet robe and lead Him off to war.

DOCTRINE OF DOUBLE STANDARD DANGEROUS

Indeed, Christians, in their insistent endeavor to put Christ in khaki, have used still another device; Jesus, they say, did stand for benevolence and brotherliness. He did protest against the use of violence. He pleaded for good will, and even for love of enemies. We are not denying, they say, that this is the distinctive emphasis of Jesus' ethic, but all this applies to individuals only in their personal relationships, and not to the policies of nations. * * *

There are few things on earth today more dangerous than that doctrine of a double standard. Are we prepared to see it through? Then individuals should tell the truth, but nations may lie all they will; individuals should be cooperative, but nations may be ravenous, greedy, imperialistic to their hearts' desire; individuals should keep their word, but nations may tear up promises like scraps of paper; individuals should be tolerant toward diverse opinions, but nations can crush out minorities with ruthless cruelty; individuals should practice intelligent, constructive, tireless good will, but nations may plunge into wars that slay 10,000,000 men and burn up the accumulated savings of generations. And, say some Christians, with such conduct of nations Jesus' ethic has no concern—it applies only to individuals.

Consider where that doctrine of a double standard leads. It backs up all the worst in Hitlerism and Stalinism; it supports the most damnable aspects of Machiavelli and his followers; it countenances those actions in the history of Britain, France, and the United States that must fill honest men with shame. As for Jesus, see what we do to him when we tuck his great ethic off into a corner and turn the public affairs of the world over to the devil. A house of ethics so divided against itself must fall.

Moreover, as a matter of historic fact, Jesus in the Sermon on the Mount was not talking merely to individuals. He was speaking on a point of national policy. He lived in one of the tensest social situations in the world. Palestine was seething with revolt against Rome. One of the most powerful parties in Israel was the Zealots—insurrectionists, fiery militarists fomenting rebellion against Roman rule. Jesus was outspokenly against them. Scholars, I think, increasingly agree that when in the Sermon on the Mount He enjoined refusal to resist evil with evil and violence with violence, He was thinking of the Zealots. So He was talking on national policy.

This fact lies behind the scene in Pilate's court where the crowd insisted that Barabbas, not Jesus, be set free. Who was Barabbas? One, we read, who in an insurrection had committed murder. That is, he was a Zealot—an insurrectionist, a fiery militarist, fomenting rebellion against Rome. When the crisis came at Jesus' trial, the crowd cried that Barabbas should be set free, but as for Jesus, the advocate of peace, the pleader for intelligent, constructive, tireless good will even in a national emergency—crucify him!

Even in that ancient situation Jesus turned out to be realistically right. When in the year 70 A. D. the party of Barabbas, that is the Zealots, got their way, and plunged their people into a bloody war against Rome, the Jews, alas, signed the death warrant of their national home to this day. * * *

If someone says, as doubtless some do, that, even so, the ethic of Jesus in the Sermon on the Mount applied to international relationships is visionary, idealistic, and will not work, I ask if you think the opposite ethic now dominant in the world is working. With your realistic hard-headedness, do you think this present world exhibits a way of life that works? In all history, did you ever hear of a war like this in Europe? They are armed to the teeth. They have bled their people white to provide armaments. They have been threatening the bloodiest conflict of all time, and now, on the verge of it, nobody wants to start. This whole business of settling international relationships by war has become so ridiculous, so dangerous, so incapable of bringing victory to anyone, so certain to bring not triumph to some but social revolution to all, that we may be now at the turning of the road in history about this whole impractical absurdity.

TAKE OFF THE SCARLET ROBE

At any rate, so far as Christ is concerned, take that scarlet robe off Him. Not only in personal, but in public conduct He stood for a way of life and a principle of ethics absolutely different from war. Let Him stand for it. If this world is going to have any future worth having, it belongs to him.

Finally, the most powerful temptation leading Christians to put Jesus into uniform comes from a more personal source. Did I not myself succumb to it in 1917? War demands and evokes self-sacrifice—splendid, conscientious, devoted, self-sacrifice, and is not that Christian? Is not that what the cross stands for? Why may we not then invoke Christ's blessing on this courageous outpouring of loyal and sacrificial living for which a high-spirited soldier stands? So, Christendom marches into war after war, taking Christ along on both sides of the battle line, and the Christians sing with exalted spirit, "As He died to make men holy, let us die to make men free." In the interest of intellectual clarity, if for nothing else, I should like to get the record straight. That typical war song of Christendom, dragging Christ to battle, needs to have the sentimentality squeezed out of it. Realistically it must read like this: As He died to make men hold, let us kill to make men free. Alas, that spoils the song. We cannot sing it that way. We cannot easily fit Jesus into it. We can imagine Him dying to make men free. Can we imagine Him killing to make men free? That is to say, it is sheer intellectual befuddlement to lump all self-sacrifice together and baptize it en masse in the name of Christ. All self-sacrifice does not mean the same thing. Christ sacrificed Himself rather than use violence: He did not sacrifice Himself in using violence. * * *

See what we have done with Christ. We have made Him an omnibus and have piled into Him all kinds of duty doing, all kinds of conscientiousness, all kinds of loyalty and self-sacrifice. We have made Him an indiscriminate receptacle into which we have put everything—good, bad, and indifferent—we thought we had to do and wanted backing for. And so we have obscured His distinctive message and have made Him stand for everything from slavery to war, until, in consequence, He has stood for nothing clear, characteristic and distinctive that He did stand for. That is the most tragic thing that has happened to Christ. Far better for one of us with intellectual clarity to recognize what Jesus did distinctively stand for, even if one says one cannot follow Jesus, than to go on with this perennial rationalizing, this endless use of Christ in sponsorship of things that He was everlastingly against.

As for me, I have no intelligent and conscientious choice except this: I must take that scarlet robe off Jesus and, as the Gospel record says even the Roman soldiers in the Praetorium had the decency to do, put on Him his own clothes. And as I must take the scarlet robe off Christ, I must take it off myself.

Presentation of "I Am An American" Emblems to Senate and House Pages

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

PROGRAM IN THE SENATE RECEPTION ROOM, MARCH 29, 1940

Mr. SHEPPARD. Mr. Speaker and Members of the House, I wish to call the attention of the Members of the House to a program which took place in the Senate reception room Friday, March 29, and which I think is strictly in keeping with the times, as I know of nothing better that could be accomplished than instilling in all citizens of this Nation the definite thought and application of the pledge of "I Am An American":

PRESENTATION OF "I AM AN AMERICAN" COIN TOKENS AND RECITATION OF CREED IN HONOR OF PAGES OF THE UNITED STATES SENATE AND HOUSE OF REPRESENTATIVES

SENATE RECEPTION ROOM,
Washington, D. C., Friday, March 29, 1940.

Present: Hon. Alben W. Barkley, Senate majority leader; Hon. Charles L. McNary, Senate minority leader; Hon. Harry R. Sheppard, Representative from California; Hon. Joshua L. Johns, Representative from Wisconsin; Mr. Ben Neal, president of "I Am An American" Citizenship Foundation; Mr. Leo S. Spencer, director of public relations of the Citizenship Foundation; Mr. Walker Totty, spokesman for Senate pages; Mr. Berry Sullivan, Senate page, reader of the Citizenship Creed; also present, the Senate pages and the pages from the House of Representatives.

Mr. SPENCER. Senators BARKLEY and MCNARY, gentlemen of the House of Representatives, Mr. JOHNS and Mr. SHEPPARD, and boys of the staff of pages of the United States Senate and the House of Representatives: It is a pleasure to introduce to you Mr. Ben Neal, president of "I Am an American" Citizenship Foundation.

Mr. NEAL. Honorable gentlemen and honored guests: The "I am an American" Citizenship celebration is one movement that has originated from Los Angeles which is pleasing to every true American on the west coast. I know that the majority and minority leaders are extremely busy today, and my remarks shall therefore be very brief. This is a happy occasion, an American occasion. These young men, pages from the Senate and House, are especially fortunate because they live in this free country. They have gathered here today to be given a memento that will last forever; a coin that can remain in their possession as a permanent reminder of the fact that, as citizens of this Nation, they have inherited exceptional benefits, and, at the same time, serious obligations and responsibilities. I am particularly happy because this event happening in the Capital of our country will serve as an impetus to communities throughout America to form citizenship committees and stage celebrations on "I Am an American" Day, honoring the young men and women who have or will become 21 years of age during the year 1940. Without further remarks, and with humble thanks to the gentlemen from the Senate and the House who join with us today, I introduce Senator ALBEN W. BARKLEY.

Senator BARKLEY. Mr. Neal and young men, it is certainly a pleasure for me to be here with you this morning. I served in the House for 14 years. It has been a great pleasure to me to see some of the page boys who served with me in the past now occupying stations of responsibility in the civic and business life of our country.

I think the program which has been arranged by the "I Am an American" Citizenship Foundation is an important program. In these times, when the world is overwhelmed with chaos and confusion, and our young men are coming out of colleges, universities, and high schools, and are standing on the threshold of a busy life, it is important that they be impressed, and that you cooperate in the effort to impress all the young men of our country with the necessity not only for education and training to fit them for the duties of citizenship in the future, but that they also be impressed with the superiority of American citizenship and the opportunity which comes to Americans for service not only in our country, but in the entire world. There has never been greater need in the history of the world for the inculcation of the ideas of democracy, equality, and justice among the rising generation than at this time.

I congratulate you boys on the fact that you have had a brief opportunity to observe the operation of the legislative branch of our Government. I am sure that in years to come you will realize that that has been an important item in your education.

It is a pleasure to be here and see all of you this morning, and I wish every one of you the greatest success in the world in your future activities. [Applause.]

Mr. NEAL. That the "I Am An American" citizenship movement is nonpartisan is eloquently evidenced today. I now introduce Senator CHARLES L. MCNARY. [Applause.]

Senator MCNARY. Mr. Neal, Senator BARKLEY, and boys of the House and Senate, I have not served in the House, as has my distinguished colleague, Senator BARKLEY. Therefore my education has been somewhat neglected. [Laughter.] I observe that the boys from the House seem better looking than the boys from the Senate. [Laughter.] However, probably the brains lie on the Senate side. [Laughter.]

I am happy to be here, and I think if you belong to this organization you will be benefited. I wish to extend to you all a cordial welcome. [Applause.]

Senator BARKLEY. I omitted to say—probably Mr. Neal has already said it—that the little emblem which you are about to receive is an emblem of your interest in the American ideal of citizenship. I am sure you will all carry it with pride.

Mr. NEAL. I hope they will carry it in their pockets always. I now introduce Representative SHEPPARD, of California.

Representative SHEPPARD. Mr. Neal, Senator Barkley, Senator McNary, and page boys of both branches of Congress, I consider this as one of the outstanding privileges I have been permitted to participate in since I have been a Member of the House of Representatives. [Applause.] I have always been vitally interested in furthering the principles of Americanization and what American citizenship stands for. I think if you boys will read the inscription on the pocketpiece which will be given to you: "My heart is in America. America is in my heart. I am an American." and if you will follow the principles of the creed sponsored by the I Am An American organization, you will undoubtedly become an outstanding group of American citizens and take your proper places in American life. I am sure the ceremony in which you are now participating is an important part of your education and one which in future years will mean much to you. [Applause.]

Mr. NEAL. Thank you, Congressman SHEPPARD. And now I am happy to introduce the author of the citizenship resolution in the House, Congressman JOHNS.

Congressman JOHNS. I am delighted to be here this morning, and as the author of the citizenship-day bill, which has passed the House. I deeply appreciate the interest that the people from California, Mr. Neal, Mr. Spencer, and Mr. Edward Arnold, have shown in support of this great movement.

I am glad that these great, young Americans are here this morning to hear read a creed, which I think is as fine as anything that I have ever read in the way of English language, I Am an American.

You pages, who are from both Houses of Congress, today in a very short time will take up the duties and responsibilities of handling the affairs of this Government. The kind of a government that we will have when you take charge will depend in a large part on your education of democracy in a republic. If you will study this creed and carry out the fine sentiments expressed in it I have no fear for the future of America.

Mr. NEAL. Gentlemen of the Congress of the United States, I will not attempt to express my appreciation of your participation in this simple little citizenship ceremony. Let me now introduce Mr. Walker Totty, assistant secretary of the majority group in the Senate.

Mr. TOTTY. Mr. Neal, Senators, and gentlemen, it was a difficult task to select one boy from the 21 Senate pages to recite the American Creed. They are all a very fine bunch of boys. However, I have selected Berry Sullivan, of Massachusetts, for this honor.

(Berry Sullivan, of Massachusetts, a Senate page, recited the following creed "I Am An American," by Benjamin E. Neal.)

I am an American;
The Golden Rule is my rule;
In humility and with gratitude to Almighty God,
I acknowledge my undying debt
To the Founding Fathers
Who left me a priceless heritage,
Which now is my responsibility.
With steadfast loyalty
I will uphold the Constitution
And the Bill of Rights;
I will treasure my birthright
Of American ideals;
I will place moral integrity
Above worldly possessions.
Problems of interest to my country
Shall be of interest to me;
I will count my right of suffrage
To be a sacred trust;
And I will diligently strive
To prove worthy of that trust.
I will give my full support
To upright public servants,
But those with unclean hands
I will firmly oppose.
Each obligation that comes to me
As a true American,
I will discharge with honor.
My heart is in America,
And America is in my heart.
I am an American.

Mr. SPENCER. Senators BARKLEY and MCNARY must return to their offices. They will present the first two or three tokens.

(The Senate and House pages were then each presented with an "I Am An American" coin token.)

Wheeler-Lea Bill

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

LETTER FROM THE INTERNATIONAL LONGSHOREMEN'S ASSOCIATION

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks I wish to include in the RECORD a letter from the International Longshoremen's Association on the Wheeler-Lea bill.

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION,
New York, N. Y., March 20, 1940.

Hon. VINCENT F. HARRINGTON,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: The Wheeler bill (S. 2009) has passed the Senate, and the Lea bill (S. 2009) has passed the House of Representatives, with widely divergent provisions, and both bills have been referred to a conference committee, which is now engaged in its deliberations. Either of these bills, if enacted into law as originally written, will destroy coastal and inland water service by raising water rates to the level of rail rates, and impose upon water carriers other arbitrary and restrictive regulations.

Any change or diversion of traffic from the water services will throw thousands of our members out of employment, among which members are not only longshoremen but pier clerks, checkers, cargo repairmen, pier maintenance men, lightermen, bargemen, and tug personnel.

We therefore urge that you not only oppose this legislation, but in the event that the conference committee does not report a bill that contains the Wadsworth amendment section 307 (f), page 262, lines 9–17, to the House bill, that you vote against the acceptance of the conference report.

Very truly yours,

JOSEPH P. RYAN,
International President.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

ARTICLE BY CARL H. WILKEN

Mr. JENSEN. Mr. Speaker, under leave to revise and extend my remarks in the RECORD, I ask unanimous consent to include therein the following article by Carl H. Wilken, secretary of the Raw Materials National Council, 203 Trimble Building, Sioux City, Iowa:

THE SCANDAL OF THE TRADE AGREEMENTS

The people in the Middle West, farmers, businessmen, and labor, have been propagandized into believing that the trade agreement was designed to help their economic situation by restoring a condition of prosperity. As a result the Smoot-Hawley tariff has been accused of many sins. But the fact remains that it has not been repealed and industry has kept its tariff protection at the expense of the farmer and other producers of raw materials.

The trade-agreement program seems to have been conceived to furnish cheap raw materials to industry in order that they might become the industrial leaders of the world. With the program in effect the United States has been forced to increase the national debt approximately $25,000,000,000 to take care of the unemployed, resulting from the destruction of our domestic market through reduction of tariff schedules on farm products and small manufacturing plants, who the leaders considered nonessential to prosperity and without the political power to cause them any concern.

The tariff question is not one of high or low tariffs, but of parity, equal tariff protection for all groups, based on the parity or domestic price level needed for prosperity.

Our political leaders, and large business interests who have seemingly dominated or outsmarted the raw-material producing States, in their selfishness have killed the goose that laid the golden egg.

In their zeal to get an export market for industry, they have lost $150,000,000,000 of domestic business with our own citizens.

In spite of propaganda, wishful thinking, and theory, the proof is in pudding and below you will find the 6-year record of exports and imports under the trade-agreement program. Note that the only favorable balance is for industry while agriculture was forced to compete with $10,000,000,000 of imports, of which $4,000,000,000 was used to pay for exports of manufactured products. The picture shows that big business is still holding the reins, even though they have been held up as enemies of the administration.

The same old story with a new streamlining called trade agreements.

Period 1934–39

	Imports	Exports	Net
Gold	$11,256,406,826	$134,669,422	[1] $11,122,737,400
Silver	1,047,787,456	64,572,612	[1] 983,214,844
Agriculture	10,326,833,692	6,299,202,580	[1] 4,027,631,112
Manufactures	3,006,233,913	9,975,606,998	[2] 6,969,373,085

[1] Import. [2] Export.

Net imports for 6 years show a net import of $9,163,210,275 of gold and silver after farm imports and gold and silver have been used to settle the favorable balance for industry. This balance has not been liquidated with goods and is represented by foreign ownership of domestic bonds, stocks, securities, etc.

The ownership of these stocks, securities, etc., is the financial threat which foreign nations hold over our head. Would the stock market crash of 1929 be repeated if the foreign-owned securities were dumped on the market? Is history repeating itself? As a citizen what are you going to do about it? Your welfare is at stake and being used as a pawn in international power politics while Congress has delegated away its power to protect you. Awake America.

Schools Should Be Streamlined

EXTENSION OF REMARKS
OF
HON. GERALD W. LANDIS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 1, 1940

Mr. LANDIS. Mr. Speaker, a strange thing about good education is that no Representative or Senator, no Governor, or other political leader anywhere ever comes out against it. Education is like peace in that respect. Everybody and his uncle says, "I am for it."

But when you ask to have something definite and constructive done for education—that is another story.

Before the House Committee on Education is a bill, H. R. 3517, introduced more than a year ago. No hearings have been scheduled. That bill provides for modest grants-in-aid to individual States in order to make a beginning toward equalizing educational opportunity for all our boys and girls. A similar bill was favorably reported from the Senate Education Committee and is on the Senate calendar. Since the bill has to do with authorization of appropriations, I think the House Committee on Education should hold hearings on it. I think the boys and girls of our land have a right to demand that the House committee consider this bill and take some action on it.

In times of economic stress, more education is needed, not less. Everybody agrees with this thought, in principle. Yet somehow it happened, in the face of greatly increased school enrollments, that total appropriations for public education sank to a low point for these United States, particularly in 1934. I am telling you nothing you do not already know when I say that teachers are so low paid in this country that we should be ashamed of ourselves. Thousands of them work for less than $1,000 yearly salaries. Yet on the shoulders of these teachers rest vast responsibilities. They should be well trained, well equipped, well paid.

Unemployment during the last 10 years has continued at shockingly high figures. W. P. A. has tried to give needy men and women jobs where they could keep up their morale, retain their skills, and even in some cases fit themselves for new types of work. Business has seen some spasmodic improvements here and there, but continually complains of "lack of incentives to expand." Wars abroad have been pronounced by our manufacturers evil in all their long-range aspects. Authors such as John Steinbeck have written novels about human wreckage and social problems. Even in our theaters today the dramas we see are chiefly those of "social significance."

Yet side by side with all these happenings have appeared certain signs of the times, which should have indicated to us the way out. I refer to those news stories and reports which have told us that today there is a scarcity of alert, intelligent, skilled workmen in such fields as soil conservation, chemistry, machine manufacturing, tool design, and elsewhere. Help-wanted advertisements for skilled airplane mechanics are today commonplace.

Why do we lack skilled workers? For one thing, we have never developed an adequate apprentice system in this country. For another, we formerly got many skilled men through immigration. Great numbers of these are now reaching retirement age and their jobs are open.

The schools ought to do something about it," people have said.

At this point the Educational Policies Commission of the National Education Association has come forward with the results of the most exhaustive and intensive economic report it has made to date. The report is called Education and Economic Well Being in American Democracy. Here is the commission's recommended program:

First. Every American child should receive compulsory education for at least 10 years. In these 10 years the American

child of today must receive, in addition to fundamental education, some instruction in mechanics and mechanical skills. This is necessary because machines and engines are today such a large part of American life.

Second. Much more than the 10-year minimum should be received by the American child of average ability. The average youth should be educated for 14 years. He should get much more vocational guidance and training than he is receiving today. States should adopt the rule that was suggested to New York State by officials, namely, that compulsory education should continue to that age where a boy or girl can get a job and keep it.

Third. Continuous long-range occupational surveys should be kept up to date, so that children will not be trained for occupations already overcrowded or low paid.

Fourth. Six years of elementary work should be followed by a 4-year junior secondary schooling. Children of average ability should go on to a senior secondary school, where there will be courses of study lasting from 2 to 4 years. Students should be fitted for definite jobs before they leave the senior secondary school.

Fifth. Any child who needs financial assistance to secure the 10-year minimum should receive this help, whether it means supplying shoes, transportation, medical care or food, or all these services. To do this is not only a matter of common humanity, but is also good business.

Sixth. Any child capable of using to good advantage the training of the senior secondary school should likewise be financially aided, if this is necessary.

Seventh. Children of superior ability, who wish to proceed to the universities and colleges for advanced training must have it made possible for them, regardless of their financial circumstances. Wealthy men who can afford it will be rendering their country a great service if they offer a great many scholarships. Individual States, counties, and cities should do their share in this respect. The Federal Government has been of aid in this respect in the past through its N. Y. A. grants, and these are of great value in the conservation of human resources. We cannot afford to exclude our gifted boys and girls from the best training. These children are the leaders we must have for the future.

Yes; this program means more money for public education. The cost, however, will surely be much less than that required to cope with the unemployment of these same children later on, if they are not prepared for life when they are young. The Educational Policies Commission estimates that approximately an additional billion dollars would be needed if we should expand and revise our public-school system to a point where the above conditions were fully met. However, it is not proposed to accomplish the expansion and revision all at one time, or even within the space of 1 year. H. R. 3517 asks only for a total of $75,000,000 for grants-in-aid for the first year, with progressive increases annually for a period of 6 years. I believe that $75,000,000 would be sufficient to initiate and begin the program.

The Educational Policies Commission, in referring to the recommendations above, calls the new plan for education the best self-liquidating project possible. I believe this is true. Put this plan into effect and 5 or 10 years from now graduates of our schools will go forth equipped with productive power, consuming power, purchasing power. They will be good citizens, well-informed consumers.

Statisticians have compared States as to educational opportunities and economic status. Invariably the States which spend the most for education have been shown to have the greatest per capita wealth in years which follow.

Donald Eugene Gorseline made a study at Indiana University—my own alma mater—in 1932 as to the effects of schooling on income. He decided that just three extra grades of schooling gave a man between $350 and $515 more income per year than that commanded by his blood brother who quit school at an earlier age to go to work.

The United States Office of Education recently took a look at the case histories of 46,000 graduates of 31 universities in 20 States, covering the period 1928 to 1935. Some of the women were too busy as wives and mothers even to think about other jobs. A few of the men were back in school studying for medical and law degrees or Ph. D.'s. Of all the others, however, 96 percent of the men and 93 percent of the women were employed.

Today the technically trained graduate is most certain of a good income. Top-notch technical schools report a strong demand for their graduates in major accounting, advertising, commercial art, engineering, industrial relations, legal and patent work, service and works management, policy making, and major supervision.

The Committee on National Resources of the United States recently reported major business and manufacturing trends in hundreds of technical lines. Among these were the developments of the "electric eye" and those of the televox or "electric ear"; synthetic rubber and its uses; rural electrification with possibilities of refrigerated barns for storing perishable crops, electric hotbeds for seedlings, electric insect traps, and other developments; new textiles from skim milk, soybeans, and other products; fermentation of garbage to produce fuel for cities; recovery of minerals such as magnesium and potash from the sea; television by wire for the blind.

It appears that there are many technical frontiers ready for exploration by the youths of our land, if they have been so trained as to be able to undertake the work. I believe a technical institute would thrive today in every city of 50,000 or over.

I have talked with officials at the National Education Association and the Educational Policies Commission. I find that the plans for revised and expanded education in our public schools include considerable practical consumer and civic education. This is called functional education. It is streamlined and modernistic and very practical. It means teaching school children to get food and furniture, housing, and pleasure value for the money they spend.

In a democracy we, the people, must be able to cope with big economic problems. Labor groups need to know their relation to other producer groups. High-school students of today should have good working knowledge of the how and why of collective bargaining. They should know what public expenditures are for and how they are financed. They should know practical procedures with regard to savings and investments. The new educational plans would include training in these lines.

I am perhaps most of all interested in a program which will develop more vocational training and guidance. A great increase in technical training is vitally necessary today, because we must increase the productive capacity of the average worker. Both governmental and Brookings Institution reports show that we were nowhere near using our full plant capacity even in 1929. Had we employed it to the full in recent years the national income would have been increased somewhere between fifteen billion and fifty-three billion dollars a year.

Irons Fork Experimental Forest, Ark.

EXTENSION OF REMARKS

OF

HON. FADJO CRAVENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

EDITORIAL FROM THE FORT SMITH TIMES-RECORD

Mr. CRAVENS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Fort Smith Times-Record, Fort Smith, Ark., under date of March 8, 1940, concerning the Irons Fork Experimental Forest in

the Ouachita National Forest in the Fourth Congressional District of Arkansas, which editorial is as follows:

OFF THE RECORD

(By C. F. Byrns)

The trouble about the political battleaxers is they don't always use good judgment.

Word came Thursday that the Forest Service appropriation bill has been approved by the House of Congress with no provision for funds to equip and operate the Irons Fork Experimental Forest, 20 miles northeast of Mena, in the Ouachita Forest in Arkansas.

Congressmen FADJO CRAVENS and DAVE TERRY, who are familiar with the project and its value to the whole area of timbered mountains in the South, made a valiant but losing fight before the House committee for an appropriation of $25,000 for the Irons Fork project.

The next step is to try in the Senate to get an appropriation written into the bill.

The Irons Fork project is much more important than the modest amount requested would indicate.

The Federal Government is spending multiplied millions for flood control in various ways. Only recently, bids were taken for construction of a flood-control dam at Nimrod on the Fouche La Fave River in Arkansas. All kinds of plans are on foot to spend all kinds of money to hold water after it has run off the land where it fell and is down in the valleys causing trouble. The Irons Fork project is designed to find out how to hold water where it falls, on the lands at the headwaters of the streams, make it useful there and rob it of its terrors in the valleys. It is quite logical to insist that $25,000 spent on this research project may eventually save millions in future flood-control appropriations and other millions in flood damage.

Doubtless the Arkansas Senate and House delegations will do all they can to get proper recognition of this important project. It is not just an Arkansas idea. It was located in Arkansas, because the United States Forest Service officials decided, after careful investigation, that the Arkansas site offered the best opportunity to get at facts which will be useful and used in all the timbered mountain areas of the South. It is the only project of its kind in the South, and one of very few in the entire Nation.

Sale of Farm Properties by Federal Land Bank of St. Paul

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

RESOLUTIONS OF THE WISCONSIN ASSOCIATION OF REAL ESTATE BROKERS

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions adopted by Wisconsin Association of Real Estate Brokers:

MILWAUKEE, *February 28, 1940.*

Whereas the Wisconsin Association of Real Estate Brokers, an organization of licensed real-estate brokers, is informed that it is the policy of the Federal Land Bank of St. Paul to sell its farm properties only through field men employed by the bank; and

Whereas this association believes that local licensed real-estate brokers, being much more familiar with local values and conditions and also having greater opportunities for making such sales, are in better position to serve in such sales the best interests of the Federal Land Bank and all of the stockholders thereof and the general public; and

Whereas local real-estate brokers are almost all taxpayers and have done much to promote and maintain real property values in, and to contribute to the progress and development of their respective communities: Now, therefore, be it

Resolved, That the Wisconsin Association of Real Estate Brokers hereby respectfully protests to the Federal Land Bank of St. Paul and to the Farm Credit Administration, Washington, D. C., against the policy of said Federal Land Bank in connection with the sale of its farm properties and strenuously urges that said policy be changed to permit local licensed real-estate brokers to sell the bank's farm properties and to pay said brokers the regular rate of commission on sales of such properties; and be it further

Resolved, That a copy of this resolution be forwarded to the Federal Land Bank of St. Paul; Farm Credit Administration, Washington, D. C.; United States Senators ALEXANDER WILEY and ROBERT LAFOLLETTE; all Members of Congress from Wisconsin to His Excellency, Hon. Julius P. Heil, Governor of Wisconsin.

Gold and Its Power, Part 5

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

Mr. THORKELSON. Mr. Speaker, I have repeatedly said that the Gold Reserve Act is unconstitutional, a statement which I shall now attempt to prove, after having declared my position in regard to the people's document, the Constitution of the United States.

I maintain that the basic principles upon which this Nation came into being are those originally set forth in the Constitution, and to perpetuate our Republic, we must return to such basic principles. The States should resume their former power in the Government of the United States, so they may resist usurpation of rights and oppose Federal regimentation.

I also maintain that the Constitution is a basic law in which the people delegate certain specific powers to Congress, to the President, and to the Supreme Court, but retain the unwritten power and the power not specifically delegated to the three branches of the Government, to the States, and to themselves.

In order that there will be no misunderstanding about the reserved powers, I shall quote article X:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively or to the people.

Article 10 is clear; but, even so, I realize that occasionally questions will arise before Congress and the Supreme Court as to the permissible widening or literal interpretation of the powers granted or denied to the three branches of the Government. I maintain when questions arise as to the actual meaning or the manner in which the laws should be construed, Congress and the Supreme Court are obligated "to preserve and to protect" the people's rights, as set forth in the Constitution of the United States. It was to protect themselves against erroneous interpretations and against the now prevalent liberal construction of the Constitution that the founders of this Nation incorporated the ninth amendment in the Bill of Rights:

The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people.

The wording of this article is clear and understandable, for it directs Congress and the courts to give the people the benefit of any doubt which may arise as to the meaning of the orders issued in the Constitution to the three branches of the Federal Government.

I maintain that we, the people of the United States, are the first power and that the Constitution is a basic law in which we empower Congress, the President, and the Supreme Court to perform such duties as are set forth in the document.

Congress is elected to represent and protect the States and the people's rights, and is in performance of this duty granted the power of legislation, regulation, and appropriation, according to and within the meaning as expressed in the Constitution. Have you watched your Government and the men you sent to Congress to preserve and to protect your rights? Have you taken note of bills signed by the President and bills upheld by the Supreme Court? Do not forget the President signed the Gold Reserve Act and the Supreme Court held it constitutional by a 5-to-4 decision.

COMMON SENSE

Why not take stock? Why not do your own thinking? Surely you know by this time that truth is taboo in the kept press until return of American ownership. It would be great to have one real patriotic national newspaper, and what a circulation it would have today, when people are hungry for facts.

Let us now see what happened to us when Congress enacted, when the President signed, and when the Supreme Court held the Gold Reserve Act constitutional. The Gold Reserve Act took the gold from us, the owners of it, and gave it to the international financiers. It left us poor and "Shylock" rich. We are unsecured but Shylock is well secured. We are slaves to the financial internationalists. We are using inflated money, but the internationalists are using gold money. We hold legal tender; Shylock holds gold certificates. We pay for the storage and for the protection of the gold, but the financial internationalists who own it call us "goyim fools." We sit and wait for a hand-out while the international financiers use our gold money and credit to acquire ownership of the Nation's industries so as to furnish employment for their own people.

Is the $18,000,000,000 in gold which is supposed to be such a burden of wealth owned by the United States? It is not. Thirteen billion three hundred and forty-eight million eighty-eight thousand nine hundred and eighty-five dollars is owned by foreign nations in industrial bonds and similar investments. Sixteen billion one hundred and five million five hundred and sixty-five thousand eight hundred and ninety dollars and sixty-four cents in gold certificates are held by interests outside of the United States Treasury and by the Board of Governors of the Federal Reserve banks, and while we are speaking about these banks, remember that they are privately owned.

AMERICANS, APPRAISE YOUR POSITION

Under the Gold Reserve Act we, the people, become criminals should we be found with gold money, gold, and gold certificates in our possession, but the Shylocks, with full title to gold money and gold, and with gold certificates in their possession, are backstage rulers of the Government.

What a surprise it will be to those who just cannot believe and to the gullible goyim dupes as they sit on the ruins of a collapsed currency structure and view Shylock disappearing on his Trojan horse into the golden temple built by this act.

Do you believe this act is constitutional? Do you believe that Congress, the President, and the Supreme Court had the people's interest at heart when they allowed this legislation to pass?

I often wonder what the final outcome will be if Congress keeps on enacting laws. How will it end? How long will the people tolerate laws which restrict them in their business and private affairs? The condition in which we find ourselves today is the result of too many laws, and the greatest enemy of a free people is legal persecution. Pernicious laws are the destructive weapons of the minority, and the Gold Reserve Act is, in my opinion, a good example of such legislation. Lacking a better name I have referred to this as "subversive legislation," and my reason for such designation is based upon apparent logical premises and illogical conclusions, such as the act I shall now quote, House Joint Resolution 192:

> To assure uniform value to the coins and currencies of the United States.

The purpose of this appears to be logical and sound, but the manner in which it is to be accomplished is wrong, for the Gold Reserve Act removed gold money and gold from circulation and even made it a crime for us to have gold in our possession, yet the final paragraph in the resolution and the Gold Reserve Act explicitly state that weight of gold establishes value:

> All coins * * * shall be legal tender * * * except that gold coins, when below the standard weight and limit of tolerance provided by law for the single piece, shall be legal tender only at valuation in proportion to their actual weight.

I shall ask those who are interested to get a copy of the Gold Reserve Act and read it, but also, in support of my statement, I quote from the act:

> Wherever reference is made in this act to equivalents as between dollars or currency of the United States and gold, $1 or $1 face amount of any currency of the United States equals such a number of grains of gold, nine-tenths fine, as, at the time referred to, are contained in the standard unit of value.

The law is predicated upon the unconstitutional authority granted to the President to increase or decrease the gold content of the dollar. The President reduced the grain gold content of the dollar from 25.8 to 15.521. He can now, under the same law, reduce this to 12.9 grains of gold nine-tenths fine. If he does, let us remember that no one benefits from that except foreign nations. As a matter of fact, such reduction will be destructive to the people of the United States.

I do not believe that anyone will disagree with me when I say that Congress had no right to take the gold away from the American people and give it to foreigners or citizens of foreign governments; that Congress had no right to leave our people unprotected and unsecured, and with the same law protect and secure people of foreign nations. However, the act did just that, and nothing else, and I want the people to know it.

Law is one thing, and common sense is another. What we need is less law and more common sense. As an example of senseless law, I quote again from the same resolution:

> Whereas the holding of or dealing in gold affect the public interest and are therefore subject to proper regulation and restriction.

It would be ridiculous to think otherwise than that "the holding of or dealing in gold affect" public interest, for the very food we eat and clothes we wear affect public interest. So why should not sound gold money, the medium that pays our way, be of the utmost public interest? This should be obvious inasmuch as this very act recognizes gold alone as a standard medium of value.

This statement, "subject to restriction," is the strange part of this act, for what right has Congress to restrict the people in ownership and in the use of sound and stable money? Under what strange spell or delusion could Congress construe that the word "regulate" meant to restrict, and then finally to confiscate the gold, a property of the people since the dawn of America? The words, "to coin money, regulate the value thereof, and of foreign coin" should be easy to understand, for the value of foreign coin is regulated by the weight of gold in the piece of money to be valued, and our money is regulated exactly in the same manner, namely, by assay and weight of fine gold.

How Congress could read authority in these 10 words to give it the right to confiscate the Nation's gold and so deprive the American people of protection, is a question for Congress to answer. I contend that the public was betrayed by those who voted for the act, by him who signed it, and by the Court which declared it constitutional.

We, the people, should make it our business to find out just how far Congress will go to deprive the people of the rights they reserved to the States and to themselves in the ninth and tenth amendments. This is particularly pertinent as we read article I, section 10:

> No State shall * * * emit bills of credit; make anything but gold and silver coin a tender in payment of debts.

This provision of the Constitution is mandatory, but in spite of that, the Congress, the President, and the Supreme Court made this provision of the Constitution null and void, for it is now impossible for any State to conform to this provision of the Constitution. The five Justices who held this act constitutional should resign and retire without pension, for they either ignored or did not understand the Constitution of the United States.

In order to acquaint the people with other strange and conflicting reasoning, I quote another paragraph:

> Whereas the existing emergency has disclosed that provisions of obligations which purport to give the obligee a right to require payment in gold or a particular kind of coin or currency of the United States, or in an amount of money of the United States measured thereby, obstruct the power of the Congress to regulate the value of the money of the United States, and are inconsistent with the declared policy of the Congress to maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts: Now, therefore, be it * * *.

From this we may assume that the planned emergency disclosed to Congress that the Government was obligated to

repay money borrowed from the people with the same kind of sound gold dollars the Government had received. Those who voted for and supported the legislation found that such honesty on the part of the Government obstructed the power of Congress to regulate the value of money, and on the strength of this extraordinary conclusion, Congress destroyed all value of money by confiscating and removing all trace of gold in possession of the people and from every coin used within the United States.

Then Congress assumed the most extraordinary responsibility in declaring that it was the "policy of Congress to maintain at all times the equal power of every dollar coined or issued by the United States, in the markets, and in the payment of debts." This, of course, is too silly for discussion, for Congress, nor anyone else, can ever hope to carry forward such policy to a successful conclusion. The remarkable part of this declaration may be found in its erroneous reasoning, for sound gold-standard money would not obstruct but would instead be of the greatest aid for Congress to regulate the value of money, and quite consistent with congressional policy if the majority of the membership were endowed with good sense.

The next paragraph which I shall quote is very interesting, for it states:

> Now, therefore, be it
> *Resolved, etc.*, That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with respect to any obligation hereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts. Any such provision contained in any law authorizing obligations to be issued by or under authority of the United States, is hereby repealed, but the repeal of any such provision shall not invalidate any other provision or authority contained in such law.

This paragraph declares that Government debts which are payable to our people in sound gold money is against public policy. I say that it is a most extraordinary reasoning by Congress, the Members of which are obligated to preserve and protect the people's rights. This conclusion by Members of Congress is open to criticism when we consider that the people had not been consulted in regard to this policy. To me, it appears that Congress passed sentence upon the people without giving them the benefit of a hearing. It was upon the strength of this paragraph that the President forgot that he had sworn "to preserve, to protect, and defend the people's rights," and the promise to take care that the Constitution be faithfully obeyed, It was also upon this paragraph that the Supreme Court committed a grave injustice upon the people of this Nation, a decision that soiled the escutcheon of justice.

I shall now quote section 2 and the final paragraph of Public Resolution No. 10, Seventy-third Congress:

> The last sentence of paragraph (1) of subsection (b) of section 43 of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows: * * *

The statements in this paragraph are silly and ridiculous, for it could not and has not increased agricultural purchasing power. The Government has not collected greater revenue from normal increase in business but has, instead, collected such revenue at the expense and to the destruction of a dying industry. There is no possibility today for orderly liquidation, except under the direction of someone who understands the real sinister power which is now directing the Federal Government. I grant that our national riddle may be solved, but no one as yet has even touched upon the solution of it, and I doubt very much whether those who seek leadership have the knowledge and courage to go ahead and set our Nation right, for such procedure will challenge the most insidious enemy of all nations, namely, those who use gold and money as a weapon of destruction.

What is an emergency? This subject is discussed in Congress, in the press, and seems to be the President's pet rattle. Under this misused word, many Members of Congress have lost their sense of responsibility to obligated duty. Some of these gullibles, no doubt, labor under the impression that an American savior leads the administration, when nothing could be further from the truth.

Why not take time to indulge in retrospection? What has the administration done in the past 12 years for America? I recall these:

First. Planned stock-market gamble which left the American people broke.

Second. Organizations of chain banks and restriction of credit to outlying districts.

Third. The beginning of the now vicious economy planning and deliberate deflation to bring about despair.

Fourth. In 1933, continuation of the past and the birth of an emergency which is now a full-fledged and vicious monster.

Fifth. The bank holiday and promotion of banking monopoly under the able direction of the international bankers.

Sixth. Unwarrantable transfer of power from Congress to the executive department.

Seventh. Confiscation of gold and replacement of sound currency with a purely inflated and worthless currency with no background, called legal tender.

Eighth. Confiscation and destruction of standard-value securities with possible loss in depreciation of life-insurance incomes.

Ninth. Steady increase in Federal operative cost, resulting in greater deficits and doubling of the national debt.

Tenth. International intrigue to involve the United States in foreign wars.

Eleventh. Transfer of ownership of gold from our own people to governments of foreign nations.

Twelfth. Subsidizing foreign nations by increase in the dollar value of gold.

Thirteenth. Destruction of agriculture, industry, and labor by imports from foreign nations to keep prices down and wages low. This, of course, is necessary in order to maintain purchasing power of the hocus-pocus money we, the people, are permitted to use by the kindness of an internationalistic administration.

Fourteenth. Reorganization and playing with Federal departments, including appointments of judges who are self-designated radicals, of judges who study law after the appointment, and of judges who spend their time traveling and vacationing, because they know nothing about law.

I submit this to you, Mr. Citizen, and I shall leave you to judge whether this is an American administration or a mere front for the internationalists.

The Late Joseph R. Sheehan

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

TRIBUTE BY THE UNITED STATES MARITIME COMMISSION

Mr. WELCH. Mr. Speaker, I ask unanimous consent to extend my remarks and print in the RECORD a tribute by the United States Maritime Commission to the late Joseph R. Sheehan, former executive director of the Commission and at the time of his death president of the American President Lines:

> The shipping industry has lost a vigorous and talented leader in the death of Joseph R. Sheehan. A stanch advocate of the American merchant marine, he was in large part responsible for the restoration of American leadership in trans-Pacific shipping.

As the first executive director of the newly organized Maritime Commission he gave fully of his time and services in the difficult early days of administration of the Merchant Marine Act, 1936.

After 18 months of loyal and efficient service to the Commission he became president of the American President Lines, Ltd., where his industry and efforts continued to serve the American merchant marine.

United Mine Workers of America

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

Mr. LANDIS. Mr. Speaker, it is a pleasure to call the attention of the Members of the House of Representatives to the fact that today is the anniversary of the establishment of a shorter workday for the United Mine Workers of America. For many years miners worked from 10 to 16 hours a day, many of them entering the mine before daylight and emerging after dark. They never saw sunlight except on idle days. The miners gradually forced a shortening of the workday until now the uniform 7-hour day prevails. Instead of working 6 and 7 days a week, they now work 5 days a week.

As a resident of a coal-mining community and as a former member of a mine rescue team, I am proud to represent a district whose chief industry is mining. No other force in America has been more potent in the development of progress in industry, in business, and in the home life and welfare of the common people than has the United Mine Workers of America. They favor and support every movement for the more general education of the people, especially the children, as a means of developing a high type of citizenship in America. They favor the abolition of slums and poor housing in the country, as well as in the cities, and the substitution of decent and sanitary housing and living conditions. Old-age pensions, unemployment insurance, and similar local security ideals always have had their support and encouragement. Miners do not oppose the introduction of modern methods of production, but they do believe that the workers should share in the profits that result from the introduction of such modern methods and machines.

The United Mine Workers of America now has a membership of 600,000 and is the largest labor union in America. It is what is known as an industrial union, with approximately 96 percent of all men employed in and around the coal mines enrolled in its membership. When the United Mine Workers of America was organized in 1890, it immediately began its struggle for collective bargaining for wages and working conditions. Wages were disgracefully low. In certain places and at certain times, miners received as little as a dollar a day. Through the efforts of the United Mine Workers there has been a steady and gradual improvement in wage rates until at this time the basic-wage rate in the northern soft-coal fields is $6 per day and in the southern fields $5.60. Working conditions have been vastly improved. There is a greater degree of safety in the mines today than ever before. Miners are no longer required to trade at a company store but are free to buy where they please. Collective bargaining always has been, and is now a basic principle of the United Mine Workers of America. Miners have a right to bargain through representatives of their own choosing. In fact the entire labor relationship between employers and employees has been stabilized. This stabilization has benefited the operator as well as the miner.

The United Mine Workers have taken a leading part in bringing about the enactment of the national labor relations law and wage and hour law. They are fighting and will continue to fight with all their strength and resources against all attempts by enemies of labor to weaken or destroy these acts.

Paying the Freight

EXTENSION OF REMARKS

OF

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 1, 1940

EDITORIAL FROM THE LINCOLN (ILL.) EVENING COURIER

Mr. ARENDS. Mr. Speaker, under leave to extend my remarks, I include an editorial from the Lincoln Evening Courier, of Lincoln, Ill., of March 28, 1940. This editorial is very timely and should be read by every "Mr. Average American Citizen." It emphasizes the fact, apparently unheeded, that Uncle Sam derives most of his tax collections in one form or another from the people of moderate means. While most of the revenues now raised come from sources referred to as "painless taxes," the bald fact remains that whether we feel them or not at the moment of payment the pockets of our jeans are emptied, nevertheless, by this indirect method of taxation. As to "painless taxes," there "just ain't such an animal."

The editorial is as follows:

[From the Lincoln (Ill.) Evening Courier of March 28, 1940]

PAYING THE FREIGHT

Don't laugh out loud if you were one of the many people who didn't need to pay any Federal income taxes this year. Don't for a minute think you're getting away with something. You're not. You're paying for the privilege of free government just the same as the man who mailed a check with his tax return is paying for it. Only you don't notice it quite as much.

If you paid an income tax, you know, at least, where some of the money to run the country is coming from. But the combined income and inheritance taxes collected this year will make up less than 25 percent of the money needed to operate the Government.

The 1940 census will probably show about 132,000,000 people in the United States, but only 3,500,000 of them are paying income taxes. This means that only 1 out of every 38 persons pays an income tax, or 1 out of every 15 voting citizens. Uncle Sam will collect about $2,000,000,000 from this form of tax together, but the expenses for the year will total nine billion.

The income tax, in fact, just about pays for W. P. A., with very little or nothing left over. The number of persons on W. P. A. has varied between two and three millions since 1935. A year ago there were nearly 3,000,000 collecting W. P. A. checks, almost as many persons as were paying income taxes. The Federal Government spent $2,065,000,000 for this form of work relief alone during the fiscal year ending in June 1939, and the year ending next June will have cost about one and one-half billions.

Who pays for the rest of the governmental expenditures? You do, of course. It comes in various indirect ways—customs, corporation taxes, undivided-profits taxes, taxes on checks and on safety deposit boxes, taxes on cigarettes, liquor and amusements, processing taxes and taxes on gasoline. Altogether, Uncle Sam has figured out several hundred different ways of extracting cash from his citizens. Most of them the average person never even notices from day to day.

Painless taxation? At the moment of extraction, yes; because you don't notice it; in the aggregate, no. In a year's time, the pennies and nickels add up to incredible amounts. And, remember, what Uncle Sam doesn't collect in taxes, he borrows. That's a little matter which your children who have had nothing to say about it, will have to settle up.

If the People Only Knew—Mr. Rich Makes His Daily Error

EXTENSION OF REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. RANKIN. Mr. Speaker, on yesterday the gentleman from Pennsylvania [Mr. RICH] under reservation of objec-

tion, made some of the wildest misstatements I have ever seen in the CONGRESSIONAL RECORD. I did not have an opportunity to reply to them then, and he was talking so fast, and there was so much noise in the Chamber, I did not know exactly what he said until it was printed in the RECORD. I doubt if he realized what he was saying.

For instance, in the course of his excitement, he said: "The gentleman from Mississippi"—meaning your humble servant—"is interested in having the Government get into all kinds of business." Of course that statement is untrue, as every Member of the House knows. It just goes to show what wild statements he can make when he gets excited.

I draw the distinction between a public business and a private business, and I class the electric-power business as public, since it must inevitably be a monopoly and since it has to do with—I might say control—the generation and distribution of electric energy, one of the necessities of our modern life. Especially is this a public business when it deals with public power generated in a navigable stream that belongs to all the American people.

In referring to the T. V. A., the gentleman from Pennsylvania said:

> The Federal Government pays the taxes, pays for the investment, and gives the people of Mississippi electric power for less than it costs the Federal Government, which sets up the corporation for the benefit of Mississippi, Alabama, Georgia, and Tennessee, and the Government provides 45 percent of the money in Mississippi for electric appliances; then the people go and borrow the other 55 percent from Government agencies, and everything is done down in the gentleman's State at the cost of the taxpayers of Pennsylvania and my district and the other States.

It would certainly take a genius to put more misstatements into one sentence than are contained in this short quotation from the gentleman from Pennsylvania. In the first place, he tells the Congress, under reservation of objection, when no one could reply to him without unanimous consent, that the T. V. A. is selling electricity in that area for less than it costs the Government to produce it.

As a matter of fact, every municipality and every cooperative power association in that area is paying the T. V. A. more for electricity, wholesale, than the Philadelphia Electric Co. pays wholesale for the power produced at Conowingo Dam.

The report of the Army engineers of March 24, 1930, which was signed by the Honorable Patrick J. Hurley, Republican Secretary of War in the Hoover Cabinet, says that power could be generated at Wilson Dam and sold at the switchboard at 1.35 mills a kilowatt-hour.

Today Florence, Ala., right at the dam, is buying this power from the T. V. A. at 4.18 mills a kilowatt-hour or just about three times what the Army engineers said it was worth. And remember, the Army engineers stated that this was the selling price necessary in order to pay 4 percent on the investment in plant and transmission lines and to cover the cost of operation and maintenance indefinitely.

This same report made during the Hoover administration, and signed by a Republican Secretary of War, states that this power 100 miles from the dam should be sold at 1.99 mills a kilowatt-hour. Tupelo, Miss., is a little less than 100 miles from Wilson Dam, and yet the lowest wholesale price Tupelo has ever paid for electricity generated at the Wilson Dam is 4.82 mills a kilowatt-hour, or considerably more than twice what the Army engineers said it should be sold at in order to pay 4 percent on the investment, and to cover the cost of operation and maintenance. This report further says that 200 miles from the dam this power should be sold at 2.31 mills a kilowatt-hour. Yet Macon, Miss., which is only about 150 miles from the dam, is paying 6.63 mills a kilowatt-hour wholesale for this power.

In other words, these municipalities and cooperative associations are paying the T. V. A. a profit of more than 100 percent on every kilowatt of electricity they buy from it wholesale.

But the difference is—and I fear this is where the resentment of these friends of the utilities come from—the difference is that the private power companies that were buying Muscle Shoals power from the Hoover administration at a little less than 2 mills a kilowatt-hour, were selling it to the ultimate consumers at 10 cents a kilowatt-hour, whereas these municipalities and cooperative association that are now buying it, paying all the way from 4 mills to 8 mills a kilowatt-hour, are selling it to the ultimate consumers at a maximum of 3 cents a kilowatt-hour; and still some of them are making so much profit that they have been compelled to reduce their retail rates every year. Tupelo has reduced her maximum residential rates to 2½ cents a kilowatt-hour. In those days 30 kilowatt-hours cost a residential consumer in Tupelo $3; the cost now is 75 cents. In those days 100 kilowatt-hours cost him $8.60; it now costs him $2.25. In those good old days 1,000 kilowatt-hours cost him $66.10; it now costs him $8.15.

Power could be generated anywhere in Pennsylvania with Pennsylvania coal, or Pennsylvania water power, and distributed to the ultimate consumers of that State at the T. V. A. yardstick rates, without loss to legitimate investors. But instead of that, the people of Pennsylvania are compelled to pay overcharges for their electricity amounting to more than $72,000,000 a year.

But the worst blunder of all is that part of his statement in which he said:

> The Government provides 45 percent of the money in Mississippi for electrical appliances, then the people go around and borrow the other 55 percent from the Government agencies and everything is done in the gentleman's State at the cost of the taxpayers of Pennsylvania and my district and the other States.

Now, as a matter of fact, the Government does not pay a penny on electrical appliances. These appliances are bought from the local dealers who in turn are financed through the Electric Home and Farm Authority. The Electric Home and Farm Authority gets more interest on its money than the Government has to pay for it, and for that reason has made a profit every year of its existence.

All these frantic efforts to besmirch the T. V. A., the R. E. A., and the power program of this administration generally, is not registering with the masses of the American people who have to pay these bills every month. The people of Pennsylvania are not paying for the electricity we use in Mississippi, as he would have you believe, but they are certainly paying—through the nose—for what electricity they use. They are overcharged on an average of more than 100 percent.

I realize these attacks on me have no personal implication. They are simply made because of my untiring efforts to protect the overburdened consumers of electric lights and power in every State in this Union, to bring these rates down to their proper levels, to enable the people to use the necessary electrical appliances, and make my country a better place in which to live.

I have before me an editorial from the Electrical World, which is a fair sample of the misleading propaganda now being fed to the American people.

In that editorial the Electrical World feels called upon to enter an apology for the private utility industry. The editors take note of the fact that—

> There is a feeling in the minds of some people that Government power agencies, and particularly R. E. A., are much more active than private utilities in initiating new construction and operating ideas.

This, they feel, is unfair. They try to show it is unfair. In doing so they carefully give a number of the reasons why Government development of rural power systems is more rapid and effective than private utility development. They know that the private utilities never intended to electrify the farm homes of this country. They made no efforts in that direction until after the creation of the T. V. A. and the R. E. A. They were interested in making their rake-offs through inflated valuations and exorbitant rates.

It is a fact—

The editorial concedes—

the R. E. A. has been aggressively searching for new lower-cost methods and equipment and has lost no time in making experiments on a grand scale.

"Searching"? Had the editors glanced at R. E. A.'s latest annual report? Before R. E. A. was established, rural distribution lines cost $1,500 to $2,000 per mile to build, in some cases even more. Today R. E. A. systems are building at an average of less than $750 per mile.

That means that twice as many miles of line can be built with a given amount of money. And it also means that each mile of line carries less than half the previous investment, to be repaid out of income—and no watered stock at all.

Making experiments? The editors of Electrical World seem to write editorials without getting the facts. Do they not know that Tennessee Valley Authority lines and Rural Electrification Administration lines meet all the requirements of national and local safety codes? Do they not know that these lines are giving satisfactory service to hundreds of thousands of farms today that probably never would have had electricity if they had depended on these private utilities?

There is no intention here to imply that R. E. A. experiments are so hastily conceived as to be crackpot.

This Electrical World editorial continues—

In fact, some of their ideas may prove beneficial to private utilities.

Where have the editors been for the last few years? Do they not know that many utility companies are now trying to adopt R. E. A. methods of rural line construction? Do they not know that vertical construction and long spans, the two major changes which R. E. A. was the first to use on a large scale, are now standard in rural areas? Have they not seen the new 1-dial meter the R. E. A. has introduced to take the place of the 3-dial contraption? R. E. A. now has a meter a consumer can read, and it costs only about half as much as the old one did.

The fact of the matter is that there was little rural electrification before R. E. A. and T. V. A.—practically none. About 1 farm in 10 had power, and even they had been electrified incident to the electrification of cities and towns. Rural lines then were merely extensions of urban lines to people living in the edge of town. There were very few exclusively rural systems, and the rates on them were so high as to amount almost to confiscation.

Private utilities claimed they could not electrify American farms because the American farmer could not afford to pay the price. The R. E. A. and the T. V. A. showed that it could be done on a self-liquidating basis. Now the private utilities, copying R. E. A.'s and T. V. A.'s methods, are building rural lines to every part of the country. There was one rural line in my county on which a farmer paid $4.50 for 25 kilowatt-hours that now costs a rural consumer in that county $1.

The editors comment that—

R. E. A. * * * is beholden virtually to no one and can experiment on any scale without regard to cost. This is supposed to explain why so many new ideas have come from R. E. A.
The utilities could do the same thing if it were not for the cost of failure or for commission regulation.

Say the editors—

They have no unlimited treasury, fed by taxpayers, to dip into. They must account for every penny on a "useful" basis.

This begins to sound like Alice in Wonderland. The editors seem to believe that whenever a Federal agency begins to run low on money it sends an office boy over to the Treasury with a wheelbarrow to get more.

Have they not ever heard of the General Accounting Office, the Bureau of the Budget, or, for that matter, the Congress of the United States? What do they do with that $1,000,000,000 of overcharges they wring from the helpless consumers of this country every year?

Their statement that utilities cannot experiment with new equipment and methods because they must account for every penny of their money on a useful basis comes close to being the year's prize tall story. Anyone familiar with the workings of private utilities could cite hundreds of strange and wonderful examples of what some of the leading companies class as useful.

All through the editorial it is conceded that, to the naked eye, it would seem that R. E. A. is more progressive than the utilities. But the very fact that R. E. A. has done things which the utilities have not, and that the utilities are indeed copying R. E. A. pioneered methods, is not proof. In fact, the editors seem to say that to judge merely by what is actually happening is unfair.

They give a number of reasons to explain the contrast, and every reason points to the advantages of Federal sponsorship of rural electrification. The editors conclude by making an apparently good case against private development. By their own description they seem to show that private utilities are so organized as to make progress impossible, or at least very slow, if not undesirable.

And at the last it is to this slowness that the editors turn to find their moral. It is not that R. E. A. is more progressive than the utilities, they say, but only that R. E. A. seems to move faster.

That the Government bodies may appear to go faster does not necessarily imply greater progressiveness.

They conclude—

We seem to still remember the old fable of the hare and the tortoise.

As I remember that fable, the tortoise won the race by moving steadily forward while the hare slept beside the road.

In this instance, however, it seems to me that the tortoise fell asleep. After all, the private utilities had 50 years before R. E. A. started to show what they could do. Their best amounted to almost nothing.

The editors of Electrical World and the private-utility people may be content with this kind of progress, but the American farmer certainly is not.

If these private utilities would eliminate about six or eight billions of dollars of wind, water, and inflated valuations from their capital structures they could supply electricity to every consumer, including every farmer, in America, at the T. V. A. yardstick rates—including the now overburdened people of Pennsylvania.

The Legislature of Hawaii, Its Composition and Apportionment

EXTENSION OF REMARKS

OF

HON. SAMUEL W. KING

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. KING. Mr. Speaker, under leave to extend my own remarks in the RECORD I wish to discuss the composition and apportionment of the Legislature of Hawaii. This is primarily a matter of local concern, and would ordinarily under our democratic system of government be determined by the people of Hawaii themselves. But our status as a Territory requires Congress to pass upon any changes which might be proposed to the Hawaiian Organic Act, wherein the present organization of the legislature is prescribed.

It is a matter of pride to the citizens of Hawaii that Congress has never had to initiate any amendments to our organic law. As new conditions have shown the need for changes, our legislature has accepted the responsibility of sponsoring such changes, adopted resolutions to effect them, and memorialized Congress to approve the desired amendments to the Organic Act. In nearly every instance congressional consent has been promptly granted. The people of Hawaii, experienced in self-government, have during 40 years

as a Territory maintained a stable local government in accordance with American institutions and completely in the American pattern.

Legislative reapportionment, however, has lagged behind the need for a more equitable plan of representation caused by the rapid increase of, and shifts in, our population, in the past 40 years. The 1939 legislature tackled this problem and despite conflicting ideas, finally evolved a plan which was embodied in a Senate resolution, to which a majority of the Members of both Houses have expressed their approval. In accordance with the request that I offer the amendments to the Hawaiian organic act necessary to carry it out, I introduced H. R. 6453 on May 22, 1939.

The purpose and effect of this measure was explained by me in the RECORD of May 29, 1939, under leave to extend my remarks. The bill was referred to the Committee on the Territories, where it is still pending. Further study of the details of the proposed plan, and of other suggested plans indicates the desirability of presenting to that committee in concrete form a number of measures which can then be considered on their respective merits. I have accordingly introduced four bills, as alternative means of obtaining the objective; that is, a more equitable distribution of the membership of the legislature.

Before describing these bills, I wish to explain briefly the present situation. The Legislature of Hawaii as constituted by the Organic Act is a bicameral body, consisting of 15 senators, elected for terms of 4 years, and 30 representatives elected for terms of 2 years. The senators are apportioned among four senatorial election districts, each of which comprises one of the four counties of the Territory. From the first district, the County of Hawaii, 4 senators are elected at large; from the second, the County of Maui, 3; from the third district, the city and County of Honolulu, 6; and from the fourth, the County of Kauai, 2. At each biennial election approximately half of the membership of the senate is elected, the other half being hold-over members who have not completed their terms.

The representatives are apportioned among six election districts. The county of Hawaii is divided into two such districts, the first and second, each electing 4 representatives at large, or a total of 8 for the county. The county of Maui comprises the third representative district, electing 6 members at large. The city and county of Honolulu is divided into the fourth and the fifth representative districts, each electing 6 representatives at large, a total of 12 for the city and county. The county of Kauai comprises the sixth representative district, electing 4 representatives at large. The organic act prescribes that the legislature—

> Shall reapportion the membership in the senate and house of representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory.

On that basis it has been estimated that the city and county of Honolulu, comprising the island of Oahu, on which the city of Honolulu is located, would gain 3 senators, making a total of 9, and 6 representatives, to make a total of 18, divided between the two representative districts. Every other county would have its representation in both houses reduced. The present system of having a number of candidates run at large from one district would result on Oahu in 9 senators being elected from the one senatorial district and 8 to 10 representatives being elected from each of the two representative districts into which the island is divided.

Even with the present number of candidates, the elections have become burdensome to both the voters and the candidates. There are simply too many aspirants for office seeking the attention of the electorate to permit a fair consideration of their respective merits. When Hawaii had only about 12,000 voters the present system worked satisfactorily. Now that Hawaii has over 80,000 voters and will soon have over 100,000, some simplification of the election machinery is greatly needed. Other faults have developed from the present method, such as bloc voting and plunking, or voting for only one of the number to which the voters are entitled to cast their ballots.

It is obvious that, however the question of reapportionment between the counties is answered, it is very necessary that the present election districts should be divided into smaller units; in other words, that the Territory should be redistricted at the same time as the legislature is reapportioned. Whether redistricting shall be carried out to the fullest extent by providing for individual senatorial and representative election districts, or whether somewhat larger districts electing more than one legislator are preferable may be open to argument because the single election districts might be considered too small, especially in urban areas. But practically every student of our local politics agrees that smaller election districts are necessary, and would result in better representation of the different sections and economic groups of the Territory. As it is now, the urban centers, whose population growth has been proportionately greater than the rural areas, capture most of the membership of the legislature. Redistricting would assure each section, rural or urban; and in our cities, each economic group, its proportionate membership in the legislature.

The next debatable question is whether both houses of the legislature should be reapportioned between the counties or only the lower house. The objection has been made to the plan proposed by the Hawaiian Senate, and approved individually by a majority of the members of the Hawaiian House of Representatives, that the Senate was not redistributed between the counties, but only redistricted within the several counties. As previously pointed out, strict adherence to this principle of reapportionment in accordance with numbers, either of population or voters, would give Oahu a majority in both houses of the legislature. With 9 senators out of 15, and 18 representatives out of 30, the Territorial government would be dominated by the Oahu delegation. As the city of Honolulu, comprising the small urban portion of the Island of Oahu, contains about two-thirds of the population and four-fifths of the voting strength of that island, in effect the plan advocated by some would result in the city of Honolulu being in complete control of the legislature.

Such a plan naturally arouses the strong opposition of the other counties. Hawaii is divided into several islands, each with distinctive problems and slightly different needs. The old battle between the city and the country has more justification when there is a physical separation of the urban and rural areas. Heretofore the outside counties have shared fairly with Honolulu in all general legislation, and their welfare has not been subordinated to that of the city. Standards for the health, public instruction, and public construction programs have been the same throughout the Territory. The people of the three counties of Hawaii, Maui, and Kauai are apprehensive that this equal consideration may not continue if the legislature becomes entirely controlled by city members. They concede that Oahu is entitled to more representation, but feel that some balance of power would better protect their interests. To them it is a matter of great importance. On the other hand, the people of Oahu, while desirous of better representation, are sympathetic toward the fears of the other counties and are willing to accept a compromise.

The issue is not a partisan one. Every spokesman from the other islands, regardless of his party affiliation, is opposed to any plan of reapportionment that would give Honolulu a majority in both houses. In fact, in most cases candidates for office and other leaders have only reluctantly approved of reapportionment on the express understanding that the outside counties would be permitted to continue in control of one house. On Oahu the desire for better representation in the legislature as expressed by leaders of both parties is not nearly so vehement. Apparently any reasonable compromise would be acceptable to the rank and file. Many precedents for the situation in Hawaii can be found

on the mainland. Nearly every State in which great cities are located deny such urban populations their proportionate representation in the State legislatures.

The National Government, of course, bases senatorial representation on State sovereignty rather than population. Whether Hawaii could use such precedents as justification for reapportioning the house of representatives in such a manner as to give the island of Oahu the majority membership its population warrants, while leaving the membership of the senate distributed between the counties as at present, is an open question. As a fair compromise, in view of the sentiments of both the urban and rural populations, I believe it can be upheld. Such a compromise would obtain reapportionment now and give Oahu at least a majority in one house. If coupled with redistricting, the newly constituted legislature would represent a better cross section of our community than at present.

Insistence on reapportionment of both houses in accordance with population would mean that no legislation of this type would be accomplished for some time.

As part of the compromise between the interests of the urban and the rural areas, it has been rather generally agreed that, rather than decrease rural representation in the house in order to give Oahu its larger membership, the total membership of the house should be increased and the additional number be added to Oahu's present representation. Twelve additional representatives would bring Oahu's total up to 24, while leaving the 3 outside counties with the same number—18—distributed as at present. The larger body would appear to be desirable for many reasons, and Hawaii's nearly threefold increase in population since the legislature was inaugurated certainly deserves an increase in popular representation in the lower house.

The premises I have accepted as guides in this question are as follows:

First. That redistricting is a necessary part of reapportionment.

Second. That the senate shall be distributed among smaller election districts, but shall not be increased in numbers, nor reapportioned between counties.

Third. That the house shall be increased from 30 to 42 members, and the entire increase allotted to the city and county of Honolulu, comprising the Island of Oahu.

Fourth. That smaller representative election districts shall be established.

Fifth. That the basis for redistricting and reapportionment shall be the number of votes cast at any designated preceding election, as preferable to population figures; and that new election districts shall be as nearly as possible of equal voting strength, taking into account the necessity of using present precinct boundaries in establishing such districts.

Sixth. That in addition to equal representation due consideration be given to natural geographical and historical factors in setting up new districts, and that adjacent precincts of homogeneous character be grouped together wherever possible.

I have therefore introduced the four alternative measures that provide solutions of our problem, in the assurance that in doing so I am following out the wishes of the great majority of my constituents, and in the hope that Congress will be able to approve of one of these measures during the present session.

The first of these bills, H. R. 9186, carries out the plan proposed by the Hawaiian Senate. It is similar to the previous bill I introduced on this subject, but has been corrected to incorporate a number of changes and minor amendments that appear to be necessary to the original plan. It provides that the distribution of the senate as between the four counties shall remain as at present, but creates seven senatorial election districts from which two senators will be elected at large, one every 2 years, and one district electing one senator every 4 years. It leaves the number of representatives from the outside counties the same, but establishes smaller representative election districts, each electing two representatives at large every 2 years. For Oahu the number of representatives is increased from 12 to 24, and six representative election districts, each electing 4 representatives at large, are established. The following table lists the precincts that would comprise the proposed election districts, together with the votes cast by them at the last general election.

TABLE 1.—TO ACCOMPANY H. R. 9186

Reapportionment of the Legislature of Hawaii

(Based on the total number of votes cast in the general election, Nov. 8, 1938)

HAWAII COUNTY

Present election districts and precinct numbers		Polling places	Total number of votes cast	Votes cast in new senatorial districts	Number of district and senators	Votes cast in new representative districts	Number of district and representatives
District	*Precinct*						
1	1	Kalapana	94				
	2	Opihikao	60				
	3	Kapoho	80				
	4	Pahoa	165				
	5	Keakealani	110				
	6	Mountain View	220				
	7	Olaa	520				
	8	Waiakea Waena	419				
	9	Keaukaha	504				
	10	Waiakea Kai	481				
	11	Waiakea Homesteads	479			3,132	1st, 2.
	12	Kapiolani	526				
	13	Villa Franca	626				
	14	Hilo Center	423				
	15	Hilo Armory	574				
	16	Piihonua	809				
	17	Puueo	459	6,549	1st, 2	3,417	2d, 2.
	18	Wainaku	296				
	19	Papaikou	545				
	20	Pepeekeo	198				
	21	Honomu	505				
	22	Honohina	156				
	23	Manowaiopae	490				
	24	Paauilo	264				
	25	Kalopa	119				
	26	Paauhau	145				
	27	Honokaa	509				
	28	Kukuihaele	140				
	29	Waipio	60			3,427	3d, 2.
2	1	Makapala School	327				
	2	Kohala High School	616				
	3	Kaauhuhu School	114				
	4	Waimea Courthouse	355				
	5	Kawaihae School	48				
	6	Puuanahulu School	43				
	7	Kalaoa School	88				
	8	Kailua Courthouse	242				
	9	Keauhou School	466				
	10	Napoopoo School	431				
	11	Hookena School	233				
	12	Ala-E School	79				
	13	Milolii School	52				
	14	Waiohinu Courthouse	407				
	15	Pahala School	506	7,434	2d, 2	4,007	4th, 2.

MAUI COUNTY

3	6	Waikapu	365				
	7	Wailuku	620				
	8	Piihana	512				
	9	Papohaku	345				
	10	Waihee	239				
	11	Kahakuloa	27				
3	12	Kahului	440				
	13	Puunene	755				
	28	Kihei	77			3,380	5th, 2.
	14	Spreckelsville	317				
	15	Lower Paia	456				
	16	Paia	759				
	17	Keahau	196				
	18	Makawao	362				
	19	Haiku	293				
	20	Peahi	91				
	21	Keanae	113				
	22	Nahiku	37				
	23	Hana	350				
	24	Kipahulu	43				
	25	Kaupo	62				
	26	Ulupalakua	82				
	27	Keokea	307	6,848	3d, 2	3,468	6th, 2.

Reapportionment of the Legislature of Hawaii—Continued

MAUI COUNTY—continued

Present election districts and precinct numbers		Polling places	Total number of votes cast	Votes cast in new senatorial districts	Number of district and senators	Votes cast in new representative districts	Number of district and representatives
District	*Precinct*						
	1	Lanai	471				
	2	Honokahua	159				
	3	Mala	499				
	4	Kam. 3d School	416				
	5	Olowalu	51				
	29	Halawa	32				
	30	Ualapue	192				
	31	Kaunakakai	403				
	32	Hoolehua	266				
	33	Maunaloa	94				
	34	Kalaupapa	243	2,826	4th, 1	2,826	7th, 2.

CITY AND COUNTY OF HONOLULU

4	1	Waialae and Wilmna. Rise	950				
	2	Waialae and 16th Ave	837				
	3	Kapiolani Park	692				
	4	Kaimuki Park	652				
	5	Aliiolani School	853				
	29	Kahala and Kealaolu Ave	716				
	30	Kaimuki and 9th Ave	667				
	31	Olu and 6th Ave	576				
	33	Campbell and George Ave	740				
	34	Waialae and Palolo Ave	733			7,420	8th, 4.
4	6	Kamanele Park	709				
	7	Wilder and Farring Sts	907				
	8	Kuhio School	937				
	9	Kuhio Park	681				
	10	John Ena and Kalakaua	640				
	11	Washington School	990				
	12	Government Nursery	646				
	13	Wilder and Punahou Sts	603				
	14	Manoa Park	709	14,302	5th, 2	6,882	9th, 4.
	15	Keeaumoku St	759				
	16	Stevenson School	794				
	17	Lincoln School	570				
	18	Ward and Kawaihao Sts	620				
	19	Pohukaina School	847				
	20	King and Punchbowl	424				
4	21	Royal School	679				
	22	Fort and Vineyard Sts	415				
	23	do	598				
	24	Magellan and Iolani Sts	481				
	32	Thomas Square	364			6,551	10th, 4.
4	25	Puowaina St	816				
	26	Lusitana St	1,020				
	27	Nuuanu and Judd Sts	549				
4	21	Kuakini St	582				
	22	Banyan tree	840				
	23	Vineyard ewa Nu. Stream	741				
	24	Vineyard (Waikiki) Nu. Stream.	926				
	25	Aala Park	747				
	27	Liliha and School Sts	679				
	28	Palama Gymnasium	508	13,959	6th, 2	7,408	11th, 4.
	12	Kalihi Waena School	694				
	13	Fernandez Park	1,021				
	14	Kalihi and Akina Sts	604				
	15	Puuhale School	667				
	16	Kalihi Hospital	28				
	17	Kalihi Pumping Station	942				
	18	Houghtailing Street	644				
	19	School and Lanakila Sts	886				
	20	Wyllie St	867				
	26	Gulick and King Sts	694			7,047	12th, 4.
	1	Koolaupoko Courthouse	652				
	2	Waiahole School	243				
	3	Hauula Courthouse	263				
	4	Kahuku School	557				
	5	Waialua Courthouse	1,007				
	6	Waianae Courthouse	345				
	7	Wahiawa Pavilion	1,271				
	8	Ewa School	495				
	9	Ahrens School	847				
	10	Ewa Courthouse	1,042				
	11	Kaloaloa School	352				
	20	Nanakuli Park	250				
4	28	Waimanalo and Kailua Rd	545	14,916	7th, 2	7,869	13th, 4.

KAUAI COUNTY

6	1	Nihau	55				
	2	Kekaha	499				
	3	Waimea	541				
	4	Makaweli	460				
	5	Eleele	1,082				
	6	Koloa	602			3,239	14th, 2.
	7	Lihue	1,484				
	8	Kapaa	1,067				
	9	Anahola	143				
	10	Kilauea	163				
	11	Hanalei	252	6,348	8th, 2	3,109	15th, 2.

As an alternative to the above plan, I have introduced H. R. 9187, which, while based on the same principles as the preceding bill, carries out redistricting to its logical conclusion by providing single senatorial and representative election districts throughout the Territory. This plan would greatly simplify campaigns and elections. Candidates would be selected for office from their own immediate neighborhoods, and could carry on their campaigns with a minimum of expense. A better cross section of the electorate would be elected to office. Sections and groups of our people unable at present to obtain representation would be assured of the opportunity of electing one of their own neighbors to the legislature. The smallness of the election districts and the cohesiveness of our community life precludes the possibility of creating any real conflict of interest between representatives of the different districts. On the other hand, minority groups would be assured of at least minority representation whenever they can cast a majority of the votes in any of these individual districts.

The table below lists the precincts that would comprise these districts. Until the legislature can establish new boundaries it is necessary to retain the present precincts in making up the new districts, as the only units concerning which figures as to the number of votes cast are available. This leads to some disparity between districts, but in most cases the smaller districts are in rapidly growing areas. No mathematically correct division is possible. The discrepancies can be ironed out by the legislature under its general authority, and the bill requires that this be done before July 1, 1941.

TABLE II.—TO ACCOMPANY H. R. 9187

Reapportionment of the Legislature of Hawaii

(Based on the total number of votes cast at the general election, Nov. 8, 1938)

HAWAII COUNTY

Present election districts and precinct numbers		Polling places	Total number of votes cast	Votes cast in new senatorial districts	Number of senatorial district	Votes cast in new representative districts	Number of representative district
District	*Precinct*						
1	1	Kalapana	94				
	2	Opihikao	60				
	3	Kapoho	80				
	4	Pahoa	165				
	5	Keakealani	110				
	6	Mountain View	220				
	7	Olaa	520			1,249	1
	8	Waiakea Waena	419				
	9	Keaukaha	504				
	10	Waiakea Kai	481				
1	11	Waiakea Homesteads	479	3,132	1st	1,883	2
	12	Kapiolani	526				
	13	Villa Franca	626				
	14	Hilo Center	423			1,575	3
	15	Hilo Armory	574				
	16	Piihonua	809				
	17	Puueo	459	3,417	2d	1,842	4
	18	Wainaku	296				
	19	Papaikou	545				
	20	Pepeekeo	198				
	21	Honomu	505				
	22	Honohina	156			1,700	5
	23	Manowaiopae	490				
	24	Paauilo	264				
	25	Kalopa	119				
	26	Paauhau	145				
	27	Honokaa	509				
	28	Kukuihaele	140				
	29	Waipio	60	3,427	3d	1,727	6
2	1	Makapala School	327				
	2	Kohala High School	616				
	3	Kaauhuhu School	114				
	4	Waimea Courthouse	355				
	5	Kawaihae School	48				
	6	Puuanahulu School	43				
	7	Kalaoa School	88				
	8	Kailua Courthouse	242			1,833	7
	9	Keauhou School	466				
	10	Napoopoo School	431				
	11	Hookena School	233				
	12	Ala-E School	79				
	13	Milolii School	52				
	14	Walohinu Courthouse	407				
	15	Pahala School	506	4,007	4th	2,174	8

Reapportionment of the Legislature of Hawaii—Continued

MAUI COUNTY

Present election districts and precinct numbers		Polling places	Total number of votes cast	Votes cast in new senatorial districts	Number of senatorial district	Votes cast in new representative districts	Number of representative district
District	*Precinct*						
3	18	Makawao	362				
	19	Haiku	293				
	20	Peahi	91				
	21	Keanae	113				
	22	Nahiku	37				
	23	Hana	350				
	24	Kipahulu	43				
	25	Kaupo	62				
	26	Ulupalakua	82				
	27	Keokea	307			1,740	9
	14	Spreckelsville	317				
	15	Lower Paia	456				
	16	Paia	759				
	17	Keahau	196	3,468	5th	1,728	10
	9	Papohaku	345				
	12	Kahhului	440				
	13	Puunene	755				
	28	Kihei	77			1,617	11
	6	Waikapu	365				
	7	Wailuku	620				
3	8	Piihana	512				
	10	Waihee	239				
	11	Kahakuloa	27	3,380	6th	1,763	12
	1	Lanai	471				
	2	Honokahua	159				
	3	Mala	499				
	4	Kam. 3d School	416				
	5	Olowalu	51			1,596	13
	29	Halawa	32				
	30	Ualapue	192				
	31	Kaunakakai	403				
	32	Hoolehua	266				
	33	Maunaloa	94				
	34	Kalaupapa	243	2,826	7th	1,230	14

CITY AND COUNTY OF HONOLULU

4	28	Waimanalo and Kailua Roads.	545				
	1	Koolaupoko Courthouse	652				
	2	Waiahole School	243				
	3	Hauula Courthouse	263				
	4	Kahuku School	557			2,260	15
	5	Waialua Courthouse	1,007				
	7	Wahiawa Pavilion	1,271			2,278	16
	6	Waianae Courthouse	345				
	8	Ewa School	495				
	9	Ahrens School	847				
	29	Nanakuli Park	250			1,937	17
	10	Ewa Courthouse	1,042				
	11	Kalealoa School	352	7,869	8th	1,394	18
	14	Kalihi and Akina Sts	604				
	15	Puuhale School	667				
	16	Kalihi Hospital	28				
	26	Gulick and King Sts	694			1,993	19
	12	Kalihi Waena School	694				
	13	Fernandez Park	1,021			1,715	20
	18	Houghtailing St	644				
	19	School and Lanakila Sts	886			1,530	21
	17	Kalihi pump station	942				
	22	Banyan Tree	840	7,020	9th	1,782	22
	24	Vineyard (Waikiki) Nuuanu stream.	926				
	25	Aala Park	747			1,673	23
5	23	Vineyard (Ewa) Nuuanu stream.	741				
	27	Liliha and School Sts	679				
	28	Palama Gymnasium	508			1,928	24
	20	Wyllie St	867				
	21	Kuakini St	582				
4	27	Nuuanu and Judd Sts	549			1,998	25
	25	Puowaina St	816				
	26	Lusitana St	1,020	7,435	10th	1,836	26
	21	Royal School	679				
	22	Fort and Vineyard Sts	415				
	23	do	598				
	24	Magellan and Iolani Ave	481			2,173	27
	16	Stevenson School	794				
	17	Lincoln School	570				
	32	Thomas Square	364			1,728	23
	18	Ward and Kawaiahao Sts	620				
	19	Pohukaina School	847				
	20	King and Punchbowl Sts	424			1,891	29
	12	Government nursery	646				
	13	Wilder and Punahou Sts	603				
	15	Keeaumoku St	759	7,800	11th	2,008	30
	10	John Ena and Kalakaua	640				
	11	Washington School	990			1,630	31
	3	Kapiolani Park	696				
	9	Kuhio Park	681			1,377	32
	7	Wilder and Farring. Sts	907				
	8	Kuhio School	937			1,844	33

Reapportionment of the Legislature of Hawaii—Continued

CITY AND COUNTY OF HONOLULU—continued

Present election districts and precinct numbers		Polling places	Total number of votes cast	Votes cast in new senatorial districts	Number of senatorial district	Votes cast in new representative districts	Number of representative district
District	*Precinct*						
4	6	Kamanele Park	709				
	14	Manoa Park	769	6,329	12th	1,478	34
	30	Kaimuki and 9th Aves	667				
	31	Olu and 6th Sts	576				
	33	Campbell and George Sts	740			1,983	35
	5	Aliiolani School	853				
	34	Waialae and Palolo Ave	733			1,586	36
	2	Waialae and 16th Ave	837				
	4	Kaimuki Park	652			1,489	37
	1	Waialae and Wilmna Roads	950				
	29	Kahala and Kealaolu Ave	716	6,724	13th	1,666	38

KAUAI COUNTY

6	1	Niihau	55				
	2	Kekaha	499				
	3	Waimea	541				
	4	Makaweli	460			1,555	39
	5	Eleele	1,082				
	6	Koloa	602	3,239	14th	1,684	40
	7	Lihue	1,484			1,484	41
	8	Kapaa	1,067				
	9	Anahola	143				
	10	Kilauea	163				
	11	Hanalei	252	3,109	15th	1,625	42

Anticipating that the actual establishment of election districts might be considered more properly a subject of local legislation, even though the plans I have proposed are based on recommendations of the Hawaiian Senate, I have introduced H. R. 9188. This bill amends the present provisions of the organic act by requiring the legislature to reapportion the membership of the house not later than July 1, 1941, and every 10 years thereafter, on the basis of the number of votes cast rather than on the basis of the population who are citizens of the Territory. Under this bill the legislature may alter the boundaries of both the senatorial and representative districts; reapportion the house between the counties; and increase the membership of the house up to a total of not more than 42. The bill does not permit the legislature to reapportion the senate between the several counties. In other words, my third alternative is permissive legislation, granting authority to the legislature to put into effect the plan outlined in the two preceding bills. Because our biennial session takes place next year, the new program could not apply before the elections of 1942, which is an objectionable feature of the bill to those who believe in the urgency of reapportionment. I enclose a copy of the bill herewith for ready reference.

A bill (H. R. 9188) to amend the Hawaiian organic act so as to provide for reapportionment of the membership of the house of representatives of the Legislature of the Territory of Hawaii and authorizing the legislature to alter senatorial districts

Be it enacted, etc., That section 55 of the Hawaiian organic act be amended by substituting for that portion thereof reading:

"The legislature, at its first regular session after the census enumeration shall be ascertained, and from time to time thereafter, shall reapportion the membership in the senate and house of representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory;" the following:

"The legislature, not later than July 1, 1941, and every 10 years thereafter, shall reapportion the membership in the house of representatives among the several counties and the city and county of Honolulu on the basis of the total number of registered voters voting at the last preceding general election and in making such reapportionment it may change the boundaries of representative districts, may increase the number of representatives to a total of not more than 42, and may provide for the number of representatives to be elected from representative districts;".

SEC. 2. The Legislature of the Territory of Hawaii may alter the boundaries of senatorial districts within counties or within the city and county of Honolulu and may change the number of senators to be elected from such districts; provided, however, that

the total number of senators elected from each of the counties and from the city and county shall not be changed.

SEC. 3. In the event the Legislature of the Territory of Hawaii fails to reapportion the membership of the house of representatives thereof as required by the terms of the Hawaiian organic act as amended by this act, the representatives to be elected thereafter to serve in said legislature shall be elected at large by the voters of the entire Territory and without regard to districts (in case of an election at large and for the purpose of eligibility of candidates at such election the entire Territory shall be considered as one representative district) until such time as the legislature reapportions the membership of said house of representatives upon the basis required by said organic act.

SEC. 4. This act shall take effect from and after the date of its approval.

Finally, as a modification of the above measure, I have introduced House bill 9189. This latter bill simply amends the Organic Act by granting the Legislature of Hawaii full authority over its own composition and apportionment. It places the responsibility upon the legislature, where it properly belongs, to provide for equitable representation between all sections of the Territory and all classes and groups of the electorate. This proposal should meet the objections of those who contend that the senate as well as the house should be reapportioned, as it gives them the opportunity of urging their point before the legislature. The principle of home rule, of granting to each community the greatest possible degree of local self-government, should be in favor of this last alternative. There is no particular reason why the Organic Act should prescribe the manner in which the legislature should be reapportioned. In fact, the method laid down 40 years ago would today make for greater confusion and less equitable representation than ever. After outlining the original basis for legislative representation Congress might well leave future changes to Hawaii. The matter can safely be left to the legislature itself to meet changing conditions without further necessity for congressional action. Our legislative record merits such confidence, and the veto power is a sufficient brake on any ill-considered legislation. Although the legislature will be unable to effect any changes before its next session, to become operative in 1942, yet the problem by this bill becomes one to be discussed and solved by those most concerned, familiar with all the phases of the question, and competent to find a solution that will be on the whole satisfactory to the people of the Territory. For convenience I include herein a copy of this last bill.

A bill (H. R. 9189) to provide for fixing the number of members and reapportionment of membership in the Legislature of the Territory of Hawaii by the legislature

Be it enacted, etc., That so much of section 55 of the Hawaiian Organic Act as reads as follows: "Legislature, at its first regular session after the census enumeration shall be ascertained, and from time to time thereafter, shall reapportion the membership in the senate and house of representatives among the senatorial and representative districts on the basis of the population in each of said districts who are citizens of the Territory; but the" is repealed.

SEC. 2. Section 30 of such act is amended to read as follows:

"SEC. 30. The senate shall be composed of 15 members, or such other number as may be fixed by the legislature by law, who shall hold office for 4 years."

SEC. 3. Section 35 of such act is amended to read as follows:

"SEC. 35. The house of representatives shall be composed of 30 members, or such other number as may be fixed by the legislature by law, elected, except as herein provided, every second year."

Resolution Providing for the Appointment of a Select Committee to Investigate the German White Book

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. FISH. Mr. Speaker, in all fairness to President Roosevelt and our Ambassadors in Europe, there should be a complete and thorough investigation of the charges made by the German Foreign Office of the alleged Polish documents. I cannot conceive that the German Foreign Office should fabricate or forge documents, as it is certainly in the interest of the German Government to maintain peaceful relations with us.

Congress has no power to recall or dismiss any official in our Foreign Service. It may investigate the conduct of any such public officials or any intemperate or inflammatory speeches or statements made by them that might involve us in foreign entanglements or wars. The Congress may censure such diplomats or lay down rules for their guidance, but cannot force them to resign.

If upon investigation the facts warrant impeachment of any American Ambassador or Minister, or even of the President, for making secret commitments that might jeopardize our neutrality and involve us in war, then it is the duty of the House of Representatives to initiate impeachment proceedings.

With this purpose in view I have introduced a House resolution, and shall endeavor to secure its early consideration before the Committee on Rules, to which it has been referred. I appeal to all American citizens interested in preserving American neutrality to write their Representatives to support the following resolution:

House Resolution 450, Seventy-sixth Congress, third session

(In the House of Representatives April 1, 1940: Mr. FISH submitted the following resolution; which was referred to the Committee on Rules)

RESOLUTION

Resolved, That the Speaker of the House of Representatives is hereby directed to appoint a committee of five Members of the House, three from the majority party and two from the minority, to inquire into the authenticity of the correspondence contained in the German White Book, with particular reference to statements alleged to have been made by Ambassadors Bullitt and Kennedy, endangering the peace, safety, interest, and neutrality of the United States and in violation of official duty, the laws of our country, the spirit of the Constitution, the practice in our Diplomatic Service, and the regulations established by the State Department, and report back to the House within 30 days.

Major Problems of Social Security

EXTENSION OF REMARKS

OF

HON. PAT HARRISON

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, April 2 (legislative day of Monday, March 4), 1940

ADDRESS BY PAUL V. McNUTT BEFORE NATIONAL INDUSTRIAL CONFERENCE BOARD

Mr. HARRISON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Paul V. McNutt, Federal Security Administrator, before the National Industrial Conference Board at New York City on March 28, 1940, on the subject Major Problems of Social Security.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Our 5 years' experience with social security has disclosed two major problems which I should like to discuss this evening. One has to do with the public-assistance program and the other with the old-age and survivors insurance program. It may be well to remind you of the theory of the two aspects of our efforts to provide for the aged.

The old-age-insurance plan provides only for those workers in covered industries who qualify for benefits by reason of the contributions which they and their employers have made. The public-assistance plan provides grants for the States on a matching basis for distribution to the needy aged of the State. The first plan is in theory an insurance device. The second, a pension scheme for those with insufficient income. It is in this connection that we have the so-called "means" test. In connection with this program

of public assistance, the problem which has harried us from the beginning is the wide variation in benefit payments among the States, some paying relatively generously; others, amounts utterly inadequate on any standard of living, however low. The problem in connection with the insurance plan is the limited coverage, many millions of wage earners being excluded under the present law.

There is today an unwarranted and cruel disparity between the assistance payments to aged needy individuals. I want the American people to be keenly aware of the situation, and I feel that public opinion will force a decent level of payments to be made regardless of State lines.

Regardless of any abstract theory, I can find no justifiable basis for any law which results in a "dime a day" Federal pension to citizens who live in certain States, and Federal benefits of $20 per month to other United States citizens who happen to live in more prosperous States. They are all American citizens.

Unless this present gross injustice to so many of our aged citizens is corrected, we may anticipate increasing pressure for pensions entirely on a Federal basis, and abandonment of the present Federal-State plan of public assistance. This pressure would seem to me justifiable and right if such change in system is the only possibility of securing a decent, universal level for public-assistance payments to the aged. Theory must yield to fact. This situation must be corrected.

The existing State pension systems have been greatly expanded, and in many States originated in the system of Federal grants-in-aid set up in the Social Security Act. I believe it may be said without fear of contradiction that States are at present financing these public-assistance payments to the extent of their several abilities, and that the great disparity in payments from State to State is because of the variance in the financial abilities of these States.

The practical effect of the present grant-in-aid program is to penalize the aged in a State by cutting down the Federal funds given the State for assistance so that they will not exceed the funds the State is able to raise for this purpose.

It would seem manifest that the existing grant-in-aid system should be modified. I do not believe that the Federal grant should necessarily be limited to match the funds the State can raise. There should be more liberal Federal participation, particularly in States where financial limitations have resulted in pitifully poor pensions. It seems to me unjustifiable that any aged citizen of the United States who must look to a pension for his support should be given only a $5 or $10 per month pension.

The basis of Federal grants-in-aid, in my judgment, could well be changed to put a floor under the amount of pension which will be paid a person, regardless of the State in which he lives. It would seem to me that a change in the present system to accomplish this is not only desirable, but is a change demanded by simple justice.

There have been several concrete suggestions made for changes which would remedy this condition in varying degrees and at varying increases in cost to the Federal Government—ranging from some ten million dollars annually to between two and three hundred million dollars annually. I, for one, favor the larger expenditure for this purpose.

The Federal Government has assumed—and, I believe, has properly assumed—responsibility toward its citizens of relieving them of the blight of dependency in their declining years. I feel that this responsibility is owed to all citizens without regard to the particular locality of their residence. The present system can and should be so modified as to result in both an equitable and adequate discharge of this obligation.

The principal problem in connection with old-age and survivors insurance is that of extending coverage. A long step could be taken toward wider coverage by the inclusion of the millions of self-employed persons in the country. In considering extension of coverage to self-employment, we should bear in mind that in our old-age and survivors insurance system—

(1) benefits are based on wages;

(2) employee (and employer) contributions are measured by these wages; and

(3) employers report these wages.

It could be said that the general philosophy of the system is that a person's contributions are based on his wages, and are used toward purchasing protection against his wage loss in the event of his death or old age. So the relation of benefits based on wages and contributions measured by wages is a basic idea of contributory social insurance. We could, of course, substitute "remuneration from gainful employment" for "wage" and the effect would be to better carry out, rather than thwart this general philosophy. The restriction to "wages" in the present law was made for practical reasons only.

It should be noted that while there is a philosophical connection entailed in the idea of purchasing protection, there is nothing like an actuarial relationship between a person's contributions and the value of his protection. In the case of those now old, the actuarial value of the annuity may be 20 times the contribution.

What is to be charged the self-employed is accordingly rather the practical financial problem and the problem of what he should pay as compared to an employee with similar income. We seem to have practical limits to the latter factor.

(a) He should have no more favorable treatment than an employee.

(b) If he has less favorable rates of contribution, we must stand ready to justify them, and

(c) It would appear impossible to justify a rate in excess of the commercial premium cost of similar protection.

Besides the psychological value of purchased protection, connected with the employee contribution, the employee and the employer contributions will for a number of years support total benefit costs. If we are to extend coverage to cases where there will be no employer contributions, one of the problems is to determine upon a substitute for the employer contribution, and justify this substitute.

It might be mentioned that the general justification for the special benefits for "wage earners" has been that "the employer and employee are footing the entire bill." This was the general principle of the original act. It is now rather generally admitted that a Government subsidy will be necessary. How much the amount of such subsidy is affected by the recent amendments is uncertain. At any rate, the philosophy has to be modified as it is not a self-contained "employer and employee" wholly financed system. The philosophy will be more accurate if we say: This is a system in which a large portion of the cost is borne by direct contributions from those gainfully employed. The remainder of the cost is from an excise tax on employers and from general taxes. These latter contributions are justified because all gainfully employed and their dependents are protected.

It is, of course, of basic importance if we are to have a benefit system based on wages or remuneration for gainful employment, that we should have reasonable and accurate evidence as to the wages. When the reporting of wages is by the employer his self-interest plus the self-interest of the employee creates a situation where the tendency is for an accurate report. The employer has records, and these records are subject to checking.

When we extend the system beyond cases where there is an employer to report and include cases where the person who is to receive the benefit is the one who makes the contribution and makes the report, it must be recognized that three types of situations tend to incorrect reports.

(a) The reporter's failure to keep books;

(b) The temptation in some instances to under report to save in contributions; and

(c) The temptation in other instances to over report to gain in benefits.

Generally speaking, in the case of those now young, the temptation would be to under report. The basic $20 benefit is purchasable for exactly half the monthly contribution required of the $25 benefit.

In the case of those who will retire in the next few years, the temptation would be to overreport. A person with $25 per month wages could report $250 at an extra cost of $2.25 per month, during the next 3 years, and instead of $10 per month benefit obtain a $30 per month benefit.

Thus, there may be serious drains on the fund both because of under reporting and over reporting. There is also, of course, a break-down in the general morale of the system if it becomes known that many benefit payments and contributions have a false reporting basis and it is common knowledge that the system can be worked.

To cover self-employment on a reporting and contributory basis would require a workable system of reporting, which can be used by farmers (including sharecroppers), odd-job men, fruit-stand and other small entrepreneurs.

We might provide that those with no gainful employment in quarter, or with gainful employment of less than $50 might at their option pay $1.50 at their post office, and receive credit for $50 in wages in that quarter.

The $50 figure is an arbitrary one, of course, and is based on the present provision that $50 is required for a quarter of coverage. Consideration might be given to $75, as this is the average wage which gives a $10 per month benefit.

Such a provision would avoid "nuisance" reporting, would enable those who at times are in covered employment to maintain eligibility, and would prevent long-continued illness from necessarily making one lose status.

This provision should, of course, receive very careful study. In some measure it represents a distinct departure from the present philosophy and ingrafts a voluntary provision in the system. It would greatly extend the coverage of the system and would reduce, proportionately, the amounts required for public assistance.

As to the cost of covering the self-employed in some such way as I have indicated, estimates, of course, are only approximate. There are approximately 14,000,000 self-employed persons in the United States. On the assumption that all the self-employed would exercise the option of obtaining credit for $50 in wages every month, complete coverage of all self-employed would cost about $500,000,000 in 1980. Initially, there would be a surplus of receipts over benefits just as there now is in the old-age insurance scheme. The estimate for the ultimate annual deficit of the present law with the self-employed included is about $750,000,000 annually in 1980. Offsetting this would be a substantial reduction in savings in public-assistance payments.

I have presented two major defects of our system and suggested two methods of approach to them. In these or in some other way they must be solved. In spite of its defects our system of social security is a splendid attack upon one of the gravest of our problems. By giving it the thought, study, and attention which it deserves we can make it a magnificent achievement in democracy.

Democratic State Convention, Bangor, Maine

EXTENSION OF REMARKS

OF

HON. JOSEPH F. GUFFEY

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 2 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. F. HAROLD DUBORD

Mr. GUFFEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the keynote speech delivered before the Democratic State Convention held at Bangor, Maine, March 27, 1940, by Hon. F. Harold Dubord, of Waterville, Maine, Democratic national committeeman for Maine, and temporary chairman of the convention.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Ladies and gentlemen of the convention, the Democratic Party of Maine convenes today in the Queen City of Bangor, under the happy augury of a complete triumph in the elections of 1940. Widespread dissatisfaction, rapidly assuming a spirit tantamount to loss of faith on the part of thousands of Maine citizens, in the very integrity of our State government, is lending strength to the prevalent belief that Maine will turn to the Democratic Party to right the governmental ills which so grievously afflict our Commonwealth.

Consequently, I regard this convention the greatest, without doubt, in the history of Maine Democracy as a highly momentous occasion. You are gathered here from the length and breadth of our great State as leaders and representatives of the party of Thomas Jefferson, of Andrew Jackson, of Grover Cleveland, of Woodrow Wilson, and of our peerless leader of the present day, under whose vigorous direction the abysmal despair of 1932 gave way to confidence and faith, and under whose guidance the American Nation, in the throes of an unparalleled economic crisis, so threatening and appalling as to strike at the very foundation of our Republic, was once again set in the fortunate course of recovery and prosperity, our great President, the man of destiny, the universally beloved Franklin Delano Roosevelt.

That I have been accorded the honor of addressing this assembly is a privilege, the memory of which I shall ever cherish. History is in the making today, and I sincerely believe that 1940 marks a turning point in the fate of the political parties of Maine.

We are met today as members of a great party, a political party whose inception dates back to the birth of our Nation, a party whose political principles of equal justice for all with special privilege to none have gone down through the years of our national history steadfast and unwavering. We have every reason to be proud of our political heritage; every right to glory in our past; but, above all, our gratification over the accomplishments of our party, in the earlier development of our Nation, comes to us a sense of happiness and comfort, at the thought of the great achievements of the Democratic Party since the advent of the present Democratic national administration.

The record of the Democratic Party since 1933 is one of achievement, never equaled in the annals of the political history of this Nation. Never since the days of Abraham Lincoln was the unity of America, as we have known her, in graver danger than on that fateful fourth day of March 7 years ago. In the distressed cry of the farmer, whose freehold was disappearing under the ruthless hammer of the auctioneer; in the doleful plaint of the home owner, driven from his hearthstone by the dread specter of foreclosure; in the hopeless despair of the fathers of America, unable longer to envision the suffering and hunger of their loved ones, grim revolution stalked the highways and byways of our land.

It was under just such conditions as these that nation after nation, in the Old World, gave up the blessings of liberty and freedom and bowed to the invincible will of the dictator. How close we came to a similar disaster, under the lack of leadership of those who nearly encompassed our ruin, and who now ask the American people to return them to power, will never be known. That this Nation, conceived in liberty and dedicated to the holy principles enunciated in the Declaration of Independence, and embodied, for our protection, in the Constitution of the United States, did not take its place beside the decadent political states, which have disappeared, and whose past glories are written only upon tablets of history is, in my opinion, due only to Divine intervention. God works in devious ways to accomplish His ends and His purposes. He must have loved America, because, through Him, who is the Giver of all things, America has been preserved. Surely we should be thankful. Here, in all the world, lies the remaining bulwark of liberty and freedom. Here we remain as the only great nation enjoying the blessings of peace and prosperity. As a really religious nation, let us this day resolve to continue, in our national life, by precept and by example, to so conduct ourselves as to continue to merit the approbative regard of the Creator.

Because people are often prone to forget the pangs of adversity, after time has removed the anguish which first comes to the heart, it is well to contemplate briefly on the dread despair which distressed us in those depressing years from 1929 to 1933 in the light of the present economic rehabilitation which has been brought about by the achievements of the present Democratic national administration. Now that we have been saved from the folly and maladministration of the leaders of the Republican Party, whose political philosophy has become admittedly outmoded, let each American voter carefully search his conscience, and see if he can discover any sound reason why the control of the Nation should be taken from those, who, disregarding all else, have legislated for the welfare of the masses, and be placed in those who left behind them a trail of wreckage, the traces of which, unfortunately, are not yet entirely effaced.

It is interesting to note the tactics employed by the high command of the Republican Party to beguile enough voters to their cause, so that they may once more enthrone, in positions of influence, the same barons of big business whose tenets of political faith are grounded on the premise that the Government of the United States exists alone for their benefit; the same representatives of the powerful moneyed interests, who, seeing the structure which they had themselves created, crash about their worried heads, came crying to be saved by the President they now would execrate.

Their attitude reminds me of a poem which for years hung on the wall of a very dear friend of mine, a physician and surgeon of high repute, now passed on:

"God and the doctor, alike we adore,
Just on the brink of danger, not before;
The danger past, both alike are requited:
God is forgot, and the doctor slighted."

In 1936, barren of a program, the Republican leaders placed a low rating on the intelligence of the American electorate, when they assumed their candidates could win by assailing the New Deal in general terms, and by loudly asserting they should be returned to power in order to preserve our democratic institutions. Based on the well-known fact that there are 48 States in the Union, and, with a vivid recollection of Maine and Vermont, they accomplished the very remarkable feat of being 96 percent wrong.

Hoping to avoid in 1940 the melancholy results of 1936, they set about the task of developing ways and means of returning themselves to power, not so much to do something for the people, but to bring to an end that listless period in their political existence, the beginning of which had tossed them into a condition of oblivion, entirely unsuited to those so accustomed to rule. It was a rude awakening for the representatives of a philosophy that all economic virtues are included in the policy that the way to help the poor and the lowly is to make more wealthy the rich and the powerful.

Realizing that the people were so tired of mere captious criticism that many of their own newspapers were asking for something constructive, they began their work.

First, a committee of 46 Republican Members of the House of Representatives in Congress roved the Middle West to see what they could evolve in the way of a farm program. It was not so much that they were interested in the farmer, because, for 50 years the Republican Party was so little concerned with his welfare, that they did not even mention him in their platform, secure in the belief that a safe majority of the farmers were traditionally Republicans and would stay put, in spite of political neglect and exploitation of their interests. The Republican Party has never kept faith with the farmer. It cannot keep faith with the farmer, at the same time it takes orders from Wall Street, the Liberty League, and big business. No; it was not interest in the farmer, as such, that prompted action, but a genuine fear that no longer could they depend upon the farm vote. Sad for the Republican Party to relate, its committee of 46 returned to their base with no other suggestion than an endorsement of what the Democratic Party had already done for the farmer.

Then on the 5th day of November 1937 a great event occurred. On that date the Republican National Committee appointed a program committee of 200 members, selected from every section of the land, and this committee was charged with the solemn duty of taking the old G. O. P. machine to the garage for a complete overhauling. It was not expected that the committee would buy a brand new machine, but it was at least recognized that the knocks should be eliminated, the carbon cleaned out, and the valves ground.

After more than 2 years, in more than 30,000 words, the committee of 200 has reported, and, lo and behold, the only suggestion emanating from these worthy persons, after ascertaining, in accordance with the mandate of the Republican National Committee, the various views held by the rank and file of the Republican Party, is a complete endorsement of every objective of the New Deal. Consequently, henceforth, instead of complete 100-percent criticism of every act of the New Deal, we should hear nothing but praise from the Republicans for the reforms adopted by the Democrats. We should only expect them to say that they should now be put into office to administer these Democratic reforms, which they opposed, until forced by the public opinion of their own party members to publicly avow, but which they still privately gainsay. Surely, it will be interesting to listen to the Republican candidates

in Maine expound praises of the Social Security Act, of the Securities Exchange Act, of the law guaranteeing bank deposits, of the Federal Housing Administration, of the farm program, and of the reciprocal trade agreements policy, and of the many other constructive policies of the New Deal. Of course, it is to be expected that they will tell the people of Maine that the Republican Party is much better equipped to put these great policies into effect. Still it will be interesting to hear them just the same, and, of course, they will have to take this rather curious position or else be at odds with the report of the program committee of the Republican National Committee, which after 2 years has discovered from its own party members of the rank and file that the people of America believe in the New Deal and its objectives. Apparently our Republican friends are now face to face with the dilemma of choosing between buying a brand new machine or simply being satisfied with putting on a new coat of paint on the old bus and letting it go at that.

The report of the program committee is strongly reminiscent of the story of the dusky client who went to a lawyer to seek a divorce from his wife. The lawyer inquired: "So you want a divorce? What's your complaint?" To this his would-be client replied: "Dat woman, she jes talk, talk, talk, night and day. Ah jes can't get mah rest, and she's drivin' me crazy." "And what does she talk about?" "Ah don' know. She don' say."

While they have been talking, the Democratic Party has been doing—doing things for the welfare of the farmer and of the worker, and for the improvement of general business conditions.

There are many things of great significance in the report of this program committee. In the first place, it starts out with the statement that the American depression struck bottom in 1932. This is the first public acknowledgment on the part of the Republican leaders that we were in a bad way in America when President Roosevelt assumed command of the situation. At this point it may not be considered impertinent to ask the rather embarrassing question as to just who was to blame for the conditions which ensued after 12 years of uninterrupted Republican rule.

At the outset, the report seeks to depreciate the accomplishments of the New Deal during the 7 years of its incumbency. I propose to confine myself to a few salient features.

The report charges the New Deal has not solved the problem of unemployment and alleges there are 10,000,000 unemployed. This figure is subject to dispute; but assuming it is correct, let us analyze the situation. The New Deal came into power at a time when it was estimated the total number of unemployed was 15,000,000. The report of the Republican program committee admits that since that time the number of workers has increased by 5,000,000. Our total production in 1939 equaled the total production of 1929, but it is estimated that it takes 1,500,000 less men to secure this production. In other words, the total potential unemployed, based on the number of unemployed in 1933, is 21,500,000, so that as a result of New Deal policies 11,500,000 people have been placed at work in the last 7 years. The problem of taking care of the remainder is still unsolved, but it certainly could not have been solved by the do-nothing policy of the Republican Party. If they have a plan to meet the situation, they are woefully silent about it. A careful study of the report discloses nothing but the statement that there will be relief as long as necessary and jobs as soon as possible. They are rather vague about telling us when that happy day will occur.

In an endeavor to minimize the actual results obtained by the Democratic administration they make the very absurd comparison of the last 6 years of the Hoover administration with the first 6 years of the Roosevelt administration and point out that some lines of business have not reached the high point of 1929 just before the precipitation of the worst panic in our history. Candor would require that the results obtained by the New Deal should be compared with the low point of 1932, since which date dividends of corporations have increased 55 percent, wages and salaries have increased 62 percent, the national income has increased 71 percent, cash farm income has increased 82 percent, our foreign exports have increased 97 percent, and weekly pay rolls have increased 145 percent.

One chapter of the report ends with the statement that after 7 years we have doubt, confusion, and uncertainty, instead of confidence, clear and assured understanding of where we are headed. I venture the remark that the only doubt, confusion, and uncertainty exists in the Republican Party; doubt of its ability to win the election of 1940, confusion on the part of its would-be leaders who cannot and will not agree on any definite program, and uncertainty as to its future. The American people have a confident, clear, and assured understanding that they are headed for a better Nation under the leadership of Franklin Delano Roosevelt.

The Republican Party may return to power some day, but only when the Democratic Party forgets its principles; only when we fail to represent liberal America; only when we attempt to imitate the Republican Party. The Republican Party will never regain the confidence of the electorate until it honestly admits the error of its ways, until it openly repents for its misdoings, and humbly asks to be forgiven.

The Republican program committee charges the New Deal with impeding business expansion. Daily reports of increasing business to be found in the newspapers confound this charge. Let me cite only a few statistics. The oil output of the Texas Corporation in 1939 was the largest in its history and its net profit was nearly $33,000,000. The Sears, Roebuck & Co., whose activities range over the whole country, reported the largest Christmas sales in the history of the company by 25 percent. The secretary of the Pennsylvania State Department of Commerce, a Republican, reported to the Philadelphia Real Estate Board that more than $100,000,000 would be spent on new industrial expansion in Pennsylvania in 1940. As part of this construction, $14,000,000 worth will be undertaken by the Sun Oil Co., whose principal owners, the Pews, are among the chief financial backers of the Republican campaign against the New Deal. While spending millions in expanding their business, in view of favorable economic conditions, they give thousands of dollars to the Republican Party to tell the public that business is being throttled and destroyed by the Roosevelt administration.

These examples could be multiplied manyfold and the newspapers have just reported that income-tax returns have increased over 31 percent.

One outstanding statement in the report of the Republican program committee clearly shows what can be expected of the Republican Party if returned to power. Income taxes in the higher brackets will be reduced because they say high taxes are "murdering incentive." It should not be the desire to tax business to an extent that taxation will retard business development and that is not the plan of the Democratic Party. Let us see whether or not there is just cause to complain. In 1932 the Du Pont Co. paid Federal taxes of a little less than $1,000,000. In 1937 their Federal taxes increased to $11,000,000, but in 1932 the net income of the Du Pont Co. was only $26,000,000, while in 1937 it was $88,000,000. Its tax bill went up $10,000,000, but its income went up $62,000,000. Which year was better for the Du Pont Co.? The experience of this company is duplicated by the experience of hundreds of other large corporations.

Among the methods suggested for improving business conditions, a program of housing construction is suggested. The suggestion comes rather late in the light of the Federal Housing Act enacted by the present Democratic Congress.

The position of the Republican Party on relief is worth attention. They, whose policy was to tell the people prosperity was just around the corner, while millions were suffering the pangs of hunger, in no degree assuaged by glowing stories of two chickens in every pot, now say they would give relief as long as it is necessary, but, they say the administration of relief should be in the hands of local authorities, assisted by grants from the Federal Government. May God delay the evil day when men and women, unable to support themselves through no fault of their own, are made dependent for relief upon local politicians. The administration of relief should be upon a nonpartisan basis. Admitting that some abuses may have crept into the administration of relief during the earlier days of the present national administration—these abuses have been corrected. That a few dishonest persons were to be found on the relief rolls among the many thousands throughout this broad land, was to be expected. However, it is to the credit of the Democratic Party that no scandal has attached to its name. In all the long history of the National Democratic Party, there has never been a Democratic administration that was corrupt. Democratic administrations have been clean and honest administrations. The same cannot be said of many other administrations. Some person on relief may have had an extra bag of potatoes or drawn a small check to which he was not entitled, but we have had no Teapot Dome and no "little green house" on K Street.

We have every reason to be proud of the record of President Roosevelt and the Democratic Party.

Our fiscal policy has been sound. The American dollar is the strongest monetary unit in the world. The credit of the Nation never was stronger.

Our farm policy, now adopted in its entirety by the Republican Party, has been of immeasurable benefit to the farmer. In Maine alone from May 1, 1933, to January 1, 1940, the Farm Credit Administration has made 19,000 loans, totaling over $20,000,000, and 5,000 Maine farm families are being served and rehabilitated by the Democratic national administration. When did the Republican Party ever do this for the farmers of Maine?

Employment has been furnished through the Work Projects Administration and through a program of useful public works. The money expended has flowed into all the channels of trade and is reflected in the best business conditions in 10 years. In Penobscot County alone the Democratic national administration has expended, in the form of loans and grants, nearly $18,000,000. In these loans and grants, made on a strictly nonpartisan basis to nearly every community in Maine, lies the reason why the financial standing of our cities and towns has so much improved and why our municipalities have been able to substantially reduce, and in many cases wipe out, their indebtedness.

Moreover, the Federal grants have kept local taxation down materially. Let us take Penobscot County as an example. From March 4, 1933, through June 30, 1939, the Federal Government expended in nonrepayable grants in Penobscot County approximately $5,500,000. The assessed taxable valuation of all property in Penobscot County is somewhat less than $75,000,000. On a basis of $75,000,000, one mill of taxation brings in $75,000. The sum of five and one-half million dollars expended in Penobscot County by the Federal Government amounts to more than 72 mills of taxation. In other words, if this money had not been given to the cities and towns of Penobscot County during the 6 years in question, the taxpayers in this county would have had to pay an average of 12 mills additional per year on their tax bill. If it is argued that

some of the projects were unnecessary, the answer to that is that the money was paid to people who needed it badly; and if they had not received this Federal aid, the cities and towns or the State of Maine would have had to meet this expense which the Federal Government took care of in the State's hour of need.

Complaint is made of the back-breaking burden of taxation which they say will plague us, our children, and our children's children. The fact of the matter is that the cost of carrying the national debt under President Hoover was higher than it now costs us to carry the present national debt. This has been brought about by the strong financial policy of the administration, resulting in lower interest charges, which proves, apparently, there is less strain on the back of the taxpayer under President Roosevelt than under President Hoover.

Under President Roosevelt more legislation beneficial to the workers of America has been enacted than in all prior history of the Nation. The American worker will remember this when he goes to the polls this fall. He knows that it is to the Democratic Party that credit goes for the Social Security Act, the Railroad Retirement Act, the Fair Labor Standards Act, Unemployment Compensation Act, and the National Labor Relations Act—the Magna Carta of labor. The Republican program committee complains that the National Labor Relations Act has not accomplished the purpose for which it was intended, and in support of this contention argues there has been much strife between capital and labor. Admitting there has been trouble between capital and labor, pray, who is to blame for this sad condition? The forces of big business opposed with all the power at their command the enactment of the law. Defeated in these attempts, what was their next step? They employed what they supposed was the best legal talent in America, and these attorneys told the employers the law was unconstitutional and openly advised them to violate its provisions. Is it to be wondered that with this type of advice industrial strife occurred? The blame lies squarely on the shoulders of big business; and what of the advice of the constitutional lawyers? The Supreme Court of the United States disagreed with them, and the legal rights of labor are now secure. Normal adjustments in the administration if the law will, undoubtedly, soon give satisfaction to both capital and labor.

A careful reading of the report of the Republican program committee indicates clearly that if the Republican Party is returned to power, while retaining the National Labor Relations Act on the statute books, it will be stripped of all its beneficial provisions. The same course may be expected in reference to other New Deal laws which the report so glibly endorses. The promises of the Republican Party should be viewed in the light of past peformance.

To the Democratic Party goes the credit of enacting the Social Security Act, with old-age pensions, unemployment compensation, assistance to blind and crippled children, and many other humane provisions, long desired by forward-looking citizens. This law is too broad for me to try to explain it at this time. When it is more fully understood and its beneficial results have been observed, men and women will look back to President Roosevelt, its sponsor, and hail it as the finest piece of legislation ever enacted into law. Let me cite you just one example of its benefits. A man, aged 43, who earned $35 a week as a clerk, died suddenly as a result of a heart attack. Before there was a Federal Social Security Act, his wife and son would have had to depend on a little insurance and the help of relatives. Under the liberalized law his widow and son will receive $38.84 a month until the boy leaves school at 18. In the 8 years between now and that time they will be paid $3,728.64. There are no humiliating strings attached to the money. The widow does not have to prove need. She need not sell the family radio. The money will come to them as a right and not a charity. The widow does not remember that her husband mentioned social security particularly. She knew that 35 cents per week was deducted from his pay envelope, but she did not realize that this little payment might make the difference some day between dependence and independence. Of all the reforms of the New Deal, social security will prove the most important and the most popular. Any political party that attacks or attempts to weaken it is doomed. It is based upon a deep-seated need of the people which will be increasingly recognized as time goes on.

In a world torn by wars and rumors of war, we should never let a single day pass by without expressing devout thanks to God that we live in America. In other lands, dictators hold sway. The forces of destruction sweep on. Men, women, and children hunger, and war has no respect for anyone, as bombs rain from the skies and strike terror and death. Here, under the leadership of a man who understands international as well as national problems, we enjoy peace and happiness. Our relations with every nation are cordial, and we have put into effect the policy of reciprocal-trade agreements, which not only is rebuilding our foreign trade and improving our domestic markets but is universally acknowledged as the greatest factor for an enduring peace. The greatest man in the world today is Franklin Delano Roosevelt, and the people of America know our peace is safe in his hands. He has preserved and will preserve the American democracy.

In conclusion, lest we forget, it was the policies of the Republican leaders that brought on the depression. It was the Democratic Party that got us out of it. From 1929 to 1933, Republican leaders totally forgot the worker, the farmer, the unemployed, the aged, and the common people of America. Now, that the tempest which they created has passed on, is it wise or safe again to entrust them with the destinies of the American people? The New Deal was made necessary by the economic collapse which engulfed us. It was an energetic and forceful program. It brought results. There is no other program. It is a program backed up by the solid weight of almost unanimous public approval. In its development, the rank and file must cooperate. To us, the President and the Democratic Party are looking. In the humdrum of our daily existence there may be no applause for our efforts, but our reward will lie in the self-satisfaction that we will know we are rendering a service to our country.

The only hope of providing the kind of government which the American people desire lies in the Democratic Party. Let me close with this admonition in the words of the ancient philosopher:

"Men having often abandoned what was visible for the sake of what was uncertain have not got what they expected, and have lost what they had."

Senator Vandenberg's Proposal for a Foreign-Trade Board

EXTENSION OF REMARKS

OF

HON. THEODORE G. BILBO

OF MISSISSIPPI

IN THE SENATE OF THE UNITED STATES

Tuesday, April 2 (legislative day of Monday, March 4), 1940

ARTICLE BY WALTER LIPPMANN

Mr. BILBO. Mr. President, I ask permission to put in the Appendix of the RECORD an article by Walter Lippmann appearing in the Herald Tribune on the 10th of February 1940, under the title, "Mr. VANDENBERG's Pup."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald-Tribune of February 10, 1940]

TODAY AND TOMORROW

(By Walter Lippmann)

MR. VANDENBERG'S PUP

Mr. Hull has had two successes in the last 10 days. His trade-agreement policies have been endorsed by the House committee. But even better, Mr. Hull's most formidable opponent, Senator VANDENBERG, of Michigan, has ventured to introduce a bill (S. 3238) defining his ideas of the alternative, his ideas of what the commercial policy of the United States should be if it rejects Mr. Hull's policy, and of how the policy should be put into effect.

If Mr. Hull can now persuade the Republicans to read and appreciate Mr. VANDENBERG's bill, he will win his fight with a landslide vote. Mr. Hull's only difficulty will be to make the Republicans believe that a leading candidate of their party is sponsoring the program that Mr. VANDENBERG is sponsoring. Mr. Hull may even have difficulty in making Mr. VANDENBERG himself believe it.

The Vandenberg bill abolishes the Tariff Commission and sets up a new agency composed of six men called the Foreign Trade Board. In this board are vested not only all the powers of the Tariff Commission but also the powers of the State Department as they deal with commercial treaties. What must interest us, however, are the new powers that Mr. VANDENBERG would vest in this board.

They begin in section 11, which gives the board the right to compel "every person within the United States" (meaning individuals, partnerships, corporations, banks, trust companies, etc.) to produce all books, contracts, letters, or other papers relating to the following subjects: Any transaction in foreign exchange, the transfer of credit or payment between American and foreign banks, the export or import of securities and of gold and silver.

Whether or not Mr. VANDENBERG realizes it, this is a proposal to establish the machinery of exchange control. The Vandenberg bill does not propose to use this machinery right away. But it would set up the machinery by which the board of six men could, under a slightly broader interpretation of its powers, control every kind of financial transaction across the frontiers of the United States. Now, such machinery as Senator VANDENBERG wishes to establish here exists, of course, in many other countries. But no country, excepting only Soviet Russia, has ever willingly adopted it. Elsewhere in time of peace it has been adopted only by debtor countries, like Germany and Italy, which, needing to import more than they were able to pay for, have been constrained to adopt exchange control in order to conserve funds for foreign purchases. Only the most lunatic of the Nazis have ever pretended that the system was anything but a horrid necessity; every sensible German and Italian has deplored the fact that his country had to adopt such a system. In Britain and France the system of exchange control was not put into effect until the war compelled them to conserve their resources for the purchase of essentials.

No country would dream of adopting this system if it were in the position of the United States. For exchange control is necessary only when a country does not have the means of buying abroad the things that it needs to buy. When a country is in our position, possessing an inexhaustible stock of gold, attracting to itself free funds from all over the world, the idea of instituting exchange control is an absurdity. It is like a fat man taking a cure for undernourishment.

Why, then, does the Vandenberg bill propose to vest in the new board the inquisitorial powers, the vast, complex regulatory mechanism, the immense overhead bureaucratic supervision of private transactions, that are employed elsewhere only by impoverished countries, by countries under a dictatorship and by countries at war? I really do not know why Mr. VANDENBERG thinks such powers need to be vested in another board in Washington.

But perhaps the answer is to be found in section 13 of his bill, which, believe it or not, provides for the abolition of the tariff and the substitution of embargoes "to prevent the importation" of articles "at an import price" which is "less than the reasonable cost of production of a like or similar domestic article, in the case of articles other than agricultural commodities." The reader may think that Mr. VANDENBERG merely wants to raise the tariff. He will be mistaken. M. VANDENBERG wants to prevent imports. And he means to prevent them not merely by having the board raise the tariff rates as high as may be necessary but, if this does not prevent imports, to impose "import restrictions" which he describes as "limitations, prohibitions, charges, and exactions other than duties imposed on importation or imposed for the regulation of imports."

Since he believes in such a policy, it is perhaps understandable why he thinks it necessary to get the country ready for exchange control. For this policy of the embargo would not only wreck foreign trade but would throw the currency and financial markets of the United States and elsewhere into such disorder that it probably would be necessary, even for us, to establish Government control of all exchange transactions. Thus section 11 becomes intelligible in the light of section 13. For section 13 might succeed in producing the calamity that section 11 would then be needed to deal with.

This leads us into section 14 which provides that the United States should descend to the level of carrying on its foreign trade by barter agreements. After section 13, which would do so much to destroy normal commerce, section 14 would undoubtedly be necessary. For the country, having wrecked its foreign trade, would be landed with unsalable surpluses of all sorts of commodities. Mr. VANDENBERG'S new board would then have plenty to do trying to get rid of these surpluses by barter agreements.

So Mr. VANDENBERG offers us as a commercial policy an embargo on imports of nonagricultural products, the prospect of exchange control, and the conduct of our commerce by the primitive method of barter. And this, I suppose, is to be done under the impression that Mr. VANDENBERG is saving the American system of free enterprise.

If it were not obvious that Mr. VANDENBERG is an innocent man, one might wonder how he ever came to sponsor a proposal so utterly alien to American principles, so naively acquiescent in the very worst practices of the age we live in. Mr. VANDENBERG cannot possibly mean seriously to commit his party and his country to the economic philosophy which his bill describes. He cannot have understood what he was doing when he accepted these ideas.

But this time somebody has certainly sold him a pup.

Proposed Federal Administrative Procedure Legislation

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 2 (legislative day of Monday, March 4), 1940

JOINT REPORT OF THE COMMITTEES ON ADMINISTRATIVE LAW AND ON LEGISLATION, OF THE BAR OF THE CITY OF NEW YORK

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a joint report of the committees on administrative law and on Federal legislation, of the Association of the Bar of the City of New York, on Senate bill 915, introduced by the late Senator Logan, and its companion bill, House bill 4236, introduced by Representative CELLER, which are intended to provide for the more expeditious settlement of disputes with the United States, and for other purposes.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

JOINT REPORT OF THE COMMITTEES ON ADMINISTRATIVE LAW AND ON FEDERAL LEGISLATION OF ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK ON S. 915 (76TH CONG.), INTRODUCED BY MR. LOGAN, AND ITS COMPANION BILL H. R. 4236 INTRODUCED BY MR. CELLAR, BOTH ENTITLED "A BILL TO PROVIDE FOR THE MORE EXPEDITIOUS SETTLEMENT OF DISPUTES WITH THE UNITED STATES, AND FOR OTHER PURPOSES."

The committees on administrative law and on Federal legislation of the Association of the Bar of the City of New York respectfully submit this report disapproving S. 915 and H. R. 4236.

These identical bills, which will hereafter be referred to in the singular, were drafted by the special committee on administrative law of the American Bar Association. It is, therefore, with great reluctance that these committees feel compelled to report unfavorably on the bill, particularly as we are in complete sympathy with many of the objectives of the framers of the bill.

The bill, with specified exceptions, deals with all Federal agencies (which includes departments and independent establishments), and independent agencies (which includes boards, commissions, authorities, and other organizations). It prescribes a procedure for the making of rules and regulations and for judicial review thereof. It likewise provides for intraagency review of administrative actions and failures to act, by means of departmental boards, and for judicial review of the action of such boards. The exceptions from the application of the act include such matters as internal revenue, customs, patents, and trade-marks. There is no need to deal with these exceptions except to remark that they were in part at least due to practical rather than theoretical considerations. If any principle were involved, its application would require much more widespread exceptions.

We believe that detailed legislation, if it would be sound, should not attempt to apply an identical technique to the innumerable agencies and departments which are made subject to the present bill. Rather, it should deal with the particular problems arising in each such agency or department. The scope of the substantive authority granted to various departments and agencies varies greatly. Their procedures, in some instances regulated by the statutes creating them and in others grown up through practice, likewise vary in many respects. These variations are not for the most part accidental, but arise out of the substantive differences in the functions of the various agencies and in the type of administration best suited to achieving their respective objectives. We suggest that what is needed is a thorough survey of these administrative bodies with particular reference to the different types of rules, orders, actions, and failures to act of each individual agency. After such a survey, an attempt should be made to formulate a proper procedure for rule making and to decide in the case of each type of action or inaction to what extent review, whether intra-agency or in the courts, is desirable, both for the protection of those subject to the regulations and for the orderly conduct of governmental business.

To illustrate the great diversity of problems involved, let us take as an example the powers conferred upon a single administrative agency, the Securities and Exchange Commission, by only one of the statutes which it is charged with administering, the Securities Exchange Act of 1934. It would seem obvious that the same procedure for internal and judicial review may not be desirable in the case of an order initiating an investigation, on the one hand, and an order expelling a member from a securities exchange on the other. Other types of action or nonaction under that statute may be found in a refusal or failure to order a dealer's registration effective in advance of the prescribed 30 days, a refusal to allow information in a registration statement to be held confidential, an order appointing a trial examiner, a dismissal of an employee, an order referring a matter to the Attorney General of the United States, etc. Many other types of action or nonaction can be found in the same statute; and we feel that there is no reason why all should be regulated in the same way. When the vast number and widely varying characteristics of the many agencies which are embraced within the scope of the present bill are taken into consideration, it becomes clear that they ought not to be dealt with in an omnibus fashion.

Aside from doubt as to the wisdom of any attempt to regulate the administrative procedure and judicial review of many different kinds of administrative agencies to conform to a single pattern, we consider that three principles embodied in the present bill are inconsistent with the proper functioning of many of the agencies subject to it. These are (1) the provision that all rules and regulations of the administrative agencies shall be issued only after public hearings; (2) the provision for an immediate judicial review of all rules and regulations by proceedings in the nature of a suit for a declaratory judgment; and (3) the provision for intra-agency and judicial review of any decision, act, or failure to act on the part of any officer or employee of any administrative agency by any person aggrieved thereby.

1. Public hearings on rules and regulations: Section 1 of the bill provides that all administrative rules of the agencies covered by the bill shall be issued only after public hearings.

While much may be said in theory in favor of full public discussion before the promulgation of any administrative rule, we are of the opinion that in practice in the case of many of the

administrative bodies covered by the bill the actual benefits to be derived by any such procedure would be very small and the disadvantages great. The bill assumes that a public hearing would insure due consideration of all points of view. Actually, it is doubtful that public hearings would evoke those considerations which should serve as the foundation for rule making.

The administrative agencies can call informally upon persons interested or expert in the subject matter with which they have to deal or may respond to the requests for consultation by such groups. It is our belief that, in the main, persons qualified to contribute to rule making will be more apt to respond and can be more effective if the procedure is informal. In informal conferences and discussions, experience has shown that there can be a very great measure of cooperation and mutual help between Government agencies and private persons. Public hearings, however, are apt to develop the antagonisms incident to adversary proceedings, or be perfunctory in form, and time is often wastefully consumed. In brief, a conscientious administrative body can and will obtain, from the industry or group subject to its jurisdiction, as much cooperation and assistance as is feasible, in ways more effective than any public hearing and will combine the information so obtained with its own expert knowledge and experience. Conversely an agency which wishes to act arbitrarily cannot be compelled to exercise its rule-making discretion impartially and fairly by any requirement of the formality of a public hearing. Nothing in this bill, or in any other bill, could effectively require the rule-making authority of an administrative body to give proper weight to any evidence adduced at any hearing, if that authority were determined to disregard or minimize certain evidence and to act arbitrarily.

2. Judicial review of rules: Section 2 of the bill provides that the United States Court of Appeals for the District of Columbia shall have jurisdiction, upon petition filed within 30 days from the date of publication of any administrative rule, to determine whether any rule is in conflict with the Constitution of the United States or the statute under which issued. The defense of the rule is to be conducted by the Attorney General of the United States and not by the rule-making body itself. This review of rules would be in addition to all other existing remedies by which the validity of a rule may be tested. The purpose of this proposal is to minimize litigation and promote certainty by having a rule promptly tested in the abstract, rather than in terms of actual controversies which may not arise until months or years after the rule was issued.

We are sympathetic with the purposes aimed at in this section and recognize that there are certain kinds of rules to which such types of procedure may reasonably apply, but we do not believe that a case is shown for departure in all cases from normal requirements under which courts do not pass upon the validity of statutes or rules in vacuo, but act only in cases or controversies in which the actual application of a statute or rule can be shown. In many cases a court attempting to act under this section would either pass upon the validity of a rule without the necessary factual background or would be led into a burdensome and yet necessarily incomplete consideration of many possible factual variations. Again the complexity of many rules would involve almost endless litigation under this provision. Judicial review would often involve an indecisive debate as to what rules meant before the court could arrive at a consideration of their validity. Where the existence of a rule constitutes a grave and imminent threat to the demonstrable interests of a particular person, it ought to be possible to test it in advance of its actual application, and we are inclined to believe that in such cases a speedy remedy, where not already available, should be provided. Except in such cases, however, it seems preferable as a general matter to test rules and regulations only as their effect is observed in practical operation.

3. Departmental boards of review and judicial appeal therefrom: Section 3 provides for the establishment of intraagency boards of three members by all administrative agencies, such boards to hear appeals by any person aggrieved by a decision, act, or failure to act of the agency with respect to which the intraagency board is created. Section 4 of the bill provides for an appeal to a circuit court of appeals by any person aggrieved by the final decision or order of any agency entered in a proceeding after hearing by the intraagency board.

The objective of section 3, namely, provision for ready appeal within an administrative body, is one to which we subscribe. We further subscribe to the principle that administrative bodies should be so organized as to separate the judicial from prosecutory functions. It is our view, however, that while this general principle might well receive legislative sanction, the application thereof should be largely a matter of administrative discretion.

But more fundamental than this is the objection that this provision is far too sweeping in scope. Any decision, act, or failure to act, no matter how trivial, is covered by the terms of this section. How far reaching the bill is in this respect is shown by the fact that the framers found it necessary specifically to except from its provisions cases in which the aggrieved party was denied a loan or failed to receive employment. Undoubtedly, it is not simple to draw the line between determinations which ought to be appealable and those which ought not. This difficulty becomes insuperable if the attempt is made to deal by one formula with a great many administrative agencies.

What has already been said with respect to the provisions for intradepartmental appeal applies with much greater force to the provisions of section 4 authorizing an appeal to the circuit court of appeals by any party to a proceeding under section 3. The failure to limit in any manner the type of order, decision, act, or omission from which an appeal can be taken to the courts seems to us quite indefensible.

It is a frequent complaint that the administrative process often operates to impose a control so rigid, meticulous, and all-pervading as to destroy rather than reform. The present bill would apply to administrative bodies a similarly objectionable technique. It proceeds from the premise, which we accept, that grave abuses exist. Particularly we believe that the present remedies of an individual, faced with an arbitrary or illegal exercise of power by an administrative body, are not in practice adequate, and we sympathize with an effort to provide the individual with a practical means of defending himself in such a situation. Nevertheless, we think that the present bill, under the guise of reform, would force administrative and departmental agencies having a wide variety of functions into a single mold which is so rigid, so needlessly interfering, as to bring about a widespread crippling of the administrative process.

Accordingly, we record our disapproval of this bill.

Respectfully submitted.

Committee on Administrative Law Association of the Bar of the City of New York; John Foster Dulles, chairman; Edward S. Greenbaum; Alfred Jaretzki, Jr.; Robert G. Page; Blackwell Smith; Hayden N. Smith; Alan M. Stroock.

Committee of Federal Legislation Association of the Bar of the City of New York; Cloyd Laporte, Chairman; Eduardo Andrade; Herbert H. Bell; Porter Ralph Chandler; Arthur Hobson Dean; Noel Thomas Dowling; Milton Handler; Orrin G. Judd; John B. Marsh; Paul D. Miller; Robert G. Page; Simon H. Rifkind; Samuel Rudner; Charles H. Willard; John E. F. Wood. Auxiliary members: Melbourne Bergerman, Henry J. Kennedy, Melvyn Gordon Lowenstein, Samuel J. Silverman, I. N. P. Stokes, 2d, Lauson H. Stone.

May 2, 1939.

Organized Agriculture Opposed to Wheeler-Lea Bill; Leading Farm Organizations Have Gone on Record Against It Since Introduction of Bill

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EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. CULKIN. Mr. Speaker, the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT], in an extension of remarks which appeared in the Appendix of the RECORD, at page 1533 makes the amazing statement that the farmers of the United States are definitely on record as supporting the Wheeler-Lea bill. He then cites the resolutions by various farm bodies which he claims gives verity to his assumptions.

Every one of the resolutions that he cites were passed before the Wheeler-Lea bill saw the light of day. They are all dated in 1938, and the Wheeler-Lea bill was not introduced in the House and Senate until 1939. In other words, the gentleman gives the bill a prenatal baptism, cleansing it of all sin. He dusts off some old resolutions obtained by the railroad lobby and attempts to give agricultural sanction to a bill which every major organization in agriculture has condemned most vigorously since its introduction.

I desire to present to the House the true position of organized agriculture on the Wheeler-Lea bill. Let me call the roll of the leading farm organizations.

THE NATIONAL GRANGE OPPOSED

First: The oldest and perhaps the most generally respected farm organization is the National Grange. Oppressive freight rates which were destroying the western farmer brought the Grange into existence. The Members of the House have been in receipt of vigorous letters of protest against the Wheeler-Lea bill from the National Grange. In the Appendix of the RECORD, page 962, in an extension of remarks of the gentleman from Iowa [Mr. HARRINGTON], appears a radio address by Mr. Fred Brenckman, the Wash-

ington representative of the National Grange. I quote from this address as follows:

There is justification for saying that those who inspired and drafted the legislation under consideration (the Wheeler-Lea bill, S. 2009) have lost sight of the fundamental purpose for which Government regulation was established, and that was to protect the public interest. We have drifted so far away from this original and legitimate purpose that the effort of our lawmakers now appears to be to equalize competition as between different modes of transportation. The truth is that an attempt is being made under the guise of regulation to raise the rates of water and motor carriers to the point where they will be comparable with rail rates. This is not only unsound economically, but it is prejudicial to the welfare of the entire country.

Agriculture, in particular, would be hard hit if the proposed legislation should be enacted. Transportation constitutes the heaviest service charge that the farmer has to pay. The farmer pays the freight both coming and going. Last year the farmer received only 39 cents out of every dollar paid by the consumer for food. At the depth of the depression the farmer's share of the consumer's dollar dropped to 33 cents. While transportation and distribution must be regarded as legitimate and indispensable functions in the affairs of our civilization, the fact remains that when those who merely transport and distribute the products of our farms receive vastly more than the share that goes to the producer, it amounts to the same thing as an economic crime.

The House should note that this address was delivered on February 17, 1940, and represents the authoritative and responsible findings of the Grange on this question. So much for the Grange.

FARM BUREAU FEDERATION OPPOSED

Second. The next national farm organization quoted by the distinguished gentleman from Pennsylvania [Mr. VAN ZANDT], was the American Farm Bureau Federation. Prior to the introduction of this legislation the American Farm Bureau Federation had blown hot and cold on this question. However, after this organization's membership in the country learned of the devastating effect of the Wheeler-Lea bill on the carriage of farm products it suffered a complete change of heart. The apprehension of the members of this organization is evidenced in a resolution adopted at its annual meeting in Chicago on December 1939, from which resolution I quote as follows:

Each House of Congress has passed a transportation bill, both of which are now pending before a conference committee of the two Houses. Because of the widespread interest of citizens in this legislation and its Nation-wide effects, we urge that a reasonable time be permitted the interested public to study the bill when reported by the conference committee before its final consideration and enactment by Congress.

In the formulation of such bill we urge that the Interstate Commerce Commission be directed to give more attention to the rightful interests of shippers in the regulation of transportation systems, to investigate and remove any unjust discriminations against regions or commodities within any particular type of transportation, and we especially insist that no provision of law or regulation permitted thereunder restrict any natural or inherent advantages of any type of transportation where such advantages in rates and service are reflected to the shipping public.

The House will note that the Farm Bureau Federation insists that when this resolution comes back from conference a reasonable time be permitted to study the bill. It also insists in words of one syllable that no provision of law or regulation be permitted by this legislation, the Wheeler-Lea bill (S. 2009), to restrict any natural or inherent advantages of any type of transportation. This is a definite declaration against the Wheeler-Lea bill for the reason that the Wheeler-Lea bill does in fact murder water transportation. If the Wheeler-Lea bill passes, the farmer will pay through the nose in order to get his product to market.

FARMERS UNION OPPOSED

Third. The Farmers Union. At its meeting in November 1939 the Farmers Union adopted a resolution expressing—

its opposition to regulation of truck and water transportation that tends to increase transportation costs.

The effect of this declaration automatically places the Farmers Union in opposition to this legislation. The purpose of the legislation is to raise truck and water transportation to the level of the railroads and thus create a monopoly of transportation under the moribund and railroad-minded Interstate Commerce Commission.

LIVESTOCK GROWERS OPPOSED

Fourth. The American National Live Stock Association which represents the cattle raisers of the United States, big and little, both north and south, condemn the Wheeler-Lea bill without the use of weasel words. This association adopted a resolution at its convention of January 1940, as follows:

Resolved, That we are unalterably opposed to Senate bill 2009, and companion House bill of the same number, commonly known as Wheeler-Lea bills, respectively, in the following particulars, to wit:

1. Senate bill in all respects.
2. Declaration of policy and the rate-making rule of the House bill.
3. Regulation of water carriers under either bill.

WOOL GROWERS OPPOSED

Fifth. The National Wool Growers' Association, which represents a considerable branch of agriculture, usually not very vocal on national matters, are unequivocal in their condemnation of the Wheeler-Lea bill. In their seventy-fifth annual convention, held in January of 1940, their traffic resolution states definitely that the association could not endorse the bill as passed by either the Senate or the House. They include in their resolution the following statement:

We do not favor the regulation of water carriers under the provisions of either the Senate or House bill.

VEGETABLE DISTRIBUTORS OPPOSED

Sixth. The National League of Wholesale Fresh Fruit and Vegetable Distributors, an organization vitally concerned in getting the farmer's production to market by truck and water, recently petitioned the Congress as follows:

The National League of Wholesale Fruit and Vegetable Distributors urge upon Congress that action upon any conference report which may be submitted by the joint Senate and House conference committee on the Wheeler-Lea omnibus transportation bill (S. 2009), or any substitute thereof, be delayed for a period of at least 30 days to permit producers, shippers, the interested public, and Members of Congress themselves to study its far-reaching and highly technical provisions. Any report submitted by the joint conference committee must represent a compromise between the numerous conflicting provisions of the Wheeler Senate bill and the Lea House bill, with or without the vitally important amendments written into both bills while they were under discussion on the floors of the Senate and of the House.

The National League of Wholesale Fresh Fruit and Vegetable Distributors, being vitally concerned with any legislation which may have the effect of increasing costs of transportation on the necessaries of life in which they deal, calls the attention of Congress to the fact that the transportation legislation now under consideration by a joint Senate and House conference committee introduces radical changes in land- and water-transportation supervision and rate-making control. There is no immediate public demand for such legislation and no reason exists for its hasty passage by Congress.

This organization realizes that both the House and Senate bills were introduced and passed as railroad relief measures, but it is our belief that the railroads will obtain very little real relief from either bill or any combination of the two bills. Possibly some railroads might benefit from restrictive regulation of certain types of water or highway carrier, but we believe they would benefit more by certain reforms within their own ranks.

This organization is convinced that by allowing sufficient time for mature consideration of this important legislation Congress will be performing a distinct service to the public.

NEBRASKA FEDERATION OPPOSED

Seventh. The Nebraska Farm Bureau Federation: The gentleman from Pennsylvania [Mr. VAN ZANDT] cites this organization as proponents of this legislation in a 1938 resolution. In December of 1939, 10 months after the Wheeler-Lea bill was born, they not only view with alarm but condemn this legislation unqualifiedly. I quote verbatim from their resolution of December 1939, as follows:

We are unalterably opposed to those provisions of the Wheeler-Lea bill now pending before Congress which place the control of rates on water-borne commerce under the control of a Government rate-regulative body because we believe such a provision of law will be used to deprive the Mississippi and Missouri Valley agricultural interests of a competitive low-cost system of transportation so vital to the economic recovery of business and agricultural interests of the Midwest agricultural States.

NEBRASKA FARM UNION OPPOSED

Eighth. The Nebraska State Farmers' Union: This organization, after the Wheeler-Lea bill became a lusty infant, and

not during its prenatal days, condemned it, root, stem, and branch. Here is what they say in a resolution passed on February 15, 1940:

We are opposed to any legislation, State or National, that would have a tendency to increase transportation costs either directly or indirectly. We believe the best interests of agriculture will be served by a continuation of private ownership and operation of our railroads.

We believe that each form of transportation should stand on its own merit and that the rules, rates, and regulations for the various types of transportation should not be made arbitrarily uniform. The competitive features of the different forms of transportation should be preserved rather than destroyed. Rules and regulations that are not necessary for the safety of the public and the protection of property should be greatly modified or eliminated.

Each House of Congress has passed a transportation bill, both of which are now pending before a conference committee of the two Houses. Because of the widespread interest of citizens in this legislation and its Nation-wide effects, we urge that a period of 30 days, or more, be permitted for the interested public to study the bill when reported by the conference committee before its final consideration and enactment by Congress.

We are opposed to those provisions of the Wheeler-Lea bills now pending before Congress which place the control of rates on water-borne commerce under the control of a governmental rate regulatory body.

MINNESOTA FARM BUREAU OPPOSED

Ninth. The said extension of remarks cites the Minnesota Farm Bureau as being proponents of this legislation. The fact is that this organization in January of 1940 adopted a resolution almost identical with that of the American Farm Bureau Federation urging Congress to stop, look, and listen, and urging that time be allowed for study of this complicated and far-reaching legislation prior to action by Congress on the conference report.

MISSISSIPPI FARM BUREAU OPPOSED

Tenth. The Mississippi Farm Bureau. In November of 1939 this organization stated its unalterable opposition to "any legislation attempting to eliminate competition by discriminating against any one form of transportation to the advantage of another" and further urged that—

transportation legislation, if and when adopted, specifically provide for the movement of agricultural commodities for domestic consumption and for export at rates comparable to those for industrial products for domestic consumption and for export; that it also provide specifically that all transportation operations shall be allowed to reduce rates as long as those rates are compensatory with the cost of such service.

It may be said that the recommendations of the Mississippi Farm Bureau are, of course, embodied in the so-called Jones and Wadsworth amendment which were inserted in the bill in the House under the determined opposition of the proponents of the legislation, including the gentleman from Pennsylvania [Mr. VAN ZANDT]. The rumor now is that these amendments which protected the farmer, the shipper and consumer have all been done to death in the murky depths of the conference.

OTHER FARM GROUPS OPPOSED

Among other agricultural organizations which have, since the specific proposals became known, gone on record as either definitely opposing or feeling considerable apprehensions concerning the legislation, are the following: The Kansas Farm Bureau; the Kansas Farmers' Union; the Kansas State Grange; the Iowa Farmers' Grain Dealers Association; the Iowa Farm Bureau Federation; the National Cooperative Elevator Association (Iowa, Kansas, Nebraska, and Oklahoma); the Missouri Farm Bureau Federation; the Texas Sheep and Goat Raisers' Association; the Indiana Farm Bureau, Inc.

Many other State, regional, and local agricultural organizations as well as many farmers' cooperatives, have likewise expressed their opposition to this legislation which proposes to strangle an economical form of transportation for the benefit of its great and powerful competitor.

DEPARTMENT OF AGRICULTURE OPPOSED

In calculating the effect of this legislation upon the agricultural interests of the Nation, certainly great weight should be placed upon the study, comments, and criticisms of Government agencies established and maintained for the purpose of promoting the welfare of the American farmer. The Secretary of Agriculture, in a letter to the Speaker of the House under date of July 15, 1939, presented a clear and thorough analysis of the situation and of the dangers contained in the legislation. His opposition to the bill was further emphasized in a more recent communication in which he joined with the Secretary of War and the Chairman of the Maritime Commission in a statement to the effect that not only was this legislation unnecessary but that it was definitely unwise and would prove harmful to American agriculture and industry, as well as to the water carriers.

Despite the skillful attempt of the gentleman from Pennsylvania to use resolutions phrased in general terms and adopted long prior to the drafting of this legislation as specific endorsements of the bill, the facts remain unassailable—not only does the American farmer not favor the bill but they have expressed a uniform belief that it will eliminate a low-cost competitor which is serving the farmer, and forcing the railroads to serve the farmer at rates considerably below those normally charged by the railroads.

American agriculture today is suffering from several mortal diseases, one of the malignant of which is high transportation costs which are inevitably present except in the neighborhood of improved waterways. It is worthy of note that the Canadian farmer is today paying just one-half as much to transport his grain by rail as does the American farmer. When he gets to the Great Lakes or the Mississippi or Missouri Rivers rail rates are tremendously reduced and a great saving made to the farmer in the transport of his grain to the seaboard.

At a later date I shall go more deeply into this question and demonstrate this fact without the fear of successful contradiction.

I desire to cite one more instance of what waterways save the farmer. It costs the farmer one-quarter as much to transport a bushel of wheat from Buffalo or Oswego, N. Y., by rail as it does to carry it a comparable distance in the States of Montana, Kansas, and Iowa. The reason for this is that New York State has maintained and continues to maintain a toll-free canal from the Lakes to the seaboard.

STATUS OF WHEELER-LEA BILL

In conclusion and for the purpose of refreshing the recollection of the Members of the House, let me give you a brief history of the Wheeler-Lea bill, Senate bill 2009, and its present status.

Three bills were introduced in the House—the Lea bill, said to be drawn by the Brotherhoods and the railroad executives, which divided the country up like a captured province; the Fletcher bill, drawn by a railroad attorney; and the Wheeler bill, introduced in the Senate, which provided for a codification of existing law. The Lea and Fletcher bills were merged and passed by the House with four important and saving amendments. The Wheeler bill passed the Senate, and both bills were sent to conference. All of this occurred in the last session of this Congress. For practically 4 months this bill has been in conference, with the conferees meeting almost daily. It is difficult to get information as to what has occurred, but there is a well-founded rumor that all of the saving amendments written into the bill by the House have been eliminated, and at present the legislation ties every form of transportation into a hard knot in the interest of the railroads.

REASONABLE WAITING PERIOD

The resolutions of the farm organizations cited above all urge a waiting period of 30 days after the conference report is filed and before it comes up in the House. This for the fair and decent purpose of giving Congress and the country an opportunity to see what is in this legislation. Common decency requires this procedure, and the country demands it. Distances in America are so great that transportation will always remain a vital problem to every phase of American life.

I trust that the Congress charged with the responsibility for providing adequate low-cost transportation to the people will insist on a waiting period before considering this conference report. Personally, I feel that the Congress will prove true to the trust reposed to it by the people.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 2 (legislative day of Monday, March 4), 1940

ARTICLE BY JOHN T. FLYNN

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by John T. Flynn, published in today's Washington Daily News, on the subject of the reciprocal-trade agreements.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PLAIN ECONOMICS

(By John T. Flynn)

CHICAGO, April 2.—Here is a sidelight on the Hull trade pacts which Congress has been struggling with:

The object of these pacts is to break down the barriers to trade between this country and others because of tariffs. That is a good thing. But you would suppose that those who are so vocal about this would take a really serious look at the whole picture.

At present one of the things that operates as a powerful barrier against international trade is the Government's gold-buying policy. Here is the way it works:

The cheaper our dollar is, the easier it is in theory for other countries to buy here. If I have an English pound in London and can buy four American dollars with that pound, I can use the dollars to buy four dollars' worth of anything in the United States. But if dollars get cheaper, and I can buy five dollars with my English pound, then I can buy five dollars' worth here. It has the effect of making things cheaper here to the Englishman.

But it has also the very opposite effect on our buying abroad. If it takes five of my dollars to buy a pound, then I cannot buy as much in England with those five dollars as I could if I could buy a pound with four dollars. While in theory it seems to stimulate foreign buying here, it cuts off our buying abroad. And there must be buying both ways in order to have international trade.

But it also has the effect of draining away from foreign countries all of their gold. The only way foreign countries can trade with us is by paying for what they buy with gold or with goods. But the more we drain away their gold the more impossible it becomes for them to use gold to buy. Their reserves become so depleted that they simply dare not let any more go save for the most imperative reasons. They are reduced, therefore, to the absolute necessity of buying only those things they can pay for with goods of their own.

It is this, more than anything else, which has driven so many countries to barter. They cannot buy goods from us and pay us with their goods unless we buy from them. And the gold-purchase plan with its high price for gold makes it more difficult and expensive for us to buy from them, so we buy less.

And thus this strange policy has the effect, at once and for different reasons, of cutting down our purchasing power abroad and cutting down the purchasing power of foreign countries here.

Therefore, to be making such a pother about these Hull treaties on the ground that we want to stimulate foreign trade, while at the same time persisting in a gold policy which tends to stifle international trade, is one of the prize contradictions of trade history.

The reciprocal-trade treaty is a good thing in itself, provided it is in the right hands (and the Department of State is the last place it should be, save for merely negotiating pacts), but it is trivial in its results for good or bad compared with the far more vital gold policy.

Gen. Robert E. Lee

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. FULMER. Mr. Speaker, under leave to extend my remarks, I am inserting a poem written 70 years ago by Henry Mazyck Clarkson, A. M., M. D., at Columbia, S. C., March 30, 1870, referring to Lee's welcome.

I have from my youth been deeply interested in the lives of outstanding and great men of our country, and I know of no citizen whose life and character have been more outstanding than that of Gen. Robert E. Lee.

Many of us in the past can remember various citizens who happen to be able to make for themselves a name politically or otherwise, who have been willing to sell that good name, knowing at the time that it would be used perhaps for what we might call a selfish purpose.

The records will show that the war of 1861–65 had scarcely ceased and General Lee's condition of what we might call narrow circumstances financially became known when offers of places of honor and profit began to come in to him—offers of the presidency of insurance companies and of other industrial enterprises—proposals that he should allow his name to be used for the highest office in the gift of the State; even offers from admirers in the old country of an asylum on that side of the water where a handsome estate was tendered him as a tribute of admiration, so that he could spend the residue of his life in peace and comfort.

His reply to all these allurements was that which we now know was the only one he could make—a gracious and irrevocable refusal. During the war, when a friend had suggested to him the probability that the people of the South would demand that he should be their President, he promptly and decisively declared that he would never accept such a position. So now, when the Governorship of Virginia was proposed to him he firmly refused to consider it. With the same firmness he rejected all proposals to provide him with honorable commercial positions at a high salary.

On one of these occasions he was approached with a tender of the presidency of an insurance company at a salary of $50,000 a year. He declined it on the ground that it was work with which he was not familiar. "But, General," said the gentleman who represented the insurance company, "you will not be expected to do any work; what we wish is the use of your name."

"Do you not think," said General Lee, "that if my name is worth $50,000 a year, I ought to be careful about taking care of it?"

I wish to quote from a letter addressed to the president of the Southern Life Insurance Co., of Atlanta, Ga.:

LEXINGTON, VA., *December 14, 1869.*

Gen. J. B. GORDON,
President, Southern Life Insurance Co.,
Atlanta, Ga.

MY DEAR GENERAL: I have received your letter of the 3rd instant, and am duly sensible of the kind feelings which prompted your proposal. It would be a great pleasure to me to be associated with you, Hampton, B. H. Hill, and the other good men whose names I see on your list of directors, but I feel that I ought not to abandon the position I hold at Washington College at this time or as long as I can be of service to it. Thanking you for your kind consideration, for which I know I am alone indebted for your proposition to become president of the Southern Life Insurance Co., and with kindest regards to Mrs. Gordon and my best wishes for yourself, I am

Very truly yours,

R. E. LEE.

His correspondence shows that many like propositions were made to him.

LEE'S WELCOME AT COLUMBIA, MARCH 30, 1870 (70 YEARS AGO TODAY)

All day the murky clouds hung low
  Above the silent city;
The skies seemed draped in robes of woe—
  To weep in very pity—
In pity for our wounded pride,
  In pity for our people,
While, since the dawn the winds had sighed
  'Round crumbling tower and steeple.

The wrecks of old ancestral halls,
  In all their desolateness,
The ruined walks and blackened walls
  To foeman's hate bore witness.
Against the sky the toppling stacks
  In solemn, sad sedateness,
Seemed sentries on their beaten tracks—
  Grim ghosts of former greatness.

Each somber mart deserted seemed,
The day wore dull and dreary,
While men moved on, as men that dreamed,
With footsteps flagging weary.
But, hark! that sudden clamor hear!
That hum of human voices!
Whilst everywhere, with shout and cheer,
The very air rejoices.

One little word, first faintly heard,
Now thousands echo loudly,
And every Southern heart is stirred,
And every head held proudly!
Maimed men and matrons shout—"'Tis Lee!"
Fair maidens swell the chorus;
The children clap their hands in glee;
The sky grows brighter o'er us.

'Tis he! 'Tis he! the hero Lee!
No hostile sword can sever
Our hearts from him, for he shall be
The sovereign of them ever.
The tidings leap from street,
Each tongue that name repeating,
Any many meet with hastening feet
To give the hero greeting.

See how the brave old chieftain comes—
No banners o'er him soaring;
No roll is heard of mighty drums,
No cannons 'round him roaring.
On every heart himself engraved,
What need of laureled arches?
'Neath lifted hats and kerchiefs waved
Our gray-haired warrior marches.

When in the Christian cause of peace
His sword was sheathed forever,
With him we wept, that we must cease
Our brave but vain endeavor;
And still we love him as of old,
When 'mongst the dead and dying,
He rode the boldest of the bold,
Our foe before him flying.

Ah! 'Twas a splendid sight to see
Our Southern chiefs assembled
To greet their grand old leader, Lee,
'Fore whom once foeman trembled!
And though our flag be furled—yet we
Forget our heroes never;
We can but shout, "Long live our Lee!"
"The South and Lee forever!"

(The above poem was written by Henry Mazyck Clarkson, A. M., M. D., who lived in Columbia as a young man. He was a graduate of the South Carolina college. A nephew and niece live in Columbia: A. Crawford Clarkson, and Harriet J. Clarkson.)

The Challenge of Freedom

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

ADDRESS BY MR. THOMAS W. McMANUS OF BAKERSFIELD, CALIF.

Mr. GEARHART. Mr. Speaker, on the 22d day of February of this year, Mr. Thomas W. McManus, of Bakersfield, Calif., delivered a tremendously interesting address to the Loyalty Group at San Francisco, Calif.

Because I believe that Mr. McManus deserves and should have a much wider audience, I am constrained to and do ask unanimous consent that this most timely utterance be spread upon the pages of the CONGRESSIONAL RECORD of this day's proceedings.

There being no objection, Mr. McManus' speech follows:

No tribute of mine or of any man's can add to the luster of the greatest name in American history. George Washington's life as an inspiration to us can best be exemplified by the great number of American citizens who are today fighting to perpetuate his spirit and his principles in support of the kind of government he gave his country.

When Washington was born there was little true freedom on the earth. Men were imprisoned for petty offenses, for owing a little money. Small boys were hanged for stealing food. It was a cruel and bitter world. Many were bond servants—slaves, not freemen. Thousands who came to America in those days were exiles from their European homes, paying a penalty for some small debt, or atoning for some negligible offense.

Men gave years of their lives in bondage simply for passage to this, the land of the free—the land of new opportunity. Seven years of hard labor was not too great a price for some to win their way to America—though the cost of passage was then only $35. Freedom as we know it today was then unknown to the world.

It is a new thing, this democracy—this representative government of ours. But, whether we know it or not, our own Government is being challenged today as were governments abroad during the past decade.

Recently, Herbert Hoover told of his last trip through Europe. There he saw the governments which hold sway over the lives of hundreds of millions of people. Time was when there was in those countries at least a semblance of freedom in the courts of law, in religion, in political activity. But that liberty was forsaken under the plea that totalitarianism was safer—that the people would have more security by letting their liberties go.

Their tragedy is that they gave up their freedom with practically no resistance. Less than 100,000 persons were actually involved in the movement that brought dictatorship—1 in 2,000 of the population was responsible for the destruction of the most priceless possession known to mankind—human freedom.

"Let us examine the record," as a great American used to say. In our own time we have seen more freedom in America—not less, as in Europe. There are still men alive who were born into slavery, but that ended long ago and will never return. All of us have seen the liberation of women from the virtual position of chattels, without rights of property, without the right to have a part in determination of the destiny of children to whom they gave birth, without the right to vote.

Even so, it is less than a hundred years that we have had real freedom in this country. At first it seemed a very precious thing, this hard-won liberty. It was a thing to be worried over, to be cherished almost above life itself.

OUR BEST-PAID EMPLOYEE

But it is difficult to act as a free man. It is hard to shoulder the responsibilities of sovereign citizenship. Theodore Roosevelt once said that it was one of our most difficult duties, but at the same time one of our greatest responsibilities.

In other lands that responsibility lies in the sovereign—in the king, or the king's army, or in Hitler's army, or Stalin's army. In America the citizen is the sovereign and the army is his Government. The President of the United States is only the best-paid employee of our Government, and he is actually our servant. What he does he does because we have given him temporarily the power to act for us. His only authority comes from the people he serves, and when the majority of the people become dissatisfied with him, out he goes.

But whether we shall be able to maintain the freedom we have so laboriously secured is today a serious question. Right now it is being challenged—and the freedom of the business that you and I represent is especially under fire. Seventy percent of the current assets of the financial institutions of the country are today in Government securities or Government-guaranteed securities. As an old insurance agent I know that the man who has the money generally tells you where he is going to place the policy.

Because of a financial disturbance, we have shifted our own responsibilities to the Federal Government. A prominent banker said to me just the other day, "I don't care whether a loan is good or not; just give me the Government guarantee." Think of a banker saying a thing like that! It is a sad commentary on the State of American enterprise and of the money brains upon which we used to depend, when many bankers become mere clerks for a prodigal government.

THE INROADS OF GOVERNMENT

But it is not too late, even yet, for us to control that situation—if we will. What, after all, is the Government but ourselves? If Government fails we all fail. The answer, of course, is that all of us must take such interest as never before in our Government and in our politics.

Actually, we are all in politics, whether we know it or not. Every business, every employee, every laboring man who bears a share of the tax load is a party to the Government's activities. Every industry, every financial institution has the Government as a partner in its business.

We can see these inroads of Government in our affairs on every hand. In this State of California, one branch of the insurance business is now almost entirely in the hands of the State government, and the State is now demanding the right to make it a monopoly.

It is for us in the insurance business to determine whether we are going to stay in business for ourselves, or whether it is eventually all going to be the Government's business.

All of us have pride in this business of ours and what it has meant to the country during the past hundred years of world development. It has been made possible because of our freedom. Insurance had given men a sense of security and liberty that no other institution in our civilization has accomplished. And all of this has been done by individual effort—by salesmen in local fields; by special agents. We have great reason to be proud of our efforts.

LET YOUR CONGRESSMAN KNOW!

But if we intend to keep this business we shall have to fight to protect it. And we cannot protect it if we leave the Government in the hands of those who would destroy capital investment and individual initiative.

There would be little insurance sold if it were not for special agents and local agents. Yet the men who serve our Government seldom hear from us, and they know nothing of our problems and of the service we have rendered society.

I have a special message for you tonight. I urge each and every one of you to take more seriously your individual responsibilities as free citizens. Every man in the insurance business can be, should be a force for the preservation of democratic institutions in this country. Every man should know his Senators, his Congressmen, his assemblymen—should know all the candidates for public office.

Those of us who are in the insurance business must let our representatives in the Government know our views. We must choose whether we are to have continuance of free opportunity in this country during the next decade or whether we are to be set to work in a regimented government such as exists abroad.

Remember this: The men who set up those centralized, regimented governments across the sea, wherein liberty has been sacrificed for false hope of security, built them on a plea of help for the unfortunate and promises to alleviate the distress of the common man.

Remember, too, that the result has been more misfortune, more desolation, more suffering for the people whose misery helped the dictators to power.

Mussolini was a socialist and a radical. He promised to lessen the suffering of the Italian people. Let's give him what credit we can: He has done better than any of the other dictators.

Hitler was a beer-hall orator and a radical. He promised security to the masses in Germany, but instead of the promised security he gave them bayonets and regimented the people into industry under force of arms. And now he is giving them war and chaos and destruction and hunger.

THE BLIGHT OF COMMUNISM

Stalin was going to take away the crushing burden from the backs of the Russian people. But instead of taking away the load he burdened the people beyond human endurance with a form of mass slavery unequaled in the world's history. Thousands of officers of the army, 300 generals, 4 field marshals, have all been killed by him. In his terroristic rule, more than 3,000,000 Russians have been murdered by order of Stalin. And now the people under his dictatorship are forced to wage a war upon the free men of Finland—though that war so far has demonstrated that one free Finn is the equal of 10 Russian slaves.

In our own country we are faced by many serious problems. We shall have to determine whether this country shall become involved in the terrific conflict now smoldering in Europe. We are assailed on every hand by opinions and propaganda—pleas for the sake of the democracies, and denunciations of the totalitarian states. No man with a heart can support Stalin and Hitler in their war-making. But with the world in such a precarious state, it is essential that every man can make our Government's activities his own personal concern.

There is no more important heritage from the Father of his Country than his words of warning that we keep clear of foreign entanglements. In his own administration he refused to be drawn into the war between England and France.

We of today must keep the light of democracy burning. If we permit it to go out in this land there is no other hope for the world. I say in all seriousness that the only hope for this world is that we maintain an exemplary democracy here in the United States of America. For we alone have true freedom, true democracy. No thinking man has any illusions about the governments of South America. They are not democracies. The quickest trigger-finger controls the governments there.

THE MIGRANT PROBLEM

But we must do something about our own home problems before we try to solve the problems of the world. Here in America we have 3,000,000 families that live on incomes of less than $200 a year. Their children are emaciated; they are victims of pellagra and diseases of every kind. Many of these unfortunate people have come to California to find assistance.

I have given the past 2 years to the problem of the migration of these helpless people from the southern and midwestern areas of our country to California. They are people who have failed in the economic struggle; who have endured in their home States things which we cannot ask any human being in America to endure.

They have come to California because to them it seems the promised land of plenty. They have accomplished a population movement unparalleled in modern history. They have come because we have given the most generous help among all the States in the Nation.

There are three to four hundred thousand of these migrants. They are truly countrymen of ours—whose forebears fought with Washington. In their home communities they had been living at less than subsistence levels. They could hardly read and write; they were wracked with disease, suffering from malnutrition. They were losers in the life of today.

We are sorry for them, but California cannot become the poorhouse of the Nation. Our State cannot be the sanitarium for all the helpless. The problem in its essence must be dealt with by the combined efforts of the Federal Government and the governments of the States from which the people come.

Insofar as one group of our people is threatened with insecurity, the entire Nation is threatened.

SECURITY FOR ALL

I agree with the proponents of liberal old-age pensions; something certainly must be done for the aged and the helpless and the poor. But there can be no security for the aged without security for the young. There can be no security for the employee without like security for the businessman and his investment. There can be no security for any until there is security for all.

Security is interdependent. It is not for one group alone. It must of necessity be for all. There is no security in the Nation so long as this problem confronts us.

The United States has recently been stirred in its emotions by novels written about the destitution of the migrant people. I have only this to say: They are tragic stories of tragic people. But let me say this too: The tragedy did not originate in California. It originated in the States from which the migrants came. And all the States must have social understanding and vision sufficient to realize that this is a national as well as a local problem.

There are other matters of grave importance that you must consider in your new interest in politics and economics: We now have 11,000,000 people without work in America, and another 10,000,000 on public works. But as we increase the tax load, the ability of industry to employ the unemployed decreases. So what shall we do? We have the greatest amount of idle capital that our country has ever seen, and at the same time we have the greatest natural resources, the most capable and ingenious people in the world. This new problem will be solved as others in the past have been solved.

Civilization has made greater advances in adding to the comfort and well-being of mankind during the past hundred years than in all the years since the dawn of time.

MIRACLES BY FREEMEN

Well do I recall the study of religion as a boy, and the promise that the theologians conceived to be the ultimate blessing of the human soul living in perfection before its Maker—that the soul would fly through the air. Michelangelo lent his imagination to this promise and painted upon the backs of the angels heavy wings to help them fly. But the genius of living man has developed the airplane which flies faster than the mind of man ever imagined that the angels would fly.

There was another old promise to be fulfilled—a universal voice that would be heard through walls and through space. And then science gave us radio, so that if I had a microphone hooked up before me now my voice would circle the globe and be heard on the other side of the world before you in this very room would hear it.

Many of the modern miracles of medicine have come to pass in the time of our own lives. In my boyhood, old men would tell of the plagues that had to be endured, plagues that they looked upon as punishments sent from heaven. Now scientists have made those plagues a matter of history. Cholera, smallpox, diphtheria—such diseases were the scourge of ignorance, and when man's intelligence was pitted against them they were wiped from the face of the earth.

And it took the intelligence of free men to bring about the modern miracles of other scientific accomplishments that have lifted backbreaking toil from the shoulders of men and women. But let me emphasize one point: These accomplishments have been possible only because our people have been free. Men in slavery, in bondage, would have led no such industrial and intellectual advances.

COMMUNISTS NEVER FORGET

Knowing that, it is strange that certain people now active in our land can follow the misguided philosophies of government that lead to certain human servitude. There are those who would have us follow the policies of Stalin—though the blight of communism would shrivel the spiritual and intellectual growth of mankind here as abroad.

We find such theorists, men and women, in places of prominence in our Government, and I say to you that all those who work and pay the bills must be watchful and diligent always lest their own indifference permit our Government to be subverted to foreign ideologies.

It is up to you and to me and to the 5,000 agents of this Pacific coast department of the Loyalty Group and our associates in the insurance business throughout America to fight now with all our might to give something in the same spirit of love and devotion and sacrifice that inspired the life of George Washington.

Recently we have seen marching on Sacramento, to threaten the members of the legislature of this State, a group under the leadership of an organization directed by the Communist Party. The Communists never forget; sometimes we do. All too often we are too busy to write to our representatives in Sacramento or to send word to our Congressmen in Washington to tell them how we want our Government protected. If we neglect a manifest duty whom shall we blame when a minority imposes its subversive will upon us?

Our lawmakers want to hear from us. They have told me so many times. They have told me how sick at heart they were when, after fighting for the principles of American liberty and democracy, they have had to take the abuse of men like Bridges and his ilk, while they received never a word of encouragement from the folks who have jobs and property.

If we are to do our full duty as citizens we must never be too busy to express ourselves vigorously on the issues before Congress and the legislature. We must take time, however occupied we may be, to indicate our appreciation to those who battle for the maintenance of American principles of individual opportunity.

NOT EASY TO BE FREE

That other recent incident when a dictaphone was discovered in the hotel room of the speaker of the California State Assembly at Sacramento indicates how close are we to the loss of our precious liberty. How shameful that such a thing should occur in America! That is the spy system—espionage of the kind that is well known in the totalitarian states of Europe. It is like the work of Hitler and Stalin, destroying life and freedom. It is the work of dictatorship, and whoever is responsible for so dastardly an act has no right to call himself an American.

No, it is not easy in these days to be a freeman. You can never be indifferent to your responsibilities if you are to remain free. The government that levies taxes and makes laws also takes a toll from every man, and great institutions such as the Loyalty Group and these fine insurance companies can exist only so long as our Government is a representative government and answerable to every freeman.

The priceless privilege which was given to us by George Washington will perish from the earth unless we take it upon ourselves individually to do something to keep it alive. Remember that while you can build great buildings and great institutions, their safe future depends upon constructive and good government.

I am asking you—each one of you—to preach the doctrine of Americanism, to be willing to make personal sacrifices for it, and to take a personal interest in your Government. Support those who believe in individual opportunity and free enterprise, the American system upon which our country has grown to unsurpassed greatness.

We must not fail to do this duty.

More than 150 years ago, when our flag was first unfurled to the breeze, as it came from the loving hands of Betsy Ross, George Washington stood before it and uncovered his head. It has ever been the symbol of human freedom, the hope of mankind, the pledge of ideal government.

God make us worthy and unafraid to fight for the Americanism of Washington. We must not fail to pass on to posterity a land of the free and a land of opportunity.

Americanization Work by David Wisted Post, American Legion, of Duluth, Minn.

EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. PITTENGER. Mr. Speaker, I believe it will be of interest not only to Members of the House but to people throughout the country to know that David Wisted Post, of the American Legion, of Duluth, Minn., recently carried on an Americanization project. We believe that this is the first of its kind in the United States. The work was carried on in the Duluth public and parochial schools. Each classroom was presented with a framed copy of the Declaration of Independence during the annual observance of Americanization week, starting with Lincoln's Birthday, February 12, and ending with Washington's Birthday, February 22.

This program resulted in proper tribute being paid, not only to George Washington and Abraham Lincoln, but to other men who had to do with the early history of America. Addresses were made when the framed copies of the Declaration of Independence were presented.

The best way to combat communism and its dangerous doctrines is to have a revival of the study of American history. The better informed people are in reference to the Declaration of Independence and the Constitution of the United States the more likely they are to appreciate our form of government and the opportunities for life, liberty, and the pursuit of happiness.

David Wisted Post is to be congratulated on its fine and outstanding achievement in connection with this program. I attach hereto a short summary showing the different steps taken:

DAVID WISTED POST, AMERICAN LEGION,
Duluth, Minn., March 18, 1940.

A brief review of the distribution by David Wisted Post, American Legion, of 1,000 framed copies of the Declaration of Independence to 1,000 classrooms in Duluth's public and parochial schools during Americanism Week, February 12–24, 1940—the first time such a project has ever been undertaken in any American city. The review has been prepared to serve the many inquiries that have been received by Wisted Post from communities interested in the project

During the 1940 national Americanism Week, starting with Lincoln's Birthday, February 12, and ending with Washington's Birthday, February 22, David Wisted Post, of the American Legion, in Duluth, distributed 1,000 framed parchment copies of the Declaration of Independence to 1,000 classrooms in all of Duluth's public and parochial schools.

This is the first time in the history of America where such a project has ever been undertaken and already inquiries have been received by the Duluth Legion post from all sections of the country.

High praise for inaugurating the novel plan to spread a better understanding of America into every schoolroom has been given the Duluth post by Raymond J. Kelly, national commander of the American Legion; Frank E. Samuel, national adjutant; James F. Barton, director of national Legion publications; and Allan Briggs, Minnesota State Legion commander, as well as Dr. H. H. Eelkema, superintendent of the public schools in Duluth; the Reverend Father Martin Larkin, superintendent of the parochial schools of Duluth; and leading educators and city and school officials of Duluth.

Originator of the plan is A. B. Kapplin, Duluth newspaperman, who is a past commander of the Minnesota department of the Legion, former eighth district commander and past commander of Wisted Post, who served as the first chairman of the committee that directed the framing and distribution of the 1,000 copies of the Declaration of Independence in the schools in February 1940.

Permission to distribute the framed copies in the schools was obtained by the chairman from the Duluth School Board and the parochial-school authorities, who also approved the plan to have each pupil bring a penny to help pay for the framing costs. This was urged by the Legion to spread the idea into Duluth's 25,000 homes, so that all the parents would know and understand the project and its purpose.

The teachers and principals supervised the collection of the pennies the week before Lincoln's birthday, starting February 5th. The children contributed a grand total of $116.34, Wisted Post paying the difference in framing costs and other expenses, including a small label pasted in the left bottom corner of each copy:

"Presented by
David Wisted Post
American Legion
1940"

Duluth firms bid on the framing contract, and the work was handled by two institutions at a cost to the post of 42 cents each, all wired and ready to hang. The 1,000 parchment copies were donated to the Legion by the Duluth and Minnesota agencies of the John Hancock Life Insurance Co.

The first framed copy was presented by Chairman Kapplin to Dr. Eelkema, superintendent of schools, on Lincoln's Birthday, as a group of Wisted officers watched the ceremonies. The incident was photographed and published in the Duluth News-Tribune, copies later appearing in the State and national Legion papers.

Additional framed copies were presented by the post to the mayor of Duluth, to the publisher of the Duluth papers, to the two radio stations which arranged special ceremonies broadcast over the air, and to Allan Briggs, State Legion commander, several district commanders, and 17 post commanders of the eighth district attending the annual midwinter district conference at Duluth February 24.

Dr. Eelkema wrote the following to Chairman Kapplin at the completion of the project:

"Permit me in behalf of the schools to express sincere appreciation to you and to David Wisted Post for having initiated and carried through the plan for presenting copies of the Declaration of Independence to each classroom in the Duluth public schools. It is my opinion that the students will profit materially from the contact which they will have with this famous document and year by year will attain a greater respect for the principles set forth therein."

There was such an unusual demand for similar framed copies that the executive committee of the post voted to sell a supply on

hand for 50 cents each, approximately the actual cost to the post. This was done after the presentation in the schools was completed.

The schools arranged for special presentation ceremonies at public assemblies, with legionnaires of Wisted Post assigned by the committee to make brief talks. In many schools there were Washington-birthday programs and an impressive patriotic atmosphere created for the event.

As each Legion speaker accepted his assignment, a letter of instructions and a sample speech was mailed him by the committee. The principal was requested to have a pupil selected by each room to receive the framed copy, many of these children having memorized brief responses for their classmates.

Instructions to the teachers were prepared by the committee and mailed out by the school superintendents over their own signatures.

After presentation in all the schools was completed, a mimeographed letter reviewing the project and including a brief historical sketch of the Signing of the Declaration and its part in American history, also prepared by the committee, was sent out by the superintendents to all the teachers. These are to be kept on hand and used at all important anniversaries and patriotic celebrations in the future.

Scores of letters were received by the post from superintendents, teachers, and principals of the Duluth schools in appreciation for the framed copies of the Declaration presented the classrooms. Many parents also wrote congratulating the post.

In explaining the project and its purpose, Mr. Kapplin, originator of the plan, declared in addressing members of the school board:

"This is an Americanism project of the Legion to emphasize those fundamentals that make our Nation the greatest in the world. We want our school children to see this great document every day and to grow to appreciate this country more and more through the years. Maybe if we build this deeper understanding in the hearts of the present generation, America will never again have to fear foreign 'isms' influencing the youth of our land."

Yours very truly,

DAVID WISTED POST, AMERICAN LEGION.

Our Nation Demands a Sound Transportation Policy

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

EDITORIAL FROM THE EAST GRAND FORKS (MINN.) RECORD

Mr. VAN ZANDT. Mr. Speaker, amidst all the propaganda being foisted upon the American public at this time by the promoters of the so-called waterway improvements, the editor of East Grand Forks (Minn.) Record in an editorial of January 26, 1940, stresses the fact that the lack of a sound transportation policy has been costly to the United States.

To those of us who are interested in S. 2009—the Wheeler-Lea railroad bill now in conference—the attention of our colleagues is invited to the above referred to editorial:

[From the East Grand Forks (Minn.) Record of January 26, 1940]

LACK OF SOUND TRANSPORTATION POLICY COSTLY TO UNITED STATES

The failure of the United States to adopt a sound national transportation policy 20 years ago "has cost the country as a whole a wasteful expenditure running into billions of dollars," according to Senator CLYDE M. REED, of Kansas.

During the last two decades, the Kansas Senator pointed out in a recent address, the investment in transportation facilities of all kinds has been more than doubled. "None of them is prosperous," he said, "because there is more transportation being offered than there is traffic to move." While the recent improvement in business has lessened the tension, Senator REED warned that it has not solved the transportation problem.

"There may have been periods in our national history," he said, "when it might have been advisable to use the Public Treasury to subsidize some form of transportation. That period has passed. We have come to a time when every character of transportation should stand on its own feet without burdening the taxpayer by wasting his money, whether by unwise governmental expenditure or wasteful competition between private capital investing in unneeded transportation facilities."

"The inland waterways," he continued, "never have, do not now, and never can handle traffic as efficiently, as expeditiously, or as cheaply as the railroads, or, for that matter, as the highways."

"River transportation," he said, "is the highest cost of any of the general forms of transportation. The difference between the charges on the inland waterways or the railroads and the highways is made up by a subsidy out of the Public Treasury which is paid by the taxpayers as a whole."

Senator REED charged that river improvements had become a racket. "Many smart men," he said, "are making a living out of promoting a so-called inland waterway improvement. They get support from cities, from newspapers, large corporations that own their own barges and can move their own freight on a publicly built right-of-way at a lower charge than the railroads make; they make a business of interesting chambers of commerce and commercial bodies; in putting pressure on Senators and Representatives for huge appropriations for river improvement which will give some particular city or number of cities a freight-rate advantage."

Besides demanding the continuance of these subsidies, Senator REED said they are opposing the regulation of waterway transportation. He said that legislation now pending in Congress would afford a start toward a sound national transportation policy.

Relief Problems

EXTENSION OF REMARKS

OF

HON. LUTHER PATRICK

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

ARTICLE FROM THE BIRMINGHAM (ALA.) AGE-HERALD

Mr. PATRICK. Mr. Speaker and fellow Members of Congress occasionally one hears a speech or sees an article that arrests his attention by reason of its simplicity, clarity, or splendid approach to its subject matter. Good fortune has placed in my hands an article by Russell Kent on the subject of relief problems which recently appeared in the Birmingham Age-Herald, the South's leading morning daily. I commend this article to you, and that you may study it, hereby place it in the CONGRESSIONAL RECORD.

[From the Birmingham (Ala.) Age-Herald of March 19, 1940]

RELIEF PROBLEMS

(By Russell Kent)

Birmingham and Jefferson County face a serious situation regarding relief of the unemployed. So do other cities and counties in varying degrees, some more acutely, others less so.

There is nothing sudden about this development. It has been known for months that Federal assistance, through W. P. A., would be reduced. President Roosevelt asked, and Congress voted, only two-thirds as much money for W. P. A. in the fiscal year starting last July as was provided for the preceding fiscal year.

Anyone studying the picture would have concluded that private industry could not absorb the unemployed, no matter to what heights industrial activity climbed—and it has climbed. This is because over 70 percent of those on W. P. A. rolls are unskilled workers, and the demands of industry are for skilled, or semi-skilled, workers. Also, a large proportion of those on W. P. A., or seeking to be placed there, are men and women, of 40 and upward. Many of them never will get permanent jobs in private industry, because if private employers are going to start to train employees, they will draw upon the great reservoir of young folks rather than the untrained oldsters.

So far as concerns the requirement that local sponsors contribute 25 percent of the cost of W. P. A. projects, this was written into law by Congress at the end of last June, to become effective January 1. There was a little more than 6 months' notice of this requirement.

The 25 percent contribution requirement is on a State-wide basis. The State government could, if it desired, contribute from its funds a larger share to Jefferson County than to other counties. Probably this would be both impractical and inexpedient. The Federal Government has nothing to do with this. So long as some extra arrangement is not made by the State, Col. W. C. Henderson, W. P. A. administrator for Alabama, has no discretion; he must demand a 25-percent contribution from Jefferson County, or from Birmingham, for support of all non-Federal and non-State W. P. A. projects they sponsor.

This is a legal requirement, fixed by Congress. It is not an administrative policy, subject to flexibility.

Colonel Henderson has discretionary authority to allocate workers within Alabama as he sees fit and proper. He could, if he considered it proper, which naturally he would not do, allocate all W. P. A. workers allowed Alabama to within Jefferson County's borders. But still 25 percent of the total cost of the projects would have to be borne by the county or city governments, or both.

The fact is that Alabama has not fared badly at all by comparison.

The President and Congress decided to cut W. P. A. funds one-third. That meant rolls had to be cut one-third—W. P. A. planned

for the present fiscal year to carry an average of 2,000,000 on its rolls instead of the average of 3,000,000 it carried a year ago. Wages were rearranged, by direction of Congress. The result was average W. P. A. wages in Alabama, and other Southern States, were increased. Hence the cost of local projects was increased.

On March 6, W. P. A. had a national enrollment of 2,323,000 workers. On the corresponding date of 1939 it had 3,900,000.

Alabama, on March 6, had 54,811 W. P. A. workers. A year ago it had 58,551. The difference in the 12 months, in Alabama, is very much less proportionately than in the country as a whole.

Of course, these figures, in the State and in the Nation as a whole, must be reduced. The rolls were increased during the winter—and it has been a severe winter with genuine suffering for the poor, particularly severe in Alabama because of the unusually low temperatures for that State. The rolls must be decreased to keep within the 2,000,000 average for the year; they must be cut, rather steadily, below 2,000,000.

Alabama had an authorized W. P. A. enrollment of 57,000 for February. This was cut 8,000 to a total authorization of 49,000 for March—yet on March 6 the official figures show that 54,811 were carried on the rolls. The authorized enrollment in Alabama for April will be 43,500.

Colonel Henderson did not cut the Birmingham and Jefferson County allotment for March, and he told a conference last week he would not cut it for April. That is because of the large waiting list there, 7,000 certified eligibles unable to get on the W. P. A., as many waiting to get on the rolls as actually are on the rolls.

In the Nation as a whole, 228,000 W. P. A. workers must be dropped in April.

Just what is the answer to this relief situation?

President Roosevelt announced in January his intention of asking $1,000,000,000 for W. P. A. for the fiscal year to start next July 1. That was a tentative figure, for he said a later study would be made before the actual request for an appropriation would be made. A billion-dollar W. P. A. appropriation for the 1941 fiscal year necessarily would mean a cut of one-third below the average number being carried this year.

In other words, if W. P. A. is given $1,000,000,000 for next year, it can enroll not more than an average of around 1,300,000 workers, instead of the 2,000,000 being carried this year and the 3,000,000 who were carried on the average during the 1939 fiscal year.

In other words, to bring the situation directly home, if W. P. A. is giving employment to 7,000 persons in Birmingham and Jefferson County today, with a liberal leaning by the State W. P. A. administrator, the Federal agency a year hence could not employ more than 4,227 with the same identical sympathetic leaning.

That is, of course, if Congress votes only $1,000,000,000 for W. P. A. for the new fiscal year.

As for the 25-percent contributory provision, regarding which the Alabama congressional delegation has been asked to take action, it is perfectly obvious there will be much difficulty in getting this out of the law. If it does go out, then, by simple arithmetic, it will be impossible for W. P. A. to carry as many workers on its rolls as it otherwise would do. A dollar can be stretched only so far. If W. P. A. has 75 cents to apply to a project, and the local sponsor puts up 25 cents, it is clear that W. P. A. cannot list as many projects or employ as many workers if it is required without additional total funds to spend 80 or 85 cents per project worker.

A controversy has been started regarding how many unemployed there are in the Nation. Nobody knows; we will know a year hence how many there were this week, for the census will disclose that.

To say there are only 4,000,000 appears ridiculous. Back in the roaring twenties there were 1,000,000 unemployed at all times.

Anyhow, such controversy does not fill the stomachs of those who are unemployed and without means of support, be they 4,000,000 or 12,000,000 in number.

The most crying need of the entire relief situation is for an objective, long-range, carefully planned program. Neither the President nor Congress has attempted any such thing. We have been temporizing from year to year on this relief program. We have gotten exactly nowhere toward a final solution and we are not going to get anywhere, except into difficulties, until the subject is faced more honestly.

For the Nation's Disabled

EXTENSION OF REMARKS

OF

HON. HAROLD K. CLAYPOOL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

ARTICLE BY HON. JOHN W. McCORMACK

Mr. CLAYPOOL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hon. JOHN W. McCORMACK:

FOR THE NATION'S DISABLED

(By JOHN W. McCORMACK, author of V. F. W. measure, says pension plan is best means to solve disabled-veteran problem)

I am definitely in favor of having Uncle Sam pay out pensions to all permanently disabled veterans of the World War who served honorably for 90 days or more. I am in favor of their receiving the same amounts of pension for the same degrees of disability, under the same circumstances generally, as such disability pensions are now payable to veterans of the Spanish-American War, who were honorably discharged after 90 days or more of service.

To help to bring about such disability pensions for World War veterans, on January 17, 1940, I introduced H. R. 7980, at the request of your national legislative representative, my good friend Millard W. Rice. My bill, the V. F. W. bill, would provide pensions ranging from $20 to $100 per month, depending upon the severity of the veteran's permanent disability. For a 10-percent permanent disability, he would receive a pension of $20 per month; for 25-percent disability, $25 per month; for a 50-percent disability, $35 per month; for 75-percent disability, $50 per month; and for a total disability, $60 per month, provided that age 65 should be considered as total disability, and, if in need of an attendant, $100 per month.

Such pensions for Spanish War veterans were based upon the precedent established as to disabled veterans of the Civil War, who found themselves unable to prove service connection of their disabilities, as had been provided for before that as to veterans of the Mexican War of 1848, the War of 1812, and the Revolutionary War.

Immediately following each war in which our country has been engaged, pensions have been payable to veterans for their service-connected disabilities, and then from 20 to 30 years after each such war, for their permanent nonservice-connected disabilities.

Those who have given up a part of their normal lives to serve our country in a military capacity during time of war have thus made such contribution to their country as it can never repay. Very few of these patriots who respond to the country's emergency call would ever otherwise have chosen to go into the United States Army, Navy, or Marine Corps. Those who served honorably as much as 90 days not only severed themselves from their normal pursuits of life but stood ready to sacrifice their lives or their health, if fate so decreed, upon the altar of service to country.

War veterans served the entire Nation—not merely their home State or their home town. Since their honorable discharges many World War veterans, in their search for jobs and health, have shifted around from city to city, and from State to State, so that there are now many more veterans residing in some communities and States than the number who were originally enrolled therefrom, with proportionately less in other States.

The tendency of disabled veterans to move into certain States, where living conditions are more agreeable, will very probably continue for the next 20 or 30 years, as more veterans become handicapped by disability or age. A greater number of them will consequently become unemployed and unemployable.

The American people will not permit their past war veterans to starve. Those who have become unemployable and in need will be provided for in some manner by the American people.

Local private and public charity is already beginning to find this burden a heavy one and in certain communities and States too heavy to bear, where an unusual number of veterans have become concentrated. It is unfair for the Nation—whom these men served in its most dangerous occupation during time of war—to expect such communities and States to assume such responsibility indefinitely in the future. The only equitable arrangement is for the Federal Government to assume the sole responsibility of providing adequate pensions for all disabled war veterans. Doing so would lessen the relief load for many local veteran organization posts, ladies' auxiliary units, Red Cross chapters, community chests, public-assistance agencies, and charity asociations now making increasingly larger expenditures to take care of unemployed veterans and their families.

Having been a World War veteran myself, and having two brothers who served overseas, who are members of the V. F. W., I know something about the experiences of war veterans. I know something about the hardships, the exposure, the unsanitary conditions, the lack of good, wholesome, properly prepared fresh food, and the stress and strain experienced by hundreds of thousands of veterans who served during the World War, particularly as to those who served overseas.

I know that many a soldier and sailor kept his ailment to himself in order to be able to stay with his own "buddies." I know that many of them received inadequate or no medical treatment when badly in need thereof. I know that thousands of others received medical treatment concerning which no official record was made, and as to which their buddies, if still living, knew nothing, or can no longer remember. I know that many medical records actually have been lost or destroyed or never coordinated with the veteran's own service record, and therefore have not been made available to the Veterans' Administration.

I know that those who served, particularly overseas, were shifted around from place to place, from one outfit to another, so frequently that they did not get a chance to find out the full names and home addresses of their buddies, knowing them only by their nicknames of "Mike," "Pat," "Ole," "Johnny," etc. I know that most of those who served were darn anxious to get back home to mother's good old home cooking, to loved ones and friends, just as soon as possible after the armistice had been signed on November 11,

1918, and that scores of thousands of them who were actually suffering with some developing ailment or disability, bravely stuck out their chests and insisted that they were in good physical condition when looked over hurriedly or carelessly by medical examiners, immediately prior to their discharges, and as a consequence had their honorable discharge certificates marked with the notation: "Physical condition, good."

I know that thousands of our comrades figured that, after they got back home and got themselves well rested up, and well nourished on good home cooking they would be able to "snap out of it" and get back to normal. Many of them pursued this vain hope for months, sometimes years, end on end, relying on home remedies, failing to consult physicians until long after. I know that many of the physicians who did examine veterans shortly after their return from military service failed to keep records of such examinations, and can no longer remember what the veteran then complained of, or what they then found wrong with him, or such doctors have since died with their records destroyed.

A thousand and one other factors beyond their own control have, I know, frequently made it very difficult, and, in many cases, impossible, for World War veterans to establish the legal service connection of their actual service-incurred disabilities. Establishing service connection for a chronic ailment, as to which no official record was made during service, is more difficult for an overseas veteran, generally, than for a home-service veteran.

As a Congressman, I have had the experience of personally assisting thousands of veterans in the prosecution of their deserving claims. I know that many of them would never have gotten the necessary affidavit evidence to establish service connection, unless they had been assisted and advised by someone.

Because of these experiences, I feel sure that there are many scores of thousands of World War veterans, now suffering with partial or total disabilities, which were actually caused or aggravated by their World War service, who have not yet been able, and who never will be able, to prove themselves entitled to compensation on the basis of service connection of their disabilities, even though their buddies are convinced that they had their origin in service. The very least that the Federal Government can do is to provide pensions for these deserving "vets" for their permanent disabilities, in the same manner, in the same amounts, and for the same reasons, as granted to disabled veterans of the Spanish-American War.

Incidentally, the payment of pensions to disabled World War veterans would, at the same time, produce new purchasing power in all of the localities where such disabled veterans live. The same amounts would be payable, for the same degree of disability, without regard to the location of the village, town, city, or State in which they were living.

No State or local community could complain that beneficiaries were receiving more in certain other communities and States, because of an alleged difference in cost of living—such as is now the case as to the employees under the W. P. A., the N. Y. A., or under P. W. A. contracts, or as to social security public assistance benefits, etc. No one would have any justification for complaining that the Federal Government was pumping out purchasing power in greater amounts to various groups of beneficiaries, in certain States than to those in certain other States.

Pumping out such Federal purchasing power into every village, hamlet, and city throughout the country, by granting disability pensions to permanently handicapped World War veterans, would indirectly make it possible for every State, if it desired, to provide more generous old-age assistance to its other needy old folks, more liberal benefits for the dependent children of non-veterans, and more adequate aid to the blind, and thus to be entitled to more matched money from the Federal Social Security Board.

Disability pensions for all handicapped World War veterans are right in line with the main theme of the well-coordinated Veterans of Foreign Wars' program, Security for America. The principles of Americanism could be more effectually upheld and promoted by pensioned veterans, who would no longer be demoralized by the stigma of being dependent upon local charity. Thousands of unemployed pensioned veterans would thus be enabled to, and would, devote their time, talent, and energies to many constructive activities, incident to the promotion of good Americanism.

I do not regard the V. F. W. disability pension bill as a proposal for general pensions for all veterans. There is no reason to provide pensions for able-bodied, employed, self-sustaining World War veterans. No one proposes any such general pension law. Those who use the term "general pension bill" do so for the deliberate purpose of deceiving the American public into thinking that something unreasonable is being requested in the V. F. W. proposal, which is simply that Federal pensions be provided for all permanently disabled World War veterans.

There are thousands of V. F. W. members who are advocating disability pensions not because they themselves would benefit therefrom but because their less fortunate handicapped comrades, sorely in need, would be able to call for help from the Nation which they served some 22 years ago.

At the same time it should be borne in mind that no one can know when a man now able-bodied may become permanently disabled and definitely handicapped in his further efforts to make a living for himself and his family. The enactment of such a disability pension law would thus in effect constitute a paid-up disability insurance policy, upon which benefits would become payable according to the terms provided for therein.

As to those who have become somewhat fearful that the enactment of H. R. 7980 would reduce the amount of compensation now provided for veterans suffering with service-connected disabilities, may I emphasize the fact that the laws pertaining to service-connected disabled veterans would not be touched in any way. The enactment of a law providing pensions for non-service-connected disabilities for veterans of the Civil War, and subsequently for veterans of the Spanish-American War, did not result in a reduction of the basic pensions provided for veterans of such wars suffering with service-connected disabilities.

No reduction of the compensation now provided for service-connected disabilities would ever result by reason of the payment of pensions to World War veterans permanently handicapped by non-service-connected disabilities.

Incidentally, I think it is appropriate to call to your attention the fact that more than 80 percent of the more than 344,000 World War veterans, who are receiving compensation for service-connected disabilities, receive less than $60 per month compensation. Many of them are now, and will henceforth be found to be, suffering with other non-service-connected disabilities which, in connection with their partial service-connected disabilities, have rendered them unemployable and actually totally disabled. In the event of the enactment of H. R. 7980, these partially compensated, but totally disabled, World War veterans, would have the option of receiving the proposed pension of $60 per month for total disability. The option would very probably prove beneficial eventually, to thousands of veterans now receiving less compensation than $60 per month for partial service-connected disabilities.

For the benefit of our less fortunate comrades, of our own respective local communities and States, and, in line with the V. F. W.'s main objective, "Security for America," the V. F. W. should continue the fight which it has started, until there has been enacted into law provisions for payment of pensions to disabled World War veterans, on the same basis as now provided for as to veterans of the Spanish-American War.

The Antilynching Bill

EXTENSION OF REMARKS

OF

HON. WESLEY E. DISNEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

EDITORIAL FROM THE TULSA (OKLA.) TRIBUNE

Mr. DISNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Tulsa Tribune, Tulsa, Okla., for Thursday, March 28, 1940:

[From the Tulsa (Okla.) Tribune of March 28, 1940]

THE OLD VOTE GRABBER

That old fake, the antilynching bill, is back again.

The Senate Judiciary Committee has reported it out to the Senate. It passed the House on January 10 by a vote of 252 to 131.

The antilynching bill was designed for the purpose of snaffling Negro votes and for nothing else. If it isn't unconstitutional, nothing is. It provides that in a community where a lynching has occurred the whole community may be fined, regardless of the guilt or innocence of the individual members. This is perhaps the first time in the history of America where a law was seriously proposed which lumps the blameless with the guilty.

But the worst thing about the antilynching bill is that most of its supporters are hypocritical. They know that it is a bad law. But they vote for it because, presumably, it will please their Negro constituents. In 1937 the House passed a previous antilynching measure 277 to 120, but when it came before the Senate on January 6, 1938, it ran into a determined filibuster led by CONNALLY, of Texas. Supporters of the bill filed two petitions for cloture, so as to get a vote by limiting debate. The first was rejected 51 to 37, the second by 46 to 42. Finally, after 6 weeks, a motion to proceed to other business was carried by a vote of 58 to 23. Many Senators who were prepared to vote for the bill privately admitted in the cloak rooms that they hoped it wouldn't pass.

Unlike the Lindbergh kidnaping law, which permitted the Federal Government to aid the State in suppressing a horrible and expanding racket, the antilynching law is directed at a crime that has almost vanished of its own accord. Last year in the entire Nation only eight persons, two of them whites, were lynched. Lynchings have dropped steadily from 179 in 1895, 76 in 1910, and 17 in 1925 to the present near vanishing point. In view of such figures there is no possible necessity, other than a political one,

for emergency Federal intervention such as the antilynch law provides.

The struggle which the two major parties are waging for the Negro vote is best understood when one considers that Negroes now comprise at least 10 percent of the population of the major northern and eastern cities. But it is a shame that both parties have resorted to such demagogic and dangerous methods in order to woo that vote.

The antilynching bill is not a piece of honest legislation.

A United America, Part 10

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. THORKELSON. Mr. Speaker, in this, the tenth and last article on A United America, I have tried to cover such parts of the Constitution as I believe are the most important to those of us who still hope that this Republic will be restored as it was given to us by the founders of our Nation.

We are far afield from those sound principles, and to continue along the liberal paths which have been paved by our enemy can only lead us toward a despotic and chaotic democracy in the true meaning of that word. No one who respects the Constitution and that which it guaranteed before the seventeenth amendment was adopted should ever use the word "democracy," for such governments can only end as they have before—in oligarchies or despotisms.

There are two types of governments, the aristocratic and the democratic, one ruled by the classes and the other by the masses. Neither of these types is desirable, for each caters to its own group and is therefore destructive to popular government. Recognizing this, the founders of our Republic selected the better element of each of the two for the government of these United States, and, uniting these, the State represents the aristocratic element and was placed in control of the Senate, and the people, the democratic element, selected directly from the masses to represent them in the lower House.

It was in this manner that the founders of our Republic succeeded in establishing balance in our Government, and to further safeguard and protect all of us, they gave the President veto powers, and the Supreme Court the power to nullify or declare unconstitutional such laws as were not based upon constitutional facts. These are the checks and balances in our Government, but the greatest power by far was placed in Congress. This should be clear, for it is through Congress the people speak. It is through this body the people may request removal of all officers by impeachment—from the highest to the lowest. To this public redress, Congress itself is not immune, for the Representatives can be removed every 2 years, and the Senators could, before the Constitution was amended, be removed whenever the State felt it was necessary to do so.

The President is, in a sense, chairman of a board of directors. He is head and Chief Executive of the Nation, but is devoid of any power, without the approval of the Senate, except that of granting reprieves and pardons.

I shall now quote from Report No. 394, Thirty-sixth Congress, where impeachment charges against the President were discussed on the floor of the House. It appears that the charges were not specific, and did not state that he had been instrumental in furnishing compensation to promote legislation, or that he had asked or coerced Members of the House to uphold legislation, but the report intimates that, had he done so, impeachment would have been in order. On the strength of his office, the President claimed certain immunities, to which the House replied in the following manner:

The President of the United States, under the Constitution, possesses neither privilege nor immunity beyond the humblest citizen, and is less favored in this respect than Senators and Representatives in Congress. Article I, section 6, reads: "They (the Senators and Representatives) shall, in all cases except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses and in going to and returning from the same." No such exemption is made in behalf of the Executive or any other officer of government. The conduct of the President is always subject to the constitutional supervision and judgment of Congress; whilst he, on the contrary, has no such power over either branch of that body. He is left, under the law, without shield or protection of any kind, except such as is borne by all. He is as amenable for all his acts after inauguration as before. He can make no plea which is denied to any other citizen, and is subject to the same scrutiny, trial, and punishment, with the proceedings, hazards, and penalties of impeachment superadded. The President and the citizen stand upon equality of rights. The distinction between them arises from an inequality of duties. Wherever the conduct of the latter is open to inquiry and charge, that of the former is not the less so. The President affirms, with seeming seriousness, in comparing himself with the House of Representatives, that "as a coordinate branch of the Government he is their equal." This is denied in emphatic terms. He is "coordinate" but not coequal. He is "coordinate," for he "holds the same rank," but he is not coequal, for his immunities and powers are less. The Members of the House may claim a privilege, whether right or wrong, which he cannot, and the Executive or law-executing power must always be inferior to the legislative or lawmaking power. The latter is omnipotent within the limits of the Constitution; the former is subject not only to the Constitution but to the determinations of the latter also. To repeat the point: The President is not, in any respect, superior to the citizen merely because he is bound to discharge more numerous duties, and he is not coequal with that branch of government which helps to impose and define those duties. The fact that he holds a limited veto over the legislation of Congress cannot affect the soundness of the views here briefly presented. His claim to "legislative capacity"—in other words, to possess legislative power—will scarcely be conceded in view of article I, section 1, of the Constitution, declaring that "all legislative powers herein (therein) granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives."

Much deterioration has taken place in the Government since that day, when men shot straight and talked right. We are now a bunch of pussyfooters, afraid to express our opinions about our own Government for fear of retaliation and persecution by people that we employ, pay, and pension.

The State is to blame for the loss of State rights, in having allowed municipalities or city governments to invade the field of private industry as competitors of private citizens. The States are now confronted with the same situation, as the Federal Government is now invading the State domain, competing with private industries on a national scale.

This must be recognized as opposed to the principles of popular government. If we are to maintain popular government, the field of industry must be left free to the private citizen, for it is only upon that principle that popular government can survive. Government ownership and operation in the industrial or business field leads to greater encroachment, which finally terminates in total Federal ownership. When this point is reached, popular government is lost and we have either an autocratic despotism or a democratic despotism, both of which are totalitarian governments.

This distinction between a popular government and a totalitarian government is very important, for it resolves itself into whether the people shall direct the government, or whether the government shall rule the people. Federal ownership of industries and business, no matter how inoffensive it may appear at first, will ultimately lead to complete Federal control of industry, and a centralized, totalitarian state.

In these 10 articles of "A United America," I have addressed myself to the people of this Nation, who have forgotten that it is their duty to reconstruct their own government so as to provide a protection for themselves and for generations to come. For the Federal Government to assert the power and

to proceed, as it has to date, should not be tolerated by the people if the smallest fragment of self-respect remains.

Congress still has the power to impeach, and the people should demand that such procedure begin against those who are tolerating subversive activities and sabotage of the Government of the United States. It didn't stick with Buchanan, because there was dissension between the North and the South, and he was not actually guilty of any violation, but that in no sense should be taken as a criterion, because the conditions are different today.

In conclusion I want to refer to amendment V, which I shall quote:

ARTICLE V. No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use without just compensation.

This article means exactly what it says—that the Federal Government has no business to deprive anyone of life, liberty, or property without due process of law—and that means constitutional law. It also means that the Federal Government has no right, under one pretext or another, to confiscate private property in order to please some fanatic who sits in some one of the Federal departments. It is high time that Federal department chiefs be informed of the fact that they are servants of the people; and may I add, not very important servants at that.

Congress is responsible to the people and to this Nation, and must in the end shoulder that responsibility. I say, let Congress proceed according to the Constitution and place this Government back where it belongs so that the people may rule and direct as the Constitution provides.

A Great Man

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. PLUMLEY. Mr. Speaker, the news of the death of CARL E. MAPES shocked all of us into a realizing sense of the magnitude of the personal loss sustained, and into a genuine appreciation of the inestimably valuable public service he had in the long years of sustained effort rendered to both his constituency and the country.

As Theodore Marburg so well says in his Story of a Soul:

> Although we know it to be
> Blessed release from suffering, yet when
> The dark, forbidding angel beckons those
> Whom we hold dear, and pushes wide the door,
> That door through which we all must some day pass,
> How trying the vast emptiness they leave.

Of CARL E. MAPES, I would like, in closing this tribute to him and to his memory, to say, in the words of Edward Robert Lytton, he was a man—

> Who hath not bow'd his honest head
> To base Occasion; nor, in dread
> Of duty, shunn'd her eye:
> Nor truckled to loud times; nor wed
> His heart to lie:
> Nor feared to follow, in the offense
> Of false opinion, his own sense
> Of justice unsubdued:
> Nor shrunk from any consequence
> Of doing good.

Adequate National Defense

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 3 (legislative day of Monday, March 4), 1940

ADDRESS BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an address which I recently delivered at Raleigh, N. C., pertaining to adequate national-defense outposts. The address was broadcast over station WRAL, a station recently installed at Raleigh, N. C., the capital of my State.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good afternoon, ladies and gentlemen, I am very grateful for the opportunity to reach the ears of my audience provided by this newly created radio-broadcasting station, WRAL. I thank the manager of this station for this opportunity.

At this hour I wish to talk with you about a subject of interest, not only to you and to me, but of vital interest to the whole American people, adequate national defense.

Last Monday I introduced a joint resolution in the Senate of the United States which requested and authorized the President of the United States to enter into negotiations with Great Britain for the acquisition of its island possessions in the West Indies, as well as Bermuda in the North Atlantic, and British Honduras in Central America. This resolution was introduced in the House by my colleague, Hon. JENNINGS RANDOLPH, of West Virginia. The resolution in the upper House was referred to the Committee on Foreign Relations, and several days ago I was advised by Hon. KEY PITTMAN, chairman of the Foreign Relations Committee of the Senate, of which committee I am a member, that my resolution had been referred to the State Department for comment. I am in high hopes that our committee may soon be provided the opportunity of discussing it fully and thoroughly in connection with any comments submitted by the State Department.

We are all interested in protecting the Panama Canal, located in the Canal Zone, and particularly are we interested at this time, in view of the fact that our President has but recently returned from fishing waters in that vicinity.

In the North Atlantic we have no outposts. We should have. I have in mind the acquisition of Bermuda, this island owned by Great Britain, the capital of which is Hamilton, only 500 miles off the coast of North Carolina directly east, and, to be more exact, I might add that it is precisely 534 miles from Kitty Hawk, N. C. Our clipper ships of the Pan-American Lines have been recently stopping at Bermuda for the purpose of accommodating the islanders with air mail delivered several times weekly, but recently, on account of the British having at bayonet points and side arms seized and censured this mail, these trans-Atlantic stops have been abandoned by the Pan-American Lines. However, if Bermuda were ceded to the United States, these clipper ships could then resume stops there without embarrassment to the American and British Governments. We need an outpost in the North Atlantic, and in view of the immediate proximity of Bermuda to American shores I am in high hopes that we may be able to make acquisition of that property.

Bimini, British territory, a small island, is only about 50 miles from the shores of Florida, while Nassau, in that vicinity, is only about 150 miles from Miami. Jamaica is just south of the mainland of the Republic of Cuba. With the acquisition of these islands of Nassau, Bermuda, and Jamaica, together with friendly relations existing between the United States and the Republic of Cuba in those waters, we would have opportunities to more thoroughly fortify American shores, and this is particularly true when we take into consideration the friendly relations existing between the Republic of Haiti and that of the Dominican Republic.

We are now constructing additional fortifications near San Juan, the capital of Puerto Rico, and only about 60 miles from there we find the Virgin Islands which we purchased during the Wilson administration for $25,000,000. South of the Virgin Islands are the Windward and Leeward Islands possessed by France and Great Britain. There are a number of British islands here and if we secured them in addition to the Island of Trinidad we would have completed circled possessions of islands extending from Bermuda southward to the Port of Spain at Trinidad, which is only a stone's throw across into Venezuela located in the northeastern section of South America. Thus we would have provided adequate

and sure protection for the Canal locks from the Atlantic approach.

These aforementioned islands in square mile area totals approximately 12,000 square miles.

In addition to the above as heretofore suggested we should endeavor to acquire, and I hope to under my resolution, British Honduras, which is located in Central America and which borders on Guatamala and Mexico. This covers an area of about 8,000 square miles so this area added to the 12,000 square miles of the islands heretofore mentioned would make a total of approximately 20,000 square miles sought under my resolution, which would be paid for by crediting Great Britain with the amount agreed upon, this credit to be applied to Great Britain's debt to the United States, which debt in principal and interest now exceeds $5,557,000,000.

In concluding I might remind my listeners that more than 90 percent of the tourists visiting Nassau, Bimini, Jamaica, and Bermuda come from the United States and it has been said that 95 percent of all the revenue derived by the Bermudan Government comes out of the metropolitan port of the city of New York.

While we are so thoroughly interested in the protection of the Panama locks I am confident that serious consideration should be given to my proposal, and I am in high hopes that some plan may be worked out with the British Government by our own Nation by which we may make acquisition of these possessions. Such an arrangement would provide Great Britain with an opportunity to at least liquidate a portion of her indebtedness to the United States as a result of the World War, debts upon which no payment of interest or principal has been made since 1934, when the British Government paid the American Government $750,000,000, without designating as to whether or not the sum should be applied to principal or interest.

In connection with this resolution and with a view to providing further adequate national defense by way of outposts and aiding our neighbors across the Atlantic to liquidate a part of their obligations to this Government I propose to introduce a similar resolution shortly for the acquisition of the French islands in the Caribbean, which lie between the Virgin Islands and the island of Trinidad, and also the acquisition of two French islands just off the coast of Newfoundland, which latter could be well used by trans-Atlantic planes in negotiating the northern route during seasonable weather.

Now with respect to our outposts in the Pacific and the far north. In view of the fact that the Government of Mexico has confiscated millions of dollars worth of American property in the form of farm lands owned by American citizens in Mexico, claims for which are now pending, and further in view of the fact that recently millions upon millions of dollars worth of oil property were seized by that republic the time is propitious for a suggestion to negotiate with the Mexican Government for the acquisition of the peninsula of Lower California.

This would be an ideal place for the establishment of air bases, at the end of the peninsula in further adequate defense of the locks of the Panama Canal on the west coast.

An island which belongs to Costa Rica off the coast in the Pacific probably should be acquired, and with these acquisitions I am confident that the Canal would be amply protected from the Pacific.

With the Hawaiian Islands we have outposts which are of tremendous value to the United States, and near Honolulu we have fortifications which may be favorably compared with Singapore in the Malay Straits and other large outposts of the world.

Recently the Navy Department has evidenced interest in our outposts in the far north, particularly in the Alaskan waters at Sitka, Dutch Harbor, and Unalaska. This is well.

Our Government purchased from Russia all of Alaska, including the Pribilof Islands, the little Diamedes, and the Aleutian Islands for the sum of $7,200,000. Only a few Americans realize that the little Diamede Island off the coast of Alaska not far from Nome is only about half a mile from the big Diamede Island, which is owned by the Soviet Union. In other words, our American territory is only a stone's throw from Russian territory and as a matter of fact, the mainland of Alaska but a few hours by steamer to the mainland of Siberia. We are in immediate proximity of Russian territory. I am of the opinion that we should develop outposts in the Arctic, perhaps a small post in Point Barrow, which is the northernmost point of the Western Hemisphere, at Nome, and other points in the Arctic and in the Bering Sea, where are located the Pribilof Islands.

In connection with the Arctic, I likewise have in mind Wrangel Island, which is located north of the Diamedes. The first flag of any nation planted thereon was an American flag, but at the present time it is occupied by the Russians. The day will come, in view of the tremendous development of air travel, that Wrangel Island will prove to be a very important one, particularly in view of the fact that it is on a direct line from New York to Manila, and for the further good reason that it is in the immediate proximity of Russian territory.

The Aleutian Islands extend westward for a distance of about 700 miles, and Attu, the most westward of them all at the tip of this chain, is in reality only a few hours by air from Japanese territory.

With the fortifications and outposts suggested in the Arctic, in the Aleutian Islands, and with the acquisition of lower California and island possessions of Costa Rica and the further acquisition of the French and British Island possessions, together with British Honduras, as suggested in the outset, the United States would have thereby provided itself with adequate outposts north, south, east, and west.

In conclusion, may I say that I am now preparing a resolution to be introduced in the Congress of the United States calling upon the State Department to ascertain the legal status of Wrangel Island in order that its ownership may be definitely determined.

All of the foregoing, of course, is in the form of suggestions expressed or implied and are subject to the consideration of our Navy, War, and State Departments.

The Federal Prosecutor

EXTENSION OF REMARKS

OF

HON. HENRY F. ASHURST

OF ARIZONA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 3 (legislative day of Monday, March 4), 1940

ADDRESS BY ATTORNEY GENERAL ROBERT H. JACKSON

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Robert H. Jackson, Attorney General of the United States, at the Second Annual Conference of United States Attorneys held at Washington, D. C., on April 1.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It would probably be within the range of that exaggeration permitted in Washington to say that assembled in this room is one of the most powerful peacetime forces known to our country. The prosecutor has more control over life, liberty, and reputation than any other person in America. His discretion is tremendous. He can have citizens investigated and, if he is that kind of person, he can have this done to the tune of public statements and veiled or unveiled intimations. Or the prosecutor may choose a more subtle course and simply have a citizen's friends interviewed. The prosecutor can order arrests, present cases to the grand jury in secret session, and on the basis of his one-sided presentation of the facts, can cause the citizen to be indicted and held for trial. He may dismiss the case before trial, in which case the defense never has a chance to be heard. Or he may go on with a public trial. If he obtains a conviction, the prosecutor can still make recommendations as to sentence, as to whether the prisoner should get probation or a suspended sentence, and after he is put away, as to whether he is a fit subject for parole. While the prosecutor at his best is one of the most beneficent forces in our society; when he acts from malice or other base motives, he is one of the worst.

These powers have been granted to our law-enforcement agencies because it seems necessary that such a power to prosecute be lodged somewhere. This authority has been granted by people who really wanted the right thing done—wanted crime eliminated—but also wanted the best in our American traditions preserved.

Because of this immense power to strike at citizens, not with mere individual strength, but with all the force of Government itself, the post of Federal District Attorney from the very beginning has been safeguarded by Presidential appointment, requiring confirmation of the Senate of the United States. You are thus required to win an expression of confidence in your character by both the legislative and the executive branches of the Government before assuming the responsibilities of a Federal prosecutor.

Your responsibility in your several districts for law enforcement, and for its methods, cannot be wholly surrendered to Washington, and ought not to be assumed by a centralized Department of Justice. It is an unusual and rare instance in which the local district attorney should be superseded in the handling of litigation, except where he requests help of Washington. It is also clear that with his knowledge of local sentiment and opinion, his contact with and intimate knowledge of the views of the court, and his acquaintance with the feelings of the group from which jurors are drawn, it is an unusual case in which his judgment should be overruled.

Experience, however, has demonstrated that some measure of centralized control is necessary. In the absence of it, different district attorneys were striving for different interpretations or applications of an act, or were pursuing different conceptions of policy. Also, to put it mildly, there were differences in the degree of diligence and zeal in different districts. To promote uniformity of policy and action, to establish some standards of performance, and to make available specialized help, some degree of centralized administration was found necessary.

Our problem, of course, is to balance these opposing considerations. I desire to avoid any lessening of the prestige and influence of the district attorneys in their districts. At the same time we

must proceed in all districts with that uniformity of policy which is necessary to the prestige of Federal law.

Nothing better can come out of this meeting of law-enforcement officers than a rededication to the spirit of fair play and decency that should animate the Federal prosecutor. Your positions are of such independence and importance that, while you are being diligent, strict, and vigorous in law enforcement, you can also afford to be just. Although the Government technically loses its case, it has really won if justice has been done. The lawyer in public office is justified in seeking to leave behind him a good record. But he must remember that his most alert and severe, but just, judges will be the members of his own profession, and that lawyers rest their good opinion of each other not merely on results accomplished but on the quality of the performance. Reputation has been called "the shadow cast by one's daily life." Any prosecutor who risks his day-to-day professional name for fair dealing to build up statistics of success has a perverted sense of practical values, as well as defects of character. Whether one seeks promotion to a judgeship, as many prosecutors rightly do, or whether he returns to private practice, he can have no better asset than to have his profession recognize that his attitude toward those who feel his power has been dispassionate, reasonable, and just.

The Federal prosecutor has now been prohibited from engaging in political activities. I am convinced that a good-faith acceptance of the spirit and letter of that doctrine will relieve many district attorneys from the embarrassment of what have heretofore been regarded as legitimate expectations of political service. There can also be no doubt that to be closely identified with the intrigue, the money raising, and the machinery of a particular party or faction may present a prosecuting officer with embarrassing alinements and associations. I think the Hatch Act should be utilized by Federal prosecutors as a protection against demands on their time and their prestige to participate in the operation of the machinery of practical politics.

There is a most important reason why the prosecutor should have, as nearly as possible, a detached and impartial view of all groups in his community. Law enforcement is not automatic. It isn't blind. One of the greatest difficulties of the position of prosecutor is that he must pick his cases, because no prosecutor can even investigate all of the cases in which he receives complaints. If the Department of Justice were to make even a pretense of reaching every probable violation of Federal law, 10 times its present staff would be inadequate. We know that no local police force can strictly enforce the traffic laws, or it would arrest half the driving population on any given morning. What every prosecutor is practically required to do is to select the cases for prosecution and to select those in which the offense is the most flagrant, the public harm the greatest, and the proof the most certain.

If the prosecutor is obliged to choose his cases, it follows that he can choose his defendants. Therein is the most dangerous power of the prosecutor; that he will pick people that he thinks he should get, rather than pick cases that need to be prosecuted. With the lawbooks filled with a great assortment of crimes, a prosecutor stands a fair chance of finding at least a technical violation of some act on the part of almost anyone. In such a case it is not a question of discovering the commission of a crime and then looking for the man who has committed it, it is a question of picking the man and then searching the lawbooks, or putting investigators to work, to pin some offense on him. It is in this realm, in which the prosecutor picks some person whom he dislikes or desires to embarrass, or selects some group of unpopular persons, and then looks for an offense, that the greatest danger of abuse of prosecuting power lies. It is here that law enforcement becomes personal, and the real crime becomes that of being unpopular with the predominant or governing group, being attached to the wrong political views, or being personally obnoxious to or in the way of the prosecutor himself.

In times of fear or hysteria political, racial, religious, social, and economic groups, often from the best of motives, cry for the scalps of individuals or groups because they do not like their views. Particularly do we need to be dispassionate and courageous in those cases which deal with so-called subversive activities. They are dangerous to civil liberty because the prosecutor has no definite standards to determine what constitutes a subversive activity, such as we have for murder or larceny.

Activities which seem benevolent and helpful to wage earners, persons on relief, or those who are disadvantaged in the struggle for existence may be regarded as "subversive" by those whose property interests might be burdened or affected thereby. Those who are in office are apt to regard as "subversive" the activities of any of those who would bring about a change of administration. Some of our soundest constitutional doctrines were once punished as subversive. We must not forget that it was not so long ago that both the term "Republican" and the term "Democrat" were epithets with sinister meaning to denote persons of radical tendencies that were "subversive" of the order of things then dominant.

In the enforcement of laws which protect our national integrity and existence, we should prosecute any and every act of violation, but only overt acts, not the expression of opinion, or activities such as the holding of meetings, petitioning of Congress, or dissemination of news or opinions. Only by extreme care can we protect the spirit as well as the letter of our civil liberties, and to do so is a responsibility of the Federal prosecutor.

Another delicate task is to distinguish between the Federal and the local in law-enforcement activities. We must bear in mind that we are concerned only with the prosecution of acts which the Congress has made Federal offenses. Those acts we should prosecute regardless of local sentiment, regardless of whether it exposes lax local enforcement, regardless of whether it makes or breaks local politicians.

But outside of Federal law each locality has the right under our system of government to fix its own standards of law enforcement and of morals. And the moral climate of the United States is as varied as its physical climate. For example, some States legalize and permit gambling, some States prohibit it legislatively and protect it administratively, and some try to prohibit it entirely. The same variation of attitudes toward other law-enforcement problems exists. The Federal Government could not enforce one kind of law in one place and another kind elsewhere.

It could hardly adopt strict standards for loose States or loose standards for strict States without doing violence to local sentiment. In spite of the temptation to divert our power to local conditions where they have become offensive to our sense of decency, the only long-term policy that will save Federal justice from being discredited by entanglements with local politics is that it confine itself to strict and impartial enforcement of Federal law, letting the chips fall in the community where they may. Just as there should be no permitting of local considerations to stop Federal enforcement, so there should be no striving to enlarge our power over local affairs and no use of Federal prosecutions to exert an indirect influence that would be unlawful if exerted directly.

The qualities of a good prosecutor are as elusive and as impossible to define as those which mark a gentleman. And those who need to be told would not understand it anyway. A sensitiveness to fair play and sportsmanship is perhaps the best protection against the abuse of power, and the citizen's safety lies in the prosecutor who tempers zeal with human kindness, who seeks truth and not victims, who serves the law and not factional purposes, and who approaches his task with humility.

Meeting of Stockholders of Southeast Colorado Power Association

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 3 (legislative day of Monday, March 4), 1940

ARTICLE FROM LAMAR (COLO.) SPARKS

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article from the Lamar Sparks, published at Lamar, Colo., regarding a meeting of the stockholders of the Southeast Colorado Power Association, which was held on the 5th day of March last.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Lamar (Colo.) Sparks]

STOCKHOLDERS OF R. E. A. TO MEET HERE MARCH 5—BIG COOPERATIVE ENTERPRISE HAS MADE RAPID GROWTH

The stockholders of the Southeast Colorado Power Association, original Rural Electrification Administration project in this section of Colorado, will meet in Lamar Tuesday, March 5, for their annual session, at which they will elect directors, pass on a proposed set of bylaws, and transact considerable routine and special business.

Under the rules the session is called to met at the offices of the association located on West Elm Street, but with a membership of 700 stockholders it is expected that the meeting will quickly adjourn to the State armory. This will be the first general meeting of stockholders since the organization of the project and it is expected to be well attended.

In the late fall of 1936 the former Prowers County extension agent, A. J. Hamman, was awakened to a vision. He had dreamed of electricity for the farmers. District meetings were called. The opportunity was explained to the people who gathered. Some of them said, "Pooh! Pooh! It is impossible. We farmers can't do that. Where are the big financiers?" Some of them said, "We can't afford it. Let the old lady keep on cleaning the lamp chimneys." Some of them said, "We're busy. Let George do it." But there were some inspired by hope and alert with courage and energy and a willingness to serve their neighbors and their friends, who said, "Come on, let's try."

So, at each community meeting a committeeman was appointed and he was generously told to go out at the expense of his own time and gasoline and see what he could do in getting the people to

"sign up." Since then arrangements have been made to pay some expenses to such missionaries. But the pioneers did the work wholly "on their own."

One of the first communities was May Valley, and there Neill B. McGrath was given the task of signing them up. Then the Wiley community got together and picked on J. C. Fasnacht. The Carlton district selected Donald C. McMillin, Hartman chose Horace M. Cox, Prosperity Lane picked J. O. Scott, and the McClave district chose J. L. Wertz.

At their own expense these men and their volunteer assistants canvassed the territory. A meeting was held of all the districts at the courthouse and the six named were told to apply for an allotment, and if successful to organize a corporation with themselves as directors. The boundaries of their expectation were indicated in the name of the corporation—the Bent-Prowers Rural Power Lines Association, organized in August 1937.

Up to this time the only money visible was the membership fees put up by the 11 organizers and what little could be sequestered from the association's attorney, Edward O. Russell, who had soon joined Hamman in the missionary work and was given the honorary position of official correspondent on condition that he provide an office and postage and telegrams.

Of course, maps of the proposed distribution lines had to be made, and the committee made a deal with Glenn R. Fickel, a consulting engineer, by which he was to be paid if the association got an allotment from the Rural Electrification Administration. Up to this point the whole project was a matter of expectancy only.

However, an allotment was secured, completed maps for the construction were made, bids were asked for, a bookkeeper and a project superintendent were employed. The vision was assuming actual bodily existence. And the six directors had another job imposed on them—the building of 175 miles of electric distribution lines.

As soon as the actual poles began to stalk down the roads the doubters changed their minds. Under the guidance of Stanley Ricketts, county extension agent at Las Animas, the farmers of the western part of Bent County began to organize a project of their own. Hamman suggested to Ricketts that one project, including Prowers County and the whole of Bent County, would be more economical than two separate projects and might move faster. By invitation some of the Bent-Prowers directors went to a meeting at Las Animas. They not only found the Bent County farmers willing to join the original project, but some Otero County farmers were at the meeting asking to get on the band wagon. A meeting of representatives of western Bent County and of Otero County was held at the courthouse in Lamar and it was arranged that the board of directors should be increased to nine and Bent County should have one of the additional three (there being already two directors from Bent County in the original six) and Otero County should have two directors. These changes were made and an allotment of $303,000 was obtained to extend the lines through Bent County and for a considerable distance into Otero, where the enthusiasm of County Extension Agent Heskett had been aroused by Hamman and Ricketts. Next came the territory around Cheraw, and after that the western part of Otero, and even a short distance into Pueblo County. And then Crowley County asked to join. And now Haswell in Kiowa County and Kit Carson in Cheyenne County are anxious to be taken in. And Hasty and Caddoa, including the work at Caddoa Dam, have added a surprising amount to the demand for "juice" right now with several million kilowatt-hours in prospect later in this year and for several years to come.

If these developments were considered only with respect to the dollars and cents involved (some $675,000) the result would be quite astonishing as well as satisfactory. But the dollars and cents results of Rural Electrification are the least important of these results. Nobody is striving for money dividends on stock as used to be the case when the utility magnates built up their private fortunes. The dividends from electricity on the farm are measured in terms of human comfort and human efficiency. Each individual member has the same opportunity to use this always-ready servant. No longer need a smoky lamp be carried from one dim corner to another. A switch is snapped and the whole kitchen is flooded with light. No more need one stumble dangerously down the cellar steps, balancing a lamp in one hand and a bowl in the other. Another switch and the steps and all the cellar beyond are in plainer view than they would be in the daytime. No longer need one lug buckets of water from the cistern. A faucet is twisted and the water pours out "just like in town." One need not any more trudge shivering in the middle of the night in overshoes and overcoats (and night clothes) out to the brooder-house to make sure that the kerosene hasn't clogged on its way to the heaters and the chicks are chilling. The always watchful electric thermostat is watching the temperature of the brooder as anxiously as a mother hen. No more need the old man exhaust his fairly ample stock of profanity cranking the cold gasoline engine in order to grind some feed on a cold morning. A snap and the electric motor doesn't even wait to yawn. Or it may be that the cows need milking, or it is summer and the milk needs cooling—wherever there is a job to be done this marvelous servant is ready to go to work.

It is true that the tools with which this servant, electricity, works cost money. But through their cooperative association the farmers have made that also available to the individual members.

No little credit is due to the men whose courage and industry pioneer this organization which in a few years is likely to change the whole character of farm life. It is hoped they will receive that credit; for that will be their only reward.

Do Outdoor Sportsmen Spend Money? Are Antipollution Advocates Simply Starry-Eyed Idealists?

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

Mr. MUNDT. Mr. Speaker, under leave extended me by the House, I am inserting as a part of these remarks a highly interesting and informative article written by John G. Mock for the Sunday issue of the Pittsburgh Press. Mr. Mock's articles are well known among sportsmen, and the Pittsburgh Press is among those courageous newspapers interested in restoring the hunting, fishing, and recreational advantages of America and in seeing to it that the cause of the conservation of America's natural resources does not become the Waterloo of our civilized advancement. Other civilizations in ancient times have sipped too deeply at the well of industrial greed and the commercialization of all standards of value and the result has inevitably been the decay and collapse of these too-greedy States.

It is long past time that America begin seriously to weigh the results of a public-serving conservation and use of our natural resources against the present-day practice of submerging all other values to the possibility of exacting temporary profits for predatory interests.

DO OUTDOOR SPORTSMEN SPEND MONEY?—SO WHEN STREAM POLLUTERS TELL YOU THEIR MONEY KEEPS WHEELS OF INDUSTRY IN MOTION, SHOW 'EM THE FIGURES

[From the Pittsburgh Press of March 24, 1940]

DO OUTDOOR SPORTSMEN SPEND MONEY? MILLIONS IS ALL

(By John G. Mock)

Step forward, Mr. Sportsman, and take a bow. You are big business—in fact, big enough to be included among the foremost of the Nation.

Few persons realize that those who find pleasure and sport afield and astream play so vital a part in the economic structure of the good ol' U. S. A.

No other group of sports followers begins to approach the vast sum of money put into commerce and industry as that contributed by the outdoors men of the country.

To begin with, there are approximately 8,000,000 persons who acquire a fishing license each year and 7,000,000 individuals who make use of hunting licenses.

Many States exclude women, the aged, and children under certain ages from hunting- and fishing-license requirements. Most States permit the farmer to hunt and fish on his own and adjoining lands free of license obligations. From the coast of Maine to Florida and from California to Washington a vast army of fishermen enjoy their sport in the ocean depths, where no fishing license is needed. A conservative estimate of the nimrods and Waltons of the Nation is 20,000,000.

To reach the rural, isolated, and remote sections where hunting and fishing may be enjoyed, also the vast expanse of the seas on either side, requires transportation in some way or another. Rail and air lines play but a small part in this, the principal method being by automobile.

SOME FIGURES, EH!

Assured that more than one-seventh of the population of the country is engaged in some form of rod and gun activity, it should be reasonably fair to assume that the same ratio holds in arriving at the number of automobiles used in these pursuits.

Based on the national registration, the number of cars involved is 3,608,807. A nominal mileage for a season of hunting and fishing is 500 miles, which means that the almost unbelievable total of 1,804,403,500 miles is traveled to reach hunting and fishing.

Placing the average life of a new car in the hands of the original owner at 40,000 miles, there is an annual buying demand of 45,110 cars used solely for these purposes. At an average price of $600, the sportsmen contribute annually $27,066,000 toward the automobile industry.

When those cars come rolling from the assembly lines they will be equipped with 225,550 tires. In driving the hunting and fishing

miles, placing the average life of the tire at 25,000 miles, an additional 72,172 tires will be required, or a total of 297,722, which is a rather sizable contribution to the rubber industry.

Gas is what makes the wheels turn. On the average of 15 miles per gallon, the sportsmen burn up approximately 120,293,550 miles of the fluid, or, at 15 cents per gallon, $18,044,550. Changing oil every 1,500 miles, replacing the old 5 quarts of new, at 15 cents, brings the total contribution to the oil and gas concerns to $18,816,235.

Assuming that gas and oil taxes are 5 cents per gallon, the sportsmen contribute another $6,087,330 to Federal and State Governments because of their love for hunting and fishing.

FR'INSTANCE, SHOTGUN SHELLS

A sizable figure also may be added for such automotive accessories as inner tubes, batteries, radios, flashlights, tire chains, and others.

Suppose each of licensed sportsmen spends only $25 throughout the year on fishing tackle and arms and ammunition, which is a most conservative estimate, since in many instances it equals the price of only a rod, reel, or low-priced firearm. Those industries are benefited to the extent of $375,000,000. The extent to which some of the individual items are used may be noted by shotgun shells. During a recent year, some 80,000,000 shells were manufactured and fired from scatterguns. At 4 cents each, this item alone runs over $3,000,000.

The same conservative estimate of $25 per year, applied to accommodations at hotels, boarding houses, camps, and other places of habitation when afield and astream, including the cost of camping supplies, adds another $375,000,000.

Total revenue derived through the issuance of hunting and fishing licenses by various conservation departments and Federal migratory bird hunting stamps, according to the latest available figures, is $21,689,024, all of which finds its way back into circulation through salaries of office and field personnel, purchase of game, acquisition of lands, and stream easements for hunting and fishing purposes. Pennsylvania sportsmen alone have purchased almost 700,000 acres of land for public hunting grounds. Expenditures are made for game farm and fish hatchery equipment, propagation of fish and game, and the multiple other activities conducted by the various State game, fish, and conservation departments.

EVEN RED FLANNELS

Sportswear such as hunting pants and coats, woolen mackinaws and sweaters, shirts, socks, gloves, shell vests, hunting boots, sleeping bags, not to forget the good ol' red flannels, are purchased to some degree throughout the year. Licensed or unlicensed, those who venture afield must be clothed. Placing an estimate at $7.50 as the average annual expenditure, and none will deny this is a reasonable figure, hunters must be credited with a yearly purchasing power of $75,000,000.

The same goes for the fisherman in knee and hip boots, waders, ponchos, fishing vests and jackets, raincoats, fishing hats, and the numerous other accessories and gadgets with which fishermen adorn themselves, exclusive of the tackle; thus another $75,000,000 goes toward keeping the wheels of industry in motion.

Motorboats, outboard motors, including the gas and oil to operate them, various other types of boats, camp trailers, and tents are items which add materially to keeping commerce on the move.

Nearly every sportsman uses some kind of binocular, spotting scope, still or movie camera along with films to keep a record of the one which was caught and the location where the big one got away. If but $1.50 per person is expended for such equipment, the total ranges somewhere between thirty and forty million dollars.

After the quarry has been taken, the taxidermist comes into the picture. Here, again, sportsmen contribute hundreds of thousands of dollars—one iron cartwheel per inch of mounted marlin, for instance, soon runs into real foldin' money.

If but one of every 20 sportsmen harbors a four-footed pal—his dog—without considering the price, many of which cost several hundred dollars each, for which but 50 cents per week is spent in food, the surprising figure of $8,750,000 is arrived at. In addition, there are license fees, collars, leashes, kennels, all of which contribute to the welfare of many persons.

Purchase of hunting and fishing lodges and camps and the leasing of such sites puts many additional thousands of dollars into the tills of the Nation.

DON'T FORGET MAGAZINES

Numerous sportsmen's and conservation department magazines are published throughout the country, ranging in price from 5 to 50 cents per issue. Those in the lower brackets approach the million mark in circulation, in which hundreds of thousands of dollars' worth of advertising appears. Thousands of books are purchased annually pertaining to hunting, fishing, and the affiliated sports and activities, all of which play no small part in the everyday life of those engaged in the printing and publishing business.

Pennsylvania has more than 1,000 sportsmen's organizations. Blanketing the country are more than 35,000 of such associations. With an average membership of 100, the members paying an annual fee of 75 cents, it adds $2,625,000 to the benefit of others in postage, stationery, membership cards and buttons, purchase of ranges and fields for shooting and casting activities, winter feeding, campaigns, headquarters for meetings, and contributions to various conservation movements.

Less than 10 of the Nation's leading industries exceed the billion mark in the value of their products. The sportsmen's business equals, if not betters, that of several in this group.

So don't be backward, Mr. Sportsman. When you are asking for pure streams, for instance, just tell you representatives in State and National legislatures that you are as important as the industry which is now polluting your streams.

Mr. Speaker, I think the foregoing article from the talented typewriter of Johnny Mock is especially apropos at this particular time due to the fact that the whole subject of pollution—probably the most malodorous American byproduct of cur laissez-faire policy toward conservation—is still before the Seventy-sixth Congress for final disposition. Happily, this House has already spoken on this subject and it has carried to all America the hope that for the first time in history something more is to be done about pollution than merely to subject it to harsh words and critical speeches in Congress which resolve themselves into such inanities as the original version of S. 685, for example, which did positively nothing to stop pollution, either past, present, or future, but which gleefully bailed out vast appropriations of the taxpayers' money to study the problem. This House, fellow Members, can take pride in the fact that by approximately a 2 to 1 vote we adopted amendments which changes S. 685 from a pollution-protecting measure to a pollution-discouraging measure, and it is the hope of decent citizens throughout the country that the United States Senate will accept in conference the progressive steps written into this legislation by the House of Representatives.

Fortunately for the country, the House conferees are all men of high honor and ability who, being bound by the dual fact that all amendments written into S. 685 were accepted by the committee our conferees represent and the further fact that this House adopted them by virtually a 2 to 1 vote, are certain to fight to the last ditch for the House position when the conference committee meets. The gentleman from Texas, Mr. MANSFIELD, the gentleman from New York, Mr. GAVAGAN, the gentleman from Louisiana, Mr. DEROUEN, the gentleman from New Jersey, Mr. SEGER, and the gentleman from California, Mr. CARTER, comprise a five-man team who will represent the House point of view in conference ably and firmly; it is inconceivable that the Senate conferees will insist on sabotaging S. 685 by attempting to delete from its provisions to restrict and restrain new sources of pollution in America. Should such a travesty unhappily develop, it is hoped that both the Senate and the House will register its resentment at such a surrender to the forces of unrestrained pollution by giving a stunning defeat in roll-call vote to what would then be the worse-than-useless pollution-protecting rhetorical residue remaining in S. 685.

A community confronted with an epidemic of smallpox would have scant regard for the sincerity of doctors who would avow a willingness to treat patients who were ill and to study the evil effects of smallpox but who would stubbornly refuse to vaccinate against the spread of the disease or to cooperate in stamping out new sources of contagion. Americans are not the easiest people in the world to fool once their attention has been called to a suspicious situation. Citizens who would resent such quackery in medicine as described above will equally resent any trickery in legislation should we legislators avow a willingness to spend tax money to study pollution but refuse with equally silly stubbornness to vaccinate against the spread of the problem by at least setting up the moderate and considerate restrictions provided for by the Mundt amendment to S. 685, which would prevent the discharge of new sources of pollution until and unless approved by the board of water pollution control set up in the bill itself. Either we should legislate in honest sincerity to help correct and curb the problem of pollution or without any attempt to deceive our constituents we should defeat S. 685 in a roll-call vote in the event the Senate position of "criticizing, condoning, and continuing" pollution should prevail in conference.

After 150 years, if the regulation and restriction of detrimental discharges of new sources of pollution is too drastic

a step, let us confess that we propose to do nothing about the problem at all and at least save the taxpayers the expense and the disillusionment of a bill which, without the House amendment to control new sources of pollution, is a yellow-backed surrender to polluters and a rubber-stamped approval of legislation which the polluters proudly claim to be "their legislation." This House has shown the way to start solving the pollution problem of America. I trust and hope the Senate will protect the progress which has been made in the present version of the House-amended S. 685.

New York State Shows the Way to Congress—Railroad Lobby Routed by New York State Assembly

EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. CULKIN. Mr. Speaker, it will interest my colleagues of the House to know that the members of the New York State Assembly have no illusions about the value of waterways in a balanced system of transportation. New York State dug the Oswego and Erie Canals at a cost of some $230,000,000 and is maintaining them at a cost of $3,000,000 a year, although the tonnage on these waterways is over 80 percent interstate. These canals, one of which runs from Buffalo to New York City from Lake Erie and the other from Oswego on Lake Ontario, have been toll free for more than two generations. For the past 5 years the railroads, including their representatives in Wall Street, have made a tremendous drive to impose tolls on these waterways. This procedure was vigorously opposed by agriculture, labor, and industry, and it never got out of committee until last week.

At that time it was reported out of committee and went to a vote in the assembly, where it was beaten by a smashing vote of 99 to 39. The legislation so beaten, be it understood, was railroad inspired and for the purpose of hampering the operation of the canals and in the long run raising the water rates to the level of the rail rates for the purpose of bringing the ultimate destruction of the State-maintained canals.

VICTORY FOR PEOPLE

This was a popular victory, won by an aroused people. It should give heart to those in Washington who have been fighting the Wheeler-Lea bill, S. 2009.

This legislation prescribes certain death to the Nation's waterways through the medium of regulation of the railroad-minded Interstate Commerce Commission. The Wheeler-Lea bill does not in effect provide tolls on water transportation but under the auspices of the I. C. C. all waterways will be given the kiss of death. Members of the New York State Legislature are to be commended on their vision and loyalty to the farmer, the consumer, and manufacturer.

I want to impress on the House that the attempt to impose tolls on the New York State canals was only an advance-guard engagement. The real battle will come here in Washington when the Wheeler-Lea bill, the objective of which is to wipe out water transportation, comes into the House from conference.

GIVE WHEELER-LEA BILL SAME DOSE

I urge my colleagues in the House to consider that smashing 3 to 1 vote in New York and recognize that the people not only in New York but in the entire country are aroused at the attempt of the railroads to destroy waterways which are the national yardstick on transportation. I urge them to remember that the smashing defeat of the railroad lobby in New York is but typical of what the rest of the country feels about this legislative iniquity known as the Wheeler-Lea bill. The New York State Assembly gave a handsome licking to Wall Street and its railroad lobby and I earnestly hope that this House will likewise carry the banner in the interests of the consumer, farmer, and manufacturer.

Relation of the Bituminous Coal Industry to the Trade-Agreements Program

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

LETTER FROM THE SECRETARY OF STATE

Mr. RANDOLPH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the Secretary of State with regard to the effect of trade agreements upon the bituminous coal industry:

MARCH 22, 1940.

The Honorable JENNINGS RANDOLPH,
House of Representatives.

MY DEAR MR. RANDOLPH: In answer to your inquiry and knowing of your interest in the welfare of the bituminous coal industry as it might be affected by trade agreements, I am glad to supply you with the following information.

The relation of the bituminous coal industry to the trade-agreements program cannot be considered apart from the broader interests of that industry in foreign trade. The interest of the domestic coal industry in the normal development of foreign trade is twofold.

First, the coal industry benefits indirectly by improved domestic demand for coal which results from increases in foreign trade in products other than coal. In spite of a not inconsiderable export trade which exists in coal, this indirect interest in exports probably constitutes the greater stake of the coal industry in foreign trade.

In the depression, which was greatly aggravated by the drastic decline of foreign trade following the Tariff Act of 1930, mine employment was greatly curtailed by the fact that heavy industry, a great consumer of coal, was affected more severely than any other branch of production. Railroads, the largest single consumer of coal, likewise were severely crippled by the decline in general prosperity and are greatly helped by increases in foreign trade, which moves to port partly by rail.

Our export trade, which in 1932 amounted to only $1,611,016,000 increased to $3,349,167,000 in 1937. Coal consumed in the manufacture and transportation of goods for export amounted in 1937 to some 15,000,000 man-hours of labor, or the equivalent of full-time employment of more than 11,000 men. In addition, considerable coal was used in the manufacture and transportation of goods not entering into our export trade but the manufacture of which was made possible by purchases from income received by persons employed in export industries. In fact, the benefits go even further because any increase in our foreign trade creates a chain of economic transactions throughout the country, the total effect of which is to increase purchasing power far beyond the volume represented by the original transaction.

The second interest of the coal industry in foreign trade is in the export trade in coal itself, which is of some importance to West Virginia. This trade, mostly with Canada, amounted to some 18,000,000 tons in 1929, fell to 9,000,000 tons in 1933, but increased to 13,000,000 tons in 1937, furnishing in the latter year some 27,000,000 man-hours of labor, of which somewhat over three-fourths was in the bituminous mines. In 1938 exports declined to 11,000,000 tons, primarily as a result of the decline in business activity in Canada, but in 1939 our coal exports exceeded twelve and one-half million tons. In comparison with the foregoing, our imports of coal have hardly exceeded half a million tons in the last 3 years.

The trade agreement with Canada has helped to assure American coal producers continued access to the Canadian market through bindings against increase of the Canadian duties on coal and coke and through removal of the 3-percent import excise tax on duty-paid value which formerly applied to all American imports into Canada, including coal and coke.

As you may be aware, the Canadian Government has been paying to Canadian coal operators freight subventions; that is, rebates

on freight charges, which were considered by American coal exporters as substantially higher than necessary to enable the Canadian operators to compete with American coal. Following the signature of the new trade agreement with Canada, this question was taken up with the Canadian authorities, and it was possible for the Department to obtain definite assurances from the Canadian Government that whenever minimum prices for United States bituminous coal exported to Canada are established in conformity with the provisions of the Bituminous Coal Act of 1937, and whenever the competitive situation justifies, freight subventions that were in force would be reduced to amounts no higher than actually required to meet existing competition from United States bituminous coal. On December 5, 1939, the Canadian Government announced that it was reducing certain of these subventions and withdrawing certain others, the new rates to be effective on December 8 in some cases and shortly thereafter in others. If the minimum prices for American coal exported to Canada are not put into effect, it is understood the Canadian Government is likely to adjust the subvention rates upward.

Exports of coal are considerably larger than imports. Imports, especially of bituminous coal, have never been very great. The few imports of bituminous coal come principally from Canada into Montana, Idaho, and Washington, which are far from the important American coal mines and could be supplied with American coal sufficient for their needs only at great expense. Some of the coal going into these States comes from the Canadian mines owned by American railroads which use the coal in their own operations. As of more direct interest in relation to the trade-agreements program, you are, of course, aware that no concession has been made in any trade agreement on bituminous coal.

Some concern has been expressed in the coal industry regarding the possible effects upon the industry of the concession on crude petroleum and fuel oil in the trade agreement with Venezuela which became effective December 16, 1939. The following information regarding this concession will, I believe, assure you that the coal industry has no real cause for concern in this connection.

The import tax on crude petroleum and fuel oil was reduced to one-fourth cent per gallon in the trade agreement with Venezuela. The amount of imports from all countries at this reduced rate may not exceed in any year 5 percent of the total quantity of crude petroleum processed in refineries in continental United States during the preceding calendar year. Any imports in excess of such an amount will be subject to the full import tax of one-half cent per gallon, which is bound against increase during the life of the trade agreement.

In view of the fact that the amount of crude petroleum and fuel oils which may be imported annually at the reduced rate of tax represents such a small proportion of domestic refinery output, it is not believed that such imports will adversely affect the domestic petroleum and coal industries to any important degree.

The type of crude petroleum imported from Venezuela is much heavier than the average domestic crude and yields principally heavy fuel oil and asphalt. About one-third of the petroleum asphalt used in highway construction in the United States in 1938 was made from foreign crude petroleum. I might add that we export much more crude petroleum and petroleum products than we import, the surplus of exports in 1938, over imports, having been 140,000,000 barrels.

A study by the National Bituminous Coal Commission, published in 1938, indicated that in 1937 the proportion contributed by imports of crude petroleum and fuel oil to the estimated national-energy supply amounted to only 0.6 percent of the total. A considerable part, even of this small proportion, went into the manufacture of asphalt or was supplied to foreign ships' bunkers or was reexported in other forms, and therefore could not possibly have entered into competition with coal.

The concession granted to Venezuela on petroleum constituted an important part of an agreement under which benefits were secured for a broad range of American industrial and agricultural products. These concessions, and those obtained in the other 21 agreements, concluded by the United States, are making a substantial contribution to the protection and expansion of our foreign trade and hence, to the prosperity of domestic consumers of coal. Since you are familiar with the evidence on the benefits of the program which was submitted at the hearings before the Committee on Ways and Means, on the resolution to extend the Trade Agreements Act, I will not attempt to detail that evidence in this letter. As one indication of those benefits, however, you will doubtless recall the figures prepared by the Department of Commerce, comparing trends in our trade with agreement and nonagreement countries, which show that in the years 1938–39 our average annual exports to the 16 countries, with which reciprocal-trade agreements were in operation during that entire period, increased by 62.8 percent, as compared with the 2-year period 1934–35, while exports to countries with which no agreements were in effect increased by 31.7 percent.

In the light of these considerations, I think you will agree with me that there can be no doubt that the coal industry, because of its direct and indirect interest in foreign trade, has an important stake in the success of the trade-agreements program.

If you desire any further information, I shall be glad to endeavor to supply it.

Sincerely yours,

CORDELL HULL.

Meddling Diplomats

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

Mr. THORKELSON. Mr. Speaker, I do not believe anyone familiar with the history of the past 23 years will question the German exposé of the Polish diplomatic documents which reveal that Mr. William Bullitt and others were involved in diplomatic intrigue in Poland.

Our diplomats of 23 years ago were pro-British or pro-internationalist. At any rate, they were anything but real American representatives to foreign countries. A British atmosphere in the State Department was developed when Mr. Bryan, in sheer desperation, resigned because he objected to paying homage to the British Crown. The new crop of diplomats then fooled and fiddled this Nation into the World War, and the State Department is now fiddling and trying to fool us into another war so the Star of David may embellish the White House as the insignia of a world union.

The present childish attempt by the State Department to hand the emigree Polish Government a bucket of whitewash and a brush to paint white stripes on Mr. Bullitt's red background will fool no one, for his philosophy is lauded in radical papers and he is recorded in Elizabeth Dilling's Red Network as a radical and Communist.

I shall now quote from a book which I think every American ought to read, entitled "Propaganda for War," which, if compared with other State papers and records, appears to be very authentic:

The personal appeal for the enlistment of native propagandists did not end with newspapermen, preachers, teachers, and politicians, but was used wherever contact could be established with a person of importance. The result of this enlistment of articulate Americans can be noticed even in post-war years.

An outstanding result of the practice of capitalizing on friendships was the development, by Americans, of organizations for defense or other purposes, but which actually became centers of pro-Ally propaganda. One of the most important groups in this category was the violently pro-Ally Navy League. The roll call of this league demonstrates the effectiveness of Britain's friends in securing the leaders of American economic life to back moves beneficial to the Allies. Among others it included: J. Pierpont Morgan; Thomas W. Lamont (Morgan); Elbert H. Gary (United States Steel); Harry P. Whitney (Guaranty Trust Co.—agent of Atlas Powder Co. and Hercules Powder Co.); S. H. P. Pell (International Nickel Co.); Cornelius Vanderbilt (Lackawanna Steel Co.); Ogden L. Mills (Lackawanna Steel Co.); Frederick R. Coudert (National Surety Co.); Francis L. Hine (Bankers Trust Co.); Daniel G. Read (Guaranty Trust Co.—H. P. Whitney); Frank A. Vanderlip (president, National City Bank—Standard Oil); L. L. Clark (American Locomotive Co.); and Percy Rockefeller. It would be difficult to assemble a more influential group of native propagandists in any country, and these were only a few of the financial leaders who, through these defense leagues, gave their sympathy to the Allies. ROBERT M. LA FOLLETTE commented on this list: "Shades of Lincoln! What a band of patriots—with their business connections covering every financial and industrial center in the United States. Owning newspapers, periodicals, and magazines, and controlling through business relations the editorial good will of many others. * * *"

Closely allied in origin and objective to the Navy League was the National Security League. This organization was particularly involved in the propaganda of preparedness. There was also the American Defense Society of which Theodore Roosevelt's friend, General Wood, was "the patron saint, the guide, and inspiration." It must be borne in mind that members of these groups did not realize that in addition to their work for defense, they were also assisting British propagandists (pp. 30–32).

The failure of the United States to enter the war engendered considerable anger in Paris and London. Page wrote Wilson that "the unofficial feeling is that the United States must declare war or forfeit European respect." Later, when it became apparent that Americans failed to share this unofficial feeling, there developed the "profoundest depression" among the British. Lord Bertie, in Paris, expressed nonchalance about America's joining the Allies, but privately his remarks were just the reverse. Kitchener said to House that he did not want Wilson "to think that Great Britain either made the request or had a desire for us to enter, but if we considered it necessary to do so, in his opinion it would greatly

shorten the war and would save innumerable lives, not only of the Allies but of the Germans as well." By autumn the feeling among the British was one of open ridicule. Page wrote to Wilson: "The English press, practically unanimously, makes sneering remarks about our Government." (Page, 170–171.)

The President's chief adviser was Col. Edward Mandell House, a man of no unusual ability or intelligence. Although his importance has undoubtedly been exaggerated, he did influence many of Wilson's decisions, and in his role as personal representative of the President he had considerable opportunity to affect the course of events. It was as a negotiator that Colonel House revealed his naïveté. European statesmen "believed the colonel to be influential with Mr. Wilson, * * * and so they courted him and praised his astuteness and the wisdom of his words." Perhaps because he was the son of an Englishman he was particularly responsive to the blandishments of British leaders. Edward Grey, Capt. Guy Gaunt, Sir William Wiseman, and to a certain extent Sir Cecil Spring-Rice, were able to make him believe that he was one of their dearest friends. Consequently they were not forced to deal with him as a representative of a foreign power but as a fellow worker who shared their ideals.

One is impressed by the fact that throughout this entire period Colonel House devoted himself to the advancement of British interests. From the very first he apparently thought that the British cause was "our cause." In 1915 he wrote to Wilson: "The position you have taken with both Germany and Great Britain is correct, but I feel that our position with the Allies is somewhat difficult, for we are bound up more or less in their success * * *." His cooperation with them is rather clearly shown by an incident which occurred in September 1914. A note had been drawn up in the State Department protesting British infractions of international law. "Its terms made the colonel's hair rise; instead, however, of merely recommending that it be toned down, he conceived the more remarkable idea of submitting it first to the British Ambassador. The next day he was in secret session with Spring-Rice over the formidable document * * *." Whenever difficulties arose with Great Britain, House always attempted to secure delay, "and delay was another name for the British diplomacy that was seeking to bring America into the war against Germany." He may not have deliberately attempted to involve the American Government in the European conflict, but certainly he was not active in directing policies so that the United States could be kept neutral" (p. 182–183).

Among Wilson's diplomatic representatives abroad there were very few who escaped the war hysteria. Walter Hines Page, in London, apparently believed all the propaganda without exception. He wrote home of young girls who had been violated by the Germans, of English soldiers whose noses had been cut off, and of Belgian boys who had been mutilated. He was not merely sympathetic with the Allies, but became such a partisan that he forgot he was an ambassador from a neutral country and zealously devoted himself to furthering the British cause. Sir Edward Grey wrote as follows: "Page's advice and suggestions were of the greatest value in warning us when to be careful or encouraging us when we could safely be firm" in dealing with the American Government. His efforts "went to such astounding lengths that some historians, weighing the documentary record which is now available, insist that the diplomat should have been recalled and tried for treason." The President instructed House to remonstrate with Page concerning his partisanship, and in 1916 called him home for the purpose of giving him "a bath in American opinion." Page, however, remained unaffected by Wilson's desires or instructions. One student of the period has recently stated: "* * * the American Ambassador was wholly unfit to represent the United States at London. Not only did his marked partiality for everything British seriously affect his judgment, but his ignorance of international law as interpreted by the American Government made him a striking example of the futility of drafting journalists into the diplomatic service" (p. 185–186).

The result of the increasing aggressiveness of armed merchantmen was a growing unwillingness on the part of submarine commanders to observe the rules of visit and search, which were equivalent to suicide. Before long, even Wilson and Lansing recognized the injustice of the situation. On October 4, 1915, the President wrote to Colonel House: "It is hardly fair to ask submarine commanders to give warnings by summons if, when they approach as near as they must for that purpose they are to be fired upon." On January 2, 1916, Lansing wrote Mr. Wilson: "You will recall the case of the *Baralong* where a German submarine was bombarding a vessel from which the crew had escaped in boats, when a tramp steamer approached, flying the American flag. The submarine remained on the surface and awaited the steamer, which on nearing the submarine lowered the American flag, hoisted the British colors, and with a gun mounted on the stern (a defensive armament according to our early definition) opened fire and sank the German vessel, killing all the crew * * *" (p. 198).

"My Government is impressed with the reasonableness of the argument that a merchant vessel carrying an armament of any sort, in view of the character of submarine warfare and the defensive weakness of underseas craft, should be held to be an auxiliary cruiser and so treated by a neutral as well as by a belligerent government, and is seriously considering instructing its officials accordingly." Such a course would have provided safety for crews and passengers on ships traveling in the war zone, and would have prevented armed vessels from entering American ports except under rules governing men-of-war (pp. 199–200).

"The *U–27* was struck by several shells from the *Baralong* and sank within a few minutes. Some of the crew were able to swim to the *Nicosian*, which had been abandoned by the British. While hanging to the ropes that dangled over the side of this British vessel, several of them were killed by gunfire from the *Baralong*. Four Germans who succeeded in climbing on board the *Nicosian* were hunted down by British marines, who shot them at sight. The commander of the *U–27*, witnessing this cold-blooded series of murders, seized a life belt and leaped into the sea. There he was shot while his hands were upraised in a signal of surrender." (Tansill, America Goes to War, p. 379.) (P. 199.)

These quotations are self-explanatory, and serve to show what leads to unrestricted submarine warfare. Did Great Britain show greater sportsmanship than any other power? She did not, for this is only one of the instances in which the same thing occurred. Did Great Britain observe the laws of neutrality or sportsmanship when it sailed under an American flag to within gun range, and then fired when the flag was struck for the English ensign? This again is only one instance, for that happened time and time again, and was an issue of considerable controversy between our own and the English foreign departments.

This quotation shows clearly that one side is no better than the other, when war is an issue and victory is at stake. I am neither blaming nor condoning either side, but I want to be fair and, above all, I do not want our own people to be misled or influenced by either side, for we can do more good for ourselves and for civilization by remaining neutral. The world today needs an example of human, Christian principles. We cannot establish or perpetuate such principles when joining other nations in mutual destruction of life and property.

British propaganda was very active during the World War and is very active today. Record of this may be found in the Geneva hearings before the Senate—the same book in which the British so-called secret-service letter is printed which appears in the RECORD of October 11. I shall now again quote from Propaganda for War:

The principal outlet for British propaganda in the United States continued to be the American press. All in all, there were probably well over 10,000 writers—Americans—who were preaching the Allies' cause in newspapers, as well as in books, pamphlets, and magazines. In the words of Ambassador Jusserand, "Ce fut une floraison comme on ne vite jamais la pareille." The regular weekly reports which Parker made to the British Cabinet clearly reveal his satisfaction with the assistance being given him by American newspapermen. The following excerpts are typical of that section of his report entitled "Influencing the American Press":

"May 31: The American press as a whole is friendly to the Allies and is anxious to give our point of view.

"July 26: The American press * * * made the most of the news communicated to it, and showed itself very ready to take up any hints in the official communiques, both as to the significance of particular events and as to the general course of the movement.

"August 23: The current week is remarkable for the large number of interviews from British sources.

"September 6: The headlines of newspapers of all shades of opinion have been remarkably open to the military operations of the Allies.

"October 11: The week supplies satisfactory evidence of the permeation of the American press by British influence."

Those who read this and the book on Propaganda for War, by Mr. H. C. Peterson, will note the similarity between this British evaluation of American stupidity and that set forth in the so-called House letter that appeared in the RECORD of October 11. In the letter, the estimated cost of converting an American into a British sympathizer was 53 cents per head, and this book, in my opinion, confirms that estimate.

Now comes Mr. Bullitt, who was very much to the front when the letters signed, "I am, my dear Mr. Litvinov, very truly yours, Franklin D. Roosevelt," and, "I am, my dear Mr. President, very sincerely yours, Maxim Litvinov," exchanged hands, as quoted in the New York Times on November 18, 1933.

Now then, who is Ambassador Bullitt? He was born in Philadelphia, January 25, 1891, the son of William Christian and Louisa Horwitz Bullitt. He was accepted by Moscow as the first American Ambassador to the Soviet Union, and was

perhaps the most outspokenly sympathetic bourgeois who could have been chosen. He was the last American envoy to leave the Union of Soviet Socialist Republics after official relations had been broken off with the fall of Kerensky, and it was President Wilson who sent him back to Moscow during the Peace Conference. With him went Lincoln Steffens, who described their experiences in his autobiography. They went to seek some understanding, Steffens writes. They rode from Petrograd to Moscow with Tchitcherin, Commissar for Foreign Affairs, and Maxim Litvinov—Finkelstein—Assistant Commissar. Bullitt, Tchitcherin, Litvinov, with Lenin nearby, negotiated daily, Steffens writes:

It was a new culture, an economic, scientific, not a moral culture which they saw and the Russians we were conversing with, the heads of the Soviet Government, were talking out of a new philosophy. Bullitt steered his way through an agreement with Lenin and Tchitcherin.

This is part of Bullitt's history, and with this record, can the State Department say positively that he is not involved in the Polish intrigue?

These remarks have been made to call your attention to the diplomatic background of our State Department over a number of years, so that you will not be led astray while apologists are spreading whitewash.

This secret diplomacy is responsible for national unrest, and is helped by a constant bombardment of propaganda in the press, over the radio, and on the screen. This propaganda is nearly all British, as they and their associates control all avenues of publicity except the short-wave broadcast directly from Germany, which reach but very few people in the United States.

Let me now quote from the Washington Post, April 1, 1940:

Trails followed by the Federal Bureau of Investigation, Secret Service, and Post Office inspectors in the coordinated antispy campaign ordered by President Roosevelt at the European war's outset, led agents to propaganda "factories" also, the officials said.

This paragraph is confusing, and, similar to all, has an international tinge. Why not look for the spies, instead of setting up an "antispy campaign?" What is the technique of an "antispy campaign"? The technique is to lead our own investigators off the trail, for "anti" campaigns of all sorts are set up by those who are guilty, to divert the Department's attention to patriotic citizens. Let the Department of Justice look for the spies and look for those who are engaged in un-American activities, and stop these foolish designations which fool no one except the Departments themselves.

He denied any intention by the Justice Department to expose the propagandists merely to discredit war incitement charges leveled against the Roosevelt Aministration in the White Book, but added "* * * the evidence which entails among other offenses bribery, theft, and the distribution of forged documents, conceivably will form part of the prosecution picture in indictments the Department procures for such Federal offenses as espionage."

Referring to the last paragraph, the question may be asked, What information can a spy obtain which he does not have now? If we are to believe the press and conversation on the Hill, it appears that various European governments have been supplied with secret military information over a period of years. Japan bought one of our largest airships, and has been furnished with chemical factories for the manufacture of poisoned gas. In the papers today we are informed that the Army is to turn over the very latest plans to England and France. With this free military information furnished to all governments who ask for it, what else can a spy look for?

The State Department's reticence on the White Book indicated that the administration, for the present, is depending on the emigree Polish Government in France to persuade the neutral world the documents in the book were forged.

Has the State Department reached the point where it now seeks to be absolved from guilt by the emigree Polish Government? And why should the Polish Government, after failure to receive aid from England and from our diplomats, bother itself about washing the sins from our own State Department? The request in itself, in my opinion, is the greatest evidence that our State Department is guilty, and this is particularly pertinent as we compare its policies with the past. The fact is that we were not neutral in the World War, and we are not neutral today. I hope that this attitude on the part of the State Department will not bring about an incident that might raise a disagreeable issue.

The American people should not be deceived by the present Neutrality Act, for it is neutral in name only. The State Department surely knows that neutrality is a self-selected duty of a nation that wishes to remain impartial to all belligerents. No law is required for that, for it depends entirely upon whether we wish to be neutral or unneutral. The Neutrality Act was merely an excuse—a lawful hole, if you please—through which the Secretary of State and the Chief Executive could escape, leaving upon the shoulders of Congress the full responsibility for whatever happened after the act was passed. It gave the American people an opportunity to spend millions of dollars in patrolling a 300-mile zone offshore; and for what purpose? What are these patrolling vessels looking for?

The British warships come and go out of every port from Cape Horn to Cape Barrow. The British merchant ships come and go, armed or unarmed, as they please, with a "welcome" sign when they arrive and a "come again" sign when they leave. It should be clear from this that patrols on the Atlantic and Pacific coasts are not only useless but cannot and do not serve any good whatsoever. The money expended upon this should be saved to the taxpayers of the United States; and, if it must be expended, let it go to those who are out of work—the idle laborer and the idle farmer of this Nation. Let it go to those who, through misfortune or because of old age, are unable to take care of themselves. Given to them, it will serve a good purpose. As the money is now expended, it helps Great Britain more than it does the United States.

Gavel Presented to Speaker Bankhead

EXTENSION OF REMARKS

OF

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

STATEMENT BY HON. BUTLER B. HARE, OF SOUTH CAROLINA

Mr. HARE. Mr. Speaker, under leave to extend my remarks by inserting a short statement made by me in presenting a gavel to the Honorable WILLIAM B. BANKHEAD, Speaker of the House of Representatives, today in behalf of the Pendleton Farmers' Society, of Pendleton, S. C., I submit the following:

Mr. Speaker, in 1752 a 13-year-old boy, Andrew Pickens, migrated with his father from Buck County, Pa., and settled in the Abbeville district of South Carolina. Later he moved to what is now Oconee County and settled near the Indian settlement of Tamassee. At the age of 22 he was captain in the army of General Grant and displayed unusual courage and patriotism in battle against the Cherokee Indians. He soon became familiar with the life and ways of the various Indian tribes and commanded the friendship of the leaders of the Cherokee, Creek, Chickasaw, and Waxhaw Indians. He became an active, daring, and courageous leader for independence in the Revolutionary War, and was promoted from captain to brigadier general. It is well known in history that Pickens, Sumter, and Marion were the most illustrious military leaders of South Carolina during the Revolution. Among the outstanding conflicts in which General Pickens stood out conspicuously as leader we mention only the battles of Kettle Creek, Cowpens, Ninety Six, Eutaw Springs in South Carolina, and the recapture of Augusta in Georgia. A number of years later he was cited by Congress for his bravery in the battle of Cowpens and presented a sword in recognition of his courageous services.

Following the Revolution he was appointed by President Washington to negotiate with the Indians and successfully effected 10

or a dozen treaties in which the Indians ceded to the United States practically all of the lands south of the Ohio and east of the Mississippi Rivers. In 1793 he served as the first Congressman from that section of South Carolina which I now have the honor to represent.

Although endowed with the great qualities of leadership and possessed with a military genius equal to that of any man of his State, General Pickens devoted all of his time to agriculture when not engaged in rendering a direct service to his State or Nation. In early life he erected a large and commodious home, known as Hopewell, where a number of treaties with the Indians were effected. In dismantling this home a few years ago some of the timbers were preserved, out of which a few gavels have been made by members of the Pendleton Agricultural Society, of which General Pickens was a member. Now, at the request of the officers and members of this association, Mr. Speaker, I have the honor and peculiar pleasure in presenting to you this gavel in behalf of the friends of General Pickens and the Pendleton Agricultural Society. I sincerely trust you will accept it in the spirit which prompted the donors to give this expression of their high respect and admiration for you as a descendent from this section of South Carolina and as one who has been justly honored as a great leader in a great Government to which General Pickens contributed so much in its infancy and early history.

Reciprocity or Retaliation?

EXTENSION OF REMARKS

OF

HON. JOHN W. BOEHNE, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

RADIO ADDRESS BY HON. JOHN W. BOEHNE, JR., OF INDIANA

Mr. BOEHNE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address which was delivered by me last night over the radio:

You will probably find somewhere on the instrument which has made it possible for you to tune in on this station tonight the caption "Made in America." In fact, however, your radio is a product of the world because every continent has contributed something to its construction. A few years ago, it was stated by a former Secretary of Commerce that the materials in an ordinary American radio travel a total of 250,000 miles before becoming a part of the instrument which makes it possible for us to enjoy radio programs. That distance is 10 times the circumference of the globe, and seems hardly believable, but irrespective of the distance traveled by the various parts of a radio, the finished product demonstrates the ingenuity of American industry and labor and illustrates the importance of foreign trade. American industry not only produces enough finished manufactures to meet the domestic demand but also has a surplus left over for export. This surplus is by no means insignificant. In fact, it is valued at more than double the cost of the crude materials we import, and from which the finished manufactures are made. This brings the problem of foreign commerce squarely in focus and illustrates the meaning of reciprocity. Our purchases of the products of other countries give them purchasing power with which to buy the finished products we are eager to sell. This is an essential principle of foreign trade that the opponents of the reciprocal trade agreements program do not seem to understand. It is, in effect, the basis of any real reciprocity.

One of my Republican colleagues in the House of Representatives, the gentleman from Michigan [Mr. WOODRUFF], a fellow member of the Ways and Means Committee, recently said over this station that reciprocity was an accepted factor of American foreign trade policy before the present century. That is true, but the gentleman from Michigan [Mr. WOODRUFF] neglected to mention that during the twenties and early thirties the administration then in power made little or no real effort to carry out this policy. In fact, under the effects of the Fordney-McCumber and Hawley-Smoot Tariff Acts, the policy all but disappeared.

Instead of adhering to and carrying out a policy of true reciprocity, our Republican friends raised the tariff in 1922 and again, to excessive levels, in 1930. During the twenties our trade was sustained for a time by the artificial pump-priming method of foreign lending on an unprecedented scale. Following the collapse of this lending program and the enactment of the excessive tariffs of the 1930 act, our foreign trade collapsed as well and literally millions of our people were deprived of their livelihood. In other words, the administration then in power did not practice true reciprocity, and the consequences were disastrous.

The fact is we cannot enjoy anything like our present standard of living without substantial foreign trade, and our reciprocal-trade program, based on true reciprocity, is restoring our foreign trade. It is true that we could continue to exist without a great many of the materials and articles which come from abroad. Our ancestors lived in this country without railroads, automobiles, telegraphs, and telephones, without radio sets, and even without broadcasting performances, but a nation does not readily abandon progress which it has achieved. Nor is it in the least necessary that we now abandon our progress and turn backward.

I want to emphasize the fact that our foreign-trade policy is related not only to the radio which you are using but to your telephone, your automobile, and innumerable other items which contribute to your daily comfort and well-being. Our methods of modern living have been so developed that we depend every day, even for many ordinary conveniences which we take for granted, upon the products of foreign countries. Trade and commerce on a fair and equal basis have been a civilizing influence throughout history.

The purpose and results of our reciprocal trade agreement program have been to make it possible to obtain more of those things which add to our standard of living and in turn to exchange for them things which foreign countries need and of which we have surpluses. When the Congress first passed the Trade Agreements Act, in 1934, it did so on the simple common-sense assumption that if excessive barriers to trade could be reduced, trade would be stimulated. After a period of nearly 6 years the statistical data amply supports this common-sense view. Trade barriers have been reduced and trade has been increased as a result. This conclusion has been checked and rechecked in every conceivable statistical way. Without going into a long array of statistical details, we find the following effects of our reciprocal trade agreement program: program:

(1) Exports to the countries with which we have made trade agreements have increased, in the aggregate, twice as fast as our exports to other countries.

(2) Exports to the principal individual countries with which we have made trade agreements have in nearly every instance shown a substantially greater rate of increase than our exports as a whole.

(3) The share in our imports into trade-agreement countries has increased in greater measure than the increase in our share of the imports into other countries.

(4) These increased exports, along with greater prosperity, have made it possible to buy from foreign countries more raw materials and other articles, which have contributed to our economic well-being.

By questionable selection of figures, critics have attempted to make out an unfavorable showing of the trade-agreement program. They have attempted to show that both common sense and objective statistical data are wrong; that exports have not increased as a result of lower barriers; but that, on the other hand, imports have increased from such action. Statistical juggling cannot alter the conclusion that trade agreements have been helpful to our whole economic system.

Our critics keep saying that we import products which we do not need or want. They say that the reciprocity proposed by President McKinley, and which they profess to favor, was different from the present program because his kind of reciprocity eliminated competitive imports. The assumption seems to be that a successful program of tariff reciprocity could be carried out by merely swapping free-list articles but leaving our high tariff walls standing. I think President McKinley was more of a realist than this suggestion by die-hard Republicans would indicate. Whenever a thing is imported by a businessman, it is imported to fill what he considers a need, or it would not be imported at all. Under our economic system the judgment of the businessman is a determining factor. If our business people are to continue under a competitive, profit system, they must have certain rights and privileges to determine what sort of business they see fit to engage in. The term "need" is not defined by the opinion of some monopolistic industry or some Government agency, either legislative or executive. The businessman, together with the consumer, are the final arbiters as to what constitutes need. The monopolists would like, of course, to eliminate a part of the supply so that they could fix prices to suit themselves. That is why they sometimes persuade Government bodies to accede to their wishes and adopt trade regulations and restrictions of all kinds, including excessive tariffs. The final purchaser, if left to freedom of action, decides whether or not he needs or can afford a thing. The price factor naturally enters into the equation of what constitutes a need by consumers.

Recently, when my colleague the gentleman from Michigan [Mr. WOODRUFF] went on the air to discuss our reciprocal trade agreement program, his main point was that other countries were making bilateral agreements and discriminating against the United States, although he did not give any real evidence of discrimination. He rather attempted to leave the impression with his radio audience that each of the 1,400 or so bilateral agreements which he alluded to was a discrimination against the foreign trade of the United States.

In the first place, a mere enumeration of bilateral agreements does not mean that there is any discrimination in a single one of them. Discrimination in commerce is a question of fact, and the executive departments of the Government are best qualified to ascertain those facts. In a few cases there may be incidental discrimination in some of the arrangements alluded to by the gentleman from Michigan [Mr. WOODRUFF]. The opposition willfully ignores the fact that every trade agreement negotiated by the United States under this program has eliminated some discriminations. Common sense suggests that the way to eliminate more discriminations is to have more trade agreements. That is the only safe and sane way to get real equality of treatment in foreign trade.

It might be mentioned in passing that the Republicans had the authority to prevent discrimination against American commerce in

the Tariff Acts of 1922 and 1930 and that not a single case was settled by the big-stick method they now suggest. That kind of negative action might be to their credit if they had not increased tariff rates and discriminated against every country in the world in the Hawley-Smoot Act. We did not gain anything from that trade war, which we are now correcting by practicing real reciprocity through the trade-agreements program.

Many of these bilateral agreements alluded to by my colleagues do not relate to commerce at all, and therefore, could not involve commercial discriminations. Moreover, it does not necessarily follow that a country with which we have an agreement discriminates against us just because it makes a clearing agreement or some other arrangement with a third country.

The important point is that we obtain our proper share of trade by quotas, exchange allocations, or any other arrangement. That is substantial equality of treatment, the basis of the reciprocity program. If in a trade agreement we obtain fair treatment, it does not immediately concern us what arrangements other countries make between themselves. If agreement countries discriminate against a third country and cut it off completely, we have no control over that.

In the last analysis, when the opponents of trade agreements talk of some 1,400 bilateral agreements they seem to take the position, when we are not even involved, that the United States should be the police force of the world. They would not only see to it that there is no discrimination against American commerce but they would also attempt to prevent discrimination anywhere in the world. That is a large order and would require far more authority than has ever been vested in the Executive.

At the close of his address my colleague [Mr. WOODRUFF of Michigan] said: "Nations, in trade, are more or less like individuals. When they depart from common sense and common fairness, they depart from success." I am glad that he made that statement. Apparently in an unguarded moment he spoke what most of us really believe. To my mind the rest of his speech was a departure from common sense and common fairness. If we adopted the suggestions made in his address, we would certainly depart from the success already achieved in increased trade through our program of real reciprocity.

W. P. A. Figures

EXTENSION OF REMARKS
OF
HON. GEORGE S. WILLIAMS
OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1940

EDITORIAL FROM THE WILMINGTON (DEL.) JOURNAL-EVERY EVENING

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Journal-Every Evening of Wilmington, Del.:

[From the Wilmington (Del.) Journal-Every Evening of April 2, 1940]

W. P. A. FIGURES

Colonel Harrington's announcement that the W. P. A. rolls will be cut by about 700,000 during the next 3 months comes just at the time when Congress is preparing to deal with the relief appropriation for the coming year. And, once again, one is struck with the tremendous difficulties which stand in the way of intelligent treatment of the problem. It seems to be almost impossible to separate the actual facts from the political and emotional confusion which surrounds them.

The American Federation of Labor, for instance, has come out with an estimate that there were 10,572,000 unemployed in February. With other labor groups it can be counted on to fight for larger relief appropriations and more generous payments to the unemployed. Meanwhile, a week or so ago, figures were published putting the total number of jobless several millions lower.

The trouble with these figures is that no one can say for sure which is nearer the truth. We simply do not know the basic facts about unemployment and we shall not know them until the census figures are tabulated next fall, and they will be several months old by that time.

But there are certain things which should be remembered by anyone who hopes to keep a clear head while claims and counterclaims are flying about during the next few weeks.

The first is that the 700,000 who are being cut off the W. P. A. rolls are not being dropped in a lump; they are going off gradually over a period of 13 weeks. The second is that this is a period of the year when employment normally rises and when relief needs normally decrease. The third is that business activity and employment have been gradually rising over an extended period and that even President Roosevelt, confirmed spender that he is, has tentatively set relief costs at a billion dollars lower for the coming year. And the final consideration is that political demands have forced W. P. A. employment to its highest peaks in the months just before every recent national election, regardless of business conditions, employment, or actual need.

Congress could help matters enormously by insisting on fuller and more accurate information and by returning administration of relief to State and local authorities who are much better informed on the situation in their own communities. Pending that, the least it can do is to make its way carefully through rival claims and make appropriations fit relief requirements rather than the needs of a political campaign.

The Livestock Situation

EXTENSION OF REMARKS
OF
HON. EDWARD H. REES
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1940

RESOLUTIONS OF THE KANSAS LIVESTOCK ASSOCIATION

Mr. REES of Kansas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions adopted by the Kansas Livestock Association at its twenty-seventh annual convention, held in Wichita, Kans., March 6, 7, and 8, 1940:

Be it resolved, That:

I. We are opposed to legislation, local, State, or National, which tends to increase the cost of distribution of agricultural products by imposing discriminatory taxation upon any legitimate form of business.

II. In view of the large volume of importation of livestock, livestock products, fats, oil, and other commodities competing with our industry, that adequate tariff protection be accorded our domestic products, also that Congress continue its vigilant guard against importation of livestock and its products from Argentina and other countries infected with disease. We also urge Senate ratification of trade treaties by two-thirds majority.

III. Mounting taxes are slowly confiscating property and strangling business. The tax burden on agriculture must be lightened and equalized. We recommend that values on all farm property be lowered in view of the lower evaluation on utility and urban property.

IV. We recommend that Kansas take steps to solve its water problems through a long-time, State-wide program of building ponds, of the enactment of suitable laws, or of providing for surveys of watersheds and engineering studies for developing definite plans to secure conservation through storage or preventing run-off; and that the State highway department and county commissioners cooperate in putting this program into effect.

V. We reiterate our previous attitude favoring a truth in fabric law.

VI. We approve and commend the regulations and activities of the State livestock sanitary commissioner in supervising community sales of Kansas.

VII. We offer our continued opposition to the off-market buying of livestock by packers, as tending to depress livestock prices and condemn as an unfair monopolistic trade practice the present policy of packers engaging in feeding livestock for the purpose of manipulating market prices.

VIII. We contend that the recent interpretations of the Wage and Hour Administrator would deprive the livestock and meat industry of the flexibility as to hours that Congress intended to provide processors of agricultural products who are confronted with the problems of seasonal production as outlined in the Fair Labor Standards Act of 1938. We are further convinced that these interpretations would create new costs to be borne by the producer. We therefore protest the interpretations contained in Interpretative Bulletin No. 14 and ask that they be withdrawn and said act clarified.

IX. We commend the spendid work being done by the National Live Stock and Meat Board in increasing the consumption of meat, and urge stronger financial support be given this Board. We also urge that producer organizations interested in greater consumption of meat use the National Live Stock and Meat Board for this purpose.

X. We urge continued effort toward the adoption of more uniform sanitary regulations between States.

XI. We recommend continuation of a constructive program for the elimination of Bang's disease.

XII. We urge the Kansas Legislature of 1941 to provide funds necessary to provide proper rehabilitation of the physical plant of the animal husbandry department of Kansas State College.

XIII. We reiterate our indorsement of the McCarran antitheft bill and commend the work of the National Brand and Theft Commission.

XIV. We recommend that the President appoint a standing transportation committee, consisting of five members, to make a comprehensive study of transportation facilities in Kansas, and submit their findings to the board of directors.

XV. We respectfully request the legislature to provide means to the end that a comprehensive system of brand inspection be inaugurated at the earliest possible time.

Kenneth Kline, chairman; C. W. Floyd, W. H. Burke, Dan Casement, Ludvig Nelson, Francis Arnold, John W. Briggs, Roy W. Ellis, W. J. Brown, Earl Kielhorn, Bert Culp, E. C. Carp, J. T. Price, Will Condell, H. G. Hille, Senator W. E. Ireland, Senator William Schmidt, Representative Wayne Rogler, O. W. Lynam, Jess W. Greenleaf, E. L. Barrier, R. F. Brock, Chester Davis, Dr. C. W. McCampbell.

Keep the Record Straight

EXTENSION OF REMARKS

OF

HON. RAYMOND S. SPRINGER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

Mr. SPRINGER. Mr. Speaker, it is highly important that we keep the record straight. It has been said on many occasions, "Let us look at the record." That is a sound statement and that is good advice. Let us look at our national record which covers the past 7 years, which has been the record of the present administration, and let us see what it discloses. Seven years ago we had approximately 11,000,000 of our people who were unemployed. Today we have approximately 11,000,000 of our people who are unemployed, although many, many billions of dollars of the people's money has been ruthlessly spent in order to aid the unemployment situation and to create jobs for our people. The truth is that all of the vast sums of money which have been spent to reduce the unemployment situation has amounted to temporary relief only. The fatal mistake made by the administration now in power is in making no effort to stimulate industry and business in order that it might be enabled to permanently employ the unemployed in private business and industry. The continuance of the payment of a dole to people without encouraging business and industry has created a vast public debt which is now in the aggregate amount of more than $42,000,000,000 in direct obligations.

This stupendous debt which this administration has created is making necessary the levying of more and higher taxes upon our people. These taxes have reached such great proportions that the breaking point has almost been reached.

It is surprising that there is an apparent lack of interest in the people who are going to have to pay the bills. When I refer to the people who will have to pay the bills I refer to all of the people, because the hidden and indirect taxes which are now imposed upon the people reach every citizen in this country—the rich and the poor, the employed and the unemployed, and the W. P. A. worker, and the businessman, and the banker—and all are called upon to make their contribution in an amount equal to approximately 25 percent, or the sum of 25 cents out of every dollar, in the discharge of the tax burden. That means just this: That out of every dollar we earn approximately 25 cents thereof is absorbed in the payment and discharge of the taxes which have been levied upon us. I shudder when I think of the average wage earner in my congressional district who seeks to support his family and to educate his children, who receives the sum of $20 for his week's work, and that almost $5 of his week's earnings are required for the payment of the hidden and direct taxes imposed upon him, because these hidden taxes are paid when we buy bread, flour, meat, clothing, and every other essential and necessary commodity required by our people. That tax is imposed for the purpose of obtaining money with which to meet the debt created by the huge spending program inaugurated by the present national administration. May I say that I do not propose to vote for any appropriation of money which will tend to increase the taxes upon the people in my congressional district in the State of Indiana; that would merely deprive the average family of those things which they need and which they are now unable to buy because of the high taxes? We wonder why the high cost of living. The answer is, the taxes which are hidden and which we must pay when we buy. We thereby obtain less food and less clothing for the money we spend than we would be able to obtain if those hidden taxes were not imposed upon us.

Thus we complain of the high cost of living, but it is merely the high taxes involved which makes the high cost of living apparent to us. These hidden and concealed taxes are a burden upon every class of our people—the rich and the poor alike; every citizen must pay them when he buys the necessaries of life. With the head of every average family in the State of Indiana paying out $200 or more each year in discharging the hidden and indirect taxes imposed, I do not propose to vote to add any additional burden upon him. The fact, and it is a fact, that some of our people do not have to pay income taxes, and that they are not required to pay any taxes upon either real estate or personal property, it does not follow that they are tax exempt—because they have to pay the hidden taxes upon food and the necessaries of life when they buy. The tax is involved in the cost price of the article, and the people have to pay. Therefore, we have the answer to the question: "Why does it cost so much to live?" This applies to every class of our people.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a splendid editorial written by Mr. Leo Kinman, editor of the Shelbyville Republican, of Shelbyville, Ind., and which editorial appeared in the issue of March 30, 1940, which editorial follows:

TAKE A LOOK AT THE RECORD

Mr. Roosevelt, in his frequent confidences with the public, is accustomed to say, "Let's take a look at the record."

It's good advice.

While the President would imply that his record in office is all that it should be, there is certainly room for a few rather serious doubts.

For example:

When Mr. Roosevelt went into office, there were approximately 11,000,000 unemployed in this country. Today—more than 7 years later—there is virtually the same stupendous number of unemployed.

Mr. Roosevelt, after an arduous campaign during which he had condemned in no uncertain terms the unthriftiness of the Hoover administration, found that the public debt was twenty billions or thereabouts. Today—slightly more than 7 years later—the country's public obligation is approaching the constitutional limit of $50,000,000,000 and there is some talk of raising this limit to allow further indebtedness.

Candidate Roosevelt talked feelingly of the hungry mouths throughout the country, and the necessity of feeding them. President Roosevelt's only gesture in that direction has been the inauguration of a vast program of public works that has provided jobs at starvation wages, and brought about the creation of an American serfdom.

Mr. Roosevelt had a farm program. But that program has brought about no more permanent solution of the actual farm problem than had been hitherto tried. Moreover, it has been discovered that in many cases the "relief" was concentrated in the hands of farmers who actually needed no relief. Regardless of whether or not that was the intent, it was the result.

The record shows, moreover, that adverse legislation has discouraged every trend toward normalcy. Labor and industry have been the constant victims of the administration's inane attempts to solve their differences.

Labor and industry have been in the same boat with reference to the administration's reciprocal trade policies. They've both been forced to compete with cheap imports that come into the county duty free.

The record reveals, after a close scrutiny, that the country is in no better shape today than it was 8 years ago. Further, it reveals that the morale of the people, placed by circumstances in the lower brackets, is at a lower ebb. It reveals, in addition, that the chances of youth now to attain the success that American youth one time expected as its rightful heritage is steadily diminishing.

That's the record.

It's a record that President Roosevelt, never accused of overmodesty, may ask the people to consider as justification for his asking the highest office within their power to bestow for a third term.

Americanism

EXTENSION OF REMARKS

OF

HON. LEO E. ALLEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

ADDRESS BY FRANK J. MACKEY

Mr. ALLEN of Illinois. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address on Americanism, by Hon. Frank J. Mackey, candidate for Congressman at Large, State of Illinois, this address being carried by the Illinois Observer, an outstanding paper, which is doing so much to eliminate subversive influences within our border as well as to influence our people to stand for sound and constitutional legislation.

[From the Illinois Observer]

FRANK MACKEY FINDS NEW DEAL ANCIENT POISON

(By Paul Wagner)

LESSON IN AMERICANISM

Frank J. Mackey, candidate for one of the two Republican nominations for Congressman at Large, is widely known in Europe and America as a World War historian. Not so well known is the fact that the royalties on his famous book, Forward March, go to the Disabled American Veterans of the World War, in which organization he is a director of the department of rehabilitation.

His campaign speeches are models of scholarly thought from a plain American businessman, whose proud boast is that as a Chicago precinct captain through all the Democratic landslides of recent years he never has lost his bailiwick to the Democrats.

The following speech, delivered recently by Mr. Mackey, is an historic analysis of new dealism and a stinging castigation of its apologists that should be clipped and preserved by every loyal American.

In an address before the fifth ward regular Republican organization, Frank J. Mackey, candidate for nomination for Congressman at Large, said:

"In 1923, a great President of the United States, Calvin Coolidge, sounded a warning to which few people paid any attention. Referring to our Constitution, he said:

" 'The Constitution is not self-perpetuating. If it is to survive, it will be because it has public support. Such support is not a passive, but an active, operation. It means making adequate sacrifice to maintain what is of public benefit.

" 'The Constitution of the United States is the final refuge of every right that is enjoyed by an American citizen.

" 'So long as it is observed, those rights will be secure. Whenever it falls into disrespect or disrepute, the end of orderly organized government, as we have known it for more than 125 years, will be at hand.

" 'The Constitution represents a government of law. There is only one other form of authority, and that is a government of force.

" 'Americans must make their choice between these two. One signifies justice and liberty, the other tyranny and oppression.'

"HOW COMMUNISTS OPERATE

"In 1930 the Congress of the United States, taking notice of the activities of the promoters of foreign 'isms,' appropriated $55,000 and appointed a committee, headed by Congressman HAMILTON J. FISH, Jr., to investigate the growth of communism and other un-American philosophies of government.

"The Seventy-fourth Congress appointed the McCormack-Dickstein committee, and the present Congress appointed the Dies committee to investigate similar activities. Over a quarter of a million of the taxpayers' dollars has been spent by the Congress in conducting these investigations.

"The facts revealed by these committees are astounding. The evidence reveals that the Communists have this country of ours laid out like a huge battlefield in areas, sections, and divisions, just like in wartime. They have maps and plans of every city, village, and hamlet in the United States, just like your city engineer.

"They have established over 500 offices in our principal cities, with paid secretaries, and from here they send out tons and tons of literature, all of which advocates the overthrow of our institutions by bloodshed. They have over 6,000 highly paid orators preaching communism.

"They have the United States divided into 26 districts, Chicago being No. 8. They own and control outright more than 700 newspapers and periodicals, printed in practically every language. These are printed in the United States and distributed by the United States Postal Service at the taxpayers' expense.

"They have more than 35,000 paid strike agitators fomenting strikes, discontent, class hatred, in every State in the Union. I need not go into detail on the effect these agitators have had on our coal, steel, textile, automobile, oil, lumber, and other industries. Our shipping has been ruined. Our merchant marine is gone. Many great industries are facing bankruptcy.

"WORKING ON CHILDREN

"As bad as these things are, that which we fear most and which is probably the most vicious thing they are doing is the work among the youth of our Nation. Many of our public schools, high schools, and colleges are literally honeycombed with Bolshevik and Communist teachers, hiding behind the skirts of so-called liberalism, ridiculing God, religion, and the family unit, the very bulwark of our Nation. They have established many youth organizations with patriotic-sounding titles that we term 'sugar-coated dynamite.'

"On investigation, we find that the Communists and Fascists have over 100 summer camps in the United States, to which they take innocent little children, from the poorer classes, the illiterate and foreign element, between the ages of 6 and 16, at the time when they can mold the child's mind.

"In the morning they raise the red flag or the swastika; they line up these little kiddies in military fashion and teach them to salute the red flag or the swastika with the clenched fist or the Nazi salute. All day long these innocent children are taught songs of hatred against God, against the flag, against the Constitution, against everything that our generation was taught to respect, defend, and hold sacred.

"You are all more or less familiar with these facts. The newspapers have been carrying the stories every day for several years. But the average American is a rather smug individual. He is indifferent and will say, 'It can't happen here.'

"GENERAL PERSHING'S WARNING

"In a recent article in the American Magazine, General Pershing, our wartime leader, said:

" 'Make no mistake about this: Our Nation is confronted by a crisis as serious as the crisis of the World War. * * * In the war, once we were aroused, we made an effort that astounded the world. Just so today the American citizen, once that he is aroused to the dangers that menace his country, will, I devoutly hope and believe, gloriously redeem his indifference of the past.'

"You will be glad to know that the facts revealed by the congressional committees and the statement by their war-time leader has aroused the men who served under General Pershing in France.

"The Disabled American Veterans of the World War, the Veterans of Foreign Wars, and the American Legion have all gone on record in their national encampments against these foreign isms and, today, while the average American twiddles his thumbs and refuses to see the dangers threatening America, these boys who offered their bodies and their lives in defense of America during the World War are again in the fight.

"The veterans have adopted a real program of Americanism which merits the support of every red-blooded American. The whole idea of this program is to get the facts before the American people. If the people knew that there is nothing new in communism; that it has been tried time and again and has always failed; that some of the American colonies, notably Virginia, were founded as communistic societies, they would stop and think.

"RIGHTS DERIVED FROM GOD

"And what is fascism? It is nothing but the type of government that existed in Europe from the time of the fall of the Roman Empire until the signing of the Magna Carta by King John in 1215. Absolute monarchs, the history books call the rulers of this period. The philosophy of the absolute monarchy and fascism is identical.

"And what is Americanism? Congressman DIES has defined it well:

" 'Americanism is the recognition of the truth that the inherent and fundamental rights of man are derived from God and not from governments, societies, dictators, kings, or majorities.'

"As we turn back the pages of history, we have indisputable evidence that every great nation and every great civilization that was ever built was founded on the theory that the inherent and fundamental rights of man are derived from God. And we find indisputable evidence that every nation and every civilization that denied that these inherent rights of man came from God and has claimed that such rights come from kings, dictators, majorities, or minorities has perished from the earth.

"Turn back the pages of history and you will see where the ancient civilization along the Tigris and the Euphrates perished and disappeared when they abandoned the principles that made them great.

"PYRAMIDS FIRST W. P. A. JOB

"You see the Pharaohs of Egypt building a civilization which in some respects we have not equaled. You see them light the torch of western civilization. Then comes a succession of selfish kings and nobles with excessive taxes that kill initiative. The man of the people had no incentive to work or to lay up for the future, when he knew that his cattle might be confiscated or he himself, his wife, and children imprisoned without his having power to prevent it.

"So a great depression hit the land of Egypt, and you get the first historical records of W. P. A., as thousands of unemployed are put to work building worthless pyramids. You see this great nation go bankrupt and fall to the Persians.

"You see a Greek civilization attain a glorious height in art, architecture, poetry, government, and statesmanship, which has not been equaled in all succeeding ages. Greece owed her glory chiefly to her intellectual independence, the freedom with which her citizens examined all the problems of life and exercised all their faculties of mind.

"AN ORATORICAL DICTATOR

"You see these great people begin a decline when it abandoned the policy of Aristides the Just, and by excessive taxation robbed the weaker allies of their money and their liberties.

"Four hundred years before Christ you see this civilization destroyed when Antiphon, the greatest orator of his time, without the advantages of the radio, persuaded the people to adopt a new constitution which disfranchised them.

"The gilded splendor of ancient Rome holds you enraptured. Then the republic falls because a bunch of scheming politicians sold the people on a dictator. Then you see this great nation, the mistress of the civilized world, go on the dole.

"The first great relief agencies were established. The old philosophy, 'Root, hog, or die' was changed to 'Here is your swill. Come and get it.'

"The people got soft and figured that the government owed them a living. Then you see the hordes of Huns and Goths invading their territory and in 455 A. D. you see the Eternal City destroyed in 14 days of heartless pillage by the vandals from beyond the Rhine.

"You see the modern nations of Europe developing with war, war, nothing but war. You hear the tramp, tramp of the armies of Napoleon. You see the rivers of Europe running red with blood of men who did not know what they were fighting for—thousands of men whose lives were sacrificed to gratify the ambition of 'The Little Corporal,' Napoleon, who rose from obscurity to plunge all of Europe into war, with its terrible aftermath of famine and disease.

"AMERICANS DRAGGED BACK

"You see a group of American colonies, made up of men and women who had fled from the shores of Europe and her everlasting wars, struggling in a savage wilderness, declare their independence of all European connections. You see them fighting for and winning their liberties. You see them throw open their doors for the oppressed of all nations. You see them conquer the forest, conquer the plains, conquer the savages, cross the mountains and build the greatest nation of modern times.

"Then you see them dragged back into the quarrels of the Europe that their forefathers had abandoned. You see the 'scraps of paper' that hurled 60,000,000 men at each others' throats. You see a 'tactical blunder' that wiped out a hundred thousand men and mutilated twice as many. You see famine shriveling the bodies of children and destroying the souls of men. You see the giants of the sea, torpedoes, plunging to their watery graves, while men aboard—our American boys—the flower of American manhood—cling like insects, only to drown.

"You see the poppy fields of France, with row upon row of little white crosses, beneath which lie the mutilated bodies of American boys—their young lives snuffed out before they had yet begun to live. And for what?

"Twenty some years pass. Again you see Europe an armed camp. Steel helmets and sharpened bayonets glisten everywhere in the noonday sun. Huge death-dealing artillery guns bristle defiance on every international border. A hundred thousand modern airplanes, laden with poison gas bombs, designed to wipe out innocent women and children, darken the skies as they hum their song of hate and fear along every European frontier.

"Every nation at war today is governed by a dictatorship. If America should enter this war, we will be required to surrender the liberties which we enjoy. The records show that once individual liberties are surrendered, they are gone, and are not restored when the emergency passes. If the democracy which we now enjoy is to survive, America must keep out of war.

"NEW DEAL ON ROAD TO WAR

"Franklin D. Roosevelt and the New Deal are on the road to war. They are devising means and schemes to nullify the Neutrality Act. They are trying to figure out ways to make loans to warring nations. They are talking about invoking economic sanctions against Japan. They are talking of sitting on the seat of judgment, and officially branding certain people as an aggressor nation. They are meddling in the internal affairs of other nations. They are permitting the paid agents of other nations to meddle in our affairs. This is the road to war.

"War means dictatorship. The radical element in America is supporting the New Deal program because the New Deal program leads to dictatorship. The radicals are united. The basis of unity in radicalism is not love but hate. Radicals love their cause less than they hate those who oppose it.

"The radicals hate the Republicans. The radicals love the new dealers. If the new dealers, who have given encouragement to every long-haired visionary who has shown his face in Washington, and who have encouraged quackery until quackery has become popular, are kicked out in November, America will turn to the right and radicals will pack their carpetbags and go back to Russia.

"America has its choice:

"A Democratic victory means a totalitarian dictatorship, a war to distract popular attention from domestic troubles, a Communist upheaval, and bloody chaos.

"A Republican victory means rigid economy, honest encouragement to private enterprise, mind your own business, and peace."

Neutrality

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

Mr. SHANLEY. Mr. Speaker, I have today introduced a concurrent resolution expressing the full and complete endorsement of the principles and practices of the neutrality proclamation of September 4 wherein the President stated that "the United States is on terms of friendship and amity with the contending powers," and asked for the fullest cooperation in our strict and impartial neutrality. I have pointed out that when the President, acting under the new neutrality laws of the special session, again reiterated this stand in the November 4 proclamation he but reiterated the principles and philosophy of our strict and impartial neutrality.

My intention is to tell the world and especially that part of it that is called belligerent that the United States Congress expects the utmost adherence to the principles of strict and impartial neutrality. I make no effort to conceal my efforts are directed at any contrary inference that nations, belligerent or neutral, may draw as to the real intentions of America, perhaps falsely misled or in doubt because of the utterance of Minister Cromwell of the implications of the alleged archival disclosures from the Polish Government. Irrespective of the truth or falsity of these documents the world must know that since September 4 the American Congress has taken the injunction of strict and impartial neutrality as its most solemn obligation and with its constitutional powers will see to it that every American in or out of the Government, in high or low office, stationed here or abroad, will follow suit.

May I again quote the admonitions of the President of the United States in his radio address to the American people September 3 to this effect:

> I can add to that by saying that I hope the people of the country will also discriminate most carefully between news and rumor. Do not believe of necessity everything you hear or read. Check up on it first.

> It is of the utmost importance that the people of this country, with the best information in the world, think things through. The most dangerous enemies of American peace are those who, without well-rounded information on the whole broad subject of the past, the present, and the future, undertake to speak with authority, to speak in terms of glittering generalities, to give to the Nation assurances or prophecies which are of little present or future value.

> This Nation will remain a neutral Nation, but I cannot ask that every American remain neutral in thought as well. Even a neutral has a right to take account of facts. Even a neutral cannot be asked to close his mind or his conscience.

While it is true that we must all echo the thought of the President in the paragraph:

> I think that we have every right and every reason to maintain as a national policy the fundamental moralities, the teachings of religion, and the continuation of efforts to restore peace—for some day, though the time may be distant, we can be of even greater help to a crippled humanity.

Belligerents and threatened neutrals ought to understand that America does not envisage any role as the redressor of wrongs. They must not expect an American Galahad.

I add with one change an admirable statement of a realistic Englishman of Victorian greatness, William E. Gladstone, which is most pertinent:

> Is America so uplifted in strength above every other nation that she can with prudence advertise herself as ready to undertake the general redress of wrongs? * * * Is any power at this time of day warranted in assuming this comprehensive obligation * * * that she not encourage the weak by giving expectations but moderate language from aggression on the weak?

In this bill I have placed a definition of what I consider the finest statement ever penned on strict and impartial neutrality, a quotation from Prof. Edwin Borchard, of Yale University, and Mr. William Lage, coauthors of Neutrality for the United States:

Neutrality is an old institution which finds its source in candor, in the obligation to hold the scales even, to remain a friend of both belligerents, to lend support to neither, to avoid passing judgment on the merits of their war. It assures both belligerents that they are dealing with a friend, not a disguised enemy. The belligerents must know who is in the war and who is not. In return for obligations assumed by a neutral, the belligerents undertake to respect his rights as a neutral, including the right to remain out of other people's wars.

Democratic Party Goes Back to Spending Program

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

ARTICLE BY GEORGE ROTHWELL BROWN

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the New York Journal American on April 2, 1940, entitled "Spending Program Resumed, Economy Program Abandoned":

[From the New York Journal-American of April 2, 1940]

THE POLITICAL PARADE

(By George Rothwell Brown)

WASHINGTON, April 2.—The abandonment by the Democratic majority of the House of Representatives of the early economy program of its own Appropriations Committee, and of the House itself, in fields where November votes may be expected to be garnered, now constitutes a major issue in the approaching Presidential campaign.

Last week's Treasury raid, in increasing funds for C. C. C. and the National Youth Administration together by about $67,000,000, was accomplished without President Roosevelt raising a hand, so far as there is any evidence to the contrary, to stop this reckless squandering.

One of two conclusions is inescapable, either that President Roosevelt did not want to stop this Treasury raid, or that the Democratic leadership of the House has completely lost control of that body when it comes to political spending, notwithstanding the state of this year's deficit, and the grand total of the appalling New Deal national debt.

In either event the American people, as they see this debt approaching the $45,000,000,000 statutory limit, and this country going into the eighth year of a frightfully unbalanced Budget, must now face this incontrovertible fact:

That the only way to stop this orgy of deficit spending is to replace the present spendthrift President with an economy-minded President, of whatever party, and to replace the present spendthrift Congress with an economy-minded Congress.

Unless this shall be done at the November elections, the United States of America faces financial ruin. President Roosevelt and the present Democratic Congress cannot be relied upon.

Spending today in Washington is following the familiar Roosevelt pattern, with the worst apparently yet to come.

The Budget estimate for the National Youth Administration was $100,000,000. Mr. Roosevelt made his customary January showing of spending reform and retrenchment when in his Budget message he cut this to $85,000,000.

The estimate of $280,000,000 for C. C. C. Mr. Roosevelt made a great show of by cutting to $230,000,000. The Appropriations Committee accepted the President's figures in both instances in the bill reported to the House.

When the Treasury raid on these items began, the Democratic leadership in the House could hold in line only 30 or 40 of the overwhelming Democratic majority.

Some strange spectacles were witnessed. PAT BOLAND, of Pennsylvania, Democratic whip of the House, who invariably reflects White House desires, voted for the Treasury raids increasing the items for C. C. C. and N. Y. A. by nearly seventy millions.

In the past, when an administration bill was under fire, Speaker BANKHEAD has taken the floor and voted the White House way. This time he did not vote. Did he and Whip BOLAND know that the increases would not be distasteful to the President? That is their secret.

Democratic Leader RAYBURN voted to support the Appropriations Committee. As leader, that is his duty.

But 14 out of the 25 Democratic members of the Appropriations Committee, which had sponsored the President's own Budget figures, voted in the House to increase them. Eight Democratic committee members voted against the Treasury raid, and three did not vote.

The Ways and Means Committee will have to raise the money to pay these increases, yet is making no effort to do so. But strange to say, nine Democratic members of this committee voted for the increases for C. C. C., and only four voted against the raid.

The Republican record on increases for both C. C. C. and N. Y. A. was nearly 100 percent perfect.

There is only one conclusion to be reached. Mr. Roosevelt doubtless could have stopped these huge increases if he had tried to do so. Apparently he made no effort.

There must be a complete change in the psychology of the White House and Congress if disaster is to be averted. Well, that will be up to the American people to decide come next November.

National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. HARRY N. ROUTZOHN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

ADDRESS BY FULTON LEWIS

Mr. ROUTZOHN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following extract from a broadcast by Fulton Lewis on April 2, 1940:

Now, the much discussed question of proposed changes in the National Labor Relations Act seems to be heading toward a final show-down, in the House of Representatives, tonight. * * *

As you know, the House has had a special investigation of the National Labor Relations Board under way for some 5 or 6 months * * * that is the so-called Smith committee. * * * About 4 weeks ago that committee finally made a report to the House of Representatives recommending various amendments and changes in the present system, and those amendments, in the regular routine of procedure, were referred to the Labor Committee of the House, for consideration.

The chairman of that committee—Mrs. MARY T. NORTON, the Congresswoman from New Jersey—said at that time that she was vigorously opposed to any changes in the labor law, as it now stands, and most of the members of her committee took the same position, but Mrs. NORTON was called to the White House for a conference with the President, and thereafter she modified that position to some extent. Her committee began holding sessions to study all proposed amendments—the ones proposed by the Smith committee and all others as well—and those hearings have been going on for about 3 weeks.

The committee has approved several minor amendments, one to increase the Labor Board from three to five members, so as to take control out of the hands of two members who now have control.

The strategy behind that has been to provide a few slight corrections, here and there, which will leave the Labor Board very much as it is now, but the hope is that these minor changes will be enough to appease the general Membership of Congress, and to reduce the demand for the Smith amendments.

And that strategy was plainly brought out today when the Labor Committee adopted a motion by Representative WELCH, of California, to the effect that these substitute proposals by the Committee shall be brought to the House floor under what is known as a closed rule; that is to say Mrs. NORTON will bring them up for consideration by the House as a whole only on condition the House agrees to accept them in full, without changes or additions, or reject them, on the same basis.

For your information, that's a bit childish from a practical standpoint, because the only way she can get that permission is by a two-thirds vote of the House as a whole, and the chances are about one in a hundred of getting that. When that fails Mrs. NORTON'S only course is to say that she declines to bring any amendments to the House floor at all, and in that event, Representative SMITH can take the reins away from her, on a moment's notice, by merely getting a petition, signed by 218 Members of the House, which will bring his own set of amendments to the House floor.

From my own poll of the House, there's no question that Representative SMITH can get those 218 signatures. He probably can get them within 48 hours. So the long and short of it is that the present deep strategy work by Mrs. NORTON and the Labor Committee is like a small boy, sitting on the ocean beach and arguing with the tide. Whether she likes it or not, the House of Representatives—one way or another—is going to vote on the Smith amendments.

Now, a great deal has been said by Members of Congress about "organized labor being solidly opposed to the Smith amendments," the C. I. O. has come out against them, with a blanket disapproval, Mrs. NORTON has done the same thing, and a great deal of loose talk has been tossed around in the newspapers, and in radio news, that the American Federation of Labor also is solidly opposed to them.

So in order to check that last angle for you, I spent about an hour and a half today in a personal interview with the President of the American Federation of Labor, Mr. William Green. I went over the Smith amendments with him, one at a time, item by item, and I found these reports are entirely untrue. Instead of being solidly opposed to them, the American Federation of Labor is friendly to a large part of them, and in numerous cases it is vigorously supporting the Smith amendments.

To begin with, Representative SMITH wants to abolish the present Board completely, and set up a new board of three new members in its place, in order to get a change of personnel. Mr. Green said the Federation of Labor is in favor of that one. If it cannot get that, it is willing to take the increase in membership, from three to five members, to accomplish the same general purpose, but the Federation prefers the Smith amendment.

On the proposal to separate the present Board, so that there will be a sort of labor court, distinct and separate from the administrative functions of the Board, Mr. Green told me that he doesn't oppose that particularly. He merely thinks it's unnecessary, because he thinks that would have difficulty getting through Congress. He believes that the troubles which that plan is designed to cure will be cured automatically when the Labor Board is in the hands of men of higher caliber. If it is not cured, he said, the Federation of Labor probably would support that proposal, sometime in the future.

Then there's another proposal, by Representative SMITH, that any striker who is guilty of "willful violence or unlawful seizure or destruction of property" forfeits the right to be reinstated to his job by order by the Labor Board. Mr. Green said the last part of that—"unlawful seizure or destruction of property"—refers to the sit-down strike; and the Federation of Labor is in favor of that much. He said he's a little afraid of the part that refers to "willful violence" because that might be used unfairly. The employer might send thugs to pick a fight with peaceful pickets, and if the pickets defended themselves they might lose their right to reinstatement; but he said that if due protection can be written into the amendment to protect against that the Federation of Labor is in favor of that one, too.

In any event, it's in favor of the amendment, insofar as it applies to sit-down strikes and destruction of property.

On the Smith amendment, to give the employer the right to speak to his employees and tell them his views on unions and labor problems—which the employer cannot do at the present time—Mr. Green said the Federation of Labor is in favor of the amendment. There's a provision there that says that the employer does not have the right to make any statement in the nature of threats or coercion or intimidation, but otherwise he can talk to his employees as he sees fit.

Mr. Green said the Federation of Labor is also in favor of the Smith amendment to give the employer the right to ask the Board for an election among his employees, just as the worker or the union has that right.

And he told me that the Federation of Labor also is in favor of two more of the Smith amendments; one of them gives the courts the power to overrule actions by the Labor Board from the very outset of a given case, even preliminary actions; at the present time the Supreme Court has ruled that the courts can only consider the final decision of the Board in a given case. It cannot go behind that to decide whether the steps that led up to the decision were fair and proper. And the other one has to do with the issuance of subpenas, calling witnesses for a hearing. With certain restrictions, it provides that the Board must subpena all witnesses for both sides in any controversy.

Of course, there are some of the Smith amendments which the Federation of Labor does not approve.

One is a provision that exempts agricultural workers from the terms of the Labor Relations Act. Mr. Green said the Federation of Labor does not believe that the farmer should be required to bargain collectively with his regular farm hands, but he said the Smith amendment on that score is too broad as it now stands. He believes it would take cannery workers and other groups of trained agricultural labor out from under the protection of the labor law.

There's another provision by Representative SMITH that the term "collective bargaining" which is required under the Labor Act—in fact, that term is the backbone of the whole law—it says that collective bargaining means that the employer shall confer with employees and make every effort to reach an agreement with them, but it shall not mean that he must sign a contract with them.

As a matter of fact, that is the situation, really, as it stands today. Mr. Green said he agrees in principle, but he believes that amendment is not necessary, because the policy already is in effect, and he thinks a change in the personnel of the Board will be sufficient guarantee that it remains in effect in the future.

So there it is. The American Federation of Labor does not approve, completely and entirely, of all of the Smith amendments, but it does approve of a large number of them, statements to the contrary notwithstanding.

Correspondence With Secretary Hull Regarding Investigation of German White Book

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

LETTER TO THE SECRETARY OF STATE AND REPLY THERETO

Mr. FISH. Mr. Speaker, under leave granted to me to extend my remarks in the RECORD, I include the following letter I addressed to the Honorable Cordell Hull, Secretary of State, relative to the statements alleged to have been made by Ambassador William C. Bullitt, and contained in the German White Book, and a letter received from Mr. Hull in reply to my request that Mr. Bullitt remain in this country to testify before congressional investigating committees:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 2, 1940.

Hon. CORDELL HULL,
Secretary of State,
Washington, D. C.

DEAR MR. SECRETARY: I have read in the press that Ambassador William C. Bullitt is expected to return to France on the Clipper leaving April 3. In view of the grave charges made in the German White Book, in which Mr. Bullitt was seriously involved, I think it is in the interest of our country that the Ambassador remain in the United States long enough to appear before proper committees of the House and the Senate before which resolutions are now pending, in order to be given an opportunity to officially refute these charges and to defend himself.

If Ambassador Bullitt is the victim of fabricated or forged documents, he should welcome this opportunity to officially present the facts to the Congress and the American people. On the other hand, if he should return before such an investigation can be held it might create a false impression in the public mind.

These charges, emanating from the foreign office of a government with which we are at peace, must be fully answered, and any attempt at evasion would be misleading, and to remain silent would be to give them the stamp of authenticity.

I am convinced that neither you, as Secretary of State, nor any official in the Department of State at Washington, had any knowledge whatever of the statements alleged to have been made to the Polish Ambassador in the United States or regarding the other statements alleged to have been made by Ambassador Bullitt.

I trust you will be able to cooperate, and request that Mr. Bullitt remain in the United States for another 2 weeks so that he may be available to testify before any committee authorized by either branch of the Congress to investigate these charges.

With high regards, I am,
Sincerely yours,

HAMILTON FISH.

THE SECRETARY OF STATE,
Washington, April 2, 1940.

Hon. HAMILTON FISH,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I have received your letter of April 2, in which you request that Ambassador William C. Bullitt be asked to remain in this country for another 2 weeks in order to be able to testify before a committee of either branch of Congress relative to data contained in the German white paper recently issued.

I may say in the first place that Ambassador Bullitt has succinctly and categorically denied any imputations relating to himself as contained in that published matter. The executive department of the Government has accepted that denial without question. Furthermore, Ambassador Bullitt has been delayed by the illness of his daughter in returning to his post, where he is needed.

In the foregoing circumstances it is not felt that the public interest would be served by delaying more or less indefinitely the departure of Ambassador Bullitt as planned.

Sincerely yours,

CORDELL HULL.

The Secretary of State has declined to retain Ambassador William C. Bullitt here to testify before an authorized committee of the House or Senate and possibly both.

If the German charges are fabricated and forgeries they ought to be exposed. They cannot be salted away with pious

tears of righteousness and by glittering generalities from the White House.

The American people, irrespective of party, are entitled to know the facts regarding the official conduct of our Ambassador to France. It is vital to their security and the preservation of peace to ascertain through an impartial investigation whether our Ambassadors in France and Great Britain represent or misrepresent us, and whether they deem it their main function to promote peace or enter into secret diplomatic commitments to involve us in war.

I do not see how Congress can proceed with the investigation of the German White Book documents without the presence of Ambassador Bullitt, as it would be like playing Hamlet without a Hamlet.

It is to be regretted that such serious charges made by a nation with which we maintain friendly relations is to be left unanswered officially and in detail. Can it be that discretion is the better part of valor for our traveling ambassadors who felt the urge of returning to tell us that a third term is necessary during the war crisis in Europe, but are strangely silent over their alleged efforts to foment it?

The Democratic Party is in the hands of the internationalists and interventionists, and is rapidly becoming the war party in the United States. I hope the Republican Party will meet this issue squarely and without evasion, and let the American people know that it is for American neutrality, peace, and keeping out of Europe's wars. If they do they will sweep the Nation.

A Dean of Legislators

EXTENSION OF REMARKS

OF

HON. FRANCIS H. CASE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

EDITORIAL FROM THE BELLE FOURCHE (S. DAK.) POST

Mr. CASE of South Dakota. Mr. Speaker, the dean of the South Dakota Senate died the other day. He was known to many Members of this body, having visited the House on many occasions. His name was L. M. Simons. He was a native of New York State. He served in our senate for 16 years. He became a great parliamentarian and an outstanding legislator in a country which values legislative assemblies. He was a regular delegate to the council of State governments.

I have not asked for this time, however, to eulogize "Si" but to ask for permission to place in the RECORD, which he read regularly, a remarkable editorial from a newspaper of his home town, the daily Belle Fourche Post. I do so because the editorial, although brief, will be interesting to every man who has served in this typically American institution, an elective legislative body.

The editorial follows:

INTRODUCING "SI"

The following editorial tribute to L. M. Simons was published in the Post Tuesday, November 1, 1938, at the time he was making his last run for reelection to the State senate: * * *

BUT HE WON'T TELL IT

Some candidates for public office believe that the campaign is the thing, and for weeks preceding election go about the countryside telling of what they have done or will do in the office they seek. There are others who believe that the people know of their abilities and that there is no need for active campaigning.

Of the last group is L. M. Simons, Republican candidate for State senator from this district. He goes to an occasional political rally if it does not intefere with his regular duties. If he makes a talk he neglects to mention his own fitness for the office he seeks. His words follow the line of the ideals of his party or perhaps explain what free government should mean to a people.

But every now and then some of his supporters, hearing the tub-thumping of the opposition, begin to wonder if somebody shouldn't "raise a voice for Si"—tell voters that he is a leader in the senate. Remind them that last session press representatives, who cover the capitol and see all, voted Mr. Simons the most able man in the legislative body. Recall to their minds that he is a level-headed type of leader who holds high office in every organization to which he belongs, and has held these offices over long periods of years.

For 31 years, Mr. Simons has been treasurer of the South Dakota Bar Association and for 15 years has held office in the State Masonic order. Tell them that for 14 years he has represented Butte and Lawrence Counties in the senate, though this is his first campaign under the new districting combining Butte with Harding County.

One thing of which you may be sure with L. M. Simons is this: He will do his job and do it well, no matter what it is. But after it is over, you will never be able to make him tell you how well he did it. If that's told, somebody else has to do it. * * *

Today we add:

Dear Lord, the above is to introduce Si. He won't say anything for himself; so we're doing it for him. He must be pretty bewildered at the suddenness of it all, but he won't admit it. He will probably act gruff, but that's just Si.

And Lord, he is all the things we said of him almost 2 years ago, plus all the hours he has given his family, his friends, his community, and his State since then. Understand him, love him, as we have.

Governor McNutt's Views on Industry and Unemployment

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

Mr. LUDLOW. Mr. Speaker, businessmen all over the United States have been impressed by the splendid business administration Paul V. McNutt gave to the State of Indiana during the 4 years he served as Governor of our Commonwealth. The more they study his record as a business administrator of public affairs the more pleased they are with it. He reorganized our State government on a basis of economy and efficiency. In many States the educational systems were paralyzed during the depths of the depression by inability to raise funds to pay the school teachers. In Indiana, under Governor McNutt's superb management of the State's finances, all obligations were met and every school teacher received in full the salary that was due on the day it was due. There is no record of any State administration, anywhere, at any time, that was more efficient and more satisfactory in every way than the administration that Governor McNutt gave to the State of Indiana. His administration will bear comparison with the very best.

The latest issue of Mill and Factory magazine carries an interview with Governor McNutt which is challenging the attention of business men because of the sound philosophy it contains. Cooperation between industry and Government is necessary to solve the Nation's unemployment problem, Mr. McNutt asserts.

The interview, which appears in the April issue, is one of a series with outstanding Presidential candidates on the subject of what industry can do to relieve unemployment. By unanimous consent of the House I submit Governor McNutt's interview for printing in the RECORD, as follows:

"Neither industry nor Government alone can solve the problems of unemployment," Mr. McNutt says. "Together, however, they can establish an economic order which will go far toward eliminating this great curse of our machine age.

"First, I believe that our system of unemployment compensation must be extended, benefits increased and waiting period reduced. By maintaining the purchasing power of the temporarily unemployed we can prevent the downward swing of the business cycle from gathering momentum.

URGES REDUCTION IN COST

"Second, industry must, in my judgment, exhaust every effort to reduce the cost of production without affecting the wage scale. That this can be done by increasing the efficiency of worker and machine has been repeatedly demonstrated. That this process, if accompanied by a corresponding decrease in price, so far encourages increased consumption that it actually creates more work as well as raises the standard of living, has also been demonstrated.

"Perhaps the most striking example of this process is the automobile industry. Such results will not be obtained, however,

unless businessmen generally are committed to a genuine competitive system.

"In the next place, industry should take seriously the problem of stabilizing employment. This, of course, is largely a cooperative enterprise. Nevertheless, some progress can be made by those engaged in seasonal production by combining other lines to utilize their labor force throughout the year. Through trade-association agreements designed to balance production, peak periods can be leveled off to permit a more nearly uniform rate of operation.

"The achievements of a few industries are so notable in this respect that similar efforts in others might be expected to yield corresponding gains. Such a program calls for an industrial coordination in which the Government can play a greater or lesser part. Insofar as industry can handle the problem alone, I believe it desirable for government to be as inconspicuous as possible.

MUST ACCEPT BARGAINING

"Finally, I believe industry can go far toward a solution of the unemployment problem by completely accepting two principles: One, the principle of collective bargaining; the other, the principle of government as a cooperating and coordinating agency in our national economy.

"Organized labor is an existing fact in our community. The principle of collective bargaining, as a part of the democratic process, is accepted by the Nation. Industry should also accept it and deal with labor willingly on that basis.

"The Government should not seek to interfere with the normal and proper play of individual enterprise. It has two functions to perform in connection with business and industry. It is obligated, by the very nature of democracy, to preserve the competitive system. This means curbing monopoly and insuring a minimum standard of ethics in competition.

SHOULD PREVENT SWINGS

"It is also bound to maintain such a balance in our national economy as is necessary to prevent violent swings of the business cycle such, for example, as the inflated prosperity of the late twenties and the collapse of the early thirties. This means certain monetary powers and credit controls, as well as spending and investment functions.

"With increased understanding of the complementary roles of business and government in our economic order, with sympathetic cooperation between the two, and with mutual confidence of both, many of the psychological barriers to complete recovery can be removed. Government and business must meet each other half way to preserve the best factors of capitalism and democracy."

Washington Bureaucratic Control of State Agencies

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

ARTICLE FROM THE OREGON SUNDAY JOURNAL

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Oregon Sunday Journal of March 31, 1940:

[From the Oregon Sunday Journal of March 31, 1940]

FEDERAL BUREAUCRATS DEMAND AND GET OBEDIENCE FROM TWO STATE ADMINISTRATION BOARDS

(By Ralph Watson)

Mister Oregonian, do you have even a faint conception of how rapidly and relentlessly the tentacles of Washington bureaucratic control are being wrapped around the once-free functions of the State government? It might surprise you were you to stop, look, and listen for a moment.

Just the last week the hard-boiled dictation of Federal underlings reached across the continent, not once but twice, to throttle reluctant and protesting obedience by two of the State's major administrative departments to their demands. How the grip is growing ought to be of compelling interest to citizens who harbor the belief the executive and administrative machinery of the State and county governments still is operated by their elected agents.

Last Tuesday the Unemployment Compensation Commission bowed in submission to Federal command—and hired a couple of subordinate employees handed it by bureau dictation on pains of having its budget disallowed should it exercise its discretion in selecting those of its own choosing.

The Federal Social Security Board has its hooks in the State commission because Federal funds are sent into Oregon for commission use. It insists that it, and not the administering commission, shall control the selection of employees. Accordingly it, not the commission, has set up its own civil-service system, the examinations and listings of which it controls. The lists, under the Board's regulations, expire every 2 years.

Not long ago the commission at Salem filed a supplemental budget and asked two additional auditors. As the current service list was scheduled to expire March 31, it asked permission to select two men of known qualification for temporary employment pending a new examination.

It was told to "extend the list" of bureau-approved registrants and pick its auditors from that. The commission demurred and was told to do as it had been ordered or its budget would not be approved. It met last Tuesday and bowed down in obedience.

The public-welfare commission is in the same fix—only more so. It also is under the thumb of the Social Security Board because of Federal old-age assistance funds sent to the State. The Board set up a "merit" system in 1937 under which all local employees were to be hired and graded. This includes not only these of the central headquarters staff but those of the county groups in each of the 36 counties of the State—probably upward of 600 in all.

The commission met the demands of the 1937 merit system and in the last 3 years has built up an experienced personnel without regard to patronage demands from any source. Now the Washington bureau insists upon an entirely new merit system, requiring new examinations all down the line. The central commission, all the county commissions, strenuously objected on the ground that the procedure was disruptive, of greater cost, of less efficiency, red-tape bound, and cumbersome. They were told to toe the mark or Federal funds would be withdrawn. Friday the commission met and capitulated, because it can't meet assistance payments without the Federal contributions.

That is not the whole story. Already Washington bureaucrats are commencing to tell State agencies using Federal funds how and when to disburse not only the Federal but the State moneys jointly used or else the Federal money will fly back home.

Nor does this touch the fact that a major portion of the State is in Federal forest reserve, national parks, wildlife reservations, or what not; that Washington bureaus more and more are taking control of the fish and game, of land and water, of forest and stream, even of the air above, out of the hands of supposedly sovereign States.

H. R. 7147, To Include Continuous Service in War With Spain, Philippine Insurrection, and the China Relief Expedition

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

Mr. SMITH of Washington. Mr. Speaker, I am advised that Members are receiving inquiries from their constituents in regard to H. R. 7147, a bill to amend the service-pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service. In order to render available the desired information, I am appending the report from Gen. Frank T. Hines, Director, Veterans' Administration, which fully explains this legislation which has passed the House and is now pending before the Senate. It corrects an injustice to certain veterans of the War with Spain, Philippine Insurrection, and the China Relief Expedition who have heretofore not been entitled to eligibility to service pensions for continuous honorable service owing to service in each conflict being treated as a separate enlistment and not combinable under law. This is a very meritorious bill and will undoubtedly be favorably acted upon by the Senate.

The report is as follows:

VETERANS' ADMINISTRATION,
Washington, January 17, 1940.

Hon. MARTIN F. SMITH,
Chairman, Committee on Pensions,
House of Representatives, Washington, D. C.

MY DEAR MR. SMITH: This is in further response to your request of July 13, 1939, for a report on H. R. 7147, Seventy-sixth Congress, a bill to amend the service pension acts pertaining to the War with Spain, Philippine Insurrection, and the China Relief Expedition to include certain continuous service.

The bill provides as follows:

"That in determining the period of active service for the purpose of the act of May 1, 1926 (Public Law No. 166, 69th Cong.), the act of June 2, 1930 (Public Law No. 299, 71st Cong.), and the act of May 24, 1938 (Public Law No. 541, 75th Cong.), granting

service pensions to veterans and dependents of deceased veterans of the War with Spain, the Philippine Insurrection, and the China Relief Expedition, continuous active service entered into during the War with Spain, the Philippine Insurrection, or the China Relief Expedition shall be included although part of such continuous service extended into either the Philippine Insurrection or the China Relief Expedition."

The act of June 5, 1920, allowing service pensions to those persons who had served during the War with Spain, the Philippine Insurrection, or the China Relief Expedition, provided, in part:

"That all persons who served 90 days or more in the military or naval service of the United States during the War with Spain, the Philippine Insurrection, and the China Relief Expedition, * * * shall, upon making due proof of the fact, * * * be placed upon the list of invalid pensioners of the United States * * *."

The Department of the Interior, which then had jurisdiction of the administration of laws granting pension, construed the foregoing act as permitting the combination of service rendered in any one of the three campaigns, so that although the veteran was not shown to have had the requisite period of service (90 days) in any one of the three campaigns, if there was service during the period April 21, 1898, to July 4, 1902, 90 days or more, by a combination of more than one enlistment, and if there was honorable termination of all of such enlistments, it was held that pension could be paid. The Department, however, held that if there was more than one enlistment, and there was other than honorable termination of any of such enlistments title did not exist under the act of June 5, 1920.

On May 1, 1926, the act of June 5, 1920, was amended by substituting for the conjunction "and" the word "or". Following this amendment the Department held that the effect thereof was to separate the three periods of service, so that a person having the requisite length of service in any one of the three campaigns, and an honorable discharge from such period of service, and otherwise having title, could come within the purview of the amendatory act, even though there may have been other service during the period in question which would have barred pension under the prior laws. The Department also held that the effect of the amendment separating the periods of service made impossible a combination of service in the various campaigns, so that a person who did not have the requisite period of service in any one of the campaigns did not come within the purview of the amendatory law, it not being possible to combine the periods of service.

In addition to providing a service pension (service connection of disability not required) to those persons who served 90 days or more during the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and who were honorably discharged therefrom, or who having served less than 90 days, were discharged for disability incurred in the service in line of duty, the act of June 2, 1930, provided for the payment of pension to those persons who served 70 days or more in the War with Spain, the Philippine Insurrection, or the China Relief Expedition, and who had been honorably discharged and who were suffering from disabilities of a permanent character, impairing them from earning a livelihood, but such pension was fixed at rates lower than those rates payable for 90 days or more service. It was held by the Department of the Interior that in view of the language of the act of June 2, 1930, following the phraseology of the act of May 1, 1926, there could be no combination of service rendered in the different campaigns.

In this connection your attention is invited to the letter of July 7, 1939, addressed to your committee by the Veterans' Administration wherein the case of Elmer G. Mouso, C-2, 463070, was discussed, and in which it was stated that he was held not to come within the purview of the amendatory law of June 2, 1930, since his service of 70 days did not occur in either the Spanish-American War or the Philippine Insurrection, but was partly in one and partly in the other. And in connection with the decision in the above case, it was stated in my letter of July 7, 1939, above referred to, as follows:

"I am advised by the acting solicitor that if the question of combination of services under the act of May 1, 1926, or the act of June 2, 1930, were one of first impression, he would not agree with the position taken by the Department of the Interior. However, the matter is not one of first impression but involves, for the purpose of allowing the pension in this case, a reversal of an administrative position of over 13 years' standing, and the acting solicitor advises me that as he cannot say that the position taken by the Department of the Interior is wholly in error, he hesitates to recommend that I reverse that position without legislative authority.

* * * * * * *

"In view of the foregoing, I am constrained to the view that, in the absence of a statutory change, the claim of Elmer G. Mouso cannot be allowed under the act of June 2, 1930."

The bill is interpreted to require application of the criteria of eligibility under the existing service pension laws which include, among others, the requirement of honorable discharge.

It is noted that the bill would not completely restore the practice under the act of June 5, 1920, as it would not permit the combination of fragmentary periods of service occurring in more than one war period for the purpose of making up the requisite number of days of service. The bill limits its application to cases of continuous active service involving more than one of the war periods. Furthermore, eligibility for service pension under the existing laws based upon honorable service in one of the war periods, notwithstanding service other than honorable during one of the other war periods, would not be disturbed by the bill.

Should the bill be enacted into law, its provisions would be for prospective application. By remedial legislation of this nature no retroactive awards for any period prior to the date of enactment of the proposed legislation would be involved, whereas a reversal of long standing interpretation of the existing law heretofore discussed in connection with the case of Elmer G. Mouso would involve retroactive awards over extended periods of time. In order to remove the necessity of administrative interpretation it is suggested that the following provision be included:

"Payments of benefits under the provisions of this act shall be effective the date of enactment thereof as to those persons on the rolls and as to claims pending on the date of enactment of this act. In all other cases awards of pension authorized hereunder shall be effective from date of application therefor after the date of enactment of this act."

It is suggested that in line 10, page 1, of the bill, that the conjunction "and" be changed to "or" in order that the language will conform with the language of the existing laws affected by the bill.

It is estimated that increased pensions would be paid to approximately 300 veterans who are now on the rolls at an additional cost of approximately $133,000 the first year. In addition, there would be a group of veterans who are not now receiving pension who would be entitled under this act as well as certain dependents and even though it is not possible to estimate with any degree of accuracy how many would be eligible or would apply, it is believed that the number of such potential beneficiaries is small and therefore the cost would not be great.

The principle involved in the proposed legislation is not new and is more in conformity with the principle governing the determination of the requisite period of service in World War cases. Further, the proposed legislation will remove an injustice in the cases of continuous service which is not believed to have been contemplated by the enactment of the service-pension acts heretofore referred to.

For the reasons above set forth, the proposed measure, if amended in accordance with the suggestions herein contained, is recommended for favorable consideration by your committee.

Advice has been received from the Director, Bureau of the Budget, that there would be no objection by that office to the presentation of this report to your committee.

Very truly yours,

FRANK T. HINES,
Administrator.

A Spendthrift House

EXTENSION OF REMARKS
OF
HON. GEORGE S. WILLIAMS
OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1940

EDITORIAL FROM THE WILMINGTON (DEL.) JOURNAL-EVERY EVENING

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Journal-Every Evening of Wilmington, Del.:

[From the Wilmington (Del.) Journal-Every Evening, of March 29, 1940]

A SPENDTHRIFT HOUSE

The House, and not the President, must take the responsibility for the oversize appropriation bill providing funds for labor and youth activities. The measure it passed yesterday not only exceeds the recommendations of its own appropriations committee but tops the Executive Budget figures by more than $55,000,000.

Though the President asked for $230,000,000 for the Civilian Conservation Corps, the House voted $280,000,000. And though the President sought $85,000,000 for the National Youth Administration, the House decided that this was not enough and added $17,450,000 to that figure.

Some economies were made in voting funds for the National Labor Relations Board and for the administration of the wage-hour law. The House whittled down the request for the N. L. R. B. by $337,000, and it cut $1,080,000 from the amount recommended for enforcement of the wage-hour legislation. But the savings are only a drop in the bucket compared with millions added.

Moreover, it is doubtful that these reductions would have been made but for the criticism that has been directed at the Wagner Act, and it must be added that hampering the activities of that agency is far from being a cure of the evils of the law. An adequate amendment of the National Labor Relations Act is the real

remedy needed. Congress should, of course, check extravagance wherever it exists, but tightening the purse strings is not a substitute for revision.

The appropriation bills passed by the House yesterday are no credit to that body. Worse, they threaten a wave of log-rolling that can only end in a new outburst of extravagance. If that comes, the House must share with the Senate the blame for throwing away the key to the Treasury.

Today's Trends Toward Yesterday's Techniques

EXTENSION OF REMARKS

OF

HON. JOHN C. KUNKEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

ARTICLE BY HON. KARL E. MUNDT

Mr. KUNKEL. Mr. Speaker, one of the greatest threats against the preservation of free enterprise and individual initiative in this country is the continued growth of monopolies. The New Deal has loudly shouted its disapproval of monopolistic practices but its legislative record and administrative acts, from the original N. R. A. on down, have been designed to perpetuate and increase this tendency. The New Deal policy has been to encourage the formation and growth of monopolies; and then to ask the power to regulate them or to own them. While a private monopoly may be regulated or dissolved, the possibility of either regulation or dissolution vanishes when the Government itself becomes the owner and operator of the monopoly; and the monopoly becomes more deadly and more far-reaching when backed by the resources of the Government. Some of the problems of this situation are called to our attention strikingly in the following article by my colleague, KARL MUNDT, which appeared in the March issue of the magazine Education.

Fifteen or twenty years ago, when I was studying economics as an undergraduate student in Carleton College, where I enjoyed the able and stimulating tutelage of Professor J. S. Robinson, at whose invitation I am preparing this article for Education, the subject matter and textbooks of economics were vastly different from any realistic analysis of the techniques of economics as they are practiced today. What was at that time quite largely a study of private money-making and money-spending activities has become largely—and in my opinion too largely—a study of public and political activity in the economic field of human activity.

Four or five years later, when I was doing postgraduate work at Columbia University, economic science was still concerned primarily in analyzing and developing private techniques for the highly inter-dependent commercial activities of individual proprietors and private corporations. The public interest was indeed considered in these economics classes of the twenties, but few, if any, outstanding economists were advocating the doctrines of economic centralization in the hands of politicians which we find so widely practiced at the beginning of the forties, in many countries of the world.

It is to a brief analysis of today's trends toward yesterday's techniques that this article is devoted.

Economics has always been and must always be a virile, growing, dynamic science to which the expert's finis can never be appended. My concern is not that economic theory has changed, but that applied economics has ceased to move forward into new techniques and has started to retrace its steps toward devices for controlling and correcting economic behavior which were employed roughly since man first tried to organize economic activity for the common weal. As a college instructor in economics from 1927 to 1930, it was my aim to stress the need for constant change in the development of economic tenets and in the application of these to new economic problems. No wonder that I am disturbed to see the United States reaching back into the past to find methods for meeting today's problems rather than working out modern methods for dealing with our present economic inequalities. Unfortunately, it seems that as we have grown older in years we have grown still older in the technique of governing our economic activities.

Monopolies have always been anathema to economists. Monopolies put into discard those economic principles that aim to bring greater opportunities for the many; and few men except those with "vested" interests rise to their defense. Economists have ever tried to develop devices for placing the public interest above private advantage. At times some progress was made, but at other times the monopolists seemed immune to the combined efforts of economists and legislators who sought to curb these antisocial practices. Perhaps in the general field of monopoly may be found a good example of the direction of "today's trends."

Students of economic behavior a generation ago were fond of discussing such monopolies as Standard Oil, the American Aluminum Co., the Sugar, Tobacco, and Steel Trusts. Methods of coping with these giant business units were suggested. Private monopoly seemed injurious to the public interest, and economic experts were busy devising antitrust legislation, recommending boards of regulation and control, pointing to legislative schemes for protecting the people against industrial privilege. During this same era little was written about another type of monopoly which through the ages has rivaled, if not surpassed, private monopoly in its infringement upon the rights, opportunities, and privileges of the average citizen.

I refer, of course, to the public or political monopoly whereby the Government itself exercises economic authority or engages in economic enterprise to an extent that may be termed "monopolistic." Little was heard in that era of the uneconomic aspects of political monopolies because the Government was not engaged in business in competition with its own citizens and the drive against monopoly was properly directed against the monopolies then existing in the field of private enterprise. Critics of political monopoly could find only the United States Postal System as an example of government in business on any significant scale. Largely noncompetitive and rendering a necessary public service with reasonable efficiency, the Postal Service was generally accepted as a natural or social monopoly and consequently the crusade against monopoly was directed almost entirely against privately owned monopolies. The economic trend of the day was governed by present circumstances, and modern techniques were devised to correct the situation. Laws were passed to curb monopolies; boards were established to promote fair-trade practices; public opinion began to see results in the breaking down of combinations in restraint of trade.

Now let us examine the present with equal candor. The situation concerning the private monopolies has not changed greatly. Certain trusts have been dissolved, some of the more obvious monopolies were removed, and, at least until the Blue Eagle era gave them a new lease on life, many practices for restraining competitive trade were outlawed. But interlocking directorates, employers' associations, codes of business conduct, and other methods have still perpetuated certain monopolistic practices. The "little fellow" does not yet, as a rule, have an equal chance with the "big fellow" in the game of business or industry. The final word of controlling the industrial tycoon without harming the commercial tyro has not yet been written into law. But the infringements on the rights, privileges, and opportunities of businessmen have been increasing with alarming rapidity during the past decade. This I have referred to as political monopoly because, after all, Government in business is simply politicians in business under a system of representative democratic government. A few instances will perhaps give point to my thesis.

No longer is the Postal Service the great example of a political monopoly in America. Today, the Federal Government is the biggest single business enterprise in the country. The Government loans more money to private borrowers than any bank or chain of banks in the land; the Government builds more homes for private householders than any building and loan association; it writes more insurance against unemployment, accident, and old age than any insurance company; it develops and sells more electrical power than any competitor; it owns, operates, rents, repairs, and manages more individual homes than any landlord, or any association of realtors. The fact that the Government obtained these homes through foreclosure makes this statement no less true. The same is true with regard to farms which were also taken by foreclosure and are now managed by politicians, appointed by other politicians, to carry out instructions of still other politicians for the primary purpose—as is always the case—of vote-catching rather than of applying sound economic principles. The Government "of, for, and by the people" is now the biggest and most ruthless competitor that we as individuals have.

Not only have we put our own Government into direct competition with ourselves in strictly economic enterprises but we have entrusted broad powers and large funds to the Federal Government, and it exercises these powers with typical monopolistic abandon. Government enterprise so far outstrips the size and finances of its competitors that it is aware of no effective competition. These political monopolies pay their losses from the public purse. Their objective must always be to seek public favor lest they write their own death warrants. They can never operate in conformity with sound economic principles because where such principles prove unpopular they must be abandoned on the philosophy that it is better to be uneconomic and to stay in existence than it is to be efficient and to be voted out of power.

So fearful are these political monopolies of public opinion and political pressure that sometimes these publicly financed, politically operated enterprises are incorporated in States outside the District of Columbia where they are beyond the direct control of the representatives of the people, and where their transactions need not be made through the General Accounting Office that was set up as a watchdog of the public funds. Thus these enterprises are not subject to the independent audit of the General Accounting Office and since they are operated by political appointees of the President, they succeed largely in operating with public funds

without being subjected to direct public control. The Commodity Credit Corporation is incorporated in the State of Delaware; Electric Home and Farm Authority was incorporated in Delaware in 1934; and the R. F. C. Mortgage Company was organized under the laws of Maryland. Having squandered its funds speculating on commodities—speculation which incidentally did not prevent prices of certain commodities from dropping last August to the lowest figures since the reign of Queen Elizabeth three centuries ago—the Commodity Credit Corporation came, hat in hand, to Congress to restore its "impaired capital" and actually received $119,500,000 in a single month last year to restore this "capital impairment."

"Yesterday's techniques" of trying to correct private economic activities by substituting Government ownership and operation are as ancient as the absolute despotisms of antiquity. They are based on the false assumption that you can make a saint out of a sinner or an efficiency expert out of a ward-heeling politician by appointing or electing him to public office. In the early European and Asiatic governments that Dean Roscoe Pound calls "administrative absolutism," it was accepted that the King could do no wrong, that the citizen was the creature of the state, and political (state) ownership and operation of economic enterprise was the accepted custom. But in a representative democracy, political business enterprises are foredoomed to failure because in the frequent clash between economic efficiency and public favor the politician-proprietor must always play to the public. And divorcing the management of an economic enterprise from the necessity of paying for the losses due to mismanagement is a prime rule in the handbook pointing the road to bankruptcy.

In America, today, our economic life is caught midway between the techniques of communism and capitalism. We stand confused and bewildered by a system which is half fascist and half free. So long as we remain a Nation partly of free enterprisers and partly of political monopolists we are certain to reap the disadvantages of both systems. Political proprietors of economic enterprises fear public opinion and private competition; private enterprisers on the other hand are afraid to expand their plants, invest new funds, employ more men, introduce new methods because they fear the next "socialistic" experiment of the Government will be in their particular field of activity. Thus distrust begets fear by both the politician and the private operator; fear brings about a paralysis of economic activity; economic paralysis perpetuates the depression, continues unemployment, retards recovery, and results in more unbalanced budgets and a perilously pyramiding national debt. "Today's trends toward yesterday's techniques" have brought us to the brink of a national disaster and we must soon decide to accept either yesterday's tyrannies by centralized absolutists in both politics and economics or to develop democratic devices for meeting today's problems with today's tactics.

National Rivers and Harbors Congress

EXTENSION OF REMARKS

OF

HON. HOMER D. ANGELL

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 3, 1940

RESOLUTIONS OF THE NATIONAL RIVERS AND HARBORS CONGRESS, 1940

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolutions adopted by the thirty-fifth annual convention of the National Rivers and Harbors Congress, Washington, D. C., March 14–15, 1940:

This Congress, a national organization representing every State in the Union, the Territories, and insular possessions of the United States, reaffirms resolutions adopted at its 1939 sessions and reasserts its interest in the development, improvement, conservation, and utilization of our rivers, harbors, waterways, and water resources, and in all matters relating thereto, and adopts the following resolutions while assembled in its thirty-fifth annual convention at Washington, D. C., March 14–15, 1940:

THE PRESIDENT'S MESSAGE

Last September events abroad led the President to state in his neutrality proclamation that "a national emergency exists in connection with and to the extent necessary for the proper observance, safeguarding, and enforcing of the neutrality of the United States and the strengthening of our national defense within the limits of peacetime authorization. * * *" We recommend, therefore, that it is especially fitting in these times to consider carefully the status of river and harbor works with a view to evaluating their importance to the national economy and to national defense, and with a view to bringing to rapid completion works that are integral parts of the comprehensive system of such improvements.

RIVER AND HARBOR LEGISLATION

We recommend the passage of a new river and harbor bill at the present session of Congress, to include the authorization of complete projects, to approve plans and make partial authorizations for comprehensive long-range projects, and to authorize necessary preliminary investigations and surveys. This legislation is urged in order that the inland water-transportation system, so valuable to national defense, may be properly safeguarded and strengthened in accordance with the proclamation of the President of the United States. We likewise favor the passage of a new flood-control authorization bill.

BEACH EROSION

We recommend that the procedure established by Congress with respect to preliminary examinations and surveys for river and harbor improvements be extended to include studies and surveys of beaches and shores of the United States upon which Congress desires information, such beach and shore surveys to be included in the section of river and harbor bills providing for preliminary examinations and surveys for rivers and harbors, the cost of all surveys to be borne by the United States and to be paid from appropriations heretofore or hereafter made for the maintenance and improvement of rivers and harbors; and that all river, harbor, beach, and shore surveys be functions of the Corps of Engineers, United States Army, and its head to be administered under the direction of the Secretary of War and the supervision of the Chief of Engineers.

APPROPRIATIONS

We recommend that the Congress of the United States assure ample annual appropriations to advance the construction of authorized projects for river and harbor improvements in the interest of proper preparedness of our water transportation facilities, and in the interest of furnishing widespread employment. We believe that such work is one of the best means of giving direct employment to a large number of skilled and unskilled workers and indirect employment to many basic industries of our Nation. We believe the 1941 Budget estimates for navigation maintenance and improvements and flood control are too low and should be increased. The maximum economy in prosecution of waterway improvements will be attained through maintaining a steady rate of adequate appropriations since varying appropriations will require alternate disruption and rebuilding of the organization of the construction agency.

IMPROVEMENTS OF OUR WATER RESOURCES FOR NAVIGATION, FLOOD-CONTROL, AND ALLIED PURPOSES

We recommend that all planning and execution of public improvements of our water resources for navigation, flood-control, and allied purposes continue as in the past to be under the jurisdiction of the War Department as a function of the Corps of Engineers. Similarly the operation and maintenance of navigation improvements and the prevention of their injury by commercial wastes or pollution should be a duty of the corps. We reaffirm our faith and confidence in the Corps of Engineers, whose devotion to this Nation and loyalty to the Chief Executive have made possible the orderly and efficient development of the greatest waterway and flood-control projects on earth. In their many years of experience they have met emergencies such as during the latest depression when work on highly useful projects designed by them provided employment to thousands that otherwise would have been on relief. Furthermore, we believe that only through the plans developed by the Corps of Engineers can we secure a consistent and coordinated improvement of our water resources.

HYDROELECTRIC POWER

We recommend that where plans call for the development of hydroelectric power in connection with the construction of a dam for flood control, the planning and execution of such dam and the generation of electric power involved shall be under the jurisdiction of the agency responsible for the project and the power shall be turned over at the switchboard to a suitable Federal agency such as the Federal Power Commission for distribution and sale. We believe that Federal planning, execution, operation, and maintenance of public improvements relating solely to the distribution and sale of electric power should be under the jurisdiction of the Federal Power Commission.

IRRIGATION

We recommend that Federal planning, execution, operation, and maintenance of public improvements relating solely to the distribution of water for irrigation should continue under the jurisdiction of the Interior Department, and we believe that the present cooperation between the permanent agencies of the Government with respect to multiple-purpose projects affords the most economical and efficient executive management of such projects.

SOIL CONSERVATION AND REFORESTATION

We believe that Federal planning, execution, operation, and maintenance of public improvements relating to the prevention of soil erosion and to reforestation, including such investigations and estimates of run-off and water-flow retardation in the various watersheds concerned as are considered to have useful or practical values, should continue under the jurisdiction of the Department of Agriculture.

NATIONAL DEFENSE

We believe that "proper observance, safeguarding, and enforcing of the neutrality of the United States and the strengthening of our national defense" require that our water transportation facilities, especially our sea-coast facilities, be able to meet the demands of a rise in normal industrial activity, plus an increased load that

might be caused by an emergency. We remember that after our entrance into the World War, our railroads became overtaxed, and the Railroad Administration took steps to develop supplementary transportation on inland waterways, only to learn that expensive improvements could not be attained promptly enough in a time of great national effort. Under the circumstances the waterway contribution toward alleviating transportation shortages, though great, was far short of what it might have been if properly prepared. Furthermore, we are aware of the high value placed upon inland waterways by those European nations now at war. Accordingly, we earnestly recommend that full recognition be given to these facts, and that the improvement of our waterway facilities be pushed vigorously in this critical period so as to afford the maximum benefit for national defense.

FREE NAVIGABLE WATERWAYS

We reiterate that the policy of free navigable waterways in the United States is traditional and we recommend that our waterways be deemed public highways and remain free forever. Tonnage tax or tolls in any form on water-borne commerce constitute a menace to prosperity and are particularly obnoxious to us. We are unalterably opposed to the control and regulation of the water transport services upon the inland waterways, intercoastal, coastwise, lake areas, and harbors by any regulatory commission.

APPROPRIATION RIDERS

We oppose as unsound policy any limitation in appropriation bills which may curtail, delay, or invalidate the construction of rivers and harbors or flood-control projects already authorized by Congress.

WHEELER-LEA TRANSPORTATION BILL

We recommend that the Congress of the United States do not enact the bill now in conference and generally known as the Wheeler-Lea transportation bill (S. 2009, H. R. 4862). We urge that there be enacted no restrictive legislation, destructive not only to the return on the huge public investment in waterways but even to the capital investment itself. We point out the facts that equal regulation does not mean identical regulation; that additional regulation will result in increased transportation costs and rates and resultant increased production cost, decreased consumption, and prolonged retardation of industrial recovery and general reemployment; that crippling of water or other carriers will not effect any ultimate improvement of the railroad problems; that some production activities in low-grade commodities are possible only because of low water transportation costs and termination of these low costs will destroy production from these sources; that as a result of deficiencies observed during the World War in 1917–18, the Congress of the United States established the policy of fostering the development of adequate inland-waterway transportation and a merchant marine in part as a measure of national defense, and that any legislation renouncing or restricting this policy is retrogression of a type that the Nation cannot afford to even experiment with during the present condition of world affairs.

DROUGHTS AND MIGRATIONS DEMAND RECLAMATION PROGRAM

The National Rivers and Harbors Congress again calls attention to the need of appropriations for the Bureau of Reclamation to combat conditions in the Great Plains and far-western States. Droughts have driven thousands of additional farm families westward to join the more than 100,000 groups who last year were already in the West in search of irrigated land on which to reestablish themselves and become self-supporting. With no facilities for settlement or employment, they have caused Federal relief expenditures in excess of $2,250,000,000 in the 17 arid and semiarid States during the past 7 years.

A twofold program is urged:

1. Conservation of water resources in the Great Plains to anchor farm families and halt further migration, estimated to cost $5,000,000 in reimbursable funds supplemented by relief labor.

2. Speedy completion of reclamation projects under construction to provide for settlement and employment of homeless farm families, estimated to cost $100,000,000 a year of reimbursable funds for 5 years.

WATER PROJECTS CAPITAL INVESTMENTS

Inasmuch as all navigation, flood-control, irrigation, and water-conservation projects, which are authorized by Congress only after conclusive proof of their economic justification, constitute a definite and permanent contribution to the national wealth and the national defense, we urge that expenditures for their construction shall not hereafter be appropriated as a charge against the current and ordinary running expenses of the Federal Government but shall be considered and designated as capital investments and that the accounting and budgetary procedure of the Government be revised accordingly.

OWNERSHIP OF SUBMERGED LANDS

Enactment by the Congress of the United States of any legislation attempting to assert or claim title or rights to any land or bottoms or minerals thereunder not presently owned by the United States under any waters or waterways is repugnant to the National Rivers and Harbors Congress, as it will deprive present owners and claimants of property rights without due process of law, many of these bottoms being owned by some States and in other instances is the property of individuals. We particularly condemn legislation now pending in Congress known as Senate Joint Resolutions 24, 83, and 92, House Joint Resolutions 176 and 181, and all similar legislation. We further condemn same as an invasion of States' rights, a violation of those rights guaranteed to property owners by the Constitution.

ST. LAWRENCE WATERWAY

Due to the fact that Canada is now at war, we hereby rescind the former resolution of the Congress concerning the St. Lawrence deep waterway, and we recommend that before taking action the Senate of the United States carefully consider all implications arising from the proposed construction of the St. Lawrence waterway.

RESOLUTIONS COMMITTEE

Representative Robert T. Secrest, of Ohio, chairman; W. B. Amberg, O. S. Barrett, John Bass, C. A. Baumhauer, C. R. Baxter, Frank E. Birch, Frank E. Bourgeois, G. M. Bowers, H. E. Boyd, A. Willard Breidenthal, J. G. Burke, E. L. Chandler, Rene Clerc, Alma Davis, John J. Diamond, J. B. Donohoe, W. Y. English, Newt Graham, Floyd Hagie, Phil Hamburger, C. J. Hamlin, V. K. Harney, H. E. Hedger, C. S. E. Holland, Arch Hurley, Col. John Jacobson, F. L. Judd, Col. H. L. Kellogg, Frank Kelso, R. H. Kipp, Joseph G. Kuhn, J. M. Lampert, M. O. Leighton, H. O. Locher, Capt. George F. Loughlin, J. F. Marais, Thomas E. Martin, Burnet R. Maybank, Charles F. McLaughlin, H. F. Merrill, Oscar Monrad, L. S. Moody, J. Hampton Moore, J. P. Newell, C. A. Newton, N. E. Offenhiser, John D. Preston, Fred Reybold, S. W. Richards, Walter C. Robb, L. F. Robinson, Philip Shutler, William A. Slothower, A. M. Smith, C. N. Smith, William B. Spagnola, A. Thomas, S. W. Thompson, C. A. Trimmer, Senator E. L. Tungseth, C. McGregor Wells, Jr., M. W. Woods, Jesse Wright, George S. Yerger.

The Census

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Thursday, April 4 (legislative day of Monday, March 4), 1940

RADIO ADDRESS BY HON. CHARLES W. TOBEY, OF NEW HAMPSHIRE

Mr. TOBEY. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a radio address delivered by me on April 1.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

At the break of dawn tomorrow, and throughout the month of April, an army of 130,000 politically and locally appointed census enumerators will invade every home in the country and demand that you unbosom to them intimacies of your private affairs and the private affairs of the other members of your family.

Some of the questions were never authorized by Congress and others violate article 4 of the Bill of Rights which provides that "The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated."

Despite the fact that many thousands of people have petitioned the Congress for elimination of the income questions as provided for in my resolution, and despite the fact that both the subcommittee and full Committee on Commerce reported favorably the resolution, holding that these questions were never authorized by Congress and are therefore illegal, the Department of Commerce has refused to strike these questions from the census schedule.

A member of the committee announced that he and other opponents would use every dilatory tactic possible to keep the resolution from being voted on in the Senate. Twice I attempted to bring the resolution up in the Senate, but each time the majority leader refused to allow it to be considered; this, despite the pleas that you made to him and other Senators asking for immediate action.

In addition to being illegal these income questions discriminate unfairly against those who earned less than $5,000 last year, for they are required to reveal the exact amount that they earned, whereas those who were lucky enough to earn $5,000 or more, are exempt from doing this.

Some time ago, on the radio, I said that there was a growing suspicion in Washington that the Government has an ulterior motive in seeking, for the first time, to learn the wage and salary incomes of the low-income groups. Listen to what David Lawrence wrote recently about these questions: "The underlying purpose in gaining the information, of course, is to prepare a tax plan some day that will extract taxes from the low-income groups."

Fellow countrymen, the greatest threat to our Government is not open dictatorial policies; it is something more insidious than that.

This Nation is only 150 years old. We take for granted that it will last forever. But it was set up by our forefathers only after a struggle, and it can be maintained by us only if we are constantly vigilant. The greatest menace to the permanency of this country, which we hold so dear to our hearts, is the common man's loss of faith in his Government, a faith lost when men in positions of trust attempt, by subversive practices, to deceive the common people by methods of trickery.

In this census controversy a highly responsible official of the Government has resorted to a trick designed to deceive the honest men and women of America in an attempt to lull them into a false sense of security. This act of deception, put over on a trusting and unsuspecting people, cannot be condemned too strongly. Let me tell you the story:

After thousands of men and women had written to me and to the other Senators protesting against these illegal-income questions, and had urged that they be stricken from the census questionnaire, Secretary Hopkins issued a reassuring statement through the press announcing that he was yielding to these protests by substituting a new plan under which the people could answer the income queries, as follows, and I quote from his statement: "By writing their answers on a blank for which no signatures will be necessary, sealing the blank in a franked envelope, and giving it to the enumerator to be mailed by him to the Census Bureau in Washington. Blanks and envelopes are furnished by the enumerator."

I have before me a copy of this new blank on which you are to write your wage and salary income. In heavy print, placed in the middle of the sheet, are the following words, "Your signature is not required."

The natural inference that you would draw from this plan, under which no signature is required, would be that your identity would not appear on the blank and that the confidential information about your income would be anonymous.

How completely this device fooled the people is demonstrated by their reaction. Only recently one of the foremost newspaper writers in the country, Chester Rowell, of California, gave proof of the success of the deception when he gave his own honest interpretation. He wrote as follows:

"So Secretary Hopkins, to allay even this fear, has provided that these questions may, if desired, be answered unsigned on a separate sheet, sealed by the person giving the information in a franked envelope which the enumerator will furnish, and mailed to Washington, where nobody can find out from whom it came."

Headlines in the press which announced the Hopkins plan gave prominence to the provision permitting you to omit your signature from the income blank. The New York Times' headlines read as follows: "Hopkins revises census query to meet protest on income data. Compromise order permits objector to fill out blank, unsigned, and seal it in franked envelope for mailing."

The Philadelphia Record's headlines read: "Hopkins acts to end row over census. Citizens may seal unsigned answers on incomes."

The newspapers, beyond doubt, acted in good faith, and themselves felt that anonymity was part and parcel of the Hopkins plan.

But now listen to the subtle trick which gives the key to your identity just as effectively as if you placed your signature on the blank itself. At the very bottom of the income blank are two spaces for the enumerator to fill out. The first one is headed "Sheet No." and the second is captioned, "Line No." To the average unsuspecting person this, if noticed, would appear to be but a routine detail having no connection with the identity of the person who filled out the blank, but those two spaces put in there for a notation by the enumerator constitute a trick which will connect your identity with the income blank just as completely as if you placed your signature on the question sheet itself.

Let me show you how this is accomplished. On the large population sheet on which the enumerator writes down your answers to the many other questions, there is a space in the upper right-hand corner which gives the sheet number of that population blank. In the left-hand column are a series of numbers, and your name is to be written opposite one of these numbers. So, when the enumerator writes the corresponding sheet number and line number on the income blank which you fill out, and takes it home with him or mails it into Washington together with the sheets containing the other questions, all that they need to do is to compare the two in order to learn which income blank you filled out.

What hypocrisy! What deceit! What a fraud upon the American people, telling you in a press statement that you do not need to sign your name on the income blank, putting in bold-face type on the income blank the phrase, "Your signature is not required," leading you to believe that your identity will not be contained in the income blank, and then, through a subtle system of earmarking your identity, learning the amount of your income by deception; this deception practiced by that member of the President's Cabinet who, when he was head of the W. P. A., and playing fast and loose in his position, said, "The people are just too damn dumb to know what it is all about."

Fellow countrymen, I have been in public life for many years. I have served as Governor of my State of New Hampshire, as a Member of the House of Representatives in Washington, and now as a Member of the United States Senate. I have seen dictatorial methods used, but usually they are used openly and with candor. But when a man in a position of high trust in the Government resorts to such a clever plan to deceive a trusting people, it is time for the American public to demonstrate in no uncertain terms that they have reached the limit of their endurance.

Protests by the American Legion and testimony before the Dies committee have revealed that the Communist Party has succeeded in getting active Communists established in census-taking positions ranging from enumerator to district supervisor, so that much of the private information given by American citizens will go directly to these Communists.

These revelations about the Communist element being placed in positions of confidence in the census machinery have come to light only by chance. How many more Communists there are among the 130,000 enumerators and hundreds of supervisors no one knows.

In this much-talked-about oath of secrecy the enumerators take God as a witness of the solemn promise made by them, but it is common knowledge that the Communist does not believe in God, and such an oath to him is but a mockery.

What danger may result to the people of this country from this voluminous confidential matter coming into the hands of Communists and disciples of Stalin cannot be overemphasized; yet the dictocrats say, "Answer these questions or go to jail."

Bearing in mind this communistic network in the census army, now listen to the authority given to these census enumerators under the Department's instructions to the enumerators. The policeman in your local home community or even an agent of the F. B. I. is not allowed, under the law, to cross the threshold of your home unless there is a crime being committed there or unless he has a search warrant granted upon probable cause, indicating that you are either a suspicious character or a confirmed criminal. But, under the census instructions, the enumerator is advised that he has what amounts to a search warrant when he comes to your home and the right to cross the threshold of your home, even though you protest. This holds, whether your protest is grounded on the belief that he is not of good moral character or that he is a Communist or on any other ground.

Paragraph 17 of the official instructions reads, "You have the right of admission to all dwellings within your territory for the purpose of obtaining information required by the Bureau of the Census." This, according to high legal opinion, is a clear violation of the Constitution.

A Texas supervisor recently gave this warning to the people in his locality, "Census takers will not just knock at the door and ask for information. They have the power to enter all homes, and the head of the house must invite him in to ask the questions."

What a weapon to put into the hands of an irresponsible enumerator.

There is a method provided under paragraph 28 of the official Instructions to the Enumerators, whereby the political bosses in foreign-speaking wards will have access to the secrets of the people without having to take the oath of secrecy. This instruction authorizes the enumerator to select anyone he chooses to accompany him to act as an interpreter, as he goes from door to door to demand private information from the Greek, Italian, Polish, French, and other groups, and the interpreter does not even have to take the oath of secrecy.

Many a housewife who has written to me has taken it for granted that when she is questioned by the enumerator she will be permitted to write down the answers herself on the blank, in order to be sure they are correct, or at least be permitted to check the enumerator's report as he writes her answers down in order to see that he doesn't either negligently or purposely put down misinformation. But the enumerator is instructed, under paragraph 21, not to let her do this, even though the schedule will be used as evidence against her if she is later charged with giving misinformation. Moreover, the enumerator is instructed not to accept any statement from the housewife which he believes to be false, but to enter the correct answer as nearly as he can ascertain it. So if the enumerator believes that you have a mortgage on your home or are divorced or have been married more than once, and you tell him differently, he is to put down what he thinks, and not what you tell him, if he does not believe you.

And have you ever stopped to think what happens to the questionnaire containing the so-called confidential information about you after the enumerator leaves your house?

I talked to the Assistant Director of the Census, and at first he said that at the end of each day the enumerator deposits all of the completed questionnaires in the office of the district supervisor. Under questionning he retracted that statement and admitted that the enumerator takes them home with him each night and they are kept in his home until his job is completed at the end of April. So now we find that Tom, Dick, or Harry, the census enumerator, keeps the schedule which deals with your intimate, personal affairs on the mantlepiece or in his pockets or in his bureau drawers or on the family table for 4 weeks, open to anyone's scrutiny, before turning it over to the office of the district supervisor.

What a travesty on your privacy.

Many of the questions discriminate arbitrarily against women. Only the women are asked if they have been married more than once; the men are not. Only the women are asked their age at their first marriage; the men are not.

A few days ago I sent for the Assistant Director of the Census and protested against this discrimination, and finally the real truth

came out, and the answer was of such a nature that it could not be divulged over the radio, but I can mention that it is akin to the first steps that marked the inception of a program of social planning which has resulted in much of the intolerable state of affairs which prevails in Soviet Russia.

The officials of the Department of Commerce say, "Answer these questions or go to jail." They threaten the American people with imprisonment for refusal to answer any of the questions; despite the fact that the income questions were never authorized by Congress and that they discriminate against those who earned less than $5,000; despite the fact that there is a network of communism in the ranks of the census army; despite the fact that the enumerators are given a search-warrant right of entry into your home in violation of the Constitution, and that you can't check on the accuracy of the enumerator's report about you; despite the fact that the enumerator leaves your answers around his house during the month of April; despite the fact that the enumerator writes down what he thinks is right, regardless of what you tell him; despite the fact that the income questions are for the purpose of planning a tax burden on the low-income groups; despite the fact that certain intimate questions discriminate against women; and despite the fact that article 4 of the Bill of Rights provides that your right to be secure in your person, house, papers, and effects against unreasonable searches and seizures shall not be violated.

No; I cannot condone the threat of imprisonment for refusal to unbosom your private affairs to your fellow townsmen. I have introduced a bill to remove the penalty of imprisonment.

Under the penal statutes of this country, we put criminals in jail for serious offenses, such as rape, burglary, blackmail, and the like; but it is not the American way to threaten honest-living Americans with imprisonment for adhering to their faith in the Constitution.

Can anyone doubt that a more accurate and complete census would be accomplished without the threat of imprisonment? No. And if the administration is sincerely interested in obtaining a successful census, it will not throw obstacles in the path of this bill to remove that un-American imprisonment penalty.

And now, on the eve of this census inquisition, I gratefully acknowledge this opportunity, made available to me by the National Broadcasting Co., to talk to you frankly and to give the advice which you have been asking for, namely, what you should do to prevent this attempt to invade your rights. Sometime ago, speaking to you over the radio, I made the following statement: "If you stand upon your constitutional rights and refuse to answer the questions which violate your right of privacy, as guaranteed under the Constitution, you will have plenty of company. Thousands have already expressed their determination to resist these questions, and I shall do the same. And I predict that if they insist on this snooping campaign, there won't be jails enough to hold the American people who have the courage to cry, 'Hold! Enough!'"

Immediately following this, the President said, through his secretary, at a press conference, that, for the first time within his knowledge, a United States Senator had openly advised the American people to violate the law. My answer, given on the same day, was that an unconstitutional question, or a question never authorized by Congress, does not come within the law, and so I replied to the White House, "What law, Mr. President?" But he did not and could not answer that.

And I went further in my answer and said that an unauthorized ruling of a departmental bureau does not constitute a law of the United States and that it is time to call a halt to attempts of departments to arrogate to themselves the function of a legislative body, especially in matters which threaten the people of this free country with imprisonment for not bowing to the will of a bureau.

My position has been supported by many authorities, including William Starr Myers, an accepted authority on the Constitution from Princeton University, the Senate Committee on Commerce, and Mark Sullivan, who said, "These disputed questions are not laws; they are regulations, which is quite a different thing. Persons who refuse to answer the questions are not lawbreakers; they are merely regulation defiers." This position has also been supported by many authorities who have written to me from various parts of the country.

The Government has no authority in law for asking these income questions under the census in any form whatever. Since these questions are without the authority of law and are in violation of the restriction placed in the census law by the Congress, any individual is acting within his legal rights if, in answer to the demand to furnish this information, he gives the census taker an emphatic "No."

I am also advised by eminent legal authority that many of the other questions in the census schedules, even though tolerated by Congress, are a direct violation of the rights of the people as guaranteed under the Constitution.

Some people, who can afford to do so, have advised me that they intend to consult a reputable attorney for legal advice as to which questions they may properly refuse to answer under the protection of the Constitution. Others have felt they could not alone afford such legal advice and have, with their neighbors, formed a club whereby each will contribute a small amount to defray the expense of legal counsel. I advise you that if you feel that any of these questions will embarrass you or be a hardship to you, to consult a reputable attorney in your community, either individually or through mutual cooperation with your neighbors.

In giving this advice I have in mind the commendable doctrine expressed by Prof. Andrew C. McLaughlin, professor emeritus of history of the University of Chicago, who wrote, "It must be remembered that no one is bound by an unconstitutional act. Such an act is not law; in strictest theory it binds no official and no person whatever; and if no one objected to a law, it would be difficult or impossible for a court to pass upon its validity; an officer carrying out an unconstitutional act before as well as after a judicial declaration of unconstitutionality may be held personally liable for invasion of private liberty and property."

The time has come in America for thoughtful men and women who love their country and yearn to preserve the liberties guaranteed under our form of government to demonstrate a patriotic determination to resist this growing encroachment upon the individual liberty of the free American people before it is too late.

Fellow countrymen, we are straying far from the doctrines so carefully set up by the founders of our Nation. This trend of the Government is fraught with danger. Turn back to the advice of Thomas Jefferson, that great champion of individual liberty, who wrote in a letter to Judge Tyler, "What country can preserve its liberties if its rulers are not warned from time to time that the people preserve the spirit of resistance?"

Turn back to the words of Woodrow Wilson, who said, "Liberty has never come from the government; liberty has always come from the subjects of it. The history of liberty is the history of resistance."

In closing, I want to read something to you. This is not CHARLES TOBEY, a Member of the Senate, speaking now; I am speaking the words of one who has a permanent place in the hearts and intellects of America and one who is a great liberal. I refer to former Justice Brandeis of our Supreme Court. Listen to his words to the people of America in 1927, and what he said is as true today as it was then. It will be true 100 years from now, please God, if we bring this Nation back to the principles of liberty and freedom on which it was founded. I quote: "The greatest dangers to liberty lurk in insidious encroachment by men of zeal, well-meaning but without understanding. * * * The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings, and of his intellect. They knew that only a part of the pain, pleasure, and satisfaction of life are to be found in material things. They sought to protect Americans in their beliefs and thoughts and emotions and sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized man. To protect that right every unjustifiable intrusion by the Government upon the privacy of the individual, whatever the means employed, must be deemed a violation of the fourth amendment."

All honor to these stalwart men that I have referred to and all the men and women who have the courage and patriotism to act in the knowledge that this census encroachment upon the right of privacy of the free American people is not alone a threat to themselves but a threat to those who come after us. And may you who stand firm on your constitutional rights take satisfaction in the knowledge that in resisting this threat to the American way of life you are acting not only for yourselves but to preserve the security of your children and of your fellow countrymen.

Alien Registration

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, April 4 (legislative day of Monday, March 4), 1940

LETTER OF ATTORNEY GENERAL McMULLAN OF NORTH CAROLINA

Mr. REYNOLDS. Mr. President, I ask uanimous consent to have inserted in the Appendix of the RECORD a highly interesting and informative letter addressed by Hon. Harry McMullan, attorney general of North Carolina, Raleigh, N. C., to Hon. Thad Eure, secretary of state, Raleigh, N. C., upon the subject of alien registration.

In view of the conflicting opinions relative to legislation by States pertaining to the all-important subject of alien registration and employment, I am thoroughly of the opinion that the situation can be met only when the American people are provided the protection to which they are entitled, by national legislation, which I have consistently sought through several bills which I have introduced in the Senate, which have as their objectives the registration of aliens, the deportation of alien criminals, the restriction of immigration, and similar purposes.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

STATE OF NORTH CAROLINA,
DEPARTMENT OF ATTORNEY GENERAL,
Raleigh, March 28, 1940.

Subject: Alien registration—constitutionality.

Hon. THAD EURE,
Secretary of State,
Raleigh, N. C.

DEAR THAD: You inquire as to the constitutionality of the Bolich Alien Registration Act which was enacted as chapter 185 of the Public Laws of 1927 and is codified as North Carolina Code Ann. (Michie, 1939), section 193 (a)-(h). The Registration Act provides, briefly, for the registration of aliens residing in North Carolina with the clerk of the superior court of the county in which such alien resides. At the time of registering every alien is required to furnish certain information which is set forth in the statute. The secretary of state is required to distribute booklets known as Alien Registration Certificates to the clerks of the superior court. Failure of an alien to register or the altering of a registration certificate is made a misdemeanor. A registration fee of $1 is required.

I know of no case in which the Bolich Alien Registration Act has been held invalid. However, a Pennsylvania alien registration statute was held invalid by a United States district court in the case of *Davidowitz* v. *Hines* (30 F. Supp. 470 (M. D. Pa. 1939)). The Pennsylvania statute provided for the annual registration of certain aliens and a registration fee of $1 was required. Failure to register or to carry an alien identification card was made punishable by fine or imprisonment or both. The court held the act invalid as an encroachment upon a field reserved to Federal action and as denying equal protection of the laws to aliens. The court said:

"The act, therefore, is unconstitutional because it purports to operate in a field in which the individual States of the United States are without authority to legislate. Therefore, it may not be justified as an exercise of the police power of the State of Pennsylvania. It attempts to usurp power confided by the Constitution to the Federal Government."

The Commonwealth of Pennsylvania contended that the act was valid since it provided for nothing more than a census. The court did not adopt that contention and said that the statute placed conditions upon the right of an alien to reside in Pennsylvania.

The North Carolina statute is similar to the Pennsylvania statute but is not so stringent, since only one registration is required and the only offense created by the statute is the failure to register. However, it may well be that the North Carolina statute would be held unconstitutional on the grounds that it invades a province of legislation reserved exclusively to the Federal Congress.

That there is some room for State legislation relating to aliens is an inference which may be drawn from the case of *Arrowsmith* v. *Voorhies* (55 F. (2d) 310, E. D. Mich. 1931). In that case a State statute required unnaturalized foreign-born persons to obtain certificates of residence, prohibited certain aliens from acquiring legal residence in the State, and prohibited their employment, etc. The Court held the act invalid "because it seeks to usurp the power of government, exclusively vested by the Constitution in Congress over the control of aliens and immigration." The Court expressly refused to discuss whether certain features of the act were sustainable saying the whole act, being inseparable, must fall. The inference, of course, is that there is a possibility that if the act were separable certain provisions of it might be sustained.

The Supreme Court of the United States in *Truax* v. *Raich* (60 L. Ed. 131 (1915) passed upon an Arizona statute which prohibited the employment of nonelector aliens of more than 20 percent of the pay roll of any employer having five or more employees. The act was held invalid, the Court saying:

"The assertion of an authority to deny to aliens the opportunity of earning a livelihood when lawfully admitted to the State would be tantamount to the assertion of the right to deny them entrance and abode, for in ordinary cases they cannot live where they cannot work. And if such a policy were permissible, the practical result would be that those lawfully admitted to the country under the authority of the acts of Congress, instead of enjoying in a substantial sense and in their full scope the privileges conferred by the admission, would be segregated in such of the States as chose to offer hospitality.

"The authority to control immigration—to admit or exclude aliens—is vested solely in the Federal Government."

In *Ex parte Ah Cue* (35 Pac. 556 (Calif. 1894) the California court construed a California statute which prohibited Chinese from unlawfully coming into the State and provided for registration, certificates of registration, and the exportation of criminals, etc. The court held that the power exercised by the California Legislature was exclusively in the United States Congress by virtue of section 8, article I of the United States Constitution.

While there would be ample authority to justify the courts in holding our statute invalid, yet the probable purpose of the statute is more in the nature of a census and it may be that the field relating to aliens is not so completely outside the jurisdiction of our general assembly that it could not validly pass the act in question. I am not constrained therefore to render an opinion that the statute is invalid but feel that the matter is one which in the final analysis must be passed on by the courts. In my opinion the office of the secretary of state as well as the clerks of the superior court would be warranted in complying with the statute until such time as the matter is finally decided by the courts.

Very truly yours,

HARRY MCMULLAN,
Attorney General.

The Indians of California

EXTENSION OF REMARKS
OF
HON. LYNN J. FRAZIER
OF NORTH DAKOTA
IN THE SENATE OF THE UNITED STATES

Thursday, April 4 (legislative day of Monday, March 4), 1940

STATEMENT BY ADAM CASTILLO AND ETHAN ANDERSON ON BEHALF OF CALIFORNIA INDIANS

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement by two Indian representatives of the Indians of California in regard to a pending bill which affects the California Indians.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CALIFORNIA INDIANS SPEAK—A CHALLENGE TO CONGRESS AND TO CALIFORNIA—TRULY A CENTURY OF DISHONOR

Washington, D. C., March 20, 1940.

The undersigned, Adam Castillo, San Jacinto, Calif., president of the Mission Indian Federation of Southern California, and Ethan Anderson, Lakeport, Calif., delegate, Indians of California, Inc., representing and speaking for the majority of the 23,000 Indians of the State, issue the following statement of facts and appeal for justice in behalf of our people.

Coming from the southern and northern sections of the State respectively and, because of the many years each of us have spent in the many problems facing our race, and particularly our claims and rights growing out of the taking of our lands and rights following the treaty between the United States and Mexico in 1848, we have again been sent to Washington to do what we could to advance the interests and defend the rights of the Indian people of the State. We are supported solely from funds donated voluntarily by Indians of the State for bare expenses; no salaries are paid to anyone.

We have now been in Washington about 5 weeks, and during that time we have made a very thorough study of the situation and conferred with many Members of both Houses of Congress, as well as officials of the Indian Bureau and other Government agencies. We were accompanied from California by Mr. Purl Willis, a white man, the able counselor of the Mission Indian Federation, a man known throughout the State as a courageous and intelligent friend of the American Indian; a believer in legal justice to all alike. Mr. Willis is probably best known as the one who initiated and sponsored the claims of the so-called nontreaty Indians of California now universally approved by all, and included as a basic part of both bills now before the Congress—H. R. 3765 and S. 1402.

It is well to here give a brief history of the problem facing the hopes of the Indians of the State. In 1928 Congress enacted a law —45 Stat. 602—known as the California Indian Jurisdictional Act, by which the Indians of the State were authorized to sue the Federal Government in the Court of Claims on account of the failure of the Government to carry out the terms of certain unratified treaties, 18 in number, which were made with about half of the Indian nations and tribes within the State in 1851–52. The Indian leaders who signed those treaties were required to agree to cede to the Government all their lands and rights thereto in return for the Government's promise to set aside and reserve forever for the nations, tribes, and bands who had signed the 18 treaties, certain areas or reservations in various sections of the State, the total area of which reservations amounted to some 8,800,000 acres. In addition the Government commissioners promised other things, including schools, cattle, farming machinery, clothing, etc., etc., including also the services of farmers and other artisans as instructors.

ATTORNEY GENERAL OF CALIFORNIA ARBITRARILY NAMED AS INDIANS' ATTORNEY

The act of Congress named the attorney general of California to file the suit in behalf of the Indians of the State. Never before nor since has such an unusual and inherently unconstitutional policy been followed by Congress toward the Indians of the Nation. The California Legislature had also enacted a law intending to give its attorney general authority to act for the Indians. (See 643, Stat. 1927, and ch. 2. Statutes and Amendments to Code, pp. 1180–1937.) Eminent legal counsel now advise these provisions are not in accord with the State constitution.

Indians have made an effort to be allowed to have their own selected attorneys associate with the attorney general, but without success. In 1935 Indians and their friends brought forward the claims of the nontreaty Indians, and asked for an amendment to the original act to include such interests. They were successful in 1936 in convincing Congress that the nontreaty Indians' claims were just as sound as those with whom treaties had been made (S. 1793). Though Congress unanimously approved that bill, the President failed to sign it. Efforts have been continued to secure this amendment. Appeals have been made to the attorney general for his cooperation, but without avail. He was also urged to not proceed in the courts until an amendment could be secured. Thereupon, the attorney general, Hon. U. S. Webb, answered these appeals from Indians by writing them as follows (see p. 43, hearings on H. R. 3765, March 1939):

"SAN FRANCISCO, CALIF., *August 4, 1937.*

"* * * It has long been my view that the Indians of California should have the right to select their own counsel. * * * Always, however, this view has been subjected to the condition that the State of California be relieved from further responsibility in the matter. * * * It also is and has been my view that under the act of 1928, adequate or proper relief cannot be furnished the Indians of California."

Thus after some 9 years in charge of our suit, that able official came to the inevitable conclusion that the State of California should withdraw from our suit, and that we should select our own counsel. This advice was accepted by Indians with acclaim. They accepted Mr. Webb's advice as eminently sound. Apparently the way was now open to give us the same consideration as has been extended to all other Indians—the right to choose our own attorneys. Even in the face of this advice from our own attorney, some Indians supported the attorney general to continue in charge of our suit.

ATTORNEY GENERAL WEBB REFUSED TO RUN FOR REELECTION—A NEW ATTORNEY GENERAL

Attorney General Webb refused to run for reelection and a new man was chosen and took office in January 1939. Immediately Indians throughout the State became interested in the attitude the new attorney general, Hon. Earl Warren, would assume regarding the recommendation of his predecessor. A delegation from southern California called upon Mr. Warren in November 1938 and conferred with him as to what his policy might be. Mr. Warren informed these persons that he did not know yet what he would do, but would be guided by what Mr. Webb, his predecessor, recommended. He was shown that official's advice on the questions at issue. Mr. Warren said he would make his position known after he took office in January 1939.

These persons, at the request of their Indian people, again visited Mr. Warren in January 1939, after he assumed his new duties. These delegates tried to impress upon his mind the importance of our attorney assuming full charge of the plan to urge upon Congress an appropriate amendment to the act of 1928. They declared that it was the first duty of their attorney to secure the needed amendment before going on with the suit.

INDIANS URGE THE NEW ATTORNEY GENERAL TO CONTINUE UNDER CERTAIN CONDITIONS

These delegates offered their full cooperation to the new attorney general, and gave him the following letter carrying the wishes of their organization (see pp. 35–36, hearings, H. R. 3765):

"The Indians generally feel * * * that the attorney general should devote his time to their case on exactly the same basis as if he was their private attorney. We want your approval of the bill, or your recommendations as to changes you deem necessary; they want you or a competent deputy to go to Washington, and there sponsor the amendments * * * and to direct the move to secure an appropriate amendment to the act of 1928."

These delegates urged Mr. Warren to select Indians who had valuable knowledge of their claims and send them to Washington as expert witnesses. He was urged to pay their actual expenses out of the fund the legislature had given the attorney general. On checking up, the attorney general stated the fund had been returned to the general fund. We were urged to ask the legislature to again give him funds for his use, and which is to finally come out of the Indians' judgment. This was done. (See hearings.) However, no assistance was extended Indian delegates. They immediately went to Washington, and asked for a hearing upon H. R. 3765, already introduced. The attorney general was notified and requested to be present for the hearings. About the middle of March 1939 Mr. Earl Warren, the attorney general of California, came to Washington to represent the State in its fight against the Government's resolution just introduced in Congress claiming ownership to the great oil reserve lying below high tide along the California coast. The legislature gave Mr. Warren a special assistant, a former Congressman.

One of the undersigned heard the fight put up by our able attorney general, showing that he had made extensive preparation in acquainting himself with the issues involved in that important controversy. Mr. Warren was successful; Congress acknowledged California as the owner of that vast oil field. Two days later, Mr. Earl Warren, the attorney general and who is also our own attorney, appeared before a special subcommittee of the House Indian Affairs Committee as attorney for the California Indians. Indians who heard the able presentation of Mr. Warren in his fight defending the State of California in the oil controversy hoped that official had equipped himself just as well for the cause of the Indians. Though he had spurned the offer of Indians to give him the evidence and information they had gathered over the years, we still felt that possibly he had been able to prepare himself to meet the issues soon to confront him—to meet the opposition of the Department of Justice, who would represent the Federal Government.

ATTORNEY GENERAL WARREN ADMITS HE KNEW NOTHING ABOUT OUR CASE

Indians who heard Mr. Warren make his statement before the House Indian Committee say they were greatly disappointed. They state it was sickening and disheartening to hear our own attorney, and who so ably a few days previously had made a great fight defending the great and wealthy State of California—and the people, the taxpayers who pay his salary—admit his utter unfitness in the following language (p. 21, hearings, H. R. 3765):

"By Mr. Warren: Mr. Chairman and members of the committee, I am quite sure that I know less about this bill and about Indian matters generally than any man at this table. * * * Our legislature at the present session adopted a resolution memorializing Congress to recognize the moral rights of nontreaty Indians."

If there was any further proof needed to make the verdict unanimous that Mr. Warren was not qualified to represent us, or that he "knew less about our case of Indian matters generally than any man" at the table around which the Congressmen were met, here was clinching evidence. It is fortunate that we had urged a reporter to be present to make a record of what witnesses said. We would urge all Indians to read their statements. Mr. Warren was absolutely in error regarding the resolution adopted (at the sole request and effort of Indians after he had refused to even say one word in favor of the resolution) by the legislature. Here is the resolution in question, and it is readily seen that it makes no reference to "moral rights":

"Resolved by the Senate and Assembly of the State of California (jointly), That the Congress of the United States be most respectfully urged to forthwith amend the California Indian jurisdictional act of 1928 to provide for nontreaty Indians."

It has been stated by leading Indians of the State that if Mr. Warren had equipped himself regarding our case he could have secured the unanimous approval of the House committee to favorably report out the bill with constructive amendments needed, even if he proposed to continue in sole charge of our suit. He was so weak, and admitted it in every word, and was apparently depending on the advice and help of the Government attorneys who are handling the fight against us to gather his information. He made no fight against the "moral rights" claimed by the report of the Secretary of the Interior and the Commissioner of Indian Affairs as our only right; in fact, he practically admitted this was his belief. Not only had Mr. Warren admitted that he knew nothing about our case, but he stated to the committee that he had no one in his employ who was qualified to handle the suit for us, and that he was going to go outside and find some attorney to take charge.

THE ATTORNEY GENERAL OF CALIFORNIA FAILED TO APPEAR IN COURT

Our case was called in the Court of Claims in Washington on December 4, 1939. Mr. Warren nor anyone representing him was present to speak in behalf of our cause. The court threatened to dismiss our suit for want of prosecution. This order was, on January 2, 1940, vacated. Thus only by a close margin was our suit kept from being dismissed. We have examined the record in the Court of Claims here in Washington. Is there one Indian who would now still urge Mr. Warren to continue in charge of our destiny, for that is what it really means? There is absolutely no justification for the flagrant neglect and delay and inattention on the part of the attorney general of California.

RUMORED THAT A STAFF MEMBER OF COMMISSIONER COLLIER WILL BE NAMED BY MR. WARREN TO TAKE CHARGE OF OUR CASE

Since we have been in Washington, and for many months previous, we have heard rumors apparently coming from a reliable source, that "soon the attorney general of California would make an announcement that he had already selected one of the staff members of Mr. Collier's Office to be his assistant in charge of the California Indians' suit." We naturally hope this rumor is not well founded, for, knowing the qualification and background of those included in this rumor, as likely candidates, we would not be willing to place our cause in their hands. We surely must do everything to have Mr. Warren see the lack of wisdom in such a plan. He should appreciate, as Indians do, that the training of special assistants of the Commissioner has been along the lines and beliefs and claims of the Commissioner, and those are, "that the California Indians have only moral rights," that we "lost our legal and equitable rights when we failed to go before the special land commission which came to California in 1851–52." (See his full report, hearings on H. R. 3765.)

Mr. Collier, following the same thought, that we only have "moral rights," has continuously claimed "there was no need for the Indians to have their own attorneys, because all controversial matters are of record, etc., and it will not take much effort to present the Indians' case," would undoubtedly choose an assistant who had the same ideas. This is wholly a reasonable assumption. We are able to

show by conclusive evidence of record that the basis of that vicious report of the secretary is not sound. It does not seem fair, and this imposition on the constitutional rights of citizens has never been attempted toward any other group of American Indians. Regardless of the qualifications which such a man might claim, or that may be claimed for him, it is inherently a mistake to place any man who has held an official position with the Bureau in charge of such an important suit.

We should state here that on February 9, 1940, the undersigned met the attorney general of California before an unofficial committee of the California Legislature at Sacramento, and after hearing that official blindly and without any attempt at supporting evidence, attack Indians and certain white friends, "and ambulance-chasing attorneys," Mr. Warren stated:

"I have already made up my mind that I will have to go outside and select a person to take charge of this Indian suit. In fact, I have already chosen that man" (and turning to us he continued) "and regardless of what you say, I am going to hire him."

Despite repeated attempts since that date to get the name of the party Mr. Warren has chosen to be our attorney, he has been silent, excepting to say he will "make his plans known later."

It is also rumored from sources close to official that this newly chosen official, acting in conjunction with the officials of the Bureau, will soon start a campaign among Indians and others in California, in the hope they can get a compromise, rather than to make the fight in the Court of Claims as has always been the wish of the great majority of the Indians. We believe Indians must be alert and show a united front against any compromise. We have evidence and facts which cannot be successfully refuted that we do have just and legal grounds to justify our plan to settle our rights in the courts.

We ask our Indian friends and others to wait a few days when we are certain the rumors which we speak of here will be fully confirmed by the announcement of the Commissioner of Indian Affairs and the attorney general of California. It means, in effect, that our hopes will all be placed in the hands of the very Bureau officials from whom we have prayed and plead to be relieved and freed for many generations. Thus our Indian people are to be kept under the heel of the very governmental bureau (if this rumor proves correct) which Senator KING, of Utah, in February 1933 in a lengthy address before the United States Senate, declared:

"The Indian Bureau is a petrified, crystallized machine, indifferent to criticism, hostile to reform, ambitious for authority, demanding increased appropriations and a rapidly expanding personnel."

OUR CHALLENGE TO CONGRESS

Our Indian forefathers became citizens of the United States under specific provisions of the Treaty of Guadalupe-Hidalgo with Mexico in 1848. This article was taken from the Louisiana Purchase Treaty with France in 1803. This provision states:

"The inhabitants of the ceded territory shall be incorporated into the union of the United States and admitted to the enjoyment of all the rights, advantages, and immunities of citizens of the United States."

It is well to here quote from the Constitution of the United States, regarding the authority conferred upon Congress to deal with Indians as such. Section 8 of article I states:

"The Congress shall have power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes."

Congress, in 1928, undoubtedly felt that the interests and welfare and the future protection of the rights of the Indians of California would best be served by allowing the attorney general of the State to file the suit in our behalf instead of the practice followed before that date in all Indian cases. The California experiment has proven the opposite from what its sponsors expected; it has not proven equitable or fair and has divided Indians and caused many to believe there is no justice for an Indian.

It is time Congress take the initiative and view this case not through the wishes and personal prejudices of the Commissioner or other unfounded rumors but give the Indians of California the same opportunity for a settlement of our claims against the Federal Government it has without exception granted all other groups of Indians. Congress would be wholly justified in following the sound advice given us by Mr. Webb, the former attorney general, who said it was his opinion that we should be allowed to choose our own counsel and that the State of California should withdraw. The attorney general at the present time says he is not asking to be retained against our will; he leaves it up to Congress. A decision can be made by Congress which will clear the way for a settlement of our case for all time. We ask it be done—win or lose.

We cannot believe that Congress would knowingly back up the old policy of the Indian Bureau in treating with all Indians as incompetents, solely because we are Indians.

Here we want to make a brief reference to the two bills now before Congress—H. R. 3765 and S. 1402. We definitely cannot approve H. R. 3765, principally because of two specific reasons:

(1) There has been attached to H. R. 3765 a clause depriving us of the right to demand interest, a right recently approved by the Supreme Court affecting the Klamath and other Indians, and which has never been imposed on other Indians.

(2) H. R. 3765 would continue the attorney general of California as our only attorney, thus arbitrarily refusing us our inherent constitutional right to select our own counsel. This clause also has never been attached to any other Indian jurisdictional bill in the history of the Nation.

Both H. R. 3765 and S. 1402 include the same general provision for the rights and claims of the nontreaty Indians, and which naturally all Indians and officials alike now endorse. We, therefore, believe that Indians should now express themselves on the fundamentals or basic features of legislation they would urge Congress to approve as an amendment to the act of 1928. Thousands of Indians have already done this in the form of a petition to Congress in the following language, and which we most heartily approve:

"To the President and the Congress of the United States:

"We, the undersigned Indians of California, do hereby respectfully and most earnestly petition you that under the act approved May 18, 1928 (45 Stat. 602), be amended to provide a just settlement of all claims the Indians of California have against the United States, including the inherent constitutional right to choose and be represented by attorneys who would consequently be responsible to their clients—the Indians of California—the plaintiffs; that the number of such attorneys be limited as Congress may see fit and be chosen by duly authorized Indian delegates in a State convention under regular parliamentary procedure; and that attorneys and other persons whom the court finds to have rendered a meritorious service to the Indians of California, relating to said act and amendments thereto, shall be compensated therefor in accordance with the usual procedure authorized by Congress in Indian cases."

OUR CHALLENGE TO CALIFORNIA

California, our own native land; California, the home of our worthy forefathers. It is undoubtedly the richest in Nature's endowments of any State in the Union. We challenge any official or other person within or without the State to show us one bit of honest and dependable evidence, either in law, ancient or modern, under old Spain or Mexico, or by any precedent of the National Government, that justifies in any manner the taking of our ancestral lands and rights by the State and Government, as all now admit they have so ruthlessly done. Is there no justice for an Indian?

The Legislature of the State of California by resolution is first to be blamed for the failure of the United States Senate to ratify the 18 treaties. That resolution called upon the Senate to turn the treaties down because "the lands being reserved to the Indians under those treaties are worth not less than $100,000,000."

Was it possible that 8,800,000 acres of the more than 75,000,000 acres which our forefathers owned, occupied, controlled, enjoyed, and claimed was worth in 1852 more than $100,000,000? Today those treaty lands are worth many times that huge sum. Even the value of the oil taken from just one of those reserved areas (from Bakersfield south to the town of Lebec) would amount to more than their valuation on the whole 18 treaties. Our rights have never been extinguished to the lands we occupied and owned. We express the feeling that we honestly believe every Indian in the State has, and that is, that we consider that we have been ruthlessly robbed. We ask no charity or advantage, but simply the right to choose our own attorney and place our evidence in his hands for presentation to the proper courts. We shall only then be satisfied with the judgment rendered. And we pause here to ask, Does California believe might is right?

We are fortified with numerous—yes; almost numberless—decisions of high authorities from the earliest days of recorded history under old Spain on down through Mexican rule showing Indians had legal and equitable rights to the lands they occupied similar to those exercised by our forefathers. For instance, here is a recent claim in an action in the California courts made by the Department of Justice attorneys in behalf of a certain Indian tribe, a group of Indians who have lived on their lands from time immemorial, not under any grant, treaty, or Executive order—just Indian occupation. Here is their claim:

"That for at least 50 years before 1859 and from time immemorial the lands (described) were Indian lands occupied, used, enjoyed, and claimed by Indians of the ——— Indian Tribe and by Indians of other tribes; and at no time from time immemorial to the present time has any of the rights and claims of said Indians in and to said lands and premises been extinguished."

If these claims are found by the United States district court to be favorable to the Indians, it may be the start of a new chapter in Indian history of California.

Our people are law abiding and peaceful; we have always been loyal to the principles of the American Government, though we have been systematically denied the full protection of its laws. In fact—we as a race, and solely because we are Indians—are considered by those who would perpetuate their arbitrary control over our lives and property as incompetents and wards. We claim the Constitution of the United States fails to give Congress or any other governing body legal authority to so consider our race. However, because of lack of finances we are deprived of the right to control the expenditure of our own tribal funds or the individual share belonging to each member of a tribe who might have such funds—we are blocked from protecting our rights. Apparently, there are no substantial friends who will come to our rescue.

The great and powerful State of California could well afford to stop and take stock of the questions raised here and the very challenge they bring to those who believe in tolerance and equal justice under law. We know our rights, but because of the century-old system under which we have been ground down to the level of serfs or in effect practical slavery, we have not been able to organize and defend ourselves from complete annihilation, or a

place in the social and economic life of the State from which apparently there is no escape. Our present condition, let us repeat in all sincerity, is caused, not by the usual economic pressure or survival of the fittest in a modern world of acute competition. Our plight—and it is to be seen wherever you find an Indian—is laid at the feet of the very officials and people today as in the past, who preach tolerance and justice, and the practice of Christian virtues, and the protection of the weak; those who call the loudest for this powerful Nation to go into foreign lands in order that justice might be done to an abused group. We ask, do they know the real meaning of those terms?

Our fight may be useless; it may be too late, as some have already said, for the Indian race to be worthy of the honors once conferred upon our people: "The American Indian is honest; his word is his law; he is the truest of friends; he has the virtue of the noblest of men; his natural ability is equal to that of any other race." We believe, and ever will, that hardships and abuses forced upon us, and the manner in which we have been robbed of our rights and possessions, and though we admit we have our backs to the proverbial wall, and on every side there is evidence of complete subjection and the passing of the American Indian as such; we have a very strong faith—a faith born into every fiber of our bodies and souls—that character and virtue and fortitude and patience and honesty are all so closely allied with the plans of the Great Spirit, and which controls the destiny of the white race as well as the Indian—we believe that such inherently noble qualities in men never die.

OUR APPEAL FOR SIMPLE JUSTICE

We feel that the message we have given here, our appeal for the same share of justice the average person wants for himself, will be accepted in the spirit in which it is written. We would like to have the legislature and the Governor and other responsible officials consider our case simply on its merits. Win or lose, we desire to have our case settled on the evidence we have; we desire that the State of California withdraw from our case; to take whatever steps are necessary to give us the right to go before Congress with a free and unhampered opportunity to be considered on the same basis as they have always heretofore legislated for all other Indian groups—we want the right to place our case and whatever it brings us, in the hands of our own counsel.

With due respect,

Sincerely,

ADAM CASTILLO,
President, Mission Indian Federation, San Jacinto, Calif.
ETHAN ANDERSON,
Delegate, Indians of California, Inc., Lakeport, Calif.

ADDENDA.—Since issuing the above statement, we have seen the telegram of the attorney general of California, confirming our prediction that he had already selected a staff member of the Indian Bureau as his special assistant, in charge of our suit in the Court of Claims. That man is Mr. Fred A. Baker, at the present time special land agent in the Land Department of the Bureau. It is stated that Mr. Baker has been an employee of the Bureau about 30 years. Many California Indians will recall that Mr. Baker was one of the enrolling agents for California about 1930. Mr. Baker has also been an Indian superintendent in Oregon and Montana. Upon being advised by him today of his new promotion, he stated that in 1928, he assisted Attorney General Webb in the preparation of his first brief, upon that official's request.

(Signed) ADAM CASTILLO.
ETHAN ANDERSON.

WASHINGTON, D. C., *April 1, 1940.*

P. S.—Mr. Baker stated to us today, when we informed him that we did not believe the Indians would approve of his appointment, "Well, if the Indians do not want me, I will go on to Europe and live in peace the rest of my life as I had already planned to do."

ETHAN ANDERSON.

Accomplishments of the Work Projects Administration

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1940

Mr. CANNON of Missouri. Mr. Speaker, the 4½ years of the operation of the Work Projects Administration, up to January 1, 1940, witnessed the addition of vast increments to the public assets of every State in the Union and practically every city and town of the Nation. An inventory recently released covers the work done on some 250,000 separate projects during this period. This inventory shows in a graphic manner the huge increase in national wealth resulting from the policy of meeting the unemployment problem by a work program rather than by a dole in the form of direct relief.

Expended in the form of a dole the funds used in this program would have left behind no visible results, no tangible evidence, save the improved economic conditions which it primarily sought to achieve. But when applied to the construction of public works and facilities, it has provided the same measure of relief and rehabilitation and in addition has brought to every community in the land permanent contributions to the assets of States and municipalities which could not otherwise have been supplied and the value of which cannot be measured in terms of dollars and cents.

One-seventh of all the highways, roads, and streets in the United States, or more than 457,000 miles, have been built, reconstructed, or improved by W. P. A. workers in 4½ years of operations.

In addition to roads and streets, the largest single classification of W. P. A. projects, the first report covered the construction of airports, airways, and other transportation facilities. For every 10 miles you drive, an average of 1½ miles have been built or improved by W. P. A. workers.

Adopting a familiar form of comparison, the total mileage of highways, roads, and streets built or improved by W. P. A. in 4½ years would be approximately equal in length to 147 transcontinental highways from New York to Los Angeles or Seattle.

The accomplishments on airports and airways represent the bulk of public-property improvements in this field of transportation during recent years. New airports built by W. P. A. during this period number 197; 337 were reconstructed or improved, and additions were built to 35. There were also 176 landing fields built by W. P. A., with 298 improved and additions to 45 others. Construction of new runways totaled 1,756,000 feet, or more than 332 miles, in length. More than 1,000,000 lineal feet of new runways were paved.

Airport buildings constructed by W. P. A. total 387. There were 430 such buildings reconstructed or improved and additions were built to 45. Outstanding among other improvements to airports and airways were the construction of 9,588 airway markers and the installation of 7,873 light standards to illuminate boundaries. Sixty-four landing areas were floodlighted and 65 airway beacons were built. Extensive improvements to existing facilities also were made in promoting aviation safety.

Major improvements to the Nation's transportation system, as shown by the W. P. A. report, also include:

Approximately 56,000 new bridges and viaducts, ranging from large steel structures to small spans of wood or masonry. The aggregate length of this new construction was 1,766,701 feet, or nearly 335 miles. An additional 37,020 bridges and viaducts, totaling more than 1,500,000 lineal feet, were rebuilt or improved.

Nearly 3,400 miles of culverts were included in the list of new construction, and more than 400 miles of existing culverts were improved.

Roadside drainage work by W. P. A. showed a total of nearly 43,000 miles of new pipe or ditch, with reconstruction or improvement of more than 68,000 miles.

New sidewalks and paths aggregated 15,341 miles, of which 12,679 miles were paved. An additional 5,470 miles were rebuilt or improved.

Construction of curbs reached a total of 14,403 miles. An additional 4,100 miles of gutters were built, and more than 1,700 miles of guardrails and guard walls were erected.

Traffic safety also was enhanced by the painting of control lines totaling 4,576 miles in length and the erection of 638,848 traffic signs. In improving road and street lighting, 21,696 light standards were installed, equipping nearly a thousand miles of thoroughfares, and an additional 55,312 light standards were rebuilt or improved along 1,378 miles.

Forty-nine thousand miles of roadside landscaping improvements also were shown by the report.

Illustrative of the variety of items included in this report were a total of 629 new tunnels built for vehicular or pedestrian traffic, or both.

Even waterway-transportation facilities were affected by the W. P. A. program during this period. Construction of 240 docks, wharves, and piers was reported, with the reconstruction or improvement of 234 such structures.

The statistical summary is as follows:

Projects through Dec. 31, 1939

HIGHWAYS, ROADS, STREETS, AND RELATED FACILITIES

Item	Unit of measurement	Number or amount
Highways, roads, and streets, total	Mile	457,734
Rural roads, total	Mile	400,887
High-type surface, total	Mile	27,979
New construction	Mile	14,674
Reconstruction or improvement	Mile	13,305
Low-type surface and unsurfaced	Mile	372,908
Urban streets and alleys, total	Mile	49,763
High-type surface, total	Mile	20,082
New construction	Mile	11,145
Reconstruction or improvement	Mile	8,937
Low-type surface and unsurfaced	Mile	29,681
Other roads (in parks, etc.), total	Mile	7,084
High-type surface, total	Mile	1,500
New construction	Mile	913
Reconstruction or improvement	Mile	587
Low-type surface and unsurfaced	Mile	5,584

Item	Unit of measurement	Number or amount: New construction	Number or amount: Reconstruction or improvement
Bridges and viaducts, total	Number	55,934	37,020
	Length in feet	1,766,701	1,574,648
Wood bridges and viaducts	Number	41,358	21,208
	Length in feet	1,227,235	656,311
Steel bridges and viaducts	Number	4,514	12,239
	Length in feet	234,860	769,328
Masonry bridges and viaducts	Number	10,062	3,573
	Length in feet	304,606	149,009
Culverts	Number	673,233	84,437
	Length in feet	17,921,807	2,128,162
Roadside drainage, total	Miles of ditch and pipe.	42,994	68,193
Roadside drainage ditch	Miles	40,289	67,567
Roadside drainage pipe	Miles	2,705	626
Sidewalks and paths, total	Miles	15,341	5,470
Paved	Miles	12,679	3,921
Unpaved	Miles	2,662	1,549
Curbs	Miles	14,403	2,688
Gutters	Miles	4,100	623

Projects through Dec. 31, 1939—Continued

AIRPORTS AND AIRWAYS—continued

Item	Unit of measurement	Number or amount: New construction	Number or amount: Reconstruction or improvement
Guardrails and guardwalls	Miles	1,705	854
Road and street lighting	Number of light standards.	21,696	55,312
	Miles of road equipped.	993	1,378
Traffic signs erected	Number	638,848	
Traffic control line painted	Miles of line	4,576	
Roadside landscaping	Miles of road		49,001
Removal of car and railroad track	Miles of single-line track removed.		1,216

AIRPORTS AND AIRWAYS

Airports	Number	197	337	35	
Landing fields	Number	176	298	45	
	Area in acres	22,556	41,945	2,291	
Runways, total	Length in thousands of feet.	1,756	372		170
Paved runways	Length in thousands of feet.	1,065	104		102
Unpaved runways	Length in thousands of feet.	691	268		68
Airport buildings, total	Number	387	555	45	
Administrative and terminal buildings.	Number	71	46	12	
Hangars	Number	155	143	16	
Other airport buildings	Number	161	366	17	
Seaplane ramps and landing platforms.	Number	24	2		
Landing areas floodlighted	Number	64	16		
	Number of light standards.	1,633	180		
Boundary lights	Number of light standards.	7,873	1,449		
Airway markers	Number	9,588	1,559		
Airway beacons	Number	65	10		

ITEMS NOT ELSEWHERE CLASSIFIED

Item	Unit of measurement	Number or amount: New construction	Number or amount: Reconstruction or improvement
Tunnels, total	Number	629	79
	Length in feet	268,867	53,045
Vehicular tunnels	Number	20	8
	Length in feet	2,586	6,058
Pedestrian tunnels	Number	117	25
	Length in feet	19,051	8,901
Other tunnels	Number	492	46
	Length in feet	247,230	38,086
Docks, wharves, and piers	Number	240	234
Artificial channels, other than irrigation or drainage.	Miles	64	185

SCHOOL CONSTRUCTION FEATURES W. P. A. PUBLIC-BUILDING PROGRAM

Twenty-three thousand new public buildings, including more than enough school buildings to supply one to each of the 3,070 counties in the United States, are among public improvements the Nation has received in exchange for its work-relief program during the last 4½ years.

Other improvements include approximately 5,000 new playgrounds and athletic fields and almost 1,500 new water, sewage treatment, and other publicly owned utility plants.

As a part of a comprehensive inventory of W. P. A. accomplishments, the present report covers public buildings, public utilities, sanitation and recreation facilities, on which more than one-fourth of all W. P. A. workers have been employed.

The period covered is from July 1935, when the program began, through December 1939. In the 4½ years virtually every community in the United States has benefited through one or more improvements of these types.

In the public-building category alone, he added, W. P. A. has constructed more than 23,000 new buildings and made improvements and additions to 65,000. Schools, hospitals, town halls, and auditoriums are among the types included. In addition to the nearly 5,000 new playgrounds and athletic fields, he said, improvements and enlargements had been made to 10,000, and 7,700 new tennis courts and more than 600 new swimming pools had been built. In the field of sanitation and public health, he continued, W. P. A. constructed over 15,000 miles of sewers, built 1,750,000 sanitary privies for homes without plumbing facilities, and drained nearly 3,000,000 acres of mosquito-breeding swamps.

The unemployed who have been put to work by W. P. A. have made a great contribution to our national wealth. There is not a county or city throughout the Nation which has not been enriched in some tangible way—a new or improved school, a water plant, new sewerage lines, a park, or swimming pool—through the labor of W. P. A. workers.

These are improvements which would not have been made had there not been a program such as this to make workers available, bearing nearly all the labor costs and defraying a portion of other charges.

By giving the unemployed jobs on useful public projects we have also kept them off local relief rolls and preserved—in many cases, improving—their skills in preparation for the time when they could again find private employment.

Public-building projects constitute one of the most important fields of activity for W. P. A. workers. Of particular significance are the 3,985 new schools which range from small two-room structures in rural sections to large city high schools and college buildings. W. P. A. also reconstructed or improved 27,664 school buildings and built 1,480 additions. New libraries numbering 110 were built and 752 were improved.

Of 6,435 new recreational buildings, 848 are gymnasiums and 318 are auditoriums, he said. The remainder are miscellaneous structures, such as field houses, pavilions, picnic shelters, and so forth. New office and administrative buildings, which include town halls, police stations, courthouses, and so forth, total 1,063, while improvements and additions to 3,710 are reported.

One hundred and fifty-six new hospitals were built, many in areas where no adequate facilities previously existed. W. P. A. workers also reconstructed or improved 1,436 hospitals and built additions of 66 others.

Outdoor recreation areas built or improved by W. P. A. include 1,302 new parks aggregating slightly more than 59,000 acres, improvements to 475,463 acres and park additions totaling 2,471 acres. New playgrounds total 2,271, two-thirds of which are on school property. More than 10,000 new tennis, handball, and horseshoe courts were built, and 295 miles of ski trails cleared and graded. New swimming pools total 629 and wading pools 636. More than 12,000 acres devoted to fairground and rodeo use were prepared or improved.

The 1,470 new publicly owned utility plants constructed by W. P. A. include electric plants, incinerators, water works, and sewage-treatment plants. A total of 9,646 miles of new water lines were laid and 239,000 consumer connections made. New sewer lines total 15,191 miles and 352,000 service connections were made.

A valuable aid to public health has been achieved through the drainage of 2,981,000 acres of swamp, the construction of 15,654 miles of drainage ditches, and the application of over 2,000,000 gallons of spray in mosquito-control work.

The statistical summary is as follows:

Accomplishment on projects cumulative through Dec. 31, 1939

PUBLIC BUILDINGS, EXCLUDING UTILITY PLANTS AND BUILDINGS AT AIRPORTS

Item	Unit of measurement	Number or amount		
		New construction	Reconstruction or improvement	Additions
Public buildings, total	Number	23,003	62,468	2,784
Educational buildings, total	Number	4,095	28,416	1,533
Libraries	Number	110	752	53
Schools	Number	3,985	27,664	1,480
Recreational buildings, total	Number	6,435	4,153	392
Auditoriums	Number	318	316	92
Gymnasiums	Number	848	556	161
Other recreational buildings	Number	5,269	3,281	139
Offices and administrative buildings	Number	1,063	3,518	192
Hospitals	Number	156	1,436	66
Penal institutions	Number	123	436	22
Firehouses	Number	203	1,891	48
Garages	Number	1,739	1,230	128
Storage buildings	Number	1,479	2,064	78
Armories	Number	222	344	31
Other public buildings	Number	7,488	18,930	294
OUTDOOR RECREATIONAL FACILITIES				
Stadiums, grandstands, and bleachers	Number	1,640	582	80
	Seating capacity	2,742,069	2,458,125	218,564
Fairgrounds and rodeo grounds	Number	37	231	5
	Area in acres	2,140	10,581	46
Parks	Number	1,302	5,380	119
	Area in acres	59,179	475,463	2,471
Playgrounds, total	Number	2,271	7,898	67
School playgrounds	Number	1,383	6,737	56
Other playgrounds	Number	888	1,161	11
Athletic fields	Number	2,490	1,999	37
	Area in acres	14,198	12,463	135
Handball courts	Number	1,365	186	------
Horshoe courts	Number	1,751	144	------
Tennis courts	Number	7,759	2,438	------
Swimming pools	Number	629	281	------
Wading pools	Number	636	63	------
Ski trails	Miles	295	52	------
Ski jumps	Number	56	11	------
Band shells	Number	162	62	------
Outdoor theaters	Number	105	23	------
Golf courses	Number	207	288	------
	Number of holes	2,287	3,792	------
	Area in acres	14,901	28,607	------
PUBLIC UTILITIES AND SANITATION				
Utility plants, total	Number	1,470	783	66
Electric-power plants	Number	77	101	10
Incinerator plants	Number	74	42	------
Pumping stations	Number	646	219	9
Sewage-treatment plants	Number	549	313	37
Water-treatment plants	Number	124	108	10
Water mains, aqueducts, and distribution lines	Miles	9,646	2,737	------
Water consumer connections	Thousands	239	344	------
Storm and sanitary sewers	Miles	15,191	3,050	------
Sewerage service connections	Thousands	352	33	------
Manholes and catch basins	Thousands	472	282	------
Sanitary privies	Thousands	1,759	25	------
Abandoned-mine sealing	Number of openings sealed	172,710	------	------
Mosquito control	Thousands of acres drained	2,981	3,833	------
	Miles of ditch and pipe	15,654	17,507	------
	Thousands of gallons of spray used	2,069	------	------
Telephone and telegraph lines	Miles	3,313	1,658	------
Police, fire alarm, and traffic signal systems	Miles of line	1,010	987	------
Electric-power lines	Miles	2,096	831	------
Flood lighting athletic fields, parking lots, etc.	Number lighted	869	108	------
	Acres lighted	9,786	445	------
Pipe lines, not elsewhere classified	Miles	482	93	------

Accomplishment on projects cumulative through Dec. 31, 1939—Continued

ITEMS NOT ELSEWHERE CLASSIFIED

Item	Unit of measurement	Number or amount		
		New construction	Reconstruction or improvement	Additions
Cemeteries	Number	16	730	61
	Area in acres	225	8,028	677
Landscaping and beautification, not elsewhere classified.	Acres		77,990	
Ornamental pools and fountains.	Number	646	60	
Drainage, not elsewhere classified	Thousands of acres	3,412	10,850	
	Miles of ditch	3,697	15,562	
	Miles of pipe	1,613	907	
Fencing	Miles	13,564	20,251	

ACCOMPLISHMENT WITH HEALTH AND EDUCATION SERVICES

In addition, several millions of persons are reached each week by W. P. A. health, education, recreation, art, music, library, and related programs.

In the health program, it was found in a typical 2-week period that nearly a quarter of a million examinations and treatments were given in W. P. A. operated or staffed medical and dental clinics, and in schools and homes to children and adults who were unable to pay for such services. Nearly 82,500 tests for specific diseases, and more than 17,000 immunization treatments were reported.

Closely related in the effect on the Nation's physical welfare were more than 1,000,000 lunches served by W. P. A. workers on a single day to needy and undernourished children in more than 11,000 schools, the housekeeping assistance given 57,000 needy families in a single month, and manufacture of 218,000,000 garments for the destitute during four and a half years.

Educational services provided by W. P. A. are reaching adults in classes with an aggregate enrollment of more than 1,000,000, the Nation-wide report shows, and more than 300,000 are enrolled in literacy and naturalization classes alone.

On the basis of a special survey last year, when the rolls were larger, the public-recreation activities, supervised by trained W. P. A. workers, were found, in a typical week, to be equivalent to participation for 1 hour each by 15,000,000 persons. Nearly half of this was physical recreation, both indoors and out, and the rest was divided principally between social and cultural recreation. The benefits of such supervised leisure-time activity are readily apparent, particularly in communities with much unemployment, short working hours, and low income.

While the W. P. A. construction program has been building up the physical plant of the Nation, the professional and service projects have been contributing to its health and culture. Most of the millions of persons, who this report indicates are deriving benefits from the "white collar" projects, are in the lowest-income brackets and could not afford the important services and assistance our project workers have been able to provide. There are communities today in which the only public-health facilities are those provided by W. P. A., or where the only library is staffed by them, or the only opportunity for adults to study is afforded by W. P. A. teachers.

Typical periods were chosen for the inventory of professional and service accomplishments because of the impossibility of measuring cumulative results with the yardsticks applied to construction work in the two previous reports of this series.

These showed that, along with other work, W. P. A. constructed or improved more than 450,000 miles of highways, roads, and streets, and built more than 23,000 public buildings from the beginning of W. P. A., July 1, 1935, through last December. Health and education were advanced notably by these programs, also, through the addition and improvement of education, recreation, transportation, and sanitation facilities.

Additional construction covered in the final report issued today includes 4,650 miles of firebreaks and 3,000 miles of fire and forest trails. W. P. A. workers also rebuilt or improved an additional 2,000 miles of firebreaks and trails.

Accomplishments in the fields of flood and erosion control included 6,000 miles of stream-bed improvements, more than 3,000 miles of river bank and shore improvements and construction or improvement of 2,700 miles of such works as levees and retaining walls. More than 3,700 miles of irrigation ditches and canals were built and 3,700 repaired or improved.

On the professional and service side of the W. P. A. program, the report shows adult education to be an outstanding activity. In addition to 309,000 enrollees studying for citizenship or learning to read or write, vocational training classes claimed 195,000 students and correspondence work 48,000 in a 2-week period studied. Forums and lectures conducted by W. P. A. project employees had an aggregate attendance of 162,000.

W. P. A. also operated 1,550 nursery schools, providing scientific care and preschool training during the 2 weeks for 43,700 children of unemployed and destitute families, the report shows. Special instruction was given 4,200 institutionalized and handicapped children.

W. P. A. conducted art classes with an enrollment of 45,500 and music classes with 179,000, the inventory disclosed. More than 2,500 performances by units of the W. P. A. music program drew an aggregate attendance of more than 1,000,000 during the period.

Medical clinics operated by W. P. A. or staffed with W. P. A. assistants provided 119,000 examinations and treatments and dental clinics; 35,000 during the first 2 weeks in January, the report shows. Home visits by W. P. A. nurses and doctors provided 17,000 examinations and treatments. In the schools, 35,000 examinations and treatments of various kinds were given.

Public and school libraries operated wholly or partly by W. P. A. workers during December totaled nearly 10,000, of which 115 were "bookmobiles," or light trucks stocked with books for the people of remote sections. During the 4½ years, W. P. A. workers repaired 68,000,000 volumes of school and general library books. During that period nearly 4,000,000 pages of Braille were transcribed for the blind.

Sewing projects, up to January 1, had completed 48,000,000 men's garments, 59,000,000 women's garments, and 110,000,000 garments for children and infants. Other items, such as towels, sheets, and surgical dressings, aggregated 66,500,000. The articles produced by sewing projects, which comprise the largest single aspect of the W. P. A. nonconstruction program, were distributed by public relief agencies to needy persons.

The accomplishments cited do not include the work done with transferred W. P. A. funds by other Federal agencies, which have operated projects manned by needy unemployed on the same basis as W. P. A.

The tabular summary is as follows:

Projects of the Division of Professional and Service Projects

ART INSTRUCTION EDUCATION AND MUSIC INSTRUCTION DURING A 2-WEEK PERIOD IN JANUARY 1940

Activity	Unit of measurement	Number
Education:		
Adult education:		
Literacy and naturalization	Number of enrollees	308,860
Vocational training	Number of enrollees	195,469
Correspondence work	Number of enrollees	47,812
Other adult education	Number of enrollees	543,306

Activity	Unit of measurement	Number
Education—Continued.		
Lectures and forums	Total attendance	161,710
Nursery schools	Number of schools	1,554
	Number of enrollees	43,731
Special instruction for institutionalized and handicapped children.	Number of enrollees	4,168
Art instruction	Number of enrollees	45,527
Music:		
Instruction	Number of enrollees	178,854
Performances	Number of performances	2,576
	Total attendance	1,101,293

LIBRARY AND BOOK REPAIR ACTIVITY

Item	Unit of measurement	Number of units
Libraries operated or assisted (December 1939), total.	Number of libraries	9,918
General public library units	Number of libraries	3,441
Public school library units	Number of libraries	5,016
Other library units	Number of libraries	1,037
Bookmobiles	Number of bookmobiles.	115
Book renovation (cumulative through Dec. 31, 1939), total.	Number of volumes	68,389,000
General public-library volumes	Number of volumes	33,462,000
Public-school-library volumes	Number of volumes	27,386,000
Other library volumes	Number of volumes	7,541,000
Braille (cumulative through Dec. 31, 1939)	Number of pages transcribed.	3,909,000
	Number of maps transcribed.	13,760

Projects of the Division of Professional and Service Projects—Con.

PUBLIC HEALTH AND HOSPITAL ACTIVITIES

Activity	Unit of measurement	Total	Persons receiving service	
			Children	Adults
Clinic and other health service during a 2-week period in January 1940:				
Dental clinics	Number of examinations and treatments.	35,107	27,301	7,806
Medical clinics	Number of examinations and treatments.	119,341	21,725	97,616
	Number of tests	20,964	4,354	16,610
	Number of immunizations.	10,694	7,434	3,260
Home visits	Number of examinations and treatments.	16,994	11,130	5,864
	Number of tests	1,299	1,048	251
	Number of immunizations.	1,676	626	1,050
School services	Number of examinations and treatments.	36,567	36,567	
	Number of tests	33,061	33,061	
	Number of immunizations.	3,129	3,129	
Other services	Number of examinations and treatments.	34,749	25,584	9,165
	Number of tests	27,197	10,868	16,329
	Number of immunizations.	1,714	1,590	124
Institutions, other than clinics, operated.	Number	33		
Hospitals assisted	Number	659		
Other institutions assisted	Number	1,175		
Housekeeping aid services:				
During month of December 1939.	Number of families assisted.	57,116		
Cumulative through Dec. 31, 1939.	Number of visits made.	17,169,000		

Activity	Unit of measurement	Total	Persons receiving service	
			Children	Adults
School lunches served:				
On Jan. 17, 1940	Number of schools	11,190		
	Number of lunches.	1,129,420		
Cumulative through Dec. 31, 1939.	Number of lunches.	386,197,000		

SEWING, MATTRESS MAKING, AND FOOD PRESERVING—CUMULATIVE FROM BEGINNING OF PROGRAM

Article	Unit of measurement	Number
Garments, total	Units completed	218,204,000
Men's garments	Units completed	47,810,000
Women's garments	Units completed	59,177,000
Boys' garments	Units completed	41,160,000
Girls' garments	Units completed	47,806,000
Infants' garments [1]	Units completed	22,231,000
Articles other than garments	Units completed	66,525,000
Food canned and dried	Quarts canned	43,333,000
	Pounds dried	1,680,000

[1] Excluding layettes.

COMMUNITY PARTICIPATION IN RECREATIONAL ACTIVITIES, WEEK ENDED FEBRUARY 18, 1939

Activity	Number of participant hours
All recreational activities	15,680,000
Physical recreation	7,016,000
Snow and ice sports	1,439,000
Basketball	1,893,000
Gymnastics	658,000
Other physical recreation	3,026,000
Social recreation (indoor games, folk dancing, etc.)	4,798,000
Cultural recreation (arts crafts, drama, music, etc.)	3,337,000
Children's play centers	334,000
Therapeutic recreation	23,000
Other recreation	172,000

Accomplishment on projects of the Division of Operations through Dec. 31, 1939

FLOOD AND EROSION CONTROL—IRRIGATION—CONSERVATION

Item	Unit of measurement	Number or amount		
		New construction	Reconstruction or improvement	Additions
Fish hatcheries	Number	147	129	74
Firebreaks	Miles	4,648	826	
Fire and forest trails	Miles	3,007	1,171	
Reforestation	Acres		411,394	
Planting oysters	Thousands of bushels planted.	5,820		
Levees and embankments	Miles	404	836	
Jetties and breakwaters	Miles	57	2	
Bulkheads	Miles	112	36	
Retaining walls and revetments.	Miles	1,232	105	
Riprap	Thousands of square yards of surface.	11,706	1,703	
River bank and shore improvements.	Miles		3,153	
Streambed improvement	Miles		6,007	
Irrigation systems	Thousands of acres.	235	2,904	
	Miles of ditch, canal pipe, or flume.	768	3,718	

H. R. 7372

EXTENSION OF REMARKS

OF

HON. WESLEY E. DISNEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

STATEMENT OF HON. WESLEY E. DISNEY, OF OKLAHOMA

Mr. DISNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement I made before the Subcommittee on Petroleum of the Committee on Interstate and Foreign Commerce of the House of Representatives, February 27, 1940:

Mr. Chairman, the philosophy of this bill seems to stem from the doctrine of conservation of crude petroleum, among other things, for the prevention of waste. Other theories are involved, but, taking the bill by its four corners, it can be fairly said, from the instrument itself and from the showing made by the Department that proposes it, that the prevention of waste is the prime objective.

Think of this philosophy coming from the Federal Government—waste! The Federal Frankenstein is the very essence of waste—but more about that later.

For the sake of argument, conceding the claim merely as an argument, is the waste of petroleum products growing or lessening? This subcommittee, 5 years ago, recommended legislation for the prevention of waste. Is there new proof that waste is accelerated in the oil business? Has the Department of the Interior made a showing that waste has been accelerated in the last 5 years? I am not sufficiently familiar with the record of the testimony to state dogmatically that no such showing has been made, but I do know that witnesses have emphatically declared that no such showing has been made, but rather that the Department of the Interior filed its bill of complaint, and afterward started looking for proof—and did not find much proof—at least, rather incidental proof.

I think I am sufficiently familiar with the oil industry, although I do not claim to be an expert, to say that enlightened self-interest, genuine competition, regard for fair and right thinking, and great mechanical, chemical, and technological improvements have lessened waste to a tremendous degree in the last 5 years. It is said that the packers get everything out of the pig but the squeal, and my observation in recent years is that we are getting more petroleum from the ground and more petroleum products from the crude than ever before. Why, then, this claim of waste? This claim of waste is an argument for the further centralization of Federal authority, whether consciously or not.

I shall conclude at the end of this statement that I am against this legislation. Some member of the committee may properly ask why I am against this legislation when I was joint author of the Disney-Thomas bill in 1935. Well, the Disney-Thomas bill did some good, because it fixed attention on the oil business in such a manner as it had not been before for some years. And if you will pardon the personal reference, without being egotistical I think I can say it led to the formation of this committee which, with two exceptions, is of the same personnel as then. It led to the formation of this committee in 1935, which has done a tremendous amount of good work. The report that this committee made is still in great demand, even though it is out of print. I might say, in passing, that this committee has most justly earned the utmost respect of those who have observed its workings.

If I happen to be inconsistent in supporting the Disney-Thomas bill, and not supporting this legislation, I plead guilty to the abstract charge. I am not trying to be consistent. There is such a thing as being consistently wrong. I am trying to be right this time. Then, too, a man ought to grow wiser in 5 years as he grows older; wiser in observation and experience; yet observing the improvement in the oil business—an infant business when you compare it with the industry of the whole Nation—and its methods, and in contemplating the tremendous trend toward centralization of the Federal Government, of which this legislation would be merely another bit of evidence.

Close observers of the trends of Government in the last few years cannot have failed to know that there is a school of thought, followed in many instances by those in powerful positions, which believes that the States have lost their usefulness for service to the people, which believes in a strong centralized form of Federal Government, with the States decadent and the substitution of economic zones for the States. This school believes in the total obsolescence of the Federal system of States, with a central head at Washington, from which all human activities may be directed. This is an actual statement of fact that is going on here. That statement was made before the Ways and Means Committee in the discussion of tax-exempt securities and was not denied. It is forthright in this belief, and its expressions are also. It believes that the complexities of our modern civilization render the States substantially useless for the welfare of the people. This school, either willfully or in good faith, believes that democracy can be sacrificed to expediency, and that is going on every day, under the guise and claim of the general welfare.

Now I know if democracy is worth while this must be evil masquerading under the guise of good. If the American system, the American way, as we have been taught to believe in it, is the correct one, then this school of thought is wholly in error, when it would sacrifice permanent principles of government, based on democratic rights of the individual, to the current benefit of a group system.

This is not a drift toward collectivism. This is a radical step, with our eyes open, in that direction.

We paid dearly for this centralization at a terrible cost. In 1916 we spent $1,034,000,000 for the Federal Government. In 1927 the total grew to $2,700,000,000. In 1938 the Federal Government spent $7,691,000,000. The State governments followed suit, and in 1938 spent $4,358,000,000, and the local governments spent $6,150,000,000—a grand total of $18,300,000,000 for government in the United States in 1938, in which year we had a total national income of $64,000,000,000. In other words, 28½ percent for taxes.

Is it any wonder that since centralization and bureaucracy run riot, that we have a million people on the Federal pay roll?

It is not a partisan issue. Both parties are equally guilty. This is no tirade against either party or against any system, except the system of extending centralization. If it sounds like an impassioned tirade, you will have to forgive me for my earnestness.

But these billions are bagatelle, a straw in the wind compared with the loss to democratic government that has covered us like a shroud. The National Labor Relations Board is acting as judge, jury, prosecutor, witness, and executioner, without trial, in a land that boasted of the Boston Tea Party as a historical landmark. The House of Representatives last month passed an antilynching bill, another nail in the coffin of local self-government. The Department of Justice is bold in using strategic values in its prosecution.

The Census Bureau, originally set out to number the people, now delves into every private secret and social notion of the individual, with fine and imprisonment as a penalty for refusal—all in the guise of social reform.

The Securities and Exchange Commission is actually talking about becoming a receiver for a corporation in a Federal court. Andrew Johnson bore the cross of impeachment for contending that the States had the right to fix the suffrage status of its citizens, and now two cases are on the way to the Supreme Court of the United States, with zealots hell bent on having a judicial decision to the effect that the States do not have the right to fix a poll-tax qualification for suffrage. The Federal Bureau of Investigation, with a tremendous organization, is investigating all manner of local crime conditions, relieving the local authorities of the responsibility and, in effect, depriving them of their jurisdiction. The United States district attorneys are, with impunity, investigating State and local primary elections all over the land, where not a vestige of Federal propriety is involved. We are hearing proposals for Federal life insurance. That Wagner political medicine bill would cost a billion to the States and a billion to the Federal Government after 8 years, and make every doctor a Government clerk.

Here are some more financial figures. This statement will be brief. In 1928 the Congress expended $900,000 in the use of the franking privilege. The executive departments spent $6,000,000. In 1938 the Congress spent $700,000 and the departments $35,000,000. I have in my possession a pamphlet of 13 mimeographed pages, listing the various departmental units which engage in publicity under the guise of disseminating information to the people.

Bureaus, boards, and commissions have been inveighed against by our statesmen during the last half century. It is conceded that many of them have conflicting jurisdictions and overlapping functions. No one who currently views the situation will for a moment claim that the rights of the individual are not being gradually circumscribed, to the destruction of his individual rights, and in violation of the rules of the game of democracy as we believe in it in America.

I took this occasion to see what the books use for synonyms for "waste," and I could not but think, when I read these significant words, how they apply to the recklessness with which we have turned from local self-government to centralized bureaucracy: Prodigality, diminution, loss, dissipation, destruction, devastation, havoc, desolation, ravage.

These words are past as well as prophetic. A strong centralized government of brigandage, with 1 percent of the people in power and one man driving the juggernaut, is making war upon a little, defenseless democracy, and loss, dissipation, destruction, devastation, havoc, desolation, and ravage, those synonyms of

waste, feebly describe the conflict, a conflict not desired by the people of the Russian monster, who are serfs and slaves to a Frankenstein of centralized bureaucracy. I am not going to attempt, Mr. Chairman and gentlemen of the committee, to discuss the merits or demerits of this specific legislation, except to suggest that it is my considered, profound belief that it would be another step in the direction to which we are headed—in my judgment to the detriment of the life of the Republic for the long pull. I think the time has come to stop, look, and listen. I would not presume to advise the wise gentlemen who compose this committee, except to say that unless the proof shows that there is a clear, positive, unimpeachable, overwhelming necessity for this legislation, a necessity based upon our actual, immediate, national peril, that it would be unwise to consider this resolution favorably, except as the very last resort of absolute necessity, for it would inevitably lead in the direction which I have indicated. It plainly plays into the hands of those who believe that the States are and ought to be obsolescent, and that the good of the people demands that all power be centralized in Washington, to the detriment and final extinction of local self-government. With this theory, this philosophy, born, as I believe it is, of the disorganized workings of many confused minds of European dissension, I do not agree. As I said, I am not remotely attempting to be consistent. I hope I have grown wiser as I hope that this small contribution, pointing out some of the definite evidences of this trend, may be useful in the committee.

The St. Lawrence Project an Unneutral and Dangerous International Venture

EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

Mr. HARTER of New York. Mr. Speaker, in the House today I spoke in regard to the St. Lawrence project and urged favorable action on House Concurrent Resolution 48. Under leave to extend my remarks in the RECORD I include the following letter addressed by me to the Honorable Cordell Hull under date of March 18, 1940, his reply being set forth in my remarks to the House:

MARCH 18, 1940.

The Honorable CORDELL HULL,
Secretary of State, State Department,
Washington, D. C.

MY DEAR MR. SECRETARY: I have hesitated for some time to write you concerning your reported letter of March 6 last, addressed to the Honorable CLARENCE E. KILBURN, Member of Congress from New York State, concerning the St. Lawrence project and our neutrality.

Recognizing that it is the primary duty of the executive branch of the Government to safeguard the neutrality of the United States, I am prompted to write this letter.

My understanding of the proposed treaty or agreement with Canada concerning the St. Lawrence project is that it would contemplate the joint construction and maintenance of canals, locks, and other water construction from which claimed additional transportation facilities would be available and from which additional power would be generated.

I am convinced that it is the sincere effort of all Americans to completely maintain the neutrality of the United States during wars in which we are not involved. It is my further understanding that being neutral requires the neutral country to refrain from joint acts with a belligerent when such acts can be construed as being done for the purpose of making that belligerent the better able to prosecute the war in which it is involved. It is also my understanding that in maintaining neutrality, benefits cannot be advanced by the neutral country which are not available for use by the belligerents on both sides, at least in theory.

If we help to finance, construct, and maintain a waterway to facilitate the production and the transportation of war materials and soldiers of one of the belligerents, when its enemy cannot avail itself of such facilities, can such acts be construed as best directed at completely preserving neutrality?

The property of a belligerent state is probably more open to sabotage than is the property of a neutral. How would the neutral position of the United States be furthered if it jointly constructs and maintains with Canada the improvements contemplated in the St. Lawrence project? Where would the point of freedom from possible sabotage end? Would it terminate directly at the point of the international border, or would there be a bare possibility that the so-called neutral's side of the project might be more open to sabotage than would be the case if it were not involved in a joint venture?

The above constitute only a very few of the many complications which come to my mind, and I am sure can be contemplated by you in time of war when two nations are in partnership on such an international project, one of them being at war and the other attempting to maintain its friendly relations with its partner in the international venture and its partner's enemy at the same time.

I am seriously mindful of what I think would result in international complications. That feeling and your letter of March 6, herein referred to, prompts my request for your courteous attention and advice on this most momentous subject.

Believe me,

Respectfully yours.

———.

Also by such leave I include a statement made by Mr. Christy A. Buscaglia before a mass meeting of railroad workers in Buffalo, N. Y., February 19, 1940, as well as a resolution adopted at that meeting:

Ladies and gentlemen, very soon an attempt will be made to visit upon the public in general and the railroad worker in particular a fantastic and preposterous scheme known as the St. Lawrence seaway plan. The proponents of this gigantic hoax have been flooding the country with propaganda for years.

The legislatures of many States, including our own, have appropriated public funds which have been used to delude and to deceive the public. In this way the overburdened taxpayer's money is spent to convince him to spend some more.

The theme song of the proponents is "Bananas will be cheaper, power will be cheaper." In some very mysterious way, which cannot be explained, they tell us that if we spend $500,000,000, we will get the benefit of cheaper food and cheaper power. In fact they claim everything will be cheaper. It is an established fact that it costs more to ship by water than by rail. I repeat, that it costs more to ship by water than by rail. The advocates of bigger and better waterways never include in the cost of shipping by water the enormous share borne by the taxpayer such as the capital outlay to build the waterway, interest during construction, interest on bonds, and cost of maintenance. Thus when you buy bananas you may pay a little less for them at the time of purchase, if they came by water route, but you have not paid the full bill. Later on in the form of taxation the cost of the waterway as well as the maintenance cost will have to be paid. When the proponents cite shipping costs they very cleverly cite the immediate cost. The taxpayer is beginning to consider future and total costs. The proponents have been using the old something-for-nothing argument. That has been overworked and as far as taxpayers are concerned it won't work. They will have to dig up something more original. Every time the taxpayer is asked to spend money he is told that he is going to get something for nothing or at least that something or other will be cheaper.

Years ago when the State of New York built grain elevators at Oswego in competition with privately owned grain elevators they said it would mean cheaper bread. The State-owned elevators have not meant cheaper bread. The St. Lawrence plan will not mean cheaper power, cheaper transportation, or cheaper anything else. It is asinine to spend $500,000,000 on a project which will compete with existing taxpaying transportation facilities. These facilities are more than adequate for present or future needs. The St. Lawrence seaway will mean the loss of thousands of railroad jobs right in Buffalo. Finally, let us consider the threat to our neutrality.

Canada is at war. The power and the waterway will be used to manufacture and to ship food, munitions, airplanes, and war supplies to England. The present plan is to make Canada the arsenal of the British Empire. Munition plants, plane factories, and flying fields will be built and developed in Canada. It is much safer to do these things in Canada than in England, because enemy planes can reach England very easily. Why should our country enter into this plan now when we know that both the power and transportation facilities of the St. Lawrence plan will be used for war purposes. If the letter of the Neutrality Act is not violated, surely the spirit of the act is. By such use of the seaway, England's and Canada's enemies could easily become our enemies. We are practically certain that the seaway will be used for war purposes. It would then be legitimate prey for enemy bombs and sabotage. Such a situation is fraught with danger and must be avoided. The whole seaway scheme smacks of an entangling alliance against which we were warned many years ago.

The mass meeting unanimously adopted the following resolution:

Resolved, That the Railroad Workers' Protective League of Western New York representing approximately 26,000 railroad workers on the Niagara frontier go on record as being emphatically opposed to the St. Lawrence seaway plan, and it is further

Resolved, That our Representatives in Congress be urged to do everything in their power to defeat the plan.

The Buffalo Courier Express of April 2, 1940, in the following editorial, which I herewith include, aptly shows the position of New York State legislators on this project:

NEW YORK IS AGAINST IT

Maybe propagandists for the St. Lawrence seaway power scheme can draw a little comfort from the fact that lack of a senate quorum prevented adoption of the Canney resolution by both houses of the legislature. If they can be comforted by a vote of 97 to 33 against the seaway in the assembly, and one of 19 to 5 against it in the senate, they are welcome to the comfort. If 26 senators, instead of 24, has stayed on the floor in the last-minute rush before adjournment, President Roosevelt's own State of New York would be officially on record against his chimerical St. Lawrence plan.

To all practical purposes, however, the State is on record against the scheme. If a senate quorum had been available, Congress now could be formally notified of the legislature's opposition to the seaway. As matters stand, Congress is informally, but equally emphatically, notified. A 3-to-1 vote in the assembly and a 4-to-1 vote in the senate give fair warning of the overwhelming sentiment of New York State citizens against the St. Lawrence scheme. Members of Congress read the papers.

As Chauncey J. Hamlin, chairman of the Niagara Frontier Planning Board, has pointed out, those two votes in the legislature have exploded St. Lawrence propagandists' oft-repeated contention that, through a carefully concealed joker in legislation creating the State power authority, New York was committed to support of the federally devised seaway power scheme. New York State is against this scheme, and the legislature finally has said so. The technical point of a State senate quorum will not make Members of Congress deaf to the legislature's warning.

The Ontario attorney general indicates definitely the danger of the St. Lawrence project to our neutrality. I include a news item from the Washington Post of April 4, 1940, concerning his speech, indicating quotations therefrom:

ALLIES NEED UNITED STATES AID TO WIN, CANADA TOLD—OFFICIAL SAYS NATION MUST DO ALL IN POWER TO ENLIST SUPPORT

CANNINGTON, ONTARIO, April 3.—The Ontario attorney general, Gordon Conant, today told an audience of farmers and businessmen that it is Canada's duty to "do everything within our power to enlist the active support of the United States in the cause of the Allies."

Saying the success of the Allied cause "may be very doubtful" unless active participation of the United States is made effective at an early date, Conant declared:

"If the United States wants to build the St. Lawrence waterway, by all means let us join them. If they want access to Alaska over Canadian soil, there should be no hesitation in settling the matter. In fact, nothing short of impairment of our status as a sovereign nation would be too much for Canada to offer as a sacrifice on the altar of liberty and freedom.

"The Allies need America. * * * They need even more—the moral and particularly the material resources of our great neighboring republic to the south. * * *

"Every day the United States delays in joining the Allies will only prolong the war and increase the effort and the sacrifice that the United States may yet be called upon to make to save herself from the fate that now threatens all the democracies of the world.

"In the last war their entry undoubtedly turned the scales and resulted in victory which materialized in November 1918. * * *

"A clear declaration of policy at this time, supporting the Allies and declaring it to be the intention of the United States to enter the contest in their behalf, would materially affect the whole situation, probably to the extent of bringing an end to hostilities.

"Surely Germany would see the futility of her mad project. * * * I am confident she would seek an early peace rather than risk the ultimate extermination that would be her fate."

These matters should give sufficient reason why the Foreign Affairs Committee should hold public hearings on House Concurrent Resolution 48. If those hearings are held, I am confident the evidence will be abundant and convincing that this international adventure is not only economically unsound but most dangerous to our neutrality. I include House Concurrent Resolution 48 and urge Congress that its adoption will go far in staying neutral and keeping Uncle Sam's nose out of dangerous conflict.

Whereas the President of the United States has instituted official action directed at consummating a treaty or other agreement between the Dominion of Canada and the United States of America to provide a seaway route from the Atlantic Ocean through the St. Lawrence River, various canals, and the Great Lakes, and to make possible the use of such international waters to provide electricity or other power for the two nations; and

Whereas the President of the United States did on September 5, 1939, duly issue a general proclamation concerning the neutrality of the United States, which said proclamation was extended by a further duly issued proclamation dated September 10, 1939, extending the proclamation of September 5, 1939, to include the Dominion of Canada by reason of that country being unfortunately at war; and

Whereas further proclamations were duly issued by the President of the United States under date of November 4, 1939, carrying into effect, as far as Canada and certain other countries named therein are concerned, the resolution of the second session of the Seventy-sixth Congress known as Public Resolution No. 54 thereof, chapter 2, and described as a joint resolution "to preserve the neutrality and the peace of the United States and to secure the safety of its citizens and their interests"; and

Whereas many business, labor, and governmental leaders of both countries are opposed to the consummation of the treaty or other agreement first above referred to as being inimical to the best interests of such countries and their transportation, labor, and industrial problems; and

Whereas the carrying out of the terms of the proposed treaty or agreement contemplates estimated large joint expenditures of money by the said countries for completing the so-called seaway route and power project in international waters, of which the Treasury of the United States would be obligated for huge expenditures, with credits allowed to the respective countries for canals and other links in the project nationally contemplated; and

Whereas such joint completion would tend to involve financial transactions prohibited under the aforesaid Public Resolution No. 54 and might tend to involve aiding the Canadian Government the better to carry on the war in which it is involved in violation of said public resolution, and the precepts of international law; and

Whereas the relationship between Canada and the United States is most friendly and business is being carried on between the said countries in accordance with such relationship and in conformity with the neutral position assumed by the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Senate and House of Representatives of the United States that the Neutrality Act of the United Etates would be violated by the making of a treaty, or other agreement, between the Governments of Canada and the United States to effectuate the bringing into being of an international seaway route between the Great Lakes and the Atlantic Ocean by means of the St. Lawrence River or otherwise, or the development of electric or other power from any international waters dividing the two said countries as a result of, or as an incident to, any such international treaty or agreement. Such would be opposed to the best interests of the two nations and their respective transportation, labor, and industrial problems and in direct contravention to the expressed terms and intent of Public Resolution No. 54, above referred to, in that such project would tend to involve prohibited financial transactions between the Governments of Canada and the United States and would tend to involve aiding the said Canadian Government the better to carry on its status as a belligerent, so duly proclaimed by the President of the United States. The Congress will refuse to appropriate any moneys to aid in the consummation of the plan or project referred to in this concurrent resolution, and it is the sense of Congress that all negotiations and activities for the furtherance of such plan or project shall be terminated forthwith.

The Poll Tax as a Prerequisite for Voting

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

CHART SHOWING POLL-TAX REQUIREMENTS IN EIGHT SOUTHERN STATES

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I have inserted in the RECORD a chart showing the poll-tax requirements for voting in eight Southern States. These States are Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia.

This chart was entered into the record of the hearings before the subcommittee of the Judiciary Committee in session yesterday by Dr. C. Vann Woodward, of Georgia, visiting professor of history at the University of Virginia.

Poll-tax requirements for voting in 8 Southern States

States*	Percent adults voting in Presidential elections, 1928–32	Payment				Collection		Liability		Illegal payment	Proof of payment at election	Prequisite for public office permits, etc.[3]
		Amount	Cumulative	Highest possible payment	Penalties for delinquency and nonpayment[1]	Due date (for voting)	Enforcement[1]	Period	Exemptions			
Alabama	18.4	$1.50	For entire period of liability (women, 1920).	$36.00	None	Oct. 1 through Feb. 1.	Payment voluntary. Not enforceable.	21–45 years (to be exempt after 45, all taxes for previous period of liability must be paid up).	World War veterans, active members of National Guard and Naval Militia permanently disabled whose taxable property does not exceed $500.	Payment or advance of money to pay in order to influence another's vote is bribery, punishable by 1 to 5 years imprisonment and disfranchisement.	Name on voter's list.	Public office: ces elective offi pri- (for which ld); maries h eap- civil-service pointments.
Arkansas	21.7	1.00	No	[2] 2.00	$1 fine for failure to assess before Apr. 10	Oct. 1	Payment necessary to secure license or permit of any kind and receive remuneration from public funds.	21 or over	Women, not voting.	Unlawful to pay another person's tax to influence his vote and to give or vote on tax receipt not paid for by voter.	Evidence required; i. e., receipt or name on tax collector's certified list.	Public office: Justice of peace; grand jury service; license or permit of any kind; remuneration of any kind from public funds.
Georgia	16.2	1.00	For entire period of liability.	128.87	$1 fine for failure to declare tax before Apr. 20; 7 percent interest after Dec. 20; $1 collection fee for each year delinquent.	6 months before election.	No special enforcement provisions.	21 to 60 years (women from time of first registration).	Blind persons; women, not registered for voting.		Name on tax collector's list.	Public office: All county offices.
Mississippi	14.5	[4] 2.00	2 years	6.00	None	Before Feb. 1 of election year.[4]	Payment voluntary; cannot be enforced by criminal procedure.	21 to 60 years	Deaf, dumb, and blind persons; persons maimed by loss of hand or foot.		Satisfactory evidence (receipt or certificate of exemption required at primaries).	Public office: All elective offices, local and State; jury service.
South Carolina	10.6	[5] 1.00	No	1.05	1 percent (January) 5 percent (March) interest; nonpayment is misdemeanor punishable by $10 costs or 20 days' hard labor.	30 days before election.	Nonpayment is misdemeanor punishable by $10 and costs or 20 days hard labor.	21 to 60 years	Confederate soldiers over 50; women, not voting; persons incapable of earning a living.		Proof must be given; i. e., receipt is conclusive.	Public office: Members of legislature; jury service.
Tennessee	26.7	{ [7] 1.00 [8] 1.00 }	No	2.58	58 cents collection fee and interest after May 1.	60 days before election.	Must be paid before property tax received; part of property tax may be worked out on roads; distress and sale of personal property and garnishment plus fees involved.	21 to 50 years	Deaf, dumb, and blind persons; persons incapable of earning a living; National Guard men, above 50 cents.	Misdemeanor to pay another persons' tax.	Satisfactory evidence; i. e., receipt, affidavit, or name on certified list.	
Texas	27.3	{ [7] 1.50 .25 }	No	1.75	8 percent fine and 6 percent interest after Feb. 1; delinquents subject to 3 additional days of road work, or $3 fine.	Oct. 1 through Feb. 1.	Distress and sale of real and personal property; delinquents subject to 3 additional days of road work or $3 fine.	21 to 60 years	Insane, blind, deaf, or dumb, persons; Indians not taxed; permanently disabled and persons who lost hand or foot; active militia men, above $1.	Unlawful to pay another person's tax; unlawful to issue poll-tax receipts in blank.	Tax receipt must be shown; i. e., or affidavit or certificate of exemption.	Public office: Members of legislature.
Virginia	23.3	1.50	3 years	5.01	5 percent fine and 6 percent interest after Dec. 5.	6 months before election.	Not enforceable for 3 years.	21 or over	Civil War veterans' wives and widows; persons pensioned by State for military services.	Personal payment required; issuance of block receipts unlawful.	Name on county treasurer's list.	Public office: All elective offices.

*See following table:
Average:
38 non-poll-tax States (Louisiana and Florida omitted. These States required poll tax in 1928 and 1932 elections. This requirement has since been abolished. Corresponding figures: For Louisiana, 21.7 percent; Florida, 31.5 percent)..... 68.4
8 poll-tax States..... 19.8

[1] These data were obtained from State law codes and from questionnaires filled out by State officials. They may contain minor ommissions or inaccuracies because administrative practice varies from State to State and county to county and because in some instances the meaning is not clear.

[2] Data incomplete.

[3] This figure represents the $1 tax plus the $1 fine for failure to assess by Apr. 10. Furthermore, in order to vote in both the primary and general elections in any one year, poll tax for 2 years would have to be paid as the tax qualification for voting extends for 1 year only beginning Oct. 1. Payment of as much as $4 might therefore be required in order to vote in both elections in any year.

[4] Additional county levy of $1 permitted. Two or three counties levy it.

[5] To vote in primary, poll tax must be paid annually before Feb. 1 for the previous 2 years.

[6] Not required in primary.

[7] State.

[8] County.

Irish-American Day Address

EXTENSION OF REMARKS
OF
HON. EDWARD J. HART
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 4, 1940

ADDRESS BY HON. JOSEPH P. TUMULTY

Mr. HART. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Hon. Joseph P. Tumulty at the Irish-American Day dinner in Scranton, Pa., last night. Mr. Tumulty is a native of my own city of Jersey City. Though more than three decades have passed since he was a member of the New Jersey Legislature, the high character of his service there is still remembered and discussed by the people of that State. The battle for progressive legislation, which he and a few other brave souls initiated and maintained while members of that body, made possible the election of Woodrow Wilson as Governor of New Jersey. The record Governor Wilson made in that office led to his nomination for the Presidency in 1912. During his service both as Governor and President, Mr. Tumulty served him as secretary. The magnificent service which he rendered the greatest man of our times cannot be discussed here in detail. Suffice it to say that up to this hour no competent critic or unprejudiced voice has denied the intense loyalty or high effectiveness of Mr. Tumulty's service to his chief and to his country.

The address follows:

I don't know why I was extracted from the limbo of utterly forgotten people to address you tonight. Only a good Samaritan like my dear friend, Frank Walker, who, pouring healing balm upon my old limbs, would have brought me to your notice. Your toastmaster's reference to my political past, while flattering to my vanity, calls to mind an association that existed for nearly 13 years between Woodrow Wilson, President of the United States, a Presbyterian, and myself, an Irishman's son.

May I be allowed for a brief moment to raise the curtain of the past, to describe in simple language the reactions that came to me, a young man from the fifth ward of Jersey City, whose father was a Union soldier, when I was invited to be the associate of a man who, in time, became the great war leader and the spokesman for Democracy throughout the civilized world. As the secretary to the President of the United States, I was to act as a sort of a trustee of my people, the Irish-Americans, in the councils of a President. Recognizing my own limitations, fearing the responsibility of the job, and realizing that mistakes of the head would be made, I determined that never would I do or allow anything to be done that would cause a single Irish lad to be disappointed because one of his race stood by the side of a President in the White House. Constantly, I kept this thought in mind until, erected into a principle of action, it became a passion of my life. When I speak of this personal relationship, please don't think of me as an exhibitionist, as one who immodestly points with pride. I merely speak of this to make the point that when one of our race is selected for important office, he becomes a sort of trustee, a precious trustee, the most precious in all the world, a trustee of the hopes, the dreams, the aspirations and the integrity of every Irishman in America. And so when the Irish-American enters Government, he has a solemn duty to perform—never to betray, never to surrender principle to suit the expediencies of the hour, and to stand uncompromisingly for honesty, for sympathy for the less fortunate, and for that high conception of the public ministry that will make him, once he is touched by the spirit of his mission, "a pearl without price as a public servant."

Incidentally may I say that in the selection of one of my race as secretary Woodrow Wilson followed an honorable precedent established by George Washington, Father of his Country, who selected as his secretary an Irish gossoon by the name of Fitzgerald. And then coming to your own State, William Penn, who came to Philadelphia, the cradle of liberty, in the company of Irish refugees, the William Penn who had been jailed in Ireland, and who had promised the right of free religious worship, selected James Logan, an Irishman, as his secretary, who ably governed the colony for 2 years after William Penn's death.

History also tells us that at one time your great State had as its Governor, Patrick Gordon.

Need we be reminded that the most famous corps in the Revolutionary Army was the Pennsylvania Line, and it was so predominantly Irish that it was renamed the "Line of Ireland." Among the blood-stained feet at Valley Forge with Washington were the Irish who, with the beloved Washington, were the victims of want and suffering. In that great crisis of our national life 34 members of the Friendly Sons of St. Patrick of Philadelphia came to the rescue of Washington and contributed over half a million dollars to Washington's already empty treasury.

The Irish served in the Revolutionary Army and served with such valor that Lord Mountjoy, in a speech to the English Parliament at the time of Cornwallis' surrender, said: "England has lost America through the exertions of Irish emigrants."

When General Lee entered Pennsylvania he was turned back at Gettysburg by General Meade, whose grandfather was a Philadelphia merchant and one of the original founders of the society of the Friendly Sons of St. Patrick. In the battle of Gettysburg the Irish Brigade, commanded by Colonel Kelly, stood the brunt of Pickett's charge, and today a monument stands at the Bloody Angle, on which the flag of this Nation and Erin's banner are sculptured.

The following tribute by Meredith Nicholson sums up in a few words the story of Pennsylvania:

"The iron bones of the ponderable earth shook mightily when Pennsylvania was born. No light day's business, the bringing forth of this empire, mountains to rear and valleys to cut; broad rivers to set flowing in generous channels * * * Scratch the crust and you may kindle the world's hearth; scatter seed, and the fields were never so green. Fortunate Nation this to have so secure a keystone in the arch of States. The spirit of pioneers gaze down in pride on the teeming valleys. You, sober ones of the broad brims * * * and you in whose blood the Scottish pipes skirl, and in whose heads is the wit of Irish mothers, no land has ever received sounder or saner pilgrims. And you, too, plodding Dutchmen, you are not so dull or slow after all, but wise in your sowing and reaping. And call the roll of names dear to the Welsh stock, and mark the lusty response. The soundest race stocks in the world are planted here."

Irishmen have hated the chains of slavery through the centuries so much that the soil of many lands is incarnadined with their blood in the magnificent efforts they made to strike the chains of slavery from the limbs of the oppressed of every land. The thing they coveted most—liberty—they were unable through cruelty to secure for themselves, but their sacrifices in blood and sorrow made it possible for them to assure liberty to others.

Why, there is not a nook or cranny in all the world where there is not some evidence of the beating of an Irishman's heart for freedom. An Irishman will travel anywhere for a fight. While America has had its Kellys and its Burkes and its Sheas, other countries, too, have felt the sympathies of Irish heroes. The Irish have fought and won the battles of every country but their own. Three million sons of Erin are buried on the battlefields of foreign lands, while 500,000 Irishmen fell in France during the Great War.

All the heroes of South America seem to be Irish. McKenna, O'Higgins are sacred names in Chile. O'Connell is the hero of Venezuela and lies by the side of Bolivar in the Pantoon Nacional in Caracas. O'Leary is Columbia's hero. Cubans name their streets after O'Reilly, and one of the finest Presidents of Mexico was Obregon, which is the Mexican way of spelling O'Brien; and the greatest President France ever had was an Irishman—Patrick McMahon.

There is plenty of evidence to show that the man who first discovered America was an Irish monk by the name of Brendan. It is recorded in the archives of Ireland that he sailed from Kerry with 60 men in the year 585 and landed here 900 years before Columbus. He landed on the shore of Newfoundland and called it New Found Land, the land of promise.

Even in faraway Annem, in Indo-China, there is a temple erected to "The Fighting Irishmen." On the banks of the "River of a Thousand Names" there is a huge pagoda erected in honor of Pat McCarthy, an adventurous soul from Dublin. He became such a hero in the Orient that Emperor Kian Long, of Annam, adopted him as his own son, and when McCarthy died he was made a saint.

The mother of President James Madison, Nelly Conway, was born in Ireland. The father of President Andrew Jackson was an immigrant from Ireland, a native of Carrickfergus, County Antrim. Vice President John C. Calhoun's father was an Irishman and his mother of Irish descent. Vice President George Clinton, first Governor of New York, was the son of an Irishman, Charles Clinton. Commodore Oliver Hazard Perry, hero of Lake Erie, got his inbred zeal for the profession of arms from his mother, Sarah W. Alexander, native of Newry, Ireland, who fitted him "to command others by teaching him early to obey." He received his early education from the famous old master, Kelly, an Irish schoolmaster in Rhode Island. Most of Washington's generals in the Revolution were of Irish descent, and some of the best were native-born Irishmen. Christopher Colles, a famous engineer from Ireland, taught the Continental Army how to shoot. There were a number of Irish descent in the Continental Congress, and some of the most prominent were born in Ireland. Gen. William Irvine, a native of Enniakillen, Ireland, was a brilliant leader in the Revolution, a Member of the Continental Congress, and of Congress. Col. Charles Stewart, born in County Donegal, Ireland, served on Washington's staff and was a Member of the Continental Congress.

In the Life of Peter the Great, by John Lothrop Motley, I found the following:

"Upon his return through Vienna, where he was entertained with great pomp, he received news of an insurrection which had broken out in Moscow, but which had already been suppressed by the energy of Gen. Patrick Gordon."

The very songs they sing and the very music they play somehow contains the heartbeats, the sobs, and the story of Ireland's struggle for liberty:

"She sings the wild songs of her dear native land,
Every note which he loved awaking;
Ah! Little they think who delight in her strains,
How the heart of the minstrel is breaking."

The beatings that they have received through the centuries seem but to open up their hearts to an understanding of and sympathy for the trials and tribulations of others. Indeed, oppression merely brought forth from their poor hearts the deep harmony of melody and mirth.

And yet they can smile. Indeed, one of the distinguishing characteristics of the Irishman is his ability to smile through his tears. I wonder what is the reason. I think I know. He lives in the present but his faith reaches out to the future, to the far distances. He sees off there the everlasting hill, Mount Shasta, Eternity, snow-capped, in the distance.

Kathleen Norris in an article, Why I Love the Irish, says:

"Emotional, generous, affectionate, eloquent—the Irish have something to contribute to the great melting pot that is our country. Without them America might be a slightly more orderly and silent place, but what a dull place it might be, too. A race that teaches love of God and home and mother has its work to do in today's America. Children, home, prayer, struggles—however stumbling, however ineffectual—toward goodness, character, and family unity, these are Irish ideals."

The real Irishman exemplifies in his life this noble ideal: "Give to every other human being every right you claim for yourself." There is nothing so abhorrent to an Irishman as intolerance. This noxious seed planted in the soil of his own land, denied him liberty and freedom for generations. Being its victim, the sons of Ireland loathe, hate, and despise it.

Indeed, there is only one thing that an Irishman is intolerant of, and that is intolerance. I remember my father saying that he never inquired of the race or religion of the man fighting with him in the trenches. All he wanted to feel was the warmth of his shoulder alongside of his. And, so, in this country, we must never make a point of a man's religion. In my own State of New Jersey, with a preponderant Catholic population, we have never had an Irish-Catholic Governor, nor have the Irish voters there insisted upon that as a sine qua non, nor have they ever complained.

One of the greatest gifts of the Irish to America is something that cannot be measured by the coldly logical standards of the times in which we live. Poor though he was, a member of the torn and tattered battalion which fights for liberty until he dies, his contribution to this country was nothing material, nothing that smacks of money, wealth, or power. No; he brought not wealth to America but something more precious. He brought that fine imponderable, mysterious, incalculable, altogether lovely thing—his faith in God—and forever clad in the shining armor of that faith, he has retained it throughout all the years until that faith has blossomed, bringing forth saints and scholars who fill the land with renown and learning and sanctity.

With threats of communism and socialism, the bitter fruitage of paganism, about us, we must never forget that Ireland was a pagan nation when St. Patrick came to it and before his eyes were closed in death, he saw the transformation completed from paganism to Christianity. Historians say that St. Patrick's work was easy, his victory was complete, that at the gentle touch of St. Patrick, Ireland, from end to end, bowed to the Cross, accepting the message of the Gospel.

Someone has said that what is easy to learn is easy to forget, but it is the contradiction of this which makes the history of Ireland all the more remarkable.

Sometimes it is said by the critics that Ireland is a nation of dreamers—inconstant, incapable, impossible; that they are impractical. Yes, they were dreamers but they were dreamers who went forth to plant the cross and build the schools on the plains of Brittany and on the banks of the Rhine and on the slopes of the southern Alps. Let us never forget that we are the inheritors of dreams and the faith of those who went before, and that we followed the Greatest Dreamer of all, the Man who went to Calvary, and there was crucified by those whom he sought to save. These dreamers did not fear the hatred of England. They are dreamers still and their dream is for the survival of justice and the survival of Christianity.

We congratulate ourselves that the race of Ireland is not yet run; that its history has not yet been fully written, for strong in the strength of its 1,500 years of civilization, in its constant battle for freedom, the Irish race is ready for the contest that lies before it—that conflict between the forces of paganism and the forces of Christianity. When paganism threatens the ramparts of American freedom, then these dreamers will arise to strike again and challenge materialism by lifting again the cross above our hearts and homes.

I think the Irishman's answer to the things of life can be found in the following lines:

"To sing, to laugh, to dream,
To walk in my own way and be alone,
Free, with an eye to see things as they are,
A voice that means manhood—to cock my hat
Where I choose—at a word, a yes, a no,
To fight—or write. To travel any road
Under the sun, under the stars, nor doubt
If fame or fortune lie beyond the bourne—
Never to make a line I have not heard
In my own heart; yet, with all modesty
To say, 'My soul, be satisfied with flowers,
With fruit, with weeds even; but gather them
In the one garden you may call your own.'
So when I win some triumph, by some chance,
Render no share to Caesar—in a word,
I am too proud to be a parasite,
And if my nature wants the germ that grows
Towering to heaven like the mountain pine,
Or like the oak, sheltering multitudes—
I stand, not high it may be—but alone, yet free."

Prohibition of Subversive Political Parties on the American Ballot

EXTENSION OF REMARKS
OF
HON. CLARENCE J. McLEOD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 4, 1940

Mr. McLEOD. Mr. Speaker, I wish at this time to call attention to House Concurrent Resolution 55 which I introduced March 19 this year, and which recommends to the States the enactment of specific legislation prohibiting the names on the American ballot of "any political party or organization which advocates the overthrow by force of the form of government of the United States established by the Constitution."

Thus, for the first time, the Congress of the United States has before it an instrument that strikes vitally at what, in my opinion, is the greatest menace that has confronted this Republic since that day when the founding fathers declared America to be the home of liberty.

But what crimes are committed in the name of liberty! For, under the very slogan of liberty, closely knit, highly disciplined, tirelessly malicious organizations, protected by our system of suffrage, have the right to stealthily scheme against those institutions which are the guardians of the beloved liberties of us all. Years ago, in a great crisis, when anarchy threatened a whole community, that wise, taciturn, patriotic American, Calvin Coolidge, declared, "No man has the right to strike against the public safety anywhere, any time."

I now solemnly declare in this crisis that no man, through the ballot or by any other means, should have the legal right to strike against the American form of government, which is the common, cherished property of all of us.

I yield to no man in my love of human liberty. I glory in that broad tolerance which permits in this great land of ours that freedom of religious and political thought which has made America the one great haven of freemen of many faiths and of many moods of thought.

However, liberty is not license. The enjoyment of liberty incurs obligations. And I believe the Congress of the United States will shirk its obligations if it does not right now face the realities of this menace which today undermines our free institutions. Shall we sit here supinely while these villainous sappers plant their explosive propaganda under the very foundation of our Government?

Under the guise of liberalism, I should say ultra-liberalism, many of my colleagues, I fear, have failed in the stern duty that the oaths of our office place upon each and every one of us. Can we say that we are upholding the Constitution

of the United States if we stand idly by while an organized party openly holds nominating conventions, brazenly electioneers, and legally moves to the ballot box with the avowed purpose of destroying that Constitution?

Can we claim to be the gallant protectors of the fair form of Liberty if we close our eyes while gangs of depraved political perverts basely defile her?

The open, seditious action of the communistic organization, claiming to operate as a political party, its utter disregard for American laws and institutions; its undeniably close affiliation with the Stalinist regime in Red Russia, which frankly declares its purpose is the overthrow of all capitalist governments, calls for immediate and concerted action.

The distinction between the right to advocate in an open and academic manner the doctrines in which we believe, and the right, which is not a right under any reasonable interpretation of our Constitution, to preach and plan the abolition of our republican system of government by sword and fire, is sharply defined in the minds of every right-thinking American.

While the Communists and their fellow-traveler organizations label themselves a party, they are not political entities in the American sense of the word. They seek not the approval of the majority by parliamentary or constitutional means. They seek only to make the citizen a slave of the state through bloodshed and political extortion.

Communism teaches that the world must be forcibly reformed by a revolutionary leveling process. Instead of striving to advance or permit the individual to advance through progressive thought and action, the Communist would pull civilization down to his own subterranean level.

In cognizance of this political disease which threatens to spread throughout the life-giving tissues of this Nation's body-politic, I have introduced House Concurrent Resolution 55. This measure, the first of its kind, should also be the first step in a Nation-wide program to keep political renegades from furthering their base theories through the use of the American ballot. It should be the keystone of a campaign to keep America's institutions safe for Americans.

Every day, heinous organizations are springing up under a cloak of secrecy whose ideologies are in direct contrast to our constitutional government. It is not enough that we take pride in this country of ours. It is the common fate of the indolent to see their rights become a prey to the active. We can unknowingly surrender our rights to these offensive malcontents until the day arrives when we awake to realize, too late, that liberty is gone and we are no longer the masters of our destiny.

When William Z. Foster was a communistic candidate for the Presidency of the United States, he declared:

> Our party creates no illusion amongst the workers that they can vote their way to emancipation. * * * On the contrary, we must utilize this campaign to carry on widespread and energetic propaganda to teach the workers that the capitalist class would never allow the working class peacefully to take control of the state. It must build a new state, a new government * * * the soviet government in the United States. When a Communist heads a government in the United States—and that day will come just as surely as the sun rises—that government will not be a capitalistic government, but a soviet government, and behind this government will stand the "red" army to enforce the dictatorship of the proletariat.

When we read these combative lines, it becomes only too evident that my call for positive action against these revolutionists must be answered with equally aggressive proceedings. Communism is a philosophy of destruction—a doctrine of discontent. It is a political Frankenstein which tramples human rights beneath the foot of despotism. We must meet its animalistic tactics with specific action.

There is, my colleagues, a time when a bold operation upon a malignant tumor will save life. There is a time when the faintest flicker of flame, if noted and acted upon, can be traced to its source and safely extinguished. Unheeded, there comes in a few swift moments the time when the conflagration is unquenchable. Often there is the opportune moment when the first small trickle in a threatened dike can be effectively dammed. This moment ignored and a devastating flood inundates the land.

Too long have we temporized and talked and talked and temporized. Let us pass this resolution and face elections knowing full well that this Nation's elective offices will be filled with true Americans and not agents of destruction. Let us act on this resolution now. Tomorrow may be too late!

Polish Relief

EXTENSION OF REMARKS

OF

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

RESOLUTIONS OF THE UNITED POLISH RELIEF COMMITTEE OF NORTHAMPTON, MASS.

Mr. CLASON. Mr. Speaker, under leave to extend my remarks, I wish to include the following resolutions of the United Polish Relief Committee of Northampton, Mass., as follows:

Resolved, That we, assembled here this Wednesday evening, March 27, 1940, in Northampton, Mass., as American citizens, in accordance with American ideals and traditions, hereby petition our President, the Honorable Franklin Delano Roosevelt, the Congress of the United States, both Senate and House of Representatives, to support and have Congress make the necessary appropriations for Polish relief and to take steps officially to answer the cry of distress and pleas for help of millions of suffering people of Poland now temporarily in the toils and grip of the German Nazi and Russian Soviet invaders; and

Resolved, That our United States Government hasten in bringing aid and relief to the suffering innocent people in Poland and to the refugees and exiles therefrom in other countries in order to save the lives of men, women, and children in accordance with the traditions of America and the soul of the American Nation, with the dictates of humanity, civilization, and the law of God; and

Resolved, That the aid and relief from our American Government, as well as all other aid and relief of the various humanitarian agencies of America, be distributed by Americans, and that it be carried on under American supervision in accordance with precedents and justice; and

Resolved, That we hereby further petition our Government to see to it that all aid and relief from America for the suffering and needy people of Poland is carried on, distributed, and supervised by Americans for the benefit of Poland and not their enemies and invaders; and

Resolved further, That we hereby solemnly pledge our continued aid and support to the cause of giving aid and relief to the suffering, needy, and distressed people of Poland until they are again free and independent, and are, with other free and civilized people of the world, permitted to carry on their mission for the benefit of freedom, humanity, civilization, and peace.

The demonstration at which the foregoing resolutions were presented and adopted was under the auspices of the United Polish Relief Committees permits 1 and 95 of Northampton, Mass., which represent the now combined large organizations of Americans of Polish ancestry, Polish National Church, its organizations, Polish National Alliance group 1168, Polish-American Citizens Club, Polish Veterans Post 91, Casimir Pulaski Society, and others in the work of raising funds for helping the cause of Polish relief.

Ignace Kuczynski, chairman of the Relief Committee, presided, and Attorney Charles Kulikowski, Rev. J. Zielinski, Martin Paddock, and W. Szewczynski, president of National Alliance District, delivered addresses at the demonstration. Upon motion made and seconded without a dissenting vote, the foregoing resolutions were presented and read, adopted unanimously by the whole assemblage.

Respectfully submitted for your kind consideration and action, by direction of the mass meeting and by order of various Polish-American organizations for them and in their name.

IGNACE KUCZYNSKI,
Polish National Alliance.
MARTIN A. PADDOCK,
Polish-American Citizens Club.
JOSEF ROZIKY,
Polish Veterans Post.
KONSTANTY KROWCZYNSKI,
Casimir Pulaski Society.
ANTONI TOMASZENSKI,
Polish National Church.

Roads and the National Economy

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

SCRIPT OF RADIO DISCUSSION OF HIGHWAY LEGISLATION

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to have printed in the RECORD the script of a discussion of pending road legislation, participated in by Hon. JESSE P. WOLCOTT, of Michigan, ranking minority member of the House Roads Committee; Mr. Charles M. Upham, of Washington, D. C., engineer-director of the American Road Builders' Association, and myself, broadcast over the red network of the National Broadcasting Co., on the evening of March 22, 1940.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

MAN. I am an American highway user.

WOMAN. I also use the roads and streets of the Nation.

MAN. In common with 30,000,000 Americans, I own and drive an automobile.

WOMAN. Like other highway taxpayers, I own the greatest road system of all time.

MAN. One-third of the world's total.

WOMAN. Over 3,000,000 miles of primary and secondary roads.

MAN. Worth $30,000,000,000.

WOMAN. Providing employment for 6,000,000 Americans.

MAN. The news by radio and press constantly refers to the master roads and interregional highways planned for an early American tomorrow. But I am authoritatively informed that more than 100,000 miles of our primary highway system are obsolete, that traffic is daily increasing on our already congested roads, that 10,000,000 more motor vehicles will be added to the 30,000,000 already on the roads within the next 10 years.

WOMAN. What are the road builders of America doing to solve this vital problem?

MAN. How are our Federal, State, and local governmental road agencies planning to improve this deplorable condition?

ANNOUNCER. Tonight this national economic problem will be considered—solutions will be suggested. Here in the studios of the National Broadcasting Co. at Radio Center in Washington, D. C., are three of the Nation's top-ranking highway authorities. They represent the United States House of Representatives and the American road-building industry and profession. They are Congressman WILBURN CARTWRIGHT, Oklahoma Democrat, and chairman of the House Roads Committee, which formulates Federal-aid highway legislation; Congressman JESSE P. WOLCOTT, Republican of Michigan and ranking minority member of the Roads Committee, and Charles M. Upham, engineer-director of the American Road Builders' Association, the Nation's largest organization of highway planners, builders, administrators, and educators. Mr. Upham will interview Congressmen CARTWRIGHT and WOLCOTT on the subject of roads and the national economy.

Mr. UPHAM. The watchword of this session of Congress seems to be "economy." Reduced authorizations for certain Federal expenditures are under consideration. Congressman CARTWRIGHT, you're chairman of the House Roads Committee and an authority on highway legislation. Do you think Federal-aid authorizations for continuing our highway program will be affected? Will there be reductions?

Mr. CARTWRIGHT. No. Mr. Upham, I don't think so. I certainly hope not. The House Roads Committee—before which you appeared in behalf of the American Road Builders' Association—recently completed 3 weeks of public hearings on a bill that I introduced on January 15. This bill will soon be reported to the House of Representatives. If it is enacted, it will authorize the continuation of Federal aid for highways for the fiscal years 1942 and 1943. Many of the Nation's outstanding highway engineers and officials testified during the committee hearings. I expect my committee to tender a favorable report to Congress.

Mr. UPHAM. I understand that the amounts the committee will recommend to be authorized haven't as yet been definitely determined.

Mr. CARTWRIGHT. No; they haven't, Mr. Upham. But they will probably be about the same as those authorized for the fiscal years 1938 and 1939.

Mr. UPHAM. Will you review those amounts?

Mr. CARTWRIGHT. For each fiscal year they totaled $238,000,000.

Mr. UPHAM. For what types of highway projects, Congressman?

Mr. CARTWRIGHT. For primary roads, farm-to-market roads, highway-railroad grade-crossing elimination and protection, forest roads, and roads through public lands, national parks, and Indian reservations.

Mr. WOLCOTT. Pardon my interruption, gentlemen, but we may be hitching the cart before the horse.

Mr. UPHAM. In what way, Congressman WOLCOTT?

Mr. WOLCOTT. It is possible that some of our listeners are not familiar with the term "Federal aid for highways." Would not it be a good idea to offer a definition of our subject before we analyze it?

Mr. UPHAM. I agree, Congressman WOLCOTT. Would you undertake that definition for us?

Mr. WOLCOTT. Gladly. It is simple enough. Federal aid for highways means that the Federal Government will match, dollar for dollar, the money that the respective States expend for highway construction on the Federal-aid systems. The Federal Government pays half; the State pays half. These Federal funds are administered by the State highway departments, under the supervision of the United States Public Roads Administration. In this relation, I want to point out a fact that is apparently unknown to many of our people. Although Congress appropriates Federal aid for highways, we have no say-so whatsoever as to where, or when, the States and counties build roads. We cannot say a road will be built here or there or anywhere. And the only obligation that the States have to the Public Roads Administration, in order to receive matching Federal funds, is that they route their primary highways as parts of a national system, for the benefit of the entire Nation. These highways must, of course, be planned in accordance with the high standards of modern engineering design specified by the Public Roads Administration.

Mr. UPHAM. In other words, neither you nor Congressman CARTWRIGHT have any jurisdiction over highway location and construction projects—even in your own districts?

Mr. WOLCOTT. Road building is entirely a matter of State and local administration. Federal politics have absolutely no bearing on the building of roads. Now, returning to the explanation of Federal aid for highways, these laws have been called the Hayden-Cartwright Road Acts since 1934. They are named for their coauthors, Congressman CARTWRIGHT, who is with us this evening, and Senator CARL HAYDEN, of Arizona.

Mr. CARTWRIGHT. The first Federal-aid-for-highways act was, however, passed in 1916. The Nation then had only three and one-half million motor vehicles. Today, more than 30,000,000 roll the roads. Automobile registration has increased at an average rate of more than a million vehicles a year. In 1916, the United States Congress had the vision to anticipate the terrific demand that was to be placed on the American highway system.

Mr. WOLCOTT. The Hayden-Cartwright Acts are a continuation of the original act passed in 1916—a continuation and a revision to meet America's ever-changing road problems.

Mr. UPHAM. And the pending road bill, Congressman CARTWRIGHT—the present bill soon to be reported to Congress—will you please describe it for our audience?

Mr. CARTWRIGHT. Provisions of the bill are similar to those of the Hayden-Cartwright Act of 1938, which authorized appropriations for eight regular road-building programs for the fiscal years 1940 and 1941. The bill, if passed, will authorize appropriations of Federal funds to be matched by the States and to be expended on primary and farm-to-market roads. These farm-to-market roads include rural-free-delivery routes and public school-bus roads.

Mr. UPHAM. Over 60 percent of America's 30,000,000 farm folk live on unimproved dirt roads. Many of these dirt roads are impassable in bad weather. That is correct, is it not, Congressman WOLCOTT?

Mr. WOLCOTT. It is, to the best of my knowledge, Mr. UPHAM.

Mr. CARTWRIGHT. There is strong sentiment for an increase in appropriations for farm-to-market roads. This matter is yet to be settled. I base my conclusions on conditions in my own State of Oklahoma. When I am at home, I travel a great deal. I know what roads mean to my people who live in the country. They depend on roads for their livelihood. Roads enable them to transport their farm products to market. Their children depend on good roads to get an education at urban public schools.

Mr. UPHAM. You believe, then, that the secondary roads in Oklahoma could stand improvement?

Mr. CARTWRIGHT. A lot of improvement. There are 91,000 miles of officially designated county roads in my State. Only 238 miles of these country roads have been improved to a high standard. And 20,000 miles of county roads in Oklahoma are classified as unimproved. They are not even earth graded. I use my State as an example because I see conditions there at first hand. But I know that there are a million miles of county and township roads in the Nation as a whole that are unimproved. Another million miles are badly in need of further improvement.

Mr. WOLCOTT. It is not only a question of rural roads. Our vast system of primary highways is in need of modernization. Mr. Upham, you've been chief engineer for several State highway departments. You supervised construction of the Pan-American Highway in Mexico, which will eventually link North and South America. You represented the United States Government at the International Road Congress at The Hague before the outbreak of the war. What is your opinion of our primary highway system?

Mr. UPHAM. Well, Congressman WOLCOTT, we have the world's greatest. I know that. But the record shows the inescapable fact that over 100,000 miles of our main highways are obsolete. The record proves that motor-vehicle output is rapidly outpacing highway construction. Automotive statisticians have released figures that prove that American highway traffic will double in the next 20 years. The majority of today's roads were built for the traffic of 15 and 20 years ago. They do not adequately accommodate the traffic of 1940. Automobile speeds have increased from 20 and 30 to 60 and 70 miles an hour. Engines are high-powered; bodies streamlined. Most roads were not designed for such speeds.

It is urgent that our highway system be modernized—that our roads be reconstructed in keeping with modern standards of design to meet the heavy demands of present-day high-speed traffic. As a highway engineer, I estimate that a properly designed, up-to-date, adequate highway system will result in a 50-percent decrease in traffic-accident fatalities. The vital importance of this estimate is testified to by the enormous American highway-accident toll. Each year accidents involving motor vehicles account for 35,000 deaths, 90,000 permanent disabilities, and 1,200,000 personal injuries. To sum up, the most expert of the Nation's highway engineers know that road building has lagged behind traffic requirements.

Mr. WOLCOTT. This was brought out in testimony presented before the House Roads Committee by national highway and traffic authorities such as yourself, Mr. Upham.

Mr. CARTWRIGHT. We also have facts gathered by the various State highway departments and the Public Roads Administration.

Mr. UPHAM. You refer to the State highway planning surveys, Congressman CARTWRIGHT?

Mr. CARTWRIGHT. Yes, Mr. Upham. The surveys made by the Public Roads Administration in cooperation with the 48 States and the Territories. Preliminary results of the surveys were assembled in a report called Toll Roads and Free Roads. This report was transmitted to Congress last spring by the President of the United States. It demonstrated that the facts you just presented are true. A system of interregional highways, linking centers of industry and population, is proposed as a partial solution. These highways will eliminate traffic congestion in and near large cities. The interregional system will represent only 1 percent of the Nation's total road mileage, but it will carry 12.5 percent of our traffic.

Mr. UPHAM. Getting back to the pending road bill, what other provisions are made, Congressman WOLCOTT? Federal aid for primary and farm-to-market roads has been mentioned.

Mr. WOLCOTT. The bill also calls for appropriations for the construction and improvement of roads in national forests and parks, Indian reservations, and roads through public lands owned by the United States Government. A section of the bill provides for the continued elimination and protection of highway-railroad grade crossings, focal points of many horrible accidents. Funds for grade-crossing elimination and protection, as you know, do not have to be matched by the States.

Mr. CARTWRIGHT. There is one important new provision in this bill as introduced. I refer to title II, which is designed to aid the States and municipalities to acquire needed highway rights-of-way.

Mr. UPHAM. I can readily understand the great need for Federal help with this problem if it can be satisfactorily worked out, Congressman CARTWRIGHT. The acquisition of rights-of-way is perhaps the most serious handicap that many States and cities face in the execution of their road-building programs. The cost of rights-of-way for some urgently needed highway projects exceeds the cost of construction.

Mr. CARTWRIGHT. Title II gives a special authorization to the Reconstruction Finance Corporation to make loans to States, municipalities, and other public bodies for the purchase of highway rights-of-way. These loans would be repaid with interest over a period of years. They could only be made at the request of a State highway department and with the approval of the Commissioner of Public Roads.

Mr. UPHAM. I think, gentlemen, that your necessarily brief explanation of Federal-aid highway legislation has clarified the subject for many of our listeners. Congressman CARTWRIGHT, you expressed the belief and hope that Federal aid for highways will be continued. Would you mind telling us your reasons?

Mr. CARTWRIGHT. Not at all, Mr. Upham. For one thing, the Federal Government collects over $300,000,000 a year in highway-user taxes, such as the Federal gasoline tax of 1 cent a gallon. It is only logical for the highway user to receive a return on his investment. It is only reasonable that the money he pays be used to keep the highways up to date and safe.

Mr. WOLCOTT. Another element to consider, Mr. Upham, as a reason for not curtailing our highway program, is unemployment. Government experts tell us that nearly 10,000,000 Americans are out of work. Now, we know that 1 out of every 7 persons in this country are employed in the business and industry of highway transportation. We know that no other single enterprise provides as many jobs as the business of administering, surveying, building, repairing, and maintaining highways. Then, too, many large industries and many small businesses depend, directly or indirectly, upon road building. The money spent on American highways, in large parts, flows back into the channels of American trade.

Mr. UPHAM. A speaker at the recent Chicago Road Show-Convention of the American Road Builders' Association was General Stanley H. Ford. More than 40,000 road builders from all over the world attended this exposition and many heard General Ford say, "Roads rank in importance with the soldier and his weapons as elements in the national defense." General Ford was an official spokesman of the United States War Department.

Mr. CARTWRIGHT. That is just another reason for continuing Federal aid for highways, Mr. Upham. Our Army, as armies go today, is small. But to increase its size to compare with the armies of some nations of Europe would be tremendously expensive. The answer to adequate preparedness lies in swift mobility and rapid concentration of fire power. So the Army is becoming more and more mechanized and motorized. It is mounting rubber-tired wheels. The importance of good roads to the United States Army and to the success of national defense is obvious. However—and I wish to strongly emphasize this fact—there are no military roads, as such, in the United States. War Department officials have repeatedly told State and Federal road officials that the highways which must be constructed for commerce and national development will, in general, be identical with those required for military purposes. Army officers tell us that a general network of good roads connecting important depots and mobilization and industrial centers has more strategic value than transcontinental roads that merely cross the country from coast to coast or from north to south. This is in line with the interregional system recommended by the Public Roads Administration. I want to say again that highways built for peacetime purposes will serve the needs of our national defense.

Mr. UPHAM. Thank you, gentlemen, for your very interesting views on Federal highway legislation. I also want to thank the National Broadcasting Co. and the many cooperating stations of the Nationwide N. B. C. red network for time graciously allotted to us on the air.

ANNOUNCER. Charles M. Upham, engineer-director of the American Road Builders' Association, Washington, D. C., has interviewed Congressman WILBURN CARTWRIGHT of Oklahoma, chairman of the United States House Roads Committee, and Congressman JESSE P. WOLCOTT of Michigan, ranking minority member of the Roads Committee. Their subject was Roads and the National Economy. Free copies of Roads and the National Economy may be obtained by writing to the American Road Builders' Association, Washington, D. C.

Bishop Corrigan

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 4, 1940

EDITORIAL FROM THE PHILADELPHIA PUBLIC LEDGER

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Evening Public Ledger of Philadelphia for April 3:

[From the Philadelphia Public Ledger of April 3, 1940]

BISHOP CORRIGAN

Consecrated Titular Bishop of Bilta, which first appears in Catholic Church records in 256 A. D., the Most Reverend Joseph M. Corrigan, rector of the Catholic University of America, remains typically Philadelphian. He has a sense of American history.

Amid the impressive ceremonies in the National Shrine at Washington yesterday American history played a role.

Placed beside the main altar was a simple wooden altar used for many years by the Most Reverend John Carroll, D. D., first Catholic Bishop in the United States.

Bishop Carroll was responsible for the area now comprising the Archdiocese of Philadelphia, but Bishop Corrigan was conscious of a much more direct link. Bishop Carroll, a cousin of Charles Carroll, of Carrollton, the signer, played a part in the Revolution.

Benjamin Franklin selected the then Father Carroll to join him on the diplomatic mission to Canada. This mission failed, but Father Carroll was able to provide much more direct assistance when Franklin went to France to play a fateful role in the Revolution.

Thus, Bishop Corrigan, once a student in Rome, and now an educator in Washington, remains a Philadelphian in his appreciation of America and democracy. In constant demand as an orator because of his crisp and witty style, Bishop Corrigan campaigns effectively for "God in Government."

His compaign is obviously arrayed against foreign isms which strike alike at the basis of all religion and the essential American liberties. Americans of all creeds share his views on this vital point and Philadelphians will feel his is an honor well placed.

A Clear-Cut American Program for Domestic and International Conduct

EXTENSION OF REMARKS
OF
HON. ANDREW C. SCHIFFLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 4, 1940

Mr. SCHIFFLER. Mr. Speaker, every American from past experience knows the horrible suffering, loss of life, and terrific cost of war. Every sensible American is determined that we shall not again participate in such a useless holocaust. This determination has been thoroughly expressed throughout the length and breadth of our Nation by all of our people, irrespective of lineage, religion, or class. It is the firm resolution and devout prayer of the vast majority of the American people that we do everything possible to fortify ourselves against war again involving our Nation. The people are firm and determined that their leaders shall do everything possible to protect our constitutional Government and our political system as well as to bulwark our economic system against the repercussions that are now, or hereafter will, come from war from other parts of the world. There is also a constant demand that we intensify our military preparedness and do so solely for defensive purposes. If the leaders in charge of our Government are sincere in their wishes to carry out the will of the people, and it is unreasonable to assume that they can successfully do otherwise, their efforts will be directed toward:

First. An intensification of the study of American political principles, and a firm determination to preserve and perpetuate the Constitution of the United States, and a sound and progressive Government administered strictly in accordance with the fair interpretation of that Constitution.

Second. An immediate and consistent effort to secure a prompt solution of our domestic economic problems and the wholehearted efforts toward eliminating unemployment, providing for the distressed farmers, and by earnest efforts to economize and eliminate waste in Government, thereby affording necessary and urgent relief to the taxpayers of our Nation and encouraging industry to move forward and cooperate in obviating unemployment and in aiding the distressed farmer.

Third. By taking adequate protective steps against the repercussions that are now coming from a new world-wide condition caused by the war, and by protecting America against world-wide cutthroat competition that will certainly follow at the conclusion of the war.

Fourth. By the immediate building of a strong, well disciplined, and efficient Navy, Army, and Air Force, as well as their necessary auxiliaries solely for defense purposes.

Fifth. By the immediate disengagement from all foreign engagements and agreements that now tend to disturb and disrupt our national life, violate our strict neutrality, and will inevitably involve us in a disastrous war.

In this connection, it is appropriate to suggest that there should be immediately instituted a prompt and searching investigation conducted by the executive department, into the activities of the diplomats and representatives of this Government in all foreign countries; that those found guilty of serious breach of duty be promptly recalled.

It is imperative that the duties and the responsibilities of our representatives abroad be accurately defined to them and strict adherence to such be required of each of such representatives. Utterances intending to inaccurately reflect the true sentiment of this Government or to convey erroneous impression as to the will of the people of this Nation are absolutely inexcusable and warrant immediate dismissal from service. The United States is not a participant in any war and is resolved that it shall not be except upon actual and threatened invasion. It has statutes defining and outlining its neutrality, and it is a solemn obligation of each of its representatives abroad to clearly and fairly interpret and execute such statutes in the discharge of their official duties. This is a Government of the people, by the people, and for the people, and no clique or group, notwithstanding what their private opinions may be nor what high position they may occupy, have a right to contravene the will of the people. It is a sacred obligation to execute the will of the people.

It is time for a stringent policy to be inaugurated—a policy clearly defining our attitude and inclinations on matters abroad and one that shall be rigidly enforced, typically and wholly American, not selfish nor short-sighted, but in righteous preservation of Americanism and of the American Republic.

We as leaders have this obligation to our people and to posterity. None can avoid it. We must all courageously meet it, bear our responsibility, and give of our best service in pursuit of the fundamentals of American justice and political and economic principles.

W. P. A. Wage Scale Working Hardships

EXTENSION OF REMARKS
OF
HON. JAMES E. VAN ZANDT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 4, 1940

PETITION OF THE UNEMPLOYED BROTHERHOOD OF PENNSYLVANIA

Mr. VAN ZANDT. Mr. Speaker, 1,714 citizens of central Pennsylvania have petitioned this Congress through my office protesting the existing W. P. A. wage scale and the 18-month, 30-day furlough provisions of the present W. P. A. law.

The decreased wage scale and the furlough system have worked hardships on the many signers of this petition, and I am hopeful that my colleagues, who are members of the House Committee on Appropriations, will take notice of this protest in their consideration of next year's relief bill now before them.

The spokesmen for this group, Unemployed Brotherhood of Pennsylvania, Inc., was chartered by the Commonwealth of Pennsylvania on October 14, 1935, with the Grand Lodge headquarters at Altoona, Pa., and subordinate lodges throughout the State of Pennsylvania.

The Unemployed Brotherhood of Pennsylvania is in no way connected with any other organization, and should not be confused with organizations or societies having similar aims and purposes and operating on a national scale.

The petition referred to above, signed by President Lawrence Schrenk, Altoona, Pa., and Walter J. Taylor, secretary, Altoona, Pa., is as follows:

UNEMPLOYED BROTHERHOOD OF PENNSYLVANIA, INC.,
GRAND LODGE,
March 29, 1940.

To the Congress of the United States, Washington, D. C.

GENTLEMEN: In behalf of the many thousands of American citizens who have been forced out of private employment through no fault of their own, and forced to go on W. P. A. and relief as a means of existence for them and their dependents, and who by acts of Congress in the passage of the 1939 relief law, were subjected to a drastic reduction in wages of all W. P. A. workers in certain geographical districts in the United States, and, which reduction in wages worked a further hardship on the W. P. A. worker and his family, and, whereas the work-rotation provision of the law which requires a 30-day furlough after 18 months' continuous service on W. P. A. worked a further hardship on the unemployed or W. P. A. worker, and, as many W. P. A. workers are members of the Unemployed Brotherhood of Pennsylvania, Inc., and have voiced their protest against the reduction in W. P. A. wages, and the work-

rotation system, the grand lodge of the Unemployed Brotherhood of Pennsylvania, Inc., passed a resolution to petition Congress for the restoration of the wages of W. P. A. workers, with a substantial increase in wages over the prior rate to compensate for the ever-increasing cost of living, and, for the elimination of the 30-day lay-off after 18 months.

We feel free in exercising our constitutional rights in presenting these petitions to your honorable body through our Representative of the Twenty-third District of Pennsylvania, Hon. JAMES E. VAN ZANDT, and trust you will give this petition your earnest consideration and favorable action in passing the 1940 relief law.

The object of this brotherhood is to unite the unemployed workers; to promote their general welfare and advance their interests, social, moral, and intellectual; and to promote and assist in securing the enactment of legislation for a "health" and "decency" relief standard for the unemployed workers and their dependents, and to establish mutual confidence and create and maintain harmonious relations between the administration of State, county, city, work or relief.

The Unemployed Brotherhood of Pennsylvania is in no way connected with any other order, or organization, and does not use radical means, or threats of force in the adjustment of differences, but works with the officials and administration in seeking ways and means of providing work and bettering conditions to the advantage of all interested. Such are the aims and purpose of the Unemployed Brotherhood of Pennsylvania, and in the presenting of these petitions to Congress.

Very truly yours,

LAWRENCE SCHRENK,
President, Grand Lodge.
[SEAL]
WALTER J. TAYLOR,
Secretary, Grand Lodge.

John Philip Sousa

EXTENSION OF REMARKS
OF
HON. LUTHER PATRICK
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 20, 1940

ADDRESS BY LAWRENCE J. BACH

Mr. PATRICK. Mr. Speaker and fellow Members of Congress, John Philip Sousa was born on November 6, 1854, and is buried in the Congressional Cemetery, Washington, D. C. No man who ever breathed the free air of Americanism more powerfully exhibited the full measure of his appreciation than this great man. The inspiring notes of his soul-stirring patriotic approaches are as secure as if they were inscriptions graven on the face of the most imposing stone of each mountain in this broad land.

On the anniversary of Sousa's death, March 6, 1940, a band of his loyal admirers—some were even his blood kin—went to the mound under which reposes his dust and conducted an impressive ceremony. This group included Boy Scout troop 10, of Washington, D. C.; troop 2, of Detroit, Mich.; Sea Scouts of the National Capital area; Metropolitan Police Boys' Band; Mr. Osmund Varella, who represented the Sousa family; and hundreds of others. I give you here the speech of Mr. Lawrence J. Bach, which was delivered as a part of the ceremony:

It is eminently befitting that we, the friends and admirers of John Philip Sousa, gather for the fifth time to honor this great man and at the same time honor ourselves as humble agents of the vast throng that would fain be present here today. We prove, let us believe, that despite memorial bridges and works of stones and art, qualities of character are ultimately basic and attractive, and that so long as true character and upright endeavor for the public weal still have an abiding place in the affections of our people, all will be well with America, which was ever the object of the fervent love of our dear friend. Dead, he yet speaketh through his art, and he speaketh louder through those qualities of mind and heart which we value so highly and which we try to emulate.

Small men are provincial, mediocre men are cosmopolitan, but great men are universal. John Philip Sousa was universal. He knew that nobody is useless in this world who lightened its burdens for somebody else. He was continuously lightening the burden of some meek soul. He recognized the fact that talk which does not end in any kind of action is better suppressed. In other words, he ever squared hand with mouth. In the test of any gentleman—his respect for those who can be of no possible assistance to him—our honored dead did not suffer. He accurately measured the distance between his ambition and the success that would crown it, but he did not fill the gap with heartaches of friends or foes. He relied upon the reward given to men who do not flinch from the cries of the multitude and who do not seek their fortunes in the success of a moment. He walked straight before him in what he thought was the right path of a good citizen of the United States.

Standing at the grave of our honored dead, may we come more deeply than ever into the intimacies of God; and even while we continue to drink the bitter cup, have power and grace given us to say, "The Lord hath given; the Lord hath taken away. Blessed be the name of the Lord."

H. R. 3649 and S. 487, To Establish a System of Longevity Pay for Postal Employees

EXTENSION OF REMARKS
OF
HON. MARTIN F. SMITH
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 4, 1940

STATEMENT BY HON. MARTIN F. SMITH, OF WASHINGTON, BEFORE JOINT SENATE AND HOUSE COMMITTEE ON POST OFFICES AND POST ROADS

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me today before the Joint Senate and House Committee on Post Offices and Post Roads:

STATEMENT BY HON. MARTIN F. SMITH, REPRESENTATIVE IN CONGRESS FROM STATE OF WASHINGTON

Mr. Chairman and gentlemen of the committee, I appreciate this opportunity to go on record in favor of H. R. 3649 and S. 487, to establish a system of longevity pay for postal employees.

As I understand these bills, as a reward for continuous service, they will grant $100 per annum in addition to the base pay, upon completing 10 years' service, and an additional $100 per annum upon completion of every 5-year period thereafter until 30 years' continuous service have been rendered and in computing the period of service, credit to be given for substitute service. These benefits would apply to the following deserving groups of postal employees: assistant postmasters, supervisory employees, special clerks, clerks, and watchmen, messengers, and laborers in first- and second-class post offices, employees in the custodial service of the Post Office Department rendering not less than 5 hours' service per day, employees of the motor-vehicle service, letter carriers in the city-delivery service and village-delivery service, rural-letter carriers, employees of the Railway Mail Service, employees of the sea-post service, clerks at division headquarters of post-office inspectors, and postal employees at the United States Stamped Envelope Agency.

I consider this just meritorious legislation and urge your committee to report same favorably so that the House and Senate can act before adjournment of this Congress. For the information of the committee, I append communications received by me:

NATIONAL FEDERATION OF POST OFFICE CLERKS,
Spokane, Wash., April 1, 1940.

Hon. MARTIN F. SMITH, M. C.,
Washington, D. C.

MY DEAR CONGRESSMAN: Joint hearings will be held on longevity pay bills by subcommittees of Senate and House Post Office Committees, Thursday afternoon, April 4, at 2 o'clock.

We request that you appear before this committee in behalf of this legislation.

Respectfully yours,

J. H. MITCHAM,
First Vice President.

SEATTLE, WASH., *April 4, 1940.*

Hon. MARTIN T. SMITH,
House of Representatives, Washington, D. C.:

Joint Post Office and Post Roads Subcommittees holding hearings Thursday 2 p. m. on longevity bills. Local 28 appreciates any steps you may take to get favorable report for S. 487 and H. R. 3649.

CARSON F. WARDEN,
Chairman, Legislative Committee, Local 28, N. F. P. O. C.

Thank you, Mr. Chairman and gentlemen, for your courtesy and kind attention.

American Ambassadors Are Not Carrier Pigeons in Foreign-Propaganda Campaigns, Mister M. P.

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

STATEMENT BY BEVERLEY BAXTER, M. P.

Mr. CRAWFORD. Mr. Speaker, in asking permission to extend my remarks and to include therein a statement by Mr. Beverley Baxter, M. P., I desired, first, to say to the English gentleman that our American ambassadors are not carrier pigeons in foreign-propaganda campaigns. Secondly, I want our people to know how cleverly Mr. Baxter and others—who would have us enter this European war with all the power at our command—can tell us what it is all about. I know that the British, the French, the Canadians, and all others who are now and who will eventually become the Allies of England and France, want the United States to get into the conflict. About this we shall learn more later. If we once enter this war, we shall then very rapidly learn what it is about. Some day it may become very necessary for England to establish, on North American soil, the headquarters for the British Empire. It may be to the interest of the British and also the Canadians, in the long run, for the United States to remain out of this war and not become any more involved than we are at the present time. Surely Mr. Baxter will admit that we have furnished to England several billions of dollars of exchange during the last few years with which England is now able to prosecute the war. We still have to settle for that contribution. As England desires, she can call on us to redeem the dollar exchange which we have released in her favor. When England calls, we must deliver the goods and redeem those dollars we have released in her favor. Without understanding the mechanics of the operation and with millions of our people uninformed, we have proceeded for years, just as we now proceed this very hour, to give this aid to the British Empire, and this Mr. Baxter knows very well. Our people and their affairs are now involved in this war, and every day our social and economic security becomes more involved in the present war. This Mr. Baxter also knows. I now submit for the RECORD the statement of Mr. Baxter which appeared in the Sunday Graphic, March 10, 1940.

[From the Sunday Graphic of March 10, 1940]

MY DEAR AMBASSADOR, WHY DIDN'T YOU TELL THEM?

Mr. Joseph Kennedy, America's Ambassador to London, is with us again.

London has missed him during the 3 months that he has been visiting his native country. In the Stygian gloom of our decadent winter we could have done with the sunshine of Joe Kennedy's smile.

The diplomatic picture in London is incomplete—especially in a period of crisis—without the presence of the United States Ambassador. However, he is back and I hope that he will not find us jaded or jaundiced by the weary months of war. If he does, he should remember the winter we have been through and be tolerant.

On Thursday, when Mr. Kennedy reached London, he gave a general interview to the press. He has always been most courteous and friendly in his relations with our newspapers, and it can be accepted that the reporters were absolutely meticulous in recording his statements.

Therefore I was the more puzzled by three sentences attributed to Mr. Kennedy. They were made in answer to a question on isolation:

"If you mean by isolation a desire to keep out of the war, I should say that it was even stronger than during the 2 months I was there. People understand it less and less. They don't understand what it is all about."

I have read and reread those words with a growing astonishment. With the greatest respect and even with some claims as a personal friend I feel constrained to ask:

"My dear Ambassador, why didn't you tell them?"

There is no living man in a better position to tell the people of the United States of America the truth about this war. Not only did you see the storm gather over here, not only did you witness the relentless attempts of the British Government to maintain peace, but every instinct in you rebelled against the brutality of the Nazi regime.

I am not giving away any secret in saying that.

One had only to look at your face in the Ambassadors' Gallery of the House of Commons in any of the crisis debates to know that you personally would have liked to see the entire Nazi regime boiled in oil.

Admittedly, ambassadors must observe discretion, but I never quite looked on you as an ordinary diplomat. It is not your profession, and, unless you have changed your mind, you do not intend to take any official post after you leave London.

Your warmest admirers over here thought that you would speak to your own people with the same engaging frankness that you have always shown on this side of the Atlantic.

We realized, of course, that Washington might well have urged on you a policy of restraint on the question of American intervention, but we felt absolutely certain that you would give to your countrymen a picture which would leave them no chance to say even in jest that they did not know what it is all about.

You might reply that you are the Ambassador of the United States, not an ambassador for England. You might go further and say that you see no reason why you should use a visit home to try to bring America into the war on our side.

My dear Joe, if I may use the usual greeting at our mutual golf club, we are not asking the United States of America to come into this war. We have every confidence that France and ourselves can bring the struggle to a successful conclusion and rid the world, including America, of the Nazi regime forever.

No doubt it will take a heavy toll of blood and treasure. But the young men of the British Empire do not shrink from that challenge which has come so cruelly to their generation.

Make no mistake about it. If America came into this war now, the Nazi regime would collapse before the summer is out, and the lives of hundreds of thousands of young men be saved. At any time in the last 10 years America could have saved the collapse of Europe by taking her place openly and unreservedly on the side of France and Britain.

I make those assertions for two reasons. First, because I profoundly believe them to be true, and secondly, because it is better to say what is in one's mind than indulge in reticences that neither impress nor deceive anyone.

The policy of America toward this war is the sole concern of President Roosevelt's administration. Quite rightly your people would fiercely resent any attempt on our part to influence your Government's attitude. But that does not mean that in our own country we cannot speak as frankly about America's responsibility toward humanity as you in the United States of America speak of ours.

But one thing puzzles me. There are no people more basically honest than Americans. Even if their national indoor game is poker and they enjoy deceiving each other for pastime, they do not deceive themselves. You have none of that self-hypnotism which permits a Hitler to bemuse an entire nation.

Then what has happened to the Americans that I have lived among and visited so many times? What do they mean when they say that they don't know what this war is about?

When a poor, demented Jewish youth killed Vom Rath in Paris and Hitler sent his incendiaries, robbers, and murderers into the streets of Germany for revenge, America knew what it was about. Your Ambassador to Berlin was recalled, and the fury of your people's anger leaped like a flame across the ocean.

When Germany, having reduced Czechoslovakia to helplessness, marched into Prague and ended the little republic's existence, your Nation had no difficulty in realizing what was going on.

When little Dollfuss lay gasping out his life with Nazi bullets in his throat, when Pastor Niemoller was acquitted by the courts and immediately rearrested and sent to a concentration camp, when refugees reached your shores with haunted eyes and broken bodies, when the Nazis attacked the church—and particularly your church, my dear Ambassador—and said that the German people must put away Christ and worship a German god, you saw very clearly the vile depths of the Nazi threat to civilization.

When the Nazis denied the rights of the individual, when they banned freedom of speech, freedom of thought, and freedom of worship, when they denied to small nations the right to exist, when they enslaved their own people in order to create the greatest war machine in history, when they denounced pity as cowardice, decency as weakness, idealism as poltroonery—and when they prepared to force their tyranny and paganism on western civilization—

Can it be true that your people did not understand?

The Poles understand. So did those hundreds of young Czech students as they faced the firing squad a few weeks ago. The Finns understand, too, as their gallant remnant fights on for an ideal which is as clear to them as it is apparently obscure to others.

Has the lamp gone out on the Statue of Liberty? Or has the statue been turned around so that she faces New York now instead of Europe?

Forgive me. I am jealous of the good name of America, for I know her so well. When your country quite rightly fought our stupid government for your independence the Editor Prudholme

cried in Paris: "I can hear the chains of tyranny breaking one by one." Your rebellion against Britain set the French aflame and, cruel and bloody as it was, the French Revolution was the beginning of liberty in Europe.

I cannot believe that when the chains of tyranny appear again the Americans do not understand why the democracies of France and Great Britain have taken up arms.

Please forgive me again if I indulge in a personal note. You have a large and young family. Your interest in their careers and your unaffected joy in their companionship won the hearts of all over here. We realize the loneliness you are feeling now at being separated from them.

I have a small and young family. Like all parents, our own children mean more to us than anything else in the world.

And why is this war being fought? In order that your children and my children and the children of every country may live in a world where there is decency and light instead of the darkness of war and scientific barbarism.

Because of the sacrifice of the young men of France and Britain our sons and daughters shall not see the Gestapo or the concentration camp, the fouling of the young mind, the setting of son against father, the enslavement of the soul, and the end of individual liberty.

They shall not see the night replace the day nor civilization turn back to the ages of cruelty and ignorance. They shall not see the denial of God, the lowering of womanhood to the level of cattle, nor the crushing of the spirit.

That is what this war is about.

A. BEVERLEY BAXTER.

Susquehanna River Floods

EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

EDITORIAL BY TOM R. HUTTON

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my remarks, I include therein a recent editorial by Mr. Tom R. Hutton, editor of the Binghamton Press, on the subject of the recent floods in my district.

[From the Binghamton (N. Y.) Press]

GONE DOWNSTREAM

The rivers have risen according to their springtime fashion in these valleys and, for the time being at least, the crest has passed—gone downstream in brown muddiness to make trouble for other communities farther down the Susquehanna. A week end of excitement, apprehension, and some unnecessarily alarmist psychosis has passed with the present crest. Again the short fan of the Susquehanna has written a lesson plain as the law of gravity itself for all to read and observe. In consequence, for 2 or 3 months at least, flood control in these valleys will be more popular than ever and the work that the Army engineers have been pushing toward completion will get more sympathetic consideration and understanding from the average man on the street.

As it turned out, the damage hereabouts was slight. But that was only because of the balancing factors such as the termination of the rainfall about 1 o'clock Sunday morning, the almost complete miss of the so-called West Virginia storm that might have given us an inch or two on top of what we already had and a sharp drop in temperature Sunday night. If any one of these factors had gone the other way, the trouble might have been greater.

One may even go further back into possibilities than these immediate ones. For instance, supposing that instead of entering the fall with one of the greatest deficiencies in moisture recorded hereabouts, the southern tier had started the winter with the usual normal water table. Supposing that on top of that we had gotten the amount of snow and rain that we did get. The results would have been catastrophic.

One has to look no further than the question of increasing frequency of 21- and 22-foot crests to realize that at least the condition has not naturally improved in these valleys, and that the only way in which the residential and business and communications structure can be assured of safety is by just such a program as that which is being carried out by the United States Army Engineers. Some of the Pennsylvania cities now involved in difficulty constitute a good example of what happens when people would rather have the river look them in the eye at eye level now and then than to look at flood walls between themselves and the river with a sense of security.

Reports from the Army engineers' office show that the works already under way have sustained no material damage from the flood. One construction bridge was lost at the Whitney Point Dam, but none of the big hill that is being transported to fill that valley for the protection of Binghamton was carried away by the high water. One small unfinished levee at Corning was topped, but the Arkport Dam was uninjured, and there is nothing to prevent the resumption of flood-control work at an early date on the entire fan of the Susquehanna, barring run-off not now contemplated. Binghamton's water supply has been contaminated as a result of a broken suction pipe which was neither protected from rising river water pressure nor accessible for shut-off, so for the time being boiled water again becomes a necessity. Aside from that, the usual low places, still unprotected by flood walls for which contracts will be let this spring, are doing what those low places have always done in ordinary floods.

Today it is not necessary to convince anybody in Binghamton of the wisdom of flood control or of the necessity of the efforts 4 years ago which led to the actual authorization and appropriation of funds by the Federal Government and the beginning of a program by the Army engineers which is now well on its way toward completion. Everything being equal, this should be our last spasm of floodwater alarm.

America Calls for Sound Leadership

EXTENSION OF REMARKS

OF

HON. ALBERT E. AUSTIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

ADDRESS BY HON. JOSEPH W. MARTIN, JR., OF MASSACHUSETTS, MARCH 30, 1940, BEFORE THE McKINLEY ASSOCIATION OF CONNECTICUT

Mr. AUSTIN. Mr. Speaker, under leave to revise and extend my remarks in the RECORD, I ask unanimous consent to include therein an address by the Honorable JOSEPH W. MARTIN, JR., of Massachusetts, on the occasion of the thirty-second annual banquet of the McKinley Association of Connecticut, on March 30, 1940, which address was broadcast over a national hook-up of the Mutual Broadcasting System.

The address is as follows:

As a neighbor, I feel very much as though I have come home in being present at this fine gathering of Connecticut Republicans.

It is always a great privilege to pay a tribute to that martyred Republican President, William McKinley. Not only was he a great and gentle spirit but he possessed in large measure the wisdom of gentleness. He was whole-heartedly, honestly, and courageously a believer in and an advocate of the protective tariff. It was the irony of fate that he should have been called upon during his term of office to lead the Nation through a war. McKinley was so typically a man of peace.

He was the kind of a President who believed that self-reliant Americanism is always to be preferred to political paternalism. William McKinley believed the people could best serve themselves if they were left free to do so, and that they were the best judges of the kind of government they wanted and the kind of government that was best for them.

We do credit to ourselves when we pay tribute to that great, gentle man who by the assassin's bullet gave his life in line of duty just as certainly as any soldier.

I said a moment ago that to be here with you tonight is for me much in the nature of a homecoming. My good friend of many years, Samuel Pryor, your able and energetic national committeeman, who has contributed much toward the rebuilding of the new Republican Party, told me of your tremendous interest in the impending campaign, and this turn-out tonight confirms his statements.

I cannot let this occasion pass without a word of praise and commendation for your brilliant and wise Governor, Raymond Baldwin. While others have talked, he has acted, with the result he has contributed materially in reducing the unemployment problem in his State. He has been responsible for many new industries being located in Connecticut, and that, of course, creates revenue for the cities and towns as well as jobs for the workers.

We all realize the Nation's need for a Republican President; but it is equally as important, if not more so, to elect a Republican Congress. It is upon the legislative branch of our Government the people must depend for the protection of constitutional government and sound Americanism.

In 1938 Connecticut elected Senator JOHN A. DANAHER, who, in less than 2 years, has become one of the forceful members of the Senate, and four able Members of the House: WILLIAM J. MILLER, B. J. MONKIEWICZ, ALBERT E. AUSTIN, and THOMAS R. BALL, who have all made material contributions to sound government. On their

records they should be returned by an overwhelming vote of confidence.

I want to talk to you tonight about what we must do to complete the job of recapturing control of the House of Representatives and the Presidency in 1940. There is no question that our accomplishments of 1938 give us every reason for optimism. I want, tonight, however, to impress upon you that we have a campaign ahead of us into which we must put our best efforts in order to win back the Presidency and control of the House of Representatives.

We all know there is a strong movement toward the Republican Party throughout the country. That was demonstrated in the 1938 elections. But I want to stress the fact that movements move faster and further if somebody pushes them.

The man, or the party, that lies down and goes to sleep on what seems to be the soft side of a political sure thing has a good chance of waking up just in time to find he's been licked by somebody who hustled because he feared defeat.

Of course, the Democrats are confused by the White House enigma. They can't tell who their candidate will be; until they know that they can't tell what their issue will be. The shiftiest campaigners who have ever handled a smudge pot have done their best, but they haven't yet smoked out the answer.

In the coming campaign we must not only work hard; we must use our heads as well as our feet.

As someone has said, there is a good deal more human nature than any other quality in the average citizen; and when you bill him on any other basis, you are liable to have a big shrinkage in the ballot boxes. The American voters have been through more than 7 years of broken promises, contradictions, and inconsistencies. Now they've got to be shown.

It has been well stated that:

"When the historians record the achievements of the New Deal, they will undoubtedly divide them into three main phases: The splurge, the purge, and the dirge."

The rank and file of the American people want a leadership in the Republican Party that will not try to infringe the New Deal copyright on fantastic and unworkable schemes.

If we substitute constructive moderation for reactionary radicalism; common sense for emotionalism; facts for fancies; calm logic for excited emergencies; cold reason for fine phrases; solid experience for impractical theories; good will for hatreds; candor and courage in high places for shifty opportunism, then the people will know that America has again started up the road to peace, progress, and prosperity.

The people are demanding—and they have a right to demand—drastic economies in governmental expenditures; a turn in the direction of a balanced Budget and debt reduction as needed stimulants for all business, large and small.

We started the return toward sound government with our victory in 1938 when we practically doubled our membership in the House of Representatives and made encouraging gains in the Senate as well.

The outstanding result of the 1938 elections was the reassertion by the Congress of its time-honored independence and its recapture of its constitutional rights which were being filched or assumed by New Deal bureaucrats.

From this new spirit of independence injected into the Congress by the '38 elections, important consequences flowed. An era of rash and reckless experimentation was definitely ended.

It was both our aim and our duty as the party of opposition to force a closer scrutiny of proposed legislation, to refuse to submit to the dictation of the White House. We lived up to our obligations as the minority party. The record shows we were never merely obstructionists.

The demand by the voters today is for public officials who will operate the people's Government instead of trying to operate each individual's business. As someone said not long ago, if the army of unemployed is to be converted into regiments of breadwinners, the Government must encourage business, not persecute it; regulate business, not try to dominate it. Reasonable, necessary regulation is consistent with a republican form of government and with the principles of the Republican Party. Domination of business by the Government, competition with private business by the Government, throttling regimentation, punitive policies, and a hostile attitude toward business lead to political tyranny.

After the 1938 elections the Republicans presented to the Congress a concrete program for recovery and called upon all the Members of the House and Senate, regardless of party, to join in a sincere and earnest effort to guide the country back to economic recovery and to restore our millions of unemployed to jobs in private industry at decent American wages.

The Republican Party has functioned in the Congress on the conviction that democracy could neither be saved nor perpetuated by giving congressional power to the Chief Executive.

We are certain we cannot preserve our essential liberties by handing them over to a little self-appointed board of bureaucrats over whom the people have no control because they never submit themselves to the verdict of a popular election.

We cannot help the poor by raising the price of everything they have to buy. We cannot protect the farmer by reducing his operations so drastically that food he should be supplying has to be imported instead. We cannot help the small-business man or the citizen by taxing them to death.

We cannot cultivate even elementary thrift in the people if government continues parading before them as a prodigal spendthrift operating on the basis of tax and spend, squander, and elect.

We have realized, moreover, that we could never have that close cooperation between business and government so vital to the national welfare, as long as government asked business to do something one week and then censured business the next week for doing that very thing. It is not possible for us to continue under conditions whereby the Government pats private enterprise on the back with one hand and stabs it in the back with the other.

The American people want to stay out of war. There may be danger that the interests of the United States may become involved in European entanglements. Our economic, and perhaps social and political conditions as well, may be more or less affected by foreign wars.

We must be on the alert to guard ourselves against a war boom. Such a boom would be followed by a series of post-war depressions.

We do not want a war boom in the United States. Nor do we want another post-war depression in the United States. Superimpose another post-war depression upon the hard times that still rest like a pall over this Nation and the resulting condition will afford a fine opportunity for those who would strangle constitutional government in this country and substitute a dictatorship for the Bill of Rights.

If our Nation stays out of war it is apt to have more friends and more influence in the world and is likely to be stronger in its ability and capacity to aid others, wounded and weakened and devastated by war than by getting into war itself.

We Republicans are for an adequate national defense, but we want it to be a national defense and not a tool of offense to be used against any foreign nation by those whose lust for leadership in world power politics exceeds their prudent consideration for the welfare of their own Nation.

We told the American people in the campaign of 1938 that if the Republican Party was returned to power we would put an end as soon as possible to New Deal debts and dabbling. We doubled our membership in the House. We made our gains in the Senate. And we did not lose a day after the Congress convened in beginning to fulfill our promise to the people. I wish I had the time tonight to detail to you the many ways in which we, as a strong, well-knit, aggressive minority, have, time after time, called to account the bureaucrats and the spendocrats, and forced revisions or prevented the passage of legislation which would have been harmful to the country.

Now, fellow Republicans, we believe in the promises we have made to the people. We are honest in the criticisms we make of the New Deal. We are sincere in the suggestions we offer for what we believe to be necessary changes. We are going to be honest and sincere in keeping our promises to the people. Therefore, we intend to be careful not to make too many promises; to make only promises we are sure we can fulfill. We must then recapture the House of Representatives and the White House so we will be in position to translate both our criticisms and our promises into constructive legislation to put this Nation back on the high road to prosperity.

You can't win a national election on a negative platform. Neither can you save a nation by a negative performance.

But it is a fact, nevertheless, that the most constructive thing to do first when your house is burning down is to put out the fire. Having done that, you then turn to, survey the damage, and proceed with your repairs or rebuilding.

Therefore, as I say, the first necessity for the Republican Party, if it is to translate its policies into benefits for the Nation, is to get back in power.

Don't imagine we have an easy job ahead of us. The greatest technique developed by the New Deal masters of strategy has been to keep the American people in such a state of confusion they couldn't find out the truth about anything until it was too late to prevent or remedy it. We must clarify the issues.

The favorite political trick of the New Deal is to keep so many balls in the air at once that the people can't watch them all, and, like the magician on the stage, while the eye is confused and the attention is diverted, get away with something the people don't see.

Think of it. In 7 years we have had 65 "emergencies" and "crises." The American people have lived for so long in an atmosphere of political alarms that to go back to normal peace, security, and prosperity will seem like having moved away from the neighborhood of a boiler factory.

I think it is not too much to say the New Deal administration has as its major policy followed the practice of keeping the Nation in a state of synthetic fears. You will recall that famous phrase which at the time seemed to touch the heart of the country, "The only thing we have to fear is fear itself." Ponder that, my fellow citizens, in the light of 65 "crises" and "emergencies" in 7 years. And don't forget that this Nation is at this hour operating under a "national emergency." We do not know what the emergency is. We do not know what caused it. We do not know when it will end. We do not know what is being done to relieve it. We only know that once more from the White House has gone out to the Nation the alarming cry, "Another national emergency."

Let us not make the mistakes that have been made by the New Deal administration. Too many promises, and not enough performance; too many inconsistencies, too many contradictions, and a disregard—not to say a contempt—for the intelligence of the American voters.

Too many broken promises, did I say? Fifty-seven major promises made and broken in 7 years. Solemn promises. Promises which in 1932 the gentleman who was then the candidate for the Presidency said:

"I regard as a sacred covenant with the people."

Let us Republicans determine carefully what we intend to promise; and let us determine in advance that we can do what we say we will; and then, when we are in power, let us proceed to do what we have promised.

We have kept our pledge of 1938. We have fought for economy and sanity and integrity in government. We have struggled to keep the Nation out of any involvement which would lead to war. We have labored for honest money. We have tried to restore to the Congress the powers belonging to it under the Constitution. We have not hesitated to support every sound measure which has been brought before the Congress. But we have believed there ought to be a definite and specific program instead of aimless experimentation and nebulous theories; we have believed any plan of recovering prosperity in this country ought to be on a basis of patriotism and unity and not on a basis of partisanship and sectionalism.

The greatest reforms needed now are to get our jobless citizens back to work in private industry at decent wages and for the Nation to get back to a basis of old-fashioned American thrift, individual self-reliance, individual initiative, and an unimpeded flow of free enterprise. We need more fair dealing and square dealing instead of so much new dealing and queer dealing.

Now, fellow Republicans, we can win the 1940 elections. Not only can you win here in the State of Connecticut but we can win throughout the Nation on the basis of past performance and experience.

In 1936 Connecticut's vote for Governor showed a Democratic majority of 96,000. In 1938 the vote for Governor showed a Republican majority of 3,000.

In 1936 you had only 9 Republican State senators. In 1938 there were 16 Republican State senators.

In 1936 there were 165 Republican representatives in your State legislature, while in 1938 the number was increased to 201.

These figures are significant.

I also wish to remind you that in the 1938 congressional elections the Republican Party became the majority party in the 38 States outside of the deep South.

In the Republican sweep of 1938 we elected Governors in 18 out of 27 States in which there were contests.

An analysis will show you that Republican workers are in actual majority in 3 out of every 5 counties in the 38 States outside the deep South.

If we had worked a little harder to increase the total Republican vote by 5 percent we would have won 57 more congressional seats 2 years ago.

Since the 1938 elections we have had two more New Deal Budgets, two more great deficits, and 2 years more of debts and dabbling.

The people do not approve of New Deal meddling in foreign affairs, meddling which is apt to involve us in European wars.

The people do not approve of the communistic groups who congregate about the White House to be defended and dined and honored.

It has been said, "Genius and ambition laugh at precedent." But it does not necessarily follow that breaking precedents constitutes genius; insistence on doing so may result from an unwholesome ambition for power.

Now, in conclusion let me suggest to you, my fellow Republicans, that politics is like baseball. The hits we made yesterday won't win the game today. The triumphs of 1938 won't win the elections in 1940. We've got to work.

Our job is to think it over, talk it over, and then put it over.

That we can do, and when we are back in power the country will take new hope; business will have new confidence; we will turn to in the good old American way to recover our lost ground, to regain prosperity, and again to repair the shattered finances of the Nation. We will put America back to work. We will lift from the backs of the people the burden of taxes placed there by the squanderbund of the last 7 years; we will restore the flow of free enterprise, and by those measures we will put this Nation back on the high road to recovery.

Water-Transportation Regulation

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

EDITORIAL FROM THE BROOKINGS (S. DAK.) REGISTER OF JULY 27, 1939

Mr. VAN ZANDT. Mr. Speaker, day by day the American people raise the question of the wisdom of the Government developing and maintaining, at the expense of the taxpayers, unregulated inland waterway transportation.

The American public are also beginning to realize that if the consumer is to obtain a real benefit from the vast expenditures of his tax money, the inland waterways must be placed under the control of the I. C. C. or, in other words, share the responsibility of other forms of transportation by standing on their own feet.

The editor of the Brookings, S. Dak., Register, on July 27, 1939, expressed the view of a great majority in the following editorial:

[From the Brookings (S. D.) Register of July 27, 1939]

WATER TRANSPORTATION REGULATION

Those who are opposing the proposition to place water transportation under the Interstate Commerce Commission, which Commission has to do with railroad transportation, seem to believe that the members are servants of the railroads rather than the public.

There would appear to be a considerable measure of justice in the position which the railroads take when they urge that the same regulations which surround them should apply to water transportation. The railroads have suffered many and varied hardships during recent years. Constantly expanding regulations which have been imposed by the Government, onerous union rules, the diversion of business to trucks and busses, airplanes, pipe lines, and many another thing has contributed to the situation in which the railroads find themselves. If the Government furnishes all the money with which to develop water transportation it would appear to be simple justice to see to it that water carriers operate under the same rules as railroad transportation.

Blocking Navigation

EXTENSION OF REMARKS

OF

HON. LYLE H. BOREN

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

EDITORIAL FROM THE DAILY OKLAHOMAN

Mr. BOREN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Daily Oklahoman:

[From the Daily Oklahoman]

BLOCKING NAVIGATION

In his automatic diatribe against our Oklahoma Governor, Congressman JOHN RANKIN charges that the Governor's love for the utilities has caused him to block navigation on our pearly and purling Oklahoma rivers. And that ought to cure the headaches of many a suffering Oklahoman.

Many of us, if not all of us, have been laboring under the hallucination that the lack of navigation on our matchless Oklahoma rivers has been due to an inadequate water supply. We have taken it for granted that it is simply impossible to drive barges and other river freighters up a sand bar that is as dry as one of JOHN RANKIN'S speeches. But the gentleman frees us from such an error. Every river bed in this land of the mistletoe would be fairly bristling with freight-laden bottoms if Governor Phillips were not such a loyal friend to the utilities.

Now we know what is wrong and what is necessary. It is Governor Phillips and not a lack of channel depth that keeps the *Queen Mary* from climbing the North Canadian and docking at our community camp. It is the Governor rather than a lack of water that is keeping the merchantmen of the nations out of the Cimarron and the Cottonwood. Let Governor "Red" reverse his views and his position with reference to the utilities, and Alva will be converted into a second Liverpool overnight, Wewoka will possess a greater harborage than Hong Kong, and the Washita will supplant the Thames as the river of the 10,000 masts.

How ignorant we have been, and how heathenish, too, to think that the withholding of the rains by an all-wise Creator has dried up our river beds and rendered the average river incapable of floating a gum-tree canoe. It is the fault of Governor "Red." He has shooed back the rain clouds and dried up the rivers, and he has turned back all of the freighters from the seven seas. And he has done it all, plague him, because of his friendship for the utilities. JOHN RANKIN has made it all as clear as delta mud.

And RANKIN hits the bull's-eye again when he says commiseratingly that most Oklahomans are comparatively poor, and that all of us are overtaxed. Of course, we are overtaxed. And a part of the tax we pay is gouged from our pockets to help supply less-than-

cost electric juice to the hotels and banks and business houses and filling stations and honky-tonks of Tupelo, Miss. If all the denizens of the persimmon belt had to pay for their own electric current (even as we less-subsidized Oklahomans pay for ours) our tax burden would not be quite so heavy. Those pesky ginseng diggers of the upper Tombigbee will please us a lot better if they will only stop shedding tears at our tax plight and quit taking our money to help pay for their own light bills.

American Culture and Destiny in World Affairs

EXTENSION OF REMARKS

OF

HON. JAMES E. MURRAY

OF MONTANA

IN THE SENATE OF THE UNITED STATES

Friday, April 5 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE SATURDAY EVENING POST

Mr. MURRAY. Mr. President, I wish to call the attention of the Senate to a very able editorial in the March 25 issue of the Saturday Evening Post, dwelling on our distinctive American culture and separate destiny in world affairs.

I ask unanimous consent that this editorial may be printed in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Saturday Evening Post of March 23, 1940]

THAT OF OUR OWN

We could wish that a neglected book entitled "The Contrast," by Hilaire Belloc, might be made required American reading. It was written between the World War and this one, when there was time to think. The author's qualifications rest upon three possessions—namely, one of the very fine minds in England, courageous wisdom, and a long, intuitive acquaintance with America. His thesis is that although American culture did descend from European culture, American destiny is separate forever; and that although the United States may belong to Christendom, nevertheless,

"* * * they are a part of it, subject to a cultural schism, the intensity of which it is my whole object to declare. The United States are not merely an enlargement of our European culture, still less a mere branch of it; they create a division of that culture into two—themselves and the rest. The line of cleavage does not lie between them and any other subgroup, such as France or England or Italy; it lies between them and all Europe."

And if this truth be forgotten on either side, or if it be overcome by emotions leading America to take part again in Europe's affairs, or Europe to wish it, then, he thinks, "European and American culture are both doomed to receive wounds which may prove mortal."

First and last, Belloc is European. He knows better than to break with the ancestry of his native environment. Only an American ever thinks of doing that. He says—and it is at the end—

"We of Europe shall solve our own problems. * * * Things return to their origin, and our Roman unity should revive. But the process whereby that peace shall be accomplished is not one which could be understood from the standpoint of the United States; it is our own affair; we alone understand it. And let me add this: Every public man from Europe, especially every professional politician, who approaches the people of the United States, begging them to interfere in our affairs, is a liar * * * and the fine phrases about peace and justice and humanity and civilization, and the rest of it, are hypocrisy and a poison."

When shall we learn again that Europe is Europe, America is America, and these are two worlds?

When shall we believe again that our destiny is unique, parallel to nothing?

Once we knew it. Living by it, we came to be the most powerful people in the earth and made certain great contributions to the thought and life of the world. First was an idea of government. It was our own. We did not send it abroad. Yet it was as if we had released the winds of freedom, dangerously, and what we had done was written in foreign tongues on many banners we never saw or heard of.

There was our idea of neutrality; we were willing to fight for it, and did—for freedom of the seas and for neutral rights above belligerent rights.

We evolved our own economic philosophy, not out of Europe's books but out of our experience and from our own ways of thinking. We made the astonishing discovery, and formulated the thought, that wages are paid, not out of profits, as the Old World supposed, but out of production; which means that wages and profits may rise together, if only you will increase production. That was a new kind of liberation.

There was an American standard of living, the highest that had ever been known in the earth. There was an American philosophy of labor, regarding the employee-employer relationship as economic purely. Politician, let it be!

There were many American evils, too; we were increasingly conscious of them. But as the good was our own, so was the evil, unlike any other. And the curious fact was that when the envious and marveling world began to send economic experts and labor commissions to inquire how we did it, they saw much more of the good than of the inseparable evil, knowing that evil, after all, is a relative thing, and that if a society, on the whole, has progressed in material well-being to a new level in human history, it can be trusted to absorb a great deal of evil.

Some time after the turn of the century, a change began to take place. You cannot mark it precisely. It became fashionable to plant Old World seeds. They grew in soft warm places, often in the gardens of the leisure rich, and flourished in academic soil generally. There appeared in the East an intellectual cult of disaffection, with a sneer in its mind for what it named 100-percent Americanism and a pose of contempt for the wealth that supported it. Everything American was vulgar. Happy the expatriate who could live abroad with his dollars and forget where they came from.

It was not only Europe's culture that was preferred; her solutions also began to be admired. What followed was a new kind of exchange. Europe went on taking economic ideas from us while we, for the first time, were taking political and social ideas from her.

The first wedge was the idea of political labor unionism. We got that from England. It was alien here. Then the doctrine of paternal government with the responsibility to administer human welfare; and the saying that we were 25 years behind Europe in social legislation. A country sending its wage earners to work in motorcars might, indeed, be doing less for labor by law than countries where only the highest-paid workers could afford bicycles.

All of that was happening when the World War came. That chapter in world history will sometime bear this caption: "America's Return to Europe."

What we lost at that time cannot be computed. Not the cost of our war exertions. Not the illusions that went in our slogans. Our own center—that is what we lost. That sense of separate destiny on which we had been building departed from us, and we have never since recovered it.

After the war we accepted the role of rich prodigal repentant, with a duty to restore Europe. It was false. We were romantic about it; Europe was cynical. It was a strange balance of trade. During the 1920's we poured billions of material wealth into Europe. What did we receive in exchange? All those Old World ideas, ideologies, and hatreds for which the unrugged American intellectual and an envious classroom mentality had been preparing the soil.

Marxism, Leninism, Stalinism, nazi-ism, collectivism, revolutionary dialectic, the class struggle, youth movements, ideas of a state all-powerful and all-doing, planned economy, status for the individual, anticapitalism, hatred of the profit motive, redistribution of wealth among economic classes by law, contempt for the parliamentary principle, government by propaganda, deficit spending, manipulation of the currency for political and social ends, repudiation of government obligations—of such is the harvest. Old World harvest in New World soil.

As we reap it, Europe goes to war again. This happens in spite of the doctrines and solutions we had thought so well of as to borrow them. Or do you suppose it might have been because of them?

However, as to that, and notwithstanding the resolve we intone to stay out of it if we can, our interest in the war is such that we cannot let it alone. We permit our emotions to become deeply involved. We see right and wrong. We sat in judgment on the preliminaries. We hissed Chamberlain for the Munich appeasement. Since then we have hated Hitler officially. On Mussolini we reserve opinion. We are so close to it all that a change of war ministers in England is news that runs under four-column headlines in the New York papers.

Russia's invasion of Finland produces many reactions here; one of them dangerous. Why dangerous? Because people begin saying to one another: "Could we bear to see Scandinavia trampled down by the powers of evil?"

For now beginning to make itself felt is what has been musically named: The Moral Urge Toward War. Out with business, the profiteer, and the munitions maker. This is a thing they cannot feel. In whom does the feeling rise? In "some of the best people," says the New Republic. "They really are among those who are most sensitive to values, those who live in the world of ideas, those whose consciences and honor are not blunted by too much prudence. * * * The impulse to fight is spontaneous and rises from what every one of us has heard and felt. That is the reason it could start a prairie fire. * * * The great peril lies within ourselves."

But the peril lies in being not ourselves.

Where are the Americans who were themselves and knew it? Alas, it seems they are not among the best people.

Where is the America that saw only the star of its singular destiny and pursued it? At this moment it would be the hope of the world.

America in the crusading spirit, entertaining the phantasy of descending upon Europe out of the sky to part right and wrong, to overthrow evil, to scatter its simple judgments about, is worse than a peril to itself. It is a peril to the whole world.

Is it war we abhor? We shall never abate war by taking part in the conflicts of Europe.

Is it the plight of small neutral nations that gives rise to the heroic impulse? Well, then, instead of thinking to save them by the sword, we had done much better to be willing to fight for a principle we have scuttled—namely, the principle of inviolable neutral rights in time of war. This was the only nation powerful enough to defend that principle against the belligerents. If we had been willing to defend it, by force, if necessary—the world knowing for sure that we would—there would be now less terror of the aggressor in the hearts of small neutrals.

Or is peace the matter of our ultimate anxiety? If that is it, then, instead of indulging the moral urge toward war, we should be putting all the intelligence and imagination we possess to the problem of peace, and how, when the war ends, to assume and discharge the responsibilities of world leadership.

Rules and Regulations Governing Television

EXTENSION OF REMARKS

OF

HON. ERNEST LUNDEEN

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Friday, April 5 (legislative day of Monday, March 4), 1940

LETTER FROM COMMISSIONER T. A. M. CRAVEN

Mr. LUNDEEN. Mr. President, I ask unanimous consent to insert in the RECORD the very able analysis and letter of T. A. M. Craven. The Commissioner is well versed in radio and television, and I ask the attention of the American public to his conclusions.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C, April 4, 1940.

Hon. ERNEST LUNDEEN,
United States Senate, Washington, D. C.

DEAR SENATOR LUNDEEN: In response to your letter of April 3, 1940, requesting me to give you my reasons for my dissent with respect to the suspension of certain rules and regulations concerning television, I beg to inform you that hitherto I have not made public the reasons for my dissent. Furthermore, I wish to assure you that the differences of opinion between myself and the majority of the Commission are honest differences of opinion, with mutual respect on both sides. I feel that the majority action so speaks for itself that no dissenting opinion is required. I hesitate to add fuel to fires already burning, and I prefer not to disturb the present friendly relations within the Commission by engaging directly or indirectly in any public controversy with my colleagues over this or any other issue.

However, since you have requested my reasons for dissenting, I wish first to call attention to certain facts.

On February 29, 1940, the Federal Communications Commission, in its unanimous report concerning the new television rules and regulations, after explaining fully the fluid state of development, with the consequent dangers of premature standardization and obsolescence of receivers, concluded:

"It is important that nothing said by the Commission herein be construed as an expression of a lack of confidence in the future of television. It is a mighty achievement. The pioneers in the field have made great advances. We feel that potentially television is of tremendous value to the public generally. Even now there is no reason apparent why those members of the public to whom regular television programs are available, who are conscious of the fluid state of the art, and who are willing to assume the financial risks involved for the obvious benefits of current programs, should not acquire receivers. Nor is it suggested that television broadcasters should be barred from going forward in program production and sponsorship. The progress made by the industry is worthy of recognition, and the present state of the art renders appropriate the further steps permitted by the rules being established."

Less than a month later, on March 23, 1940, in a press release prepared by the majority of the Commission, explaining its order of March 22, to which I dissented, it was stated among other things:

"Television promotional activities on the part of the Radio Corporation of America have prompted the Federal Communications Commission to order a further hearing, beginning April 8, to determine whether research and experimentation and the achievement of higher standards of television transmission are being unduly retarded by this company, its subsidiaries, or other licensees, and whether the effective date for the beginning of limited commercial operation should be changed from September 1 to some subsequent date. Meanwhile, that section of the new rules permitting restricted commercialization is suspended pending further order.

"The current marketing campaign of the Radio Corporation of America is held to be at variance with the intent of the Commission's television report of February 29. Such action is construed as a disregard of the Commission's findings and recommendations for further improvement in the technique and quality of television transmission before sets are widely sold to the public.

* * * * * * *

"Promotional activities directed to the sale of receivers not only intensifies the danger of these instruments being left on the hands of the public but may react in the crystallizing of transmission standards at present levels. Moreover, the possibility of one manufacturer gaining an unfair advantage over competitors may cause them to abandon the further research and experimentation which is in the public interest and may result in crowding them into the market with apparatus at present efficiency levels. Rapid advance is desirable—but television is of great and permanent significance to the public. It is therefore of greater importance that the task be done thoroughly and with an eye to television's potential usefulness to the public. These are the goals which the Commission deems the public interest to require."

In its order of March 22, to which I dissented, the majority of the Commission stated, among other things:

"Whereas since the issuance of said report and rules, certain promotional activities in connection with the sale of television transmission and receiving equipment have been engaged in by the Radio Corporation of America in collaboration with, for, or on behalf of a subsidiary or subsidiaries of said corporation which are licensees of experimental television broadcast stations; and

"Whereas said promotional activities may be detrimental to the public interest by unduly retarding research and experimentation and the achievement of higher standards for television transmission."

On April 2, 1940, the Chairman of the Federal Communications Commission, in a Nation-wide broadcast in which he warned the public concerning the obsolescence of receivers and premature standardization of transmissions, and in which he very clearly explained the relation between transmission standards and receiver design, stated, among other things:

"While television is still in the experimental stage it is moving out of the laboratory. We know that it is a practical thing, and that it has great potentialities for development into a permanent instrument of entertainment, of information, and of education.

* * * * * * *

"Now let me be perfectly plain in stating the position of the Federal Communications Commission on the question of public participation in the future development of television. Does the Commission wish to discourage members of the public from purchasing television-receiving sets today? The answer is emphatically 'No.' As a matter of fact, it is only by having receiving sets in the homes of members of the public that experimentation in program techniques can be successfully carried on. But it is important that the general public know that when they buy television sets they are definitely partaking in a program of experimentation. If the public knows the facts about the limited number of stations which are now operating, the few hours of programs that are on the air, the experimental character of their operation, and finally that new standards of television transmission may convert the sets of today from instruments of enjoyment to articles of furniture of doubtful usefulness, then there can be no danger in public participation.

* * * * * * *

"I do not believe that persons in a position to afford television entertainment at this time will be unduly deterred by that knowledge from getting the immediate benefits which are now available in areas served by television transmitters. I certainly hope they will not be deterred, as the Commission is counting upon public participation in television experimentation in order that the television of the future may be molded to reflect the desires of the American public."

In the same broadcast of April 2 the Chairman further stated:

"Let me make it clear that we neither have, nor desire, any regulatory power over the sale of receivers or over advertising. But any action we take under our duty to license experimental operations and to encourage advances in radio must, of course, be taken in the light of actualities. Our course can be influenced, for example, by the rare case where a licensee might engage in extravagant promotion of sales to people of modest incomes while failing to inform the public of the limited and experimental character of the service now available, and of the mobility of the science, where it appears that such activities threaten to make his system dominant among both transmitting stations and the public. For the result would be that his competitors—continuing their research—might find themselves with an improved system of broadcasting television which cannot be given to the public."

It appears to me that these actions of the majority are inconsistent and confusing not only to the public, but also to a new industry which needs encouragement from the Government. The originial February 29 report concerning the new rules, which were adopted by the unanimous action of the Commission, evidently encouraged the promotion of television and its participation by the

public. The March 22 majority action of the Commission, suspending the original rules, discourages the sale of receivers. On the other hand, the broadcast address of the Chairman of the Commission on April 2 is consistent with the original order of the Commission adopted unanimously on February 29, 1940, and again encourages public participation through the purchase of receivers. The question now arises as to the logic of the action by the majority of the Commission in repudiating the adoption of the original order.

At this point, let me make it clear that I do not disagree with the majority insofar as their actions are limited to keeping the public informed of the facts. Neither, in dissenting, am I concerned with the sale of receivers by the Radio Corporation of America. My full concern is the general public and the industry as a whole. I am in entire sympathy with the Commission in its desire that television research be continued, and that standardization be deferred until the art progresses further.

Nevertheless, the principal reasons for my dissent from the majority action of March 22 may be summarized briefly as follows:

(1) The majority concludes that recent promotional activities of a television-receiver manufacturer will effectively stop research and freeze technical development in television.

In my opinion, such a contention is absurd on its face, and is not justified by either facts or experience. Nothing can stop scientific research and technical progress in a free democracy if incentive is not discouraged by Government. The Commission itself, by order of suspension, such as in the instant case, can create such confusion as to retard the development of television and discourage the incentive and initiative of private enterprise.

In my opinion, the technique of television has advanced to the stage where an initial public trial is entirely justified. Such a trial would spur television onward, not only more rapidly, but also more effectively than any other method. I agree with the majority that technical improvements are required in television and I agree that the Commission should not approve standards at this time. However, no one can foretell accurately how these technical improvements will be secured and what public reaction will be. It is already obvious that some of the technical methods suggested by the Commission in its previous report may not be the best. This is not surprising, since the Commission has had no practical experience in technical research for television nor is it equipped to undertake such problems.

There is no need, in the present state of development of television, for a commission in Washington to substitute its judgment for that of the public. The public is the wisest judge of scientific achievement and will be most effective in securing the technical improvements it desires.

In this case, the Commission would have been on more logical grounds had it merely made public the facts concerning obsolescence of television receivers, rather than taking action which prevents the public from exercising its own judgment. The Commission will have performed its duty to the public, insofar as obsolescence of receivers is concerned, when it has informed the public of the facts.

The present prices of television receivers automatically restrict their use to those who can afford replacements as technical progress requires. The burden of experiment falls on wealthy people, as it should, to pave the way for ultimate inexpensive television to all.

(2) The action of the majority on March 22, coming less than a month after the encouragement given by the entire Commission to television-receiver sales, is inconsistent and creates confusion, resulting in a retardation of technical development as well as delays in creating a new industry with added employment.

(3) There is no way in which to secure a public trial of television without selling receivers to the public. While I concede that receiver design is inextricably interwoven with television transmitter performance and is closely related to any transmission standards which may be approved by the Commission at some future date, this is no logical reason why the Commission should at this time add confusion to the development of television. The Commission can grant licenses for different types of transmission, and in so doing it can keep the public informed of the fact that it will grant licenses for any good television transmission and that ultimately it may change the standards. Those engaged in research need not be prevented from attempting to demonstrate to the public the latest television systems available in their laboratories. Everyone, including the Commission, should benefit from experience secured as a result of these early trials of television as a service to the public.

(4) I am very much concerned in the instant case as to the significance of a recent decision of the Supreme Court of the United States, which states that the Communications Act "does not assay to regulate the business of the licensee. The Commission is given no supervisory control of the programs, of business management, or of policy."

I attach hereto the report and action of the Commission on February 29, 1940, the order of the majority on March 22, their press release of March 23, 1940, and also the mimeographed copy furnished me of the address by the Chairman of the Federal Communications Commission on April 2.

Very respectfully yours,

T. A. M. CRAVEN, *Commissioner.*

Senator Bankhead's Work in Behalf of the Tenant Farmer

EXTENSION OF REMARKS

OF

HON. JOSH LEE

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Friday, April 5 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE DECATUR (ALA.) DAILY

Mr. LEE. Mr. President, in the Decatur (Ala.) Daily of April 3, 1940, appeared an editorial which is a well-deserved tribute to the Senator from Alabama [Mr. BANKHEAD], who has pioneered in an effort to help the tenant farmers to buy farms of their own and thus to rehabilitate themselves. I ask unanimous consent that the editorial be printed in the Appendix of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Decatur (Ala.) Daily of April 3, 1940]

SINCERE SERVICE

This week we have had forcefully brought home to us just what it is that Senator JOHN HOLLIS BANKHEAD is trying to accomplish in Washington in behalf of the tenant farmer.

Our interest was renewed upon reading a news item from Washington which told anew of the efforts of Senator BANKHEAD to help young farmers, tenant farmers, to own their own farms, of his plea for farm lands to be paid for over a period of 40 years at an interest rate of 3 percent.

Then we saw the drab picture Grapes of Wrath, from the book by the same name, a study in realism. We have seen those people, in fact we do see those people every day, and we realize fully that unless there is some alleviation of sufferings through which these people plod that there is not much hope of solving the problems of the South.

Then we were talking to a landowner and he spoke of having talked with another landowner whom he encouraged to get rid of worthless, trifling people and to substitute modern farming methods for his own good. These men are modern in their views, they cannot be blamed for keeping up with progress.

Combining these three incidents, we marvel at the courage of JOHN BANKHEAD who is up against the problem of bringing the Congress of the United States and the more fortunate people of this Nation to seeing that at the basis of most of the economic faults in the South, and in all agricultural sections of the country for that matter, is the farm-tenant problem.

What to do with these people who are constantly moving, constantly forced from one failure to another, constantly hoping that tomorrow will bring them something of earthly worth. These people are Americans, they have a right to live, they have a right to think, a right to work, and to education, and to worship. They are as human as anyone in a more fortunate strata of life. Their problem has been growing increasingly larger, there has been very little to encourage them toward better citizenship, a better standard of living.

It is toward this problem that JOHN BANKHEAD has devoted and will continue to devote much of his time, energies, and brain. Is it any wonder that the farmers of Alabama, of the South, of the Nation regard the senior Senator from Alabama as their champion? It is any wonder that they go and cast their votes for him in Alabama? In JOHN BANKHEAD they see hope living again. In JOHN BANKHEAD they know they have a representative who is not afraid to fight for them and to admit the faults of a system under which some have done well, but many have suffered.

The Government of this United States will do well, in our humble judgment, to devote more time and more money toward permanency in relieving unemployment. Just a few days ago we noted in another newspaper article that employment on the farms was at a low figure for several years. That being true, then what has become of these people, these tenants, these farm hands? They're in the towns and in the cities, good friends, making a living as best they can before moving on to another town or city, searching for the greener field that somehow turns brown when they arrive.

Yes, the Daily thanks JOHN BANKHEAD for sincere service in behalf of these people, who are a link in our economic chain. Yes; for a United States Senator who has more time to give to these people and to this problem than he has for worrying over the intrigues and politics of Europe or the wishes of Wall Street. JOHN BANKHEAD is fighting sincerely and soundly for the farmer of Alabama, the South, and the Nation. How fortunate is this State in having such a son.

The Hatch Act and Political Activity in Educational Institutions

EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Friday, April 5 (legislative day of Monday, March 4), 1940

EDITORIAL FROM THE BOZEMAN (MONT.) DAILY CHRONICLE

Mr. BROWN. Mr. President, I ask to have printed in the Appendix an editorial published in the Bozeman (Mont.) Daily Chronicle entitled "Political Tragedy Averted," dealing with the Hatch Act.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Bozeman (Mont.) Daily Chronicle of March 29, 1940]

POLITICAL TRAGEDY AVERTED?

A bill was recently before the United States Senate for extending the scope of the Hatch Act, which forbids political activity to Federal employees. The new bill forbade political activity also to all State employees paid wholly or in part out of Federal funds. Before the bill passed an amendment was suggested by Senator BROWN (Democrat, Michigan) "to exempt employees of educational, religious, eleemosynary (charitable), philanthropic, and cultural institutions from the curb of political activities." (Quotation from Associated Press, Washington dispatch of March 27, in Chronicle of March 28). Apparently this proposed amendment looked innocent enough to the Senators, and they passed it.

But the Senate failed to consider the fine political purity and the keen eye of Representative DEMPSEY, Democrat, of New Mexico, and perhaps others of the subcommittee of the Judiciary Committee of the House which is now considering the Senate bill. Representative DEMPSEY in his shining armor, like St. George against the dragon, immediately set forth to slay the monster of political impurity which Senator BROWN's amendment had turned loose. That persons representing educational, religious, charitable, philanthropic, and cultural institutions should be permitted political activities was obviously too dreadful for Representative DEMPSEY and the other members of the committee to contemplate. The amendment was knocked out in a hurry and the obstreperous educational and religious elements in our national life were promptly sent back to the limbo of utter silence, where they belong. According to the same Associated Press dispatch quoted above, Representative DEMPSEY was elated.

Some readers of the Chronicle may be able to recall, in some of the dark ages of the past, expressions of regret on the part of thoughtless and ill-informed persons, that representatives of educational, charitable, religious, philanthropic, and cultural institutions did not take an active part in political matters. It was then set forth that if some of these so-called better elements of the community would do their full duty in the way of political activity, we might have a higher standard of political life in the community. These people were even reproached for not being willing to make great sacrifices for the sake of open participation in political activities.

We in our day clearly are fortunate in our statesmanlike leadership, and in having someone like Representative DEMPSEY who can set us right with promptitude and elation. According to the dispatch, Representative DEMPSEY said: "The Brown amendment was an invitation to educational employees to get into politics." One does not have to be a Representative from New Mexico in order to see the enormity of such an invitation.

But to speak seriously, the newspaper report just referred to illustrates pretty well the insincerity and political trickery which has got mixed into the Hatch Act discussion. However the Hatch bill may have started and still be viewed by some of its supporters as a measure for political purity, it has now become a device by which each side is trying to put its opponents in the hole, apparently, regardless of how their actions must strike outsiders. The whole proposal is being made so ridiculous and probably so tangled up that Congress will never pass it, or it is being made so absurd that no one will think of enforcing it.

Meanwhile, when Representative DEMPSEY stops to reflect that every corrupting influence from the costly lobbies in Washington down the line to the pettier commercial organizations that use politics to further their selfish purposes, and so on still further down the line to our gangsters, our bootleggers, our narcotic rings, and white-slave rings—when all these influences are free to utilize our political system, with every open and secret activity they can employ—he may feel a little less elated over his project to gag the employees of educational, religious, charitable, philanthropic, and cultural institutions because they may suffer from the taint of being paid wholly or in part by the Federal Government, from which same tainted source, we understand, Representative DEMPSEY derives his salary.

T. V. A. for Susquehanna River—Tax Argument Answered

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 2, 1940

Mr. RANKIN. Mr. Speaker, the devastating floods now raging on the Susquehanna River in Pennsylvania and Maryland emphasize the necessity for a T. V. A. on that stream. These periodical floods drown people and destroy property along that river, costing the people in that section hundreds of millions of dollars while the vast wealth of water power goes to waste.

By the creation of a Susquehanna River Authority we could control those floods, improve navigation, conserve the soil, preserve the timber supply for coming generations, and supply electricity to the people of Pennsylvania at rates that would reduce their overcharges by more than $70,000,000 a year.

We have done this on the Tennessee River, and the Tennessee Valley Authority is self-sustaining. It is paying for itself out of its own revenues, and at the same time it has furnished a yardstick for the rest of the Nation that has already helped to reduce light and power rates throughout the country by more than $600,000,000 a year. By the development of a Susquehanna River Valley Authority we can do the same thing for the now unfortunate people of Pennsylvania.

The people of Williamsport, Pa., are preparing to tax themselves to try to control these floods in that area, but that is too big a problem for any one community to cope with. It is a national problem, and one that should be dealt with by the Federal Government, since the Susquehanna is a navigable stream. Besides, an authority such as we now have on the Tennessee River would pay for itself out of the revenues and not be a burden on the taxpayers of the rest of the country; nor would it burden the taxpayers of Pennsylvania and Maryland.

This would not injure the coal industry in Pennsylvania, as some people seem to fear it would. Electricity can be generated with coal anywhere in Pennsylvania at from 1½ to 2½ mills a kilowatt-hour and can be distributed to the ultimate consumers anywhere in the State at the T. V. A. yardstick rates with adequate profit to legitimate investors. This would increase the use of coal in that area, just as has been done in the T. V. A. area.

So much has been said about the loss of taxes to the State of Tennessee and other States in that area that I am inserting here a statement which I made on that subject before the House Military Affairs Committee.

The matter referred to follows:

STATEMENT OF HON. JOHN E. RANKIN, REPRESENTATIVE IN CONGRESS FROM MISSISSIPPI, MADE BEFORE THE HOUSE MILITARY AFFAIRS COMMITTEE ON TUESDAY, FEBRUARY 20, 1940

Mr. RANKIN. Mr. Chairman, as you will recall, I was coauthor of the bill creating the Tennessee Valley Authority. Senator NORRIS introduced the bill in the Senate and I introduced it in the House, and we got it enacted by striking out all after the enacting clause of the bill passed by the House, and substituting therefor the Norris-Rankin measure.

That was in 1933. When the measure came back from conference there was a fight waged on this provision for paying to the States of Alabama and Tennessee 5 percent of the gross revenues in lieu of taxes. In order to save the measure, I had to defend that provision on the floor of the House. I stated then that if it were a new proposition I would not favor it. But we had to accept it or lose the whole bill. It had been inserted as a result of a threatened filibuster in the Senate.

I am here this morning supporting the Norris-Sparkman bill which provides that that amount be raised. I believe, to 10 percent and then gradually cushioned down to 5 percent in a few years.

The CHAIRMAN. Will my colleague pardon me for a question at this point?

Mr. RANKIN. Certainly.

The CHAIRMAN. What was the basis of the threatened filibuster in the Senate? In other words, what were they contending? That has slipped my memory.

Mr. RANKIN. Contending for this 5 percent.

The CHAIRMAN. Contending for it?

Mr. RANKIN. Yes; that was on the part of the Senators from the States involved.

I would not be here at all if it were not for the fact that I introduced a bill asking that this 5 percent be redistributed to take care of the counties in the area whose lands were flooded. One of those counties is in my district—Tishomingo County, named after a Chickasaw chief. If you will follow its course on the map you will see that the Tennessee River flows in a southwesterly direction until it gets to Guntersville, and then it flows almost due west to the Mississippi State line, then turns north, cuts the corner of Mississippi for 10 or 15 miles, and then flows north into the Ohio River.

The Tennessee River was discovered by Hernando de Soto. He followed it from somewhere near its source down to the present site of Guntersville and then turned south to Mobile.

De Soto left a map which was published in 1543, showing the Tennessee River as being the upper stretch of the Mississippi. He later struck the Mississippi River about where Memphis is now situated and thought it was the same stream, as this map indicates.

Tishomingo County has several streams in it that flow into the Tennessee River, particularly Yellow Creek and Bear Creek, which empty into the Tennessee on the line between the States of Alabama and Mississippi. A good deal of the land along Yellow Creek and Bear Creek and other streams tributary to them, and the Tennessee River in Tishomingo County, is flooded by the backwaters from Pickwick Dam.

The CHAIRMAN. By what dam?

Mr. RANKIN. Pickwick.

If the T. V. A. is going to continue to pay out a portion of its gross revenues in lieu of taxes, certainly Tishomingo County is entitled to her pro rata share to remunerate the county for the lands that have been flooded and taken off the tax rolls.

As I understand it, this Norris-Sparkman bill provides that they start with 10 percent and gradually scale down to the original 5 percent, as provided in the original act. So far as I am concerned, I would not care if they scaled it on down to zero within, we will say, 10 or 15 or to 20 years, giving those counties time to rehabilitate themselves.

I want it understood in the beginning that I do not think the State of Tennessee or the State of Mississippi or the States of Georgia or Alabama is entitled to a nickel of this money. I think it should go to those counties whose lands have been flooded and whose property has thus been taken off of the tax rolls.

All of those States have derived a great deal more benefit from the T. V. A. than they will ever lose in taxes. I understand that one of the questions agitating this committee is the question of taxing Government property.

I would be unalterably opposed to giving a State the right to tax Government property. I think when you start out on that program you will wind up with the States taxing all Government property, from post offices to navy yards, and will end in hopeless confusion.

This money has already been collected. You don't have to levy taxes or raise the price of electricity here at all. The fact is the T. V. A. is already collecting this amount in the overcharge for electricity that is sold to the municipalities and cooperative associations within its distribution radius.

The main trouble we have had in this country is finding out just what electricity is worth, so I am going to point out to you today the reasons why I say that we are paying all this electricity is worth, and enough and more to make up this 10 percent the bill would use to remunerate these counties.

I would like to cite the town of Amory, Miss. I'll give you my reasons for selecting Amory as an example later.

I have before me a report from the T. V. A. showing that Amory in the month of December paid 6.19 mills per kilowatt-hour for electricity which she distributed at the T. V. A. yardstick rates. If all electric energy in the United States were distributed at the rates Amory distributes it, the electric consumers of this country would save about $1,000,000,000 a year on their electric light and power bills.

Now, to show you that we are not going off half-cocked, so to speak, on this proposition, I will go back and refer you to the report of the Army engineers, signed by the Honorable Patrick J. Hurley, then Secretary of War, on March 24, 1930, in which he points out what this electricity will be worth at Muscle Shoals.

Until the Pickwick Dam was completed, we got all our electric power from Muscle Shoals. At the dam it was worth, according to the report of Army engineers to which I have just referred, wholesale, of course, 1.352 mills a kilowatt-hour. That is what it should be sold for at the dam. Amory is situated about 100 miles from Muscle Shoals or from the Wilson Dam. It could be laid down 100 miles from the dam, according to this Army engineers' report, at 1.993 mills a kilowatt-hour—a little less than 2 mills a kilowatt-hour. Two hundred miles away it could be laid down at 2.31 mills a kilowatt-hour; at 250 miles away, 2.467 mills per kilowatt-hour; 300 miles, 2.625 mills per kilowatt-hour; and at 350 miles away at 2.725 mills per kilowatt-hour. This report said that 350 miles was the limit, or about the limit, of the distribution radius, and pointed out that it would reach cities like St. Louis, Cincinnati, and New Orleans.

This report also says that these prices are based largely upon known costs, and that an error in the items estimated would affect the sales prices but little. According to this statement of the Army engineers, those are the sales prices necessary for Wilson Dam power "in order to pay 4 percent on the investment in plant and transmission lines, and to cover the cost of operation and maintenance indefinitely."

"These are based upon the known cost of the hydro plant today, a careful estimate of additional installations, at cost of the present installation, and upon estimates of the cost of transmission lines, and operation and depreciation, etc.," says this report.

Now, according to the Army engineers, this power laid down at Amory should have been sold at 1.99 mills a kilowatt-hour, or a little less than 2 mills a kilowatt-hour, whereas Amory is paying 6.19 mills per kilowatt-hour. We are not kicking nor are other municipalities and cooperatives in that area. We are doing that in order to amortize this investment, and if all this power is sold at this rate, wholesale, this investment will never cost the Federal Government a dollar. It will amortize all of its costs within a period of 25 or 30 years and pay back every nickel the Government has invested in the T. V. A. And in 50 years, the time Congress gave for amortization of Boulder Dam, it will pay for all its investments of all kinds, including flood control and navigation—and more too.

Now, remember you gave 50 years for amortizing Boulder Dam, and it is paying for itself. Power is generated at Boulder Dam at 1.63 mills per kilowatt-hour and it is laid down wholesale at Los Angeles, 268 miles away, for less than 4 mills a kilowatt-hour—about two-thirds of what the city of Amory pays, and Amory is within 100 miles of the dam. Other towns and cooperative associations in that area are paying in proportion. Tupelo pays a little less, because Tupelo buys several times as much power as Amory does. While Amory purchased 2,200,400 kilowatt-hours last year, Tupelo purchased 8,938,700 kilowatt-hours. Tupelo paid 4.92 mills per kilowatt-hour, or 2 mills per kilowatt-hour more than the Army engineers said was necessary.

That extra 2 mills goes to make up this fund that we are asking to have paid to these flooded counties in lieu of taxes.

Let us go a little further. Based on that Army engineers' report, the Hoover administration made a contract with the Alabama Power Co. to sell them Muscle Shoals power for 5 years. That power sold at an average of 1.56 mills per kilowatt-hour at the dam, just a little more than the Army engineers said they ought to get for it. The Army engineers said they ought to get 1.35 mills, but the last year they operated under that contract the power company bought it for 1.56 mills a kilowatt-hour.

The CHAIRMAN. Do you have statistics showing what the total bill for any one of those years was?

Mr. RANKIN. No; but you can get that from the Army engineers.

The CHAIRMAN. I have those figures in my files somewhere.

Mr. RANKIN. And I do, too, but I don't have them with me now.

I am taking the town of Amory because Amory is in Monroe County, a county that was served by the Mississippi Power Co., which is a subsidiary of the Commonwealth & Southern.

The Mississippi Power Co. buys her power from the Alabama Power Co. This power is generated at the Gorgus plant and is generated with coal. Farther down in the State they are buying power at the same price generated on the Coosa River. This power is laid down on the border line between Monroe County, Miss., and Lamar County, Ala. In 1938 the Alabama Power Co. sold to the Mississippi Power Co. 156,926,542 kilowatt-hours of electricity, and laid a large part of it down at Sullivan, just over on the Alabama side from Monroe County, at an average cost of 4.1 mills a kilowatt-hour, or about two-thirds the price Amory was paying the T. V. A. 15 miles away.

Now, the Alabama Power Co. is selling power for profit. They don't pretend to be selling it at cost. Yet they laid down power in Monroe County at 4.1 mills per kilowatt-hour wholesale, when Amory, 15 miles away, was buying power at 6.19 mills a kilowatt-hour wholesale. The difference was going to make these payments to take care of these people in the flooded areas.

The Mississippi Power & Light Co., which covered the rest of the State, in 1938 bought 216,596,738 kilowatt-hours of electricity, laid down near Jackson, Miss., at 5.41 mills a kilowatt-hour, which is less than Amory is paying for T. V. A. power.

They bought this power from the Louisiana Power & Light Co. It is generated around New Orleans or in the Caddo fields. The Louisiana Power & Light Co. is selling it at a profit and to show you how generous they are, they sell for just whatever they can wring from the helpless subsidiary. This same Louisiana Power & Light Co. the same year transmitted 152,817,000 kilowatt-hours up into Arkansas, a greater distance than it is to Jackson, Miss., and sold it to the Arkansas Power & Light Co. wholesale for 2.2 mills a kilowatt-hour. They transmitted this power a greater distance than Amory brings it from Muscle Shoals or Pickwick Dam, and sold it to the Arkansas Power & Light Co. for a little more than one-third of what Amory is paying.

This same Alabama Power Co. bought 43,957,311 kilowatt-hours in 1938 for which it paid 3.4 mills a kilowatt-hour, which is a little less than the rate at which it was selling it to the Mississippi Power Co.

Several days ago I pointed out the fact that the power generated at the Conowingo Dam on the Susquehanna River is sold wholesale at 3.34 mills a kilowatt-hour, by a private concern that is producing and selling it for profit. It can be produced with coal anywhere in Pennsylvania at this price.

I bring you these facts and figures to show you that, contrary to the propaganda that has been spread, every municipality, every cooperative association that is buying power from the T. V. A. is not only paying all the electricity is worth but is paying enough

in excess of its real value to take up the cost of this 5 percent or this 10 percent provided for in the Norris-Sparkman bill.

I know some people are saying we are getting power for less than its real value. I am prepared to answer any man on earth on that question. But I just thought that I would call your attention to a few cases, and in order to get entirely out of my area I am taking first the city of Cleveland, Ohio.

Cleveland has a municipal plant that is competitive. It has to compete with a private company. It does not have a monopoly. If it did it could sell power at a good deal less. It has a plant there that is valued at $18,367,356 on which it owes $2,138,806. Last year it produced, sold, and distributed 201,417,000 kilowatt-hours of electricity which it sold for $3,597,000. I mean for the year 1938. The $3,597,000 figure was the retail price paid for the electricity. It had operating expenses of $1,972,735, and made a gross profit of $1,624,862.

Tupelo bought her power at the rates I gave you awhile ago and distributed it to all classes of consumers at an average of 1.4 cents a kilowatt-hour.

If Cleveland, which, by the way, has the cheapest rates I have found in Ohio anywhere, if Cleveland had done what Tupelo does, given back to the consumer this overcharge, their average retail rate to all classes of consumers would have been 1.3 cents a kilowatt-hour or less than the T. V. A. yardstick rates in Tupelo.

Take the city of Jacksonville, Fla. Jacksonville buys her fuel and hauls it a long distance from Texas, California, Louisiana, Arkansas, or Pennsylvania. Jacksonville has a plant valued at $13,876,890, on which she owes $4,539,500. In 1938 she generated 38,415,000 kilowatt-hours of electricity which she sold to the ultimate consumers for $3,494,608. Her operating expenses were $1,266,527. Out of that $3,494,608 she made a gross annual profit of $2,228,081, or more than 50 percent. Her average retail rates to all consumers of all classes was 2.5. If she had given those consumers back these overcharges she could have sold them power below the T. V. A. yardstick rates.

Mr. THOMAS. Mr. Chairman, may I ask a question?

The CHAIRMAN. Yes.

Mr. THOMAS. I notice in the case of Cleveland and Jacksonville you mentioned the gross profit. What was the net profit in the case of Jacksonville? Do you have those figures?

Mr. RANKIN. Yes. This answers your question, I am sure. Jacksonville paid taxes in the amount of $48,489 and gave to the city a cash donation of $1,866,692.

Last year the municipal system at Tupelo, Miss., my home town, bought its power from T. V. A. at an average of about 5 mills per kilowatt—I mean for the year 1938—sold it at an average, as I said, of 1.4 cents per kilowatt-hour to consumers of all classes. Paid the amount due on its sinking fund, paid all overhead expenses; paid the interest on the outstanding bonds, of which I believe there was $77,000, paid the city 6 percent on all the investments on the distribution system, then gave the city $10,000 in lieu of taxes, which is more ad valorem taxes than I have found paid by any private power company, in a city of that size, or a greater percentage of the gross revenues, and still had a surplus of $40,000.

Mr. THOMAS. What is the population of Tupelo?

Mr. RANKIN. About 7,000.

Tupelo wanted to know what to do with this money. Under her contract there was only three ways they could dispose of it. One was to extend the service. We could not extend the service; every chicken coop in my town has electricity. And contrary to the propaganda you hear, there isn't a Negro house in Tupelo that doesn't have electricity.

We have 1,720 subscribers, and those 1,720 subscribers have 1,920 electric irons. We have 200 more electric irons than we have domestic consumers. And 90 percent of the residential consumers have electric refrigerators, whereas in New York and throughout that area it is only about 48 percent.

There were two other ways in which this money could be expended. One of them was to pay it on the debt. The bondholders would not have that, because, they said: "We are getting a greater rate of interest than we would get on our money if we put it into anything else. It is perfectly safe, and we don't want the money."

So the only thing we could do then was to reduce the rates. We reduced the rates to both the commercial and residential consumers and in the month of December 1939 the average consumption of electricity by residential consumers in Tupelo was 193 kilowatt-hours a month, and in January 1940 it was 227 kilowatt-hours a month, whereas the national average is less than 60 kilowatt-hours a month.

The CHAIRMAN. Will my colleague pardon an interruption?

Mr. RANKIN. Yes.

The CHAIRMAN. We want to extend to the gentleman every possible courtesy we can. In view of your statement, and I don't doubt the correctness of it in any respect, particularly with reference to your own city of Tupelo, your statement shows such a condition of prosperity resulting from the distribution of this electricity that it seems to me that we will have to agree it doesn't need any tax replacement.

Mr. RANKIN. I was coming to that.

The CHAIRMAN. But we have here under consideration a question which apparently involves cross currents of varying interests. We have the problem of those citizens in the rural sections who don't use much electricity, but upon whose shoulders this burden of taxation is going to fall. The cities are prosperous. What is your suggestion as to how the plight of the rural people and the problem they present to us might be taken care of?

Mr. RANKIN. I was coming to that very proposition. But before I do so I want to answer one statement I hear made frequently to the effect that the Tupelo system was subsidized by the Federal Government. The Federal Government never put a nickel in the Tupelo system. The T. V. A. never put a nickel in the Tupelo system; and when it was destroyed by the cyclone in 1936 we rebuilt it ourselves and repaid every dollar borrowed from anybody for that purpose.

Now, I want to get to the point made by the distinguished chairman of the committee. The people in the district that I represent will save about $2,000,000 on their light and power bills this year, 1940, compared with what they would have paid under the rates prevailing 7 years ago—before the T. V. A. was created. So those counties whose lands were not flooded are not kicking. They have no kick coming.

But there are a few small counties in this area whose lands have been flooded, that are not getting corresponding benefits, and there is no way for them to get remuneration except through the passage of a measure of this kind.

Take Tishomingo County. That is one of the smaller counties in the area, right up on the river, and it is one of the worst sufferers from flooded lands by this backwater. That land has been taken off the tax rolls. I am asking that they be treated on a parity with people in other sections where the lands were flooded.

Mr. THOMASON. Will the gentleman please say how?

Mr. RANKIN. Yes; I think I can.

Mr. THOMASON. Give us a practical set-up as to what you would do in a case like that.

Mr. RANKIN. The original bill, Mr. THOMASON, provided that this 5 percent collected should be paid to the States of Tennessee and Alabama. Well, that was unfair to begin with. In the first place, it wasn't the State of Alabama that was flooded, or the State of Tennessee, but it was the local property; and instead of being paid to the States it ought to have been paid to those counties in lieu of the taxes that they lost on the lands that were flooded.

Mr. THOMASON. But it all went to the State. Didn't the States pass it on to the counties?

Mr. RANKIN. They did not pass but very little, if any of it, on to the counties.

Mr. THOMASON. Is it the obligation of Congress to make the State break it down to the very last unit of government or is it the obligation of the States to pass it on to the smaller units of government? Isn't that a responsibility of the State to deal fairly and justly with its political subdivisions and the people therein?

Now, it is a complex problem confronting us.

Mr. RANKIN. Suppose we take the county of Tishomingo in the State of Mississippi, and give the amount of money formerly collected for taxes on lands now flooded, give that amount of money to the State of Mississippi. The people in Tishomingo County who are paying the taxes in lieu of the taxes this land formerly paid wouldn't get enough of it to know anything had ever been done.

Mr. THOMASON. Can't you depend upon your State government to deal fairly with those counties?

Mr. RANKIN. In collecting taxes in Mississippi we assess property at a certain amount, and we levy so many mills per dollar, and that is collected by the county and is called a State and county tax.

Out of it a certain percentage is paid over to the State. The original T. V. A. Act turned it all over to the States of Alabama and Tennessee. I want to ask you just what business Walker County, Ala., what business is it of theirs to be collecting this money that those people up in Lauderdale County, for instance, should have? Take Nashville, in Tennessee. Why should you take this money and pour it into the general coffers at Nashville, knowing that those people back up there on the river are going to get but very little of it, if any at all.

Mr. THOMASON. How do you propose to see it percolate down to the little fellows?

Mr. RANKIN. Pay it to the counties where the land is flooded.

The CHAIRMAN. Now, will the gentleman answer this question?

Mr. RANKIN. I am not going to ask you to pay anything to the counties where lines have been built to serve the public and no lands flooded. Those people get the benefit of it, but I do think that these people in areas where lands have been flooded should be reimbursed, at least until they can absorb those losses.

The CHAIRMAN. I have a question I would like to ask the gentleman. It has been made to appear, and I think uncontradicted, by the T. V. A. witnesses, that there is a saving in the State of Tennessee alone of $7,700,000.

Mr. RANKIN. That is correct.

The CHAIRMAN. And the tax bill is a little more than $1,000,000 to the counties and municipalities in the State of Tennessee. The entire tax, as shown by the committee appointed by the Governor, is $3,000,000 and something.

We are told by lawyers who are Representatives in Congress from the State of Tennessee, and I understand it is a fact, that if this money is paid over to the State that it cannot be distributed except on a uniform basis, and they figure out by percentage that these counties that are in distress cannot get much of it.

Now, is your State in the same condition? Do you have a law in Mississippi which requires if the money is paid to the State of Mississippi that it cannot distribute it to the various counties?

Mr. RANKIN. If this money is paid to the State of Mississippi, Tishomingo County will get practically nothing out of it, and if this

money is paid to the State of Tennessee, those little counties along the Tennessee River will get practically nothing out of it.

We have the example before us of money having been paid to the State of Alabama, and those little counties along the river whose lands have been flooded got practically nothing out of it.

Mr. THOMASON. I have read this bill several times, and every time another witness shows up I get confused again about it. Do you understand that this bill provides for a direct payment to a specific county?

Mr. RANKIN. Well, that was in my bill, and if it isn't in this bill, I would certainly like to have it amended to that effect.

Mr. THOMASON. Well, through what agency is it your idea, Mr. RANKIN, that any tax-replacement money from the proceeds of the T. V. A. shall be paid to the government of that State for distribution to the counties? In other words, what is the machinery of the thing? That is what is confusing me.

Mr. RANKIN. The machinery in operation in that State now is when a State collects money it just proceeds to spend it.

Mr. THOMASON. And these poor little counties get nothing?

Mr. RANKIN. That is about right; and if this bill doesn't provide that, Mr. THOMASON, it ought to be amended to that effect.

Mr. THOMASON. I, for one, and I imagine I speak for others, want to see to it if there is going to be any legislation concerning this money, we want to see it gets to the people who need it and deserve it.

Mr. KILDAY. You will find, starting at line 22 on page 3, that which you have in mind.

Mr. THOMASON (reading):

"Payments above provided shall in each case be made to the State not later than July 31 of each year, and it is the intention of Congress that each State shall redistribute said payments or portion thereof to the counties and other local taxing divisions."

Mr. KILDAY. That seems to be permissive rather than mandatory.

Mr. THOMASON. As it says, that is the intention. I still don't know what the machinery is to see to it that it percolates down to the poor little counties and the people in them.

Mr. RUTHERFORD. The only way for that would be for the T. V. A. to pay it to the counties direct, and not to the State.

Mr. RANKIN. That is right. If you will pay it in just as taxes were paid beforehand, it will go to the counties. The State will get its small pro rata share, but the county will be taken care of.

Mr. FADDIS. Will the gentleman yield?

Mr. RANKIN. If anything is going to be paid for the land that is taken I want it paid to that county. Yes; I will yield.

Mr. FADDIS. Now, contrary to the gentleman's opinion, I am very sympathetic with the small counties.

Mr. RANKIN. I understood the gentleman fairly radiates sympathy.

Mr. FADDIS. I am genuinely sympathetic with the small counties. Now, I have a bill. I don't know whether the gentleman ever read it or not, but in my bill I wanted to provide that this money should be paid to the locality to which it was honestly and properly due, and the wording of my bill is this:

"Shall be distributed to the various States, counties, or municipalities annually in proportion to the relation which the land, water, or corporation property removed from taxation by the operation of the Authority in such States, county, or municipality bears to that removed from taxation in the entire area in which the Authority operates."

I tried to cover that in accordance with the gentleman's idea, and I believe that to be the gentleman's idea.

Mr. RANKIN. But the gentleman has some other provision in there that offsets all that beneficence.

Mr. FADDIS. This is one occasion where great minds do not run in the same channel.

Mr. RANKIN. Probably so. Now, talk about loss of privilege taxes and other imaginary losses to a State, it comes with poor grace for any State to come here and ask for any such remuneration at the expense of the Federal Government or the T. V. A. or the electric consumers of that area. But I think that these small counties, or whether small ones or not, these counties whose lands are taken to provide these reservoirs, are amply justified in coming here and asking that you at least allocate the 5 percent now collected to them and not pay it to a State way off yonder to be used in counties that are not affected by T. V. A. and that really have no interest in the Tennessee Valley Authority.

So I submit that I should rather see you pass out this Norris-Sparkman bill as it is written and take care of counties such as I have mentioned. If it does not provide that this money shall be paid to these counties, then add such a provision, and where the money was paid to a school district, as in some instances, that should be taken care of also.

For instance, here is a school district in a rich strip of land that it had been drawing its resources from. They had bonds floated and had collected taxes from that land to support the school, paid them into that school district's fund. What good does it do to give it to the State of Tennessee or the States of Alabama or Mississippi? That little school district might never get a cent of it; and, as I said before, those local units that have really been punished from a standpoint of taxes by having their lands flooded and taken off the tax rolls are the ones that should receive this money.

Mr. HARTER. Mr. Rankin, wouldn't this be the more fair and more equitable way of handling this whole situation: Take away from the corporations the duty to make any payment to any of the States in that particular territory. That would mean that the burden would be put back on the people of your particular States. You could adjust your rates in such a manner, up them to the extent that would be necessary to make up for this tax loss, and then through your own local machinery, both county and State, distribute to these communities that have suffered the most and in proportion to their injury by reason of this great improvement.

Mr. RANKIN. Well, of course, that would be to our benefit. Take my district as a whole. I have a district in which the people of every county get T. V. A. power at T. V. A. rates.

The CHAIRMAN. How many counties in your district?

Mr. RANKIN. Ten. But you never would get the State to distribute that money. Did you ever try to get one county to do anything for another county? Why, it is all but impossible. The only way these poor people who paid these taxes and who lost this revenue are going to get anything out of it is through a law brought out through this committee and passed by Congress to have this money paid to them.

Mr. SCHAEFER. Will the gentleman yield?

Mr. RANKIN. Yes.

Mr. SCHAEFER. I am very much interested in that. We have in the State of Illinois a 3-percent retailers' tax. That law was passed in 1934. For the year 1939 that tax yielded $86,359,094.45. The tax on electricity, and that is the 3-percent tax I am referring to, amounted to $5,085,450.35 that the retailer had to pay over and above the regular rate for all electricity consumed.

Mr. RANKIN. Three percent?

Mr. SCHAEFER. Yes. We have had that 3-percent tax in Illinois for 5 years.

Mr. RANKIN. Well, does that go into your State treasury?

Mr. SCHAEFER. That goes into the counties.

Mr. RANKIN. The county where it is collected?

Mr. SCHAEFER. Yes.

Mr. RANKIN. All right. Suppose now that you said we are going to follow that policy. If you will take the record, and I will show you just what I am driving at in just a minute, you will find that the county of Tishomingo, the one that is flooded, uses a very small amount of electricity—only about 1,803,000 kilowatt-hours a year, while my county uses over 10,000,000. You will find that very little electricity sold is in these counties, and the revenue from it would be very small. Besides, they are already paying it to the T. V. A. in their wholesale rate. Tishomingo County, which is within 25 miles of two of these dams, Wilson or Muscle Shoals, and Pickwick, paid T. V. A. 6.92 mills a kilowatt-hour for its power, wholesale, during the month of December. The overcharge went into this fund.

I certainly would not ask you to give a dollar of it to the State of Mississippi. I would rather see you give it to this small county; and if there is a school district or road district in there that has lost taxes, then they should be taken care of in this way, through the county—not through the State.

Paying this money to the State will do the counties along the river very little good.

Mr. SCHAEFER. The point I was raising, Mr. RANKIN, is, we pay a high rate in Illinois.

Mr. RANKIN. You certainly do.

Mr. SCHAEFER. And, in addition to that, we have to pay each month a 3-percent retailer tax.

Mr. RANKIN. And there is a national tax of, I believe, 3 percent, and they put that on the consumer instead of the producer. I fought that. I tried to keep them from doing that when the tax was put on.

Now, you are paying an overcharge in Illinois of about, I believe, $69,000,000 a year, according to these T. V. A. rates.

But I want to call your attention to one thing. Your State capital city, Springfield, owns a municipal plant which cost $4,392,000 and owes $1,385,000 on it. In 1938 they sold 60,000,000 kilowatt-hours of electricity for $925,294. They paid operating expenses of $546,279 and made a gross annual profit of $379,000, and yet they sold their power on an average of 1.5 cents per kilowatt-hour, or about one-third of what the rest of you in Illinois are paying. And if they had given those people the benefit of this overcharge, Springfield would have been selling her power below the T. V. A. yardstick rates or cheaper than we are selling it to the ultimate consumers in Tupelo, Miss., or Amory, or any of the cities, towns, or communities in that area.

So if you could get at this overcharge, if you had some way to tax the overcharge in Illinois you would pay nearly all your taxes out of it; and your State isn't any worse than the average.

Mr. SCHAEFER. Several witnesses testified this was not done anywhere in the United States and I just wanted to correct the record.

Mr. RANKIN. I do not know about the advisability of taxing electric power. I think it is the wrong policy. You are imposing a burden on the use of one of the world's greatest commodities. Electricity is not a service, it is a commodity, just as is wheat or corn. It makes no difference whether you generate it with coal, corncobs, gas, oil, or water power, it is all alike. You cannot pollute or corrupt it. It is a good thing you can't. Whatever you use to make it with it is still worth so much a kilowatt-hour. That is its measure. The kilowatt-hour is the inch, the gallon, the pound, the bushel, the ton; that is the unit of measurement of electricity. It contains approximately 3,412 B. t. u. of heat per kilowatt-hour. So the question is, What is it worth?

If I sell you corn and I say I want $5 a bushel for corn I raised on a city lot which cost me $10,000, how would that sound in Illinois where a farmer can come in and sell you corn at 60 cents a bushel which was raised on land that cost $40 an acre?

You are dealing with a commodity; you are not dealing with a service. And all these inflated valuations on which the American people are paying dividends and this system to which they are paying tribute, is infinitely more important to the people of the country than a small amount in a bill of this kind.

Mr. SCHAEFER. We pay 3 percent on everything—gas, water, telephone, telegraph, and everything—corn, wheat, and everything else. We pay 3 percent.

Mr. RANKIN. I am not surprised.

Mr. SCHAEFER. And it brings in $80,000,000 a year.

Mr. RANKIN. But if your State commission will squeeze the water out of the power stocks in Illinois and wring the ruthless hands of the holding companies loose from the people of your State, they can reduce rates in that State by $69,000,000 a year, and when they do it consumption will grow by leaps and bounds. In Tupelo domestic consumption has gone from an average of 40 kilowatts an hour per month in 1934 to an average of 193 kilowatt-hours a month, in December 1939, and 227 kilowatt-hours a month in January 1940.

Mr. SMITH. Mr. Chairman.

The CHAIRMAN. Yes, Mr. Smith.

Mr. SMITH. With reference to the tax question. I may have misunderstood you in the beginning, but I understood it was your opinion that if we were starting fresh it would be better not to lay any tax on these Government-owned properties producing electricity.

Mr. RANKIN. This is not a tax. I said it would be better not to allocate any part of the funds collected for the sale of power to remunerate the States.

Mr. SMITH. And as far as the local taxing bodies are concerned, while they have a much more difficult position than the States, if I understood you correctly, if we could take care of a transition period to enable them to seek other sources of revenue or other combinations with other taxing body groups—that is my statement and not yours——

Mr. RANKIN. Yes.

Mr. SMITH. That we should not even though we cushioned it for a period of time, which might be quite a long period, to allow for that transition, that we should not, as a general principle in the long run, add an amount to our electric rates to replace those taxes.

Mr. RANKIN. Oh, no. It is already paid. This 10 percent is already paid.

Mr. SMITH. I mean we should not, for instance, continue the charge which is intended to be a replacement of taxes.

Mr. RANKIN. That is right. For instance, Mr. Smith, we will say here is a school district that virtually two-thirds of its land has been taken. They have bonds outstanding. The rest of the land has to pay those bonds. If this were cushioned down until those bonds are paid off the school could probably take care of itself, but you should not leave the burden of paying that debt on the few landholders of the adjacent property.

Mr. SMITH. If you fixed a period of 1, 10, or 15 years and provided tax replacements during that period of time, that would give ample notice to the local taxing bodies that the replacement was limited and eventually would be withdrawn.

Mr. RANKIN. That is right.

Mr. SMITH. It would be a matter of general principle preferable to a continuing permanent arrangement.

Mr. RANKIN. That is right.

Mr. SMITH. Or a permanent addition to power rates to pay tax loss.

Mr. RANKIN. I would not make it permanent. I would cushion it down to where it will ultimately play out, because if you don't do it, I am afraid you will gradually go into a policy of taxing Federal property and I don't like to see that done.

The CHAIRMAN. Mr. COSTELLO.

Mr. COSTELLO. Mr. RANKIN, don't you think if we put a provision in this bill similar to what Mr. FADDIS suggested, namely, that the money be paid to the State and then the State pay it to the districts that have been affected by tax loss that that would be sufficient to offset the provisions in the constitutions of those States that prohibit them from distributing money except equally according to population?

Mr. RANKIN. It is not always the written constitution that keeps the States from helping the local communities; it is the "unwritten" constitution. The States are run by politicians selected from the various counties and they don't like to pay anything to these local communities in which they are not directly interested.

If we pay it to the States, so far as Tishomingo County is concerned, she will get practically nothing out of it, and neither will these little counties in Tennessee and Alabama.

The CHAIRMAN. Down in my State the local politicians want to get it away from the State and give it to the county.

Mr. RANKIN. You understand there are only a few of these counties that touch the Tennessee River, but look at the vast number of counties in the rest of these States. We have 82 counties in my State and only one of them is really involved. There might be a few acres in other sections, but I have heard no complaint from them. We have 82 counties, 81 of which do not have their lands flooded by these dams.

Mr. COSTELLO. It seems if we put the provision in the law that the money paid to the States must be repaid to the taxing districts and that that would be the only basis on which that money would be paid to the State, it seems that would take care of the situation.

Mr. RANKIN. But Mr. COSTELLO, you have had that experience for a good many years. Money has been paid to the State of Tennessee and it has not been returned to the counties.

The CHAIRMAN. The original law did not have such a proviso in it.

Mr. RANKIN. And if it did, you could not enforce it. If you are going to put it in the bill, why do it that way? Why not pay it to the counties to begin with?

Mr. ELSTON. Mr. RANKIN, you said you were very much opposed to taxation of Federal property by the States.

Mr. RANKIN. Yes.

Mr. ELSTON. And I am also, but you favor legislation which will reimburse the counties whose lands have been inundated. Now, if that is true, why wouldn't counties up in Ohio, for example, whose lands have been submerged by flood dams be entitled to collect back taxes that they have lost?

Mr. RANKIN. Mr. Elston, you remember I said as an original proposition I would not be in favor of this policy, but that if they are going to distribute this 5 percent, or 10 percent, it should be distributed to the counties whose lands are taken off the tax roll.

Mr. ELSTON. Well, we have lost up in Ohio for the same reason, and we will lose a great deal more when they build some of the dams that are contemplated. Now, where are they going to get the money?

Mr. RANKIN. What dams are you speaking about?

Mr. ELSTON. They are going to build dams on the tributaries of the Ohio River for the purpose of holding back water and preventing floods.

Mr. RANKIN. That is exclusively for the benefit of the people who are flooded along the stream.

Mr. ELSTON. But it is not for the benefit of the people in those counties, because they are not flooded. It is for the benefit of those further down the river.

Mr. RANKIN. That is the very trouble, Mr. ELSTON, that I think we are getting into; and as I said, when this bill came back on the conference report in the House I defended this proposition to keep them from killing the whole measure that created the T. V. A. But I stated then that if it were an original proposition, I would oppose it. My bill does not ask for increasing this to 10 percent but merely for a reallocation.

I think you are pointing out a danger, Mr. ELSTON, that you are going to run into if you ever start levying taxes on Federal property.

Mr. ELSTON. And wouldn't this be a dangerous precedent to reimburse these counties whose lands have been flooded? Won't every State in the Union ask for the same thing?

Mr. RANKIN. Yes; if you reimburse the States. If you are going to reimburse anybody, it ought to go to the counties.

Mr. ELSTON. That does not make any difference. If you reimburse the county or State you are establishing a bad precedent.

Mr. RANKIN. That is virtually what I said when the conference report was before the House in 1933, but we either had to accept it with that provision in it or kill the bill, and I did not propose to burn the house down to kill a mouse, so to speak; but I realize the danger you are speaking of, and I recognized it at the time, and I said then if it were an original proposition I would not be in favor of it. But whatever is done in this respect, since this money is being collected from the power consumers that purchase the electricity from the T. V. A., whatever is thus collected ought to be redistributed to the people who have suffered as a result of this land having been taken off the tax roll.

Mr. SCHAEFER. I think the record indicates back in 1934—that is when they passed this act, wasn't it?

Mr. RANKIN. No; 1933.

Mr. SCHAEFER. 1933. The original act as reported out by the committee and passed by the House did not contain any provision for payment to Tennessee or Alabama; that was put in over in the Senate?

Mr. RANKIN. It was not in the original Norris-Rankin bills. But the distinguished Senator from Tennessee, Mr. *McKELLAR*, threatened to filibuster against the bill, and if I remember correctly he carried on one for a time, to get this provision in the bill.

The CHAIRMAN. And was joined in by Justice Black.

Mr. RANKIN. I don't know, but he was not joined in by your humble servant here.

The CHAIRMAN. I know there was a lot of dissatisfaction when the bill came back from the Senate with that provision in it.

Mr. RANKIN. We either had to accept it at that time or kill the bill. I said I did not like it, but I would accept it rather than kill the whole legislation.

I thank the committee for its indulgence.

The CHAIRMAN. I want to ask you one question. I have a statement here of the Tennessee Valley Authority that shows they paid two-hundred-and-some-odd thousands of dollars, as I understood under that 5-percent feature, to the States of Alabama and Tennessee. I cannot find in any of their records anywhere where actual taxes have been paid which they say represents the 12½ percent other than the two-hundred-thousand-odd dollars that I mentioned a moment ago.

Mr. RANKIN. Yes; they collected it in their wholesale rates. I just showed you they are paying 6.19 mills for electricity in Amory, Miss., when the Army engineers said that we should pay at that distance from the dam only about 2 mills.

The CHAIRMAN. I remember you went into considerable detail about that, but let me ask you this question and then I am through: If as a matter of fact they did add 12½ percent onto the rate and

thereby providing a measure or yardstick at what electricity should sell for, and now if by legislation that amount is to be paid back to them what becomes of the yardstick?

Mr. RANKIN. The yardstick, I will say to the gentleman from Kentucky, is the retail rate that the ultimate consumer pays. That would not have the slightest effect on the yardstick because we are already paying this money. This money is already being paid in through the wholesale rate. The yardstick is the retail rate. The yardstick is the rate the ultimate consumer pays.

I notice every once in a while some fellow gets up and talks about the yardstick as if it were a wholesale rate. It is not a wholesale rate. What we mean by "yardstick" is the rates the ultimate consumer has to pay.

The CHAIRMAN. Thank you very much.

Mr. RANKIN. And they are the rates we are trying to spread throughout the country and if we can do that we will have benefited immeasurably every electric consumer in America.

Mr. THOMASON. I want to be certain of one thing. Is Tupelo in your district?

Mr. RANKIN. Yes, sir; it is my home town, and was the first one to get T. V. A. power.

National Youth Administration Program Is an Investment in Good Citizenship

EXTENSION OF REMARKS

OF

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. MICHAEL J. KENNEDY. Mr. Speaker, I cannot allow the occasion of the consideration of the appropriation of the National Youth Administration for this fiscal year to pass without stating my reasons for urging an increase in the appropriation recommended by the committee.

This program has been one of the most constructive and commendable projects fostered by this administration, and one of which we may all be proud now and in the years to come. It has provided part-time work for approximately 500,000 students in our schools, colleges, and universities, enabling them to remain in school, thereby keeping them out of the labor market. Those who are compelled to go into the labor market are given the advantage of vocational education and guidance with which to equip themselves with a trade to mold their future life's work. We are a nation of pioneers and our progress has been unexcelled by that of any other nation in the history of the world. Our frontiers of science and knowledge each year produce keener competition and simultaneously greater need for extensive preparation with each succeeding generation; and so today I feel that the very least we owe our youth is to provide nearly free the minimum educational advantages to as large a number as possible.

I commend the facilities of this program to the people of my district for whose benefit I have been happy to work and vote for an increase in this program to $100,000,000, rather than the sum of $85,000,000 recommended by the committee. My heart goes out to every mother and father of every boy and girl in my district who longs to properly educate their children but who cannot find a way. The Federal Government, through this National Youth Administration program, is trying to help them find a way by providing jobs through high schools and colleges which enable them to continue their education. It is designed to help our youth obtain an essential education. Those who find it impossible to continue their higher education should avail themselves of the opportunities for vocational guidance provided under the program in order to equip themselves with a trade for their future work.

I am proud to have had a part in the enactment of this bill to provide increased funds for the National Youth Administration and the Civilian Conservation Corps as a foundation for the future of our youth which will pay dividends in security for themselves and their families in later years and make them a credit to society. The road of the dictatorships is paved with the inertia of their peoples brought about by the shackles of their low intellectual levels. What function of our Government could be more commendable than raising the intellectual level of our youth, so that they may assure themselves and their children of a stronger mentality and sounder heritage for their future life and the life of their country?

I hope that the appropriation of $100,000,000 for which I have been happy to vote will more nearly meet the need on the part of our youth that has developed. The fruits of their labor on these various projects will benefit society; in addition, they become better and finer men and women.

American Airplane Industry

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, April 5 (legislative day of Monday, March 4), 1940

ARTICLE BY HUGH S. JOHNSON

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an article by Gen. Hugh S. Johnson in reference to speeding up our airplane production.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News]

ONE MAN'S OPINION

(By Hugh S. Johnson)

The policy of the President to permit the Allies to buy our most advanced type of military and naval planes is 100 percent correct. A principal problem in our preparation for defense is productive capacity. Time is "of the essence" in war. Napoleon used to say: "I may lose a battle but I will never lose a minute—and hence few wars." We have the best industrial plant in the world. But in our modern system of manufacture the best plant in the world can't get into production without first going through a slow and complicated effort called tooling-up.

This means the arrangement of buildings and machine tools to provide a continuous flow from one operation to another without back tracking or lost motion. It means the making of the working points of those tools to insure absolute uniformity in all the thousands of separate parts that go into the assembly of any such complex and wonderful thing as a modern war plane. It means the making of patterns and gages to insure accuracy beyond the split fraction of a mouse hair—microscopic accuracy in some cases.

This requires the highest mechanical skill that is demanded of any workman. The scarcity, due to the depression, of sufficiently skilled pattern and tool makers is one of the great bottlenecks retarding production. Once the original tooling is done, fewer of those experts are needed.

Everybody who is old enough will remember that preparation to build the radically different successor to the old model T "tin lizzie" paralyzed the production of even the great Ford plants for the better part of 2 years. It is believed in the motor industry that a single last-minute change in arrangement and design cost the Ford company millions of dollars and months of time. When this great preparation work is done, increase in speed and reduction in cost are very great.

To put the American airplane industry on this kind of mass-production basis would give us something that hasn't existed, and, under conservative plans for our own equipment, might never have been completely attained. But a billion dollars' worth of allied business, coupled with our own requirements, on basic designs identical with our own, will do exactly that. This result of giving the Allies our most advanced designs is the most fortunate thing that could happen to us from the angle of our own defense.

As for military secrets, we have some gadgets that lead the world—for example, our pursuit plane supercharger that has increased speed of one model by 40 miles an hour. But how long will they remain secret? As the automotive industry learned long ago about standard equipment in common use, constantly superior research and invention are the only dependable methods of beating competition, and neither secrecy nor even patent protection will serve.

For undisclosable reasons our marvelously accurate bomb sight is in a slightly different class, but, as to standard plane and engine types, we would be short-sighted not to give the Allies the best we have for quantity production, even if it somewhat delays our own

program. If war threatens us, we will take all this newly developed factory capacity for our own use—exactly as we did in 1917. The President's policy will speed our essential production, put us in the vanguard of invention and design, and greatly lower our costs.

Trial of the Issue of Good Behavior in the Case of Certain Federal Judges

EXTENSION OF REMARKS

OF

HON. HATTON W. SUMNERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

Mr. SUMNERS of Texas. Mr. Speaker, the following will be offered as an amendment of, or as a substitute for, H. R. 5939, which it is expected will be considered under a rule tomorrow, April 9:

A bill to provide for trials of and judgments upon the issue of good behavior in the case of certain Federal judges

Be it enacted, etc., That whenever a resolution of the House of Representatives is directed to the Chief Justice of the United States, stating that in the opinion of the House of Representatives there is reasonable ground for believing that the behavior of a judge to whom this act applies, as provided in section 5, has been other than good behavior within the meaning of that term as used in section 1 of article III of the Constitution, the Chief Justice shall convene, or cause to be convened, the circuit court of appeals of the circuit in which the judge resides in special term for the trial of the issue of good behavior and the right of such judge to remain in office. The Chief Justice shall designate three circuit judges (one of whom he shall designate as presiding judge) to serve on such court. Any one or more of such judges may be circuit judges of circuit courts of appeals of circuits other than the one convened in special term, but, if the judge whose good behavior is in question is a circuit judge, no judge from the same circuit shall serve. Such designation shall be made only after the Chief Justice has notified the judge whose good behavior is in question of the names of the judges whom he intends to designate to serve on the court and has given the judge notified an opportunity to present to the Chief Justice a statement of reasons why any such judge should not serve. If such reasons appear adequate to the Chief Justice, he shall notify the judge of another intended designee and the foregoing procedure shall be repeated until three judges can be designated to serve on the court.

SEC. 2. Thereupon, it shall be the duty of the Attorney General to cause to be instituted, on behalf of the United States, a civil action in such court to determine the right of such judge to remain in office. In any such action, the United States shall be a party to such controversy, and shall have all the rights and duties of a plaintiff in a civil action in the Federal courts and the judge shall have all the rights and duties of a defendant in such an action. In any such action, the Attorney General is authorized to avail himself of the services of such Members of the House of Representatives as may be designated by resolution of the House of Representatives to aid in the prosecution of the action. All matters of procedure in any such action shall be governed by rules prescribed by the Supreme Court, but the trial shall be without a jury.

SEC. 3. If the court determines that the behavior of the judge has been other than good behavior within the meaning of that term as used in section 1 of article III of the Constitution, the judgment of the court shall be that of removal from office, but no other penalty shall be imposed by the court. Upon rendition of such judgment and until such judgment is reversed on appeal as provided in section 4, the defendant shall cease to have any power, authority, or right to act as judge, but his salary shall be paid him until the expiration of the 30-day period allowed for an appeal under section 4 if no appeal is taken, or until the determination of such appeal, if appeal is taken.

SEC. 4. From the judgment of any such court, either the United States or the defendant may, within 30 days after its rendition, but not later, appeal to the Supreme Court of the United States on the law and the facts. Notice in writing of the taking of such appeal must be filed in the office of the clerk of the trial court and also of the Clerk of the Supreme Court of the United States, and a copy thereof must be served on opposing counsel. Such appeals shall be subject to and governed by the rules of practice and procedure now regulating appeals to the Supreme Court of the United States, or such rules as may hereafter be adopted by the Supreme Court of the United States.

SEC. 5 (a) This act shall apply to all judges of courts of the United States, the District of Columbia, and the Territories and possessions, who hold their offices during good behavior, except the Justices of the Supreme Court of the United States.

(b) For the purposes of this act, the term "circuit court of appeals" shall include the United States Court of Appeals for the District of Columbia, and the District of Columbia shall be deemed a judicial circuit.

Democratic Rally, West Chester, Pa.

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

ADDRESS BY HON. ALBEN W. BARKLEY, OF KENTUCKY

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD excerpts from an address delivered by the distinguished majority leader, the Senator from Kentucky [Mr. BARKLEY], at a Democratic rally held in West Chester, Pa., on the evening of April 5, 1940.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

My friends, I am glad to be able to come here tonight to give you a sort of bird's-eye view of the problems which the Democratic Party and the administration of Franklin D. Roosevelt have faced and have dealt with during the past 7 years.

I have always been interested in the democracy of Pennsylvania. My interest has been, from time to time, rekindled by the knowledge that for years the Democratic Party in this State has been compelled to combat the forces of reaction as exemplified by the attitude of many former Republican leaders, and some who are still active. I have no doubt in Pennsylvania, as throughout the Nation, the great majority of the people desire not only honest government, but desire a liberal and progressive government, and desire that their Government be kept sufficiently flexible and up to date as to enable it to aid the people through its experience and organized power in the solution of their political, social, and economic problems.

I am especially happy to be here tonight because of my admiration and long friendship for your junior Senator, JOSEPH F. GUFFEY. I have known JOE GUFFEY for a couple of decades. I knew him first when he was battling these same reactionary forces in his efforts to bring about the nomination of the great Woodrow Wilson for the Presidency of the United States.

I have known since in 1931, and probably even earlier, that JOE GUFFEY threw his experience and his influence into the scales for the nomination of Franklin D. Roosevelt, the great leader of the Democratic Party and of American liberalism, who is now the President of the United States.

Senator GUFFEY and President Roosevelt have been warm, intimate, personal, and political friends since 1911, and I am sure I do not exaggerate when I say that same friendship and respect still exists between them, and for the best interest of Pennsylvania and the country I know that the President wants that friendship and association to continue.

The policies of the Roosevelt administration have come to be known among the people as the New Deal. It has been my privilege and duty for the past 3 years to help guide these policies through the processes of legislation, and before I undertook this task, Senator Joseph T. Robinson, of Arkansas, one of the great Senators of our times, assumed the role of leader in the Senate.

From the day when JOE GUFFEY took the oath of office in the Senate until this hour, neither Senator Robinson nor I have had any cause to doubt the loyalty or the devotion of Senator GUFFEY to the policies of the Roosevelt administration. On many occasions his counsel and advice and his assistance have materially aided when the fight was hard and the vote was close. It is not an easy task to guide legislation through the Senate of the United States, where opinions frequently differ and where interests of communities and States and political parties may clash.

My task as majority leader has been frequently made more easy because I could always depend upon Senator GUFFEY'S unwavering loyalty in the advancement of the great program which has brought such benefits to the people of his own State and to the United States.

Our Army Aims

EXTENSION OF REMARKS

OF

HON. PRENTISS M. BROWN

OF MICHIGAN

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

RADIO ADDRESS BY HON. ELBERT D. THOMAS, OF UTAH

Mr. BROWN. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD the address delivered by the junior Senator from Utah [Mr. THOMAS] at the Army Day luncheon under the auspices of the Council of National Defense, Detroit Board of Commerce, Detroit, Mich., on April 5, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Army day in a world struggling with war and war's problems must be an occasion for earnest thought. Try as we would we could not, with conditions as they are, make it otherwise. If we become ultraphilosophical about war, about all-embracing war as it now confronts nations, we are forced to challenge the old deduction about man, namely, that man's greatest glory is his ability to destroy himself and that his not doing so makes him the creature of restraint he is. It is sad to reflect that such a finding may have to be revised into a statement that man's greatest glory is his ability to destroy himself, that this preoccupation seems about to become his all-engrossing passion, and that ultimately he may succeed. Sad, indeed, I repeat, but where on earth may we turn to discover the worth of man, measured in terms of his constructive accomplishments, when nations strive to destroy the best manhood of their neighbors, with whom they soon expect to be friends, and offer as a sacrifice the flower of the leadership of their own next generation, for some muddled reason which if accomplished would leave no problem solved?

There are contradictions to this gloomy outlook, for in Europe now, with millions of men under arms, the possible destroying force of those men is evidently so great that neither side seems willing to dare gear the machinery of destruction to its fullest, and loss of life has been comparatively very light. On the other hand, though, we have seen in China, Poland, Finland, willful and needless loss of life and property because of false interpretation and a poor understanding by some military thinker with respect to the modern fashion of speedy wars wherein potentialities are accepted as actualities and destruction becomes the only aim. It seems therefore to be the irony of history that war as an activity, despite its having been with man so long, still is in the experimental stage, and that we find ourselves holding fast to theories and institutions based upon peace, yet wondering if in this world of strife we dare trust ourselves to the weaknesses inherent in a government whose fundamentals rest upon freedom of the individual and whose social and political activities depend upon a rule of restraint.

Some cynics slur a great phrase which we made a war slogan out of President's Wilson's announcement that we were fighting to make the world safe for democracy. If I have read history correctly, wherever democracy has existed and wherever theories and institutions advancing and protecting the freedom of the individual, and self-restrained liberty have flourished, those who have accepted those theories have had to fight for their existence. For, I ask, whenever has democracy been safe in this world? The advantage-taker among men and nations has ever been present. He is with us today both within and without. It is therefore for us not only to be thoughtful but also to plan and to act, that our America, in very deed the long-hoped-for desire of nations, may be made stronger and kept more secure.

There, of course, have been times in the history of our Army when mistakes have been made, when judgments concerning government have been left with Army men who have not always measured up to American ideals; but these mistakes are few and far between compared with the onward and upward growth of ideals which have made it possible for us to see a democracy actually at work even when the nation was under arms. I need not cite major incidents because they are rare, but we do know of the day when our Constitutional Convention was meeting and armed veterans of the Revolutionary War assembled in front of Independence Hall to demand some pay in such vigorous terms that Hamilton, sent out to talk to them, returned and suggested to the founding fathers that they had better prepare to die. It must not be forgotten that the Order of Cincinnati offered a crown to Washington, and it must also not be forgotten that he refused. We remember the spirit that got into our Army during its demobilization after the late war—a spirit which I do not condemn necessarily because our soldiers had been trained for action and when inaction came many lost patience.

Foreigners have always said that there is a special providence that looks over little children, drunken men, and the United States; and the good luck which has always been with our armed forces confirms that idea. Far be it from me ever to belittle sacrifice, but useless sacrifice as a result of ignorance, lack of planning, or inaction is worthy of condemnation and may be even criminal. I condone the misspent energy incident to the confusion of turning this Nation from a peacetime to a wartime basis on the mighty scale of the last war. But are we going to make the same mistakes if we have the misfortune to find ourselves under arms again? Cannot nations, as well as men, learn from experience? I think we have learned much, and I thank goodness that the men who are now in charge of our Army and that those who are planning that our Army may be ever greater and finer are conscious of the fact that in 1917 we probably lost more men attempting to learn how to go to war than we lost facing bullets.

One simply cannot, in reviewing Army history, ever belittle the citizen Army of our Nation. The march of Donaphan's Missourians during the Mexican War stands out as an event in the history of military activity—an expedition which may even be likened to the Anabasis of the Greek Ten Thousand. The long march of the Mormon Battalion, the pioneers of the Kearney expedition, had lasting results, the equal of which few armies have produced. Think of it! An infantry march from the Missouri River to San Diego, Calif., and then up to Monterey! This march cut the Mexican empire in two and made it impossible for California, Arizona, New Mexico, Utah, Wyoming, Nevada, and parts of Colorado ever to be reunited with Mexico again. Some of these Mormon Battalion men, mustered out as they were at Monterey and forced to find their way to newly settled Salt Lake City where their families had gone, discovered gold in California. What other single event in American history has ever meant so much? An almost up-to-the-minute march of a National Guard regiment attracted world-wide attention when a completely mechanized regiment of Field Artillery, the One Hundred and Forty-fifth, completed a forced march from Salt Lake City to San Diego, then on to Monterey and return, all under orders, without injury to a single man or machine, or ever missing the time schedule. The citizen soldier remains the Nation's ideal.

A nation in arms united in a righteous cause, where each individual of that nation does his or her part, offers his or her all on the altar of the country's good, is still civilization's most glorious picture. Yet, can we not unite a nation in such a way for the cause of peace and the general welfare? The wail of the Greek dramatist, Oh, why do men unite so well for war and destruction but separate when the aim is peace and constructive endeavor? That, ladies and gentlemen, has been the world's historic outcry since the Greek actor uttered his words. May that wail cease to be a wail in vain as America goes forward to a better day.

But now, since I trust that we have become thoughtful about the problem, and since I know that you, with me, want to be confirmed in the belief that our Government and its Army leaders are still thinking in terms of democracy's well-being and the country's security, under the banner of liberty, let me turn to the Army aims of 1940 as we see them in present activities going on from coast to coast and from border to gulf in an attempt to make the Army's well-being reflect the determination of the Nation that mistakes made in the past shall not be made again.

First, let me discuss today's American Army organization. In a letter to the President of the Continental Congress, Washington wrote "What we need is a good army, not a large one," expressing, in one sentence, what has been and is our national policy. By tradition we are unalterably opposed to large, permanent military forces, and as a result we keep our Regular Army at the smallest strength consistent with the missions assigned to it. However, the Regular Army forms the keystone of our land defense and must supply the training standards and skeleton units for the development of a citizen army in the event that we are confronted with a national emergency. It must also provide a mobile land and air force available to meet any sudden threat against our national interests, particularly those involving the Panama Canal and Hawaii, and to protect the continental United States and our overseas possessions against any attack or raid from the outside. While our favorable geographic position simplifies this task and permits us to entrust the national defense to a comparatively small standing Army, supported by an organized National Guard, and a corps of Reserve officers and key enlisted men, the strength of the permanent force must be adequate for these basic considerations. This force, too, must reflect the complex nature of a modern army in wartime. The National Guard, the Reserve Corps, and the R. O. T. C. must also bespeak this complexity.

The increase last September of 17,000 men in the authorized strength of the Regular Army has meant the assembly of 5 complete infantry divisions, 1 cavalry division, and the organization of a mechanized brigade with supporting units necessary for one Army corps. We have likewise increased the strength of the National Guard to a total of 235,000 men, providing an efficient citizen force prepared to reinforce the Regular Army for the first phase of the defense of the country. This year also a large number of

Reserve officers are serving for extended periods as platoon and company commanders with Regular Army units in the field; and the combat planes of the great General Headquarters Air Force, which constitutes such a potent factor in our system of national defense, are piloted to the surprising figure of 80 percent by Reserve officers.

The intent is to provide a thoroughly efficient and balanced force under experienced leaders and capable of rapid expansion. This force must be organized into combat teams—divisions and corps—highly trained and completely equipped. This intent will be accomplished.

The War Department is giving much thought to training. Committed by policy to a small army, we must and can have the best army of its size in the world. This means modern equipment and a high state of training. In all our wars our higher commanders and their staffs have had to gain on the battlefield the practical knowledge of handling large units. The price of this knowledge has been paid in lives, and we have escaped disaster in the past only because we have never been brought suddenly face to face with a well-organized and efficient opponent. In the War with Mexico our adversary was handicapped by incompetent leadership. Our Civil War opened with both sides unorganized and untrained. When we fought Spain we confronted a weakened opponent worn out through years of exhaustive struggle against insurgent forces, and we entered the World War with time for preparation and training behind the protective barrier of the allied army. We should not continue always to trust to fortune.

Until last fall our Regular Army, well developed in the efficiency of its individuals and smaller units, has been an Army of battalions and regiments. Even regiments were seldom complete or united. Brigades were a rarity. We possessed no complete divisions, and the Army Corps, which is the great battle team, existed only on paper. The training of officers in handling larger units had been carried on only in a theoretical way. This year we have placed five divisions in the field, and they are maneuvering, training, and preparing in every practical way to develop combat efficiency and teamwork. The National Guard likewise undertook field training for an additional period last fall. Field training this year will culminate in a general maneuver in May, in which about 65,000 troops will participate. We are doing everything in our power to assure ourselves that our officers are thoroughly capable of leading American soldiers in combat if this unfortunate necessity is ever thrust upon us.

The third and final consideration is equipment. The World War left us with a large reserve of military equipment, but during the 20 years that have elapsed much of it has become obsolete, and technical advances have necessitated the development of many entirely new weapons. The oceans that guard us from sudden attack may afford us the time necessary to train manpower for defense but will not give us time to manufacture the munitions necessary for our tremendous manpower. Our present military organization constitutes an adequate defense for the Nation only if we have on hand a reserve of modern arms and ammunition and equipment sufficient to provide for the larger force we might have need of in an emergency. The quality of the military equipment developed in this country is of the best. Our new semiautomatic shoulder rifle is the finest individual arm in the world, and there are no better antitank and antiaircraft guns in existence than those which have recently been designed and produced by our Ordnance Department. American-made airplanes are of a world-accepted standard of excellence. Our difficulties lie in the matter of quantity rather than in the quality of the matériel which we are producing. There is a 2-year lapse between the placing of orders and the delivery date of many of the more complex items of equipment.

It is this time factor which demands that our reserve supply of these critical items should be adequate. Like gold stored in a vault against a financial crisis, this reserve will constitute a safety factor contributing to confidence and security, at a cost of only 1 percent for maintenance. Its establishment is a prime objective.

The training of industrial plants to adjust quickly from a peacetime to a wartime state is not forgotten. This is part of the plan that the training of men may go hand in hand with the development and production of arms they are trained to use. The early-war stages in 1917 of too many men without equipment or proper leaders, and the after-war stages of oversupply and inability to readjust to peace must be avoided. The bulge and the hump are not good for the Army or the country. Their effect upon the morale of men is damning. Why break the spirit of men by showing them that that which they were told to do was useless? Modern war machinery cannot be overcome by gun fodder or organized mobs. Teamwork, brain, and skill are the keys to victory. In these characteristics the citizen soldier in our democracy, based as it is upon a trained citizenry, should make America excel.

As author of the act known now as the Thomas-May Strategic Materials Act, I cannot refrain from using the purpose of this legislation to illustrate the Army's or rather the Nation's long-range plan to keep our country prepared for any unhappy eventuality that may be thrust upon us. The Thomas-May Act provides for the development, production, purchase, and storage of strategic materials. The act came into existence only after years of study. The act is even more important to our country for an economic, commercial, and developmental purpose than for a military one. This is as it should be, for the Army's aim in a democracy must ever be the general welfare. The peaceful activities of our Army far outweigh the war activities and even in wartimes comparatively few soldiers ever fight. If this comparison is reduced to man-hour figures the peaceful hours startlingly outweigh the fighting ones.

To sum up, our need today is exactly what Washington said we needed in his day: A good Army, not necessarily a large one. This country should in very deed have the model army of the world. It has 130,000,000 people, most of them offered the opportunities of a free life and a free education. From these citizens we draw both our officers and our men; and excepting for duties and responsibilities they stand on equal footing, both trained, both understanding, both able to fight as a member of a team or as an individual, according to circumstance.

The whole fundamental notion behind the theory of democracy is that men and women in that democracy shall be free to do many things and in a sense to be many things. When once we accept the theory that man has a right to think as he wishes, the inevitable result is that thought in society will be complex and different. Whenever we accept the theory that man has a right to worship as he sees fit, it follows that our society will be one not only where there is religious freedom, but where religions themselves are free. This means diverse and differing ideas about heaven, the hereafter, and the reasons for man's earth life. We in America even have a complex citizenship, for, by our Constitution, we are citizens of the United States and of the State wherein we reside. Our Army in its organization recognizes this complexity. A National Guard officer recognizes two authorities, his State and his Nation. Man, therefore, in a democracy is complex in his nature; he must have varied hopes, and he must have many ideals. Those men who give some of their time to the study of the science of war and to the practice of arms reflect good citizenship in our complex society. They are bigger men for their efforts. They are worthy of our honor. Surely the glories of past sacrifices and achievements of our Army need not be made less bright because we today have been more thoughful of the present and the future than of the past. No sacrifice of our dead heroes, no service of any living veteran need be dimmed by giving honor today to those who give their time, their talents, and their energies in planning and learning, so that there shall be less sacrifice in the future and no service which will leave the sting of dulling and vain uselessness. Mankind needs men. Men who can stand alone, devoting themselves to the building and training of citizens worthy of doing their best whenever duty calls, wherever need arises, and whatever task may come. Such men are truly American.

Television

EXTENSION OF REMARKS

OF

HON. LYNN J. FRAZIER

OF NORTH DAKOTA

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

RADIO ADDRESS BY HON. ERNEST LUNDEEN, OF MINNESOTA

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by the junior Senator from Minnesota [Mr. LUNDEEN] entitled "Let Television Advance."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Permit me to thank Mutual Broadcasting Co. and the National Broadcasting Co. for this opportunity to discuss the current confusion over the development of television. A Member of the Interstate Commerce Committee of the United States Senate, to which all radio legislation is referred for detailed study and consideration, must keep abreast of radio developments. The seriousness of the television crisis of the moment is impressed upon me by the current disturbed feeling in advertising circles.

During a session of Congress we find it physically impossible to engage in much research on economic trends, and yet we must be informed. We must work out some satisfactory system to keep reasonably well informed on what the "feel" is in business circles.

Keeping in touch with the advertising world gives a quick and reliable insight into what the future may hold by way of business improvement or retrenchment. Trends up or down in advertising constitute an excellent barometer of the thinking among men who guide American industry, the men who really determine the size of pay rolls. There never was or never can be a substitute for jobs in private industry as the key to national prosperity. The simplest way for me to keep in touch with advertising is to read advertising trade papers.

Here is the heading from the leading story in the last issue of Advertising Age, a national newspaper of advertising:

"F. C. C.'s drastic stand on television stuns trade—R. C. A. cancels advertising; dealers utter lamentations."

Listen to the first paragraph of that story:

"Television, the lusty infant that was being groomed to discard its swaddling clothes, this week appeared destined to continue in diapers, at least until settlement of the industry row caused by

the Federal Communications Commission's order rescinding a previous order that would have permitted limited commercial sponsorship beginning September 1."

On reading that pessimistic report from an advertising paper, I decided it was a duty to look into the situation. Securing copies of orders and press releases on television from the Federal Communications Commission, here is what we found:

After extensive hearings, the Commission, on February 29 of this year, issued an order permitting limited commercial operation of television after September 1. This was immediately followed by a step-up in manufacturing operations of companies producing television receiving sets, accompanied by advertising and sales campaigns. Then, on March 22, less than a month later, and when the manufacturing and sales efforts were really getting under way, the Commission—without a hearing of any sort—suddenly rescinded its order of February 29 and stopped television development in its tracks pending more hearings, to begin April 8. According to Broadcasting, national radio magazine, this action jeopardizes the jobs of some 1,000 employees of one company alone, one that has spent $10,000,000 on television. The Commission did not claim that unexpected technical developments justified these new hearings, with the attendant delay and confusion. Its only explanation, as given in a press release, was some criticism certain members of the Commission had of the marketing campaign of one of the manufacturers of television sets.

Having had a hand in passing the law under which the Federal Communications Commission operates, I knew of no authority Congress had given the Commission to regulate, control, or supervise the marketing of radio or television receiving sets. On the contrary, authority to cope with misleading advertising rests in the Federal Trade Commission. In fact, just a week earlier the Supreme Court of the United States handed down a decision in which the Court stated that the Communications Act does not essay to regulate the business of the licensee.

A new industry is being throttled by a Government bureau exercising power never granted by Congress. My feeling in this regard was strengthened when I read an editorial in the Washington News, a Scripps-Howard newspaper, which observed as follows on this action by the Federal Communication Commission:

"In this the Bureau designed to allocate wave lengths—an obviously necessary job, since wave lengths are limited—arrogates to itself the authority to forbid merchandising of receiving sets on the contention that in this new art the sets might too soon become obsolete. Under that sort of Government philosophy the automobile, the electric light, aviation, and radio would never have got started."

I have offered a resolution in the Senate asking the Interstate Commerce Committee to make an immediate investigation of the Commission's actions on television and ascertain in particular whether the Commission had exceeded its authority and whether it has interfered with the freedom of the public and of private enterprise. Senator BURTON K. WHEELER, of Montana, is chairman of that committee. Perhaps we may be able to stop this bureaucratic seizure of power there.

Apparently Chairman James Lawrence Fly of the Federal Communications Commission realized that this action of the Commission had created widespread protest, for on Tuesday evening of this week, over an N. B. C. and Mutual hook-up, the Chairman discussed television.

He said:

"Now let me be perfectly plain in stating the position of the Federal Communications Commission on the question of public participation in the future development of television. Does the Commission wish to discourage members of the public from purchasing television receiving sets today? The answer is emphatically 'No.' As a matter of fact, it is only by having receiving sets in the homes of members of the public that experimentation in program techniques can be successfully carried on. But it is important that the general public know that when they buy television sets they are definitely partaking in a program of experimentation."

All I can say to that is that if the Chairman had issued a statement along similar lines, instead of having the Commission revoke its order of February 29, there would be no such apprehension as has now been created.

I noticed in the press that Commissioner T. A. M. Craven, who is recognized in and out of radio circles as the one technically informed man on the Commission, dissented from the unusual action of the Commission on March 22. Inasmuch as I had heard Chairman Fly's views at length over the radio and I wanted all angles of the story, I wrote to Commissioner Craven asking his reasons for dissenting. He has written me a letter and because of his preeminence in radio development, I want to quote from this expert as to whether any situation, which might stop research and "freeze" technical development of television, existed between the Commission's first action in February and its second order in March.

While explaining that his dissenting vote reflected an honest difference of opinion and insisting that he prefers not to disturb the present friendly relations within the membership of the Commission by engaging in any public controversy over this or any other issue with other commissioners, Mr. Craven writes:

"The majority concludes that recent promotional activities of a television-receiver manufacturer will effectively stop research and 'freeze' technical development in television.

"In my opinion, such a contention is absurd on its face, and is not justified by either facts or experience. Nothing can stop scientific research and technical progress in a free democracy if incentive is not discouraged by Government. The Commission itself, by order of suspension, such as in the instant case, can create such confusion as to retard the development of television and discourage the incentive and initiative of private enterprise.

"In my opinion, the technique of television has advanced to the stage where an initial public trial is entirely justified. Such a trial would spur television onward, not only more rapidly but also more effectively than any other method. I agree with the majority that technical improvements are required in television, and I agree that the Commission should not approve standards at this time. However, no one can foretell accurately how these technical improvements will be secured and what public reaction will be. It is already obvious that some of the technical methods suggested by the Commission in its previous report may not be the best. This is not surprising, since the Commission has had no practical experience in technical research for television nor is it equipped to undertake such problems.

"There is no need, in the present state of development of television, for a commission in Washington to substitute its judgment for that of the public. The public is the wisest judge of scientific achievement and will be most effective in securing the technical improvements it desires.

"In this case the Commission would have been on more logical grounds had it merely made public the facts concerning obsolescence of television receivers rather than taking action which prevents the public from exercising its own judgment. The Commission will have performed its duty to the public, insofar as obsolescence of receivers is concerned, when it has informed the public of the facts.

"The present prices of television receivers automatically restrict its use to those who can afford replacements as technical progress requires. The burden of experiment falls on wealthy people, as it should, to pave the way for ultimate inexpensive television to all."

That concludes Commissioner Craven's observations on this subject of "freezing" television development.

My studied opinion is that the Federal Communications Commission was in error when it rescinded its permission for limited commercial television. Accordingly, I believe the best interest of television development calls for abandoning the new and unnecessary hearings which are scheduled to start on Monday and a return to the status quo of before its unfortunate action of March 22. I believe the F. C. C. should stay within the authority granted it by Congress and defined so recently by the United States Supreme Court. I believe it and every other bureau or Government agency should use common sense and encourage, not block, the development of television or any other industrial activity that will put unemployed men and women back on private pay rolls and speed up the return of a prosperous United States.

Television

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

RADIO ADDRESS BY HON. JAMES LAWRENCE FLY, CHAIRMAN, FEDERAL COMMUNICATIONS COMMISSION

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the Appendix a radio address on television, delivered by James Lawrence Fly, Chairman, Federal Communications Commission, on April 2, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

During the past several weeks much has been said, and even more written, about television. It is altogether appropriate that, as Chairman of the Federal Communications Commission, I should make this report to the radio public on the present status of this great invention.

In view of international conditions, American industry has the opportunity to lead the world in the development of the art of visual broadcast. Where television was advancing with youthful faltering steps in Europe, darkness has descended. Research has been stopped while all energies are devoted to war. Foreign television for the time being is paralyzed. It is singularly fortunate that in our own country neither war nor any other ruthless force can lay a heavy hand upon the youthful television industry and impede its normal progress.

In the present state of radio, broadcasting of sound has progressed to the point where reliable service can be received in nearly every home. Receiving sets are within the means of almost every family. In the meanwhile, television has been gradually approaching the threshold of the American home.

Most of us have witnessed radio grow from its laboratory stages. All of use will have the thrill of seeing television ripen into a reality for everybody to enjoy. While television is still in the experimental stage it is moving out of the laboratory. We know that it is a practical thing, and that it has great potentialities for development into a permanent instrument of entertainment, of information, and of education. Our generation has been entrusted with the responsibility of carrying forward this advance. There may be differences of opinion as to what is best for television, but no one would favor other than its orderly and healthy growth into an instrument of permanent public good.

Why is the Federal Government interested in television? And why am I impelled to make this report to you tonight?

The Federal Communications Commission was created by Congress to regulate among other things the use of radio-transmitting equipment. Unless such Federal regulation existed, the public could not use the radio for either sound or vision. For it is a unique characteristic of radio that its indiscriminate use by all makes it impossible for benefits to be derived by anyone.

The only way a few may broadcast effectively is to exclude the many. The responsibility for allocating radio frequencies which shall be used for broadcasting, for the aviation services, for police radio stations, for the preservation of life and property at sea, for television, and for a multitude of other purposes, places a grave responsibility on the Commission.

But to meet the point more specifically, what are the other functions of the Federal Communications Commission relating directly to television? Let me quote from the Communications Act:

"The Commission, from time to time as public interest requires, shall

"Study new uses for radio, provide for experimental uses of frequencies, and generally encourage the larger and more effective use of radio in the public interest; * * *

"Regulate the kind of apparatus to be used with respect to its external effects and the purity and sharpness of the emissions from each station and from the apparatus therein; * * *

"Make such regulations not inconsistent with law as it may deem necessary to carry out the provisions of this act."

In other words, the Congress has placed upon the Commission the duty to issue licenses for experimental operations; the duty to foster research and development, and to encourage the achievement of high standards, and, ultimately, to recognize those high standards—once they have been achieved by the industry's engineers.

It is likewise under a clear mandate to regulate the kind of apparatus to be used in radio broadcasting, including television, and to promulgate appropriate regulations. We should be derelict in our duty to the public if we should disregard this mandate of the Congress, or if we should permit any business interest to render it ineffective.

We should also be avoiding our obligation if, in the regulation of the experimentation, and of the transmitting apparatus, and its methods of operation, we ignored the current state of the science. As most of you know, television has been developing for several years. For more than 10 years the Commission has issued licenses to enable the engineers of the industry to carry on experimental operations. Under the authority of the Commission, actual television programs have been broadcast for a number of years. Commission members and the staff, during the last 2 years, have made an extensive study of the engineering developments, potentialities, and problems.

Recently the Commission undertook a study to ascertain the present situation of television as a basis for proposed rules for the licensing and operation of stations. We scheduled hearings in Washington and invited every broadcaster and every manufacturer interested in television to participate.

Scientists were invited to give the Commission their views on the status of the art. Extensive public hearings were held. The Commission made personal inspection trips to obtain first-hand information of television in actual operation. The Commission issued its report on February 29 of this year. It also issued new rules and regulations for this service. I should like to read a significant portion of the Commission's unanimous television report:

"That research should not halt and that scientific methods should not be frozen in the present state of the art is fairly to be deduced from the engineering testimony of representatives of the companies represented at the hearing. Actual demonstrations to members of the Commission indicate the need for further improvement in the technical quality of television. The evidence before the Commission reveals a substantial possibility that the art may be on the threshold of significant advances. Research in fact does and should continue in significant phases of the field."

We pointed out that television engineering is in a state of flux and added:

"The issuance or acceptance of transmission standards by the Commission, especially in combination with the more extensive experimental program service which will in all probability develop under these rules, would have a tendency to stimulate activity on the part of manufacturers and the public in the sale and purchase of receivers for home use. It is inescapable that this commercial activity inspired and then reinforced by the existence of Commission standards would cause an abatement of research. To a greater or less extent the art would tend to be frozen at that point."

"Even more important," we warned, "nothing should be done which will encourage a large public investment in receivers which, by reason of technical advances when ultimately introduced, may become obsolete in a relatively short time. The Commission has not overlooked the significant sums invested by pioneers in making possible our present knowledge of television, and it is not unsympathetic with their desire to recoup their investment in the process of bringing television's benefits to the public. It will be realized, however, that the loss to the public by premature purchase in a rapidly advancing field might in a relatively short period exceed many times the present total cost of research. Such an economic loss in the long run can rebound only to the harm of the industry. In view of the apparent proximity of improvements and of the resolution of disputed technical questions, these risks should not be taken. The Commission is therefore reserving the matter of issuing standards for consideration at some future time."

These words would seem to have made the Commission's attitude perfectly clear.

However, it might be helpful to explain the term "transmission standards." As I have already indicated, the Commission is charged with the duty of regulating the kind of transmitting apparatus used with respect to its external effects. Such regulation is done by the issuance of engineering transmission standards. "Transmission standards," then, are the engineering rules laid down by the Commission to govern the types of radio transmitters and their operation. The problem of formulating such standards in the case of television is fraught with peculiar difficulties during this developmental stage.

Let me explain why this is so. There is at present in the television industry a very wholesome state of competition between rival manufacturers to develop their transmitting apparatus to a point where the quality of reception of their telecast pictures will be superior to those of any other manufacturer. It was the Commission's considered judgment and, in this judgment I might say there has been the universal concurrence of the engineering profession, that no one manufacturer of transmitting equipment has yet perfected his apparatus to a point where it should be accepted as the standard for universal application. On the contrary, no voice has dissented from the proposition that further research and experimentation is needed. The recently adopted rules and regulations of the Commission governing television broadcasting recognize this engineering fact. The Commission, therefore, deliberately refused to place its final approval upon any present type of transmitting equipment as the type which all must use. This attitude is merely a reflection of the engineering opinion in the television industry that there were still too many improvements in sight to warrant standardization at this time. It seems clear that the research should continue, and that order and caution should be the keynote to foster that improvement.

What a great tragedy it would be if today some heedless power, for the sake of an immediate short-sighted interest, should obstruct television's progress and leave it dwarflike in the shadow of its own great potentialities. But, you may readily ask, "How can this happen to television? It didn't happen to motion pictures; it didn't happen with automobiles; it didn't happen with the advance of ordinary broadcasting itself." Why, then, the special solicitude for the future advance of television?"

The answer is not readily obvious, but it is fundamental and, I think, thoroughly understandable.

The fact is that television is not like ordinary broadcasting, not like the automobile, not like motion pictures.

First, let us consider the case of the broadcast of sound alone. Such broadcasting in the United States is, roughly, 20 years old. As you all know, during these years there has been vast improvement in the technique of radio transmission and reception. There has, however, been no change in the fundamental standards for transmission and reception during that entire period. A receiver built to receive a broadcast station operating in 1920 will receive a broadcast station that operates in 1940. A transmitter built in 1920 can be received by radios in use today. Better transmitters are being built now than were being built in 1920, and the same is true of receivers, but they all operate on the same principle or, more technically, on the same basic standards. Improvements have been gradual. Obsolescence has taken only a normal toll.

The automobile may be similarly characterized. Our streamlined cars of today bear no resemblance either in appearance or performance to the wheezing, coughing, horseless carriage of 35 years ago. But that ancient jalopy will still run.

Television is different—uniquely so.

In the case of television, a receiving set is so synchronized with the transmitter that the two are inseparable in operation. The receiving set is, in effect, the key which unlocks the transmitter in order to receive the broadcast. A substantial change in the lock renders the key useless. The necessary dependence of the television receiver upon the operation of a television transmitter in the vicinity, and conversely, the dependence of a television transmitter upon the existence of television receivers capable of receiving it, if it is to have any public value, is the vital difference between television receivers and automobiles, for example. It is the Commission's clear duty to license television transmitters to supply programs for television receivers in the hands of the public. With the science of the transmitter locked to the science of the receiver, the Commission cannot ignore what an uninformed public does with respect to the purchase of television receivers in large quantity.

Then, too, there are today different methods of transmitting television signals.

A television receiving set capable of receiving the signal of one type of transmitter may not accept the signal of a different type of transmitter in existence today. The receiving set must be con-

structed to operate on the same principle as the particular transmitter. If the American people should buy television receivers in great numbers as they have bought ordinary radios, and if at a later date transmission standards are adopted which contemplate an alternative or improved transmission system over that on which the particular receivers can operate, we should, in effect, be changing the locks and leaving you with a bunch of highly expensive keys rendered utterly useless. Athwart the path of new and improved broadcasting standards would stand that heavy public investment in receivers of a rejected system of broadcasting.

Some of the finest inventive and scientific brains in this country are at work on this problem. No one can successfully assert, and no single person has asserted, that now is the time to lay down the principles which shall govern all future development of television. But television is on the march. Its future is assured. We venture to hope that soon a set of standards will prove itself as meriting adoption. We know there can never be absolute assurance that future discoveries will not demonstrate their inadequacy. I do believe, however, that the American public would deem the Commission unfaithful to its trust if it adopted or, standing by, permitted at this time the crystallization of any set of standards for television contrary to the engineering opinion of the industry and without adequate trial or that did not give promise of reasonably satisfactory public service over a reasonable period of time.

In conscience all must agree that nothing should be done which would shackle the ability of television to move forward.

The Commission's rules governing television broadcasting recognize the admitted need for further experimentation and the fact of its continuance. The rules provide for the licensing of two types of experimental television stations. One type of station is for the purpose of carrying on a program of laboratory experimentation in the technique of telecasting. From these experiments the public ultimately will derive vast benefits. In the meantime the work will go on for the most part unknown to the public.

These pioneers in science deserve our unstinted praise. Their industry, inventive genius, and financial resources are being expended not for any immediate private gain but to pave the way for future advances. That success may mean to them opportunities for personal gain, financially or from the standpoint of prestige in the science or the industry, does not alter the fact that they are performing a distinct public service.

The second type of experimental broadcast station is for experimentation in the technique of programing. Here the American public is in a position to play an important role.

There is much to be learned about the techniques of building and producing television programs. Their cost is high and as yet sponsors are not plentiful. The Commission's new rules will soon permit what has been termed "limited commercialization," which will enable the owners of television stations to charge for the cost of programs as distinguished from other operating charges.

Naturally no programs are on anything like a full-time basis. Most television stations, for a while at least, will of necessity be able to operate only a few hours during the day. Undoubtedly when commercialization is permitted and program techniques are better worked out the public will be offered a wider program selection. At the present time three stations in New York City, Los Angeles, and Chicago offer such a limited-program service with some degree of regularity. There are about 20 applications for additional stations from these and several other cities on file with the Commission. All present licenses are experimental in character. Some additional stations will be constructed in the near future. The operations will move on to a commercial basis not immediately but when the engineers of the industry itself find it ready for such broad service.

Now let me be perfectly plain in stating the position of the Federal Communications Commission on the question of public participation in the future development of television. Does the Commission wish to discourage members of the public from purchasing television receiving sets today? The answer is emphatically "No." As a matter of fact, it is only by having receiving sets in the homes that experimentation in program techniques can be successfully carried on. But it is important that the general public know that when they buy television sets they are definitely partaking in a program of experimentation. If the public knows the facts about the limited number of stations which are now operating, the few hours of programs that are on the air, the experimental character of their operation, and finally that new standards of television transmission may convert the sets of today from instruments of enjoyment to articles of furniture of doubtful usefulness, then there can be no danger in public participation. A man who buys an automobile today knows, of course, that he will have an increasingly insistent pressure to replace it with a new one as the years pass, because everyone knows that the automobile of tomorrow will be superior to the automobile of today. No one, however, purchasing an automobile today need have any fear that in a year or two his car will be completely useless. That possibility, however, should be in the mind of the purchaser of a television receiver.

I do not believe that persons in a position to afford television entertainment at this time will be unduly deterred by that knowledge from getting the immediate benefits which are now available in areas served by television transmitters. I certainly hope they will not be deterred, as the Commission is counting upon public participation in television experimentation in order that the television of the future may be molded to reflect the desires of the American public. However, even had I less confidence in this prediction, I would still feel that the relation of trust in which the Commission stands to the public would require it in good faith and common decency to lay the facts before you.

Let me make it clear that we neither have nor desire any regulatory power over the sale of receivers or over advertising. But any action we take under our duty to license experimental operations and to encourage advances in radio must, of course, be taken in the light of actualities. Our course can be influenced, for example, by the rare case where a licensee might engage in extravagant promotion of sales to people of modest incomes while failing to inform the public of the limited and experimental character of the service now available, and of the mobility of the science, where it appears that such activities threaten to make his system dominant among both transmitting stations and the public. For the result would be that his competitors—continuing their research—might find themselves with an improved system of broadcasting television which cannot be given to the public.

By this sales activity alone the standards of the broadcasting science might be locked against their improvements. Under such circumstances it is rather more likely that the competitors, too, would be crowded into production and sales promotion. This would make it even more probable that television would be shackled at its present state and future progress obstructed. These are the unanimous views the Commission has clearly and repeatedly expressed in recent months.

The American people, I am certain, do not want to stop short of improvements which the industry's engineers assure us may be just over the horizon. The Commission must not lose sight of the long-range interest of the public. We shall not. This, I might add, is the only ax we have to grind.

Television then is ready to go forward. It is going forward toward maturity. But its own sponsors tell us it has not yet come of age—in that opinion they are practically unanimous. Once the opinion of the industry shifts in the other direction, I can promise every assistance governmental regulation can give to aid in enlarging its activities, in spreadng its service, in converting its potentialities into realities. We are and always have been eager to advance with television. Indeed, persons interested in other types of radio have suggested that we unduly favor it. As the industry has long known, when the engineering opinion of the television industry itself is in substantial accord on a foundation for lasting progress, the Commission will cooperate in every possible way and prompt steps will be taken to lift television out of the experimental stage.

I do not think that knowledge of the facts will deter you any more than it will deter me from being eager to participate in the exciting adventure of television experimentation. Many of you undoubtedly will do so. I sincerely hope so. Today television is entertaining. If unimpeded, the television of tomorrow will be a great public service.

Meanwhile, I am certain that you will agree that the true facts about the new science should be reported to you. I firmly believe, with all deference to those who may hold the contrary view, that a full statement of all the facts is the surest way to promote television.

Gold Shipments

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have published in the Appendix of the RECORD an editorial from the Philadelphia Record of Saturday, April 6, 1940, on the subject of gold shipments into the United States.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Philadelphia (Pa.) Record of April 6, 1940]

ONE THOUSAND DOLLARS AN HOUR

Dispatches from Washington announce that for the week ending March 27 gold shipments into the United States were double those of the week before, and the $321,237,068 was the largest weekly amount since gold compilations were begun in 1934.

Recently we figured that if Uncle Sam began giving away $1,000 of gold every hour on the hour, 365 days a year, it would take him 2,053 years to give away his $18,000,000,000 worth. With this new shipment it would take 36.6 years more to give it away.

That is, at $1,000 an hour, it would take 36.6 years to give away the gold we got in just 1 week.

Why give it away?

Well, has anybody a better idea what to do with it?

The Wheeler-Lea Transportation Bill—S. 2009

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

Mr. MANSFIELD. Mr. Speaker, the conference report on the Wheeler-Lea transportation bill will doubtless be ready for consideration at an early day. The general public has no conception of what is embraced in this complicated scheme of transportation. In fact, I believe it can be truthfully said that only a very small minority of the Members of Congress fully understand it.

The bill was drafted under the direction of a committee of six, all representing railroad interests. The general public, the shippers, farmers, and others who have all the bills to pay, were never consulted, but completely ignored. Under the greatest lobby that has ever invaded the halls of Congress the bill has been whipped and spurred through both Senate and House.

I have only heard two reasons advanced in favor of this legislation. First, that the railroads are in financial distress and should have increased compensation for transporting the commerce of the country. Second, that the railroads are regulated under the Interstate Commerce Commission, and therefore, all other methods of transportation, including not only that upon the rivers, but also our ships upon the oceans and Gulf of Mexico should be regulated in the same manner, and by the same railroad commission.

The first of these reasons is absolutely without foundation in truth. It is true that the depression of the past 10 years has borne heavily upon every industry, but the record shows that the railroads have been among those that have been the least affected by it. Table 19, page 87, Report of the President's Committee of Six—the committee that drafted this bill—shows that even during the depression years 1930 to 1937 the railroads paid dividends aggregating $1,612,688,416. Agriculture, even with the hundreds of millions of Government aid, was not half so prosperous. During the past year the railroads have been more prosperous than for many years and made tremendous profits.

The contention that because the railroads are under regulation by the Railway Commission, therefore all our ships upon the ocean and Gulf of Mexico should be placed under the same Commission and regulated in the same manner, is without any reason whatever. In addition to our coastwise and intercoastal trade, our ships go to the ports of all countries, and must compete with the ships of other nations. We pay our seamen higher wages than are paid by other countries and have adopted other measures for their protection. Any additional and unnecessary burdens to be placed upon our ships would place them at a great disadvantage in their competition with the ships of England, France, Germany, Japan, and other maritime nations.

At tremendous cost we are building the greatest Navy of any country in the world. All authorities agree that our Navy, without an adequate merchant marine to support it, will be absolutely helpless and of no value. A few decades ago only 9 percent of our foreign trade was carried in American bottoms. By wise legislation we have increased that to about 34 percent. We are yet behind England and one or two other maritime nations which carry 50 percent of their foreign commerce in their own ships.

Now, by this transportation bill a bevy of New York bankers who do not own but who control the railroads and play with them as so many pawns upon the transportation chessboard, are seeking to upset our whole merchant-marine program and subject our ocean ships to railroad domination.

The only reason that railroad propaganda advances for this revolutionary proposal is, that rail and water transportation should be under the same head and subjected to to the same rates of transportation charges. If our coastwise shipping is to be placed under railroad rates, then our merchant marine will soon cease to exist. It should be plain to all, that if forced to give to the railroads a large proportion of the coastwise and intercoastal trade as contemplated by this bill, while approximately two-thirds of our foreign trade will continue to be carried in foreign bottoms, then the Government will be required to pay enormous ship subsidies in order to utilize our great Navy, and maintain the American flag upon the high seas.

In all the railroad discussions, a studied effort has been put forth to draw public attention away from that feature of the bill pertaining to water transportation in the coastwise and intercoastal trade, and especially that portion of it in the Gulf of Mexico. They knew that the country had been covered with the railroad propaganda in opposition to river improvement and navigation, and that many thousands of people had been misled and prejudiced against that type of transportation. Their effort has been to play upon that prejudice.

They have magnified the Ohio and Mississippi River transportation in an effort to make the public believe that it is the cause of all the railroad ills. Yet, we find that only 5 percent of the traffic on this river system was moved by common carriers. More than 90 percent was by contract or private carriers, the great preponderance being the shippers' own materials, handled in their own boats. As this bill can only apply to common and contract carriers, by far the major portion of this river tonnage will not be subject to it, but will continue as heretofore.

The tonnage carried by the Government barge line has been represented as a destroyer of railroads. Yet, the record shows that the Government barge line in 1939 carried only 2,175,198 tons of freight, while the ports of Texas alone had 66,561,030 tons of coastwise trade. The barge-line traffic on the Mississippi is not a proverbial "drop in the bucket" as compared to the enormous coastwise traffic the railroads are expecting to take from our merchant marine, and which would be at a tremendous additional transportation cost to the farmers of Texas and of other States. There was also 9,909,380 tons of freight carried in American ships through the Panama Canal, which the railroads are after.

The fact should further be borne in mind that the 2,175,698 tons carried by the Mississippi barge line, while but an atom in the transportation field of more than 2,000,000,000 tons, actually dwindles into insignificance under the further contention of the railroads. I have in my files, and in hearings before committees of Congress the contentions of some seven or eight different railroads, each seeking to show that it alone was the loser of this entire amount of traffic carried by the barge line.

If the little more than 2,000,000 tons carried by the barge line has come from approximately seven or eight different railroads, then no one railroad has been seriously crippled on account of the loss it sustained. It is not the volume of freight carried by the barge line that the railroads are objecting to. It is the yardstick they want to get rid of.

Transportation on the Gulf of Mexico has been in operation from the earliest settlement of the country—even before the first railroad tie was laid in Baltimore. It has provided a saving of many billions of dollars to the people in transportation costs. Hereafter no commercial boat can use the Gulf without a permit in the form of a "certificate of convenience and necessity," from the railroad commission. If the boat proposes to carry freights that might be contended for by the railroads, then, of course, this permit will be refused.

If the Gulf of Mexico with its more than 100,000,000 tons of traffic is to be taken away from the free use of the people and given to the railroads as authorized by the Wheeler-Lea

bill, then I desire to call attention to the effect it will have on only a few of our leading items of commerce.

I have heretofore called attention to the fact that only a very small proportion of the cotton grown in the Southwest is milled there. It must seek either a foreign market or be shipped to eastern spindles. Our foreign market is uncertain and much of the cotton grown there must hereafter seek a market in the East. The water rate on cotton from Galveston and other Texas ports to the mills of New England is 40 cents per hundred, or $2 per bale. The rail rate is $1.44 cents per hundred, or $7.20 per bale. The railroads have contended that their rates are as low as the cost of transportation will permit, and cannot be reduced. In this, they have the approval of the railroad commission. Therefore, to equalize the rail-and-water rates the rates by ship must be very materially increased. This would cost the cotton farmers of the Southwest several dollars per bale additional freight cost, and greatly cripple the business of the Texas ports.

So much for cotton from the coast region. Let us see how it would affect the cotton farmers of the interior. The rail rate from Dallas to Lowell—via Vicksburg—is $1.53 per 100. The rail-Gulf rate is only 75¼ cents.

The rail rate from Durant, Okla., to Lowell is 96 cents. The rail-Gulf rate is 89¼ cents.

The rail rate on grain from Altus, Okla., to New York is 71 cents. The rail-Gulf rate is only 60 cents.

The rail rate on flour from Altus to New York is 71¼ cents. The rail-Gulf rate is 67 cents.

The rail rate on iron and steel from Baltimore to Dallas is $1.12. The rail-Gulf rate is only 83 cents.

The rail rate on canned goods from Boston to San Antonio is $1.16. The rail-Gulf rate is only 69 cents.

The rail rate on canned goods from Boston to Fort Worth is $1.08. The rail-Gulf rate is only 83 cents.

The rail rate on cotton piece goods from New York to Fort Worth is $2.52. The rail-Gulf rate is only $1.80½.

The rail rate on green coffee from New York to Fort Worth is $1.27. The rail-Gulf rate is only 97 cents.

The rail rate on grain from Amarillo, Tex., to New York is 76 cents. The rail-Gulf rate is only 60 cents.

The rail rate on grain from Lubbock, Tex., to New York is 82 cents. The rail-Gulf rate is only 60 cents.

The rail rate on cotton from Amarillo, Tex., to Lowell, Mass., is $1.73. The rail-Gulf rate is only $1.09¼.

The rail rate on cotton from Lubbock, Tex., to Lowell, Mass., is $1.76. The rail-Gulf rate is only 93¼ cents.

All these rates are fully shown by the following table:

Statement showing comparison of all-rail rates with rail-water-rail or rail-water rates on selected commodities of heavy volume movement between Texas and Oklahoma points on one hand, and North Atlantic ports and interior New England cities, on the other

From—	To—	Minimum carload weight	All-rail rate	Rail-water-rail or rail-water rate	Tariff reference
NORTH-BOUND			*Per 100 pounds*	*Per 100 pounds*	
Cotton:					
Dallas, Tex	Vicksburg, Miss	50,000	$0.69		Peel's I. C. C. 3202.
Vicksburg, Miss	Lowell, Mass	50,000	.84		Miller's I. C. C. 320.
Dallas, Tex	Galveston, Tex	50,000		$0.33	Dodge's I. C. C. 480.
Handling charge at Galveston, Tex				.02¼	
Galveston, Tex	Lowell, Mass	50,000		.40	King's I. C. C. 3.
Through rate			1.53	.75¾	
Durant, Okla	Lowell, Mass	50,000	.96		Peel's I. C. C. 3202.
Do	Galveston, Tex	50,000		.47	Peel's I. C. C. 3075.
Handling charge at Galveston, Tex				.02¼	
Galveston, Tex	Lowell, Mass	50,000		.40	King's I. C. C. 3.
Through rate			.96	.89¼	
Grain:					
Altus, Okla	Kansas City, Mo	40,000	.29		A., T. & S. F. I. C. C. 12316.
Kansas City, Mo	East St. Louis, Ill	40,000	.12		St. L.-S. F. I. C. C. 10774.
East St. Louis, Ill	New York, N. Y	40,000	.30		Jones I. C. C. 3356.
Altus, Okla	Galveston, Tex	40,000		.35	Peel's I. C. C. 3096.
Galveston, Tex	New York, N. Y	40,000		.25	King's I. C. C. 3.
Through rate			.71	.60	
Grain products (flour):					
Altus, Okla	Kansas City, Mo	40,000	.29		A. T. & S F. I. C. C. 12316.
Kansas City, Mo	East St. Louis, Ill	40,000	.12		St. L.-S. F. I. C. C. 10774.
East St. Louis, Ill	New York, N. Y	40,000	.30½		Jones I. C. C. 3356.
Altus, Okla	Galveston, Tex	40,000		.35	Peel's I. C. C. 3096.
Galveston, Tex	New York, N. Y	40,000		.32	King's I. C. C. 3.
Through rate			.71½	.67	
SOUTH-BOUND					
Iron and steel:					
Baltimore, Md	Dallas, Tex	40,000	1.12		Peel's I. C. C. 3144.
Do	Galveston, Tex	40,000		.36	King's I. C. C. 3.
Galveston, Tex	Dallas, Tex	40,000		.47	Peel's I. C. C. 2719. Peel's I. C. C. 3105.
Through rate			1.12	.83	
Canned goods:					
Boston, Mass	San Antonio, Tex	40,000	1.16	.69	Peel's I. C. C. 3144. King's I. C. C. 3.
Do	do	40,000			
Do	Fort Worth, Tex	40,000	1.08	.83	Peel's I. C. C. 3144. King's I. C. C. 3.
Do	do	40,000			
Cotton piece goods (unfinished):					
New York, N. Y	do	(1)	2.52	1.80½	Peel's I. C. C. 2882. King's I. C. C. 3.
Do	do	(1)			
Green coffee:					
New York, N. Y	do	36,000	1.27	.97	Peel's I. C. C. 3144. King's I. C. C. 3.
Do	do	36,000			

[1] Any quantity (no carload rates).

This table of rates is an illustration as to the effect of this bill when put into operation. The effect upon our Texas ports will also be very material. Freights from the interior that now pass through our ports seeking the cheaper rates will no longer be continued. Eastern freights for points inland, to a great extent, will no longer pass through our Texas ports but will go direct by rail, to the detriment of our ports and at greater cost to the people.

It is shown by Document No. 264 of the Seventy-fifth Congress, first session, page 13, that railroad freight rates in the southwestern zone, which includes the whole of the State of Texas, are slightly more than 75 percent higher than for the northeastern zone. These zone freight structures have been built up under the approval of the Interstate Commerce Commission and they are an admonition to us as to what we may expect of that body if it is given the same power over our ocean and Gulf shipping it now exercises over inland shipping.

The land grants of the Federal and State Governments that have been made to the railroads were equal in extent to the combined areas of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, and the District of Columbia. By this Wheeler-Lea bill we are now giving to them all our rivers and canals, and with them a quitclaim deed to the Gulf of Mexico and the Atlantic and Pacific Oceans. It is to be hoped that the railroad lobby will not demand more of Congress at this time.

Poor Little Rich Uncle Sam

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

ARTICLE BY CHARLES BENEDICT

Mr. REYNOLDS. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an extremely interesting article by the pen of Mr. Charles Benedict entitled "Poor Little Rich Uncle Sam."

I was particularly interested in this article as a result of one paragraph thereof reading, in part, as follows:

> Next we hear that England finds it expedient for political reasons to place her orders for tobacco with Turkey rather than the United States—to stimulate her trade she proposes to buy her cotton in Brazil.

I was naturally interested in this paragraph in view of the fact that North Carolina's real money crops are tobacco and cotton.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AS I SEE IT

POOR LITTLE RICH UNCLE SAM

(By Charles Benedict)

Gray hairs are sprouting rapidly wherever there is any hair on the heads of serious thinkers these days. The cause of this particular anxiety has to do with what will happen to the United States if we continue to pile up gold. Yet the big problem facing this country at present is the price we are paying for gold rather than the quantity of the precious metal we have on hand.

In the first place, only if the gold mines in Africa and Canada are rapidly being depleted do we have any reason to worry that we will be left holding the bag. According to authoritative reports, these gold deposits are still enormous. Under such circumstances it is inconceivable that England, who controls these supplies, will advocate the dethroning of gold from its important position as a monetary base and thus deal a deathblow to Africa and a crippling one to Canada.

The facts are that today the United States possesses the largest amount of gold above ground, while Britain possesses the largest amount of gold below ground. But, by speeding up production England could in a short space of time produce five to ten billion dollars' worth of gold for her own purpose if need be, outstripping us as a holder of gold in a couple of years, and still retain her source of supply.

Today her advantages are: (1) That she can sell to the United States at $35 an ounce gold which costs her only a few dollars to produce, the profit from which helps greatly to finance her war; (2) that it is helping her as well to avoid a devastating inflation internally with its resulting political implications and its menace to her world financial position. The Bank of England still carries its gold at the old price in sterling which equals $20.67 per ounce in dollars. There has been nothing to gain in accepting the book profit available.

Tomorrow her profit on gold would enable her to subsidize British industry on such a vast scale that it would give us something to think about as far as foreign markets and even our domestic markets are concerned.

We are already feeling the effects of cheapened sterling which gives the English exporter an advantage over his American competitors. While, for some time now, we have been adversely affected by British control of low-cost gold which has enabled her to keep the price of commodities she buys at a low level; while, at the same time, the prices of English controlled raw materials, like rubber and tin, have risen artificially due to the combination of manipulated quotas imposed on producers by cartels operating from London, and the shortage of "bottoms" in which to carry these goods.

It can be plainly seen that if England pays us in low-cost gold for goods which she purchases from us, and charges us in sterling based on a $35 an ounce dollar for goods we buy from her, she is getting us "coming and going."

To add to this situation, Britain's attempt to control the seas and the air is greatly interfering with normal American trade as well as that of the other neutrals.

It is now evident to the world that British interests struggling to maintain their financial and commercial dominance will fight to the last ditch, and let the blows fall where they may.

Now, as heretofore, a feudal British business controls the Government. The objectives are trade and sterling supremacy. The weapons are low prices and low-cost gold.

If the war continues England is bound to intensify her trade program. Canada is even now in the throes of an incipient boom—while restrictions of one kind or another are hampering our foreign trade.

Just as in 1926 English progaganda sold the world the idea that she should retain the position as money center of the world because of her experience, and the fact that the machinery for this control already existed in London, today we are being sold the idea that the world would be better off if England retained her "benevolent" economic control over the world as well.

In the battle for power between Britain and Germany, we are inclined to favor the English—but why should either one of them control? The markets of the world should be left free, and the United States should have her fair share.

Again, we have been affected by our sympathies in this crisis where it has seemed to us that we were witnessing the tragic decline of a great empire, and our inclinations were to be generous under the circumstances. To the more cynical there was the belief that the collapse of the power of Great Britain would adversely affect the whole world, as well as the United States, and that it was to our interest to stand by.

But, this situation has been altered considerably since the United States set a firm price of $35 an ounce at which it would purchase all gold offered. So that today England is no longer facing any danger of financial collapse, war or no war.

This explains the very queer struggle we have been witnessing. The war machines and the battlefronts are merely a facade, while the real combat is in the field of economics and finance, where the slogan is, "business must go on."

This low cost gold has given England the confidence to carry on a war of appeasement, rather than in the battlefield. Huge loans and trade advantages have been the keynote. There were loans to Austria and to Czechoslovakia—even after Munich—to Poland, to Rumania, to Turkey. No; there is no danger that England will lack for gold with which to carry on this fight.

And, if the war were over tomorrow, and Britain had won, what assurance have we that she would not launch a subsidized campaign that would make a great dent in the United States? If we are to judge by recent events, it is clear that we must begin to look after ourselves.

We accepted the decline in our exports of foodstuffs to England and excused it on the ground of being a legitimate war economy. At the same time we are confronted with a deluge of British-made foodstuffs that are undercutting our domestic prices.

Next we hear that England finds it expedient for political reasons to place her orders for tobacco with Turkey rather than the United States—to stimulate her trade she proposes to buy her cotton in Brazil—that the billion-dollar airplane order headlined a few weeks ago has been canceled—possibly to punish us because the Pan American Clipper has decided not to make a stop at Bermuda rather than have our mail tampered with, or to express annoyance because of Mr. Welles' much publicized mission.

Allied purchases in this country are being handled by Anglo-French nationals and bureaus to avoid the payment of any commissions to American middlemen. Foreign banking firms are opening in the United States to handle these transactions so all exchange profits will be retained as well. Then there is the threat of British-

owned American securities hanging over our markets. And all this at a time when we are supposed to be on terms of sympathetic friendship. Just now we need some evidence of good will on a mutual basis.

OUR WEAPONS

There are several things that we can do. First among which is to establish a free gold market—at least it would give us a basis for discussion and compromise at the moment with other nations. Insist that Britain supply us with the commodities requested instead of gold. That she buy cotton, tobacco, and such products as we find would dislocate our internal economy if sales abroad were to cease suddenly. Refuse to buy foreign silver and gold on the ground that we have enough. Make it possible for our citizens to hold gold again if they choose.

Then there is always the matter of the debts, which we now know England can afford to pay; that in part payment we take the American securities she is so anxious to sell.

There are other ways, but these two are enough for the moment.

Concentration of Gold at Fort Knox, Ky.

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

EDITORIAL FROM BUSINESS WEEK

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have published in the Appendix of the CONGRESSIONAL RECORD an editorial from Business Week of March 30, 1940, entitled "Our Old Kentucky Gold."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Business Week for March 30, 1940]

OUR OLD KENTUCKY GOLD

Almost any day, tucked away in a half inch of space in an obscure corner of the financial page of your daily paper, you can find an item that runs something like this:

GOLD FROM ABROAD

A consignment of 96 boxes of gold bullion has arrived from Capetown, South Africa, for the Federal Reserve Bank of New York.

The gold may have come from Ottawa, or Paris, or London. But regardless of the point of origin, the warning is the same: that the great gold problem still confronts us and it is going to be with us for a long time.

The growing concentration of gold bullion at Fort Knox in Kentucky is plainly the outward manifestation of persistent and perplexing world economic maladjustments that began in 1929. It was then that the gold problem, as we now have come to know it, had its specific beginnings.

With the depression of the thirties, prices of commodities dropped, wages declined, and the incentive to produce gold increased. For the Government continued to pay a flat price of $20.67 an ounce, regardless of the fact that mining costs were diminishing; accordingly profit margins of gold mines expanded, and many marginal mines went into production.

Then, in 1934, as the chart on page 18 shows, gold mining got another big push. The President boosted the price from $20.67 to $35 an ounce. Immediately, profit margins of gold mines soared anew and production boomed all over the world. Whereas back in 1929 output averaged 20,000,000 ounces a year, grossing producers some $400,000,000 at $20.67 an ounce, in 1939 nearly 40,000,000 ounces of the metal—$1,400,000,000 at $35 an ounce—were lifted from the earth.

These huge quantities of gold—and more—the United States has been accumulating in recent years. The metal comes to this country not only from the mines of South Africa, Canada, and Russia, and from our own deposits, but also from the ancient hoards of East Indian princes and from the vaults of central banks.

The world has been using gold very much as the nations of Europe and South America used bonds in the reconstruction period after the World War. Instead of selling bonds, they've been sending gold (1) to get American goods and services, (2) to buy American securities, and (3) to build up deposits in American banks—these deposits representing nothing more nor less than a future call on (a) goods and services and (b) securities or other assets.

Right there is the heart of the gold problem. The United States has become the nesting ground for foreign capital seeking safety; also it has become the principal source of supplies for the Allied Powers in this war. So more gold can be expected to flow over here, as an unnecessary addition to our already too large pile—$18,000,000,000—nearly 70 percent of the total world monetary supply.

Yet, for its own protection, the Treasury must keep right on buying gold. If it doesn't, then the market value of its holdings will drop, and it will lose the chance of redistributing those holdings at $35 an ounce when the war is over. For, if the Treasury doesn't make its price stick, other nations will be unwilling to buy back their gold—using good services, and, perhaps, securities to pay for it.

But it is to be realized that, for the time being, gold has been defunctionalized. When Britain, France, the United States, and other European nations joined in the tripartite accord and used stabilization funds to iron out fluctuations in their currencies, gold was replaced in one of its traditional functions. And when Germany resorted to trade by barter with South American and central European nations, gold again lost a function—settling international balances.

Thus, as a monetary agent, gold is losing out.

The Treasury cannot solve the gold problem by action. All it can do is support the $35-an-ounce price and hope (1) that all the world's bullion does not come over here; (2) that with peace, foreign citizens will repatriate their capital from this country; (3) that the balance of trade will move gold out of, instead of into, the United States; (4) that some form of gold standard may be reestablished after the war.

This last point may explain in part our Government's desire to have a hand in Europe's peace. It would help to have a gold clause in the treaty.

Building for Peace

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

ADDRESS BY HON. LOUIS JOHNSON, SECRETARY OF WAR

Mr. MINTON. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address on Building for Peace, delivered by the Honorable Louis Johnson, Assistant Secretary of War, at the Military Order of the World War Army Day banquet, Waldorf Astoria Hotel, New York City, on April 6, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow members of the Military Order of the World War, this afternoon we saw a parade. Up Manhattan Island came long columns of marching children and marching men. We heard the patter of small feet; the crackle of sharp commands; the clatter of cavalry; the rumbling of artillery; the sound of thousands of feet echoing in unison—all the pageantry which we have associated with parades since Bunker Hill, Gettysburg, San Juan Hill, and Chateau Thierry.

But there was something else in the parade which we saw today. There were long lines of floats bearing replicas of airplanes with their engines and accessories, antiaircraft fire-control equipment, and many other munitions—the matériel of warfare. More significant still, other floats emphasized the part which American industry contributes to the cause of national defense—the transportation-equipment group; the machine-tool industry; the electrical group; the metalworking industry; the building industry; business-machines companies; the printing-equipment group; the textile manufacturer. These additions to New York's Army Day parade today recognize changes which have come to warfare. I know of no better time than the calm of late evening on Army Day to reflect on some phases of our national security and to review some of these new aspects in national defense.

One outstanding fact to remember about modern war is that it concerns every citizen. There can be no slackers in warfare today, for every man, woman, and child may be on the battlefield. A nation at war is a nation under bombs. It has been made clear by events overseas that the men who make munitions and war supplies, the men who feed armies and haul their rations forward, are just as likely to be under fire as front-line soldiers. It therefore was appropriate that the children should march in your preparedness parade today.

A few years ago a small, weak nation was attacked. Its government, as the governments of all nations do when war comes, issued a mobilization order. It reads as follows: "Everyone will now be mobilized, and all boys old enough to carry a spear will be sent. Married men will take their wives to carry food and equipment. Men without wives will take any women without husbands. Women with small babies need not go. The blind, those who cannot walk, or who for any reason cannot carry a spear are exempt. Anyone found at home after receipt of this order will be hanged."

I have not quoted this call to arms to ridicule any nation or any people. On the other hand, I have read it to make a point and

draw some lessons. Crude as this mobilization was, it had one virtue. It recognized clearly that modern warfare demands the best that the Nation possesses.

A second important fact bearing on national defense is that the mobilization of manpower among leading nations is no longer the critical factor in warfare. It has been superseded by munitions capacity as the criterion of a nation's ability to defend itself. The long thin line—the battle line—has been supplemented by an industrial front as wide and as deep as the Nation itself. We have clear evidence from Europe that war today is being won—or lost—on the economic front, in the factories, and in the workshops of the nations at war.

Not long before the last World War a great American, in minimizing the necessity for national preparedness, boasted that if this Nation were attacked a million men would spring to arms overnight. We now know that it would be chaotic to have a million men spring to arms overnight. As a matter of fact, they might spring but not to arms. There are not enough guns and bullets and powder in this whole country today adequately to equip a million men. The mobilization of manpower is relatively simple. As a result of our own experience and the many historical examples, the methods are well known and the principles are established. In the last war it took us about 9 months to mobilize 2,000,000 men and train them for front-line action in France. This 9-month period was broken down into three successive steps—6 months of training in the United States, 2 months of training in the rear areas of France, and 1 month of training in quiet sectors on the western front.

There is no reason to believe that we could not duplicate that last World War experience. We could raise two or three million men if national defense should so require and train them in 9 months, but we could not furnish them weapons and supplies in less than 2 years. Had it not been for the genius of Bernard Baruch and other leading industrial minds it would have taken even longer. In the last Great War our Allies made good that deficit by supplying us the weapons and munitions we required. But no sane American will now advocate that we rely on the possibility of better-equipped Allies making good our shortage in another national emergency. If we ever face another war—and God grant that we shall not—our most important problem, and our most effective weapon of defense will be the ability of American industry to supply munitions and equipment. This is a subject which merits the sober consideration of every citizen. It concerns every citizen not alone because he will be a participant but because he will pay for it. He will pay dearly for mistakes and confusion which delay effective mobilization. For in every study of mobilization for defense, the student inevitably reaches the conclusion that the vital factor is time.

Napoleon, in addressing one of his staff officers, once said: "Go, sir, gallop, and don't forget that the world was made in 6 days. You can ask me for anything you like—except time." Someone else well said that time is the most precious thing in the world, for it is the only thing God measures out second by second.

The time phase in War Department plans for the mobilization of manpower allows 4 months in which to expand our Army to 1,000,000 men. The Regular Army today is composed of about 230,000 men; there are 235,000 men in the National Guard immediately ready for service, or a total of 465,000 men—an aggregate Army slightly greater than that of Finland and about one-fourth that of Poland when war came to those two nations.

The protective mobilization plan under which our manpower is mobilized and trained is adequate and well worked out. The mobilization plans for industry, however, due to our historic lack of a national-defense policy and our traditional practice of waiting until war is upon us before we do anything about it, are, even at this time, despite our efforts during the past several months, in a much less complete and satisfactory state.

I have long known that while in warfare the heartaches will be on the firing line, the headaches will be on the production line.

It is the legal and executive responsibility of The Assistant Secretary of War to assure the provision of adequate supplies and munitions for our Army. It has been my continuous concern, therefore, to raise our munitions power to match our manpower. Potentially, this country of ours has the greatest productive capacity of any nation in the world. Our job is to plan and organize the elements of our vast resources, to raise potentiality into actuality, in the belief that here lies the essence of preparedness for peace.

As a first step we should have an adequate war reserve stock of munitions. Funds during recent years have not been adequate to provide any considerable reserve of ammunition, guns, tanks, airplanes, or many of the other machines and critical munitions required in modern war. With one striking exception, which I shall describe later, there is no munitions industry in this country. This means that we must have sufficient reserves until the factories designated to turn out implements of war can get into quantity production. They cannot get into full-scale operation until many months after mobilization day, for it takes a considerable time to convert an automobile factory into a tank factory or a chemical plant into a powder plant. Generally, there must not only be extensive retooling, but there must be a sufficient period for training skilled workers to new processes of manufacture.

Our industrial war plans have been pressed to the limit of our resources in recent months. We have surveyed the industrial plants of this country to determine what munitions each can best build, the ultimate capacity of each, and the time required to get into full-scale production. We have earmarked some 10,000 of these plants for possible war work.

Our program of educational orders is designed to give the more important of these plants an opportunity to produce in peacetime a small quantity of the items which they would be required to produce in wartime on a huge scale. These educational orders also serve the important purpose of training at least a limited number of the skilled employees necessary to fabricate the military product. So, also, our armament program and our planning program are being so administered as to contribute as much as possible to the training of industry.

A maximum military effort would extend to the utmost a large portion of our civil industries. It probably would involve a production of munitions considerably in excess of the last war, and, remember, the last war cost us at the rate of a million dollars an hour for more than 2 years. During the 25 months from April 1917 to April 1919 our governmental expenditures directly chargeable to war, totaled almost $14,000,000,000. Twelve billions of that money were expended for munitions. Four billions went for ordnance material alone. Any activity which cost the people of this country such staggering sums is worthy of the serious consideration of every clear-thinking American.

American industry has cooperated and is cooperating with us wholeheartedly in our industrial mobilization planning. The War Department has taken the initiative and our industrial leaders have responded. Patriotism is not the exclusive possession of the fighting man. The worker and the factory manager have shown that they, too, realize their responsibilities and the import of their possible wartime tasks.

The one happy augury in our gloomy picture of the giant task which may face us is the cooperative spirit that permeates all phases of American society.

A moment ago I stated that there is no peacetime counterpart to our war industries of any consequence save in one vital exception. That is in the field of aviation. Since air power has joined with land and sea power to form a triumvirate for national defense, it is fortunate, indeed, that our great civil aviation industry is readily adaptable to produce the military aircraft we require. In fact, it already has a vast military experience.

This fortunate development is due to several factors. Military aviation in this country has always been the best customer of our civil aviation industry. Our military services do not build their own fighting planes. They have bought them, always, from civil aeronautical manufacturing establishments. Our civil aviation industry has, therefore, had experience during all of its existence in the building of military aircraft. During the last great war it produced more than 23,000 planes and 30,000 engines. After that war, although reduced to its peacetime skeleton form, it continued to build, over a period of 20 years, from four to five hundred military planes annually.

Thanks to the President's wise and timely air-expansion program, inaugurated about 12 months ago, orders were given for more than 3,000 military planes. That, supplemented by the present demand for our airplanes and engines in the war now gripping Europe, we are confident will aid materially in developing and preparing an aircraft industry adequate for our own national needs. Present indications are that foreign missions now in this country are prepared to order more than $1,000,000,000 worth of aviation products.

A year ago we had 30,000 employees in our airplane and engine factories. We now have more than 75,000 skilled artisans so employed, and we have just begun to work. The aviation industry now estimates that it has a capacity of more than 17,500 planes per year. Of the 43 airplane plants in this country, 23 are now working on military orders. The airplane-engine industry has received the same impetus and its capacity, according to its reports, is now 16,000 engines per year. Next year it promises to have an annual capacity of not less than 25,000 engines per year—engines of more than 1,000 horsepower each.

The public press has discussed at length, and the public mind has studied thoughtfully during the past few weeks, the problem of whether we should sell our advanced military airplanes abroad. We are the last people in the world to wish to profit by misfortunes in Europe, but we would be unwise, indeed, if we failed to realize that the war in Europe is a full-scale laboratory in which our fighting planes can be service tested under war conditions at no cost to us. The people of these United States have been saved a great burden by reason of the fact that national requirements abroad have sent foreigners hurrying to our shores for the procurement of aircraft, engines, and equipment. This has permitted our aviation industry to begin mobilization—hold a preview for possible war.

Our people need not be alarmed by critics who charge that we are selling our military secrets abroad; that we are weakening our own defensive structure when we provide foreign buyers with our latest production types. The War Department will never permit the sale of one single vital military secret abroad.

An adequate productive capacity for our aviation industry is essential. It is an effective expression of this country's ability to wage war under the conditions existing today. Our own expansion program, which will not be interfered with by these foreign sales, plus the plane deliveries to the warring nations abroad, will give us the vital aviation production capacity we require.

Our release policy with respect to aircraft is this: We will permit our manufacturers to sell to foreign buyers our late production models of aircraft and engines and they will receive in return not only an adequate monetary compensation but we will get improved planes for our own air force and an aviation industry capable of producing them in quantities required. In addition, we shall receive promptly the latest information from foreign proving grounds—technical and tactical information vital to our own war plans.

There will be no delay in the delivery of sufficient military aircraft to equip our own air force adequately, to arm all of our squadrons. We shall permit a reasonable delay in the delivery of some of our reserve airplanes in order to incorporate in them the necessary changes to make them superior fighting aircraft. It is a fair exchange—one of those fortunate bargains where both sides gain their desired ends. Our foreign customers get the planes they desire when they need them, our industry is built with foreign capital to the proper size, and our air force is equipped with superior combat planes.

I wish that I might leave you with the optimistic note which I have just sounded. But the facts are otherwise. However promising our prospects of being adequately supplied with aircraft in an emergency, we must realize that other items equally important are not so provided for. Ordnance material, for example—guns, ammunition, antiaircraft and antitank weapons; chemical-defense items, such as gas masks, protective clothing; signal equipment, such as field telephones and special radios—all of these and others cannot, under existing conditions, be made available for many months after troops are mobilized and trained. It is here that our defensive armor is weak. I regret to report that, in spite of all measures now available, some 15 months would elapse before even a million-man army could be adequately supplied with the more critical items of ordnance equipment. You may be assured, however, that we shall continue to direct our best efforts toward improving this situation.

I have spoken at length tonight on the subject of preparedness, and in this connection I want to leave one last thought. A wise nation does not prepare for war. It prepares for peace. The provision of adequate defensive measures is not in preparation for war but as insurance for continued peace. It has been demonstrated time and again and emphasized in recent times that war does not come to the peace-loving nation which is prepared to defend itself. War selects for its battlegrounds the unfortunate nation unable to resist an invader.

Your War Department, in recognition of these principles, has progressively urged a sound policy of national defense—preparedness for peace—and is now straining every nerve and sinew to build the dike high and thick and strong so that no foreign waves may roll over our shores. Our program of industrial preparedness is the very essence of that policy.

May we all remember, as we build defensively for peace and against war, that there are two phases of adequate defense—manpower and munitions capacity. There are two vital lines—the production line and the firing line. Of these, the production line may well be the life line of national security.

Census Questions

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

RADIO ADDRESS BY HON. CLAUDE PEPPER, OF FLORIDA, AND LETTER FROM DIRECTOR OF THE CENSUS

Mr. PEPPER. Mr. President, I ask unanimous consent to have printed in the RECORD a radio speech delivered by me in debate with the Senator from New Hampshire [Mr. TOBEY] on controversial matters with reference to the census questions. The debate was broadcast by the Mutual Broadcasting System and took place on March 31, 1940. In the same connection I also ask unanimous consent to have printed in the RECORD a letter addressed to me by Hon. W. L. Austin, Director of the Census.

There being no objection, the speech and letter were ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR PEPPER

There have been two very gratifying aspects of Senator TOBEY'S attack upon the census. The first is the good sense which the American people have exhibited in not being swept off their feet by the agitation even of a Senator of the United States, able Senator that he is. The second is the assurances we have of the good health which our friend Senator TOBEY enjoys, for there have been times when Senator TOBEY'S acute disturbances over the census inquiries has made those of us who are his friends very much concerned as to whether his constitution was able to stand the severe agitation which this matter has caused him.

It was neither a Democratic nor Republican administration which provided for the taking of the census. It was the framers of our Constitution who provided in the Constitution for the taking of the census in the year 1790 and every 10 years thereafter. The primary reason for the taking of the census is to determine the representation of the several States in the National Congress. The secondary reason is, of course, the accumulation of knowledge about the country, its people, its resources, its conditions, so that both the Government and the people might know what our progress has been and what our problems are.

The 1940 census will therefore be the sixteenth which has been taken in our country, and these censuses tell the history of the United States and its people. They tell a thrilling story of unparalleled growth of this Nation, of how it has grown from a total population of 3,929,214 in 17 States in 1790 to a population which in 1940 will probably exceed 130,000,000 in 48 States and the District of Columbia, the mastery of a continent. They tell the story of how the area of our country has grown from 892,135 square miles in 1790 to 3,738,395 square miles in continental United States alone and 711,606 square miles in our possessions. Our density of population in 1790 was 4½ persons per square mile. In 1940 it is probably 44 persons per square mile.

That century and a half of our history which is graphically told in the census records have seen great cities spring up, a great railroad system of 240,000 miles of tracks, 93,000,000 miles of telegraph and telephone wires, the electric light, the radio, the automobiles, 4,000,000 miles of highways. If you were to go down to the Census Bureau you would find 8,000,000 pages occupying a mile of shelves that tell this vital story of America in 15 previous censuses. In those records you would find that every President, beginning with George Washington, has been included. You would see their signatures and their willing responses to the census questions.

What a country we have. One hundred and thirty-two million people; $320,000,000,000 of wealth, nearly 7,000,000 farms producing annually almost $10,000,000,000 worth of products; nearly 200,000 factories, employing more than 10,000,000 men and women, making goods worth over $60,000,000,000; 3,000,000 retailers, wholesalers, and other dealers, serving the people of America; 33,000,000 home units; over 50,000,000 gainful workers. All this story is told in the censuses of our country.

The first census of manufacturers taken in 1810 lay the foundation for the measures of the industrial growth of America. The first census of agriculture was taken in 1840, and with the completion of the census of this year, there will be 100 years' record of the fundamental industries of America—the farm, which has made America "the bread-basket of the world."

The specific law under which the 1940 census is being taken was not a Democratic law. It was passed and approved in 1929 under the Republican administration of President Hoover. That law authorized the taking of the census and authorized inquiries relating to population, to agriculture, to irregation, to drainage, to distribution, to unemployment, and to mines." The law provided "the number, form, and subdivision of inquiries in the schedules used to take the census shall be determined by the Director of the Census with approval of the Secretary of Commerce."

As has always been done, therefore, the Director of the Census, who, by the way, is Mr. W. L. Austin, who has been in the Census Bureau for 40 years, coming in under President Theodore Roosevelt as a civil-service employee, having been Assistant Director of the Census under President Hoover and appointed by President Roosevelt as Director of the Census for 1940 because of his long experience in this work. The Director of the Census, as has always been the practice for a long time, called in various people representative of business, labor, and the public, and consulted with them about what type of inquiry would be most appropriate for the census. Among those called in and who served, as others have served in the past, utterly without compensation, were Dr. Louis Dublin, of the Metropolitan Life Insurance Co.; Dr. David R. Craig, president of the American Retail Federation; Mr. Noel Sargent, secretary of the National Association of Manufacturers; Gen. Robert E. Wood, chairman of Sears, Roebuck & Co.; Sidney R. Katz, of the C. I. O.; Miss Margaret Scattergood, of the A. F. of L.; and Dr. Stacey May, of the Rockefeller Foundation. After consulting with these and many other advisors, and after a thorough study of the previous censuses, the Director of the Bureau finally approved the form of inquiries for the 1940 census, which was duly approved by Hon. Harry Hopkins, Secretary of Commerce, as the law requires.

All the machinery for taking the census, according to the habit and traditions of the past, was arranged, and the blanks were printed, the President's proclamation issued, and both the Government and the people were ready for the taking of the 1940 census, just as they had taken 15 other censuses in the past, when suddenly a bombshell burst with shattering violence in the ears of the American people.

Senator TOBEY, of New Hampshire, who happens to belong to our friendly rival, the Republican Party, launched a bitter attack upon two questions which were carried in the census schedule. The first question reads "Amount of money wages or salary received (including commissions)" for the year 1939.

The second question, "Did this person receive an income of $50 or more from sources other than money wages or salary" in 1939. The regulations of the Census Bureau containing instructions to the census takers, which were published and a matter of public knowledge at the time Senator TOBEY made his attack, provided that the first question mentioned should be asked only of those receiving less than $5,000 per year, and that if anyone, to the knowledge of the census taker, received more than $5,000 there was no specific inquiry to be made, but that fact was to be noted by the numerator as a special answer to the question.

The answer to the second question of whether the person questioned received income of $50 or more from sources other than

money wages or salary required only a "yes" or "no" answer, and not the amount of the income.

It is to be borne in mind that there is no comma between money and wages. The question is not how much money or wages or salary the person received but how much money in wages or salary less than $5,000 did the person receive. It is further to be kept in mind that the enumerator was not interested in any money that the citizen made from any source other than wages or salary. If you made an income from stocks or bonds or from rents or from any other source, which was not actually wages or salary, the question was not applicable at all.

Now, it was these two questions that provoked all of my friend, Senator TOBEY's, agitation, and which, unfortunately, Senator TOBEY misinterpreted, although, I am sure, unintentionally, to the American people.

Among those requesting the Bureau of the Census to include those questions pertaining to income of the people receiving less than $5,000 a year from wages or salary was a fair cross-section of the American people. For example, the American Home Economic Association, the National Industrial Conference Board, the Actuarial Society of America, the Population Association of America, many ministers and church councils, Y. M. C. A.'s, insurance companies, automobile manufacturers, public utilities, labor unions, advertising agencies, market analysis, publishers of magazines and newspapers, publishers of farm papers, the National Bureau of Economic Research, etc., etc. All these agencies, for one reason or another, actually wanted to know what were the facts about the incomes of the people of America in the lower income brackets, and since 97 percent of our families of America have an annual income of less than $500, those inquiries sought information about practically the whole population of our country. These people did not think the questions were violating the privacies and infringing upon the rights of the American people, nor did a special advisory committee of nongovernmental people, appointed by the American Statistical Association, which is nonpartisan and, I dare say, mostly Republican, including Dr. Robert E. Chaddock, of Columbia University; Dr. J. Frederick Dewhurst, of the Twentieth Century Fund; Mr. Paul T. Cherington, market analyst; Dr. William P. Ogburn, of the University of Chicago; Dr. Murray R. Benedict, of the University of California; and Dr. Willard B. Thorp, of Dun & Bradstreet.

Nor did the labor leaders, practically all of whose membership would be called upon to respond to these two questions, object to it.

On the contrary, Mr. Hetzel, counsel for the C. I. O., said "The basis of our support of these questions is our conviction that the information which would be elicited by having these questions, these two questions on the schedule, are essential to the consideration of legislation which we feel to be the first order of business of the country."

Mr. William Green has given these questions his hearty approval.

Remember that the law authorizes inquiries relating to employment. I believe all of us would agree that one could not get very accurate information about employment unless one knew the wages or salary received in a year by the person being considered. You might easily be employed but only at such wages as amounted actually to unemployment. When we think of employment we surely think about employment at wages or salary which allow a decent standard of living, so these questions relative to income were simply for the purpose of actually finding out the facts about the people who really do the work of America, for the purpose of making it possible for the Government and all others interested to be able to be helpful to those people in any way proper and possible.

It is said, for example, from the best information we have, that 14 percent of America's 29,000,000 families have an annual income of less than $500 and that nearly half of America's families make for a whole year, for the whole family, less than $1,000.

All of us, both in public and private life, including Senator TOBEY, ought to want to know whether or not that report, based upon the best voluntary information available, is or is not a tragic fact.

After Senator TOBEY had spoken upon the radio many times and agitated this matter in the country and in the Congress, including urging people openly to form societies to resist the census and violate the law, finally the Director of the Census, with the approval of the Secretary of Commerce and the President, made a concession to Senator TOBEY of altering the method of collecting information on this subject of income, and as now provided, the citizen who objects to answering these questions to the enumerator may write down the answer in private, upon a blank sheet of paper and give it, in a sealed envelope which he will be provided, to the census enumerator to be mailed, at Government expense, directly to the Census Bureau in Washington.

The enumerator of the census, you will remember, is subject to a penalty up to $2,000 or 5 years in prison, or both, for revealing any information that comes to his or her knowledge without lawful authority. In addition to that, such enumerator would be guilty of an additional Federal offense of interfering with the mails if he tampered with the sealed envelope containing such answer of the citizen.

It seems to me, therefore, that the Bureau of the Census has done everything that anyone could reasonably expect in trying to protect the citizen, even in an extreme case.

So this seems to me to settle the matter. It seems that Senator TOBEY would be satisfied. According to his point of view, he has rendered the people a great service. I am sure everyone is willing to accord the Senator whatever honor and credit he may be entitled to receive.

But we find that Senator TOBEY now does not confine his attack to the two income questions. He now attacks all sorts of questions in the census—housing, unemployment, marital status, and others, and apparently Senator TOBEY has not confined himself to the Senate in making his attack. In addition to having been on the radio a number of times, speaking to the whole country—the last radio speech of Senator TOBEY was issued by the publicity department of the Republican National Committee upon the stationery of the Republican National Committee.

I wonder if that indicates that the Senator is trying to serve the Republican Party primarily in making this attack, since it happens to be a Democratic administration this time which is taking the census.

Speaking about the privacy of the American people, the Senator must have forgotten the census of 1850 under Zachary Taylor, which inquired of each person the value of the real estate owned by him or her, when they were married, whether they could read and write, whether they were deaf, dumb, blind, insane, idiotic, pauper, or convict. The same questions were asked in the 1860 census, and, I may add, Abraham Lincoln was asked and answered without protest and without organizing any resistance to the census every one of those questions and actually gave the value of real estate and personal property which he owned.

It was the same in the census of 1870 in the administration of Grant, also a Republican President, when those same questions were asked, and neither President Grant nor the people organized groups to resist the census questions because those questions were too personal.

In the census of 1880, under Republican President Rutherford B. Hayes, the people were asked, along with many other questions, the number of months each person had been employed during the year, whether the person were sick or temporarily disabled so as to be unable to attend to ordinary business or duties, and if so what was the sickness or disability; whether they were blind, deaf, dumb, idiotic, insane, maimed, crippled, or bedridden; and they did not think the questions were an invasion of privacy, and neither did Hayes nor any Republican Senators, to my knowledge, organize to resist that census.

In 1890, under another Republican President, Harrison, the census asked all women of how many children they were the mother. They asked all persons of the months they were unemployed during the year; the time they were in school; their ability to read and write; whether suffering from acute or chronic disease, with the name of the disease and the length of time afflicted; whether defective in mind, sight, hearing, and speech; whether crippled, maimed, or deformed, with the name of the defect; whether prisoner, convict, homeless child, or pauper; whether home was owned or rented, and, if owned, whether free of mortgage.

Incidentally, it might be added that these censuses instructed the enumerators to talk to local doctors and other people in the communities who might have special information about the conditions of the people which the 1940 census does not do.

Likewise, in the census of 1900, under Republican President McKinley, the Census asked, in addition to usual questions, other questions about marital status, the number of years married, the mother of how many children, months in employment, home ownership, and the like.

Again, in 1910, under a Republican President, Taft, the census asked, in addition to the usual questions, the number of weeks out of work during the year; the ability to read and write; home ownership; home encumbrances, if any; whether blind, deaf, or dumb; neither President Taft, nor any Republican Senator to my knowledge, counseled the people to refuse to answer the census and organize them to resist it.

In the census of 1930, under another Republican President, Hoover, in addition to the usual questions, there were the further questions of home ownership, the value of the home, the monthly rental received, the number of radio sets, schooling, the ability to read and write, whether a veteran of military or naval forces, and certain special questions on a further schedule relating to unemployment and neither did Hoover, nor any Republican Senators to my knowledge, try to organize the people to resist that census.

So, my friends, I am exceedingly sorry that Senator TOBEY has felt as he does about this matter. I know that every one of us must realize the seriousness of this attack upon the integrity of the census, made by a United States Senator. Upon the integrity of this census will depend the number of Representatives that the States have in the House of Representatives for the next 10 years. Upon its integrity will depend the reliability of our knowledge about our country and its people for the next decade. If the integrity of one census is destroyed, it weakens the integrity of all censuses.

Surely, there is room for party differences in this country. Surely, it is characteristic of America for us to disagree upon matters of policy and opinion, but surely there is a common ground of Americanism—a ground upon which all of us stand together as Americans, and surely factual knowledge about our country, about the condition of the men and women who do the work of our world, surely the kind of homes in which the families of America are housed, the hearthstone around which the children of America are nurtured and protected, surely this is American ground and not a realm for partisan strife.

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington.

Hon. CLAUDE PEPPER,
United States Senate, Washington, D. C.

MY DEAR SENATOR PEPPER: In regard to the points which you requested me to clarify with official statements, I need only to

quote the following excerpts from a letter written by my assistant, Dr. Vergil D. Reed, to Senator TOBEY last Saturday:

"You stated on March 20 that census schedules were open to the inspection of individual business concerns and trade associations. That statement is either the result of your own gross ignorance or your desire to deliberately abuse the truth. The facts speak for themselves and are easily confirmed from an annual report, List of Funds Received by Bureau of the Census for Special Statistical Studies, lodged each year with the Committee on Expenditures of Executive Departments in the House. You inquired concerning that report yesterday, and I am led to the conclusion that you are intending to use misinterpretation of it as a basis for further attack along the same line. That report covers legitimate special tabulations and searches of census records made by census employees for the account of and at the expense of individuals and organizations. Most of the items are $3 each and cover searches of census-of-population records (with the written consent of the individual or his nearest relative) for the purpose of establishing age or other facts in the interest of the respondent. These searches are made for insurance companies, courts, Social Security, Railroad Retirement, genealogists, and the individual himself. Before any such search is made we must have written permission from the person or nearest relative involved. The certificates issued as a result of these searches are accepted by courts and insurance companies, and by Social Security and Railroad Retirement, as official evidence of age and other pertinent items of personal history. This is a legitimate service to the public which no one can question and in no sense does it violate the confidential protection of anyone.

"Special tabulations of census data are constantly being made for trade associations, chambers of commerce, business concerns, and other Government agencies at their expense and only in such form as will not disclose the identity of individual concerns or individuals. These tabulations are always made by sworn census employees. Any responsible trade-association executive will tell you that regular individual census reports are never made available to them or to individual concerns. The unsuccessful attempt to make such individual reports available to N. R. A. a few years ago is ample evidence of our honest protection of confidential census schedules. Mr. J. Edgar Hoover, of the Federal Bureau of Investigation, and officials of the Bureau of Internal Revenue will confirm the fact that they have never been able to see our census schedules. These special tabulations are an honest, helpful service, making available data which are not usually published, largely because of limited funds or restricted interest which would not justify tabulation at Government expense. They are tabulations and not reports of individuals or concerns.

"As to your accusation that T. N. E. C. officials had access to individual census schedules, I suggest that you talk to Senator O'Mahoney, Dr. Isador Lubin, or Dr. Willard Thorp—that is, if you really want the truth. Certain tabulations, not disclosing individual concerns in any case, were made by the Census Bureau for T. N. E. C. but none by T. N. E. C.

"We will not under any circumstances even give out a list of concerns or the name of individual concerns reporting to the Census Bureau.

"I find that you have been exploring the possibilities of an act of Congress (Public, No. 74, 74th Cong.) to bolster your untenable position. I presume you will even resort to citing that law as evidence that individual census reports are made available to those outside the Bureau of the Census. I save you the trouble. That act became law in 1935 and the legislation was secured mainly for the purpose of making it possible for the Department of Commerce to charge individuals and organizations for making various types of studies, tabulations, and compilations. The Bureau of the Census has for many years had the legal authority to make charges for special tabulations and the funds for such special tabulations are cleared through the United States Treasury. Our solicitor informs us that this act has no bearing whatever upon the confidential features of census reports as covered by various census acts, including the Fifteenth Decennial Census Act, under which the Sixteenth Decennial Census is being taken. Such possibilities were, of course, given careful consideration at the time Public, 74, was drawn."

Very truly yours,

W. L. AUSTIN, *Director.*

Stand by the F. B. I.

EXTENSION OF REMARKS

OF

HON. FRED A. HARTLEY, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

RADIO ADDRESS BY HON. FRED A. HARTLEY, JR., APRIL 2, 1940

Mr. HARTLEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address I delivered over the National Broadcasting Co. network on April 2, 1940:

I am amazed at the malicious attacks that have recently been leveled at Director John Edgar Hoover and his associates in the Federal Bureau of Investigation. For what have they been criticized? My answer is: For doing their duty in the same efficient manner that has made the F. B. I. the greatest crime-detecting agency the world over. Let us examine the complaint and also its source.

The F. B. I. has been charged with violations of civil rights and the use of third-degree tactics and duress. The charge refers specifically to the cases of a number of individuals taken into custody at Detroit and Milwaukee recently for violation of a statute forbidding the enlistment of individuals for service in foreign wars—specifically, the Spanish civil war. It should be noted that the actions of the F. B. I. in this case were taken upon specific instructions. Two former Attorneys General instructed that the investigation be initiated. Indictments based upon the investigative work performed pursuant to these instructions were handed down by a Federal court. Warrants were issued in due legal form. The warrants were transmitted to the special agents of the F. B. I. for proper legal service. They were properly and legally served. The individuals were brought to the respective offices of the F. B. I. and accorded every possible courtesy and attention. They were permitted by the United States attorney to confer with counsel. They were given physical examinations. They were fed. Every attention was paid to their comfort.

And yet the F. B. I. was charged with having used third-degree tactics, for example, because the suspects were seized between 4 and 5 o'clock in the morning while in bed. I suppose Mr. Hoover's critics would have preferred to have had him call these suspects on the phone and say, "I have a nice, fresh warrant to serve on you. When will it be convenient for me to call?"

In the past 12 years alone over 52,000 convictions of dangerous and notorious criminals have been secured in cases investigated by special agents of the F. B. I. Furthermore, not one defendant in these cases has obtained a reversal upon allegation that F. B. I. special agents subjected him to a beating, maltreatment, bodily injury of any type, or other similar third-degree methods. Surely this could not have been accomplished through unethical and illegal tactics.

And who is it that complains of these alleged violations of civil rights? Well, the most vociferous is the Young Communist League. Imagine the audacity of these disciple of Stalin criticizing the protection of civil rights in the United States. Let them go to Russia, and like everyone else who has tried it, they will soon be glad to be back under the protection of the Constitution of the United States. However, the ranting of these Communists is more serious than appears on the surface. For it has given another group less noisy but more skillful an opportunity and excuse to join in the attack. This group has charged the F. B. I. with unlawful wire tapping. In answer to this let me say:

Mr. Hoover has always been opposed to wire tapping. The rules and regulations of the F. B. I. originally prohibited wire tapping of any kind or type by special agents of the F. B. I. Later, upon instructions of former Attorney General Mitchell, and in order to bring the policies of the F. B. I. in line with those existing in the Prohibition Bureau (then a part of the Department of Justice), the rule forbidding wire tapping was amended by direction of the Attorney General to permit it in certain cases upon the specific approval of the Director of the F. B. I. Under this procedure wire tapping has been done in certain types of heinous crimes, particularly kidnapings. It has been of great value in such cases. I doubt that any person would claim that a kidnaper is entitled to special consideration in administering the laws of the country. Bear in mind there has been at no time any illegal wire tapping by the special agents of the F. B. I. Bear in mind that never has there been any attempt to introduce such evidence in Federal court. Bear in mind also that on at least two specific occasions Mr. Hoover has expressed his sweeping opposition to proposed wire tapping legislation, designed to make possible the presentation in court of evidence of this kind. Of course, wire tapping of any kind and type has now been banned by the Attorney General.

The Persident of the United States has instructed the Federal Bureau of Investigation to take charge of all investigative work in matters involving espionage, sabotage, subversive activities, and violations of our neutrality regulations.

I assume that the order prohibiting wire tapping of any kind will now prevent the special agents of the F. B. I. from using this means of investigative defense against foreign agents, against spies, against those who would destroy by torch and incendiary bomb the country's industries, in the interests of foreign enemies.

I regret that any such advantage should be placed in the hands of these avowed enemies. I feel that the F. B. I., through its directing head, should be free at any time to invoke any possible reasonable method of investigative defense against this menace. I am extremely apprehensive that the hands of the F. B. I. have recently been tied in such a manner. This constitutes a serious situation. The pendulum may have swung altogether too far. It may be necessary to adjust our legislation to meet this national menace.

I believe some of those who have condemned Mr. Hoover and the F. B. I. have been misinformed. Some of these critics may possess no desire to be informed. I believe that the people of this country owe a debt of gratitude to the directing head of the F. B. I. and that every possible support should be afforded this great Bureau in the work it has so successfully performed to this day.

Please remember that John Edgar Hoover is not a politician. He does not permit political interference with his job. And as a result, the politicians don't like him and are constantly after his "scalp." However, no one can deny that he has established one of the most efficient bureaus of the Government—a bureau of government which has returned in recoveries over $6 for every dollar appropriated for it.

Since the passage of the Federal Extortion Act in 1932, the F. B. I. has secured 608 convictions as against 22 acquittals. There has been a decline of 80 percent in bank robberies, and most important to every parent in the United States is the fact that since the passage of the Federal kidnaping statute, of the 178 kidnapings, 176 have been solved, and the F. B. I. is still working on the remaining 2.

The present task of law enforcement—the battle against alien-minded spies and criminals—is of the same kind and type. A law-abiding nation is a peacful nation. Only a law-abiding nation can survive. The F. B. I. is receiving complaints of espionage, sabotage, and neutrality violations at the rate of approximately 214 a day. In addition, every 24 hours 4,000 major crimes are committed in these United States. Every 24 hours there are committed in our land an average of 33 murders, 160 robberies, 800 burglaries, 2,200 larcenies, and 120 aggravated assaults. This does not include the 36,000 lesser infractions that occur daily. An immense threat lies in America's crime army of 4,750,000 persons who have exhibited their lawlessness.

During the fiscal year ending June 30, 1939, 5,559 examinations were made in the crime laboratory of the F. B. I., involving 39,037 specimen items. During this period, assistance was rendered to other governmental agencies in 324 instances, and to local, State, and municipal agencies in 1,394 cases.

The facilities of the Identification Division of the F. B. I., with its 12,000,000 fingerprint cards, the facilities of the technical laboratory and the facilities of the National Police Academy are available to the benefit and assistance of local law enforcement throughout the United States. Cooperation is and has always been the motto of the F. B. I.

Its Director has been steadily, year after year, affording full cooperation with the view to assisting and raising the level of law enforcement throughout the Nation.

The efficiency of the Federal Bureau of Investigation can best be judged by its record of convictions. Ninety-six percent of all cases brought to trial resulted in convictions.

During the fiscal year 1939, there were secured 5,162 convictions and during the same fiscal year 1,890 F. B. I. fugitives were located and 7,933 fugitives from justice were located for State and local law-enforcement agencies through the operation of the Fingerprint Division.

There is nothing in the program and activities of the F. B. I. that gives the slightest support to the cry that has been raised by certain subversive forces that an Ogpu or a Gestapo is being formed in the United States. Instead of criticism, Director John Edgar Hoover and his associates are entitled to the respect and commendation of every self-respecting, law-abiding citizen in the United States. Every parent in America should be thankful that the F. B. I. has insured the safety of our children by stamping out the vicious crime of kidnaping. This is but one of the many instances in which the Federal Bureau of Investigation has proved that crime does not pay.

With their work greatly increased by the dangers engendered through the war abroad, instead of being hampered by carping critics, they should be encouraged by whole-hearted support.

My closing plea to all those who truly believe in law and order is to stand by Director John Edgar Hoover and the F. B. I.

Coal Division Ready To Establish Minimum Price in Bituminous Coal Industry

EXTENSION OF REMARKS

OF

HON. CHARLES H. LEAVY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

ADDRESS BY HOWARD A. GRAY, DIRECTOR, BITUMINOUS COAL DIVISION

Mr. LEAVY. Mr. Speaker, I have no particular personal interest, as an individual Member of this body, in the bituminous coal industry. My congressional district does not produce a single pound of coal; however, in my work as a member of the Appropriations Committee, having to do with appropriations for the Department of the Interior, I have during the past 4 years had a rather unusual opportunity to become familiar with the aims, objectives, and purposes of the laws enacted in recent years for the purpose of stabilizing this important national industry. I have insisted at all times that while it is our duty to hold appropriations at a minimum, that it is likewise our duty not to starve this regulatory governmental activity by denying it necessary funds to carry on its functions.

The law under which the Bituminous Coal Division was created taxes the industry in a sum more than sufficient to pay the costs incident to its work. I have felt and still feel that a serious mistake was made when a reduction of $1,000,000 was voted in the Committee of the Whole House on the state of the Union at the time we had this item under consideration. I am sure that if under the parliamentary situation it would have been possible to secure a record vote of the House of Representatives such a reduction would have been restored.

Howard A. Gray, who is the Director of the Bituminous Coal Division, in an able, masterly, fair, and impartial analysis a few days ago on a Nation-wide hook-up, told the American people of the importance of the bituminous-coal industry and of the great amount of work that has been done under the Bituminous Coal Act to make it effective. He told them that now we were just at the point where the objectives of this important legislation could be utilized, and he pointed out very clearly that if relief is to be brought to this greatly distressed and absolutely essential national industry, both to the men who are actually engaged in production as miners and those who are engaged in the work as producers, that we must be prepared to carry on during the next fiscal year.

His statement is as follows:

Within a few short weeks the whole soft-coal industry will have a foundation under its feet for about the first time in its existence. The minimum prices for coal will then be in effect.

A few days ago the trial examiners who conducted the final hearing on these prices began to file their recommendations with me. They have already filed their report and recommended prices for the Rocky Mountain and far Western States and general findings of facts for the entire country.

Tonight these examiners are working hard on the rest of the prices. These are the rates for the great eastern and midwestern coal fields, which supply the coal for the railroads, industries, and homes from the Atlantic seacoast to the prairies. The very wheels of our national industry depend mainly upon this coal for their power. Very soon now these railroads, industries, and home owners will know what minimum prices have been recommended for the coal they buy. The nature of the examiners' work makes it impossible for them to count the exact number of days it will take them to finish, but the best estimate they can make is that all of their recommendations should be out of their hands the end of next week.

There will be about 4,000 pages of these examiners' recommendations, which will include the reasons for them and the actual price tables. Of course, no one coal consumer will be concerned with all of these recommendations. He will be concerned with that section of the document which pertains to the mines from which he buys his coal. These prices will cover all of the different kinds of coal mined by 13,500 coal companies and sold to millions of consumers.

Before I make my decision as Director on these prices, and set the date upon which they will become effective, interested persons will have an opportunity to take exceptions to what the examiners have recommended and tell me what they want changed. When I have heard these arguments on exceptions, I shall make my decisions as quickly as possible, issue the prices, and announce the date upon which they will be effective. My determinations are subject to review by Secretary of the Interior Harold L. Ickes, and the interested persons who are not satisfied with any decision may appeal to him.

The day the minimum prices and marketing rules and regulations go into effect should mark an epoch in our industrial history. It means that for the first time the coal producers and miners of 26 States, representing an investment of over $3,000,000,000 and a half million workers, will have some protection from the devastation of bankruptcy. It means that the little men in industry and business will no longer be at a disadvantage against the big industrial companies when they buy coal. What the new levees and dams which we have been building at great expense are doing to protect the people who live along the Mississippi and its tributaries we are doing by the minimum prices to protect the small producers and miners in the coal industry and the small-business men of the whole Nation.

You remember that early in March part of the city of Shenandoah, in Pennsylvania, sank down because of old mine workings that had taken the solid props out from under the city. The whole soft-

coal industry, in a manner of speaking, has been going down like that every few years because of too many mine workings. And when it wasn't going down it was expecting to, which wasn't helpful to its confidence. Now it is taking the old biblical injunction to heart—not to build your house upon sands where winds and rain and floods can destroy it, but to build it upon the solid rock. They are going to have minimum prices for a solid-rock foundation. These are prices without profits for the average producer, but they will hold the industry safe from the devastation of future earthquakes and bankruptcies.

On the first of April many, many years in our recent history the coal miners have felt themselves forced to put a stop to Nation-wide wage cutting by going on a national strike. These strikes have been caused in large part by the recurrent bankruptcies of the industry, by the cutthroat competition which led to the sale of coal at starvation prices, way below cost. With these starvation prices came a pressure for starvation wages. Now that we are on the point of stopping the process of general bankruptcy of the industry the pressure for starvation wages will automatically be eased. We hope that there will be in later years no need for large national strikes to hold wages up above the starvation level. In place of the coal diggers bankrupting themselves in strikes, and in place of the coal producers bankrupting themselves in the costly and monotonous business of giving their undershirt away every time they make a sale, we hope to help create a coal era without these hardships. While we are not giving the average producer minimum prices which give him any profit at all, we are protecting him from disaster. We are throwing a life preserver to him, not a pot of gold. We are simply clearing the road for opportunity. When these prices are in effect it will be up to the coal industry, just as it is up to all other industries, to earn its way in the world. We are giving the able producers that opportunity; and that is, I believe, all they need to rehabilitate themselves.

This job of putting firm land under one of our major industries was entrusted to the Department of the Interior last July. I am proud to have been chosen by the Secretary of the Interior, Harold L. Ickes, to head up this work as Director of the Bituminous Coal Division. I have been a businessman all my life, and have had only a consumer's interest in coal. I approach this job from the businessman's point of view: Is it sensible? Is it reasonable? Will it accomplish the results expected of it?

This soft-coal industry puts out 400,000,000 tons a year. That's enough to fill 8,000,000 freight cars—enough to fill up all the freight cars in the entire country 5 times. Some of it goes by coastwise traffic up to New York and New England. Some of it goes from Lake Erie up to Lake Michigan and Lake Superior. Some of it goes by river. Most of it goes by rail. It is this industry which keeps the railroads going. The whole great industrial structure of America has been built up on the shoulders of this industry—on plentiful and cheap coal. It is the greatest source of energy in the country and will become even more important than it is today as other resources are exhausted. If we hadn't had that coal we would have stayed, and would be today, a big farming and ranching country like Brazil, and our standard of living would be no higher than it is in the countries which have to buy most of their manufactured goods elsewhere. It isn't an industry that should be a pauper in the country it has made great. It shouldn't be on relief. It shouldn't—but today there are coal operators in it who could break the American Athletic Union running broad-jump records from their training in always being one jump ahead of the sheriff, and there are other men in it, both owners and miners, working in the cold and the wet in bare feet. I have pictures in my files of both mine owners and miners working barefooted in the cold weather and cold water of the mines and tipples of last December. These are extreme cases, certainly, but they exist.

The consumers of coal of the whole country should be interested in this job we have been doing. I hope they are. We want them to understand what this is about. When the minimum prices are in effect coal purchasers will pay an average of 11 cents a ton more than they did before. Some consumers won't pay more—not a cent more. Those are the ones who have already been paying a comparatively fair price for their coal. For others, it will be a little more on some sizes, a little less on others. The small-business man who has found that he must pay much more for his coal than his big competitor—because of the power of the latter to force the coal industry to sell it for less than cost—will find that most of that difference has been wiped out. He will have a better chance to compete than he had before. This advantage to the small-business man who is a consumer of coal is a very real and definite one.

What do the other consumers get in return for this? They get, first, a better mine prop under their own jobs. When the mining industry is in chaos the 2,000,000 people depending on it stop buying clothing, and food, and cars, and everything else, and then the factories that make goods for the mine workers' families close down, and then their workers no longer buy much of anything, and it isn't long before every man in the country is affected, more or less. The collapse of the coal-mining industry was one of the contributing causes for the depression which began in 1929.

Another thing: For the first time in history the consumer has available to him a chemical analysis of all the coal in the country. His wholesaler or retailer no doubt will have a copy of it, lining up all the coals on the basis of the amount of heat they produce, and the amount of moisture and ash they contain. The consumer will be able to buy more wisely and intelligently from now on.

In addition, the consumer gets some relief from taxes which would otherwise be spent to take care of human needs in the distressed areas of the coal industry throughout 26 States.

You all know that other distressed industries have asked for Government help of one kind or another. Agriculture is the great example. It has asked one administration to take its surplus crops off the market, loan money on them, and hold them for better times. When that failed to produce normal conditions the agricultural industry asked for further and more direct Government help and received it. It was vital to the whole Nation that this great industry should be helped to stability. The coal industry has asked for no such help from Government funds. It has asked simply to be allowed to sell coal for what it costs to produce it and for no less than that.

These things which the consumer gets for his money seemed to Congress adequate reasons for preventing the coal industry from selling its product for less than it costs to produce it. It is a fair proposition. No citizen wants to live off another citizen's hardship. Everybody is willing to pay a price for necessities which covers cost without profit. They would not want to buy food on the bargain counter if they knew that would drive the farmer over the hills to the poorhouse. They would not want to buy clothes on the bargain counter if that would mean starvation for the workers who make the clothes. People should not be looking—and I don't think they are—to make a living out of other people's hard luck. They want to pay their way as independent citizens, not living on the relief and charity of other people or industries.

To help them to do this Congress authorized a plan of establishing minimum prices without profit. Congress did not act hastily. For over 15 years it studied and restudied the problems of the industry. Both parties have joined in agreeing that the industry needed some measure of governmental aid. In 1923 one of our most noted engineers, John Hays Hammond, was chairman of a coal commission. He was appointed by President Harding. He reported to Congress:

"The Government must go beyond continuous fact finding and publicity, important and elementary as these functions are * * *. The Government can act only through administrative agencies, and it is clear that if anything is to be done at all commensurate with the gravity of the problem an executive agency with sufficient funds, experience, and power at its disposal must be charged with the direct responsibility for such regulation and supervision as is necessary. Honest and efficient coal operators and dealers have nothing to fear from this. On the contrary they have reason to welcome it."

It took another great depression, however, before it became clear to a great majority of Congress that it was necessary to establish minimum prices.

The job of establishing these prices is being done in a democratic and judicial way. The producers play a large part. They elect district boards in every coal field. These have important duties and responsibilities under the law. They propose prices and try to coordinate them with the prices of other fields. Labor has a representative on each of these boards. The consumers of coal have a special attorney—he is called Director of the Consumers' Counsel Division, and with his staff devotes himself to their interests, and I might add that he has been quite active. The Government, in the form of the Coal Division, represents the interests of the Nation as a whole. The Government acts as a referee when the various district boards from the Atlantic to the Pacific coast cannot agree on the proper minimum price to propose to us. There have been many such disagreements, and the Government sees to it that the prices are fair and just and return no more than actual cost. The interests of all producers are not necessarily the same. They are in competition with each other, and after minimum prices are established they will stay in sharp competition. The various fields—East and West, North and South—are in competition, too.

Not only is the process of determining minimum prices democratically arranged by Congress so that all parties can take part in the final result, but it is carried out with careful respect for all the legal requirements imaginable. In the Coal Act, Congress tried out the idea of putting into effect all the administrative checks possible. No decision of any importance could be arrived at without holding hearings. So hearings were held, elaborate evidence was presented, all parties interested were given a full opportunity to present evidence, and to cross-examine all Government and other witnesses. After the hearings findings are made by trial examiners—men learned in the law and the industry—which have to be the subject of further hearings. Only then is a decision made. One result, of course, has been to delay the fixing of the minimum prices until the hearings have been completed and all the testimony has been studied. You can't have your cake and eat it, too. You can't have a careful, thorough, accurate job done with meticulous respect for every detailed legal obligation, such as we have exercised, and also have speedy Government action. We have gone slowly, painstakingly observing all the legal duties. Since July 24, 1939, alone, we have heard 200 witnesses and 88 attorneys. We have spent 1,000 hours of actual hearings since then. We have studied 1,800 exhibits of figures, as well as practically all the coal-freight schedules of all the railroads. The transcript of the record alone has over 25,000 pages. We are not to be blamed for lack of speed. In setting up a law calling for lengthy hearings Congress said, in effect, that it preferred thoroughness and fairness to speed. But now we are about through.

With these democratic and judicial approaches to the job, it has been hard for those critics who have no personal interests to serve to find any other fault than the delay which was due to our judicial observance of the mandates of Congress. Even critics who have an ax to grind in protest against having any minimum prices, who

think they can make more money without them because of their special situation, have been hard put to it to find fault. Faced with that difficulty they have invented a story—and I doubt whether they believe it themselves—that this act will lead to Government ownership of the mines. I have never heard anything quite so fantastic in my life. This is a bugaboo raised to frighten the uninformed businessman, in my opinion. There has never been any serious thought of Government ownership in the country since 1922, 18 years ago. Only if Government, industry, and labor fail to bring relief to this industry; only if it again hopelessly starves at bankruptcy prices will there ever be any danger that industry or labor or Government will revive this sort of talk. Barring this calamity, talk of Government ownership is out of the picture, and never was in it. I am against that and will always be against it. Nothing is in the picture except cementing a foundation under the industry so it doesn't go bankrupt again and repeat the process continuously. There will be nothing else in it until the minimum prices have been in effect long enough for Congress and the industry to decide whether or not the job of helping and saving the industry can be done in this way. I think the industry will never be content until this method of preventing hardship has been given a good, honest tryout. It will certainly never agree on anything else unless it has been proved by experience that this is not the best way to operate. I think practically all of the industry will be glad of the chance to see minimum prices work. Even those who do not for various reasons of their own want to see these prices work would be wise, I believe, to give the rest of the industry and the Nation an opportunity to watch and study the experience for a while.

I do want to add this word—Congress did not give us the job of doing anything about retail prices. So we have nothing to do about those. We see that the coal sells at a fair minimum price to the purchaser at the mine. We don't go beyond that. Congress did not order us to go beyond that point, nor did it allow us to do so even if we wanted to; nor did we ask to go beyond that point. We want you buyers of coal for your stoker, or furnace, or cook stove to remember that fact after these minimum prices go into effect. However, in case any retailer chooses to raise his uncontrolled prices inordinately and attempts to lay the blame on the Coal Division, we do not propose to stand silently by and take it. And the consumers counsel has informed me that he does not propose to stand silently by and take it, either. We have no authority to regulate retail prices, as I have said, but we can make the facts concerning inordinate increases by retailers known to the public, so that the responsibility will rest where it should. The Coal Act allows the Division to fix maximum prices at the mine when necessary to protect the public interest.

Because what we are doing seems so reasonable, so sound to me from my businessman's point of view, I feel proud of being part of this job of determining minimum prices for the coal industry. When I am asked, as I occasionally am, whether this law which involves so many hundreds of thousands of prices will work, I answer that not only do I believe it will work but I foresee as a result an era of stability for a large part of the United States which has needed it badly. I foresee an end to the conditions which have led to long, wasteful, and bloody labor disputes. I foresee a restoration of confidence on the part of the operators in the industry and the 500,000 mine workers and a new willingness and ability on their part to buy food from the farmers and supplies and manufactured goods from the people in the cities. I foresee a greater ability on the part of many producers to install better safety equipment to prevent catastrophes.

I would be exceedingly remiss if I did not at this moment express to a considerable number of men throughout the country who have worked hard to make this law a success our acknowledgment of their cooperative endeavor during the past long and weary months. Washington is not the only place in the country from which men have gone home from their offices after midnight, and done it again and again. In little mine offices from the Pacific to the Susquehanna men have been working in closer cooperation than ever before in order that this law might be a success. There has been a new era of teamwork; and teamwork, whether on the farm or in the mine or factory, produces splendid human characteristics. It brings forth unselfishness. I believe that the cooperative work of the coal industry for the past months has not only been a net gain but that it will be a long time before the men of the industry will again in desperation and self-defense sharpen their knives and go for each other's hides as savagely as they have done in the past.

But it is not only the men charged with the responsibility of management who have worked and waited long and patiently for us to meet all the exacting requirements of Congress and to produce the results that are now right ahead of us, within a few short weeks of completion. The men who mine the coal with drill or pick, who tamp and fire the shots, who load, who drive mules or motors along the underground railways, who are charged with screening it and preparing it—they have been waiting, too. They are expecting this act and these prices to stabilize the industry. For some that means protection against working for weeks without pay and finding out suddenly that they will never be paid. That is the extreme. For others of them it actually means that the management will be more able to protect their lives by purchasing and using safety equipment and materials.

If all of you could visit one of the thousands of coal mines of the country, go underground with an acetylene lamp on your miner's cap, or in gassy mines with an electric light, you would appreciate the quality of the men and the managers of whom I have just been speaking. You would appreciate some of the dangers, some of the rigors of mining the coal for your homes and factories. You would realize not only the labor always needed but the courage frequently called for on the part of both men and managers. They would speak to you on behalf of these prices far stronger words than I have used today.

To the persons who are eager or impatient to have minimum prices in effect, I want to say that the trial examiners are working overtime and at top speed to complete their recommendations. But they cannot cut corners to hasten the job and risk doing a poor one. There is too much at stake for that. But they now have very little left to do except the mechanical job of editing the report and making duplicate copies for distribution. They believe this will take until the end of next week. And let me repeat: When the examiners have filed their recommendations with me I shall do everything within my power to make minimum prices effective as soon as possible. But, of course, interested persons shall have full opportunity to show me where the examiners' recommendations should be changed and to show Secretary of the Interior Ickes where my determinations should be altered. And then the coal industry and the coal consumers must have time to familiarize themselves with these prices before they go into effect. But with all that it should not be more than a few weeks before they will become effective.

All I ask, as one public servant among others who have worked hard, is that when the minimum prices are put into effect shortly and the job of enforcing them begins, you give a sympathetic understanding to the job which Congress asked us to do for the Nation. It is not only a job for the good of the industry but a job for the good of the Nation.

Dr. Archibald MacLeish

EXTENSION OF REMARKS

OF

HON. KENT E. KELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

EDITORIALS FROM THE NEW YORK TIMES AND THE WASHINGTON STAR

Mr. KELLER. Mr. Speaker, as chairman of the Library Committee, I take pleasure in calling the attention of the House to the remarkable record of distinguished public service being made by the new Librarian of Congress, Dr. Archibald MacLeish. Evidence of public recognition of his services is found in the following editorials which are selected from many others equally laudatory.

[From the New York Times of March 30, 1940]

LIBRARIAN MACLEISH

When Archibald MacLeish was appointed Librarian of Congress last September some librarians and laymen objected on the ground that the post should have gone to a man trained in the profession rather than to one, however distinguished, who was known chiefly as a poet. It is the more pleasant on that account to learn from a report of the House Committee on Appropriations that Mr. MacLeish has made good use of expert advice, has demonstrated his businesslike capacity, and has impressed even skeptical Congressmen with his common sense and with his sense of responsibility in the use of public funds.

Mr. MacLeish didn't get all he asked for, or even all that was needed to keep one of the world's greatest libraries (it has 6,000,000 printed books and pamphlets and 3,500,000 "other items") in apple-pie order. He wasn't allowed the money required to pay living wages to all his staff or to hire all the new help needed. He did get about one-third of the money increases and about 40 percent of the personnel increases that were asked for.

He also got a testimonial from the committee that it had "faith in Mr. MacLeish as an administrator and as a cultured and scholarly man" and a generous apology from Congressman PLUMLEY, who had opposed his confirmation. The impression gains that if Mr. MacLeish was not a librarian last October, he is fast getting to be one.

[From the Washington (D. C.) Star of April 1, 1940]

ACHIEVEMENT

When President Roosevelt last summer named the poet, Archibald MacLeish, of Connecticut, to succeed Dr. Herbert Putnam as Librarian of Congress there was prompt and more or less violent objection to the nomination. It was argued that he was a radical amateur, altogether lacking in qualification for the post to which he had been designated.

But those who knew Mr. MacLeish personally were not disturbed. True enough, he had contributed to "left-wing" magazines and had attended no library school. But his friends realized that these

were unimportant faults as compared with the endowment of intelligence, sincerity, and earnestness which he possessed. They trusted his imagination and the vitality of his courageous spirit. Also they had the wit to understand that he had marvelous powers of adjustment. He could meet the opposition on equal terms—and triumph over it. Senators who questioned him came away from the encounter anxious to vote for his confirmation. Members of the Library staff who had trembled in their boots in fear of his coming emerged from his office ashamed of their panic. Within a few weeks his bitterest foes found themselves applauding him.

Now, after 6 months, it is plain to everybody that Mr. MacLeish has justified the President's confidence and merited the public's respect. Whether or not he remains on the job indefinitely may not matter. If he left the Library today his influence would remain a constructive force of durable value. He has set a pace which in itself is a fine achievement. The battle he has waged for necessary increased appropriations for the purchase of new books, repairing old volumes, bringing cataloging up to date, and especially for adequate salaries for scholars employed in the Library is but one incident in the story of his service. His success in persuading fellow idealists like Dr. Luther H. Evans and Arthur A. Houghton, Jr., to collaborate with him is further evidence of his genius for doing what needs to be done.

Save Agriculture to Save America

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

ADDRESS BY FRANK GANNETT

Mr. O'BRIEN. Mr. Speaker, under leave to extend my remarks, I include the following address by Frank Gannett delivered at Lincoln, Nebr., April 5, 1940:

Here in these agricultural States you are aware of what has happened to the American farmer. You and I know that we cannot have prosperous cities while we have impoverished farms. More of our city people are beginning to know this, too.

We must save agriculture to save America. We must stop farming the farmer and let the farmer farm.

The future of our country depends on its early restoration to economic health. We are in a race against time.

Continued unemployment destroyed self-help and self-government and enthroned dictators in Europe.

The plight of the farmer of America is reflected in the plight of millions of unemployed, in closed factories, in stagnant business, in economic diseases which reach from the farm into the home of every citizen in the country.

Since the problems of agriculture concern all of us, I am especially grateful to the National Broadcasting Co. for this chance to talk to city people and farmers alike. I shall try to throw some light on the causes of the farm problem and how city folks are affected and I shall give you what I know is its permanent solution. I have studied this problem both here and abroad and I know its cause and its cure.

"Why worry about the farmer?" some short-sighted people ask. They forget that the farmers' problem is everybody's problem; that his distress is everybody's distress. The farmer is the foundation of industry's market for finished goods. This great home market enabled American industry to achieve through mass production an efficiency which was the envy of the world.

We should worry about the farmer for still another reason. It is seldom mentioned.

The population of our cities does not reproduce itself. Ten city adults rear only seven children. The vitality of our industrial centers must be replenished by a continuing blood stream from the soil. The quality of that blood stream will make or unmake our Nation.

If our rural communities are impoverished, if they cannot afford good schools and churches and high social standards, if rural youth is uneducated and out of sympathy with American institutions and ideals, then the migration from country to city will tear down, not build up, the standards of city life.

Consider also these significant facts:

Our farmers feed, clothe, and educate 31 percent of the Nation's youth. Farmers and their hired help comprise 25 percent of all our gainfully employed. Farmers contribute the unpaid labor of 22,000,000 farm women and children, and they have, besides, a capital investment in land and equipment of $50,000,000,000.

What share of the national income do you think should go to this one-fourth of our population? As much as 25 percent? Or 15 percent? Do you think 10 percent is fair? That is what they are actually getting—barely one-tenth. Farmers, who are a quarter of our population, get less than one-tenth of the national income.

How can the agricultural one-fourth of America continue to carry its share of the national burden on one-tenth of the national income? How can it be a good market for industry's products? What will the future of America be if we continue to tolerate such economic injustice and condemn farm aid as a "hand-out"?

A "hand-out" is not what the farmer wants. He wants, needs, and should have average prices for his products high enough to cover his cost of production, a decent return on his capital, and fair payments for the work of himself and family. What business man or woman wants less?

Still another group is affected in the same way as agriculture. It includes the producers of metals, coal, petroleum, lumber, and similar raw or basic commodities. Farmers and these other producers of raw materials comprise nearly one-half of our population. All are affected by what we have come to call the farm problem. A more exact name for it would be the commodity-price problem. That is what it boils down to—a problem of price.

To get our bearings, let us recall briefly the start of this depression.

Our unemployment nightmare did not begin, as many people imagine, on the sleepless pillows of city workers and employers. It began on the farm. Country markets dried up almost overnight. The farmer's income dwindled. He no longer could buy from the city. Merchandise stocks piled up, factory orders were canceled, wage reductions and lay-offs in industry followed. Unemployment in industry had its roots in the earlier collapse of commodity prices.

The cycle of deflation was set in motion when commodity prices fell so low that the farmer couldn't get back his cost of production and have any money left to spend. Farm prices, falling first, dragged down wages and industrial prices later. This sequence is important to keep in mind.

Low prices caused American farmers' income to fall from a predepression average of $12,000,000,000 a year to five and one-third billions. Our other basic producers' income dropped from five billions to two billions. No other groups lost so large a proportion of their income and buying power.

What a hole that has made. Look at the total—$54,000,000,000. Nearly ten billions more than our staggering national debt.

Thirty-eight billions of that lost income came out of the pockets of agriculture and sixteen billions from other producers of basic commodities.

If farm income were restored to its predepression average of $12,000,000,000, the yearly increased purchasing power would give each farm family, on the average, $666 a year more than they receive today. Farm-benefit checks average only $133 per farm family.

Exclusive of Government payments, total farm income is now $8,000,000,000. The annual shortage is four billions. Government payments are around one billion. In other words, a $4,000,000,000 hole to be covered by a $1,000,000,000 patch. Or one life preserver where four are needed.

Of course, a life preserver looks good to anyone who has gone down a couple of times, as American agriculture has gone down. But no one wants to cling to a life preserver forever. He wants to get back into a safe ship or onto dry land.

A billion dollars a year for farm aid is a life preserver. I don't minimize its importance—as a life preserver.

But I want to see American agriculture back under its own steam in its own safe ship, which is a price level high enough to make the farmer prosperous and independent. I would still keep the life preserver for emergencies. But I would use our brains to forestall future emergencies.

There are countries where the collapse of commodity prices was stopped and reversed almost as soon as it started.

There are eight important agricultural countries whose farmers and basic commodity producers are receiving today, on the average, 54 percent higher prices than our producers are getting for the same products.

How did the farmers in those countries escape the depression that is still with us?

Their governments felt that prices within their countries were more important than the rates of their foreign exchange. As deflation spread over the world, they set up a quarantine against it. They adjusted their foreign-exchange rates just as Great Britain, France, Canada, and many other countries are doing again today. They preferred shifting their exchanges to bankrupting their producers and risking revolution or dictatorship.

Their policies were adopted after investigation showed that recovery from the world depression depended upon lifting basic commodity prices within their countries to the level of costs, taxes, and debts—and doing it before it was too late.

And what was the result? I went to Brazil and Argentina and also to Europe to see for myself. Argentina, Australia, and Brazil were first to take such defensive measures. While sheriffs were foreclosing 1,500,000 American farms and we in this country were curtailing production, Argentina was placarding its crossroads:

"Farmers, your day of opportunity is here. Grow more wheat, raise more cotton."

Brazil increased her cotton production 440 percent in 7 years. She had learned her lesson from the failure of her program of restriction and crop control on coffee.

With agriculture prosperous, due to governments protecting their internal price level for basic commodities, the big cities in Argentina and Brazil were prosperous. They didn't feel our depression at all. Today Argentina has a labor shortage. So it is investigating the mechanical cotton picker, because it is planning

to put 2,000,000 more acres in cotton. We, at the same time, continue to grow less cotton, throw more men out of work, and lose our world market.

The 21 nations which joined with Great Britain in the policy of restoring farm- and basic-commodity prices were referred to in London as a "partnership of prosperity."

Where such intelligent and effective steps were taken the depression was short-lived; unemployment was cured, or largely so; national budgets were balanced; democratic institutions were preserved.

I visited also the countries where the cause of the collapse in commodity prices was not recognized. Radicalism got the upper hand where steps were not taken to relieve the distress of farmers and commodity producers. Demagogues prospered and became dictators. People lost their liberties by trading them for promises of security.

We have paved the way for just such a cycle of events in the United States.

We have failed utterly to restore and maintain prices that would give our farmers and raw-material producers a chance to make a fair profit and pay their debts.

President Roosevelt started his administration with a program of restoring prices for farm products and other basic commodities. His consultants were men who knew agriculture and farm economics. During these first few months farm and other commodity prices rose 67 percent. Yet the cost of living advanced only 3 percent. We had the greatest rise in production and business activity in the Nation's history. Three and a half million men and women went back to work. The value of stocks and bonds increased $20,000,000,000. Then, for reasons never explained, the President turned away from efforts to stimulate private enterprise to theorists who wanted a planned economy, with policies of restriction, control, and centralizing power in Washington. He dropped recovery and turned to planned economy; and that was the New Deal's failure.

The nearest we came to prosperity was in the early months of 1937, when farm and basic commodity prices approached parity with industrial prices. Then came the President's loose and explosive references to prices getting too high. A chill went over business. Commodity prices fell. We were talked into a tailspin—into the Roosevelt depression.

Last September the European war started commodity prices up again, but the rise has not held. Some farm prices, as you know too well in the hog-raising country, have fallen disastrously—hogs from 9 cents to 5. The principal farm and basic commodities have lost on the average more than half of the advance.

The farm problem—the problem of all primary or raw material producers—is essentially a price problem. What the farmer wants is more income—more money to buy with and less need for borrowing.

Only fair prices for his products—fair in relation to his costs—can give the farmer more income and keep that greater income permanent. Dependence on political favor for farm aid introduces a factor as uncertain as the weather. The farmer must gamble on insects and weather and on his own misjudgment of markets. On top of that he can't stand a ruinous drop in price level which catapults him into bankruptcy.

Farmers bought land and built houses and barns with wheat at $1 and had to pay with wheat at 50 cents.

They built fences and silos with butter at 50 cents and had to pay with 20-cent butter.

Farm communities issued bonds for roads and schools on 12-cent hogs and defaulted when 4-cent hogs made tax collections impossible.

Instead of pursuing consistently the policies which restored commodity prices in other countries, the New Dealers said to American agriculture, "You have grown too much wheat, too much cotton, too much of everything."

Their statement that the world has been overproducing the things people need is unadulterated rot. The rate of production has not kept pace with the increase in population since the World War. Consumption, due to faulty distribution, has decreased. That is all. Reliable statistics prove it.

The New Deal has brought no permanent solution to the farm problem because it would not look facts in the face. Its policies have been makeshift, short-sighted, opportunistic. It has used the small bait of slightly increased income from the Federal Treasury to lead farmers into supporting an army of Washington bureaucrats. The bureaucrats have built a political machine which is leading us to a totalitarian state. Is that what the farmer wants? Is that what America wants? I know, and so do you, that it most emphatically is not.

I have had correspondence with 59,000 farm leaders in all corners of America. It convinces me that agriculture accepted destruction and restriction and the various good and bad schemes of the New Deal because it saw no immediate alternative. Farmers know now that parity is not going to be reached by subsidy; the Treasury can't stand forever an unbalanced Budget. Farmers are clinging to subsidy as a life preserver. It should not be taken away until a parity price level has been restored and that parity price level must be restored.

Day-to-day happenings in the foreign exchanges are reopening eyes that were closed. The Canadian dollar has dropped to around 80 United States cents. The British pound sterling has fallen from $5 to $3.50. This means when the Canadian farmer sells a bushel of wheat for a dollar in Chicago he has $1.23 when he goes back home—a 25-percent exchange advantage over his American competitor. It means that the British must of necessity buy less from the United States with its relatively high dollar and buy more from other countries which are keeping their exchanges in step with the British pound sterling. Already it has been announced that Britain will buy less American cotton and more Argentine and Brazilian cotton. So, too, will they buy less of our wheat.

This is not a new emergency. The world went through a long series of economic readjustments after the last World War, and more adjustments will inevitably follow this one. They will affect every country. Complete economic isolation is impossible. Protective measures are possible, but under the New Deal we are not taking them. We are "taking it on the chin," and needlessly so.

World experience in curing the depression—which we have failed to cure in America—points unmistakably to the commodity-price problem. The British led the sterling bloc of 22 nations to recovery. These nations adjusted their foreign-exchange rates to raise and stabilize commodity prices, and they are using the same instrument again today.

And what are we doing?

Under the Roosevelt administration we are deliberately permitting our export markets for both farm and industrial products to be dried up. Business, helpless under New Deal policies, is slowing down except in a few war-stimulated industries. Unemployment remains.

Unless the price level is restored we cannot compete in South America with agricultural or industrial products against the British pound at $3.50, and South America is the biggest potential market for American products. We cannot hold our domestic price level. Low exchange permits imported products to come into disastrous competition in our domestic markets and drive down our prices.

We might well pause and consider a statement of the Bank for International Settlements in respect to the exchange problem. It said:

"Monetary policy is a living, dynamic thing, and must be reexamined from time to time in the light of progressive experience and changing economic and world conditions."

There was never a truer statement than this.

An open-minded inquiry, such as Britain made through the MacMillan Commission in 1931, would disclose the fundamental cause of depressed agricultural prices in America. It would show the hopelessness of adequate or permanent relief for agriculture from present New Deal policies.

I believe we should profit by world experience. We certainly have as good brains in America as they have in Great Britain. We should use them to find out how they cured the depression when we failed. Our policy should be, first, to defend our own price level and the solvency of our own people.

Examination of the commodity price problem shows the impossibility of scaling down the prices of industrial products, which the farmer must buy, to the level of the prices he receives. Economy in government and reduced taxation would slightly lower industrial costs, but labor costs will not come down appreciably. Nor should they be reduced to the farmer's present low level. The farmer should be lifted up. Farm prices should be back where they were in the 1920's or higher. They are higher in other parts of the world.

There are, of course, long established, real services to agriculture which should be continued and strengthened. Emergency aid should not be withdrawn until prices are restored and agriculture is able to walk alone, independent and free. With prices restored, agriculture can do more for itself than government can do for it.

Soil-conservation payments should be continued and made voluntary, but the plan of payment should be greatly simplified. It should be decentralized and freed from political control. More of the practical farmers, both locally and nationally, should be brought into departments of agriculture. Theorists and dictatorial bureaucrats should be submerged to their proper level—and that may call for some deep plowing.

A sound credit system for agriculture must be maintained. It must not be degraded into a political machine. Here again the farmer's price level is more important than credit. If his prices do not return the cost of production, borrowing will only plunge him deeper in debt. Another pitfall of too-easy credit is its misuse to subsidize poor farming on marginal lands. This only makes Government-supported competition.

It isn't price fixing that farmers want. Price fixing is only a stopgap mechanism. What they want is fair prices. Fair prices mean as much to a farmer as fair wage rates mean to labor.

Agriculture's fundamental progress has been through education and cooperative organization. Short of interfering with farmers' independence, Government should do everything to promote agricultural education and cooperation.

Progress through the American way of education is not spectacular, it is not political, but it has in our own time revolutionized farming and farm life. Instead of pouring billions into futile schemes for agriculture, many of which have done more harm than good, I would increase appropriations where needed for more research, more teaching, more extension in every department of agriculture, every farm school and college, and every rural high school in the United States.

We have not begun to scratch the surface of the possibilities of using surplus production of many farm crops for new industrial purposes. The only way to find out what these possibilities are is to increase support for research.

I would greatly increase and study all marketing activities. Nevertheless, we should remember that a 5-percent saving by cooperative purchases, or a 5-percent gain through cooperative selling will not offset a price level 40 percent lower than it should be.

There are some fluctuations in prices that come because of short cyclical changes, seasonal surpluses, and speculative manipulation. These can be leveled out by coordinated efforts of Government and farm organizations. A step was made in this direction under the Federal Farm Board. Further steps have been taken by the Surplus Commodities Corporation and by other Federal agencies. Unfortunately these have been looked upon as instrumentalities for raising farm prices to parity. Their real function is to stabilize and prevent violent fluctuations.

The outlets for temporary surplus commodities should be expanded. The present diversion of these surpluses into relief and low-income groups is desirable. Some surpluses might well be diverted on a good-will basis to foreign nations short of food but only after our own relief problems are taken care of. It would be more blessed to give than to destroy food in a hungry world, as these New Dealers have done.

Perishable food crops present a problem distinct in character. The Federal marketing agreements are the best solution so far devised. They should be extended to cover all crops where similar problems arise, always, of course, with cooperation and approval of the producers of those crops.

The family-size farm should be encouraged. Our home markets should be reserved for our own farmers.

To sum up: The farmer should have the home market, low interest rates, soil conservation, the benefit of more cooperative buying and distribution, the cheapest possible shipping facilities, the advantage of more research, and more helpful handling of surpluses.

The way to end the farmer's distress is to restore fair prices for his products.

We can solve the farm problem. What other countries have done, we can do. We can restore to the farmer his normal income. We know how to make him prosperous. And the farmer's prosperity will make the whole Nation prosperous.

Retaining what is good of emergency measures so long as they are needed, we should set up a monetary authority under mandate of Congress to provide a dollar of stable purchasing power. A truly honest dollar will give to the farmer and other producers of basic commodities a just income; it will be fair to creditors and debtors; it will be a brake on both booms and depressions; it will give such stability that we can invest and build for the future.

The great national farm organizations such as the Grange, the Farm Bureau, the Farmer's Union, and the National Cooperative Council were united on this policy.

Continuing agriculture in its present distress means in the end regimentation under a top-heavy, inefficient, dictatorial bureaucracy. The farmer senses this danger. He wants his independence.

Let us give it back to him, insured by fair prices for his products—prices that will give him economic justice—not one-tenth of the national income for one-quarter of the Nation's useful work.

My call to farmers is: Use your political power to put through the program upon which the great national farm organizations—the Grange, the Farm Bureau, the National Cooperative Council—have united. Go to the leader of your party; tell him that two-thirds of your former normal income is not enough. Tell him that you want farm prices fully restored. Also that you will vote only for candidates and a platform which will give American agriculture its just income. Use your political power. Save agriculture to save America.

Activities of the Special Joint Congressional Forestry Committee

EXTENSION OF REMARKS

OF

HON. WALL DOXEY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

Mr. DOXEY. Mr. Speaker, on March 14, 1938, President Roosevelt sent a message to Congress recommending that a special joint committee of the Congress be appointed to study the forest-land problem of the United States.

In this message, the President specifically recommended that particular consideration be given in these studies to such matters as:

1. The adequacy and effectiveness of present activities in protecting public and private forest lands from fire, insects, and diseases, and of cooperative efforts between the Federal Government and the States.

2. Other measures, Federal and State, which may be necessary and advisable to insure that timber cropping on privately owned forest lands may be conducted as continuous operations, with the productivity of the lands built up against future requirements.

3. The need for extension of Federal, State, and community ownership of forest lands, and of planned public management of them.

4. The need for such public regulatory controls as will adequately protect private as well as the broad public interests in all forest lands.

5. Methods and possibilities of employment in forestry work on private and public forest lands, and possibilities of liquidating such public expenditures as are or may be involved.

In accordance with that message, Senate Concurrent Resolution 31 was passed in the Seventy-fifth Congress, establishing a joint congressional committee to be known as the Joint Committee on Forestry, and to be composed of five Senators, appointed by the President of the Senate, and five Members of the House of Representatives, appointed by the Speaker of the House of Representatives, the chairman of the joint committee to be appointed by the members of the joint committee.

Pursuant to that concurrent resolution, the Vice President on June 14, 1938, appointed Senator McAdoo from California, Senator Smith from South Carolina, Senator Bankhead from Alabama, Senator Pope from Idaho, and Senator McNary from Oregon as members on the part of the Senate of the Joint Committee on Forestry.

Also, pursuant to that concurrent resolution, the Speaker of the House appointed on June 14, 1938, the gentleman from South Carolina, Mr. FULMER; the gentleman from Mississippi, Mr. DOXEY; the gentleman from Oregon, Mr. PIERCE; the gentleman from New York, Mr. REED; and the gentleman from California, Mr. ENGLEBRIGHT as members on the part of the House of the Joint Committee on Forestry.

Senator McAdoo was selected chairman of the Joint Committee and Representative Fulmer was selected vice chairman.

As Senators McAdoo and Pope did not return to the Seventy-sixth Congress, Senator D. Worth Clark from Idaho and Senator William J. Bulow from South Dakota were appointed to the joint committee in January 1939.

Senator Bankhead was selected chairman of the Joint Committee to fill the vacancy caused by the resignation of Senator McAdoo, and Albert Boutwell was appointed clerk to the joint committee..

This joint committee has held public hearings in various parts of the United States, as follows:

Sun Valley, Idaho, September 2 and 3, 1938.

Jacksonville, Fla., November 29 and 30, 1938.

Washington, D. C. (Maryland, Virginia, and West Virginia areas), June 30 and July 1, 1939.

Syracuse, N. Y., November 9 and 10, 1939.

Mobile, Ala. (southern area), November 14 and 15, 1939.

San Francisco, Calif., December 6 and 7, 1939.

Portland, Oreg., December 12 and 13, 1939.

Madison, Wis., December 18 and 19, 1939.

Washington, D. C. (general), January 16, 17, 18, 19, 20, and February 16, 1940.

Washington, D. C. (New England), February 27, 1940.

Washington, D. C. (pulpwood investigation), March 2, 1940.

These hearings have been printed in 10 different parts, aggregating approximately 2,500 pages, and covering a wide range of subjects relating to forestry.

On completion of these hearings in Washington on March 2, 1940, the joint committee determined that the field of forestry was so broad and the problems so many it would be impossible to prepare a complete report and recommendations in connection therewith for submittal to Congress by April 1, 1940.

Therefore the committee requested and was granted by Congress on March 28, 1940, the privilege of continuing as a committee until April 1, 1941, for further study, report, and recommendations concerning our forestry problems from a national standpoint.

Speaking as one member of this Joint Committee on Forestry, I full well realize that different sections of this great country have entirely different forest problems which require varied methods to remedy.

I believe we all agree that certain fundamentals of forestry apply to the Nation as a whole, such as fire prevention and

protection, insect and disease control and eradication, research, and so forth.

In my judgment, the hearings held by our committee have developed that in order to protect, preserve, and properly manage and maintain the forest lands we now have and leave to generations yet unborn the priceless heritage of a well-balanced forestry program throughout these United States, our National Government will have to take the lead and provide money and enact legislation viewing the situation from a national standpoint.

Already many constructive laws relating to forestry have been enacted by Congress, and a great amount of money has been appropriated by Congress from the Federal Treasury to carry out these laws, which has been used to good advantage with far-reaching benefits.

The Forest Service of our Federal Government is doing a wonderful job. The various States are cooperating—some much more than others—and the people in general are becoming more and more forest-minded.

But with all our progress, in order to continue in the right direction, our Federal Government must take and keep the lead in the future as it has in the past if we expect to insure a well-balanced forestry program for this Nation.

As a member of the National Forest Reservation Commission, I am somewhat familiar with the fine work that has already been accomplished in our national forests. We have learned a lot by doing.

With regard to our forest lands, I personally feel that—

First. The Federal Government's land-acquisition program within our national forests should be continued and expanded.

Second. We must formulate and encourage closer and better cooperation between the State and the Federal Government.

Third. We must embark on a broad and constructive cooperative farm-forestry program dealing directly with the individual farmer.

Fourth. Congress should enact laws setting up a sound financial credit structure enabling the individual to finance a sound forest enterprise.

This necessarily would be a long-range program and should apply not only to individual owners of forest lands but also to cooperatives, associations, and districts formed for the purpose of developing, maintaining, and promoting real forestry and practicing sound forestry management over a period of years—at least during the life of the loan from the Government.

Fifth. Congress should enact a tax-reimbursement law for the benefit of the various counties and States in which forest lands owned by the Government are located, based either on a higher percentage of the gross receipts from the national forests or a fair tax rate based on a reasonable assessed value of the Government-owned lands or some other method whereby the counties and States would be the beneficiaries of a definite and specific income to be used by them in lieu of the loss of revenue resulting from lands purchased by the Federal Government being taken off the State and county tax rolls.

We have yet many complex and perplexing problems to satisfactorily solve in order to insure for this country as a whole a permanent general forestry program—properly managed, controlled, and functioning for the benefit and general welfare of the present as well as future generations.

Trees and their growth are fascinating. Every time I admire and thoughtfully contemplate one, I am reminded of Joyce Kilmer's beautiful and simple statement of an eternal fact—"Only God can make a tree." Certainly we should care for them and protect them.

Forestry is, and to my mind properly so, recognized and treated as an important part of agriculture.

In order to obtain a permanent solution of our forestry problems we must have understanding, cooperation, confidence, and mutual assistance exerted by the individual, the State, and the Federal Government.

We have made marked progress with our general forestry program in this country and I am confident through our united efforts we will go forward, even though slowly yet surely, to a satisfactory and constructive solution of our all-important general forestry problems.

Our Joint Committee on Forestry plans to continue its work and I hope we will be able to submit our report and recommendations to Congress when Congress convenes next year.

Trade Agreements Act

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

Mr. KITCHENS. Mr. Speaker, April 5 the Congress extended the authority of the President, under section 350 of the Tariff Act of 1930, as amended, in pursuance of House Joint Resolution 407, authorizing the President to enter into further foreign trade agreements during a period of 3 years from June 12, 1940. The passage of that resolution by the Senate without emasculating and frustrating amendments marks a new milestone in behalf and for the benefit of American people. The American people are not yet ready to isolate themselves from the rest of the world by refusing to trade with them on a fair basis.

While the copper, oil, steel, and some manufacturing interests have enjoyed protection at the expense of the American people, it is the considered judgment of the people that such protection ought not to extend to the point of ruining our export trade. The Hawley-Smoot Tariff Act of 1930 disrupted all foreign trade and precipitated our depression, if not the world-wide depression, from which we are still suffering. In fact, strangulation of trade brings forth wars, and the troubles in Europe and most of them in Asia are due to trade troubles. The American laborer will no longer be deceived. The American farmer must not allow himself further to be deceived. The southern cotton farmer, for nearly a century, has been furnishing a favorable trade balance for the United States in the exportation of cotton, but under a law such as the Hawley-Smoot Tariff Act, foreigners accustomed to buy cotton from southern cotton farmers necessarily were forced to trade with foreign cotton raisers and other countries.

I believe in protection of the American farmer and his commodities against cheap labor of other countries and believe in protecting the American laborer against cheap labor and products of other countries, but the American farmer and laborer produce much more than we can consume in this country. What can be done about it? The solution is reached through the program initiated by Hon. Cordell Hull by reciprocal-trade treaties. During this program we have exported $2,000,000,000 more goods than we have imported into this country. If it were not for the disturbed conditions and wars in all other parts of the world, we would now have a healthy trade relation with most all the nations of the earth and genuine permanent prosperity. The Hull program is a program for prosperity of all the American people and peace among all the nations.

Mr. Speaker, I ask unanimous consent to include as part of my remarks an editorial of the Evening Star of April 6, 1940.

[Editorial from the Washington (D. C.) Evening Star of April 6, 1940]

HARD-WON VICTORY

The Senate vote to extend the Reciprocal Trade Agreements Act for 3 years marks a truly significant victory for the Roosevelt administration.

Coming in the midst of an election year, it was to be expected that the extension move would encounter stiff opposition. But this opposition was almost wholly partisan or sectional in its nature. The Republicans voted solidly against the measure, presumably in

the hope of using it as a source of ammunition in the November election campaign. Had the bill been defeated they would have sought to make political capital out of the resulting loss of prestige by the administration. And now that it has been passed it is a fair assumption that they will seek to capitalize the considerable, though groundless, discontent which the trade agreements have aroused in the Western States.

The Democratic opposition also was largely symptomatic of the dissatisfaction prevailing west of the Mississippi River. This viewpoint was a narrow and sectional one, however, while the supporters of the measure, granting that their own constituents may have benefited directly in some instances, were willing to look at the matter from the standpoint of national as against purely local interest. It is in this that the significance of the administration victory lies—namely, that a tariff measure designed primarily to promote the national interest has been approved in an election year in the face of vigorous sectional opposition.

In this connection it should be noted that the action of Congress is something of a personal triumph for Secretary of State Hull, who has been the outstanding exponent of the trade-agreements philosophy. The favorable vote was, in effect, a vote of confidence in him, and a tribute to the tact, skill, patience, and impartiality with which the agreements now in effect have been negotiated under his supervision.

With Europe plunged into war, it remains to be seen whether Mr. Hull's program will have any appreciable effect in bringing the world back to economic sanity. But this much can be said: If, after the war, there is to be anything approaching a real peace it must be based on a different system of conducting international commerce than prevailed in a large part of the world prior to the beginning of hostilities, and Mr. Hull's tariff-lowering trade agreements represent almost the only effort currently being made in that direction.

White House Sniping

EXTENSION OF REMARKS

OF

HON. ANDREW C. SCHIFFLER

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

EDITORIAL FROM THE WASHINGTON POST OF APRIL 7, 1940

Mr. SCHIFFLER. Mr. Speaker, under leave to extend my remarks in the appendix of the RECORD, I wish to call attention to an editorial appearing in the Washington Post, Sunday, April 7, 1940, in which the Walter-Logan bill is discussed. I hope this measure has opportunity of reaching the present session of Congress and of being promptly and favorably acted upon. The editorial to which I refer is as follows:

[From the Washington Post of April 7, 1940]

WHITE HOUSE SNIPING

President Roosevelt's sideswipes at the Walter-Logan bill were probably far less casual than he wished them to appear. That measure, designed to assure the citizen of fair play when he appears before any of the Government's numerous administrative agencies, is expected to be taken up by the House this week. Obviously the purpose behind the President's comment was to provide a cool reception for the bill.

It is entirely proper and desirable, of course, for the President to advise Congress on matters of great national concern. But when the Chief Executive expresses his views on legislation he should at least speak from a background of information. In this case Mr. Roosevelt admitted that he is not familiar with the terms of the Walter-Logan bill. So he recklessly adopted the device of condemning bills of the same general description.

The result was simply to demonstrate the President's lack of understanding of the measure and to confuse an issue of vital importance. His comment that the Government's business would be slowed up substantially if the departments and independent agencies had to operate according to the procedure and practice of the courts was particularly without point. There is nothing in the bill which would require administrative agencies to follow court procedure. It does not even require quasi-judicial bodies to adhere to the rules of evidence.

Sponsors of the bill claim, moreover, that it would accelerate the administrative process instead of delaying it. Many grievances against the Government would continue to be settled through informal negotiations as at present. But a written record would have to be built from the very beginning of every formal controversy over the acts of administrative agencies. That record would serve the purpose of both the quasi-judicial bodies and the courts in case of appeal. At present time and money are frequently wasted in making two or even three records in the same case.

The basic purpose of the Walter-Logan bill, however, is not to cut corners but to establish the principles of fair play in all the Government's dealings with citizens. At present there are no uniform requirements as to the making of administrative rules nor as to the review of administrative orders in the courts. In some cases safeguards against "administrative absolutism" are fairly well established by statute; in other cases they are utterly lacking. The House Judiciary Committee, in approving the Walter-Logan bill, described the situation as one of "indescribable confusion."

Mr. Roosevelt's comments suggest that he is willing to close his eyes to this lack of any reasonable check upon the administrative system as a whole. Instead of analyzing the entire problem and passing measured judgment upon a carefully devised bill, the President was content to snipe at the measure without troubling himself to find out what its specific provisions are.

Such loose comment is not the less irresponsible because it comes from the White House. The President's method in this instance is reminiscent of the way in which he handled his Supreme Court reorganization proposal. And that episode is pretty well established as the most serious mistake of his official career.

Our Real Frontiers

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

RADIO ADDRESS BY PHILIP T. RICH

Mr. WOODRUFF of Michigan. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by Philip T. Rich, editor and publisher of the Midland (Mich.) Daily News, over radio station WJR, Detroit:

Two years ago when Dr. Hardy fired the shot heard round the world and picked off a bank robber a block and a half away, it became evident that the country was picturing the Midland dentist as a sort of Daniel Boone. A gent, if you please, living in a forest clearing, maybe rigged out in a 'coon-skin cap and poking his long-barreled rifle over a log stockade.

Let me hasten to say that Midland is no frontier town in the historic sense. Such pioneering was done by its grandfathers; now it is pioneering in the realm of ideas; its watchword: research.

Anything I say tonight about Midland, I say for a broad purpose. Midland knows why it is not at this minute a ghost town, as many another of its day and not far distant. Every town has something to say to every other town. Midland has this to say: That once, 50 years ago, she came so close to extinction when she ceased to be a world lumbering center that you couldn't gi e away property. That she avoided that fate only because she had a citizen with an inquiring and inventive mind and the education with which to make use of it. Make use of it to probe down under the sandy soil of that then dreary and despondent countryside and find a special type of brine, and to analyze it and experiment with it until ultimately he and his associates found out how to make over 300 different salable chemical products from it. And to learn gradually how to make them at lower and lower expense, and consequently for wider and wider markets.

That man was the late Dr. Herbert H. Dow. He taught Midland how to substitute planning for worrying; how to use what lay under its nose; he taught it the danger of sitting contentedly at its work while somebody else was gradually drawing its livelihood out from under it by a new process or a new discovery. He taught it this lesson: That while your hands are at work on your present basic supplies and with your present knowledge, your mind must be at work developing that new idea before somebody else does it.

He left a Midland imbued with his spirit of scientific research, a spirit given its first impetus when his discovery of the use of electricity in extracting bromine from brine revoluticnized the chemical industry. What has Midland done with his basic idea since that time? It has brought about the perfection of the world's lightest structural metal. It has discovered and developed new plastic materials. It brought about the first commercial production of styrene (a glass substitute) which may prove revolutionary. It learned how to extract bromine and magnesium from ocean water. And Midland chemists stopped the foreign monopolies on iodine, dyes, and other products by learning how to make these products profitably at below monopoly prices.

The thing Midland has learned to do is not to follow the crowd unless there is a good sound reason for doing so. It looks around in its head first to see if it hasn't flitting around there somewhere an idea that points to a better way to do things. Result: Many a time the crowd is following Midland.

To illustrate I might cite such cases as that of Dr. Wm. J. Hale, who has been airing his theories on farm chemurgy. He has had

plenty of "razzing" from Midlanders. But while they may discount his "Amos and Andy" arithmetic, by and large they have a wholesome respect for the soundness of his basic idea in which he pioneered and which has now been taken up by the National Farm Chemurgic Council. In brief, that idea sees the production of needed industrial supplies from farm products as the solution to most of the problems that beset farmers. It will let them produce more crops in greater demand and hence make more money. Some day the politicians will catch up with Dr. Hale's idea and pour into real research some of the hundreds of millions now largely wasted. Better build farm factories on a subsidy basis than continue to pour out more millions with no solutions in view. Just as the chemist taught the farmer how to take sugar from beets, he can advise him on how to provide himself and the country with cheaper fuel for his motive equipment, cheaper building materials, or even clothing, or food for his livestock. Numerous chemicals may be by-products, all leading to new developments. As examples: Castor oil, which used to be largely imported, is, through the efforts of chemurgy, becoming an American industry; soluble starch, formerly imported to a great degree, is now being produced in the South from sweetpotatoes. What has helped southern farmers can be worked out equally well in some other crop for northern farmers.

I want to mention another Midlander whose advanced ideas have had international recognition. He is Alden B. Dow, architect, son of the founder of our great chemical plant, and brother of its present head, Dr. Willard H. Dow. Young Mr. Dow took plenty of panning when he first started building his organic houses in Midland, paying no attention to historically fixed building designs. He was told by many a Midlander and many a visitor that they looked like garages, sheds, factory buildings. A few were brave enough to risk the criticism and build. Some members of the State architects' association were loud in their criticism—others defended the modern house he conceived. What happened? Well, he began to get pages in national magazines like Architectural Forum and Life. In 1937 he won the grand prize at the Paris Exposition for his outstanding achievement in residence architecture. Hundreds from all over the country came to see his houses. More homes of his kind were built, and in addition, today many ideas used in his houses can be seen in other homes that follow less radical designs.

He has advanced ideas of possible colored plastic houses of the future which may admit warm sun rays in the winter and deflect them in the summer, with walls that absorb sunlight by day and give off a soft glow at night. Fantastic? Yes; if measured by known standards, but he is preparing to manufacture these plastic plates.

I might add that he has recently worked out what appears to be the first really new idea in church architecture in several hundred years. The Midland Latter Day Saints believe the radically different church he has recently designed for them is admirably suited to what they want, and they are building the first structure of its kind in the world. Dow believes the plan sufficiently fluid to apply to all denominations.

We, too, who publish the Midland Daily News, have caught something of this Midland spirit. Seven years ago we started our own engraving and photographic department, a move then considered a radical one for a nonmetropolitan newspaper; 5 years ago we changed our make-up and installed the first streamlined paper in Michigan and one of the first few in the country. Streamlining in automobiles, airplanes, and trains cut down air resistance and made greater speeds possible with less mechanical effort. The same idea when applied to a newspaper cut down reader resistance and simplified the mechanical work.

There are variations in streamlining. Ours takes the reader from the headline directly into the story, which always breaks at the right side of such a line. Purpose: to follow the logical sweep of the eye to the right. We went into a greater use of pictures because pictures tell a more graphic story than words. We abandoned balance and any artificial forms which made headlines more difficult to write and more confusing to read.

Simplification resulted in many one-line headings, few subheadings. Two-line headings were never more than two columns wide. All headings were set flush at the left and allowed to end naturally. The use of what is known by printers as sans serif type cut out the fancy fishhooks and gave a plain, straight letter easier to read. It also provided a cleaner page.

This all led to faster and easier production without sacrificing appearance. Did our readers like it? The answer is that an overwhelming majority approved. Of course, the final test is in our number of readers, which is now at an all-time peak.

The local acceptance proved that while we must remain a small-town newspaper just as long as Midland remains a small town, we are not prevented by that fact from making full use of new ideas within our scope, and that we are wise only when we follow the trend we see in our own community.

Midland has been described as a model city. There is no such thing short of that one the ministers speak of on Sundays. People being human, we have much to learn. We are trying to learn it from the other communities in the State and country as well as from the recesses of our own minds. It is a give-and-take proposition, just as our daily living is.

We ride in Detroit automobiles and airplanes and at the same time we teach manufacturers to use Midland light metal to improve them. We ride on Akron rubber and find ways to make better synthetic rubber for special purposes. We sell insecticides to Traverse City to enable it to grow grade A cherries, and we eat the cherries. We develop new refrigeration methods and eat Boyne City smelt preserved by them. We make basic materials for perfumes and buy them back in their finished form from manufacturers far away.

We learned from several Michigan cities to eye booms with caution, and, furthermore, we learned to beautify our city as it developed industrially. We know we have no Utopia, no rocking-chair jobs, no room for anything but a slow and cautious flow of labor into our city. We know that only on that basis have we developed to a town where 72 percent of our citizens own their own houses, and we rate fourth in the United States in per capita expenditure for home building.

In a sense, we operate as a laboratory for many of you other cities. That's why it's fun to live here. We listen to many a harebrained idea. Of the dozen ideas a day any one of our brilliant scientists may have, probably only one is found sound and practical. Most of the others die a natural death in a test tube. But some of them—both useful and "screw ball"—filter through our minds and get their try-outs there.

For what we get from you as other towns and cities in the State and as other men and women in those towns and cities we feel our most important return to you is the lesson we learned long ago. It is a lesson some of you learned, too, but many more must learn.

You don't dare gloat too long over some accomplishment. The big thing is, What are you going to do tomorrow? next week? next year?

It's a question every man and every community may well ask themselves. What is there lying under their noses that they aren't using and should be using? There are whole industries lying flat on their backs in Michigan today because they either didn't ask themselves this question soon enough or, if they did, failed to bring in the advance scouts in the field of thinking who could answer it. That is the question with which Midland is still nudging itself daily.

Your opportunity is probably lying under your nose. At least, 50 years of research and creative thinking have led Midland to believe that such is often the case.

Federal Food Stamp Plan

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

LETTER FROM EDWARD M. SYNAN

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

MASSACHUSETTS RETAIL GROCERS' &
PROVISION DEALERS' ASSOCIATION,
Boston, Mass., March 28, 1940.

The Honorable JOHN W. McCORMACK,
House of Representatives, Washington, D. C.

HONORABLE SIR: From information we have received, it would appear that there is a grave possibility that the present appropriation set up by the Senate Appropriations Committee for the continuation and extension of the Federal food-stamp plan would be drastically reduced.

May we request that you use your good influence in this matter in having this appropriation remain intact when it comes before the joint committee to prepare the farm appropriation.

The business of food distribution is the largest in the world. Nearly two-thirds of our national income is spent for food products. It, therefore, has been very gratifying for the large number of people engaged in food distribution to find that the Federal Government is placing back in the normal channels of distribution the so-called surplus commodities.

Our opinions in this matter are not selfish because it has been definitely established that this method of surplus distribution has more rapidly and reasonably reduced agricultural surpluses thereby firming the price of these commodities to the farmer and further, and most important, has given a more balanced diet to the relief of recipients.

The members of the Massachusetts Retail Grocers' & Provision Dealers' Association and the food distributors as a whole in the State of Massachusetts will be deeply grateful for any effort that you might make to see that the Federal Surplus Commodities Corporation appropriation, in its present status, is protected.

Respectfully yours,

EDWARD M. SYNAN,
President, Massachusetts Retail Grocers' & Provision Dealers' Association.

America's Voteless Millions

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

ARTICLE BY HELEN BURLIN

Mr. GEYER of California. Mr. Speaker, as a contribution toward assisting those disenfranchised people of the South to gain their democratic rights to express themselves at the ballot box, I extend in the RECORD an article written by Helen Burlin.

This appeared in the April issue of Equality. What Member of this House would pay the same percentage of his income for the privilege of voting as is expected of the Mississippi farmer? This would be $600. Would you pay it?

The article follows:

AMERICA'S VOTELESS MILLIONS

(By Helen Burlin)

Although the spectacle of a nation professing democracy without practicing it is common enough, it is never a pretty one.

In our country, despite the Constitution and the Bill of Rights, millions of citizens are robbed of their right to vote. These millions live in Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia. Many of them are Negroes, but the majority are white.

In these States, during the Presidential election of 1936, only 2,679,473 out of an adult population of 11,606,046 cast their ballots. A bare quarter of the population voted to elect their Chief Executive.

How was this accomplished? Very simply.

Each citizen has to buy a privilege which elsewhere is taken for granted—that of exercising his constitutional right to vote. The State sells the right by levying a poll tax. Those who register and pay may vote. Those who can't, don't.

The poll tax, reminiscent of the head tax of medieval England, was resurrected, not during the turbulent reconstruction era, as many think, but by white supremacy conventions in the 1890's and 1900's. Ostensibly to disfranchise the Negro, their real purpose was to break the back of the Populists. In the Populist movement, poor farmers, white and Negro, had found their voice and were threatening the political hold of the Democratic machines in various Southern States.

Together with disfranchisement of the bulk of Negroes through intimidation and various tests, and of many poor whites through residence requirements which operate against tenant farmers and migrant families, the poll tax is effective in keeping the percentage of the population which votes very small indeed, as the accompanying map shows.

An average farm family in Mississippi has three persons of voting age and an annual income of below $100. The right to vote would cost that family three times $2 or $6—6 percent of its income. How many households even in fortunate circumstances could afford an investment of these proportions for the sake of exercising the privilege of citizenship? In Alabama and Georgia, for example, the poll tax is cumulative. If a citizen hasn't registered for several years, or has lost his certificates, the cost of voting mounts into a tidy sum. It cost Arthur Grover Means of Birmingham, a Negro, $36 to vote ($1.50 for every year of his age past his twenty-first birthday), and his determination to pay the price was so unusual that he got his picture in the papers.

Sometimes counties levy an additional poll tax. Mississippi requires besides 2 years' cumulative poll tax, "satisfactory evidence of payment of [other] taxes." In Arkansas, without a poll tax receipt, one is not only barred from voting but from receiving any license, permit, or wages from public funds. The poll tax becomes a racket in certain localities, notably in Texas, with political machines buying up quantities of blank poll-tax receipts and passing them out to complaisant or venal voters (see Survey Graphic, January 1940). In some places, poll taxes must be paid as much as 6 to 10 months before election, at a season when cash is especially short in farm households.

This disfranchisement of two-thirds of the population in the poll-tax States of the South means in effect the suspension of democracy, as candid Bourbons freely admit. Said the Tuscaloosa News recently:

"This newspaper believes in white supremacy, and it believes that the poll tax is one of the essentials for the preservation of white supremacy. It does not believe in a democracy with a small 'd' * * * If it is 'undemocratic' to argue for white supremacy—as it certainly is—then we plead guilty to the charge."

Political and economic problems walk hand in hand. The political rule of a privileged minority over large sections of the South helps to make that part of the Nation America's economic problem No. 1. It guarantees one-party rule, hinders effective political action by masses of the population, and encourages politicians to remain indifferent to popular needs. Illiteracy, child labor, migration, wages 30 to 50 percent below the national average, hookworm and pellagra, wretched housing—these are some of the crying problems which, if not solely due to lack of the ballot, will hardly receive prime consideration from politicians until their constituencies get the vote.

But it is not the South alone that suffers from the blight of the poll tax. Only recently is recognition beginning to dawn of the degree of control exercised over Congress by poll-tax States. The seniority rule in the House and the Senate gives ranking places on important committees to Members consistently sure of reelection. This is the secret of why one good piece of legislation after another is throttled in committee and likewise explains the congressional support so easily won by bills that shock most of us as absurd and reactionary. Liberal America is taken aback by the flood of anti-alien bills now before Congress. The chief sponsors of these bills all come from poll-tax States. The National Emergency Conference for Democratic Rights has pointed out that all but two important committees in the House and Senate have southern Democrats for chairmen; and the chairman of a standing committee has enormous power. The poll-tax bloc has consistently opposed progressive social legislation through its control of the House Rules Committee, the Dies committee, the Smith committee to investigate the National Labor Relations Board, and other committees.

The fight against the poll tax is therefore a fight for democracy and the rights of minorities throughout the United States. This fight does not lack support in the heart of Dixie. In recent years three States—North Carolina, Louisiana, and Florida—have abolished the poll tax. They were able to do this by action of the legislature; elsewhere the poll tax is written into State constitutions and its removal requires more complicated procedure. In Tennessee, however, a campaign by the League of Women Voters, the parent-teacher association, and other groups threatens to bring the poll tax to an end.

In the deeper South, with its black belts, the resistance of entrenched political machines makes State action in the near future seem improbable. Hence the attack on the poll tax is following a different strategy. In Alabama the National Association for the Advancement of Colored People has filed several court actions in support of the right to register. In Tennessee, the Civil Rights Committee of the Southern Conference for Human Welfare has brought the case of Henry Pirtle into Federal court on the ground that States cannot lawfully prevent citizens from voting in Federal elections for nonpayment of a State poll tax. Crampton Harris, Pirtle's counsel and former partner of Supreme Court Justice Hugo L. Black, argues that "a State might just as well try to tax the United States mails as a United States election" and that "There can be no democracy unless every man and woman is free to vote."

Most important of all is the bill H. R. 7534, prepared by the Southern Conference for Human Welfare and introduced in Congress by Representative LEE E. GEYER of California. It makes unlawful the requirement of a poll tax for voting in any Federal election. Hearings took place March 6 before a subcommittee headed by Representative FRANCIS WALTER, of Pennsylvania, and the bill is so framed that if favorably reported out and passed, the Supreme Court probably will uphold it.

While economic and political freedom in the South are of prime importance to those who live there, the problem is more far-reaching than that. Our progress as a nation is indivisible and the only way to safeguard prosperity and freedom is to combat all and any manifestations of oppression and demagogic rule.

Wrangell Island

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, April 8, 1940

RESOLUTION AND ARTICLES RELATIVE TO OWNERSHIP

Mr. REYNOLDS. Mr. President, under the permission granted me during the course of my remarks, I ask to have printed in the Appendix of the RECORD the resolution (S. Res. 253) to which I referred; a statement which I have prepared with respect to Wrangell Island; an article from the Washington Post of February 26, 1939; and an article entitled "War of Propaganda May Be Already Won."

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

Senate Resolution 253

Resolved, That the Secretary of State is requested to make a report to the Senate at the earliest practicable date with respect to whether or not the United States has a valid claim to sovereignty over Wrangell Island.

STATEMENT BY HON. ROBERT R. REYNOLDS, OF NORTH CAROLINA

Wrangell Island is, roughly, the size and shape of Jamaica, 80 miles long and 35 miles wide. It is rugged rather than rocky, with a maximum elevation of about 2,000 feet. So far as we know, there is no permanent ice or snow, with the snows of winter disappearing completely in summer. The minimum temperature in winter is only a little lower than that of Montreal, about the same as that of Winnipeg, and not nearly so low as that of some of the Russian cities. Because the island is small and surrounded by a small ocean, the warmest summers will not be far different from the month of May throughout some of the northwest sections of Canada and some of the northeast sections of the United States. Essentially it is a prairie land—no trees, and only small bushes. The beach is abundantly supplied with driftwood for fuel and for the building of log houses. It is probably the greatest polar bear country in the world. But bearskins have at present a small commercial value. There are no locations better for the trapping of white and blue foxes, and there are considerable quantities of the remains of the prehistoric elephants—mammoths of that fossil monster may be of some importance. It is an excellent station for the walrus and hair-seal industry. Nothing is known about the presence or absence of minerals. Great herds of reindeer are owned by natives and whites in Alaska and suitable breeding stock could be purchased at reasonable cost and landed in Wrangell Island.

Probably Wrangell Island could support some ten to twenty thousand herd equally in value to double that number of sheep.

Although the commercial value of Wrangell Island is small, it is not negligible. As a matter of fact I should not have been in the least interested in this island, however, but for my belief that within 25 years from now the Polar Ocean will be one of the chief theaters of air commerce. It is true that we of the United States have plenty of rich land to develop, both at home and in our Territories, particularly in Alaska; and in speaking of Alaska, may I say that I believe that we have come to need badly a supply station under our own flag somewhere on the northern frontier of Asia such as Wrangell Island, for remember that Asia, Russian territory, is located within a stone's throw of our American Territory of Alaska. Fact is, the Little Diamede Island, which we acquired from Russia together with Alaska and Pribilof in the Aleutian Islands for a consideration of $7,200,000, is only about one-half mile from the Big Diamede Island which belongs to Russia itself.

Every other island on this vast northern frontier of Asia is clearly the property of some other nation, either by discovery or by occupation, but I believe that this one spot, Wrangell Island, is clearly ours and the longer that we let it go and remain in the hands of Russia, as of now, the more difficult will be our chance of obtaining our legal rights.

From a purely commercial standpoint as of now, the island would not be worth anything to us, but as I have heretofore stated, within 25 years from now it would be a very valuable spot, so my chief design, that what I have said and done, shall rest entirely on the grounds of public interest and public spirit.

If one looks at the Polar Ocean on a globe, which is the only way of correctly realizing the situation, you will note that Wrangell Island lies straight across from New York and is almost directly in line between the metropolis of New York and Manila, the capital of the Philippine Commonwealth. Even though it is not strategically the most important island on the northern coast of Siberia, it is the only island to which the United States Government has a claim on that vast frontier.

A couple of years ago when I was in Alaska and at which time I visited Point Barrow, the northernmost point in the Western Hemisphere, as well as Deering, Wainwright, Nome, and Siberian waters, friends of mine there and others whom I have met from time to time and place to place who were familiar with Siberia, impressed upon me how the Japanese were penetrating northward into that great country. And, as a matter of fact, several years ago while in Russia I understood that the Soviet Government was encouraging the immigration of its nationals from the congested cities such as Odessa, Leningrad, and Moscow to Siberia and its northeastern portions on the mainland in the neighborhood of Wrangell Island.

At the present time I am informed that a number of Chuckhees, Russian nationals, are occupying the island as a result of our nationals having been forcibly taken from the island a number of years ago, concerning which incident I shall return to shortly. We have never asked submission of the question to some form of international court, in which case their occupation, coupled with our neglect, could have established ownership, so in this bill I am merely asking that our State Department inquire into the question of whether or not the United States has a valid claim to sovereignty over this island.

It is my information that in September of 1921 several Britishers, together with a small party of Eskimos, landed on Wrangell Island, where they raised the British flag, which they claimed was the third time that the British flag had been placed upon the soil of Wrangell Island. At that time there were some press stories in the United States to the effect that our Government had protested against Britain's occupation of this island, but as to whether or not these statements are authentic I have not been informed. At that time, however, it is my understanding that the Soviet Government of Russia did protest. This protest contained three reasons on account of which Wrangell Island was said to be Russian.

The first reason was discovery of the island by Baron Wrangell a little more than a hundred years ago. Close students of the baron's journey at the time that he was supposed to have discovered Wrangell Island will reveal that he was never anywhere near it. And in addition to that he states in his description definitely that he failed to discover land. Confirmation of this can be obtained easily.

The second Russian claims are on the basis of a landing between the years 1910 and 1915. As a matter of fact, any nation could have claimed Wrangell Island on the basis of a landing in 1910, 1915, or 1921, the latter of which was claimed by the British.

Thirdly, the Russians advance the claim that Wrangell Island is Russian by reason of its immediate proximity to Siberia. The distance from Siberia is about 100 miles, and as to this claim for ownership through proximity might possibly be agreed upon by some future international convention, but it certainly has not been agreed upon in the past.

In the year 1880 or 1881 the New York Herald fitted out a Polar expedition under the command of Lieutenant De Long, an officer on leave of absence from the United States Navy. This was the famous and tragic *Jeannette* expedition, so called after the ship which De Long took north through the Pacific and through the Bering Straits proceeding into the ice which he met northwest of Alaska, firm in the belief that just beyond were the shores of a great continent. Shortly thereafter, while the *Jeannette* expedition was found in the ices of the great Polar region, the American flag was planted on Wrangell Island either by a member of his expedition or by one of the crew of an expedition that went in search of the members of the *Jeannette* expedition.

I claim that Wrangell Island is originally the property of the United States through right of discovery, but it is a principle of international law that claims arising out of the discovery must be followed up within any reasonable time by exploration or occupancy or else it lapses into the territory of a no-man's land.

The British claim some sort of title as of 1854, by way of discovery or otherwise, and the Russians claim title for the same or similar reasons; but, after all, it is not disputed that the American flag was placed on Wrangell Island in 1881 or 1882, and it was actually occupied by the nationals of the United States when the Russian nationals, forcibly and against their will, removed the nationals of the United States from the island to Siberia, and I understand that since then the Russians have occupied the island.

I think it is pretty well conceded—at least, there is no information to the effect—that any human being ever landed on Wrangell Island before the Americans did in 1881, and we know pretty definitely that no landing was made upon the island thereafter for many, many years.

Those who claim to have a knowledge of aerial navigation say that conditions on the whole there are better than in any other area in the world, and, of course, for the time being, we are interested in the acquisition of this island for the reason that, as I have heretofore stated, within 25 years it will be a very valuable spot, as the condition of the island is such that, without great difficulty or excessive expense, airplane bases could be established. Some have ventured that a harbor at one end of the island is so enclosed that aquaplanes could make safe landings, and in the winter, with the airport covered with snow, great passenger and freight planes could land safely on skis. Not only are flying conditions over the polar area on the whole good, according to those who are familiar with this section, but it is much the smaller of the oceans and therefore the easiest ocean to cross. As the settlements creep northward along the great rivers of Siberia and Canada, the polar mediterranean will continually increase in importance through the airways above which connects the various lands.

In conclusion, may I say that Russia is now in the possession of Wrangell Island. I claim that that possession was obtained by force and not by discovery. Of course, on account of Wrangell Island's being in the immediately proximity of Russian territory, it would be easy for Russia to seize and difficult for us to defend, but surely it would be possible to establish the ownership of the island at an international conference. If Russia—or any other country for that matter—then acted contrary to the decision of the conference, the facts would at least be known and the blame would be laid where it was deserved; and again I wish to say that to use Wrangell Island as a base we would have there a short cut for airplanes flying over the top of the globe from New York to Manila instead of around the circumference by such routes as are taken by ships and trains.

Wrangel Island has an area of about 2,000 square miles. Its elevation rises to 2,500 feet, but there is much less land on the south and north. Shoals and sand spits project to sea on the north and southwest. The west and east coast are steep and lofty. The harbor is on the southeast. Tundra covers many parts.

In 1923 a party of Eskimos under an Alaskan trapper were established on Wrangel Island, but Russia, laying stress on the claim made around 1915, forcibly removed the colony in August of 1924 and shortly afterward brought 50 Chuckhees to form a settlement under Soviet officials, and I understand that the colony was visited by Russian airplanes in 1927. At that time these claims were not officially disputed by the United States, according to my information.

Last year I introduced a bill in Congress calling for the establishment of naval bases on Wrangell Island. This resolution was referred to the Naval Committee of the Senate, and no action to date has been taken thereupon. Fact of the matter is, I think that I was a little premature in the introduction of that resolution. I probably then should have introduced a bill such as I am introducing today, requesting the Secretary of State to make a report to the Senate at the earliest practical date with respect to whether or not the United States has a valid claim to sovereignty over Wrangel Island; and then, after the establishment of this claim, if an international congress awards the island to the United States, then would be the proper time for a bill calling for the establishment of naval bases there. At any rate, last year, when I introduced the aforementioned bill, which was referred to the Naval Affairs Committee of the Senate, there appeared in the Washington Post under date of February 26, 1939, an article entitled "United States Owns Wrangell Island, Not Soviet, Says Reynolds," and the subhead of that story reads, "Retired rear admiral, who planted American flag, revives controversy of Arctic possession." I wish to have this article at this juncture printed as a part of my remarks.

I ask that the resolution be referred to the Foreign Relations Committee, and I hope that we may shortly ascertain the rightful owner of this island, which in the future, I am confident, will prove to be a most valuable possession.

[From the Washington Post of February 26, 1939]

UNITED STATES OWNS WRANGELL ISLAND, NOT SOVIET, SAYS REYNOLDS—RETIRED ADMIRAL, WHO PLANTED AMERICAN FLAG THERE, REVIVES CONTROVERSY OVER ARCTIC POSSESSION

Because "first come first served" still is the law of the masterless lands, Rear Admiral William Edward Reynolds, retired, believes the Russians ought to get off Wrangell Island.

It is a matter of personal pride to him, for he "came first," in this case, he said, and planted the American flag on that ice-bound spot in the Arctic Sea one August morning in 1881.

There is a first-class international squabble ready to flare up over this disputed land, and it was another Reynolds who started it.

Last Friday Senator ROBERT R. REYNOLDS, of North Carolina, introduced a bill in the Senate to establish a naval air base on Wrangell Island, but there is small chance of doing that while the Russians are there.

It seems that in 1924, taking advantage of a claim they had made in 1916 that had never been officially disputed, the Russians abducted one Charles Wells, an American sailor from Seattle, and 12 Eskimos peacefully engaged in fishing and hunting and otherwise making good America's title to the spot, and replaced them with a colony of enthusiastic Communists.

RESTRAINS HIS PRIDE

This is a pretty intolerable situation for 79-year-old William Reynolds, who retired as rear admiral in the Coast Guard just when this was going on. But, mild-mannered and dignified, he restrained his outraged pride yesterday and spoke of the arrogant Bolsheviks with creditable courtesy.

"I don't know what right they had to take our island," he remarked, "but then I don't know much about international law. I took possession of Wrangell Island for the United States, and we were the first white men that ever landed there. Of course, it's named after a Russian, Baron Wrangell, but he never reached the island; he just saw it."

As a matter of fact, it was something of an accident that led to that historic landing party, the gray-haired seaman admitted. The steamship *Corwin*, on which he was a junior officer at the time, was not sailing about the Arctic looking for new lands for Uncle Sam. She was searching for survivors of the exploring ship *Jeannette* crushed by ice just before.

They didn't find any survivors, but they found a lot of polar bears and walrus, and a good plateau now useful as an airplane landing field, and they presented this chilly spot to the State Department to file away for the future.

FIFTEEN YEARS TOO LATE

Now Senator REYNOLDS has found a use for it, but he is 15 years too late. When, in 1924, Commander M. Davidoff came back in triumph to Vladivostock with Wells and his Eskimos he proudly boasted that once more the proletarian revolution had scored over the "imperialists," who were attempting to "seize the island" because it "would have made an ideal aerial base."

Poor Wells died before he ever got away from Siberia and as Rear Admiral Reynolds is the last survivor of the officers on that historic cruise of the *Corwin*, he is now the only principal of the drama of Wrangell still able to tell the tale.

But Wells' sponsor, Carl J. Lomen, is still very much alive, and so in his claim against the Russian Government for the 167 foxskins and 40 polar bear skins they relieved him of in 1924, not to mention damages against his firm, the Lomen Reindeer & Trading Corporation, which bought from an English firm the trading interests in the island just in time to have them seized behind their backs by the conquering Russian revolutionaries.

But after all, the whole thing rests with the State Department, and the State Department isn't interested now. Maybe if we build that air base Senator REYNOLDS wants there will be a showdown, and the Russians will be forced to admit the validity of Rear Admiral Reynolds' deed, and pay Lomen his damages. Such at least is the hope of Reynolds, Reynolds, and Lomen.

WAR OF PROPAGANDA MAY BE ALREADY WON—HUNGER IN JOBLESS HOME MORE PERILOUS THAN ANY FOREIGN SPY, IS VIEW

The little man, sitting in his little home, and wondering where he can get another pail of coal, will ultimately decide whether we get into war or stay out, asserts Samuel Grafton, writing in the New York Post. He adds:

"We are being told to watch out for propaganda. Good enough. But in the larger sense, this is a false steer. The propaganda fight has already been fought and won by the Allies. The United States now hates Hitler more than it hated the Kaiser in 1916. The toothiest of British lecturers can add only a drop to the brimming bucket of our hate. * * *

"History is made when the father of the family says he isn't hungry and slides his food down-table to his children, and the kids take it, trying not to think that's all there is, there isn't any more.

"History is made when the foreman at the plant tells John Smith, American worker, that he can't give him a job until the factory gets another war order, but that the factory isn't getting war orders because the Neutrality Act forbids lending money to the Allies. The muse of history really begins to smirk when John Smith walks down the factory street, feeling the stones through his shoes and wondering why the devil we shouldn't lend money to the Allies when it means a job a man can work at and feed his kids with.

"A decent peacetime job would keep John Smith from making this decision. * * *

"Tracing out the figures nationally, I find that the total of W. P. A. workers has been cut almost in half, from 3,043,367 in February to 1,661,970 in September. The rise in 'war boom' employment doesn't even remotely correspond to this wholesale slaughter of W. P. A. pay envelopes. The cut occurs at a time when a job is the best and most vital antiwar propaganda of all, because it talks to a man 7 days a week and 24 hours a day.

"I have a feeling that we are flunking our national test. We are depending on a Neutrality Act, a dike of words against a sea of need and blood. We are asking men to consult the national interest first, at a time when the interests of their children clamor in their ears. We are asking the little man to be big. That is the measure of the smallness of our approach.

"The stage for war, the stage for our participation, is being set. It is a bare stage and on it are a few kitchen chairs, an empty table, a congealing stove; in one of the chairs sits a man who fears the morning and who will accept any hope that comes. So far, we have been afraid to look at him."

Labor in the Canal Zone

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

LETTER FROM NATIONAL MARITIME UNION

Mr. GEYER of California. Mr. Speaker, last week on the floor of this House we heard one side of a question. Believing that it is unfair for one side only to be given, I am glad to insert a letter from those accused. The least we can do when charges are made under congressional immunity is to allow the accused their day in court. Here is the letter:

NATIONAL MARITIME UNION OF AMERICA,
New York, N. Y., April 6, 1940.

HONORABLE SIR: Representative FRANK B. KEEFE, of Wisconsin, last week on the floor of the House made certain unsupported charges against the National Maritime Union—charges which we emphatically deny.

He charged:

1. That one H. A. Stoudt had been sent to the Panama Canal Zone to organize workers in order to tie up the Canal in case of a war with the Soviet Union;

2. That the N. M. U. is partial to graduates of a "red" marine school over graduates of a Maritime Commission training school;

3. That members of the crew of the steamship *Panama* sent a telegram of praise to Earl Browder, Communist Party secretary; and

4. That the authors of a pamphlet, We Accuse, are real American seamen who were kicked out of the union because they were opposed to Joseph Stalin, a Soviet official.

Without discussing the motives behind this attack for the moment, let me take up each charge separately.

1. The Congress of Industrial Organizations received a request from Canal Zone workers for organizational help. A man named Stoudt, a steward on a ship which made the Canal regularly, was

authorized by the west coast to make a survey of conditions down there and report back on the need for organization, if any.

Stoudt found that hundreds of workers in the Canal Zone were living in a state of peonage. They were being paid wages as low as 10 cents an hour and were living like pigs. They had no organization and were discriminated against alike by private and public employers. It was disgraceful.

Stoudt helped those people set up an organizing committee but, because the C. I. O. did not feel that the time was ripe for an organizing drive, Stoudt did not set up an office down there. Today, to the best of my knowledge, he is working on a ship.

The N. M. U. in listening sympathetically to the woes of the Canal Zone workers had but one object in mind—to aid them in organizing a union for their own protection. As the survey showed, there is no other protection available to them. Even officials of the United States Government are content to see them oppressed, discriminated against, and starved.

2. The N. M. U. knows nothing about any "red marine school" and, to the best of our knowledge, we have no graduates of such a school working for us. If one exists, it is certainly kept dark on the water front. Our reasons for resisting the Maritime Commission training school have been stated over and over again. They are familiar to everyone—particularly to Representative KEEFE, a member of the House Committee on Merchant Marine and Fisheries. The training school was set up to help the operators break up the National Maritime Union. To protect our working conditions, we were forced to resist the school. If Representative KEEFE pretends not to know that he is being, in our opinion, somewhat less than frank.

We are unable to say whether members of the crew of the steamship *Panama* sent a telegram to Earl Browder or not. Our constitution forbids any discrimination against any member for his religious, social, or political beliefs.

4. The authors of the pamphlet We Accuse were expelled from the N. M. U. for labor-spying activities. They were expelled by the membership, not by the officials. The case against them was so clear that even their former partisans are convinced. We have told the story in a pamphlet called Labor Spies in the N. M. U. The shipowners were found to be financing a ring of spies—whose activities followed closely the activities of labor spies exposed by the La Follette Civil Liberties Committee. This ring tried in every way possible to break up the N. M. U. for the operators.

When a Member of the United States Congress allies himself with such a group it is about time that we look behind his position for the motives. At this moment we are unable to say what they are. Our experience, however, has shown that whenever the Medeiros-Carlucci gang of labor spies finds an apologist, something is brewing. The shipowners, it seems, have a mysterious influence over certain public officials.

We hope that Representative KEEFE is not subject to this mysterious influence. On the other hand, we find it hard to explain his defense of labor spies convicted by their own shipmates.

It is significant, we feel, that this attack comes at a time when amendments to the National Labor Relations Act are being considered.

Perhaps he is just one of those persons who sees Stalinist plots in all trade-union activity, in every improvement of conditions. Agents of labor-hating employers see these plots on every hand.

Very respectfully yours,

JOSEPH CURRAN, *President.*

Polish Relief

EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

RESOLUTION BY A MASS MEETING OF AMERICAN CITIZENS OF POLISH ORIGIN OR DESCENT

Mr. HARTER of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution, unanimously adopted at a mass meeting of American citizens of Polish origin or descent, in Buffalo yesterday, Sunday, April 7, 1940:

Resolutions adopted at a mass meeting held in the Broadway Auditorium, Buffalo, N. Y., April 7, 1940, on the occasion of the visit to our city of Gen. Joseph Haller, Minister and Emissary Extraordinary of the Government of Poland, temporarily transferred to Angers, France, and Count Jerzy Potocki, the Ambassador from Poland to the United States

Whereas we American citizens of Polish origin or descent, stand united in our condemnation of the merciless and brutal attacks on Poland, designed to exterminate the Polish Nation, and to rob the people of their historic territorial possession; and

Whereas mass murder and executions of civilians and noncombatants, especially of women and children, were committed systematically by air bombings upon the rural population, hospitals and orphanages, churches and synagogues; and

Whereas the arrest and placement in concentration camps for slow and untimely death of Polish scholars and professors from the Jagiellonian University of Cracow, as well as other institutions of learning and culture, further substantiate our belief that the goal of the barbaric invaders is the destruction of Poland by means of exterminating her leaders first; and

Whereas in furtherance of this aim, the Nazi Government is expropriating and evicting the Poles from their lands and settling thereon Germans brought from all parts of Europe and especially from the Baltic States; and

Whereas we base our action at this meeting on reliable and official documents compiled by his eminence august Cardinal Hlond, primate of Poland for His Holiness, Pope Pius XII, in which specific charges are made that almost all Catholic institutions in the archdioceses of Poznan and Gniezno have been seized, and that the priests and nuns have been subjected to unparalleled persecution and humiliation; and

Whereas the Governments of Nazi Germany and of Soviet Russia have repeatedly denied neutral countries and their humanitarian organizations the right to administer to the needs of the homeless, sick, and poor while stark hunger stares 70 percent of Poland's population in the face; and

Whereas this desperately stricken nation is looking across the ocean in its pressing and widespread need to us, Americans of Polish descent, the legitimate heirs of a highly cultured civilization, with ideas of liberty, democracy, and freedom of opportunity in common with those of these United States of America: Therefore be it

Resolved, That we express, first of all, our deepest gratitude to the Government of the United States, and especially to His Excellency, Franklin D. Roosevelt, the President, for granting recognition to the present Polish Government, located in France, thus proving to the world that the United States does not recognize the fourth partition of Poland, and that Poland continues in her position in the family of nations; and be it further

Resolved, That we earnestly petition the President of the United States, the Secretary of State, the Senate and the House of Representatives, and especially the members of the Committees on Foreign Affairs, to support and hasten a carefully planned and far-reaching humanitarian work to salvage the human wreckage caused by the starvation, disease, and exposure, with the view that our American initiative, generosity, and example may stimulate other nations of the world into similar action; and be it further

Resolved, That we most respectfully urge and implore the Honorable Cordell Hull, Secretary of State, to use all of the weight of his power and prestige in obtaining prompt favorable action by the House Foreign Affairs Committee on the humanitarian legislation for Polish relief favorably and unanimously recommended to that committee by a subcommittee thereof within the week closing April 6, so that Congress will have an opportunity to pass the legislation while the need is urgent; and be it further

Resolved, That in particular we appeal to all Congressmen to appropriate the sum of $20,000,000 for food, clothing and medical supplies for all destitute people of Poland; furthermore, we request the appointment by the President of the United States of a commission which will coordinate the work of various organizations endeavoring to bring aid to the suffering people of all creeds and races in the occupied areas of Poland; and be it further

Resolved, That we urge our Congressmen to sponsor humanitarian legislation such as the bill introduced in the Senate by our distinguished senior Senator, ROBERT F. WAGNER, of New York State, intended to take care of the orphan victims of persecution, limiting the number to be admitted to a maximum of 10,000 orphans per year; and be it further

Resolved, That we express our deepest gratitude and thanks to all humanitarian agencies, especially to the American Red Cross, the American Commission for Polish Relief, the Friends of Poland, the American Committee for the Polish Ambulance Fund, and to all American people helping hasten relief to the suffering people in occupied Polish territory, and the refugees in Rumania, Hungary, France, and Britain; and be it further

Resolved, That we all solemnly swear and reaffirm our wholehearted loyalty and adherence to the principles of democracy upon which this Nation was founded, and to the American way of life and government in keeping with the fundamental right to peace with justice for all mankind; and be it further

Resolved, That a copy of these resolutions be forwarded to the President of the United States, to the Secretary of State, to Vice-President JOHN N. GARNER, President of the Senate, to Representative WILLIAM B. BANKHEAD, Speaker of the House, and to the United States Senators and Representatives from the State of New York.

The Right Reverend Monsignor Alexander Pitass; the Right Reverend Monsignor Francis Kasprzak; the Right Reverend Monsignor Andrew S. Garstka; Dr. Stanislaus N. Borowiak; Dr. Ambrose Maciejewski; Mr. Stanislaus Turkiewicz; Rev. Cezary Krzyzan; Mr. Stanislaus Sielski; Dr. Francis E. Fronczak; Marta Mazurowska, Secretary Committee on Resolutions.

Defense Against Whom?

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

ADDRESS BY THE SECRETARY OF WAR

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable Harry H. Woodring, the Secretary of War, at the Army Day banquet of the Military Order of the World War, at the Mayflower Hotel, Washington, D. C., broadcast over the red network of the National Broadcasting Co., April 6, 1940:

Today, under the sponsorship of the Military Order of the World War, American citizens and soldiers—here in the homeland and abroad in our overseas domains—are engaging in the annual observance of Army Day.

I employ the word "observance" advisedly. It was 23 years ago today that the United States entered the great armed conflict which held the world in its frightful grip from 1914 to 1918. Victory eventually rested upon our arms and those of the nations we were associated with in that universal conflict. However, I hardly believe that we should today celebrate—as distinguished from observe—the date of our embarkation upon a military effort of the magnitude of that which engaged our every national energy in 1917 and 1918. Too many were the lives lost, too many the bodies maimed and minds crushed, too many the homes that still suffer. And far too great was the cost—material, economic, and spiritual—to the people of this Republic of ours.

We, to my way of thinking, may appropriately observe or even commemorate Army Day, but never celebrate this occasion. Rather, this Army Day should be the occasion for further determination that the United States will avoid the pitfalls of military neglect which inevitably led to the momentous decision of April 6, 1917. This should be a day of review by all American citizens of our past failures to heed military portents—failures which, in the end, cost our Nation dear.

I repeat from a recent Army Day message to the Military Order of the World War that one major war now rages across the Atlantic Ocean; a second, though undeclared, across the Pacific. I expressed the opinion that no man can now foretell the eventual extent or degree of violence of those two conflicts. Who could have foretold in 1914 that an assassination in an obscure Bosnian town was to provide the spark that was to set the whole of the world aflame for 4 long and awful years?

Permit me to quote the following excerpt from that same message: "Certainly it behooves Americans at this time to consider our defensive requirements with most critical eyes. Army Day will afford opportunity for close scrutiny of the status of our protective measures. In view of prevailing international uncertainty—I might even state international chaos—the Army Day of 1940 will be one of the greatest significance to the citizens of the United States."

Manifestly this is an hour for critical examination of our military requirements. So rapid are the technical developments in the implements of warfare that defensive adequacy today is defensive inadequacy tomorrow. It was President Roosevelt himself who warned, months before the invasion of Poland and the coincident outbreak of the European war, that "the world has grown so small and weapons of attack so swift that no nation can be safe in its will to peace so long as any other single powerful nation refuses to settle its grievances at the council table." Truly the world grows small. From the military standpoint the oceans of yesterday are seas today and may be lakes tomorrow, though on the map they retain their oceanic nomenclature. What were the continents of yesteryears are no longer, in the military sense, continents today. Adequate defense on land, on the waters, and under the waters, and in the air is therefore a problem constantly requiring study, constantly necessitating new solutions, constantly demanding revision of manpower and matériel requirements.

These continuously changing factors of time and space, coupled with the extreme rapidity with which implements for waging war are developed—especially during a period of actual international combat—prompted my appearance only a few days ago before the members of the Military Affairs Committee of the House of Representatives. To those gentlemen I recommended a revision of policy with reference to the sale of military matériel, particularly of aircraft, to foreign governments. I pointed out that the land, sea, and air fronts of the wars now in progress—to the misfortune and misery of the peoples engaged—serve as proving grounds and experimental laboratories wherein all types of munitions are undergoing practical and exhaustive tests. Who would belie those facts? Who would insist that any nation, however peace-loving, should blind its eyes to changing conditions? Who could deny to his own protective forces—and with reference to the United States, I emphasize the word "protective"—the weapons demonstrated by battlefield usage to be the most effective?

I have iterated, and I reiterate, that the major problem involved in the assurance of an adequate national defense is not that of numbers—numbers of soldiers, numbers of guns, or numbers of planes. The major military problem imposed upon our Government is to meet effectively ever-changing military conditions by appropriate changes in organization and equipment.

The people of the United States are well aware that during the past several years our Government has placed a vigorous shoulder to the wheel of national defense in an effort to assure the adequacy of our protective installations, naval and military.

Let us survey, in general, the progress attained in promoting the effectiveness of the land forces of the Nation since the Army Day of 12 months ago. The personnel of the Regular Army and the National Guard have been modestly augmented, the better to enable those two components of the Army of the United States to meet organizational and training requirements. A reorganization of five Regular Army divisions has been effected, providing modernized units of high fire power and mobility. We have afforded those five Infantry divisions of the Regular forces opportunity for real training as coordinated combat units on adequate terrain under suitable climatic conditions. The professional elements of our Military Establishment—that is, our Regular Army—both within the continental United States and overseas, have undertaken intensive field training on a scale never before attempted in peacetime. As is well known, our Army Air Corps has undergone rapid—but not uneconomical—expansion in personnel and matériel.

The periods of armory and field training for the National Guard have been moderately extended, to the great enhancement of the value of that element of the Army of the United States to the national defense. Both the Regular Army and the National Guard have been progressively supplied with modern and effective weapons and with the motorized and mechanized vehicles required by an up-to-date combat force. The Officers' Reserve Corps has been brought more completely into the mobilization-day picture through the elucidation of policies which place members of that corps in positions of greater responsibility in our initial wartime set-up—if occasion arises to establish that set-up. The garrisons of our principal overseas outposts have been increased, the better to permit them to shoulder any wartime responsibilities which might abruptly be imposed upon them. We have made provision for the procurement of strategic raw materials. We have placed in motion the wheels for a really effective educational-order program which seeks the peacetime training of American industry to assume its potential and all-important wartime burdens.

This comprises but a brief résumé of the accomplishments of 1 short year in the promotion of our measures for national security, so far as pertains to the land forces.

But the voice of the critic is heard crying: "Why these military expenditures? What country are we going to fight? Defense against whom?" Questions are propounded as to what power or combination of powers do we fear?

I take it upon myself to answer those inquiries with questions of my own. Is the map of the world not changing overnight? Is there today in the hands of a single American schoolboy an up-to-date geography book? Is there any reasonable assurance that these 48 States of ours, because of the protective oceanic barriers to our east and west, will remain forever invulnerable to hostile aggression? Have the Americas never been invaded?

It is only a few hundred years ago that two mighty American empires—the Aztec and the Inca—fell before an outlander because of the inadequacy of their defenses. In numbers of their fighting men they were superior to their aggressors—vastly superior. But they were all but entirely lacking in what were then the modern implements of defense.

Right on this North American Continent of ours barely eight decades ago, by means of military force, there was established an empire which was European to all intents and purposes. The maintenance of that imperialistic regime in the neighboring republic to the south of the Rio Grande threatened not only the peace of our own reconstituted Union but the peace of the whole of the New World. That Maximilian enterprise collapsed. It collapsed only because of the fact that at the close of the War between the States the United States was in a position, through an "Army in being," to exercise armed force for the reestablishment of a republic in Mexico and the preservation of the principles of democracy on the North American Continent. Note that I state that we were in a position to exercise armed force. Fortunately, the necessity for that exercise did not arise. However, we were then in a position to speak with authority for peace. We spoke with authority for peace to the perpetual advantage of every republic of the Western Hemisphere.

Defense against whom, it is asked. Why does a municipality maintain a fire department—to guard against a specific conflagration in a specific building? Why does a city maintain a police department—to protect its citizenry against a specific criminal or a specific criminal element? Why do millions of Americans carry insurance on their automobiles—for protection against specific accidents at specific street corners? Those questions, I am sure, answer themselves.

One of my predecessors in the office of the Secretary of War once stated, "No one can foretell the future with accuracy with respect to anything in human life. Health, wealth, outbursts of nature, and human outbreaks—no one can surely foretell anything concerning them. If we should not prepare ourselves reasonably

with respect to these things because we cannot be sure that we have protected ourselves against all conceivable possibilities, we would be deliberately choosing the path of folly and not that of wisdom." That statement appeared in the annual report of the Honorable Lindley M. Garrison, in 1915, less than 2 years before the entrance of the United States into the World War. He was pleading for the establishment and maintenance of an army of sufficient size to circumvent any possibility that we might be embroiled in the conflict then raging across the Atlantic. His plea fell on unheeding ears.

There are those who hold that had the United States in 1917 possessed a well-trained, well-equipped, well-organized, and well-balanced Army of a half million men, this Nation would never have been drawn into the vortex of the World War. They maintain that the very existence of such an "Army in being" would have served as a positive deterrent to those across the Atlantic, who, holding in disdain our military potentialities, proceeded on the course which eventually forced our entry into the world conflict.

Defense against whom? I have publicly stated several times, and on this Army Day I emphasize that statement, we must not attempt to justify the maintenance of a small, perfect Army by participation in war. We must not attempt to justify the maintenance of our defensive forces by the actual publication of lists of battle casualties. I have contended that the maintenance of an effective military establishment is justified by the fact that through its existence in these tragic days of international turmoil we can speak for peace—can speak with authority for peace! Our every endeavor must be to provide for that protective power which should be sufficiently adequate to obviate the necessity for engaging in war. Our military preparations must be inspired by a will, nay, by a determination, to maintain peace, not by any inclination to engage in war.

No nation can speak with authority for peace unless that nation has in its possession the means to impose peace. And we Americans are determined to speak with authority for peace on the Western Hemisphere.

Regulating Television

EXTENSION OF REMARKS

OF

HON. SOL BLOOM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

EDITORIAL FROM THE NEW YORK HERALD TRIBUNE

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Herald Tribune of April 6, 1940, entitled "Regulating the F. C. C.":

[From the New York Herald Tribune of April 6, 1940]

REGULATING THE F. C. C.

Once more the the Federal Communications Commission is in the news, and once more it is there because of its irrepressible tendency to act arbitrarily and high-handedly. This time the Chairman of the Commission demanded a Nation-wide hook-up in order to express his views about the controversy over television which he had precipitated by his earlier arbitrary action. The principal radio systems, fearing his power to injure them, canceled commercial programs and gave him the time he asked for—a privilege so far reserved only for the President of the United States. Thus, in addition to having abused his power by the ruling which he had made affecting television, he abused his position by virtually forcing the companies to give him free time in order to broadcast his views, which, after all, are only the views of a minor official and not of a major officer of the Government.

Last week we commented on the vicious absurdity of the Federal Communications Commission's ruling suspending the commercialization of television on the ground that technical developments might render present television sets obsolete in a short while. We pointed out that this doctrine of potential obsolescence, if applied 40 years ago in the development of the automobile industry, for example, would very probably have frozen that industry early in its infancy. So widespread was the criticism of its ruling that the F. C. C. showed signs of back-tracking and reconsidering the entire subject.

Since then the Supreme Court has handed down a decision affecting the functions of the F. C. C. which may force that body to reconsider its entire policy. The Court flatly reasserts the principle of free competition, and expressly states that the F. C. C. "is given no supervisory control of the programs, of business management, or of policy" of broadcasting companies.

This, however, is only incidental. What stands out like a sore thumb is that the F. C. C. itself is in need of regulation and that this regulation must come from Congress. True, the F. C. C. theoretically cleaned house 6 months ago. But the very fact that it issued such a regulation as that restricting television shows that in the house cleaning it did not get rid of its most dangerous mistaken notion—that its function is, in effect, to supervise, control, and direct the radio industry of the United States. It is true that it possesses the power of life and death through its right to withhold licenses. But it is also true that nowhere in the act establishing the F. C. C. is there anything which can be even remotely interpreted as giving it the powers of interference which it has from time to time asserted.

The charitable explanation of the grasping nature of the F. C. C. is that bureaucrats have an irrepressible desire to extend their personal influence and power and reach out to control much more than was originally intrusted to them. But more important than discovering the reason for the F. C. C.'s assumption of powers is the fact that these powers have been assumed when they should not have been so assumed. The regulation restricting television was of such a nature as to be entirely destructive of the system of free competition. It represented planned economy at its worst. The best way to avoid a repetition of this sort of paternalism is to overhaul the F. C. C. and so restrict its powers that it can be held to the strict duty of regulating and allotting frequencies, without stepping into questions of policy or exercising, however indirectly, a form of censorship.

Give the Railroads an Even Break and Watch Them Travel

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

EDITORIAL FROM THE JACKSON (MICH.) CITIZEN PATRIOT

Mr. VAN ZANDT. Mr. Speaker, editorially, S. 2009 is supported by the leading newspapermen of the country. These newspapermen recognize the necessity of placing all transportation on the same footing.

In the following editorial the editor of the Citizen Patriot, of Jackson, Mich., on January 31, 1940, intelligently approaches the real question when he expressed the following views:

[From the Jackson (Mich.) Citizen Patriot of January 31, 1940]

A SQUARE DEAL

Jackson, being a railroad center, has a large population of rail workers. Not only is there an unusually large number of operating workers here, but there are several hundred maintenance and shop men. Employment histories of a majority of them go back to the days when progress and prosperity traveled on steel rails, when the welfare of thousands of industries and businesses largely depended on railroads.

These workers also saw the railroad revenues severely cut by other competition. They saw trains withdrawn from operation, men laid off, shops working on part-time basis, and losses instead of profits recorded on operating reports.

Recently, through improved transportation facilities, railroads have had an awakening. The level of freight traffic has recently been at the highest point since 1936. Improvement in current earnings has been noted. The railroads are rising to meet the demands for their services. Thousands of freight cars have been repaired, new equipment has been purchased, road beds improved. Every section of the country has felt the lifeblood returning as cash has been pumped into communities through railroad expenditures.

But the red light is showing. Instead of having all clear track ahead as they should, the railroads are virtually on a siding waiting for the go sign. That can come with a modernized transportation policy to meet the immense changes that have taken place in the past few years. The existing transportation act serves as a block signal, an unnecessary obstacle to economic recovery in this country.

The need never was greater for a transportation policy that will place all carriers on an equal footing. The problem of how to keep progress growing lies squarely in the laps of those who shape our transportation policy. Let them give the railroads a clear track ahead, an even break with other transportation competition, and watch 'em travel.

Lewis Again "Bites the Hand" That Feeds Him and Kicks His Friends Around

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

Mr. HOFFMAN. Mr. Speaker, because he has a perverted idea of his own power and his own importance and is all puffed up with egotism, John L. Lewis has again given a demonstration by his ungrateful and unfair assault on the House Labor Committee; again shown that he prefers to kick his friends around rather than direct his energies against his opponents.

The chairman of the House Committee on Labor, Mrs. MARY T. NORTON, and several members of that committee made a strenuous fight in committee to assist Mr. Lewis in his plans, which would have resulted, had they been successful, in making it not only possible but probable for the C. I. O. to swallow the A. F. of L.

By their valiant efforts they prevented the adoption of several of the proposed Smith amendments and prevented the adoption of several amendments which I had offered and which would have aided in carrying out the purpose of the National Labor Relations Act. They secured for Lewis and the C. I. O. a compromise bill. In committee they saved Lewis' hide.

In return for their efforts, which have extended over more than a year, the gentlewoman from New Jersey, Chairman NORTON, and her assistants are charged with bringing out a bill which Lewis says "is the fruit of an unholy intrigue between antiunion manufacturers and American Federation of Labor craft leaders, blinded by partisan venom."

Lewis is like a spoiled child. If he cannot have his way in everything, he is mad; and, when he is mad, he is disagreeable and makes a show of himself.

The reaction to Lewis' fit of temper and to his gratuitous abuse should prod the House into giving him and his organization the kind of a spanking he and it have so long deserved. His unreasonableness, his narrow-mindedness, and his policy of attempting to rule or ruin should awaken the House to the real situation and give workingmen the country over a just and equitable labor law, which, while protecting them, will enable employers to assist in solving the unemployment problem.

For several years, Lewis, by the strong-arm process, has been compelling workingmen to contribute a part of their wages to a fund totaling millions of dollars, into which Lewis and his associates have dipped their hands for the purpose of making contributions to political parties which aided the advancement of their own personal and political interests.

Lewis' outright contribution of $470,000 from the funds of the United Mine Workers, his loan of $50,000 to promote the election of Roosevelt, is a notable instance of this. Lewis assumed that by that contribution and loan he had purchased a part of the New Deal administration. He did get ample repayment in the assistance given him by Murphy and Roosevelt in the sit-down strikes in Michigan at the beginning of 1937.

The Senate Civil Liberties Committee aided his organizing drives and pilloried businessmen unmercifully by its investigations, and that assistance was of inestimable value to Lewis, for that committee permitted employees to believe that the Government was behind Lewis and it frightened businessmen so they were afraid to assert their civil rights.

But Lewis was not content with what the White House and its aides gave him. He wanted unquestioned assistance and obedience from the National Government. When the President ventured to oppose some of his requests, he blurted out: It ill behooves one who has supped at labor's table and who has been sheltered in labor's house to curse with equal fervor and fine impartiality both labor and its adversaries when they become locked in a deadly embrace.

Remember when a certain bill was pending before the House and Lewis arrogantly walked into the private office of the Speaker of the House, seated himself, and began to give orders? Remember what happened? Out he went. Apparently he learned nothing from that experience.

More recently he threatened the Democratic Party that, if it did not get into the harness and pull his load, he would put a third party in the field.

From the day when, in 1922, Lewis' telegram to his miners at Herrin, Ill., was followed by the murder of 25 union men, right down to the present moment, Lewis has overestimated his own ability and the power of the C. I. O. and its communistic allies. He is like an inflated balloon. He does not represent organized labor. More properly, his efforts aid labor organizers and politicians who use labor's votes for their own advancement. If his own claims be true, he represents no more than 4,000,000 workers, and there are more than 40,000,000 workers in this country.

His false notions of his own importance will be as flat as the proverbial pancake, if Congress once regains its independence, takes a good look at him and his schemes, and gives him the spanking which he so richly deserves.

As stated, for years he has been collecting dues from workingmen, whose fate in being compelled to toil for what he terms "a starvation wage" he bemoans while himself drawing a $25,000-per-year salary and something like a thousand-dollar-a-month expense account. He has been using part of these dues for political purposes.

He now announces that he is going into every congressional district and defeat every Congressman who opposes his schemes. Evidently Mr. Lewis has reached the conclusion that he is "Mr. Big." According to his own statement, he is going to control the next Congress.

If Congress is really made up of independent, self-respecting Representatives of the people, they will, speaking figuratively, take Mr. Lewis by the seat of the pants and the collar of his coat and heave him out in the garbage dump, where he so deservedly belongs.

That some such notion is abroad in the House is shown by the fact that the gentleman from Virginia, Representative HOWARD SMITH, the chairman of the Special Committee Investigating the National Labor Relations Board, has introduced a bill for an amendment to the Corrupt Practices Act which would prohibit unions from making campaign contributions in Federal elections and which would prohibit unions, their officers, or political committees of which a union officer is a member, from soliciting or receiving campaign funds from union members.

Let that bill go through and Brother Lewis will find that he is just another citizen. All too long he has lived and prospered and grown great politically by shaving the pay checks of workers. Let him once be exposed for what he is; let his political ambitions be made clear, and Lewis, Pressman, and the rest of the crew will become acquainted with real constructive work.

Free Enterprise Is the Issue

EXTENSION OF REMARKS

OF

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

RADIO ADDRESS BY HON. FREDERICK C. SMITH, OF OHIO

Mr. BROWN of Ohio. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio

address of the gentleman from Ohio, Hon. FREDERICK C. SMITH over the Columbia Broadcasting System on last Thursday evening; entitled "Free Enterprise Is the Issue:"

Ladies and gentlemen, the coming national election will, in my opinion, be the most crucial in our history. The important issue to be decided will be whether this Nation shall continue to be a nation of free men, able to engage freely in pursuits of their own choosing, subject only to such laws as shall keep them from aggressing upon each other, or whether this Nation shall become a regimented people under a totalitarian form of government. Shall the right of private ownership of property be abolished and be replaced by political ownership? This is the real issue before our country today.

Within the last few years there has developed in our country considerable sentiment against communism, which is continually finding increasing expression. The feeling has now become widespread that communism is definitely a menace and must be combatted. Congress has given this matter recognition and has enacted legislation to check it.

Peculiarly, nearly all the discussion relating to this question, and the efforts made to stop this cult, are based on the assumption that communism is something that is being imposed upon our Nation from the outside. The theory is that it is of alien origin, in the sense of being imported from other countries, particularly Russia.

This is, in my judgment, a false notion, which needs to be exposed, lest we remain ignorant of the facts, which cannot help but seriously hinder us from properly dealing with this serious menace.

It is perhaps true that some of the communistic schemes that are promoted in our country have their origin and stimulus in Russia. But it should be plain to anyone who gives the matter a little thought that this is a comparatively small part of the communistic movement now under way. It should not require much consideration to convince us that by far the greater part of this program is alien to us, not in the sense of being imported from some other land, but only in the sense of proceeding from forces outside of the American system of free enterprise. Those forces, as I shall endeavor to show, originate not only mainly within our own geographic boundaries, but they originate also within our own economy, and what are considered to be our duly constituted institutions and Government.

In my opinion the subversive elements to be feared in this country are not the Communist Party and its allied organizations parading under false names. Nor do the leaders of this cult live in obscure and dark subterranean haunts of illicit intrigue.

As I see it, their abode is right on top of the earth, in the sunshiny open view all about us, in respectable places.

We are blinded to these facts principally because we are apt to put too much faith in labels. This is one of man's great weaknesses. Too often we mistake a label for the thing labeled. Moreover, labels often remain the same, while the things they label change and become something else from what they were when originally labeled. This is especially true of political organizations and systems. A good example of this is the change in meaning that has taken place in the terms illiberal and liberal. When they first came into use in England in the seventeenth and eighteenth centuries the illiberal, or conservative as he was also called, advocated political control and ownership of industry, and high taxes. The liberal was against those things. He stood for private control and ownership of property, for lower taxes, for free enterprise.

See, now, how the meanings of these two terms have completely reversed themselves. Today the liberal stands for political control and ownership of property, for high taxes. The illiberal or reactionary, as he is also called, stands for private ownership, low taxes, free enterprise.

The Tory has become the liberal, and the liberal the Tory.

The great difficulty we have in recognizing the main source of communism is that most of us are woefully ignorant as to what communism really is. We therefore fail to recognize it when we see it.

"Communism," according to the Encyclopedia Britannica, is "the name loosely given to schemes of social organizations depending on the abolition of private property and its absorption into the property of a community as such." Marx defined it simply as "the abolition of private property."

The essential thing about communism is therefore the abolition of private property, and its political control and ownership. That is what communism is, regardless of the banner under which it sails or from whence it comes.

Let us forget labels, then, and search for the thing itself. Certainly we do not need to go far or greatly exert our energies to find plenty of it. Our material is plentiful in the many novel and revolutionary programs put in operation by the New Deal in the last 7 years.

So confused and numerous have been these schemes that it has been impossible for most of us to fully understand them and what they signify. However, just a little analysis of these schemes will greatly clarify this whole situation.

Just what is the New Deal?

What is the nature of the ostensible remedies it has been using to cure our sick economy?

How have they worked?

Examine all the New Deal recovery measures and you will find each sets up a board or bureau and a multitude of political jobs.

Examine what each one of these agencies actually does and you will find it engaged almost wholly in drawing blood—taxes—from one part of the economic body and reinjecting that same blood—taxes—into another part of the same economic body. But it isn't quite as simple as that. There's just a little trick in it. Having drawn into their syringes blood from one part of the economic body, the New Deal economic doctors inject as much of the blood as they can into their own veins and what is left they inject into another part of the economic body.

Examine any or all of the New Deal recovery measures, up and down, in and out, crosswise or otherwise, and you will find that is essentially what the New Deal is.

Hence we see our sick economic body shriveling up, and the political body ballooning out, getting bigger and bigger.

A multitude of bureaus and about 500,000 new political jobs at a cost of $1,000,000,000 a year have been created to operate this enterprise-destroying and political power-building machine.

Here is an example of how it works.

The New Deal doctors by the end of 1939 had mortgaged and taxed all the people in the country, including the farmers, for about $3,000,000,000 for farm-benefit payments. They took about $300,000,000 of this for their share and gave the farmers the remaining $2,700,000,000 and a Federal mortgage on their farms. The farmers' share, on a population basis, of the Federal debt added during that time amounts to more than $4,500,000,000.

All this mortgaging and spending is arbitrarily taxing away billions and billions of dollars from certain States, groups, and individuals and giving them to other States, groups, and individuals. For example, from 1934 to 1939 Mississippi obligated herself in taxes and debt for about $40,000,000 and received in grants, farm subsidies, etc., more than $400,000,000, or 10 for 1.

Ohio in the same time obligated herself in taxes and debt for two and a quarter billion dollars and received in grants, payments, etc., a little more than one and a quarter billions.

Illinois obligated herself in debt and taxes for three and a half billions and received back one and a half billions.

What is all this taking away by political force from some States, groups, and individuals of the product of their labors, and giving it to other States, groups, and individuals but the destruction of private property? Here we have demonstrated clearly the truth of the old aphorism that "the power to tax is the power to destroy."

Consider the money program. Is there any essential difference between the political confiscation of our gold money and forcing us to use a political promise-to-pay money, and the political confiscation by the Communists in Russia of their hard money and forcing their people to use a political promise-to-pay money?

One of the basic tenets of communism is the prohibition of the use of hard money by the people. All Communists have regarded this as the most effectual weapon for destroying private property. If they have demonstrated one thing more than any other in Russia it is this: Ownership of private property cannot be prevented where hard money is in use by the people, and where it is not so in use all private property, down to the last morsel of bread, is in jeopardy.

Where private property is protected, there you will always find the greatest protection of human rights, the most employment, and the highest standard of living. Our Constitution provided the greatest protection of property rights, and hence of human rights, under which our Nation enjoyed the highest standard of living ever attained by any people.

On the other hand, where the right of private ownership of property is not protected, there you will find human rights destroyed also. There you will find a lower standard of living, as prevails in Russia today, where people may not even own their homes, and their very lives are in the control of the political authority. It can and has sent them by the millions into exile to perish from hunger and cold.

The United States Housing Authority scheme, which is well under way, proposes to abolish private ownership of four to six million homes. It proposes to confiscate by taxation not less than $40,000,000,000 to build and finance politically owned homes. It is not true these houses are owned by the community in which they are built. They are owned by the Federal Government the same as post offices and other Federal buildings. What possibly could be more communistic than political ownership of our homes, the most sacred possession of the family?

So we could go on and show how other New Deal agencies are communistic. The T. V. A. is communism. So are many of the activities of the 30 Government corporations that have been formed.

The almost complete political control now exercised over the banks and credit, and the control which has been set up over all industry, are leading to communism. Political control of industry was considered by the Communists in Russia as an essential step to complete political ownership and operation. Political planning and political control must eventually end in political ownership.

The New Deal spending machine has now become a veritable Frankenstein that is out of control, whose yawning jaws demand more and ever more money to spend. The Federal debt keeps zooming upward and threatens us more and more with national bankruptcy. Should this occur, totalitarianism will be the result, with the complete destruction of private property.

The issue before the American people is clear. Communism or free enterprise. Nor is there any half-way ground. We must have one or the other. We cannot exist half slave and half free.

I thank you.

Laying of the Cornerstone, New Federal Building, Columbia, Tenn.

EXTENSION OF REMARKS
OF
HON. WIRT COURTNEY
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, April 8, 1940

ADDRESSES BY HON. JAMES A. FARLEY AND OTHERS

Mr. COURTNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address given by the Honorable James A. Farley, Postmaster General of the United States, at the laying of the cornerstone of the new Federal building at Columbia, Tenn., on Monday, April 1, 1940; the introduction given by Judge W. C. Whitthorne, judge of the county and criminal courts of Maury County; and the address which I gave on this occasion:

The CHAIRMAN (Mr. W. D. Hastings). I take pleasure in presenting Hon. W. C. Whitthorne, judge of our county and criminal courts, who will introduce the speaker of the day.

Judge WHITTHORNE. We are assembled here today for the purpose of laying the cornerstone of a building to be used for a worthy public service.

This thriving historical middle Tennessee town has heretofore been honored by the visits of distinguished men who became Presidents of the United States—Andrew Jackson, Martin Van Buren, and Andrew Johnson—and this was the home of President James K. Polk. At one other time we had the pleasure of having with us the Honorable Cave Johnson, a Postmaster General of the United States.

Hence, we are very happy to have with us on this auspicious and eventful occasion another eminent and distinguished citizen of the United States, our present Postmaster General, who by his honesty, courage, and perseverance has attained a position worthy of the commendation of all good citizens and an inspiration to all young men. He has not only studied the history of mankind in their struggle for life, liberty, and happiness, but he participated in this struggle, and by his actions has shown that he sympathizes with them.

It becomes my pleasure to present to you the Honorable James A. Farley, Postmaster General of the United States.

Mr. FARLEY. It is a pleasure to be here today to take part in Columbia's program for the national festival of Mule Day. It seems to me to be especially appropriate that you should include among the events of the day the laying of the cornerstone of this fine new building, a symbol of our National Government.

I repeat it is a source of refreshing happiness to be here. It is an inspiration to travel across the State of Tennessee by rail and highway, or to look down from an airplane upon the panorama that unrolls in constantly changing mood from the pine-topped peaks of the Smoky Mountains to the slowly flowing waters of the Mississippi.

Your highways that lead through mountain passes into this great bluegrass basin indeed are roads of romance and adventure, even as they are pathways to progress. In riding over these highways, it is impossible to escape the thought that they follow the trails of the wilderness beaten out by rugged men who carried squirrel rifles and chopping axes, and whose hardy souls knew no fear, admitted no defeat.

Today you have paid a fitting tribute to the livestock industry; especially to that patient beast of burden, the target of many a farm and city joke, the American mule. That loyal animal down through the years has furnished the power to furrow the fields, to transport to market the product of factory and farm and has been an indispensable part of the motive power of the American Army—the humble, stalwart, dependable, American mule. This annual Mule Day celebration, which, I have learned, has been taking place here in one form or another for 100 years, is but another proof that the vital spirit of the pioneer still survives in Tennessee. I can see with my own eyes that it is active here in Maury County.

Now, there are among you, I am sure, many who have a more intimate acquaintance with our friend the mule than I. Some of you are sellers; some are buyers. You can tell a good mule from an indifferent mule by one look at the slope of his withers or the trim of his hock. You could not be bamboozled by a mule—and it would be folly for me, if I so desired, to impress you with my superior qualifications as a competent judge of this kind of work animal. I do know that he is a sturdy toiler, who gives an honest day's work for an honest day's hay. That is enough for me.

In a lonely moment some of my southern friends, who in the course of time have exchanged their blue jeans for white collars, and callouses on their hands for callouses on more sedentary places, will fondly recall for me the days when from daylight to sundown they used to walk in old Beck's footsteps down the cotton rows. Without exception they speak of those days with gentle yearning, and of old Beck with admiration and affection. They will tell me how the dew sparkled like diamonds on the cotton squares, how they filled their straw hats with cool hickory leaves against the midday sun, and how the sweetest sound they ever heard, or ever hoped to hear, was good old Beck's hee-haw in the golden dusk that meant both to him and the mule—"take out."

Unfortunately that is an experience which life has denied me. In my youth I never had the benison of such close companionship with a mule. You judges of stock can tell that, I imagine, by the slope of my withers. I wore blue jeans all right, but my quitting time came with a whistle, not with a bray.

Nevertheless, I have had the opportunity in a personal way to learn a great deal about—and from—a mule, since the people of my party presented to me, as chairman of the national committee, a very fine and attractive specimen. I have heard you talk here today about "sugar" mules and "cotton" mules. Judging by her size, I have concluded that Queenie must be a "cotton" mule. But I have learned a lot about mules from Queenie.

I have learned, for example, that a mule may become frightened and run away but will always stop before doing himself bodily harm. That is more than some people in politics can do. In a like manner, a mule will always stop eating before he founders. Sometimes I have to remind a patronage seeker to take that hint.

My association with mules leads me to think that the outstanding characteristic so often attributed to them, called stubbornness, is no more than common, level-headed mule sense, backed by strong conviction. It seems to me that we might use more of that homely virtue to our advantage right now in the solution of some of our national problems.

In this county and in other parts of middle Tennessee you folks see in the mule and livestock industry something well worth developing. That vision has made this celebration an event of national interest. It has done more. Transferred to thousands of farms in this section, that vision has kept alive and growing an important American industry which has contributed largely to a better balanced national economy. It has increased the income of you farmers.

I have learned that the total value of mules sold on the streets of Columbia and in the barns here last year was approximately $2,000,000. I have been told also that there are several other markets in middle Tennessee where the results in farmer income are equally as good. One of your auditors informs me that in his county alone there are 10,000 mules, or an average of 2 mules to each farm. I am glad to learn that the mule census has been completed.

We came here from your capital city this morning over the Andrew Jackson Highway, and into the old home of James K. Polk. To mention the name of Jackson is but to start a chain of meditation upon one of the greatest of all Americans—a stalwart son of Tennessee, who handed the National Government back to the people when it was in danger of slipping from their grasp. Jackson gave democracy a new birth, a new meaning; he made it a human reality.

In Nashville I heard the story left to us by Uncle Alfred, a faithful servant of the Hermitage for many years—a story which suggests the iron will of Andrew Jackson, that characteristic which some have called stubbornness.

A visitor to the Hermitage asked Uncle Alfred if he thought Old Hickory went to heaven after his death.

"I don't know 'bout dat, but ef'en he wanted to, who's gwine to stop him?" asked the aged servant.

It was that characteristic which brooked no interference when he thought he was right that enabled Jackson to win his battles for the people against formidable odds. He needs no eulogy, no sales talk to anyone in Tennessee. He lives in your heart even as he grows in the heart of every real American. He is the living symbol of the democratic form of government which derives its just powers from the consent of the governed and which serves with equal justice the lowly and the obscure, as well as the wealthy and the publicized.

It was in the spirit of Andrew Jackson that a new Chief Executive entered the White House on the 4th of March in 1933. And may it be said to his everlasting credit no American President since the days of Andrew Jackson has fought a more desperate battle to improve the social conditions of this Nation, or won a more decisive and permanent victory, than our good friend Franklin D. Roosevelt.

You people who breathe the balmy air of this great basin in middle Tennessee and who feed your flocks and breed your horses and mules on the bluegrass that grows in such abundance in these fruitful valleys are fully justified when your hearts swell with honest pride in the knowledge of your contribution to our national life. It is less than 50 miles from the home of Jackson to the home of Polk. In this land of the good earth, the destiny of a greater America was significantly, eternally influenced by these two neighbors who left their indelible imprint upon the pages of our Nation's history.

Tennessee has produced other distinguished Americans. I count it among the cherished privileges of my life to have served in the Cabinet of the President of the United States with another great son of Tennessee, the Honorable Secretary of State, Cordell Hull. His character, his integrity, his humility, and his marked unselfishness have brought him to a foremost position among all men. He is truly a man that all Tennessee, all America, and, indeed, all people in the world who believe in fair dealing, justice, human rights, religious and racial freedom, and peace among men sincerely and fully appreciate.

But while you pride yourselves on your great leaders, past and present, it is easy to see that your faces are turned toward the

future. Anyone can sense the fact that you are conscious of the opportunities that await you here in this valley. Your faith is well founded, because it rests upon a stabilized agriculture.

During the past 7 years the eyes of the Nation have turned to this region because of the progress of the monumental development program of the T. V. A. Here in Columbia, a major distribution point for the floods of cheap electricity that come over the rim from the Tennessee River, you have the perception to see the comforts, conveniences, and aids that have been made possible to you for your homes, your industries, and your farms. Here for the first time it is being demonstrated that a sound conservation program, based on the wise use and control of water, can increase the abundance of an entire region and broaden the promise of its future.

We have seen evidence today here in Columbia that your idea of agriculture embraces more than just plowing the land, seeding crops, and reaping a harvest. This 4-mile march of mules, ponies, and walking horses is but a bird's-eye view of your splendid livestock industry. Raising livestock is as distinctly agricultural as the planting of corn or the threshing of wheat. It is an activity which I earnestly hope will receive much greater encouragement.

We are assembled today in the shadow of the ancestral home of James K. Polk, a former President of the United States, to lay the cornerstone of an impressive building of the American Government. Once again, it is impossible for us to get away from that feeling of his unseen presence in our midst.

Like many American cities, Columbia had its beginning in the days of the pioneer. It is recorded that on April 1, 1807, exactly 133 years ago today, your postmaster, Isaac Roberts, rendered his first report. By January 1, 1814, Benjamin Joslin was delivering the mail here once a week on a route from Nashville extending to Franklin, Columbia, Big Spring, Bear Creek, the Factors, McIntoshville to Chickasaw. If Joslin was a native son, I'll venture that he rode a mule in making his weekly rounds.

The first record of any money coming into the Department from Columbia was in 1827. It amounted to $833.14. Compare that return with the receipts of your good postmaster, Joe Dedman, for the fiscal year 1939, amounting to $56,241. The steady progress of Columbia is known not only to the officials of the Post Office Department but it is even better known here in your own community, in your State, and throughout the country. Your city is eminent everywhere as a center of culture and refinement; a community of God-fearing, industrious, home-loving Americans.

You have beautiful and attractive churches, schools, homes, and business buildings. This fine edifice will lend additional importance to your city. When completed it will rank high among the most stately and impressive structures ever erected in any city by the Federal Government. It will be a monument of grace and distinction, one that for years will be a source of patriotic pride and civic interest to you, your neighbors, and your visitors.

In following a principle of life, to give honor where honor is due, and to give credit to those to whom credit belongs, may I call attention to the outstanding contribution and long hours of intensive work devoted to this enterprise by our mutual friend the distinguished senior Senator from Tennessee, Hon. KENNETH MCKELLAR?

At all hours of the day, and some hours of the night, you would find Senator MCKELLAR beside the desk of Smith Purdum, the Fourth Assistant Postmaster General, or at the planning board of the Supervising Architect of the Federal Works Agency, requesting, pleading, arguing; insisting that Columbia be provided with one of the finest, one of the most modern, beautiful structures among our family of American Government buildings. As a result, when this edifice is completed, that is exactly what you will have. I can also say that the able statesmanship of Senator MCKELLAR helped to secure the necessary appropriations for the dams of the Tennessee Valley Authority, and for many things that are beneficial to the people of the State of Tennessee.

In conclusion, may I congratulate you one and all on the good fellowship of this community and the good fortune that has come to Columbia in the erection of this magnificent Government house.

Mr. COURTNEY. Mr. Chairman, General Farley, Governor Cooper, distinguished guests, and friends, I can add nothing, of course, to what has been said here this afternoon. I do want to say that I was requested by Senator MCKELLAR and Senator STEWART to express their sincere regret and disappointment at being unable to be present today. They had made preparations to come but at the last moment the majority leader in the Senate requested them to remain on account of the legislation now pending in that body, of vital import to the Nation, upon which the Senate is so closely divided.

The appropriation for the building that is to stand here was secured by Senator MCKELLAR and my lamented predecessor, Judge Clarence W. Turner, sometime ago. I am sure that from his home in the skies Judge Turner looks down upon this scene today and smiles to see the fruition of his labors. We owe Senator MCKELLAR and the memory of my departed friend a lasting debt of gratitude. When the specifications came out designating limestone for the building, Senator MCKELLAR insisted on marble. The architects and the Post Office Department acquiesced in his insistence. You will have here, therefore, a building of rare beauty and dignity. Not one to last for half a century but one that generation after generation down the corridor of time will wonder at and admire.

For myself, as Representative from this district, and for our people, I want to express sincere and grateful thanks to General Farley and his distinguished assistants for their presence here today. Their acceptance of the invitation extended them by your competent and tireless chairman and their willingness to undergo the hardships of long travel to come is characteristic of the Post Office Department as conducted by them in Washington. In the short time that I have been in the House I have enjoyed my contacts with that Department. Every official connected with it is obliging and courteous. It makes no difference whether one has been in Congress 20 days or 20 years, if a request made is reasonable, it is granted regardless of seniority of service.

I am glad that they had the opportunity of seeing this section of my district. A section rich in resources, rich in legend, song, and history and rich in the character of its citizenship. A section that has shared with the Nation native sons that have become great statesmen, great soldiers, great churchmen, great authors, and great executives. I know that they will remember their visit here always and feel repaid for the time so cheerfully given us.

As for General Farley, there are few men like him. If he has an enemy in the world I never heard of him. A genial man's man loved by all, but withal a devout and constant Christian, without a moral weakness, who will leave any social gathering when the church calls to prayer. By his own rugged will and determination he has fought his way from obscurity to a commanding position as a statesman in the Nation's affairs. But in that long, hard struggle he has never shown a trace of bitterness but all along the way has loved his neighbor as himself.

I recall these lines from a poem I read once:

"I would not sit in the scorner's seat nor hurl the cynic's ban,
Let me live in a house by the side of the road and be a friend to man.
I know there are brook-gladdened meadows ahead and mountains of wearisome height,
That the road stretches on through the long afternoon and passes away to the night;
But still I rejoice when the strangers rejoice and weep with the strangers that moan,
Nor live in my house by the side of the road as one who lives alone.
No; I would not sit in the scorner's seat nor hurl the cynic's ban,
Let me live in the house by the side of the road and be a friend to man."

If any man ever exemplified that homely but magnificent philosophy of life Jim Farley has and we are grateful to him beyond measure for his presence here today.

Sales of Military Airplanes

EXTENSION OF REMARKS

OF

HON. ANDREW J. MAY

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

EDITORIAL FROM THE NEW ORLEANS PICAYUNE

Mr. MAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New Orleans Picayune of March 31, 1940:

[From the New Orleans Picayune of March 31, 1940]

NO DALLYING HERE

Results obtained by the House investigating committee on military airplane sales to the Allies might qualify as exhibit 1 on how a congressional committee can expedite its work. It took this group only a few hours to find out what it wanted to know and issue an informal report.

At the time the investigation was authorized it was said that there were most suspicious circumstances to be explained. Had the sales abroad resulted in raising prices for American planes? Had the exports interfered with the Army procurement of the latest planes? Had we parted with some of our military secrets? Moreover, had Mr. Morgenthau and Ambassador Bullitt cajoled President Roosevelt into overriding protests of Secretary Woodring and Army officials against releasing late-model planes?

Some committees of recent model could have fussed and dallied over trifles in connection with such questions for months. But, as it was pointed out before the inquiry began, there was nothing to justify a long hearing that would complicate the airplane manufacturing programs because the questions could be answered by a few readily available witnesses. For once, evidently, that is how a congressional committee felt about such a situation. It questioned

Secretary Woodring, Assistant Secretary Johnson, General Marshall, and a few others who should know, and got the answers. A little later the committee members informally gave their approval to the policies now being followed.

Meanwhile several plane manufacturers and a special Presidential committee appointed to coordinate domestic and foreign airplane orders conferred and issued a joint statement: "There was general agreement that large additional foreign orders can be handled in a manner affording complete protection to our national interest and to the satisfaction of the airplane industry."

Thus swiftly and satisfactorily concluded is an investigation that might have been spun out to serve, at least temporarily, propagandists, politicians, and special interests—but wasn't.

Use of Gold and Silver as Money and Its Effect on Our National Prosperity

EXTENSION OF REMARKS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 3, 1940

LETTER FROM J. H. EBY

Mr. WHITE of Idaho. Mr. Speaker, in studying existing business conditions and business trends in contrast with the conditions in this country in the great era of development after the Civil War it is interesting to note the part played by the upbuilding of the national commonwealth by the development of our mining industries and the production and use of the precious metals—gold and silver—in our monetary system, as outlined in a letter from a pioneer mining engineer, J. H. Eby, which is inserted herewith.

SPOKANE, WASH., *April 2, 1940.*

Hon. COMPTON I. WHITE,
Member, House Committee on Coinage, Weights, and Measures, Washington, D. C.

DEAR COMPTON: It seems that almost every congressional committee except this one (Coinage, Weights, and Measures) has been invoked to legislate in the interest of having the country return to the normal of the good old days when jobs hunted the men with work for every man who was willing to do it.

There has been a lot of talk of no new frontiers, no more land to take up, no more mineral in the ground for the individual; in fact, there is nothing more to be won except by the use of large capital to finance mining. From 1849 until the nineties there were none of the regulatory and paternalistic agencies of the Government, on the land there was no rural-mail delivery, or electrification programs, but there was work for labor and a good living at least for the farmer, yet there was no sign of defeatism as today which is the antithesis of the pioneer spirit which made our country great.

The present lamentable conditions which Congress has been ineffectively trying to remedy and unless they soon succeed will see the end of that spirit which made our Nation great to be replaced by the inferiority complex of defeatism. It seems that the remedy can best be found not by the high-brow studies of abstract economics but by a study of the conditions under which the spirit which made us great existed and a return to them from the present conditions of general depression of today. It is through the individual laborer, farmer, miner, merchant, that this must be done, not by the innumerable Government agencies of regulation, subsidization, wage-hour laws, social-security laws, etc., ad infinitum, but by putting him on his own feet and giving him a chance to work out his own salvation.

In considering the conditions under which the great development took place the medium of exchange as it was then and as it has become now will get at the root of the present troubles. As a concrete case for comparison permit me to use the mining industry with which I am familiar and don't have to go back any further than the late eighties and early nineties as I saw it in the mining camps of Colorado.

In those days the jobs were hunting the men. There were no unemployed or idle men except those who chose to be so. Wages were lower than now, hours were longer, and a 60- or 70-hour week was the rule, and they wanted it. Paydays came once a month, and the wages were paid in gold and silver coin. Everybody had plenty of money, and many had so much they wanted to get rid of it by gambling. There were no really large capitalized companies with offices in the East operating, and scores of local mines were developed and producing at a profit, entirely locally owned and financed.

Gold and silver coin was used exclusively and they refused to accept any paper currency even if authorized by Congress. They would have none of it, and it was considered an insult to offer it to them. If one reached the camp with a pocketbook full of paper money used in the East, they refused to accept it, and it was only at the bank where they would exchange it for gold and silver coin, to be gotten rid of by sending it out.

In 1926, I visited the same camps. Gold and silver coin had all but disappeared. The mines paid with bank checks which paid in paper money, Federal Reserve notes, and so forth. The mines were producing as much as before, but instead of 20 or 30 locally-owned mines and new developments constantly adding, there were only two or three, all owned and controlled by Eastern capital. The wages were almost doubled and the hours reduced from 70 to 56 per week. Boarding houses charged higher rates, and costs of living had gone up when they should have gone down. The towns were dead, with many business places and residences boarded up; grass growing in the streets which knew nothing but dust and mud from the tramp of feet for 24 hours per day in the past. No longer were pack trains needed to reach the mines, for there were roads instead of trails, and autos and trucks in place of horses and mules. Nor were the slow and crooked narrow-gage railroads, with 10 cents per mile for passengers and all the traffic would bear on freight, the only connection with the outside world. New million-dollar highways connected them with the outside world. There was so little money circulating that a gambler could not have earned his salt where 10 gambling houses operated 24 hours per day. It took weeks and even months to rustle a job.

This tells the story of fact which I wish to put over to you. Your committee can change this, and it is your duty to do so if you have the welfare of our country at heart. In those days the Government would not accept anything but gold and silver coin for taxes, payments on patents of homesteads, or mining claims and tariffs.

There is plenty of gold stored at Fort Knox, Ky., and all the silver produced in the United States, which is not much, could be coined at the rate of $100,000,000 per month and used to pay Government expenses and retire bonds and paper money. In 6 months' time there would be a prosperity greater than any we have had before if this coin were kept in circulation and not hoarded.

So far as the loss of gold coin by wear in use, that can be reduced to the costs required to maintain a paper currency in decent condition. Our advanced knowledge of alloys and the many different alloy metals not known before except as curiosities has made this possible, and if the Bureau of Standards can't do it there are scores of research laboratories which could in short order develop not only one but perhaps several such hard-gold alloys.

I respectfully ask you to give this your most careful consideration for the purpose of making an effective contribution to remedying the unhealthy conditions persisting in spite of all the other efforts of Congress.

Respectfully,

J. H. EBY.

Federal Bureau of Investigation

EXTENSION OF REMARKS
OF
HON. AARON LANE FORD
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Monday, April 8, 1940

RESOLUTION BY THE UNITED STATES ATTORNEYS' ASSOCIATION

Mr. FORD of Mississippi. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution recently adopted by the United States Attorneys' Association:

Whereas certain unwarranted and unfounded attacks have been made during the recent weeks against the Federal Bureau of Investigation and its Director, Mr. J. Edgar Hoover; and

Whereas there is no group in better position to know intimately and at first hand of the type of work and the manner of performance of such work by the special agents of the Federal Bureau of Investigation than the United States district attorneys: Therefore be it

Resolved by the United States Attorneys Association in conference assembled, That its commendation, approval, and endorsement be given to Director J. Edgar Hoover and his administration of the Federal Bureau of Investigation—

(a) For the fair and efficient investigations conducted and for the valuable training and crime statistics services provided to other law-enforcement agencies by it.

(b) For the high standards of ethics and conduct maintained by special agents of the Federal Bureau of Investigation in its law-enforcement work.

(c) Because of the high regard for the preservation of civil liberties while conducting its investigations in order to procure evidence for vigorous enforcement of the law.

Television Controversy

EXTENSION OF REMARKS
OF
HON. SOL BLOOM
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, April 8, 1940

EDITORIAL FROM THE WASHINGTON POST

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Post of April 8, 1940, entitled "Television Controversy":

[From the Washington Post of April 8, 1940]

TELEVISION CONTROVERSY

Two weeks ago the Supreme Court handed down an opinion which has a very direct bearing upon the controversy between the Federal Communications Commission and the Radio Corporation of America over the commercialization of television broadcasts and the promotional methods used to sell television sets. In that case (*Federal Communications Commission* v. *Sanders Brothers Radio Station*), the Court reversed a decision of the court of appeals and upheld the validity of an F. C. C. order permitting establishment of an additional broadcasting station in Dubuque, Iowa.

Evidence showed that the station, already licensed, had operated at a loss. As the new station would compete with the existing station for advertising support, it was contended by the aggrieved party that the F. C. C. ought to have denied the license.

Pointing out that the case raised a fundamental question as to the functions and powers of the Commission, the Supreme Court then proceeded to state at considerable length what it conceived to be the purpose of the Communications Act and the limitations imposed by it upon the F. C. C. The Court particularly stressed the fact that Congress has left the field of broadcasting open to free competition and that it is no part of the regulatory scheme to suppress wasteful competitive practices.

Of special significance in clarifying the scope of the F. C. C.'s authority is the Court's assertion that the Communications Act does not regulate the business of broadcasters. The Commission is given no supervisory control of radio or television programs, of business management, or of policy. In short, the Court concluded, "the broadcasting field is open to anyone, provided there be an available frequency over which he can broadcast without interference to others, if he shows his competency, the adequacy of his equipment, and financial ability to make good use of the assigned channel."

This opinion seems to warrant Senator LUNDEEN'S charge that the F. C. C., in suspending its order to allow limited commercial television broadcasts, is trying to exercise power that has not been granted it by Congress. Such is evidently the view of Commissioner Craven, who also dissents from the majority view that the recent promotional activities of R. C. A. may "freeze" technical development in television.

As Commissioner Craven points out, there is no reason why persons who are aware of the fluid state of television should not buy receivers if they are willing to assume the financial risks involved. It is, of course, important that the public be informed that television is still in a highly experimental stage and that transmission standards are not yet established. Owners of receiving sets must be prepared for changes that will render such equipment obsolete within a limited time.

Having acquainted the public with the facts, there is no necessity and, indeed, no warrant in law for the F. C. C. to set itself up as a sort of czar over the television industry. The high prices charged for television sets will prevent most people of small means from purchasing them. And those who are able to buy will help to finance the development of an infant industry. That is the traditional American way of doing things, and the way which encourages private enterprise to go forward with costly preliminary developmental work.

If false or misleading statements are made by manufacturers in offering television sets for sale, the Federal Trade Commission, not the F. C. C., is the regulatory agency which should call the offenders to account.

Seven Eventful Years Under Roosevelt

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Tuesday, April 9 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able address delivered by my distinguished colleague [Mr. MEAD] before the Democratic National Club, New York City, April 6, 1940, on the subject Seven Eventful Years Under Roosevelt.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. MEAD. Jefferson, patron saint of the party, inspirational advocate of representative government, archliberal of his day, richly earned our respect and homage. A man of courage and realism, a master of many talents, devoted to the cause of humanity and democracy, he essayed the unpredictable, the unprecedented, the radical, in political behavior. He attained his fame as a leader in the pursuits of peace—engraved his name in history by advancing the cause of human liberty and social justice.

Roosevelt, like Jefferson, is the archliberal of this day. The foremost defender and advocate of representative government in the world, he has attained his fame by administering to human needs. Like the founder of the party, he seeks a formula that will modernize our democracy. Both were born in wealth; both lived to serve the poor and unfortunate. Like Jefferson, he is a man of many talents—a man of culture, education, and refinement. Practical, positive, and progressive, like Jefferson, he does not cater to custom or precedent when those conventions impede the functioning of representative government or tamper with the advancement of human rights. He, too, attained fame in times of peace and under the most confounding of social and economic circumstances.

Roosevelt is the Jefferson of this day. Criticized by some for his liberalism, beloved by the masses for his humanism, he is a beacon of hope shining throughout a troubled, war-torn world.

I am proud that I have been, and that I am now, on his side. I came here tonight not to defend but to acclaim the administration; not to cover up but to review the first 7 years of the New Deal. While it is true that perhaps we are too closely associated with our party politics, or bewildered at times by the constant attacks of the opposition, it is likewise true that history will record the last 7 years indelibly upon the memory of America as years of heroic leadership, matchless statesmanship, and of unexcelled progress.

When bitter partisanship dies down and we are able to review this era in the light of truth and justice, they will be listed as 7 triumphant years, and the records and the personalities of those that led the forces of democracy in this fight will be listed among the cherished memories of our Republic.

New York may well be proud of the rich contribution it has made during these 7 fateful years. It was a New Yorker, a member of this club, who was President of the United States and leader of the administrative forces during these difficult days. The name of our distinguished fellow member, Franklin D. Roosevelt, will never perish. It was another great New Yorker, another member of this club, whose unequaled political leadership, whose devoted loyalty as a member of the Cabinet, makes us stand up and cheer at the mention of Jim Farley's name. It was a third New Yorker, likewise a respected member of this club, whose genius and creative ability, whose loyalty and steadfast devotion to the cause of the unfortunate, gave him inspiration and strength to propose and to defend the major measures of this administration. We all salute our own BOB WAGNER.

No one could recite the story of the 7 eventful years without reviving the memory of the black, bleak winter of '32 and '33. No one could credit or condemn the present administration without a knowledge of the condition of the country when it assumed the responsibilities of government. As we recall the conditions in our Nation, after 12 years of continuous Republican administration, and as we survey conditions in the United States today, after 7 years of Democratic control, we realize that the country is far better off than it was in March of 1933.

I have here an article from the New York Times, dated March 3, 1934, authored by a most respected authority, Turner Catledge, giving a description of conditions in this country 7 years ago. This description is not mine, it is one published by the New York

Times. It is entitled "A Memorable Day," from which I read this excerpt:

"Few people who live in Washington will ever forget the New Deal's natal day. That day dawned a dark one in every respect. The great depression hung over the country like a darkening cloud. Banks were closing literally by the hundreds. Life savings in bank accounts and securities were being blown away like so much dust. Homes and farms were going on the auction block in ever-increasing numbers. In certain sections citizens were beginning to grow desperate. Word reached Washington that morning of hungry people raiding a food store in one community in the Southwest. In another State, only a few days before, irate citizens had forcibly stopped a foreclosure sale, and in another they had actually dragged a judge from the bench and threatened to tar and feather him for carrying out the State law in declaring the forfeit on a farmer's mortgage."

When we recall the bread lines of hungry, desperate men, the burning of grain for fuel, the bankruptcy of business, the failures of our banks, the desperation and desolation everywhere, we can give thanks, on this anniversary, to a Democratic administration which relieved us of those conditions and rescued the Government from the abyss into which it was plunging.

Under the inspiring leadership of President Roosevelt, Congress met in the spring of 1933, in the now famous 100-day session.

Through its acts homes were saved from foreclosure; farm mortgages were refinanced; banking was stabilized; deposits were saved and guaranteed; railroads, insurance companies, utilities, and corporations were bailed out of hopelessness; jobs were provided through a program of emergency public works; bankrupt cities and communities were assisted in meeting relief burdens; a Nation was filled with new hope and refreshed confidence.

Gone were the apple venders, the soup lines, and the hunger marches. Gone was instability, insecurity, and wholesale impoverishment. Gone was the blackness and helplessness of national disaster.

In their place came stability, security, and the breath of promise of better things to come.

That was the revealing chapter in modern American history which proved that democracy can work when emergency demands it and when capable leadership commands it.

Franklin D. Roosevelt accomplished the most difficult economic task that ever confronted an American President—and he mastered the task with speed, assurance, and unfailing cheerfulness. By the success of the emergency program he rescued an embittered Nation and he bound together the scattered hopes of 120,000,000 desperate people.

After the emergency program was a reality, after the rescue had been effected, after faith and confidence had been restored, it was then the duty and obligation of the administration to plug up the financial leaks, to remedy the social defects, to prevent further economic losses and future failures by bringing our laggard Government up to date. Farm income had to be increased, consumers' power had to be augmented, our unemployed had to be put to work, our waning resources had to be conserved. While it took courage and leadership, the administration, with one advance after another, brought guidance and direction to the utility and the investment trusts; required honesty and a higher form of ethics in the exchanges of the nations; gave stability and confidence to our financial organizations; provided higher labor standards for our workers, social security for our unemployed and our aged, added work opportunities in the conservation camps, and on public-work projects. It laid down the formula upon which the new social and political order must rest; it modernized the activities of Government, delayed altogether too long by submissive reactionary influences; it pointed the way through the steady extension and expansion of these new activities of Government to the ultimate correction of our economic difficulties.

Unfortunately, the recovery and reform program was not as acceptable when confidence was restored, and the outlook made brighter, as was the case with the emergency rescuing program. Reforms meant restraint, a higher moral code, a more equitable sharing of the Nation's wealth. Recovery, while it meant jobs and business and added wealth, and increased consuming power, likewise, of necessity, meant increased tax rates, and the violent opposition of many powerful influences. For years, in local, district, circuit, and Supreme Courts, a Nation-wide barrage of attacks from the most potent and influential sources was leveled against almost every reform measure of the administration. While time was provided to enable the Nation to adjust its differences, and to solve its problems, years were wasted in futile legal strife before finally the legislative and the administrative branches of the Government were accorded the wholesome and the considerate cooperation of the judicial arm of the Government. Today, after years of effort, the formula is a reality, the new order has proved itself successful, and the administration has accomplished its progressive march from one necessary readjustment to another. The plans and policies invoked by President Roosevelt, first to rescue the country from a debacle, and thence to promote the public welfare; to maintain order, and to encourage national prosperity, became known as the New Deal recovery program. It was the logical answer to the steady expansion of our Nation's productive efficiency brought about by improved means, by modern methods, by machine refinements. It is our answer to the force of economic pressure, resulting from a steady progress toward social and economic interdependence. Without the New Deal program, agriculture would be prostrate, industry in the throes of depression, labor in a state of bewilderment. For America to have resisted it, instead of working in harmony with natural economic law, would have created confusion, worse confounded.

As a Nation, we still have our problems, but they are far less serious than they were 7 years ago. We are on the steady upward grade. Under conditions of safety, of confidence, and of opportunity we are far better off than any other nation in the world. We have proved our ability as a representative democracy to master our complex problems of economics and of Government.

The prosperity of the future depends upon the continued sympathetic and enthusiastic administration of the recovery program.

We have embarked on a Nation-wide program which not only envisions a happy, secure, peaceful people, but likewise affords concrete and practical methods for our future stability.

For the millions who toil for a livelihood we have granted emancipation from industrial slavery, long hours, inadequate pay, child labor, and cutthroat practices of competition; for the unemployed, for the bewildered youth, and for the needy aged we have provided a wholesome, democratic, effective system of social security; for the conservation of our vast natural resources we have established measures designed to preserve the fertility of our soil, protect our forests, and halt the devastating ravages of erosion and floods; for industry, commerce, and transportation we have opened new pathways of prosperity and abundance, which has brought them to the levels of the predepression years; for agriculture and for the farm producer we have attained a steadily rising economy, the benefits of which now pour into the bloodstream of the entire Nation.

We have laid deeply the mudsills of a great, liberal, all-embracing, democratic program. Its superstructure will be erected and maintained by its friends, the Democratic Party. Despite the merciless and capable opposition of many powerful influences of the old order, we will carry on our natural and appointed task—the task of making democracy progress.

In 1933 we recaptured democracy for America through liberal processes. In 1940 we will continue our command. We have the courage; we have the formula; we have the leadership.

The Farmer and the Forest Service

EXTENSION OF REMARKS

OF

HON. KEY PITTMAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

RADIO ADDRESS BY HON. GIFFORD PINCHOT

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an interesting address on the important subject The Farmer and the Forest Service, delivered by Hon. Gifford Pinchot, former Governor of Pennsylvania, and broadcast by the National Broadcasting Co. from Washington, D. C., on February 17, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The farmer and the Forest Service, the farm and the forest. Why am I putting the two together? Because of the attempt of the Interior Department to take the Forest Service away from the Department of Agriculture.

Well, why not? What has forestry to do with farming? The answer is more than I could tell you in a month of Sundays.

To begin with, farming without the forest couldn't go on. The farmer must have fence posts, fuel, and wood for a thousand different uses. For no farmer can succeed without the help of trees. The farmer and the forester are two fingers on the same hand.

I'm a forester, and that is one good reason why for 40 years I have been deeply interested in the welfare of American farmers. Forestry is the side partner of farming. Indeed, when you come right down to brass tacks, forestry is farming—tree farming. Just exactly that.

TREES REGARDED AS A CROP

Farming is getting one crop after another from the land. Forestry is getting one crop after another from the land—trees in the case of forestry, potatoes, or cotton, or wheat, or whatever in the case of farming. Trees can be grown and are grown as a crop just like anything else that has its roots in the soil and its leaves in the air.

The farmer gets one crop after another of hay, oats, wheat, cotton, and tobacco from his farm—crop after crop. The forester gets one crop after another of cordwood, fence posts, logs, poles, railroad ties, from his forest—crop after crop.

The forester, like the farmer, gets a lot of products on the side from his land. Good farming yields also such things as butter, eggs, apples, calves. Good forestry, in addition to fencing, lumber, and firewood, yields such things as returns from grazing, regulation of stream flow, protection against soil erosion, and protection against wind, every one of them necessities of the farmer. Wind erosion and water erosion in the West and South are deadly enemies of the farmer.

Farming cannot go on unless one crop follows another. No more can forestry. A farm crop may reproduce itself without seeding, or it may have to be sown or planted. Just exactly so with trees. Each succeeding crop of trees may grow up without help, like each succeeding crop of hay, or young trees may have to be planted, just as each crop of tobacco has to be set out.

Different kinds of field crops must be handled in different ways. So must different kinds of trees. You can't handle potatoes like pumpkins or winter wheat like corn. Neither can you handle black locust like beech or hemlock.

A well-handled farm gets more and more productive year after year. So does a well-handled forest. And on a badly handled farm, contrariwise, production decreases, the soil washes or blows away, and not only the farmer but the public interest gets it in the neck. And the same is true of a badly handled forest, only more so.

The main difference between farming and forestry is that on a farm you can usually get a crop every year from the same land, while from a forest usually you can't. It takes less cultivation and more time to grow a crop in the forest. It takes less time and more cultivation to grow a crop on the farm. But what you get in both cases is a crop—a crop from the land.

AS PRESIDENT ROOSEVELT SEES IT

The frozen fact is that forestry is a part of farming, and every farmer who owns a woodlot and takes care of it will agree with that statement. And so does the President of the United States, for no longer ago than last December he said, speaking to American foresters, "the forest problem is part of the broad problem of modern agriculture."

You can't farm without wood, you can't irrigate without water (and that usually comes out of the forest), you can't run cattle or sheep in most parts of the country without summer or winter or all-year range in the forest. And I could give you other illustrations till the cows come home. Forestry is tree farming, don't ever forget it, and the farmers of America can't get along without the help of the trees.

Congress recognized that forestry belongs with farming when in 1876 it established the first Government organization devoted to forestry and put it in the Department of Agriculture. Ever since that time Agriculture has led all the other Government departments put together in everything that concerns the growth and use of trees, just as it is carrying on research about other crops.

Ten years later Congress created a Forestry Division, and then a Bureau of Forestry, always in Agriculture. Congress knew what it was doing and wanted it that way.

The Agriculture Department was advancing forestry in two ways. It was working in the woods to get sound forest management—real tree farming—substituted for destructive lumbering. At the same time it was carrying on research, both in the woods and in the study, to learn about the habits of growth, the uses, and the best treatment of our American trees.

Through this combination of research and action the Agriculture Department did and is doing far more than all other agencies combined to create and set going the art and science of American forestry.

This combination is like the ax and the helve. The cutting edge of the ax does the work; the helve directs the ax and makes it useful. Try cutting down a tree once with an ax-head and nothing else.

Forest research is the helve, but the practice of forestry in the woods is the ax that gets the work done. These two go together. Neither can do good work without the other.

While forest research and forest management in the Department of Agriculture were doing their best to bring sound practical forestry to America, something else was happening which proved better than any argument the foolishness of separating the two. Congress gave the President the right to set aside forest reserves (what we now call national forests) and left them in charge of the Interior Department, which had control of the public domain.

HOW INTERIOR BUNGLED THE JOB

There was not a single forester in that Department, and for years not a single person in the division which was supposed to run the forest reserves from Washington had ever set foot on one of them. The result was disastrous to the forests. Under the Interior Department the handling of the reserves was so ridiculously bad that it was actually comic.

For example, one man in the field who had charge of some of the heaviest forest in the world was ordered from Washington to buy a couple of rakes for himself and his only ranger and clean up the dead and down timber on nearly 4,000,000 acres. Some job! And a rule of the Department forbade a forest ranger to go out of his district to fight a forest fire although it was burning in plain sight just across the line.

The rangers and other field men were political appointees, nearly all of them incompetent, many of them lungers or otherwise crippled, and not a few dishonest. The whole situation became so impossible that even the men who had charge of the forest reserves wanted to turn them over to the Department of Agriculture.

In 1904 Secretary of the Interior Hitchcock said in his annual report: "Forestry, dealing as it does with a source of wealth produced by the soil, is properly an agricultural subject," and he added that the transfer of the forest reserves to the Agriculture Department was "essential to the best interests, both of the reserves and of the people who use them," and that, too, was the frozen fact.

In four successive annual messages to Congress, Theodore Roosevelt urged that transfer. Finally, in 1905, Congress did transfer the forest reserves to Agriculture. And ever since their management has been a model of clean, competent, nonpolitical, efficient administration.

There is no better bureau anywhere under the Government than the Forest Service. No one even pretends that its work could be better done in the Interior Department than in the Agriculture Department, where it was born, grew up, and has made, and is making, such an admirable record.

THE TAIL AND THE DOG

Nevertheless and notwithstanding, the Interior Department has for years been trying to take the national forests and the Forest Service away from the Department of Agriculture. And it is trying to do that very thing right now. Just one more case of the tail trying to wag the dog.

Why? Because the amount of forestry practiced by the Interior Department is hardly more than a flyspeck in comparison. There is no tree farming on national parks. The whole area on which Interior could practice forestry if it chose is below 40,000,000 acres. But agriculture has nearly 200,000,000 acres of forest on farms to look after, and is directly responsible for 175,000,000 acres of national forest. Call it 350,000,000 against 40,000,000, and you get the idea.

But there is even a better reason. The Forest Service belongs in the Department of Agriculture because it is in close, constant, and necessary cooperation with more than half of the other bureaus of that Department.

The Forest Service cooperates with the Agricultural Adjustment Administration, the Soil Conservation Service, the Extension Service, the Farm Security Administration, the Bureaus of Agricultural Economics, Plant Industry, Animal Industry, Entomology, etc., etc. It is tied into these and other parts of the Department on no less than 24 important activities, all of which would be left with one foot off the ground if Interior should realize its ambition to get back what it lost—what it had once and proved it couldn't take care of.

I wonder if you realize what forestry means to American farmers. One-third of the Nation's good commercial forest is on farms. Farm-owned woodland covers 185,000,000 acres, or an average of 44 acres per farm. Forest production from farms in 1937 was worth $330,000,000. What did I tell you about forestry and tree farming?

FARMERS CANNOT AFFORD TRANSFER

There is no part of this Nation in which the farmers can afford to have the Forest Service taken away from its home in the Department of Agriculture and forced to live among strangers.

The South as a whole has 60 percent of her whole area still in forests. Would southern farmers, who need forests almost as much as they need field crops, like to have forestry turned over to the Department of the Interior, which knows no more about the problems of southern agriculture than I know about the dark side of the moon?

In the Northeast region 70 percent of the land is in forest. In the Lake States 80 percent. In the prairie region 330,000 farms are in country that needs shelterbelts. In the West irrigation farming depends absolutely on the forest for water and for protection from destructive floods.

Half of all our farms are in distressed rural regions, and 60 percent of the land on those farms is forest. In those forest lands there is a huge reservoir of work waiting to be tapped. Do the farmers want that question separated from other farm questions?

But I haven't yet mentioned the strongest of all reasons why the Forest Service should stay where it is. That reason is that the 30,000,000 farmers of the United States need to have it left, and want to have it left, in the Department of Agriculture, where it is now. They want it left where it can keep on helping them as it has been doing. The farmers know what they want, and they haven't left the slightest doubt about it. They have spoken through their great national organizations with no uncertain voice, and what they said was this: "Let the Forest Service alone. We want it to stay where it is. We want it in Agriculture."

The Farm Bureau Federation, the National Grange, the Farmers' Union, the National Cooperative Council, the Federation of Milk Producers, and many other farm organizations have made official protest against the proposed transfer of the Forest Service to the Interior Department; and so have the foresters of America, through the American Forestry Association, the Association of State Foresters, and the Society of American Foresters; so have the conservationists, through the National Federation of Women's Clubs, the Izaak Walton League, the Camp Fire Club of America, and so on; and so have the national-forest users. They have spoken through the National Livestock Association, the National Wool Growers Association, the National Lumber Manufacturers Association, the Amer-

ican Mining Congress, and through their representatives in the House and Senate.

The more closely people come in contact with the national forests and the Forest Service, the more vigorously they are in favor of leaving them where they are. But greatest and most important of all is the voice of the farmers of America saying, "Let the Forest Service alone."

Ahepa Has No Ax To Grind

EXTENSION OF REMARKS

OF

HON. FRANCIS T. MALONEY

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

ADDRESS BY V. I. CHEBITHES, SUPREME PRESIDENT, ORDER OF AHEPA

Mr. MALONEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. V. I. Chebithes, supreme president of the Order of Ahepa, on the occasion of welcoming the guests of the order to its fifth biennial national banquet, at the Mayflower Hotel, in Washington, D. C., on March 4, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AHEPA HAS NO AX TO GRIND

Most Reverend Archbishop Athenagoras, Your Excellencies Turkish Ambassador and Royal Hellenic Minister, Senators and Congressmen of the United States, representatives of the Federal departments, representatives of the press, members of the Order of Ahepa and its auxiliaries, ladies and gentlemen, on behalf of the chapters, the district lodges, the supreme lodge, and the entire membership of the Order of Ahepa, I am happy, and I consider it a privilege and an honor to extend to you all a most cordial and hearty welcome to this our fifth biennial national banquet in Washington.

The Ahepa, which means the American Hellenic Educational Progressive Association, is a national fraternal order, conceived in the minds and born from the hearts of American citizens of Hellenic ancestry; it is established upon faith in God and belief in the divinity of Jesus Christ; and is dedicated to the task of inculcating respect for the inalienable rights of man, loyalty to the United States of America, love for its free institutions, and reverence for its sacred history and noble traditions. The fulfillment of its mission is entrusted to the efficacies of a free democratic government, mutual understanding, united effort, and cooperative action.

Through this order we teach and learn the tenets and fundamental principles of self-government; acquire due appreciation of the rights of citizenship and a clearer realization of the duties accompanying the privilege of being citizens of a free country. Through this order we labor for the perfection of our moral sense, for the promotion of good fellowship, altruism, and mutual helpfulness, pointing out the beauties of sacrifice and the deformities of selfishness. Through this order we strive to augment the educational advantages of this country by opening and maintaining new channels for facilitating the dissemination of culture and learning. Finally, through this order we seek to discourage calumnies; restrain our tongues from evil and our lips from speaking guile; and to teach by precept and example that: to live is to serve, to rule is to obey, to rise is to lift up the fallen, and to gain the greatest good in life is to give our best for a great and good cause.

The purpose of these great biennial Ahepa banquets, honored, as this one is tonight, by so many Senators, Congressmen, and representatives of the Federal departments, by so many diplomats, and by so high officials of church and State, is neither selfish nor ulterior. The Order of Ahepa has no ax to grind. We seek no special privileges; we are not interested in any pet plan or legislation designed to give special rights or advantages to us as a class or a group of citizens. What is good for the rest of the country is good enough for us. We are patriotic and law-abiding citizens by natural inclinations and by historical traditions. We were never known to demand anything that was not right nor submit to anything that was wrong. Illegal practices, unlawful means and methods, and obnoxious tactics are not in our line. We abhor and detest them in others and most certainly will not tolerate them among us.

So I invite our distinguished guests to be carefree, light of heart, and easy of mind. Your hosts of tonight will not be your besiegers or persecutors tomorrow. You will not meet any of us wearing a black shirt, carrying a red rag, or a hooked-cross banner, or an ax-cored bundle of sticks, demanding the keys to public and private stores of food and arms, the combinations to Uncle Sam's treasuries, and a safe conduct to some foreign country. Neither will any of you face any of us on the witness stand pointing the finger of scorn or accusation against you. Perish such thoughts. We wave nothing but Old Glory, carry high nothing but our privilege of American citizenship, and demand nothing but what is guaranteed to us by the preamble and Bill of Rights of the Constitution. And, insofar as accusing you of wrongdoing is concerned, it's out of the question. We investigated every prospective guest before he was actually invited. Our report is the same as that of the California sheriff who was sent to investigate some purported irregularities in a nudist colony. His report was that he "couldn't pin anything on anybody."

In all seriousness, there are no ulterior motives or purposes directly or indirectly connected with this affair. Its sole and only purpose is to bring us together as citizens of a common country having a common interest in its progress, peace, and prosperity; to become better acquainted with each other, to exchange ideas, to discuss frankly, freely, and openly the problems that are now hard pressing upon us and civilization in general, to learn what we can do to help solve the problems, serve the needs, and preserve the interests of America in these critical times, and to commend, compliment, and encourage those who have labored faithfully in the loyal discharge of their respective duties, thus advancing the interests, strengthening the position, enriching the prestige, and enhancing the influence and power of America.

The Vision of the Fraternal Order of Eagles

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 27, 1940

Mr. LUDLOW. Mr. Speaker, the vision manifested by the Fraternal Order of Eagles in respect to governmental and social trends has been almost uncanny in its accuracy. This great order was many jumps ahead of any other group in America in respect to the inevitability of old-age pensions—so much so that it may rightfully be called the sponsor of the old-age pension movement in America.

Senator O'MAHONEY's recent proposal to place a tax on machines calls to mind that it has now been well on to 6 years since the Eagles Magazine challenged the attention of thinkers on that subject in an editorial by its gifted editor, Frank E. Hering, entitled "Which Get the Jobs—Machines or Men?" Those who like to trace the beginnings of epochal movements will be interested in reading this article, which appeared in the Eagles Magazine for October 1934.

In the Eagles Magazine for March 1938 appeared another article, also by Mr. Hering, in which the editor was led by the spirit of prophecy to make this prophetic observation:

Will machines ultimately be taxed so that the cost of the machines' products will be as much as, or only a little less than, the cost of products made by men?

Mind you, this was 2 years before the taxing of machines became a subject for consideration in Congress.

This article entitled "Jobs: Is This the Solution?" is so interesting and so pregnant with meaning in our machine age that I have secured unanimous consent of the House to have it reproduced in the Appendix of the CONGRESSIONAL RECORD. It is as follows:

[From the Eagles Magazine, March 1938.]

JOBS: IS THIS THE SOLUTION?

Very lately some hundreds of "little-business men" met in Washington at the invitation of President Roosevelt. Prior to this conference, the President had met with leaders in finance and industry who presented to him their suggestions for changing the present economic retreat into an advance toward coveted prosperity.

Now there was one factor that all individuals and all groups, however divergent their opinions might have been on other matters, regarded as alarming: Millions of workers are out of jobs—probably ten or twelve million in all. Prosperity, even of a mild character, cannot be achieved until jobless men and women are back at work, or at least until those that want work and are physically and mentally able to work, have jobs.

Obviously, if the number of jobless were reduced to one or two million, the wages received by those employed would, when spent, create such a demand for goods that business, big and little, would feel the dynamic force of favorable economic conditions, and move forward to a greater prosperity than America has ever known.

The United States is the richest country in the world. Our people have always enjoyed a high standard of living. Our natural resources are the envy of other nations. Why is it that one-fourth of our employable population is out of work, or working only part time?

Of course, a completely satisfactory answer to this question involves the consideration of many factors. Faulty distribution of commodities, our ignorance of how best to use credit, the fact that employers and the Government often work at cross purposes—these are some of the contributing causes of unemployment. But the outstanding cause of unemployment is this:

The machine is more and more taking the place of the man. The machine is doing the job cheaper, and often better, than the human worker can do it.

Only the other day Mr. Mann and the editor sat in a hotel room overlooking Lake Michigan, discussing a newspaper article that had to do with unemployment. It quoted figures that came from official sources in Washington. It spoke of the worry and suffering of millions of our people, and emphasized the grave concern of the President over the increasing number of the jobless in the United States today.

The editor expressed the opinion that machines are too rapidly displacing workers. Agreeing with him, Mr. Mann offered instances of such displacement as had come under his eye in his Nation-wide travels. He mentioned especially the effect of the introduction of a few enormous labor-saving machines in the soft-coal fields of southeastern Kansas in the Pittsburg district. He gave the names of towns once bustling with activity that have been practically depopulated by machines that have taken the place of men.

Millions of jobs are on the way out. At the same time more things—shoes, wheat, coal, automobiles—can be produced, and with fewer workers. This is the gravest economic problem. Our national prosperity depends upon its solution. Of course, every effect has its cause. Why are jobs scarcer at a time when production is greater?

It is an unchallenged truth that when wages are high and are tending to go higher, the producer tries to find ways of producing his goods so cheaply that he does not have to raise the selling price to a point at which his customers cannot afford to buy. The methods used to keep prices down are of vital importance to every worker, as well as to every employer of labor.

During the very recent past the so-called Wagner Act was passed. It provides for collective bargaining, and has been a boon to many labor unions in securing higher wages and shorter hours for workingmen. Obviously the cost of what labor produces—that is, prices—will be greater unless some way is found, or something is invented, to do the job at least as cheaply as labor has been doing it—and to do it as efficiently. But, what is of first importance to the average employer is to do an efficient job as cheaply as, or more cheaply than, human labor can do it.

Manufacturers, farmers, mine owners, packers, and producers generally think that they have largely found the answer to the problem. What is the answer? Machines. More machines. Better machines.

Today, fewer men produce more automobiles more cheaply than they did 10 years ago. In the Middle West, soft coal is being mined at a lower cost per ton. In the grain belt the actual labor of planting and harvesting is less expensive, if only the farmer can purchase outright, or on time, the machines to do the work that the skill and brawn of the farm laborers have done in the past.

Take a minute or so to read this one instance of how machines are displacing men:

At a cost of $1,500,000, the new Buckheart strip coal mine, 6 miles southwest of Canton, Ill., has installed labor-saving machinery that will make it "the most efficient coal mine in the world." The mine will produce an estimated 1,000,000 tons of coal a year. It will employ a crew of only 60 men.

A gigantic shovel, electrically operated, removes the topsoil from the seam of coal that lies from 30 to 60 feet beneath the surface. The machine scoops up 40 tons of dirt at a time. It weighs 2,500,000 pounds—perhaps the largest piece of moving machinery in existence. It is operated by one man.

Following this stripping shovel comes the coal shovel, a device that scoops up from 5 to 7 tons of coal at a bite, and loads it into huge trucks. And this machine is also operated by one man.

This is but one illustration of the deadly struggle that is going on between jobs and the machines that eat up jobs. If a giant machine, operated by one man, can scoop up 40 tons of earth at a bite, and another can load 7 tons of coal in a single operation, what is to become of the hundreds of men that such machines displace?

The demands of labor for higher wages as a result of collective bargaining will more and more cause the employer to turn to machines that will reduce labor costs. And because fewer men will be employed, even though at a higher wage, the large-scale producer will avoid the loss occasioned by industrial unrest and strikes.

But what of jobs for men?

Is this the solution? Will machines ultimately be taxed so that the cost of the machines' products will be as much as, or only as little less than, the cost of products made by men?

What disposition would be made of such a tax after it had been collected? Well, it might be used to employ, on State and Federal highways and other public works, the men who have lost their jobs to machines. These men would then be working in the public interest. Their wages would be paid, in whole or in part, by the tax levied on the machines.

A program of this kind would aid in the stabilization of employment. It would, furthermore, relieve taxpayers of the support of jobless men, and place the burden where it rightfully belongs, on the machines that displace men. Of course, the rights of the employer should be respected when the rate of the tax is determined, he should receive a fair return on the capital invested in the machine. The amount of the tax is for experts to decide.

The problem of unemployment caused by labor-saving machines cannot be adequately solved until there is a definite adjustment of the economic relations between men and machines.

Is there a better solution?

Seven Years of Progress Under the New Deal Farm Program

EXTENSION OF REMARKS

OF

HON. FRANK E. HOOK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

RADIO ADDRESS BY HON. FRANK E. HOOK, OF MICHIGAN

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered by me on April 8:

The 13th of March will long be remembered as a sad day for democracy in world history, for it was on this day that courageous Finland was forced to capitulate to the harsh terms of Soviet Russia, and the hope of early peace among Europe's warring powers went glimmering. This was the day that the Republican National Committee released to the press that masterpiece of dissembling on the farm program, criticizing the 7 years of progress under the Roosevelt administration.

The Honorable JOSEPH W. MARTIN, House Republican leader, appointed a farm committee of 46 Republican Congressmen, with Congressman HOPE, of Kansas, chairman of that committee. The chairman of that group, Congressman HOPE, has referred to the 7 years of the Democratic agricultural program as a failure, without proving it or even submitting a substitute. They would like to have the farmers of America forget those 10 years of tailspin that ended with the crash of 1932 and the greatest depression in our history. To paraphrase the Universal Songster:

> HOPE tells a flattering tale—elusive, vain, and hollow.
> Ah, let not HOPE prevail lest disappointment follow.

Evidently until Congressman HOPE's elevation to the chairmanship of Representative MARTIN's Republican committee he didn't think the Democratic program was so bad, because he was one of its most ardent supporters, which is evidenced by his voting record. Therefore, I feel it is not HOPE, "the farmers' friend," speaking his own mind and heart, but rather the new high-priced and high-powered Republican brain trust. For it is well know that the G. O. P. have hired the most nimble minds and skillful pens that money will buy to disparage the New Deal record of the past 7 years and distort and misrepresent the achievements of this great period of American democratic progress. They camouflage the fact that 80 percent of the Republicans in Congress have voted against legislation to help the farmer.

The farm population and the people of America haven't forgotten the Republican days of 10-cent corn, 25-cent wheat, 6-cent cotton, and 3-cent pork and beef, or the fact that nearly $500,000,000 was lost in the ill-fated Republican Farm Board blunder. Billions of dollars were squandered by the Republican organization as a subsidy to foreign nations in the form of loans that were never repaid. It is worthy to note that this foreign subsidy was more than three times as much as the Roosevelt administration paid to help American farmers during the past 7 years. The money spent by the Roosevelt administration in the present farm program stayed at home to help the home farmer. Of all the money loaned to European nations, Finland is the only one that repaid her loan. The Roosevelt appropriations for American farm relief were used for the specific purpose of improving American farm conditions. The Republican subsidies to European countries were largely used by those countries to buy munitions and supplies to prepare for the present world war.

Today, under the controlled ever-normal-granary system, farmers cooperating with the A. A. A. receive a 57-cent loan on their corn, an average loan of 63 cents on wheat; the dairymen cooperating in marketing agreements authorized by congressional legislation in 1935 are in a vastly better position than during the days of 1932 when they were forced to take whatever price they were offered. The burdensome surplus days of 1932 cannot be compared to the ever-normal granary days of the present, when the surpluses of corn and wheat and cotton, controlled by the producers, have given us prices substantially above world prices, and during these

days of threatened world war have given this Nation the protection of ample supplies of vital materials for food and manufacture.

The farm program, with the ever-normal granary of the New Deal, has contributed substantially to the resources of this Nation and to our preparedness for peace, for it is only through our strength as a Nation, in material resources, and in the vigor of our populatino, that we can hope to stay out of war.

Approximately 6,000,000 of America's 7,000,000 farmers are cooperating in the Federal farm program of soil conservation and crop adjustment, surplus control and marketing agreements. Tremendous benefit to this Nation has come from the rural farm-to-market roads built during the past 7 years that have lifted millions of farm families literally "out of the mud." The Rural Electrification Administration has accomplished more during the past 4 years in bringing electricity to farm and rural homes than was accomplished in any other like period in the history of our Nation.

In fact, the farmers today own more automobiles, more radios, and have bought more merchandise than at almost any time previously—greatly to the benefit of industry and the small-business man. The food supply consumed by the people of this Nation was never before as ample or as well balanced as today.

In the present Roosevelt Democratic program the farmer is given security by guaranteed bank accounts and crop insurance. He has the advantages of a farm credit system developed during the New Deal years that for the first time in history makes production loans to farmers based on their needs and on the seasons, at interest rates lower than ever before offered.

In 1933 agriculture lay in ruins, shattered by the Smoot-Hawley tariff, by uncurbed financial speculation, by wastage of our resources, and by the final knock-out blow of neglect to meet the needs of the people.

The Republican wreckage was complete. The New Deal was faced with the tough job of fitting together this scrambled jigsaw puzzle of shattered prosperity.

In the last 7 years a Democratic administration has been putting together this difficult jigsaw puzzle which was left by the Republican Party on the doorstep of the Nation in 1933. It has been a tough job and it is still a tough job to restore the whole picture of national prosperity, but we will restore the picture if the Republicans do not try again to kick it to pieces.

In building toward a sound picture of substantial and lasting prosperity, new pieces had to be shaped. The first job was to pry open closed banks and to guarantee deposits, restoring the faith of our people in our financial institutions. The next great piece of legislation fitted into the picture was the Agricultural Adjustment Act that enabled farmers to adjust their production, control their marketing, and increase prices toward parity.

With the establishment of the New Deal Farm Security Administration in 1935 competent tenants, sharecroppers, and farm laborers were able to become farm owners. Under this program loans are also made to destitute and low-income farm families for the purchase of farm supplies, equipment, and livestock, for the refinancing of indebtedness and for family subsistence.

Debt-adjustment committees, chosen by the farmers themselves, have under the Farm Security Administration helped debt-burdened farmers retain their property and enabled creditors to obtain some payment on what often had appeared to be frozen assets.

In helping needy rural families escape from relief rolls and make a new start on land capable of producing a decent living the resettlement program of the New Deal Farm Security Administration has earned the respect of all Americans who are sincere in their belief that our farmers will weather the storm.

Through the Farm Credit Administration a wave of foreclosures on farms was halted and credit given to farmers for the production of crops and livestock at low rates of interest. The conservation of soil, water, and trees became a vital part of the new Democratic picture of a permanent and lasting prosperity. The Rural Electrification Administration and Farm Security Administration brought light and hope to millions of Americans. Progress was made in winning back our lost export markets by reciprocal-trade agreements with foreign countries. Our forest, national-park, and wildlife resources have been fitted into the picture of national prosperity by the New Deal.

This nearly completed picture of a reconstructed America has been developed from the Republican chaos of 1932. When full parity of agricultural prices to farmers is really achieved, a huge piece will be set into the picture of economic prosperity. Farm-price parity serves the farmers, the laborer, and all consumers, making for fair returns to the producer and fair, uniform prices to the consumer, and provides industry with the benefits resulting from the increased purchasing power of the farmer and rural people, who provide the Nation's greatest market for commodities of all kinds.

I want to impress upon you that farm price and income parity means as much to the laboring man and the consumer as it does to the farmer. Industry should learn that it, too, in the interest of the general welfare, must contribute to parity, not only of the farmer, but the workingman and the consumer as well. We know that when the industrial-production index is up, we have prosperity; when it is down, there is depression.

The farmer has not yet attained parity of price or income, but his economic condition has been vastly improved over the melancholy days of 1932, as indicated by parity tables. Translated into terms of commodities, it takes a little over 7 pounds of cotton to buy a work shirt, but in 1932 it cost the cotton grower 11 pounds to buy that same kind of shirt. A little over 2 pounds of wool will buy a work shirt today, but in 1932 it cost 7 pounds of wool. A bushel of wheat today will buy the work shirt, but in 1932 almost 2 bushels were needed. A little over 1 bushel of corn will buy a work shirt in 1940, while in 1932 over 3 bushels were required. No wonder the farmer felt that his shirt had been taken off his back in 1932.

It's an old saying in my State of Michigan that "You can't fool the farmer, by heck!" and it gives me great pride in the New Deal achievement of democracy in action, to read in my home district newspapers of meetings and activities of the A. A. A. county committees chosen by vote at a nonpartisan election by the farmers of these counties, and of agricultural conservation meetings and land-use planning meetings, all indicating that the farmers of my district are themselves developing and executing the agricultural conservation program—fitting the Agricultural Adjustment Act as passed by Congress to the needs and to the soil and climate of my section. I know that this is going on in the more than 3,000 agricultural counties of America.

This is most emphatically the antithesis of regimentation. Our farmers have been told they are being regimented but I do not believe that the independent-minded farmers of this Nation feel that they are being led by the nose when they go to meetings where they can express their opinions and where it is left to them to decide whether they wish to cooperate with their neighbors in a farm program directed toward their mutual benefit.

The A. A. A. is encouraging farmers to take part in a great program of soil conservation, making it possible by a system of awards for service rendered by farmers, to employ on a vastly increased scale such sound and necessary practices as liming the land, applying phosphate fertilizers to pastures, increasing legumes, planting and protecting farm wood lots, and many other practices needed to maintain and improve the land for the benefit of the present generation and posterity.

The crowning achievement of the New Deal's farm program has been the unification of the farmers of America. Farmers of all sections are working together and the agriculture of our country as a whole has become united to a degree never before known in this Nation. With the farmers' house united, after 7 years of the New Deal, an ever-increasing and permanent agricultural program for America is now soundly established.

I am talking turkey to you, and I am talking turkey to the farmers of America. They have it in their power to say whether we are to continue the New Deal with its Nation-wide farm program under the Agricultural Adjustment Administration, a program that has steadily and surely pulled agriculture out of the morass of low prices and low income, or whether we are to try some newfangled plan to be offered by that party which for more than half a century, under the guise of a protective tariff, has promised agricultural equality with other industry and has never fulfilled that promise.

The Republican Party has never kept faith with the farmer, and it never will. For 50 years it was so little concerned with his welfare that it did not even mention him in its platforms, secure in the belief that a safe majority of farmers were traditionally Republican and would stay put, in spite of political neglect and exploitation of their interests.

By their fruits ye shall know them. I trust the farmers will realize who their friends are and act accordingly.

Farm products equivalent in value to specified commodities, 1913,[1] 1932–33,[2] and 1940[3]

Article	Unit	Farm products					
		Pounds of—				Bushels of—	
		Cotton	Wool	Beef	Hogs	Wheat	Corn
Work shirt:							
1913	Each	4.7	3.1	10.6	8.4	0.7	1.1
1932–33	Each	11.0	7.0	18.9	23.1	1.9	3.2
1940	Each	7.2	2.6	10.5	14.0	.9	1.4
Overalls:							
1913	Pair	5.8	3.8	13.0	10.3	.9	1.4
1932–33	Pair	17.2	10.9	29.6	36.2	2.9	5.1
1940	Pair	10.1	3.6	14.7	19.7	1.2	1.9
Nail:							
1913	100-pound keg	17.0	11.3	39.0	31.0	2.7	4.2
1932–33	100-pound keg	49.6	31.4	85.4	104.5	8.5	14.7
1940	100-pound keg	36.0	13.0	52.6	70.5	4.3	6.9
Ax:							
1913	Each	7.9	5.2	18.0	14.0	1.2	1.9
1932–33	Each	29.7	18.9	51.2	62.7	5.1	8.8
1940	Each	18.7	6.7	27.0	36.5	2.2	3.6
Hand saw:							
1913	Each	9.6	6.2	22.0	17.0	1.5	2.3
1932–33	Each	31.5	20.0	54.3	66.4	5.4	9.3
1940	Each	20.5	7.4	30.0	40.0	2.4	3.9

[1] Calculation based on farm prices, Jan. 15, 1913, and nonfarm prices in Sears, Roebuck & Co. Catalog, 1913.

[2] Calculation based on farm prices, Jan. 15, 1933, and nonfarm prices in Sears, Roebuck & Co. Catalog, fall-winter, 1932-33.

[3] Calculation based on farm prices, Jan. 15, 1940, and nonfarm prices in Sears, Roebuck & Co. Catalog, spring-summer, 1940.

Farm products equivalent in value to specified commodities, 1932–33[1] and 1940[2]

Commodities	Unit	Pounds of cotton		Pounds of wool		Pounds of beef		Pounds of hogs		Bushels of wheat		Bushels of corn	
		1932–33	1940	1932–33	1940	1932–33	1940	1932–33	1940	1932–33	1940	1932–33	1940
Work shirts, men's	Each	11.0	7.2	7.0	2.6	18.9	10.5	23.1	14.0	1.9	0.86	3.2	1.4
Overalls, bib	Pair	17.2	10.1	10.9	3.6	29.6	14.7	36.2	19.7	2.9	1.2	5.1	1.9
Nails, common, eight penny	100 pound keg	49.6	36.0	31.4	13.0	85.4	52.6	104.5	70.5	8.5	4.3	14.7	6.9
Axes, single-bit, 4-pound head	Each	29.7	18.7	18.9	6.7	51.2	27.0	62.7	36.5	5.1	2.2	8.8	3.6
Hand saw, 26-inch	Each	31.5	20.5	20.0	7.4	54.3	30.0	66.4	40.0	5.4	2.4	9.3	3.9

[1] Calculation based on farm prices Jan. 15, 1933, and nonfarm prices in Sears, Roebuck & Co. Catalog, fall-winter, 1932–33.
[2] Calculation based on farm prices Jan. 15, 1940, and nonfarm prices in Sears, Roebuck & Co. Catalog, spring-summer, 1940.

Cost of Producing Milk

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

A SURVEY MADE IN THE DETROIT MILKSHED

Mr. CRAWFORD. Mr. Speaker, in view of the great mass of farm legislation enacted by Congress in recent years and the low prices which now prevail on milk and milk products, and, further, in view of the new proposals which are presented from time to time by Secretary of Agriculture Wallace and the general dissatisfaction with results obtained from present farm legislation, I feel that Members of Congress and the reading public will be interested in a recent survey made which deals with the cost of producing milk in the Detroit milkshed. I submit the study for the information of the House and the reading public.

PRESENTATION OF THE MICHIGAN FARMERS GUILD ON THE COST OF PRODUCING MILK IN THE SIXTEEN COUNTIES DETROIT MILKSHED

(Compiled and prepared by Edward E. Kennedy, vice president, The National Farmers Guild, Washington, D. C.)

INTRODUCTORY STATEMENT

The Michigan Farmers Guild is a State-wide organization of farmers, the primary purpose of which is to secure the cost of production for the products of the farm.

A large portion of our membership is in the Detroit milkshed and most of our members are engaged in the production of milk subject to the control of the Michigan State Milk Marketing Board under the milk-marketing law.

The Legislature of the State of Michigan defined their intent in the enactment of the law in section (3) of the act, as follows: "(a) To determine and fix a minimum price to milk producers based on cost of production."

It is our considered judgment that the milk-marketing board has the authority to follow the mandate of the statute and the intent of the legislature, and the expectation of every Michigan milk producer to "determine and fix a minimum price to milk producers based on cost of production."

It is our purpose in this presentation to aid and assist and cooperate with the Michigan State Milk Marketing Board in the determination of the cost of producing milk, following the well-known business principle in the determination of a necessary selling price which is known throughout the business world as the cost of production.

Under our capitalistic system price determination begins with the producer or manufacture and follows through to the point of ultimate use or consumption. The great dairy industry, which produces a larger total income than any other single agricultural product in America, or in Michigan, should be no exception to this rule and certainly the law recognizes this basic principle in requiring the Michigan Milk Marketing Board to "determine and fix a minimum price to milk producers based on cost of production."

We recognize that there are considerable irrelevant arguments and misstatements of facts concerning the supply and distribution of milk but the fact remains, supported by every official document worthy of the name, that more dairy products, including milk, are consumed in the State of Michigan than are produced in the State of Michigan and that there are more dairy products, including milk, consumed in the United States than there are produced in the United States, therefore, not be subjected to conditions beyond the jurisdiction of our own Government. The farmer is entitled to his cost of production required to be determined and fixed as a minimum price to milk producers.

As a sound economic principle the income and real purchasing power of the nonagricultural groups is actually based upon the incomes of the producers of raw agricultural products. It is historically true that for every dollar of cash farm income received by farmers, labor receives a dollar in income from wages, and results in $7.50 of national income. In other words, the prosperity of the Nation is based upon agricultural prosperity; the employment opportunities of labor, the business opportunities of business, depend upon income received from agricultural raw-material production. To cite extremes for the purpose of illustration, when farm prices are high every employable among labor is employed, business is prosperous, and poverty and want are reduced to the absolute minimum. On the other hand, during the period following the depression of 1929 when farm prices were low, in fact the lowest in several decades, the bread lines were the longest, unemployment was at its peak, business stagnation was at its height, and want was everywhere amidst plenty. To sum it up, low farm prices starve people.

As a matter of social and economic justice to the milk producers in the Detroit milkshed, the price of whole milk should be restored to cost-of-production levels to restore purchasing power to the farmer, to provide employment opportunities for labor, to increase the use and consumption of milk and dairy products among both our urban and rural population.

As a matter of public health, which is so aptly stated in the preamble of the milk-producing law: "Milk is the most necessary item of human diet; the procurement, pricing, and maintenance of an adequate supply of pure, wholesome milk, and its efficient distribution is vital to the industry and to the public health and welfare; that a low return to the producer for milk jeopardizes his standard of living, the agricultural assets supporting the credit structure of the State and the continuance of an adequate and satisfactory supply of milk."

It is recognized in common sense and in the law that the farmer must receive an income from milk equal to his cost of production to insure his greatest efficiency and to protect his ability to produce clean, pure, and wholesome milk, and meet the requirements and standards fixed by the health authority in the interest of the public welfare.

And as a matter of law, the authority vested in the milk-marketing board is unqualified. The principle of our recognized capitalistic system harmonizes with our respectful request to determine and fix a minimum price to milk producers based upon cost of production.

THE COST OF PRODUCTION

To this presentation we are attaching hereto the detailed figures supporting the cost of producing milk and other farm products.

In the 16 counties of the Detroit milkshed there is a total of 61,943 farms, comprising in all 5,688,246 acres of land. There is, therefore, an average of 91.8 acres per farm. On these farms there is a total of 308,003 cows. These cows produce annually 5,200 pounds of milk each, or 1,601,615,600 pounds of milk, with a butterfat content of 3.8 percent.

In these figures the farm is necessarily considered as a business unit. The production of milk and butterfat is an integral part of the business of farming in this area. It cannot be separated.

In tables II to VI inclusive we budget the operating cost per farm. In this budget we set up real-property investment and depreciation, or an item of $420.83. This item must be met out of farm income.

We budget an item of equipment for the farm. The basis is present valuations. This item represents a charge against the farm of $214.03. This also must be met out of farm income.

We budget an item for management and labor. It is the largest single item. The amount is $1,350. This too must be met out of farm income. It does not include remuneration for unpaid family labor.

We budget an item of special fixed charges, the total of which is $104.67 and lastly an item of current expenditures. In this category are the classification of out-of-pocket expenditures which are inescapable for any efficiently managed farm. The total of these expenditures is $479.44.

All this shows a grand total of budget cost per farm of $2,568.97.

In other words, each farm in this 16-county Detroit milkshed must yield an income from farm production averaging $2,568.97.

In determining income we have used a 5-year basis, that is a 5-year average yield or production times a 5-year weighted average farm price. This is preferable to a single year. It is more accurate. The peaks and valleys of production are thus equalized to a true average and the fluctuations in price are also equalized to actual.

The only exception to this rule in these figures is the case of milk production. In this case we used the most recent annual production per cow. However in the case of price we used 5-year weighted average farm price.

The sum total of the above is that the maximum average income per farm from all products is $1,720.56, as against a budget requirement of $2,568.97, or a net annual shortage, or loss per farm, of $848.41.

To meet the deficiency in income it is, of course, necessary for the unit farm price of all products to be increased by an amount sufficient to produce an aggregate income equal to the cost.

In determining the cost of production of milk, the same percentage of the budget cost per farm is apportioned to whole-milk sales per hundredweight which whole-milk sales contributed to the total per-farm income in the preceding 5-year period. Or, the 5-year weighted average farm price be increased by the percentage which the cost is of the income, namely, 153.98 percent.

DEFINITION

The term "cost of production," as used in this presentation, is defined to mean the price which the farmer should receive for each of his products—the price which, multiplied by production, will meet the out-of-pocket expenditures, depreciation, or reserve for replacements, a fair compensation for management and for labor.

The "reasonable profit" is included in the price proposed as the cost of production. It is included in the return upon the investment value of real estate and farm equipment and "producing" livestock. The equity above debt in the investment value represents profit. It is meager, to be sure, but is presented as reasonable.

DISTINGUISHED FROM OTHERS

The figures presented here are comparable to the figures which a public-utility company prepares for presentation to the rate-making authority in Michigan or any other State to justify such commission in fixing a rate which is reasonable. Without such presentation of facts from the private industry affected a public authority might be totally helpless to avoid a rate or price which would be arbitrary and capricious and in violation of the due-process clause of the Constitution.

These figures are comparable to those which a manufacturer must prepare each year in order to intelligently arrive at a necessary selling price for the articles he proposes to market to yield him a profit in addition to management and wages for labor, depreciation, and other expenditures.

There is another system of figures which are also called cost of production. They need not be considered here except for the purpose of illustrating the difference. This is the type of cost accounting where a farmer or manufacturer or businessman makes an examination at the close of his year's business, the primary purpose of which is to determine whether he has attained the standard which he set up at the beginning of the year, and whether he is actually showing a profit or loss, and how much, as the result of the price schedule he established at the beginning of the year.

CONCLUSION

The cost of producing milk in the 16 Detroit milkshed counties is a careful, businesslike presentation of the necessary price concept of cost of production. We believe that this principle of determination of cost of production must be followed in order to comply with the mandate of the statute and the intent of the legislature and to avoid fixing a price to milk producers which is arbitrary and capricious, in violation of the due-process clause of the Constitution.

THE COST OF PRODUCTION OF WHOLE MILK AND OTHER AGRICULTURAL PRODUCTS IN 16 COUNTIES OF THE DETROIT MILKSHED: GENESEE, HILLSDALE, INGHAM, JACKSON, LAPEER, LENAWEE, LIVINGSTON, MACOMB, MONROE, OAKLAND, ST. CLAIR, SANILAC, SHIAWASSEE, TUSCOLA, WASHTENAW, WAYNE

(Prepared by Edward E. Kennedy, vice president, National Farmers' Guild, Washington, D. C.)

GENERAL STATEMENT

This presentation is submitted as representing the cost of producing whole milk and other agricultural products of the farm in the 16 counties comprising the Detroit milkshed. It represents the prices the farmer should receive for his milk and other products at the farm.

The farm is considered as a business unit of which the production of milk and dairy products is an integral part.

It will be observed that the income from whole milk represents 18.793 percent of the farm income exclusive of the fixed income of house rent and that the income from the sale of butterfat represents 6.905 percent of the farm income exclusive of house rent income. Therefore the income from all dairy products represents 25.695 percent of such farm income.

Following the age-old business principle of budgeting cost for the purpose of price determination, 25.695 percent of the budgeted cost must be charged to dairy products on the basis of: 18.793 percent to whole milk, 6.905 percent to butterfat.

The cost of production is computed on the basis that will give a return of 5 percent on the investment in real estate and improvement and 6 percent on the investment in dairy herds and other equipment for the farm. It gives the farm operator a salary of $100 a month for the year. It also includes the fixed and necessary items of current costs, including depreciation.

These figures are conservative and fully substantiated by records of the United States Department of Agriculture and the Bureau of the Census for the 16 Michigan counties and included in this study with the exception of the few items estimated on a conservative basis and familiar to every farmer and businessman as an integral part of the operation of a Michigan farm in the Detroit milkshed.

TABLE I.—*Number of acres in crops and acres otherwise utilized, and per farm in the 16 counties, Detroit milkshed*

Crops	16 counties	Average per farm
	Acres	*Acres*
Wheat:		
Winter	344,178	5.5
Spring	5,188	.8
Oats	514,126	8.3
Oats, fed unthreshed	23,651	.3
Barley	57,501	.9
Rye	41,991	.6
Corn, grain	377,025	6.0
Corn, silage, fodder	221,696	3.6
Mixed grains, threshed	15,439	.2
Miscellaneous crops	610,418	9.7
All hay and sorghum for forage	899,330	14.5
Sugar beets	38,533	.6
Potatoes, Irish	93,808	1.5
Cropland failure	82,903	1.3
Pasture:		
Plowable	768,617	12.4
Woodland	511,168	8.2
Other	458,227	7.4
Woodland	153,941	2.4
Buildings, lots, roads, etc	470,506	7.6
Total, Detroit milk shed	5,688,246	91.8

Number of all farms in 16 counties, milkshed		61,943
Number of all acres, 16 counties, milkshed	acres	5,688,246
Average per farm	do	91.8
Total number milk cows on 61,943 farms		308,003
Annual production milk, 16 counties	pounds	1,601,615,600
Butterfat test, average	percent	3.8

SCHEDULE OF BUDGET COSTS, PER FARM, THE 16 COUNTIES, DETROIT MILKSHED

TABLE II.—*Real property investment and depreciation*

1. 91.8 acres, at $54.62, $5,014.11, at 5-percent interest	$250.70
2. Dwellings, $990.80, at 4-percent depreciation	39.71
3. Other buildings, $1,208.40, at 5-percent depreciation	60.42
4. Fences, $400, at 10-percent depreciation	40.00
5. Water and lighting system, $300, at 10-percent depreciation	30.00
Total	420.83

TABLE III.—*Equipment for farm*

6. Machinery and equipment, $590.87, at 16-percent interest and depreciation	$94.54
7. Horses and mules (3), $372, at 14-percent interest and depreciation	52.08
8. Milk cows (4.9), $303.80, at 14-percent interest and depreciation	42.53
9. Brood sows (1), $12, at 14-percent interest and depreciation	1.68
10. Breeding ewes (6), $37.80, at 14-percent interest and depreciation	5.29
11. Chickens (63), $52.92, at 14-percent interest and depreciation	7.41
12. Male stock maintenance, etc	10.50
Total	214.03

TABLE IV.—*Management and labor*

13. Farm operator, compensation, 12 months	$1,200.00
14. Hired labor, 100 days	150.00
Total	1,350.00

TABLE V.—*Special fixed charges*

15. Taxes, real estate	$42.50
16. Insurance, buildings	10.22
17. Maintenance, soil fertility	51.95
Total	104.67

TABLE VI.—*Current expenditures*

18. Insurance, personal property	$8.52
19. Insurance, crops	5.57
20. Seeds purchased	51.54
21. Commercial feeds purchased	86.82
22. Fuel oil, electric power	48.78
23. Automobile (three-fourths charged)	97.50
24. Organization fees and dues	10.00
25. Marketing expense, milk	48.15
26. TB and Bang's test, capital loss	6.20
27. Veterinary expense	10.00
28. Telephone and telegraph	21.00
29. Blacksmith work	20.00
30. Other machine work	25.00

TABLE VI.—*Current expenditures*—Continued

31. Legal expense and fees	$10.00
32. Binder twine	4.80
33. Threshing, cost	15.53
34. Miscellaneous, licenses, etc	10.00
Total	479.44
Total budget costs per farm	2,568.97

SCHEDULE OF BUDGET CASH INCOME PER FARM IN THE 16 COUNTIES, DETROIT MILKSHED

TABLE VII.—*Income from crops*

Crop	Acres per farm	Average yield	Average farm price	Net income
37. Wheat, winter	5.5	20 bushels	$0.874	$76.14
38. Wheat, spring	.8	15.6 bushels	.874	13.98
39. Oats	8.6	27.4 bushels [1]	.378	29.67
40. Corn, grain	6.0	33.2 bushels [1]	.736	49.87
41. Corn, silage, etc	3.6	Feed		
42. Barley	.9	24.3 bushels [1]	.625	8.06
43. Rye	.6	12.3 bushels [1]	.667	3.24
44. Potatoes	1.5	104.3 bushels	.51	79.76
45. Sugar beets	0.6	8 tons	6.17	29.61
46. Mixed grains	.2	Feed		
47. Hay, all	14.5	1.3 tons [1]	6.00	46.92
48. Miscellaneous	9.7	Per acre	37.50	363.75
49. Pasture	28.0			56.00
Cash income from crops				757.00

[1] Deduction for feed.

TABLE VIII.—*Income from livestock*

50. Hogs, 8 head, at $8.20	$147.60
51. Veal, 4 head, at $8.73	62.85
52. Lambs, 7 head, at $8.28	46.37
53. Chickens, 90 head, at $0.136	43.96
54. Wool, 6 fleeces, at $0.263	12.09
Total	317.87

TABLE IX.—*Income from milk and butterfat*

55. 25,480 pounds milk produced	
56. 16,052 pounds whole milk, at $1.84 hundredweight	$295.36
57. 358.2 pounds butterfat, at 30 cents per pound	108.53
Total	403.89

TABLE X.—*Income from eggs*

58. 434 dozen eggs, at $0.214	$92.88
Total	92.88

TABLE XI.—*Fixed income*

59. House rent, at 15 percent value	$148.92
Total	148.92
Total average income per farm	1,720.56

TABLE XII.—*The cost of production in the 16 counties, Detroit milkshed*

Product	Income received, average 5 years	Percentage of total	Necessary income to meet budget cost	Necessary unit price, or cost of production
Wheat:				
Winter	$76.14	4.85	$117.24	$1.35 per bushel.
Spring	13.98	.89	21.53	Do.
Oats	29.67	1.89	45.69	55 cents per bushel.
Corn	49.87	3.17	76.79	$1.13 per bushel.
Barley	8.06	.51	12.41	96 cents per bushel.
Rye	3.24	.21	4.99	$1.03 per bushel.
Potatoes	79.76	5.08	122.81	79 cents per bushel.
Sugar beets	29.61	1.88	45.59	$9.50 per ton.
Hay, all	46.92	2.99	72.25	$10.62 per ton.
Miscellaneous	363.75	23.14	560.10	
Pasture	56.00	3.56	86.23	
Hogs	147.60	9.39	227.27	$12.66 per hundredweight.
Veal	62.85	4.00	96.78	$13.44 per hundredweight.
Lambs	46.37	2.95	71.40	$12.75 per hundredweight.
Chickens	48.96	3.12	75.39	21 cents per pound.
Wool	12.09	.77	18.62	41 cents per pound.
Whole milk	295.36	18.79	[1] 434.80	$2.83 per hundredweight.
Butterfat	108.53	6.90	167.11	47 cents per pound.
Eggs	92.88	5.91	143.01	33 cents per dozen.
Total	1,571.64	100.00	2,420.01	
Fixed rent	148.92		148.92	
Grand total	1,720.56		2,568.97	

[1] 3.8 percent butterfat.

Comment: We find that the average income received per farm, less fixed rent, of $1,571.64 lacked $848.37 of being equal to the budget cost per farm, or the budget cost is 153.98 percent of the average income received. Therefore the unit price must be increased by 53.98 percent.

Milk—the cost of production: The cost of producing whole milk, as shown in the accompanying table, is for milk with 3.8 percent butterfat content. Considering the normal differential in cost of producing 3.5 standard milk, the price for 3.5 standard whole milk would be $2.71 per hundredweight at the farm.

TABLE OF AUTHORITIES

Table I: United States census of agriculture, 1935—basis acreage and number of farms.

Table II—

Line 1: Value 1935 United States census, brought down to 1939 by index of land values of Bureau of Agricultural Economics, United States Department of Agriculture.

Line 2: Estimated basis 1930 United States census.

Line 3: Estimated basis 1930 United States census.

Line 4: Estimated basis of half replacement.

Line 5: Estimated basis half replacements.

Table III—

Line 6: United States census, 1935, changed to 1939 by index figures.

Line 7: Agricultural Statistics, 1939—depreciation and interest estimated as reasonable.

Lines 8 to 11, inclusive: Same as 7.

Line 12: Estimated.

Table IV—

Line 13: Statistical Abstract, 1938—average of wages, all industries.

Line 14: Basis United States census, 1935, adjusted to 1939.

Table V—

Line 15: Agricultural Statistics, 1939, computed at $0.85 per $100 value.

Line 16: Computed on 5-year rate, $3.10 per $100, at three-fourths of value adjusted to annual cost.

Line 17: Actual commercial replacements, Statistical Abstract.

Table VI—

Line 18: Computed at insurance rates and valuations.

Line 19: One percent rate on crop valuations.

Line 20: Seeds charged at value.

Line 21: Actual Statistical Abstract United States.

Line 22: Basis United States census adjusted 1939.

Line 23: $500 auto, three-quarters charged to farm.

Line 24: Estimated.

Line 25: Computed at 30 cents a hundredweight.

Line 26: United States Department of Agriculture, basis 1 percent capital loss.

Line 28: Basis telephone rent.

Line 29: Estimated.

Line 30: Estimated.

Line 31: Estimated.

Line 32: Estimated requirement.

Line 33: Estimated as requirement.

Line 34: Estimated.

Table VII—lines 37–39: Five-year average yield, and 5 year weighted average farm price, United States Department of Agriculture, Agricultural Statistics and Crops and Markets.

Table VIII—lines 50–54: Number head produced times average market weight times weighted average farm price. Agricultural Statistics 1939 and Crops and Markets.

Table IX—line 55–57: Agricultural Statistics, 1939.

Table X—line 58: Agricultural Statistics.

Table XI—line 59: Fixed house rent, 15 percent basis for purpose of computation.

Table XII—Computations showing the necessary price per unit or the cost of production of farm products per unit.

The Credit Union

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by me over the Mutual Broadcasting System at Washington, D. C., on April 4, 1940, in regard to the Credit Union.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening, it is refreshing to turn from the darkening outlook in world affairs, so much in our thoughts today, and to watch the constructive forces still busily at work in peaceful America.

At a time when democratic processes are being ridiculed over a large part of the world, we continue to use them to promote experiments in better living. One such experiment, which has thoroughly proved itself, is the subject of my talk this evening. It is the so-called credit union. Through it, a growing army of Americans are learning how to solve a problem that has bedeviled the common man for ages. What is this problem, and how does the credit union help in its solution?

Many of you already know the credit union. If so, you have the answers to these questions on the tip of your tongue. For the benefit of others, let me explain that the term "credit union" is the name given to a form of local club or association whose growth in recent years has been nothing less than startling. It is an association carried on by working people of limited income, usually the employees of a single company.

Its whole purpose is to enable its members to help each other in the management of their money affairs. This it does. First, by accepting their savings, and by encouraging them to form the habit of saving. Second, by giving them a place to borrow money. And, finally, by giving them an opportunity, through this saving and lending service, to plan and organize their personal finances, and thus to keep their individual and family life on a sound financial basis.

Now, why should people need to form a credit union for purposes of this kind? The answer is that, for lack of just such facilities, countless men and women today, as in the past, are suffering the long train of evils that flow from disordered finances. We are only just beginning to realize that, for a great part of our earning population, the management of the none-too-large income is a vital matter. It touches their lives at almost every point. Well-handled, even a moderate income asks for health and enjoyment. Mishandled, it brings, at best, despondency, discord, and dulled initiative, and, at worst, it leads to disrupted families, violence, and crime.

Note that these evils do not necessarily arise just from overspending. Many workers could get along very well if the year's expenses spread themselves out as evenly as the year's income. But they never do. On the contrary, the common man is always faced with the possibility of having a special demand for more money than he can put his hands on at the moment.

Sickness does not wait on pay days. Neither does the insurance premium, nor the break-down of the furnace, nor the automobile accident. When these things happen, if he has no savings or property, he has only one recourse—he has to borrow. And waiting around for just such an emergency, there is always a crowd of exploiters, the loan sharks and money lenders, whose exactions, as has been aptly stated, are limited only by the need of the borrower, and the greed of the lender.

This is no new problem. I am told that the oldest known papyrus of ancient Egypt is a promissory note given by a hard-pressed peasant for a measure of grain. It called for an interest payment of 200 percent. Through Babylon and Rome, and on down through the Middle Ages, the sordid story runs. As mentioned before, it continues in our own times. Modern conditions, indeed, provide a bountiful field for the unscrupulous money lender.

Millions of workers now look to the weekly pay roll as their only source of income. Often the pay envelope is strained to the limit to meet current demands. Then comes the emergency, and the usurer has another victim. The worker will be fortunate if he does not find himself paying on the loan, and its excessive interest, over a long term of years. Whether or not the situation becomes that desperate, it is a fact that far too many families struggle along year after year under a disheartening load of debt. Life settles down into a routine of providing for immediate needs and turning the rest of the weekly pay over to insistent creditors. For the men and women concerned, this is certainly not a happy state. Looked at nationally, it makes for an instability that is not without its dangers.

How much better off all of us would be if the great majority of our families were running along well ahead of the game, with a tidy reserve instead of a dragging debt! What a difference it would make if most of us had full command of our money affairs instead of being forever ridden by them!

When we ask what is needed to turn ourselves in that direction, we will find, I am sure, that two measures will go far toward supplying the answer. First, the wage earner must have every facility for saving in advance against future needs, so as to avoid being forced into debt. And, second, when he does have to borrow, he must have a place to go where he can get money at reasonable rates.

Thirty years ago the employed worker began to discover that he had in his own hands the means of providing himself with just such services. For the necessary funds he had a handful of change and a dollar bill or two. That much he could save out of each week's or each month's pay, and so could a hundred or a thousand others around him. Putting these little surpluses together, month after month, he and his fellow workers were amazed to find what a tremendous power their puny savings in no great length of time could generate. Suppose, for example, each of 100 persons should have only 50 cents a week for a year. The group would have $2,600 at its disposal for loaning and reloaning to its own members. In 2 years it would have $5,200, and the growing capital, used as a revolving fund, would in that time have furnished $12,000 to $15,000 worth of credit.

We can only imagine what a force for good such a credit reservoir would mean to these 100 wage earners. Moreover, in the process of saving only a little many of them for the first time would be finding a new pleasure, the pleasant thrill of thrift. With this germ ideal it was only necessary to make the credit union a reality by giving it practical working machinery. A plan was set up experimentally, and it has worked so well that it continues in main outline to the present day. I need not describe it in detail. But I may say that it is devised to keep the credit union wholly in line with our cherished democratic ideals of self-reliance, self-control, and self-management.

The members of the credit union run it themselves, through elected officials. They finance it entirely through their savings. They have a standing committee to audit its books. The only outside supervision it receives comes from the Federal and State Governments, which keeps an eye on its affairs in the same manner as with banks. Tried out first in New England, the credit union gradually grew and spread to every corner of the land.

In recent years, after a long period of finding itself, it has come with a rush. All but six States have credit-union laws. A Federal Credit Union Act has been in effect since 1934. Credit unions are busily functioning everywhere, in factory groups, in railroads, among teachers, in Government offices, in church parishes. Last year, over 1,000 new credit unions were started. Every working day of the year sees some 2,000 more members added to credit-union rolls in the United States. Most of the great nationally known business houses have encouraged their employees to form credit unions, and trade-unions have sponsored several hundred of them. All told, about 8,500 credit unions are now in active operation.

When I say that last year these credit unions had a combined capital of $175,000,000, made up entirely of members' savings, and, when I add that they used this money to make loans to members totaling a quarter of a billion dollars, it will be evident that the credit union has established itself solidly as an American institution.

My own State of New York, I am pleased to say, was one of the pioneers of this splendid movement. Today, it is one of the foremost credit-union States. New York's credit-union law dates from 1913 and was one of the first of such acts to be adopted in the United States. Close to 650 credit unions are now active in the State. Their combined membership runs well over 200,000.

The city of New York has the majority of the credit unions in the State, but activity and interest are State-wide. In Buffalo, a credit-union school is carried on each year, and that city alone has 100 credit unions. Yet New York has only a fraction of the credit unions it might have, and undoubtedly will have, some day. And what is true of New York is also true of the whole United States.

Credit-union leaders insist that we are still only in the beginning of the movement. It will go on and on, simply because the credit union fits so admirably the needs of the common man, and contributes so much to his wholesome and better living.

To all the testimonials of approval of the credit union by business leaders, labor leaders, and others, I am glad to add my hearty endorsement, and to recommend the formation of credit unions wherever they can be practically carried on.

Golden Anniversary Celebration of the Washington Printing Pressmen's Union

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

ADDRESS BY FORMER SENATOR BERRY

Mr. SCHWARTZ. Mr. President, I ask unanimous consent to have inserted in the RECORD a synopsis of an address delivered by former United States Senator George L. Berry, and president of the International Printing Pressmen and Assistants' Union of North America, on the occasion of the golden anniversary celebration of the Washington Printing Pressmen's Union, No. 1, on March 30, 1940.

Mr. President, I think this synopsis of the former Senator's address is something which all Senators and the people generally should read. It gives a wonderful showing of what

is being done by the International Printing Pressmen and Assistants' Union. That union has over one and a half million dollars invested in a trade organization which educates apprentices. It conducts a home for the aged. It has for many years conducted a large engineering department dealing with the science of printing and all its advancements.

I think it is marvelous that during all the depression none of their members has ever had occasion to apply for relief. The regularly employed employees have right along voluntarily reduced the number of days they have worked in a week so as to take care of their own.

I take pleasure in offering this address for the RECORD, because of my early association with the printing business, and early membership in the International Typographical Union.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

An organization of men which has endured for a period of 50 years has by that very fact sustained its right of existence. It is proof, too, that the men making up such an organization have been motivated not only by idealistic but by practical concepts. No organization can disregard these two elements—idealisms and practicabilities—because they cannot endure without the support of each other.

In the case of the Washington Printing Pressmen's Union, No. 1, and for that matter in the case of the hundreds of local unions that dot the Continent of North America, they have supported the high principles of brotherhood in all of the aspects that might be expected, and they have pursued a course of practical consideration of the problems which have come to them over the spread of 50 years.

An organization of men who will share their work with their fellows in times of stress to the extent of reducing their budgets 50 percent in order to make a more equitable allocation of employment opportunities to give sustenance, and then to spend approximately $8,000,000 to care for those who could not come within the plan of equitable division of employment opportunities is an organization that can well be recorded as fulfilling the true principles of brotherhood.

Too, an organization that cares for its apprentices by educational processes and practical demonstrations, that pays pensions and mortuary benefits, that operates a hospital and a home for the aged and a trade school dedicated to the furtherance of efficiency in the industry sustains the declaration that it has fulfilled both the idealistic as well as the practical concepts in a manner that should absorb the attention of all forward-looking citizens.

During this present and past depression the members of the International Printing Pressmen and Assistants' Union of North America have been able to sustain themselves and to care for their unemployed members. There has been no Federal project especially designated to take care of the printing-trades unions, and if there has been any of the members of the International Printing Pressmen and Assistants' Union upon the relief rolls such information has not yet been historically recorded.

There are three or four phases of the practical aspect of our operations which are worthy of the public's consideration and I wish to identify them as follows:

First. It can't be said that we have either abridged the opportunities of worthy apprentices to learn our trade, nor can it be said by any employing printer or newspaper publisher on the continent that there has ever been a shortage of competent artists to produce printed matter. We have not engaged ourselves in flooding the market with artisans when there was no job for them, but we have taken the caution of seeing to it that our industry has never been without competent workers either to meet the requirements of good times or bad times.

Second. We have found it possible to engage ourselves in the development of trade education. We operate the largest technical trade school in printing in the world. It is dedicated to the proposition of improving craftsmanship and meeting the changes occurring rapidly in the industry in which we are engaged. It is dedicated to our industry's welfare, but the union sustains it.

Third. We have maintained for nearly a quarter of a century one of the most highly respectable and responsive engineering departments to meet the elements of waste, experimentation, and tests that has ever been recorded in the history of trades-unionism and, for that matter, in industry, dedicated to the promotion of better printing. We can make it more profitable and in consequence make the industry financially more stable and thus in turn better able to meet the requirements attendant to the legitimate and essential requirements of all of those engaged in the business, namely, the investor, management, and labor.

Fourth. We have seen in this 50-year period, which is tonight being celebrated by the Washington Printing Pressmen's Union No. 1, an evolution from the Washington hand press to the drum hand-fed hand press with a production of approximately 350 completed newspapers an hour of four pages to a reasonable average production upon this continent of 32 pages folded, 40,000 per hour, and in the same period we have observed the introduction of the offset printing machines, rotogravure machines, silk screen printing machines, high-speed sheet-fed and roll-fed magazine machines, automatic fast-speed job presses, and various other types of presses engaged in the printing of matter on paper, leather, cloth, tin, rubber, etc. With each of these revolutionary changes the members of the International Printing Pressmen and Assistants' Union have not only contributed many of the devices, not only developed many of the presses in toto and the processes required in connection with such machinery, but, in addition, have introduced them, operated them, and through them have brought to the industry almost unprecedented economies and greatly improved economic conditions for all the workers engaged in the newspaper and printing industry of our time.

In the establishment, maintenance, and expansion of our idealisms and our practical concepts we have been motivated by the general recognition that we occupy a definite place in the sun in our industry. We have learned from the practical experiences that our economic improvements must be measured by the prosperity and stability of the business in which we are engaged; that disintegration and waste in all of their ramifications affect the workers much more than our partners, the investor and management, because there are more of us. In consequence of this belief and in face of the proven logic of the policy we have been able to maintain an order of peace and good will that has very largely, if not entirely, dissipated the losses attendant to the stoppage of our business, whether it occurs through lock-out on the part of the employer, or the strike by the employee.

In the policy of peace we are committed to the exhaustion of the recourses by mediation and conciliation, and 98 percent of our differences that arise in the conduct of our business are settled by this process, but in the case where the differences can't be settled by this means, we have resolved to apply the principle of arbitration rather than to engage in the processes of war.

Senate Bill 785 and Domestic Silver

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

ARTICLE FROM THE SPOKANE (WASH.) SPOKESMAN REVIEW AND LETTER IN REPLY

Mr. TOWNSEND. Mr. President, I ask consent that there be published in the CONGRESSIONAL RECORD my letter of April 9, 1940, to the editor of the Spokane (Wash.) Spokesman Review, together with the text of that newspaper's article referred to in my letter.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

[From the Spokane (Wash.) Spokesman Review of March 31, 1940]

ANTISILVERITE PULLS FAST ONE—AIMS AT FOREIGN SILVER, TOWNSEND WOULD NULLIFY DOMESTIC PURCHASE ACT

The original Townsend bill, S. 785, which was said to be aimed at foreign silver only, actually contained provisions which would have nullified the actions of Congress last summer in setting a statutory coinage price of 71.11 cents for domestic silver, says a special bulletin of the American Mining Congress received by the Northwest Mining Asscciation.

This fact had largely escaped the attention of Members of the Senate. The American Mining Congress therefore addressed ROBERT F. WAGNER, chairman of the Senate Banking and Currency Committee, in the course of which it said:

"We wish to protest emphatically against inclusion in a bill ostensibly relating to foreign silver of provisions which would nullify the considered action of Congress with regard to newly mined domestic silver, the opening sentence of which is:

" 'That the Silver Purchase Act of 1934 is hereby repealed and all power and authority of the President and the Secretary of the Treasury with respect to the acquisition of silver, the changing of the weight or content of the standard silver dollar, or the monetary value of silver, or the issue of silver certificates, under any act of Congress shall cease and terminate on the date of enactment of this act.' "

WASHINGTON, D. C., *April 9, 1940.*

EDITOR, SPOKESMAN REVIEW,
Spokane, Wash.

DEAR SIR: My attention has been called to the article in your March 31 issue carrying the headlines "Antisilverite Pulls Fast One;

Aims At Foreign Silver, TOWNSEND Would Nullify Domestic Purchase Act."

You appear to have been misled as to the effects of my bill by the letter which the American Mining Congress, under date of March 20, 1940, addressed to the Honorable ROBERT F. WAGNER, chairman of the Senate Banking and Currency Committee.

When that letter came to my attention I addressed a communication to Senator WAGNER calling his attention to the fact that my bill, as approved by the subcommittee of the Senate Banking and Currency Committee on February 13, 1940, and by the full Banking and Currency Committee on March 20, 1940, in no way touches the domestic-silver subsidy enacted July 6, 1939. I am sending you a copy of part II of the hearings before the Senate Banking and Currency Committee held on March 19, 1940. You will find on pages 251–252 the statement of the American Mining Congress and my own statement on the same subject.

In view of the unintentionally misleading item in your publication, I shall appreciate your giving this letter the same publicity.

Very truly yours,

JOHN G. TOWNSEND, Jr.

America's Position in Present World Affairs

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. REYNOLDS. Mr. President, in view of developments over the past several weeks, and in particular in view of America's position in the unfortunate affairs of the world today, I ask unanimous consent that there be published in the Appendix of the CONGRESSIONAL RECORD an editorial which, several weeks ago, I clipped from the Daily News of Washington, D. C., a Scripps-Howard newspaper.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News]

ASKING TOO MUCH

The Manchester Guardian thinks it is only reasonable that "we (England) should ask tolerance" from Americans "if our fight for our existence, and for theirs, subjects them against our desire to serious inconvenience."

There they go. England is fighting for the life of the United States, which declines to risk its own skin. We are slackers, and we should be ashamed for having the gall to squawk when England pushes our rights around. That's what the British seem to be saying.

It is a shabby recompense for our revision of the Neutrality Act, a step which is enabling England and France to obtain airplanes they could not buy elsewhere.

Granted that this country's sympathies are overwhelmingly pro-Ally and that a German or a German-Russian conquest of Europe would be abominable, still the glib thesis that England is fighting for the existence of the United States is easier to propound than to prove. And we might ask, by way of retort, on whom is England relying for the maintenance of the Occident's voice and prestige in the Orient—where the British stake is far greater than ours? But that is another story.

England apparently has the idea that we are so completely anti-Nazi and pro-British that she can blithely step on our toes and snub our diplomatic protests, regardless of international law. The increasing crispness of Secretary Hull's notes indicates that the idea is ill-founded.

The censorship of our mails, the leisurely and (to us) expensive search of our ships for contraband, the forcing of our vessels into belligerent ports (which the Neutrality Act forbids them to enter), the British boycott of American tobacco, apples, and other products, the navicert nuisance—these things in cumulation constitute an intolerable affront to our rights.

What can we do about it, if England persists in the face of our protests?

The most unlettered cockney in London knows one thing we could do about it, if worse came to worst. We could put a brake on those airplane shipments, and we could do it very simply and quietly. It is probably only a coincidence, but just yesterday the White House revealed that the President had appointed a committee, headed by Secretary Morgenthau, to coordinate foreign purchases in this country so that they will not interfere with our own defense expansion.

A nod from that committee to an airplane manufacturer, and a British order would be turned down or deferred.

Few Americans would relish any such drastic retaliation against England's infringement of our rights. Milder measures can be invoked. But England will be wise not to presume too much on American tolerance. She may recall that Japan's neglect of our protests concerning her conduct in China has led to the scrapping of the Japanese-American trade treaty (effective Friday).

England is not Japan. But there is no guaranty that her popularity in America will survive in the face of repeated affronts to our rights and even of apparent discrimination against our shipping in favor of other neutrals, as charged by Secretary Hull.

It is hard to believe that British statesmanship cannot ameliorate these difficulties.

Americanism

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

RADIO ADDRESS BY HON. MARTIN F. SMITH, OF WASHINGTON

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I insert the following radio speech, which I delivered over the national network of the Mutual Broadcasting System from station WOL, Washington, D. C., on Monday evening, April 8, 1940:

Friends of the radio audience, to preserve throughout America a spirit of true Americanism is the highest duty to which we can devote ourselves. Indeed, upon the fidelity and wisdom with which we discharge that high duty depends the very existence and preservation of our free institutions. Americanism consists of unqualified loyalty to the fundamental ideals and principles set forth in the Constitution of the United States and particularly the Bill of Rights as embraced in the first ten amendments guaranteeing freedom of speech, press, assembly, and religious worship.

I believe that a spirit of true Americanism permeates the hearts and minds of the American people tonight to a greater extent than ever before. There are many reasons for this fact. The government which is genuinely solicitous of the welfare of all its citizens, is deeply concerned with the well-being, the education, the comfort, the health, and the happiness of the men, women, and children who comprise the Nation, and properly protects them in the enjoyment of their constitutional rights, naturally attracts and holds the warm-hearted allegiance and affectionate loyalty of its people. The fullest possible measure of social justice and economic security among all citizens, regardless of class, is the best and, in fact, the only reliable insurance against all so-called subversive movements.

On the other hand, the government which is callous and indifferent to the lot of its citizens, neglects their rights and interests and welfare, is concerned principally with promoting the selfish interests of a comparatively small favored group and extends special privileges to that group and allows its policies and course of action to be influenced and dictated by the heaviest contributors to the party campaign fund, instead of considering the needs and interests of the great number of men, women, and children whose welfare should be the first concern and main objective of all government, cannot permanently retain the support and loyalty of its citizens.

There were far more Communists and wild-eyed radicals in the United States at the end of the ill-fated Hoover administration than at any other period in our history. In various parts of the country hungry citizens broke into stores and took the food supplies which their families needed. Farmers in Iowa and other agricultural States drove away sheriffs and officers of the law with their pitchforks. In several States judges of the courts were manhandled and threatened with violence. In a number of States hunger marchers actually took possession of the State capitols. The very life and fate of America were then hanging in the balance as by a slender thread. The late Senator Borah, who will live in history for his exalted patriotism and fine Americanism, epitomized the entire tragic situation in his laconic statement, "You cannot eat the Constitution."

What brought about the cruel dictatorships and loss of human freedom and liberty in Russia, Germany, and Italy?

President Roosevelt answered that question in his annual message to Congress in these words:

"The social and economic forces which have been mismanaged abroad until they have resulted in revolution, dictatorship, and war, are the same as those which we here are struggling to adjust peacefully at home.

"You are well aware the dictatorships—and the philosophy of force which justifies and accompanies dictatorship—have originated in almost every case in the necessity for drastic action to improve internal conditions where democratic action to improve internal conditions for one reason or another has failed to respond to modern needs and modern demands."

Yet President Roosevelt, twice chosen by the American people as our leader in this, our successful crusade to save and preserve our form of government and free institutions by a peaceful solution of our social and economic problems, has himself been accused of being a Communist and of being sympathetic with subversive movements. The fact that everything the President has achieved and stands for is the exact opposite and antithesis of communism has not spared him from being made the object of this foul and cowardly charge.

Small wonder then that other public men serving their constituents faithfully and patriotically in offices of lesser rank have been singled out—and thus honored—for similar attack and abuse.

In the same message to Congress President Roosevelt also pointed out one of the most serious dangers and perils facing our country today. He uttered this solemn warning: "Doctrines which set group against group, faith against faith, race against race, class against class, * * * this is the danger to which we in America must begin to be more alert. * * * Equally those selfish and partisan groups at home who wrap themselves in a false mantle of Americanism to promote their own economic, financial, or political advantage are now trying European tricks upon us, seeking to muddy the stream of our national thinking, weakening us in the face of danger by trying to set our own people to fighting among themselves * * * By * * * overstatement, bitterness, vituperation. * * * In the long run history amply demonstrates that angry controversy wins less than calm discussion."

I fully agree with President Roosevelt. My friends, public enemy No. 1 in any community is the person who by printed or spoken word, through misrepresentation of the true facts and by deliberate and malicious falsehoods, seeks to incite to prejudice and hatred and to divide and array against each other the people of that community, who would otherwise live together in peace, harmony, and contentment, and unitedly build a better, bigger, and happier community.

Without calm discussion, indeed without any discussion or debate at all, an amendment was slipped through the House in the last session of Congress by being attached to another measure, and without ever having been considered by a committee, which was extremely dangerous and clearly un-American. Fortunately, the Senate has refused to consider it at all, and the amendment is now buried in the archives of the Senate Judiciary Committee.

The amendment referred to was offered to section 2, a Federal criminal syndicalism law, purporting to punish those who advocate overthrowing the Government by force and violence, and would appear upon its face to be desirable and laudable legislation. However, it would constitute a highly dangerous departure from the conspiracy statute requiring proof of an overt act recognized under our laws and the Constitution for 150 years. It would make it possible for the liberty of a citizen, editor, publisher, or reporter to be sworn away by a few personal enemies whose mere oral testimony would be sufficient to convict. Under such a statute you, my listener, no matter how innocent, could be convicted upon the mere unsupported word of a few personal enemies, or one or two officers of the law, without proof of an act or deed on your part. Such a law would place in jeopardy the life and liberty of every citizen and would place in the hands of unconscionable and unscrupulous politicians, employers, and labor leaders, too, a most dangerous weapon with which to persecute and ruin their adversaries and those to whom they are opposed. The first Member of the United States Senate to raise his voice against this departure from our traditional and constitutional safeguards was Senator Borah, who bitterly denounced the amendment and said, "You aid the cause of sedition rather than prevent it." The Senator undoubtedly had in mind the use that could be made of such a law by those who themselves might want to scheme and conspire to overthrow the Government. This is the very type of legislation which has led to the persecution, imprisonment, and execution of thousands of liberty-loving men and women in the totalitarian and communistic states of Europe. Such legislation clearly violates the decision of the United States Supreme Court in the DeJonge case, in which the Oregon State criminal syndicalism statute was held unconstitutional. Chief Justice Hughes, who wrote the opinion, said:

"The greater the importance of safeguarding the community from incitements to the overthrow of our institutions by force and violence, the more imperative is the need to preserve inviolate the constitutional rights of free speech, free press, and free assembly, in order to maintain the opportunity for free political discussion, to the end that government may be responsible to the will of the people and that changes, if desired, may be obtained by peaceful means. Therein lies the security of the Republic—the very foundation of constitutional government."

The House also passed and again the Senate has refused to even consider a bill to establish detention or concentration camps, wholly un-American and another step to Hitlerize America and clearly in violation of the Bill of Rights, and contrary to a long series of decisions by the United States Supreme Court.

I could quote almost every one of the founding fathers of our beloved Republic in burning words of denunciation of such and similar un-American legislation, but I have a feeling that you would prefer, as I do, to hear again from Senator Borah, because he was closer to us and spoke as one thoroughly familiar with present-day conditions and the times in which we live. In the very last speech he ever delivered on the floor of the United States Senate, when beams of light from eternity must already have been breaking across his weary brow, within a few weeks of his departure to the Parliament of God, Senator Borah said concerning these and similar bills:

"It is important, vitally important, that we expose and punish, as we are now engaged in doing, the activities of those whose 'isms' run counter to the principles of our Government. Whenever and wherever we can reach them through legal methods, let us reach them; and once having laid hands upon them under the law, neither apology nor flimsy excuse nor misguided mercy should interfere with their punishment. The most vicious enemies of human liberty, the most dangerous to free institutions, are the treacherous foes who seek shelter under the laws and institutions which assure free speech, free press, and personal liberty, and then make use of this shelter to destroy the Government which protects them.

"It is living up to our teachings and principles which really counts in this great struggle for the preservation of free institutions. Introducing bills and passing laws which strike at the letter—and if not the letter, the spirit—of democratic principles, these are the things which undermine and break down faith in democracy. Measures introduced and urged which are in themselves impeachments of the whole scheme of democracy do infinitely more harm than a thousand Communists chattering on the street corners. * * *

"Mr. President, * * * so long as the Bill of Rights stands and is preserved in its integrity, so long as we live up to its terms and conditions, there can be no denial of free speech, of free press, no religious persecution, no arbitrary government, no concentration camps, no breaking into homes, no unlawful arrests, no denial of personal liberty." This was Senator Borah's farewell message to the American people.

My friends, there is no room in America for communism, fascism, nazi-ism, or that other most deadly of isms—pessimism—there is room for only one ism and that is Americanism, as we have heard it defined tonight by President Roosevelt, Chief Justice Hughes, and Senator Borah, three of the greatest Americans of our generation. We have the finest country and the best government on earth. Let us keep them that way. Our flag has been red, white, and blue for 150 years—it is going to remain red, white, and blue. Neither the red flag of communism nor the black flag of fascism is ever going to be unfurled over the United States of America. We are going to keep America out of Europe and we are going to keep Europe out of America.

Our Foreign Policy

EXTENSION OF REMARKS

OF

HON. JOSEPH W. BYRNS, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

ARTICLE BY JOSEPH A. CONRY

Mr. BYRNS of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Hon. Joseph A. Conry, former Member of Congress from Massachusetts, which appeared in the Springfield Republican of March 8, 1940:

[From the Springfield (Mass.) Daily Republican of March 8, 1940]

OUR FOREIGN POLICY

TRADE PACTS—RELATIONS WITH RUSSIA, MEXICO, AND CHINA

TO THE EDITOR OF THE REPUBLICAN:

Persistent rumor from Washington names Secretary of State Cordell Hull as the President's choice for the Democratic nomination for President at the Chicago convention. The story gains support from the fact that the President believes the foreign policy of America will be of greater importance to the country in the next decade than our domestic policy. Mr. Hull has administered the foreign affairs of the country during the past 7 years under the eye of the President; therefore, he may be admitted to be better informed on the subject than any other man in the Presidential circle.

The State Department tries to maintain a policy of precedent, regardless of the political complexion of the Government, which doctrine has been largely accepted by Mr. Hull, except with respect to his reciprocal-trade agreements, that are his personal pet projects. In theory these trade agreements are intended to be for the greatest well-being of the greatest number of our people, but like many other beautiful theories they don't always work well in practice.

Sixty years ago General Hancock, Democratic candidate for President, dismissed the tariff issue as a "local matter," being

laughed at by his opponents. Yet there never was a truer statement made in a political campaign. All opposition to the reciprocal-trade agreements is of a local nature, being the just complaint of those whose business is injured by foreign competition, the answer at once being that this must be endured in order to extend our export trade which will absorb our surplus products.

But in the field of political dealings with foreign countries our people will ask many questions. There is communism in Russia, which is understood to have been the immediate reason for the refusal of the Soviets to keep their promises made in 1933 when recognition was extended by President Roosevelt. At that time it was agreed in writing that Russia would pay its debt to the United States and refrain from advocating communism in the United States. Mr. Hull officially told the Senate a month ago that Russia had broken these promises.

For more than 10 years Mexico has been seizing property of American citizens without bothering to pay for it. Two years ago, in July 1938, Secretary Hull made formal demand on Mexico to pay for property so confiscated. In his note Secretary Hull said: "Agrarian expropriations began in Mexico in 1915. Up to August 1927, 161 properties of American citizens had been taken." The nugget of this document is found in the paragraph reading: "In result, the American owners whose properties have been taken are left not only without present payment, but without assurance that payment will be made within any foreseeable time." Russia and Mexico are partners in defaulting on payment for property taken from American citizens by those Governments.

In China, under the Nine Power Treaty, we have felt constrained to insist upon "the territorial and administrative integrity of China," although China itself doesn't know what that means. China hasn't had for half a century such a thing as "territorial integrity." Yet we maintain gunboats in China, and when we ask what they are doing there the answer is, "To protect the lives and property of American citizens." Protect from whom? Why, the Chinese. Yet we don't send gunboats into Mexico and Russia to protect the lives and property of American citizens.

If China is capable of self-government, the United States will not admit that fact so far as the administration of justice is concerned. The United States maintains a court in China to which American citizens have the right to appeal for justice. Since the adoption of the Nine Power Treaty, United States gunboats have repeatedly shelled Chinese towns, notably Nanking and Changsha, occupied by the very people whose "independence and administrative integrity" we solemnly agreed to protect.

Forty years ago we gave Cuba its freedom, with all the rights and privileges of self-government, while for the same period of time we have held the Philippines in bondage. Admiral George Dewey, the hero of the Spanish War, insisted that in the matter of self-government the Filipinos were the equal of the Cubans. Now that the dawn of independence for the Filipinos is at hand Paul McNutt, Presidential aspirant, advocates holding on to the Philippines for the indefinite future. Francis B. Sayre, present High Commissioner, with true New England sentiment of antiimperialism and love of human liberty, believes in Filipino freedom at the earliest date.

We have made the freedom of the seas a purely local issue, as General Hancock said of the tariff. Firstly, by establishing a geometrical line outside the shores of the Western Hemisphere and serving notice on the world that no fighting will be tolerated within that area, which notice was promptly rejected by all the belligerents in the present European war. Then we notify our citizens that they must keep out of certain waters in the war zone—then other waters may be used with care, altogether five differing spheres being the result of our view of international law.

These various subjects are outlined as possibilities of the United States getting into trouble by undertaking to regulate the foreign policies of the world. In other years when Americans went abroad to get in trouble, men at home sniffed, saying, "Why don't they stay at home, where law and order prevail?" Now, if we are going to enter the grand scale of world politics, we should begin to work on our inventory and see by what treaties we are bound and how binding those same treaties are on the other parties. A perfect beginning would be with respect to our relations with Russia, Mexico, China, and the Philippines.

JOSEPH A. CONRY.

BOSTON, *March 5, 1940.*

Sabotage of Wheeler-Lea Bill (S. 2009) by Inland Waterway Interests

REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

Mr. VAN ZANDT. Mr. Speaker, in the near future this House will be expected to consider the conference report on S. 2009—the Wheeler-Lea railroad bill.

No one will deny that the principal and most controversial provision of the conference report on S. 2009 is that section pertaining to the tax-free inland waterways being placed under the supervision of the Interstate Commerce Commission.

Since the passage of S. 2009 the conferees have been studying the Senate and House bills. While this study is being made a very interesting thing has happened as evidenced by the action of an unofficial committee composed of certain Members of this House. This so-called committee, as I recall, were those who sought to amend the bill so as to exclude the inland waterways from being subjected to regulation by the Interstate Commerce Commission. That amendment was defeated by this House, and because of that action many of the members of this unofficial committee voted against S. 2009 on final passage.

Here is the interesting thing. The advocates of the amendment already referred to that would have protected the interests of the inland waterways have now blossomed forth like the coming of spring and parade themselves as staunch friends of the railroaders of this country. In their frenzied efforts to sabotage this railroad legislation, they have disseminated propaganda that would lead one to believe that everybody is opposed to S. 2009.

But let us in a calm and deliberate manner establish from facts the true sentiment that prevails in this country regarding S. 2009, and, at the same time, unmask these masqueraders bent on sabotaging this particular legislation.

In the first place, the President of the United States stands fourfold behind this legislation, and to support this statement I quote the following from a radio address from the White House on April 28, 1935, when he said in part:

> There is need for legislation providing for the regulation of interstate transportation by bus and trucks, to regulate transportation by water, new provisions for strengthening our merchant marine and air transport, measures for the strengthening of the Interstate Commerce Commission to enable it to carry out a rounded conception of the Nation's transportation system in which the benefits of private ownership are retained while the public stake in these important services is protected by the public's Government.

Some of you may say that was back in 1935 and is not an up-to-date expression of our Chief Executive. But if you are a "doubting Thomas" let me refer you to the President's press conference on March 8, 1940, when he rebuked the three Santa Clauses of the administration, Secretary of Agriculture Henry A. Wallace, Secretary of War Harry Woodring, and Admiral Emory S. Land, Chairman of the United States Maritime Commission. At that time President Roosevelt said he had not previously heard of the Wallace-Woodring-Land objections since they were made known during his recent absence on vacation cruise, but that he felt the question of the greater good for the greater number should control congressional decisions rather than the restricted interests of the department heads involved. Consequently, he said he joined with Senator WHEELER in hoping that a conference agreement would be reached and the legislation enacted at the present session.

The President continued by referring in his press conference to a speech he made several years ago in support of consolidating Government regulations of all transportation systems. Today he said he hopes the pending bill, S. 2009, will be an important step toward this end.

Since mention was made to the Santa Claus activities of the Wallace-Woodring-Land combine, it is not difficult to recognize their reasons for opposing S. 2009.

Let us consider Secretary of Agriculture Wallace, who, during the past year, handed out more than $1,000,000,000 in Government subsidies; then Secretary of War Woodring is revealed by the records to have disbursed for rivers and harbors $723,006,637; and Admiral Land in the past 2 years expended $155,364,000.

Why should not these three disciples of Santa Claus rise in opposition because S. 2009 is a step in the direction of taking the Government out of competition with private business? The railroad men of this country have noted with gratitude President Roosevelt's rebuke of these three stalwarts of the present administration, who in the absence of the Chief Executive, talked out of turn.

The views of President Roosevelt are supported by repeated utterances of the Interstate Commerce Commission, one as late as January 29, 1940, and by the Federal Coordinator of Transportation, who is chiefly responsible for the provisions of S. 2009, dealing with this subject.

Many of you are personally acquainted with Maj. Gen. T. Q. Ashburn, one-time President of the Inland Waterways Corporation. It is interesting to note that when he appeared in behalf of this bill before the Senate committee, April 11, 1939, he said:

So far as Senate bill 2009 is concerned, I have read it over very carefully. I think it will accomplish all that it is intended to accomplish, and I think it is a good bill.

At the same hearing General Ashburn was asked the following question by the chairman:

There has been testimony before this committee that if this bill passes, regulating water carriers on the Mississippi River, it will put the water carriers out of business. Do you have any such fears of that, or do you think that will be the result?

In reply, General Ashburn stated:

I have no fear at all of that, and I think they ought to be regulated.

At the same hearing we find another interesting statement attributed to Mr. Harry C. Ames, representing the Mississippi Valley Barge Line Co., a privately owned carrier on the Mississippi. On April 12, 1939, he used this language:

And on behalf of that company I desire to go on record as saying that we are not opposed to regulation; in fact, we favor regulation which will bear equally and protect equally all forms of transportation.

A similar view is well expressed by Mr. Edward P. Farley, chairman of the executive committee of the American-Hawaiian Steamship Co., and former chairman of the United States Shipping Board, who, in a statement bearing date of February 14, 1940, advocated the passage of S. 2009. In that statement he points out that 12 years ago there appeared on behalf of the owners of nine domestic fleets, representing the great preponderance of tonnage in domestic common-carrier service, a brief in support of unified regulation. Near the end of his illuminating statement, Mr. Farley says:

The claim that regulation of water rates by the I. C. C. would result in favoritism to the railroads is an unfair indictment of the intellectual integrity of the members of the Commission. No charges of unfairness or discrimination have been sustained in all the long life of the Commission.

Since we have the benefit of the views of recognized authorities on inland waterways, now let us for a moment discuss the advantage, if any, that the consumer may get from the inland waterways under the present program of unregulated, tax-free, and Government-subsidized policy.

The eminent gentleman from Montana, Hon. BURTON K. WHEELER, chairman of the Senate Interstate and Foreign Commerce Committee, and one of the best informed authorities on the subject, speaking before the Senate and basing his remarks upon extended hearings, said:

The fact of the matter is that when the oil companies, the steel companies, or any of the rest of them ship their products by water they receive a benefit, but the consuming public does not get one 5-cent piece benefit out of it. As a matter of fact, when the companies ship oil or steel on the Mississippi River they charge the railroad rate from Pittsburgh to the particular point, whether the commodity is shipped by water or whether it is shipped in any other way.

The Senator also referred to a recent hearing before the I. C. C., held in Memphis, Tenn., February 1939, application No. 17430, involving rates on gasoline and kerosene from Baton Rouge to Alabama points. In this case Mr. A. M. Stephens, general traffic manager, Standard Oil Co. of Kentucky, testified thus:

We exercise our judgment and foresight in consideration of all these matters. We have found that none of the other companies are passing any of this money on to the consuming public.

Now, as an instance in mind, I have before me, at the present time, a statement of the market price delivered to points in northern Georgia, to which you move gas out of Guntersville—for instance, at Dalton—when you first began operation the market price at Dalton was 18 cents; that is the posted market on May 8, 1938. In December 1938, it was 17.5 reflecting a reduction in the refined market at Shreveport and the Gulf Coast, and it represents one-half cent reduction entirely in the tank price so far as dollars are concerned. In other words * * * we have not seen any passage of this savings to the consuming public. * * * We have not found that any of that has been passed on to the consumer.

Further support is given Senator WHEELER'S views by Mr. W. H. Reed, an oil dealer in Memphis, Tenn., in a recent address, when he said:

Taxpayers are fed the "baloney" that the Mississippi River is a wonderful thing for the people of Memphis. * * *

As to the oil business, the truth is the Mississippi River is the curse of Memphis.

On the one hand, public taxes keep the river highway open for oil barges of the oil corporations. On the other hand, water transportation, made possible by millions of dollars of public money, has crucified the railroads and there would be thousands of jobs for railroad men if they got the freight that now moves by water.

The question is * * * if the public pays millions in taxes to get the benefit of cheap water transportation, does the public get the benefit of water transportation, or what?

The answer is that the oil corporations get the benefit of cheap water transportation. And the oil corporations keep the profits themselves. The public pays the bills to make water transportation possible. The oil corporations get richer.

When I buy a tank of gasoline I pay the spot-market price for the gasoline. But, in addition, I have to pay the oil company, as freight, the railroad freight rate on gasoline from Shreveport, La., to Memphis. Understand, that the gasoline I get never saw Shreveport, La. It came to Memphis by water from the New Orleans refining district. The actual water charge on this gasoline is about one-half cent per gallon, but I have to pay a railroad rate from Shreveport, which is over 2 cents per gallon. In other words, the oil corporation takes me for a buggy ride to the extent of 1½ cents per gallon. In money, this means that every time I get a 10,000-gallon car of gasoline, the oil company makes $150.

As further proof of the consumer "holding the bag" in the vast expenditures for inland waterways, the Federal Trade Commission has just finished a study of the motor-vehicle industry, summarizing their conclusions with the following assertion:

Some manufacturers often bill their dealers for transportation in amounts in excess of the actual cost of delivering automobiles to the dealers. * * * The Ford Motor Co.'s transportation charges are based on the carload rate from Detroit, Mich., to destination. Both General Motors Corporation and the Ford Motor Co. have assembly plants in various parts of the country.

Transportation charges in excess of the actual amount paid apparently are not confined to deliveries from assembly plants.

Both these companies use water as well as highway operations, and yet charge the purchaser the rail rate, whatever the savings may have been on subsidized waterways and highways.

Mr. Speaker, I hope by this time that my colleagues who have listened to my remarks will realize that S. 2009—the Wheeler-Lea bill—has the support not only of the President but of many recognized authorities on transportation.

The fallacy of aiding one mode of transportation to the detriment of the other is apparent to these keen and analytical minds who recognize the fact, as I have tried to explain, that the consumer, despite extravagant claims by the proponents of the inland waterways, in the final analysis gets nothing in return for the millions of dollars granted by the Government in subsidies to water transportation.

The railroad management and their employees support the President and other authorities in their position of urging passage of S. 2009, the Wheeler-Lea bill.

At this time I want to quote Mr. E. E. Norris, president of the Southern Railway, and Mr. B. M. Jewell, president, Railway Employees' Department, American Federation of Labor, when, in a joint statement, they said:

All forms should be equally regulated, equally taxed, and treated equally in the matter of subsidies. This bill is a step in the right direction, so far as regulation is concerned. The railroads and their employees are asking only for equality; they seek to destroy no one; they invoke the principle of fair dealing and common justice.

In conclusion, as one who has spent 24 years in the railroad industry as a humble employee, my advice to my colleagues is to beware of the efforts of those who profess to be friendly to the best interests of the railroads, but who, in reality, are bent on sabotaging this needed legislation.

Address at Fortieth Anniversary Celebration of the School of Commerce, Accounts, and Finance of New York University

EXTENSION OF REMARKS

OF

HON. B. CARROLL REECE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

ADDRESS BY HON. B. CARROLL REECE, OF TENNESSEE

Mr. REECE of Tennessee. Mr. Speaker, under leave to extend my remarks, I present a copy of an address which I made at the Annual Commerce Dinner, celebrating the fortieth anniversary of the School of Commerce, Accounts, and Finance of New York University, held Thursday evening, April 4, 1940, at the Roosevelt Hotel, New York City, as follows:

I am deeply grateful for the high honor of being permitted to participate with you in this fortieth anniversary of the founding of the School of Commerce, Accounts, and Finance of New York University. My pleasure further has been heightened by the fact that this natal celebration of our School of Commerce, Accounts, and Finance coincides with the fifteenth anniversary in the deanship of our much loved and greatly esteemed friend, John T. Madden. Looking at him tonight, I should say he is good for at least 15 more years as dean. No greater blessing could descend on New York University than that good health should attend Dean Madden for many, many more fruitful years of service to this university.

Anniversaries are fit occasions for reminiscing and probing back into our memories. As I sat down to compose this talk, needless to say, my memory went back to the many happy days I spent as an instructor of economics here 21 years ago. In my mind's eye passed the picture of the progressive development of this university and of its school of commerce, accounts, and finance during the last 2 decades. And in my musings I had a pang of regret that I had left the economics classroom for the more turbulent and hurly-burly life of the legislative chamber. I yearned once again to be able to proclaim economic principles instead of struggling—vainly most of the time in the last 7 years—to prevent attempts to repeal economic laws.

When I left the lecture platform for the political stump, we were only a short time distant from the horrors of the World War. We thought then that our worst troubles were behind us—that a new day and age were before us when representative government would attain its fullest bloom and that poverty was on its way to extinction, at least for all in this country. The world, we then thought, had been made safe for democracy while our economic machinery had been tuned to produce more of the good things of life for people in all conditions of life. Little did we know at the time the poisonous ingredients brewing in an unseen witch's caldron. Little did we know of the economic forces having their origin in the World War that would sweep over the world a decade hence and all but overwhelm us.

In the 20 years which have passed we heard many strange, and sometimes false, doctrines enunciated in high places. We have seen masses of people carried away by emotion to believe they could ignore the most inevitable of all laws—those we call the laws of economics. As a nation we have swung from one extreme to another—from a new economic era to a New Deal. In the former period the belief prevailed that the prosperity and happiness of all our people could be based on rapidly rising security prices, artificially bid up to preposterous heights. During most of the second decade of this period our people had faith that it was possible for us to spend ourselves into prosperity—that we could become richer by producing less. If the pendulum went too far one way, it certainly has gone too far in the opposite direction during the second decade.

If an unrestrained competition and certain corporate and business malpractices contributed to creating the great depression of the thirties—basically the origin was in trends set loose by the war—then the extreme and mistaken efforts made during the last 7 years to correct the conditions of the twenties have resulted in prolonging this depression far beyond what should have been its span.

Today this country remains in the throes of the longest and severest depression ever experienced by this Nation. No other country in the world, except possibly the French, who likewise had a New Deal, has made less progress out of the trough of depression which gripped the world 10 years ago than we have. In every major nation, again with the exception of the French and ourselves, industrial production several years ago passed 1929 levels. Here we struggled on with an industrial production substantially less than the 1929 level until Europe again went to war.

Today, more than 10 years after this depression commenced we have ten million unemployed—a total as great as existed in 1932 when the world-wide depression was at bottom. It is estimated there are today more than four million between the ages of 18 and 22 who have never had regular jobs. During the last year our national income was some ten billions less than in 1929 and, indeed, was not more than we enjoyed in 1924 when we had some ten million fewer population. Consequently per capita national income is substantially less than it was in all but 1 year of the twenties.

Most significant of all factors of the last 7 years to my mind is the fact that for the first time we had a recession in national income, without first achieving a peak higher than that of 1929. Throughout the nineteenth and early part of the twentieth centuries national income rose a few years and then fell and then rose again. But each peak was higher than the preceding peak. In 1933 realized national income touched bottom for this depression and the climb upward started. In 1937 it had reached more than $69,000,000,000—ten billions short of the previous peak of 1929. Instead of continuing upward and passing the 1929 peak, national income in 1938 fell back by $7,000,000,000.

This was the first concrete, definite notice to the country that we were on the wrong track. There was the indusputable evidence that we could not rely on the economic policies of the New Deal to lead this country to economic recovery. The shift in the political sentiment of the country coincided with, if it were not actually induced by, this recession in economic recovery so clearly marked out by the unprecedented circumstances of this decline in national income.

What is the underlying cause of this state of affairs? Those who have been in charge of the mismanagement of the Nation for the last 7 years tell us that what has transpired during this period is evidence that America is at the end of its road; that the frontier is closed; that no longer can there be extensive development but only intensive development in this country. For the first time in the history of our country a spirit of defeatism has been adopted.

But this has been their philosophy for almost 8 years. Their conclusion is not based on the events of the whole period, it was their conclusion when the great depression was less than 3 years old. It was their conclusion after the bottom of the depression had been touched in the summer of 1932 and when we had commenced gradually to work our way upward.

Listen to candidate Roosevelt during the fall of 1932:

"Our industrial plant is built," he said. "The problem just now is whether under existing conditions it is not overbuilt. Our last frontier has long since been reached and there is practically no more free land. * * * A mere builder of more industrial plants, a creator of more railroad systems, an organizer of more corporations, is as likely to be a danger as a help. * * * Our task now is not discovery or exploitation of natural resources or necessarily producing more goods. It is the soberer, less dramatic business of administering resources and plants already in hand."

There briefly we have the philosophy which has guided economic New Deal action. In 1932 the new dealers started out on the premise that he who would build more industrial plants, organize more corporations, discover new resources, or even produce more goods should be treated as public enemy No. 1—he would be a "danger," as the President put it, to our national welfare.

Well, the New Deal saw to it that the "danger" of expanding our industrial and business plant did not materialize. Having denounced as a "danger" any expansion, and then taking steps to prevent this "danger," the new dealers pointed to the results of their handiwork as evidence that in the first place they were right.

It is something like the story of the cantankerous farmer who decided his cow was no good and turned loose his dogs to chase her around the barnyard for an hour. Then when she gave sour milk he proudly proclaimed:

"You see, I told you she was no good."

How was the country saved by the New Deal from this "danger" of individual expansion? In the first place, persons obviously hostile to American business and industry were named to policy-making positions and places of administrative responsibility.

Secondly, a series of reckless experiments in the field of fiscal policy and finance were undertaken, thus spreading fear and uncertainty among those who had money to invest. Thirdly, legitimate business and industry were subjected to harassing regulation as well as to ever-changing bureaucratic edicts. Fourthly, in certain spheres of activity the Federal Government became a competitor of private enterprise and private industry, which all of its inherent powers giving to it a great advantage. Last but not least was the damage done to business by policies in the field of labor relations, especially this administration's complacent attitude toward sit-down strikes.

Each of these constituted a factor discouraging to business development. Alone any one of these factors would not have stopped our forward advance. But taken collectively and on a half dozen fronts at once, they made it impossible for American industry and business to move forward. Thus was the danger of further industrial expansion averted during the last 7 years.

There is no need here for me to mention by name those new dealers who demonstrated their hostility to American business and industry, irrespective of its goodness. Their names are known to you, and if they are not, read Raymond Moley's revealing book, After Seven Years. It contains competent evidence from a man who not only was on the inside but who was the right-hand man of the President for several years.

Nor is it necessary in this place to go into details regarding the reckless fiscal policies of the last 7 years. It suffices to recall taxa-

tion measures designed not to produce revenue but to punish business and whip it into line with certain social policies; to mention the policy of spending and deficit financing which these new doctrinaires insist is the only correct approach to our problem; to point out the monetary experimentation and manipulation which marked the first several years of this regime.

All of these measures had the effect of stopping the lifeblood of business expansion, namely, new capital and investment. Constant tampering with the value of the dollar created a fear of inflation which still hangs over us. Increasing taxes had the effect of reducing or destroying profit margins for investors, who, as a result, were confronted only with a "heads I win, tails you lose" prospect. Nor is it only the wealthy who have felt the heel of the Government. Easy-money policies deliberately pursued by the Treasury have ground down interest rates on savings accounts and bonds which are held by persons of moderate means and by educational and philanthropic institutions. These measures likewise have an adverse effect on the life-insurance policies held by an overwhelming majority of our people.

While the monetary experimenters and the tax collectors were busy on one front, a half hundred new regulatory Federal agencies were brought into being to harass business and industry on other fronts. No longer were congressional enactments the only law of the land. Edicts by the hundreds each week from these 50 bureaus became of greater importance to the businessman of the Nation. No compilation yet exists of the mass of rules imposed on business and industry in the last 7 years. But the Federal Government is now undertaking their codification. When the job is completed it is estimated they will fill 23 volumes of 1,200 pages each.

More serious than the number of such Executive orders or agency decrees is the fact that they are subject to change, with little or no notice, for good reason or through the whim of some subordinate. Let me illustrate. Television, as you know, constitutes one of the best prospects for the development of a new industry in this country. It is now a $25,000,000 industry that has not yet commenced to make any money. Despite all the obstacles and pitfalls placed in the way of new industrial expansion, the promoters of television have pushed onward with their work, using their own money, in the hope that in time they will be able to market a salable product and thus profit from their labors and the risks they have taken.

Several months ago the Federal Communications Commission approved rules to permit the start of limited commercial television operations. Rules published only a little more than a month ago permitted telecasters to sell air time to commercial sponsors and charge enough to defray actual program costs. This encouraged one company to plan the construction of television stations in several large cities and to undertake an advertising campaign for the sale of television reception sets.

Then, about 2 weeks ago, came another Federal Communications Commission order. This order reopened the entire question of commercializing television, postponed the starting date for television programs, and ordered hearings into the whole subject. Why? Because, said the F. C. C., television is still in a fluid state and needs more research. Moreover, explained the Commission, it wished to protect the public against the danger that rapid strides in television technique would make today's receivers outmoded in a year or two, leaving the public stuck with obsolete sets. Also projected was the suggestion that television broadcasting might better be handled by a public body.

But a week ago the Supreme Court had something to say about the extent of Government regulation of broadcasting.

"The Commission," said the Supreme Court, "is given no supervisory control of the programs, of business management, or of policy. In short, the broadcasting field is open to anyone, provided there be an available frequency over which he can broadcast without interference to others, if he shows his competency, the adequacy of his equipment, and financial ability to make good use of the assigned channel."

I suppose the television industry may find some consolation in the Supreme Court's decision—made in another case—but the telecasters' feeling must be like those of the young man behind the bars whose lawyer confidently told him, "They can't put you in jail for that."

Does anyone believe that the automobile industry today would be as great and as momentous to our national welfare as it is if there had been a commission in Washington 40 years ago with authority to tell Henry Ford that he could not market his first model because, through technolcgical developments, it might be obsolete in a year or two? Does anyone believe that under such a regime Henry Ford would have been encouraged to continue to build and improve his cars—and, what is more, to create thousands of jobs in one of the finest industrial plants in the world?

Before the New Deal the law at least was plain. It was written down in black and white. Every businessman could familiarize himself with the law and act accordingly. This new government by men—we might even say by caprice—has served only to chase business around so that its net progress is as sour as the milk of that farmer's cow. Business cannot successfully operate under a government by commissions which may change their standards as they will and dispense their favors in accordance with the predilections of their members.

Take the Securities and Exchange Commission as another example. The complaint of the financial community is not so much directed to what they believe are unnecessary hardships imposed upon the securities business but to the atmosphere of uncertainty and fear in which they operate.

A simple illustration will give you an idea of what I mean. Under the securities legislation it is perfectly lawful for an underwriting syndicate to "support the market" for an issue of securities it has sold to the public. On the other hand, it is unlawful for the syndicate to manipulate the market. But where is the line to be drawn between "supporting the market" and "manipulating the market"? Ever since this legislation was enacted underwriters have sought to have the Securities and Exchange Commission clarify this point. The Commission either can't or won't. So every day large underwriters are harassed by the uncertainty as to how far they may go in supporting a market and the fear that if they go too far they may go to jail.

You know what the New Deal's labor legislation has done to business: More strikes than in any comparable period in the Nation's history, labor split into two hostile camps, and the employer caught between the upper and the nether millstone of jurisdictional disputes. We are all too familiar with the biased and prejudiced attitude of the National Labor Relations Board. Yet the administration spokesmen refuse to permit any cleaning up of that mess. It is not an exaggeration to say that the New Deal's labor policy has cost industry billions of dollars and has cost the workers many millions through unemployment due to strikes and permanent loss of jobs by the closing down of plants.

The picture I have endeavored to present to you of how the New Deal has crippled business and checked the flow of investment funds has been admirably sketched in a recent issue of Barron's Weekly by James Truslow Adams, eminent historian and economist. Mr. Adams says, and I quote:

"The capitalist today knows he may lose if his judgment is wrong, but also that if he is right, what he may be allowed to retain is so small in comparison with the risks that the game is not worth the candle. He has always been willing to take risks for the sake of great profits, but no sane man takes great risks for nothing.

"It is not merely that taxation is heavy, with every prospect of its being yet heavier in the future, but that it tends to be used punitively with the intention of not simply raising money for the legitimate needs of government, but of remodeling our social system into a form unknown. Governmental regulations and red tape not only take the time of executives but with 49 governments, State and Federal, to say nothing of local, turning out some 20,000 new laws a year, businessmen cannot know from day to day where they stand before the law. There is also too rapid change. We are told that some governmental policies are on a 24-hour basis, but business cannot afford to take great risks in the investment of millions in plants which may not be productive for years if the attitude of government toward business cannot be predicted for even a week."

Such has been the result of a philosophy that our economic progress has reached a dead end and efforts to subject business and industry to governmental planning through bureaucratic control and a socialistic spending program. The choice which confronts us today is between a system of free enterprise and a politically planned and politically dominated economy.

As the Republican program committee said in its recent report—which you should read if you have not—"It is impossible to maintain side by side a planned economy, politically determined and politically dominated, and a system of representative self-government."

"Government," this report went on to say, "cannot dominate and direct the economic life of a great nation on the basis of a central plan and leave everything else free. Sooner or later it must dominate and direct everything else—including press and school and church—or the free criticism and free action of the men and agencies left free will upset the central plan, which always will be vulnerable simply because no man or small governing group knows enough to plan the life and enterprise of a whole people."

Some people in Europe already have made a choice between a politically dominated economy and way of life, on the one hand, and free enterprise and political liberty on the other. The American people this year also shall make a choice, and I have no doubt whatever that if they are made aware of the implications of their decision they will prefer our traditional American way of free enterprise to what has happened abroad.

What Cuts Can Be Made Toward Budget Balancing

EXTENSION OF REMARKS

OF

HON. WILLIAM LEMKE

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

ADDRESS BY HON. WILLIAM LEMKE, OF NORTH DAKOTA, AT LUNCHEON OF THE PEOPLE'S LOBBY, INC., SATURDAY, MARCH 2, 1940

Mr. LEMKE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a radio talk I made on March 2, 1940, over the Columbia Broadcasting System, as follows:

Before we discuss our financial mess let us find out where we came from and where we are going. During the last 7½ years Congress has appropriated approximately $78,000,000,000. This, if

equally divided among our 130,000,000 people, would mean a check for every baby, every boy and girl, and every man and woman of $615. Yet we have not made a single man or woman that I know of self-supporting because of these huge, dizzy appropriations.

The fact is that one-third of the families of this Nation have been compelled to exist on an income of less than $450 a year. This $450 is not for one member of the family but for the average family of five, or $95 per person per year. Is it any wonder that this one-third of our population consumed less than one-third of what they ought to and would consume if they had the purchasing power? Is it any wonder that the Secretary of Agriculture talks about surpluses?

Another one-third of our families—one-third of our population—has to live on an income of $1,056 per annum, or $211 for each member. This class again consumes less than one-half of what it should or would consume if it had the purchasing power.

This same two-thirds of our people find it necessary to go further into debt each year. Their income is not sufficient to provide an existence. To put it in a different way, 86,000,000 out of our 130,000,000 population do not get sufficient income to enable them to consume more than two-fifths of the goods that they could and should consume.

This, in a land that boasts of the abundant life—that brags of its intelligence, and its civilization. This, in a land that wants to tell other nations what forms of government they should have, or how they should run their affairs. Is it any wonder that some of the dictators are beginning to poke fun at us and suggest that we take care of our unemployed and our own ragged and hungry before we tell them what they should do?

We have plenty of raw material and plenty of able and willing labor to satisfy the needs of all. Yet, on every hand we see unemployment, poverty and rags—malnutrition. The great American engine is stalled. Both the elephant and the donkey are sadly out of joint—are mentally sick and ailing. This disease cannot be cured by more taxation, by handing out more sandwiches, and by plunging the Nation and the individual deeper in debt.

Our problem is not overproduction but underconsumption and maldistribution. This is an idea that the Secretary of Agriculture has not yet caught up with. He still talks of surpluses and overproduction in the midst of unemployment and starvation—still insists upon the curtailment of food and clothing that the two-thirds of our people need and want. He still insists upon the importation of agricultural and manufactured products from foreign nations—this, under the so-called good-neighbor policy. I used to think that charity began at home. I know now that it begins abroad.

Now that Congress has gone on an economy spree let us consider what cuts can be made without injury to the health or the well-being of our people. Congress will be compelled to make provisions for the unemployed and the hungry as long as they exist, but in this Nation we have no business having unemployed or hungry people. There are several real cuts that could be made without injury to anyone. We could lop off about $2,000,000,000 of the $2,800,000,000 so-called national defense.

If we would use this $2,000,000,000 to make our people again self-supporting it would be the greatest possible national defense. No defense unless it is supported by patriotic men and women is of any real value. Without manpower no battleship or fortification will be able to fire a single shell.

Why build battleships at the expense of the unemployed? We have no enemies. No nation is pointing a gun at us. The American people still have the good common horse sense to insist that we stay out of foreign conflicts. They know that we cannot stop the insanity in Europe. The further we stay away from that conflict the better for us—we got too close to it in 1917.

Another way to cut appropriations is for the administration to collect the $14,000,000,000 that foreign governments borrowed from us, and that they brazenly refuse to pay. This money can and should be collected.

Another good-sized cut in appropriations could be made if we would use the money and the credit that belongs to us all for us all, and not only for a select few. If the Government would use the $5,164,941,100 Federal Reserve notes, which it gave away for nothing to the Federal Reserve banks, to pay its obligations with, then we could lop off $1,000,000,000 in interest each year on the $44,000,000,000 of outstanding Federal indebtedness. Let us make the cuts where they can be made without causing misery.

In Memoriam—Samuel Untermyer

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, March 28, 1940

Mr. DICKSTEIN. Mr. Speaker, the death of Samuel Untermyer was an irreparable blow to all friends of justice and good government. Samuel Untermyer in his own person typified more than anyone else the work of a public-spirited citizen, who in spite of the fact that he was a lawyer for great interests was, nevertheless, primarily the people's counsel. Untermyer gave unstintingly of his tremendous energy and unique ability as a cross-examiner to the cause of good government.

Whenever his services as counsel were called upon in the public interest, there was Samuel Untermyer lavishly disposing of his time, effort, and energy for the public weal.

It was Untermyer who some 20 years ago brought about the cessation of the building racket in the city of New York by exposing the nefarious manner in which people in the building industry sought to take advantage of the necessity for quick building by raising prices of materials and increasing the cost of construction to fabulous sums. It required the painstaking energy of Samuel Untermyer and his rare ability to bring out facts on cross-examination to convict the racketeers in the industry and enable the people at large to enjoy building at a reasonable cost.

Again, when the Rapid Transit interests of the city of New York tried to saddle the community with a high fare, in spite of their solemn contracts fixing the fare at 5 cents, it was Untermyer, who, by his legal acumen and his ability to marshal facts which would convince a court of the injustice of the increase, was able to save for the people of New York the 5-cent fare, thereby earning the thanks of the vast multitude of our citizens, who otherwise would be subjected to annoyance and the inability to live away from the crowded and congested sections should the 5-cent fare not have been maintained.

Where corporations sought the device of interlocking directorates in order to escape supervision by governmental agencies, Untermyer was able to expose this ill, and it was very largely due to the new road he thus blasted for government regulation of corporations that he was able to induce Congress to pass the Securities Exchange Commission bill, which is now on the statute books as a real safeguard of the investments of our people in corporate enterprises.

Many years ago Untermyer exposed Wall Street and the money trusts, and still further back he brought about honesty in the financial field, paving the way for investigations so ably conducted by others, resulting in reform in the field of banking and insurance.

A useful life has come to a close, and although Samuel Untermyer long passed the Biblical span of four score and ten, nevertheless he could have and would have had many years of usefulness to the country and community, years of usefulness which his death has so cruelly terminated.

H. R. 1, a Bill To Tax Interstate and Absentee-Owned Chain Stores

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

RADIO ADDRESS BY HON. WRIGHT PATMAN, OF TEXAS

Mr. PATMAN. Mr. Speaker, permission having been granted, I am inserting herewith a radio speech made by me over the Mutual Broadcasting Co.'s network, April 7, 1940, in a debate with the gentleman from New York, Congressman EMANUEL CELLER, on the subject of taxing interstate and absentee-owned chain stores:

Mr. Chairman, ladies and gentlemen, H. R. 1 provides that the first 50 retail stores, if within one State or within 100 miles of home office of the company, will pay no tax at all. The amount of tax is graduated according to the number of stores in excess of 50 to 500 stores. The tax is $500 per store on all over 500 stores. In order to encourage the very large companies to reduce the number of stores scattered all over the United States, section 2 of

the bill provides that the tax will be multiplied by the number of States in which they do business, but this latter tax will not be effective for 7 years, giving them a reasonable period of liquidation, provided they do not increase their stores or change the location of a store during these 7 years; otherwise, the tax, which is admittedly a prohibitive one, will apply. The terms of the bill are so liberal that only those who desire to defend monopoly can afford to oppose it.

WHAT BILL WILL ACCOMPLISH

This bill, if passed, will raise revenue, cause the employment of millions of people, grant reasonable security to small business, lower retail prices through clean competition, and benefit farmers and small manufacturers. At the same time, it will not penalize any business except monopolistic business, and if chains bring lower prices, this bill will not interfere, as a sufficient number of stores is entirely exempt from any tax to permit a concern to be large enough to obtain the maximum discount by reason of mass purchasing power.

ONE OF EFFECTS OF BILL

One of the effects of this bill will be to choke off 20 New York chains and allow the other 6,980 chain-store companies, along with all independent merchants to be given a fair chance.

FEDERAL RELIEF ALONG WITH INTERSTATE CHAINS

Such a law will restore community life and will retard further concentration of wealth into the hands of a few. Even if the New York chains sell for less, it is not real economy for you, as a consumer, to save $1 when it will cost you $4, as a taxpayer, to take care of the unemployed caused by the $1 saving. We did not have Federal relief until we had interstate chains.

FARMERS LOSE $3,000,000,000 ANNUALLY

These New York chains have ganged up on the farmers and ruined their prices. Testimony before the committee disclosed that the farmers in the United States last year were forced to sell their products for $3,000,000,000 less than a fair market price because of this conspiracy.

CONSUMERS DO NOT GAIN

Mrs. Consumer, are you willing to encourage a system that will probably cause your husband to lose his job and deny your children a fair opportunity in life in order to save a few cents a week? Do you want your children's careers confined to work on the W. P. A.? How will they use the education that you have sacrificed to give them if you do not keep open the broad road of opportunity? I ask you, Mrs. Consumer, to sit down and think these questions through for yourself.

WHEN IS A BUSINESS TOO BIG?

Some businesses are necessarily big. But some businesses grow too big to be in the interest of the people. We must decide which we want: Slow death for independent business or death sentence for monopoly. A dictatorship is more efficient than a democracy, but we are not willing to give up our liberties for a more efficient government. Democracy and monopoly are inconsistent. When one grows, the other dies. We must destroy monopoly or monopoly will destroy us.

We have concerns in America today that are so big that the Government cannot properly enforce civil and criminal laws against them. We should not restrict the energy, ambition, initiative, and ability of an individual whose business must change when he passes on. We should give him unlimited power to expand and develop during his lifetime. But we do not owe a corporation, that continues on from generation to generation, becoming more powerful all the time, that same protection. When it becomes too large it should be curbed.

The few men who own a few banks in New York and who control most of the corporate wealth of the Nation have been teaching the people to say, "There is no evil in bigness—only demagogues so contend." The use of a good slogan is oftentimes more powerful than a logical argument, since so many people who think not, who reason not, and who have no vision have so much time to repeat it to one after another.

When Germany took over Czechoslovakia an official of one of the largest concerns in this country was heard to say: "We should expect the little countries in Europe and elsewhere to be absorbed by the larger countries, just like big business is absorbing little business here in the United States. We will eventually have only big countries and big corporations."

REMEDY TO USE

Practically every informed person realizes the dangers confronting us by reason of certain monopolies, but there is a difference of opinion as to how we should curb them. Secretary of Agriculture Henry A. Wallace in a recent letter said that the chain stores in food and other industries are "so large that their methods and practices need some regulation to prevent the misuse of bargaining power and to enforce fair methods of competition." He further says that the "abuses and dishonest practices by the chain stores" should be prevented. He admits the evil, but I am sure he has failed to give the remedy sufficient consideration, or he would not suggest regulation. Doubtless he is willing to leave the remedy to Congress.

CONGRESSMAN CELLER'S ARGUMENTS AGAINST CHAINS

It does not often occur in a debate that one can use arguments of his opponent to prove his case. However, it is true in this debate.

I desire to commend my distinguished and able opponent, the Honorable EMANUEL CELLER, of New York, who will follow me in this broadcast, the congressional leader of the opposition, on the many fine and very convincing arguments heretofore made over a period of years against the interstate chain-store monopoly before he changed his mind. It is a question about which honest men may differ. The CONGRESSIONAL RECORD for May 14, 1929, contains one of his many speeches against this octopus. In that speech he said:

"With the continuance of chain-store practices, all retailing may be finally in the hands of chains, and a goodly portion of the population will then become either serfs or masters."

Again on February 21, 1931, Congressman CELLER said:

"The American people must be aroused to the dangers confronting the social system in this continued growth of chain stores."

Again on June 17, 1931, Congressman CELLER suggested that New York State adopt a chain store tax law.

Again on January 29, 1931, Congressman CELLER warned the people that chain-store growth must be "scotched." He further said at that time, "Chain stores blossom and grow like weeds and destroy."

January 3, 1932, Congressman CELLER debated the question with a chain-store representative. The subject was "Shall Chain Stores Be Taxed?" His wonderful speech contained the following knock-out statements:

"This great growth of chains may mean more economic gain for some, but the social and spiritual loss to the Nation by throwing out of business thousands of independent merchants is too great."

Further: "Chains are making us a nation of clerks and are robbing American manhood of opportunity."

In this speech, he recognized the danger of chain growth to the farmers. He said:

"Chain stores have not only used their mass-buying power selfishly, but they have used it so abusively that many have questioned the mass-buying power of the chains in our system of distribution."

I cannot improve upon these arguments.

May 17, 1932, Congressman CELLER, my distinguished opponent in this debate, introduced in Congress a chain store tax bill for the District of Columbia. The taxes provided in the bill were exceedingly high, much higher than the tax proposed in H. R. 1. In the Celler bill, all chains having 200 or more stores would be required to pay an annual tax of $1,000 per store. He said, when the bill was introduced:

"Recent studies clearly indicate that chain stores do not sell more cheaply than efficient independent retail merchants, although the chain-store associations are endeavoring to deceive the public into a contrary belief. Chain owners are not interested in anything in the local communities except the profits they take therefrom. Chains do not become a part of the religious, civic, or commercial life of the communities."

I repeat that I cannot improve upon his arguments. I concede to my opponent the right to change his mind, but that does not prevent me from using his good arguments when he was on my side of this question.

TAX BEST VEHICLE

Those of us who have worked on this problem for years are convinced, after conferring with the best lawyers this Nation has produced, that the most effective way to stop monopoly is through the taxing power. If Congress passes a regulatory law, it will be years and years before the highest court finally passes on it and before it will become effective. Besides, no one has yet suggested a constitutional regulatory law that will get the job done. If Congress passes a tax law, it will be effective immediately; there will be no doubt about its constitutionality, and it will be enforced by the Bureau of Internal Revenue. If there is delay in the payment of the tax, penalties will be imposed. So if you want delay, which is bordering on the do-nothing policy toward monopoly, in this particular case, insist on a regulatory law. If you want action, and quick action, against these New York corporate chains, you should insist on a tax bill, H. R. 1, as the vehicle. The big fellows would dread a regulatory law about as much as a rabbit would dread being thrown into a briar patch. It would be possible for them to influence the regulators, but they cannot influence the tax collectors. All the officers in the Federal, State, and city Governments could not adequately enforce a regulatory law against them. They are too big—too many methods of evasion. During the past 50 years there has been too much catching them and turning them loose with a slap on the wrist with a velvet hammer. It would be as easy to regulate the methods and practices of a rattlesnake as it would to regulate a big monopoly. It is not unusual for Congress to use the taxing power to reach a worthy objective. Why should there be an exception in the case of the New York chains?

BEST FINANCED LOBBY IN THE WORLD

The best financed lobby in the history of the world is here in Washington, D. C., fighting this bill. One of the many of these lobbyists has boasted of the fact that he represents American industry with assets of fourteen and one-half billion dollars. The hotels here in the Capital City are filled with them and their highly paid attorneys, newspapermen, and propaganda agents. Men and women of influence are being hired to come from distant cities and States to Washington to see their Congressmen in an effort to try to persuade the Congressmen to vote against this bill.

SOME NEWSPAPERS FAIR

Every witness we had before the committee contributed his own time and expenses. We have no hired publicity agent to assist our side. In other words, we are putting on a "po' boy" campaign.

However, being armed with the truth and on the right side, we feel confident that we will win. Do not expect to get the truth from all the newspapers in the country. Some of the newspapers are publishing in editorials, word for word, the inspired and paid-for propaganda of the interstate chains. At the same time they refuse to publish anything that is favorable to our side. I desire to commend those great newspapers that have been fair in this controversy.

BAD TREND MUST BE CHECKED

We want to check this trend toward ghost towns and dried-up communities. We want more "main streets" and fewer "chain streets." Interstate chain control means the first step toward either socialism or dictatorship. It is un-American for two childless brothers to own 15,000 retail stores in the 48 States when there are over 4,000,000 young men and women under 25 years of age who are out of work and cannot find employment.

DO YOU WANT RESULTS?

If you want quick action that will bring quick results, ask your Congressman and Senators to help us pass this bill at the earliest possible date. Write to your Congressman and ask him to send you a printed copy of the hearings before the committee on H. R. 1 and ascertain the facts for yourself. The United States Chamber of Commerce has more members who are small-business men than big-business men, yet the big ones run it because the little fellows do not let their wishes be known.

I appeal to the people in this Nation, who have vision and realize what monopoly will do to this great country, to let your wishes be known—let your voices be heard. If you will do this, I feel reasonably certain that H. R. 1 will become a law before the end of this session of Congress. What is your answer? Will you do your part?

Wisconsin Goes Anti-Third-Term

EXTENSION OF REMARKS
OF
HON. STEPHEN BOLLES
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

EDITORIAL FROM THE MILWAUKEE JOURNAL

Mr. BOLLES. Mr. Speaker, under leave to extend my remarks in the Appendix I include the following editorial published in the Milwaukee Journal dealing with the vote in the State of Wisconsin during the recent election:

The change in temper of voters which defeated all the Democrats in Wisconsin's congressional delegation in 1938 continues. The swing to the Republican ranks is notable. Four years ago at the April election, the Democratic strength was 402,000; the Republican 190,000. Tuesday's vote, with two-thirds of the precincts reported at this writing, shows the total Democratic vote barely leading the Republican. But even this is not most significant.

At the first opportunity the voters have had to express themselves on the President since 1936—since the Supreme Court packing bill, the Executive's reorganization bill, which failed, and the wartime foreign policy—the Republican vote added to the vote for Garner exceeds the Roosevelt vote. Every Garner vote and every Republican vote is against a third term.

Thomas Dewey seems to have done himself a lot of good by coming into the State. People apparently like his vigorous campaigning and evidently are not afraid of his youth. For Senator VANDENBERG is liked in Wisconsin and until recently was very generally given the edge over Dewey.

No one is smart enough to say exactly what was in the minds of the voters. Some are influenced by one issue, some by another. President Roosevelt, with the two Roosevelt slates, has a handsome personal endorsement, considering that his supporters are bucking the anti-third-term tradition, that there is a good deal of feeling in dairyland against the Roosevelt trade-agreement program, that there is anxiety about the part we may be playing behind the scenes in Europe, and that the unemployed in numbers are still looking for jobs after 7 years of priming the cistern.

In addition to the outstanding questions are the intangibles. There is perhaps a feeling that after 7 years, with the New Deal having its way at most points, after piling up the taxes and the debt, the New Deal has had its chance and it is "time for a change." We heard that phrase over and over in the State campaign of 1938; it still seems to be going strong.

Wisconsin is known as a liberal State. Vandenberg is considered a middle-of-the-roader, Dewey a conservative, and Garner no new dealer, but their combined vote exceeds Roosevelt's by many thousands.

The national campaign is a long way from over. Wisconsin has attracted attention because it voted early. Not by the 3 to 1 Republican vote of New Hampshire, but by a notable vote it has rejected the third term. Republicans are not discouraged.

The Chain Store Bill

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a radio address which I made in the American Forum of the Air, on The Chain Store Bill, over WOL, Washington, D. C., and the Mutual Chain, April 7, 1940, as follows:

My distinguished and respected colleague, the gentleman from Texas [Mr. PATMAN] has quoted some of my early and maiden statements in the House. I have since, however, studied both sides of this question most scientifically and most carefully, and have come to a different conclusion. Economically, I have grown. Even Jefferson, Lincoln, Roosevelt, and other high dignitaries have changed their opinions. "A wise man altereth his purpose; but a fool persevereth in his folly."

Even my distinguished colleague has changed his mind. He introduced H. R. 1, but has already amended it since its introduction. That bill, as amended, will impose a Federal graduated excise tax on chain stores of a most drastic nature. Starting with $25 a store on companies operating 10 stores, it gets up to $500 per store on stores in excess of 500. Not only that, but if the stores operated by a company are located in more than one State, then the tax per store is multiplied by the number of different States in which the stores are located. A company, for example, with 500 stores spread over 25 States would have to pay a total Patman tax amounting to $3,635,000, or $7,250 per store per year, over and above all other Federal, State, and local taxes which it would also have to pay, the same as its competitors. In the case of one of the well-known chains whose stores are familiar to you all, this special Patman tax would amount to $235,810,000 a year—which is more than even this large and successful company could earn in 15 years!

But this proposed tax, destructive as it would be, is just one-half what Mr. PATMAN originally proposed. By his suggested modification he himself admits that he was at least 50 percent wrong, and now I shall proceed to show that he was not merely 50 percent wrong, but 100 percent wrong.

The gentleman from Texas, Mr. PATMAN, says this bill will seriously affect only 20 large interstate chain-store companies, although he has never specified which particular 20 he has marked for slaughter. As a matter of fact, however, this bill would affect not 20 but hundreds of companies all over the country and would cripple or destroy every chain-store company which operates many units in many States. That is not only its admitted purpose, but would be its inevitable effect. This is confiscatory legislation in its most destructive form. Its unconstitutionality is self-evident and has been so declared by the counsel for the Joint Committee on Internal Revenue Taxation, Mr. Weaver Myers, who was asked for his opinion by the subcommittee of the Ways and Means Committee which is now conducting a public hearing on the measure in question.

The bill has been emphatically denounced not only by great farmer groups, like the National Grange and the American Farm Bureau Federation, but also by the Inland Daily Press Association, by the National Association of Real Estate Boards, by the National Association of Building Owners and Managers, by the New York Federation of Women's Clubs, and by other organizations of equally significant import, but also by over 400 other groups and associations representing millions and millions of farmers, property owners, consumers, workers, manufacturers, civic clubs, merchants' associations, and even organized retailers themselves.

The havoc caused by the passage of the bill in question would be shocking. According to a report of the United States Department of Commerce, there would be fired from their jobs, thousands of workers directly. Indirectly, there would be an equal number of workers fired who are now engaged in producing, transporting, and selling merchandise to chains. Railroads and automobile companies would suffer immeasurably. In short, a very heavy percentage of the total American producing, merchandising, and transportation systems would be wiped out of existence—to what end and for what purpose? For the benefit of inefficient retailers and revengeful and envious jobbers who do not give a hootin' howl for the needs of the consuming public, and who are unable to meet changing economic conditions.

What is this chain store against which my very worthy colleague has thrust the fury of his disfavor. In public interest, let us know its story.

Nearly all chain stores as we know them today were created by individual retailers who started with one store. Many of our largest chain stores of today had their modest beginnings in one

store 75 years ago, others 50 years ago, others 25 years ago, others at late as only 10 and 5 years ago, the latter demonstrating that opportunity still exists in American retailing.

The chain store received its great opportunity to serve us after the World War. American mass production, perfected in order to feed, to clothe, to arm, to "medicine" the whole world, found itself, after the war, with huge surpluses which it could not dispose through the ordinary channels of distribution. Production had exhausted itself to reduce expenditures, to analyze purchasing power, to cut transportation costs, and to increase inventory turnover.

To restore American prosperity and economic equilibrium in the depression days of 1920–21, a comparable effort had to be applied to retail distribution. Under these conditions, chain stores received their greatest opportunity to serve, and accordingly saw their greatest development.

The resultant expansion of chain stores was built upon a foundation of slow but vigorous growth dating back many decades. During their entire development period, chain stores had concentrated on training their organizations and on perfecting their methods and practices. The conditions that prevailed following the World War simply provided them with the opportunity to harness these methods and practices on an enlarged scale in order to clear the overstocked shelves of producers and to fill the empty larders of consumers with necessities and to bring them conveniences and luxuries at economical prices. From 1919 to 1929, therefore, chain stores increased their business from about 4 percent of the total retail trade of the United States in 1919 to 20 percent in 1929.

Chains grew and advanced because consumers everywhere increasingly patronized them because of their lower prices and better values.

This growth and advancement, in turn, stimulated improvement in all retailing. Many individual retailers grew into chains during this period. Progressive merchants were stimulated to self-improvement. In a large measure American distribution took its position as the world's best retailing system because of the progress of chain stores.

Today, authorities say that the chain store has probably seen its greatest growth. It does about 23 percent of the retail business of the United States, leaving fully 73 percent of the Nation's retail trade to independently owned stores and 4 percent to other types of retail distribution. Thus the charge of monopoly of chains is mere balderdash.

As against 1,474,149 individually owned units, there were 139,810 chain stores in 1935, the last year for which governmental data are available. Meaning that regardless of the fact that the chain store has already seen its greatest growth, we find that 9 out of every 10 stores in America are still independently owned and that fully 73 percent of our American retail business is still being done by individually owned establishments. No monopoly there.

Having concentrated on eliminating every wasteful process in their methods of distribution, retail prices in chain stores are, as a result, increasingly favorable to the consuming public. Both governmental and independent surveys have established the fact, for example, that chain-store prices, generally, average about 10 percent lower than the average prices of competitive systems.

The Federal Trade Commission unequivocally proclaims that "chain stores sell for less." It said, in part: "To tax out of existence the advantages of chain stores over competitors is to tax out of existence the advantages which the consuming public has found in patronizing them, with a consequent addition to the cost of living."

Chains are thus bringing items of luxuries to the masses of America that formerly were available only to the very fortunate few.

The passage of the Patman bill would sort of "Balkanize" our States, and confine all retail operations to one State. It is hard to understand the love and misguided enthusiasm that our distinguished colleague, the gentleman from Texas [Mr. PATMAN] has for the so-called "little man." Why does he limit that enthusiasm or love to retailers? What about wholesalers? There are many wholesalers with branch establishments all over the country. If the gentleman from Texas would be logical, he should likewise tax out of existence the great Ford, Chrysler, and General Motors systems. They sell cars in more than one State, and they control all avenues of distribution. But if that were done, only millionaires could own cars. Mass production would be destroyed because without mass distribution we could not have mass production. It is mass distribution, as represented by chain stores and consumer cooperatives, that has brought radios and automobiles and furniture and other articles, now necessities but formerly luxuries, to the masses.

If the gentleman from Texas [Mr. PATMAN] were logical, he would tax away the right of tobacco companies to sell their wares from coast to coast, and then only the rich could smoke cigars and cigarettes which, because of mass distribution, are now sold cheaply. As is pointed out in a leading editorial: "Maybe we would be happier if our shoes came from the local cobbler, our flour from the town grist mill, our news from the town crier. Life might be less complex. Driving a horse is easier on the nerves than driving an automobile. As far as we are concerned, however, we'll take the grocery chains, the 5-and-10 stores, the assembly-line automobiles, and the store-bought clothes in preference to the one-horse economy for which the gentleman from Texas [Mr. PATMAN] seems to yearn.

About $5,782,000,000 annually is being expended by chain stores in purchases from American manufacturers and producers. Nearly $2,500,000,000 additional is expended annually by chain stores for rents, wages, and taxes and to cover the cost of their trucking, advertising, repairs, heating, and electricity. This latter sum is equivalent to more than twice the cost of building the Panama Canal. The proposed bill would ruin many small factory towns whose plants supply the chains. My distinguished colleague would make of these towns mere shambles and force their workers onto the relief rolls.

Approximately $1,314,000,000 of this $2,500,000,000 sum, alone, is paid by chain stores to 1,307,900 men and women working in their stores, offices, and warehouses. The Census of American Business found that chain-store employees enjoy higher wages than employees of competing establishments.

These chain-store companies, including those which my learned colleague's bill will most seriously affect, are owned by their stockholders—including many laborers, widows, office help—persons in every walk of life.

It is estimated that there are about 1,700,000 citizens who own stocks and bonds of chain-store companies, representing an average of about 13 stockholders for each chain-store unit. If these stockholders were ever assembled at one time, they would fill, to overflowing, the 18 largest football stadiums in this country.

The net profits of chain stores do not, therefore, accumulate in bank vaults. They go back to these 1,700,000 citizens who reside in thousands of communities in the United States, and who, as the principal stockholders of these companies, are their real owners, and control their destinies. Thus, the charge of Wall Street control is senseless jargon.

As was stated recently by Ralph Hendershot, financial editor of the Scripps-Howard papers, the automobile companies forced a great many blacksmith shops throughout the country to close their doors. But the decision as to whether the blacksmith should go or stay rested with the public, which decided that it would rather travel by automobile than with the old horse and buggy. Similarly, the consuming public has decided that it preferred to trade with chain stores than with the old type independent merchant. Thus, the desire to buy goods as cheaply as possible parallels the wish to travel more swiftly.

My distinguished colleague can no more legislate chain-store systems of merchandising out of existence than he can legislate automobiles into limbo.

Most enlightening and informing is the most recent statement of Secretary of Agriculture Henry A. Wallace, who said in effect, as follows:

"The bill would 'discourage and prevent' efficient methods of marketing and distribution, instead of promoting them as 'sound public-policy requires.' Also, that State taxes on chain stores already are so high that 'it seems obvious that the larger interstate chain system would be driven out of business. Probably, many of the smaller chains would also find it impossible to operate under these additional taxes." Mr. Wallace said the administration has approved his statement through the Bureau of the Budget. "The Agriculture Department is not insensible to the dangers associated with large corporations," he said, "whether they are engaged in handling food or any other kind of business. The chain stores in the food industry as well as some others are doubtless so large that some regulation is needed to prevent a misuse of bargaining power and to enforce fair methods of competition. The Department would favor such regulation. However, we think it unwise and unnecessary to give up the economies which have been brought about by chain distribution in order to prevent certain practices which may not be in the public interest."

The growth of individual retailers into chain stores, and the development of chain stores into great American institutions has been attended with the following results:

1. They have largely eliminated the gouging of the consumer in unprotected localities by making available to everyone the savings resulting from scientific merchandising and large-scale operation.

2. They have established a higher standard of storekeeping, with better sanitary standards, with more attractive display, and with more convenient shopping facilities.

3. They have increased the attractiveness and quality of merchandise and have made it available in greater variety to consumers in isolated sections who would otherwise have to select from the scanty assortment offered by the small-scale retailer.

4. They have gone a long way in eliminating waste in distribution with untold savings to their customers.

5. They have placed a desirable emphasis upon a cash—or pay-as-you-go—policy among the general public, particularly as to the consumer's everyday needs of life.

6. They have created a generally improved type of merchant not only within their own ranks but by example and competitive necessity among their wide-awake competitors who have profited from proximity to ably managed stores.

7. They have increased consumption through lowered prices, with a consequent increase in productive employment and with improved standards of living.

8. They have partially checked the tendency of people in suburban or rural areas to flock to the cities, because they have brought to thousands of main streets some of the advantages often associated only with metropolitan centers.

The principal advocate of H. R. 1 besides its able author is actually a group of middlemen, brokers, and their retailers.

Lacking any real proof of any present evil effects resulting from the chain stores, Mr. PATMAN and that certain class of wholesaler-retailer, which is pressing for the passage of H. R. 1, bombard us with dire threats of what the chains, if not destroyed, will do to

us in the future. Now, let us use a little common sense and see what will actually happen if the Patman bill becomes a law.

First. If the chain stores are driven out of existence, there will be higher retail prices. It is absurd and meaningless to urge that prices will not go up. That is what the bill is for. That is what that certain class of wholesalers and their retailers who are the bill's proponents desire and expect.

Second. There will be a general decline in efficiency in American retail distribution just as there has been in the gas stations in Iowa and elsewhere which were formerly operated by chains but which, because of antichain-store legislation have more recently been operated independently.

Third. Higher retail prices will mean fewer goods sold. This, in turn, will mean less American production, less American opportunities for employment, longer American relief rolls, and more American depression.

Fourth. Higher prices, less goods sold, and less production will mean that the Government will collect less taxes all along the line. I haven't heard the bill's author or any other of its proponents state with any conviction who would or could take up the $255,900,000 annual tax burden now carried by the chains. As a matter of fact, they know and you know that individual retailers taking the place of chains neither would nor could meet this burden. It would simply have to be moved over, in large part, into other industries and onto private home owners. This, in turn, will mean that there will be even greater difficulties in balancing our public budget and reducing the national debt.

Fifth. A return of the wholesaler-independent retailer interests to dominance in our system of retail distribution will return America to her cracker-barrel days and is certain to result in a further decline in the business of the small towns throughout the country and the tendency of the consumers living in these small towns and out in the country to do their shopping in the larger cities where competition is more likely to be kept alert and alive. Close up your chain stores now in existence out in your small towns and see how quickly the retail trade of those towns will vanish.

Sixth. If this bill is passed and if the proponent wholesaler-retailers attempt to collect on it, as obviously they hope to do, it is not difficult to foresee that we shall also soon see a country-wide reaction, a wave of public indignation, a demand for violent curbs on the wholesaler-retailer system, itself, that is likely to sweep all the advantages the wholesaler-retailers now possess away from them. Wholesalers and retailers supporting Mr. PATMAN'S proposal don't seem to realize that they are playing with social dynamite that is likely to go off in their own hands. One wonders, for example, whether they have heard of the consumer cooperative project, its widespread roots, its vitality, and its readiness to spring forward in this country if and when the right conditions present themselves. Certainly if this bill passes, consumer cooperatives might well come in goodly numbers. I warn the retailer-wholesaler proponents of the bill they will have no bed of roses. Competition will be just as keen if not keener. They will get more than they bargained for, with consumer cooperatives. If these certain wholesaler and retailer leaders are as smart as they think they are, then isn't it about time that some of them should have some ideas on what is going to happen after they have wiped out the chains? I am confident that a great many, if not the majority, of wholesale and retail executives throughout the country are already really concerned about these problems generated by a certain few of their number. I am convinced that even these few are beginning to recognize that they are being misled and confused by their leaders. Perhaps the eventual day of reckoning is not far off.

Meanwhile, what about the consuming millions of this country who, if this bill is passed, will be sacrificed to the selfish gain of a minority group?

We leave this question with confidence in the hands of the able gentlemen of the House Ways and Means subcommittee which is now conducting hearings on this bill. In public interest we fervently hope that these capable, far-sighted representatives of the people will assign this so-called chain-store destruction bill to the congressional morgue.

Flood Control—Survey of Columbia River in Clark County, Wash.

EXTENSION OF REMARKS

OF

HON. MARTIN F. SMITH

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

STATEMENT BY HON. MARTIN F. SMITH, OF WASHINGTON, BEFORE THE COMMITTEE ON FLOOD CONTROL

Mr. SMITH of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me today before the Committee on Flood Control:

STATEMENT BY HON. MARTIN F. SMITH, REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON—FLOOD CONTROL—SURVEY OF COLUMBIA RIVER IN CLARK COUNTY, WASH.

Mr. SMITH of Washington. Mr. Chairman and gentlemen of the committee, I desire to compliment you on the fact that you are holding these hearings and preparing to report out an omnibus flood-control bill for the authorization of new projects and new surveys in this session of Congress. The so-called economy and Budget-balancing movement has gained such headway in this session that meritorious worth-while activities of the Federal Government are going to suffer as a result. Even our flood-control and river and harbor program has not been spared, despite the fact that it has been generally recognized for years that there are no sounder, wiser investments made by the Federal Government than those which have to do with protecting the lives and property of our people against disastrous floods and soil erosion and the development of our rivers and harbors to provide low-cost water transportation to serve our farming and urban communities.

In this session I have introduced H. R. 8938, to authorize a preliminary examination and survey of the Columbia River in Clark County, Wash., in my congressional district, extending from the downstream point of the Vancouver Lake area to the upstream point of the Bachelor Island area, a distance of approximately 3 miles, with a view to providing flood control for that area. This is a very important and very urgent project, as some of the finest farm lands in the vicinity are rapidly being eroded and washed away, and speedy action must be taken to halt the damage which is being done. Several years ago your committee authorized a survey of the Vancouver Lake area, and considerable surveying has already been done out of the limited allotments available for this purpose in recent years and the Army engineers expect to make further progress with this survey this summer. This new area will be supplemental and adjacent to that already being surveyed and is equally as important, if not more so.

I wish to thank the Flood Control Committee for the kind consideration my constituents have received at your hands in the past. We have gone a long way from the point at which we started in 1934, when my first bill for the survey of the Columbia River with regard to flood control was approved by this committee and favorable action upon it was taken by Congress, together with similar bills relating to the Cowlitz, Chehalis, and Lewis Rivers. We have had millions of dollars expended for the prevention of floods and soil erosion in Cowlitz, Wahkiakum, Clark, Pacific, Lewis, Grays Harbor, Skamania, Thurston, and Mason Counties in my district. There is no other activity of the Federal Government which has proved so beneficial and been so universally approved by our citizens and taxpayers, who realize that these improvements are of permanent value.

Mr. Chairman and gentlemen, I trust that you will authorize a survey under my bill H. R. 8938, and I desire to thank you for granting me this time.

Gold and Its Power, Part VII

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

Mr. THORKELSON. Mr. Speaker, in listening to discussions on money, particularly upon gold money, I am often impressed with the apparent lack of knowledge on this very important subject. This confusion seems to be universal, for I have yet to find two people who agree on this subject. In trying to discover the reasons for this confusion, I have come to the conclusion that it is caused by unwillingness to accept the true significance of gold.

We must, in order to understand this, accept gold as the international standard of value, and that parts or grains determine the value in each piece of money. Furthermore, international balances are settled in ounces or grains of gold and not upon national or local currencies, such as shillings, francs, and dollars.

National currencies without gold are unstable, and international gold currencies are stable. The importance of gold is clearly evident today as nations gird themselves for war, for, make no mistake, the present world strife is promoted by the international money changers for a dual purpose: First, to secure possession and control of the world gold supply; second, to use this power to build an international

empire or state over which Shylock is to rule as king of kings.

In this final attempt by Mr. Shylock to establish world domination we, the people of the United States, have innocently rendered valuable aid by allowing the President, a supine Congress, and an incompetent Supreme Court to deprive us of sound or standard money. The gold is now owned or controlled by the international bankers, an alien and enemy interest of the United States.

The President, supine Members of Congress, and conniving Justices of the Supreme Court have apparently in collusion upheld a fraudulent act, which, in increasing the dollar value of gold, has brought about a loss to the United States of $14.33 for every ounce of gold expended for merchandise or credit. The people are, in addition, charged with the cost of protecting and guarding this gold, a property which now does not belong to the people, but is owned instead either by private or alien interests. The people of the United States sustained an irreparable loss when Congress enacted the Gold Reserve Act, for it deprived them of their own property and conferred title to private and alien interests. All who engaged in the enactment of this law did not only transcend the constitutional power delegated to them by the people, but connived in fraud and deception. Congress should, in justice to the people and for the security of the United States, repeal the Gold Reserve Act, repudiate gold certificates, and restore title of the gold to the people of this Nation, to whom it rightfully belongs. Private interests should forever be barred from ownership and control of the Nation's gold, and this is particularly true of international and alien interests, for they are indeed enemies of the United States.

SOUND MONEY

The old gold standard is still employed in adjusting international balances, and cannot be changed except by international agreement. The old dollar contained 25.8 grains of gold nine-tenths fine, or 23.222+ grains of fine gold. Much discussion takes place on the floor of the House in regard to the gold-buying policy of the Treasury Department, and many Members hold to the opinion that no more gold should be accepted by the United States. The daily press also laments the fact, and criticizes the Treasury Department for the ever-increasing accumulation of gold. On April 3, 1940, our gold stock amounted to 527,722,655 ounces, or $18,470,292,924 in fine gold. Members of Congress, private citizens, and the press hold this a dire calamity, which if allowed to continue may bring about disaster. This outlook, if nothing else, is lacking in soundness or, let me say, is not in accordance with established facts. Neither is this view confirmed by the attitude of the international bankers, for they have finally, by our stupidity, acquired title to the world's gold supply.

A little thought on this subject should make it clear as we propound these questions:

What other metal can be used as an international standard for money? No one can deny that gold alone possesses the physical characteristics which made it a most desirable metal for money. Is it not true that gold has been used for money for thousands of years? Is it not true that gold is the international standard for money? In view of this, is it not perfectly stupid and silly to believe that this is now to be abandoned?

Much fear is expressed by my colleagues that the price of gold may depreciate, that the ounce value of gold may be reduced, and I say, suppose this should happen. What would we do? We would then proceed to buy gold, for as the price decreases per ounce we could buy an ever-increasing amount at a constant decrease in price until we obtain possession of all the gold in the world. Surely no one can deny that it would be to our advantage to pay $20.67 for 1 ounce of gold instead of $35, and no one can deny that it would be to our advantage to buy an ounce of gold for $5 instead of $20.67. But the question is, Will this ever happen? The answer is absolutely no, for an ounce of gold being a standard unit will not be reduced in price by any nation as each reduction is equal to a gift and would, when completely reduced or given away, leave the treasury of each nation without gold.

The fact is that we have never—and I invite the Treasury Department to contradict this statement—we have never bought 1 ounce of fine gold from any nation in the world. We have instead extended credit in bonds or securities, or else we have sold merchandise to foreign nations for gold. This gold is now supposed to be in the United States Treasury. The daily statement of the United States Treasury on April 3, 1940, showed that it amounted to 527,722,655 ounces, or $18,470,292,924.02. This is the new gold dollar, which contains 15.521 grains of gold nine-tenths fine, or 13.7142 grains of fine gold.

It is now my intention to show that the United States has lost $5,562,265,641, excluding the $2,000,000,000 in the stabilization fund, as a result of having increased the dollar value of gold per ounce from $20.67 to $35. The loss per ounce of gold amounts to $14.33, which is the difference between the old and the new price of gold.

For a better understanding of this let me say that there was in the Treasury of the United States on February 28, 1933, 159,249,355 ounces of fine gold, or $3,291,684,172 in gold nine-tenths fine.

Subtract the 159,249,355 ounces of gold from the 527,722,655 ounces of gold which was in the Treasury April 3, 1940, and you will have left 368,473,300 ounces of fine gold. This represents the ounce increase in gold from March 1, 1933, to April 3, 1940. Multiply the 368,473,300 with $20.67 and you will get $7,616,343,111. Add this amount to the $3,291,684,172, which was in the Treasury February 28, 1933, and you will have the sum of $10,908,027,283, which represents the old standard dollar value of the gold now in the Treasury of the United States.

Subtract the $10,908,027,283 from the $18,470,292,924 and you will have $7,562,265,641, a sum which represents the fictitious increase in dollars that was brought about when 1 ounce of gold was increased from $20.67 to $35.

Subtract from the $7,562,265,641 the $2,000,000,000 gold in the stabilization fund and there will be left $5,562,265,641, which represents a part of the loss which industry, agriculture, and labor have sustained as a result of increasing the dollar value of 1 ounce of gold from $20.67 to $35.

THE BIG STEAL

Before 1933, 100 ounces of gold was worth $2,067. Since the Gold Reserve Act was passed, 100 ounces of gold is worth $3,500, a difference of $1,433, which represents the loss we sustain for every 100 ounces of gold that comes into the United States.

This is premeditated and willful fraud that must be charged against those who insisted that our international dollar be tied to 15.521 grains of gold nine-tenths fine. Furthermore, it is legal cause for impeachment that should be carried into execution as an act of justice to our own people and for the "general welfare of the United States." Further evidence that this was a deliberate and willful act may be found in the fact that we are the only nation with a fixed gold-grain value in foreign-exchange money.

I furthermore charge that this fraud was planned so that the United States would finance the British war machine with 69 cents out of every dollar spent in the United States. I presume that provisions were also made for England to invest 31 percent of every dollar expended in real or stable securities, which can be liquidated when we return to the old gold standard without gold loss to the Bank of England, but with a total loss to the United States.

THE FINANCIAL TRICK OF SHYLOCK

The British Government, through the Bank of England, may now establish credit for, let us say, 1,000,000 ounces of gold. One million ounces of gold at the old or standard dollar value of $20.67 amounts to $20,670,000; a million ounces of gold at the new value of $35 per ounce amounts to $35,000,000. The difference between these two amounts is $14,330,000, and it is this difference that will be used to finance the British war.

This $35,000,000 credit, which represents 1,000,000 ounces of gold, may be invested in the following manner: $20,670,000 may be invested in real estate or other industrial stocks and bonds, to remain there until the end of the war. This would be particularly true if the investment were made in real estate. If these investments were made in industrial stocks and bonds, it is possible that they might be sold on a climbing market and at sufficient profit to balance or exceed the $14,330,000 which was used to buy war materials.

The international bankers are one large family of successful grafters, who, because of our stupidity, have always been able to take their profits out of our hide. I look for a stock-market flurry somewhat similar to that which we had in '28 and '29, and the purpose of this will be to clean the American people out of cash by selling English-owned American stocks to gullible and willing gamblers. We should not take part in such transaction, because the international bankers will deal from the same cold deck that they dealt from in 1928 and 1929.

If the investments are made in real estate, it may remain until after the war, because value of real estate remains more or less constant. At the end of the war the old gold standard will be reestablished by international agreement, and we, of course, will add our weight to bring that about. The dollar will then be fixed upon 25.8 grains of gold nine-tenths fine, and the ounce will be worth $20.67. Great Britain can then, with $20,670,000 invested in real estate, sell such real estate for the original investment in dollars which will by that time be worth 1,000,000 ounces in gold.

It should therefore, be clear that the United States has been prepared by the President and the Secretary of the Treasury to finance the contemplated British and French war, for it was upon their advice that the ounce value of gold was increased from $20.67 to $35.

I am also willing to concede, basing my opinion upon past performances of our English, French, and Russian Ambassadors, that the recent report that has come from Europe is correct, and that Mr. Bullitt and Mr. Kennedy did engage in undiplomatic guaranties unbecoming to foreign representatives.

The attitude of the Executive and the Secretary of State lends credence to this report, for both are, if nothing else, dupes of the internationalist. If the Executive and the Secretary of State would display the same interest and be as diligent in protecting the interest of the United States as they are in aiding the interest of Great Britain, much good would accrue. As it is now, I fear the future, for the American people will not allow themselves again to be used as menials for the British internationalistic Government. In other words, British propaganda is wasted and deliberate incidents may bring about impeachment.

Inasmuch as I have referred to the $2,000,000,000 in the gold-stabilization fund and that it was not included in the five and one-half billion dollars that I said was a total loss, I hope the custodians of this fund will employ the utmost care in protecting this money, as otherwise our loss may amount to seven and one-half billion dollars.

The Secretary of the Treasury should now inform the public what he is stabilizing with the $2,000,000,000 in gold, which is not accounted for in the Treasury balance sheet. We would like to know if this money is used to stabilize English and French currency and bonds. We know positively that it is not used to stabilize German or Italian currency, and that it is not needed for our own, as our dollar is secured with 15.521 grains of gold. I grant that section 10A in the appendix of the Gold Reserve Act grants both custodians the right—or the Secretary with the approval of the President—the right to deal directly or through such agencies as he may designate, in gold and foreign exchange and such other instruments of credit and securities as he may deem necessary to carry out the purpose of section 10A. However, I earnestly hope, in spite of the fact that Congress granted this unconstitutional authority, that the Secretary of the Treasury and the President will be careful in protecting the money entrusted to them. I realize this act stipulates that the President's decision will be final and not subject to review by any officers of the United States, but I also contend that an accounting must be made before the end of this year when both gentlemen are replaced in office.

I have often wondered what impelled the New Deal statesmen to vote for this act, and how they missed reading the paragraph in the Constitution that stipulates that—

> No State shall make anything but gold and silver coin a tender in payment of debts.

And that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time.

I have discussed this because it is such flagrant violation of the Constitution and such gross injustice to the people that Congress should, to redeem itself, set this thing right before the end of this session. The people are tired of it, and Congress should be ashamed of it, for such legislation can only bring about public ridicule and contempt for those who are elected to preserve, to protect, and defend the people's right.

FEAR NOT THE ACCUMULATION OF GOLD

No one should display the slightest fear had we all the gold in the world, for were it true, what a power we would be. The constant discussion and agitation to bring about fear from an oversupply of gold is, if you understand the internationalist, an attempt to confuse the goi so that he will accept the loss of gold as a blessing by Shylock. What fools we are to let this international rabble lead us into blind alleys. What a pity it is to have courts that connive with this horde to establish citizenship. What we need more than anything else are American judges in our own courts, for Shylock gives no justice to the goyim. This is clearly evident in the prosecution and persecution of such Americans as are guilty of no other crime except opposing the Communist and the communistic internationalist, and that, I may say, is a duty of each and everyone who believes in the fundamental principles of this Republic. We need to clean our courts, the justice departments, and political law-enforcement bodies. They are now not only un-American, but are in addition to that, dupes of Shylock.

Let us assume that we had all the gold in the world, that when it is locked up tight, other nations abandon the use of gold money. What is to prevent us from using the same money that other Nations use? Surely we are well supplied with all metals except nickel and tin, but both can be had in the United States or its territories for the trouble of developing such mines. It behooves all those who labor under the delusion that gold may become obsolete to take another look, for somebody is trying to pull the wool over their eyes.

There is another point that should be of interest to the taxpayers of the United States, and that is the loss we sustained when we bought silver from the whole world at 70 cents an ounce, when we could have bought the same metal for less than 30 cents an ounce. In this transaction, I do not doubt that gold was paid for over-priced silver, all for the benefit of the international money changers.

I believe it is high time that Shylock front for himself, that he sail under his own colors instead of under those of other creeds and people. It is pathetic to observe the helpless and debase goi, selling character and respectability to a people who would, without the slightest hesitation, leave him on the side of the road, a victim of his own imbecillic folly.

WHAT ARE THE FACTS?

The facts are: We do not own the gold and the Treasury Department does not own the gold now stored in the vaults of the Treasury Department. We, the people, are the victims of an international conspiracy in which a majority in Congress, the Executive, and the Supreme Court join hands with the exploiters to deprive the people of sound standard money, security, and protection. This might have been an

innocent act on their parts, but in spite of that it is inexcusable and should be so held by the people of this Nation.

The fact is that on April 3, 1940, $16,169,495,120.64 was owned, according to the daily statement of the United States Treasury, by interests outside of the Treasury and by the Board of Governors of the Federal Reserve System. This is private interest, and the Federal Reserve banks are privately owned and in no sense a part of the Federal Government or the Treasury Department, except in using the Department as a convenience to exploit the people.

The Department of Commerce record shows that foreign nations, probably England and France, own $7,883,000,000 of industrial bonds and securities bought before the dollar was devalued and which now amounts to $13,348,088,985, new gold dollars. This makes a total of over $29,000,000,000 of liabilities against the $18,000,000,000 now in the Treasury. Who owns the gold? Certainly not anyone else except the international banking interests.

The facts are: We the people owned or were protected by the gold in the Treasury of the United States until 1933, when Mr. F. D. Roosevelt assumed the office of President of the United States. Our investments, securities, and life insurance were in a sense assured by the gold in the Treasury, and it was not a crime to set gold aside as security in case of need. This was only right and just because the gold belongs to the people of this Nation and should always remain so, even if not in circulation.

What are the facts now? When President Roosevelt took office in 1933 his administration took the gold away from the people and gave it to the international bankers. He made it a crime for our people to own or to have gold in their possession. He repudiated obligations of the Government to our own people but did not repudiate similar obligations when held by alien interests.

He has left our own people with a purely deflated dollar, devoid of all value except what it may buy from day to day, but he gave to the international bankers, and other alien interests, gold certificates. "He has erected a multitude of new offices, and sent hither swarms of officers to harass our people, and eat out their substance." He has appointed his own judges of the courts, who have little regard for anyone except their own people, and the majority is persecuted at the hands of this alien minority. "He has combined with others to subject us to a jurisdiction foreign to our Constitution, and unacknowledged by our laws; giving his assent to their acts of pretended legislation," and we have now reached the point where the majority rights are jeopardized by minority justices.

This and much else has happened since 1933, when the New Deal was launched by public acclaim. The people are now getting what they voted for, and for that no one can be blamed except themselves, for the majority rules. The outlook is not good, because the leadership of both political parties is dominated by the same alien interest which has directed the administration for the past 12 years, and of which no administration has been entirely free for the past 40 years.

The only hope for the people is to send men to Congress who will not deviate from the literal meaning of the Constitution, and who will spend their time repealing laws which are in conflict with that document. Repeal the Gold Reserve Act and place the gold to the credit of the people of the United States as security for money and other investments. Dissolve chain banks, and establish instead banks in outlying districts, so that the country may be developed. Cancel our obligations to foreign governments against their original war obligations to us. Liquidate our Export-Import Bank as well as all other banking interests in which the United States is now engaged.

We cannot go forward under a two-class monetary system—gold for Shylock and wampum for the people. It is we, the people, who earn the money, and we want it so the blessings of liberty may be secured for ourselves and our posterity. If the internationalist objects to this, he should be deported so that we may have peace, for he admits that wherever he is there is dissension and strife.

THE OUTLOOK

The outlook is not good, for the commodity money or the legal tender now in use, being purely inflated currency, is of little value. It is bound to blow up one of these days, and that is particularly true should gold be withdrawn from the United States. Our national debt is bound to increase as Government income decreases. It is, therefore, practically impossible to escape national bankruptcy. As a matter of fact, we are well on that road now, because the yellow and blue commodity chips are just about the most worthless medium of exchange that people with self-respect will tolerate.

I do not believe that the people will take the administration's failure lightly, or that they will forgive those who have been instrumental in bringing it about. Control of courts and judges is not going to protect this administration or its proponents when the people discover the truth, for they will go to town with all of them. I look for this collapse within the next 4 years, and it would, indeed, be unfortunate should it fall upon anyone else except those who were responsible for bringing it about.

Mrs. Roosevelt's Youth Congress—What Is Its Portent for America?

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

ARTICLE BY EUGENE LYONS

Mr. MUNDT. Mr. Speaker, Eugene Lyons, who has written the thought-provoking article, Mrs. Roosevelt's Youth Congress, which appears in the April issue of the American Mercury, is undoubtedly a frequently read author by every Member of the House and Senate. If he is not, he should be, because Mr. Lyons belongs to that rare group of writers these days who actually has had first-hand experience with the problems about which he writes.

Eugene Lyons went to Russia as the Moscow correspondent for the United Press in the early days of the communistic revolution in that country. Mr. Lyons went there not only as a correspondent but with the specific desire and intention of helping to propagandize America in behalf of communism because at the time he left America for Russia Mr. Lyons was one of those ultra-ultra radicals and literary parlor pinks who thought it was "smart" or "modern" or "liberal" to cuss democracy and commend communism. Unfortunately, the whole American colony of "inverted intelligentsia" did not go with Mr. Lyons to Moscow—more unfortunately still, some of them have secured jobs with the New Deal here in Washington instead; but that is another story. In all events, Moscow was good for Eugene Lyons. Living with communism over there instead of lying about communism over here literally gave significance to slang by "making a Christian" out of Mr. Lyons.

Every Congressman should read Assignment in Utopia, written by Eugene Lyons, and giving in detail his gradual transition based on many years of first-hand experience in Russia from an advocate of communism to one of this country's best informed and most persistent proponents of the republican form of government we enjoy in America.

In view of Mr. Lyons' first-hand knowledge of communism and its methods and his intimate acquaintance with its leading exponents in this country, his discussion of the Roosevelt rally of the American Youth Congress is especially meaningful.

With Lyons communism is no remote, illusory cure-all or panacea; he has lived with it, worked with it, tried to accept and admire it, and he finally become so sickened by its God-

lessness, its intolerance, and its cruelty that he discarded its deceptive tenets and rededicated his efforts to defending the American way of life. His is no paternalistic playing around with the fiery fringes of radicalism; his is no pseudo-liberalism that thinks it "smart" or "modern" to defend the right of youth to go to the devil; his is no attitude based on the hope that political dividends may accrue from widely publicized and exaggerated efforts to encourage license under the guise of liberty. Mr. Lyons' attitude toward the "un-American Youth Congress" stems from his first-hand knowledge of how its tune is dictated and its dance steps prescribed by foreign agents of Soviet Russia and by the subversive methods of American Communists. As a true friend of youth, Mr. Lyons knows that such rallies as the White House American Youth Congress misrepresents the sentiment of real American youth, and misdirects the thinking of the unfortunate gullibles attracted by this thinly disguised "front organization."

YOUTH CONGRESS MISREPRESENTS AMERICAN YOUTH

American youth is the most idealistic, patriotic, and high-thinking class in America. It is being rendered a distinct disservice by the Youth Congress, which recently assembled here under the auspices of the White House; the vast majority of American youth no more believes in the intolerant and un-American precepts of the American Youth Congress than do the vast majority of sincere peace lovers believe in the alien leanings of the late but unlamented League for Peace and Democracy, which has disbanded subsequent to having been establishd as a Communist-front organization.

If the New Deal and its directors would help American youth, the formula for such assistance is to provide honest jobs in private industry at decent wages and salaries and not to encourage malcontents in their caustic criticisms of the basic traditions and foundations of American government.

NEW DEAL HAS INJURED AMERICAN YOUTH

It is my conviction that the New Deal has worked its greatest injury upon the youth of America. For nearly 8 years it has perpetuated the depression and deprived American youth of the opportunity they have invariably enjoyed at least in some stage of every other American administration trusted by the people for a two-term stay in authority. Even worse than that, dodging and ducking the responsibility of meeting today's problems with today's resources, it has borrowed and borrowed and borrowed against the future until the national debt limit has been reached, which is just another way of saying it has shifted to the shoulders of American youth the necessity of paying for as much of the extravagance and graft of the New Deal as the law of the land permits.

NEW DEAL MALADMINISTRATION CAUSES DISCONTENT OF YOUTH

Never before in history has any other administration piled upon the boys and girls of any era anything even remotely resembling the extent of governmental debts which has been foisted upon young America by the deficit spenders of the New Deal. The President and the First Lady cannot at this tardy date, in the very twilight of their sphere of authority, compensate to American youth for the luckless plight into which they have injected them by providing sleeping rooms or board or even friendly speeches to a group of misguided youth assembling in the White House to pass resolutions at an American Youth Congress.

Basically, the cause of such resolutions of discontent and such rallies of radical youth is to be found in the New Deal program of reduced production, continued unemployment, unbalanced budgets with mountain-high debts for youth to pay, and a devotion to European wars combined with a disregard for domestic problems. Perhaps the Roosevelts owed the American Youth Congress some hospitality since their regime has contributed so definitely to their problems, but the key for unlocking the door of opportunity and giving American youth an American chance once again, is not to be found in fine speeches and gracious gestures to frenzied conventions, but it is to be found in a sound, safe, and sane Government program which will give jobs and opportunities to the young people of America who, after all, are more interested in a fair chance for a free people than they are in a friendly reception for a rump organization which completely fails to represent the typical youth of America.

Mr. Speaker, I believe all readers of the CONGRESSIONAL RECORD will find the following article by Eugene Lyons stimulating and thought-provoking. I commend it to your attention in the interests of a better day for the youth of America, whose lifelong tax sacrifices have been pledged by the New Deal during its two-term alliance with the "imps of squandermania."

[From the American Mercury for April 1940]

MRS. ROOSEVELT'S YOUTH CONGRESS

(By Eugene Lyons)

One week end in February several thousand young men and women took over Washington. They were a loud, sloganeering, chip-on-shoulder, treat-'em-rough mob. Though they called themselves delegates to a congress, there was nothing remotely deliberative about their proceedings or behavior. They came and remained, rather, in the excited spirit of a revival meeting or mass meeting. The blight of unanimity lay upon their every session, except, as the Commu-Nazi weekly, New Masses, reported in great glee, that "one or two obstreperous individuals managed to get themselves thrown out." These lonely dissenters achieved that distinction through the high crimes of suggesting the exclusion of those who take orders from foreign dictators, and demanding an expression of sympathy for the Finnish victims of Russian aggression. The delegates hurrahed lustily on certain key words and slogans, howled down every sign of disagreement and bum's-rushed those who objected. The so-called American Youth Congress rejected everything that smacked of tolerance, reasonableness, or civilized respect for unpopular views. It had the truth by rote and was ready to stone all nonconformists to death.

Even the President of the United States was not exempt from its totalitarian wrath. This despite the fact that Franklin D. Roosevelt, and Mrs. Roosevelt, had made themselves patrons and protectors of the gathering, despite the fact that the arrangements for the congress had been made from the White House itself by Abbott Simon, their house guest. Perhaps, for the first time in the history of the Republic, an American President was booed on his own front lawn by his invited guests. A little later, as though to ram the insult home, the congress cheered an unbridled and shamelessly demagogic attack on the President by John L. Lewis; neither did it show much consideration for Mrs. Roosevelt herself when she tried, belatedly, to inject a little common sense into the howling-dervish performance.

Let us get the picture straight. In that Washington episode we are not dealing with ardent youth going to unmannerly extremes in support of its ideals. There was not even the odor of idealism to explain the intolerance. Nowhere in the record is there a trace of dedication to larger causes, of concern for anyone but themselves, of pity or sympathy for the current victims of tyranny the world over. We, us, gimme—or else! The spectacle would have been disheartening if the actors had been weary and cynical oldsters; on the part of youngsters, from whom we might normally expect a little idealism, it was downright obscene.

Nor was it a question of youth defending its convictions. It is silly to talk of convictions in relation to a group which, only 7 or 8 months earlier had shouted no less hysterically for the very opposite slogans. The about face had not been preceded by honest discussion, by a searching of conscience, by a deliberate reexamination and reappraisal. It had been sudden flip-flop on signal from the cheer leaders—and not the first such somersault either. At the time of its formation, in 1934, the American Youth Congress took the Oxford pledge and adopted a vehemently antiwar attitude. Late in 1935 the congress suddenly dropped its pacifism and became militantly antifascist and procollective security. Amazingly, this reversal coincided with a similar reversal on the part of the Communist International and its multitudinous affiliates. Coincidence, however, was raised to the level of the miraculous by the second somersault. For the congress dropped its antifascist line and its collective-security program immediately after the Communist International, having joined hands with Hitler, had done so.

We need not be alarmed by the views of the congress. What is alarming is that the delegates, as individuals, have no views. They merely accept a program handed down from above, ready made to the last accent, without so much as inquiring who tailored it or where or why. The danger is not in what the congress members think, but in the fact that they don't think. The youth meeting was ominous beyond its immediate size or influence, because it was a striking exemplification of the "leader principle" in action—in many respects the boldest demonstration of that basic totalitarian principle on American soil.

II

In allowing herself to be used as a respectable front for this demonstration, Mrs. Roosevelt no doubt imagined that she was defending the right of young people to think and act for themselves. Unfortunately she was doing the exact opposite—conniving to prevent young people from thinking and acting for themselves. She might have tried the simple test of inquiring privately from a dozen or two of the delegates why they had suddenly exchanged their anti-Fascist line for an anti-imperialist line; their support of collective security for isolationism, their opposition to

aggression against weak nations for indifference to such aggression. After all, these are profound changes in viewpoint to be accomplished in a few months. She would have discovered the self-evident fact: That these befuddled young people had not undergone any inner revolution at all but were merely following instructions in blind faith. They had given up the prerogative of thinking, questioning, arguing, in return for the spurious satisfaction of collective shouting under dynamic cheer leaders. It was not at all a question, as Mrs. Roosevelt put it, of the congress not voting as it did not believe, on Finland or anything else. It was a question of exploring in a reasonable, democratic spirit what the delegates did believe—and why. The resolutions adopted by such a gathering are not nearly as important as the process by which the resolutions are reached.

The nobility of her motives does not make Mrs. Roosevelt's role in this affair any the less mischievous. It is no exaggeration to say that her support gave the congress politicians a moral authority which made it easier for them to jam through the official views and to suppress dissenting opinion. In effect she sided with the organization against its members, with collective know-nothingism against democratic and intelligent discussion. She might have exerted her influence in due time to insure free discussion on all disputable questions and elementary democratic procedure to safeguard minority views. Instead, she played the game to the end with the congress leaders.

Perhaps the most baffling aspect of her stubborn self-righteousness is to be found in Mrs. Roosevelt's strange blind spot for the other youth organizations, grouped in The Campaign for Youth Needs. Her championship of the American Youth Congress—in face of its mob spirit, its boorishness, its irreverence, and above all the fantastic way in which its program always parallels the Moscow line—amounts to an obsession. In her position she has no right to be so dismally wrong.

The President, too, would have done better by all American youths to unmask in advance the totalitarian character of the Congress and to expose its foreign allegiance. He elected instead to support it with White House invitations and to argue about its views as though they really represented the reasoned convictions of a sector of American youths. Even the "spanking" he administered amounted to a recognition of the congress which will be exploited by its communist leaders to inveigle more innocent boys and girls into the organization. John L. Lewis, indeed, immediately gave us a sample of what a reckless demagogue can do in exploiting the fears and desperations of youth. The President had set the stage for him beautifully.

There is no doubt, of course, that fear and desperation are at the bottom of the whole sad business. Because youth lives today in the shadow of unemployment it is easy prey for totalitarian demagogues. For that very reason it should be protected by intelligent elders against the predatory power hounds, against indigenous and foreign know-nothingism. For that very reason the Mrs. Roosevelts and other well-meaning and high-minded ones should be less hasty in supporting those who "mobilize" frightened youth for purposes of their own. The ardent young people who provided the main support for Fascism in Italy and for Hitlerism in Germany in their march to power were likewise desperate and fear ridden. Having watched the process in both Italy and Germany, the writer recognized the same temper, the same unthinking, hurrah-shouting, intolerant, cocksure mob spirit, the same loud-mouthed, sloganeering, power-drunk types of leaders in the Washington shindig of the Youth Congress.

The problems of youth will not be solved in this wise—unless the concentration camps, the mental goose-stepping, and the moral degeneracy of the European dictatorships represent a solution.

The press has failed to understand the totalitarian implications of the episode. The meeting and its championship by gullible liberals are symptoms, danger signals, of a national mood.

EUGENE LYONS.

Tinkham One of G. O. P.'s Best Men

EXTENSION OF REMARKS

OF

HON. GEORGE J. BATES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

ARTICLE FROM THE NEW YORK ENQUIRER

Mr. BATES of Massachusetts. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Enquirer, which sets forth many of the fine qualities possessed by the gentleman from Massachusetts, Hon. GEORGE HOLDEN TINKHAM, one of the most beloved and highly respected Members of the House of Representatives:

[From the New York Enquirer of April 8, 1940]

TINKHAM ONE OF G. O. P.'S BEST MEN

If the two-party system so long in operation in the national politics of the United States is to give the Republic the maximum of service and the minimum of mere partisanship, the party of Jefferson and that of Lincoln must be ever willing to recognize merit and to place the well-being of the Nation above all other considerations in selecting men for public office.

By reason of the issues now at stake for the Republic, internally and externally, both the Democratic and the Republican Party cannot be said to be measuring up to their responsibilities to the United States and to themselves.

Take the Republican Party.

It ought to be an easy matter for those in charge of that party to perceive that the American people are nauseated with the present condition of affairs and the factors in the past which brought about that condition. They want to see a new leaf turned over at Washington, and they are looking to both parties to give them a Presidential candidate who they know will carry out their will after he begins his tenancy of the White House.

The Republican Party has a number of men worthy of the White House. Let's consider just one of them.

Representative GEORGE HOLDEN TINKHAM, of Massachusetts, would make an ideal nominee of the party of Lincoln. Mr. TINKHAM is a wealthy man. In his case, wealth is a commanding qualification, for by his splendid record he has shown that riches and Americanism are not incompatible. He is a sane, experienced, and enlightened statesman, a citizen whom Washington and Lincoln themselves would have the utmost satisfaction in recommending to the voters of the Nation.

GEORGE HOLDEN TINKHAM is an American in every element of his being. The traitorous internationalism which now casts, and has so long cast, its defeatist influence over the Republic finds in him a militant opponent.

He holds, as Washington and Lincoln held, that the vital interests of this nation preclude our participating in any way in the concerns of the Old World. And he perceives that, by reason of the conspiracy afoot between Washington and Old World powers to drag this land into war in the interest of foreign imperialism, and the other anti-American courses being pursued on the banks of the Potomac in the realm of international affairs, the foreign policy of the United States is of paramount importance in this year's Presidential campaign.

He perceives, too, that the man chosen by the Grand Old Party as its Presidential nominee must take a firm, unequivocal and honest stand for America on the question of her dealings with other nations.

The fearless and able statesman of Massachusetts, whose voice is as the voice of Washington and of Lincoln amid the blatant utterances of public men and aspiring public men in whose hearts and souls patriotism finds no place, is not a candidate for the White House. Whether GEORGE HOLDEN TINKHAM, a veteran public servant who is eminently right alike on domestic and international concerns, could be induced to accept the G. O. P. nomination is problematical. He is, however, one of the men not to be overlooked in arriving at the fateful decision which now confronts the Republican Party.

Some Real Horse Sense From An Able Businessman

EXTENSION OF REMARKS

OF

HON. WALTER G. ANDREWS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

EDITORIAL BY PAUL BLOCK

Mr. ANDREWS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial:

SOME REAL HORSE SENSE FROM AN ABLE BUSINESSMAN

Every once in a while somebody steps up to the American people and gives them a good, straight-from-the-shoulder dose of common sense. He throws away all the oratory of the politicians, all the theories of the economists and professors, all the muddy thinking of the unintelligent, and gets right down to brass tacks.

Men with the honesty and sincerity to do this have unfortunately not been too numerous in our past. Lincoln did it; so did Grover Cleveland and Theodore Roosevelt. Someone is also doing it today, without pulling his punches or caring where the chips may fall. He is Wendell L. Willkie, president of the Commonwealth & Southern Corporation, and he deserves the thanks of all who are interested in the country's welfare for the straightforward, unselfish way in which he has recently been attacking our national problems.

In politics Mr. Willkie is apparently an absolute independent. He refuses to praise one party and damn the other. What he is

interested in is bringing about recovery, as quickly and as soundly as it can be done, without regard to party labels or class distinctions.

An outstanding example of his clear thinking is his remark in a San Francisco speech, "It is amazing how the extreme new dealers * * * have been able to appropriate the word 'liberal' to their reactionary doctrines."

The New Deal is reactionary and not liberal, Mr. Willkie says, because it has concentrated power in the hands of government. The heart of the American system is the limitation of power. For years until 1929, too much power was concentrated in private hands; since then it has become even more centered in Washington. In both cases this is wrong, Mr. Willkie contends; government monopoly is just as bad as private monopoly. What must now be done is to free the people, whose enterprise and initiative are what make our economic system go, from the regimentation of government while still protecting them from monopolistic control.

It is vital, Mr. Willkie feels, that the Government abandon its attitude of hatred toward business. Business, by which our people live, cannot be separated from our economic system and made a whipping-boy; it cannot be condemned as wholly wrong, any more than all the people can be wholly wrong. "If we are to live, if we are to maintain our present standard of living, and most of all, if we are to hope for greater things in the future business must flourish. No single reform instituted by the New Deal, or for that matter no handful of reforms, would keep American business down. But the attitude, the intangible hostility toward this most fundamental part of our economic system has made it impossible to act any longer in a free and enterprising manner."

For the fresh air which Mr. Willkie brings to the discussion of our pressing problems, for the common horse sense which he talks, he deserves gratitude. That he cuts across party lines, refusing to avoid the facts as he sees them to make political capital for any group or person, including himself, is incontrovertible proof of his honesty. He is telling the American people what is wrong and how to right it and it is to be hoped that they will listen.

PAUL BLOCK, *Publisher.*

A Congressman Reports

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a radio address entitled "A Congressman Reports," which I delivered April 4, 1940, over Radio Station WMCA at New York City, as follows:

Speculation continues unabated as to President Roosevelt's attitude toward a third term. Rightfully, in my estimation, the President should not make his declaration at this juncture. The longer he waits, the more he outmaneuvers and bewilders the Republican opposition. Frankly, I don't believe that the President, in the light of the stubborn, anti-third-term tradition, will accept a third-term nomination, even if it were handed to him on a silver platter.

I am a delegate to the Democratic National Convention. I am one of those who would be willing to nominate Roosevelt for a third term. He can have a third nomination if he wishes it. Witness the Wisconsin primary result. But I am convinced, from my knowledge of the President and his works, that he will not accept such designation. I am sure he is not unmindful of what Jefferson said:

"* * * The service for 8 years, with a power to remove at the end of the first 4, comes nearly to my principle as corrected by experience; and it is in adherence to that, that I determine to withdraw at the end of my second term. The danger is that the indulgence and attachments of the people will keep a man in the chair after he becomes a dotard, that reelection through life shall become habitual, and election for life follow that. General Washington set the example of voluntary retirement after 8 years. I shall follow it * * *."

The question is naturally asked, Who will the Democratic nominee be if Roosevelt rejects the nomination which might be offered him? In view of the great strides in economic progress made by the New Deal—although same has not been acceptable in numerous quarters, even though the rank and file of the masses of people approve—Roosevelt is entitled to name his successor so as to insure the continuation of his policies. I believe the names of Douglas, Jackson, or Hull are acceptable to him, and rightfully so. And I hope and pray the convention will confer on Jim Farley the Vice Presidency, if he wishes it. I know of no man better entitled to that preferment than he. A Douglas-Farley or Hull-Farley Democratic ticket would be unbeatable.

It is becoming more and more apparent to Members of Congress that something must be done, and done quickly, concerning the many barriers that State legislatures have thrown up against interstate commerce. A bird's-eye view of the United States would show thick, concrete walls erected around each State that assumes towering heights, for the purpose of shutting out trade from other States. presumably for the benefit of the local citizenry. The marketing-laws survey of the Works Progress Administration has made an interesting study, showing something of the "Balkanizing" of the States. Let me give you a few examples:

(1) In Rhode Island you cannot bring milk into the State (grade A or grade B) from any surrounding State unless you tincture it pink. Imagine trying to drink pink milk. This is done presumably to help Rhode Island dairies. Rhode Island may naturally expect reprisals from her competing States.

(2) In Georgia you cannot mark eggs "fresh" unless the chickens laying the eggs laid them in that State. Assuredly bordering States will go Georgia one better.

(3) In Maine if you have a 35-foot auto truck, you cannot get it out of the State. The truck is simply walled in, because all the States surrounding Maine preclude by statute a truck unless it is a 40-foot standard-size truck.

(4) In Michigan wine made from home-grown grapes is taxed (by the State) 4 cents per gallon; but if you bring wine into Michigan from a neighboring State, say, for example, Wisconsin, the tax is 50 cents per gallon. In all likelihood Wisconsin will take revenge on Michigan and soak Michigan wine makers 60 cents per gallon.

(5) In Arizona if you wish to sell fruits and vegetables from an auto truck, and if you are from another State, you would be required to pay a separate and distinct license tax in every county of the State. And so, if you are doing business in all the counties, you are required to pay a tax of $4,400. The tax is $500 for each county with a population of 100,000 or more, and $300 in all other counties, although native Arizonians pay no tax.

These walls remind one of the tariff walls which the Thirteen Original States erected against each other. For example, there was a tariff wall between New York and New Jersey directly after the Revolutionary War. It almost led to bloody conflicts between citizens of the two States.

A very serious danger has now become most pressing, and I have therefore offered a bill to set up a permanent bureau in the Department of Commerce to make a complete study of the problem and to make recommendations quickly to Congress to do away with these State trade-barrier strait jackets to bring about increased interstate commerce.

Much has appeared in the press recently about my friend J. Edgar Hoover. The criticisms which have been leveled against him are highly unfortunate and unjust. During my 18 years in Congress I have learned to admire the administrative skill, the probity, the idealism, and the boundless energy of Mr. Hoover. There has never been a breath of scandal connected with him or his organization. In law-enforcement work, where enemies must be made, this is saying much. The attention of the chronic enemies of the Federal Bureau of Investigation seems to have been centered recently on a certain case which originated in Detroit, covering the arrest of a number of individuals charged with violating the statute prohibiting the recruiting of persons for military service abroad. Be it remembered that Mr. Hoover did not start this investigation. He was ordered to do this by the then Attorney General Murphy. Indictments were returned by the grand jury. These indictments were ordered dismissed by Attorney General Jackson. All that Mr. Hoover did was to carry out orders.

Charges have been made that Mr. Hoover and his men subjected the defendants to third-degree methods and that they were intimidated. If there was any violation of constitutional rights, it was by State officials and not by the Federal Bureau of Investigation.

Let us not be ungrateful. No one has done more to put fear of God into the criminal than has J. Edgar Hoover. Note the remarkable work he did in running down the Christian Front culprits now on trial in Brooklyn. There is no longer any kidnaping menace. Since June 1932, 178 kidnaping cases have been investigated by the Bureau, and all but two of these cases have been solved.

Bank robberies a few years ago were committed with a considerable degree of safety. This is no longer true. Mr. Hoover has reduced this type of crime approximately 75 percent.

The records show that J. Edgar Hoover and his men are responsible each year for an average of more than 5,000 convictions. Over 96 out of every 100 persons taken into court for trial by Mr. Hoover and his men are convicted. Under the intrepid leadership of Mr. Hoover, the psychology of the Nation toward crime and criminals has changed. Up to a few years ago, it was the practice for motion pictures and magazines to glorify the criminal as a brave and adventuresome hero. Today the criminal is portrayed as an enemy of society, and the law-enforcement officer is set up as a peacetime soldier hero, who risks his life for his country. A few years ago, little boys in their games used to play the role of gangsters; today they play as G-men.

A Nation-wide conference of United States attorneys at Washington today expressed a vote of confidence in J. Edgar Hoover.

Be it remembered also that not so long ago, Mr. Hoover was offered a radio contract which called for his appearance on a radio program for a period of 3 minutes' time each week for 26 weeks. For this he would receive a considerable sum of money, several thousand dollars for each appearance. He declined the offer for

fear it might interfere with the effective carrying on of his chosen work.

I was happy a few months ago to note the appointment of Myron C. Taylor as the President's representative at the court of Pope Pius XII in Rome. Some time before this appointment, I wrote a letter to Secretary of State Hull, urging such an appointment. I believe I can be forgiven for stating that I may have had some slight influence on the President's decision to send Myron Taylor to Rome. An examination of the records will reveal that diplomatic relations with the Holy See were first established on December 15, 1784, when the Papal Nuncio at Paris wrote to the American Commissioners that his Government had agreed to open the ports of Civita Vecchia on the Mediterranean, and Ancona on the Adriatic, to American vessels.

On June 26, 1797, John Baptist Sartori, of Rome, was commissioned as the first consul to represent the United States in the papal dominions.

The diplomatic relations thus established between our country and the Papal States were maintained for nearly three-quarters of a century in a spirit of mutual friendship and respect.

In 1867 the American mission to Rome came to an official end, but through no fault or action of the Holy See. Congress simply refused to continue the appropriation, so that as Secretary of State Seward stated, "Legally, the action of Congress left the mission still existing, but without compensation."

In my opinion, the action of our Government was somewhat hasty and ill-advised, and was an ungenerous return for the good will the Papal See had always manifested toward our Government and our people.

We are all happy to note that Mr. Taylor has been designated as the President's special representative at Rome with a rank corresponding to that of ambassador. While, strictly speaking, these diplomatic relations, heretofore groundlessly severed, have not technically been restored, nevertheless, the reestablishment of relations between Washington and the Holy See should be a clarion call to the civilized peoples of the world that religious and personal liberties are inherent in our democracy. This despite the unwarranted criticism of certain churchmen.

Eight years ago, those engaged in the liquor industry were deemed outlaws. Liquor was the "jackpot" of the underworld. What a difference today! Today, it is a gold mine for the Government. Liquor ranks with tobacco and gasoline as a major source of public revenue. Its worth to the Nation today is over a billion dollars a year. The total liquor tax collected for 1939 was $1,030,000,000. That was twice the revenue collected from liquor sources in 1934, the first year of the post-prohibition era. And it is four times the revenues realized on liquor in the pre-prohibition year of 1916.

How is this revenue divided? The major portion goes to the Federal Government. It gets 63 percent, or $636,000,000. The balance, $308,000,000 goes to the States in license fees and in profits from State-operated retail liquor stores. Such system is in operation in 16 States. The cities and local municipal agencies get the rest, or approximately $85,000,000. Certainly liquor is quite a nest egg for the Nation. These facts indicate that there will be no recurrence of prohibition. The price would be too great.

Over 100 bills have been offered in the House against aliens in this country, and this despite the fact that there are only 3,600,000 aliens left in the United States, and despite the further fact that during the 6-year period ending July 1, 1939, more persons left the United States than came into the country. We have a permissible immigration quota of 150,000 per annum. This number has not been filled for years. For example: The British quota is 65,721 per annum. But only 3,604 Britishers came in during the past fiscal year. That meant that 62,117 numbers were practically thrown down the sewer. The same is true for Ireland and many other countries. Whereas the quota for Rumania is but 312, over 100,000 clamor for admission. Thousands cannot come in from benighted Germany. I would leave untouched the permitted maximum of 150,000 from all countries but rearrange quotas from the separate countries and permit more refugees to come in who flee torture and persecution. I would keep the immigration house the same size but rearrange the size of the quota rooms.

One antialien bill provides that there shall be no more immigration into the United States.

Another bill provides that all aliens who have not petitioned for citizenship as of December 1939 shall be deported. We are not told where we would ship them. Perhaps they should, according to the author, be taken down to Sandy Hook and dumped into the sea.

Another provides that all aliens ordered deported, and for whom travel documents, i. e., passports, cannot be obtained from the country of birth, shall be placed in stockades, concentration camps, for an indefinite period of time, which in some cases might mean for life. And this shall be done at the whim and caprice of the Secretary of Labor. I inveighed against this bill, directing attention to its unconstitutionality, since it deprives an alien of due process (no jury trial); and also, in its provision of indefinite imprisonment, the Bill of Rights is violated. Nevertheless, this bill passed the House, and is now pending in the Senate.

Another bill provides that an alien shall be deported if he espouses "any change in the form of Government," whatever that may mean. That could mean anything and everything. An alien could not, for example, advocate equal rights for women, despite the fact that it is a projected amendment to the Constitution, acceptable to many millions of women. Nevertheless, such an utterance by an alien, under the provisions of this bill, would result in his deportation.

These bills are the outcome of a campaign against the alien, engineered by professional patrioteers. Frequently in our history we have had similar attempts to drive the alien from our midst. There were, for example, the Alien and Sedition Laws of 1789, the Know-Nothing Party movement of 1820, and the Ku Klux Klan of 1920.

It is hoped that better minds will prevail in the Senate, so that these bills will become "dead letters."

As to business conditions generally, I believe the outlook is good. Exports are on the decided upgrade. This is particularly so with reference to airplanes. The direct effect of increased orders from Europe and elsewhere may not be felt for a short period, but unemployment numbers should be greatly decreased in the ensuing summer months as a result of this increased business.

Sumner Welles, the distinguished diplomat, who has just returned from Europe, has made his report to the President. Rightly, that report should not be made public. It would be too pessimistic as to prospects for peace. However, there has been considerable seepage from such report. Undoubtedly, Welles has brought back an excellent factual study of the conflict in Europe. He undoubtedly will report that Russia and Germany are more interested in war than in peace, and, for that reason, Roosevelt's attempt to develop a peace formula cannot meet with success at this juncture. The war, apparently, must go on. Roosevelt rightfully senses this, and states that there is "scant immediate prospect for the establishment of any just, stable, and lasting peace in Europe." Germany, with diabolic cunning, in an attempt to ditch Welles' efforts at peace, timed the publication of the so-called German White Book with Welles' return to this country. This book contains documents supposedly seized from the Polish Government, and purports to show the pro-Ally role played by the United States in bringing about the war. Our Secretary of State Hull and other authorities have rightfully called this White Book a pack of unmitigated lies. Of course, this White Book will intensify the conflict and tension between Washington and Berlin.

One of the opinions that Welles undoubtedly has brought back is to the effect that the proposed Russian-German-Italian axis has apparently been stymied. Both the Pope and the King of Italy object most strenuously to any alliance with Soviet Russia and both the Pope and King Victor Emmanuel still have considerable tug on the hearts of the Italian people.

I personally cannot see the ending of the war for at least another 2 or 3 years. Apparently the allied blockade cannot win the war. Something more is necessary. Germany has been able to get supplies of food and oil from Russia and Rumania in large enough quantities to render less effective the British blockade. A decisive blow against Hitler might be struck by way of the Black Sea, but that would stir up the Balkans; that "back door" way would be dangerous. All in all, there are no visible signs of an early peace, and nobody knows that better than Sumner Welles.

To my mind, one of the best-informed offices of the world is our State Department. For example, it knew many months in advance that war would come. It privately informed the administration of this fact, despite denials in most responsible quarters that war was not imminent. There is hanging in one of the offices of the State Department a European map that is blue penciled. It indicated long in advance of the conflict the probable line-up of warring powers. It also pointed out the countries to be invaded and the lands to be taken and the way they were to be parceled out amongst the conquerors. The prophecies involved in that blue penciling are well-nigh uncanny. I doff my cap in awe and wonderment to the heads of the State Department.

Abdication of the Tariff Power

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

ARTICLE BY GEORGE ROTHWELL BROWN

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by George Rothwell Brown, which was published in the Milwaukee News-Sentinel of April 7, 1940:

[From the Milwaukee News-Sentinel of April 7, 1940]

THE ABDICATION OF TARIFF POWER—NO CONTROL BY UNITED STATES CONGRESS OVER PRESIDENT'S TRADE PACTS—SHALL WE AMEND THE CONSTITUTION?

(By George Rothwell Brown)

WASHINGTON.—President Roosevelt's demand for extension of the Reciprocal Tariff Act of 1934, which expires June 12, and the Senate's tentative approval of that demand on March 29, following previous favorable action by the House, have focused attention of all thoughtful American citizens on the necessity for correct-

ing what is alleged to be one of the most flagrant violations of the Constitution under the New Deal.

It may even require an amendment of the Constitution to terminate such delegation of legislative powers to the Executive by a succession of Democratic Congresses, in alleged disregard of the organic law, and to prevent further impairment of the people's basic liberties which the founders of the Republic intended to safeguard.

Since the trade agreements negotiated by Secretary Cordell Hull are actual treaties, their promulgation without ratification by the Senate is denounced by many authorities as unconstitutional.

SUPREME COURT BARRED DELEGATION OF POWER

The Supreme Court—the old Supreme Court—disapproved the unconstitutional delegation of power by the Congress to the Executive in its majority opinion on January 7, 1935, when in the case of the Panama Refining Co. against Ryan—the celebrated "hot oil" case—the Court said:

"The Congress manifestly is not permitted to abdicate, or to transfer to others, the essential legislative functions with which it is thus vested."

On May 27, 1935, in holding the N. R. A. unconstitutional in the "sick chicken" case, the Supreme Court again quoted the language of the "hot oil" decision.

Democratic Congresses from 1933 on have delegated both legislative and treaty-making powers to the Executive.

In lump-sum appropriations—on one occasion $4,880,000,000—Congress surrendered to the President the mighty and all-important power of the purse—a power expressly lodged by the Constitution in the Congress and expressly withheld from the Executive.

POWER OF THE PURSE FIRST GIVEN CONGRESS

It was the power of the purse which made the Tudor and Stuart kings despots and tyrants. It was in taking this power into its own hands that the House of Commons in England established free government.

The founders of the American Republic richly endowed the popular body of the legislative branch—the House of Representatives—with powers to protect the people. The language by which the powers of the executive, legislative, and judicial branches are defined is clear and emphatic.

There is no British tribunal which can declare an act of Parliament unconstitutional. The will of Parliament is the supreme will of the land.

Not so with the American Congress, which functions under a written Constitution of specified powers. Hence the will of Congress is not supreme, and the judicial power is required by the Constitution to declare null and void statutes which conflict with the Constitution.

PARLIAMENT SUPREMACY ASSUMED BY CONGRESS

The Roosevelt Congresses, it is charged, disregarded this conception and came to act as though it were similar to the British Parliament, functioning without hindrance or restraint under an unwritten constitution.

As James Bryce, in his The American Commonwealth, says:

"In the American system there exists no such body. Not merely Congress alone, but also Congress and the President, conjoined are subject to the Constitution, and cannot move a step outside the circle which the Constitution has drawn around them. If they do, they transgress the law and exceed their powers."

Bryce declares that when President and Congress conjointly transgress the law, it is the duty of the meanest citizen to treat their acts as void.

There was a time when the meanest citizen could say of a statute, "The Supreme Court will declare it unconstitutional."

Today, the average citizen no longer confidently assumes to make predictions.

Although Mr. Roosevelt's attack on the old Supreme Court failed when the Senate refused to enact the "packing" bill, subsequent changes have enabled the President to appoint a majority of the justices.

Since the Supreme Court which, in the "hot oil" and other cases, condemned delegation of power to the Executive, no longer exists, but has been succeeded by a personnel which may view such delegation of power quite differently, a demand is growing for adoption of an amendment to the Constitution that will forbid such delegation of power.

It would be quite possible to draft an amendment which would prohibit the Congress from yielding any of its powers to the Executive. The issue is discussed in a great many Supreme Court decisions, going back as far, indeed, as 1892, in *Marshall Field & Co.* v. *Clark* (143 U. S. 649) and *Butterfield* v. *Stranahan*, 1904 (192 U. S. 470).

FOUNDERS FEARED POWER OF EXECUTIVE

The founders of the Republic feared precisely what has come to pass.

For example, James Madison, father of the Constitution, presented a series of amendments in the First Congress. One of them was adopted by the House, as follows:

"The powers delegated by the Constitution to the Government of the United States shall be exercised as therein appropriated so that the legislative shall never exercise the powers vested in the executive or judicial, nor the executive the powers vested in the legislative or judicial, nor the judicial the powers vested in the legislative or executive."

MADISON'S PROPOSAL NOW BEING REVIVED

But the Senate rejected the proposed Madison amendment.

The following day a motion was made in the Senate to add the following to the proposed amendments, which became the Bill of Rights:

"That the legislative, executive, and judiciary powers of the Government should be separate and distinct. * * *"

This resolution also was defeated in the Senate.

The proposal made by James Madison in the First Congress—in the exact language quoted above—is being revived for adoption in a proposed amendment as an immediate duty of Congress.

Grapes of Wrath Facts Challenged

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

RADIO ADDRESS BY THOMAS W. McMANUS

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following broadcast by Thomas W. McManus over radio station KPMC, Bakersfield, Calif., March 26, 1940:

COST OF GOVERNMENT

The cost of government falls heavily on everyone. It affects the ownership of home and farm and the stability of employment. Every property owner understands that before he can enjoy the use of his property or have the income from rentals he must pay his taxes. Before interest can be paid on mortgages, taxes must be paid. If the tax rate is more than the property can earn, it becomes prohibitive and the property is valueless. The surest way to destroy individual ownership of property is to build a tax structure so great that real estate will no longer be desirable as an investment. When the earnings of property are not enough to pay the taxes, the property is sold by the Government to pay them.

When the tax on the businessman is so great that he must curtail his activities and lay men off work, unemployment grows. When the tax on industry is so great that the manufacturer cannot expand or improve his machinery, it means stagnation and disaster. The situation grows more serious every day.

TAXES DOUBLE IN 10 YEARS

Out of every dollar you earned in 1920 you paid 11.9 cents in taxes. Ten years later, in 1930, you paid 11.4 cents in taxes from every dollar you earned. And here is an alarming figure: By 1939 the tax burden had so increased that you paid last year 20.8 cents in taxes for every dollar earned, which was nearly double the amount you had to pay 10 years before.

POLITICIANS SQUAWK AT OVERHEAD CUTS

You pay for all this Government spending, for all the political job holders, and when the legislature wants to reduce the expenses of administering relief so that more money goes to the poor and less to the politicians, naturally there is a squawk from those politicians who do not want to lose their easy jobs. The counties can handle relief administration for approximately 8 percent, in contrast to the Federal Government, which takes 30 cents out of every W. P. A. dollar for overhead, and the State, which takes about 25 cents out of every S. R. A. dollar for administration.

Every good citizen interested in the welfare of this county must support the attitude of Senator J. I. Wagy and Assemblyman Rodney Turner, for, while they have different political affiliations, they both have the same idea. They want to help the taxpayer and the workingman to get the most out of the money he must pay in taxes. You should tell them you appreciate their very fair stand in your behalf.

GRAPES OF WRATH FACTS CHALLENGED

Supervisor Ralph Lavin has given to the press his letter to President Roosevelt regarding Steinbeck's The Grapes of Wrath, and the President's reply. Mr. Lavin also boasts that he is proud of a letter that Steinbeck has written him. The supervisor's letter to the President indicates his endorsement of the idea that fiction is based on facts, and I wish to challenge the facts as far as Kern County is concerned.

I challenge him to produce the vulgarity, the lack of decency, and the immorality among the people who have come here from Oklahoma. They are decent, God-fearing Americans, who have been swept by tides of misfortune in the last few years. Because President Roosevelt's Agricultural Adjustment Act has caused thousands of acres of land to lie unplanted, there has been no work for them, no opportunity for them to earn even that meager livelihood which had always been their lot. I challenge Supervisor Lavin to produce to me a single farmer in his district or in Kern

County who has cheated his workmen by false advertising or who has ganged up with vigilantes to do violence to these people who have come here.

LIBEL ON KERN COUNTY

I challenge him to find a deputy sheriff, a police officer, or men wearing Legion caps, who have gone out to club, to beat, or to shoot helpless people. This is a rotten, vile libel on Kern County.

Supervisor Lavin represents the district from East Bakersfield west to Buttonwillow, and I want him to show the people of Kern County where these abuses that the Steinbeck book portrays exist. I want him to find out where in Kern County there is a doctor or a hospital that has refused care to a woman at childbirth, and I want him to present proof that the Kern County Hospital has been guilty of such inhumane acts.

Nowhere in the world is public hospitalization more generously administered to those who cannot pay than in Kern County, and it is a vicious libel to say that any poor person who is sick and without money cannot receive both medical aid and hospitalization here.

WHAT KERN HAS DONE FOR MIGRANTS

In the year 1938 Kern County took care of more than 15,000 migrant people who were in need of medical care. In the year 1939 it took care of 7,000 people who were not residents of this county—and the California Health and Medical Aid Association of the F. S. A. took care of approximately another 7,000 people.

Nowhere in the world is any comparable service given to the sick.

CALIFORNIA WAGE RATE $2.80 PER DAY

Now, in defense of the Kern County and California farmers, I want to quote the record of the United States Department of Agriculture's Bureau of Economics. The average wage rate in Arkansas is $1.05 per day, in Texas $1.30 per day, in Oklahoma $1.55 per day, and the national average is $1.59 per day. The average wage paid by the California farmers is $2.80 per day.

STEINBECK DENOUNCED IN CONGRESS

I want now to quote the Honorable LYLE H. BOREN, of Seminole County, Oklahoma, speaking before the House of Representatives in Washington. He said:

"Today I stand before this body as a son of a tenant farmer, labeled by John Steinbeck as an 'Okie.' For myself, for my dad, and my mother, whose hair is silvery in the service of building the State of Oklahoma, and whose hands are calloused with the toil known by every tenant farmer of Oklahoma, and for every good man and good woman, every fine son and noble daughter of the great, good class of people which this putrid-minded writer labeled as 'Okies,' I arise to say to you, my colleagues, and to every honest, square-minded reader in America, that the painting Steinbeck made in his book is a lie—a black, infernal creation of a twisted, distorted mind. Though I regret that there is a mind in America such as his, let it be a matter of record for all the tenant farmers of America that I have denied this lie for them. * * *

"Let me call your attention to the fact that in the first few pages of his manuscript that he had tractors plowing land of the Cookson Hills country where there are not 40 acres practical for tractor cultivation. He had baptisms taking place in the irrigation ditches in country near Sallisaw, Okla., where an irrigation ditch has not run in the history of the world. He took Sallisaw out of the hills of eastern Oklahoma and placed it in the Dust Bowl. His careless disregard for these matters indicates only his complete disregard for the truth. It is certain that he wrote about a country he had never visited and a people with whom he was not acquainted and had never contacted."

I admire the loyalty of Mr. BOREN to the people he represents, and I deeply regret that Kern County's supervisor, Mr. Lavin, does not share that good opinion about the people he represents.

PROBLEM FOR THE FEDERAL GOVERNMENT

I join with Congressman BOREN in his tribute to the people of his native State. I think that the poor tenant farmer should have more opportunity, and that the Federal Government should generously deal with this problem, and help them in their own home States, and not expect people to travel 2,000 miles across the deserts and the mountains for needed medical care and relief that they should have in their home communities. The F. S. A. should help them to get resettled there and make a decent living, because California has now exhausted every opportunity. We can do no more.

RADICALS DISTORT FACTS

There are a group of radicals, all the way from a deep red to a light pink, who like to call themselves liberals, who distort the facts. They are attempting to make political capital out of the misfortune of the people on relief in California, and to stir up bitter class hatred throughout this country. Of course, the more people they can induce to come out here, the more distress is created, which makes fertile ground for the seed of communism.

CALIFORNIA CREDIT EXHAUSTED

California has exhausted its credit. The State director of finance says he has been notified by the bankers that they can no longer buy State warrants, with the State in the red by nearly $75,000,000, and the people burdened with oppressive taxes.

URGES FEDERAL ACTION

I want to quote to you from Senate Joint Resolution No. 3 introduced by Senator Fletcher, of San Diego, at the last special session of the legislature and unanimously passed by both houses:

"Whereas, in view of the fact that we live in a Christian nation and a civilized community, it is incumbent on the citizens of California to be concerned for the welfare of their neighbors who find themselves in the humble position of requiring aid to meet the necessities of life; and

"Whereas the taxpayers of the State of California have been called upon to aid and assist in assimilating this influx of unfortunate American citizens who have migrated to our State in desperation and are in dire need; and

"Whereas we feel that this obligation is a responsibility of the State from which these people came; and

"Whereas the State of California paid to the Federal Government between the years of 1933 and 1938, inclusive, more than one billion one hundred millions in taxes and received from the Federal Government from all sources in return only nine hundred and fifty-two millions—California having paid nearly $200,000,000 more in taxes than it received from the Federal Government during that period; while the State of Oregon during that same period paid to the Federal Government approximately fifty million in taxes and received in return more than two hundred and twenty-six millions, or four and a half times what it paid in; and

"Whereas the State of Nevada paid about fifteen millions to the Federal Government and received in return about ninety-eight millions during the same period, or more than six and a half times its payments into the Federal Treasury; and neither of these States received an appreciable amount of immigrants, nor are they carrying the local load that California is carrying on account of the large number of persons receiving old-age assistance in our State: Now, therefore, be it

"Resolved by the Senate and Assembly of the State of California, jointly, That the President of the United States, the Congress, the F. S. A., and the Commissioner of W. P. A. are hereby respectfully urged and implored to come to the aid of California and give immediate attention and favorable action to our just cause at this crucial moment when it is necessary to call an extraordinary session of the legislature to appropriate additional funds for relief."

TIRED OF ABUSE

We understand how eminently fair California has been about this entire problem; and still we must listen to the abuse of the radicals who are making an indecent spectacle of themselves and continually harassing the public officials. The people of Kern County are growing sick and tired of this gang of Communists and C. I. Oers who represent but a small fraction of people on relief continually making protests when they have no real justification for such protests.

I think we should tell Harry Bridges to tell his C. I. O. men in Kern County that they are not helping his organization in pursuing these un-American tactics, and that we do not intend to let Bridges or anyone else like him dictate to, bully, or bluff the people of Kern County or of the State.

In this pleasant and happy Easter time, may I extend to each and everyone of you my every good wish. Let us banish from this land every vestige of racial prejudice, of religious bigotry, of class hatred. Let us unite the Nation in the great purpose of solving our problems in the American way, so that our country shall ever be the land of liberty, and the land of opportunity.

W. P. A. Relief Needs

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

LETTER FROM DAN B. McGOVERN, PUBLISHER OF THE RENTON CHRONICLE, RENTON, WASH.

Mr. COFFEE of Washington. Mr. Speaker, under leave to extend my remarks in the RECORD, I am enclosing a very provocative and challenging letter from Editor Dan McGovern, of the Renton Chronicle, published at Renton, King County, Wash. Mr. McGovern has, in his characteristically piquant language, summarized a very aggravating situation relative to relief needs in the United States. He sets forth cogently the pressing urgency of adequately providing for the W. P. A. workers and the underprivileged of our land. I agree wholeheartedly with his viewpoint and urge my col-

leagues here in the Congress to subordinate all else to considerations of safeguarding the morale of the people of the United States.

The letter speaks for itself, and is as follows:

THE RENTON CHRONICLE,
Renton, Wash., March 18, 1940.

Hon. JOHN M. COFFEE,
Member of Congress,
Washington, D. C.

MY DEAR CONGRESSMAN: I read in the papers that the present W. P. A. enrollment of 2,300,000 would be reduced 700,000 by July 1. It is in my mind that you were and are opposed to this decrease; however, I have seen little activity among Members of Congress, in either House, in opposition to this monstrous suggestion.

America has stood at the crossroads so often that the phrase has become hackneyed, and this is perhaps only another time. But surely this is not the moment to curtail national expenditures at the expense of the very poor of the country.

We have billions for war. This is said to be in the national defense. Mr. COFFEE, are war expenditures more in the national defense than the defense of American homes from demoralization?

Republican spokesmen tell us that "this administration spending must stop somewhere." I would agree with a statement going something like this: "It would be much more desirable if the Government did not have to spend money for the relief of its poor people." And I, with everyone else of course, would welcome the day when no more Federal or other kind of relief was necessary.

But under the present conditions such relief is necessary. It is vital. If the huge financial and industrial interests in this country—the interests which control all the billions of the Nation's wealth (and I mean just exactly that—all)—cannot or will not take steps to put these W. P. A. workers to work, what is there left for the Nation to do?

Is there a feeling among any important group in Congress that those people should be left to starve? Or are Congressmen and Senators ignorant of the fact that when those men are turned off the W. P. A. they actually face starvation?

I think that you are entirely familiar with the fact that when a man loses his job on the W. P. A., he and his family are within only a few days of hunger. I said hunger, Congressman. That means—if the various Members of the Congress need enlightenment—that means having pains in the stomach for lack of food; it means that the little children cry for nourishment; it means that mothers have not the strength to supply milk for their infants. O, Mr. COFFEE, it means that they're hungry for food, that they're cold, miserable, and defeated. Were you ever hungry? How about other Members of Congress? Surely some of them at some time or another have been hungry.

Mr. COFFEE, this Nation is wealthy beyond the wildest dreams of Utopians or economists, and yet we are seriously contemplating a further crucial deprivation of several millions of our fellow citizens whose only crime is that they cannot be, or are not being, put to work by the agencies that control all the work the country has.

These men are part of this Nation. Many of their fathers and grandfathers helped build this country. Their children are among those upon which the future of the Nation depends; and we say calmly that "According to figures released today, it is estimated that 700,000 men must be dropped from the W. P. A. on July 1."

Is it the assumption, Mr. COFFEE, that those men and their families will not be hungry after July 1? Is there supposed to be some magic in the air of the month of July which shall supply sustenance for them? Or is it the idea that they can exist on the patriotism generated by the 4th of July parades?

Mr. COFFEE, I am this week placing at the head of my editorial column the words of the chorus of God Bless America. And I am going to keep those words there. And I am going to pray that He will help us. But do you think that He will be pleased with us if we shut our overflowing granaries against our brothers who sit out in the cold and have not bread?

The economists—sitting fat and drugged with their own little prosperity—say "America must retrench." The pro-Americans say "The spending orgy of the administration is what holds America back." The Liberty Leaguers say that the Budget must be balanced. But I say, Mr. Congressman, that the only honest-to-good, the only essential, the only vital and immediate "must" in this Nation today is the people must eat.

Mr. COFFEE, there has got to be more hell raised down there in Congress. And there is no delegation in Congress that has a clearer mandate to raise hell in the interests of the poor, the hungry, and the demoralized than the delegation from the State of Washington.

JOHN, don't let this cruelty come to pass. If we do this ghastly thing, let us then quit talking about the cruelties of Japan in China, of Italy in Ethiopia, of the Fascists, the Communists. Because I have never heard that any of the cruelties ascribed to those nations or parties including withholding from hungry people bread when there was bread aplenty for all.

I had no intention of writing you at this length. But believe me I mean it like hell.

Sincerely,

DAN MCGOVERN.

Address of the Postmaster General

EXTENSION OF REMARKS
OF
HON. RICHARD M. DUNCAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. DUNCAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. James A. Farley, Postmaster General of the United States, at the combined ceremonies marking the first-day sale of the pony express commemorative stamp in connection with the eightieth anniversary of the establishment of the pony-express service and the dedication of the new Federal building, St. Joseph, Mo., Wednesday morning, April 3, 1940:

I am very happy to be in St. Joseph today and have the privilege of participating in the ceremonies which strengthen the bonds between your historic city and the United States Post Office Department. The pony express has long been associated with St. Joseph, Mo., which was its eastern terminal. The new post-office building that we dedicate this morning will rank, I am sure, in quality and appearance with the finest in our country.

This pony-express stamp first sold here today is destined to become one of the most popular of American issues. The Post Office Department, as you know, is honoring a number of great American leaders by a special series of postage stamps; but we want to remember as well those many nameless individuals who made such a colorful American institution as the pony express a vital part of the Nation's expansion. May I, on the eightieth anniversary of this pioneer service, felicitate both St. Joseph and the capital of California—Sacramento—which is also celebrating the one-hundredth anniversary of its famed Fort Sutter. This stamp suitably recalls those days of the West's golden trails and iron men.

When I spoke at Hannibal recently, at the time of the first sale of the Mark Twain stamp there, I mentioned that city's traditional Mississippi River background. St. Joseph also, since the days when as Joseph Robidoux' Landing it was the gateway to the West and had its own rich background of river and frontier experience. The broad Missouri, of gold seekers and fur trappers, of men such as your whittling mayor, lanky Jeff Thompson, was a picturesque part of our national heritage. Your State has bred a type of ruggedness and good humor which stands as an example to all.

I believe it fitting that the newest addition to the architecture of your city should be located on Edmund and Charles Streets, which are named after the sons of your founder.

This building, erected at an over-all cost of $775,000, has been constructed so as to be both attractive and useful to St. Joseph. Its modified classical design gives it a sturdy, modern appearance. Courthouse facilities have been made conveniently available. Offices are arranged to coordinate and speed the work of the various departments located in the building. I commend those who had a part in the construction and congratulate the citizens of this city upon the finished product that forms a definite contribution to your community.

Certainly this post office is very different from the old Federal building, and this impressive structure is a far cry from the ancient wooden post office before which, on that Tuesday afternoon in early April 1860, a crowd gathered to watch the first pony-express rider gallop off as a starting link in a 2,000-mile chain of horsemen. Some of you have heard stories about that eventful day of bands and speeches and tense excitement and a record-breaking train run to get the eastern mail into St. Joe on time. Mayor Jeff made a speech. "Citizens of St. Joe," he said, "I bid you give three cheers for the pony express, three cheers for the first overland passage of the United States mail." And, amid the cheers, the rider was off and away on the long trail to California.

The West of a century ago was wild, raw, and empty, but—almost in no time—cities were shooting up like big healthy youngsters. The old clipper ships and covered-wagon fleets bridged the two oceans. And then came the magic word "gold."

A torrent of humanity swirled westward, and by 1860 half a million settlers were beyond the Rockies. Hearts held high and hopes storming all citadels, a generation had grown up in the West. Proud, bold—this new America soon grew a bit homesick and yearned for news of New York and Washington, of slavery and Union and elections.

That is why we had a pony express. That is why that solitary rider forded the river at St. Joseph and sped onward; another horse, another horse and rider, 40 of them sped one way while 40

others raced their horses eastward from the hills of California. On and on they pounded, 80 riders, using 400 horses, day and night, over desert and snowdrift, they went on—while a Nation waited.

"Neither snow nor rain nor gloom of night stayed these couriers from the swift completion of their appointed rounds."

Then at last the goal. On the afternoon of April 13, not yet 11 days after leaving Saint Joseph, the mail, brought by the last horse and its tired rider, swept into Sacramento, thence by boat to San Francisco. Almost at the same time the last horseman was greeted with a roar and reception at the other end of the line. That night the speeches and the bonfires blazed high. The great romantic epic of the pony express had been born.

The story of the next 19 months has more melodrama than a dime novel. These men on horseback accomplished all that human skill and bravery aided by a horse's speed could do. Through every obstacle and danger, rocky slides and treacherous streams, they spurred their animals. If a horse lost its balance, was injured or shot, the rider would snatch off his saddle-covering holding the special dispatches and go the rest of the way to the next station on foot. In hundreds of crossings, the mail was lost only once—later to be recovered from the Indians seizing it.

Trouble with certain Indian tribes was, in those days, inevitable. Besides constantly facing ambush, the messenger often found a station in flames and no fresh horses and rider to relieve him. There was no stopping; he had to go on himself. "Buffalo Bill," William F. Cody, once rode 320 miles without a rest.

But even hostile Indians retained some of the honor which later warfare has erased. "Pony Bob" Haslam, one of the pony-express immortals, was once surrounded by a band of 30 Pah-Utes armed with rifles. Haslam, undaunted, rode full speed toward the group. The leader of the Indians, obviously impressed by the white man's bravery, made a peace signal and cried, "You pretty good fellow—you go ahead." And Bob went through without a shot being fired.

Riders were proud of their endurance and pace. The same "Pony Bob" set up a record of 380 miles straight traveling without rest. Don Rising could keep up a speed of 20 miles an hour. Johnny Frey was so fast that before a 30-mile spell of riding, he'd shout to the cook, "Put breakfast on the fire, and I'll get out to St. Joe and be back here to eat it."

In the present day when some of our young people tend to get discouraged and "fed up" with the ease of modern living, they would do well to recall how much less comfortable and safe were the lives of these daring young men. Their boundless enthusiasm for their work was symbolic of the spirit that has brought this Nation forward and onward. We need, today, more of that same enthusiasm, more of that willingness to take the next jump in stride.

Mark Twain's sketch of the express rider presents a vivid picture. I should like to quote it:

"Every neck is stretched further, and every eye strained wider away across the endless dead level of the prairie; a black speck appears against the sky, and it is plain that it moves. * * * In a second it becomes a horse and rider, rising and falling—sweeping toward us nearer and nearer, and the flutter of hoofs comes faintly to the ear—another instant a whoop and a hurrah. * * * A wave of the rider's hand, but no reply, and man and horse burst past.

"No matter what time of the day or night his watch came on, and no matter whether it was winter or summer, raining, snowing, hailing, or sleeting, or whether his 'beat' was on level straight road or a crazy trail over mountain crags and precipices, or whether it led through peaceful regions or regions that swarmed with hostile Indians, he must always be ready to leap into the saddle and be off like the wind."

The pony express was a romantic adventure. But it was also a business and required great care and planning. Before the first horseman left St. Joseph months of trail blazing and preparing had to take place. Two hundred stations, the four hundred horses, as well as station keepers and riders, had to be arranged and provided for. And even though the charge per letter was at first $5 for each half ounce, the pony's backers were not financially successful.

Yet the work which the pony express did—just as with present-day operation of the Post Office Department—cannot be measured simply by financial or less. The value lies in its service. For 79 weeks, by 308 transcontinental crossings, covering over 616,000 miles, and delivering 30,000 pieces of mail, the pony express was the air mail of the sixties. One week after Abraham Lincoln's first message to Congress California heard his words—in time to make the words count. Perhaps, even that State's important decision to back the Union side of the issue was due to the speed with which the people were made aware of the situation and the facts.

Unquestionably, the pony express stirred the imagination of the entire country to an extent that made possible the future closer binding together of the sections. The service opened up the West, showed the need for closer and faster contact. A people whose appetites were now whetted could be encouraged to build railroads and telegraph lines. Already the clicking of the little keys forecast the process of saddles off and wires on. On November 26, 1861, 1 month after the completion of the first transcontinental telegraph, the last rider took the mail through, and hung up his rider's horn. An era had ended, another began.

But when it was needed, the pony express was invaluable, and its passing was sincerely regretted by the people of that day. The San Francisco Pacific wrote in November: "A fast and faithful friend has the pony been to our far-off State. Summer and winter, storm and shine, day and night, he has traveled like a weaver's shuttle back and forth till now his work is done. We have looked for you as those who wait for the morning. * * * When days were months and hours weeks, how you thrilled us out of our pain and suspense, to know the best or know the worst. You have served us well."

It did serve well. Today the Post Office Department believes in the same religion of service which the members of that human telegraph, the pony express, once practiced. The mail must still go safely through, snow or rain and gloom of night. Only the Nation is now larger and our citizens write bigger and better letters, which cover millions of miles. The mails move by every means of transportation. Our air mail today is of the skies and travels faster than the fleetest rider is reputed, by the oldest old-timer, to have once streaked across the prairie. But the tradition has endured. The air-mail pilot, skimming westward to the coast, trails the shadow of his metal steed down upon the path left by the flying pony of the plains.

The stamp first sold here today is of the 3-cent denomination and picturizes a pony-express rider beginning one of his memorable trips. I give this stamp to you today as a lasting memorial of that early era when, in response to the needs of our forefathers in the building of the West, there came into being that most colorful American enterprise, the pony express.

The Congressional Secretaries' Club—Boon to Congressmen's Efforts To Increase Value and Standard of Public Service

EXTENSION OF REMARKS

OF

HON. JOHN J. SPARKMAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

Mr. SPARKMAN. Mr. Speaker, during the last few sessions of Congress there has been under way here on Capitol Hill a highly constructive educational program for the increase of efficiency in congressional offices and I feel that at this time the Congressional Secretaries' Club deserves to be given recognition for this splendid accomplishment.

This organization is composed solely of members of our immediate office staffs and its chief purpose is to disseminate to our offices helpful information and material not readily available and to conduct educational programs on subjects pertaining to our office work.

May I also comment on the fact that this is purely a nonpartisan organization? I am advised by secretaries associated with members of all political parties that never once has the matter of party politics been injected into the activities or discussions of this group.

This is neither a debating society nor primarily a social club. Its aims and purposes are, as I have already outlined, for the enlightenment of our office personnel. This group should not be confused with the Little Congress, which primarily delves into the arts of public speaking, debating, and parliamentary practices, and the membership of which is open to all legislative employees.

The Congressional Secretaries' Club has rendered valuable assistance to those offices participating in its membership, and the leaders of the group are to be commended, I feel, for the fine constructive program which they have launched. The volume of work which comes into our offices makes it necessary for us to depend somewhat on our secretaries for many contacts with departments. This club is filling a long-vacant gap, and I hope it continues its good work.

INSTRUCTIVE ADDRESSES BY DEPARTMENT HEADS

Each week the Secretaries' Club has a guest speaker at its meeting, and this speaker delves into the proper procedure to be followed by congressional offices in expediting business with that particular department to the best interest of our constituents. Following an informative address there is usually an opportunity given for questions, and the result is that one question may develop a thought helpful not only to the office represented by the secretary asking the question but also to other offices. Frequently, too, I am advised, the suggestions made during these meetings are helpful to the departments themselves. On some occasions the speaker

comes from outside the ranks of the Federal service, but the subject discussed is always one of interest to congressional offices. Included among the Government speakers to date this year: Commander N. P. Lovett, of the Naval Intelligence; Dr. Stanley K. Hornbeck, of the State Department; E. F. Mashburn, of the Coast Guard; Lt. Garland Suggs, of the deep-sea diving school of the Navy Department; Maj. R. J. Lovett, of the Army Intelligence; and our own Hans Jurgensen, Jr., tally clerk of the House of Representatives, who explained how to make the most use of the daily calendar. Other speakers this year included Granville Jacobs, who discussed ways of remembering names and faces; Dr. James F. Grady, who gave pointers on letter writing; Dr. Louis A. Warren, an authority on Abraham Lincoln; Norman Saksvig, world's champion typist, who demonstrated improved typing methods; and Dr. Myer Jacobstein, of Brookings Institution, who explained congressional reapportionment.

From this fine array of speakers it is apparent the Congressional Secretaries' Club is doing much to improve the knowledge and efficiency of our clerical staffs.

VALUABLE INFORMATION BULLETINS

There is another feature of the Congressional Secretaries' Club, Mr. Speaker, which I find indispensable in my office. I refer to the official bulletins, or "tip" sheets, as they are commonly called by the secretaries.

During the present Congress the club has issued something like 35 of these "tip" sheets, containing hundreds of items of value to every congressional office. I can cite one Member of Congress who will tell you he estimates a saving of $25 on his stationery account alone as the result of the suggestions affecting economies which his clerk learned about through this service of the Secretaries' Club.

Another Member of Congress was paying postage on mail of official nature being sent to American consular officers in foreign countries and through this club his clerk learned how these letters could be sent without cost to the Congressman.

As an example of some of the "tips" given, I have glanced over these sheets and note that there are 26 different sources listed where we can obtain pictures (without cost) to be hung in our offices. You know when we move into an office its walls are bare and a few of these beautiful pictures do much to enhance the appearance of the place in which we work.

These sheets also list about 30 sources of maps of various sorts which some of our constituents find of value. Also listed are a great many bound books suitable for our own office reference. Three of the valuable ones in this connection include Style Manual of the Department of State, Government Printing Office Style Manual, and Flags of the United States and Other Countries. There are 20 items relative to office supplies. There are 120 suggestions relative to improving office efficiency.

Government departments, you know, do not usually come up here to Members of Congress and say, "We have made a study on this subject or that subject which we feel will be of value to people in your State. Would you like to have some copies?" No; for the most part we just stumble onto the publications that are issued, unless we search through the Government catalog; and they are not all listed there.

Well, the research division of the Congressional Secretaries' Club has made that easier, too, and, as a part of its services, the club lists the new publications just as fast as its staff can find out about them. Were it not for this activity I am sure many of our people back home would not be getting the bulletins that we are now sending, for our individual staffs do not have the time each day to make a canvass of the departments for new publications.

The Secretaries' Club has also prepared and distributed one of the most complete and concise sheets I have seen relative to the points of interest in Washington, the location and hours visitors are admitted. This lists a number of important points of interest usually overlooked by visitors in the National Capital.

SCHOOL ON VETERANS' AFFAIRS

Because of the constantly changing laws and regulations relative to the cases of veterans who have fought in the wars in which the United States has been involved, and also the changing laws relative to the benefits for the dependents of those veterans, that work is an important part of every congressional office.

The Congressional Secretaries' Club, realizing the importance of this phase of our responsibility to veterans and their dependents, established a school on veterans' affairs in order better to qualify secretaries to prepare evidence for Congressmen in handling these cases with the Veterans' Administration.

This school was held recently in the rooms of the Committee on World War Legislation through the kindness of that committee. The sessions covered about 1½ hours each day over a period of 1 week. Lectures were given by the chiefs of the different divisions of the Veterans' Administration and following each address there was a forum type discussion session. Approximately 150 secretaries attended the school, which was sponsored by the Secretaries' Club but made available to every secretary on the Hill, both Senate and House. The club distributed testimonial certificates to those attending all of the sessions.

Gen. Frank T. Hines commented favorably on the school idea and authorized E. L. Bailey, Director of Dependents' Claims Service; H. L. McCoy, Director of Insurance Service; and his assistant, George E. Brown, of Veterans' Claims Service; R. J. Jarnagin, chairman of the Board of Veterans' Appeals; and Samuel Rose, Chief of Contact, to act as instructors.

I am sure the results of this school are already bearing fruit in the congressional offices which were represented at the school.

EDUCATIONAL TOURS

To get an idea of how the various agencies of Government handle affairs of interest to congressional offices, as well as other business matters pertaining to their respective departments, the Congressional Secretaries' Club inaugurated a policy of holding a series of evening educational tours through a number of these departments. The agencies cooperated by making these tours possible in the evening.

Of particular credit to the secretaries was their trip through the Government Printing Office. In order to get a complete picture of the various processes involved in the preparation and printing of the CONGRESSIONAL RECORD and other publications, these secretaries went to the Government Printing Office at an hour of the night when most of us were thinking about going to bed. They saw practically the entire operation involved in the issuance of the RECORD.

Another of these tours was through the Federal Bureau of Investigation, and still another through the National Archives, where they saw valuable documents being prepared for preservation for posterity. Other tours included the Washington Navy Yard, the Library of Congress, and the Naval Observatory. I understand two or three other important tours are planned before adjournment.

SECRETARIES' CLUB DESERVES PLAUDITS

Mr. Speaker, before closing I wish to reiterate that the Congressional Secretaries' Club is doing a splendid job in carrying on the program just outlined in my remarks. They fill a great need, and do us a most valuable service. They have been carrying on for 5 years without fanfare, without publicity, and without seeking recognition for their achievements. So far as I know, this is the first time a Member of Congress has ever made mention of this organization and its record of endeavor on the floor of the House. To the officers of the club, Paul A. Olson (COFFEE, Washington), president; William Young (PATRICK, Alabama), vice president; Essie Coleman (GREEN, Florida), secretary; Roberta Messerly (KIRWAN, Ohio), treasurer; William Hackett (CRAWFORD, Michigan), information director; Harold Clark (MURDOCK, Arizona), legislative chairman; Harold Hagen (BUCKLER, Minnesota), immediate past president; and to the membership, I extend

heartiest congratulations for the contribution they are making toward the increased effectiveness and value of the Congressmen with whom they are associated. May their shadow never grow less.

Relief From Stringent Naturalization Laws

EXTENSION OF REMARKS
OF
HON. THOMAS D'ALESANDRO, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

Mr. D'ALESANDRO. Mr. Speaker, I am heartily in favor of encouraging naturalization and I am transmitting herewith copies of correspondence I have had with the United States Department of Labor, Congressman Samuel Dickstein, chairman of the Committee on Immigration and Naturalization, and Judge Calvin W. Chestnut and Judge William Coleman, of the United States district court in Baltimore, in an effort to secure relief from the present laws, thereby giving more persons an opportunity to become citizens.

The letters referred to are as follows:

OCTOBER 25, 1939.

Mme. FRANCES PERKINS,
Secretary of Labor, Department of Labor Building, Washington, D. C.

DEAR MME. PERKINS: On March 22 I introduced H. R. 5228, which provides that any alien is eligible for citizenship who was lawfully admitted to the United States for permanent residence prior to November 11, 1918, and who has ever since lawful entry maintained bona fide residence in the United States and has complied with the requirement of a good moral character, may be naturalized upon full and complete compliance with all the requirements of the naturalization laws, with the following exceptions:

He shall be exempt from all educational requirements, provided he has attended citizenship classes for at least 6 months and, upon proof thereof, shall be exempt from all verbal or written examinations.

I introduced this bill for the real forgotten people of our Nation. Some of these people came to this great America in the 1880's and 1890's, young, honest, industrious people, who never really had the time or the opportunity to learn how to read and write. They married, had large families, and have given their best years in honest labor. Many are property owners and taxpayers. Many had sons and daughters who served our great country in the World War. The sons and daughters of others are today in the vanguard of America's progress. Yet these same clean-living people of America cannot become citizens unless they pass an examination that would probably "flunk" a high-school graduate or perhaps a college graduate. If the only requirements for citizenship were contributions to national wealth through honest labor and love for democracy, almost all of our noncitizens could easily become citizens.

There are thousands of people in the United States who have made application for their first and second papers but who failed to pass the examination. In making application they renounced allegiance to their native countries, and yet they are not citizens of the United States. They love America; they belong to America; they are willing to fight to defend America and keep it democratic and free, so why deny them citizenship?

In reference to my inquiry as to the status of this bill, Congressman SAMUEL DICKSTEIN, chairman of the House Committee on Immigration and Naturalization, received the following letter from you:

"Permit me to refer to the letter of the clerk of your committee requesting comment on H. R. 5228.

"The bill was introduced on March 22, 1939, by Mr. D'ALESANDRO and bears the title 'A bill for the admission to citizenship of aliens who came into this country prior to November 11, 1918.'

"It proposes a new subdivision to be included in section 4 of the Naturalization Act of June 29, 1906, as amended. That section which prescribes the naturalization procedure contains 14 subdivisions, several of which authorize a short form of procedure as to particular classes of aliens. Bill H. R. 5228 would provide that any alien who was lawfully admitted to the United States for permanent residence prior to November 11, 1918, and has ever since said entry maintained a bona fide residence in the United States shall be exempt from all educational requirements provided that he has attended citizenship classes for at least 6 months.

"As this bill will expedite the naturalization of aliens who have resided in this country continuously for a period of 20 years and can prove good moral character and attachment to the principles of the Constitution of the United States, I believe that it has considerable merit and may well receive the favorable consideration of the Congress."

In the meantime, while this bill is pending in committee, may I make a personal appeal to you in behalf of these people who reside in Maryland, that you permit Mr. P. J. Phillips, senior examiner, to give oral examinations instead of written ones, to eliminate the present hardship which the written examinations work on them.

I understand that this is permitted in many other States, and I would like to secure the same privilege for the people of Maryland.

Thanking you for your usual kind consideration, I am,

Respectfully yours,

THOMAS D'ALESANDRO, JR., M. C.,
Third District, Maryland.

DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington.

Hon. THOMAS D'ALESANDRO, JR.,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN D'ALESANDRO: I have your letter of October 25, 1939, in which you request me to instruct Mr. P. J. Phillipps, of our Immigration and Naturalization Service, to give oral examinations instead of written ones to petitioners for naturalization in the State of Maryland.

I have been advised that the procedure you request is not subject to my control, but is entirely within the discretion of the judges of the United States District Court at Baltimore, Md. (34 Stat. 599, U. S. Code, title 5, sec. 398). The Federal court judges at Baltimore have expressly ordered written examinations because of their belief that persons who are unable to write the English language should not be naturalized.

Under the circumstances, it will be necessary for you to confer with the United States district court judges at Baltimore to obtain the reform you desire.

Sincerely yours,

FRANCES T. PERKINS.

DECEMBER 29, 1939.

Hon. THOMAS D'ALESANDRO, JR., M. C.,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN D'ALESANDRO: Further reference is made to your letter of November 13, 1939, concerning the type of educational examination in use in the various field districts of this Service.

An inquiry directed to the field officers of this Service brought reports regarding the practice followed in their respective districts which are summarized as follows:

A written examination is accorded in the United States district courts at Washington, D. C. and Baltimore, Md.; also, in the Federal courts at Alexandria, Norfolk, and Richmond, Va.; at Asheville, N. C.; and in the third district court at Salt Lake City.

In the other districts the examination is oral, except in those instances in which the petitioner is unable to speak or hear. Where practicable, a written examination is given to such persons which facilitates understanding on the part of both the applicant and the examiner.

Cordially yours,

JAMES L. HOUGHTELING,
Commissioner.

FEBRUARY 8, 1940.

The Honorable W. CALVIN CHESNUT,
United States District Judge, Post Office Building, Baltimore, Md.

DEAR JUDGE CHESNUT: As per your request, I am writing to you in reference to modifying the present method of handling examinations for citizenship. I am herewith enclosing a letter I received from Madam Perkins, Secretary of Labor, in this connection, which I would appreciate your returning to me after it has served your purpose.

Those persons who cannot read or write English are now unable to secure their citizenship papers in Maryland, while in other States, with the exception of Washington, D. C.; Alexandria, Norfolk, and Richmond, Va.; Asheville, N. C.; and in the third district court at Salt Lake City, they have the privilege of taking oral examinations.

By this time you will no doubt have received a letter from Congressman DICKSTEIN, chairman of the House Committee on Immigration and Naturalization, in regard to my bill—H. R. 5228. In the meantime, while this legislation is pending, I would certainly appreciate it if you and Judge Coleman would give some consideration to the matter of allowing the people of Maryland the same privilege accorded in other communities.

Sincerely yours,

THOMAS D'ALESANDRO, JR.,
Member of Congress, Third District, Maryland.

JUDGE'S CHAMBERS,
UNITED STATES DISTRICT COURT,
Baltimore, Md., February 10, 1940.

Hon. THOMAS D'ALESANDRO, JR.,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN D'ALESANDRO: I have your letter of February 8, enclosing letter to you of October 31, 1939, from the Secretary of Labor, both relating to the practice in naturalization in this Federal district.

Your suggestion is that the practice of requiring the applicant for naturalization to take a written examination may be too rigid

in some cases where the applicant can neither read nor write English. Your thought is that the judge of the court should exercise discretion in permitting an oral examination in cases where the applicant is otherwise shown to be qualified for citizenship, but is unable to read or write English.

As you probably know, the qualifications for admitting an alien to citizenship are prescribed by the Act of Congress which is codified now as section 382 of title 8 of the United States Code, the last amendment of which was June 29, 1928, ch. 819, 52 Stat. 1247. This section, in addition to making certain requirements as to length and place of residence, provides that the applicant must affirmatively show that "during all the periods referred to in this section, he has behaved as a person of good moral character, attached to the principles of the Constitution of the United States, and well disposed to the good order and happiness of the United States."

The examination of the applicant is for the purpose of determining whether he has the prescribed qualifications. By the acts of Congress of June 8, 1926 (ch. 402, 44 Stat. 709), and June 10, 1933 (Executive Order No. 6166, sec. 14—now codified in title 8 of the United States Code as sec. 399 (a)), provision was made that the senior district judge of a Federal district court is authorized to designate an examiner of the Immigration and Naturalization Service "to conduct preliminary hearings upon petitions for naturalization to such court, and to make findings and recommendations thereon."

For a number of years past in this district the practice in naturalization has been in accordance with this act of Congress. That is to say, the examinations of the applicants are made by an officer of the Immigration and Naturalization Service who makes written recommendations to the court as to the qualifications of the applicant. In general these recommendations are followed by the district judge but it is to be noted that subsection (c) of the last-mentioned statute provides that "the court may, in its discretion, and shall, upon demand of the petitioner, require the examination of the petitioner and witnesses under oath before the court and in the presence of the court."

The number of applicants for naturalization in this district is very large and recently the number have been considerably increasing. By order of court the second Monday in each month, except July and August, is designated as the day for naturalization and on an average there are now about 100 or more applicants each naturalization day. It is, therefore, very important in the ordinary work of the court for the judges to have the advantage of recommendations of the Immigration and Naturalization Service authorized by the act of Congress referred to. Otherwise the work of the court would be very materially hampered by the length of time required for individual oral examination of each applicant in court.

With regard to the practice as to written or oral examinations by the examiner, there is no rigid and inflexible rule either of law or of practice in the district that absolutely and in all cases requires that the preliminary examination be in writing. It has, however, been a fairer and better test of the applicant's qualifications than an oral examination. One reason is that the applicant has more time to answer the questions and is able to give more thought to them if the examination is written than if it is oral. Therefore, in this district some years ago the examiner was informed that the judges of the court thought written examinations preferable.

However, as you will note from the above quotation from the statute itself, if the examiner recommends that the applicant be not admitted to citizenship, the latter, upon request, is entitled to have an examination in court and this may be oral as well as written and probably, in most cases, would be oral. It is not frequently that an applicant who is rejected by the examiner applies to the court for a personal examination in open court, but wherever this has been brought to our attention, the oral examination has been given in court.

I return the letter from the Secretary of Labor enclosed with your letter to me.

Yours very truly,

W. CALVIN CHESNUT,
United States District Judge.

JANUARY 30, 1940.

Hon. WILLIAM COLEMAN,
Judge of the United States District Court,
Baltimore, Md.

DEAR JUDGE COLEMAN: This committee recently had before it for hearing H. R. 5228 (Mr. D'ALESANDRO), for the admission to citizenship of aliens who came into this country prior to November 11, 1918.

H. R. 5228, among other things, would exempt such aliens from all educational requirements, provided said aliens had attended citizenship classes for at least 6 months.

It developed at the hearing that the committee had already reported a similar bill, H. R. 6381 (Mr. LESINSKI). This bill fixed the entry date prior to February 5, 1917; it also embodied the provision for the exemption of the educational test as contained in Mr. D'ALESANDRO'S bill. H. R. 6381, having been reported and being now before the House, there would be no object in reporting the similar bill of Congressman D'ALESANDRO.

As the committee is in favor of the legislation contained in these two bills, it is hoped that early and favorable action will be taken by both the House and Senate.

The committee desires to call attention to this pending legislation to the judges of the courts and for that reason is acquainting you with the present status of the proposed legislation.

Very respectfully yours,

SAMUEL DICKSTEIN, *Chairman.*

BALTIMORE, MD., *February 19, 1940.*

Hon. THOMAS D'ALESANDRO, Jr.,
House of Representatives, Washington, D. C.

DEAR MR. D'ALESANDRO: Replying to copy of your letter of February 8 to Judge Chesnut, which you have sent me, I beg to enclose copy of letter which I have today addressed to Hon. SAMUEL DICKSTEIN, chairman, Committee on Immigration and Naturalization, House of Representatives, which I believe fully sets forth my views with respect to the matter referred to in your letter.

Very truly yours,

WILLIAM C. COLEMAN,
United States District Judge.

FEBRUARY 19, 1940.

Hon. SAMUEL DICKSTEIN,
Chairman, Committee on Immigration and Naturalization,
House of Representatives, Washington, D. C.

DEAR MR. DICKSTEIN: I acknowledge receipt of your letter of January 30 calling my attention to H. R. 5228, introduced by Mr. D'ALESANDRO, and H. R. 6381, introduced by Mr. LESINSKI, pending legislation, the object of which is to exempt from any educational test persons applying for admission to citizenship who have entered this country prior to a particular date named in the bills.

While you do not expressly ask for an expression of opinion by me with respect to this legislation, I take the liberty of saying that from my experience of some 12 years in the naturalization of aliens, I feel that to make any such exceptions as are proposed by the legislation above referred to would be undesirable, would be an arbitrary discrimination, and would tend to lower the standard of citizenship.

I am in receipt of a letter from Mr. D'ALESANDRO, Congressman from the Third District of Maryland, under date of February 8, in which he refers to the same pending legislation and asks that Judge Chesnut and I give consideration to the matter of allowing applicants for citizenship in Maryland to become naturalized without proving that they are able to read or write English.

I have just written Mr. D'ALESANDRO that I am opposed to any such statutory change as would compel, regardless of the individual case, relaxing of the standards as now maintained in the Maryland district. Mr. D'ALESANDRO calls attention to the fact that the Maryland district is one of the few districts in the country where the privilege of taking oral examinations is not accorded to applicants for naturalization. While I am not conversant with the requirements throughout the country, I think the present standards are not only entirely consistent with the law but impliedly required, because I fail to see how one can indicate that he is "attached to the principles of the Constitution of the United States and well disposed to the good order and happiness of the United States" or is able to understand the meaning of the franchise or to vote intelligently unless he has at least some ability to read and write simple English. The law leaves it to the discretion of the trial judge to determine the fitness of the applicant. In adopting the standards which we have here in Maryland, we believe that they are fair and reasonable, and entirely consistent with the present law. My experience indicates that a large number of applicants for citizenship not only remain in this country for a number of years before applying for citizenship, and preparing themselves to qualify, but as a matter of fact are not really interested in citizenship as such. That is to say, their primary desire is to use their citizenship for the purpose of obtaining exemption, for absent parents or other relatives, from the usual quota requirements before entering this country, or to obtain for themselves the advantage of old-age pensions, etc.

Very truly yours,

WILLIAM C. COLEMAN,
United States District Judge.

Business and Government

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

ARTICLE BY HON. JOSEPH C. O'MAHONEY, OF WYOMING.

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a very able and timely article written by the Senator from Wyoming [Mr.

O'MAHONEY], and printed in the Democratic Digest, on the subject of business and government.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Democratic Digest for April 1940]

BUSINESS AND GOVERNMENT

(By JOSEPH C. O'MAHONEY, United States Senator from Wyoming)

The Democratic Party, as Woodrow Wilson once pointed out, is the only party in the history of the United States that has never died. The secret of this vitality is, as he put it, that "it has always had a heart under its jacket." What Wilson meant by this phrase was that our party has always recognized that the responsibility of government is to serve people. That is why throughout its long existence, its dominant policy has been the defense of human rights.

Never has it been more vigorously and effectively devoted to its historic policy than during the last 7 years. It has written so great a record of service to farmers and workers and the general public that the special policy committee of the Republican Party, after working for more than 6 months to define an issue against us, has placed the seal of approval upon the principal achievements of the Roosevelt administration. Soil conservation and agricultural subsidies for the farmer; collective bargaining, relief for the unemployed and wage-hour legislation for the worker; social security, stock-market regulation and the policy with respect to the gold standard for the general public, are all acknowledged by Prof. Glenn Frank's G. O. P. program committee as reforms which must be retained. The virtue of all of these policies lies in the fact that they have been so beneficial to the rank and file of our people that even the leaders of the opposition know that they cannot be abandoned. Yet those same leaders who put none of these reforms into effect when they were in control of the Government are obviously hoping for some return of the popular favor which has been lost to them for the past 10 years.

MUST PROTECT GAINS UNDER ROOSEVELT

It is important for us as Democrats to know why this is so, for by that knowledge we can protect the gains which have been won under Roosevelt for the general welfare and prevent the danger of a return to reactionary policies that might even threaten the fundamentals of popular government. Paradoxically enough, it is to the inherent distrust the people have for big government that the opponents of the Democratic Party are trusting in their efforts to sow the seeds of fear that, contrary to all our old principles, we are in fact trying to make the Government more powerful than the people.

This and this only is the danger we face as we prepare to enter the campaign of 1940. With the democratic principle under attack all over the world, with a triumvirate of dictators planning the domination of Europe, with more than half the population of the globe denied those inalienable rights, to protect which this Government was established, it is more than ever important that as Democrats we examine the philosophy of our party in the light of modern conditions.

The Democratic Party came into existence at a time when both business and Government were primarily local. There were only about 15 corporations in the whole country when the Constitution was adopted and all but three of these were banks or canal companies. In these circumstances the States were clearly adequate to exercise whatever regulation of economic life was necessary in the public interest. Consequently, the Democratic Party was the defender of State's rights.

After the Civil War, however, a great change came with the development of the railroads. As they gradually extended from one State to another and began to exercise a constantly increasing influence on economic life, it finally became apparent that they had outgrown the regulatory power of the States and the people turned to Washington for the protection of the public interest. Beginning with the creation of the Interstate Commerce Commission in 1887, the powers of the National Government have been steadily expanded to keep pace with the growth of the business corporation in size and influence. In no other way was it possible to protect the public. As economic power over the Nation was concentrated by reason of corporate development in private offices in New York, political power was concentrated in Washington. Ever since the turn of the century every national campaign has turned on the issue whether the national power in Washington should be controlled on behalf of all the people or on behalf of the so-called interests which, operating from New York, dominated our economic life. In this struggle the Democratic Party was always for the exercise of national power on behalf of the people.

LIBERAL FORCES UNITE IN DEMOCRATIC PARTY

That issue was decided in favor of public control in the elections of 1932 and 1936 when the progressive and liberal forces of the country, previously divided among all the parties, joined forces in the Democratic Party and elected Roosevelt. These were victories for popular government, not for big government. They manifested the will of the vast majority of our citizens that the economic processes of our time should be regulated by the representatives of all the people in the interests of all. Opponents of the Democratic Party, however, are assiduously seeking to cultivate the fear that it is our purpose to elevate the Government above the people and give it powers of control rather than of regulation.

There are therefore two principles which we should make crystal clear. These are:

First, that the Government has no right, and will not be permitted, to control or direct the people, but is now, as it was in the days of Jefferson, an instrumentality for service to all classes and all interests;

Second, that organized business has no right and will not be permitted to control the Government, but that like Government its function is to serve and not to exploit or to control the masses.

Those of us who belong to the Democratic Party know that these are our principles and that it is not the purpose of this administration to enable Government to assume control over the people. This has been made clear in the record of the most far-flung and highly intricate of all the agencies we have established—the Agricultural Adjustment Administration under which, by the establishment of local committees, Secretary Wallace has successfully preserved an exceedingly large measure of local responsibility and control. But the cry of "regimentation" issuing from the lips of some of the chief beneficiaries of Democratic policies will be used to create a different impression.

It is only a few weeks since Standard Statistics Co., one of the leading reporters on fiscal and business affairs, gave out the figures to show that the net incomes of 669 leading corporations in 1939 had increased more than 83 percent above those of 1938. In the latter year, these corporations, including the principal railroads, industrials, and utilities had a total net of $657,548,000. In 1939 their total was $1,236,983,000. Yet, it is chiefly from those who claim to speak for these institutions thus comfortably placed on the profit side of the ledger that the complaints and warnings come. Strangely enough, however, though the profits of big business have shown this remarkable upward trend, the unemployment problem remains. Industrial production in 1939 was above the levels for 1929 before the crash, but employment was below and the Government is still compelled to make huge appropriations to provide "made work" at inadequate pay for a portion of the millions for whom private business and industry have no places.

INCREASE PURCHASING POWER OF MASSES

The Government has never been able to appropriate enough to give jobs to more than a fraction of the idle, nor to pay more than starvation wages to those whom it does employ. More than 13,000,000 persons are now certified by local welfare agencies as eligible, through the stamp plan for distributing surplus commodities, to receive as a gift a 25-cent blue stamp with the two 25-cent orange stamps they are able to buy. Thus with profits accumulating for the great economic units, there is still a large proportion of the population unable to support itself.

The farmers who cannot sell their crops for even the cost of production and the unemployed who cannot find real jobs at real wages are no longer economically free. Yet they constitute the very elements with which America can inaugurate an era far more prosperous than any of which the human race has ever dreamed. It is by building up the ability of these millions to buy the products of farm and factory that the markets for our inexhaustible abundance can be created. The way to do that is obviously to encourage private industry to create the jobs which will take the unemployed off the relief rolls of Government.

The way to do that involves not only the clear enunciation of the two democratic principles already mentioned, namely, that government will not be permitted to control the activities of the people, and that organized business will not be permitted to control government, it involves also a definite program of encouraging little business, of protecting it from being swallowed up by big business and of aiding it to furnish employment. It involves a recognition of the fundamental fact that people come first, before government, and before business, that they are entitled to an increased participation in the profits of commerce and industry, and that such increased participation can only result in ever-mounting profits for all forms of business.

The system of private property, the profit motive and democracy are all parts of the same ideal. They are founded in the freedom of the individual, in his inherent right to work as he pleases, and to vote as he pleases. Capitalism and democracy are under attack now because men have not learned how to adjust their individual lives to the large organizations which they must create in order to take advantage of the facilities which science and invention have developed.

A modern transportation system, like a railroad or an air line; a communication system, like the telephone and telegraph lines, or the radio networks; or almost any of the huge modern industrial plants are possible of accomplishment only by collective enterprise. When these organizations swallow up the individual, the danger is that government will swallow up the organizations as has already happened in Italy and Germany. In such cases the individual loses both economic freedom and political liberty.

It is for us in America to preserve both. There is no political party better suited by experience and tradition to accomplish this great objective for which the whole world is waiting than the Democratic Party.

Are You Aware?

EXTENSION OF REMARKS

OF

HON. EARL C. MICHENER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

ARTICLE FROM THE DETROIT FREE PRESS

Mr. MICHENER. Mr. Speaker, pursuant to privilege granted to me to extend my remarks in the RECORD, I include an article from the Detroit Free Press, of April 4, 1940, by Hamilton Butler, which is as follows:

ARE YOU AWARE?

That the value of American merchandise exports was 3 percent greater in 1939 than in 1938?

That the value of American merchandise imports was 18 percent greater in 1939 than in 1938?

That the increase in our exports was due principally to war orders from Europe and subsidies granted to agricultural products sold for exports?

That we imported enough foreign gold last year to provide foreigners with a dollar for every dollar's worth of American goods they bought?

That, with all these factors favoring the sale of goods abroad, we increased our purchase of foreign goods six times as much as we increased our sales?

Payment of Rural Electrification Loans by Farmers

EXTENSION OF REMARKS

OF

HON. HENRIK SHIPSTEAD

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 9 (legislative day of Monday, April 8), 1940

STATEMENT BY THE RURAL ELECTRIFICATION ADMINISTRATION

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by the R. E. A. refuting charges that the farm cooperatives are not paying their loan charges to the Federal Government. In my opinion it is remarkable that in so short a time they are doing as well as the record indicates.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE—RURAL ELECTRIFICATION ADMINISTRATION

Calling attention to a determined search by "some few" utility leaders for signs of failure in the R. E. A. financed power systems, Harry Slattery, Administrator of Rural Electrification, today declared their aim is "smashing and taking over the rural electrification cooperatives." He added:

"The financial showing of the systems to date, coupled with the fine spirit of the cooperative leaders, gives us confidence that this destructive aim will be defeated. Power service for farmers, by farmers, is here to stay."

Mr. Slattery's statement was made in a memorandum to directors, managers, and superintendents of the nearly 700 R. E. A. financed systems in 45 States. Refuting "palpably mistaken" assertions that the systems have not earned the interest charges on their loans, he listed 280 systems which up to February 29, 1940, had made payments of interest, or interest and principal, out of their operating revenues. The number of systems in operation at that time was 579. Of the 299 systems not making payments from revenues, Mr. Slattery pointed out that a large proportion are newer systems, in their early development period and not yet obligated to make any payments to the Government from their revenues.

The remainder are in default. The total of defaults, or payments in arrears, as of January 1, is only $56,765, Mr. Slattery pointed out. A number of other systems have not merely lived up to the payment schedule but have made advance payments of interest and principal, from operating revenues, amounting to $140,643, as of the same date. This Mr. Slattery termed "an excellent showing," adding:

"It is pretty generally conceded that all rural electric enterprises, whether public, private, or cooperative, require a period of growth of perhaps as much as 5 years before they attain their full development * * * not one of the systems financed by R. E. A. has been energized for so long a time as 5 years."

A check of all of the systems in one State showed that as a group they were covering their interest requirements two and a third times, after paying all operating costs, including an allowance for taxes and depreciation, according to his memorandum. One of these systems showed net operating revenues four times as great as the interest requirements.

Mr. Slattery's statement to the system leaders concluded:

"Certainly these figures seem to indicate that by and large these R. E. A. loans will be, as they are intended to be, self-liquidating. It is true that a lot of hard work will be needed to make and keep them self-liquidating. But that has never been any secret; R. E. A. officials, for example, have said it over and over again to you and to others. Pretty largely, that hard work is up to you. Meanwhile, the trends of use and revenue are upward, and that is more significant just now than any of the figures."

MEMORANDUM TO DIRECTORS, MANAGERS, AND SUPERINTENDENTS OF ALL R. E. A. FINANCED SYSTEMS

DEPARTMENT OF AGRICULTURE,
RURAL ELECTRIFICATION ADMINISTRATION,
April 4, 1940.

Recently it was charged on the floor of the United States Senate, and rather widely reported, that the R. E. A. financed cooperatives "have not earned the interest" on their loans from the Government. The statement is palpably mistaken. Here are the facts that controvert it.

Two hundred and eighty of the five hundred and seventy-nine energized systems financed by R. E. A. had up to February 29, 1940, made payments of interest, or interest and principal, out of operating revenues. A list of these borrowers, together with the amounts paid, is attached. I think it constitutes a telling reply to those who assert that the systems are not paying and cannot be expected to pay their own way.

As to those not listed, a large proportion are not yet obligated to make any payments to us out of their revenues. They are not so obligated until 30 months after the dates of their notes to us. In the meantime, and largely for technical reasons, they pay us interest out of loan funds on such money as has been advanced to them during the period of construction and initial operations. As many of you know, this is a common practice in the financing and development of new business enterprises.

This period when no payments from revenues are due from the newer systems largely accounts for the difference between the number of systems energized—579—and the number appearing in this table—280—as making payments from operating revenues. Of course, it does not wholly account for the difference. Some few borrowers are in default, as was pointed out some time ago in the annual report of the Administrator of Rural Electrification to the Congress and as is explained further hereafter.

Ordinarily we do not disclose the position of any of our borrowers individually. Experience has demonstrated that hostile interests here and there are quick to seize upon the records of the less fully developed or less successful systems to misrepresent a present deficiency, real or apparent, as a conclusive failure. Accordingly, while the cooperatives and power districts may speak for themselves about their financial position—many do—we have seen no reason to set up the newer or thus far less successful systems as targets.

Some few—by no means all—utility leaders are searching for indications of failure because they still cling to the hope of smashing and taking over the rural electrification cooperatives. Every so often we learn of the direct, although usually more or less private, expression of these hopes. The financial showing of the systems to date, coupled with the fine spirit of the cooperative leaders, gives us confidence that this destructive aim will be defeated. Power service for farmers, by farmers, is here to stay.

The evidences of a determined search for information to use against the cooperatives are increasing rapidly. All of you have at one time or another been called upon, individually or collectively, to present for somebody's inspection detailed reports of your operations. When you ran down the source of the inquiry, or we did, it usually proved that the inquirer was linked with those utilities that remain antagonistic to cooperative electrification. You will doubtless remember the supposed editorial which recently appeared in many local newspapers all over the country demanding that all R. E. A. financed cooperatives publish financial reports. You will recall, too, that the source of this canned editorial was found to be the Hofer syndicate of Portland, Oreg., a so-called news service which, the Federal Trade Commission hearings several years ago disclosed, had collected $84,820 a year from various utilities and a like amount from other industrial concerns.

All of you, too, have received questionnaires from other agencies closely associated with, or sponsored by, private-utility interests.

They attempt to probe deeply into figures on such points as number of members connected, amount of energy purchased at wholesale and sold at retail, operating expenses, rates, revenues, and related items. Since all R. E. A. financed systems are still in an early developmental stage, it is perfectly natural that any showing some of you could make on such reports would be less favorable than it would be after your electric system had been in operation for a reasonable period.

To the foes of rural electrification every figure is a weapon to be turned against you and against the whole rural-electrification program. We have tried not alone to respect the rights of the borrowers but to minimize the exposure of the young cooperatives and other systems to the hostile attacks of those who would like to scuttle them.

However, the idea that there is little or no evidence publicly available that the loans made by R. E. A. are sound is utterly erroneous and harmful. There is plenty of evidence pointing to the soundness of these loans. Some of it has already been made available to everybody, and it is supplemented extensively in this memorandum.

The hearings of the House Appropriations Committee a few months ago contain considerable information on the payments and some defaults of nearly 100 R. E. A. borrowers. Moreover, we included in the Annual Report of 1939 a broad and easily understandable summary of financial progress and outlook. This appears on pages 124–135 of the report. In brief, it makes the following major points:

Not one dollar of the loans advanced up to December 1, 1939—totaling over $176,000,000—had been charged off by R. E. A. or transferred to an inactive account, although in financial experience generally such charge-offs are quite common.

No losses have been experienced on any loans, and there have been no foreclosures.

Twenty-seven installments of interest and principal on outstanding loans remained unpaid on June 30, 1939, and were thereby defaulted. Under authority of section 12 of the Rural Electrification Act of 1936, the Administrator is granting these borrowers extensions of time to pay interest and principal. The total of such defaulted payments on June 30, 1939, was $65,616.30.

Eleven borrowers showed up so well in point of revenues that they were able to make substantial payments of interest and principal in advance of the date due. Such advance payments made or about to be made up to December 1, 1939, totaled $79,594.70.

On R. E. A.'s wiring and plumbing installation loan contracts, under which $2,114,315 had been advanced up to December 1, 1939, collections showed less than 1 percent delinquencies. No extensions of time had been granted on any such loans, though full interest and principal payments begin 6 months after the date of the note.

Since the annual report was published I have been able to bring these two items up to date for January 1, 1940. By that date advance payments of interest and principal made from operating revenues amounted to $140,643. That is an excellent showing. It is pretty generally conceded that all rural electric enterprises, whether public, private, or cooperative, require a period of growth of perhaps as much as 5 years before they attain their full development. The reasons why they need this period for development, and the increasing use of electricity and increasing revenues that may be anticipated during the early years, are fully discussed on pages 126–129 and 132–133 of the annual report. Here, in considering the showing made thus far by R. E. A. borrowers, I simply want to point out that not one of the systems financed by R. E. A. has been energized for so long a time as 5 years.

Installments in arrears on January 1, 1940, totaled $56,765. This figure represents current delinquencies. Some defaulted payments reported earlier in the annual report have since been made up by the borrowers. Others are not included in the new total because of a rescheduling of the terms of payment to the 25-year basis authorized under the Rural Electrification Act of 1936 and proved up by experience.

In the early days the administration of R. E. A. set terms for the beginning of repayment of interest and principal on a very rigorous basis—too rigorous, as experience has shown, especially in view of the need, already mentioned, for a development period. On these earlier loans a 20-year maximum repayment period was provided for in the loan contracts, and, as experience demonstrated, with payments of interest and principal scheduled to begin long before anything approaching full development of the systems could possibly have taken place.

The Rural Electrification Act of 1936 was drawn with a clear recognition of the need for allowing for initial growth, and accordingly authorized the use of a 25-year maximum repayment period. All revisions of loan terms that have been or are being made, have been kept within the terms of the 25-year schedule, as was stated in the Annual Report. On many loans the 20-year terms have been retained, even though they appear generally less appropriate because thus far at least there has been no need to change them.

Looking at the question from another point of view, you will be interested in the results of a check we made recently of operating conditions for all systems in one State. It showed that in December 1939 the systems as a group were operating so successfully that after paying all operating costs, including an allowance for taxes and depreciation, they still had net operating revenues, or surplus, sufficient to cover all current interest requirements two and one-third times. One system showed net operating revenues four times as great as the interest requirements.

Certainly these figures seem to indicate that by and large these R. E. A. loans will be, as they are intended to be, self-liquidating. It is true that a lot of hard work will be needed to make and keep them self-liquidating. But that has never been any secret; R. E. A. officials, for example, have said it over and over again, to you and to others. Pretty largely that hard work is up to you. Meanwhile the trends of use and revenue are upward, and that is more significant just now than any of the figures.

HARRY SLATTERY, *Administrator.*

Radio Program Under Auspices of I Am an American Citizenship Foundation

EXTENSION OF REMARKS

OF

HON. HARRY R. SHEPPARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

PROGRAM OVER N. B. C. NETWORK ON APRIL 6, 1940

Mr. SHEPPARD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio program over the blue transcontinental network, from the National Broadcasting Co.'s studios, Washington, D. C., April 6, 1940:

DORIAN ST. GEORGE. From Washington the National Broadcasting Co. presents a program under the auspices of the I Am An American Citizenship Foundation. This group aims to acquaint Americans with the benefits they derive from their American citizenship. The first speaker we hear this evening is Leo Spencer, director of public relations for the foundation.

LEO S. SPENCER. Ladies and gentlemen and distinguished visitors in the studio, it is my pleasure to introduce Mr. Edward Arnold, vice president of the Screen Actors' Guild of America, who is in Washington on a mission which I am sure appeals to all the people of our Nation. Mr Arnold.

EDWARD ARNOLD. It happens that in my profession I have made quite a number of appearances before the microphone. However, I should like to make this definite statement: I have never entered a broadcasting studio with a greater feeling of happiness than is mine tonight. Ben Neal and I came to Washington because of our interest in the House joint resolution to authorize the President to issue a proclamation setting aside a day to recognize and to honor 21-year-old Americans and naturalized citizens of the United States. The House bill has passed by unanimous vote and the Senate Judiciary Committee has favorably reported the resolution. There seems to be not the smallest doubt but that this resolution will pass the Senate during the coming week. The first I Am An American citizenship celebration (or panegyric, as we called it) was held in Hollywood Bowl on June 12 last year. Fifteen thousand persons joined in this patriotic rally, 5,000 of whom had just reached the age of 21. It was a thrilling and inspiring occasion, as the assembled hundreds of boys and girls from the high schools finished the song I Am An American and as the 5,000 come-of-age citizens finished the pledge of good citizenship with the words, "My heart is in America and America is in my heart. I Am An American." I don't believe there was an individual in the bowl who did not feel that this occasion was a high light in his or her life as a free-born American citizen. And I am also sure that the thousands who listened to the broadcast over N. B. C. felt the same inspiration. The success of the Hollywood Bowl celebration is known in every State in the Union. Quickly thereafter induction ceremonies were held in New York, San Francisco, and in many other cities. And now, as a result of the citizenship resolution before Congress, these various dates will be unified and one grand celebration will take place in every city and in every community of this great land of ours. Joining with us today are two great lawmakers, one a leading Democrat and the other a leading Republican. It is my pleasure and my happiness to introduce the Honorable JOHN MCCORMACK, Congressman from Massachusetts. Congressman MCCORMACK.

JOHN W. MCCORMACK. I am an American. This movement sponsored by the Citizenship Foundation is to encourage the formation of community-wide groups of local sponsors, individuals, and organizations to encourage all citizens, particularly those arriving at 21 years of age, and recently naturalized citizens to realize the great benefits of our institutions of government, and their responsibility in preserving and strengthening our institutions for our own generation, and for those of generations yet unborn.

I Am an American. What a world of meaning that phrase has to all of us who love our country, who believe in the great truths upon which it is based and for which it stands. Two thousand and more years ago the proudest statement that one who lived in those days could make was "I am a Roman citizen." The proudest statement from the angle of being a citizen of any country that one can make today is, "I am an American citizen."

You and I, who are citizens of our great country, ought to feel proud of our citizenship in this great democracy, and in our right to say, "I Am an American citizen." What does it mean? It means that we are citizens of a country that is the greatest democracy and most powerful nation in the world today; a nation based upon equity and justice for all; a country of honor among the other nations of the world. Back of that phrase, "I Am an American" stands the history and traditions of our country, the efforts of the early Colonial days, the battle for independence of the Revolutionary War, and the reasons therefor, the Constitution of the United States, the Civil War, the World War, and other conflicts in which we have been engaged, the great progress we have made as a nation, growing from the weakest nation in the world at the time of its inception, to the most powerful in the world today. That history, that tradition, that growth have been brought about through the efforts of individual Americans of past generations. Our institutions will be preserved and strengthened only through the efforts of each individual American. This is your Government and my Government, and its strength, stability, and growth depend upon each individual, the manner in which we assume our duties and responsibilities as citizens. Ours is a great heritage, transmitted to us by past generations of Americans, and it is our duty to preserve the same. The strength of America is the strength of you and me as individuals in our love of our country, in the fearless manner in which we perform our duties as American citizens in the preservation of our institutions against attack from within and from without, and the equally fearless manner in which we meet the trying problems that confront us of this generation. We must bear in mind, trying as our problems are today, that past generations of Americans had their serious problems, and they met them as history records in the best interests of our country. What past generations of Americans have done, we of this generation can also do, and we will do it. This generation of Americans will not be recorded in our history as failures. You and I are human agencies through which our Government and what it stands for pass from the last generation through us to the next generation. I repeat, and emphasize as strongly as I can, the strength in and success of our beloved country depend upon you and me as individual Americans.

I Am an American. What further does that assertion stand for? It stands for a country in which personal liberty is guaranteed to each and everyone of us by the Constitution, and that even Government, itself cannot impair or abridge those guaranties. It means that you and I are citizens of a country that guarantees as a right, not by sufferance or will of a dictator, "freedom of religious conscience"; freedom of speech and of the press; of the home and the family life being protected and held sacred against attack from any source; of the right of peaceful assembly; of the right of petition to our public officials; of the right of a trial by jury; of the protection of ownership of property against seizure except by due process of law; and of the other great human rights set forth in the Constitution, and guaranteed to each and every one of us. It means a "Government of laws, and not of men." It means equality of opportunity under the law. It means the right of you and me to go to the church that our conscience dictates us to attend. It means a Government that recognizes the omnipotence of God; that all power comes from God Himself, and not from man. Power, whether financial, political or otherwise, is a trust to be exercised for our fellowmen and the general welfare of our Nation.

As we view conditions in other countries where totalitarian or dictatorial regimes exist, we realize and appreciate more thoroughly what it means to be an American citizen. There are those here and abroad who would like to impose upon our people such a vicious and destructive government; who would substitute man for God as the origin and source of all power; who would destroy the efforts of mankind for countless generations in its efforts toward individual liberty. A movement of this kind is an effective means of combating such influences. It is educational and constructive. Local communities, through public-spirited citizens and organizations, religious, patriotic, charitable, educational, business, and otherwise should cooperate. Mr. Arnold, whom millions of Americans admire in his portrayal of life on the screen, is devoting his time untiringly to this great movement, I Am an American. He is to be congratulated. He and the organization I am an American Citizenship Foundation should be supported.

As a result of their activities and efforts, a bill has been introduced in Congress, House Joint Resolution 437, authorizing the President to proclaim citizenship day for the recognition, observance, and commemoration of American citizenship setting aside Flag Day, June 14, as Citizenship Day as a public occasion for the recognition of all who, by coming of age or naturalization, have attained the status of citizenship. That resolution has been reported favorably by the Senate Committee on the Judiciary. It should be passed.

In the time allotted to me, I must, of necessity, be brief. The public-spirited efforts of Mr. Arnold and his associates should be supported by all Americans. It is a pleasure for me to speak on this program with Mr. Arnold and my distinguished friend and colleague, Congressman BARTON, of New York. It is through efforts of this kind, supported by public-spirited persons and organizations in local communities that will effectively combat the subversive forces that are working from within and from without, and at the same time rekindle in our conscious minds the full force and meaning of our ability to assert "I Am an American citizen."

EDWARD ARNOLD. I am grateful to Congressman MCCORMACK, both for his eloquence and for his sincerity. And now we will have one more bit of evidence of the nonpartisan character of the I Am an American movement. Following the last speaker, a prominent Democrat, we now present a leading Republican, the Honorable BRUCE BARTON, Congressman from New York. Congressman BARTON.

Congressman BARTON: Do we Americans really care about our country?

A startling answer to that question appears in a little book just published by Prof. James Kerr Pollock, of the University of Michigan.

He analyzed the voting behavior of the citizens of Ann Arbor, Mich., over a period of 8 years, in which there were 24 elections.

Ann Arbor is a small city of high cultural advantages, the home of the university. It is a city with no palaces and no slums, with only a small percentage of foreign born—a typical middle-class town, representing all that we like to think of as best in American tradition and life.

What happened in these 24 elections? Of the qualified voters, only about 1 in 3 took the trouble to vote.

The percentage was higher in Presidential election years, when two out of three of the eligible citizens went to the polls. But in some of the local elections the vote dropped to less than 25 percent. Generally the men did a little better than the women, and voters between the ages of 50 and 60 did twice as well as those between the ages of 21 and 30. We seem somehow to have failed to impress upon our young people how precious is the right which their country confers on them when they reach the age of 21.

Democracy is not an easy form of government. It is the hardest of all forms to preserve and make work. It will not run itself. It requires intelligent interest, loving care, and a certain amount of self-sacrifice on the part of us all.

Surely these are a small price to pay for the precious right of free speech, free press, free education, and free worship—for the high position given to women under free institutions, and the freedom of all men and women to live and work where and how they please.

For these rights our fathers were willing if need be to die, and other men across the seas are willingly offering up their lives today.

Let us prove to ourselves and all the world, by our voting record this fall, that we are not unmindful of our splendid heritage. Where great gifts are bestowed, great responsibilities are likewise imposed. On every American, young or old, is laid the injunction of the sacred Scriptures: "For unto whomsoever much is given, of him shall much be required."

EDWARD ARNOLD. Thank you, sir. My brief contact in Washington with Congressman BARTON has made it easy to understand why he, like the Congressman from Massachusetts, is so well beloved on Capitol Hill. Yesterday afternoon Ben Neal and I had the pleasure of presenting a framed copy of the I Am an American creed, though Gen. Edwin Watson, to the President of the United States at the White House. The recitation of this creed is the climax of all our celebrations. We are fortunate indeed tonight to be able to close this program with the creed being read by its author, Ben Neal, who is also the founder of the I Am an American Citizenship Foundation. My friend, Ben Neal.

BEN NEAL. Before I read the creed, I should like to illustrate the nonpartisan, nonpolitical, and nonsectarian manner in which the I Am an American citizenship movement is sponsored. Other cities and communities are invited to form sponsor groups along the same lines. In Los Angeles the following sponsors are in charge of honoring the 21-year-olders and naturalized Americans.

The church group includes Archdiocese of Los Angeles, Church Federation of Los Angeles, Jewish Community Council, and University of Religious Conference.

Political parties are represented by Democratic County Central Committee, Republican County Central Committee, Young Democratic Clubs of California, and Young Republicans of California.

Organized workers are represented by the central labor council and organized employers by Los Angeles Chamber of Commerce.

In addition the following city and county-wide organizations make a total of 34 groups of sponsors: Board of education; board of supervisors; Boy Scouts of America; California Congress, parents and teachers; California Federation of Women's Clubs; county council, American Legion; county council, Veterans of Foreign Wars; Girl Scouts of America; Hollywood Post, No. 43; Los Angeles City Council; Los Angeles Junior Chamber of Commerce; Los Angeles Youth Commission; Loyola University; Marlborough School for Girls; Motion Picture Producers Association; Musicians Post, No. 474; Musicians Union, Local 47, A. F. of M.; Native Sons of the Golden West; seventeenth district, American Legion; twenty-fourth district, American Legion; University of California at Los Angeles; University of Southern California; Young Men's Christian Association; Young Women's Christian Association.

These public celebrations in honor of new citizens were originally conceived as belonging to all of our young citizens who believe in upholding the flag regardless of whether they are liberal

or conservative, regardless of political or religious differences. To reach its destined effectiveness, it must always remain so.

And now the pledge of citizenship, the I Am an American creed:

"I am an American!
The Golden Rule is my rule!
In humility and with gratitude
I acknowledge my undying debt
To the founding fathers
Who left me a priceless heritage
Which now is my responsibility.
With steadfast loyalty,
I will uphold the Constitution
And the Bill of Rights.
I will treasure my birthright
Of American ideals:
I will place moral integrity
Above worldly possessions.
Problems of interest to my country
Shall be of interest to me!
I will count my right of suffrage
To be a sacred trust.
And I will diligently strive
To prove worthy of that trust.
I will give my full support
To upright public servants,
But those with unclean hands,
I will firmly oppose.
Each obligation that comes to me
As a true American,
I will discharge with honor!
My heart is in America
And America is in my heart!
I am an American!"

DORIAN ST. GEORGE. You have heard a program presented under the auspices of the I Am an American Citizenship Foundation. Heard this evening were the motion-picture star, Edward Arnold; Representative John W. McCormack, of Massachusetts; Bruce Barton, Representative of New York; Ben E. Neal, president of the I Am an American Citizenship Foundation; and Leo Spencer, director of public relations for the foundation.

Hamstringing Television

EXTENSION OF REMARKS
OF
HON. SOL BLOOM
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

EDITORIAL FROM THE NEW YORK TIMES

Mr. BLOOM. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the New York Times of April 8, 1940, entitled "Hamstringing Television":

[From the New York Times of April 8, 1940]

HAMSTRINGING TELEVISION

Exercising what looks suspiciously like a personal quasi-official right of eminent domain over broadcasting time, Mr. James L. Fly warns the radio public against buying television receivers and attempts to justify what is actually a threat of the Federal Communications Commission, of which he is chairman, to control the free development of a new art. As matters stand, the Commission authorized the transmission of commercial television programs on September 1, 1940, the advertiser to pay a fair but otherwise indeterminate charge not for time but for entertainment and sales talk. This permission is virtually rescinded while new hearings are held to settle technical and economic questions. Meanwhile television broadcasters mark time, and confidence in the quality of television receivers, now ready for the market, is rudely shaken.

The reason for this extraordinary vacillation is to be found in what Mr. Fly calls "the fluid state of the art," meaning that television is still so subject to radical technical change that receivers bought today may be useless next year. If this principle is sound, the Government might well restrain publishers from selling new textbooks on vitamins and hormones, cosmic rays, and atomic physics, for the simple reason that any discussion of recent progress in the natural sciences is outdated even while it is on the press. Mr. Fly's argument that the purchaser of an automobile or a camera always has something that he can use, even though it may soon be outmoded, whereas a television set may be no good at all next year, will not withstand scrutiny. It is true that our present receivers are designed for transmitted 441-line images. But the 441-line receivers will work with 400-line transmission, though not with the same quality of detail. They are good for 600-line images, too.

We were faced with much the same problem in the days when music and voices were recorded on both cylinders and disks. In the end disks won. It would be absurd to argue, as Mr. Fly does, that the owners of cylinder machines could still be entertained. They could not hear most of the great artists and orchestras, for which reason Edison, who had clung to the cylinder, decided to change his whole system of recording. The public did not complain. And so it was with radio. No one expects the television sets that are now ready to meet future requirements. It would be strange indeed if a branch of electrical engineering which has been the subject of so much research ever reached a point of stagnation. Progress, the fruit of research, inevitably implies the fluidity that Mr. Fly fears.

Television has engaged inventors ever since the 1880's. For 12 years images have been transmitted experimentally. During that time $9,250,000 has been spent by one company alone, not only in developing suitable transmitting and receiving apparatus but in discovering acceptable program material. At least 15 fixed and portable relay stations were licensed for experimental operation. Every promising experiment was made with different lengths of waves and types of equipment. No fewer than 8 types of commercial receivers and an unknown number of home-made types were tested. Some 70,000 individual postcard comments on programs were studied. Never was an art so thoroughly explored before it was launched as television.

It must not be forgotten that, as we know it, television embodies the ingenuity not only of American but of French, English, and German engineers with whom our laboratories have been exchanging discoveries. That the solution of the television problem reached here and abroad is essentially the same in principle is significant. What we have, then, represents a consensus of worldwide engineering doctrine. It seems little short of presumptuous on the part of the Federal Communications Division to oppose its own views to those of experts. If interference of Government with technical television progress is to be tolerated, no manufacturer can build for the future. Why not restrain the introduction of synthetic wool made from milk because already there is the possibility that it may be made from something else? Why not check the makers of 1,500 plastics because something better is in the offing?

Apart from these considerations the Commission's procedure is ominous, because it involves the assertion of the right to determine what is a fair charge for a television program. Here is the first step toward the regulation of a medium of expression as if it were a public utility. By implication the Commission may examine books in order to fix charges. If this principle is correct, then no publisher of a periodical may establish advertising rates without fear of correction. Nor will capital be encouraged to invest in companies that make television apparatus. The rate of a new invention's evolution may be retarded and even arrested.

No one questions that a type of electrical communication which makes heavy demands on the ether, already overcrowded, must be supervised by some governmental body. But what television particularly needs just now is not tyrannous restraint but guidance and aid.

Control of the Oil Industry in California

EXTENSION OF REMARKS
OF
HON. HARRY R. SHEPPARD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

Mr. SHEPPARD. Mr. Speaker and Members of the House, there has been so much discussion by and between some departments of Government and interests in California pertaining to the control of the oil industry of that State that I feel it is now time that the Members of this House be kept posted on this issue.

Originally, we had the so-called Nye bill which, in general, proposed to take over the submerged coastal lands of the State of California which were accorded to the State at the time the State became a part of the Union. Originally, the Nye bill was all-inclusive in its application to coastal properties and then we suddenly found that it had been amended to incorporate the State of California exclusively. This bill, however, has not reached the floor of the House yet.

Then the next thing that we found pertaining to the oil industry in the State of California was last year there was proposed in California what was known as the Atkinson bill, and, surprisingly, we found our Navy breaking into politics in the State of California, contrary to all regulations and legal authority. The Atkinson bill was defeated in California with a tremendous majority, definitely indicating that the citizens

of the State of California did not want the proposals contained in the Atkinson bill.

The next thing we find is the now-pending so-called Cole bill, in which extensive hearings have been held both here in Washington and out in the field. The people of California do not want this piece of control legislation enacted any more than they wanted the Atkinson bill enacted.

During the hearings of the Subcommittee on Appropriations, Mr. George W. Holland, Director of the Petroleum Division of the Department of the Interior, was examined to some extent by the members of that subcommittee, and his Department's interest in legislation to control the oil industry in the State of California, as you will find indicated in the hearings of the Appropriations Subcommittee that was handling the Department of the Interior presentation.

I am inserting a communication signed by J. A. Smith, president of the Independent Petroleum and Consumers' Association of the State of California, making some comments pertaining to Mr. Holland's statements as they pertain to the issue.

LOS ANGELES, CALIF., *March 14, 1940.*

Hon. HARRY R. SHEPPARD,
Interior Appropriations Subcommittee,
House of Representatives, Washington, D. C.

DEAR SIR: Associated Press dispatches from Washington on March 5 indicate clearly that George W. Holland, director of the Petroleum Division of the Department of the Interior, who appeared before your honorable body March 5, is continuing his malicious campaign of misrepresentation in order to promulgate an alleged oil-conservation measure which would mean dictatorial control with Secretary Ickes a virtual czar of the industry.

Mr. Holland is quoted as saying, "I was firmly convinced then that the Atkinson bill (an alleged conservation measure) was a good State law and still feel the same way today."

We call to your attention the fact that the people of California did not so look upon the measure and voted it down by more than 600,000 votes. This, incidentally, was the second time such a measure has been defeated in our State and each time by a greater majority.

Mr. Holland testified that "about $380,000 was expended to defeat the legislation."

Since when is it a crime for one group of California citizens to oppose the wishes of another group of citizens? Mr. Holland, it appears, would impugn dishonest motives on the part of the independents and their friends in opposing the will of the Standard Oil Co., members of the Department of the Interior, and a discredited Governor.

It is true, as Mr. Holland pointed out, "that about $380,000 was expended to defeat the legislation."

The figure translates into dollars and cents our fears of political control of our industry. Again we raise the question, Is there anything wrong in opposing the interests which would monopolize oil production and control prices the consumer would have to pay for petroleum products?

Mr. Holland then comes through with a most revealing bit of information: "That about $380,000 was spent to put the Atkinson Act across."

This is the first time we have heard the estimate come from a Government official. We in California have yet to learn the actual total expended by the Standard Oil Co. and others attempting to pass their measure.

A preliminary report showed the campaign moneys to have come through the generosity of one person, an attorney for an affiliate of Standard Oil. To date, they have filed no complete campaign expenditures as is required by our California laws.

However, if Mr. Holland will investigate further into his new field we believe he will find the total cost to be more nearly $2,800,000 rather than his $380,000, which, we understand, to be only the amount expended in San Francisco and Oakland.

Mr. Holland's next bit of inaccuracy follows in his statement that "if the interests that put up the $150,000 to get signatures on the referendum petition had not contributed the money, there would not have been enough money put up to get the issue before the voters."

As a matter of official record we desire to inform your honorable body the cost of securing the signatures was less than $80,000. This proved to be approximately four times the normal cost of securing sufficient signatures to bring about a referendum on the action of the State legislature due to the campaign of threats, coercion, and intimidation put in motion by those who were for the bill.

As to the referendum itself—we hope that in this enlightened day of ours we will not be called upon to defend the merits of the recall, initiative, or referendum—the right of the people to review, reject, or accept the acts of their duly elected representatives.

Mr. Holland's misinformation before your committee, we believe, is in itself one of the most powerful arguments against the stand he has taken.

Mr. Holland's dictatorial attitude, his utter disregard for the wishes of the people of the State of California as expressed by their ballots less than 5 months ago, is a further indictment.

We ask you in all sincerity, Is it any wonder the people of our State fear the type of control advocated by this person when they see the ends to which he and his superiors will go to attain it?

"Control"—"Conservation"—call it what you will, in the final analysis it means price-fixing.

We believe that Mr. Holland and others in his Department should first acquaint the people of this fact—that controlled production sets up the machinery for controlled or monopolistic prices.

Once having made this honest admission, the people of the United States would be in a much better position to judge the merits of his arguments, inaccurate as they may be.

It is the hope of our board of directors and myself that this letter be made a part of the record of your proceedings.

Yours very truly,

J. A. SMITH,
President, Independent Petroleum and Consumers Association.

Samuel Untermyer

EXTENSION OF REMARKS
OF
HON. SAMUEL DICKSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

TRIBUTE BY RABBI WILLIAM F. ROSENBLUM

Mr. DICKSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tribute to Samuel Untermyer, broadcast over station WEVD on the day of his funeral, Friday, March 22, 1940, by Rabbi William F. Rosenblum, of Temple Israel, of the city of New York:

It is one of the great ironies of life that men usually wait for a friend or neighbor to die before they realize fully how much they wanted him to go on living, how indispensable he was to their own destinies. This is not the time to quarrel with human foibles and frailties but they do explain why men never appear before their generation in all their kaleidoscopic significance until death has garbed them in the vestments of stillness and crowned them with the mitre of silence. Yes, there is an eloquence born of the silence of the dead who lie before us and a fervor prompted by the scene of their quietude which profoundly stirs us and will let us have no peace until we have given utterance to our inmost eulogies and heartfelt encomiums. This radio tribute to the life and service of Samuel Untermyer could have been spoken with equal genuineness during any day of his mature years on earth. It may be that death only gives it the seal of solemn documentation as a living testimonial.

I

The details of Samuel Untermyer's life have been broadcast to the Nation by the press of this country and of the world. And this morning, at imposing Greystone-on-the-Hudson, there was a solemn convocation at which a gifted colleague, Dr. Abba Hillel Silver, of Cleveland, who stood shoulder to shoulder with him in the fight for human rights, recounted his service and painted the portrait of his excellence before an assembly of notables led by the Governor of this great State. Here we are come to review a few of the broader aspects of his career and to highlight their deeper purpose that thousands of us may not lose sight of the portents of our age and through mournful reflection upon his virtues rededicate ourselves with equal passion and purpose to the never-ending war for the preservation of our rights and our liberties. There is a current fight against aggression and we must not lay down our arms until that struggle be decided, not by weapons of military might, but by the munitions of the spirit which in the end are more decisive. If there be one thing above all others which Samuel Untermyer epitomized it is the principle that the attack on tyranny and dictatorship, though not freighted with the frenzy and the fanaticism of the aggressor, need be no less effective. A definite and determined faith in an ideal and fervor for a cause can lift a minority out of its stupor and stir it to heights of conquest.

In the early days of the present German Reich, Samuel Untermyer was among the first to realize that the program of the misguided and misinformed Fuehrer might well become the desperate hope of millions upon millions of the world's ignorant and misled who would make of him the Messiah of their salvation. Therefore, he never hesitated to assert that the struggle was a universal one against Germany's new philosophy as well as Germany's new ruler and that the people must purge themselves of the one as well as the other before their merchandise could be declared free of the taint that now marked every item with the brand of moral decay. He supported a world boycott against Nazi goods to strengthen the world-wide boycott against Nazi ideas. Whatever may be said of the strategy or expediency of such a stand in the light of history's warrant or mankind's previous experience, no

one could fail to realize that Samuel Untermyer was proclaiming himself before his fellow men as unalterably opposed to all that Adolph Hitler had written into his black bible of hate and to all that he had smuggled into the technique of government and the mechanics of international diplomacy. No one could fail to know that, though targeted in this combat as a Jew, Samuel Untermyer took his place in the fray as an American who wished to see democracy survive and grow stronger, and as a citizen of the world who wished to see civilization leap beyond barriers of race and bigotry to a great common understanding between men and a great common denominator for mankind.

II

Untermyer was destined by his parents to become a rabbi. Though he turned to the law he never was a mere counselor or attorney. He proved that his parents were right in their estimate of his genius and of his nature by deporting himself throughout his long and distinguished career at the bar as a defender of the outraged and as a crusader against public wrong. In many ways he made of his practice of law a ministry of public service and thus in the courts of justice he realized to some extent the rabbinical dreams his mother and father had envisioned. He was a preacher in behalf of the many causes he espoused and, like the true minister, he was not deterred from entering upon a crusade against evildoers, though he himself may have unwittingly assisted them to places of power and of prominence.

Nothing is more vivid in my mind than the fact that in latter years Samuel Untermyer became one of the most relentless crusaders against some large corporate enterprises though in his young days he was the first to see the advantages of combinations of industrial undertakings and to assist in the formation of many of these business giants. When they became unhuman and abused their powers to mulct the public or to curtail their services he was as ardent in the effort to dissolve them as he was in the endeavor to bring them into being. Untermyer made his first million before he was 30, but he never lost his sense of kinship with the people at large and with their fight to keep our cities and our country free from corruption. He, the corporation lawyer who towered among the capitalists as a great force and as an imposing figure, did not hesitate to take a Schwab and a Rockefeller and a Morgan to task or to take up the cudgels for five duly elected Socialist assemblymen who, while the war hysteria was still at its peak, were expelled from the New York State Assembly.

III

Many are the times he contributed his mind and his means to investigations aimed at ridding the community of corrupt officials or corrupt conditions. He had a large hand in framing legislation which improved the insurance code; he was indefatigable in his advocacy of regulation for Wall Street. Years before such a law was enacted he insisted that the citizens of America should be taxed according to their income. Heroic was his service as counsel to the notable Lockwood commission, which exposed the building racket and initiated remedial laws in the field of housing. But of all the many causes he espoused for the people of his own metropolis none was more intricate in complexion and more difficult to solve than that of our transit system. He became counsel to the transit commission without pay and largely through his work and his legal genius the 5-cent fare remained an inherent right of the millions upon millions who use our transportation. He urged unification as the ultimate ideal for New York City, and it is not without poignancy that, as his life was ebbing, his plan was being garbed with the flesh and sinew of realization.

IV

Samuel Untermyer was an American Jew who did not lay too much stress upon the rites and rituals of his religion, but, intuitively, he translated into conduct some of its great precepts, notable among them the Talmudic injunction that whoever saves one life, it is as if he saves the whole world. He was known for the generosity and catholicity of his contributions. He gave to all causes and to all creeds. He did not ask for a genealogical chart or a microscopic report on one's blood when a plea came for help. He knew only that human beings needed his charity and that he was privileged to be able to give it. In that he was intuitively the Jew and innately the American. Annually he opened his flower gardens at Greystone to the people, all the people.

V

His most significant contribution to his fellow men, however, began when most men of his age would have welcomed the leisure to indulge in roseate retrospect of their accomplishments in earlier decades. He was past the Biblical threescore and ten when Hitler ascended to power as Chancelor of the German Reich. He saw at once, with a rare acumen that subsequent events applauded, that this Austrian who imposed himself upon Germany would not confine his program and his manias to the borders of his own land but that he would seek to impose his propaganda and his prejudices upon the whole world. Untermeyer did not begin his work then or continue it later as an anti-German but as an anti-Nazi, a distinction which we hope the German people themselves will some day make more clear to their waiting fellow men, for many of us are only too eager to be permitted to believe that there is a difference between that which is temporarily Nazi and that which is eternally German. He did not begin nor prosecute his activities as president of the World Anti-Nazi Federation or the American Non-Sectarian League for Human Rights, as a Jew reacting to the bestiality of Aryanism, but as a humanitarian without regard to sect, fighting against a new fanaticism which threatened to develop into a maniacal world sect bent upon the destruction of all but its own helots and henchmen. He did not even conceive of its scope as defending what we choose to call democratic principles but something broader, something more all-inclusive. He was concerned with championing human rights. And the boycott to which he committed himself was not in the tradition of war but through peaceful economic means. Some of us may have doubted its efficacy, but we did not doubt his sincerity.

VI

Perhaps the most striking eulogy we can preach, my friends, is to read the roster of those who tonight do not weep for Samuel Untermyer; the greatest encomium we can pay is to call the roll of those who, even in the hour of his death, will write his name down for cavil and for scorn:

There will be first those in the walks of life who serve only that they may feed at the public crib without stint or fatten upon the public misery without qualms.

There will be those who have sought here in this country to place the pariah's brand upon fellow citizens whose liberal views they did not favor or whose liberal quests they were prone to fear.

There will be those in our midst who have tried to fraternize with the black or brown ideas of racism and of anti-Semitism, or of the red, brown, and black ideologies of dictatorship, and whose efforts have not reached too far because the denunciation, the warnings, and the work of men like Samuel Untermyer have had an influence too wide.

And there will be those abroad and here in the camps of the Nazis, the Fascists, and the Communists, who will rejoice that the name of Samuel Untermyer—lover of liberty—has been added to this year's necrology.

But for millions and millions of men and women in this country and in the lands abroad, where the love of freedom still breathes, where the Nazi program of hate has not eaten into the spirit of the people as a festering canker, where God has not been taken out of the minds of men nor regard for human life out of their hearts, Samuel Untermyer will be mourned and eulogized. There he will become more than a memory, there his name will serve as an impetus to others to have courage in the face of onslaught, to have faith in the face of frenzy, to assume dignity when victimized by denunciation. There he will remain as a symbol of the truth that no one can embark upon anti-Semitism, whether it be one man or one nation or many peoples, without arraying against them the conscience of the civilized world. There he will live as a reminder of the faith that men must have in their neighbors and their neighbors' freedom if their own rights are not to be sacrificed on the altar of some dictator's ambition.

It always takes death to make us conscious of the obligations of life, and I cannot but conclude with the thought that the noblest obituary we can ourselves indite to the memory of Samuel Untermyer is to resolve that as long as a vestige of nazi-ism persists and such bigotries as anti-Semitism are peddled as world merchandise, that long we who have been in the fight with this pioneer will not give it up but that, ever more determined, we shall stand embattled against those things which serve to divide peoples instead of uniting them, those systems which erect barriers between races instead of surmounting them, those movements which set creed against creed instead of cementing them.

Thus, we can make of this tribute to the dead what he would have wanted most to have it be, a pledge to the living and the unborn that human rights shall not perish from the earth.

Congressional Conference on Unemployment

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

EDITORIAL FROM THE JACKSONVILLE (FLA.) TIMES-UNION

Mr. VOORHIS of California. Mr. Speaker, as Members of the House know, some 70 Members are at work at present on the problem of unemployment. We are working through subcommittees, each of which is studying what can be done in a certain field of our economic life to bring to an end this great scourge of our industrial society. When subcommittees have completed their reports they will be combined, coordinated, and summarized into one general statement of program and principles for the solution of unemployment.

It is most gratifying to have our work recognized as has been done in the following editorial from the Times-Union of Jacksonville, Fla.:

[From the Jacksonville (Fla.) Times-Union, of April 3, 1940]

A STATESMAN-LIKE UNDERTAKING

Seventy Members of the House of Representatives have undertaken one of the most commendable projects in the history of the Congress. Without regard for party affiliations these Members volunteered to devote time to studying factors bearing upon what economists consider the greatest single problem facing the Nation—unemployment.

They are not interested so much in learning the exact or approximate number of persons unemployed, which is highly debatable, as they are in determining, if possible, why unemployment continues on a large scale and what, if anything, may be done to remedy the situation.

According to The United States News, these men have put aside official committee work and the pressing routine of their offices, social and recreational engagements, to undertake the study. And if they find an answer, or a series of answers, to the questions they have been asking themselves, they propose to tell the House, and the country, about it. If time permits, before the session closes, they may ask legislation. Or, if the opposite course be suggested by their conclusions, they may ask that some legislative proposal be killed.

If they can evolve a set of principles they consider worthwhile, they may go before the resolutions committees of the national conventions and ask inclusion of these principles in the party platforms.

Some of the Members of the House began looking around a few months ago, says The United States News in an article outlining the project. They had realized that efforts at pump priming had been made, with varying results; that relief for the indigent unemployed had been provided. They regarded these things as palliatives; not cures. They had heard debates and discussions. But somehow, none of the messages appeared to give a picture of a complete situation.

Then a group of 24 began exchanging ideas on how to approach the problem. They met at night. In 3 weeks the group of 24 had increased to 70 and is still growing. The Unemployment Conference of House Members was organized, and Representative VOORHIS, California Democrat, named chairman; Representative MUNDT, South Dakota Republican, vice chairman; and Representative MURDOCK, Arizona Democrat, secretary.

Next, the organization, realizing that the cause of unemployment does not lie in any single factor, the conference divided into subcommittees, each charged with a study of a specific subject. Twelve subcommittees were created to study subjects as follows: Agricultural income, farm tenancy, foreign trade, monetary and financial system, monopoly, natural resources, public works, social security and old-age pensions, taxation, technological change, trade barriers, and youth. Each subcommittee consists of from three to eight members, and each has its own chairman. There are nine Democrats serving as chairmen and three Republicans.

These men are not expecting to develop miracles through their study, but they do expect to learn something, but they will not learn it from lectures by experts. They are consulting experts for factual information, but not for theories. They are conducting their study from the attitude of ignorance and seeking knowledge.

This at least is something new in congressional circles, and it promises unbiased, nonpartisan conclusions that should be worth while. With the lone Farmer-Labor Member, and a Progressive Party Member serving on the subcommittees, the group can boast a range of economic views from extreme liberalism to extreme conservatism. This adds further to the checks and balances of thinking that commends itself to the people of the country.

Judicial Review of Administrative Decisions

EXTENSION OF REMARKS

OF

HON. FRANCIS E. WALTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

RADIO ADDRESS BY HON. FRANCIS E. WALTER, OF PENNSYLVANIA

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address recently delivered by me:

During the period extending from the establishment of our present system of government in 1789 to 1887, with two minor exceptions, there was no right to sue the United States. However, during this period of approximately a century the courts worked out, on the basis of their general jurisdiction, adequate practice and procedure for the complete review of the principal administrative decisions of Federal agencies. The courts held throughout this long period that they had jurisdiction to entertain suits against Federal officials who illegally seized private vessels on the high seas; who illegally held possession of private property; who had erroneously and illegally collected internal-revenue or customs taxes; who had illegally seized private property of a decedent claiming priority for the debts of the United States and who refused to perform ministerial duties though the jurisdiction in the latter class of cases is limited to the courts in the District of Columbia which possessed and now possesses, in addition to their statutory jurisdiction, a common-law jurisdiction derived from Maryland, which, as you know, once included the District of Columbia. By such procedure arbitrary and capricious, as well as erroneous and illegal administrative decisions were brought under complete review of the courts, both on the law and the facts. Generally, the facts were tried before a jury. When in the Arlington estate case Mr. Justice Miller answered the contentions of Government counsel that such judicial reviews of administrative decisions in suits against officials of the Federal Government unduly interfered with the administration of the law, by pointing out in the course of the opinion that without such reviews the administration could and might develop into tyranny. The Court knew whereof it spoke. In 1931 Chief Justice Hughes in an address delivered before the Federal Bar Association said:

"A host of controversies as to provisional rights are no longer decided in courts. Administrative authority, within a constantly widening sphere of action, and subject only to limitations of certain broad principles, establishes particular rules, finds the facts, and decides as to particular rights. The power of administrative bodies to make findings of facts which may be treated as conclusive, if there is evidence both ways, is a power of enormous consequence. An unscrupulous administrator might be tempted to say, 'Let me find the facts for the people of my country, and I care little who lays down the general principles.' We all recognize that this development has been to a great extent a necessary one. * * * Experience, expertness, and continuity of supervision, which could only be had by administrative agencies in a particular field, have come to be imperatively needed. But these new methods put us to new tests, and the serious question of the future is whether we have enough of the old spirit which gave us our institutions to save them from being overwhelmed."

In the earlier Milligan case, Mr. Justice Davis wrote the opinion striking down an administrative board established without the warrant of law which tried, convicted and sentenced to death a civilian residing in Indiana, far behind the military lines as an alleged military office and it is not without significance that before that case reached the Supreme Court the alleged conspirators in the murder of President Lincoln were tried by such a military board, convicted and hung. You may inquire why it is that if the courts for a period of approximately a century reviewed administrative decisions on the basis of both the law and the facts, they do not today review such decisions on the basis of law and the facts and if they do not, why the necessity that they should do so in appropriate cases. The answer to these questions is most interesting. As you know, only the Supreme Court of the United States had part of its jurisdiction defined in the Constitution and was established by name in the Constitution itself. All the appellate jurisdiction of the Supreme Court of the United States and all the jurisdiction conferred on that court and all the jurisdiction which is not named in the Constitution are of statutory origin, and as the Congress gives it in this respect, the Congress may likewise take it away. Further the circuit court of appeals and the district courts are created and exist by virtue of statutes, and their jurisdiction is wholly statutory to be exercised in accordance with the practice and procedure which may be prescribed for them. The result of this is that at one time in the history of the Federal Government, when party feelings ran high, the Congress repealed the appellate jurisdiction of the Supreme Court as to certain classes of cases, one of which was then pending before the Court. Upon repeal of the statute the Supreme Court dismissed that case and there was no judicial remedy provided for the review of administrative absolutism practiced in the Southern States under reconstruction. This lesson was not lost on minority groups representing special interests when the complexity of the business and the economic life of America became such, with the turn of the century, that Federal regulation and control had to be extended to many activities. The statutes creating the administrative agencies with the turn of the present century did in fact provide in most instances for judicial review of administrative decisions. However, these statutes after 1900, creating Federal administrative agencies sought to, and did restrict the scope of judicial review. The courts were not given jurisdiction under such statutes to review the administrative decisions as these same courts had reviewed administrative decisions from 1789 to 1900, and the Congress having spoken, courts were no longer at liberty to develop their general jurisdiction in this respect. Mr. Justice Miller in the case of the *United States* v. *Lee* (106 U. S. 196) said:

"* * * that during the existence of the Government for now nearly a century under the present Constitution, with this principle and practice (of judicial review of administrative decisions) well established, no injury has come to that Government. During this time, at least two wars, so serious as to call into exercise all the powers and all of the resources of the Government have been conducted to a successful issue."

The right to such judicial reviews existed prior to the Constitution under the colonial and State governments and Chief Justice Miller in the case of *Little* v. *Barreme* (6 U. S. 170), a case decided in 1904, enunciated the principle that had been followed in many cases in all of the Federal courts during the development of a complete judicial review of both the law and facts of administrative decisions. The statutes creating the newer Federal administrative agencies relating to regulatory and control matters in economic and social affairs of the people provided in some instances that the decision of the administrative agencies of the facts should be final and conclusive; in other instances that these administrative findings of fact should be final and conclusive if supported by evidence; and in a few instances that they should be final and conclusive if supported by substantial evidence.

There was no uniformity of the scope of judicial review under the statutes creating these administrative agencies but Congress certainly had the right to believe that there would never be any great departure from fundamentals as old as the Government itself. However, in a recent decision, the Supreme Court said:

"The action of the Commission finds no support in right, principle, or in law. It is wholly unreasonable and arbitrary. It violates the cardinal precept upon which the constitutional safeguards of personal liberty ultimately rest—that this shall be a government of laws—because to the precise extent that the mere will of an official body is permitted to take the place of allowable official discretion or to supplant the standing law as a rule of human conduct, the Government ceases to be one of laws and becomes an autocracy.

"Arbitrary power and the rule of the Constitution cannot both exist. They are antagonistic and incompatible forces, and one or the other must of necessity perish whenever they are brought into conflict. To borrow the words of Mr. Justice Day, 'there is no place in our constitutional system for the exercise of arbitrary power' (*Garfield* v. *United States* (211 U. S. 249)). To escape assumptions of such power on the part of the three primary departments of the Government is not enough. Our institutions must be kept free from the appropriation of unauthorized power by lesser agencies as well. And if the various administrative bureaus and commissions, necessarily called and being called into existence by the increasing complexities of our modern business and political affairs, are permitted gradually to extend their powers by encroachments—even petty encroachments—upon the fundamental rights, privileges, and immunities of the people, we shall in the end, while avoiding the fatal consequences of a supreme authority, become submerged by a multitude of minor invasions of personal rights, less destructive but no less violative of constitutional guaranties."

It is no secret today that many administrative agencies believe and practice the belief that they are above the law and that they consciously and deliberately disregard both the terms of the Constitution and the statutes under which they operate.

It is entirely possible for us in America to have administrative absolutism as tyrannical as in any of the totalitarian countries of either ancient or modern times. The Constitution does not of itself protect the individual from the uncontrolled decisions of administrative officials of the Federal Government. The Supreme Court of the United States does not have original jurisdiction in controversies between officialdom and the citizen. The jurisdiction of the lower Federal courts is entirely a matter of statute, and as I have above stated, statutes enacted during the reconstruction period denied the lower courts jurisdiction over some statutes.

Some of the labor organizations now think that comparatively recent statutes enforced by a certain administrative agency and reviewed in the courts have been interpreted by that agency contrary to the rights of labor and many businessmen are just as sure that the interpretation has been contrary to their rights.

Government by favor degenerates into absolutism. No one group in America can be sure that it will indefinitely control any agency of Government or the officials thereof, and the same instrument which that group may use today to punish its enemies may be used tomorrow to punish the group now in control. The only safe procedure for all groups is a full and fair as well as just interpretation of the law and the facts in any case.

It seems to me that he is a poor American who would want an administrative decision to be carried into effect against his fellow Americans when that decision was clearly erroneous or when it was contrary to the substantial evidence in the record or otherwise contrary to law. If there be any such real Americans who would want that done, I cannot go along with them because it is contrary to the genius of American fair play and contrary to the basic philosophy of our institutions of government.

Both businessmen and labor unions demand and require a system of law administration sufficiently flexible, expeditious, and inexpensive that it is possible for the average individual or corporation to secure a full and fair hearing before the administrative agencies and a complete judicial review if that be necessary to correct error of substantial proportions in any case.

There is pending in the Congress a bill known as the Walter-Logan bill, which is entitled "A bill to provide for more expeditious settlement of disputes with the United States," which will be considered shortly by both bodies. This bill was recommended by the American Bar Association after a specially appointed committee of that association studied the problem for upward of 7 years. This bill is an attempt to deal with the entire field of administrative procedure and judicial review of administrative decisions and is endorsed by all of the leading bar associations in America, the American Federation of Labor, the National Grange, and many other organizations that frequently deal with the Federal Government. Experts in the field of administrative law feel that a prolific cause of disputes will be eliminated through the provision in the bill allowing a judicial review of the rules promulgated by any agency, and in support of their contention point to the fact that in two agencies created by statutes containing a similar provision not a single case has gone to the courts. The judicial review of the decisions or orders of administrative agencies section follows the provisions of a statute that has been tried and found to be very satisfactory in its operation. The bill will in nowise place any Government agency in a strait jacket but will insure the administration of our statutes in accordance with the well-established principles of our form of government.

Problem of Migration of People Within the United States

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

ARTICLE BY LUDWELL DENNY

Mr. VOORHIS of California. Mr. Speaker, at long last it appears that the problems of the migrant people of America and of States like California to which they move are beginning to receive the attention of people throughout the Nation. At any rate, the following excellent and informative column on the subject by Mr. Ludwell Denny will be of very great value in setting forth some immediate and very important facts regarding the matter. I hope all Members will take the trouble to read what Mr. Denny has to say:

MIGRATORY PROBLEM

(By Ludwell Denny)

If enough Congressmen see the Grapes of Wrath film showing here, and if such persons as Eleanor Roosevelt and Herbert Hoover continue talking about the migratory problem, and if the public affairs committee gets wide circulation for its latest exposé, Congress may yet do something for those American refugees.

So far, President Roosevelt's Budget blocks even a continuation of the Federal Government's puny efforts. The proposed cut of $40,000,000 would leave the Farm Security Administration only $123,000,000. That would provide aid for only a fourth of the 120,000 midwestern and southern farm families who will otherwise join the homeless trek.

The effort is to prevent growth of the migrant army at the source, and then to resettle the present army on small holdings in new opportunity areas.

Two Voorhis bills would amend the Social Security law to provide Federal aid to States for care of transients. One would authorize an initial appropriation of $10,000,000 and encourage reform of State settlement laws. Another would provide $7,000,000 annually for State medical care of nonresidents.

Herbert Hoover yesterday at Stanford University said:

"We should undertake to care for these people not in great camps but by establishing them in 3- to 5-acre homes, with these settlements of small numbers spread throughout the country so they will be accessible to whatever employment there is."

Mrs. Roosevelt, on an inspection trip of Government and private camps in California, said Steinbeck's Grapes of Wrath did not exaggerate conditions. In advocating resettlement, she mentioned the Grand Coulee Dam project in Washington. Officials here hope that 100,000 families may eventually be settled there with Federal help.

But any large-scale help probably will have to wait on a congressional investigation. There is more hope now than 2 weeks ago that the House Rules Committee will approve the Tolan resolution for that purpose. Supported by the entire California delegation, it probably will pass.

There are many reasons why Congress has done so little:

1. When the powerful farm lobby gets its subsidies, there is not much left, even in a deficit budget, for the landless farmer.

2. The migrants cannot vote and therefore have no political drag.

3. Many of the Southern and Midwestern States are only too glad to get rid of their dispossessed and surplus families, driven to California and elsewhere.

* * * * * * * *

The study issued today by the public affairs committee, Adrift on the Land, is by Paul S. Taylor. He is an economics professor at the University of California, member of the California Board of Agriculture, and consulting economist of the Federal Social Security Board.

He differentiates between the Joads and the old-type migration of single men who followed the grain harvests before the day of the combine, and also the one to two million families who now follow the harvests but return to their homes. Neither of those groups is similar to Steinbeck's families, who have been forced from their homes forever.

Among the factors which distinguish the Joad labor conflicts from ordinary farm-labor problems, according to Dr. Taylor, are industrialized agriculture, employers' desire for complete control of wages, perishability of crops, lack of status of mobile farm wage earners, and interstate migration of native Americans driven from their land.

He cites authorities for the prediction that the migrant problem will increase with mechanization of agriculture in the South.

The average migrant earns about $250 a year. Health conditions are the worst in the country, educational opportunities hardly exist, family life is demoralized, and rights of citizenship are denied. The violation of their civil liberties has been exposed by the La Follette investigating committee.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

Mr. COCHRAN. Mr. Speaker, the action of the Senate in agreeing to the resolution, without amendment, which extends for 3 years the right of the Secretary of State to continue to negotiate reciprocal-trade agreements, is, in my humble opinion, an outstanding contribution toward improved conditions in this country.

Back in 1930 the last Tariff Act—the Smoot-Hawley monstrosity—was placed on the statute books. At the time Republican leaders predicted prosperity, the like of which the country had never experienced, would result. The fact is, the country quickly went from bad to worse.

Mr. Speaker, the St. Louis Globe-Democrat is an outstanding newspaper. It has been critical of many laws this administration has passed. In its issue of Monday, April 8, I find an editorial on this subject, and, under leave granted me, I include it as part of my remarks. The editorial follows:

TRADE PROGRAM WINS

Secretary Hull's reciprocal trade agreements program was continued for 3 years by the Senate after a bitter fight, and with the signature of the President becomes a law, as the House passed the bill several weeks ago. This is an outstanding piece of legislation, and there is little to the credit of the opposition which permitted partisan considerations and geographic selfishness to obscure the far-reaching potentialities of the measure.

The Hull trade pacts are in line with the Secretary of State's belief that international amity is best served through the medium of commercial agreements, in which trade barriers are removed. People who do business with each other on friendly terms and with reciprocal regard for the needs of each, are not likely to fly at each other's throats at the first sign of difference. The good-neighbor policy is born of that belief, and in pursuance of it, Mr. Hull has signed 22 trade pacts with as many nations. His hope is to sign agreements with every other nation with which commercial exchange is possible.

If such pacts have merit now, their value will be vastly increased when Europe's war is done. To that end Mr. Hull drove hard for congressional assent to extension of his program for another 3 years after June 12, next. The battle was substantially won early last week when the Senate refused to require that all pacts must be approved by Congress. Such action, it was felt, would irrevocably subject the program to customary logrolling with the usual unsatisfactory results.

Secretary Hull, jubilant over extension of the program, stated that the three high objectives are:

"To promote the fullest practicable development of both our foreign and domestic markets, thereby achieving increased production and employment.

"To help in creating a solid foundation for any stable peace structure to follow the war.

"To safeguard free enterprise in this country against ever-expanding regimentation which would be the inescapable result of extreme foreign-trade controls of the kind that would be rendered necessary by a reversion to the Hawley-Smoot embargo doctrine."

With this as a policy and with our able Secretary of State directing its development, we are convinced Congress has wisely fortified the country against the troubled days of war and its aftermath. We believe that in time even those who opposed the program on grounds of sectional discrimination will appreciate its benefits.

Mr. Speaker, I also include an editorial from the Washington News on the same subject:

BACK TO BABASU

On that day in June 1930 when Congress took final action on the Hawley-Smoot tariff, Republican Leader Jim Watson stood on the Senate floor and flapped his arms in the best Hoosier oratorical style. Said he:

"We are in the midst of a financial depression * * * but I here and now predict * * * that if this bill is passed this Nation will be on the upgrade financially, economically, and commercially within 30 days, and that within a year from this time we shall have regained the peak of prosperity."

It seems pertinent, 10 years later, to recall this particular Republican prophecy and prophet. For today other Republican spokesmen—having just been routed in their efforts to destroy the Hull trade program—are uttering comparable nonsense. They are hopefully declaring that their legislative defeat will be turned into an electoral victory, come November.

The Republicans in 1940 are not without issues which can be turned into votes. But if they neglect the real issues and offer the people another phony bill of goods on the tariff, they may discover on the morning after the first Tuesday after the first Monday in November that alarums over imports of Cheddar cheese and babasu nuts are still good politics—in Maine and Vermont.

New Regulation Affecting Disabled World War Veterans

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

Mr. RANKIN. Mr. Speaker, I call attention to the fact that we have just won a great victory for the disabled veterans of the World War.

Ever since the Economy Act was passed the non-service-connected veterans who are rated at less than 100-percent disabled were precluded from receiving any compensation at all.

I introduced a bill to correct these injustices, and the Committee on World War Veterans' Legislation, of which I am chairman, has been holding hearings on it.

The Veterans' Administration agreed to take the proposition up and make an adjustment of its regulations governing these disability claims. That has been done, and a new regulation has been issued, which I am inserting as a part of these remarks.

This regulation not only cures a great many of these injustices, so far as the non-service-connected cases are concerned, but its provisions also apply to the service-connected cases.

The new regulation reads as follows:

VETERANS' ADMINISTRATION SERVICE LETTER

ADMINISTRATOR'S OFFICE,
April 2, 1940.

Subject: Total-disability ratings under Public, No. 2, Seventy-third Congress, and the 1933 rating schedule.

1. The attention of all rating agencies is directed to the following statement of policy approved this date which is quoted herewith for the guidance of all concerned:

"Total-disability ratings under Public, No. 2, Seventy-third Congress, and the 1933 rating schedule may be assigned without regard to the specific provisions of the rating schedule, except as outlined herein, when the disabled person is, in the judgment of the rating agency, unable to secure or follow a substantially gainful occupation as a result of his disabilities: *Provided*, That if there is only one disability, this disability shall be ratable at 60 percent or more, and that, if there are two or more disabilities, there shall be at least one disability ratable at 40 percent or more, and sufficient additional disability to bring the combined rating to 70 percent or more. Total-disability ratings, when the above conditions are met, may be granted for deafness, the organic loss of speech, for the amputation or loss of use of either hand or of either lower extremity above the knee (as to these amputations and losses of use, when followed by continuous unemployability after incurrence), as single disabilities or for other organic disabilities or combinations including organic disabilities. For the purpose of Veterans Regulation 1 (a), part III, only, the above specified 60 percent, 40 percent, and 70 percent percentage requirements may be reduced by 10 percent on the attainment of age 60; and by an additional 10 percent on the attainment of age 65; and there shall be no percentage requirements for total-disability ratings in the cases of unemployable veterans who have attained the age of 70. The attainment of age 70 will not of itself warrant rating as permanently and totally disabled; in addition thereto disability

sufficient to produce unemployability will be required. Nothing contained in this paragraph will prevent a total-disability rating for such disabilities and combinations of disabilites, including loss of use of two extremities, or loss of sight of both eyes, or being helpless or bedridden, and other disabilities, as are assigned specific ratings of 100 percent for the severity in question, but if the disabled person is employable, compliance with the terms of the schedule for such ratings will be required. When total disability under this paragraph is under consideration the veteran will be required to submit a statement in affidavit form covering his employment, or unemployment, over a period of at least 1 year."

2. A disabled person meeting the regulatory or schedular requirements for 100-percent ratings is entitled to a total-disability rating regardless of employment. Similarly, cases which do not meet the regulatory or schedular requirements, but which, in the opinion of the rating agency, represent total disability on the average basis, i. e., whose employment represents highly exceptional effort or ability to overcome the handicap of disability, are entitled to central-office consideration under R. & P. R–1142, and should be so submitted.

3. The unemployability of the individual may be established, with age, constitutional defects, limitation of occupational experience, and ability, particularly limitation to manual labor, as important contributing factors. In such cases, it is important to ascertain the exact relationship between the particular manifestations of disability and resumption of work in the field of previous employment, or of other types of employment. As a requirement for total-disability rating, it must be established to the satisfaction of the rating agency that the disabilities are the principal cause of the continued unemployability.

4. Such inferiorities as mental deficiency, psychopathic inferiority, etc., do not of themselves indicate disability, either partial or total. When the medical-industrial history and other evidence points to mental deficiency or psychopathic personality as important factors, it is essential to insure complete psychiatric examination, and, if indicated, social-service report. When neuropsychiatric disease, mental deterioration, failing memory, and concentration (as with cerebral arteriosclerosis) are superimposed upon such conditions, the whole extent of social and industrial inadaptability, partial or total, in accordance with the rating schedule, and paragraph 1 of this service letter, will be ascribed to the disease factor. Similarly, when injury or disease, as fracture or arthritis, is superimposed upon physical defect, the whole subsequent limitation of occupational activity resulting from the defect and the superimposed disease or injury will be ascribed to the disease or traumatism.

5. It is the policy of the Veterans' Administration to resolve the benefit of all reasonable doubt in favor of claimants, to the end that every veteran who is unable to secure and follow substantially gainful employment, with disability as the cause of such inability, will be given full consideration. Rating agencies will exercise great care in the determination of total disability and permanent and total disability to make sure that all claims are properly rated, based on the facts found. Any case in which unemployability is established, but in which the above-prescribed requirements for total-disability ratings, in service-connected cases, or for permanent total-disability ratings in non-service-connected cases, are not met, will be referred to the central office, after proper development, under R. & P. R–1142.

6. Pending promulgation of the first paragraph above as a regulation, this service letter, dated April 2, 1940, will be cited as authority for ratings under its terms.

FRANK T. HINES,
Administrator of Veterans' Affairs.

At this point I desire to insert a letter which I have just received from Mr. Millard W. Rice, legislative representative of the Veterans of Foreign Wars, relative to this proposition.

The matter referred to follows:

VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D. C., April 5, 1940.

The Honorable JOHN E. RANKIN,
Chairman, House Committee on World War Veterans' Legislation, House of Representatives, Washington, D. C.

MY DEAR MR. RANKIN: Another milestone has just been passed by the Veterans' Administration in its adjudication of veterans' claims, by the issuance of its service letter of April 2, 1940, providing for more liberal standards for determining the existence of a permanent and total disability.

One of the most progressive far-sighted steps taken by the Veterans' Administration in a long time, this service letter will, in our opinion, make it possible for several scores of thousands of unemployable disabled World War veterans—industrially totally disabled—to be rated by local rating agencies as permanently and totally disabled.

Such permanent and total ratings for non-service-connected disabled World War veterans will entitle them to the present disability pension of $30 per month, under Veterans' Regulation No. 1 (a), Part III, which we sincerely believe ought to be increased by this Congress up to at least $60 per month, the same as totally disabled veterans of the Spanish-American War have long received. Additional thousands of veterans suffering with service-connected disabilities will also thereby be enabled to be rated as permanently and totally disabled, thus entitling them to disability compensation in the sum of $100 per month.

This service letter, in effect, provides that where a disability, or a combination of disabilities, in connection with the veteran's own inabilities, render him unable to secure or follow a substantially gainful occupation, then, subject to certain varying minimum requirements as to major and minor disabilities, dependent upon his age, he shall be regarded as permanently and totally disabled. In other words, disability, plus unemployability, will henceforth ordinarily warrant a rating of permanent and total disability.

Thousands of unemployed and unemployable disabled veterans have previously been unable to establish that they were entitled to a permanent and total rating. The liberalized procedure authorized by this service letter should result in the favorable reconsideration of these claims.

I am indeed pleased to know that you had in mind to insert this valuable service letter in your extension of remarks in the CONGRESSIONAL RECORD, so that these needy veterans and their dependents may have a better chance to find out about their rights.

The V. F. W., as you know, by reason of our presentation before your committee and our personal conferences with you, has long insisted upon the necessity for and desirability of a liberalized definition of permanent and total disability, to be determined on an individual basis, rather than on an average basis. This service letter goes about as far as we think it can go under the present limitations of law, toward making this possible, and at the same time lessens very much the necessity for so providing by a change in the law.

Attached is copy of a letter addressed to the Administrator of Veterans' Affairs by Mr. Joe D. Chittenden, director of the national service bureau of the V. F. W., expressing our appreciation for and intense intesest in this service letter.

We appreciate very much the interest which you have repeatedly manifested in our efforts to have a greater measure of justice extended to the distressed unemployable disabled veterans who will be favorably affected by this service letter.

With kind regards, I am

Respectfully yours,

MILLARD W. RICE,
Legislative Representative.

Opinion of Circuit Court of Appeals in H. J. Heinz Co. Against National Labor Relations Board

EXTENSION OF REMARKS
OF
HON. ROBERT F. WAGNER
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Wednesday, April 10 (legislative day of Monday, April 8), 1940

TEXT OF THE OPINION OF THE COURT

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD the text of the opinion of the United States Circuit Court of Appeals, Sixth Circuit, in H. J. Heinz Co. against N. L. R. B., decided April 3, 1940.

In accord with the rulings of the second and fourth circuits, this court holds that an employer's refusal to enter into a written agreement with the representatives of his employees, when the actual terms of bargaining had been orally agreed upon, is a violation of section 8 (5) of the National Labor Relations Act.

The same result was also reached by the ninth circuit in N. L. R. B. against Sunshine Mining Co., decided April 4.

The only decision to the contrary is that of the seventh circuit in Inland Steel Corporation against N. L. R. B., January 9, 1940. Even in that circuit, however, a more recent decision holds that the employer's refusal to reduce to writing the terms already agreed upon may give rise to a "well-nigh inescapable inference" that he is violating the act by refusing to bargain collectively in good faith—Fort Wayne Corrugated Paper Co. against N. L. R. B., decided March 28.

In other words, five circuit courts of appeals throughout the country have upheld the incontestably sound interpretation of the act by the Labor Board on this issue, and no circuit now holds to the contrary. These decisions are especially significant coming at this time, since the Smith amendments, pending in the House, would avowedly establish as the law of the land the isolated and discredited ruling in the Inland Steel case.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[United States Circuit Court of Appeals, Sixth Circuit. No. 8187. *H. J. Heinz Co., petitioner,* v. *National Labor Relations Board, respondent.* Petition for review of an order of the National Labor Relations Board. Decided April 3, 1940]

Before Simons, Hamilton, and Arant, circuit judges.

Arant, circuit judge:

This is a petition to review and set aside a final order of the National Labor Relations Board, which directed the H. J. Heinz Co. to cease and desist from dominating or interfering with the administration of the Heinz Employees' Association, refusing to bargain collectively with the Canning and Pickle Workers, Local Union No. 325, and interfering with the rights of its employees guaranteed in section 7 of the National Labor Relations Act; and also requiring petitioner to disestablish the association, bargain collectively with the union, upon request, embody in written form any understanding reached, if requested to do so by the union, and post the usual notices of compliance.

The Board's order is based upon its findings of fact and conclusions of law that petitioner had violated sections 7, 8 (1), 8 (2), and 8 (5) of the act.

Petitioner contends that the evidence does not support the Board's findings, that some of its findings do not support the conclusions of law based thereon, and that, in some respects, the order transcends the Board's powers. The Board takes issue and, pursuant to section 10 (e) of the act, has petitioned this court to enforce its order.

The union and the association began drives for membership among petitioner's employees in April of 1937. The former organization was later chartered by the Amalgamated Meat Cutters and Butcher Workmen of North America, which is affiliated with the American Federation of Labor; the latter is not affiliated with any other organization, and its membership is confined to employees of petitioner's Pittsburgh plant. By May, each organization claimed to have been chosen by a majority of petitioner's employees to act as sole bargaining agent. On May 21, Kracik, international representative of the Amalgamated, met with Riley, a director of petitioner in charge of manufacturing, and gave him a copy of a contract proposed by the union; and Riley agreed to discuss it with representatives of the union. On the morning of the 24th, representatives of the association asked Riley for an appointment to negotiate a contract, and he met both groups on that day.

The meeting with the union representatives was held first. Riley demanded proof of the union's authority, but they were unwilling then to reveal the union's membership. Though the advisability of holding an election had been discussed, no method of proving the union's authority had been agreed upon, when Riley acceded to a request that the union be given 24 hours in which to prove the extent of its membership.

When Riley met representatives of the association he likewise demanded proof of its authority, and the representatives offered to exhibit petitions signed by a majority of the employees; but Riley declined to examine them, stating that he did not wish to know which employees had joined either group. He informed the association's representatives that the union also claimed to represent a majority of the employees, and suggested to them also the advisability of a secret election. However, no decision was reached as to how the conflicting claims should be resolved.

That night the union voted to strike, effective immediately. During the following 4 days the mayor of Pittsburgh tried in vain to obtain the consent of petitioner and the two organizations to an election. The union would not consent to an election if the association's name was to be on the ballot, because it claimed that petitioner had interfered with and dominated the formation and administration of the association.

The association was then requested to present its petitions for examination, and on the morning of May 29 petitioner publicly announced that they had been signed by 1,383 of its 2,000 employees and that it would collectively bargain with the association. Negotiations during the next 3 days resulted in an agreement with it covering wages, hours, and working conditions, the terms of which were incorporated in a bulletin mailed to each of petitioner's employees on June 1. The strike, however, prevented the operation of the plant.

On June 4, all parties agreed, in writing, to an election to be conducted by the director of the National Labor Relations Board for the sixth region. The names of both organizations were to be on the ballot, and petitioner agreed to recognize and commence negotiations with whichever received a majority of the votes cast, within 10 days after results of the election were announced. A stipulation was entered into, however, that the holding of the election would not prejudice the rights of any parties who had filed affidavits before the Board, the purpose being to allow the union to prosecute charges, already filed with the Board, that the association was a company-dominated union.

The election was held on June 8, and the union received 1,079 of the 1,882 votes cast. The plant reopened and petitioner entered into negotiations with the union.

Six or seven meetings were held between June 17 and 28, petitioner being represented generally by Donald W. Ebbert, an attorney, and by Riley and Shinabarger, both directors, and the latter an assistant to one of the vice presidents. The subject of discussion at these meetings was a proposed contract relating to wages, hours, and working conditions, that had been submitted by the union. The introductory paragraph was as follows:

"This agreement, dated the _____ day of _____ 1937, between the H. J. Heinz Co. (hereinafter referred to as the 'Employer'), and the Canning & Pickle Workers Local Union No. 325, of the Amalgamated Meat Cutters and Butcher Workmen of North America, or its successor (hereinafter referred to as the 'Union') * * *"

The only objection to this paragraph expressed by petitioner's representatives was the phrase "or its successor," which the union agreed to eliminate. The parties could not agree, however, upon the proposed closed-shop and pay-increase provisions.

On June 26, Wilner, the union's attorney, requested that a higher official attend the next meeting, because Riley and Shinabarger had stated that their actions required approval of the other directors. Anderson, a vice president, attended the meeting on June 28, but said little, though the meeting lasted an hour and a half. When Wilner asked him for a statement, he replied that, according to the reports he had received, nothing new had been discussed; and added that the directors had full confidence in Riley and Shinabarger; and there was evidence that he stated that they had full authority to act for petitioner, though this was denied by petitioner's witnesses.

Feeling that an impasse had been reached, the union solicited the aid of Federal and State intermediaries. At another meeting on July 1 petitioner refused to offer more than the 10-percent increase previously proposed and the union representatives departed saying they would submit petitioner's proposals to the union that night. Shortly after the meeting adjourned, however, Riley sent for Kracik and told him that petitioner would not enter into a signed agreement with the union. That night the union accepted petitioner's counterproposals which, as previously agreed, were to go into effect as of July 1.

At a meeting on July 2, Wilner voiced objection to petitioner's refusal to enter into a signed agreement. Riley stated that it was petitioner's policy not to enter into such agreements with unions, and that it did not believe that the act required it to do so. It was finally decided, however, that Wilner and Ebbert should prepare a memorandum embodying the terms agreed upon. On July 14 Riley, Shinabarger, and Ebbert met with union representatives to discuss the memorandum, which, according to Wilner and Ebbert, correctly expressed all the terms on which an agreement had been reached. Certain further changes were agreed upon, however, and Ebbert undertook to embody them in a final draft to be posted on petitioner's bulletin boards the following day. On the following day, pursuant to agreement, Ebbert sent Wilner a copy of the corrected memorandum, dated July 15. It was entitled "Notice to All Employees," and the first paragraph read as follows:

"Following the recent election held under the supervision of the National Labor Relations Board, in which the Canning and Pickle Workers' Local Union, No. 325, was selected as the collective-bargaining agency for our employees, we have had meetings with a committee from that organization and after several weeks of negotiation, have agreed with them as follows:"

The memorandum concluded as follows:

"The wages, rates, and other matters hereinabove set forth shall remain in effect until further notice."

And the typewritten signature of petitioner appeared at the end.

Upon being notified that the memorandum had not been posted as agreed, Wilner telephoned Ebbert and was informed that Anderson had objected to certain phrases in the memorandum and thought it should be submitted to Howard Heinz, president of petitioner, then absent, before it was posted.

On July 23 or 24, Ebbert informed Wilner that Heinz wished to rewrite the memorandum and no further action could then be taken.

On July 29 or 30, Ebbert submitted to Wilner a bulletin prepared by Heinz that differed materially from the July 14 memorandum. The introductory paragraph read:

"According to the provisions of the National Labor Relations Act, we have bargained with the certified collective bargaining agency for our employees (not including, however, foremen, assistant foremen, who are paid on a monthly basis, policemen, outside truck drivers, office employees, or factory employees paid on a monthly basis) and the following understanding has been reached:"

The bulletin did not mention the name of the union, and petitioner's signature did not appear at the end. It contained a rewording of the July 14 memorandum and embodied changes in substantive provisions. On July 31, Wilner protested to Ebbert against petitioner's procedure, but added that he would present the bulletin of the union.

At the August 11 meeting, representatives of the union objected to the bulletin on several grounds, but particularly because the union's name was omitted and the details of the grievance procedure eliminated. Petitioner's representatives replied that Heinz had made these changes to shorten the bulletin, but consented to insert the union's name in the paragraph relating to grievances and agreed to a change relating to payment for overtime. The union representatives agreed that the bulletin thus modified should be posted. It was posted on August 15, but on August 17 Tasker, business agent of the union, wrote the following letter to Riley:

"This is to advise you that the notice you have posted on your billboard does not in our opinion constitute an agreement within the intent of the memorandum of understanding entered into by and between our union and you on June 4, 1937, nor is it evidence of bona fide collective bargaining within the meaning of that understanding or the National Labor Relations Act.

"Nevertheless, we realize that the concessions gained for the employees of the H. J. Heinz Co. were the direct results

of our efforts, and we are anxious to conserve for the Heinz employees the benefits which they so richly deserve and for which we strove so hard.

"We therefore do not object to you (sic) posting of the notice, but intend to lay this matter before the National Labor Relations Board in order to have that impartial agency determine whether or not you have bargained in good faith and whether you have done what our memorandum of understanding of the 4th of June 1937 and the law requires of you."

The foregoing facts, for the most part, are not controverted. Neither is it disputed that the union has been properly selected as the bargaining agent of petitioner's employees, nor denied that petitioner's business is of such nature as to subject it to the National Labor Relations Act.

Petitioner contends, however, that the Board's findings that it violated sections 7, 8 (1), and 8 (2) of the act are not supported by substantial evidence. But petitioner did at one time recognize and negotiate an agreement with the association, a signed copy of which was sent to each employee, accompanied by a communication in which, after stating that the plant could not be immediately reopened because of the strike, petitioner said: "We believe that the support of the members of the Heinz Employees' Association will be an important factor in securing free access to our property." And there is substantial evidence that Heinrich, general plant superintendent, discouraged several employees from joining the union, pointing out the benefits they had previously enjoyed and asserting that they would not fare so well if the union became established in the plant. There was also testimony that foremen Locke, Vajentic, Hayes, and Brooks and foreladies Schirer and Fisher had engaged in similar conduct antagonistic to the union. There was also substantial evidence that signatures upon association petitions were solicited by group leaders, timekeepers, and ordinary employees during working hours; that supervisory employees directed some of this solicitation; and that, on two occasions, foremen held departmental meetings for organization purposes. The Board found that petitioner, through its supervisory employees, had interfered with, restrained, and coerced employees in the exercise of rights guaranteed to them by section 7 and had interfered with and dominated the organization and administration of the association. Petitioner's chief criticism is that the Board did not believe its witnesses. Since, however, the Board's finding is based on substantial evidence, it must be accepted here. (29 U. S. C. A., sec. 160 (c); *Consolidated Edison Co.* v. *National Labor Relations Board*, 305 U. S. 197. See *National Labor Relations Board* v. *Waterman Steamship Corporation* (decided Feb. 12, 1940, — U. S. —.)

Petitioner also contends that, even if its supervisory employees did engage in the aforesaid activities, there is no evidence that it expressly authorized or ratified those acts; on the contrary, when they were brought to its attention, it claims that all foremen were instructed to remain neutral and not discriminate against any employee because of union activities. But there was no evidence that petitioner directed any supervisory employee to communicate its alleged neutrality to the employees. If petitioner had really wanted its employees to know that they might, with safety, join whichever union they desired, the bulletin boards were the obvious and, because direct, the most effective means of assuring them of its impartiality. There was abundant evidence that the ordinary employees feared the disfavor of those from whom they were accustomed to taking orders. Since they were justified in believing that these supervisory employees were acting as petitioner's representatives, petitioner is responsible for what they did. (*National Labor Relations Board* v. *A. S. Abell Co.*, 97 F. (2d) 951 (C. C. A. 4); *Swift & Co.* v. *National Labor Relations Board*, 106 F. (2d) 87 (C. C. A. 10). Cf. *National Labor Relations Board* v. *Swank Products, Inc.*, 108 F. (2d) 872 (C. C. A. 3); *Cupples Co. Manufacturers* v. *National Labor Relations Board*, 106 F. (2d) 100 (C. C. A. 8).)

We are of the opinion that petitioner violated sections 7, 8 (1), and 8 (2) of the act, though there may have been neither express authorization nor ratification.

Petitioner contends that the Board's order that it withdraw recognition from and disestablish the association is not warranted by the finding that it dominated and interfered with the organization and administration of the association because it contends that the pro-association activities were limited to the organization period, and ceased some 5 months before the Board's complaint was filed; that not more than nine of its supervisory employees were shown ever to have participated; and that the election results revealed the ineffectiveness of their activities.

We are of the opinion that the Board's order should be enforced.

Section 10 (c) of the act empowers the Board to order such affirmative action as will effectuate the policies of the act. The record supports the Board's view that disestablishment of the association is necessary to assure petitioner's employees that they are free to exercise the rights guaranteed to them by section 7. We doubt if any employee would infer from mere negotiation with the union, purusant to pre-election promise and the mandate of the act, that petitioner's favor had been withdrawn from the association. As long as employees may reasonably entertain a belief that petitioner's favor can be won by abandoning the union for the association they will not be free to exercise the rights guaranteed to them by section 7. If the Board has reasonable ground to believe that such a situation exists, it may direct the employer to employ whatever means it regards as reasonable to bring home to the employees that, as far as their employer is concerned, they are entirely free to exercise all the rights guaranteed in section 7. The fact that even here petitioner seeks to justify its refusal to enter into a written contract in part upon the ground that a large proportion of its employees voted for the association indicates that it still accords the association recognition in violation of the act and shows that the Board did not abuse its discretion in directing the disestablishment of the association. See *National Labor Relations Board* v. *Falk Corporation* (decided Jan. 2, 1940), — U. S. —, 60 S. Ct. 307; *National Labor Relations Board* v. *Greyhound Lines*, 303 U. S. 261; *National Labor Relations Board* v. *Newport News Shipbuilding & Dry Dock Co.* (decided Dec. 4, 1939, — U. S. —, 60 S. Ct. 203; *National Labor Relations Board* v. *Fansteel Metallurgical Corp.*, 306 U. S. 240. Cf. *National Licorice Co.* v. *National Labor Relations Board* (decided Mar. 4, 1940), — U. S. 11; *Federal Communications Commission* v. *Pottsville Broadcasting Co.* (decided Jan. 29, 1940), — U. S. —.

Petitioner also attacks the Board's conclusion that it had engaged in unfair labor practices within the meaning of section 8 (5) by not bargaining in good faith with the union, as shown by (1) refusal to enter into a signed agreement with the union embodying terms agreed upon; (2) withholding from the union the essential status of an equal during the negotiations; (3) repudiation and change of the terms of the July 14 bulletin after they had been approved as final by persons represented to have authority to act for petitioner; (4) adoption of dilatory tactics, manifested particularly by Anderson's refusal to post the July 14 memorandum, by rewriting it and refusing to incorporate in the August 15 bulletin the agreed procedure for settling grievances, to the terms of which it had no objection.

We are of the opinion that there was substantial evidence to support the findings upon which the Board based its conclusion that petitioner had violated section 8 (5). And we think this is so irrespective of petitioner's refusal to enter into a written agreement.

Does section 8 (5) require the employer to embody terms agreed upon with a union in a written contract?

The seventh circuit recently considered this problem in *Inland Steel Co.* v. *National Labor Relations Board* (decided Jan. 9, 1940), — F. (2d) —, and concluded that no written agreement is required by the act under any circumstances. It construed the language of the act literally and rejected the historical argument that Congress must have intended that any understanding arrived at be embodied in a written agreement because such had long been the general practice and because Congress must have been familiar with the old Labor Board's practice of requiring written contracts under such circumstances.

The opposite conclusion was reached by the second circuit in the case of *Art Metals Construction Co.* v. *National Labor Relations Board* (decided Feb. 26, 1940), — F. (2d) —, Judge Hand, writing for the court, said:

"The argument on this point rests upon the admitted truth that the act does not force the parties to come to any agreement at all; for, although an employer must honestly negotiate with his employees collectively, that is as far as he need go. But if, the argument runs, he is forced to make it a term of any oral agreement, that it shall be put into writing, he loses that absolute freedom in negotiation which he had at common law, and which Congress meant to reserve to him. *Inland Steel Co.* v. *N. L. R. B.*, 108 Fed. (2) (C. C. A. 7). It is indeed true, and for that matter a truism, that a stipulation in an oral contract that it shall be put into writing is one of its terms, and that if an employer must put it in, he is not free pro tanto. But he is no longer wholly free anyway; before the act he was not obliged to bargain with his employees collectively; he was at liberty to refuse to negotiate with them at all, or otherwise than severally. The act impaired that freedom; it meant to give to the employees whatever advantage they would get from collective pressure upon their employer; and the question here is, What are the fair implications of that grant? They should include whatever is reasonably appropriate to protect it, and no one can dispute that a permanent memorial of any negotiation which results in a bargain is not only appropriate but practically necessary to its preservation; it is hardly necessary to observe that without it the fruits of the privilege are exposed to the sport of fugitive and biased recollection. The purpose of a contract is to define the promised performance, so that when it becomes due the parties may know the extent to which the promisor is bound, and it is the merest casuistry to argue that the promisor's freedom to contract includes the opportunity to put in jeopardy the ascertainment of what he has agreed to do, or indeed whether he has agreed to anything at all. The freedom reserved to the employer is freedom to refuse concessions in working conditions to his employees and to exact concessions from them; it is not the freedom, once they have in fact agreed upon those conditions, to compromise the value of the whole proceeding, and probably make it nugatory."

The fourth circuit followed Judge Hand's reasoning in *National Labor Relations Board* v. *Highland Park Manufacturing Co.* (decided Mar. 11, 1940 (— F. (2d) —).

We are in accord with the reasoning and the conclusions reached by the second and fourth circuits, and therefore approve the Board's conclusion that respondent violated section 8 (5) by not embodying the understandings reached in a signed agreement.

However, if the view of the seventh circuit were accepted, it does not follow that the Board's order is invalid. We are of the opinion that the order is more obviously justified by section 10 (c), which requires the Board when it has found an employer guilty of an unfair labor practice to serve an order "requiring such person to cease and desist from such unfair labor practice and to take such affirmative action * * * as will effectuate the policies of this chapter."

The act nowhere in terms confers upon the Board the power to require an employer to post any notice, yet its power in this respect is now well established. See *National Labor Relations Board* v.

Greyhound Lines, supra. In *National Labor Relations Board* v. *The Falk Corporation* (decided on Jan. 2, 1940) (— U. S. —) an order to post notices promising to cease and desist was upheld.

Discussing the Board's power to require the posting of such notices, Mr. Justice Black said:

"The court also modified the Board's order by omitting the requirement that the notices to be posted in the plant contain a statement that the company would 'cease and desist' from its unlawful activities. As stated in the first opinion of the court below, the purpose of the Board in requiring the company to publish notices assuring its employees that it would 'cease and desist' had been 'to convey to the employees the knowledge of a guaranty of an unhampered right in the future to determine their own labor affiliations.' Knowledge on the part of the men that the company would cease and desist from hampering, interfering with, and coercing them in selection of a bargaining agent, which the Board found the company had done successfully in the past, was essential if the employees were to feel free to exercise their rights without incurring the company's disfavor. But the notices as permitted by the court's modifying order not only failed to assure the men that the company would cease its unlawful and coercive practices but—backed with the prestige of a formal court order—told the men that Independent, while in terms disestablished for the time being, was still available for selection by the employees. Thus the modified notices neither renounced the company's unlawful practices nor promised their abandonment, and left as a candidate the Independent toward which the unrenounced unlawful activities of the company had been directed. We think the plant notices as modified by the court's order fell far short of conveying 'to the employees the knowledge of a guaranty of an unhampered right in the future to determine their labor affiliations.'"

The employees' need of assurance probably always justifies an order to the employer to post notices that he will bargain collectively with a particular union, etc., and the Falk case makes it clear that under some circumstances he may be required to post a notices that he will cease and desist from unfair labor practices found by the Board, though it may be doubted whether the Court meant to lay down the rule that the posting of such a notice can be required in every case. The Board might abuse its discretion in this respect, but the Supreme Court saw no abuse in the Falk case.

Petitioner's refusal to execute a written agreement at the request of the union may well have left the employees suspicious of its good faith and with a sense of insecurity that does not ordinarily exist when neither party has reasonable ground to doubt the other's good faith. We are of the opinion that the sense of insecurity engendered by petitioner's strange unwillingness to execute a written contract embodying terms that it would have its employees believe it had orally agreed to in good faith, required the Board to exercise the power conferred in section 10 (c). There was no abuse of discretion in the order as made. *National Labor Relations Board* v. *Highland Park Mfg. Co.*, supra.

In view of the conclusion we have reached as to this matter, we deem it unnecessary to consider the other grounds enumerated above, upon which the Board based its conclusion that petitioner had violated section 8 (5).

Petitioner denies the Board's power to require it to post notices in the form ordered. We are of the opinion that the Board did not abuse its discretion in this respect. See *National Labor Relations Board* v. *Falk Corporation*, supra. Cf. *National Licorice Co.* v. *National Labor Relations Board*, supra.

The order of the Board will be enforced.

Senator Harrison's Management of Trade Agreements Extension Act

EXTENSION OF REMARKS
OF
HON. FREDERICK VAN NUYS
OF INDIANA
IN THE SENATE OF THE UNITED STATES
Wednesday, April 10 (legislative day of Monday, April 8), 1940

LETTER FROM JOSEPH P. TUMULTY

Mr. VAN NUYS. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed by J. P. Tumulty to the editor of the Washington Post and published in the Washington Post of today, entitled "Trade Agreements."

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Washington Post of April 10, 1940]

TRADE AGREEMENTS

TO THE EDITOR OF THE POST.

SIR: It was an act of the finest sportsmanship and the highest magnanimity on the part of Senator BARKLEY when, as Democratic leader of the Senate, he congratulated Senator HARRISON on the manner in which he directed to a successful conclusion the recent Senate action on the Trade Agreements Act. Evidently Senator BARKLEY, an experienced legislator himself, realized the many barriers and opposing obstacles that confronted Senator HARRISON and so appreciated the skill and patience with which he brought this historic piece of legislation to a happy consummation.

Here is Senator BARKLEY's generous estimate of Senator HARRISON's work:

"I am sure that not only the Members of the Senate, but likewise the American people, appreciate his skill, diligence, patience, and persistence in fostering this legislation. Personally, I want to thank him."

With characteristic modesty, Senator HARRISON, upon the floor, in acknowledging the words of his coworker, Senator BARKLEY, conveyed his thanks to the Senator in this informal way:

"I want to thank the Senator, but let it go at that. It is through now."

The tribute of Senator BARKLEY reminds the outside world and those who sit on the sidelines watching the progress of legislation here in the Capital, that too often are we inclined to forget that high type of leadership that brings legislation of this unusual character into a safe harbor. And while it is altogether fitting that tribute should be paid to the President and Secretary Hull for their vision, courage, and statesmanship in the matter of reciprocity, at the same time it is unfortunate that in the stories of the passage of the Trade Agreements Act, there is little mention made of the leadership displayed throughout the debate by the chairman of the Senate Finance Committee, Senator PAT HARRISON, of Mississippi.

It should never be forgotten that without that careful and tactful direction of Senator HARRISON this piece of legislation, for which the President and Secretary Hull so valiantly fought, might have failed of passage. Only a man who could have drawn to himself the greatest loyalty of the members of his own committee, the great Finance Committee of the Senate, could have accomplished this result.

Throughout the debate on this great measure, with infinite patience he maintained his fine poise and yet, without bitterness or rancor, met the onslaught of the opponents of this measure. Indeed, his kindness, tolerance, frankness, and understanding of the other fellow's point of view make his leadership in any matter of legislation always irresistible.

J. P. TUMULTY.

WASHINGTON, *April 9*.

Internal Revenue Collections and Federal Expenditures

EXTENSION OF REMARKS
OF
HON. HAROLD KNUTSON
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1940

COMPARATIVE TABLES BY PAUL O. PETERS

Mr. KNUTSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following tables:

Comparative table showing internal-revenue collections from 1923 to 1929, inclusive, with Federal expenditures for the same years, compared with years 1933 to 1939, inclusive [1]

(Compiled by Paul O. Peters, Syndicate Trade Press, Washington, D. C.)

Year	Total collections	Ordinary and postal expenditures	Debt retirement	Surplus or deficit	Per capita debt
1923	$4,539,963,406	$3,827,455,452	$402,850,491	$309,657,461	$200.10
1924	4,584,993,480	3,621,626,743	457,999,750	505,366,987	186.86
1925	4,379,740,162	3,662,636,809	466,538,114	250,565,239	177.82
1926	4,622,575,491	3,757,431,624	487,376,051	377,767,816	167.70
1927	4,812,516,430	3,657,151,664	519,554,845	635,809,921	156.04
1928	4,735,982,077	3,796,898,776	540,255,020	398,828,281	146.69
1929	4,730,197,803	3,995,807,064	549,603,704	184,787,035	139.40
COMPARATIVE 7-YEAR PERIOD, 1933–39 [2]					
1933	$2,667,328,104	$4,446,170,986	$461,604,800	−$2,245,452,980	$179.21
1934	3,702,287,216	6,589,846,959	359,864,003	−3,255,393,297	213.65
1935	4,431,262,504	7,642,508,160	573,558,250	−3,782,966,860	225.07
1936	4,781,299,971	9,333,266,241	403,240,150	−4,952,928,957	261.20
1937	6,020,041,374	9,173,327,654	103,971,200	−3,252,539,719	281.82
1938	6,970,295,278	8,354,008,904	65,464,950	−1,449,625,881	285.43
1939	6,413,778,701	9,953,501,256	58,246,450	−3,600,514,405	308.34

[1] The total of debt retirements for this 7-year period was $3,424,277,975.

[2] The total debt retirements for this period amounted to $2,025,949,893. However, the deficits more than doubled the per capita public debt.

Compiled from reports of the U. S. Treasury Department and annual reports of the Secretary of the Treasury, Apr. 5, 1940.

TABLE 2.—*Showing internal revenue collections, by States geographically grouped, from Mar. 1, 1933, to Jan. 1, 1940, with comparative Federal expenditures in each State from Mar. 4, 1933, to June 30, 1939, and a break-down showing collections and expenditures per capita based on population estimates for July 1, 1937*

[Compiled from official statistics by Paul O. Peters]

States	1937 estimated population 129,257,000	Revenue collections		Federal expenditures	
		Total	Per capita	Total	Per capita
United States	129,257,000	$28,135,913,585		$22,959,583,609	
NEW ENGLAND STATES					
Maine	856,000	73,955,651	86.39	120,988,179	141.34
New Hampshire	510,000	43,416,918	85.13	71,839,754	140.86
Vermont	383,000	20,499,892	53.52	73,532,459	191.99
Connecticut	1,741,000	415,828,529	238.84	202,987,062	116.59
Massachusetts	4,425,000	927,265,922	209.55	740,675,722	167.38
Rhode Island	681,000	150,705,575	221.30	91,583,957	134.48
Total	8,597,000	1,631,672,487		1,301,607,133	
Group average			187.46		151.41
MIDDLE ATLANTIC STATES					
New York	12,959,000	5,964,144,060	460.23	2,191,257,086	169.45
New Jersey	4,343,000	1,093,994,880	251.89	607,542,840	139.89
Pennsylvania	10,176,000	2,325,130,374	228.49	1,543,842,396	151.71
Delaware	261,000	336,709,102	1,290.07	34,993,629	134.07
Total	27,739,000	9,719,978,416		4,377,655,951	
Group average			350.40		157.80
SOUTHERN STATES					
Maryland and District of Columbia	2,306,000	676,047,227	293.16	634,926,924	275.33
Virginia	2,706,000	1,156,460,792	427.36	346,118,293	127.90
West Virginia	1,865,000	109,440,926	58.68	283,073,770	151.70
North Carolina	3,492,000	2,021,615,300	578.92	367,048,814	105.11
South Carolina	1,875,000	83,238,548	44.39	290,632,664	155.00
Florida	1,670,000	209,554,387	125.48	277,952,291	166.43
Georgia	3,085,000	190,150,727	61.63	397,834,442	122.47
Kentucky	2,920,000	706,184,925	241.84	349,812,605	119.79
Tennessee	2,893,000	163,531,716	56.52	348,343,609	120.40
Alabama	2,895,000	83,289,867	28.77	377,521,071	130.40
Mississippi	2,023,000	27,884,022	13.78	357,735,152	176.83
Arkansas	2,048,000	35,941,684	17.54	373,258,940	182.25
Louisiana	2,132,000	222,321,817	104.27	365,769,289	171.56
Total	31,910,000	5,685,661,936		4,770,027,864	
Group average			178.17		149.48
MIDDLE WESTERN STATES					
Ohio	6,733,000	1,541,086,967	228.88	1,203,093,271	178.68
Indiana	3,474,000	556,726,440	160.25	535,650,010	154.18
Illinois	7,878,000	2,394,890,811	303.99	1,308,374,980	166.07
Iowa	2,552,000	142,255,633	55.74	456,935,491	179.04
Michigan	4,830,000	1,310,638,757	271.35	747,967,656	154.85
Minnesota	2,652,000	380,771,520	143.57	573,579,683	216.28
Missouri	3,989,000	699,319,000	175.31	629,969,502	157.92
Wisconsin	2,926,000	468,249,092	160.03	564,231,534	192.83
Total	35,034,000	7,493,938,224		6,019,802,127	
Group average			213.87		171.82
PACIFIC STATES					
California	6,154,000	1,593,581,674	258.95	1,209,498,072	196.53
Oregon	1,027,000	70,650,357	68.79	272,600,452	265.43
Washington-Alaska	1,658,000	167,817,164	101.21	494,598,523	298.31
Total	8,839,000	1,832,049,195		1,976,697,047	
Group average			207.26		223.63
GREAT PLAINS STATES					
North Dakota	706,000	9,987,844	14.14	264,598,775	374.07
South Dakota	692,000	10,876,574	15.71	281,105,657	406.22
Nebraska	1,364,000	98,108,621	71.19	347,418,845	254.70
Kansas	1,864,000	136,625,326	73.29	444,106,787	238.25
Oklahoma	2,548,000	345,370,362	135.54	486,057,640	190.76
Texas	6,172,000	670,284,545	108.60	1,019,672,768	165.20
Total	13,346,000	1,271,253,272		2,842,960,472	
Group average			95.25		213.02
ROCKY MOUNTAIN STATES					
Arizona	412,000	19,901,497	48.30	211,656,089	513.72
Colorado	1,071,000	169,190,210	157.97	306,177,183	285.87
Idaho	493,000	19,087,706	38.71	210,960,368	427.92
Montana	539,000	35,274,567	65.44	316,441,003	587.08
New Mexico	422,000	12,650,809	29.97	171,192,008	405.66
Nevada	101,000	21,481,246	212.68	91,577,650	906.70
Utah	519,000	42,822,728	82.51	149,634,806	288.31
Wyoming	235,000	14,506,429	61.72	114,223,513	486.05
Total	3,792,000	334,915,192		1,571,863,620	
Group average			88.32		414.52

NOTE.—Collections for Hawaii, for the period indicated, amounted to $63,757,677. Expenditures, Hawaii, were $79,855,488.

Collections for the Philippines, $2,686,155; expenditures, $19,118,389.

Collections for Puerto Rico, covered into insular treasury; however, the Federal Government expended $121,424,576 in the island in addition to the revenues the island retained.

Kansas Republican State Convention

EXTENSION OF REMARKS
OF
HON. ARTHUR CAPPER
OF KANSAS
IN THE SENATE OF THE UNITED STATES

Wednesday, April 10 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. ALFRED M. LANDON

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address by Hon. Alfred M. Landon before the Republican State convention at Wichita, Kans., on April 4 last.

There being no objection, the address was ordered to be printed in the RECORD as follows:

Four years ago the Kansas Republicans honored me with their votes for nomination to the highest office in the gift of the American people. I have always been conscious of that honor, and since that time have given freely of my time and energy in the interests of the Republicans who, by their ballots, bestowed their trust in me.

Now, today, in 1940, the Republican Party faces an entirely different situation with vastly better prospects than it had in 1936. Already there is a new spirit. A growing realization of the New Deal's tragic failures is becoming more and more fixed. So the situation in 1940 calls for entirely different strategy than in 1936.

Since 1936 our strength at the political grass roots has been multiplied many times. Every politician and newspaperman knows the political strength that goes with control of the statehouses and courthouses and city halls in our form and practice of popular government. In 1936 we had scant foundation on which to build our party tickets at the top. In 1936 the Republican organizations were in collapse in practically every State. There was very, very little on which to build.

For that reason National Chairman Hamilton's trip across the country was necessary in the summer of 1936 to rebuild the party organization at the base. Even before the convention we had discussed the need for rallying, and had made plans for rebuilding the party organizations in most of the States. I accept sole responsibility for that trip. The party's mechanical difficulties of 1936 were many and enormous. In 1936 we were fighting a rear-guard action.

Now, in 1940, these difficulties do not exist. As a result of the 1938 Republican victories, the local party organizations have a fighting morale and a new spirit. The greatly increased Republican vote in every congressional district has strengthened Republican beliefs and is inspiring to all of us. Our victories in many of the congressional and gubernatorial contests could have been even more remarkable and significant if the 1936 defeatist attitude hadn't lingered in our ranks.

This is our year. The trend is our way. You can beat a man, or a ticket, but you can't beat a trend. Victory awaits us unless we deliberately reverse this trend by our own blindness. The problems of business, agriculture, and the workingman must be solved. And the Republican Party must show it is prepared and ready to solve them. Many of us do not seem to realize that the Republican Party is so favorably situated. We should recognize this fact and not jeopardize our solidarity.

We have the opportunity and the duty to save our country in this great crisis, as we have done many times in the past. And we must go forth fighting to save it. This will not be done by the mere election of a Republican President. It will be done by the election of a man who all of his life has been accustomed to facing the realities of unpleasant facts—to grapple with them and to beat them. It will be done by the election of a man who can actually get men back to work; by the election of a man who will not tolerate around him a large and influential communistic group who demoralize business and prevent employment by assuming that the capitalistic system is finished and can no longer perform its historical function. We must elect a President who will willingly subject himself to the restraint of democratic processes, and thus restore the order on which all progress and prosperity and peace ultimately rest.

In order to save the country we must elect a man who will carry out the mandate of the American people and make collective bargaining work, who can make a floor for wages and a ceiling for hours of labor, who can devise a sound farm policy and make it work. Our new President can make all of these work by profiting from the mistakes the Roosevelt administration has made.

We must nominate a man who believes that the essentials of all these must be maintained—but in the interests of their maintenance

knows many changes press for consideration; who has the wisdom and the understanding to realize that when government takes away financial assistance from one industry, fairness and justice require that it cut all, simultaneously, including the high protective tariff. The farmer must not be the only one called upon to take the cut. We must have a chief executive who will deal intelligently and vigorously with the centralization of economic wealth and power.

Above all, we need a man who can do the job that Mr. Roosevelt has so conspicuously failed in, of organizing and welding the conflicting interests of the country so that we can all pull together.

One thing is certain: Nothing is going to be done by this administration in Washington now to straighten out the financial mess in which we find ourselves today. This administration will leave to the new president and the next Congress the painful and unpopular job of paying the fiddler after the dance is over and the cake has been eaten. Always, in our theory of government, the administration in power, whether it be city, State, or National, is charged with the responsibility for the finances of its unit of government.

It is plainly evident now that the Republican Party is left alone to rescue the fiscal structure of our Government. We must fight to put the country on a sound fiscal basis. Unless this is promptly done, we, as a people, will suffer harder times than we have ever known. All of us, except the Communists, will lose whatever kind of America we believe in, by a continuation of the present soft-money fiscal policy. Every day brings us nearer calamity. So all of us have much to gain, individually and collectively, by changing to a sound-money fiscal policy.

The great defect and weakness of the New Deal lies in the loose fiscal policy based on—in familiar language—attempting to eat your cake and have it too.

All social legislation is threatened by a loose fiscal policy. I don't view a sound social program as incompatible with a sound financial program. But I do view the unsound fiscal policies of the national administration as incompatible with a durable, successful, social policy. The loose fiscal policies of the national administration are an ominous threat to every piece of legislation written for the laborer, the farmer, youth, or old age.

There are children in this country going on 10 years of age that have never lived under a national government with a balanced budget, or whose fathers have never had a steady job.

Therefore I say that every piece of New Deal legislation is threatened by loose finances, loose administration, and loose language. Therefore a Republican victory is important to all those interested in the social progress attempted. Even the most enthusiastic supporter of these policies of the New Deal cannot be indifferent to the dangers caused by maladministration.

Surely the President is aware that one-third of the Nation is ill-fed, ill-clad, and ill-housed today. How much longer are the people of this country to be called upon to suffer the tragedy of 10,000,000 unemployed because the President has been so busy planning that he has failed to exercise the leadership needed to get these men back to work?

Not only has the Chief Executive failed to organize, to fuse, to weld together the conflicting interests of the country, but he has contributed to the confusion by his off-hand, impulsive, "puckish" statements. Keeping the country guessing may be good fun for the President, but it is no fun for the millions who are out of real jobs because the employers of the Nation, who might employ them, are kept guessing.

The continual launching of trial balloons, his habitual failure to realize that a President's every word weighs a ton, would keep any policy from succeeding—his own spending-to-save, or any other. The President's impulsive private expressions have contributed much to scorching business recovery and reemployment. The President has never learned that the words he utters cannot be limited to a small area.

Really, as a matter of fact, I think his continually conflicting and ofttimes drastic comments have been more upsetting than his drastic changes in the Government. Business can adjust itself more readily to drastic changes in government than it can to the steady stream of conflicting and ofttimes sensational words of the Chief Executive. Business does not consider the President's words are just idle chatter. The result has been that during the present administration business, large and small, has never been sure of the ground under its feet. Every time business has started ahead, the President has come out with a blast that stopped it. Every time the wheat market started up, we have had depressing statements from Washington to stop it.

Thus the disorder and noisy atmosphere which the President himself creates is the greatest handicap to his own strenuous efforts. The President never has appreciated the wisdom and the necessity for order in public affairs, as against the short cuts that his exuberant hastiness leads him to take. And he is bringing the same disorder to the National Democratic Party that he has brought to the country.

Seven years of confusion—legislative confusion, judicial confusion, and business confusion—make for the greatest tangle of our history. The result is 10,000,000 discouraged, heartsick, unemployed. Surely this is a direct reflection on the Chief Executive's ability to govern this country. But even today he doesn't realize that he could be to blame. When he is faced with failure, he looks around for someone else to blame. And he has been just as ready to place the blame on his fellow Democrats, who have tried to give him sober counsel, as upon anyone else.

For these reasons the tide has been running with us since 1937. Prior to that date it was running the other way. Also there is another very customary reason for this political change favoring us. In 1934 the business index was rising. In 1936 the business index was still rising. It couldn't do anything else, of course. There was only one way it could go, and that was up, because Mr. Roosevelt started in 1933 at the bottom. The result of the 1936 election was only a natural thing. Something to be expected. A search of our history to find the case of a President being beaten for a second term on a rising index would be in vain. Americans have a simple rule for judging political leaders. That simple rule is: Are times good or bad?

If times are prosperous, and there is ample opportunity for an average man to make a decent living, we want the party in power to remain in charge. When these conditions do not prevail, out the party goes. This rule was applied to the Democratic Party in 1896, when William McKinley was elected. It was applied to the Republican Party in 1932, when Mr. Roosevelt was elected. It doesn't matter what party is in power, if it doesn't give us prosperity and jobs it is always turned out. That is the way it has been in the past, and that is the way it is today. The 1938 election reflected such a trend, and, as I have said, you don't beat a trend.

When an administration puts billboards up all over the country with the slogan "Vote for Roosevelt and continue prosperity," when it makes its theme song Happy Days Are Here Again, the American people, after they have given the administration a fair trial, say "Show me." And that is especially true of an administration that blames its own party, as Mr. Roosevelt has blamed his fellow Democrats, for this failure. Instead of the green pastures we heard about in 1936, we are in the green stagnation of the slough of despond.

The Chief Executive has failed in his greatest task—of getting men back to work. He has tried to do many fine things, but, according to the administration itself, there are just as many men out of work today as when the President took his first inaugural oath.

We all know what we want in America. We want a return of good times. A return of prosperity. When I was running for the presidency in 1936 there were a great many people that felt the New Deal had not had sufficient opportunity to show what it could do. A great many people in 1936 thought Mr. Roosevelt deserved another chance; that he would really do better in his second term than he had done in his first term. It is obvious now that Mr. Roosevelt has not made good. In 1936 the New Deal slogan was "Are you better off now than you were a year ago?" When the American people ask themselves today Mr. Roosevelt's own question of 4 years ago, the answer must be "No."

Our Republican Convention must not be of the boss-ridden kind that the Democratic Convention will be. It must be one in which the voice of the people will prevail. We must not permit one man, or any group of money-raisers, to pick our nominee. Let us not be led into a smearing campaign within our own party, with the encouragement of the opposition. Let us consider the merits of the candidates judiciously and without heat, and without use of those smear labels the New Deal dynamite gang would so willingly furnish us. Let us select the strongest man from among our many strong men, and with him at our front go into battle.

We Republicans have good material. Better than in many times past, when we have won. Many in the party appear to be seeking a superman for our nominee—and that is understandable; the next President will face superproblems. But we make generals from colonels who have shown outstanding ability. Our candidates are men who had demonstrated outstanding ability in the work thus far assigned to them, and have shown the capacity to move forward.

Because the New Deal has made such an abject failure in its handling of domestic issues, it is obviously seeking to make the issues of the 1940 election those of foreign policy. Not because its record on foreign policy is good, but because its record on domestic policy is so bad. Let's not be led onto a battlefield of the enemy's choosing.

The New Deal is "busted" on the home grounds. Its leader walked out on the home situation, and is seeking to recoup its fortunes overseas. The New Deal has not been able to restore anything like prosperity. Even with the help of a great European war, it has been able to achieve only a series of spurts and setbacks, and the spurts have been short-lived. Its policies can accomplish no more in the future than they have in the past; less, even, because we are now at the bottom of the fiscal barrel. By the irresponsible fiscal policies of the Roosevelt administration we are going so heavily into debt that, sooner or later there is the horrifying possibility of unlimited inflation, and inflation is the hall entrance to chaos. When the middle class—sturdy, thrifty, capable of indignation and organization at the same time, are plundered and robbed, it is they who turn into the streets and overthrow government. It is not the legislation of the New Deal that is drawing us toward this, but it is the loose debt-making habits of our present administration.

In short, to sum it all up, the Republican Party must favor government policies that will stand for neither unrestrained plutocracy nor irresponsible democracy.

I firmly believe that the election of a Republican President will increase jobs and good business. It will mean another era of Republican prosperity. The Republican Party is best equipped to take charge, to put the country back on a sound footing, to protect its liberties, and to produce another era in which people can look ahead with hope and confidence. We have done it before. We are prepared to do so again.

International Law of the "Altmark" Case

EXTENSION OF REMARKS

OF

HON. JOHN A. DANAHER

OF CONNECTICUT

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10 (legislative day of Monday, April 8), 1940

LETTER FROM DR. PHILIP C. JESSUP

Mr. DANAHER. Mr. President, on February 26 the junior Senator from Indiana [Mr. MINTON] introduced into the RECORD a letter from Mr. James W. Ryan discussing the case of the *Altmark*. Recent events within the last few days, it seems to me, require that another view be correlated with that already stated. Happily, such an expression was submitted by Dr. Philip C. Jessup, of the Columbia University School of Law, in a letter which appeared in the New York Herald Tribune on February 22 of this year. I ask unanimous consent, therefore, that Dr. Jessup's letter be incorporated in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of February 22, 1940]

IN FAIRNESS TO NORWAY—PROFESSOR JESSUP DISCUSSES THE INTERNATIONAL LAW OF THE "ALTMARK" CASE

In fairness to Norway, who can defend her neutrality only by appeals to law, I believe that certain points in the *Altmark* case deserve to be brought out. Our sympathies for the Allied cause against the Nazis should not blind us to the just rights of a small neutral. The facts may not as yet be entirely clear, but some legal rules have been discussed in the newspapers and over the radio and these rules may be examined.

First. The status of the *Altmark*.

The British Government asserts, and the Norwegian Government appears to agree, that the *Altmark* was to be treated as a war vessel. Since a war vessel is customarily armed, it is immaterial what guns the *Altmark* carried.

Second. Were the British privileged to effect a rescue in Norwegian waters?

It is elementary that a belligerent may not commit any act of hostility in neutral waters. Citations are unnecessary to support this basic proposition restated in article 2 of the Thirteenth Hague Convention: "Any act of hostility, including capture and the exercise of the right of search committed by belligerent warships in the territorial waters of a neutral power, constitutes a violation of its neutrality and is strictly forbidden." When, in 1764, a British captain recaptured a prize in a Norwegian port, he was dismissed from the service by the British Government and the value of the ship and cargo was restored to the King of Denmark-Norway "from under whose protection they had thus been illegally removed." If there was justification for the British naval forces disregarding this basic rule in the *Altmark* case, it must flow from some special circumstance.

Third. Did the *Altmark*, as a warship, have a right to be in neutral Norwegian waters?

There can be no doubt about an affirmative answer to this general question. Although a neutral is privileged to exclude belligerent warships from some or all of its ports or waters, it is not obligated to do so. The Thirteenth Hague Convention states an accepted rule in article 10: "The neutrality of a power is not affected by the mere passage through its territorial waters of warships or prizes belonging to belligerents." Belligerent warships may also be given by the neutral the privilege of a limited stay in port. The most difficult problem is to determine whether the use of Norwegian waters for transit by German warships has become so frequent and prolonged as to be equivalent to the use of those waters as a base for belligerent operations. More facts must be available before that question is answered dogmatically. One is reminded of the discussions in 1918 concerning the passage of German submarines through Norwegian waters. At that time and under those circumstances the United States took the view that such use of Norwegian waters might justly be considered to make them a "base of naval operations." (Foreign Relations of the United States, 1918, supp. I, vol. II, p. 1783.) The Norwegian Government did not at first accept this view but eventually closed its waters in response to the diplomatic pressure of the Allies.

Fourth. Does the presence of prisoners of war on board the *Altmark* affect the case?

One of the leading English treatises on international law declares: "The extraterritoriality which, according to a universally recognized rule of international law, men-of-war enjoy in foreign ports, obtains even in time of war during their stay in neutral ports. Therefore, for example, prisoners of war on board do not become free by coming into the neutral port, so long as they are not brought on shore" (Oppenheim, 5th ed., 1935, vol. II, p. 591).

In 1855, during the Crimean War, a British warship put into San Francisco accompanied by a captured Russian vessel, the *Sitka*, in charge of a British prize crew. There were two prisoners on the *Sitka* whose release was sought by serving a writ of habeas corpus on the British officer in command of the prize crew. The officer disregarded the writ and left the port. The matter was referred to Attorney General Cushing for an opinion (VII Op. Atty. Gen. 122). He fully upheld the action of the officer commanding the *Sitka*. He examined and declared the right of a warship or prize to come temporarily into our ports or waters. Having found the presence of the *Sitka* lawful, he declared she was, as a public ship of a foreign state, "exempt from the jurisdiction of the country." "So long as they [the prisoners] remained on board that ship they were in the territory and jurisdiction of her sovereign. There the neutral has no right to meddle with them." The situation would have been different had they landed. It is believed that the Attorney General's view was sound when delivered and is sound today. It seems to cover Norway's duty in regard to the *Altmark's* prisoners. The case of the *Appam* during the World War was quite different, inasmuch as that ship was brought into an American port by the German prize crew with a view to laying her up here indefinitely. So far as can be judged by the very sketchy press reports, in the case of the *City of Flint*, the German prize crew voluntarily put ashore the British prisoners who were on board. This was done when the *City of Flint* touched at Tromso for 2 hours on her way north to Murmansk.

Fifth. What is the duty of a neutral in regard to suppressing breaches of its neutrality?

Especially since the famous dispute between England and the United States over the *Alabama* claims, it has been agreed that the neutral's duty is relative and not absolute. In the language of The Hague Convention, the neutral has a duty to "use the means at its disposal" to prevent violations of its neutrality. If the United States, with its great Navy, failed to prevent a hostile act in its territorial waters, it might be chargeable with a failure to observe its neutral duties, whereas a similar failure on the part of Nicaragua or Norway might involve no liability.

Sixth. Was the British action justified as a measure of reprisal?

The subject of reprisals in international law is not free from difficulty. Its complete examination here would require too much space. Two grounds for reprisal have been suggested—first, that the *Altmark* used her radio in violation of the Norwegian neutrality rules; and, second, that Germany had committed prior violations of Norwegian neutrality, especially by sinking ships inside Norwegian waters. Clearly a reprisal against Norway would have to be predicated upon an illegal act of Norway, as through a failure to live up to its neutral duties. The first ground would not seem sufficiently serious to justify so vigorous a reprisal, even if it be assumed that Norway was to blame for not preventing the use of the *Altmark's* radio. According to the Norwegian account, there was prompt protest and no repetition of the offense. The international tribunal which decided in 1928 the case of the *Naulilaa* incident (a dispute between Portugal and Germany) declared that "one must certainly consider as excessive, and consequently illicit, reprisals out of all proportion to the act which has motivated them." In regard to the sinkings, Norway's fault could be involved only in regard to acts in Norwegian waters, and not in regard to acts on the high seas. The Norwegian Foreign Minister is reported to have said that his government had no knowledge of the alleged German sinkings in Norwegian waters and had received no reply to a request addressed to the British Government to supply information relative thereto.

The *Altmark* case does not involve a weighing of German and British infringements of international law. German protests are not under discussion here. It is especially incumbent upon those of us whose fundamental sympathies are with Great Britain to be fair in our consideration of the case of a small neutral state.

PHILIP C. JESSUP.

NEW YORK, *February 21, 1940.*

The Moral Implications of Democracy

EXTENSION OF REMARKS

OF

HON. RALPH E. CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1940

ADDRESS BY RABBI CHARLES E. SHULMAN

Mr. CHURCH. Mr. Speaker, under leave to revise and extend my remarks, I include the following address delivered by my very good friend Dr. Charles E. Shulman, entitled "The Moral Implications of Democracy," before the Executives' Club of Chicago on Friday, February 2.

Rabbi Shulman is pastor of the North Shore Congregation Israel in Glencoe, Ill. He is the author of several books, a man of exemplary character, and a distinguished scholar. I hope his address will be extensively read.

Mr. Chairman and gentlemen, because of the limited time at my disposal, I should like to proceed directly to the subject announced—the moral implications of democracy. And I should like to do so with a question that must be in the minds of many of you: What is wrong with the world in which we live? I suppose that the youngster in the third grade who tackled this question, to the surprise of his teacher, spoke some of the truth without benefit of any analysis. The teacher happened to be teaching geography, and asked the pupil what the shape of the world is. He answered, "My dad says that it is in very bad shape."

The adult mind has been struggling for some time to discover why it is in very bad shape. We have enough food in the world to feed all of mankind. There is not much doubt about that. Mass production has seen to it that the earth yield far more than it ever yielded in pre-scientific times. There are certainly enough educational means to make men gentle, sympathetic, tolerant, good humored, and peaceful. But there is very little peace in the world, and shocking numbers of people in all lands on earth are woefully ignorant of the nature of the world and of man. The instruments of transportation are such as were never conceived of by the great Kings of Egypt and Babylon. They never believed that it would be possible to fly through space at great rates of speed. Americans two generations ago would not have believed this, either. They thought that the railroad train was a miracle when it first appeared. Yet the airplane, which transports human lives to the far corners of the world, drops bombs upon defenseless individuals in the types of war which nobody desires and nobody understands. The instruments of communication which we possess are infinitely superior to anything known in the past. The microphone, through which a man casts his voice, can transport human sound to the far reaches of the earth. But this same microphone used on behalf of cynicism, unrighteousness, and dictatorship can delude nations and individuals, and, in the words of Isaiah, call day night and night day, white black and black white, and confuse and destroy the minds of men through the technique called propaganda. Despite the material benefits which accrue to us by virtue of the inventive genius of man, despite the physical changes which characterize our present-day civilization, men are still hungry, untutored, unhappy, and plagued by wars of every description. If individuals do not readily grasp the significance of the changes that have taken place in the social order, it is because they have oftimes mistaken a part of civilization for the whole. It would be a naive person who would underestimate the importance of economics in the life of man. One cannot talk ideal philosophies to a hungry person. He needs bread. And not until his elemental needs are satisfied will he be in position to rise to the challenges of a newer day. Hungry souls are not usually convinced that justice and ethics exist in a social order.

It would be the part of the short-sightedness to overlook the tremendous influence of the machine upon our present-day life. Only one phase of machinery, the automobile, has succeeded in transforming a rural population into an urban population. In Jefferson's time 95 percent of this country consisted of a farming element. Today the good roads and the mechanical improvements have brought the farm land within the precincts of the city and made the farmer more dependent than ever upon urban life and culture. He who travels across the continent may note the appeal which even the smallest town holds for the farmers and their families who congregate therein on Saturday evenings.

Specialization has also contributed a great deal to the changes in our time, for it has produced a type of competition which demands more from every individual striving to win for himself a position in the social order. All these changes are the normal and inevitable accompaniment of worlds in transition. They are the variants which mark the different civilizations in history.

There is one constant factor within civilization, however, that has not received the consideration that it warrants. This factor is character. Character insistently demands knowledge of what it is that man is striving for in his world. It is the essential element which religion has preserved throughout the centuries on behalf of the free and abundant life of man. It emphasizes the spirit of man. Because of character, slaves become free men and ordinary mortals become prophets.

America came into being because of character. It was sustained by character, and today it bases its hopes of continuance on the character of individuals who shall know the difference betwen right and wrong and shall strive to build their lives in conformity to an ideal above the economic, the technical, and the political in the social order. Without it, it is difficult to see individuals as free people who have hopes, dreams, and aspirations to fulfill. Without it, the schemes involving salvation are temporal and unsatisfying, for, in the last analysis, where there is no character there is no true civilization.

At the University of Chicago is a remarkable institution known as the Oriental Museum. There it is possible to witness the achievements of the ancient world. The glory that was once Egypt is displayed before the modern visitor that he may see and understand the lessons of the past. Egypt had a great civilization. One who beholds the remarkable ornamental works of the great Pharaohs of old may well marvel at the capacity of those ancients. The modern world, no doubt, is very much indebted to them for their contributions. But Egypt died. It had no character. The Pharaohs who ruled the entire world of their day could build the Pyramids that still constitute one of the wonders of the world. They invented the paper upon which we write. They contributed to so many of the externalities of civilization. But they had no respect for human life, and because they did not grasp the meaning of this supreme value they perished. Only one man among all of their kings, Ikhnaton, who ruled fifteen hundred years before the Christian Era, had any idea of a social order composed of gentler human beings. He reigned for a period of 18 years, and his memory was forgotten. When the mighty Alexander the Great came to Egypt 300 years before the Christian Era he could not find a single trace of the ethical teachings of Ikhnation. The Egyptian monotheist was lost somewhere among the mummies in the tombs and catacombs of the Pharaohs.

Greece has contributed much to the ages. The art and architecture of our time are definitely traceable to the genius of ancient Hellas. The science we know in our day was definitely influenced by such men as Euclid, whose geometry is still in use in our public schools of the present, and Archimedes, who said, "Give me a foot and I will move the world" as he invented the lever, a tool so necessary to scientific progress. The Greek philosophers speculated on the nature of the world and of man and laid the foundations for the philosophic studies of the future. The Greek dramatists plumbed human emotions to their very depths as they wrote their great plays. It was Aristotle who analyzed the meaning of the purging of the human emotions which can follow the witnessing of a great stage play. His idea, which he called katharsis, followed his statement that when man witnesses something far more tragic than he himself can endure, he is enabled better to endure his own sorrows. But Greece, too, died. There is nothing in contemporary Athens that carries any specific relationship to the life of Pericles and Socrates and Plato. Greece died because it lacked character. While Plato's Dialogues could record in beautiful language the qualities of virtue, they could not adequately gage the full stature of man. Plato could plan a model republic that would require human slavery. No state, no educational institution, no culture could survive without taking adequate account of the humblest and the lowliest of the creatures within the social order.

Rome, too, was a great nation, a great power in its day. The laws of this country owe their inspiration to the Roman genius for law. The world empires of the present have modeled themselves after the Roman institutions of antiquity. The Pax Romana was something to conjure with in the ancient world. So far-flung was the result of the Roman genius for organization that a Roman student in distant Byzantium could present a piece of paper signed by his father in Rome and receive for it the tuition necessary for his education. It was a practical application of the negotiable instruments law over 2,000 years ago. The roads which the Romans built exist to this day. It is over these very roads that the European dictators now transport their troops in battle array for the latest of the long series of wars that have plagued the world of the west. But Rome, too, disappeared after its brief day of power. It, too, lacked character. After every battle which the Romans won there were the inevitable crucifixes dotting the highways and bearing the tortured prisoners dying in agony on the crosses. That was the Roman method of gaining revenge and striking terror to the hearts of those who did not bend the knee to its power.

There was only one people in the ancient world which emphasized character above all else in daily life. That was the people known as the children of Israel. The genius of the Hebrew prophets imbedded itself in the Christian civilization of the west and gave that civilization the hope of continuity. Whenever men hold fast to the spiritual values which portray the innate dignity of the individual, they have a chance to outlast the vicissitudes of time. Whenever they forget those values, they become mortal. The secret of Israel's survival is to be found in its emphasis upon man as a creature but little lower than God in the scale of values. Three centuries before the Christian era this idea was already firmly fixed in the social structure of the life of Palestine.

A story preserved from those times tells how Alexander the Great came to Palestine and how his curiosity was aroused by a case at law which he saw conducted on a street in Jerusalem. The purchaser of a field had found a crock of gold buried on the land and had sought to return it to the purveyor. The purveyor had refused to accept it. Each of the litigants claimed that he had no right to the discovered treasure, the buyer stating that he had purchased only the field, the seller claiming that he had sold everything to the bottom of the earth. The judge inquired of the purchaser whether he had a marriageable daughter. He asked the seller whether he had a marriageable son, and on receiving the affirmative answers to both questions, he decreed that the son and daughter be married and the treasure be given to them as a present. Alexander the Great informed the judge that justice in Macedonia was quite different from that of Palestine; that in his own country he would, under similar circumstances have destroyed the litigants and confiscated the money for his own treasury. The judge, with flashing eyes, turned upon the mighty monarch and asked: "In your country does the sun shine; in your country does rain fall from heaven; does the earth yield corn and barley; do flowers and trees bloom; in your country are there dumb animals such as the oxen and sheep and goats? Then it must be for the sake of those dumb animals that the sun shines and the rain falls from heaven and grass and flowers and grains spring from the earth. It surely cannot be for the sake of human beings who tolerate you and your type of justice."

American life on these shores is essentially the first experiment in the history of the world to put the Bible into practical everyday use. Up to the establishment of our form of government, men had hoped for justice and had suffered disappointment. They had dreamed of Utopia and had never witnessed that tranquillity and cooperation which could produce a commonwealth. The Declaration of Independence constitutes one of the most interesting documents in the world and also one of the most religious documents known to men. The utterances in that Declaration match well in insight the truths voiced by the prophets of history. The still, reflective statements are in strange contrast to the shrill cries of the revolutionaries of modern times who claim that they are creating a state of brotherhood while they deny brotherhood; who claim they are helping inhabitants of every country to live better while denying those inhabitants freedom of voice, freedom of conscience, and freedom of choice of life. The essential difference between Valley Forge, the symbol of the American Revolution, and Moscow or Berlin, lies in the maturity of the American idea and the immaturity of the European idea. I have been deeply impressed with this difference for some time as I have observed the critics of America tell us what is wrong with our country.

They have failed to see that the greatness of our form of life lies beneath the soil upon which the produce of our land grows; lies beneath the foundations of the skyscrapers in the cities and beneath the foundations of the schoolhouses where our young are taught. It is imbedded in the altars of every church and synagogue in this country. It is implicit in the tranquillity of every home. The greatness of America is its respect for the dignity of each human life—each human life, and not merely a few human lives. That dignity is conferred upon man by the greatest gift and title within the power of heaven and earth to bestow. It is the certificate of citizenship with its implication of equal, inalienable rights. This is the heart and core of democracy. It endures primarily in its moral implications. It is related to the structure of economics, the art of politics, and the efficiency of technics, but it is over and above all of these things. And when it is a vital force in our social order, it stamps our national endeavor with a spirit unique among the nations of the world.

The earliest settlers upon our shores were not impressed so much by the material greatness of our land as they were by its spiritual potentialities. Europe in those days had all the best of the external forces of civilization. The founding fathers of this Republic valued freedom above the goods of life, and every immigrant that has come to these shores since their time has considered America as something greater than towering skyscrapers and fast-rushing trains and the abundant granary of the West. If newcomers forget that our country is a place where human beings are permitted to be themselves, it may well be that we help them to become disillusioned with the dream and the hope because we overlook the moral implications of our democracy and become weak in our allegiance to those eternal values that guarantee the existence of civilization. Great as our achievements have been in recent years, they have not yet reached their limits. If we can remember the spirit which led men to exchange the comforts of Europe for the unknown wilderness of a continent destined to bear the fruits of freedom, if we can properly evaluate the truths by which the generations who preceded us have labored and lived, we can realize that we have not yet come to the end of our resources. Men may be unemployed, factories may be stilled, farms may be barren, and business may be at a low ebb. These distressing situations are, however, but a part of our national life. Human ingenuity under the blessings of freedom and peace originally created the material world we know. Human ingenuity can rebuild the external machinery of civilization which it once built. The moral values of democracy constitute the stay and support to tide men over their discouragement and to give them that faith which will sustain them until their material energy is renewed. In the meantime, we must not allow our citizenship to fall into the pit of cynicism and hopelessness; we must not permit the despair of night to settle over us as it has already settled over so many European lands and brought to them revolutions of nihilism and destruction. We must bear in mind what Vachel Lindsay, the poet, of Illinois, wrote in his challenge to the spirit of our times:

"Let not young souls be smothered out before
They do quaint deeds, and fully flaunt their pride.
It is the world's one crime its babes grow dull,
Its poor are oxlike, limp, and leaden-eyed;
Not that they starve, but starve so dreamlessly;
Not that they sow, but that they seldom reap;
Not that they serve, but have no gods to serve;
Not that they die, but that they die like sheep."

Contemporary Europe, despite its protestations regarding free men and free soil, has yet to travel extensively before it approaches those dreams and visions which made us a nation over 150 years ago. The so-called efficient dictatorships delude themselves in the belief that they have discovered the formulas which can make men happy. The corporative state of Italy, the Aryan state of Germany, and the class state of Russia have only succeeded in substituting evils for the evils which they had originally attacked. They can never have the good will of their citizenship so long as they despise the human equation in that citizenship.

There is an oft-repeated story to the effect that the Italian dictator entered a cinema theater incognito and quietly took an aisle seat in the last row. Suddenly his own picture was flashed on the screen and the whole audience dutifully arose and shouted, "Duce! Duce!" While watching the spectacle he suddenly felt the hand of the proprietor touching him on the shoulder and heard the whisper, "You had better get up, too; I don't like him any more than you do, but get up. It's safer."

Dictatorship is fairly easy to maintain. By controlling the press, the radio, and all other instruments of communication, by terror and concentration camps and force, it is possible to dominate completely the lives of thousands or millions of people. Democracy, on the other hand, is a difficult thing to maintain. It is a cooperative venture in living. It requires intelligence, understanding, and faith on the part of every individual within a democratic society to keep its vitality and health unimpaired. Democracy is higher neighborliness applied to all parts of the land, to people whom we may not know or meet, but who, nevertheless, share the common aspirations, joys, and sorrows that are inherent in the general social order. Only the moral evaluation of government can bring people to a sufficient state of imagination and realization of the commonness of life that is pursued over the entire continent. The Bible clearly strikes this note in such phrases as, "Behold, how good and pleasant it is for brethren to dwell in unity," and "That each man may dwell safely under his own vine and fig tree and there be none to make him afraid." The Hebrew expository literature of Talmudic times contains a remarkable parable that is very applicable to our times. Jewish sages of old, seeking an answer to the question why Moses was not permitted to enter the promised land, said that Moses pleaded with God on Mount Pisgah. "For 40 years, O Lord," he cried, "I led this people in the wilderness. I fought their battles and bore with them in their stubbornness of heart. Why dost Thou deny to me the crowning desire of my life? Why must I stand aside and see others enter the land of promise?" And God, they said, replied to Moses in these terms: "At the burning bush I commanded you to go to Pharaoh to plead for your people. You replied that you were heavy of tongue. You doubted yourself, and I forgave you that. You then asked my identity before Pharaoh. You doubted your God, and I forgave you that, too. But when you struck the rock in the wilderness you doubted your people. That I cannot forgive." There is no promised land for those who have no faith in humanity. There is no fulfillment for those who doubt the capacity of individuals to hope, to aspire, and to dream common dreams of self-realization. I have seen on the European continent the things that destroyed civilization. Europeans have lacked moral force; they lacked faith in their fellows. Germans began to discriminate against one segment of their population—the Jews—and soon they were attacking all segments of their population—Christians and Aryans as well as the small minority upon which they first centered their hatred. Russians attacked the kulaks, only to find that in this practice they were destroying the other segments of their population. The Italians began by persecuting the democrats and lovers of freedom, and soon they made life difficult for all the elements in their land. Lack of character killed Egypt, Greece, and Rome. It was the cause of the breakdown of the nations before the French Revolution. Lack of character is destroying Europe today. We may well be grateful for the great souls who had the character to found a nation which has resisted the pitfalls of time for over 150 years. Our gratitude may perhaps best be expressed in the dedication of our own lives to the continuation of that character that shall sustain us here in days to come.

Prosecutions Under Alien Agent Registration Act

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

LETTER FROM THE ATTORNEY GENERAL OF THE UNITED STATES

Mr. THILL. Mr. Speaker, agents of foreign principals and of foreign governments are required to register with the Secretary of State under the act approved June 8, 1938 (52 Stat. 631), entitled "An act to require the registration of certain persons employed by agencies to disseminate propaganda in the United States, and for other purposes," as

amended by the act approved August 7, 1939 (Public, No. 319, 76th Cong., 1st sess.). I feel that many Members of Congress are interested in being advised concerning the number of prosecutions which have been started under the aforementioned act. Accordingly I am inserting the following letter from the Attorney General, Robert H. Jackson, which presents pertinent information relative to prosecutions under the Alien Agent Registration Act:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., April 2, 1940.

Hon. LEWIS D. THILL,
House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: This will acknowledge receipt of your letter of March 26, 1940, inquiring with respect to the number of prosecutions instituted under the act requiring registration of agents of foreign principals, and requesting information concerning the pending cases thereunder.

An investigation into the activities of such foreign agents was conducted by the Department of Justice before a Federal grand jury in the District of Columbia. During the course of the investigation eight individuals and companies were indicted, and of these six have pleaded guilty and have been sentenced. Other corporations under investigation at the time filed registration statements with the Department of State before indictments were returned against them.

Three of the individuals indicted were Morris Liskin, Raphael Rush, and Norman Weinberg, president, vice president, and secretary-treasurer of the Bookniga Corporation. The charge against these individuals was that the Bookniga Corporation was an agent of a Russian organization known as Mezhdunarodnaya Kniga for the sale and distribution of propaganda material in this country, and that the officers of the Bookniga Corporation aided and abetted the corporation in willfully failing to file a registration statement. The indictment also contained a count charging the above three individuals with conspiring to violate the laws of the United States. Morris Liskin, the president, has pleaded guilty to the substantive count and the other two officers have filed pleas of not guilty and are presently awaiting trial. The Bookniga Corporation was not indicted inasmuch as it had been dissolved some months before the indictment was returned.

An indictment was also returned against Bookniga, Inc., a corporation which succeeded the above Bookniga Corporation, and Boris Nikolsky and I. A. Ilyin, both officers of the successor company. The charge made in this indictment was that Bookniga, Inc., like its predecessor, was an agent of Mezhdunarodnaya Kniga for the distribution of propaganda, and that although it had filed a registration statement, the statement failed to disclose material facts regarding its relation with its foreign principal. The corporation, Nikolsky, and Ilyin have all pleaded guilty and have been sentenced. The remaining two parties indicted were World Tourists, Inc., and J. N. Golos, sole stockholder and an officer thereof. They were charged with failing to register as an agent of the U. S. S. R. Travel Co. of Moscow, for which they acted in disseminating propaganda with respect to the Soviet Union. Both pleaded guilty to the charges and have also been sentenced.

The foregoing briefly summarizes the Department's activities in investigating agents of foreign principals. The only prosecutions pending at the present time are those with respect to Raphael Rush and Norman Weinberg, who, as above stated, have been indicted and are awaiting trial.

With kind regards,
Sincerely yours,

ROBERT H. JACKSON,
Attorney General.

People Now "Wise" to New Deal

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1940

ARTICLE BY FRANK C. WALDROP

Mr. THORKELSON. Mr. Speaker, I want to compliment Colonel McCormick on the article which appeared in the Times-Herald on Tuesday, April 9, 1940, for he states facts as they should have been stated a long time ago.

It is encouraging to see the press coming out fearlessly and freely, expressing itself in support of the rights that the people reserve to themselves in the Constitution of the United States.

Business should not apologize to the Federal Government, for it is the people of this Nation who rule and who should, because of the power they wield, force the Government to retrench and observe the orders and laws given to it in the Constitution.

This Republic was never intended to be run by a dictatorial government. It was instead supposed to be administered by a representative government elected by the people to preserve, protect, and defend the people's rights. What are those rights? Those rights may be said to be not only the written rights, as expressed in the Constitution, but also the additional unexpressed rights which the people reserved as their own and which they never intended to give to the Government.

These rights are for business to conduct its own affairs without Federal prosecution, persecution, and meddling. I grant that some corporations might have exceeded those rights, but that in itself is not sufficient cause to destroy the Government of this Republic or to destroy the rights of the people. When I speak of business, I include all the people, agriculture and labor as well, and their rights are so intimately interwoven with the Nation's industrial structure that we must consider all of them as one group.

Let this great group of patriotic American people now unite, join hands, and, shoulder to shoulder, go forward and push this Nation out of the communistic mire which has been disseminated by the internationalists, a people who profit only by the deaths of nations.

It is indeed with great pleasure that I request the unanimous consent of the Congress of the United States to insert this article in the CONGRESSIONAL RECORD. It is a good article; it is well written; and it is a declaration by the people of this Nation that they will from now on assert the rights which rightfully belong to them.

I now present the article by Frank C. Waldrop:

[From the Washington Times-Herald of April 9, 1940]

COLONEL MCCORMICK SEES COUNTRY GOING REPUBLICAN WITH A WHOOP—PEOPLE NOW "WISE" TO NEW DEAL, HE SAYS

(By Frank C. Waldrop)

The country has found the New Deal out and is going Republican this fall with a whoop.

Furthermore, Mr. Roosevelt has no intention of trying to block the change by running for a third term. If he were, not even son Jimmy would have had the nerve to go into the slot-machine business.

WAR FEARS TO FADE

Once the election is over, the Nation's business will surge with prosperity because we will all be free of the fear that an administration given to dabbling in Europe's affairs, in order to take our eyes off its failures at home, will wind us up in Europe's senseless and unheroic war.

Such is the view of Col. Robert R. McCormick, publisher of the Chicago Tribune, a visitor here yesterday.

The tall, quick-moving colonel has a gift for crisp language, and he used it.

JOB HOLDERS WANT THIRD TERM

The only people who want Mr. Roosevelt for a third term, he said, are the satisfied political job holders and they can't fool the country any longer about their character.

Said the colonel:

"Everybody's found the New Deal out; even in Wisconsin, the nuttiest State in the Union, next to California.

"The preaching of hatred and discord to keep the people divided and under the thumb of a political gang has been found out.

"And some things about that gang have been found out.

"Former Governor Earle, of Pennsylvania, had to be shipped off to Bulgaria as United States Minister, to avoid prosecution.

"Roosevelt's leading political supporter in New York, Jimmy Hines, is on the way to the penitentiary. Judge Manton is already there.

"The Governor of Illinois—nobody knows whether he is even conscious. And the second most important Democratic politician in Illinois—nobody knows whether he committed suicide or was murdered. The attorney general's office has done something with the evidence. But that doesn't fool the people."

HOLDER OF POLITICAL SECRETS

He was referring to the case of F. Lynden Smith, Illinois director of public works, who was found dead in his bathtub on March 9, after he let it be known that he would not permit himself to be made the victim of a political blow-up.

The coroner refused to classify his death as either suicide or accident, and all that four pathologists could report was "coronary thrombosis." Smith's family immediately demanded a thorough investigation, and it was learned that he had hidden records of party slush funds and had accumulated sensational political secrets.

The present struggle in Illinois is to bring those secrets into the open.

M'KINLEY CAMPAIGN RECALLED

But, whatever happens in that case, Colonel McCormick feels, the country has definitely turned its face away from the Democratic Party.

"I remember as a boy, in 1896, the gloom and uneasiness around the country before election," he recalled. "Then McKinley went in and it was all cleared up. Everything went ahead. It will be that way again this time."

As to the probable candidates in either party, Colonel McCormick had no predictions. The Democratic Convention will be "bought and paid for" before it even begins, he said, but who will be the nominee is something else. Jimmy Roosevelt's abandonment of all consideration for what might be said about his own life, in a campaign with his father running, is a most significant sign that Mr. Roosevelt will not try again.

FOR G. O. P. NOMINEE

Among the Republicans, Colonel McCormick said, there are several excellent candidates, and the Tribune has taken the position that it will support the nominee. It is not expressing any preference in the primaries.

Once the election is over, the country will undergo a tremendous change for the better, and events abroad will not be so threatening to us because the United States foreign policy will not be so dangerous a course toward war.

As for the situation abroad, the colonel summed it all up in the phrase:

"Chamberlain ought to die of old age."

There is nothing heroic in this war on any side, he said. And none of the leaders has any real support from the people.

If any one of them had the sense to figure out a way to climb down they would all do that right away, and give the people what they really want, which is peace.

At any rate, whatever goes on in Europe is none of this country's worry, and the country is wise to insist on a foreign policy that safeguards our neutrality instead of giving any politician latitude to meddle abroad in order to divert our attention from his failures at home.

"Ditching" the Flag Raising Means More Than a Few Extra Seconds

EXTENSION OF REMARKS

OF

HON. LELAND M. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

EDITORIAL FROM THE BEVERLY HILLS HIGHLIGHTS

Mr. LELAND M. FORD. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I include an editorial appearing in the Beverly Hills Highlights, a paper which is published by the students of the Beverly Hills High School, Beverly Hills, Calif., entitled "'Ditching' the Flag Raising Means More Than a Few Extra Seconds."

[From the Beverly Hills Highlights of March 13, 1940]

"DITCHING" THE FLAG RAISING MEANS MORE THAN A FEW EXTRA SECONDS

Every morning at 8:10 a group of boys wearing black sweaters with white maltese crosses assembles at the flag pole. They are not there because of any compulsion; they are there because they wish to do honor to the ensign of the United States, the Stars and Stripes.

Any morning a careful observer would notice that as the knights assemble and the flag is fastened there is a rush by some students through the nearest door. As the bugle notes echo, a student in this group feels that he has an accomplishment to his credit.

Fortunately this student is in the minority; but let us see exactly what he has accomplished and if it is to his credit.

He believes that a mass of brick and mortar can separate him from the flag. He says it is a question of time, for he still has several details to attend to. Paramount, he fails to see that these details would be nonexistent without the ideals for which the flag stands.

There is no secret policeman to force him to watch the flag rise, but his actions and attitude at 8:09 would be different if he realized what might happen to him if another flag—and another governmental system for which such a flag stood—floated on high in place of Old Glory.

The Origin of Our Two Major Political Parties

EXTENSION OF REMARKS

OF

HON. CARL T. CURTIS

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

ADDRESS BY FRED TAYLOR WILSON

Mr. CURTIS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address on the origin of our two major political parties, delivered on April 1, 1940, by Fred Taylor Wilson, American historical writer and lecturer, at Ward-Belmont College, Nashville, Tenn.:

Alexander Hamilton and Thomas Jefferson are from a historical standpoint looked upon as the respective fathers of the Republican and Democratic Parties.

The original seeds, however, out of which those two parties came may be found in the two original groups which favored and opposed the ratification of the Constitution of the United States in 1788.

Out of the group known as Federalists, which sponsored ratification, came the party first known as the Federalist Party, but known today as the Republican Party. That group believed in a strong central government, and the transfer of power from the several States to a national government. It was supported by the wealth and power and culture of that day. Its leaders believed that such union of the States, alone, would save the new nation which had only recently been born. Those who opposed that party, known then as anti-Federalists, believed more nearly in the supremacy of the individual States, and saw great danger in the losing prestige of State government. The farmer, mechanic, the small-business man, and the rural sections of new America were not strong then for the new National Government.

Hamilton had a more important part in the launching of our new ship of state than did Jefferson. It was Hamilton who first suggested, by letter, a stronger union of the States. It was Hamilton who wrote the resolution calling for the convention, which, contrary to its instructions, wrote our present Constitution. Although the plan of Hamilton for a Constitution was not adopted, his masterful pen and eloquent tongue did more than any other one individual to secure its ratification. On the other hand, Jefferson, at this formative period in our history, was serving abroad as Minister to France, and did not return to America until 1 year after Washington became President. Jefferson, the great Virginia democrat, had, early in life, shown his democratic leanings. It was Jefferson who led the successful fight for religious freedom in Virginia, and who destroyed the special privileges of the aristocracy in Virginia. All of which was in keeping with the Declaration of Independence written by him.

The break between Jefferson and Hamilton came early in the administration of Washington, who had been elected on a nonpartisan ticket, in which only 10 States took part. Their first major conflict was over the financial system championed by Hamilton. It was Hamilton who fathered that system and successfully sold it to the new Congress, and in so doing provided for a tariff system to meet the expenses of the new Government. Madison, the House leader, of Washington, and a major maker of the Constitution, left his former ally, Hamilton, and joined the political group led by Jefferson, largely on account of the fiscal policies of Hamilton. In that first Congress were 12 original anti-Federalists. The two Senators from Virginia, the home State of Washington, belonged to that group.

It was in 1792, the year of Washington's reelection as President, that Jefferson and his followers under the name of the Republican Party became an active force in our American political life. So rapid was the growth of this new party which drew about it every element of opposition to the party that had written the Constitution and established the new Government, that John Adams 4 years later as a Federalist candidate, was elected President as the successor of Washington by only three electoral votes. Adams was unfortunate as President. The brilliant Hamilton, then a private citizen of New York, dominated the Federalist Party and even the Cabinet of Adams. So great was Hamilton's influence and the division in his party, that Jefferson easily won over Adams in the year 1800. Though the contest was decided by the House of Rep-

resentatives, the sentiment was strongly anti-Federalist. The passage of the Alien and Sedition Acts and other unpopular legislation hastened the decay of the party championed by the privileged few.

Jefferson now became the undisputed political leader of America. For 24 years he and his two Virginia neighbors and political apostles, Madison and Monroe, dominated the political scene. Federalism made its last futile fight for the Presidency in 1816. Four years later Monroe was reelected President, receiving all but one electoral vote. During that period of our history, the party of Jefferson, known originally as the Republican Party, was called the Democratic Republican Party.

The campaign of 1824 was again largely a nonpartisan campaign. It was the first time the people at large had voted in a Presidential election. Although Jackson had won a majority of the popular and electoral votes, John Quincy Adams was chosen by the House of Representatives for President.

It remained for the year 1828 for the name Democratic Party to be first used in a Presidential campaign. Upon a ticket bearing that name Jackson defeated Adams for reelection who ran on a ticket then known as the National Republican Party. It was upon the same party ticket that Clay 4 years later met his defeat against Jackson for reelection.

A new political picture presented itself in 1832. Federalism was dead. The National Republican Party, its successor, was dying, and out of it was to come 2 years later the short-lived party known as the Whig Party. It was the first time national conventions had met, adopted platforms, and nominated candidates for President.

That Democratic Party was the one which lives today. The Whig Party, born in 1834, in its 20 years' existence elected two Presidents of the United States, William Henry Harrison in 1840, and Zachary Taylor in 1848, each of whom was a war hero, elected without a political platform and each one destined to die before he had finished his first term. The Whig Party was a party of expediency and compromise and was doomed to die. In the North it was antislavery, in the South it was proslavery. When the Missouri Compromise was repealed in 1854, it meant the end of the Whig Party, the lineal successor of the original Federalist Party.

Out of the tomb of whiggism came the Republican Party as we know it today. It was first organized in 1854 and rapidly drew to its ranks the various antislavery groups which had grown up during the previous 20 years. Included in that group was the Free Soil Party, whose champion and leader 6 years before, in the campaign of 1848, had been Martin Van Buren, the former Democrat upon whose Dutch shoulders Andrew Jackson had thrown his political mantle when he left the White House 17 years before. So by a strange twist of fate, Jackson's hand-picked successor was one of the founders of Jackson's rival party of today.

It fell to the lot of Lincoln, first elected in 1860, to serve as our first Republican President. Since that time the party of Lincoln has won in 13 of our 19 quadrennial elections for President. The Democratic Party, the party of Jackson, first won after Lincoln 24 years later, and has won in only 5 national contests since Cleveland's first election. In one of those contests, Cleveland was again elected and the other four contests were those in which Wilson and Franklin Roosevelt were each elected for 2 terms.

It just happens that all three of our martyred Presidents, Lincoln, Garfield, and McKinley, were Republicans. No Democrat has yet died in the Presidential chair.

Many minor parties have arisen and fallen during our political history. The first to be organized was known as the Anti-Masonic Party, which opposed Jackson for a second term. More than one antislavery party rose and fell. The Greenback Party was a factor in the campaign of 1880 and 1884. The Populist Party existed from 1892 to 1904. Two of the minor parties, the Prohibition and Labor Parties, which first appeared in 1872, exist today. The Socialist Party, also still alive, first appeared in 1896.

Thus we see that the Democratic Party of today is the lineal descendant of the original anti-Federalist group and that the party known today as the Republican Party is the lineal descendant of the original Federalist group, whose first opposing party was also known as the Republican Party.

A well-known radio commentator recently declared that there was but little fundamental difference between the Democratic and Republican Parties of today. The Republican Party in 1936 made a plea for the larger rights of the State and able champions of the Democratic Party of today speak of its program as the new federalism.

We are now about to nominate again our candidates for President. It is safe to assume that the next President will belong to either the Republican or Democratic Party. Party lines will be closely drawn and each political group will search for defects in the armor of its rival. It must be agreed, however, that despite the great political rivalry which divides our parties, the leaders in all of them are fundamentally interested in what they believe is for the best interest of the American people.

Whoever may be chosen as the captain of our ship of state for the coming 4 years will have behind him the prayers of all patriotic Americans as he pilots us into the troubled waters of a future freighted with problems of destiny.

Booker T. Washington

EXTENSION OF REMARKS

OF

HON. RUSH D. HOLT

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. JAMES A. FARLEY AT TUSKEGEE INSTITUTE, ALABAMA

Mr. HOLT. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD a fine speech delivered by Hon. James A. Farley, Postmaster General, at the exercises of founder's day and the first-day sale of the Booker T. Washington commemorative stamp at Tuskegee Institute, Alabama, on April 7, 1940.

West Virginians are glad to say that Booker T. Washington began his formal education in our State while he was living and working at Malden. Booker T. Washington procured a copy of Webster's Blue-Back Spelling Book, mastered the alphabet, and began his climb to success. He said at that time:

> There was not a single member of our race anywhere near us who could read.

An elementary school for colored children was started at night. It was there he got the idea of night schools for the colored people. He acquired a wonderful education, but, not satisfied at his own gain, he started to spread educational facilities and opportunities to other members of the colored race.

West Virginians are appreciative that the Post Office Department has honored Booker T. Washington for his great work.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

As I walked across your campus today and saw the bronze monument to Booker T. Washington, I realized how very eloquent is that upright figure of the freeman removing the scales from the eyes of the slave. No other memorial that I know of is more simply expressive of the life and character for which it stands. I believe the inclusion of this Booker T. Washington stamp in the series of famous Americans reflects the admiration which all Americans have for the figure in that statue.

I think, however, that there is a testimonial even more symbolic of his work. Every one of Tuskegee's 130 buildings is a monument to Booker Washington's faith and achievement. When he first looked upon this spot, 59 years ago, only an ancient church and a tumble-down cabin confronted his eagerness. Every one of the 2,000 faces of your student body—the thousands of faces of students that have gone before you, and the thousands of faces of workers throughout the Nation brightening up at the mention of their Booker T. Washington—these are monuments also. When Washington first opened this school, only 30 students were enrolled—hesitant, wondering, almost as skeptical of his experiment as the neighboring citizens.

The "Tuskegee Idea" itself is a heroic monument. From the mind of one man it grew as an idea into a school and then into a method of education which is a modern ideal. Not only for the people of his race has it brought hope, but it has brought hope for all people who labor to make their existence more securely a part of the society within which they live. Tuskegee is Booker T. Washington's monument. The life of a single successful graduate is a more enduring memorial than the finest slab of exquisite marble.

All of you, I am sure, are familiar with the story of the life which, told in the frank simplicity of Up From Slavery, has become known to all the world. The modest one-room cabin in which—true to this country's tradition—Washington began his climb; the salt mines of Malden, W. Va., where young Booker first heard of the marvelous normal school for Negroes; the fire for knowledge which bore him across the long and hazardous 500 miles to Hampton and through his famous entrance test of room cleaning. Years of the most conscientious and sacrificing application to work, study, and then teaching followed. And throughout this experience the

mind and force of character of this fine, young colored student, who once did not know how to sleep with two sheets, was formed and asserted itself.

"I want to see education as common as grain and as free to all as sunshine and grass," said Booker T. Washington. If ever an individual, other than a minister of the gospel, was "called," Washington was called to start the proposed Negro Normal School at Tuskegee. What did it matter that the tiny cabins in which he boarded 'round would often be so full of people that he would have to go out of doors to dress? What did it matter that funds and buildings and crops had to be raised by sheer physical effort? Washington was first in the plowing, the wood chopping, and in the hearts of his fellow pioneers.

That a Negro, in the social and emotional turmoil of southern reconstruction, could establish a teaching institution which from the outset has consistently been educating the Negro for self-development and leadership is in itself a model for the further advancement of the race. Washington built from the ground up. He believed in the dignity of labor, the persuasiveness of the deed. "The work of Tuskegee," explained your distinguished Major Moton, "is not the training of men and women as mere units of industry, but rather the training of the individual, indeed, to be self-supporting, but at the same time to be a contributing element of community life."

The aim of this school—from Booker T. Washington to President Patterson, inclusive—has been not only to make mechanics and farmers out of men but to make men out of farmers and mechanics. The record of service, of responsible citizenship which the American Negro has compiled, stems very largely from the influence of this training of mind, heart, and muscle which several generations of your leaders have acquired here. Washington, himself, is the perfect example of building a man for character and educating him for service.

I cannot help comparing Tuskegee with educational institutions where the classroom and the world outside are as separate as night and day. In our educational system today the fact has been too often forgotten that this Nation was fashioned with men's hands, the frontier was rolled back with the sweat of men's brows and their working together in a common cause. There is a quality inherently wholesome in your methods; something practical and vital to the continued rolling back of the frontiers of ignorance and oppression. There is something distinctively American in Tuskegee's determination that you will make a better world.

Booker T. Washington's place in history as fountain head of the era of Negro development has been chronicled and eulogized many times. He has been called the Negro Moses. Certainly this earnest "Mr. B. T." raised his people from the depths of the wilderness and into the sight of their promised land. With his doctrine of economic advancement and independent efficiency, he organized and gave direction to the forward movement of his race. He utilized its native optimism and energy. Above all, he gave his race a firm self-respect upon which to build its towers of the future. Through years of opposition and struggle and sacrifice, he gave the great boon of sensible education to his people. Fighting the influence of the past, he taught the importance of owning one's home and working one's own farm, of good health and clean living. He taught that merit, no matter under what skin, was in the long run recognized and rewarded. He proved that the road to cooperation lay in successful doing.

Washington told of a colored man who had learned to grow cotton with 14 bolls on a stalk which before had grown but 2. "In the old days," the man in his own language explained, "I lived in a little log cabin on rented land and had to mortgage my crop every year for food. When I had nothing, in my community they used to call me 'old Jim Hill.' But now that I am out of debt and have the deeds for 50 acres of land, and live in a nice house with four rooms, painted inside and outside, and now that I have some money in the bank and am a taxpayer, in my community they call me Mr. James Hill." That farmer was a living example of Booker T. Washington's theory.

But the Negro Moses was also a Solomon. Washington's equally great service lay in his interpretation of his people to the white men. Until racial oppression and strife were done away with, neither race could benefit from the help of the other. "There is no defense or security for any of us except in the highest intelligence and development of all," he said. When the white man realized the Negro's talent and capabilities for work and adjustment, false ideas would not persist about the Negro's backwardness. Washington knew that every independent Negro farmer, banker, businessman, editor, and the like meant another step toward revealing the true character of his people. He believed that time and patience alone would do the necessary work. So he counseled and practiced moderation.

Through crowded years he traveled incessantly through both the North and South interpreting the intellectual, cultural, and economic growth of the Negro. He gave speeches, wrote numerous articles and letters. As an educator, he presented the problem as truly as any preacher, and he taught the gospel of righteous understanding between peoples as the solution. Every success made the hard fight a bit easier. But there could never be relaxation in his intense crusade. Each step opened the way for future steps. Each victory needed following up to save it from turning into a defeat. Success was never a bequest; it was always a conquest. Washington's life was inevitably the pursuit of happiness for his people.

Described as one of the most notable speeches ever delivered to a southern audience, both as to the character and the warmth of its reception, was the address of Booker T. Washington, principal of Tuskegee Institute, at the Cotton States Exposition in Atlanta in 1895. On that occasion he called attention to the large percentage of Negro population in the South and he emphasized the fact that anything affecting the material or moral welfare of this section must necessarily include his people. Washington drove home his point with an illustration that became famous.

A ship lost at sea for many days suddenly sighted a friendly vessel. From the unfortunate vessel came cries, "Water, water, we die of thirst." A third and fourth signal for water was answered by the friendly vessel, "Cast down your bucket where you are." The captain of the distressed vessel, at last heeding the injunction, cast down his bucket and it came up full of fresh, sparkling water from the mouth of the Amazon River.

There is certainly food for thought in this story. It teaches a doctrine of confidence and portrays the opportunity for self-help which surrounds us, both as individuals and as a nation. I wonder if the philosophy taught in this story could not be very useful to all of us today.

Washington could not be tempted by the offers for fame and fortune with which he was flooded after the triumphant expression of his creed at the Atlanta exposition. Indeed, there is a parallel in his refusal to accept personal gain with that of Robert E. Lee. Refusing easy rewards, that famous leader of the Southern Armies once said: "I have a self-imposed task that I must accomplish. I have led the young men of the South into battle and have seen many of them fall under my standard. I shall devote my life now to training young men to their duty in life." Not one word of that declaration need be changed were the speaker Booker T. Washington.

Today, Negro progress can be traced in a large measure to the humble but determined beginnings of this man's work. Besides the material and cultural improvements, such far-reaching institutions as the National Negro Business League, the National Negro Youth Week, the various Negro farmers' and students' conferences and commissions continue to spread his work of advancement. Extension teaching and the Booker T. Washington School on Wheels; the Jeanes, the Rosenwald, and other funds carry on Washington's idea that any education worthy of the name must reach the masses. The very existence of the gifts from such men, together with the innumerable small contributions from white and colored supporters alike, indicate with what respect the memory of Booker T. Washington is held today.

There's a story about an elderly colored lady who wanted to visit Tuskeegee. "If I come," she asked, "will I see Uncle Booker?" "Yes, Mr. Washington is giving a speech," she was told. "I don't care nothin' 'bout no speeches. All I wants is jest to set way back in some corner where I can peek out and look at Uncle Booker." Could any human being want a finer tribute from an appreciative soul?

To see "Uncle Booker" was to be immediately impressed by his calmness and evident sincerity. Tall, straight, with a prominent forehead and piercing eyes, his glance and figure used to dominate this very auditorium. The Nation was impressed with his simplicity, his infinite patience, and his religion of hard work. He believed that nothing worth having ever came except as the result of hard work. But he was cheerfully optimistic, believing that his people would continually grow in self-expression and in understanding from their neighbors. Everywhere, he was completely unselfish in carrying out his self-appointed task. Perhaps he was too much so because the spirit was always stronger than the flesh.

I prefer to remember Washington as an honest man—courteous, far-seeing, loving man and nature to the point where he could never bring himself to hate. He was a thinker, a builder, a counselor, a philosopher of humanity, and a good citizen, all in one. In the larger sense he was an American statesman.

The sentiment I now feel in contributing to this celebration in his honor can best be expressed in the thought of the famous journalist, Henry Watterson: "Few men, since the war of the sections, have exercised such beneficial influence and done such real good for the country, especially the South, as Booker T. Washington."

This stamp, issued today, to the memory of your revered leader is of the 10-cent denomination and concludes the group of five famous educators in the American series of stamps for men and women preeminent in literature, arts, and sciences. It is the first stamp in the history of the Nation to be issued commemorating one of your race and I take a great deal of pleasure in being here today and dedicating it to the humanitarian work, the noble ideals, and the practical teachings of Booker T. Washington. May this honorarium be an inspiration to my good friend Dr. Patterson and his staff of notable associates in carrying on the splendid progress already achieved at Tuskegee Institute.

In conclusion, may I add that no words of mine, and not even this stamp which is being issued in his honor, can ever equal the human homage of the Negro race for its devoted leader. Two Washingtons have held high places in this country's history. One was called the Father of His Country; the other, Booker T. Washington, was certainly a father to his people.

God Give Us Men!

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1940

ADDRESS OF HON. CHARLES A. PLUMLEY, OF VERMONT, BEFORE THE REPUBLICANS OF ARLINGTON COUNTY, VA., AT THE WASHINGTON GOLF AND COUNTRY CLUB, TUESDAY, APRIL 9, 1940

Mr. PLUMLEY. Mr. Speaker, under leave to extend my remarks, I include my address given last evening before the Republicans of Arlington County, Va.:

SENATOR LUCAS SAYS

In an address before a meeting of Young Democrats at Philadelphia the other evening my friend Senator LUCAS, of Illinois, said that: "Mr. Dewey, New York district attorney, has charged the present administration with having a fundamental lack of integrity, a cynical disregard for the principles of common honesty, a calendar of unpunished crime, broken covenants, disloyalty to the Constitution, abuse of power, intimidation, coercion, extortion, and larceny."

"Tom Dewey, district attorney of New York," said Senator LUCAS, emphasizing district attorney, "indirectly challenges the honesty and integrity of the President of the United States, members of his Cabinet, and all the policy-making officials of the Government, and in his Chicago speech he challenged openly the honesty of Harry Hopkins."

EXPERIENCED PROSECUTOR

My only comment is that listeners to and readers of Senator LUCAS' statement will do well to remember that as district attorney Mr. Dewey has had considerable experience in drawing indictments, and has been unusually successful in his prosecutions of those higher-ups against whom he has made presentments to a jury of the people, because, with almost uncanny ability he has been able to adduce the necessary factual evidence to prove and to sustain his charges.

Instead of criticising men, like District Attorney Dewey contemptuously referred to as heretofore suggested, who have the forthrightness and courage of their convictions to call a spade a spade and not an agricultural implement, we might well say with Josiah Gilbert Holland:

"God give us men. The time demands
Strong minds, great hearts, true faith, and willing hands;
Men whom the lust of office does not kill;
Men whom the spoils of office cannot buy;
Men who possess opinions and a will;
Men who have honor; men will not lie;
Men who can stand before a demagogue
And damn his treacherous flatteries without winking;
Tall men, sun-crowned, who live above the fog
In public duty and in private thinking."

GENERAL JOHNSON TELLS THE TRUTH

Those who resent criticism of the New Deal by the Republicans will find small cause for comfort or rejoicing in the speech General Johnson delivered to the Democrats at the Jefferson dinner in New York.

The General said that in his opinion the depression and distress in this country is wholly unnecessary and could vanish overnight, but doubted whether it would ever vanish if the reins of government were left "in the hands of the same cockeyed, non-Democratic crew of business baiters, wand-waving wizards, drunken-sailors spenders, Janizaries, do-gooders, and experimental theorists. Almost all it would take to restore prosperity would be to get rid of this crew."

He referred to a recent statement made by him to the effect that the New Deal was such a contradiction of traditional Democratic principles that neither Thomas Jefferson nor Andrew Jackson would recognize it.

"The way to satisfy discontent is to remove the causes, not to set class against class, or to build a political monstrosity by Federal hand-outs to quiet the complaints of discontented groups.

"Neither our political nor our economic system can long endure the cost of billions of annual hand-outs.

"Let's get rid of the interlopers and usurpers. * * * Let's throw out these strange doctrines which have defiled the temples of our political religion. Let's return to the faith and house of our fathers * * *."

Those are some of the things that Republicans have been trying to do for many moons. It is encouraging, to say the least, to have the cooperation of so stanch a Democrat as General Johnson. Any attack that any Republican might make on the New Deal and its policies would be reckoned as ineffective and partisan. When General Johnson tells the truth the seed should not fall on barren ground. He talks about something with which every Democrat, and Republican, and new dealer knows he is familiar.

WHAT IS TRUTH?

The truth is that when the devil led Christ up onto the mountain and promised him the world, which was not his to give, he had nothing on perpetual-candidate Roosevelt, "The More Abundant Life," or on the New Deal platforms. It is time to wake up! It is time to put a stop to the career of carousal and reckless experimentation by these New Deal exponents who have undertaken to change the direction of the Nation's thought; distorted Democratic ideas, stimulated a thirst for revenge; aroused class hatred; asserted the continuance of an emergency which does not exist; stretched the commerce clause of the Constitution; used taxation for purposes of punishment or regulation, and both; restricted the use of the mails; pled the general welfare as justification for enlarging and increasing their own power and extending their bureaucratic, dictatorial acts.

HERO-WORSHIP FANTASY

It is time for the American people to get over their hero-worship fantasy and to hold third-term candidate Franklin D. Roosevelt responsible for what his program has accomplished, or failed to accomplish in the field of Federal activities since March 4, 1933. He may try to hide behind the New Deal program and New Deal policies with his bedtime stories, but whether he likes it or not, many of us are sick and tired of having new pseudo emergencies conjured up to distract attention from New Deal failure. We do not propose to let them or him longer fool the people, or slide out from under the record and his responsiblity for the Roosevelt program.

The President demanded and received of a subservient Congress the legislation with which he set his program in motion. He asked for it. Let him take the responsibility and let Congress be justly criticized for its abject and humiliating surrender. He appointed subordinates, who as his agents have carried out his program. They are his stooges and marionettes, not yours.

He kept them in office or left them out on a limb, and then sawed off the limb, running true to form. He is the one who first asked for the immense blanket appropriations. He issued the Executive orders setting up the host of confusing alphabetical agencies.

Thanks to him and his policies we are on the road to inflation and dictatorship, at the end of which road I fear is loss of the individual freedom for which mankind has fought from the beginning of history.

UNSOUND AND DANGEROUS

As days pass, more realize that the policies of Franklin D. Roosevelt are uneconomic, unsound, and dangerous, and say so. It is time to stop pussyfooting and to place the responsibilities directly where they belong.

Will the people of Virginia stultify themselves and vote for a continuance of this socialistic, fascistic, communistic New Deal? Such action you can neither justify nor explain, now or to posterity.

If by common consent, hypnotized by the spending of money as if there never were to be a day of reckoning, you sell your birthright for a mess of pottage—if by lack of appreciation, and a disinclination to advise yourselves as to what confronts you, you keep silent, suffer the Constitution to be nullified, and your rights to be taken away from you, just so certainly as the sun rises and sets, the principle of liberty will surely and steadily be destroyed, despotism will crown itself with power, and it will then be too late to recover the liberty at whose loss we all have connived.

SUPINE SURRENDER

I will not be a party to any such supine surrender. I am opposed to and have opposed the continuation in power of any administration so un-American as to undertake to tell the wage earner what he may earn, how long he may work; the farmer what and how much he may produce on his own farm; the merchant at what price he may sell his goods; the manufacturer what addition he may make to his plant, how much he may produce; to control the flow of capital and savings; to enter into business in competition with private citizens.

The new dealers at the behest of Franklin D. Roosevelt have not only betrayed their party, but the people as well. They have obliterated State lines; usurped the prerogatives of Congress, in whom is vested the sole power to impose taxes and regulate the value of money. Do you realize that—the right to impose taxes, in his discretion, has been granted the Secretary of Agriculture and the authority to fix the value of money has been transferred to the President, a power so great over the lives of men it has never been enjoyed save by complete despots. And this is America! It is time to wake up. "The liberty of a people," said Edmund Burke, "has many times been lost in a night." He who loses it, loses all. Human rights and property rights are inseparable.

ROOSEVELT NEW "DEAL-IRIUM"

We must get away from the Roosevelt new "deal-irium" and back to the American way of doing business. We must stop reckless spending, reduce the national debt, and balance the Budget. "When the next bubble bursts let it not be forgotten," says Lewis W. Douglass, "that the responsibility lies directly at the door of the present administration. A balanced Budget is the heart of the entire system."

All of us are opposed to inflation in any and every form. As American we insist upon the limitation of governmental projects to essential governmental services with emphasis on economy and efficiency. We would protect the farmers' income under a safe, sound, and permanent agricultural program.

All of us, I take it, would put a stop to and correct the encroachment of the Federal Government upon the jurisdiction of the States, and would encourage regional compacts between the States. The sensible plan to be adopted is to supplement private relief by public relief only so long as the national emergency requires. Such relief should be administered free from political control and put an end to the graft and greed and the consequent corruption which has besmirched the present relief program. None of us can reasonably do otherwise than to favor sensible social welfare legislation.

All real honest-to-God Jeffersonian Democrats, as well as the Republican Party, stand for these things, and others equally meritorious and beneficial to the people.

HISTORY REPEATS

As the President has said, "History repeats itself." To save themselves, to restore confidence, the people of these United States have in days gone by called in and on the Republican Party. History repeats itself. The call for such constructive leadership grows stronger and louder day by day, as people—the common people—the real backbone of the Republic the country over come to realize how deep in the slough of national financial debauchery and despond, how severe the civil destruction into and through which by this socialistic, undemocratic, un-American administration, we are being so blindly led. They see Government-enforced pauperism and conflicting programs which will not lead to a substitution of the pay roll for the relief roll.

History does repeat itself, but the present administration attempts both to ignore the traditions of our Government's history and to become essentially paternalistic.

THE END OF THE ROAD

This Nation will have ceased to be when the legislative powers are surrendered to executives who are only too willing to accept them, when the judiciary strives to find reasons for upholding laws enacted at the behest of noisy minorities; when the plain language of Federal and State constitutions is given new and strange meanings in order to meet assumed emergencies; when debasement of the currency is adopted as a "sound" financial policy; when the sovereignty of the individual States is disregarded and local self-government becomes an obsolete phrase; when individual initiative is discouraged; the lessons of experience cast aside, and personal liberty, in great measure, becomes a thing of the past; when men are denied to buy and sell the products of their labor in the open market place; to fix the price of goods in which they deal by bargain with their fellows; when the farmer is forbidden to sow and reap, on the land he owns, according to his own best judgment; when every detail of business life of the citizen is ordered by officials not of his own choosing; when written agreements and contracts cease to have a binding force even upon Government itself. All these things are involved in, will be the ultimate end and result of, and are a part of the policy and program of the new dealers; those who temporarily wear the mantle and sail under false colors in the name of the Democratic Party. The President cannot successfully deny or defend his position by any means other than by pointing to a program of excessive expenditure of your money and mine, and this is no defense.

THE DOCTRINE OF TYRANTS

It is time for all of you to put the responsibility right where it belongs; I do not subscribe to the doctrine that "the king can do no wrong." As Senator BAILEY has said: "The doctrine of immunity of the sovereign is the doctrine of tyrants, and its very character is tyrannical—precisely the same tyranny which was exercised by the tyrants from whose foul breasts this doctrine arose, and it contains within it the same power of oppression that they exercised by means of it." That's that, and that's so.

According to one of the President's speeches we are all either of that handful of bloated plutocrats who oppose him and his policies, or we are one of the stooges and dupes. Maybe so, but we have a lot of company. The President needn't fool himself; he isn't fooling the people any more or longer. Millions have grown to distrust and fear him. The taxpayers are beginning to know what he and his policies are costing and will cost them; the housewives know that the cost of living has gone up; stockholders by the millions fear his programs of strangulation and spoliation; insurance policyholders and their beneficiaries, depositors in savings banks and other institutions established to encourage thrift, feel and know that he and the policies for which he stands jeopardize the ultimate security for which they have sacrificed the savings of a lifetime.

PEOPLE WANT A CHANGE

The American people want a change, and they are going to have it. They are sick of being forcibly and continually doped with reform medicine when what they want is a chance to recover. They are startled and horrified by the financial abandon of a government which, in 3 short years of peace, spent more money than the aggregate amount spent by all the governments in the history of the United States for a period of 120 years.

They must be sick and tired of Executive domination. They should be sick and tired of bluffing, bulldozing, and political chicanery.

I tell you the majority of the American people should be not only irritated but disturbed and more than disturbed by their President's assaults upon personal liberty, our freedom, and our dignity and should resent his persecution of and bitter insults to the worthy and honest citizens who have the courage and patriotism to disagree with his political policies.

They know his promises are forever broken and his pledges, platform, and party are repudiated. The President and his aides and abettors have ignored or broken practically every pledge of the platforms on which he was elected. He has repudiated his party and stultified himself.

He promised to preserve a sound currency at all hazards; to balance the Budget annually; to enforce the antitrust laws; to abolish useless offices and commissions; to remove the Government from all fields of private enterprise; to stop the deficits. The conduct of public utilities or banks, of insurance, of business, of agriculture, of education, of social welfare, and a dozen other important features—in these Washington must not be encouraged to interfere, so he said, on March 2, 1930, over the radio, and, believe it or not, Washington under Roosevelt has interfered with every single one of the things mentioned in that speech.

The Budget is unbalanced; the dollar devalued; the antitrust laws suspended—pledges and promises broken ad nauseum—and he and his nonelected advisers have put the Government into practically every field of business endeavor in direct competition with private enterprise. If they have missed anything or any line I cannot recall it.

THRIFT A FORGOTTEN WORD

Thrift, industry, economy are no longer regarded as essential to the well being of our people. With millions unemployed we were advised that factories and workshops, mines and quarries should be closed in order that a scarcity of their products might enhance their price. With hundreds of thousands of the poor suffering the pangs of hunger, it was made an offense against the law to plant more than a modicum of crops in order that food might not become too cheap. Not too much milk must be produced, though the pale faces of undernourished children haunt the dreams of those who came in contact with the poor. Millions—yes, billions of dollars, representing wealth dug from the earth and wrested from the sea, brought to public treasuries by the tax gatherers, are being wasted in an unprofitable expenditure, in an attempt to create a prosperity as unreal and unsubstantial as the dreams of an opium eater.

The gigantic debts so created will bear down and burden generation after generation yet to come. It is time to stop.

MORE TAXES

Government spending necessitates taxes. Increased spending means increased taxes. Deficits entail mounting debts. These, in turn, spell heavier burdens for taxpayers. Not without reason has Franklin D. Roosevelt been called "Franklin Deficit Roosevelt."

It is high time that he crossed the Rubicon and made up his mind either to recommend complete Government control of all industry and business under dictatorial powers or else to stop nagging and harassing and impeding economic progress. His years of socialistic experimentation have demonstrated his incompetence and failure. This is the basic misfortune of our tragic era, and we must realize it and save ourselves by electing a Republican to succeed him, save us and the country from the ruin that impends.

Franklin D. Roosevelt's New Deal policies have created and are still creating a permanent class of idlers, and undertakings as definitely undesirable as the real achievement of these relief projects is pitifully small. He has done nothing tangible to increase permanent employment. He has not, even at the cost of billions, removed all the employables from the relief rolls. His program has hampered, instead of forwarded, intelligent unemployment relief. This grandiose buffoonery has successfully debauched the self-respect of the American people, and piled up huge debts for the forces of recovery to surmount.

Why, do you realize that the mounting public debt has reached the stage where the present generation will never be able to meet it? We are going to have inflation to meet the governmental expenditures; we are going to have repudiation, or we are going to have taxes.

Inflation to meet a deficit cannot be controlled and would bring unquestionable disaster.

Repudiation, to me, is impossible.

The only recourse if we are to permit the President to continue the spending program is taxes, taxes, taxes.

Yes; let's think it over. We know that the debt and deficit already incurred is stupendously staggering. It runs into the billions and billions. Our great-grandchildren will not live long enough to see it paid. What a burden we are imposing on our children and on posterity. What a price they will have to pay for our orgy of spending. No wonder they are rising in revolt against such a program. What is there in it that can appeal to red-blooded, virile, young patriotic Americans? They know that they must face the necessity of paying off the debt we have incurred. They know that the door of opportunity will be closed to

them, and that under the present program they will be reduced to a mere cog in the machinery of a planned economy regimented, colonized, Russianized, working for the state and not for themselves.

YOUR MONEY

We are the Santa Claus. We will have to pay, or else our children will.

It is your money that is being spent. Can you be bought and sold with your own money? And one thing above all others we should remember, namely, that real estate, as always, will have to bear more than its share of the tax burden. The farmers and other real-estate owners and their descendants will have to meet the bill.

In this two-party Government of ours the Republican Party is the party of opposition to these theories and this program that has been forced upon us.

There are none of us who do not favor and approve of some of the measures constituting a part of the so-called New Deal. Proper control of market speculation; the regulation and limitation of private profits in the manufacture of munitions or in preparation for war; the elimination of child labor and sweatshops; some rational plan for unemployment insurance and relief for debt-harassed home and farm owner. But measures looking toward satisfactory solution of the problem just enumerated were under consideration long before the days of the "brain trust" of the New Deal.

In conclusion may I say I am not an alarmist, but I am concerned that the permanency of our national life and its integrity are involved in some of the governmental policies we are asked to countenance and approve. I am sure that the preservation of our liberties and the perpetuity of our form of government is the tremendous stake at issue and which must be met. The questions confronting us are too momentous and serious to be the football of partisan politics. They transcend all questions of tariff or trade agreements; strike at the very root of all our American institutions. They are steps toward a change in our form of government. This is the issue involved.

THE RIGHTS OF CITIZENSHIP

It has been well said that never before in the history of our country has it been so necessary for every citizen to exercise intelligently the rights of citizenship. Our country is faced with a crisis more serious than any depression; by a question more basic than unemployment, prices, or heavy debts. The continuance or the discontinuance of the freedom we have enjoyed, the loss of liberties that are ours; the abolition of the traditional American order; the absolute change in form of our established Government under our written Constitution and our laws is the issue that confronts us.

The next time we as citizens cast our votes we shall be voting, not for a man, not for a party, not for a remedy, nor any group of remedies, but for or against the continuance of the American form of government.

Whatever the adventures we undertake, the goals we seek to reach, we are trustees for the future of America, and in our responsibility we must not fail. We have an inheritance to safeguard, to transmit; a system of ordered liberty in which statutes and theories of social experiments must yield to the Constitution; in which the people are governed by law and not by man, and in which human rights are deemed to be sacred and inalienable. Many free countries have lost their liberty and ours may lose hers, but if she shall, let us Virginians and Vermonters joint together in spirit with Lincoln when he says: "Let it be my proudest plume, not that I was the last to desert, but that I never deserted her."

The Fruits of Labor—Pensions for Our Aged

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

Mr. IZAC. Mr. Speaker, a few days ago a petition was placed on the desk to discharge the committee from further consideration of H. R. 8264. I was glad to sign this petition, and I am now asking those of my colleagues who have not yet signed to join with us in an endeavor to write into the laws of our country an old-age pension plan founded on principles of right and justice.

From the dawn of civilization the peoples of the world have paid homage to a practice which even we of this modern age as well as those who have gone before have ever believed most honorable and commendable. They have bestowed on the elders of the race a love and respect which was characterized by a deep solicitude for their welfare. And as long as was within their power they cared for the material needs of the aged.

With the coming of the depression 10 years ago the burden formerly gladly assumed by the younger members of society for the care and shelter of their elders became so great that no longer was it possible for the individual, frequently deprived of the opportunity to work, to carry the load of supporting even those of his immediate family, not to mention the fathers and mothers of more advanced years.

Even those who through thrift and perseverance had built up a reserve of savings against the rainy days of a declining life suddenly found themselves shorn of their savings and deprived of the comforts their long years of effort had promised to provide. Into this situation, pregnant as it was with the possibility of disaster for the older citizens and despair for all, the administration and we of the Congress advanced with a program of relief and measures for social security. Commendable? Of course. But adequate? Hardly. And in one particular above all others have we failed. We did not take care of the present generation of older people who no longer have the opportunity to engage in active pursuits and therefore no chance to build up an annuity as provided for by the Social Security Act.

It is true we have made it possible for those States so desiring to match a Federal contribution. But this at best is most inadequate. In my own State of California some of those above the age of 65 receive the maximum allowable but the vast majority receive far less. And in other States the payments are but $5 and $6 per month for each old person. There is no uniformity.

Discrimination is prevalent throughout the country, and in effect there are as many kinds of old-age pensions as there are counties—some 3,000. And the net result is that millions of our people beyond the 65-year minimum do not receive any old-age pension or do not obtain sufficient to provide a decent living.

But are we to rest content with such a condition? By no means. We can at least strive for a solution of the problem, and we are doing so.

A few years ago Dr. Townsend, of our own State, advanced a solution that was both novel and revolutionary. Of course it was condemned by those who see no value in anything new. Of course it was opposed by those who have a motive in keeping the people in economic subjection. Of course it was damned by the rugged individualists as being contrary to the American concept and as something borrowed from Europe.

In fact only recently we who share this same philosophy with Dr. Townsend and those other national humanitarians who are not satisfied with a $5-a-month pension for our older citizens, have been characterized in a national magazine and by a prominent politician as being crackpots and Marxists—which latter means simply Communists.

I prefer to think of a movement like this as the height of Americanism, as it is the goal of Christianity. But if to make the dreary way of our aged a little pleasanter, if to gladden the hearts of millions by giving them some of the comforts to which old age is entitled, if by trying to do some of these worth-while things we leave ourselves open to the charge of being Communists, then by all means let us accept the epithet. Nineteen hundred years ago they resorted not alone to epithets but they scourged and crucified a Saviour for advancing a new philosophy of which this is but a part. Christ taught us the Golden Rule. Here we find a place for its application. And any plan which incorporates such fundamental ideals as opportunity for youth, employment for maturity, and respect for old age, is basically sound.

The Townsend plan was not only basically sound but was humane as well, and it progressed apace, until now in the light of greater experience and more thorough research we have evolved an almost foolproof legislative vehicle for the enactment into law of this selfsame principle. It is known as the General Welfare Act. It is House bill 8264. It embodies the principles of the Townsend plan.

Let me point out some of the more striking provisions of the bill. It pays its own way as it goes. And it does this not by taxing the wages of the poor, but through exemptions,

it levies only on the gross income or receipts above $3,000 per year. The rate is 2 percent and therefore not oppressive. It takes nothing from the pay envelope of the worker but really taxes money where money is—the only just tax.

It pays the proceeds of this tax to all above the age of 60 years, regardless of their station in life and irrespective of State boundaries.

It assures to the aged relief from labor and provides the youth with the opportunity to labor.

It banishes the dole and the pauper's oath. It gives to each alike, without subjecting the recipient to the third degree of the social investigator. Instead of having to institute a suit in the courts to compel the city, the county, or the State to administer fairly what the Government contributes for old-age assistance, this new bill will bypass all other administrative agencies and permit the Federal Government to levy the tax and apportion the benefits direct to each citizen without any intervening medium.

As the veteran of our wars receives each month his pension check from the Veterans' Administration, so could the old-age pensioner receive a check from an appropriate Government agency at a minimum of administrative overhead.

Now, my friends, let me say in conclusion that it is only after 150 years of the life of this Nation that we have accepted as our national policy any plan of old-age pensions whatsoever. So I will not condemn the only effort of this century and a half to do justice to our old people. But rather will I, by my voice and my vote, seek to better the start already made.

That is why I have consistently supported every effort to liberalize the provisions of the Social Security Act and, likewise, to bring to the floor of the Congress any and all types of old-age pension plans. Some gave promise of fulfilling only the humanitarian requirements. Others, such as the bill I am discussing, House bill 8264, seek to meet the needs of the older people and at the same time to provide a plan of recovery as a solution to our economic unbalance.

I commend this bill to your favorable consideration. It may not be perfect, but if once adopted we can perfect it in the light of trial and experience. And remember that it possesses those features that must make it acceptable to all who profess a love for their fellowman, and who are not immune to the sympathetic reactions of the highest of human impulses.

Philippine Buying of American Goods

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10 (legislative day of Monday, April 8), 1940

ARTICLE BY WALTER ROBB

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an article which appeared in a recent edition of the Washington Evening Star, with regard to the increased Philippine buying of American goods.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star]

PHILIPPINES INCREASE AMERICAN BUYING 11 PERCENT IN YEAR—FOREIGN GROUP PROVES SMALL PROBLEMS FOR ISLANDS

(By Walter Robb, Chicago Daily News Foreign Correspondent)

MANILA, P. I. America sold the Philippines $100,000,000 worth of manufactures last year, 11 percent more than during 1938. Every State, very probably, was the origin of portions of these goods. Two 50-car trains a day may be visualized hauling them to the seaboard. Some two-fifths of the goods started from farms, too; the Philippines are primary buyers from American farms, but through mediums of factories and dairy plants where they are processed into food products.

Though a year's sales that total $100,000,000 are not colossal, they are substantial. In the Philippines, too, they have a secondary value. They help freight ships to the Far East—China, Japan, the Philippines, the East Indies, and Indo-China. This is the longest voyage American goods have to make in reaching world markets, but it commonly disposes of about 10 percent of all goods America sells overseas.

It seems on the whole that the Philippine market for American goods is well worth cultivating. It responds so rapidly, demand always rises. And no European minorities confound it, the Philippine population being almost wholly indigenous—foreigners are a few of the merchants and industrialists—the Chinese about 200,000, all friendly to the United States; the Japanese, about 35,000 and seemingly as friendly as their Chinese neighbors who have no business or social dealings with them.

But there are a few foreigners here whose teeth have recently been set on edge. They are Spaniards, of all political complexions. England is the provocation. Chamberlain probably won few real friends among Franco supporters by his Spanish war policy; but he did lose the friendship of the liberal Spaniard who wanted the constitution to succeed. These enthusiasts lost heart when England induced France to close the Pyrenees border. They say that made them lose, that Spain's loss was but the beginning of losses for all democracy.

But Spaniards are few here and the Commonwealth insists that outwardly men must be neutral.

Philippine Independence

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, April 10 (legislative day of Monday, April 8), 1940

ARTICLE FROM THE NEW YORK TIMES

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD a newspaper article from the April 2 edition of the New York Times, concerning the Philippine independence question.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 2, 1940]

FILIPINOS SEEKING CONCESSIONS HERE—QUEZON IS EXPECTED TO URGE REVISION OF INDEPENDENCE TO PERMIT TRADE TREATIES

MANILA, April 1.—With the Philippines Civic League taking the initiative, a movement for reexamination and possible revision of the Tydings-McDuffie Independence Act is growing here.

Manuel Quezon, President of the Commonwealth, is believed to be preparing the ground to seek new concessions from Washington in the direction of increased Philippine autonomy, particularly a change in the law to permit the Filipinos to consummate trade treaties with other nations.

His thrice-repeated statement that independence in 1946 was the only proper course, because the United States would not accept the minimum requirements of Filipinos for continued relations, is construed as a broad hint to Congress that he is formulating proposals.

He broached the subject to the assembly in January, elaborated on it in a talk to students last week, and took it up again Saturday night in addressing the law school of the University of the Philippines.

On the third occasion the President said that he was not opposed to reexamination in theory but only in practice, because he did not believe that Washington would accept the only terms upon which the Philippines would forego independence in 1946, namely, absolute freedom in economic equality with the United States.

He said that those who favored reexamination to afford the Philippines protection while danger existed were impractical because, if reexamination were had, the Philippines might continue their dependence upon the United States and could not break away later when danger was no longer present.

He conceded that it was possible for an outside power to conquer the Philippines, but he expressed confidence that ultimately the Filipinos could throw off a foreign yoke. And he predicted that they might be able to defend themselves with their own army 25 years hence.

In an editorial commenting on the situation, the Manila Daily Bulletin says:

"In view of the trip to Washington that Mr. Quezon is planning this summer, it would be advantageous to him to know in advance of reaching the Capital the reaction of Congressmen to the proposal to give the Commonwealth power to conclude commercial treaties."

Speaking for the reexaminationists, Assemblyman José Romero, a leader of the Civic League, says:

"There are those who feel that the President is being a little too pessimistic and who note that responsible leaders in America, like Senator KEY PITTMAN and former High Commissioner Paul V. McNutt, have stated that American-Philippine relations could be rediscussed.

"But it is now up to our friends in America to convince the American people of the plausibility of the new arrangement upon the basis set forth by Mr. Quezon."

Salvador Araneta, another league leader, says:

"Reexamination simply means a restudy, and if there is a man who has kept himself restudying the question it is President Quezon himself."

Hearings on Bill H. R. 1, To Curb Interstate Absentee-Owned Chain Stores

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

Mr. PATMAN. Mr. Speaker, hearings on H. R. 1, a bill to curb interstate absentee-owned chain stores, commenced before a subcommitee of the Ways and Means Committee of the House March 27, 1940. The proponents finished their direct testimony yesterday, April 9, and the opponents commenced their testimony this morning. I presume that when the subcommittee finishes the hearings that the printed copy of the hearings will be presented to the full committee with the recommendations of the subcommittee, of which the gentleman from Massachusetts, the Honorable JOHN W. MCCORMACK, is chairman. Then I presume that the full committee will vote favorably or unfavorably on the report of the subcommittee. If the bill is reported to the House with a favorable report, no rule will be necessary for its consideration, since it is a tax measure and can be brought up for consideration before the House without a special rule.

FIRST WITNESS FOR OPPOSITION

This morning Mr. E. C. Sams, president of the J. C. Penney Co., testified for the opposition as their first witness. The opposition was doing the usual and customary thing by putting its best foot forward, since the J. C. Penney Co. is the "cleanest of the interstate chains." It is less vulnerable in many more ways than any other of the 20 interstate chains that are seriously affected by this bill.

Mr. Sams referred to each of the 1,554 stores of the J. C. Penney Co. as a junior department of the J. C. Penney Co., and praised a system that could operate so well under the corporate laws. He referred to the local store manager as the corporation's "man Friday."

He insisted that there were only two groups affected by this legislation, H. R. 1, and they were the middlemen, the retailers and wholesalers on the one hand and the large corporate chains on the other. Also insisted that the bill was for the purpose of helping the middleman. He was absolutely wrong. I would not sponsor a bill that was not in the public interest. If it is in the public interest and also happens to be in the interest of the individuals and corporations now in business, that is no reason why the motives of the ones sponsoring the bill should be questioned.

SUPPOSE EACH SIDE HAS A SELFISH INTEREST

For the sake of argument only, let us admit that each side has a selfish, greedy interest, and then decide which should be the winner if the general welfare is to be served.

One thing is certain: Both forms of distribution cannot survive. It will be either independent competitive business—the kind that helped to build this great country of ours—or it will be this new kind of business conducted by interstate absentee-owned chains. If the interstate chains win, it will be impossible for an individual or a group of individuals to go into competition with them because they will not have enough capital to start out and compete with the established interstate chains. Therefore the interstate chains will have a monopoly—just as much so as if they had a patent right or an exclusive franchise. This monopoly will be like the farmer's fence—"pig taut and bull strong." This monopoly will tell the farmers, manufacturers, and all producers what they will receive for what is sold to this monopoly. This monopoly will, in turn, tell the consumers of this Nation what they must pay. This will lead to either socialism or a dictatorship. The people will not stand for a private monopoly.

On the other hand, if the interstate chains pay an invader's tax, are stopped in their tracks, and are required over a reasonable period of time to reduce their operating units to a reasonable number in order to promote equality of opportunity, the independents now in business—retailers and wholesalers—will continue in business, but they will not have a monopoly. Any individual or corporation with a small amount of capital could go into competition with them.

Therefore, if the independents are driven out of business, there will be a monopoly of the price-fixing kind, and if the interstate chains are restrained and the independents are given a chance there will be competition, which will give the consumers the lowest possible price.

MERITS OF THE PENNEY CO.

Mr. Sams, for the J. C. Penney Co., boasted about his company—

First. Patronizing local banks, carrying over 1,500 accounts, and thereby keeping the dollars from rolling down the concrete highways to New York City.

Second. Borrowing money from local banks outside of New York City.

Third. Their managers taking an interest in local affairs.

Fourth. Not selling anything as a loss leader.

Fifth. Paying high wages, giving long vacations, and fewer hours a week to work for their employees.

Sixth. Making the manufacturers with whom they deal earn three and one-half times as much in net profits as they earned before taking J. C. Penney Co. business.

I wonder if all these other interstate absentee-owned chains will be able to live up to that reputation. The committee members will probably find out.

Mr. Sams said that the stock of the J. C. Penney Co. was widely distributed. Mr. Sams was given permission to file additional remarks so I presume that he will file a statement showing the number of stockholders in each State and the number of shares of stock held by each. This would be interesting information and is absolutely necessary if his statement relative to wide distribution of stock ownership is corroborated with the best evidence. If the statement is not filed we will be forced to presume that it cannot be corroborated with the best evidence.

On cross-examination by a member of the committee, Mr. Sams admitted that they did not carry any insurance locally; that they carried their own insurance. That is, they owned the company that carried it.

I am sure that he would have admitted the same thing about printing and probably other things if the question had been asked.

CAN HALF THE STORES AND EMPLOYEES DO NECESSARY BUSINESS?

If Mr. Sams' contention is correct that the interstate chain-store system is the best, I wonder how many stores and employees of such stores would be necessary to do all the business in this Nation that J. C. Penney is engaged in? I wonder how many stores and employees would be necessary to do all the grocery business? the drug business? the variety-store business? the tire business? the shoe business? the printing business? and other similar lines of business? And if we adopt the same principle I wonder how many banks and employees of banks would be necessary to do all the banking business? the insurance business? the law business? and the service that is required in the medical profession? If we carry the absentee-owned and the remote-control system still further, to its

logical end, how many ministers of the gospel can be eliminated through the use of the radio? How many teachers in schools and professors in colleges and universities can be eliiminated through the use of modern means of communication? How many offices can be eliminated by consolidating counties and States? After we have eliminated all the surplus, according to the mechanized, interstate chain, absentee-owned system, what will we do with the people thrown out of work through this stop-watch efficiency? Will they look forward to a career in the W. P. A.? Will they be required to live on relief or a subsidy?

Would it not be better to have a competitive system, give everyone an opportunity to work, and permit the premiums and rewards to go to those who have earned them?

FARMERS HURT

If the farmers' purchasing power is destroyed, the Nation suffers. Anyone who knows simple arithmetic can determine for himself the annual loss to farmers by reason of the interstate chains abusing their mass purchasing power.

My testimony before the committee, using information furnished by the Department of Agriculture, is conclusive that the farmers are losing $3,000,000,000 a year by reason of the conspiracy among the representatives of the interstate chains. This means a loss of more than $20,000,000,000 a year in national income.

FIFTY-THREE PERCENT OF BANKS CLOSED IN 12 YEARS

During the period of the greatest growth of the interstate chains more than 53 percent of our banks closed their doors.

The following table from official sources is self-explanatory; it is from June 30, 1921, to June 30, 1933:

Number of all classes of active banks, by States, June 30, 1921 and 1933

	1921	1933 [1]	1921		1933 [1]	
			National banks	Banks other than national	National banks	Banks other than national
Alabama	358	203	107	251	66	137
Arizona	83	19	21	62	8	11
Arkansas	488	194	83	405	45	149
California	732	295	309	423	135	160
Colorado	399	149	143	256	73	76
Connecticut	223	211	64	159	58	153
District of Columbia	47	20	15	32	8	12
Delaware	55	47	18	37	15	32
Florida	272	143	56	216	45	98
Georgia	723	292	95	628	47	245
Idaho	216	86	83	133	24	62
Illinois	1,893	845	494	1,399	239	606
Indiana	1,083	492	252	831	104	388
Iowa	1,803	438	354	1,449	93	345
Kansas	1,379	773	267	1,112	198	575
Kentucky	602	422	134	468	87	335
Louisiana	269	139	36	233	22	117
Maine	158	81	61	97	25	56
Maryland	285	135	90	195	45	90
Massachusetts	470	397	162	308	127	270
Michigan	737	295	117	620	50	245
Minnesota	1,536	668	341	1,195	204	464
Mississippi	355	212	31	324	23	189
Missouri	1,672	646	131	1,541	83	563
Montana	420	124	143	277	46	78
Nebraska	1,184	384	186	998	129	255
Nevada	35	11	11	24	6	5
New Hampshire	126	112	56	70	48	64
New Jersey	402	398	220	182	214	184
New Mexico	126	42	50	76	23	19
New York	1,079	869	505	574	414	455
North Carolina	641	163	87	554	35	128
North Dakota	854	193	180	674	67	126
Ohio	1,132	619	375	757	210	409
Oklahoma	981	404	359	622	216	188
Oregon	285	108	96	189	56	52
Pennsylvania	1,607	1,001	861	746	601	400
Rhode Island	48	33	17	31	10	23
South Carolina	460	104	81	379	15	89
South Dakota	700	212	134	566	63	149
Tennessee	570	332	98	472	67	265
Texas	1,609	957	557	1,052	450	507
Utah	129	69	28	101	14	55
Vermont	108	85	49	59	33	52
Virginia	511	327	174	337	122	205
Washington	400	183	96	304	63	120
West Virginia	350	168	123	227	62	106
Wisconsin	998	401	153	845	84	317
Wyoming	155	64	47	108	25	39
Total United States, excluding possessions	30,748	14,565	8,150	22,598	4,896	9,668

[1] Licensed banks operated on an unrestricted basis.

Number of all classes of active banks, by States, June 30, 1921 and 1933—Continued

	1921	1933	1921		1933	
			National banks	Banks other than national	National banks	Banks other than national
Alaska	17	15	2	15	4	11
The Territory of Hawaii	20	19	2	18	1	18
Puerto Rico	17	14		17		14
Philippines	10	11		10		11
Total possessions	64	59	4	60	5	54
Total United States and possessions	30,812	14,624	8,154	22,658	4,902	9,722

Information furnished by Comptroller of the Currency, Mar. 22, 1940.

CONGRESSMAN WATCHMAN FOR THE PEOPLE

I am not surprised that so many banks were forced out of business during this period of time. Congress is entitled to the blame. All Members, including myself, are guilty of the failure to take the necessary action to prevent concentration of wealth and control of wealth to the extent that a few men controlling a few banks control the corporate wealth of the Nation as they do today.

Just before the twenties the concentration of ownership and control commenced and it continued on until the end of 1932. The so-called wise men from the east, New York City, sent their representatives far and wide and purchased the electric-light plants, the telephone companies, the gas companies, the water plants, the ice houses, the picture shows, and in the South the cotton-oil mills. All the money-making businesses bought with bookkeeping money on the credit of the entire Nation caused the dollars to take wings and fly overnight to New York City. Why should there be so many banks under such circumstances? The people have paid and are paying for these properties and canceling the mortgages upon their own homes, other property, and liens upon their incomes that were used to buy these properties with. An idiotic system, but in the hands of clever, selfish, and greedy men they got the job done. The surprising part is that the people stand for it.

LAST PILLAR OF STRENGTH IN LOCAL COMMUNITY

The principal pillars of the community have been knocked out by absentee owners. The last line of defense of the local community and the last pillar of strength is the local retail stores and the same interests are trying to get control of them. If they could be bought out like the other pillars of the community were purchased I presumed that there would be not a murmur in opposition.

The large banks want big business. It is better for them. It creates business for them. The independent merchant who was formerly the best customer of the local bank cannot obtain a loan from a New York bank and a local bank cannot safely grant a loan because of the threat of interstate chain-store competition.

Think this over; it is a serious problem.

MUST CAPITAL BE FROZEN IF SIZE OF RETAIL COMPANIES FROZEN?

Capital can be thawed out by stopping the interstate chains. At the present time capital is frozen insofar as small business is concerned because no one will make a loan to a business that is in competition with the interstate chains. If the interstate chains are frozen where they are, and cannot change a location of a store, then an ambitious, competent person with a small amount of capital could obtain a loan to go into business for himself. The one making the loan would have the assurance that as soon as the business was established a New York chain could not go into competition with the one obtaining the loan, and, by the use of cutthroat tactics, selling below costs, and other methods made possible through the ownership of a number of stores, destroy his business.

There is no logical relationship between stopping bigness that has reached the harmful stage and the free flow of capital.

Inter-American Bank

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, March 11, 1940

Mr. VOORHIS of California. Mr. Speaker, the proposed inter-American bank has been the cause of some discussion and, I am sure, a great deal of thought on the part of many people.

With Europe at war, it is of especial importance that everything possible be done to bind into closer unity and understanding the nations of the Western Hemisphere. In attempting to do this, however, it is important that we do not set up an agency which might become, in the course of time, more powerful than the governments of the various nations themselves. Especially would I be opposed to any move, however earnestly conceived, which might take from any government the opportunity of exercising full control over its own monetary and credit system.

There are some features of the proposal for this inter-American bank that must be considered carefully from this point of view.

In the first place, the convention proposed to be signed by representatives of the various nations provides that Congress shall grant to this inter-American bank a 20-year charter, and that—

> The United States agrees not to repeal or amend this charter except upon the request of the bank pursuant to a four-fifths majority vote of the board of directors of the bank.

Presumably Congress will have to act on such a matter as this and will be able to have something to say about it, but the idea of chartering an international bank and agreeing to make the charter irrevocable and unchangeable is one which anyone familiar with international banking operations in the past must view with suspicion, if not with alarm.

In the second place, the bank and all its assets and its bonds are to be tax-exempt, and while there is a saving clause to the effect that this exemption shall not extend to taxes levied by any government upon its own nationals, it is apparently entirely possible for an American, for example, to purchase bonds of the bank, register them in some other American nation, and be forever free from the possibility of having taxes levied by his own country against the income derived from them.

Third, the convention sets forth that "foreign exchange and precious metals shall be so made available to the bank on a basis as to amount, rate, and all other factors, no less favorable than the most-favored treatment extended under any circumstances by a high contracting party to any government, including its own, or to any political subdivision, individual, partnership, association, corporation, or other organization entity of whatever nature." It is difficult to foresee just what all the consequences of such a provision might be, but one wonders what would happen under its terms if the United States should at some future date decide to make some internal monetary use of the gold it has accumulated at so handsome a price in recent years. Would the inter-American bank be able to demand the use of an equal quantity of gold on which to issue an international medium of exchange?

It is a fact well known to monetary students that one of the most effective means used by international financiers in the past to profit at the expense of whole populations has been the power of controlling the movement of gold from nation to nation where those nations' currencies were tied to gold. In this way the monetary base of one country could be sharply reduced and that of another country sharply expanded. Those who knew what was to happen could traffic in these currencies to their own handsome profit. The consequences for the people, on the other hand, have been disastrous.

What assurance have we that the setting up of this bank may not open the way for a return to the gold standard and the consequent possibility of control by the directors of the bank over the currencies and hence the destinies of the nations involved?

Finally, one wonders why—if we are to plan to put our gold to use by making foreign loans—we have not long since put it to use in helping to get our own people back to work. It will be hard to explain why gold loans are to be made to other nations when none have been made, for example, to our own States; and the fear naturally arises that here again is another case of focusing attention on the international scene to the exclusion of our own problems, which cry aloud at the moment for the most earnest attention.

It may be that I am more concerned over this enterprise than future events will justify. But unless and until the fears I have expressed in this speech are proven groundless I will earnestly hope that no representative of the United States will sign the convention setting up this bank.

Churchill Now Confesses Conferring With Griffin—First Lord Denies Charging Him With "Vicious Lie"

EXTENSION OF REMARKS
OF
HON. MICHAEL J. KENNEDY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1940

ARTICLE FROM THE NEW YORK ENQUIRER

Mr. MICHAEL J. KENNEDY. Mr. Speaker, under leave to extend my remarks, I wish to include therein an article appearing in the New York Enquirer of Monday, April 1, 1940, relative to an interview between Mr. William Griffin, editor and publisher of that paper, and Hon. Winston S. Churchill, First Lord of the British Admiralty. The article follows:

[From the New York Enquirer of April 1, 1940]

CHURCHILL NOW CONFESSES CONFERRING WITH GRIFFIN; FIRST LORD DENIES CHARGING HIM WITH "VICIOUS LIE"

Winston S. Churchill, First Lord of the British Admiralty, has backed down from his lofty position of denying all in the million-dollar suit for slander brought against him by William Griffin, editor and publisher of the New York Enquirer, and now admits that Griffin did confer with him in London, England, in August 1936.

This reversal in the attitude of Churchill now puts the British Cabinet member in the position of repudiating news stories carried in such prominent American newspapers as the New York Times and the Philadelphia Evening Bulletin. Last September these newspapers carried outright denials by Churchill that he conferred with the New York publisher or had ever even met William Griffin. The matter contained in these news stories gave rise to Griffin's suit against the head of the British Navy.

COURT CIRCLES AMAZED

Supreme court circles expressed amazement over Churchill's confession in court on Thursday last in his answer to Griffin's complaint, that he had met and conferred with Griffin, in view of the explicit manner in which Churchill expressed himself last September, when the New York Times and Philadelphia Evening Bulletin quoted him as having stated, in a trans Atlantic telephone conversation, as to a statement attributed to him by the New York publisher:

"It is an absolute untruth. It is a vicious lie. You have my authorization to deny it in the strongest terms. I never heard of Mr. Griffin."

Griffin declared today that, despite his victory in Churchill's vital confession of Thursday last, he will prosecute the suit vigorously against the British Admiralty chief to obtain complete exoneration and redress.

SENATE DISCUSSES CASE

International attention has been focused on the case. It has been the subject of close attention and grave discussion on the floor of the Senate, because of the position occupied by Churchill

in the present European war scene and because of Churchill's amazing statement to Griffin in their conference in London in 1936 that America should have minded her own business and stayed out of the World War, and that if she had done so the Allies would have made peace with Germany in the spring of 1917, thus saving over a million British, French, and American and other lives, and preventing the subsequent rise of fascism and nazi-ism.

Churchill's answer makes him liable for the full amount of damages claimed by Griffin for the Briton's "endeavor to destroy my reputation for truth and veracity."

Before Churchill answered the suit he was liable for damages only to the extent of his interests in this country, which were attached by Griffin on October 10, 1939.

GRIFFIN TO REYNOLDS

In a letter written late in January to United States Senator ROBERT R. REYNOLDS, of North Carolina, a member of the Foreign Relations Committee, in reply to a telegram from the latter, inquiring into the status of the Griffin-Churchill suit, Griffin said, in part:

"Churchill has not alone cruelly wronged me, but has also ungratefully and ruthlessly affronted the United States of America, the Nation which he and his Government are now working day and night to drag into the present European war, for the salvation and aggrandizement of the British Empire, just as he and his Government labored to beguile it into taking part in the World War."

Raising the question of why Churchill had failed to either disavow the story carried by the Philadelphia paper or to confirm it, Griffin said in his letter to Senator REYNOLDS:

"For instance, to cite one of his thrusts, he has raised the question of how it is to be proved that it was actually his voice which was heard over the telephone by the Evening Bulletin of Philadelphia. The utter absurdity of this maneuver is shown by Churchill's rigid refusal to disclaim the interview with the Philadelphia newspaper—the easiest thing in the world to do, if it is untrue, and a thing which in honor, in law, and in conscience it is incumbent upon him to do. But he steadfastly refuses to disavow the interview—for a reason which is perfectly obvious.

"As has been pointed out, the Evening Bulletin, of Philadelphia, is a very prominent American newspaper. Had its interview with Churchill in which my suit originated been false, Churchill would have owed it to himself, not to speak of me, to disavow it in the strongest terms.

"He has not disavowed it.

"He has allowed it to stand, with all the injury it inflicts upon me, and instead of disavowing it has sought to bar the man whom he has wronged from vindicating himself in open court upon American soil.

"In order to accomplish this outrage against justice, Churchill has had recourse to obstructive tactics which have no bearing upon the merits of the case and are designed solely to save him from the consequences of his slander by the operation of legalistic hide-and-seek."

Dwelling on the lack of success attending the Churchill tactics, Griffin pointed out in the same letter:

"So far his wrigglings have availed him nothing. The progress of the case shows conclusively that our American courts may be relied upon to treat Churchill's strategy with the scorn it deserves, and that an American citizen need have no fear of being denied the redress, by due process of law, which I seek."

Griffin is represented in his suit by William J. Rapp, of 70 Pine Street. Churchill is represented by Leve, Hecht, Hadfield & Clarke, of 50 Broadway.

The defendant, Churchill, on order by the court, was compelled to pay the costs and disbursements of the appeal. The payment was made by the defendant in cash rather than by check.

In the earlier stages of the action Churchill had moved to have the court vacate Griffin's attachment of Churchill's property here, but Supreme Court Justice Wasservogel declared, in admitting as evidence an affidavit from Carl W. McArdle, of the Philadelphia Evening Bulletin, the reporter to whom Churchill talked over the trans-Atlantic phone:

"The court is constrained to receive this affidavit, and reading it in conjunction with the other papers submitted in support of the warrant believes plaintiff has sufficient facts to support his cause of action. Under the circumstances the motion to vacate the attachment is denied."

As the case is summarized, the developments to date have been in the following order:

Supreme Court Justice Lloyd Church granted to Griffin a writ attaching all of Churchill's property in this country. Griffin put up a $20,000 bond to cover costs of the action.

Churchill's attorneys sought to knock out the writ of attachment and have the case dismissed before Justice Isidor Wasservogel, who decided against them and gave Churchill 10 days in which to answer the Griffin complaint.

Churchill appealed the Wasservogel decision to the appellate division of the supreme court. The appellate division unanimously upheld Justice Wasservogel in his decision in which he refused Churchill's plea to dismiss the writ of attachment (such dismissal would have ended the suit), and the appellate division then ordered Churchill to file an answer to Griffin's complaint within 20 days. Churchill complied with the order on Thursday, and in his answer admitted that Griffin had conferred with him at his home in London, but denied that he (Churchill) had stated in regard to the statements attributed to him by Griffin: "It is an absolute untruth. It is a vicious lie. You have my authorization to deny it in the strongest terms. I never heard of Mr. Griffin."

One of the important pieces of evidence presented by Griffin to the court, while Churchill was still maintaining his stand that he had "never heard of him," was a photostatic copy of a telegram sent to Griffin by Churchill inviting the publisher to visit the Churchill home, during Griffin's stay in London in 1936. The telegram was sent to Griffin at the Savoy Hotel, London, and read:

"Could you come to see me at 5 o'clock at 11 Morpeth Mansions, Westminster, on Wednesday?

WINSTON CHURCHILL."

The telegram was later referred to on the floor of the United States Senate by both Senators LYNN J. FRAZIER, of North Dakota, and ROBERT R. REYNOLDS, of North Carolina, during speeches by those Senators in which they strongly upheld Griffin's demand that Churchill either substantiate or retract his slanderous statements.

Amendment of the National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

EDITORIAL FROM THE PHILADELPHIA RECORD

Mr. FRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Record of Saturday, March 9, 1940:

[From the Philadelphia Record of March 9, 1940]

A TERMITE TRIO TACKLES THE WAGNER ACT

It is not surprising that three of the five members of the House N. L. R. B. investigating committee should recommend 21 amendments ripping the Wagner Act from stem to stern.

From the very first, the tone of the committee has been hostile to labor. When the committee was set up Representative E. E. Cox, of Georgia, shouted in the House that "the Labor Board and all its army of wreckers must go." Representative HOWARD W. SMITH, of Virginia, conservative Democrat and foe of the N. L. R. B., was chosen to head the inquiry .

In the face of such a set-up, the wonder is that the majority of the committee did not recommend wiping out the Wagner Act completely, and putting all labor leaders in jail.

Chairman MARY NORTON, of the House Labor Committee, makes clear that the report of SMITH and two of his four colleagues does not reflect the sentiment of the House of Representatives, or its Labor Committee.

Mrs. NORTON put her finger on the soft spot of the probe when she asked why the Smith committee wants $50,000 more to continue its probe, if it has completed its findings sufficiently to turn in a report. She concludes that this is not a final report, and adds:

"I feel that no action should be taken by the Labor Committee until we have the final report of the Smith committee. I think we ought to have the full facts as they develop them before we proceed."

Some facts are clear enough now. One, that the Smith committee, regardless of hearings or findings, is out to kill the N. L. R. B.

That's obvious in the proposed amendments. Else why rip out the power of the Board to enforce its decisions? Why limit sharply the scope of the Board's activities in preventing strikes? Why bar the Board from settling controversies between the A. F. of L. and C. I. O.—a proposal which would invite no end of jurisdictional strikes? Why divide even the feeble powers the committee would give the Board, so that its efficiency would be doubly diminished?

No; there's no secret about these amendments. They are sabotage. They would defeat the very purpose for which the Board was created: to settle labor disputes so as to reduce the number of strikes and stoppages in production.

The Smith committee ignores the great record of the N. L. R. B. in reducing the number of strikes in the country by 50 percent. It dishonestly omits any mention of the fact that out of 12,619 complaints filed with the Board, only 667 have been decided against employers. It makes no mention of the truth—that the Federal courts have upheld nearly every N. L. R. B. decision taken before them.

In view of the recent exchange of letters between Raymond Clapper and E. T. Weir, in which the finance chairman of the Republican Party hastened to say he believed in labor's rights—

It is worth noting that both Republican members of the Smith committee voted to cut the legislative intestines out of the Wagner Act.

This shows, more clearly than words or argument, where the Republican Party stands on labor. Its position is precisely where it was before the New Deal.

Then, as now, the G. O. P. talked prolabor.

But now, as then, the G. O. P. votes antilabor every chance it gets.

It's the votes that count.

Fortunately, the Smith report is nothing but a report. We do not believe the House, faced with the question, will undercut the rights of labor it guaranteed only 3 years ago.

Coolidge Made a Speech

EXTENSION OF REMARKS

OF

HON. USHER L. BURDICK

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

ARTICLE BY WILL ROGERS

Mr. BURDICK. Mr. Speaker, the late Will Rogers, while overflowing with humor in most everything he said, yet was most effective in bringing out in its true light any subject that he attempted to discuss. In 1930 he published a statement entitled "Coolidge Made a Speech," and it is so filled with facts in regard to the Indian question that I have asked permission of this House to insert his speech in full:

COOLIDGE MADE A SPEECH

Well, all I know is just what I read in the papers, or what I see as I go about the country watching Calvin open dams, or close 'em up rather. You see he wasn't going to go over into Arizona and do that at all. I think he kinder felt like it might be construed as a political move, for future reference. So the committee got the bright idea of wiring President Hoover and getting him to ask Mr. Coolidge. Well, Mr. Hoover did and as he did he wired the Arizona committee back that he had wired Mr. Coolidge asking him to go. Well, of course, that put it up to Mr. Coolidge, and if he hadn't gone the committee would have known that he was really disobeying the wishes of the President. It was pretty slick on Mr. Hoover's part in doing this, and anyhow after Mr. Coolidge got there I think he was glad he went.

It really was a wonderful sight away out in the mountains and desert, and here was this huge affair that they not only had to spend millions on, but had to spend a tremendous sum to get roads in there, to get in on, and bring all the thousands of tons of stuff to be used. The Indians made it look mighty picturesque. One of the tribes, the Pimas, is supposed to get some of the water for they are supposed to own the reservation just below the dam. I am going over there pretty soon when the thing gets going good and see just exactly how much land the Indians really own that is watered by this.

It's as I told you before, the Apache Indians owned the land the dam is built on. But to be above a dam is very little comfort to you in the way of getting some water out of it. You got to be down hill from it. Living above a dam is just kinder like being a Democrat—you are living and voting, but you are not deriving any of the benefits.

You know as you saw all those Indians you couldn't help but think of the old days. Here were the old warlike Apaches that fought to hold all they had, and most of them wound up in jail, but there was a Washington that fought for his tribe against invaders, and wound up with a flock of statues and a title of Father of his County. And yet I expect if the truth was known the old Apache chiefs went through more and fought harder for their country than George did. But George won, that's the whole answer to history; it's not what did you do, but what did you get away with at the finish?

That's why your disarmament won't get anywhere much, it's just because all those nations know that they are important in world affairs just in proportion to their military strength. Is there any reason in the world why Japan should be the power she is, and China, with its millions and resources that go to the four corners of the earth? But that is just the trouble. China has stood for so much from other nations that they are not classed as one of the big shots. Why? Because they concentrated on peace and not on war. So Japan is at London now, and China can't even make a Rotary convention.

Spain discovered half the world, her ships were on every sea, but she let her navy run down and wound up in the class Z league. Look at Holland: great country, big as England, and they have colonies, but do you ever hear of them when they talk of what the big powers want? No; you would think they were Rhode Island. Why? No navy, and some of the rest of them the same. We don't rate their culture, we don't rate their achievements, their art, their literature, their integrity, their population, their size, in fact nothing but how big is their navy? Brazil is bigger than all England, France, Italy, and Japan, and has more national resources than all of them combined. Yet she couldn't get to a chamber of commerce membership rally. Same old answer. No navy. They all know that.

So you can see why there won't be any tall sinking done by any of these babies that are up there on top now. It would be a marvelous thing if all of them could see that there was to be no more war and go ahead and do away with their arms of defense. But unfortunately they have all studied history and they know that these ideas we are talking about now are not new; they have all been gone over before, and they just can't hardly bring themselves to believe that this is going to happen.

So, it's as I said at first, we were out there on Indian land dedicating a dam to get water for white people to come out and use and gradually take more Indian land away. There is going to be nothing different. It started with Lief Ericson in 996, then skipped over Columbus in 1492, for he couldn't find this country in four trips. Then came the Spanish settlers, then the *Mayflower* was the last straw.

They didn't have any ex-President at the dedicating at their taking land from the Indians but they got it just the same, and they have kept right on doing it up to last week. So, you see, history repeats itself, the same as it has in wars.

It would be wonderful if people would quit fighting; it would be wonderful if people would leave the Indians alone and let 'em do what they wanted to. But what a chance? I don't blame Arizona, mind you. You can't blame anybody. It's just the way we are bred, that's all. If we see anything we want, we take it. The more so-called civilized we get, the more we kill and take. But I bet many an old Indian got many a quiet laugh out of the speeches of good fellowship there that day that were meant to be serious.

Extension of Facilities of Housing Act to Rural Areas

EXTENSION OF REMARKS

OF

HON. JOSEPH R. BRYSON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

RESOLUTION OF THE GENERAL ASSEMBLY OF SOUTH CAROLINA

Mr. BRYSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following concurrent resolution of the General Assembly of the State of South Carolina:

Concurrent resolution expressing the appreciation of the general assembly of this State to Hon. Franklin D. Roosevelt, President of the United States, and Hon. Nathan Straus, Federal Administrator of F. H. A., for an audience accorded, and the consideration given to Hon. Burnet R. Maybank, Governor, Hon. J. Roy Jones, and Hon. Edgar A. Brown, a committee appointed pursuant to Senate Resolution 1272, with reference to extending facilities of the Housing Act to rural areas

Whereas, pursuant to Senate Resolution 1272, a resolution with reference to the rural housing bill now under consideration in the National Congress, a committee composed of Hon. Burnet R. Maybank, Hon. J. Roy Jones, and Hon. Edgar A. Brown, appeared before Hon. Franklin D. Roosevelt, President of the United States, and Hon. Nathan Straus, Federal Administrator of the F. H. A., in an effort to secure for rural areas some of the benefits of the United States Housing Act as now applied to cities and metropolitan areas; and

Whereas this committee received such cordial hearing; and

Whereas it is considered that if the purpose of their visit could become an actual realization, the rural areas in the United States, including South Carolina, would soon become dotted with beautiful and livable homes, thus resulting in permanent development and lasting good: Now, therefore, be it

Resolved by the senate (the house of representatives concurring), That the General Assembly of South Carolina wishes to go upon record approving Senate bill 591 now pending in the National Congress, the purpose of which is to extend and enlarge the facilities of the United States Housing Act of 1937, making available loans to aid in the construction and improvement of residences in rural areas, and especially do we wish to record our appreciation of the very cordial reception accorded the committee from this State by the President of the United States and the Administrator of the Federal Housing Administration Act.

It is a source of great gratitude to the representatives of the people of this State that Hon. Nathan Straus, Federal Administrator of the F. H. A., was found to be in deep sympathy with building up the rural areas and agricultural sections of this great Nation, and of extending the conveniences and comforts of city life now enjoyed by our city brethren to the farmers of the Nation, and to all those who live in rural sections and without the metropolitan areas; be it further

Resolved, That a copy of this resolution be forwarded to the President of the United States and to the Federal Administrator of F. H. A., and that a copy be also sent to each of the Senators from this State, and the Members in Congress from the State.

Jurisdictional Disputes

EXTENSION OF REMARKS

OF

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

ARTICLE FROM THE MACHINISTS MONTHLY JOURNAL

Mr. FRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Machinists Monthly Journal for March 1940:

[From the Machinists' Monthly Journal for March 1940]

JURISDICTIONAL DISPUTES

(By General Vice President Eric Peterson)

Jurisdictional disputes have been, are now, and will continue to be the source of costly controversies to workers and employers—not to say anything about inconvenience to the public. As long as there is no disposition on the part of the organizations comprising the American Federation of Labor to face facts, recognize realities, and approach this troublesome question with the view to working out a practical solution, just so long will jurisdictional disputes be an admission that organized labor is unable or unwilling to regulate its own affairs. Such an admission constitutes a standing invitation for outside interests to advocate regulation by courts or Government agencies.

The building trades organizations, in recognition of the need for elimination of jurisdictional strife in the building industry, have formulated a program designed to reduce to a minimum the stoppage of work caused by conflicting claims. However, the plan adopted does not apply to A. F. of L. organizations denied affiliation with the building and construction trades department. In some respects it tends to further aggravate the jurisdictional issue inasmuch as certain building trades unions now have an understanding among themselves which provides for a division of the work required in the installation and erection of machinery, which work is recognized by the A. F. of L. as coming under the rightful jurisdiction of the I. A. of M.

In the railroad industry jurisdictional questions have, for a long time, plagued the organizations comprising the Railway Employees' Department of the American Federation of Labor, but, unlike the building and construtcion industry, the differences between the railroad organizations have seldom, if ever, resulted in a stoppage of work and resulting inconvenience to the traveling public.

It has been recognized by several of the railway employees' department affiliates that the time, effort, and funds spent on the handling of jurisdictional disputes could be better devoted to more constructive work. Much time and thought devoted to working out a practical method for the settlement of jurisdictional controversies finally culminated in the plan recently approved by all of the organizations except the electrical workers, the essence of which is that impartial referees shall decide the jurisdictional questions that cannot be settled through direct negotiations. The agreement in full is reproduced in this issue on the president's page.

Just how successful the programs of the building trades and the railway employees department will be depends on the sincerity and integrity of participating organizations and their willingness to abide by decisions rendered. At least the plans adopted represent a reasonable approach to a problem that for years has retarded the progress of trade unions in the United States of America.

Many long-standing jurisdictional disputes are recorded in the convention proceedings and executive-council minutes of the A. F. of L., and it must be obvious to the informed trade unionist that no adequate machinery exists within the federation for the settlement of such disputes. Refusal on the part of affiliated organizations to abide by decisions rendered by federation conventions and the inability of the federation to enforce its decisions have brought about a situation that no longer can be ignored or excused.

Expansion of their original jurisdiction by many of the numerically strong organizations, without any regard for charter rights of other A. F. of L. affiliates, has reached a stage where the law of the jungle instead of reason and logic, rules; and when they condescend to explain their position, they point to the C. I. O. menace as a justification of their violation of trade-union principles and codes.

Some of the worst offenders have outdone the C. I. O. in forcing on our members compulsory membership in plant unions, organized in many instances from the top down, and completely under the domination of the employers. Such tactics might be condoned if they resulted in better working conditions and higher wage rates than could be negotiated by the I. A. of M., but without exception, the beneficiaries of this high-handed benevolence have been compelled to accept wage rates and agreement provisions less favorable than those prevailing in shops and plants covered by agreement with our organization. The right of the I. A. of M. to represent machinists and machine-shop workers as the collective bargaining agency in many plants—a right guaranteed by the N. L. R. A.—has been completely nullified by the high-handed piracy of these self-constituted purveyors of benevolent labor despotism, and in this nefarious activity they have been aided and abetted indirectly by the between-convention policy makers of the A. F. of L. The N. L. R. B. has an understanding with the powers that be that representation cases involving a dispute between A. F. of L. organizations shall not be accepted by the Board, and the reason given by the Board is that this type of case involves a question of jurisdiction which must necessarily be settled within the A. F. of L.

In the face of the Federation's inability to enforce its jurisdictional decisions—and the status of the Teamsters-Brewery Workers' dispute, as well as the Machinists-Carpenters' controversy, are good illustrations—it necessarily follows that the law of self-preservation will compel our organization to do one of two things: viz, follow the example set by the organizations that justify their piracy as an enforced defense against the C. I. O., or adopt a policy that will pave the way for a Government agency to decide our representation cases.

Neither course is desirable, but unless organizations committed to a policy of "might makes right" are willing to play the game fair or agree to cooperate in the establishment of a jurisdictional tribunal and abide by its decisions, our membership probably will be called on before the end of the year to decide the course the I. A. of M. shall pursue. It is unthinkable that we should continue to pay per capita tax for the questionable privilege of having our jurisdiction violated and ignored and our rights under the N. L. R. A. nullified. It will be much more in keeping with the traditions of the I. A. of M. to safeguard our charter rights and promote the organization's interests by the same militant activity that earned for us the name of the "Fighting Machinists."

Illiteracy in the United States

EXTENSION OF REMARKS

OF

HON. GERALD W. LANDIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

Mr. LANDIS. Mr. Speaker, those of us who wish to eliminate illiteracy in these United States wish to know why so many of our children are not being educated in good public schools today. We have assumed that education was free in this country, at least up to a certain point, and we have complacently believed that our school system was excellent, almost above reproach.

Free education is an ideal. It is not an actuality in all parts of our country. Why? Because even when the public pays for the schools and the teachers it still costs money to go to school. There are many families today which are not getting the children to school for such reasons as these: Because the children have no decent clothing to wear; because transportation to and from school is too difficult; because there is no money for books and supplies; because the children have chronic nose and throat difficulties which slight operations would cure; because the children need glasses, or treatments for defective hearing, and there is no money to pay the doctors; and because there is no way of providing the children with school lunches.

Perhaps you will not believe that this problem could be as large as I say it is. Then let us look at some family income figures. In this country, in 1935–36, 87 percent of

our families had incomes below $2,500; 65 percent had less than $1,500; 42 percent less than $1,000; and 14 percent less than $500.

A family of five, living in some rather remote mountain or rural section of the country on an annual income of $200, $300, or $400 per year is not going to find it easy to provide the children with clothing considered suitable if the youngsters are to go among other children. The same thing may hold true with poor families in the cities. The supplying of lunches, books and supplies, and transportation may be insurmountable difficulties.

When the matter of secondary education is under discussion, the lack of adequate family income is a still greater complication. Today at least a third of our American children are not able to attend high school, and fewer than 50 percent actually graduate. As in the case of those who wish to attend college but have not the means to do so, the principal reason for pupils quitting high school is lack of money. In recent years aid of $5 per month per pupil from the National Youth Administration kept a quarter of a million boys and girls in high school. Only $5 per month, but what a difference it made.

In December 1937 out of approximately 223,000 N. Y. A. aided junior and senior high-school pupils, about three-fourths came from families having no more than $1,000 per year income, and it was usually less. Forty percent of these pupils came from families where the annual income was $499 or less. The size of these families was large by present-day standards. Over 50 percent of the pupils aided by N. Y. A. to attend junior and senior high school came from families of six or more members.

The advisory committee on education, after reviewing the work of the N. Y. A. in aiding youths to continue in school, concluded:

> There are presumably at least a quarter of a million young men and women receiving aid to whom, on the average, less than $5 a month makes all the difference between going to school and not going to school. Yet this quarter of a million constitutes only three-fourths of all applicants for school aid, and there are probably many more youths whose circumstances would warrant aid, although their need is not so great.

In other words, our free education is really free only under certain conditions. Of course, we want it to be free and we want it to be effective, truly preparing our boys and girls for life. Is it meeting our 1940 needs? The fact is that it is not. The year 1940 sees us in the midst of a complicated mechanical civilization, where democratic institutions are in peril. It sees us struggling with unemployment problems, aggravated by the millions leaving or graduating from school each year and seeking entrance into the ranks of wage earners. The situation is very different from that which we knew even 25 years ago. A preparation which may have been adequate in 1915 is sadly deficient today.

I believe, with the educational policies commission of this city, that boys and girls today must be educated to be efficient wage earners in the public schools; that the vocational training of 1940 should begin in the primary grades, where pupils should learn habits of industry, punctuality, neatness, care of tools; that an up-to-date 1940 school should provide prevocational training, consumer training, civic education, training in mechanical skills, and practical courses in everyday sociology and economics.

Because all surveys and studies point clearly to the fact that there will be an increasing demand for highly skilled workers, I believe that we must plan now to educate the child of average ability until he is 19 or 20. The average boy and girl in 1940 needs schooling through junior college and should be ready for a definite job or jobs when he or she leaves school. I believe that we need more junior colleges. I believe that more communities should embrace the cooperative part-time programs in diversified occupations, for which the Federal Government will advance one-fourth the needed money. This training, whereby high-school students in junior and senior classes get experience in the business world before graduation, has apparently been a success in cities where it has been given a fair trial.

As for any illiteracy anywhere, let us do away with it once and for all. It hampers our progress as a nation when we have even a few persons among us who cannot read newspapers and magazines, advertisements, safety signs, directions. Let us encourage all States to set 10 years' schooling as a minimum requirement. Let us urge that States enforce this requirement and in no case evade it by providing loopholes such as the issuance of work permits to children of 14 or 15. Certainly this country is not too poor to provide good, free education. Let us give whatever Federal grants-in-aid are needed to enable States to provide really free and truly adequate education to all the children of our land.

Politicians and Bagmen

EXTENSION OF REMARKS
OF
HON. FRANCIS J. MYERS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1940

EDITORIAL FROM THE PHILADELPHIA EVENING LEDGER

Mr. MYERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Philadelphia Evening Ledger of April 9, 1940:

[From the Philadelphia Evening Public Ledger of April 9, 1940]

POLITICIANS AND BAGMEN

While there are many points of similarity between the current campaign for the Republican nomination for President and that of 1920, there is one great variation. In 1920 there were two classes interested in the control and victory of the Republican Party. One was the politicians and the other was made up of the moneyed interests.

In 1920 Senator Boies Penrose, of Pennsylvania, was the dominating figure in Republican politics. His predecessors had included such astute leaders as Penrose's mentor, Senator Matthew Stanley Quay, of this State, and Mark Hanna, of Ohio. They were all politicians only, and worked in the interest of the men who produced the millions needed for success at the polls.

The men who handed over whatever sums the politicians demanded were the heads of great businesses and the families with untold wealth. They knew how to make money and were smart enough to know also that it took a very different stripe of man to be a master politician. So the rich men kept out of politics.

This year the situation is very different. For the last few campaigns the men who forked over the gold have also tried to run the political end of the party. The result has been a situation such as exists today in Republican politics.

The men of money know how to make money, but they are not politicians. The result is that there are no outstanding figures who can see the whole field and guide the party destinies in the right direction politically.

There are men in Congress and in the service of the Republican Party elsewhere who could steer the proper course if they only had the backing that was accorded Quay, Hanna, and Penrose. But, as long as the bagmen insist on being political leaders also, the political situation will continue in the doldrums where it is now floundering.

Tribute to the Fighting Sixty-Ninth and Father Duffy

EXTENSION OF REMARKS
OF
HON. JAMES H. FAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 10, 1940

TRIBUTE BY GEN. DOUGLAS P. MACARTHUR

Mr. FAY. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a tribute paid by Gen. Douglas P. MacArthur, former Chief of Staff of the United States Army, to the One Hundred and Sixty-fifth Infantry, the old

Sixty-ninth, to its chaplain, Father Francis P. Duffy, on the occasion of a reunion and showing of the motion picture, the Fighting Sixty-ninth, at the Waldorf-Astoria, New York City, January 24, 1940. As a fellow veteran of the old Sixty-ninth, I am happy to present it:

No greater fighting regiment has ever existed than the One Hundred and Sixty-fifth Infantry of the Rainbow Division, formed from the old Sixty-ninth Regiment of New York. I cannot tell you how real and how sincere a pleasure I feel tonight in once more addressing the members of that famous unit. You need no eulogy from me or from any other man. You have written your own history and written it in red on your enemies' breast, but when I think of your patience under adversity, your courage under fire, and your modesty in victory, I am filled with an emotion of admiration I cannot express. You have carved your own statue upon the hearts of your people, you have built your own monument in the memory of your compatriots.

One of the most outstanding characteristics of the regiment was its deep sense of religious responsibility, inculcated by one of my most beloved friends—Father Duffy. He gave you a code that embraces the highest moral laws, that will stand the test of any ethics or philosophies ever promulgated for the uplift of man. Its requirements are for the things that are right and its restraints are from the things that are wrong. The soldier, above all men, is required to perform the highest act of religious teaching—sacrifice. However horrible the results of war may be, the soldier who is called upon to offer and perchance to give his life for his country is the noblest development of mankind. No physical courage and no brute instincts can take the place of the divine annunciation and spiritual uplift which will alone sustain him. Father Duffy, on those bloody fields of France we all remember so well, taught the men of your regiment how to die that a nation might live—how to die unquestioning and uncomplaining, with faith in their hearts and the hope on their lips that we might go on to victory.

Somewhere in your banquet hall tonight his noble spirit looks down to bless and guide you young soldiers on the narrow path marked with West Point's famous motto—duty, honor, country.

We all hope that war will come to us no more. But if its red stream again engulfs us, I want you to know that if my flag flies again, I shall hope to have you once more with me, once more to form the brilliant hues of what is lovingly, reverently called by men at arms, the Rainbow.

May God be with you all until we meet again.

Control of Stream Pollution

EXTENSION OF REMARKS

OF

HON. BARTEL J. JONKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

EDITORIAL FROM THE GRAND RAPIDS PRESS

Mr. JONKMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Grand Rapids Press of March 20, 1940:

[From the Grand Rapids Press of March 20, 1940]

STAND BY THE AMENDMENT

The Barkley antipollution bill, carrying the Mundt amendment prohibiting "new sources" of pollution from discharging waste into the navigable waters of the United States and streams tributary thereto, is now in conference between the House and Senate. By refusing to accept the House amendments the Senate made it possible for pollution interests to launch a new attack on effective pollution control, which means an attack on the Mundt amendment, since that is the chief control feature of the measure.

Typical of this attack is a letter sent out by the natural resources division of the United States Chamber of Commerce, opposing the Mundt amendment, stating:

"The amendment is a departure from the principle to which the chamber is committed, viz., that in any measure to control pollution the basic principle of maintaining State and local initiative and responsibility rather than Federal control should be preserved. Moreover, it creates a situation where part of the pollution problem would be dealt with by the Federal Government and part by the States—an obviously complicated system to impose on any industry or community."

It happens, of course, that the streams of the country, meandering from one State to another and along State borders, actually present a Federal-State problem. The chamber's protest on this score is without substance. More than that, in seeking the elimination of the Mundt amendment, the chamber is saying, in effect, that it favors new sources of pollution.

Conservationists throughout the country dropped their opposition to the Barkley bill in return for this one amendment to ban future pollution. But apparently they can't even have that, if the interests represented in this protest have their way. The Izaak Walton league, which led the fight for the Mundt amendment, meets the United States Chamber of Commerce statement with the words:

"We will let the public be the judge whether the United States Chamber of Commerce is in favor of controlling pollution or whether it is actually in favor of protecting industrial polluters against any control over their pollution, actual or potential."

It is clearly the duty of House conferees on this measure to stand by this amendment. To do otherwise would be to break faith with the real conservation interests of the country.

Civil Service Board of Appeals

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, April 11 (legislative day of Monday, April 8), 1940

RADIO ADDRESS BY HON. JAMES M. MEAD OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by me last evening over the Columbia Broadcasting System in regard to a bill introduced by me to create a Civil Service Board of Appeals.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Good evening, ladies and gentlemen, I wish to thank the Columbia Broadcasting System for this opportunity to speak to you of one of the many problems pending before the present Congress.

Before discussing the merits of my bill to create a civil service board of appeals, I would like to dwell upon circumstances which, in my judgment, led to the necessity for this legislation.

At the time of the establishment of the civil service, there were about 15,000 employees placed within its classifications.

Today, and I quote the December 1939 figure, barely a half century since its beginning, the number has reached 660,694, a large proportion of whom are in the Postal Service.

During 20 years of service in the House of Representatives, it was my privilege and opportunity to become familiar with the problems of our civil-service employees.

As a member of the Post Office Committee, and later as chairman of that committee in the House, and today, as a member of the Senate Committees on Civil Service, and Post Offices and Post Roads, I enjoy constant contact with the problems confronting the civil-service employee in his relations with Uncle Sam, his employer.

The young man or young woman who enters the classified civil service, in some instances, does so at a financial sacrifice, for often private industry presents opportunities for more profitable employment.

But those opportunities are surrendered in the expectation that a career in the Government, while lacking the comforts of more attractive salaries, will, nevertheless, afford a measure of security through the assurance of continued employment.

By virtue of thrift and with gradual increases in his salary, a civil-service employee can give his children a good education and he can enjoy ordinary recreations and luxuries.

In his declining years—after he retires—he will have sufficient income from his retirement fund, set aside from his earnings over the years, to support him.

Each session Congress has under consideration some legislation which directly affects his welfare. His appointment to the service, his supervision while in the service, his separation from the service, all are governed by the Civil Service Act and by civil-service rules and regulations.

The law and rules to which I call your particular attention tonight relate to the removal from the service of merit-system employees.

Let me state the conditions under which they may be removed:

1. Removal must be for such cause as will improve the service, and for reasons given in writing.

2. The person affected must be given notice of removal and of any charges preferred against him.

3. He must be furnished with a copy of the charges.

4. He must be afforded a reasonable opportunity to personally answer removal charges in writing, and, if he wishes to, may submit affidavits in his own defense.

Now, from the foregoing, it would appear that an employee in the classified civil service is amply protected from the whims and caprices of superior officers.

However, those safeguards are often more apparent than real, for the significant reason that no examination of witnesses, nor any trial or hearing is required, except in the discretion of the person making the removal.

From this, we must draw the blunt conclusion that the human equation can, and does, enter into the employment fate of civil-service employees.

Adequate opportunity for redress, or for an impartial hearing, is not available to them as the law now stands.

Furthermore, we must remember that people in supervisory positions in the Government are like all the rest of us. They are subject to all the human frailties. Sometimes they discriminate, err honestly, or permit personal prejudices to guide their decisions. Most of us are guilty of such faults occasionally, and, therefore, this is not a damaging indictment.

But, when an employee is unjustly discharged, without an examination of witnesses, without a trial or hearing, and without redress, then we have created a most deplorable situation.

We have ruined his career, robbed him of his security, and wrecked his personal and economic future.

Now, again, let me emphasize that I do not condemn the heads of departments, or the supervisory officials of the Government, nor do I mean to imply that they are arbitrary and capricious in their disciplinary actions relating to employees under them.

I do wish to point out, however, that the law, as it exists today, in my opinion, could be improved, and dangers inherent in the present method of disciplining employees could also be removed.

Under existing procedure, it is the head of a department, and not the Civil Service Commission, who determines proper causes for removal.

The Commission's authority to investigate removals is restricted to cases where it is alleged that the required procedure has not been followed, where inequitable penalties have been imposed, or where political or religious discriminations have been exercised.

The Commission cannot investigate the sufficiency of the reasons for a removal made without due cause.

Whether or not the reasons are sufficient is a question for final determination by the appointing officer, and cannot, under existing law, be made the subject of appeal to, or inquiry by, the Commission.

In removing a newly appointed employee, who is serving the probationary period before achieving a permanent status after the first 30 days of service, it is not necessary, under existing rules, to prefer charges. The only requirement is that he be furnished with a written notification, setting forth, in full, the reasons for dismissal.

As to reductions in work or pay, while the act requires that reasons for such action be officially recorded, it does not require, or, for that matter grant, the privilege of answer by the unfortunately affected person.

You can readily understand how abuses can creep in under a system which gives to one man too much arbitrary power to suspend, remove, or discipline his subordinates.

A classified civil-service employee, once removed from the service, is at a disadvantage thereafter in his effort to earn a livelihood for himself and his family.

His training is of a nature peculiar to Government work, and only with difficulty can he quickly compete with those in private enterprise.

If his removal has been unwarranted, he, naturally, becomes embittered, and his pride and morale are injured.

Employees in constant fear of discrimination and prejudice cannot do a good day's work.

However, if they know that they have the right to appeal their grievances to an impartial tribunal, they are bound to be happier, more comfortable, and more efficient.

My bill proposes to create a United States civil service board of appeals of three members, composed of, first, a representative of the United States Civil Service Commission, who shall be permanent chairman of the board.

Second, one representative appointed by the organization, or union, representing the employee involved, or he may be a representative appointed by the employee himself.

Third, one representative who shall be selected by the other two members of the board.

Such a Board will insure an unprejudiced bar, to which an aggrieved employee can look for justice.

This board would consider and adjust complaints of Federal employees—when such protests are properly submitted—provided an effort has first been made to reconcile the differences between the employee and his superior.

If a department or agency of the Government dismisses an employee, he may follow the procedure set forth in the bill, and thereby, make appeal to the board within 90 days.

The board will have authority to hold hearings, to review the records in the case, and to investigate the facts.

Under such regulations as it may prescribe, it will, by a majority vote, determine the final action to be taken.

If the board does not agree with the Department's dismissal action, it shall order the employee restored to his position, or to a comparable position in another department.

If the board finds that disciplinary action which has been taken has been unwarranted, it may direct reimbursement to the employee of the salary he lost during the period of his removal, reduction, or suspension.

I am requesting a Senate committee hearing on this bill, and, in the meantime, I shall welcome any counsel and advice you may wish to offer me. Our effort must be to improve, extend, and encourage the merit system. This legislation commends itself to me as a helpful step in that direction.

Mobilizing for American Progress

EXTENSION OF REMARKS
OF
HON. STYLES BRIDGES
OF NEW HAMPSHIRE
IN THE SENATE OF THE UNITED STATES

Thursday, April 11 (legislative day of Monday, April 8), 1940

ADDRESS BY H. W. PRENTISS, JR.

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered by H. W. Prentiss, Jr., president of the National Association of Manufacturers, on the subject of mobilizing for American progress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Less than 4 years ago, I sailed one hot summer evening from the Russian port of Leningrad and found myself the next morning in the beautiful Finnish city of Helsinki. Our ship had traveled only 200 miles; we were in the same latitude; the climate was the same; and Finland certainly had no greater natural resources, indeed far less, than Russia. But what a contrast. In one city, a people shabby, dejected, gloomy; living in relative poverty and oppression. In the other, a people neat, happy, and smiling; living in good houses on clean, well-kept streets.

Why the difference? Was there not something basic, something fundamental in this appalling contrast? I am convinced that there was; that this surface difference found its roots deep in the hearts of the people and in their institutions.

The Russians, enslaved in a totalitarian state, were—and are—without freedom of speech, press, or worship, or the other civil rights which we in this country cherish so highly. They are told by political bureaucrats where they shall work, how much they may earn, and what they shall do.

On the other hand, the Finns exercise all the civil and religious rights of a modern emancipated people, self-governing, free to express themselves in private enterprise as each and every individual citizen may see fit. What a contrast of principles, practices, and institutions, of standards of living, and of human welfare, between these two nations.

Of what avail are principles after all, you may well ask. Yes, the Finns, like the Czechs, were overcome by the brutal force of a totalitarian state. But even in defeat their inspiring defense against overwhelming odds stands as a monument to the spiritual power that lives in a free people.

THE TRIPOD OF FREEDOM

How fortunate we are, you may be thinking, to face no such menace. We can protect ourselves against outside attack, and surely our liberties are not threatened from within. We treasure our freedom of speech, our right to worship as we please, our freedom to read and hear and say what we wish. No one is proposing that we abandon these hard-earned rights; no one would get far if he did. What need we fear?

As a matter of fact our danger does not lie in any direct attack upon these traditional attributes of a free people. Even the Communist and Fascist and Socialist groups among us prate about their devotion to representative democracy, and insist upon the preservation of civil and religious liberties, at least so long as they themselves are not in power. Oh no, they would not touch those two legs of the tripod of human freedom. The attack always is against that other leg of the tripod, economic freedom, the institution of private enterprise.

Throughout the ages, these three institutions have gone hand in hand. They are inseparable. When one goes, all go. The same basic concept underlies them all—a religious concept common to Protestantism, Roman Catholicism, and Judaism alike, the sacredness of the individual. On that spiritual concept rests the free man's right to participation in government; in other words, representative democracy. On it rests man's right to be free to worship, to read, to think, write, and speak, as his conscience directs, and to enjoy other traditional civil liberties. On that concept also rests the right of man to determine for himself the course of his economic life—the right to use his individual initiative in private enterprise. In other words, the spiritual principle of the sanctity of the individual soul is the foundation of our entire American system of government, economics, and civil and religious liberty.

NATIONAL ECONOMIC PLANNING AND ITS IMPLICATIONS

Continued economic hardship, however, may cause some of us to lose faith in the economic system under which America has built, on an industrial foundation, the greatest, the most prosperous, the freest civilization this world has ever known. Such doubters may become easy prey for the siren songs of would-be economic planners who offer themselves and their panaceas as the solution for all our current national problems.

Why not a little economic planning? Where is the threat to our liberties in that? The idea of planning makes a strong appeal, because we are a great industrial Nation and see the necessity of planning ahead as individuals and corporations in regard to our respective industrial and economic problems. But many of us have not stopped to realize what happens when the planning and decisions of millions of private individuals are replaced by the national planning and sweeping decisions of a group of people—no better, no worse than the rest of us—calling themselves government.

Once you have national economic planning, what becomes of representative democracy and civil and religious liberty in general? Naturally, if a few people set apart as "government" were planning presumably for the greatest good of the greatest number, they could not for one moment tolerate the throwing of any individual monkey wrenches into their carefully laid plans; otherwise their program would soon be brought to naught. Hence, even though the planners would be reluctant to take such action, inevitably they would simply have to control every opinion-forming agency, radio, press, school, and church.

In other words, under national economic planning, you would have here eventually just what you see in the dictator-controlled countries of Europe today—the suppression of all teaching except that which is in line with the general ideas of the government; censorship of the press; the end of freedom of expression; and the destruction of religious liberty. We should have sacrificed our liberties—and for what? Security? No. Unfortunately, the "state" is made up of fallible human beings just like you and me. Nobody can know it all. Everybody makes mistakes. Fortunately our mistakes as individuals do not have national consequences, but if a national "planner" made a bad mistake it might result in a national catastrophe.

How can nations avoid stumbling into communism or fascism or national economic planning—state socialism? A study of modern history shows that the economic tyranny which presages the end of human liberty always begins during some great period of political and social unrest, frequently resulting from economic hardship. Those whose judgment and advice were sought in the preceding era of prosperity are discredited in every way possible and, under the guise of emergency, the state intervenes actively in the management of agriculture, industry, banking, and commerce. Panacea after panacea is produced, and soon the whole economic picture is so confused that no one can see clearly the way out. Then, when the public is discouraged and disheartened, and uncertain whether there is a way out, those in authority point out that economic science is hard to understand, anyhow, and that the wise course is just "to leave it to us. We will plan everything for you. All you have to do is relax and wait for prosperity."

Unfortunately, we can see at least the beginning of that pattern operating in this country today. Understand, I do not charge that all those who have been trying so zealously to discredit American businessmen and who have been plumping for Government intervention in every form of productive enterprise are aware of the inevitable outcome of such a policy. But that great liberal, Justice Brandeis, has warned us that "the greatest dangers to liberty lurk in insidious encroachments by men of zeal, well-meaning but without understanding." It makes little difference whether such people are seeking collectivism or whether they are stumbling into it; the effect will ultimately be the same—the death of private enterprise, and the consequent loss of our civil, religious, and political liberties. Reasonable umpiring on the part of Government is right and proper, but Government umpiring is quite a different thing from national economic planning.

MOBILIZATION FOR UNDERSTANDING

So tonight I call upon every member of the National Association of Manufacturers and upon every other patriotic industrialist to join in a vast mobilization for understanding of our American system; to take enough time from their businesses to buttress the foundation of private enterprise upon which this Nation has been built.

And I bespeak for them a sympathetic and cooperative reception from every public-minded citizen and from every group that desires to help end a decade of economic stagnation and thus again start America on the path of social and economic progress wherein our personal liberties will be secure.

Briefly, we propose to ask every patriotic industrialist to pledge himself to become an outspoken advocate of the free institutions and traditional ideals of America. We want him to miss no opportunity to broaden the appreciation and understanding of the importance of free enterprise as one of the inseparable foundations of personal freedom. We want him to pledge himself to be ever on the alert against attacks on the tripod of freedom in America and to hold himself in readiness to meet such attacks with all the vigor and intelligence which he commands. We want him to discuss the principles of a free society with his wife, with his children, with his business associates; with clergymen and educators and civic leaders; before patriotic societies, service clubs, and young peoples' organizations; to discuss them, in fact, with every true American with whom he comes in contact.

All of these who should be, and in general are, firm exponents of personal freedom can be important opinion-molding agencies. Through them this movement to create a better understanding of American private enterprise can spread far beyond the limits of our own contacts.

THE GOAL OF AMERICAN PROGRESS

Our country and its institutions are fundamentally sound. With economic understanding, backed by the irresistible force of unity of purpose, virtually no goal is too ambitious for us to seek. Industry's dream for America is more and better food, shelter, clothing, and transportation; more education; more cultural opportunity; more leisure for everybody. It seeks, moreover, to set up reasonable safeguards against the four specters that haunt the minds of every human being—the specters of sickness, unemployment, old age, and death. Industry recognizes, however, that physical comfort is not enough; that no man lives by bread alone; that to be truly happy a man must have intellectual, political, and spiritual freedom.

Such is industry's objective for America. It is difficult to comprehend that it will not have unanimous support. Yet there are those who will not admit that business can really have a patriotic purpose. We shall be accused of engaging in a gigantic campaign in the selfish interest of industry alone and of being actuated by political motives.

DEFENDERS OF FREEDOM OF ENTERPRISE

Yet no sincere individual, eager to help preserve our American liberties, can possibly justify the denial to industry of the right to champion free private enterprise. Every other one of our fundamental liberties has its own defender. The church properly rises up in arms at every attack upon religious liberty; academic freedom cannot be questioned without drawing the immediate fire of educators everywhere; a free press finds militant support among the newspapers of the Nation. Freedom of speech is defended by those who desire to talk publicly; the right to vote, the right of free assemblage—all such rights find support from among those who exercise them. Must private enterprise, so equally essential to human liberty, remain undefended? Industry says "No." Concurrently with our constructive program for patriotic cooperation and mutual understanding, the National Association of Manufacturers, directly or with the help of manufacturers participating in this mobilization, will also endeavor, courteously but decisively, to refute every false accusation of substantial importance that is made publicly against industry. In this, too, we want the support that I know the people of this Nation will give to any group which has the courage of its convictions in a cause vital to the public interest.

Again, I invite every public-spirited manufacturer to join with us in this patriotic crusade for the maintenance of economic and personal freedom. In fact, we would appreciate the counsel of every person who feels deeply on this subject and will take the time to write the National Association of Manufacturers, 14 West Forty-ninth Street, New York City. Even though we may not be able to respond to every such communication, you may be sure that all suggestions will be considered carefully. For, though this program is of and by industry, it is with and for the people of the United States.

TOWARD REALIZATION OF AMERICAN IDEALS

The realization of the American ideal of a constantly rising standard of living; the preservation of the spiritual freedom in which the full social value of individual initiative and enterprise alone can be made effective; the maintenance of a civilization in which all men are recognized as persons, with rights that no rulers or classes or majorities may annul—all these objectives are at stake as we face the future of free private enterprise in the United States. As patriotic Americans we must take to the oars vigorously if we are to hold our course steady in the conflicting social and political currents of the chaotic world in which we live. As manufacturers, we must always come into the court of public opinion with clean hands and fully discharge our responsibilities of social stewardship. As citizens we must help keep America true to her basic principles and ideals. To the attainment of that objective let us enlist ourselves and all who share our purpose, with faith that we cannot fail.

Crawford Williamson Long Commemorative Stamp

EXTENSION OF REMARKS

OF

HON. RICHARD B. RUSSELL

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Thursday, April 11 (legislative day of Monday, April 8), 1940

ADDRESS BY POSTMASTER GENERAL FARLEY

Mr. RUSSELL. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a very able and informative address by the Honorable James A. Farley,

Postmaster General of the United States, which he delivered at Jefferson, Ga., on April 8, 1940. The occasion was the first-day sale of the postage stamp issued to commemorate the first use of ether in performing a surgical operation, when it was used during an operation by Dr. Crawford Williamson Long.

A statue of Dr. Long was placed in the Hall of Fame of this Capitol in the year 1926 as one of the two statues permitted the State of Georgia. Official recognition by the Post Office Department of the justness of Dr. Long's claim to the honor of this great discovery is gratifying to thousands of Georgians and to lovers of truth and justice everywhere.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It affords me a great deal of pleasure to visit your distinguished State again. Your gracious hospitality and your heart-warming friendship always make me feel perfectly at home among you. I am sure that such cordiality to the visitor within your gates springs from your love and pride for your State, its history, its traditions, and the famous wonders of benevolent nature. Your beautiful Nacoochee Valley, described so interestingly in Indian folklore, the mountain peaks, not many miles from where I am standing, your majestic Stone Mountain, the largest exposed mass of granite in the world, your internationally known springs, with their healing waters, are included in your many endowments of Mother Nature.

In the affairs of the Nation, Georgia has always assumed and maintained a commanding position in the sisterhood of States. I am reminded that you were one of the Original Thirteen Colonies, budding into statehood with an area larger than that of any other State east of the Mississippi River, a veritable empire in itself. Moreover, three of Georgia's citizens were numbered among the signers of the charter of man's freedom, the Declaration of Independence. Indeed, your renowned statesmen and national leaders, in all walks of life, have occupied preeminent places in the building and development of our Republic.

It is both significant and fortunate that the humanitarian whose work we are gathered here to commemorate should have come from your own red hills of Georgia, for ever since James Oglethorpe launched at Yamacraw Bluff in the New World a haven for the oppressed of the Old World the sons of Georgia have carried on that tradition of sympathy and helpfulness for their fellow man.

I am most happy, too, that on the very day when the distinguished lover of nature, John James Audubon, is similarly commemorated in St. Francisville, La., that the town of Jefferson and the State of Georgia should acquire this 2-cent stamp in the series issued for famous Americans. It will remain, I am certain, an eminent memento of your State's greatest benefactor of humanity—the first man successfully to use ether anesthesia—Dr. Crawford Williamson Long.

It is a long way back to that spring day of March 30, 1842, when the settlement of Jefferson was but a rural community encircled by extensive plantations of "king cotton," many miles from a railroad. But let us glance briefly at the first surgical operation to be performed painlessly under the kindly influence of ether.

The patient, James Venable, who stated that he had delayed having this operation because he feared the pain, steps into Dr. Long's modest surgery. While a group of students look on curiously, Venable lies down on the couch; Dr. Long, using an ether-soaked towel, puts the patient quietly to sleep. A needle thrust into his arm brings no reaction. Dr. Long then takes his surgeon's knife and proceeds to operate. The wound sewed and bandaged, Long removes the towel and Venable regains consciousness. The only way he can be convinced that an operation has taken place is by showing him the tumor removed from his neck.

Today, this procedure seems commonplace; it is routine. We forget to marvel at man's greatest conquest—his triumph over pain. Throughout the ages men have tried to free the operating table from the curse of torture. Ancient and medieval peoples alike sought in vain for drugs and for all the "drowsy sirups of the world" to soothe their physical pain. But it remained for Dr. Long, as with a magic wand, to discover the formula and develop the process that was to drive away the shadow of pain and bring surgery into the daylight of modern accomplishment.

Because of this quiet country doctor from Georgia's ruddy hills, the mantle of suffering was removed from the surgeon's knife. And men of all races, creeds, and classes must be forever united in generous gratitude to the discoverer of anesthesia.

Dr. Crawford W. Long was born, as you know, in Danielsville in November 1815. He studied at Franklin College—now the University of Georgia, where the State motto, "Wisdom, justice, moderation," must have impressed itself deeply upon the young man's mind. From the age of 5, when Crawford held his sister's almost severed fingers in place until help arrived, a career in medicine was ordained for the boy. "My profession," Long said later, "is to me a ministry from God."

He studied at Ben Franklin's University of Pennsylvania, then the best medical school in the country, and graduated equipped with unusual surgical skill and judgment. Then came the great decision of his life.

Here was an alert young doctor, well-trained, personable, ready to practice his time-hallowed profession. New York, Boston, Philadelphia, were his for the asking. But Crawford W. Long, like that great beloved son of Virginia, Robert E. Lee, decided to go back to the native soil of his home State and to pass his life among his own people. And here he practiced his art, according to the ethics of the physician, "with purity and with holiness."

Returning to Jefferson, the young man took up the duties of a country doctor of the old school. His sensitive fingers and friendly manner soon built a thriving practice, and the hoofs of his old gray horse, Charley, beat out a familiar rhythm in the lives of his neighbors. Crawford Long was a true southern gentleman—homey, genial, with a warm circle of friends who played whist and read with him the newest books of Dickens, Longfellow, and Washington Irving.

They often watched the traveling lecturers on chemistry demonstrating the hilarious effects of laughing gas on members of their audiences. Or they would go to one of the fashionable "ether parties" which your grandfathers and grandmothers probably used to enjoy.

Long had remarked that members of these parties never seemed to notice the knocks they got while under the influence of the laughing gas or ether. Logically, if either relieved the pain of bruises, perhaps it might relieve other pain as well. The successful experiment with Venable in March 1842 gave Crawford Long a practical demonstration that his theory was right.

Naturally, his discovery provided Dr. Long with a great sense of exultation—but also a sense of grave responsibility. The experience was against all medical teaching and varied were the opinions of his colleagues. Perhaps not all patients could be put to sleep in this way; perhaps this anesthesia was not due entirely to the ether; perhaps the effects would wear off too quickly to permit a major operation. There were a thousand skeptics. Long had been educated against rendering a premature judgment. So he waited for more opportunities, more patients, before publishing his results.

But Jackson County, 98 years ago, was small and inaccessible. News traveled only by word of mouth. There was no medical society; there was no hospital; there were but a few scattered patients and a major operation was a rarity. So Dr. Long had all too few chances to test his method. He was perfectly candid. There were no secrets about his work. He sought no patent or financial reward. To help his patients was of first importance, and to obtain recognition for his service to the field of medicine was secondary.

Whoever said that "character is the only exact measure of anyone's might in the world of action," would have labeled Crawford Long a mighty individual. A faithful physician, Long was also an ideal husband, father, friend, and citizen. He was the personification of southern good manners; quiet, gracious, modest, with a high reverence for womanhood. Life to him was something mellow, to be enjoyed in one's home or one's garden.

Admired by all women for his charm and striking good looks, and respected everywhere among men, Long never hesitated to assist an old friend. His daughter admitted, "There was nothing of which he was afraid, but he would always dodge a bee." I'm not so sure he always did. Talking, once, with friends, he used the phrase, "an aching void." One bright fellow commented, "Doctor, how can that be? No void can ache." Whereupon the good doctor calmly replied, "Have you ever had a headache?"

But the evenness of disposition of this man was remarkable. When he finally submitted his claim for recognition, he wrote: "Should the society say that the claim, though well-founded, is forfeited by not being presented earlier, I will cheerfully respond, 'So might it be.'" Such modesty was hardly suited to win his battle. Yet, never in all the years of struggling did his disappointment turn to hatred. Indeed, he hesitated to share his sorrow for fear of making others unhappy. Dr. Long's aim was always to make others well—and happy.

What was the effect, then, of the unfortunate War between the States on this true physician whose only wish was to benefit his fellow beings? Long at first opposed secession; but when Georgia left the Union, he once more went with his State. Throughout the 4 years of the conflict he contributed freely of his medical services, behind the lines as well as on the battlefields. The trials of economic and military warfare he bore without complaint.

One dramatic incident stands out. When Sherman's advance menaced Long's home, he galloped from the front to remove his daughter, Frances, out of danger. In a glass jar he placed all the documentary evidence pertaining to his discovery. Since its loss would certainly end whatever hopes he retained, he admonished her to take the greatest care of the jar during her escape.

"I will die before I surrender it," the excited girl exclaimed. While Long rode back to the lines, Frances hid the precious jar under her numerous petticoats and sped off to safety.

After the war Long went back to help his people mend the soil of the shattered South and the bodies of its despondent citizens. He had the strength and courage to overcome his poverty and rebuild his practice and his position in the community. Always he searched for medical truth. He was one of the first physicians to believe that fresh air and diet would help tuberculosis. He was in the forefront of his profession in using quinine and in treating typhoid. And he died as he had lived, at the bedside of a patient to whom he had just administered ether.

Certainly, the world was made richer for this man's life. Even had he not been the discoverer of anesthesia, Crawford Williamson Long's intense ambition to do good would stand as a monument to his profession. His unselfish devotion to duty—in the face of successive obstacles and disappointments—throw a welcome spotlight on man's all too often forgotten humanity to man. "The mills of the gods grind slowly, but they grind exceedingly fine," is a familiar

quotation. Today the world acknowledges Dr. Long's benefaction to mankind. Now, through this commemorative stamp, his fine face, his distinguished name, and his great contribution to humanity will be known to millions more who will honor and bless him.

"The measure of true greatness," said your Dr. Garnett Quillian, of Atlanta, "is determined by what one does, the spirit in which one does it, and its usefulness to the world." Dr. Long's work stands alongside that of Jenner, Lister, and Louis Pasteur. His spirit of faultless humility reminds us, perhaps, of that great Frenchman. Dr. Long's contribution in overcoming the tyranny of pain is of immeasurable value. Surely, I would not be far wrong in thinking that his service to humanity deserves its own memorial in the far-flung heavens of man's achievement.

This stamp carrying the image of Dr. Long, first issued today, is of the 2-cent denomination, and is red in color. I commend it to you as a well-deserved national tribute to one of your best-loved and most-famous sons; its color is most appropriate in symbolizing the red old hills of Georgia, which you have so widely memorialized in song and legend.

In conclusion, may I refer again to the words of Dr. Long, embodying the noblest concept of duty and responsibility in the heart and mind of man—words which are chiseled deeply in the marble base of the Crawford Long statue in the Capitol at Washington for countless thousands to see and consider—"My profession is to me a ministry from God."

The War in Scandinavia

EXTENSION OF REMARKS

OF

HON. ROBERT R. REYNOLDS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Thursday, April 11 (legislative day of Monday, April 8), 1940

ARTICLE BY HUGH S. JOHNSON

Mr. REYNOLDS. Mr. President, pursuant to the permission granted me during the course of my remarks today, I ask to have printed in the Appendix of the RECORD an article by Hugh S. Johnson, from the Washington Daily News, of Thursday, April 11, 1940, on the subject of The War in Scandinavia.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, April 11, 1940]

ONE MAN'S OPINION

(By Hugh S. Johnson)

The most cockeyed reaction to the outburst in Scandinavia is that it sets the "isolationists" back on their heels. It doesn't even bear on the question.

I hate sloganeering labels, yet I would rather be called an "Americanist" than an "isolationist"—although I sincerely believe that they are the same thing; and, if they are, "what's in a name?" But what is sauce for the goose ought to be the same for the gander. There are only two sides to this question. My suggestion is addressed to the amateur military kibitzers who insist on our taking partners in this dance of death, and who call people of my opinion "isolationists" because they believe in arming our own dugout to whatever extent is necessary and staying in it. My suggestion is that these people proudly label themselves "interventionists"—and, since they glory in their opinions, be proud of the descriptive title which far more aptly distinguishes them than the word "isolationist" describes our train of thought.

It is absolutely fair to label them as "interventionists." But maybe it isn't fair to do so without distinguishing between two clear classes of them. One group presses for American intervention on purely idealistic grounds. They are the do-gooders. They think "The Son of God goes forth to war." They want to send other people and other mother's sons or other people's money into this bloody shambles to maintain "decency on earth."

Even that statement might, on the surface, seem to carry an element of unfairness. Some of them are willing to embark themselves and their own sons on such a crusade. But whatever unfairness springs from this is only superficial. There is ample opportunity for this kind to do this right now. All they have to do is to go across the Canadian border and enlist. If they want to sacrifice their treasure as well as their blood, the British and the French treasuries will accept it with gracious notes of thanks.

But most do-gooders and "great liberals" are not considering personal sacrifice. They get, if they do not seek, the crown of public approval of their bleeding hearts without bearing any cross or personal sacrifice to achieve it. They ask a vicarious sacrifice. They want to make "the Government" do it—which means to make everybody do it whether everybody agrees with them or not.

But there is another and entirely different school of interventionists with whose reasoning I have full respect even if I can't agree with their conclusions. They say that we ought to get into this war on the Allied side to lick Hitler as the cheapest means of self-defense. Of course, they do not dare say, in the present state of public opinion, that we ought to send troops and ships; but, as the President has said and undoubtedly believes, only measures less than war but more than words.

The more realistic among them well know and privately admit that these are mere "mealy mouthings"; that modern war is more deadly on the economic side than on the military side; that you can't wage economic war without getting into bloody war. But they insist, nevertheless, that this is our best war strategy—come what may.

I respect that approach because it is fundamentally American and realistic. But I question its amateur and deadly conclusion. It threatens to sprawl our military and naval defense all across the world and so to fritter and destroy our strength. If this war proves anything, it proves that no nation can depend on the alliance or protection of any other. All wars prove that dissemination of fronts and forces is fatal. Every military principle demands that we put ourselves in a position to defend ourselves on this hemisphere against any combination of enemies and get the hell out of the other hemisphere in both Europe and Asia. We can't do that on the policies of the interventionists of either class. They are both counselors of evil and danger.

"Return to the American Way"—Republican Campaign Speeches

EXTENSION OF REMARKS

OF

HON. LISTER HILL

OF ALABAMA

IN THE SENATE OF THE UNITED STATES

Thursday, April 11 (legislative day of Monday, April 8), 1940

EDITORIAL FROM THE MONTGOMERY (ALA.) ADVERTISER

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Montgomery Advertiser of April 10, 1940, under the heading, It Is a Campaign Year, in which is discussed a certain feature of some Republican campaign speeches.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Montgomery (Ala.) Advertiser, April 10, 1940]

IT IS A CAMPAIGN YEAR

Editor Charles Michelson of the Democratic Clip Sheet begins a piece by remarking that "one of the stalest and most tiresome in the whole list of banalities with which the speeches of Republican orators are filled is that the country must 'return to the American way.' It must be got back to the good old-fashioned American methods and, of course, the only reliable agent that can be found to turn the trick is the G. O. P."

The first thing to be noted about this slogan is that it is an appeal to go back, says Editor Michelson. "No hint here of going forward in the energetic American way, by improved means, to better things, but always the refrain, 'Backward, turn backward, O Time in thy Flight.' Back to the good old days when we Republicans were running things."

Because this is a campaign year one does not expect his partisan pamphlets to be rigidly bound by the old-fashioned rules of logic. The people like their political thunder and lightning loud and brilliant. And knowing this Editor Michelson proceeds to roar at the iniquitous Republican Party in the following charming manner:

"But another more important feature, which is not mentioned by Republican propagandists, is the specification of the exact American ways to which they are inviting the people of the country to retrace their steps. There have been many kinds of American ways in the history of the Nation, many ways fully entitled to be called American because indorsed by use and public sentiment. Travel by stagecoach; sulphur matches, candles, kerosene lamps, snuff taking, and public spitting were once unprotested American ways. We don't suppose it is to these things the Republicans wish the public to revert.

"If they don't mean that, what do they mean? Let them be specific. Coming closer to the present, in the last part of the last century and even in the first years of the present century virtually the only way of settling bitter strikes was to call out the militia or the Federal troops and shoot down the strikers. It was then the 'American way,' because it was generally practiced and was opposed only by those being shot at and their few sympathizers. Is this an American way to which the Republicans want to go

back? Do they want to abolish all the enlightened labor legislation over the years up to and including the Wages and Hours Act and the Labor Relations Board, so that we may return to those sanguinary methods?

"Perhaps they only mean that they want to return to the more recent time of 'normalcy' under the Harding administration, to Teapot Dome, and Daugherty, and the looting of the Veterans' Bureau. It may be unfair to suppose they want to go back so far, but they surely have some definite thing in mind when they ask us to follow them back to the 'American way.' If it isn't any of these 'American ways' practiced by publicly approved officials, then they must want back those splendid days of Coolidge and Hoover. In the 'American way' as understood then, the 'free enterprise' of banks to fail and ruin their depositors, of corporations to water their stock and defraud their shareholders, of promoters to peddle worthless securities was unrestrained.

"Under those 'American ways' the aged and the unemployed were protected in their inalienable right to get work or starve, the privilege of farmers to sell their wheat for 32 cents, their corn for 19, their hogs for 3, and their cotton for 5 cents was unchallenged, and the claim of the destitute and hungry on the sufferance of private charity was rigidly upheld.

"We are asked to go back, back to some good old 'American way,' which because of the source of the appeal must also have been a Republican way, and we are entitled to know what one. The list is open. Let the Republicans pick a number."

The Republicans have picked their number. They want to go back—into power, and be party No. 1 again.

Booker T. Washington

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, April 11 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK, AT COLLEGE HILL STATION, NEW YORK CITY

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by me at the exercises in connection with the first sale of the Booker T. Washington commemorative stamp at College Hill Station, New York City.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, honored and distinguished guests, ladies and gentlemen, I deem it a rare privilege to be here this morning and to share with you the pleasure of participating in these splendid commemorative ceremonies. I know that this occasion is the source of great joy and satisfaction to all who are familiar with the life and the works of Booker T. Washington. It is likewise a source of encouragement to the colored people of America to realize that one of their own has finally been recognized and honored by the leadership of our representative democracy. Such deserved recognition is truly representative and should be encouraged in every field of human endeavor.

Postmaster Goldman, whose leadership and cooperation has helped to make this demonstration the splendid success it is, deserves our commendation.

I am especially pleased with the favorable reaction of the country to the series of famous Americans postage stamps now being issued by the Post Office Department.

Every phase of American life is recognized—author, poet, scientist, inventor, composer, and the educator.

In this last caption the great and outstanding work of Booker T. Washington, not only among his own people but as a noted American educator, is fittingly commemorated on a postage stamp that will always be recognized as a symbol of peace.

Washington's heroic work at Tuskegee is world-wide in its merited recognition. It is a factor in bringing deserved recognition to a race that never before attained such greatness in so few years. He advanced the cause he loved. He won the admiration of every race.

This national tribute can only serve as an inspiration not only to the Negro citizen but to every American as well. April 7, founders' day at Tuskegee, is an appropriate date and place for the first-day sale of this stamp, because it was there that Washington devoted his tireless energies and his love for his people, which have had a lasting effect upon our country. Tuskegee stands as a monument to his memory and the efforts which he lived to see realized, the advantages of cultural education which brings with it the heritage all of us enjoy as American citizens—life, liberty, and the pursuit of happiness.

The popularity of this stamp is evidenced by the prediction of Post Office Department officials that this will be the largest first-day sale of a 10-cent stamp in the history of the Post Office Department, and I have been eagerly awaiting the first-day sale of the Booker T. Washington stamp. It will be a distinguished addition to my collection of famous Americans.

Now that the President of the United States the Honorable Franklin D. Roosevelt, as well as the Postmaster General, the Honorable James A. Farley, have given this well-merited recognition to Booker T. Washington, I trust that the Congress of the United States will lose no time in the enactment of the anti-lynching bill now pending in the Senate. The adoption of this measure will be an act of justice which has been delayed and postponed altogether too long now. By the issuance of this commemorative stamp and by the enactment of this legislation, the cause of culture, education, justice, and humanity are advanced. I urged the issuance of the Booker T. Washington commemorative stamp; I will vote for the Gavagan-Wagner antilynching bill.

What the Constitution Means to Us in the World Today

EXTENSION OF REMARKS

OF

HON. WILLIAM L. NELSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

ADDRESS OF MISS MAURINE JACKSON, BOONVILLE, MO.

Mr. NELSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an oration, What the Constitution Means to Us in the World Today, as written and delivered by Miss Maurine Jackson, Boonville, Mo.—Miss Jackson having been awarded an all-expense trip to Washington, D. C., as provided by me, in cooperation with the American Legion.

The address follows:

We, the people of the United States, enjoy today freedom and liberties which are granted by no other government in the world. We are guaranteed by our National Constitution a democratic government which gives our people the power to decide just what their legal rights shall be. Therefore, our Constitution should mean to us today a protection of individual liberties and participation in Government. The aim of democracy is to express the common will.

In a totalitarian state the people do not govern themselves. The head of the state is a dictator who has seized the reins of government and who can hold them only so long as the armed forces of the state are loyal to him. But the main body of our Constitution provides for three branches of Federal Government which may act as check and balance upon each other; thus the citizens are guarded against unwise and corrupt officials who may try to take away these guaranteed rights of the people.

European dictators deny their people freedom of religion, speech, press, and assembly on the basis that these stand in the way of efficiency. For those who disagree with the government of the totalitarian state, there is no access to the agencies of communication. These are used as propaganda tools of the government, and only one point of view is allowed. Personal liberty in the totalitarian state is clearly expressed by Mussolini: "The only freedom that can be seriously considered is the freedom of the state and the individual within the state." According to this statement individuals are never free to act as individuals, only as part of the state.

In a democracy personal liberty is carefully safeguarded. The government is the servant of the individual. Amendment I of the Constitution prohibits Congress from interfering with personal freedom of the people. Therefore a citizen may, without Federal interference, criticize the Government in speech and in writing, and may take part in meetings of protest against it. The only limit that need be placed on free speech is that it shall not directly give rise to an unlawful act. If he is accused of breaking the law, amendment I assures him of a prompt and public trial by jury. If belonging to any party, race, or group in the minority, he is entitled to protection should the majority try to interfere with his rights.

The framers of our Constitution saw clearly the value of unlimited discussion of all matters. Undoubtedly they realized the fact, that the very lifeblood of a democracy is well-informed public opinion; also they realized that free speech is a safety valve by which the grievances of persons or groups may be harmlessly aired.

The dictator gives no intellectual freedom to his people; he abolishes independent thought and tries to weld the millions of

separate human minds into one. Thus, many of the most distinguished scholars of Russia, Italy, and Germany are now in exile, or have been liquidated.

Articles I, II, and III and also the amendments of our Constitution provide for public rule; and government by the people is government for the people. Participation in government adds to the interest in life and sharpens the intellect. The individual character is elevated in that democratic rule broadens the sympathies and cultivates a civic consciousness.

In many respects, the Bill of Rights is the foundation stone of our American democracy. Under its provisions, American citizens may resist abuses and inequities which the people in Germany, Russia, and Italy must endure with no murmur of complaint. In a democracy the law is designed to protect the individual; the law of a totalitarian country is nothing but a means of regulating the people in serving the state.

Our Constitution does not create liberty—it merely gives liberty a voice. The preservation of human right will always depend upon the watchfulness and zeal of those who love freedom; thus the rights and privileges of citizens involve corresponding duties and obligations.

In these troubled times when the isms of the old world challenge the principles of democracy everywhere, the words of Abraham Lincoln point the way to the preservation of American constitutional democracy. Heed them we must—ignore them, and we too may awake to find liberty only a record of history. Our duties and responsibilities are clear. "Not with presidents, not with office-seekers, but with you is the question: Shall the Union and shall the liberties of this country be preserved to the latest generation?"

The Jeffersonian-Jacksonian Democratic Party

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

ADDRESS OF GEN. HUGH S. JOHNSON BEFORE THE NATIONAL DEMOCRATIC CLUB OF NEW YORK

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following able, fearless, and sound American address delivered by Gen. Hugh S. Johnson, a Jeffersonian-Jacksonian Democrat, before the National Democratic Club of New York on April 6, 1940:

We are met to honor Thomas Jefferson, the father of the Democratic Party. I'll bet he would be glad to see many of you, but I doubt if he would recognize what passes for sons of his in Washington. For old times sake I'm glad to foregather with anybody who ever even used to be a Democrat. But I marvel at being asked to speak to a Democratic club. Gee whiz! I'm a Democrat.

You ought to ask such battle-scarred party veterans as Harold Ickes and Henry Wallace, who probably never voted the Democratic ticket in their lives before 1932—and maybe not then—or the vaudeville team of Corcoran and Cohen, who, if they did support the party before 1932, were not important enough or responsible enough to have it make any difference. My information is that they were Hooverites.

But you asked for this. I didn't. You were specifically warned when I was asked to come here that I am not a linguist. I can only talk like a Democrat and not like the mangled "whatizitz" made over by the bright young men of the Washington palace guards.

I couldn't express my idea of what has happened to the Democratic Party any more plainly than I did in a recent column:

"There used to be a Jeffersonian-Jacksonian Democratic Party which was usually a majority. It consisted mainly of the agricultural South and West as a balance to the industrial East plus what it could win in the East. It was organized not to exploit but to prevent exploitation, not to regulate but to prevent regulation. It sought to direct fundamental national policy rather than to force handouts from the Federal Treasury. If it was against anything, it was that. Its foremost slogan was: 'Equal opportunity for all; special privileges for none.'

"That grouping in the first half of the last century was almost unbeatable. Then the Civil War came. It split the West from the South and poured so much blood and bitterness into the wound that for two generations western farmers voted for Republican high tariffs against their own interests, largely because the South was against the tariff. All the Republicans had to do was to go out to the great open spaces, wave the bloody shirt, and orate about mother, Bible, home, and flag, and the farmers forgot their interests and voted the regular ticket.

"That split made the Democrats generally a minority party until 1932 when the reunion of the West and South was accomplished largely on the Democratic promise of adequate farm relief. The Republicans had been leaning in that direction, too, but they were not quick enough. Mr. Roosevelt swept the prairies on a policy of recreating the majority South-and-West party of Jefferson and Jackson.

"New advisers flocked around him. Many were not Democrats, but they knew which side was up for them. They reasoned that western agriculture alone was too weak a reed to lean upon—that it was Republican by heredity and could be taken back by G. O. P. promises as it was taken away by Democratic promises.

"They invented the idea of building upon the basic Democratic minority, especially the solid South, by organizing and attracting through Federal hand-outs every discontented group in the country, regardless of previous political leanings, regardless of general policy, regardless of anything but political power and victory. They took the Negroes, the unemployed, part of labor, part of agriculture, the Townsendites, and the organized so-called youth groups—all the pressure blocs who are in politics for themselves first and the country afterward. They took them and they can keep them as long as they can subsidize them out of the public Treasury or until somebody else promises to subsidize them more. It is like the Cave of Adullam where King David of Jerusalem once hid and, according to Holy Writ, 'Everyone that was in distress, and everyone that was in debt, and everyone that was discontented gathered themselves to him and he became a captain over them.' From there they raided the rest of the people. These are the Adullamites and not the chosen Democratic people, and I warn you right now that I am not an Adullamite.

"It is a strange collection whose divergent demands have created the incredible inconsistencies of this administration. Grouped together, these organized discontents could never alone win any election, but added to the South, which is in political bondage to the Democrats, they swing the balance handsomely—notwithstanding that almost every policy forced by this grouping is such a contradiction of traditional Democratic principles that neither Thomas Jefferson nor Andrew Jackson could recognize it stripped to the buff in a nudist colony.

"It is formidable while it can be kept in line, but it is in no true sense a political party. It is a monstrous demagogic contraption, assembled with hairpins and hay wire, and stuck together with spit."

I am not here pleading that the Democratic Party dig up the bones of Andy Jackson and go back to all the Democratic policies of 1835. I fervently agree with Thomas Jefferson who said, "You may as well expect a man to wear still the coat that fitted him as a boy as that civilized society should ever remain under the regimen of its barbarous ancestors."

I want to see the Democratic party keep ahead of the necessity for social legislation. In a 12-year fight, I helped to invent and sell to it the idea—the necessity—of granting economic equality for agriculture. Maybe my old Blue Eagle was no aquiline Joe Louis. He certainly was picked to death by a sick chicken. But he first put into effect almost every principal social advance of this administration—maximum hours and minimum wages, abolition of sweatshops and child labor, collective bargaining and independent labor representation, a tribunal rather than conflict to settle labor disputes, and an effort, at least, to inject some decency into the welter of cutthroat methods in industrial and commercial competition.

Those things were in the bible of the liberalism of the old Democratic Party—the Chicago platform. I am, therefore, not here to apologize to so-called fourth New Deal liberals for either the true party or myself being reactionary. Our party always was the liberal party in this country. Democrats invented and did these things, and every other social advance, while fourth new dealocrats talked about them. But none of these early doings of necessary things tried to set class against class in this country, to wreck the economic system that made this country great, to build up any crazy-quilt Cave of Adullam political monstrocity by Federal hand-outs to quiet the complaints of every discontented group in the Nation.

I object to that for two of many reasons. In the first place, the way to satisfy discontent is to remove the causes—not to lard its symptoms with subsidies. In the second place, neither our political nor our economic system can long endure the cost of billions of annual hand-outs to purchase dissident groups and to make the Nation safe for the Democratic Party.

We have spread rich salve on the symptoms of our disease, but, as to every single cause of discontent, we have improved not one. Agriculture still remains in the economic "dog house" with its condition impaired rather than improved. Unemployment, which is the prime cause of all the other separate discontents, remains at about the same despairing figure. I go a step further. I think that the very cost and uncertainty of this method of salving symptoms has prevented and delayed a cure. The cure is for our business system to go back into normal activity. That salve has cost us twenty billions and increased our debt and taxes to a danger point. There is no relief in sight. That debt, those taxes, and this political program of further spending—debt, taxes, class hatred, and continued threat to the very basis of our tried and proved economic system—these evils are of themselves the proximate and removable cause of our national distress. Their removal is the cure of that distress and of every important dis-

content for which we have opened the Federal Treasury, mortgaged our future, and made our lagging economic failure a reproach and a laughingstock for most of the world.

This disastrous approach to such a problem is utterly inconsistent with every traditional principle of the true Democratic Party. Never in the history of politics was there a simpled, sounder, or more honest political platform than that adopted in Chicago in 1932. It was of the very fiber and substance of the Jeffersonian and Jackson tradition. And it worked. It worked as no political formula ever worked before in an economic field.

In this administration's first glorious hundred days, when it was brilliantly, faithfully, and courageously putting that platform into execution, our business and employment index went from the lowest point to the greatest advance in the shortest time in the economic history of this or any other country.

In the latter half of that year, under experiments advised by strangers to our Democratic faith, we began the shameful violation of every principle and promise of that platform—and we have been churning in economic futility and failure ever since.

This great party of ours doesn't need to be a big 90-percent dog wagged by half a dozen puppy tails of every radical group in this country. As between us and the Republicans, there is and there never can be in the minds of the American people any question but that ours is the liberal party—and this is a liberal age. There is no room for three parties in this country and there are not enough discontents in the Cave of Adullam to make a major party. They have no other way to go but toward this party of liberalism. Furthermore, there is no place else where it would be better for both them and the country for them to go. Any courageous and forthright Democratic leadership should recognize and act upon this simple fact, and not compromise with principle, cower and give down every time a minority pressure bloc or a Huey Long makes a noise like going third party or Republican.

Ours is a two-party system and not a system of political blocs in any party. That is rooted in the very foundation of our constitutional, parliamentary, and legal systems. Hitler could take over Germany principally because in the Reichstag there were no less than 26 separate political parties. The ridiculous parliamentary farce in France in the very presence of deadly danger is caused by a similar multiplicity of parties. The dignity and success and Strength of the mother of parliaments, Great Britain, happens because there, as here, there have been decades of devotion to the two-party system.

In England this insistence has gone so far that the minority in Parliament rejoices in the official but amazing title of "His Majesty's most loyal opposition," and its leader is paid by the Government £2,000 a year so long as he keeps his lead—£1,400 more than any other Member of Parliament. A substantial party of opposition is plainly necessary to liberty. It is frequently boasted by the Nazis that there is neither opposition nor unemployment in Germany. Neither is there in a penitentiary.

The two-party system is of the essence of democracy, because it is the only way to insure the sole object of democracy and free and liberal institutions—majority rule. You can't get majority rule on continued policy with twenty or half a dozen parties—or even three. It creates the logrolling monstrosity of horse trading, in which perhaps almost insignificant minority blocs can make the great groups of the people's representatives jump through hoops by throwing their influence this way or that on closely divided questions in return for some other concession not supported at all by the great body of the electorate. It is a frustration of democracy and of our most treasured standards.

This is especially true in a three-party system, and as we have seen—and the point I am trying to make is this—it is dismally true in a two-party system where one of the parties is in truth controlled by a collection of conflicting pressure groups fastened like ticks on the body of a traditional American political party. These groups take continuously, but they rarely give. It is hard to defend the charge that our great historical party has sold out not only itself but the country to minority groups of the most special privilege ever known in our history. We have erred from simple lack of courage to fight the issues through on principle rather than political pap. What does the party get from its burden of fellow travelers?

It seems worth noting to me that in getting its battles fought and mostly won in Congress and the country this administration has had little help from some of these strange new fish in the Democratic puddle. They make the policies, but they can't put them across. The old-line Democratic leaders have to swallow every nauseous dose they brew and sell it to the Congress.

It is these veteran Democrats who have borne the heat and burden of all these close contests—not the Schwellenbachs, the Peppers, and the Mintons, nor yet the Ickes, Hopkinses, Corcorans, or Wallaces. It has been the Pat Harrisons, the Joe Robinsons, the Jimmy Byrnses, the Georges of Georgia, the Cordell Hulls, and, saddest of all, the loyal, faithful Farleys. They have carried the fight and torch and all too often gotten kicks in the pants for their pains. Certainly our genial Jim, for all his smiling face, used to seem to sit down tenderly as though he would like an air cushion. Now he is not so careful, but that is because of the callouses. But, above all, how can we excuse the submergence of the guy that got more votes than any Democratic Presidential candidate before his time—the man who for a generation stood as the leading standard bearer of liberal legislation in this country, the captain who laid Franklin Roosevelt on the doorstep of the Democratic Party, the "happy warrior," Alfred E. Smith—and I would like to know where he is tonight. He is still alive, but he is as far forgotten as Jefferson, for whom a great monument is being erected in Washington by the new dealers—tons of granite to keep that mighty hero from rising from his grave and driving them into the Atlantic Ocean.

The good Lord knows that I have no wish to give aid and comfort to the Republicans—much as they need it. They haven't shown anything yet to convince me that they have advanced much beyond the God-awful platform and me-too policy of the 1936 Cleveland convention. I haven't seen anything to indicate that they will put up a much stronger candidate than Governor Landon, and there is no word in the English language adequate to describe anything less formidable than all that.

The way matters are going now, Mr. Roosevelt, whether he takes himself out of the race or not, will be nominated by acclamation after some stampeding cross-of-gold and crown-of-thorns speech in the convention. Then, if the Republicans repeat their campaign of 4 years ago—nothing but criticism plus imitation New Deal—half of the party saying one thing and the other half saying the reverse of that and neither saying much—it will be 1936 over again in the election as well as the campaign, and they certainly have shown nothing different from that to date. It looks to me like another certain Republican defeat.

That's why I am sure that the Republicans are not going to get much aid or comfort out of my kibitzing and probably unwelcome advice to my own party. No; I am not much afraid that it is not going to be a Republican defeat. My concern is whether it is going to be a Democratic victory or just a triumph for a few fourth New Deal Adullamites, making a true jackass out of the grand old Democratic donkey, riding him to a victory they could not themselves possibly achieve, and then turning him loose for another 4 years to browse and fatten among the boulders and thistles of some barren back yard while they do Heaven knows what more of the same to the peace and prosperity of this country.

I think I am as good a Democrat as anybody in this room, but I'm not an Adullamite and I'm sick of being a sucker Democrat. In this I am not speaking from any yen for personal political preferment. I've got a job that I wouldn't trade for any on the political roster. But I am a citizen of the United States before I am a Democrat. In my opinion, further continuation of depression and distress in this country is totally unnecessary. I am convinced that it could vanish almost overnight with an administration of Democrats in Washington. I greatly doubt whether it will ever vanish if Democrats win and then again step aside to leave the reins still in the hands of the same cock-eyed non-Democratic crew of business baiters, wand-waving wizards, drunken-sailor spenders, janissaries, do-gooders, and experimental theorists.

Almost all it would take to restore prosperity would be to get rid of this crew. If Jim Farley, or Jack Garner, or Cordell Hull, or any other old-school Democrat got in there, they wouldn't even wait on inevitable action. Beginning the day after election, there would be the greatest exodus of economic pansies out of Washington since the Pied Piper did a job as exterminator for Hamlin, and business activity would resume like a flood.

They have gutted the Treasury and increased to the breaking point the burden of debt and taxes on the whole people. Worst of all, by these very actions they have built strong barriers to business recovery. In this terrible world war in which some of them yearn to embroil us our fiscal strength is so seriously threatened that if we are sucked in we can hardly hope to escape, before the end, bankruptcy and a totalitarian control of our democracy as complete and ruthless as anything that exists in Europe.

There is no help to humanity in that. We have maintained a plateau of safety—a refuge and a tower of strength for democracy in this country. This course is abandoning it to dilute our strength with the world's weakness and to get down in the gutter and wallow in the world's distress.

I wouldn't want to trust this problem to Republicans because I believe that there are too many among their seats of the mighty who want to turn the clock back beyond the principles of the truly liberal social advance of the great Democratic platform of 1932. I don't believe that can be done either without volcanic upheavals in another way retarding our long-overdue prosperity and threatening our peace.

There is no doubt in the world that necessary social advances have increased our permanent cost of Government to somewhere between six and seven billion dollars. But, in my opinion, all that it is necessary to do to bring reemployment and prosperity back to this country is to adopt a simpler rule. Do what government must do as economically as possible rather than this disastrous recent policy that it should be done as extravagantly as possible on the theory that excessive spending is of itself a virtue and a cure. That change in fiscal policy, plus a vigorous attempt to encourage our economic system to work rather than to abuse, browbeat, and put it under suspicion as an antisocial, barely tolerated, and almost criminal racket. That economic system is all we have to rely on. The only alternative to it known to man are communism and fascism, and neither has ever worked to anything except the destruction of human freedom and the reversal of every faith and tradition that we regard as peculiarly our own.

These two policies are the way out of our valley of despair—and they are the only way. The Democratic Party should be the leader in adopting them. Simply these two—governmental economy and the utmost in freedom of private enterprise consistent with the

public peace and welfare—these meet all the increased social requirements of our twentieth-century civilization, and yet are of the very essence of the democratic faith and principles of both Jefferson and Jackson. Their application has changed, and must change, with changing conditions, as Thomas Jefferson said, but the fundamental truths change no more than the multiplication tables, the procession of the equinoxes, or the mortality rates.

Let's get rid of the interlopers and usurpers in the Democratic Party. Let's throw out these strange doctrines which have defiled the temples of our political religion. Let's return to the faith and house of our fathers, and there let us—the Democrats and no strangers—be master in that house. Let's do these things, not merely as an act of party expediency but as a valiant deed in defense of the very security of our country and the welfare and prosperity of the citizens of every party, faith, and creed.

Expansion of Fort Knox

EXTENSION OF REMARKS

OF

HON. EDWARD W. CREAL

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

PROTEST FROM CITIZENS OF MEADE COUNTY, KY.

Mr. CREAL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following protest of the citizens of Meade County, Ky., to the proposed expansion of Fort Knox:

The citizens of Meade County are protesting against the proposed expansion of Fort Knox, Ky., for the reason that, in their opinion, the taking of the proposed land from Meade County will destroy the county as a political unit of the State of Kentucky and base their opinion upon the following facts, to wit:

Total acreage of Meade County is	192,640
Total acreage to be taken, approximately	52,000
Acreage remaining	140,640

Out of this acreage the Government now has approximately 3,000 acres in Otter Creek Park area, and approximately 7,500 acres in present Fort Knox Reservation, when deducted from the above figure will leave a balance of 130,140 acres of land in Meade County.

Total assessed value of the real estate and tangible personal property in Meade County is	$2,443,725
Approximate assessed value of the real estate and tangible personal property in the area proposed to be taken is	$869,660
Total revenue for county and school purposes	$53,088
Total approximate revenue received from the area proposed to be taken	$18,011
Total population of Meade County, 1930 census	8,042
Approximate number living in the area to be taken	3,000
Balance	5,042

Number of schools in the proposed area to be taken, 8 graded schools and 1 high school, total enrollment 531, total teachers 20.

Number of churches in the proposed area 10, with a total congregation of approximately 1,600.

Meade County is operating a rural-electric cooperative to which the Federal Government loaned $185,000 to construct a total of approximately 181 miles of line with a total of 512 customers. The average revenue for the entire county is $3.50 per consumer per month. In the area proposed to be taken by the proposed Fort Knox expansion will destroy 64.4 miles of line, together with the substation, 196 consumers who pay an average of $4.05 per month, which will readily show that the proposed area to be taken is the most highly developed section of Meade County. Without this area the R. E. A. cannot operate and meet its obligations.

The bonded indebtedness of Meade County is as follows:

Road and bridge bonds secured by a 20-cent special levy now outstanding	$101,000
School bonds paid from general school fund	36,000

Without the revenue in the area proposed to be taken, the road and bridge and school bonds will be in default.

In the area proposed to be taken are the following towns:

Muldraugh: Situated on United States Highway No. 31–W with a school and two churches with the approximate population of 300 persons.

Garnettsville: Situated on Otter Creek at or near the entrance of Otter Creek Park, with one school and one church, population of approximately 50 persons.

Grahampton: Situated on Otter Creek on Highway No. 60, an old settlement in which are located 3 churches, 1 school, and one of the oldest cotton mills in the South which employs about 30 persons; the total population of the town is about 100.

Flaherty: Situated on State Highway No. 64, in which are located one graded school, one high school, and the largest church in Meade County. This town draws from more than one-half of the entire proposed area and is a very prosperous town and church community; many of the residents have lived in this community all their lives, and it is situated in the center of the best farming section of Meade County. There is also located in this town the only flour mill in Meade County and is in the center of the wheat district.

Big Spring: Located on State Highway No. 333 at the intersection of Meade, Breckinridge and Hardin Counties. This town is an old settlement and is the trade center for a large community, including the Big Spring Valley, which is noted for its land fertility.

There are four community graveyards in this proposed section, including the largest graveyard in the county and a number of private graveyards, where loved ones of Meade County people are buried.

From the above information it is clear that without the area which is proposed to be taken from Meade County for the Fort Knox Reservation, Meade County cannot exist as a governmental unit; there could not be sufficient revenue collected from the remainder of the county to maintain roads, schools, and the necessary governmental expenses. The local R. E. A. cooperative could not survive without the revenue secured by it in this area.

In addition to the revenue problem, the proposed area takes the most highly developed farm land in Meade County and will scatter several old and established communities, destroy their churches and schools which they have been a lifetime building, without any possible remuneration, and will necessarily force them to move and leave their acquaintances and friends behind and seek to begin life anew in some other community.

The citizens of Meade County do not mean to be unpatriotic and are willing to share their part but do not feel like having their county destroyed when there is other land bordering and adjacent to the present reservation in other counties which can be taken and will not destroy either Meade or the other counties.

The reasons given above are assigned by Meade County, why all the proposed extension at Fort Knox should not be taken from Meade County, which is the smallest of any adjoining counties adjacent to Fort Knox.

The Transportation System

EXTENSION OF REMARKS

OF

HON. WILLIAM P. COLE, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

ADDRESS BY HON. CLARENCE F. LEA, OF CALIFORNIA

Mr. COLE of Maryland. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech of the gentleman from California, Hon. CLARENCE F. LEA, before the Maryland Motor Truck Association, Inc., Baltimore, Md., March 27, 1940:

Mr. Chairman and gentlemen, I congratulate your association in being able to reelect as your president Mr. McComas, who so well represents your progressive and virile industry. Your president has also made a notable contribution to safe operation of the highways of our country.

I take pleasure in appearing before you at the central point of Maryland, with whose six Representatives in the House I have been so closely and pleasantly associated for a good many years.

I take particular pleasure in being at the home city of Congressman COLE. For a good many years Mr. COLE has been a member of the Interstate and Foreign Commerce Committee of the House, of which I am chairman. I have had a fine opportunity to know of his worth. He has given to our committee and to the country a service that is invaluable. Able, industrious, conscientious, practical, and courageous, he gives that type of service that the Nation so much needs. I would rejoice if we had more men like him in Congress.

Baltimore is one of the great commercial centers of our country. It is typical of our transportation system. Here the rails, the trucks, the busses, and water transportation meet and interchange their traffic.

We can visit the markets of your city and find a supply of every human need. The products of the truck patches of Maryland, California, and Florida find an equal place on your market stands. The factory products of the world are here. Our transportation system reaches out into the remote sections of the country and even to the rest of the world and makes Baltimore a market for their products.

IMPORTANCE OF TRANSPORTATION

From an economic standpoint the people of our country are engaged in three great enterprises: Production, transportation, and consumption.

In production we have the creative forces to supply the needs, the things people want.

In consumption we have the people using the things they want.

In transportation we have the connecting link between the producers and the consumers of the Nation. The function of transportation is just as essential as that of the producer. The speed, efficiency and economy of transportation greatly affects all values, labor, materials, and property alike.

For all time transportation has been a first consideration in the location of population as well as in progress. Rivers and harbors once determined the centers of population and the locations of markets for the exchange of goods, banking, and other enterprises. Naturally enough these economic centers drew to themselves activities such as education, arts, sciences, and other accompaniments of modern civilization.

America is a land of broad distances, widespread productive areas, and rich in its distribution of natural resources. It is occupied by people of higher consuming ability than any other great country. Its transportation will always be a dominating phase of our progress. Needless to say, as we deal with this problem, wisely or unwisely, we help or injure our country accordingly.

OUR TRANSPORTATION FACILITIES

Our transportation system consists of 3,000,000 miles of highways, reaching into every section of the land. They accommodate every form of highway traffic, including 30,000,000 motor vehicles. These private cars, trucks, and busses form a service in transportation that was beyond the dreams of the people of a generation ago.

We have 20,000 miles of domestic waterways. In the intercoastal traffic the ships serve half the population of the Nation. In the inland country we have thousands of miles of waterways penetrating the productive and industrial sections of the Nation.

We have railroad lines with a mileage extending 240,000 miles of routes and using 400,000 miles of tracks. There are 27 States in the country each of which has over 4,000 miles of railway lines.

Thousands of miles of pipe lines serve oil and gasoline to large areas in the Nation.

PLIGHT OF CARRIERS

The main reasons for our transportation problems are apparent. The first of these is the depression. That has reduced railway income by $1,000,000,000 a year and that of other carriers proportionately.

NEW TRANSPORTATION AGENCIES

The second of these is the difficulty of adjusting to new types of competitive transportation that have developed in the last 2 decades. Twenty years ago the Panama Canal had not become a factor in our intercoastal trade. Today it provides competitive transportation between the two coasts to 65,000,000 people living in the areas adjoining our shore line.

Twenty years ago pipe-line transmission of oil and gasoline was insignificant. Today a hundred thousand miles of pipe line perform a service for which they receive $138,000,000.

Twenty years ago the highways were little more than feeders for rail and water transportation. In the last two decades $11,000,000,000 has been spent in providing hard-surfaced roads for America. Thirty million vehicles use those highways. The development of the internal-combustion engine created one of the greatest economic adjustments any country ever experienced. Millions of horses and mules were taken from the American farms and supplanted by motor vehicles and tractors. Last year we spent on private passenger automobiles over $11,000,000,000.

Since 1920 the rail carriers have introduced economies that reduced the cost of their operations hundreds of millions of dollars a year. Reduced freight rates, increased cost of labor, materials, taxes, and other charges have wiped out those savings.

Today we have a surplus of transportation facilities, so far as the present needs are concerned. A turn for more favorable business conditions would reduce these surplus facilities. We cannot wisely dispense with the present surplus at this time and thereby create a shortage for the future, when better conditions will require the use of part, or all, of these facilities.

Regardless of surplus facilities created by the depression, we may reasonably expect that the rail carriers must suffer further reduction of facilities to meet their new competitive conditions.

For some purposes the trucks give better service than the rails. The truck has invaded the rail territory, taken, and will, doubtless, keep part of their traffic. We cannot complain against the innovation of a new type carrier. To forsake the old method in favor of a new and better one is just a rule of progress. It is our duty to give to a new form of transportation that place to which its economic advantages entitle it, and to maintain a like regard to the advantages of the older forms of transportation.

COMPETITION

Competition is part of the history of transportation in this country. One hundred years ago there was rivalry between the highway and water carriers and the infant railway industry. The railroads came in competition with the Erie Canal, which had been built by New York at a heavy expense. The public demanded that it should not be made unprofitable by parallel railroad competition. New York passed a law preventing a competing railroad from carrying any property except baggage of passengers. In 1848 New York compelled railroads running parallel with the canal to pay tolls.

In subsequent years the railroads, grown stronger, undertook to destroy water competition. They tried to do that by getting control of boat lines and by reducing competitive rates to make water transportation unprofitable.

Finally, competition was chiefly rail against rail.

SURPLUS FACILITIES

In the early days of the Republic, before the railroad, canals were built greatly beyond what economic conditions warranted. It is commonly believed that this excessive construction was a factor that contributed to the panic of 1837.

Before the Civil War the wooden sailing boat was the chief contributor to the golden age of the American merchant marine. Later, the steel ship came along with the steam engine and finally took the clipper from the sea.

Following the Civil War there was a fever of railroad expansion. Construction outstripped the growth of the country. That overexpansion, too, brought penalties including intense competition between the rail carriers. In the late sixties cattle were carried from Buffalo to New York for $1 a car; 10 years later cattle were taken from Chicago to Pittsburgh free; and to Chicago from New York for $5 a car. Immigrants were carried from New York to Chicago for $1 a head. These low rates may have temporarily benefited the public, but no person contends that such traffic is to the advantage of the country as a transportation policy.

In recent years motor transportation increased by leaps and bounds. Many men enticed by a new enterprise were able to get into the business by small investments, frequently by installment buying, bought trucks and engaged in the business with which they were not familiar. The chaos which would have followed was in part averted by the Motor Act of 1935 although many motor carriers went into bankruptcy, or passed out of the business by failure.

RIGHTS OF INVESTORS

Somebody must own our transportation agencies before they can operate. The stocks and bonds of these carriers are widely distributed among the American people, much of them held by small investors. Generally speaking, the stocks and bonds of a well-regulated essential-transportation facility should be a reliable investment on a modest income basis. There is something wrong with our method of handling the problem if it is not. A man invests in a transportation agency the same as in any other business concern. He is actuated by two motives. One is his belief that his funds will be secure, and the other is his expectation of at least a reasonable return on his investment.

Without these two inducements to the investor, the industry will languish for the lack of proper financing. We have those who characteristically ignore the rights of investors, seem to have no interest in encouraging them, and have little concern even for the protection of their legitimate rights.

This attitude fails to recognize the basic principle of private ownership of property on which our Government is founded. The owner of money can invest in nothing but another's labor and another's property. However selfish he may be he cannot help himself without helping somebody else. He earns, he saves, he invests, and automatically he becomes an employer of labor. However selfish he may be by his investment he constructively contributes to public welfare. We justly throw restraints around his oppressive use of any power of wealth. That is a normal function of government—to restrain against unjust and oppressive action for the protection of the public.

The owners of the railroads have invested something like $20,000 for each man in their employ. That investment of $20,000 per employee has not made much of a return in recent years, but, nevertheless, it has been a real service to the country in maintaining that normal transportation so essential to the welfare of the Nation.

There is one thing about the railroads that we can recognize; in recent years they have been largely fruitless so far as their investors are concerned; they are very fruitful to the United States. They remind me of a situation of farmers in our orchard section in California. We have good orchards; the farmer, we will say, spends $100 an acre per year in taking care of one acre of orchard. He works hard and struggles and produces a good crop and at the end of the year finds he has made nothing.

There is no increase in the farmer's pocket, but there is a tremendous advantage to the community from what he has done—labor employment, purchase of materials, and aiding business to continue in that community. He has performed a great service in that community, though he is without reward, only an indirect reward for betterment to his fellow men.

These carriers today are pretty much in that same situation; they are of great service to the country but return little or nothing to the owners of the property. A practical solution of our transportation problems requires just treatment of the owners of the carriers. In the long run it is only a profit-making enterprise that can give good service to the public under private ownership. It is also true that only a transportation system economically justified is entitled to survive.

Just treatment of the owners of our carriers does not require the public to assume the burden of improvident investments; it does not require the support of a carrier whose services are no longer economically justified. It does not require unreasonable rates to maintain a carrier whose services are no longer required. It does require proper protection and regard for the owners of every carrier performing an economic service needed by the Nation. The carrier, like the laborer, should be worthy of his hire.

CARRIER REGULATION

Transportation for compensation is a public utility of this country. The established policy of the country is to regulate these utilities; to require reasonable rates; to require fair and equal treatment of persons and communities which they serve; and to require fair competitive conditions.

Competitive control has been necessary for the protection of the carrier against unfair competition as well as for the benefit of the public.

In 1920 we took another step forward in the protection of the carrier. We provided that an applicant for the construction of a new railroad must secure from the regulatory body a certificate of public convenience and necessity in order to operate such road. The applicant must show there will be a public benefit from the new line proposed. One purpose of such a requirement is to prevent excess and needless transportation facilities that are incapable of giving proper service to the public and interfere with established agencies in giving such service. It has as its purpose to give stability to the carrier; to give him a reasonable assurance of the continuance of the volume of traffic as long as he gives satisfactory service to his patrons.

The certificate of convenience and necessity is a benefit to the holder of the certificate, but the justification of it is the country's interest in reliable, efficient transportation. It is only a live business concern, a going concern, that can serve the public properly through a long course of years.

The certificate of public convenience and necessity has become a regular part of our regulatory system in the State and National Governments. The right of prior operators to the certificate by the grandfather clause under which they are permitted to continue without proving the public necessity of their operation. That is assumed from the fact that they are in business. The plan contemplates the exclusion of unnecessary facilities for the future rather than the past.

If we deny the opportunity to an essential transportation agency to secure its necessary traffic, it becomes unable to function properly. We discourage or prevent investment and in the end deteriorate public service.

LEGISLATIVE PROBLEMS

The transportation problem involves legislative difficulties as well as business troubles. Scarcely any change can be made in the law as to our carriers without effecting one or more groups who will fear that they are to suffer some injury by the change. Naturally, every group or section, which enjoys some special advantage under the existing status, complains against a change. Any affected group may become vociferous in its demands. In fact, we are living in an age of organized groups more or less professionally led for the purpose of influencing legislation. Frequently, such efforts are directed at the fears of Members of Congress that we will not be elected rather than at the merits of the problems involved. Some of these groups deserve to be called racketeering organizations. It is politically easy to follow the dictates of organized groups, particularly, where only the rights of the indifferent and disinterested public are involved. It is easier to yield than it is to go out and convince a disinterested public that you are right. Some times it costs a Member of Congress a few thousands of dollars and a lot of energy to go out and convince his constituents that he was right against an organized opposition. Some times it costs a Member of Congress that much to say, "no." Any way, these organized groups frequently selfish and aggressive, have an influence out of all proportions to their numbers.

PENDING LEGISLATION

We have transportation legislation pending in Congress which we expect will shortly be enacted. Among other things, that legislation provides for bringing water carriers under unified control with other carriers by the Interstate Commerce Commission. At the present time intercoastal and some coastal water carriers are under regulation by the Maritime Commission. Some are under regulation by the Interstate Commerce Commission, and the inland water carriers are practically without regulation. Today a shipment passing from one place to another in this country may, in part of its journey, be regulated by the Maritime Commission, in part by the Interstate Commerce Commission, and in another be unregulated. All the way that shipment may be in competition with our various types of carriers.

Regulated common carriers must take all shipments offered, run on schedules, charge uniform prices without discrimination as to shippers or sections. The unregulated water carrier acts under no such restrictions. He can charge what he pleases; he can refuse any load he pleases; and he is not required to keep schedules.

Water, highway, and rail carrier are each important inseparable parts of the transportation system of America. We can never have effective successful regulation that will give the country the inherent advantages of each of these types, and place their competition on a fair and just basis, unless we have unified regulation. The unregulated carrier in competition with the regulated common carrier works on a cutthroat basis, and is destructive to an efficient transportation system.

Some opponents of water-carrier regulation have tried to give a picture of the Interstate and Foreign Commerce Committee as unfair to water transportation. They would have you believe that the Interstate Commerce Commission is in some kind of a conspiracy with the railroads and the trucks to destroy water competition. They would have the farmer believe there is a conspiracy against him to raise the cost of freight on his produce on the inland waterways.

What are the facts? Five of the seven Members of the House of Representatives who are conferees on the transportation bill live in coast States, and share the deep interest of their States in the welfare of water transportation.

The Interstate Commerce Commission is the oldest, and probably the most-respected regulatory commission in the Federal Government. Through 53 years of service it has maintained a reputation for fairness, integrity, and intelligence, that is not surpassed by any other similar body in the Nation.

The men on that Commission are of high purpose. If water transportation is placed under their regulation it will place on them a responsibility to which you can be sure they will respond. They will have the high responsibility of exercising their power for rounding out and coordinating the transportation agencies of this country with a view of doing justice to them and in behalf of the best interests of the United States. It will be their duty to give water its proper place in our transportation system.

The fact is we are 53 years behind where we should have been in water regulation. Fifty-three years ago, when the Interstate Commerce Commission was first organized, Judge Cooley was its first Chairman. He was not only a great lawyer, but a great statesman. He then advocated that water transportation should be placed under regulation with rails in order that the interest of the country and of the water carriers themselves should be advanced and protected.

As I view the situation, inland-water transportation, especially in the Mississippi Valley, has suffered from a short-sighted leadership, the effect of whose policies has been to make inland-water transportation the stepchild of our transportation system. Living under a system of regulated transportation, they have insisted on no regulation for water. They have demanded regulation, if not punitive action, against water competitors and yet have refused to bring their water transportation within the benefits of a regulated industry.

They have inveighed against water regulation as something unfriendly and destructive. The proper motive of transportation legislation is not unfriendly to the regulated industry. It gives first consideration to the rights of the public, but as a part of that due to the public it insists on justice and fair dealing to the carrier.

The unregulated carrier is the maverick of the regulated system. He cannot claim its protection because he is not a part of it. Without abiding by its restraints he is ill prepared to claim its protection. He complains about injuries to his own business but yet claims for himself the unrestrained privilege of inflicting similar injuries upon his competitors.

The pending legislation proposes to take water carriers into the full fellowship of the transportation system of this country; make them subject to the restraints that are imposed in the interests of the public, and on the other hand giving them the protective benefits of legitimate regulation.

I do not hesitate to predict that after a few years of water regulation as proposed the inland water carriers, themselves, would not think of going back to the old cut-throat status of the present time.

Our intercoastal carriers have greatly suffered because of the lack of coordination and regulation as between each other, and with the rails. Nearly all our intercoastal ships are getting old. The returns from the business have poorly justified replacements. Even today it is said the business will not justify replacements of modern ships in this important trade. Bona fide operators have long suffered from unfair competition. Much of the time their earnings have been meager, frequently their balances in the red.

The great volume of traffic carried by water carriers, without harmonious regulation with land carriers, makes regulation ineffectual, and efficiency and economy improbable.

It is claimed that regulation will be unjust to the water carriers. All we seek to do is to make water carriers subject to regulation by a fair government commission on an equal basis with other forms of transportation.

It is asserted that the pending legislation discriminates against water carriers. No man can intelligently and carefully read the legislation proposed and assert such is the fact. I was interested to note that recently Commissioner Splawn, referring to the pending transportation bills, said:

"Any study of these bills must disclose to the unbiased mind that the Congress has refused to suppress one form of transportation in favor of another. It has recognized that we have, for the moment, too much transportation, but the problem is to conserve what we have, and to encourage the realization of the economies inherent in each form. It is recognized that each form has its place and must have fair treatment by the Government."

The unregulated carrier can under cut rates as he sees fit. He can take the cream of his competitors' freight, refuse to take the undesirable part of the load, and help to destroy the common carrier, who is giving the reliable service upon which the public is dependent.

One of the intercoastal lines cut the rates of its competitors 10 percent. It refused to take undesirable cargoes with the result, as it developed, that its average rates were higher than the regular carriers.

They say the rivers belong to the United States. They do. The Government improves a project, gives depth and width to accommodate the water carrier, and does it without cost to him. When

a stream throws up a sand bar across the river, the water carrier phones in to the Army engineers, and Uncle Sam comes down, cleans out the bar if it costs $20,000 or $100,000.

The flood comes along and eats out a bank, destroys the channel, Uncle Sam restores it if it costs a hundred thousand dollars or a million. A flood comes along and destroys the railroad track running along the river bank, and the railroad restores it out of its own funds, if it costs a million.

The railroad crosses a river on a bridge built at its own expense. The Army engineers decide that the bridge must be longer and higher in order that the water carriers may pass under it. The railroad makes the change in the bridge without expense to the water carriers and for their benefit.

Yet, under all these conditions, the water carrier is a private carrier. He charges the shipper for his freight just as any other private carrier. He competes with the privately owned carriers. The rail and the boat, each privately owned, are serving the public. Why should each not equally submit to that just regulation intended for the benefit of the public? We give the water carrier a free right-of-way, why should he not be subject to regulation by the Government that gives him his right-of-way?

It is claimed the Government has spent an average of nearly $200,000 a mile for improvement on 3,400 miles of the Mississippi River system. I am not complaining about that. I voted for much of it. I do insist, however, that an agency enjoying such benefits at the expense of the Public Treasury ought to be satisfied to submit to that fair public regulation with which its competitors are compelled to comply.

UNIFIED CONTROL

Manifestly each type of carrier, the rails, the trucks, the busses, the ships, serves a purpose in which it excels all other carriers. In other respects, they may be equally competitive. Each of these carriers has its inherent advantages that the country needs. No intelligent man, with a sense of responsibility to the country, would want to destroy any one of them, or to assign to any one of them a less function than the interest of the country requires.

What we need is an umpire for all types of carriers. Let them compete under fair rules.

Even the sporting world manages to choose a fair umpire for a prize fight or a baseball game. The United States is able to supply a fair umpire for its transportation agencies.

THE PROBLEM

We have surplus facilities in every line of transportation. Manifestly, that surplus is part of the problem under the depressed condition of business. We have the problem of adjusting our transportation agencies to this situation. We have abandonment of rail lines with losses to employees and the communities served. Many farming sections will be deprived of rail traffic for their produce unless we provide better transportation conditions. We have roads unable to pay the interest on their bonds or dividends. We have 100 roads now under the protection of the courts representing 30 percent of the mileage of the country.

Now, perhaps, to go into the abstract a little bit, should not there be some way that this great essential service to the American people can be conducted on a reasonable profit basis to all those who perform that service to the Nation? We should be capable of the leadership and the business conception that will make that possible, would make it a fact, that this great service to the Nation shall be done on a basis of fair compensation to those engaged in it. There is a useful work. There is or should be a reasonable reward to those who perform that service to the Nation.

RATE STRUCTURE

In all regulation we have proceeded on the theory the carrier is entitled to just and reasonable rates, but the rate structure today is largely built upon a basis of expediency. Very largely we have permitted the carrier to cut his rates to meet competition much in disregard of its reasonableness. In that process of beating down rates, not infrequently by the aid and pressure of shippers, we have largely deprived these transportation agencies of the real application of a doctrine of reasonable and just rates, even to themselves, and largely by their own efforts, as I see it.

We face a more difficult question when we attempt to adjust and coordinate rates between the various types of carriers—water, rail, and highway. The rate-making power must not be used to destroy any economic carrier. As I see it, there is a fundamental abstract principle involved. We must try to apply to these competing agencies of different types the rule of economic worth to the country. The country has a right to preserve the inherent advantages of each.

Some of these agencies have superior advantages for one class of traffic but not for another. We pass the difficult problem to the regulatory body of fixing rates that would have in mind the assignment to each particular type of agency that class of freight which it can carry to the best economic advantage to the United States; in other words, place competition on an economic basis of merit. That affords an abstract principle for discriminating between these different lines of transportation and fixing rates that will have the effect to some extent, at least, of allotting traffic to the different agencies, according to the economic advantage with which they can carry that freight.

We must give our regulatory body the necessary authority to regulate rates and to unify control of our transportation system. Then we will be largely dependent on that body to decide whether or not regulation is the final answer to our transportation problem. Upon that answer probably depends the continuance of the private ownership of our transportation system.

Notwithstanding other difficulties, the first difficulty of the carriers is the depression. In the past history of the country the rail carriers have several times shown a rather remarkable ability to recuperate, and it is not unreasonable to expect that a large part of that vitality still remains.

The main difficulty of our carriers, particularly the rails and intercoastal carriers, is the unfavorable balance sheets.

We have placed these two transportation agencies under Government regulation.

The American people are paying over $7,000,000,000 a year for common-carrier service—rails, highway, and water. The challenge is whether we have the intelligence and the ability so to regulate these agencies, so coordinate them that each shall become self-supporting. We have adopted a policy of reasonable returns; reasonable to the carrier and reasonable to the public. We have adopted the policy of restricting the carriers to the numbers reasonably necessary to accommodate the public.

Is it possible we do not have the genius, common sense, and ability so to regulate these essential agencies that they shall be self-supporting? I believe we do.

The Farm Problem

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

SAMPLE TALKS FOR USE OF STUDY GROUPS, BY GRACE McDONALD

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks I include two study plans outlined by Mrs. Grace McDonald, of San Jose, Calif. These should prove interesting to all who are interested in the farm problem. The sample talks follow:

CITIZENSHIP OR THE DOLE FOR FARM LABOR—AN APPRAISAL OF THE NEW DEAL PROGRAM AS A BASIS FOR A PERMANENT SOLUTION

[One of a series of sample talks for use of study groups, farm and labor organizations, schools and political bodies, prepared by the Reporter plan, northern California]

(By Grace McDonald, director, San Jose)

Every mass migration can be traced to hunger. It is a serious business to pull up stakes and transport your family a thousand miles into an uncertain future. If there were any chance of a job or a living nearer home you wouldn't dare take such a chance. But there were no jobs at home for the quarter million out-of-State migrants who trekked to California in the last 5 years hoping to find an answer to slow starvation.

They came to California as a result of a number of converging events in their lives; dust, drought, floods; collapse of markets for farm products; mortgage foreclosures; misleading advertisements promising jobs in California's rich harvests.

Predominantly agricultural in composition and pioneer American in stock, this jobless army is augmented by the surplus labor of every State in the Union; men laid off through factory mechanization; W. P. A. cuts; boys graduating from high school for whom there are no jobs; C. C. C. boys; farm youth, still the farm's bumper crop.

Insofar as California's crops require 200,000 men and women to stand by for the peak season's harvest, the feeding, clothing, and sheltering of this many families is California's problem. The business of farming won't support more than 50,000 of these workers on an all-year-round pay roll. The rest come in for a sliding scale of jobs, not enough to stretch over the 12 months in the year without county, State, or Federal relief. Estimates of average composite earnings of California farm families range from $289 per year (S. R. A. figures) to $450 a year (Farm Security figures).

The taxpayer subsidizes California agriculture and will continue to do so until the huge money-making farm factories which employ more than one-third of the State's farm labor are made to come across with the same labor protection which the Government enforces on operators of mines, factories, and business establishments generally.

Testimony compiled by the La Follette committee investigating infringement of civil liberties against California farm workers organizing to increase wages in 1939–40 establishes the fact that 2 percent of the State's farms employ 35 percent of its labor. The testimony further shows that from 25 to 40 percent of all farm income in the State went to this minimum top group of farm

owners. Annual wage bills of some of these farm factories total $350,000. Two of them employ 3,000 workers during the year. One of them sells a million dollars' worth of products.

Agriculture has been specifically exempted from compliance with protective legislation, both Federal and State. It has also been exempted from compliance with the provisions of the National Labor Relations Act "which redeclared the right of workers to organize into free trade associations and opened the way for the unionization of steel, auto, radio, rubber, packinghouse, and other mass-production trades." [1]

In California alone the President's 1937 program would mean supplying homesteads on long-term leases for over 100,000 families.

According to the June 1939 report of the regional Farm Security administrator, "more than 40 individuals have been assisted to purchase farms in Merced, Tulare, San Joaquin, and San Bernardino Counties." [2] Federal appropriations under the Bankhead-Jones Farm Tenant Act of 1937 have been starkly inadequate in the face of a constantly mounting number of migrating dispossessed farm families.

A number of supplementary programs have been carried on by the Farm Security Administration, all of them valuable, none of them coping with the size of the problem.

Under the Emergency Relief Act of 1935–6–7 and the Work Relief and Public Works Appropriation Act of 1938, low-rental homes with land for kitchen gardens have been provided for 200 fortunate farm families.[3]

Under this same authorization one farm association, the Mineral King, near Visalia, has been established. Here 15 homes have been built for association members.

Farm corporations to lease farm properties near migratory labor camps are planned at six points: Winters, Gridley, Firebaugh, Thornton, Yuba City, and Indio. Lands will be leased to the corporations by Farm Security at an annual cash rental sufficient to pay a fair return on the Government's investment.

Obviously the great bulk of the homeless farm families has been untouched by Farm Security's constructive resettlement program. And even these feeble beginnings are in danger. The entire farm-tenant program, so eloquently launched by the President in 1937, is threatened with extinction. Only $25,000,000 was included in the President's 1941 Budget for the tenant program. House action removed even this paltry amount.[3]

With the limited funds appropriated for its grant program, Farm Security has met the most desperate needs of non-State migrants. Approximately 30,000 such families in 33 California counties have received F. S. A. grants.[2] In June 1939 there were 3,668 cases on F. S. A. grant rolls.

The Agricultural Workers Health and Medical Association, incorporated under State law and working in cooperation with the State department of public health, county health departments, the State relief administration, and the California Medical Association has placed nurses in strategic centers assigned to full duty with the migrants under Farm Security Administration. Approximately 16,000 cases have been taken care of in California by this association [2] (39,232 cases, February 1, 1940).

Mother and baby clinics have been established. Simple medicines and hospital care have been provided. Lunches have been supplied for the children in school and nursery school in 35 camps.

Probably the most far reaching of F. S. A. activities has been its camp program. A survey of California's rural-housing facilities for the 150,000 workers who follow the crops shows 5,000 labor camps, 300 auto camps, and an uncounted number of shack towns and rural slums.

THE BATTLE FOR THE LAND—GOVERNMENT AID, COOPERATION, AND A FRIENDLY RELATION TO ORGANIZED LABOR PROVIDE A WAY OUT FOR THE SMALL FARMER

[An analysis of the National Farm Program since 1933 applied to California for the use of farmers, labor organizations, schools, political bodies, and study groups, prepared by the Reporter Plan, northern California]

(By Grace McDonald, Director, San Jose)

Purchase of surplus milk in an arrangement with certain municipalities and its sale at reduced prices to relief families moved a peak of 127,000 quarts a day out of dairies in those localities in December 1938. Price was stabilized for milk producers and essential food supplied for the undernourished.

A new form of surplus commodity subsidy developed by the Department of Agriculture is the extremely popular stamp plan. Operating through existing grocery stores the plan stimulates demand for designated surplus products by giving relief clients a 50-percent increase in purchasing power for these surpluses.

As they flow to market at lower prices than other comparable foods the general public tends to increase its purchases of the particular product, thus giving the farmer this additional outlet. "By July 1," states Milo Perkins, "it is expected that between three and four million persons will be taking part in this dual effort to find a wider market for surplus agricultural commodities and to improve the diets of low-income persons in our cities at the same time." [4]

The stamp plan offers a potential annual market for over 300,000,000 pounds of butter, about 352,000,000 dozen eggs, over 25,000,000 bushels of wheat, in the form of flour, over 6,000,000 bushels of corn in the form of corn meal, about 140,000,000 pounds of rice, over 87,000,000 pounds of prunes, and about 227,000,000 pounds of dried beans. Pork products and cotton goods are latest additions for stamp-plan subsidies.[5]

Purchase of surplus commodities in California for the 5½ years ending June 30, 1938, amounted to $20,659,889.[6]

Attempts to develop new industrial uses for surplus farm products through the four regional laboratories of the United States Department of Agriculture is one of the most constructive, if less immediate, parts of the program.

Diversion of agricultural surpluses to industrial outlets is another job being subsidized by the Department. About a fifth of the surplus-commodity appropriation in 1939 was used to subsidize exports of cotton goods in an effort to hold the international market for the American farmer.

In the period between August 1938 and June 30, 1939, the Department spent $21,000,000 for the export of 70,000,000 bushels of wheat, reducing the potential carry-over and increasing the price received by United States wheat producers.

The budget on which Surplus Commodities operates comes from two sources. The act creating the agency provides an annual allowance equal to 30 percent of the gross customs receipts for the previous year. For 1940 this amounted to $90,000,000. Additional revenue comes out of the agricultural appropriation. For 1940 this was $113,000,000.

The drastic cuts proposed in the surplus-commodity appropriation for 1941 brought a storm of protest from all over the country. Under existing dislocations of domestic and international economy agriculture depends on Government subsidies. For the fiscal year ending June 30, 1940, the Government pumped a billion and a half dollars into agriculture.[7] Half of this went directly into farm income.[8]

In 1937 this infusion upped farm income by $336,889,000. In 1938 this was increased to $482,221,000, and in 1939 to $807,065,000. Yet farmers as a whole were $600,000,000 poorer in 1939 than they were in 1937.[9]

And in spite of Government efforts to halt foreclosures through moratorium, debt adjustments, and low-interest loans; in spite of the millions spent in export subsidies, parity payments, and surplus purchases, small farms continue to be gobbled up by the banks, insurance and land corporations.

The Department of Agriculture reports that 114,000 farms were lost through forced sales in 1939, and that more than a fourth of all mortgages held by Federal lending agencies are in default. Foreclosures during the second quarter of 1939 were the highest for any quarter in the past 5 years.[10]

If the small farmer is to win his battle for the land, this trend toward large-scale absorption of the little fellow must be stopped. Credit facilities must be expanded to meet the need.

During the 4 years ending June 30, 1939, the farm debt adjustment machinery of the Farm Security Administration assisted 101,296 individual farmers to reduce their indebtedness by close to $80,000,000. This is an average reduction of $20,000,000 a year, not nearly enough to salvage border-line farms.[11]

Efforts to extricate the small farmer from banker and processor control through the Farm Credit Administration will be speeded up with the Department of Agriculture having direct control over the Farm Credit Administration.

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[1] See Labor's New Magna Carta—Reporter Plan series, Northern California.

[2] The National Farm Program in California.

[3] At this writing—March 15, 1940.

[4] "The Challenge of Under-Consumption," Milo Perkins.

[5] "Agricultural Aspects of the Food Stamp Plan," Milo Perkins, October 1939.

[6] J. P. Hatch, Report on Purchases of Surplus Commodities in California.

[7] The 1940 Budget was made up as follows: Parity payments, $225,000,000; soil conservation service, $23,720,000; soil conservation, $499,560,000; surplus commodities disposal, $113,000,000, plus $130,000,000 from customs receipts; tenant purchase, $40,775,000; submarginal land retirement, $7,423,330; farm security rural rehabilitation, $171,430,000; Federal Credit Administration emergency crop loans, $15,000,000; Federal Farm Mortgage Corporation, $9,500,000; crop insurance, $5,923,200; rural electrification loans, $42,790,000; U. S. Department of Agriculture reappropriations, $19,547,675; emergency appropriation, $143,000,000. The President cut this appropriation by $437,000,000 in the 1941 Budget. At this writing Congress is still debating the issue.

[8] The Farm Income Situation, February 28, 1940, Bureau of Agricultural Economics.

[9] Compared to the income for 1932, of course, the 1939 figure looks good.

[10] Facts for Farmers, Farm Research Inc., March 1940. Senator WHEELER has a bill in Congress, S. 2549, for scaling down farm debt and refinancing on an adjusted basis.

[11] Annual Report of the Secretary of Agriculture, 1939, p. 69.

The Logan-Walter Bill

EXTENSION OF REMARKS
OF
HON. DEWEY SHORT
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. SHORT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Daily News of April 11:

[From the Washington Daily News of April 11, 1940]

THE LOGAN-WALTER BILL

Debate on the Logan-Walter bill, a measure of fundamental importance to our whole theory of Government, is scheduled to begin Monday in the House.

The purpose of the bill is to curb a fatal tendency as old as the history of governments—the tendency of bureaucracy to abuse the power it has and to grasp ceaselessly for more. Specifically, the proposal is to check and balance the lawmaking, the law-interpreting, and the law-enforcing activities of Federal administrative agencies.

There are more than 130 such agencies—departments, independent establishments, boards, commissions, authorities, bureaus, Government-owned corporations—each created to administer some statute or group of statutes. They are products of the complexity of modern life, of the inability of Congress to legislate in detail for the handling of the numberless problems that arise in relations between the Government and the people.

Congress enacts general laws. Then it delegates authority to administer these laws to the agencies. The agencies make rules, which in effect are laws. They interpret and enforce their own rules. And they sit in judgment on those accused of violating their rules. In them, then, are combined the three powers—legislative, executive, and judicial—which the Constitution undertook to keep separate in order that Americans might be free from the tyranny of government.

The administrative agencies are necessary. Without them we couldn't get things done. But those who man them are human beings, often fond of authority, often filled with more than ordinary zeal, and thus often more interested in getting things done than in seeing that justice is done. So it is that the records of many of these agencies are filled with examples of abuse of bureaucratic power. And so it was, long before the New Deal multiplied the number of agencies and the duties assigned to them, that the need for regulating the regulators began to be discussed and studied.

The Logan-Walter bill is a product of years of such study and discussion. It provides for a uniform procedure of public notice, public hearings when requested, and judicial review of exercise of lawmaking power by administrative agencies. It provides also for a uniform procedure of appeal to the courts from exercise of the agencies' quasi-judicial power, with a requirement that the courts shall be given a complete record from which they can determine whether administrative findings are supported by substantial evidence.

The coming debate in Congress may reveal need for amendment of the bill in some respects. But its principle is thoroughly sound. It is designed to expedite administrative processes, to reduce their cost, and to insure that ours shall continue to be a government by law, with the part men must take in it increased in real effectiveness but safeguarded against abuse.

Appropriation for Bituminous Coal Division

EXTENSION OF REMARKS
OF
HON. JOE B. BATES
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, March 6, 1940

Mr. BATES of Kentucky. Mr. Speaker, I desire to express my opposition to any reduction in the appropriation recommended by the Committee on Appropriations for the Bituminous Coal Division, as set forth in H. R. 8745, Report No. 1709. It seems to me that we should not abandon a patient, in this case the bituminous coal industry, before recovery unless all known remedies have been exhausted. This industry has been called a sick industry; it has been palsied from overproduction; it has been said to be bleeding to death from cutthroat competition, and wasting away from unsound conservation methods. Certainly at this juncture, when we have been assured that the minimum prices and marketing rules and regulations provided for in the Bituminous Coal Act of 1937 are about to be put into effect, we should not fail to render aid to the industry in its efforts toward stabilization by refusing to appropriate necessary administrative funds which the industry, through taxation, has put into the Federal Treasury.

If this act of Congress was an instrumentality which was costing the taxpayer money to administer, and if it had been given a fair trial and had proved to be technically or otherwise unsound, perhaps I might hold a different view. However, this is an act which, in its first inception, was proposed by a majority of capital and labor in the industry. Exhaustive hearings were held by both branches of Congress, beginning in 1935, on the underlying principles, as well as the methods of stabilization, as finally approved in the act of 1937. Through no fault of the act itself these principles and these methods have not been given a forthright demonstration by which to prove that this is the way to stabilize the industry.

Conditions within the industry have not improved since the first hearings, to which I have referred, were held. The industry suffers as much today from cutthroat competition as it did in 1935. Overproduction is as potentially great today as it was then. Competition with other fuels which are unregulated tends to increase rather than diminish the efforts of the industry to stabilize the underlying price structure.

A program of conservation of the great natural resource represented by the coal deposits in 34 States in this Union cannot be successfully brought forward without a measure of stabilization which will encourage those engaged in the production of bituminous coal to assist in such a program. Many operators have told me of their efforts to lower production costs by increasing their output, but the trouble is that all such increases are made at the expense of conservation and uneconomic methods of distribution, to the end that while individual costs may be somewhat lower the industry as a whole is retarded by such business methods.

The destruction of capital in the coal industry, as the records will show for years past, has been great, and through such destruction of capital, labor has been unable to earn a living in accord with the accepted American standard, much less a reward in the form of savings above this standard.

There are 2,000,000 or more people directly affected by what happens in the bituminous-coal industry, and there are many more indirectly affected. My plea is for these people, and it is a personal plea because many thousands of them live in the State of Kentucky, and I am personally interested because the welfare of my friends and my neighbors means as much to me as my own welfare. That, of course, is a personal viewpoint. However, I am not overlooking the fact that what affects my neighbors in a far Western State, for example, affects me as well. Therefore, from a national viewpoint, the welfare of the bituminous-coal industry affects each and every person living in these United States. The well-being of the industry is necessary from the standpoint of national defense, from the standpoint of the economic welfare of the country, from the standpoint of the conservation of natural resources, and, last but not least, from the standpoint of the right of those engaged in the industry to enjoy the American way of life by having a fair return on capital investment and fair standards of living conditions for those who labor in the industry.

I believe, and I have believed, that the purpose which Congress had in mind when passing this act, can be successfully concluded when a fair trial has been had of its provisions. It strikes me that since the reorganization which

included the administration of this act within the Department of the Interior, splendid advances have been made toward putting into effect the minimum-price provisions of the act. In making this statement, I do not mean, either by implication or inference, to assume a critical attitude of the previous administration of the act. I realize that regulatory acts are subject to vicissitudes not normally encountered in the administration of other types of acts, and in my opinion the job as a whole has been well done, and it could only be done through experience, and the final results will be satisfactory to all concerned. The coal industry, generally speaking, desires that the minimum prices receive a fair trial. There are some elements in the industry who oppose this method of stabilization, but these are in the minority. Up to this time there have been about 14,000 producers who have joined the Bituminous Coal Code, and who are actively participating in the plan for stabilizing the industry. These producers are looking forward to minimum prices to prevent the huge losses of money the coal industry has suffered every year since 1925. Labor is looking forward to this stabilization with a hopeful and confident attitude.

As I stated at the outset, the industry is paying for the administration of this act. An overwhelming majority of the members of the industry want its provisions to go into effect. I sincerely hope that this House will not finally be placed in the position of failing to provide funds, and in a proper amount, to successfully continue the administration of the act, the provisions of which will very shortly, I believe, vindicate the judgment of Congress.

The Third Term "Tradition"

EXTENSION OF REMARKS
OF
HON. THOMAS F. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

Mr. THOMAS F. FORD. Mr. Speaker, as a Member of this House I have sat patiently in my seat for day after day and listened to Members on the Republican side of the House bitterly denounce the President of the United States for, as they say, and without one iota of evidence, seeking a third term as President.

They call upon high heaven to witness the admonitions of the founding fathers against a third term in spite of the fact that there is not one word in the Constitution that by the cunningest misreading or tortuous twisting could be made to appear as proscribing a third or any other number of terms for a President that the people happened to want.

Is it possible that the gentlemen who are so opposed to a third term fear that the people are incapable of making a choice in this important matter?

Or is it just barely possible that they fear, and with good reason, that the great majority of our people love, respect, and have such complete confidence in Franklin D. Roosevelt that they will reelect him?

Would it not seem reasonable to suppose that if they were so sure that the people were opposed to a third term, these same gentlemen would welcome Franklin D. Roosevelt's renomination?

It is often asserted that President Washington was opposed to a third term.

All that is wrong with that assertion is that it is not true.

In his book, Roosevelt Again, JOSEPH F. GUFFEY quotes a letter written April 28, 1788, on this subject:

In this letter to Lafayette, April 28, 1788, Washington, discussing the advisability of the same person for President, after he should have served a certain course of years, wrote this:

There are other points—

He wrote—

on which opinions would be more likely to vary. As, for instance, on the ineligibility of the same person for President after he should have served a certain course of years. Guarded so effectually as the proposed Constitution is in respect to the prevention of bribery and undue influence in the choice of President, I confess I differ widely myself from Mr. Jefferson and you as to the necessity or expediency of rotation in that appointment. The matter was fairly discussed in the Convention, and to my full convictions, though I cannot have time or room to sum up the arguments in this letter. There cannot, in my judgment, be the least danger that the President will by any practical intrigue ever be able to continue himself one moment in office, much less perpetuate himself in it—but in the last stage of corrupted morals and political depravity, and even then there is as much danger that any other species of domination would prevail. Though, when a people shall have become incapable of governing themselves and fit for a master, it is of little consequence from what quarter he comes.

Under an extended view of this part of the subject I can see no propriety in precluding ourselves from the services of any man who on some great emergency shall be deemed universally most capable of serving the public.

This was the final judgment of the Father of his Country, the first President, who is dubiously honored as the founder of the third-term tradition.

Nothing could be more explicit. The letter states the argument for the third term more clearly, more concisely than it has ever been stated before or since.

The matter was fairly discussed in the Convention. • • • It was finished business in 1788. Not only fairly discussed, but "to my full convictions." Washington was satisfied with the outcome.

It might be further stated that Jefferson, who was one of the most strenuous objectors in the beginning, finally in a public utterance said, "I find it has scarcely an objection in America," meaning more than two terms for the President.

In view of the statements of both of these distinguished founding fathers, it is readily apparent that the third-term tradition is largely the vaporings of the superheated imaginations of our distinguished opponents on the Republican side of the House.

Are Americans Rapidly Becoming Nation of Panhandlers?

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

EDITORIAL FROM THE DE KALB (ILL.) DAILY CHRONICLE

Mr. MASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the De Kalb Daily Chronicle, De Kalb, Ill., dated April 9, 1940, entitled "Says That Americans Are Rapidly Becoming Nation of Panhandlers."

[From the De Kalb (Ill.) Chronicle of April 9, 1940]

SAYS THAT AMERICANS ARE RAPIDLY BECOMING NATION OF PANHANDLERS

Yesterday some friend left on our desk a copy of a little weekly paper from Carroll County, Ark. In it was an editorial that we deem worthy of reproduction. It says:

"Are the people of this Nation becoming plain, ordinary panhandlers—beggars from Government? Individuals, towns, cities, and States have their hands out for Federal alms.

"By accepting these alms they are gradually giving up individual, civic, and States' rights and building a Federal overlordship that will make them mere pawns of Government."

We like to talk about our democracy and pity the people of countries where liberty has been crushed, when we ourselves are giving up our freedom for a mess of Federal hand-outs that are mortgaging our future for generations to come.

Civic organizations have become beggars, great industries have become beggars, cities and States have become beggars at the public trough. Then after accepting public charity and injecting Government into their local and personal affairs, they cry because Government in business is being so rapidly extended that it is wiping out free enterprise.

Don't blame anybody but yourself when you feel the jaws of officialdom close on you if you have countenanced or accepted Federal alms for projects which would have been handled by courageous, intelligent, and self-respecting citizens in the past.

This country hasn't changed fundamentally in spite of all the theoretical prattle to the contrary; opportunities are still countless for young and old.

What has changed is our backbone and our pride. We are becoming a Nation of sissies who cry for help at the slightest provocation and want to be coddled as incompetents.

By our actions we are admitting that we are no longer capable of self-government or private management of our own affairs. We are asking for political dictatorship, and we will have no one but ourselves to blame if we get it.

Every time there is some tough nut to crack we now beg for Federal funds to care for the problems or losses involved, which, in most cases, are due to our own laziness, greed, or neglect. We want the Federal Government to do our irrigating; we want the Government to control our crops; we want the Government to build our dams; we want the Government to build our houses; we want the Government to carry our insurance; we want the Government to loan us money; we want the Government to build our schools, bridges, parks, etc., and do everything that we as free men and women used to take pride in doing ourselves. And then we cry our eyes out about taxes and new laws, regulations, and restrictions.

Anyone with a thimbleful of brains knows that when you borrow money the lender gets in the driver's seat. When you become a beggar, the giver controls your actions. When you beg or borrow from the Government, you give up your birthright as a free citizen—you begin to exist for the Government, rather than the Government existing for you.

This is the position of the people of the United States today. They have begged and borrowed themselves well on the road toward national bankruptcy and political dictatorship.

There can be no compromise with the totalitarian philosophy—you either accept it and become public wards or you kick it out and remain free.

Who Are the Disseminators of Hatreds?

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

Mr. THORKELSON. Mr. Speaker, as I glanced over the Washington Post, April 8, 1940, my attention was attracted to an editorial entitled "Dies and Democracy." This editorial, similar to others, was, no doubt, intended to confuse the public, or at least those who cannot be bothered to understand. I say this, because it is not fooling the rest of us.

Should the Dies committee take this article seriously, its investigators would waste much time looking for a particular type of foreign agent, when they should instead look for those who financed the Bolshevik Revolution in Russia in 1917, 1918, and 1919. The names of these may be found in the Intelligence Department's reports.

These "sugar daddies" of socialism, radicalism, and communism occupy luxurious offices in Wall Street and operate through the judges of the courts in the temple of the money changers. It is from these temples the disseminators of racial hatreds set forth, under a cloak of charity and pious benevolent philanthropy. From these temples of mammon also come the false teachers who revile those who are opposed to communism and to destruction of our Government, in order to shield themselves.

The word "democracy" is, I grant, often used innocently, but it is ill-advised, as we are yet supposed to be a democratic Republic. The word "democracy" is used maliciously by these defamers, who are in reality the progenitors of socialism, radicalism, and communism. These subversive activities, as I have already said, are carried on under a mantle of charity and tolerance by ranting prophets of a professed unchristian creed.

Let it be understood that there is no similarity whatsoever between a democratic republic and a socialistic democracy. The government of a democratic republic is an orderly representative government elected by the people. The government of a democracy is oligarchial, nonrepresentative, and ruled by force. A democracy cannot exist as such, for its must, to maintain order, finally yield to the rule of a despot. There are three such democracies in Europe, namely, Russia, Germany, and Italy, each under the leadership of a dictator.

TWENTY-THREE YEARS AGO

It was 23 years ago, March 17, that Leon Trotsky sailed on the steamship *Christianiafjord* from New York City, accompanied by Voskoff, Chudnowski, Muchin, and other Russian Socialists. After having spent 3 hours in a prominent office in Wall Street, he took with him at least $10,000 which had been subscribed by his own sympathizers to start a revolution against the Russian Government. Many of these associates came to see Mr. Trotsky off. He was held in Halifax, but was released by the British Government April 27, 1917, when prominent Government officials in the United States interceded to bring about his release.

On April 17, 1917, another group of 34 radical agitators sailed for Russia from Vancouver. Among them were the following: Bucharin, Volodarski, Zorin, Manson, Utsap, Onkled, Michaelson, Lentberg, and Stahl.

These internationalists reached Russia through Finland and over German railroads under the military protection of the Imperial German Government, which had been dominated by internationalists since the days of Bismarck. After reaching Russia they were joined by other revolutionaries who, under the leadership of Lenin, Trotsky, and Bela Kuhn, saturated the soil of Hungary, Crimea, and Russia with the blood of innocent men, women, and children. Under the leadership of these men many crimes were committed, including the massacre of the Czar and his family. I have already covered this in other remarks, so I shall not repeat it again.

I have a list of over 60 internationalists who were engaged in disseminating communism throughout the world. I refrain from giving their names, as it will serve no purpose. Yet it is well to know that many of them are recorded, as I have already said, in intelligence reports.

What should be of interest to us is the fact that many of them located in England, France, Germany, Sweden, Finland, and the United States were engaged in promoting communism and sabotage of the Russian Government. They furnished the money and war equipment to destroy property and murder people who were helpless and with malice toward none. Many of those who furnished the money are still alive and living in the United States, and even appear before some of the congressional committees in the capacity of experts on monetary problems.

It is my opinion that American people are more than tolerant, and these remarks are inserted in the RECORD not with the intent to do an injustice but, instead, to light the road of loyalty to this Republic. When everyone subscribes to those principles which are set forth in the Constitution all race distinction will disappear as we all become true Americans.

The point I wish to make is that Russia under the leadership and rule of Lenin, Trotsky, and Stalin is a full-fledged proletarian democracy. Germany is a national socialistic democracy, and Italy is a so-called national Fascist democracy. The difference in the three democracies may be found in the racial characteristics of their rulers.

The rulers of Russia are socialist at heart. They preach socialism and employ communism to further their own interests, which is to establish an international world union.

Germany is a democracy composed of National Socialists of the Teutonic type, who have united under a selected leadership to establish room in which they and their families may live in reasonable comfort.

Italy is the most innocuous democracy. It is based upon socialism, modified to a great extent by the temperament of the people who are still ruled by the Royal House of Savoy and directed by a dictator. In this Fascist state, the rights of business, although restricted, are recognized, at least individually.

We use the word democracy when in reality we should use the words democratic republic of these United States. It is upon this point I dissent and take issue with those who deliberately attempt to replace the Republic with a government similar to those to which I have referred.

England is a democratic monarchy, which unfortunately has fallen into the hands of the internationalists who now rule the British Empire by the power of money and a pseudo nobility.

The United States is, since the adoption of the seventeenth amendment, a modified democracy which will, should Congress modify or relinquish its power of impeachment, revert to a true democracy with a dictator. It is for this reason I have advocated that we return to a true republican form of government, as set forth originally in the Constitution of the United States.

The hands-across-the-water attitude or "Let America fight for England to the last American" is not, in my opinion, the sentiment of the average American but is instead a sentiment held by the internationalists because of racial or financial relationship with the Bank of England and the British nobility. The average American is intently interested in the United States and in developing our own industries as we have in the past. We owe no debt to any nation in the world, but we do owe an obligation to posterity and to our country. That obligation is clear and may be summarized in consolidating the North American Continent and the adjacent islands into a western empire that will forever be able to protect itself against all foreign attacks, no matter from what point such attacks may come. When such empire is established and when the United States becomes a unified empire of North America surrounded by water, we will, indeed, be well protected from attacks over land and sea.

Strife which is raging today is not a battle between people. It is instead a war to control the world's gold supply and to use this gold as a power to club nations whose people prefer to remain free and independent into submission, so that sovereign governments may be destroyed at the expense and the formation of a superworld government. It is, of course, a hopeless dream of the international financier, for I am positively sure that our own people and the people of other nations will not submit to such domination.

It was with this thought in mind that I was particularly interested in the article which appeared in the Washintgon Post, April 8, 1940, which I shall now quote in part:

As the Dies committee investigation of subversive activities continued, two facts stand out with increasing clarity. First, there is a real need for information concerning the work of Fascist and Communist groups in this country. Secondly, the method now being used to obtain that information is crude and distasteful to a vast number of American citizens.

I agree in substance with this article, as there is a real need for investigation of those who subscribe to socialism and employ communism to sabotage or destroy sound governments and society in general. I have yet to see one Fascist, but I have seen many of the others. The manner in which the Dies committee obtains information is not crude or distasteful to the real Americans, but it is distasteful to the Communists and to those who sympathize with that tribe. It is well to bear in mind that the Dies committee is a congressional recognition that the Department of Justice and other law-enforcement bodies have failed in their obligated duty to the Government. It is unfortunate that the Dies committee is hindered instead of helped by the courts in complying with the wishes of Congress, for the Communist and his sympathizers have already declared that they do not believe in the fundamental principles of this Government, and are, because of such declaration, enemies of the United States. They are engaged in sedition, against which we have laws that should be enforced.

Undercover political organizations have no place in a democracy * * * when any faction resorts to secret devices and intrigue it takes an unfair advantage of the system under which it is permitted to operate.

I agree with this statement, for no individual or group has any right to operate its own intelligence service, bureau of propaganda investigation, nor to engage in any other similar activities which are the duty of the State or the Federal Government. With this in mind, I shall ask the author of the editorial in the Post to express his opinion on the two letters which I shall quote in part:

NON-SECTARIAN ANTI-NAZI LEAGUE TO CHAMPION HUMAN RIGHTS INC.,
New York City, September 1939.

Now that war is being waged against Hitler, the fight against nazi-ism must go on with even greater energy and determination.

Recently Nazi-inspired incitements to racial hatred in our country have become so serious that our league is now leading the fight against the so-called Christian Front and others. We must be constantly on guard against the great danger that may soon confront the American people by a unified front of all those who directly oppose democratic government and rule their own people through barbaric dictatorships.

In order to be fully efficient, our bureau of propaganda investigation has been increased fivefold to expose Nazi lies and ties. Hundreds of thousands of our leaflets, What Is the Coughlin-Inspired "Christian Front"? are distributed weekly at Coughlinite and other street mass meetings. Our legal committee is constantly in action against their organized thuggery and violence. That our work is successful is best proved from the lips of the enemy, as, for example, when Fritz Kuhn testified before the Dies committee that "the Non-Sectarian League is persecuting me."

Prof. JAMES H. SHELDON,
Chairman, Board of Directors.
SIMON M. GOLDSMITH,
Treasurer.

Why all this venom against the Christian Front and against Father Coughlin? Surely Father Coughlin is a Christian, and his only offense is to denounce those who are Communists or engaged in communistic activities. However, I shall proceed to the second letter and quote from the printed letterhead:

OUR PURPOSE

To champion human rights.
To foster the principles of justice and liberty.
To foster the principles of American democracy for the United States.
To combat religious and racial discrimination and oppression.

Whose rights are to be championed? I do not believe human rights are in jeopardy in the United States.

Justice and liberty are guaranteed in the Constitution, to all people who subscribe to that document.

Who but the Communists desire to foster the principle of democracy in the Republic of the United States?

Whose religion and what race is subject to discrimination and oppression? Why does not the league state to whom it refers?

These are the purposes set forth on the letterhead, and I shall now quote the names that embellish the margin of the letter:

Chairman, National Advisory Council, New York: Prof. Nelson P. Mead.
Vice presidents: Bishop Francis J. McConnell, Rabbi Leon Fram, Dr. S. William Kalb, John Frederick Lewis, Jr.
Treasurer: Prof. Max Winkler.
Chairman, executive committee: Dr. B. Dubovsky.
Chairman, board of directors: Prof. James H. Sheldon.
Directors: Michael G. Alenick, A. D. Caesar, Abraham Cahan, Jerome Count, Prof. George S. Counts, Prof. Paul H. Douglas, Morris D. Forkosch, A. Gallen, Miss Ethel Haase, Mme. Irene Harand, A. I. Harkavy, Arthur J. Harvey, Sidney Hillman, Prof. Jacob H. Hollander, Rabbi Edward I. Israel, Rev. Stephen M. James, Robert G. Jones, William Leege, Samuel S. Leibowitz, Rev. Donald G. Lothrop, Dr. Gerald Machacek, Jacob Malmuth, Irving Maness, Anthony Massimiano, Mrs. Louis Myers, Nathaniel Nathan, Henry Portnow, Ezekiel Rabinowitz, Abraham M. Rose, Mrs. Katherine Hayden Salter, Prof. William P. Sears, Jr., Gerhart H. Seger, Miss Tony Sender, B. Shelvin, Leo Spanglet, Dean William E. Taylor, George Tomascik, Joseph White, Max Zaritsky, David Zimet.

This list of names, which was longer last year, contains the names of many of our professors and educators who spend their time educating people in communism instead of in the fundamental principles of this Government.

I shall now quote from the body of the second letter:

MARCH 1940.

The Nonsectarian Anti-Nazi League is the American organization concentrating upon the fight against the pro-Hitler movement. Our department of investigation maintains a staff of experienced investigators which uncover and discloses the activities of the subversive groups in our country. We have been able to aid officials of our Government in prosecuting leading members of these groups.

In order to carry on our Nation-wide activities, we must raise a fund of at least $250,000 this year. For this reason we appeal to you, as one of our supporters, to stand by us again, as you did in the past, by contributing generously and, if possible, increasing your former contribution. Your support is needed now more urgently than at any time in the past.

For your convenience we are enclosing a statement and a return envelope. Please mail your contribution today.

Accept our gratitude for your cooperation and support.

Sincerely yours,

Prof. JAMES H. SHELDON,
Chairman, Board of Directors.

It is evident from these two letters that the Non-Sectarian Anti-Nazi League to Champion Human Rights is not championing the rights of Americans but some other human rights. It is further evident from the letter that the Non-Sectarian Anti-Nazi League conducts, first, a bureau of propaganda investigation; second, a legal committee; third, a department of investigation; and, fourth, a staff of experienced investigators. In other words, the Non-Sectarian Anti-Nazi League—a private organization which was organized in 1933 by the late Samuel Untermyer—is operating as an independent unit within the United States, investigating anyone the league believes is subversive; a strange attitude, indeed, for the greater number of the names on the margin of the letter are recorded as radicals or Communists in Elizabeth Dilling's Red Network. Many of the same individuals are also recorded in congressional hearings as members of radical groups in the Communist Party. This group is investigating its own designated subversives. And who are they? They are the patriotic American citizens who are opposed to the Communists, and therefore to the Non-Sectarian Anti-Nazi League.

This league is also connected with the Anti-Defamation League, which was clearly evidenced in the presence of Mr. Birmingham as a representative of the F. B. I. in its investigation of the Christian Front. I may say that Mr. Birmingham's selection by the F. B. I. to investigate the Christian Front is not a surprise when we consider Mr. Birmingham's employers.

Now, what are the facts? The Non-Sectarian Anti-Nazi League has no right to carry on its own bureau of investigation, a bureau of anti-defamation, a bureau of propaganda investigation, and legal committees to help the Federal Government. When our own Justice Department employs investigators such as Mr. Birmingham, Mr. Prince, and others, it is, if nothing else, an admission of the incompetence of its own investigators. And, if this is true, if the F. B. I. is incompetent, it is time for Congress to take action and supply this Department with efficient help.

What could we expect this group to investigate? No one except those it has designated subversive. And who are they? In brief, they are every American citizen who is opposed to communism and sabotage of our industries and our Government. It is the groups that are labelled Nazi and Fascist, anti-Semitic and anti-racial by the Non-Sectarian Anti-Nazi League. This league, which sails under the slogan of "champion of human rights" is, in fact, a champion of no human rights excepts its own.

The Federal Government should investigate the Non-Sectarian Anti-Nazi League and its affiliated organizations. As recorded in its own letters, there are between 700 and 1,000 groups which spend their time spreading hatreds and venom in order to confuse the public. Some of the membership in this league may be innocent, but whether innocent or guilty, their names embellish the letterheads to lend nonsectarianism to a league which is narrow and clannish. This league stands for rights of its own, bitterly opposing those who believe in the rights of the majority.

We need no civilian groups to sponsor the rights of the American people, because they reserve that to themselves in the Constitution of the United States. If the membership of the Non-Sectarian Anti-Nazi League will subscribe to the fundamental principles of this Republic as set forth in the Constitution, they can join the majority of the American people in setting the Nation right.

The procedure which the league follows now can only be condemned, for it aids in retarding recovery; it spreads dissension, hatreds, and animosities in its pseudo-pious advice to which the membership does not adhere in fact or principle.

You will note that $250,000 was to be raised in September 1939 and in March 1940. The Internal Revenue should investigate who contributed this money and the purposes for which it was spent. It costs considerable money to conduct a number of bureaus and 700 to 1,000 organizations. Who is paying the expenses of these groups? Who is paying for the propaganda investigation, for the legal committees, and for the investigation of Christian organizations? Who is paying for the experienced investigators who uncover and disclose the activities referred to in the letter? What right has any private organization to aid officials of our Government in the prosecution of leading members of Christian groups? It appears that the Non-Sectarian Anti-Nazi League holds our own Justice Department incompetent, or it would not feel obliged to supplement its activities.

I am wondering just how the Justice Department would deal with the Christian Front or other Christian organizations if they maintained the same kind of investigating organizations and legal staffs. It appears to me that the Non-Sectarian Anti-Nazi League hopes to rule this Nation through its own intelligence department and Cheka, and in such attitude the league not only does not obey the law, but transcends the laws of the Nation.

It is the duty of the Justice Department to abolish all organizations which are conducting private investigations of the American people, for such snooping and persecution is not only illegal but will, if continued, lead to internal strife.

I shall now again quote from the editorial in the Washington Post:

So there is ample reason to ask the Communists, the Nazis, the Silver Shirts, and every similar group operating in this country to lay their cards on the table.

To this I may say that it is equally important for the Government to ask the Non-Sectarian Anti-Nazi League to lay its cards on the table, for it is the most subversive group of all.

It becomes increasingly evident, however, that Mr. DIES is conducting an inquisition as well as an inquiry into subversive activities. His so-called raids on Communist headquarters arouse resentment in the minds of many people who have no sympathy with the aims of this deluded faction.

I recall the various individuals who testified before the Dies committee early last year—members of the so-called Fascist groups—and I want to say at this point that all American groups are labeled Fascist by the Non-Sectarian League for Human Rights.

The gentlemen who appeared before the committee to testify to subversive activities were required to answer "yes" or "no" to questions interpolated by the committee's counsel. They were not permitted to testify to the information that they had in regard to communism or other subversiveness, but were instead restricted, as I have said, to answering questions proposed by the committee. Even a Member of Congress was denied the right to interject a question when he sat with one of the gentlemen who appeared before the committee.

What is the situation now? The Communists have not been prosecuted, and one of them who was found guilty is still out on bail pending appeal. The other members of the Communist Party who have appeared before the committee bluntly state that they are not going to answer any questions; and, in addition to that, they appear with their personal attorney, who intercedes for them when necessary. This right was not allowed other members of pro-American organizations who appeared before the committee. What a vast difference between the treatment of patriotic Americans and Christians and the treatment of the Communists. Even the courts side with the Communists. Of course, that is no more than what may be expected when we observe the personnel of some of the courts.

This article also refers to the proposed bill of the gentleman from California, Representative JERRY VOORHIS, which is to require political organizations affiliated with foreign governments to register with the Secretary of State. Personally, I believe the bill is useless, because organizations with evil intent in mind are not going to register with the State Department or anyone else. It will, therefore, only apply to those organizations which may be selected by, say, the Non-Sectarian League; so this act, like others of the same kind,

may be employed to prosecute the innocent instead of the guilty. However, if a law of that kind is passed, the Non-Sectarian Anti-Nazi League should be the first to register with the State Department.

I have selected this article as an example of information which appears in the press. The people should bear in mind that all information in the Nation's press appears from one angle alone, namely, the angle of the internationalist. It is not an American angle and it does not express American opinion, but expresses, instead, an unassimilable alien philosophy.

Attempt is now being made to beat the tom-toms of war and get the people excited enough to rally forth to their own destruction. No doubt incidents will be provided for the sole purpose of arousing popular sympathy toward the British Empire. I would advise the people to pay no attention to what is happening in Europe, for those nations understand each other much better than we understand them. The present war is not a war of the people, but is, instead, a strife in which the people will be sacrificed in order to establish a super world government over which the internationalists can reign unmolested and free. It is to establish a world government that will live upon the earnings of all the people in the world and use the people to bludgeon those nations which want to be free. It is a grand attempt to swing the Star of David over the North and South Poles so that it may radiate along the meridians of the world.

If the State Department or the Executive permits any incidents to happen at this time for the purpose of agitating public opinion favorable to entrance into this war, all those so involved should be impeached by the Congress of the United States for the common defense and for the general welfare of our own people.

If our Army is to be employed, let it be in consolidation of the North American Continent and adjacent islands, so that we may establish a great empire of North America protected by water on all sides.

Darwin is right. It is the survival of the fittest. And bearing that in mind, let us assure that we will survive by protecting ourselves at home, for we will, in such procedure, be in a position to render greater aid to those now engaged in an unnecessary war that can only end in destruction of a Christian civilization which has brought light into the world.

Communism in School Textbooks

EXTENSION OF REMARKS

OF

HON. J. PARNELL THOMAS

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

Mr. THOMAS of New Jersey. Mr. Speaker, Communist leaders gave the answer themselves to why the Dies committee is making a study of the inroads of communism in some of the textbooks used in our public schools and colleges. In answer to recent criticism of why the Dies committee is making such a study, I need go no further than to quote from an article written by William Z. Foster, Communist leader, appearing in the magazine The Communist—issue of September 1938. The reference is as follows:

(d) Communist professionals also have the very important task of advancing and even revolutionizing the techniques and theories of their respective professions. They must take up the intellectual cudgels against the reactionaries on all fronts. Thus, our teachers must write new school textbooks and rewrite history from the Marxian viewpoint; our scientists must organize more effectively the battle of the materialists against the idealists in every branch of science; our doctors must introduce new methods into medicine (the American Medical Association is not only reactionary politically but also medically); our lawyers must challenge prevalent musty capitalist legal conceptions and rewrite our legal history; our writers must bring forward class-struggle themes in literature and the theater, etc. In short, our Communist professionals must develop a powerful Marxist-Leninist ideological front against the reactionaries and their Trotskyite-Lovestoneite stooges in every field of intellectual and artistic endeavor.

THE PARTY'S WORK TO DATE

Our party has already done very considerable work along the foregoing general lines among the professions.

The Road We Are Traveling

EXTENSION OF REMARKS

OF

HON. JAMES W. WADSWORTH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

ADDRESS BY HON. JAMES W. WADSWORTH, OF NEW YORK

Mr. WADSWORTH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech delivered by me before the Maine Republican State convention at Portland, Maine, on April 4:

Mr. WADSWORTH. Mr. Chairman and members of the convention, the managers of this convention have done me a great honor in inviting me to come here and speak to you about the issues which confront the Nation and are of especial interest to all loyal Republicans. I have grave doubts as to my ability to fill the bill, for when you come to think of it, the story of the last 7½ years is of such a pattern as to defy the analytical ability of the most observant and informed mind. I cannot boast possession of such an intellect. I tell you frankly that it is beyond my power to catalog, much less to analyze, all the events which have thundered to our attention since the day Franklin Roosevelt entered the White House. Those events have occurred with such startling rapidity and have been accompanied by such a continuous blast of organized propaganda as to deafen the hearing and muddle the thinking of many of us. The best I can do, after watching this thing for more than 7 years, is to give you my estimate of trends. I mean by that to explore the road which America has been traveling under Roosevelt and to identify, if I can, the goal at the end of the road. Were I to attempt to go into details, to explain every measure proposed by the New Deal, and to follow each of them through to its logical conclusion, I would soon exhaust my own capacity and your patience. The best we can do is to discover the philosophy of the New Deal as expounded by the President and his inner circle of advisers. And after all, the motive, the intent, and the goal are the elements which we should see and understand clearly before we make up our minds whether or not this thing should be permitted to go on for another 4 years.

If I shall recite to you my personal reaction and some of my votes in the House of Representatives, I shall do so not to defend myself, but rather to indicate how I and many other Republican Members of the Congress have reacted to this extraordinary situation, dating back to the beginning of Franklin Roosevelt's administration. It ought to be understood that none of us was prepared for what was coming, that none of us enjoyed an opportunity at the beginning to estimate just what this New Deal meant. It came to us as a complete surprise, as it did to all the rest of the country. Neither we in Congress nor the public generally had any warning, and as a consequence the Republican Members of Congress and a large number of Democratic Members were compelled to consume a good deal of time and a lot of thought, some of it groping, before we came to understand just what the New Deal meant. I think it fair to say that now, after an experience lasting through 7½ years, a large majority of the Members of Congress, regardless of their political affiliations, has awakened to the realities and has a pretty clear conception of where Roosevelt would lead the country.

In achieving that conception and explaining how we reach it, we must look back to March 4, 1933, when Mr. Roosevelt stepped into the White House, pledged up to the hilt to establish rigid economy in the conduct of the Federal Government. I remember very vividly, and so do you, his first moves and his first public utterances based principally upon his campaign pledges. In the Presidential campaign of 1932 he had denounced extravagance, he had pictured bread lines of the unfortunate unemployed resulting from such extravagance and excessive taxation. He was very eloquent, and if I may say so, very sound in his utterances upon that subject. He denounced the multiplication of Federal boards, commissions, and bureaus, the piling up of the Federal pay roll, the expansion of the Federal bureaucracy at the expense of the independent functions of the several States. He repudiated utterly any attempt on the part of the Federal Government to control agricultural production or to fix prices of the products of the farm. He demanded the curbing of Federal expenditures, the practicing of economy, to the end that the Federal Budget should be balanced. In this field he left nothing unsaid in denunciation of President Herbert Hoover.

Prior to that Presidential campaign of 1932, during the Hoover administration, the whole world was cursed with an economic de-

pression—a depression which every informed economist traced to the wholesale destruction of property, as well as lives, incident to the World War—the sort of depression which has followed every great war in the past and which represents the penalty which the human race must pay for the letting loose of wild passions and its indulgence in folly. Generally speaking, our people were desperate. Unemployment was increasing, governmental revenues were decreasing. Agriculture, industry, and commerce generally were in the doldrums. The banks were closing. In their desperation the people, as has been so often the case, were more than willing to reach out and clutch at any straw which might enable them to float ashore. In the campaign of 1932 Roosevelt offered them the straw. He bid them to be of good cheer. He promised that if he and his party were placed in power, the burdens of the cost of government resting upon the backs of the people would be lightened; that the Government would help lift them up and give them a chance to work their way out of their troubles. He painted a picture of hope and of happiness brought to us all by a beneficent government, in whose conduct common sense and the other old-fashioned virtues would prevail.

And so a desperate people elected him and greeted his entrance to the White House with glad cheers and with an optimism scarcely to be measured. Very well do I remember that week or 10 days immediately following Franklin Roosevelt's inauguration. He told us that what was to be most dreaded was fear—fear for the future of America—that we must abolish fear from our hearts and have confidence. He told us that under him the Government would be sound and secure; that it would restore confidence, cut down expenditures, refrain from additional taxes, reorganize the banking system (just then in a precarious situation). He said to all of us, "Be of good cheer. I understand your problems. I am here to help you rise up again." He said it to the industrialist; he said it to those engaged in commerce; he said it to the depositors of the banks; he said it to the farmer. In fact, he said it to all of our people who earn their living from day to day.

Never shall I forget those first weeks of the Roosevelt administration. The Congress and the people, regardless of political affiliations or prejudices, welcomed this prophet of a happy day, and with scarce a dissenting voice tendered him their unqualified support. I was a Member of the Congress at the time, and so enthused was I by these assurances from the head of the State that I secured a half hour of time on a national radio hook-up—I, a Republican—and in that speech urged my invisible audience to rally to the support of the Federal Government. To most of us in Washington those seemed to be desperate days, and the glad note of optimism and assurance uttered by Franklin Roosevelt seemed to us to shed a bright light upon our problems and assure us of a decent chance to work out of them. I confess very frankly that I shared that feeling. And I and many Republicans in the House and Senate demonstrated our faith by voting for the famous Economy Act, passed, as I recollect it, in May of 1933. There was an act intended to cut down drastically the expense of government. It was prepared by the President and his advisers. It was drastic, and in some ways unexpectedly severe. And yet most of us made up our minds that severity was needed. We stood for it. Indeed, we rejoiced in it, for to us it represented a courageous approach to the solution of a terrific problem.

Then came a bill to reorganize, in effect, the whole banking system of the United States, calculated chiefly to enable hundreds of banks which had been closed to reopen, and restore to the public the normal functions of a bank in the business world. Other measures came along in those first few weeks, all of them calculated to rebuild and restore. And we voted for them. As a matter of fact, they seemed to us to be in line with the promises of candidate Roosevelt as made to the country in the Presidential campaign of 1932. It turned out, later, that we were easy "come-ons."

It is difficult for me, and probably difficult for any other man, to identify the date in the spring or summer of 1933 upon which the scene began to change. Suffice it to say that following shortly upon the enactment of the Economy Act and other measures to conserve the resources of the people, Mr. Roosevelt abandoned completely the entire program, and we woke up one day to find that these measures meant less than nothing, and that he and his administration had determined to change the whole complexion of government—to change the relationship between the citizen on the one hand and the Government upon the other, to bring about a condition under which the citizen, instead of being master of his government, should become its subject. From then on economy was ignored. Worse than that, it was forgotten. Instead of being content with helping the banks get back upon their feet, the idea prevailed that the Government should be the master of the banks, and through them of all credit. Instead of reducing the number of boards and commissions, dozens of additional Federal agencies were created, armed with power which, in the aggregate, govern the life of the citizen as he attempts to earn his living. To thoughtful people it became apparent, month after month, that Roosevelt had come to Washington imbued with a philosophy of government completely new to America. And as bill after bill was passed conforming with the fast developing New Deal program, we found that the Government in Washington was, step by step, assuming to itself powers over the people never dreamed of. Through all these years we have seen evidences all too plain of the ultimate intent of Franklin Roosevelt and his people. Measure after measure has been passed, with one excuse or another, fortified by propaganda, each of them designed to knit in with the others a pattern of Federal bureaucratic domination. True, some provisions of some of those measures are justifiable, but if we will estimate them as a whole, estimate them in the aggregate, we cannot escape the conclusion that they are designed to transform our old-time Government into a new engine, destined, when fully equipped with power, to bring about the establishment of a totalitarian state in America. And let me remind you once again that the American people had no suspicion, when they voted in 1932, that such a transformation was in store.

During Mr. Roosevelt's first term and extending through the Presidential election of 1936 few of our people sensed the direction of this trend. Moreover, during that period, and especially during the Presidential election period of 1936, the wholesale distribution of Federal money in all the States and in nearly all the counties and cities and villages of the Union operated to dull the sense of the average citizen to what was going on and at the same time to tempt him to give it his support, and so it was for several years.

At this point I venture to call your attention to something which may throw some light upon Mr. Roosevelt's habit of thought and philosophy of government. If we go back over the years and search his public utterances, we find a curious and significant omission. Never once during this hectic period has Roosevelt used the word "thrift" or its equivalent, and, for that matter, never have any of his principal lieutenants used it. I submit that the omission of that simple word from the New Deal vocabulary is significant. It denotes a habit of thought. It helps to identify a philosophy. It suggests a change in the American way of thinking and of living—planned and encouraged by Mr. Roosevelt. The average American has lived in the belief that the best measure of security he could achieve for himself and his family must come from his own efforts. If he were wise, he tried hard to put away savings against a rainy day. He preferred to depend upon himself rather than upon Government, and in doing so he enjoyed a degree of satisfaction which in itself is a spiritual asset of great value. It is fair to say that the American pattern of life has, generally speaking, been built upon such a foundation. Thrift has always been regarded as a cardinal virtue. Those who practiced it have been admired. Those who did not have been urged to do so if, indeed, they were to achieve security and incidentally self-respect.

The New Deal offers no encouragement whatsoever to such a conception. Directly or by implication it preaches the doctrine that security from the cradle to the grave should be conferred upon the individual by an all-wise and all-powerful Government. The function of government in this field is made clear in some of the phrases which have come to our ears during the last 7 years. The President has often used the term "planned economy," and some of his lieutenants have used the phrase "a disciplined democracy." The farmer has been told that he must achieve security by reducing production. He must raise less food. Both the farmer and the industries and all the commercial interests have been told that the buying power of the people, which may be regarded as a partial measure of security, must be increased by means of enormous governmental expenditures. The huge expenditure is expected not only to improve our economic condition, to help bring security to the people, but also to be exceedingly popular among the voters as they go to the polls. The engineer whose hand has been at the throttle of this gigantic engine is confident that there will always be a considerable number of voters enthusiastic over getting more for producing less, and that they will be grateful for their security in such a way of life. However that may be, the phrases indulged in by the New Deal, and many of the policies put into effect, indicate very clearly what the President and his people are driving at. We have seen a long procession of legislative enactments, and another procession of enactments attempted but not as yet achieved, contrived to plan the economy of the people and to discipline them under governmental control—all of them in the interest of what they call security. If we will but concentrate our attention upon it, we will find it affords a vivid picture. And the element of thrift does not appear in that picture at all, whether it be thrift in government or thrift exercised by the individual. Mr. Roosevelt ignores it. I doubt that he knows the meaning of the word. I doubt that he knows how a dollar is earned or how earnings should be conserved. To him a savings account is utterly unimportant. He pays no attention to it. On the contrary, he adheres joyously to the tactics of the spendthrift and at the same time urges the people to bow to the will of a central government.

The two things go along together. With thrift ignored and despised, and spending increased to fantastic figures, it is expected that the individual will the more easily drift into a state of dependence; that he will acquiesce, finally, into becoming the disciplined subject of government. Thus, he is told, he will find security. Some of you may doubt that there is any such intention in the minds of the new dealers, but make no mistake about it, that is the road along which the American people are asked to travel today. Moreover, I fear they have traveled some distance upon it already. Now, let me call your attention to an element ever present in this philosophy of government. It is the element of force—force applied against the individual to compel his obedience to the plans of an imperial government. Obviously, if the Government is to plan the way in which people are to earn their living on the farm, in the factory, or in commercial pursuits, it cannot permit any individual or group to deviate from the path marked out for them, lest the whole plan of the Government break down. To save planned economy, obedience is demanded; and if obedience is lacking, then force must be applied to punish the disobedient. That is inevitable. In other words, our democracy, so-called, must be disciplined, and a bureaucratic government at Washington must

perform the function of a policeman. We must take it and like it. The adventurous man must sit still, for if he employs his energies and his resources outside the limits of the plan, the Government will penalize him in the event he succeeds. So he sits still—he is sitting still today—and multitudes are sitting still on the benches with him. If you doubt it, take a look at the 9,000,000 of unemployed, and this after 7 years of attempted planned economy, bolstered by spending, and supported in part by force. And take a look at the billions of dollars lying idle in our banks today. They are sitting still. Thus you may identify the penalty which we pay for the discouragement of thrift and the violation of economic law, as well as the laws governing human nature.

How any one can boast about our present situation passes my comprehension. We all know we are in bad shape. If we measure the recovery from world-wide depression achieved by other great self-governing nations prior to the outbreak of the present conflicts in Europe—let us say at midsummer of 1939—and compare their progress with ours, we find that we are far down on the list. We also find that none of them adhered to anything like a Roosevelt recovery policy. Some of them stepped over the line into dreamland for a moment, but drew back the instant they began to sense failure. For example, Great Britain, at the onset of the world depression, started in at pump priming through a public-works program and abandoned it in short order. And we have another example just across our border—the Dominion of Canada. Did Canada attempt to regiment her people, to tell them how to earn their daily bread? Did Canada set up a vast centralized bureaucracy at Ottawa? Did Canada indulge in pump priming? She did not. And yet, up to last summer she was far ahead of us on the road to recovery—there was no comparison. So far as I can ascertain, the United States is the only great self-governing nation upon the face of the earth in which the Government itself has denied the virtue of thrift, and insisted that debt, and more debt, and again more debt, is a matter of no concern.

Speaking of debt, the creation of the reckless spendthrift, I make bold to bring to your attention the relation of the present and future Federal debt to the great problem of the national defense. We Republicans are concerned about the national defense, so much so that just a few days ago the Republican Members of the House of Representatives joined unanimously in presenting to the House itself an expression of our concern. I quote a portion of that declaration. We said:

"Our concern is heightened and intensified by what we see going on all over the world today. Recent events strengthen our determination that we shall remain at peace, and secure in that peace. As we plan for security we mean security not only in the physical or material sense, but, taking the long view, the security of our free institutions. We are confronted, however, with a very difficult and serious circumstance, one which we must not ignore.

"To reach a better understanding of it we must reexamine the broad outline of our participation in the World War. Upon doing so we are reminded that when we entered that war, in April of 1917, the national debt stood at $1,100,000,000. In the 18 months of our participation we spent something in excess of $35,000,000,000. To meet that expenditure we raised about ten billions through taxes. We borrowed the remainder and came out of the World War with a national debt of twenty-six billions. That wartime financing was accomplished with comparative ease, for when we began it the Government owed very little.

"Compare that to our present situation. For 8 or 9 years the Federal Treasury has been running in the red. Through all of these years we have been spending much more than we have collected from taxes. The more we have spent the more we have borrowed. As a result, we have piled up a huge national debt. Present law provides that the national debt shall not exceed forty-five billions. It is now conceded that by the end of this fiscal year, June 30, 1940, the direct bonded debt will have approached forty-four billions. If our spending in the near future goes on at anything like the recent rate, the forty-five billion limit will be reached, the Congress will have to raise the limit, and we shall continue plunging along the reckless road.

"Let us remember, therefore, that should we be drawn into a war of first magnitude, we should have to start with a debt of at least forty-four billions, probably more, and then finance the effort on top of that debt. It is a prospect which must concern every thoughtful person in the land.

"No one at this time can foresee accurately the measures we might have to employ were we drawn into war, but all of us can visualize the danger to our institutions were we forced to resort to inflation, to confiscation, and ultimate repudiation. Could our free institutions survive such a strain? Similar institutions have perished in other lands within our time. Driven to such expedients it might well be that we shall have failed actually in our defense.

"Such a possibility should convince us that the most serious weakness in the armor of our national defense today is the existence of a national debt of $44,000,000,000. There it stands, towering, ominous. Much as we should like to, we cannot consider our problem solely in terms of soldiers and sailors, of divisions and battleships.

"To deny that a healthy economic condition is vital to our national defense would be absurd. Our ability to mobilize and maintain the resources of the country in a major effort depends fundamentally upon the strength of our national economy. True, we need soldiers and sailors, divisions and battleships, with adequate modern equipment, but to secure their effectiveness in a long, grueling struggle, and at the same time to preserve our institutions, we must mend our ways, we must put our house in order.

"It will not be an easy task. We have acquired a habit difficult to cast off. Many of our people, thoughtless of the consequences, laugh at debt and demand that spending shall go on. But it must be curbed, for we cannot go on this way and be secure in this troubled world.

"To put it simply, our plea is that the Congress, and others in high authority, reestablish thrift as a virtue in the conduct of government, as it is a virtue in the conduct of the individual."

I have tried to portray the fundamentals of this thing and to point out the dangers ahead—dangers which we must comprehend if we are to preserve our free institutions. Like you, I am rejoicing that the tide is turning, that in ever-increasing numbers the people are coming to understand. In the summer and autumn of 1938 the voters gave clear evidence that they were beginning to realize what is being done to them and to their future. Their awakening accounted for the extraordinary gains registered by opposition Republican candidates in the congressional and gubernatorial elections of that year. In many a great State we came back into power, and in the House of Representatives we have a thoroughly welded and powerful minority under the skillful leadership of Congressman JOE MARTIN—a minority which, joined by numbers of patriotic Democratic Members, who see almost eye to eye with us on these fundamental issues, has been able to repulse some of the totalitarian measures of the New Deal. And let me say here, all honor to those Democratic Members who, placing the country and its welfare above the enjoyment of favor and patronage, have voted as Americans. Yes, the tide is turning. Witness the special congressional elections of this winter. In them the trend of public thought is even more clear.

As we face this menace and prepare for the battle, let us Republicans, and all others of like mind, remember that, first of all, the battle is well worth waging. And then let us remember that we cannot win it unless we show courage—courage to stand up and be counted, courage to speak out, courage to resist temptation to pussyfoot in the hope that we shall capture a vote here or there. There can be no compromise. We cannot outbid the New Deal, even if we were so lacking in self-respect as to attempt such a thing. The underlying philosophy of it is wrong and must be rejected. And the best way to accomplish that would be to beat Roosevelt himself. I don't know how you feel about it, but I hope he runs. The issue then would be perfectly clear—the New Deal and the third term—two things which ought to be considered together. They are logical partners. An intelligent man said to me a few days ago that the rejection of the Covenant of the League of Nations and the endorsement of that rejection by the people back in 1920, was not the work primarily of any living American; that far more than any living American the Covenant was defeated by George Washington with his warning against entangling alliances. If we but do our part in the great contest of 1940, it may well be that Washington shall be our spiritual leader, and that close beside him will stand Thomas Jefferson.

The Price of Hogs

EXTENSION OF REMARKS

OF

HON. THOMAS E. MARTIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

LETTERS FROM LLOYD A. HOWELL

Mr. MARTIN of Iowa. Mr. Speaker, under permission to extend my remarks in the RECORD, I wish to submit several letters I have received from Mr. Lloyd A. Howell, of Iowa City, Iowa, regarding the price of hogs. These letters set out some very good observations on this most important problem that challenge our study and thought without further delay. I am placing them in the RECORD in order to bring the points to your attention as forcibly as possible and to make the letters and the points therein set out available to all Members.

IOWA CITY, IOWA, *March 23, 1940.*

Hon. THOMAS E. MARTIN,
House of Representatives, Washington, D. C.

DEAR TOM: For some time I have been hearing rumors from various farmers and railroad men that packers were shipping live hogs, also cured hams and bacon, from various Iowa points to

Canada, buying on a $5 hog market here and selling on a $9 hog market in Canada.

This may be old news to you and there may be some good reasons why packers can make this $4 profit which individual shippers cannot make, but I think it should be investigated.

I wrote to Winnipeg recently and received a reply from the Winnipeg Board of Trade answering my questions as follows:

1. What is the duty on live hogs from the United States into Canada? Answer: One-half cent per pound.

2. Is there an embargo on live hogs at the present time? Answer: No.

3. What is the average hog price at Winnipeg for the last 2 or 3 weeks? Answer: $9.10 top.

4. What is the name of a reliable packing-house company in Winnipeg? Answer: Swift Canadian Co.; Canada Packers, Ltd.; Burns & Co.; Western Packing Co.

He also wrote "Would add that there is a 30-day quarantine at boundary in care of health-of-animals branch of the Government, for which there is a charge of $1 per head per day."

There is no embargo on live hogs shipped by individuals, Tom; just a $30 quarantine charge on a $5-per-hundred hog.

Now, Tom, I think the United States packers are buying Iowa pork for $5 and selling it in Canada for $9, and I do not believe they are paying any $30 per head quarantine on those hogs.

I believe an investigation by the Secretary of Agriculture or some congressional committee would bring out publicity which would tend to raise Iowa hog prices and do us a lot of good.

If you think there is anything worth investigating in this matter, I'll be glad to send you the copy of the letter I wrote and the original reply from the Winnipeg Board of Trade.

Extending best wishes to you and your family, I am

Cordially yours,

LLOYD A. HOWELL.

IOWA CITY, *March 28, 1940.*

Hon. THOMAS E. MARTIN,
House Office Building, Washington, D. C.

DEAR TOM: Thanks for your letter of March 25 enclosing Charles H. Elston's remarks taken from your experience printed in the Cedar Rapids Gazette of January 14, 1940.

I am enclosing copy of my letter to the Winnipeg Chamber of Commerce and original reply sent from the Winnipeg Board of Trade with the hope that you may be able to use this material in starting an investigation as to the present price of hogs.

The hog market yesterday at Chicago, with a top $5.25 and an average $4.90, is just about the lowest point in 6 years. With 65 cents freight, commission, and handling prices deducted, it means the average hogs sold in Chicago yesterday netted the hog raiser $4.35 per hundredweight.

	Chicago Daily Drovers Journal, Mar. 27, 1940					
	This week		Last week		A year ago	
	Top	Average	Top	Average	Top	Average
Monday	$5.55	$5.20	$5.35	$4.95	$7.70	$7.30
Tuesday	5.35	5.00	5.50	5.05	7.50	7.15
Wednesday	5.25	4.90	5.45	5.10	7.50	[1] 7.15
Thursday			5.55	5.20	7.40	7.05
Friday			5.50	5.15	7.45	7.05
Saturday			5.50	5.15	7.45	7.05

[1] Less 65 cents freight.

After deducting the 65 cents usual shipping charges, the average hogs sold in Chicago yesterday brought $4.35, as compared to $6.50 a year ago, which is a 33-percent drop in net income from hogs compared to a year ago. Looking further back, top and average hog prices on the same day for the last 6 years, are as follows:

	Top	Average
Mar. 27, 1940	$5.25	$4.90
Mar. 27, 1939	7.50	7.15
Mar. 27, 1938	9.10	8.80
Mar. 27, 1937	10.35	10.00
Mar. 27, 1936	10.80	10.45

It would be a fine thing if other Congressmen kept in touch with local conditions and prices as you have been doing, and no doubt many of them will be surprised to know that hogs now are bringing less than half what they were bringing in 1936 and 1937.

Of course, as you point out, many southern farmers are turning from cotton to corn and hogs, but $5 hogs in the United States and $9 hogs in Canada just does not make sense.

I am quite sure the packers are shipping both live hogs and finished pork products into Canada at an enormous profit, and at the expense of the hog raiser.

Anyone who could get hogs back up to their prices of 3 or 4 years ago, could get elected to any office in Iowa.

Cordially yours,

LLOYD A. HOWELL.

IOWA CITY, IOWA, *March 4, 1940.*

WINNIPEG CHAMBER OF COMMERCE,
Winnipeg, Manitoba, Canada.

DEAR SIR: Would you please send us the following information:

1. What is the duty on live hogs from the United States into Canada?

2. If there is an embargo on live hogs at the present time?

3. What is the average hog price at Winnipeg for the last 2 or 3 weeks?

4. What is the name of a reliable packing house company in Winnipeg?

Thanking you for the above information, I am

Yours very truly,

LLOYD A. HOWELL.

THE WINNIPEG BOARD OF TRADE,
Winnipeg, March 9, 1940.

MR. LLOYD A. HOWELL,
Iowa City, Iowa.

DEAR SIR: Replying to your letter of March 4, 1940, we are pleased to submit the following information:

1. One-half cent per pound.

2. No.

3. Nine dollars and ten cents top.

4. Swift Canadian Co.; Canada Packers, Ltd.; Burns & Co.; Western Packing Co.

Would add that there is a 30-day quarantine at boundary in care of health of animals of the Government, for which there is a charge of $1 per head per day.

Yours truly,

THE WINNIPEG BOARD OF TRADE.

Iowa City, Iowa, April 1, 1940.

THOMAS E. MARTIN,
120 House Office Building, Washington, D. C.

DEAR TOM: You can use all or any part of my letter in any way you see fit, and the figures are absolutely okay, and you will not have to back down on them.

For your additional information, I am enclosing two clippings from the Chicago Daily Drovers' Journal. This first clipping is from the paper of March 27 showing hog prices for the same days back to 1935.

Chicago daily hog prices

	Top and average hog prices as compiled by the Drovers Journal		
	Top	Average	Spread
Wednesday, Mar. 27	$5.25	$4.90	$0.35
Tuesday, Mar. 26	5.35	5.00	.35
Wednesday, Mar. 20	5.45	5.10	.35
2 weeks ago	5.55	5.20	.35
3 weeks ago	5.65	5.20	.45
4 weeks ago	5.50	5.15	.35
1939	7.50	7.15	.35
1938	9.10	8.80	.30
1937	10.35	10.00	.35
1936	10.80	10.45	.35
1935	9.10	8.95	.15

This second clipping is from the paper of March 30, which we received this morning and it shows the hog prices for the week ending March 30, 1940, the previous week and the same week in 1939.

Top and average hog prices

	Chicago top and average hog prices day by day this week, last week, and a year ago, as compiled by the Drovers Journal					
	This week		Last week		Year ago	
	Top	Average	Top	Average	Top	Average
Monday	$5.55	$5.20	$5.35	$4.95	$7.70	$7.30
Tuesday	5.35	5.00	5.50	5.05	7.50	7.15
Wednesday	5.25	4.90	5.45	5.10	7.50	7.15
Thursday	5.35	5.05	5.55	5.20	7.40	7.05
Friday	5.30	5.00	5.50	5.15	7.45	7.05
Saturday	5.30	5.00	[1] 5.50	5.15	7.45	7.05

[1] Nominal.

If there is any additional information along this line which you may want in the future, I will certainly be glad to get it for you.

Cordially yours,

LLOYD A. HOWELL.

Continuance of Farm-Tenancy Program

EXTENSION OF REMARKS

OF

HON. PHIL FERGUSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

LETTERS FROM OKLAHOMA FARMERS

Mr. FERGUSON. Mr. Speaker, the tenant farmers of the Eighth District of Oklahoma present the best argument yet made for an appropriation to carry on the Bankhead-Jones Farm Tenant Act. Every one of these farmers want the program continued, even on a small scale. The Members who argued the program was a failure because so few farmers could buy farms have their answer in these letters. I have received over 200 letters on this subject, all in favor of continuing the Bankhead-Jones Act and the Lee-Jones Act, to insure farm-purchase mortgages.

The letters follow:

DEAR MR. FERGUSON: I am very pleased to write regarding the continuance of the Bankhead-Jones Act. Here is my very candid opinion. I am hoping to be one picked this year and was not a bit at outs with the program for not being selected this past year.

You can tell your fellow House Members that there is many thousands who also voice the same opinion. Now, for instance, if I had a farm of my own, compliance with the A. A. A. performance would be smoother. I could also work with Farm Security better with trench silo, more or I'll say some feed could be planted at will and not be at the mercy of the landlord at every turn. My landlord, and there is countless like him, don't want alfalfa, trench silos, rowed feed, ponds, etc. Why I had to talk like a good fellow and with the help of the drought we convinced my landlord to stay with A. A. A. and get crop insurance.

We had a Farm Security meeting in Cherokee the 28th and one of the Dallas speakers told how the applications had increased for tenant purchase loans in Oklahoma alone. I think the past year's applicants totaled over 3,500. Doesn't that show we want more money to buy farms?

One thing I wish you would write and tell me is why it takes so damn long to get something like this through Congress and into action. At the Cherokee F. S. A. meeting the same question was asked about the continuance of tenant purchasing and the Dallas speaker or Lyle Hague, one or the other, asked to see the hands in favor and I know every tenant there raised his.

I further do not feel that it was any injustice to me because my application was not approved. Keep it up, Phil, if only on a small scale, until you can get those Eastern Senators and Representatives to jar loose for something really helpful for the tenant problem, as well as the Army and Navy that get 12 times as much every year as the Bankhead-Jones appropriations do. I tell you, Mr. FERGUSON, it means a feeling of security to many a tenant or sharecropper to own a farm and know he doesn't have to fear a move every 1, 2, or 3 years. And, by the way, PHIL, watch that Johnson Act and England. I would enjoy another letter from you like that regarding anything.

Yours truly,

ORVILLE A. MEYER,
Kiowa, Kans. (Alfalfa County, Okla.).

APRIL 1, 1940.

DEAR SIR: Will answer your letter of the 30th, and wish to say we certainly wish for the Bankhead-Jones Act to continue. We certainly are not at outs with the program, for if it never benefits us it may help someone.

So we hope you get your required funds, as we certainly would like to have something to look forward to in the future.

Respectfully,

EUGENE T. and MILLIE PIERCE,
Blackwell, Okla.

APRIL 2, 1940.

DEAR SIR: We are in favor of letting the good work go on. We understand that we could not all get farms at once. We are willing to wait for our turn. Hope you will do all you can for the ones without farms. We know the men have a job when they have a farm to care for.

Yours very truly,

CHARLES SHAFER,
Sandcreek, Okla.

APRIL 2, 1940.

DEAR SIR: Yes, I made application to buy a farm. I understand there were 152 applications in our county.

I do not feel that I have in any way been let down by the administration and am highly in favor of this program on a larger scale, as I am very familiar with the tenant situation and also the small chance of a tenant saving enough to get a farm in his name, as this is the end to which I have been working. Neither have I heard any of the applicants say they were not in favor of continuing this program.

Hoping to get another chance to make application, I remain,

Yours truly,

R. L. HORNING,
Wakita, Okla.

APRIL 2, 1940.

DEAR SIR: Received your letter today regarding my feelings about the farm-loan program. Well, it was all right I guess but it did not do me any good. I understand if a man is not married he had no chance of getting a loan to buy a farm. I am single but I take care of my mother. She keeps house and helps as much as she can. I am 30 years old and would love to have a home of my own and have a family of my own some day. You ask if I felt it had been an injustice to me my not getting one. No; I did not feel that it had. I must say I felt kind of disappointed at the time. I would like for it to be so more could own their own homes. I work hard, milk 10 or 15 cows, and do all my other work, too, but can't get much ahead renting. If I had a place of my own, I could raise more feed for my cattle, but all landlords want wheat, wheat, and I can't make it just on wheat. Yes, Mr. FERGUSON; I would like to see your bill passed. Maybe it would help others if it didn't me.

Yours truly,

RAY PETTYPOOL,
Jefferson, Okla.

APRIL 1, 1940.

DEAR SIR: I am very much in favor of the farm-purchase program and hope to see it continued and expanded.

I don't feel there was any injustice and was not disappointed because my application was turned down. Reason: I have a F. S. A. loan and should first prove I am capable of repaying same before I would be eligible to purchase a farm.

Yours truly,

CHARLES C. HORNING,
Wakita, Okla.

APRIL 1, 1940.

DEAR SIR: Received your letter in regard to my application to purchase a farm under the Bankhead-Jones Act.

I am very much pleased to be asked my opinion of the matter and personally I want to thank you very much. Yes; I would like very much to see the program continued. Although my application was not accepted last year I am very glad that some were accepted, and if the plan continues, I may get one in the future.

Personally, I do not feel that it has been an injustice that my application was not approved, and I am very glad for those who did get a farm. I would like to see the program continued even on a small scale because men who possibly would never be able to buy a home any other way could buy one, and I think such bills as this will help the workingman get a permanent job of his own.

Stay with it, Congressman FERGUSON, we are with you 100 percent and I sure hope the program continues, and hope that if it does that I may be one of those chosen ones to buy me a home.

I am a W. P. A. worker, but no matter what I do I always make the best of it—get all I can out of it and am thankful that we are free American citizens. Thanking you again, very sincerely, your friend and supporter.

WARREN W. HICKEY,
Renfrow, Okla.

APRIL 1, 1940.

DEAR CONGRESSMAN: In regard to your letter of March 29, I wish to say that I am very much in favor of continuing and enlarging the program so that more tenants might receive farms.

Personally I think that every applicant should feel all right toward the program even though they did not receive a farm last year. Most people do realize that the program must be limited but if continued will help a lot of people that probably would never be able to buy a farm otherwise.

I think, however, that it should be changed to the extent that a purchaser might be allowed to farm a little other land along with that he buys. As it seems to me that he would have a much better chance to pay and make a living at the same time. It seems to me that the success of the program depends on the ability of the purchaser to pay.

I do hope to own a farm home some day but do not care to tie myself down to something that would not allow a person to expand if the opportunity presented itself.

Yes; I feel that the committee in our county did justice to all applicants and worked a hardship on no one and I hope that you will do everything in your power to continue the program.

Yours sincerely,

EUGENE GRAHAM, *Byron, Okla.*

APRIL 2, 1940.

DEAR HON. REPRESENTATIVE PHIL FERGUSON: Sometime ago I tried to purchase a farm under the Bankhead-Jones Act, yet I was one of the applicants rejected because of limited funds. But let me state to you right here: My father died when I was a boy of 9 years of age; from there on I worked nothing else but farming, raised livestock, different kinds of grain, including 400 acres of wheat, until war broke out. I went over there; on return I had very little left to start out again. At the end of 1928 I lost my farm, my estate, since I had no opportunity to go back to farm, for which now I feel, with my three small sons, one daughter, and wife, as an undesirable family in this Nation.

Yet, I take my hat off my head to any so-called good farmers. My experience as successful farmer rates among the very best. Now, Honorable FERGUSON, whatever you do—fight! for the Bankhead-Jones Act. When you win you will make thousands of good, clean, healthy citizens. I see no better way for progress in our Nation.

Sincerely yours,

VICTOR S. SEDIVY,
Covington, Okla.

APRIL 3, 1940.

DEAR MR. FERGUSON: Yes, sir; I am one of the refused applicants for a long-time farm loan, but, however, I am not sore at the continuation of the program and I cannot see where it has harmed me in any way but has helped the ones that got it, as I believe it would me if I could have been fortunate enough to have gotten it.

For God's sake and the sake of the people at large of the good old U. S. A. discontinue the doling out money to the farmer for being dictated to and continue the farm-loan program when you know it will help some poor family to own a home of their own and the Government will get the money back with interest.

You vote for the continuation of this bill and the works-program bill for me. Fight for it if need be. I am for you 100 percent on these two bills. When you come back home come and see me. I am too hard up to buy gasoline to come and see you.

Yours truly,

ANTHONY D. ADAMS,
Ames, Okla.

APRIL 2, 1940.

DEAR SIR: I received your letter and was glad to hear from you. I put in my application for a farm last fall but was not approved but I think I was as capable as those that got farms but that don't discourage me. I am going to keep on trying. I am very much in favor of the bill. I want to get one of the farms this fall if I can at all. I want to tell you, Mr. Phil, that there has got to be something done to get people back on the farms. I want to see the program carried on as long as possible. One thing that has to be stopped is big farmers taking houses and farms off from these farms and plowing up everything and grubbing out all the trees and then goes the tenants to town and they have to get on W. P. A. or something or else starve. We need a family on each 160 acres and we need men who are willing to try and raise something besides wheat. We have got to have a few hogs, chickens, turkeys, milk cows, and sheep, a variety of stock, and raise some feed for them. We have some farmers who put everything to wheat then go to town and play pitch and dominoes. You know, Mr. Phil, that won't work at all. We don't need town farmers. We need men who are willing to stay on the farms and work. There is always something to be done. We also need gardens on these farms. I want to tell you, Mr. Phil, some of the farmers that borrow F. S. A. money kick of the record book and say the Government is telling us too much what to do. I want to tell you a lot of them need somebody to tell them and get behind them and see that they work. I am in favor of the wheat program but my landlord is against it so I cannot sign up. Our wheat in this part of the State is awful bad shape, looks like a 5-bushel crop and maybe none. I wish something could be done about hog market. They are very cheap. I hope you don't find this letter too long. I am just a plain old farmer, 38 years old, and have a wife and 3 kiddies and some day I hope we can have a family back on each one of these farms. I wish that sometime I could meet you and have a good talk with you. I have some ideas that might be worked out.

Yours truly,

HARRY WHITING,
Lamont, Okla.

APRIL 1, 1940.

DEAR SIR: Yours of March 27 at hand. I was rather disappointed on not receiving help under the Bankhead-Jones Act. Have been on the place for 15 years. It is up for sale to settle estate, and good farms with improvements on them are scarce. I can stand in my yard and count six places that have been stripped in the last 5 years. I understand the Bankhead Act was to help those that had no money. The lucky four in Grant County had from $3,500 to $5,500 on hand to pay on. Let me have that much and I won't need any help. I am not against the act, it is just the way some of the New Deal stuff is handled in Grant County. Would like to see it increased as it takes the owner-operated farms to hold the country together, but just a rider in the act when they leave the farm with any part of the purchase price unpaid refund their money and sell to someone else unless they are disabled enough not to go ahead and farm the place.

I am for it 100 percent and would like to see it go on as the owner farmers are the backbone of the country, for when you are a renter you have to line up with the landlord or look for another place. I have two landlords and they don't want to comply with the Triple A as there was so much crookedness in the first 3 years. Take the money for leaving the land lay idle then plant into wheat and get the wheat and parity payments too.

I was overseas with the other boys. The stay-at-homes got the start on us and it is darned hard to get a foothold again. Do your darndest to keep the act going. Maybe they will get around to me sometime.

Yours respectfully,

ALONZO P. CARPENTER,
(Grant County, Okla.), Caldwell, Kans.

APRIL 1, 1940.

DEAR MR. FERGUSON: In answer to yours on the other side of this letter. No, I am not at all sore. I was not one of the chosen ones but I sure will be if you fellows don't keep the program up, as it is the only way that we younger farmers can ever expect to own a farm of our own. I am for it strong.

I would like very much to see some kind of a graduated land tax put on, so one or two big fellows could not farm 700 to 7,000 acres of wheat, crowding 3 to 20 other farmers off the land, into town and W. P. A. I, myself, was one crowded off by a land hog 3 years ago and have not had a farm since that time although I still have all of my equipment and would like to find a farm to rent.

Still hoping you fellows will continue the program and I will be one chosen next year.

Yours,

FRED A. GEER, *Numa, Okla.*

DEAR SIR: Yours of the 29th of March at hand and contents noted.

Yes; I was one of the many that was temporarily turned down for a loan under the Bankhead-Jones Act. I understand there were around 150 applications for same and only funds enough for 5 in this county. Hats off to the lucky 5.

Now Mr. FERGUSON, I think that is the best thing that has been done in the way of relief, and hope for its continuation and that I may be one of the lucky ones, and thanks for what you have done.

Sincerely,

J. E. GERBER, *Driftwood, Okla.*

APRIL 1, 1940.

DEAR SIR: Your letter of March 29th received. I will say I still hope to see the time when I may purchase a farm on a long-term payment plan as a number of my friends have in this (Alfalfa) county.

Two of the five families who purchased farms are personal friends of mine. I am sure for them, hoping them success with their start.

Sincerely,

CLARENCE A. GERBER,
Cherokee, Okla.

APRIL 1, 1940.

DEAR MR. FERGUSON: I understood at the time application was made out that but a few would have the opportunity to purchase farms.

Am not on the outs with the program. On the other hand I would rather see the Government back capital to purchase farms for farmers in America than to back capital for a future war in Europe. The Government would at least have the farms for security instead of wounded soldiers, widows, and orphans to take care of. I would rather see the program continued on a small scale than to be discontinued. A little good is better than no good.

Respectfully yours,

E. C. TANNER, *Cherokee, Okla.*

APRIL 2, 1940.

The Wheeler-Lea Bill

EXTENSION OF REMARKS
OF
HON. JOSEPH J. MANSFIELD
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

Mr. MANSFIELD. Mr. Speaker, a few days ago, by an extension of remarks in the CONGRESSIONAL RECORD, I invited attention to the disastrous results, as to freight rates, particularly in Texas and the Southwest, that would be brought about by the enactment of the Wheeler-Lea bill. The

momentous occurrences that are now happening in Europe clearly indicate the importance of waterways to the military safety of all nations. Legislation such as the Wheeler-Lea bill, restrictive to the development and use of waterways, would seriously cripple the national defense of this country at a time when we should be especially careful to avoid such a mistake.

Germany has just taken possession of the Kingdom of Norway in order to insure better transportation of ore from Norway to Germany. The mines in northern Sweden are connected by rail with the Baltic Sea but, due to the disadvantages of a long rail haul for transporting large tonnages, the longer water route from Narvik down the western coast of Norway into the Skagerrak to the gun foundries of Germany has been used. Since England threatened to close this route, Germany has launched a new war to protect it.

The newspapers are full of news about other pending campaigns to protect water routes carrying supplies into Germany. The Danube River is being used extensively. At any moment we are likely to hear of a military expedition to keep this route open. Another such waterway is that from Yugoslavia to Trieste. We read that the war is about to be extended into the Adriatic in order to protect this water route. These waterways are comparable to the coastal and inland waterways of the United States.

It would be well nigh foolhardy for the United States, during these critical times, to put on the statute books a law such as the Wheeler-Lea bill, making our waterways subservient to a railroad commission having the will to throttle waterway development and transportation in order to safeguard or enhance the profits of railroads.

The Wheeler-Lea bill turns over to the Interstate Commerce Commission the future of inland water transportation in this country.

Lest there be any lingering doubt as to the attitude of that Commission, the following passage is quoted from the opinion of Chairman Eastman of the I. C. C. in decision F. S. A. 17413, October 30, 1939.

It would be more economical for the Government not to construct and maintain the waterways, but instead to use an equivalent amount of money as a subsidy to the railroads in exchange for lower rates.

Address at Patent Sesquicentennial Dinner

EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

ADDRESS BY HON. CONWAY P. COE, COMMISSIONER OF PATENTS

Mr. KRAMER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by United States Patent Commissioner Conway P. Coe at the Patent Sesquicentennial dinner at the Mayflower Hotel on April 10, 1940:

In the President's proclamation inviting our people to commemorate the beginning of the American patent system he credits our patent laws with having afforded protection and encouragement to inventors. In that statement the President has recorded truths that I wish to make the theme of my brief remarks to you.

Man's inventiveness is eons older than any patent law. That faculty he had from the beginning. Some human contrivances date back to the remotest recesses of pre-history. The weapons with which he defended himself or obtained his food and clothing were devised in the depths of antiquity. Some of the utilities that primeval man fashioned still survive in their essentials, though refined in detail. The wheel and the boat are but two of these. Doubtless some of the inventions which the world has come to know in later centuries were anticipated in the pristine ages. For, during this vast stretch of time, there was no provision for the preservation and perpetuation of these fruits of human genius.

Throughout most of the 19 centuries of our own era such means of conserving ideas and discoveries were lacking. Had there been during all mankind's long career a way of transmitting, as there was for producing, the novel and the useful in mechanisms and methods our heritage from the past would surely be richer than it is. Until as recently as the impressive date we are recalling—April 10, 1790—there was no adequate procedure for assuring that the handiwork of one generation should descend to its posterity.

The American patent system has as its peculiar achievement and merit that it has bestowed permanent benefits upon the public in the very act of conferring a temporary reward and protection upon the inventor. That system has established a lasting treasury of the most precious of all human products, that is to say, useful conceptions. Whitney's cotton gin, one of the earliest inventions to be patented by this Government, has long since been outmoded. But Whitney's idea persists down to the present as the inspiration of each successive improvement in gins. Every inventor who has added to the utility and capacity of the gin has worked by the light of Whitney's vision. That is true also of all the classic inventions that have been prompted during the life of our patent system. Long after the originals have served their first purpose they have continued to beget a progeny of betterments, and that process continues.

Our material and social advance has been furthered not only by the development of new, but also by the improvement of old, inventions. The history of our national expansion, the growth of our population, the development of our national resources, the vast increase in our collective wealth, and the elevation of our standard of living are the story of our successful dependence on inventions. A few generalizations will explain and also, I feel, justify my statement. The first steamboats could navigate only a comparatively small mileage of our inland waterways. They were scarcely a reliable means of transportation. But inventions steadily improved them, and before long they were able to penetrate more deeply into the interior. Fulton's steamer plied the Hudson in 1807.

Ten years later a steamboat ascended the Mississippi as far as St. Louis. This new addition to the means of carrying freight and passengers brought many important gains. It aided in the settlement of such of our territory as bordered our midwestern rivers. But there still remained great reaches of country without white population or facilities of commerce. A few years later came the locomotive, made more efficient by American inventors. Railroads were soon traversing regions that must otherwise have remained the wilderness they had been for long ages. With the invention of the telegraph, trains could go farther and faster and more safely. They could take to the settlers in the West the wares they needed and bring to market the products of mines and forests and fields even beyond the Mississippi.

Steamboats, railroads, and the telegraph were only three of the inventions which won the West for us, in an economic sense. The reaper might be added to these. Even the revolver might be credited with a part in this conquest.

In the period between 1830 and 1860 there came a whole series of inventions that served the West and all other sections by fostering new industries, by providing markets, by enlarging employment, by increasing population, and by enhancing our national wealth, strength, and importance. What has come true since the Civil War is too apparent to need recital. The territory which we now know as continental United States had been under the the sovereignty of white men's governments for three centuries before the establishment of the American patent system. There were here and there settlements having the advantages of European civilization and culture. But, after all, the progress that was made in all that time was principally in degree, not in kind. Industries in the New World differed little in types and hardly at all in methods and mechanisms from those in Europe. The principal variances were those of climate and vegetation and animals, and these were owing not to man but to nature.

An inhabitant of one of the Colonies of North America, returning to England after half a lifetime of sojourn on this side of the Atlantic, let us say, in the second half of the eighteenth century, would have seen in Europe few novelties in the way of inventions arising during his absence. The implements and instrumentalities familiar to him before his migration to the Western Hemisphere would still have been in use, little changed. Suppose, however, that an English colonist who last knew America in 1790 could have been reincarnated and repatriated in 1850—only 60 years later. Whether the place of his resurrection were Boston, New York, Baltimore, or Richmond, he would have been dazed by the wonders that everywhere confronted him.

Now, I am not contending that man was endowed with inventive talents either by the American patent system or any other system. I have already been careful to say that these are the bounty of Nature. I merely accept and repeat the truth which the President has uttered in his proclamation, namely, that our patent system has encouraged and protected inventive genius and by that inducement and guarantee has served the common weal. It is to that policy and to that effect of our patent system that I believe we are indebted for the economic advances we have made in the last 150 years. Had there been since 1790 no greater incentive and requital for inventive abilities and activities than there were before that year, the succeeding 15 decades would have been as barren as the century and a half that preceded the inauguration of our patent system.

The philosophy and the ethics of our patent system fully realize the purpose for which it was instituted, that is, to promote the progress of science and useful arts by securing to inventors the exclusive rights to their inventions, and thus enable them to reap the gains which their contributions to the general welfare have

earned. I am quite well aware that to many people the word "monopoly," when used as the equivalent of the phrase "exclusive rights," which was written into the Constitution, connotes wrong and detriment. But if it is understood to signify only the creator's just claim to possession and enjoyment of his own creation, the term loses its harshness.

The American patent system has continuously fulfilled the expectations of its authors. It has recompensed inventors for bringing into being and use what had no previous existence and therefore not only without deprivation to others, but to the benefit of all. A myriad of inventions once temporarily protected by the monopoly of patents are now and for long have been common property and of general utility. Of these and others we might never have had knowledge or advantage but for the inducement and safeguards which our patent laws have provided. In short, patents have put a premium on invention and the products of inventive minds have become a precious patrimony shared by millions.

We owe so much to the patent system that we are bound not only to perpetuate it, but also to improve it. What we received from Congress in the act of 1790 was not a perfect formula. Several times since then the statutes regulating the grant of patents have been changed for the better. There is need for further constructive alterations. These should assure to the patentee a more prompt and decisive determination of his rights and concurrently a speedier and surer definition of the rights and obligations of users of patented inventions. After thorough canvass of the problems to be solved and study of the means of solution the Department of Commerce prepared and presented to Congress several measures looking to betterments. Five of these bills were enacted last August. Two others are still pending. One of these latter bills contemplates the establishment of a single court of patent appeals whose decisions shall have virtually final force and effect throughout the United States and its Territories. It is our conviction that the creation and functioning of such a court would obviate much of the delay, expense, and uncertainty which now attend the adjudication of suits concerned with the ownership, validity, scope and infringement of patents, and thus subserve the interests not only of patentees but of the whole public.

The other bill awaiting congressional action would also, if enacted, yield desirable results. Its purpose is to limit the effectiveness of a patent to a term of 20 years from the date of filing the application, but not to exceed the present statutory period of 17 years. If, after that bill were passed, an application for any reason protracted the prosecution of his application for more than 3 years, the life of the resulting patent would be correspondingly shortened. Should his delays, for example, consume 5 years, the patent issued to him would run for 15, instead of 17 years. The object sought by this amendment is to penalize and discourage deliberate procrastination by applicants who seek by that device to obtain an extra monopoly in excess of the statutory period of 17 years. For it must be remembered that the filing and pendency of an application in general operates to deter others from manufacturing, using or vending the particular invention awaiting patent. This gives to the mere applicant much of the benefit, though not the absolute lawful right, that ultimately accrues to him through the grant of a patent, if such be issued to him. If an application continues in the Patent Office for 10 or 15 years, therefore, the applicant's virtual monopoly, under present conditions, will run for 27 or 32 years.

I mention these proposals for corrective action for the reason that our commemoration of the sequicentennial of our first patent law should not only recall the blessings of the past but should equally insure new gains in the future, if we are to retain all we have inherited and bequeath something additional to those who follow us. We should, I feel, be not merely glad and grateful for all the patent system has given to us and the generations gone; we should be solicitous that those yet to come shall have cause for gratitude to those who are commemorating this anniversary. We should be moved by the spirit which marks our patent system—the incentive not simply to evolve the new, but also to perfect the old. Our obedience to that spirit will give greater significance both to the year 1790 and the year 1940.

Resolution Authorizing Studies of Productivity and Labor Costs in Industry

EXTENSION OF REMARKS

OF

HON. FRED A. HARTLEY, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

Mr. HARTLEY. Mr. Speaker, as a result of the great technical improvements being brought forth constantly in American industry, we are faced with the necessity of adjusting work conditions—namely, wages and hours—in order that the workers may have increasing leisure and higher living standards rather than increased unemployment and withering poverty. I believe that we are interested in bringing about these necessary adjustments in an orderly and peaceful manner and to this end we should have adequate information. If we have the facts and figures sought by this resolution labor can negotiate with employers with a sound base from which to work. If we are denied adequate information, there is little doubt that futile arguments and wasteful strikes will arise out of negotiations attempted with insufficient facts available.

The only comprehensive productivity study which has been made recently was that of the W. P. A., in cooperation with the United States Department of Labor, covering the period from 1910 to 1936. The 1937 census gave some additional information in a few fields of manufacturing, but since that date we have had no information on individual industries. It is needless to dwell on the possible results of a wage negotiation in 1940 which has to be based on facts gathered in 1937. The present factual data obtainable through the Labor Department are just not sufficient to meet current needs.

The prime importance of returning 9,000,000 unemployed men and women to work in American industry as an aid to sound recovery is acknowledged by labor and industry alike. Naturally the task is one of the greatest concerns of labor. It is estimated that there are 3,000,000 out of work today because of labor-saving devices introduced into industry in the past decade. Had it not been for corresponding adjustment in wages and hours, an additional 2,000,000 to 3,000,000 might have been unemployed. Work hours have been reduced from an average of 50 in 1929 to an average of 40 in 1939. Productive efficiency has expanded conspicuously since the early twenties, but the advance in physical volume of output has lagged far behind this expansion in productivity in nearly all fields. As a result, there has been a sharp decline in the hours of employment offered in industry. It is imperative that we have available up-to-date information on individual industries in order that we may know which ones are capable of making the necessary adjustments to provide more employment.

Another development makes it urgent that we have this information on productivity and labor costs at once. The war in Europe is having far-reaching effects on American industry. The growing demand for goods from Europe brought about striking price increases last fall. These occurred first in the wholesale market and are now being passed on to consumers in the retail market this spring. If war continues we may look for additional price advances. These increased prices must be met by the workers, and we are greatly concerned to see that wages are adjusted accordingly, in order that that standard of living which has been attained only after a long struggle may not be forced down again. The figures published by the Labor Department will show conclusively that American workers have an immediate problem to which to adjust in the rising prices brought on by war conditions abroad.

If war continues, we may expect still further price increases; if war ends, it appears that a widespread industrial readjustment will be necessary. In either case there is clear need for up-to-date facts if workers are to adjust to changing conditions without industrial strife and the resultant dislocation of the industrial machine.

It might also be pointed out that from the standpoint of economy this is the time to bring our information up to date and keep it so from year to year. We now have a good background and base on which to build. Consequently the expense involved would be much less now than it would be if the securing of this information were put off to some future time when this basic work would have to be redone.

American labor is willing to cooperate in the solution of the problems arising from technical improvements in industry and war conditions abroad, but it cannot solve them alone. Labor earnestly hopes that the Congress will assist in the efforts to maintain industrial peace by granting the request for means to secure the information on productivity and labor costs, which is essential for successful wage and hour negotiations.

Application for Loan From R. F. C.

EXTENSION OF REMARKS
OF
HON. EARL R. LEWIS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

LETTER FROM CLOYD W. MILLER

Mr. LEWIS of Ohio. Mr. Speaker, the following is a letter which I received from Mr. Cloyd W. Miller, president of the Hickory Clay Products Co., of Mineral City, Ohio, who has been vainly trying for many months to obtain a loan from the Reconstruction Finance Corporation for the purpose of opening his tile manufacturing plant at Mineral City, Ohio, which will give employment to approximately 40 men who are now without jobs. The letter speaks for itself, and is as follows:

MINERAL CITY, OHIO, *March 9, 1940.*

Hon. EARL R. LEWIS,
Representative, 410 House Office Building, Washington, D. C.

DEAR MR. LEWIS: My letter of February 24, 1940, to you on this subject considered R. F. C.-N. L. R. B. collusion under the belief that N. L. R. B. was responsible for it, that it sponsored the idea, sought out R. F. C. officials to make the arrangement. But after Schram, chairman of R. F. C., testified to this, Madden, of N. L. R. B. denied it and said the overtures for collusion sprang from R. F. C., so we have heads of two powerful Government agencies making each other out a liar in effect. This contradiction is exceedingly important in itself and adds much significance to the conspiracy. Or is honesty an unimportant detail in attaining the ends of unselfish idealists for the wholesome good of the people? Who is telling the truth, Schram or Madden? The one who is not telling the truth ought to be dismissed from Government service. Confidence in Government is shattered as by a hurricane by this deal, but we are left with both of these officials, one discredited by an untruthful statement, but we do not know yet which one.

As for the veracity of Madden versus Schram, Madden said he lobbied in Congress for appropriations for N. L. R. B., an act probably indictable under Federal laws. He did not mince words. One may question the wisdom of Madden's zeal in carrying out the purposes of the N. L. R. B. Act, but he appears to be honest in his statements and beliefs about it.

If R. F. C. desired this collusion, what was its purpose? Why did it want to hold back money under the conditions testified to? To further the purposes of N. L. R. B. or for purposes not yet disclosed? I suspect the latter. R. F. C. must have had some ulterior motive or it would not have made overtures to N. L. R. B.; if the approach for this questionable deal came from N. L. R. B. without an ulterior use for it only an insane R. F. C. would have acceded to it. Did these men think it would never become public? If so, it is all the more vicious. Naturally N. L. R. B. would accept such a proffer of assistance, but in helping N. L. R. B. put the screws on borrowers, what would R. F. C. say to a borrower? Would it say bluntly, "There is a labor complaint filed against you, and we are going to hold up your loan money for the purpose of helping N. L. R. B. until the matter is settled"? Hardly. Rather, R. F. C. would act as if to help the borrower, to hold things in abeyance by the use of some insipid excuse, or it might imply to the borrower that it was not in accord with N. L. R. B. tactics, but its own trust required that the loan money be held up. R. F. C. would be a venomous snake in this situation which would hardly be relished by its subordinates. Being rats even for a Government agency is not pleasant.

It begins to be clearer to me why the subordinates in R. F. C. were so excited after Director Merriam gave me that private R. F. C. decision of July 5, 1939. It was bad enough to knife me in it behind my back, but to have it published was too much. The subordinates were almost hysterical; perhaps they were thinking that more of the inside workings of R. F. C. might become public, as they have. Schram said, "We ought to protect our subordinates," in referring to Merriam's act giving it to me. Protect them from what? Surely not from disclosing honest clerical mistakes which could easily be corrected and forgiven.

How much influence our labor record has had in R. F. C. in our case I do not know. I wrote my arguments, presented the facts, and made our case without reference to labor. Labor, I now suppose, has been a consideration in all R. F. C. cases. If our labor record was considered on the facts and truthfully, it should be a strong influence in favor of our getting the money we need. But who would now believe it was a favorable influence for us in R. F. C.'s deliberations? We had some labor trouble.

Having approached these R. F. C. directors as intellectually honest men with 25,000 to 30,000 words in our own behalf, I am left cold and clammy at this R. F. C.-N. L. R. B. collusion. I have believed these men were judges with integrity and honor. I did not hesitate to criticize them or their procedure because I had confidence in my Government. Men with iron in their veins do not object to criticism or publicity about their conduct of affairs; still R. F. C.'s Mitchell warned me against publicizing the record. The old bromide about molasses being better than vinegar implies I seek a favor. I seek none. I want my rights under this act. For months I have been appealing to men who have admitted guilt of a conspiracy which may have made all my work futile from the very beginning.

A conspiracy of this sort would naturally be demoralizing to the morale of any organization. This may account for the carelessness, inefficiency, and incompetency I have encountered in R. F. C., its refusal to negotiate with me or consider sympathetically and patiently the merit of our plans. The arrogant and dictatorial attitude which is displayed constantly is, in my opinion, the defense mechanism of a weak, incompetent, and cowardly Government agency.

Men capable of making a secret collusion deal of this nature for purposes not yet clear might not shrink at offering us $20,000 secured by everything I own, with the express design of rubbing me out financially and divesting the present ownership of this property of it. This would be the result of our acceptance of R. F. C.'s offer. Might this offer be the product of Corcoran's mind, who said, as quoted by Moley, "Fighting with a businessman is like fighting with a Polack. You can give no quarter." Corcoran said this behind the backs of businessmen, and I do not believe Moley would have published it if it was a mere wisecrack—it was thoroughly Corcoran; his studied philosophy for saving the country.

The security asked by R. F. C. for the $20,000 loan is $172,000 of property (R. F. C. appraisal) plus my personal endorsement worth $50,000 more. We offered $125,000 of security (R. F. C.'s appraisal) for a $35,000 loan which R. F. C.'s engineer-examiner reported to R. F. C. we need. He was enthusiastic about our plans and approved them. The repudiation by R. F. C. directors of its own engineer is inexplicable.

It will become increasingly embarrassing for the directors of R. F. C. to hide under the cloak of their discretionary power. This power itself makes it imperative that they justify their position on any matter to anyone. These men have missed the point—they are judges, not merely arbitrary dictators. Unfortunately they are legally answerable to no one, only indirectly to Congress. A perfect set-up for misuse of power which from an ethical point of view is demonstrated in this collusive agreement with N. L. R. B. The power of R. F. C. makes R. F. C.-N. L. R. B. collusion a matter of outstanding importance to the Nation. R. F. C. directors are discredited by it. Soft pedaling it, silence about it in Washington, disregard of it by Congress, will not revive confidence in men who have been guilty of this sort of thing. I suspect public confidence in this bank will be saved only by the resignation of the present board of directors. This collusion key fits the door to the house I have patiently built over a period of months. It throws much light even though I have no direct evidence as yet that this collusion or related considerations affected our case.

As serious as this situation is, I cannot help a wry smile at Madden for making a deal of this sort with R. F. C. One must know his men when he enters the racket field. I think Madden has guts though his passion for idealism may be proved unwise and unfruitful by events.

I am frequently asked, "Do you really want this loan?" Let me answer definitely, "Yes" for all time. This question bores me, it may imply that the questioner believes R. F. C. has favors to pass out, that a fix is in order, that the directors or subordinates must be played up, all sorts of silly things which ignore totally the merit of our case. It remains undisturbed and unassailable.

Sincerely,

CLOYD W. MILLER,
President, The Hickory Clay Products Co., Mineral City, Ohio.

Tragic Fate of Small Nations

EXTENSION OF REMARKS
OF
HON. WILLIAM A. PITTENGER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

Mr. PITTENGER. Mr. Speaker, we are concerned with what is going on in the rest of the world, and I think our State Department should have an expression from Congress in connection with its handling of the difficult conditions which now exist in other parts of the world.

The war lords are on the march again. Two days ago, without warning, the Nazi Government in Germany marched its soldiers into Denmark and has now proceeded to occupy Norway, and there are indications that they intend to occupy Sweden. I note a foreign newspaper dispatch which says that Holland will probably be next, and that the safety of all small countries in the world is at stake.

In 1939 the Nazi Government of Germany marched into Poland and, without cause or provocation, attacked the Polish people and laid waste to their country, bringing war and destruction to men, women, and children alike. This was the case of a powerful nation attacking a smaller one, and for good measure Russia joined in the program of plunder. And so Poland, noted for its high type of civilization, its literature, art, and other attainments, fell before the overwhelming odds of the oppressor.

Only a short time ago the little Republic of Finland was the victim of the aggressor. Its heroic defense against the communistic Government of Russia will go down in history as one of the great episodes which illustrates how courage and heroism measure up to situations which call for the noblest impulses of the human race.

Today we witness the spectacle of a powerful army led by Nazi leaders overpowering small and peaceful nations, such as Denmark and Norway, without any consideration whatever for their rights as neutrals, without regard for their rights under international law, and in violation of every principle of fairness, equity, and decency.

Let us note that when Russia attacked Finland noncombatants—men, women, and children who were not connected in any way with the Army—had their homes bombed and destroyed, and these people were either killed or wounded. This same condition may develop among the people in Norway and elsewhere.

If this were a case where some small country had gone out of its way to violate its duties and obligations to the Nazi Government of Germany, and to help its enemy, I would not comment at all.

But we have an entirely different situation. The people of Norway and the people of Sweden have been known for their outstanding qualities and leadership. Their civilization is of the highest type. They are recognized as honest and industrious. Those who have come to the United States hold the respect of all people with whom they associate because of these many good qualities.

We can and should extend to them our sympathy at this time and our hope that they and other small nations may be spared the ravages of war. The doctrine that might makes right, and this is the doctrine of the Nazi Government, is one that we cannot follow and it must be condemned by right-thinking people.

This philosophy that might makes right is probably the philosophy of other warring nations. What I say about the Nazi doctrine is applicable to them. They should and must respect the rights of neutrals, and are entitled to no consideration from this country when they violate the rights of neutrals. We want to keep the United States out of foreign wars, and although we sympathize with the small nations, at the same time, our policies must be such as to avoid involvement in the European conflict.

Favors to Foreigners, or a Program That Costs Nothing

EXTENSION OF REMARKS

OF

HON. GEORGE S. WILLIAMS

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. WILLIAMS of Delaware. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a statement by Senator JOHN G. TOWNSEND, Jr., on the foreign-silver program entitled "Favors to Foreigners, or a Program That Costs Nothing," as follows:

How the American silver program hands out multiple gifts to foreigners, without any thought of reciprocity or corresponding benefit being extended to us by the beneficiaries, is a matter inadequately understood by most Americans. The foreigners who sell us their unwanted silver call our attention to the fact that they take our goods (i. e., our wealth) in exchange, and many Americans think that we, and not the foreigners, are the beneficiaries of such shell-game economics. Since 1933 about $1,000,000,000 has been handed over to foreigners in this manner. We may see how the program has worked by a glance at Mexico, at present the major beneficiary of our silver simplicity.

To go back to the beginning of the record, the President's proclamation of December 21, 1933, was the first concrete assistance extended to Mexico's silver-mining industry by the American Government. Under that proclamation and those which later modified it, all sellers of silver were benefited through the removal from the market of the entire American mine output of silver. Since the United States is the world's second largest producer of silver, this mopping-up move was of very material aid to the Mexican silver-mining industry. It was promptly reflected in the market price of silver, already greatly inflated through the activities of speculators looking for congressional action. The average official price of silver in New York in 1933 was 34.7 cents. Within a few days of the President's 1933 proclamation Mexican silver was selling at 45 cents.

The second and largest benefit which this Government conferred on Mexican silver was through the Silver Purchase Act of 1934. The first big step under that law was the President's nationalization of the silver then held here by speculators. Thereby the Government in one fell swoop mopped up about 113,000,000 ounces of silver, or more than half again as much silver as all Mexico's mines had produced in the whole preceding year.

Thirdly, as the Treasury enthusiastically entered the open market for foreign newly mined and demonetized silver on a scale never before dreamed of, the market price naturally soared, to the great and direct benefit of the world's chief silver-producing country—Mexico—whose mining activity the American buying program stimulated.

From 1934 through 1939 Mexico produced and sold 464,900,000 ounces of silver, an average of 78,100,000 ounces a year. In 1933 Mexico produced only 68,100,000 ounces of silver. To date, therefore, Mexico's silver production since 1934 has been 60,000,000 ounces greater than it would have been had its output continued only at the pre-silver-program rate.

Nor is this the whole extent of Mexico's benefit from the American Government's silver policy, since the reckless American buying pushed the so-called world-market price artificially high. In 1935 it reached 81 cents per ounce, when the ridiculousness of the program caused an administrative modification thereof.

In 1933, when silver was already high in price because of the London silver agreement and other artificial factors, Mexico's silver production yielded that country an estimated $23,875,000. Had there been no American Treasury purchases in the ensuing 6 years and had 1933 conditions continued, Mexico would have received for its silver during the period 1934–39 the sum of $140,010,000. In reality, and almost entirely because of the American silver program, Mexico was able to sell its silver output during these 6 years for an estimated $219,852,000. On this basis the conclusion is obvious that the American silver policy has presented Mexico with a gift of the difference between those two figures, or approximately $80,000,000, entirely without a quid pro quo.

This takes no account of Mexico's gains through other American programs such as the $35-an-ounce gold policy, which similarly involves no reciprocity on Mexico's part. In fact the present American gold policy today yields Mexico more dollars than the American silver policy.

In this era of billions, a mere $80,000,000 does not seem like much money to be giving away—some might call it throwing away—but it is still a sizable sum. In the W. P. A. that much money would support 135,000 needy Americans for a full year. On the same basis, the $1,000,000,000 we have spent for foreign silver would have supported 1,687,500 Americans on the W. P. A. rolls for a full year.

Citizens Cooperate With Census Enumerators

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

REPORT FROM THE DIRECTOR OF THE CENSUS

Mr. COCHRAN. Mr. Speaker, I have received from the Honorable W. L. Austin, Director of the Census, a most interesting report concerning the reception that census enumerators received in various parts of the country. It is clearly evident from this report that you cannot fool the

people all the time. Despite the campaign to discredit, for political purposes, the efforts of the Director of the Census to carry out his constitutional duties, the good people of this country proved they are willing to trust public officials by willingly answering the questions of the enumerators.

The spirit of cooperation spread to every corner of the country.

The report of the Director of the Census is so interesting I include it as part of my remarks. The report follows:

Reports from more than 500 of the 539 district supervisors of the 1940 census, sent to Washington Wednesday night after the first 2 days of census taking, indicate:

1. That the public generally was surprised at the mildness and simplicity of the inquiries.

2. That the public reaction from coast to coast is "excellent." From only 1 of the 539 districts was it described as poor. More than 400 district supervisors used the word "excellent," many more the word "good."

3. That the separate blanks, provided for persons who do not wish to give wage or salary information to enumerators, are used very infrequently.

4. That out of the millions enumerated not more than 1 person in every 10,000 offered any objection to any of the questions.

5. That many persons, when they learned the true nature of the questions, urged their friends to cooperate, and are otherwise helpful to census takers.

Following are excerpts from the supervisors' reports:

EXCERPTS FROM REPORTS OF CENSUS DISTRICT SUPERVISORS

Manchester, N. H.: Over 9,000 enumerated. Excellent reaction. Three mayors of four cities in district asked citizens' enthusiastic cooperation. No opposition so far.

Concord, N. H.: Senior United States Senator BRIDGES photographed with enumerator for press. Very helpful. Governor Murphy's public statement also helps. Reaction excellent.

Superior, Wis.: Women having read unfavorable publicity met enumerator curtly. After hearing questions was so pleased phoned to dozen friends to assure kindly reception.

San Jose, Calif.: Citizen volunteered to explain simplicity of population schedule to neighbors after discovering public misled by false information over radio.

Trinidad, Colo.: Apparently very little aversion to answering income questions.

Pueblo, Colo.: Is that all? Why that's easy.

Emporia, Kans.: William Allen White's several editorials biggest help.

Wellington, Kans.: One reluctant citizen finally consented to hear questions. Told enumerator questions not what he expected. Citizen took time to get data and had enumerator stay for dinner.

Wichita, Kans.: General surprise at unobjectionable nature of questions, after adverse national publicity.

Chicago, Ill.: Wonderful cooperation from elite on Gold Coast. No outstanding antagonism whatever. One apartment manager called guests himself, informing them enumerator was calling. One night watchman stayed up, sacrificing sleep to give information. One woman, after seeing simplicity of schedules, said she would telephone newspapers and chide them for critical articles.

Gary, Ind.: Three foreign-born persons stated "Proud of being citizen, willing to cooperate in every way."

Indianapolis, Ind.: Surprise expressed by three out of four because questions are so few.

Denver, Colo.: Enumerators enthusiastic about public reception. One had three invitations to stay for dinner.

Waterbury, Conn.: Many wage earners are leaving factory wage statements at home with wives.

Sioux City, Iowa: No refusals, no objections, no resistance, everybody cooperating.

Prescott, Ariz.: Prospector from many miles out in mountains came to the office to make sure he was counted.

Oakland, Calif.: Public reaction excellent. Some citizens invited enumerators to lunch.

Glendale, Calif.: Many favorable gestures to enumerators. Several invitations to lunch, etc.

Los Angeles, Calif.: One apartment manager requested tenants to come to lobby to meet enumerator. Many women greatly surprised that questions are not of embarrassing nature.

Alhambra, Calif.: General reaction: "Is that all you want to know?"

Eldorado, Ark.: Plantation owner said he was glad his 110 tenants would tell story.

Fayetteville, Ark.: Scores of citizens filled out information in advance. Many surprised at mildness and brevity of quiz.

Birmingham, Ala.: Public reaction excellent. One person came to office to get enumerator's address and save him a return trip.

Phoenix, Ariz.: Reaction excellent plus. Salvation Army urging cooperation on street.

Riverside, Calif.: Excellent reaction. One man traveled 50 miles to bring correct information for enumerator.

Santa Monica, Calif.: Lady phoned office long distance to compliment enumerator.

Stockton, Calif.: Refusals are nil. Adverse publicity is apparently boomerang.

Wilmington, Del.: Three leading churchmen, after being enumerated, stated, "I see nothing wrong with these questions. After hearing radio had decided not to answer them."

Boise, Idaho: One enumerator invited to breakfast. Questions answered while eating.

Jesup, Ga.: One man said, "No good American wants to be counted out of the census of the American people." Enumerators reporting unusual courtesies extended. People feel no hesitancy in giving full reports.

Atlanta, Ga.: Auditor for public utility company came to office three times to make advance reports, as would be away from home.

Pittsburg, Kans.: Glad to give information.

Topeka, Kans.: Reaction excellent. Outstanding cooperation from Hon. Alfred M. Landon, who assured me his intention to cooperate fully and made appointment.

Prestonsburg, Ky.: City attorney spent most of April 2 advising general public to answer all questions.

Ashland, Ky.: Superintendent of schools volunteered use of maps to aid enumerators.

Kansas City: Public surprised at impersonal nature of questions after previous adverse publicity. One housewife offered to make coffee for enumerator.

Little Rock, Ark.: Public recognizes criticism of census questions as political claptrap, but did not know questions so few and so simple.

Idaho Falls, Idaho: Chamber of Commerce preparing telephone program to urge every citizen to cooperate. Public reaction excellent.

Bloomington, Ill.: Businessman whose family was leaving town called last Saturday and asked preliminary schedule.

Murphysboro, Ill.: Reaction excellent; no report of refusals or discourtesy.

Freeport, Ill.: Citizen was prejudiced before enumerator called, but can't see now why anyone should object to answering all questions.

Vincennes, Ind.: In one household man refused to answer questions. Wife embarrassed at husband's attitude and answered all questions.

Indianapolis, Ind.: Public surprised at simplicity of questions.

Des Moines, Iowa: Public reaction good; proud to be American citizen; happy to cooperate.

Washington, D. C.: At 9:30 a. m. received phone call from a woman who said it was raining and if we would like her to do so, she would come to our office and give the information.

Fort Dodge, Iowa: Three women lived in one house. Enumerator knocked. No answer. He stepped behind house. Woman came out back door, thinking him gone. He bowed politely, explained census, and went away with schedules filled.

Council Bluffs, Iowa: People saying this wasn't anything like the radio and papers said it would be.

Somerset, Ky.: Nearly everyone helpful. One drunk and one bank employee said did not have to answer.

Richmond, Ind.: Citizens eager to cooperate. Only objections relate to mortgage.

Seminole, Okla.: General reaction excellent. No resistance.

Chickasha, Okla.: One citizen drove enumerator to all of his tenant houses to assure complete coverage.

Oklahoma City, Okla.: Hotel manager volunteers to help organize all hotels for cooperation. Only two refusals.

Durant, Okla.: Only 1 out of 10,000 refused a part of the information.

Muskogee, Okla.: Citizens surprised to find there is nothing to the propaganda. Good cooperation.

Fort Smith, Ark.: One citizen leaving home made list of answers from newspaper and left them for enumerator.

San Francisco, Calif.: General attitude: "Where are the tough questions we were supposed to answer?" Public reaction cordial and cooperative, even cheerful.

San Diego, Calif.: Cooperation 100 percent. No refusals, no requests for confidential slips on wages.

Hartford, Conn.: Professional man after interview wondered what all hullabaloo in papers was about.

Willimantic, Conn.: Many farm households ready with complete farm schedules and answers to income and mortgage questions.

Augusta, Ga.: One citizen phoned to locate and secure return of missing neighbor to help enumerator.

Macon, Ga.: Many working people asking preliminary schedules to spare enumerators second visit.

Griffin, Ga.: One mill owner instructed all employees to get office figures on employment records in order to be prepared for enumerator.

Pocatello, Idaho: Rural reaction farmers excellent. Prominent businessman from whom cooperation not expected came to office requested enumeration.

Lexington, Ky.: Three heads of households volunteered to come to office and fill out schedules so enumerator could get a little sleep Wednesday morning.

Mobile, Ala.: General reply, "Is that all? We were expecting more."

Montgomery, Ala.: Five deaf mutes one household wrote own schedules separately for enumerator who did not understand sign language.

Batesville, Ark.: Numerous enumerators urged to stay for lunch.

Jonesboro, Ark.: People glad to give information for good of country.

Zanesville, Ohio: Few objections to salary questions.

Akron, Ohio: Reaction excellent. One citizen with many servants in household phoned to make appointment in order to be at home. Majority express surprise at lack of impertinence in questions.

Waverly, Ohio: It was reported one woman would refuse to answer. Enumerator reports she was cooperative and wanted to know where the questions were which had been so greatly publicized.

Youngstown, Ohio: Public agreeably surprised with questions. Were alarmed by radio publicity. One large steel concern made 10,000 copies of population questions to prepare employees for enumerators.

Mount Vernon, Ohio: Reaction excellent with no demand for separate income form and no refusals. One enumerator with 35 years experience said never had encountered such wholehearted cooperation.

Cincinnati, Ohio: Reaction good. Employer large establishment answered questions and then urged employees to do same cheerfully, because he thought them proper. Newspapers now cooperating.

Defiance, Ohio: People express surprise at few questions in face of certain exaggerations from Washington.

Niles, Ohio: Cannot recite one instance of lack of cooperation.

Marion, Ohio: Farmer transported enumerator 2 miles in woods to find householder and save enumerator another trip.

Ironton, Ohio: One refusal because relative was not appointed enumerator. Reaction excellent.

Toledo, Ohio: Excellent. Many cases of husband leaving income record for the wife to give enumerator.

Charleston, S. C.: No objections made by any citizen, though 10,000 enumerated.

Orangeburg, S. C.: One refusal on salary out of 18,000 enumerations. Do not anticipate trouble from propaganda.

Providence, R. I.: About 22,000 enumerated, reaction excellent. General surprise that questions are not more searching.

Sioux Falls, S. Dak.: Excellent reaction.

Rapid City, S. Dak.: Public in general answering questions gladly.

Knoxville, Tenn.: Excellent. Both daily papers printed fine editorials, and mayor publicly advised support.

Memphis, Tenn.: Thirty thousand enumerated, good reaction. Memphis city government giving active help.

Chattanooga, Tenn.: Reaction excellent. Fifteen thousand reported, and only three refused income questions.

Portland, Oreg.: Enumerators invited to tea, one furnished umbrella. Out of 35,000 reporting, no refusals of importance.

Eugene, Oreg.: Full cooperation. City has offered police protection to enumerator visiting hobo jungles.

Astoria, Oreg.: General surprise that questions are not objectionable.

Sheridan, Wyo.: After enumerator's visit to ranch home farmer pulled him out of mudhole to get back on highway. One-half district snowbound.

Parkersburg, W. Va.: Only 1 refusal reported by 1,300 enumerators. Less than dozen confidential income blanks used.

Walla Walla, Wash.: Many fine examples public cooperation.

Seattle, Wash.: Enumerators' only reported difficulty is desire of public to chat and offer coffee.

Wenatchee, Wash.: Citizen drove 20 miles to office to get individual blanks for family of seven so information would be ready because wife speaks poor English.

Salt Lake City, Utah.: Out of 9,650 reports, only 2 refusals. Good reaction.

Abilene, Tex.: Many persons call friends over phone and ask that they give full cooperation.

Austin, Tex.: Many expected inquisition and are pleased at actual questions.

San Antonio, Tex.: Reaction excellent.

Sherman, Tex.: No resistance. County Judge Jake Loy, president National Association of County Officials, says, "We are Americans, and are for, and behind, the census."

Newport News, Va.: Great number have all information written out in advance. Any resemblance to opposition fades when questions are read.

Corpus Christi, Tex.: Questions not as personal as general public led to believe.

Johnstown, Pa.: Public amazed at small number of questions. Reaction excellent.

Scranton, Pa.: Getting full cooperation of average citizen. Having difficulty in flood areas.

Harrisburg, Pa.: Ninety-eight out of each hundred people giving income data to enumerator, only 2 percent using mail method.

Pottsville, Pa.: Reaction excellent. Work retarded by flood.

Bethlehem, Pa.: One person called neighbors and spread news that questions were easy.

Lancaster, Pa.: One lady invited enumerator in and had card table specially set up for him.

Pittsburgh, Pa.: Reaction good. One large business firm requested forms and instructed employees. Once people understand reasons for questions, they answer.

Camden, N. J.: Reaction excellent. Naturalized German stated public should be glad to live in free country and not object to census questions.

Coatesville, Pa.: Glad to cooperate. Sensational radio publicity misled the public.

Philadelphia, Pa.: Public generally anxious to cooperate. One woman gave enumerator dozen eggs. Not more than a score of refusals, and these only on first visit.

Cleveland, Ohio: General reaction good. Mayor Burton made statement supporting census. Large foreign families giving full cooperation.

Butte, Mont.: Most everyone agreeably surprised at small number of personal questions asked.

Great Falls, Mont.: "Is that all of the questions? Why, I thought the questions would take at least an hour."

Omaha, Nebr.: Leading citizen states: "I will gladly answer all questions. All America needs these statistics."

Minneapolis, Minn.: Many comments as to simplicity of questions.

St. Paul, Minn.: Twenty-six thousand six hundred and eighty-five persons enumerated. Only one refusal. Housewife said husband advised her not to answer questions.

Grand Forks, N. Dak.: Many saying questions not as personal as they expected from adverse radio publicity.

Fargo, N. Dak.: Not 1 refusal out of 3,000 enumerated. Cooperation of citizens and committees very good.

Albuquerque, N. Mex.: Three prominent local business people contacted the office in person to advise they were planning on leaving the city and were anxious not to be missed in the census.

Deming, N. Mex.: Prominent farmer advised he was glad to give information, as he realized the need and value of census statistics for planning in the operation of his farm.

Jackson, Mich.: General reaction excellent. Newspapers throughout district now giving favorable publicity.

Bay City, Mich.: Lady enumerator in strange district caught in spring shower. Housewife insisted on furnishing rubbers and umbrella before allowing enumerator to proceed.

Detroit, Mich.: Thirty thousand enumerated. Just one refusal to answer income question. Ford industries prepared necessary information in advance to aid the enumerator.

Portland, Maine: Citizens answering all questions and calling neighbors to inform them questions not too personal.

Waterville, Maine: Excellent reception everywhere. Governor of State very cooperative.

Fitchburg, Mass.: Leading city officials have appealed to all people, through medium of press, to cooperate with the Census Bureau.

Lynn, Mass.: Cooperation of newspapers outstanding.

Boston, Mass.: Seventy-six-year-old woman called at census office as she wanted to be certain of enumeration.

Quincy, Mass.: Telephone call from a citizen wanting to know when the enumerator would call and that she would stay in till he got there.

Fall River, Mass.: Chairman Dunham of the chamber of commerce publicly stated: "I hope the people of this territory will cooperate to every extent because the facts are needed by both industry and commerce."

Brooklyn, N. Y.: Enumerators have been treated like old lost friends.

Hempstead, N. Y.: Citizens who have answered inquire, "Where are the personal questions?"

Brooklyn, N. Y.: A Brooklyn physician insisted upon canceling his professional appointments to await arrival of enumerator.

Brooklyn, N. Y.: Most people were surprised to find that questions were not as personal as they had expected and gladly cooperated.

Brooklyn, N. Y.: Superintendent of very large apartment personally conducted enumerator through building.

Long Island, N. Y.: Citizen telephoned saying he was leaving town and very anxious to be enumerated.

New York, N. Y.: Enthusiastic and willing response and answers to all questions.

Rocky Mount, N. C.: Average citizen said he was glad to give the information because the census was favorable to the whole country.

Asheville, N. C.: Public most pleased with reasonable questions requested. No requests for income blanks.

Tupelo, Miss.: Country school teacher drove his automobile 67 miles to operate the projector showing Census pictures during training school. No charge for his services.

Jackson, Miss.: Citizen stated that no real American would refuse to answer questions.

Salisbury, Md.: Reaction excellent. Only one refusal and that applied to mortgage question only.

Baltimore, Md.: Excellent reaction of public. Census is necessary to the welfare of every citizen.

Annapolis, Md.: Governor Herbert O'Conor, "Interesting experience and one which every good citizen should be happy to fulfill." Public surprised at lack of intimacy of questions and say that schedules are different than expected from gossip.

New Orleans, La.: One person called neighbors on phone and asked them to cooperate with enumerator.

Ville Platte, La.: School superintendents and teachers and ministers and papers actively cooperating.

Lakeland, Fla.: Local newspapers and civic organizations giving full publicity and best of cooperation.

Tampa, Fla.: Mayor of city has publicly appealed to all citizens for full cooperation and has allowed his return published.

California's Grapes of Wrath

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1940

ARTICLE FROM FORUM FOR NOVEMBER 1939

Mr. GEARHART. Mr. Speaker, because so much fiction is presented in John Steinbeck's Grapes of Wrath as fact, allegations so far from the truth that they constitute nothing less than a base and unconscionable libel upon the fair name of a people of a great State, a representation of the true conditions in California should be spread upon the pages of the CONGRESSIONAL RECORD.

Because Mr. Frank J. Taylor has prepared a most excellent article in the nature of a reply to these scandalous misrepresentations in respect to the situation in this great western Commonwealth, I ask the unanimous consent of the Members of this body to extend that which he has written as a part of my instant remarks. Mr. Taylor's article first appeared in the November 1939 issue of the Forum magazine.

The article referred to follows:

[From the Forum for November 1939]

CALIFORNIA'S GRAPES OF WRATH

(By Frank J. Taylor)

Californians are wrathy over the Grapes of Wrath, John Steinbeck's best-selling novel of migrant agricultural workers. Though the book is fiction many readers accept it as fact.

By implication, it brands California farmers with unbelievable cruelty in their dealings with refugees from the Dust Bowl. It charges that they deliberately lured a surplus of workers westward to depress wages, deputized peace officers to hound the migrants ever onward, burned the squatters' shacktowns, stomped down gardens, and destroyed surplus foods in a conspiracy to force the refugees to work for starvation wages, allowed children to hunger and mothers to bear babies unattended in squalor. It implies that hatred of the migrants is fostered by the land barons who use the "Bank of the West" (obviously the Bank of America) and the "farmers association" (the Associated Farmers) to gobble up the lands of the small farmers and concentrate them in a few large holdings.

These are a few of the sins for which Steinbeck indicts California farmers. It is difficult to rebut fiction, which requires no proof, with facts, which do require proof.

The experiences of the Joad family, whose misfortunes in their trek from Oklahoma to California Steinbeck portrays so graphically, are not typical of those of the real migrants I found in the course of two reportorial tours of the agricultural valleys. I made one inquiry during the winter of 1937–38, following the flood which Steinbeck describes; I made another at the height of the harvest this year.

Along 3,000 miles of highways and byways I was unable to find a single counterpart of the Joad family. Nor have I discovered one during 15 years of residence in the Santa Clara Valley (the same valley where John Steinbeck now lives), which is crowded each summer with transient workers harvesting the fruit crops. The lot of the "fruit tramp" is admittedly no bed of roses, but neither is it the bitter fate described in the Grapes of Wrath.

NO JOADS HERE

The Joad family of nine, created by Steinbeck to typify the "Okie" migrants, is anything but typical. A survey made for the Farm Security Administration revealed that 30 was the average age of migrant adults, that the average family had 2.8 children.

Steinbeck's Joads, once arrived in the "land of promise," earned so little that they faced slow starvation. Actually, no migrant family hungers in California unless it is too proud to accept relief. Few migrants are.

There is no red tape about getting free food or shelter.

The F. S. A. maintains warehouses in 11 strategically located towns, where the grant officer is authorized to issue 15 days' rations to any migrant who applies, identifies himself by showing his driver's license, and answers a few simple questions about his family, his earnings, and his travels. In emergencies, the grant officer may issue money for clothing, gasoline, or medical supplies. The food includes standard brands of a score of staple products, flour, beans, corn meal, canned milk, and tomatoes, dried fruit, and other grocery items. Before the 15 days are up, the grant officer or his assistant visits the migrant family in camp, and, if the need still exists, the ration is renewed repeatedly until the family finds work.

Shelter is provided by the F. S. A. (a unit of the Federal Resettlement Administration) at model camps which Steinbeck himself represents as satisfactory. The one at Shafter is typical. A migrant family is assigned to a wooden platform on which a tent may be pitched; if the family lacks a tent, the camp has some to lend. The rent is a dime a day, and the migrant who wants to save the money can work it out by helping to clean up camp. The dime goes into a community benefit fund, administered by a committee. Camp facilities include toilets, showers, and laundry tubs, with hot and cold running water, a community house. These 13 camps cost around $190,000 apiece, and each accommodates some 300 families. Last summer there were vacant platforms, though in winter there is a shortage of space.

Various relief organizations divide the responsibility of providing food and shelter for California's migrants. Federal authorities, working through the F. S. A., assume the burden for the first year. After a migrant family has been in the State a year, it becomes eligible for State relief. After 3 years, it becomes a county charge. State relief for agricultural workers averages $51 a month in California, as compared with $21 in Oklahoma, less for several neighboring States. The United States Farm Placement Service notes that W. P. A. wages in California are $44 per month, in Oklahoma, $32. California old-age pensions are $32 per month; Oklahoma's, $20. These are United States Social Security Board figures. Records of the F. S. A. grant offices indicate that many migrants earned under $200 a year back home—or less than one-third the relief allowance in California. Thus thousands of "Okies," having discovered this comparative bonanza, urge their kinsfolk to join them in California, where the average migrant family earns $400 during the harvest season and is able, after the first lean year, to draw an equal sum for relief during 8 months of enforced idleness.

WAGES, HEALTH CONDITIONS

The advantages of life in California for migrant workers are not limited to the salubrious climate and largess.

When the harvest is on, the base wage for agricultural workers on California farms is $2.10 per day with board, as compared to $1 in Oklahoma, $1.35 in Texas, and 65 cents in Arkansas. These figures are from the United States Bureau of Agricultural Economics. Cotton pickers in California's San Joaquin Valley are paid 90 cents per 100 pounds. In Oklahoma the pay is 65 cents a hundred, in Arkansas and Texas 60 cents. California has 180 separate crops to harvest, and some crop is ripening somewhere in the State every month of the year. A fortunate migrant may work 8 to 10 months each year. Back home he was lucky to work 3 months.

Another advantage of life in California is the free medical service. Few of the migrants had ever seen the inside of a hospital or employed a doctor, dentist, or nurse before they came to California. Each F. S. A. camp has a full-time nurse and a part-time doctor to serve the migrant families without charge. Medical supplies, too, are free.

At the Shafter camp, I asked how many babies had been born in camp this year.

"None," the manager replied. "The mothers all go to Kern General Hospital."

At the hospital, supported by Kern County, I learned that, of 727 children born to migrant mothers in the county during the first 5 months of this year, 544 were delivered in the hospital, without charge. In fact, under State law, no general hospital may refuse a mother in labor. Yet in the Steinbeck book a camp manager is obliged to act as midwife.

It is a fortunate break not only for the migrants but for the Californians as well that the incoming streams of dilapidated jollopies, piled high with beds and utensils, converge at Bakersfield, seat of Kern County. As large as Massachusetts (and wealthy, thanks to oil), Kern County maintains a remarkable health service under the direction of Dr. Joe Smith, who believes that an ill person is a menace to others and that it is the county's duty to make him well. Dr. Smith's 18 nurses, each with a car, spend most of their time in schools and labor camps, checking the health and diet of children. Any migrant family needing medical service can have it free at Kern General, and some with contagious diseases receive it against their will.

Kern County, strategically located, is California's front-line defense against epidemics. Few migrant families manage to cross the huge area without at least one examination. Other counties to the north likewise employ nurses to visit the migrant camps, but they are not as selfishly altruistic as is Kern. Though resisting the nurses' attentions at first, the migrants are now eager for them.

One of the accusations in the Steinbeck novel is that State and county peace officers hound the migrants from camp to camp, to push them into strikebreaking jobs. But inquiry reveals that officers invade camps only when appealed to by health officials.

The health officer of Madera County found a group of migrants camped atop a huge manure pile. "It's warmer here," they protested, when he ordered them to move. Only when he invoked police authority would they budge.

One health deputy discovered a case of smallpox in a camp. Telling the family to stay indoors, he hurried to town for vaccine. When he came back, the entire camp had evaporated into the night, and, before all the exposed migrants could be traced and rounded up into isolation camps, health officers of the neighboring counties had to cope with over 600 cases of smallpox.

Investigating a typhus outbreak, a health officer found that several families had chopped holes in their cabin floors for toilets, without digging pits. In Santa Clara County, migrants were found camping around a polluted well. One of them explained, "The folks that was here before us used it," and they stayed on until deputy sheriffs removed them forcibly.

Outside nearly every agricultural community, from El Centro on the Mexican border to Redding near the Oregon line, is a shanty town or squatter camp. These are frightful places in which to live, devoid of adequate sanitation, often without pure water. Local authorities can do little about these rural slums, because they are outside city limits.

The most unsanitary squatter camp was that in the river bottom just north of Bakersfield, where squatters had made themselves at home on property of the Kern County Land Co., one of the State's major land "barons." The land company offered no objection to the squatter camp, but the citizens of Bakersfield did when the migrants' children came over the line to school and epidemics of flu, skin diseases, chickenpox, and other ailments depleted the classrooms. There were threats of vigilante action from irate parents, but what happened was quite different. Deputies from the county health office surveyed the camp, discovered that most of the occupants were employed and could afford to rent homes, that some of them had been there 7 years. After 6 months of patient persuasion, all but 26 families were induced to move to town. When the 26 refused to budge, the health officer had their flimsy shacks moved to higher ground. They are still there. The vacated shacks were pushed into a pile and burned by order of the health department. That is the prosaic story behind the lurid burning of Bakersfield's Hooverville, as dramatized in the Grapes of Wrath.

THE GREAT MIGRATION

The great flood of the winter of 1937–38, with which Steinbeck drowned the last hopes of the Joad family, hit the migrants hardest in Madera County, where thousands of them worked in the cotton fields. Near Firebaugh, the San Joaquin River rose in its rampage to wash out 800 campers. It was after dark one Saturday night when a deputy sheriff reported the plight of these unfortunates to Dr. Lee A. Stone, the wiry old health officer, an ex-southerner formerly on the staff of the United States Public Health Service. Dr. Stone mobilized all the trucks and cars he could find, hurried to the scene, moved the 800 refugees 30 miles through the blinding rain to the little city of Madera, and sheltered them in the schools. Then he raised funds by phone for temporary quarters.

Discovering that most of his unexpected guests had but recently come to California, he hit on the idea of returning them to their kinsfolk in Oklahoma, Arkansas, and Texas. When he had raised the necessary funds to buy railroad tickets, he hurried over with the news.

They listened in stony silence.

Finally, one of the men spoke up. "Thanks, Doc," he drawled. "Here we be and here we stay, and we ain't a gonna leave the promised land."

"No sirree, we ain't a gonna leave California," chorused the rest. And they didn't.

Almost all the counties in the San Joaquin and Sacramento Valleys have standing offers of free transportation back home for any migrant family. Not one family in a hundred has accepted.

No one knows how many migrants have poured into California since the last census was taken, because the count was not started until 1935, when the State department of agriculture instructed the plant-quarantine inspectors at the border to check and report incoming farm workers. To date, 285,000 of them have been reported, but the count is incomplete because many thousands have ridden in on freight trains.

The migrants' trek dates back to 1925, when cotton first became a major crop in California. Some authorities think that almost a hundred thousand families have moved into the State, mostly from the Dust Bowl area. This would mean half a million individuals, a migration exceeding the gold rush of pioneer days. Others who have studied the trek of the Okies—so-called because 42 out of every 100 migrants come from Oklahoma—place the figure at 300,000.

In either case, it is a tremendous lump of impoverished population for the people of the Great Interior Valley to assimilate. It is as if the entire population of Cincinnati were to visit Cleveland and, once there, decide to remain indefinitely as star boarders. And it has taken the combined resources of the State, the counties, the Federal Government, and the individual farmers to meet the emergency. Madera County, for instance, which had 15,000 residents when the invasion started, now has double that population; and most of the newcomers are public charges part of each year. Kern County has a population of 130,000 persons, of whom 35,000 are on relief. The county hospital budget has increased from $100,000 in 1926 to the present figure of $970,000, all of which except some $8,000, contributed by the Federal Government for the aid of crippled children, is paid by Kern's taxpayers.

CALIFORNIA'S SPECIAL PROBLEM

Owing to the peculiarities of agriculture in the Far West, the farmers of California are as hopelessly dependent on the migrant workers as the migrants are dependent on the farmers for jobs. For California agriculture differs from farming elsewhere in several ways.

Most California crops are so extremely perishable that they must be harvested on the day of ripening—not a day earlier or a day later. This is true of fresh fruits, such as peaches, apricots, and pears, which must be picked, packed, iced, and shipped to the hour. It is true also of field crops like lettuce, tomatoes, melons. Asparagus is actually harvested twice a day. Timely and uninterrupted handling of these perishables means the difference between a $300,000,000 yearly income and a multimillion expense for intensive planting, cultivating, irrigating, spraying, thinning, and harvesting. Most of the California farmers' customers live two to three thousand miles distant, beyond two mountain ranges, and it costs as much to deliver the foodstuffs to them in good condition as it does to battle the perennial droughts, the insects, the vagaries of soil and atmosphere in the struggle to grow the crops. Including nonperishables, the annual take from the soil totals around $600,000,000 and is the State's main livelihood.

Another peculiarity of California agriculture is the manner in which it is broken up into "deals," to use the local term for crops. There are about 180 deals in all, and they, too, are often migrant. The lettuce deal begins in midwinter in Imperial Valley, near the Mexican border; it migrates first to Arizona, then to the Salinas Valley, which from April to November is the country's salad bowl. Melon, tomato, spinach, fresh-pea deals likewise follow the sun north each spring and summer. Navel oranges ripen in midwinter south of the Tehachopi Range, Valencias in midsummer north of these mountains. The peach deal trails the apricot deal; then comes the prune deal, the grape deal, and finally cotton.

California is a long, slender State, broken up into a score of agricultural "islands." In the San Diego island, the growers concentrate on avocados and bulbs. The Santa Clara Valley is the prune and apricot island. The Sacramento Valley produces nine-tenths of the country's canned peaches. There are three grape islands, two lettuce islands, an asparagus island behind the dikes of the delta country—a sort of little Netherlands. There is a cotton belt in the San Joaquin Valley. In all these highly specialized, intensively cultivated regions, harvesttime comes with a vengeance.

For generations transient workers have appeared by the thousands at harvesttime.

The Mexicans pitched their tents in orchards or made camp in rude summertime shelters. They picked the fruit, collected their wages, and faded over the horizon to the next crop. They were good workers, with an instinctive touch for ripening fruit and melons, and better help than the orientals who preceded them. In 1934 the migrations of these Mexican workers ended abruptly, as their new agrarian government back home offered each returning family a slice of a confiscated estate.

The exodus of the Mexicans coincided with the influx of Dust Bowl refugees. For a time the Okies were the answer to the farmers' prayers. They still are, for that matter, except that there are now too many of them for the available jobs, and they have brought with them serious social problems.

Three years ago the University of California assigned Dr. R. L. Adams, professor of agricultural economics, to survey the State's farm-labor requirements. Dr. Adams says the crops require 144,700 workers in the peak months over and above the year-round hired hands. By midwinter this demand has fallen off to 59,000. In May it is back to a hundred thousand; in August it is 134,000. Thus there are at times nearly 85,000 more workers than jobs, even if there is no labor surplus. Today there is a surplus of fifty to seventy thousand workers, even at the harvest peak. Early this year the influx was tapering off, but in June 1,600 more agricultural workers were at the border than in June a year earlier.

HOUSING—A STUMBLING BLOCK

Unlike the Mexicans, the Okies do not disappear over the horizon at the end of each harvest. They linger on in the flimsy shelters intended only for the rainless California summer. When rains come in the fall, the camp sites are seas of mud; rubbish and filth accumulate; and the farmers are taken to task for the facilities provided for their unwelcome guests. Hence the migrant-worker problem is essentially a housing problem.

The F. S. A. has sought a solution in low-price cottages, costing $1,000 to $1,500 per unit and renting for $8.20 per month, including heat, light, and water. Each is surrounded by a half acre of land for a garden. These cottages are snapped up as soon as they are completed, but there are not enough of them, and they are usable only for workers who have ceased to be migrants. F. S. A. has another answer, a portable motorized camp—platforms, Diesel-powered electric plant, laundry tubs, and showers—so designed that it may be loaded on trucks and shifted with the crops and the demand for harvest hands. First tried out this summer, it may be the migrant camp of the future.

The farmers, who have added 10,000 cabins to the shelters provided for migrant workers in the last 3 years, look askance at the F. S. A. camps. Because of the perishable nature of their crops, California farmers live in terror of strikes. The Federal camps are feared as hotbeds of radical activities, a fear that dates back to 1931, when Communists undertook to organize the fruit workers and dispatched squads of agitators to drag workers from their ladders and intimidate their families. I found no evidence to justify this alarm. The Okies I talked with were oblivious to class struggle; all they asked was more work.

On many of the larger farms, such as the Tagus, the Hoover, the DiGiorgio ranches, the owners provide housing as good as F. S. A. demonstration communities and for less.

On the Tagus ranch, H. C. Merritt offers 200 permanent families neat little cottages for $3 to $5 per month, including a plot of ground for a garden. Some of the first white migrants chopped

up the partitions between the rooms and used them for firewood, although free wood was provided for the chopping. When he protested, the Okies explained they preferred to live in one-room houses. Now Tagus families are graduated from one-room to three-room houses as they qualify for them.

Mr. Merritt's attitude toward Federal camps is typical. "If my workmen live on the ranch and I tell them to be on hand at 8 in the morning to pick peaches, they're on hand," he said. "If they're in a Federal camp, I don't know whether they'll be here or not. While I'm looking for other pickers, the peaches drop on the ground, and a year's work is gone."

STUBBORN INDIVIDUALISTS

An inference of the Grapes of Wrath is that most of the California farm lands are in great holdings, operated by corporations or land barons. The State has 6,732,390 acres devoted to crops, and the 1935 census shows that 1,738,906 are in farms less than 100 acres in extent, 3,068,742 are in farms of 100 to 1,000 acres, and 1,924,742 are in farms of over 1,000.

An insinuation of the Grapes of Wrath is that wages are forced down by the Associated Farmers and the Bank of America, acting in conspiracy. Actually, neither the association nor the bank concerns itself with wages. Rates of pay are worked out through the farmer cooperatives in each crop or through local groups, such as the San Joaquin Regional Council, which agrees each spring on a base wage. California farmers pay higher wages than those of any State but Connecticut, according to the United States Farm Placement Bureau.

This same Federal organization conducted an inquiry into the charge aired in the Grapes of Wrath, that California farmers had distributed handbills through the Dust Bowl area, offering jobs to lure a surplus of migrant labor to the State. Only two cases were unearthed, one by a labor contractor in Santa Barbara County, another by an Imperial Valley contractor. The licenses of both have since been revoked. At the Associated Farmers head office in San Francisco, I saw hundreds of clippings from Midwest newspapers—publicity inspired by the association—advising migrants not to come to California.

The problem of connecting migrant workers who want jobs with farmers who need help is serious. A rumor will sweep like wildfire through migrant camps of jobs in some valley hundreds of miles distant. Two days later that valley is swamped with so many workers that the harvest which ordinarily would last a month is finished in a week. The United States Department of Labor, working with the State employment office, now maintains job-information services in 81 towns and cities. At any of these offices migrant workers may check on job prospects in any other area. But most workers still prefer to take a chance.

California's big question—what is going to happen to these people—is still unanswered.

East of Visalia, the F. S. A. is attempting an experiment in cooperative farming. On the 530-acre Mineral King ranch, purchased with Federal funds, 20 above-average migrant families were set to work raising cotton, alfalfa, and poultry, and running a dairy. At the end of the first year the farm showed a profit of $900 per family, more than twice the average family's earning from following the crops.

At Casa Grande, Ariz., the F. S. A. has another cooperative farm, of 4,000 acres, with 60 families working it.

Cooperative farms, directed by trained men from universities, produce good crops and good livings; but the Okies are rugged individualists. "I'm not going to have any damn Government telling me what I'm going to plant," exploded one of the Mineral King farmers, as he packed his family in the car and took to the road again. And so, in spite of the good intentions of the Farm Security Administration, the Governor's Committee on Unemployment, the Simon J. Lubin Society, the John Steinbeck Committee, and other organizations, the highly individualistic newcomers probably will work out their own destiny in their own way.

For a glimpse of how they may do it visit Salinas, in the lettuce island, which saw its first invasion 8 years ago. The first Okies in the area squatted in squalor outside the town until an enterprising wheat farmer divided his ranch into half-acre lots, which he offered at $250 apiece, $5 down, $5 a month. The Okies snapped them up and strutted around, proud of their property ownership. Today, in Little Oklahoma City, as the community is called, one can envisage the whole process of assimilation—the ancient trailer resting on its axles, a lean-to or tent alongside it, in the front a wooden shack and sometimes a vine-covered cottage. Off to the south some of the Okies are living in neat little three- to five-room cottages. The Okies of Little Oklahoma City are fortunate. They muscled into the lettuce-packing game and now have virtually a monopoly around Salinas, earning from 50 to 60 cents an hour for 8 or 9 months of the year. In that one community 3,000 migrants have achieved a respectable standard of living. Their children are intermarrying with the natives. Outwardly they are Californians.

What they have done can be done by others. Their accomplishment is a challenge to shiftless Okies and an answer to the broad accusations hurled so heedlessly in The Grapes of Wrath.

"I Saw Lee Surrender"

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

Mr. RANKIN. Mr. Speaker, yesterday was the 75th anniversary of the surrender of Robert E. Lee.

I am inserting as a part of my remarks an article written by Mr. Seth M. Flint, a Federal soldier who witnessed that surrender, and who pays General Lee one of the finest tributes I have ever read.

Robert E. Lee is today the most serenely inspiring figure on the horizon of human history. He is regarded as the greatest commander of all time. Theodore Roosevelt said that he was the greatest captain of the English-speaking race, although he said his greatest and last antagonist was the equal of Marlborough or Wellington. Major General Maurice, of the British Army, in his recent book on Lee, placed him above Wellington as the greatest commander the English-speaking race has yet produced.

Senator Ben Hill, of Georgia, said that he was Caesar without his ambition, Frederick without his tyranny, Napoleon without his selfishness, and Washington without his reward; that he was a foe without hate, a friend without treachery, a neighbor without reproach, a Christian without hypocrisy, and a man without guile.

In this day, when the entire world recognizes the greatness of this great southern leader, I am glad to insert in the RECORD this splendid tribute paid to him by a Federal soldier who saw him surrender to General Grant 75 years ago. [Applause.]

The matter referred to follows:

"I SAW LEE SURRENDER"

(By Seth M. Flint, with William Ross Lee)

When Robert E. Lee surrendered to Ulysses S. Grant at Appomattox Court House 75 years ago on the 9th of April, I was there; luck and ability to toot a bugle explained my presence. As far as I know, I am the last survivor. Running away from home, I had enlisted in Company H, Fifth United States Cavalry, in June 1862. I gave my name as Charles M. Seaver, and my age as 18, knowing that the Army shared my family's opinion that a 15-year-old was too young for war. Sixteen months of stiff campaigning incapacitated me as a fighting private, so I transferred to Company F as a bugler, a change that ultimately brought me to Appomattox.

In the spring of '64, my new company, together with Companies B and K, all under command of Capt. Julius W. Mason, was assigned as escort to Lieutenant General Grant. We found that the escort was for work, not show; we carried dispatches, guarded headquarters, had charge of the staff officers' supply wagons and commissary, erected and struck tents, and performed any miscellaneous tasks assigned. Gold braid and fanfare was not General Grant's idea of soldiering; he was a matter-of-fact soldier who never worried how he looked or what others thought of it.

Under his direction, the forward movement of the Army of the Potomac, begun on May 4, 1864, ended a little more than 11 months later. The Battles of the Wilderness, Spottsylvania, and Cold Harbor were behind us; the siege of Petersburg was over, ended by the Battle of Five Forks, when Lee's thin, stubborn lines were finally broken. Evacuating Richmond and Petersburg, Lee tried desperately to lead his hungry, decimated columns west, but we pressed him too hard. We caught up with them at Appomattox and the end was in sight; we were sure that the dwindling, but still unbeaten, forces of Lee could not escape. On that day there was an exchange of messages between the Federal and Confederate commanders.

HOW A WAR ENDED

On the morning of the 9th, the major part of the escort was left behind to guard the headquarters' wagon train, and the rest of us started out with the general and his staff along the rear of the main army. We had gone several miles when a horseman at top speed was seen coming from our front lines; as he drew near, I recognized him as a young lieutenant of General Meade's staff. He pulled his horse back on its haunches and handed a paper to Grant. We knew that a decision from Lee was expected on a proposed conference with Grant, and we jumped to the natural conclusion that it had finally come.

We crowded about the general in an effort to learn the answer; all of us, without doubt, believing that Grant held in his hand the decision whether it was to be peace or continued warfare. He read the message, but I was wholly unable to get from his countenance a clue to its contents. Then he handed the paper to a staff officer, who hurriedly scanned the words, and, in a voice surcharged with excitement, read aloud to his associates the fateful response of General Lee.

I got just the drift of the reading, which indicated that the Confederate leader had agreed to meet General Grant, but evidently the staff officers construed this to be assurance of surrender, for every last man of them burst into cheers, while we joined heartily. The only one who took no part in the impromptu celebration was General Grant, who merely looked on with bland amusement.

There was a half-decayed log lying by the roadside, and Grant sat down on it, calmly pulled a cigar from his cigar case, and, requesting one of his staff who stood nearby to furnish him a sheet of paper, he dug up a pencil from his pocket, hastily wrote a reply. He handed it to Lt. Col. Orville E. Babcock, with orders to take a few members of the escort, headed by Captain Mason, and ride on in advance of the rest of the party to locate the Confederate commander. It happened that I was the only bugler present, and so I went along, much to my satisfaction, for I was eager to see the great leader of the southern cause.

Babcock, carrying a white flag, such as it was, took his place beside Mason and me, and off we went toward the enemy's lines. Whether Lee was sparring for time was a matter of conjecture. We were, therefore, prepared for any eventuality; and, at a word from Captain Mason, I carried my bugle in one hand to sound the call to arms if we found that the Johnnies were trying to escape. That call would have been echoed all along our lines, and it would have been suicidal for them if they had attempted a getaway, for the Federal troops had them bottled up and outnumbered 5 to 1.

We swung around to the south and to the left wing of our forces, passing through the little settlement of Appomattox Court House, slumbering in the spring sunshine, and soon to awaken to discover itself famous. Out toward the right flank of the Confederates we galloped, every man alert. As we neared their lines the woods and hills shut off a view of the Union troops, but we could see some Confederates on the hillside in the distance. The headquarters tents of Lee were plainly visible, though I could see no other shelters.

We had ridden about three-quarters of a mile from the patch of houses when, a few hundred yards ahead, we saw a little party of gray-clad figures and several horses by the roadside. One of the men was sitting under a small tree. A companion stood nearby while a third man, evidently an orderly, was holding the bridle reins of two of the three horses. At a gesture from Colonel Babcock, Mason ordered a halt, and the staff officer, his white flag conspicuously displayed, rode on toward the gray-clad horsemen, accompanied by a trooper of the escort.

"I'll wager that's General Lee," said the captain, with a glance at me. "Let us hope things turn out all right."

I took a firmer grip on my bugle, to be ready for any possible emergency, my eyes glued to the scene before me. As the two Federals neared the spot, the man beneath the tree arose and Babcock and he exchanged salutes. The latter was tall, erect, and of fine physique. For a few moments they carried on what appeared to be a friendly conversation, much to our relief, and then the entire group started down the road toward us.

It was not difficult to recognize the famous commander of the Army of Northern Virginia. I had seen his picture, and, of course, knowing that we had gone out to meet him, I could make no mistake as to his identity. He measured up fully to my expectations—and those expectations were rather elaborate, I assure you. Though I was a lad of only 18, I had been in 15 or 16 battles during 3 years, and had come to have a wholesome esteem for the Johnny Rebs and their leader. In my active imagination he had become a sort of legendary figure. It had been his remarkable generalship that had prolonged the war far beyond its expected limits, and he loomed big and menacing as an opponent.

Well, there he was in person, he and Traveler; he was riding to meet his conqueror to negotiate terms of surrender—for him the last scene of the last act of the war drama. His companion, needless to add, was Colonel Marshall, of his staff.

And what a brave pair of thoroughbreds Lee and Traveler were! That horse would have attracted attention anywhere. He was a sturdy gelding, deep of chest, with small head and feet, and his color was appropriately Confederate gray, with the exception of mane and tail, which were black; a combination that made him a very striking and handsome animal. And when his master was in the saddle, take it from an old Federal trooper, it was a picture that was worth seeing.

General Lee's uniform was immaculate, and he presented a superb martial figure. But it was the face beneath the gray felt hat and hair that made the deepest impression on me; I say this because I can still recall it vividly. I have been trying to find a single word that describes it, and I have concluded that "benign" is the adjective I am after; because that means kindly, gracious; and despite its sternness on that day of long ago, I would still call his expression benign. And yet, I remember well that there was something else about him that aroused my deep pity that so great a warrior should be acknowledging defeat.

We joined the little party and rode back to the settlement. Appomattox Court House was a pretentious name for what then was a row of six or seven houses, and now is less. As we passed the first house we overtook a man, a Mr. McLean, who was walking along the street, and Colonel Marshall reined up beside him and told him that General Lee desired a room where he could hold a conference with Grant. Mr. McLean was astounded, both at the news and at the appearance of blue- and gray-clad soldiers riding together. He stared at the Confederate commander for a moment in silence, and looked over the Union contingent, as if in search of his famous adversary. Then he pointed to the nearest house, went to the door and knocked.

A woman answered the summons and, after a brief talk with her neighbor, she invited the two southerners to enter; but evidently the interior was unsatisfactory, for Lee and his companion quickly came out and Marshall requested McLean to direct them elsewhere. We rode slowly on until our guide stopped before a substantial brick house and informed us that he lived there and would be happy to offer its use.

It was an old-fashioned structure with chimneys at the gable ends; and, running along the front, a piazza painted white, with six wooden pillars supporting it. Broad steps, about 8 yards wide and seven or eight in number, led up to the platform; and there was a generous yard, partly enclosed by a picket fence, with several large trees standing sentinel-like about it.

General Lee and the colonel dismounted and, preceded by McLean, went into the house, leaving their horses in charge of the orderly; and we Yanks returned to the roadway to await the coming of Grant and his party.

It was perhaps 10 minutes later—it may have been only 5—when the Federal commander rode up with a few staff officers, the other members of the escort and several Union generals, among whom were Phil Sheridan, George Custer, Wesley Merritt, and Edward Ord.

There were three members of that little group who would probably attract attention anywhere; two of them for their noteworthy personal appearance and the third both for his appearance and reputation. The first of these was Custer, the "dandy cavalier" of the Federal Cavalry. A low-cut, generous collar, a red necktie that begged for notice, buckskin breeches, and a velvet jacket were usually his dress-up uniform; and topping this elaborate array was a patrician face with mustache and small goatee, and a head of luxuriant yellow hair that fell halfway to his shoulders. Effeminate, you might say, but there was nothing feminine about Custer. He was a dare-devil on horseback, who feared nothing, dared anything, and defied death with reckless abandon. It was this utter disdain of caution that lured him and his command to tragic massacre in 1876.

And there was Ely S. Parker, of the staff, an aide and military secretary to Grant, a man of superb physique and Titan strength, a full-blooded Seneca Indian, a descendant of Red Jacket, famous Indian chieftain. He had the so-called copper hue of his race, their long, black hair and dark-brown eyes. Grant had no one in his official household more devoted to him than the stoical Parker. He was a man of education and culture, a willing worker, and always courteous to the lads of the escort. It was he who, in his excellent handwriting, copied the terms of surrender from the rough draft prepared by the Federal commander.

Phil Sheridan—"Little Phil"—the dynamic leader of the cavalry of the Army of the Potomac, was the third of the trio; and he was a general who always had my respect and enthusiastic admiration. He was a pint-sized little fellow out of the saddle, a youngster of 34 years, about 5 feet 4 in height and 130 pounds in weight, but he had a strong Irish face. Put him on his horse, the splendid black charger, Rienzi, and he at once became a warrior of heroic proportions. And how that horse could travel, and how that lad could ride. No wonder that Thomas Buchanan Read had to resort to poetry to do justice to horse and man.

Grant looked an old and battered campaigner as he rode into the yard. His single-breasted blouse of blue flannel was unbuttoned at the throat and underneath it could be seen his shirt or undershirt, whichever it was; his top boots were spattered with mud; and splotches of mud were on his trousers. Unlike Lee, he wore neither sword nor sash, and the only marks of his rank were his shoulder straps.

Colonel Babcock informed his superior that General Lee was awaiting him in the house, and without more ado Grant climbed the steps, Babcock alone accompanying him.

A few minutes later, however, the staff officer came to the doorway and beckoned to the other officers, inviting them inside.

It was now about 2 o'clock, and we fellows who were on the outside were in for a long and anxious session of waiting. They say that the watched pot never boils, and it is certainly true that anxious waiting for the verdict seemed to prolong the outcome indefinitely. The day was very warm for early April, and the sun, which of late had been blotted out by heavy rain clouds, was brightly shining in a very clear sky. Spring was with us at last, and the trees were putting on a tinge of green, the buds showing plentifully on the branches. It was good to be alive on April 9, 1865, and it would be better still if this was the end of 4 years' war. It was Sunday and the Sabbath stillness brooded over the land, a welcome relief from the din and hustle and carnage of recent fighting.

There we were, a group of eager troopers in blue, and a lone orderly in gray. When 3 o'clock came and went, I began to wonder if our enthusiasm had exploded too quickly. It did not seem necessary to take all that time in deciding whether Lee should surrender or not. With the thoughtlessness of youth, I assumed that such a decision would be the matter of but a half hour at the most.

Four o'clock—and the door opened. Out came General Lee and Colonel Marshall, with somber faces. The conference was ended, but with what results?

Before the war began, and for some time before, Lee had been lieutenant colonel of the Second Cavalry, stationed in Texas. That outfit must have been the crack regiment of the American Army, for the roster of its officers included Albert Sidney Johnston, the colonel whose promising career was cut short at Shiloh: Lee; William J. Hardee, the senior major; George H. Thomas, "the Rock of Chickamauga," junior major; Earl Van Dorn, Kirby-Smith, Fitzhugh Lee, John B. Hood, and George Stoneman, captains and lieutenants. Several members of our escort, Lieutenant Churchill, Sergeant Brown, and Corporal Sam Howe, had served in the Second under Lieutenant Colonel Lee, and none had lost any of his high regard for his former commander.

That lad Howe, earlier in the war, had been captured and marched off to Richmond. It was his boast that because he was a one-time member of the Second Cavalry he was quickly paroled, given the freedom of the city, and shortly afterward, through exchange of prisoners, allowed his liberty.

Now, as General Lee came from the house, his soldierly figure erect, even in defeat, these three chaps stiffened up and gave him a salute, and the man in gray courteously returned it. I thought at the time that it was a fine thing for them and him to do. At the moment his soul must have been heavy with sorrow—the years of desperate struggle fruitless—and yet he could return the salute of Yankee troopers.

I heard Sergeant Brown say, after the departure of Lee and Marshall, that the former had called him by name as he recognized him; and several of the old boys remarked that it was a noteworthy circumstance that members of his former Texas command should be the first to meet him after the surrender of his army.

We quickly learned the happy news, and it spread like wildfire through the Army. Cheers could be heard all along our lines.

That night was one of the happiest I have ever known, and I will wager that the same statement goes for every man on the Union side. A gun salute in celebration had been started by enthusiasts in the late afternoon, but Grant had put a stop to it, presumably out of consideration for the feelings of the other fellows. But before darkness fell and afterward, there was music—patriotic selections played by the regimental bands—and a general jubilation. When I sounded taps, that sweetest of all bugle calls, the notes had scarcely died away when from the distance—it must have been from General Lee's headquarters—came, silvery clear, the same call; and, despite the sadness of the hour to the boys on the other side, I have a notion that they, like the Yanks, welcomed the end of hostilities and the coming of peace.

Perhaps I should end my story right here, but I want to add my bit to what has been published concerning the pow-wow of Union and Confederate generals at the McLean house on the day following the surrender. The reader may recall that General Grant, several of the Federal generals, and members of his staff and escort, rode out to the Confederate lines for a further conference, after which Grant went back to headquarters, while some of our officers and men remained behind to chat with acquaintances in Lee's army. Lieutenants Churchill, Brown, and Howe were among these fortunates, they having received permission to enter the camp of the Confederates. Later on, Sam told me that he had enjoyed a brief talk with General Lee, and was he proud of it!

I was one of the group that returned with General Grant, and I was a most interested observer of everything that occurred on and about that friendly piazza. Grant sat down and lighted a cigar. Three or four of his staff brought out chairs, and the little party relaxed into lively conversation. Grant was the picture of contentment as he puffed away, listening to the comment of his subordinates, and occasionally offering a remark of his own in his matter-of-fact way. Things had turned out as he had wished and planned.

We were soon to witness a remarkable get-together party on that old front porch and in that spacious yard. I doubt that anywhere in history can we find a similar gathering. The absentees had returned, and they had brought with them several of their late antagonists, riders in gray, but a few hours before foes of the Union; not as prisoners, not even as enemies, but as old friends and comrades. I remember how amazed I was as I saw that strange company; and when I learned that among them were Longstreet, Pickett, and Gordon—well, it certainly seemed impossible.

Perhaps you can imagine my reaction to the spectacle, after 3 years of desperate fighting, to see three of the most famous southern leaders, within 24 hours of Lee's surrender, shaking hands with Grant and chatting like long-absent neighbors with him and other Federal generals.

Naturally, I made a careful inspection of that formidable trio: Longstreet, rightly called "Lee's war horse," a stockily built, well-bearded fellow, who looked as if he could handle himself anywhere and make it decidedly interesting for any opponent, in either argument or fight; Pickett, the leader of that heroic charge at Gettysburg, whose handsome face, with its mustache and chin whiskers and goatee, with thick hair that reached well nigh to his coat collar, made him a composite of soldier and poet; and Gordon, the hard-hitting John B., who, in civilian clothes, would be taken for a judge or a doctor—a thinker, at any rate—and who had every earmark of a man who would go through hell and high water, if ordered to do so by his superior, and never ask the reason why.

And how Abe Lincoln would have enjoyed that confab. Like Grant, he would have grasped the hands of those soldiers in Confederate gray and welcomed them back home. Had he been spared, there would have been no reconstruction.

Soldiers don't carry hatred; they leave that to the stay-at-homes. We learned that in the next 20 years.

Hon. Charles L. McNary

EXTENSION OF REMARKS

OF

HON. JOHN THOMAS

OF IDAHO

IN THE SENATE OF THE UNITED STATES

Thursday, April 11 (legislative day of Monday, April 8), 1940

ARTICLE FROM THE PORTLAND OREGONIAN

Mr. THOMAS of Idaho. Mr. President, on last Sunday, April 7, there appeared in the Portland Oregonian a most interesting and illuminating article concerning the distinguished senior Senator from Oregon, Hon. CHARLES L. MCNARY. I ask unanimous consent to have the article printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Sunday Oregonian, Portland, Oreg., April 7, 1940]

MCNARY OF OREGON, A FORCE IN THE NATION—CHARLEY MAC, AMIABLE DISSENTER, FRIEND OF ROOSEVELT, REPUBLICAN LEADER, THROWS MONKEY WRENCHES AT THE NEW DEAL, AND HELPS IT, TOO

(By Richard L. Neuberger)

Political disagreement often breeds animosities which endure like limestone, but between President Roosevelt and CHARLES LINZA MCNARY, leader of the opposition to the President in the United States Senate, exists a warm personal friendship.

The President has political adversaries to whom he does not speak, so MCNARY'S dry, rural amiability is predominantly responsible for this comradery. When the European war broke out, Mr. Roosevelt asked MCNARY to stay on hand in the Capital. He said Oregon was too far away in time of emergency for one of the country's levelest heads to be.

Rudyard Kipling, who was on the Pacific coast long ago and peered about for a typical westerner, would have found his objective in Senator MCNARY. The spokesman for the Republican minority in the Senate wears stubby bow ties, comfortable suits, and heavy gold cuff links. His home is the Willamette Valley farm where he was born 65 years ago. Agriculture is his primary interest.

MCNARY looks at the New Deal from a western perspective. He protests when it tries to centralize authority, pack the Supreme Court, or intervene in foreign affairs. He approves when it builds power and reclamation projects, provides old-age pensions, and gives aid to the farmers.

Gen. Hugh S. Johnson thinks MCNARY would be an ideal successor to Mr. Roosevelt in the White House. He points out that the Republicans, regardless of whom they nominate, will make gains in the industrial East. What they must do to win is carry the insurgent, agricultural West and Middle West. "For this particular strategy," declares General Johnson, "the Republicans have a ready-made candidate in Senator MCNARY."

Since 1933 the Oregon Senator has been the official leader of the Republican Members of the Senate. He has not always agreed with his followers. Only a week or so ago he opposed a proposal by Senator TAFT, of Ohio, to slash $5,000,000 from the appropriation for the Tennessee Valley Authority. A majority of the Republicans deserted him last year when he voted to authorize bonds with which the T. V. A. could buy out private utility companies.

Yet despite variance on particular issues, MCNARY holds his position by practically the unanimous consent of the other G. O. P. Senators. There has been no attempt to remove him as minority leader. He comes from a State with only five electoral votes, and he has supported the New Deal on numerous propositions, but there has been less opposition to him than to almost any other Senate spokesman in a generation.

One reason is MCNARY'S general affability and mellow personality. Another is the fact that under his leadership a comparatively small number of Republicans have outmaneuvered the administration in major controversies. It was Senator MCNARY who devised the

strategy which resulted in the rejection of the scheme to add six new judges to the Supreme Court. This was the first important set-back suffered by President Roosevelt.

When the Court plan was proposed, McNARY counseled his followers to be quiet and not sound off against it. He prophesied the Democrats would begin quarreling among themselves, unless—and he stressed this emphatically—the Republicans made the plan a partisan issue. So the G. O. P. Senators were silent. McNARY and the late Senator Borah, of Idaho, even persuaded Senator VANDENBERG to telephone Herbert Hoover, long distance, to ask him, too, not to deliver any speeches on the question.

PREDICTION PROVED CORRECT AS DEMOCRATS ROWED

McNARY's prediction proved correct. The Democrats began rowing among themselves over the court scheme. Senator WHEELER, a new dealer, assumed the leadership against it. Democratic votes finally pigeonholed the bill indefinitely. During the debate one administration adherent screamed angrily, "You Democrats. Can't you see the Republicans are using you?"

Mr. Roosevelt is not the first President to be irked by the political stratagems of CHARLES L. McNARY. He drove his famous bill to put agriculture under the umbrella of the protective tariff, the McNary-Haugen bill, through two Congresses against the opposition of President Coolidge and later the opposition of President Hoover. The bill was vetoed by both Republican Presidents.

The McNary-Haugen bill set the tempo for a generation of thinking on the farm question. "The McNary-Haugen bill didn't win," said General Johnson recently, "but that fight made the election of Mr. Roosevelt possible, made the country conscious of the farm problem and the farmers conscious of Senator McNARY."

The day after President Coolidge vetoed the McNary-Haugen bill, Senator McNARY had a long and amiable visit at the White House. His genial personality bridges many political chasms. When Mr. Roosevelt had concluded his address to Congress last year on the state of the Union McNARY walked up to him.

"I guess we'll have to call that a natural, Mr. President," volunteered the Senator, whose maneuvers had licked the President on the Supreme Court issue.

CHARLEY MAC A POPULAR MAN IN SENATE CHAMBER

McNARY was the principal sponsor of Bonneville Dam. In fact, he was advocating Government reclamation and power undertakings long before the new dealers arrived at the Washington airport and railway station. He supported Senator NORRIS in 1922 in opposing the sale of the Muscle Shoals project to Henry Ford.

As President Roosevelt signed the authorization for the first appropriation at Bonneville he said, "I've got to give 'Charley Mac' his dam."

McNARY is "Charley Mac" to his good friends. When he returned to the Senate Chamber recently after an illness, practically the entire membership, Republican and Democratic, clustered around slapping him on the back. Five or six times polls of the press gallery have listed McNARY as the most popular Senator with the newspaper correspondents. "Charley Mac" is always a good source for news and background information.

One of McNARY's closest companions was the late Senator James Couzens, of Michigan. Although many times a millionaire, Couzens voted with the progressive wing of the Republican Party. One day, early in 1936, he and McNARY were eating lunch in the Senate restaurant. "Charley, you ought to go after the Presidency," said Couzens, "I'll contribute $100,000 to start the campaign."

The Oregon Senator shoved aside his bowl of clam chowder and scribbled for a minute or so on the back of a menu. He shoved what he had written across the table to his friend:

"The Presidential bee is a deadly bug.
I've seen it work on others.
O Lord, protect me from its hug,
And let it sting my brothers."

Jim Couzens is dead now, but there are other distinguished Senators who would like to see McNARY in the Executive Mansion. One of them is GERALD P. NYE, leader of the congressional neutrality bloc. Another is ARTHUR CAPPER, of Kansas, the veteran Corn Belt spokesman and publisher of several farm journals. He endorsed and placed in the CONGRESSIONAL RECORD a recent speech by Gov. Charles A. Sprague, of Oregon, launching Senator McNARY's Presidential candidacy.

On May 17 Oregon Republicans will pick McNARY as their choice for the party's nomination. He also will probably have the outright or tacit support of delegates from such States as Washington, Idaho, and Montana. However, McNARY is interested principally in forcing a specific and liberal farm platform on the Republican Convention. He says he has no illusions about his chance to be President. He does not think the conservative wing of the party would want him, and he is not on good terms with Mr. Hoover.

Most of the congressional independents are friendly with Senator McNARY. BOB LA FOLLETTE often asks McNARY to make his announcements when he is absent from the Senate. GEORGE W. NORRIS, the leader of the liberals, praises McNARY's record on power bills and rural electrification. The indomitable Borah frequently worked with McNARY on legislation of mutual interest to Oregon and Idaho.

As long ago as 1936 Mark Sullivan suggested that no Republican could so successfully as McNARY fuse the party's orthodox and unorthodox elements. The Senator himself believes that the farm question is the key to the performance of the G. O. P. at the polls this year. "I have arrived at the conclusion," he said recently, "that the Republican Party can be victorious if it demonstrates to the farm voters and those dependent on the farmers that the party is interested, as formerly, in their welfare."

AT STANFORD WAS FELLOW STUDENT OF HERBERT HOOVER

CHARLES LINZA McNARY was born in the summer of 1874 on a ranch, his pioneering grandfather homesteaded in the timbered Willamette Valley near Salem. There he still lives. On June 12 he will be 66 years old, although his pink cheeks and sandy hair affirm his Scotch-Irish background but deny his age.

McNARY attended Stanford University, where he was a fellow-student of Herbert Hoover. Tuition was paid waiting on table and McNARY insists he can still carry 5 platters of roast beef on one arm. Returning to his home, he studied for the bar at Willamette University and later became dean of that school's law department.

Frontier Oregon was a rich field for politics and McNARY became active in the Republican Party, generally being associated with the progressives. He ran for the Oregon Supreme Court in 1914 and was defeated under extraordinary circumstances. The final tally, after weeks of rechecking in hundreds of precincts, was Henry Benson, 34,609 votes, and CHARLES L. McNARY, 34,608.

"Just one of those things, I guess," said he, shrugging off the disappointment of that tormenting result. A year later McNARY was named chairman of the Republican State Central Committee. In the spring of 1917 Senator HARRY LANE died, a few weeks after he had been one of the six "willful men representing no opinion but their own" who stood to the end in the Senate against America's entrance into the World War.

Lane had been a Democrat and McNARY was a Republican, but both had liberal ideas and, although in favor of the war, McNARY was no jingo or militarist. He was appointed to the Senate vacancy by Governor James Withycombe, and after 23 years of service continues to hold the position. He has been reelected four times, and has been in the Senate longer than anyone else ever sent there from the State of Oregon.

DEFEAT WAS "JUST ONE OF THOSE THINGS"

McNARY's loyalty to agriculture is fortified by vocation; he is a farmer himself. Although one of the shrewdest lawyers on the Pacific slope, he spends the bulk of his time, when away from Washington, running Fir Cone, the 200-acre farm where he grew up. He raises filbert nuts, cherries, prunes, and pears. He developed the Imperial prune.

The ranch has been reconstructed several times and now is a rambling, colonial-style home nestling among tall evergreen trees. The name "Fir Cone" is symbolic as well as euphonious. McNARY would rather be there than in Washington, and he and his wife, who was his secretary, do not play a conspicuous part in Capital social functions. They have a 4-year-old adopted daughter, Charlotte, and in his office the Senator has a hobbyhorse to amuse her when she visits him.

Party ties hang lightly on McNARY. In fact, it was Oswald West, a Democratic Governor, who appointed him to a vacancy on the State supreme court in 1913. In 1933, after he became Republican Senate leader, McNARY firmly opposed punishing such Senators as HIRAM JOHNSON, who had deserted the party to campaign for Mr. Roosevelt. At the 1936 election in Oregon the Republican State central committee signed the statement in the Voters' Pamphlet for every G. O. P. candidate except one—CHARLES L. McNARY. He had his statement signed merely by a personal friend.

In the National Capital McNARY's closest friend is HIRAM JOHNSON of California, the veteran isolationist. They eat lunch together in the Senate restaurant two or three times a week. McNARY joined Johnson, Borah, and Nye in opposing repeal of the arms embargo last autumn. He also has been critical of "efforts to cause our flesh to creep with references to mysterious foreign forces that threaten our shores and, indeed, our homes."

PRESIDENT CONSULTS WITH HIM FREQUENTLY

Despite his dissent from the administration's foreign policy, Senator McNARY is constantly consulted by the White House and the State Department. The President regards him as one of the calmest, keenest heads on Capitol Hill. One afternoon, while conferring with congressional leaders, Mr. Roosevelt swung completely away from the others and became engrossed in a long, earnest conversation with McNARY.

James H. Rowe, one of the President's executive assistants, says that if Senator McNARY does not know Mr. Roosevelt's 1940 intentions, "then I guess nobody does." Rowe states that the Oregon Senator sees the President more frequently than almost anyone else except Cordell Hull and the members of his own family. In any important emergency or crisis, the Democratic administration almost invariably calls "Charley Mac" and asks for his advice.

Yet, just as he is independent of the Republicans whom he leads, McNARY also is independent of the President with whom he is friendly. He militantly opposed Mr. Roosevelt's bill to reorganize the executive departments, and he has been sharply critical of playing politics with relief, piling up a huge public debt and failing to solve the unemployment problem. He thinks the New Deal has centralized too much sovereignty in the National Capital, a perilous circumstance, in his opinion, for a State 3,000 miles away, like Oregon.

Tribute to Senator Carter Glass

EXTENSION OF REMARKS

OF

HON. JAMES F. BYRNES

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Friday, April 12 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. JESSE JONES

Mr. BYRNES. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered last night at the Hotel John Marshall, Richmond, Va., by Hon. Jesse H. Jones, Federal Loan Administrator, at the sixteenth annual banquet of the Virginia State Chamber of Commerce, where our beloved colleague, the senior Senator from Virginia [Mr. GLASS], was the honor guest.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am greatly honored to be invited to your meeting and to have the privilege of addressing you on the subject of CARTER GLASS. I am aware that others could make a more pleasing address, but am not prepared to admit that anyone would appreciate the honor more than I or that anyone holds the Senator in higher esteem. We have been friends since the days of Woodrow Wilson, another of your great sons.

Virginia has produced many men of great stature, but in my view CARTER GLASS would not suffer in comparison with any of them. Had his time been in the days of the American Revolution he would have been found with George Washington, fighting for independence. Had it been during the period of 1812 he would probably have been captain of a frigate fighting for the freedom of the seas. Had it been some 20 years later than that he would have been supporting Sam Houston, another great Virginian, fighting tyranny for the freedom of Texas. And if he had been born a few years earlier than he was, he would have been with Robert E. Lee and Stonewall Jackson.

Better, perhaps, that he came when he did, growing to manhood in an atmosphere of reconstruction. The injustices of this period no doubt served to develop in CARTER GLASS a determination to devote his life to public service.

How studded with achievements has been his career. We first see him clerk of the Lynchburg City Council at a salary of $25 a month; a few years later publishing a newspaper, writing freely of the things which he believed to be for the best interest of his community and his country. He was so direct and plain-spoken in his writings as frequently to bring himself into actual or near physical combat. He learned early, in the stirring words of his political ancestor Patrick Henry, whom he holds in high regard, that "the battle is not to the strong alone."

In 1901, according to the then senior Senator from Virginia, John W. Daniel, he was the guiding spirit in the constitutional convention for Virginia that proclaimed for you a new constitution, effecting necessary suffrage reform.

We see him in your legislature, a member of the Virginia State Senate, fighting the battles of democracy, and this fight he has carried on these 40 years. He became a delegate to the Democratic National Convention in 1892, and has been a delegate to every Democratic National Convention since that time, always taking a prominent part, usually a member of the platform committee, writing his party's creed and charting its course.

Probably no more touching scene in a national convention was ever enacted than at San Francisco in 1920, when the great Bryan, appearing before the platform committee, rose to urge an immediate cash bonus for the service men engaged in the war. It will be remembered that Mr. Bryan had great power of persuasion in conventions. No one questioned his right to advocate the bonus, but his plea was so impassioned that he cut deep many of his colleagues, virtually accusing them of having "sacrificed nothing" in the war.

CARTER GLASS also has great power of persuasion. Instantly he was on his feet. His face flushed, he spoke: "I am going to say something here today that I have never repeated outside the confidence of my own family and the confidence of the President of the United States. During the war I tried to enlist. I went to Mr. Wilson to express my desire for active service in any capacity. He refused permission. He reminded me of my age and told me I was more needed at home. In addition he told me if I acted contrary to his wishes and did enlist, he would see to it personally that my period of any such service ended abruptly.

"But I did give my two sons to the cause. I did give my two daughters to war work, one of them being in the Red Cross. Several of my nephews enlisted, and one of them was shot to pieces, and it will be a long time before he regains his health, if he ever does. Also a great many other close relatives were in the service of their country. I tell you all this not to burnish my own shield because I am sure there are many others on this committee and elsewhere who can reply to this unwarranted aspersion better than I. I say it to indicate to Mr. Bryan that his references to those who 'sacrificed nothing' are not properly made when he seeks to apply them to those who are opposed to his bonus proposition. I repeat it because I shall be greatly interested to hear from Mr. Bryan's own lips if he can say for himself what, shamelessly, I have said for myself."

Stung by this rebuke, Mr. Bryan retreated into a corner of the room where he sat down, covered his face with his hands, and burst into tears. After a few minutes of emotion he walked back to where GLASS was sitting. The two men shook hands quietly, and together they turned to the wording of the plank, which GLASS dictated.

Thirty-nine years ago you sent him to Congress, and later to the United States Senate, with time out only for serving Woodrow Wilson as Secretary of the Treasury. CARTER GLASS could not be accused of gabbiness in his early days in Congress. Unlike most Members of the House of Representatives, he was serving his sixth year before he ever arose from his seat to address that body, and then it was to pay tribute to a deceased Member.

Ever a student, CARTER GLASS was setting his compass and getting his national bearings, and when Woodrow Wilson became President in 1913, he found no more effective ally than CARTER GLASS. It is well known that to CARTER GLASS, even more than to President Wilson, credit is due for the Federal Reserve Act, a sorely needed correction in our banking system. It is unnecessary here to recite in any detail the very stubborn opposition to this legislation, or the fact that failure of the system after its passage, was freely predicted by then acknowledged authorities on banking and finance. Briefly, however, Senator Nelson W. Aldrich had proposed a central bank, so arranged according to GLASS, that the larger banks of the country would inevitably become predominant in the control of credits, a situation obviously to the detriment of the country.

The American Bankers Association, under the influence of the bigger banks, endorsed the Aldrich plan. There was still another plan, which was endorsed by Colonel House, Senator Owen, and Mr. Bryan, Secretary of State. This proposal had the acquiesence of Mr. McAdoo, Secretary of the Treasury.

It was due to the persistence, and the ever-lasting fighting qualities of CARTER GLASS, backed by Woodrow Wilson, that the Federal Reserve Act was finally passed. President Roosevelt on the occasion of the official opening of the new Federal Reserve Building in Washington said that the creation of the system was due to the statesmanship of President Wilson and to the courageous leadership in Congress, for which the senior Senator from Virginia, CARTER GLASS, will always deserve the Nation's gratitude.

If you follow the life of CARTER GLASS step by step, you will find him to have always been ready to sponsor new legislation necessary to meet changing conditions. In 1932, when we were completely confounded economically, he voted to create the Reconstruction Finance Corporation to give Government financial aid to business, industry, and agriculture.

After the inauguration of President Roosevelt he voted for emergency legislation to save banks by providing them with capital instead of loans and to expand the note-issuing authority of the Federal Reserve System and permit Federal Reserve banks to make loans to all banks during the emergency, whether or not they were members of the System, and on such collateral as they might have available. He has voted for numerous amendments to the R. F. C. Act, and in 1937 sponsored continuation of its lending powers. The Glass bill of 1938 further expanded the Corporation's authority, particularly with reference to loans to business and industry.

In addition to the R. F. C., the Senator has voted for a great deal of other important liberal legislation, including particularly the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, the Home Owners' Loan Corporation, the Home Loan Bank System, and the Federal Housing Administration.

Few men have been called to serve their country in as many different capacities as CARTER GLASS. For the past 20 years he has been in the United States Senate, and when he rises in that Chamber to speak, a hush falls over the galleries. The people there, like his colleagues on the floor, lean forward to catch his every word. His pungent phrases, his skill in rhetoric, and his ability to put so much weight, salt, and philosophy into just plain speech have challenged his adversaries and won the admiration of his colleagues on many occasions.

I have said many times before that CARTER GLASS has carried on the traditions of Virginia with great credit to his generation. He brought to Washington a searching mind and a capacity for hard work. Soon his force was recognized, and the Nation acclaimed his statesmanship. His political creed is a broad liberalism framed within the Constitution as interpreted by another Virginian whom he admires greatly, John Marshall.

The Senator finds it difficult to reconcile many things now being done by the National and State Governments with his own political philosophy, a philosophy which stems directly from statesmen he chiefly admires—Patrick Henry, Andrew Jackson, Clay and Calhoun, Grover Cleveland, and Woodrow Wilson. But notwithstanding this difficulty, he recognizes that changing conditions require new laws, new guideposts. To use his own words when once addressing the Senate, "I would not like to detain the Senate by telling it how often I have changed my mind in the last 40 years—always in the right direction."

Strong men change their minds and good friends cannot always agree. The Senator and President Roosevelt, like many of the rest of us, do not always see eye to eye on particular measures, but they have been fighting on the same team a long time, and will be again in the coming election.

The Senator thinks we have spent too much money, that we have paid too dearly for recovery, and that it will be difficult to bring our fiscal matters back into balance. You may agree with him. However, we in Virginia and Texas were fortunate in comparison with many other sections of the country; but as an official of the R. F. C. I saw so much grief, so much distress, and so many broken men during '32 and '33 that I am not prepared to say what price would have been too great.

Of course, we must adjust our outgo to meet our income. We must spend less or take in more. And this problem will be solved.

But that does not mean that we can go back to the old order of things. Most of the social laws that have been passed in recent years have a good purpose, and, when refined, seasoned, and properly administered, will prove of a great benefit to society. One difficulty with respect to any new law affecting business and industry is the time it takes for business to become adjusted to it.

I am not discouraged about our future, except as we may be affected by conditions across the seas. While we are not directly involved in war, we will be seriously affected by it. That is certain. We should not consider lightly the necessity for adequate national defense, even though the cost is great. Nor should we fail to begin taking into account conditions that will confront us when peace is made. We are the most fortunate people on the face of the earth, and under no circumstances should we allow the disorders of the Old World to undermine the integrity and national character of our great country and our form of government.

In the public concept of CARTER GLASS, the qualities that probably stand out most are his courage and his belligerency in debate. He is at his best when fighting oppression, oppression in any form—never afraid of the size or power of his foe, but to trusted friends he gives in full measure the happiness that flows from the best of human companionships. No one enjoys the companionship of friends more than CARTER GLASS.

He is essentially generous and just. For many years he has kept employed several hundred people in his newspaper plants, and it is said of him that he has never discharged but one trusted employee. This man was one of the best compositors Mr. GLASS had on his papers, but he had one besetting sin—he would get drunk. And when he got drunk, which was rare, he got very, very drunk and his spree might last for as long as a week. Finally Mr. GLASS, for the sake of discipline, had to fire him. Reluctantly he let him go but wasn't happy about it. And soon there was a compromise. Mr. GLASS reemployed him on condition that he stop drinking.

Not long afterward Mr. GLASS noticed a very strong smell of onions in the composing room at night when he went to "put the paper to bed." It finally dawned on him that Pat was still tippling, and covering it up with onions. This Mr. GLASS considered a break of faith, and went to fire him again. "Look here, Pat," he said, "whisky is bad, onions are bad, but the combination is intolerable." Whereupon Pat, bowing very low to the ground, said, "All right, Mr. GLASS, I'll never touch another onion as long as I live." And there the matter ended. Pat kept his job.

One of the Senator's biographers, Rixey Smith, says that proof of Senator GLASS' great tolerance is the fact that he has only had two secretaries in 40 years, each serving 20 years. Rixey is one of these.

CARTER GLASS is a true Virginian in every intimate fiber of his highly organized being, and the aphorism, "A prophet is not without honor save in his own country," does not apply to him, for nowhere is CARTER GLASS more deeply loved and more highly regarded than in Virginia.

He possesses the rarest of all human virtues, true humility. On one occasion when he was being lauded, he stated, "I am genuinely embarrassed by being praised for such things as integrity, independence, and courage. I regard those as virtues to the common man. In all my life, day in and day out, I have never done anything but what I would expect and what should be expected of the average man of good sense and good character."

The philosophy of CARTER GLASS, traced from early manhood, has been as unerring as an arrow shot from the swiftest bow of the early settlers of Virginia.

It has been my good fortune to know him for quite some years. I know him in many roles. I have seen him in fiery debate, with his caustic tongue routing sham and hypocrisy and leaving pretense in wreckage. I have seen him in council around committee tables. I have seen him at baseball games and football games, enjoying those sports with all the enthusiasm of the greatest fan. I have seen him at the races, wrestling matches, and prize fights with his lifelong friend, the late Admiral Cary T. Grayson, another great Virginian. I have thrilled at his fighting qualities, admired his sure and deep convictions, esteemed his straight thinking, and loved him for himself.

Notwithstanding his more than fourscore years, I like to think of CARTER GLASS spiritually as a kind of perpetual Peter Pan, resolved never to grow up into futility. And I end by venturing the hope that this spirit of his may go on down the years and be transmitted to the future youth of all the Nation; that it may serve to temper that youth with visions of loyalty and concepts of service, and to bind it, with fine idealism, to noble end.

Seven Pre-Roosevelt Years Contrasted With the Seven Under the New Deal

EXTENSION OF REMARKS

OF

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

ARTICLE FROM THE NEW YORK SUN

Mr. RICH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following table from the New York Sun:

[From the New York Sun]

SEVEN PRE-ROOSEVELT YEARS CONTRASTED WITH THE SEVEN UNDER THE NEW DEAL

The following table shows what the New Deal has done during its 7 years in power for the American Nation as a whole and for the major economic groups which it comprises.

Recently at Hyde Park the President presented a series of figures showing the progress of recovery since 1932. Of course, a comparison with the boom year of 1929 would have yielded an extremely depressing picture.

Since neither of these methods affords a fair and helpful gage, there is presented in the table below a comparison of the 7 pre-New Deal years—four of prosperity and three of stark depression—and the 7 New Deal years of recovery.

The comparison covers every field that the President mentioned in his statement, together with a number of other economic fields which he ignored, including that in which the New Deal scored its greatest achievement, the curtailment of bank failures:

	Average of 7 pre-New Deal years 1926-32, inclusive	Average of 7 New Deal years 1933-39, inclusive	Percent change
General:			
National income (1-A)	$69,062,000,000	$59,783,000,000	−13
Number unemployed workers (2)	4,820,000	10,617,000	+120
Federal tax burden (3-B)	$3,647,000,000	$4,331,000,000	+19
Cost of Federal Government (3-B)	$3,944,000,000	$7,570,000,000	+92
Change in public debt in 7 years (3-B)	−$1,029,000,000	+$20,985,000,000	
Change in per capita public debt (3-B)	−$21.98	+$152.41	
Number of bank failures (6-C)	1,128	613	−46
For the consumer:			
Wages and salaries (1)	$46,700,000,000	$37,300,000,000	−20
Interest received by individuals (1)	$5,200,000,000	$4,900,000,000	−6
Dividends received by individuals (1)	$4,860,000,000	$3,740,000,000	−23
For the farmer:			
Cash income from sales (4)	$9,043,000,000	$7,255,000,000	−20
Benefit payments from Federal Government (4)	0	442,000,000	
Total farm income (4)	9,043,000,000	7,697,000,000	−15
Cost of running Department of Agriculture (4)	$161,738,000	$831,455,000	+414
Value of agricultural exports (1)	$1,420,000,000	$738,000,000	−48
Value of agricultural imports (4)	$1,729,000,000	$1,074,000,000	−38
Commodity price index (5-D)	$87.3	$77.7	−11

	Average of 7 pre-New Deal years 1926–32, inclusive	Average of 7 New Deal years 1933–39, inclusive	Percent change
For labor:			
Weekly pay roll of factory workers (5)	$169,252,000	$148,334,000	−12
Total nonagricultural employment (5–J)	33,822,000	32,135,000	−5
Number of strikes (5)	795	2,505	+215
Number of workers affected (5)	301,600	1,176,500	+291
For business and industry:			
Index of industrial production (6–E)	98	93	−5
Average of 60 bond prices (7–G)	93.8	85.4	−9
Index of 420 common stocks (7–D)	122.0	87.0	−29
Amount of new capital issues (8)	$3,520,000,000	$629,000,000	−82
All exports, dollar value (1)	$3,990,000,000	$2,597,000,000	−35
All imports, dollar value (1)	$3,369,000,000	$2,134,000,000	−37
Dividends paid by corporations (10–F)	$7,277,000,000	$5,961,000,000	−18
Residential building, index (6–E)	79.0	32.0	−60
Private construction (1)	$6,410,000,000	$2,322,000,000	−64
Government construction, Federal, State, local (1–H)	$2,357,000,000	$1,890,000,000	−20
Department-store sales (1)	$3,931,494,000	$3,256,389,000	−17
Cars of revenue freight loaded (9)	45,766,000	32,844,000	−28
For the Federal jobholder: Number employed in executive departments (11)	558,300	771,830	+38

Sources: (1) Department of Commerce. (2) American Federation of Labor (3) U. S. Treasury Department. (4) Department of Agriculture. (5) Bureau of Labor Statistics, Department of Labor. (6) Federal Reserve system. (7) Standard Statistics. (8) Commercial and Financial Chronicle adjusted by the Federal Reserve to eliminate investment trusts and holding companies up to 1930. (9) Association of American Railroads. (10) Bureau of Internal Revenue. (11) U. S. Civil Service Commission.

NOTES.—(A) Figures for 1926, 1927, and 1928, unavailable at Department of Commerce, supplied by National Bureau of Economic Research. (B) Fiscal years. (C) Technically, bank suspensions. (D) 1926 average equals 100. (E) 1923–25 average equals 100. (F) Figures for 7-year periods unavailable, comparison is for 5-year periods. (G) Priced from average yields. (H) Excludes W. P. A. (J) Excludes all work relief.

Common Sense From Landon

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Friday, April 12 (legislative day of Monday, April 8), 1940

EDITORIAL FROM THE KANSAS CITY STAR

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an interesting editorial from the Kansas City Star entitled "Common Sense From Landon."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Kansas City Star of April 5, 1940]

COMMON SENSE FROM LANDON

The address of Alf M. Landon to the Kansas Republicans may well prove to be the real keynote of the campaign. The former Kansas Governor did not indulge in rhetoric. He made no extreme statements. He got down to fundamentals.

The great test Governor Landon applies is the effect of the New Deal administration on employment. It is condemned because after 7 years of effort, as many men are out of work today as were out of work then.

This failure has come because of unwisely constructed legislation, constant experimenting, and prevailing uncertainty not merely from the experimenting but from the President's delight in "loose talk," his pleasure in "keeping the country guessing." All this has been attended by an extravagant spending policy that threatens eventual collapse and inflation.

In Mr. Landon's opinion, these failures are so deep-rooted in the administration that the only hope for their correction lies in a fundamental change at Washington. The next President must be able to "organize and weld the conflicting interests of the country so we can all pull together," and his administration must straighten out the financial mess with which the Roosevelt administration has shown itself unable to deal.

No more reasonable statement of the fundamental issues has yet been made. It is neither reactionary nor radical. It is in accordance with plain, old-fashioned American common sense. All the clever camouflage of the bright young men of the New Deal "brain trust" cannot cover up the essential failure of the New Deal or disguise the danger ahead.

The people of the United States, Democrats as well as Republicans, would do well to pay attention to what Governor Landon said at Wichita.

Americans From Greece

EXTENSION OF REMARKS

OF

HON. JOSEPH C. O'MAHONEY

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Friday, April 12 (legislative day of Monday, April 8), 1940

ADDRESS BY ACHILLES CATSONIS AT AHEPA BANQUET

Mr. O'MAHONEY. Mr. President, Members of the Senate and the House of Representatives who were privileged to attend the banquet of the Order of Ahepa, at the Mayflower Hotel on March 4, were all greatly impressed by the appearance and the ability of the American citizens of Greek origin who spoke at that function. Their addresses called to mind the great debt which society owes to the ancient Greeks. These people have handed down to us in the modern world not only an example of outstanding accomplishment in literature and art but also a most impressive example of unfailing devotion to the fundamental principles of democratic government. One of the very interesting speeches made that evening was delivered by Mr. Achilles Catsonis. I ask unanimous consent that his remarks may be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. "Symposiarch," good old-fashioned American toastmaster, I don't mind your calling on me in this manner, but object to your making my speech, for hardly much could be added more appropriate to the occasion than your opening remarks.

You have expressed disappointment that Senator WALSH, on whom you expected to call for one of the principal addresses this evening, was unable to attend, and that Senator KING, who was to make the other principal address, is indisposed and has asked to be excused from speaking. In that juncture of things, you invite me to pinch hit for these two eloquent and distinguished Americans. To substitute for either one would be more than enough; for both, the assignment is much too big. Perhaps I should grasp the moral of the story hurriedly narrated to me by Mr. W. Gwynn Gardiner, my distinguished associate, as I rose from the table for this ordeal. A young lawyer, not experienced in judicial subtlety, after the opposing side had finished its argument, insisted on making his argument, whereupon the judge admonished him, "All right, young man, go ahead; I am with you now, but don't know if I'll be with you when you finish." Would it not be wise for me to obey this admonition?

Since it appears I must proceed, and after invoking inspiration from divinities, near and remote, I begin with the thought most recent in my mind. I have been reading lately a book entitled "The Lost Continent of Mu." Col. James Churchward, the author, who states he has spent more than 50 years in search of man's first habitat, basing his finding on the Naacal tablets which he discovered in a temple in India and deciphered by the aid of the temple priest, and upon some 2,600 tablets recently unearthed in Mexico by William Niven, as well as on certain other ancient records, makes the startling revelation and asserts it as his belief that more than 50,000 years ago, stretching across the Pacific easterly from Central America and westerly well nigh touching the opposite shores, was couched a vast continent, larger than the United States by some 2,000 miles, known as the Land of Mu, and as the Lands of the West; that a superior civilization flourished upon this continent; that thousands of years ago, due to volcanic upheavals emanating from the earth's center and breaking through its crust the entire continent was submerged with its 64,000,000 of people; that this was the original home of man; that its first inhabitants were Greeks, and that the Greek alphabet when accurately deciphered is a short history of the destruction of Mu. Challenging and informative, and, if true, makes the Greek immigrant of today not a recent comer to the Western Hemisphere but a long-lost wanderer who, having ventured the round of the world, returns now to the point of beginning. Perhaps that accounts for his being at home in America.

And well may he feel at home for, laying aside for the moment the theory of Colonel Churchward, and viewing the Greek as among the recent comers to our shores, we find he was received by Americans of earlier advent not as a strange and unassimilable addition to the body politic but as a kind and kindred spirit, wholly sympathetic and in full accord with, the basic philosophy of American life. To him as to all others who have honestly tried to find, in America, a fresh outlook on life, and who believe that vibrant, dynamic and constructive effort are indispensable prerequisites to a useful life, America has been a haven and a field of opportunity. The institutions established by the founding fathers and maintained by successive generations of Americans at huge sacrifices and constant vigilance have been his to enjoy equally with those who link their race to the Mayflower. For him as for all others who have come within its jurisdiction the Constitution has been a protective mantle, a veritable palladium of the rights of man as vouchsafed in that immortal document.

Thus impelled and motivated the American Hellene sought to find his proper place in the social structure of his new country. In his own traditionally individualistic temper, and by constant application to his daily tasks he has demonstrated to his American friends that he is not lacking in the qualities which should characterize a good citizen. Indoctrinated in the belief that law is the sine qua non of a well ordered society this new venturer upon your shores has been responsive to his obligations as a law-abiding citizen. As a token to his industry you will seldom find him depending on public assistance. As the head of his family he is fully cognizant of his responsibilities, and strives to make possible for his children opportunities not available to him. Nor is he wanting in the traits requisite of a public spirited citizen, well remembering and molding his conduct in that regard by the exhortation of Pericles to the youth of Athens to pass their city on to their successors, not only not less but greater than they found it.

Yet, creditable as admittedly has been the record as an individual, of this reborn American he felt as he grew with America that more was possible by way of cooperative effort, that he had much to contribute to its welfare, that not only in taking but in giving even with greater measure, does the true citizen and patriot find happiness and contentment, and that his cherished rights, precious though they are become consecrated only when he is willing to match them with their correlative duties and sacrifices.

With such thoughts in mind a group of Hellenes in 1922 sought and obtained from the State of Georgia a charter to establish the American Hellenic Educational Progressive Association, popularly known as the Ahepa, to instruct the Greeks of America in the tenets of American Government; to strengthen and confirm their belief in the fundamental institutions of this country; to promote loyalty to its flag, instill reverence and respect for its traditions. More, to take an active part as good citizens in the life of America, and in addition, to marshal into active service for America the noblest attributes of Hellenic culture, believing that no nation has a monopoly on virtue, and that regardless of race or creed those who have joined the ranks of America have inherent cultural virtues worthy of preservation and diffusion into the body politic—all to the end that the race of man shall continue to live in an America of peace, happiness, and contentment. Not the words of a "front" these, but the spontaneous declaration of the founders, and connote exactly what they denote. Here mind and heart meet to reveal the wholesome faith of a simple people in the future of America, for indeed the founders of the Ahepa are plain, ordinary citizens, strangers to the latent implications of "fronts," frank in their intentions, having nothing to conceal and therefore in no need of "frontal" adumbrations.

Starting in Atlanta, nurtured in the South, the Ahepa in course of time spread its influence throughout the land and in its path has left a wholesome atmosphere. Not alone Greeks but others as well compose its membership. Many influential Americans honor us with membership because they believe in the aims of the Ahepa. the press generally approves its work and public opinion looks upon it as an unofficial arm of the Government.

In the 18 years of its existence the Ahepa has been the cynosure of Hellenic activity in the United States; it has given in a tangible and practical way instruction in the essential likeness of Americanism and Hellenism, thereby adducing the conclusion that the American Hellene should feel en rapport with the spirit of America; that for him there is neither room nor excuse for acts inimical to America; that his being a Greek means less to us if his conduct is subversive to American institutions and more if it reflects credit on his race. And further, laurels won by his ancestors ill fit his crown unless they serve as an incentive to emulate their achievements. In its auxiliary organizations the Ahepa has sought to find constructive activities for the women of Hellenic lineage, it has diverted from random environment the younger generation of Americans of Greek parentage and in various ways is endeavoring to make easier the transition and bridge the gap that generally exists between the first generation of Americans and their transplanted parents. In the course of this practical instruction we have sought to extirpate from the minds and hearts of our children any inceptive seeds of racial hatred and implant instead the spirit of brotherhood as more in consonance with the dignity of man. Moreover, the children of today as the citizens of tomorrow cannot, with hatred in their hearts, live in happiness and contentment with each other, all to the detriment of America. In brief, the Ahepa attempts to build citizens who should be found on the asset side of the citizenship ledger. In this connection I cite Will Durant, who in his The Life of Greece, reiterates and emphasizes what many others before him have said, that the first defeat of a nation comes from within. Racial hatred, class wars, doctrinal bigotry, unleavened citizenry, political infiltration and corruption breed discontent. When discontent assumes sizable proportions the temper of the people is turned from constructive to destructive effort. That is negative citizenship and we are against it. The American Hellene desires to be a positive citizen. We are here not to destroy but to build; only in that way can we truly aver that we are doing our duty to America.

Having briefly explained its work I am about ready to tell you what the Ahepa is, but believe I can make my definition clearer if I first tell you what it is not.

I repeat, the Ahepa is not a "front" of any kind, Christian or pagan, temporal or secular, because it has nothing to conceal and its doors are wide open; it is not a parasitic growth sapping the strength of America, as it gives but does not seek or expect relief; it is not an alien intruder engrafted upon the body politic of the Nation, as it is founded on proved and approved principles and in harmony with the spirit of America. Neither is it the instrument of elements subversive to America. It draws its sinews solely from its members. It owes and pays one only and undivided allegiance to the United States. It does not depend for its existence upon the favor of any special interest. It neither owes nor pays homage to any financial magnate, political pontiff, or professional agitator. Nor does it make obeisance to any of their ilk.

It is, though, a fraternal order, in the basic sense of the word, deriving its authority from the State of Georgia, and its charter on record in Fulton County of that State, clearly reveals its objects to be to teach its members pure and undefiled Americanism; to elicit virtues inherent in Hellenic character and blend and harmonize them with indigenous American culture; to direct the activities of its members in such channels as would make them happy in their environment and America proud of their achievements. To implement their native talents with preparation conducive to a more receptive attitude toward and a better understanding of American aims, ideals, traditions, and aspirations, and to instill in the American of Hellenic extraction as it should in the American of every other brand, including the native, an unshakeable belief in the manifest destiny of America, so that we may all wish, with Henry Ward Beecher, that Old Glory, whose stars redeem the night from darkness and whose beams give color to the morning, may float forever over a united, a happy, and a prosperous people.

The Sugar Program in Puerto Rico

EXTENSION OF REMARKS
OF
HON. BOLÍVAR PAGÁN
RESIDENT COMMISSIONER FROM PUERTO RICO
IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

STATEMENT BY HON. BOLÍVAR PAGÁN, OF PUERTO RICO

Mr. PAGÁN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the House Committee on Agriculture:

Mr. Chairman and fellow members of the Committee on Agriculture, may I, as Resident Commissioner from Puerto Rico, ask your attention for some minutes to bring briefly before you the sugar situation in Puerto Rico as is affected by legislation in force and as may be affected by proposed legislation under our study and consideration? I will go into the field, making only general remarks about the sugar problem as a whole. Someone else will go into the details and discuss the technical questions about the industry.

I myself am not a sugar man, nor am I connected at all in any way with the industry and business. I am spokesman for the whole of my insular people, comprising about 2,000,000 of American citizens who live and suffer over there and whose livelihood and welfare depend largely upon sugar, our main crop and basic industry, which gives a living, directly or indirectly, to 1 of every 2 inhabitants of Puerto, and which 2,000,000 loyal American citizens are entitled to a fair deal by our Congress.

Mr. Chairman, in appearing here before this committee, I come to discharge the greatest responsibility that could be entrusted to any representative of our island—that of presenting Puerto Rico's case with respect to sugar legislation. This is a matter of the most vital importance to the future welfare of Puerto Rico and every one of its nearly 2,000,000 people.

Here in the United States mainland you are accustomed to thinking of sugar merely as one of the many agricultural commodities which collectively yield an annual income of $8,000,000,000 annually.

Here, according to the United States Department of Agriculture, sugar ranks fifteenth as a source of farm income; far behind other crops such as corn, wheat, tobacco, apples, and so on. Even hay and alfalfa, feed for livestock, rank ahead of sugar as a source of income to farmers.

In Puerto Rico, gentlemen, sugar is our one and only large-scale crop, the principal source of food for our people. Sugar offers the one and only known means of improving the welfare of our people. Owing to market conditions and Federal restrictions, there is no possibility of expanding substantially the production of any other crop or industry. Between 200,000 and 250,000 of our workingmen, nearly half the total wage earners, are out of work, and they are permanently out of work unless our sugar industry is permitted to grow in a normal, healthy manner.

Moreover, because Puerto Rico is a part of the United States and within the tariff structure of this country, other world markets are closed to our farmers. Last year Puerto Rico was able to sell less than half a million dollars of its products to all foreign countries. If our people are to live, if our thousands of small farmers are to gain a livelihood, if we are to prevent widespread misery among our growing population, we must sell our surpluses here in continental United States. No other market exists.

We do, of course, have some other crops and industries, and I should like to tell you what has happened to them. Our tobacco industry in 1927 brought an income of $25,000,000. Last year that income was down to $5,000,000, because we grow a cigar-type tobacco only and the consumption of cigars has declined sharply.

We grow one of the finest coffees produced in the entire world. In 1926 that crop brought an income of $7,000,000. But by 1939 the figure has dropped to well under $1,000,000. The European countries in which our coffee once was widely used have turned to the cheaper Central and South American varieties, with which we cannot compete. Our fruits, principally pineapples and grapefruit, as recently as 1928 yielded an income of $7,500,000, but in 1939, owing to overproduction of grapefruit on the mainland and the lowering of the pineapple tariff, our income from those fruits was down to $1,300,000. We grow various other farm products; indeed, we have spent 100 years searching desperately for other crops with which to augment our diminishing trade, assisted by the best brains of the United States Department of Agriculture and of our own island. Yet last year sales outside the island of all other farm commodities than those mentioned were less than $1,000,000.

That is the picture in Puerto Rico. If we are to provide jobs for our thousands of unemployed, if we are to improve the living standards of the many others who barely get enough of the plainest food to eat, that improvement must come through sugar. I challenge anyone to name one other possible way of increasing our shrunken income. We know of no other crop which can be counted on to add even $1,000,000 to our insular income.

We could produce modest quantities of various other products common to the Tropics, but to do so we would have to use the lands which now will return more income, modest as it is, in sugar and other crops we now grow.

Please bear in mind that Puerto Rico has no great manufacturing industries with which to supplement its farm income. We cannot export petroleum products valued at $384,000,000 in 1 year as can continental United States, because we have no petroleum at all nor any other fuel. Puerto Rico cannot sell $44,000,000 worth of lumber and wood products to foreign countries, because we don't even have a timber supply for our own local needs. Nor can we export iron and steel products valued at $290,000,000 as can the United States mainland, because, gentlemen, we have no iron or steel nor any other minerals in important quantities.

All we have in Puerto Rico is a little over 1,000,000 acres of farm land and an inexhaustible oversupply of idle hands, ready and willing but unable to work. Because of our lack of raw materials, our manufacturing enterprises must be limited to processing the products of our soil or to working with expensively imported raw materials. Until Puerto Rico was placed under the Fair Labor Standards Act, we had some hopes of building up extensive handcraft industries to supplement our once thriving needlework industry, but now we no longer are attracting new enterprises.

Our sugar industry last year brought an income of $58,300,000, employing somewhere between 110,000 and 130,000 workers. The industry ranking next in importance was needlework, which provided an income of only about $7,500,000. The next largest agricultural product, tobacco, accounted for only $5,000,000. Indeed, sugarcane accounted for 60 percent of Puerto Rico's entire agricultural income. We are far more dependent on sugar than the great Corn Belt is on corn, than the Cotton Belt is on cotton, than the wheat States are on wheat. We are far more dependent on sugar than is any State of the Union. When our sugar production is reduced by act of Congress, there is no other cash crop we can turn to. The laborer who loses his job in the sugar industry, through restricted production, has no other job in prospect.

Yet, in spite of the fact that Puerto Rico is far more dependent on sugar than any other sugar-producing area in the world, we were singled out at the beginning of the sugar-control program as the only area required to reduce its production to any important extent. Instead of merely preventing the expansion of sugar production, the Jones-Costigan Act and later the Sugar Act of 1937 drastically reduced production, employment, and income in Puerto Rico's one large-scale crop.

That, gentlemen, was a bitter blow to labor on our island. The Labor Party, of which I have the honor to be president, had made remarkable progress in improving conditions for our workers. Indeed, in many respects labor enjoys a unique position in Puerto Rico. Child labor is prohibited, and you will not find a single child on the pay rolls of the sugar companies. Nor are women employed in that industry except in a few clerical positions.

Puerto Rico has a workmen's compensation act which is a model for many of the States to follow. That act pays benefits to injured workmen both in field and factory. In addition, we have an 8-hour day, which also applies not only to factory workers but to agricultural labor as well. Puerto Rico is the only sugar-producing area in the world to observe an official 8-hour day.

In recent years, however, we have had to go further. In order to give some income to as many workers as possible, we have found it imperative to follow a share-the-work policy, whereby laborers work only four, five, or six hours a day in many cases, thus letting otherwise unemployed laborers enjoy some income with which to feed their families.

In addition, wages in our sugar industry are determined by collective bargaining. Each year representatives of the sugar producers and of the workers' organization sit down and reach an agreement on wage rates. As a result of this modern practice, daily wage rates have risen more than 50 percent in the last 7 years, until at the present time the average hourly wage paid to Puerto Rican sugar workers exceeds average hourly farm wages paid in 16 of the States in the Union.

By 1934, when Puerto Rico had increased its sugar production to more than 1,100,000 tons, we in the Labor Party had high hopes that better days were ahead for the working people of Puerto Rico. We envisioned a gradual increase in the number of jobs and began to dream that the families of the workingmen would soon be able to enjoy more of the simple necessities of life. For the sugar industry, in spite of many setbacks from devastating tropical hurricanes, droughts, floods, attacks by cane disease, and unfavorable market conditions, was keeping pace with our fast-growing population. Yet even then unemployment was alarmingly high. Thus you can imagine, gentlemen, how the workers of our island felt last year, in 1939, when we were forbidden to harvest more than 851,000 tons of sugar, a decrease of 30 percent from our former peak production, for a reduction of 30 percent in production meant a like reduction of 30 percent in the number of full days of work that the sugar industry could give. And the unemployed sugar workers, remember, could not go to some steel mill or automobile factory, or even to a coal mine, to find a new job, because we are not blessed with those opportunities in Puerto Rico.

Not only the laborers, but the farmers as well, are hurt when our sugar production is restricted. Sugar is produced in Puerto Rico on nearly 12,000 farms, many of them exceedingly small, with no other cash income. In 1899 there were fewer than 3,000 farms growing sugar, but today the number is about four times as great.

These laborers, gentlemen, and these farmers are citizens of the United States; the same citizens who in 1917 registered for the draft during the World War to the number of more than 250,000; the same citizens who subscribed $10,000,000 for the Liberty Loans when this country entered that war; the same citizens who in 1898 were forcibly brought under the American flag with promises of freedom, liberty, and well-being and the prospect of a richer, fuller life. They are loyal, honest Americans, willing to share the misfortunes of this country, but at the same time expecting to share in its opportunities on the same basis as the more fortunate American citizens who reside on the mainland.

Moreover, our island responds in the States virtually every dollar received here from the sale of our sugar and other lesser products. Last year Puerto Rico spent $86,000,000 for products of farms and factories in continental United States. Its purchases provided more than 30,000,000 man-hours of work for mainland factories, and it bought the products of 800,000 acres of American farm land. Not one of the countries in South or Central America or elsewhere in Latin America purchased as much here as did Puerto Rico. We ranked ninth among all the countries of the world as a market for mainland business, and in 1936 ranked sixth as a market. Moreover, we buy a smaller percentage of our goods from foreign countries than do the 48 States themselves. In addition to our purchases of goods, we buy here practically all of our services, such as insurance. All goods shipped to or from Puerto Rico are carried in ships flying the United States flag.

Unlike certain foreign countries from which the United States buys sugar in large quantities, we respend here, not 70 cents of the dollar we receive for sugar, and not 80 cents, but 100 cents of the dollar. Giving Puerto Rico the privilege of selling sugar on this great market is not charity nor an act of kindness; it is plain, everyday, good business for United States businessmen.

In the year that the Jones-Costigan Act was passed, Puerto Rico, according to the United States Department of Agriculture, grew enough cane to produce more than 1,200,000 tons of sugar. Were the opportunity before us, in the light of improved methods, we could surpass that figure. Yet under the terms of this bill now being considered by this committee, we would be restricted to a production of 860,000 tons, even less than under the Sugar Act of 1937, whereas other domestic areas are granted increases.

It is not for Puerto Rico, perhaps, to say how much sugar should be produced by domestic areas and how much by foreign countries. But we do contend this, and with the utmost logic: If there are to be increases for any domestic areas, Puerto Rico, which is more dependent on sugar than any other area, certainly is entitled to share in those increases on the same basis as anyone else. Indeed, because of its extreme and unavoidable dependence on sugar, and in view of the high rate of unemployment and the complete ab-

sence of other opportunities for obtaining new income, Puerto Rico should be given first consideration when any increases are granted.

In conclusion, I wish to review the plight in which Puerto Rico and its laborers find themselves. During our best years, because of the island's limited resources, our per capita income has been only a fraction of that enjoyed here on the mainland. Even in the depths of the depression, workers in continental United States enjoyed far better standards of living than the best Puerto Rican ever has seen.

Yet in spite of our unfortunate state, Congress and the Federal Government have failed to view our problems realistically. The great need of our island is more income and more jobs. Yet each year, the various branches of the Federal Government, instead of planning improvements in our economic situation, have made matters worse than before.

To be sure, the Government is not responsible for the permanent loss of our coffee, tobacco, and grapefruit markets. Those losses were due to factors beyond the control of any of us. But Congress is responsible, at least indirectly, for the tariff reductions which have hampered our pineapple growers, for the Wage-Hour Act which has restricted and prevented the expansion of our hand-work industries. The Federal Government is responsible for the fact that, in the face of all these other adversities, Puerto Rico has received less Federal aid per capita during the last 7 trying years than any other State or Territory. And Congress is responsible for the fact that Puerto Rico not only cannot increase its sugar production, but actually was forced to restrict its production of sugar to a greater extent than any other area selling sugar on the domestic market. The workers of Puerto Rico beg that Congress sit back and review these various acts which, collectively, have placed our workers and our people in a position where they are powerless to help themselves, where they are completely unable to better their lives through any effort or ingenuity of their own.

The future of our people, gentlemen, has been taken over part and parcel by the Federal Government. The matter is out of our hands, except insofar as we can accomplish good by pointing out the tragedy which has occurred. If any of you know any other way in which we can feed our unemployed and improve the status of thousands of our employed workers who must live on a minimum amount of the barest necessities, I beg of you to tell me. If not, I urge you to give the fullest and most sympathetic consideration to all that I have said before you reach your final conclusion with respect to our island's sugar quota.

General Andrew Pickens, Sr.

EXTENSION OF REMARKS

OF

HON. BUTLER B. HARE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 9, 1940

STATEMENT OF HON. BUTLER B. HARE, OF SOUTH CAROLINA, BEFORE LIBRARY COMMITTEE, APRIL 1, 1940

Mr. HARE. Mr. Speaker, under leave to extend my remarks, I include the following statement made by me before the Library Committee, April 1, 1940, in support of House Joint Resolution 369:

Mr. Chairman and gentlemen of the committee, no people can become great and remain great who fail to cherish their traditions, honor their heroes, and perpetuate their history. With this thought in mind I introduced House Joint Resolution 369 some time ago providing for an authorization to appropriate $50,000 to erect an appropriate memorial to commemorate the life and services rendered by Gen. Andrew Pickens of South Carolina in securing our independence and the formation of our Republic.

General Pickens was born in Bucks County, Pa., September 19, 1739, and moved with his parents to South Carolina at the age of 13 in 1752. They settled in what was known at that time as the Abbeville district, some 75 or 100 miles south of the foothills of the Blue Ridge Mountains. Upon reaching his maturity young Pickens moved and settled near Pendleton, immediately at the foot of the mountains in the Indian settlement of Tamassee. The country at that time had only a few white settlers but was rather thickly populated with Cherokee Indians. He was a man of strong and courageous convictions and a firm believer in independence for the Colonies. His services, therefore, were at the command of his country at the very beginning of the Revolution. He had had previous experience as a lieutenant in the war against the Cherokees and was formerly a captain in the militia at Ninety Six but the first opportunity to display his qualities and virtues as a military leader was found in the battle of Kettle Creek in 1779, where he was assigned to meet Colonel Boyd and prevent his junction with Colonel Hamilton in Georgia. His success in dissipating the forces of the enemy at Kettle Creek was alone sufficient to make his name illustrious in the history of our State and Nation.

Following the fall or surrender of Charleston in 1780 practically all of the military leaders in South Carolina were either captured and imprisoned, or had agreed to surrender on parole, Gen. Andrew Pickens being one of the latter. Under the parole agreement all surrendered were assured and guaranteed British protection. For 6 months or longer the chances for independence were gloomy and seemed hopeless but when the British failed to give such protection as had been agreed upon, mobilization of troops under various leaders began to occur in different parts of the State, especially among the Presbyterians in the upper part of South Carolina, parts of Georgia, and North Carolina where by the action of British leaders in destroying their Bibles and heaping upon them other deliberate indignities the people were aroused in resentment and indignation to the point where they were again ready to fight for their religious and civil liberties as never before. However, General Pickens again demonstrated the superior virtues of a military hero when he inflexibly adhered to what he felt he was honor bound to do in maintaining his word under the parole agreement until the early part of January 1781, when the British leader, Maj. James Dunlap, raided his plantation, plundered his home, and ill-treated his family and neighbors he felt the parole agreement had been breached and he was again free to volunteer his services in behalf and in defense of his country.

But he was not willing to again take up arms against the British without openly declaring his purpose to those with whom he had made the parole agreement. He, therefore, sought an interview with the British officers and disclosed to them his intentions and his reasons therefor. Whereupon, he was earnestly advised against such action and assured that he would be executed should be fall into the hands of the British and that if he carried out his intentions he would thereafter "fight with a halter around his neck." This was a decisive moment in his life but he did not hesitate to say that he had consistently and honorably adhered to his parole agreement and since the British had violated their promise to him and the people of his State he felt completely absolved from any obligations whatever to the British Government and gave notice that thereafter he would "yield no quarter," and it was only a short time until he was found at the head of a company of 70 with a daily increasing number of the most determined and courageous men to be found in any battling contingency. We next hear of him commanding the volunteers from North Carolina, South Carolina, and Georgia at the Battle of Cowpens, where he carried terror into the hearts of Tarleton's Dragoons and won what was probably the most decisive victory of the Revolution in the South which, according to historians, was the first link in a grand chain of succeeding events which were to result in victory at Yorktown. In recognition of the distinguished services rendered here by General Pickens Congress presented him with a sword as a mark of his country's approbation.

During the year 1781 the war was carried on chiefly in the South, and in midsummer General Pickens, in the absence of Marion and Sumter, was in full command of all State troops and was later to take part with General Greene in winning one of the most complete victories in the annals of warfare at Eutaw Springs. Here the British laid down their arms and General Pickens in person received the sword of their commander, Major MacArthur. Some faint idea of the courage, sacrifice, and sufferings found among many who fought to a finished victory in this battle may be obtained from the following statement ascribed to General Greene:

"Posterity will scarcely believe that the bare loins of many brave men, who carried death into the enemy's ranks at Eutaw Springs, were galled by their cartridge boxes, while a folded rag or tuft of moss protected their shoulders from sustaining the same injury from the muskets. Men of other times will inquire, by what magic was the army kept together. By what supernatural power was it made to fight?"

The answer is found in the life, character, courage, and determination of such leaders as Pickens and others; it is found in the devotion, loyalty, determination, and cooperation of him and his followers, who had dedicated themselves to the task to securing liberty and freedom at any cost. Johnson, the historian, quotes General Greene as saying that many of the men who fought in the battle of Eutaw Springs "were as naked as they were born." General Greene himself, writing to the Secretary of War, states that at the time the Battle of Eutaw Springs was fought he had been in the field for 7 months without taking off his clothes. If I were an artist and had the authority to do so, I would paint a picture of this battle and place it in the home of every true American citizen that the youth of the land and succeeding generations may get a fair idea as to the price paid for our liberties, and fix in their minds some conception as to what it may cost to maintain them.

But, Mr. Chairman and gentlemen of the committee, I am not content to stop here and rest my case solely upon the military efforts and contributions of General Pickens in war, because he was equally as great in peace as in war. The poet has told us that "Peace hath her victories, no less renowned than those of war," and the services of General Pickens following the Revolution well illustrate this fact. Hostilities did not cease following the surrender of Burgoyne at Yorktown, especially in the South, where there were thousands of warlike Indians who were unwilling to give up their lands without a fight. For a third of a century General Pickens had lived among the Indians. They had learned to know

he was a fearless and successful warrior. At the same time, his conduct had been such as to command their respect and admiration. He was first selected by the Continental Congress, and later by President Washington, to negotiate treaties with the Indians, and this work alone would amply justify the memorial we are asking for in this resolution.

The first treaty effected was with the Cherokees at Long Swamp, Ga., October 17, 1782; another with the Creeks and Cherokees in 1785. The following year, 1786, he effected treaties with the Choctaws and Chickasaws at his home, Hopewell, where it is reported over 1,000 Indian delegates appeared and took part in the deliberations.

In the year 1800, along with General Wilkinson and Col. Benjamin Hawkins, of North Carolina, General Pickens was appointed to negotiate additional treaties with the Cherokees, Choctaws, Creeks, and Chickasaws. The treaty with the Chickasaws was on October 24, 1801; with the Choctaws a little later in the year; with the Creeks and Cherokees in 1802. As a result of these treaties the Indians ceded to the States or to the Union practically all of the land south of the Ohio and east of the Mississippi Rivers, including the States of Kentucky, Tennessee, North Carolina, practically all of Mississippi, a good portion of Alabama, and the northern part of Georgia, the lands in northern and western South Carolina having been ceded earlier.

General Pickens not only contributed valued personal services to his State and country, but he gave his son, Gen. Andrew Pickens, Jr., who was to render conspicuous service to his country in the War of 1812. I have introduced a resolution providing a memorial to him at Edgefield, S. C., but as this resolution is not now before us for consideration I shall not attempt to refer to his distinguished services until a further opportunity is afforded by the committee. General Pickens, Sr., bequeathed, also, a grandson, F. W. Pickens, who was to be Governor of his State at the beginning of the War between the States.

I sincerely trust, Mr. Chairman and gentlemen of the committee, that our presentation of the facts are sufficient to warrant favorable action on this resolution at an early date.

A Test of Credulity

EXTENSION OF REMARKS

OF

HON. FOREST A. HARNESS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

ARTICLE BY KENNETH A. REID

Mr. HARNESS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Kenneth A. Reid, general manager of the Izaak Walton League of America.

A TEST OF CREDULITY

(By Kenneth A. Reid, general manager, Izaak Walton League of America)

If you lived in a town where it was common practice to dump one's garbage in the public street or in a neighbor's yard, you would likely support with enthusiasm any new municipal ticket which campaigned on some such program as clean up our city; but if those who advocated the clean-up at the same time opposed an ordinance which would prevent the dumping of refuse in a new residential district, if and when it should be developed, could you have faith in their campaign program and promises to clean up the present nuisance of garbage and waste dumping in the present streets of your town?

Absurd! Of course it is, and yet it is exactly comparable to what the United States Chamber of Commerce asks the public to believe with respect to the program the chamber supports for the abatement of water pollution.

For several years the chamber has stoutly supported S. 685, the Barkley bill, and its predecessors, calling for study of water pollution but no control. The chamber has repeatedly stated and asked the public to believe that this study bill offers the most practical solution to the pollution problem, and that it would accomplish the desired objectives more expeditiously than the bills of the conservationists providing for actual Federal control. As recently as February 24 the chamber, in a printed bulletin urging support of S. 685, says with reference to the amendments made by the Rivers and Harbors Committee and included in the bill when it was subsequently passed by the House on March 1: "These amendments do not in any way alter the basic principles of the measure in maintaining State and local initiative with cooperation from the Federal Government." In other words, S. 685, as amended and favorably reported by the House Rivers and Harbors Committee, carried the full approval and endorsement of the United States Chamber of Commerce.

On March 1, 1940, S. 685, as amended by the House Rivers and Harbors Committee, came before the House for a vote. Representative Mundt offered one additional amendment which would simply stop the spread of pollution to new sources not now in existence. It carried no jurisdiction over present pollution or present polluters, so that as far as the current pollution problem is concerned, and as existing polluters might be affected, S. 685, as it passed the House, was in no way changed from the bill that was heartily endorsed by the chamber on February 24, 1940.

On March 14, 1940, the chamber issued a subsequent bulletin urging its members to oppose S. 685 as amended and passed by the House. The chamber stated that its reason for change in attitude was the Mundt amendment which would stop the spread of pollution, the inclusion of which has altered the character of the bill.

Isn't it rather stretching credulity to ask the public to believe that the chamber earnestly seeks pollution abatement when it now comes out and opposes its own recommended program solely because of one provision which would make a start toward the attainment of the desired and avowed objective? The chamber might ask their friends in the United States Public Health Service if they could successfully cope with any disease if they at the same time condoned its spread by opposing quarantine measures.

The National Resources Planning Board Is Performing a Good Service and Should be Extended

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

Mr. KEFAUVER. Mr. Speaker, I understand that opposition to this program rests on three arguments:

That it is not legally constitutional.

That it interferes with and duplicates other Government agencies.

That it is not doing anything at all—that it would be a waste of money.

In my opinion, this Board and program is legal, not only in the letter but in the more important intent of Congress.

When Congress established the Federal Employment Stabilization Board, in 1931, it desired that the President should be supplied with information for transmitting recommendations to Congress on employment and business activity and on programs for public work that could take up unemployment slacks. To Congress through the President.

This information might be partially supplied by the established Federal departments, but even the information obtained from them must be analyzed and compiled by somebody. Congress established the Board for that purpose. But Congress went further than that. It wisely recognized the need for—and I quote from the act—"information concerning advance construction plans and estimates by States, municipalities, and other public or private agencies, which may indicate the probable volume of construction within the United States or which may aid the construction agencies in formulating their advance plans." Congress established the Board for this purpose also. The power is there—for advisory reports only.

Now, to my mind everything that the National Resources Planning Board, which is continuing the work of the Federal Employment Stabilization Board merely under another name, has done and is continuing to do, bears a perfectly plain and substantial relation to the major objectives established by Congress in the language above.

What else are the reports on The Structure of the American Economy, and Patterns of Resources Use than a serious attempt to show the workings and results of fluctuations in business cycles, and to suggest ways to soften the shocks? What else are the public-works programs that the Board has assembled, from Federal agencies and through the forty-odd State planning boards, for the use of the P. W. A., the W. P. A.,

and other agencies that Congress has designated to execute those public works?

The very way in which the Board works through interdepartmental committees demolishes the argument that it is interfering with or duplicating the work of other Federal agencies. Many of those agencies have submitted written declarations of their satisfaction with the procedures and service of the Board. There is no further worry on that score.

The key to the usefulness of this Board lies in the task of assembling the programs of State and local public works. How many of your home towns have planned public-works programs? You can put down a lot of wishful thinking, of course, but that was just what led to the early criticisms of useless work and poorly planned projects.

In other words, how else do you compile a program of sound public works than by investigating the need for projects, and assisting States and communities to use the facts and their own judgment. You have to know the population situation, the economic, industrial and raw material situation, to judge the value of the proposed program of development. All the Board's reports have been simply an investigation of these factors.

You can not compile those programs entirely from Washington. More than 40 States have State planning boards—their combined appropriations nearly match the money given to the National Board. The Board has given, through its field staff, the necessary help to efficient operation that every new agency and program needs. With their aid, this help is now being extended to the increasing number—1,700 at present—of city and county planning boards, who are the foundations of a national public works program. This is going on in my own city—Chattanooga—in Georgia, in New England and throughout the Nation. The basis for business-like public construction programs is being assembled. But this work needs technical advice and support. No other Federal agency is equipped to give that support.

If you abolish the funds for the program of this Board you are saying that you do not believe in business methods—for all business plans—for not only this Federal Government but for every State government and every city government in this country.

This appropriation item is small, for a nation-wide activity. Yet you would say that this program, for 130,000,000 people—and reaching them pretty directly, too—is not worth as much as just one mile of superhighway off in one corner of this country—that it is not worth as much to the people as one county park, or one medium-sized highway overpass. I don't believe any newspaper editor in the country would back up such a position. I do believe that we should support a program that has no other object than to bring about economy and reduce waste in the city, State, and National programs of public construction and development.

The Blue and Gray Highway

EXTENSION OF REMARKS
OF
HON. GEORGE M. GRANT
OF ALABAMA
IN THE HOUSE OF REPRESENTATIVES
Friday, April 12, 1940

Mr. GRANT of Alabama. Mr. Speaker, I have today introduced a bill to designate a highway from Chicago, Ill., to Miami, Fla., as the Blue and Gray Highway, the resolution being as follows:

Be it enacted, etc., That the Federal-aid highway extending from the city of Chicago, Ill., to the city of Miami, Fla., and designated as U S 41 from Chicago, Ill., to Nashville, Tenn.; U S 31 from Nashville, Tenn., to Montgomery, Ala.; U S 231 from Montgomery, Ala., to Dothan, Ala.; U S 84 from Dothan, Ala., to Valdosta, Ga.; and U S 41 from Valdosta, Ga., to Miami, Fla., be, and the same is hereby, designated as the Blue and Gray Highway.

There has been organized in Montgomery an organization known as the Blue and Gray Cradle Association. This association annually sponsors in Montgomery a blue and gray championship football game between teams selected from the leading college seniors in the North and South. The proceeds of this game go to charity. The outstanding athletes of this Nation give their time and energy for the benefit of the less fortunate. The association promotes good sportsmanship and citizenship between the young men of this Nation. While young men in other sections of the world are practicing hate, we in this great Nation are sponsoring clean athletics.

This game and the patriotic exercises held in connection with it are each year serving to bring our great sections closer together and are teaching and promoting real Americanism.

It is the wish of the Blue and Gray Cradle Association that this spirit will become Nation-wide. Sectionalism is over in this Nation. What better thing can we do to show this friendship and ties than to name a great national highway leading from the Great Lakes through Montgomery, the cradle of the Confederacy, to Miami on the Atlantic?

The Sidewalks of Washington—What Do the District Taxpayers Get for Their Money?

EXTENSION OF REMARKS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

Mr. HOFFMAN. Mr. Speaker, presumably the sidewalks of Washington are for the use of those who wish to freely pass to and fro while going about their business and trading in the mercantile establishment to which the sidewalks are appurtenant. But a union, United Cafeteria Employees Local Union, No. 471—C. I. O. affiliate—has taken over portions of the sidewalks in front of the National Press Building for their exclusive use by a picket line in the form of an elongated oval, marching in a closed file within 2 or 3 feet of the entrance of the Press Building. This union interferes with those who desire to enter that building, either for the purpose of patronizing the cafeteria operated by Arcade Cafeteria, Inc., or for other purposes.

The owner of the Press Building pays taxes. One of the reasons he pays taxes is to secure the protection of the law-enforcing officials for his property and his tenants. He does not get it from the District police.

His tenants are not getting that protection to which they are entitled and to that extent the District is cheating him out of what it sold him when it assessed his property and collected taxes from him. In turn, his tenants, including Arcade Cafeteria, Inc., are being cheated, for they pay rent to the owner of the building for the purpose of having a place where they may freely and without hindrance transact their lawful business.

Notwithstanding the payment of taxes by the owner, the payment of rent by the tenants, for the purpose of securing a place where they may carry on their business in a proper and a lawful manner, that right is being denied by the C. I. O.

And what is it all about and on what excuse does the C. I. O. monopolize a portion of the sidewalks in front of this building? It states its case in a mimeographed sheet headed, "Press Cafeteria on Strike." The first paragraph reads:

1. FOR RIGHTS OF COLLECTIVE BARGAINING

The management of the Press Cafeteria, in violation of the Wagner Act, refuses to negotiate a new contract. The old one expired March 18, 1940.

The subsequent paragraphs, of which there are four, show that the union has made certain demands upon the operators of the cafeteria to which the cafeteria owners have refused to agree.

There is nothing illegal about that. Long ago the Supreme Court held that an employer need not enter into a contract with a union. Nor was it the purpose of the act to compel an employer to enter into a contract with employees. That fact is clearly shown by the debates when the act was under discussion and by the report of both Senate and House Labor Committees. Were the rule otherwise; were the rule that the employer must agree with the employee, the result would be the turning over of the management of all business to employees, for carrying to a logical conclusion such a rule would mean that the employee had but to make a demand and the employer must agree to that demand.

This statement of the case for the union is as follows:

PRESS CAFETERIA WORKERS ON STRIKE

1. For rights of collective bargaining: The management of the Press Cafeteria, in violation of the Wagner Act, refuses to negotiate a new contract. The old one expired March 18, 1940.

2. For a 48-hour week: At present some workers are working 54 hours per week. The union demands a 48-hour week for all workers.

3. For an increase in pay: The union requests a reasonable increase in pay for all workers. The management has failed to prove that it is unable to raise wages. A large number of workers now receive as low as $10.85 net per week.

4. For paid holidays: The workers only get two paid legal holidays (New Year's and Christmas). The union demands all legal holidays paid.

5. For 2 weeks' vacation with pay: The workers now only get 1 week's vacation with pay.

The Press Cafeteria has standard food prices, but substandard working conditions.

The union has done everything possible to avoid a strike. It has called in a conciliator from the Department of Labor in order to change the stubborn and defiant attitude of the management but of no avail. The union had no alternative, therefore, but to take strike action.

The workers some of whom have served you faithfully for many years, regret the necessity of inconveniencing you by this strike. They hope, however, for your sympathetic understanding toward this action and appeal for your cooperation by not passing the picket line.

UNION, No. 471 (C. I. O.) UNITED CAFETERIA EMPLOYEES

The employer's statement shows a different situation; that statement shows, and I have seen no denial, that the union insists, among other things—and I quote:

The employer agrees not to discharge any employee without good and sufficient cause and shall first procure the consent of the union.

No self-respecting employer intending to remain in business can possibly permit a union to have the power to force him to retain any and all employees in his service.

The present case, as well as any, illustrates the reason for this. The cafeteria management discharged two employees because they engaged in a fight in the dining room. It discharged one other employee because he was accused in an affidavit with making improper advances and placing his hands upon a white female employee, and because still another white waitress charged him with an attempt to assault her in one of the storerooms. So we have a union in the city of Washington apparently standing back of the theory and demand that before an employer can discharge an employee who has made an assault upon one waitress, an improper advance to another, and who has placed his hands upon her person in an improper manner it must procure the consent of the union.

That certainly is no position for a union to take if it expects public support. Walk down in front of the Press Building and note the picket line, obstructing and interfering with ingress and egress to and out of the building and then remember that the pickets on that line are back of the demand that an employer cannot, without the union's consent, discharge one employee who has made an assault upon one and improper advances to another waitress.

The employer states its case in the following words, I quote:

On March 18, 1939, we entered into a contract with the United Cafeteria Employees Local Union, No. 471 (C. I. O. affiliate), covering the scale of hours, wages, working conditions, and so forth, applicable to our employees. This contract was mutually satisfactory to both parties.

Under that contract, during 1939, this company earned but 3.3 cents net on each dollar of sales.

On March 18, last, the union presented demands for wage increases, which, if agreed to, upon same volume of sales for 1940, would represent a net loss of one-fifth of one cent on each dollar, all other factors being equal. In addition to the increased wages demanded, the union also demands double pay for eight legal holidays.

In our efforts to negotiate a new contract with the Union's representative was shown the company's 1939 Federal income-tax return, showing the gross and net profit. The answer was that they were not interested in profits—only union wages. The union's business agent took the unqualified position that there is no relation whatever between the wages a company can pay and the profit it makes.

* * * * * * *

Wages, once agreed to, are the least of an employer's trials and tribulations. Actual management of our business, insofar as the hiring of efficient employees and the discharging of inefficient employees is concerned, is taken out of our hands and placed in the hands of the union. We quote the union's demands:

"The employer agrees not to discharge any employee without good and sufficient cause and shall first procure the consent of the union * * *.

Two cases will illustrate the impossibilities of such a demand, viz:

(1) On April 29, 1939, two of our colored employees engaged in a fight in the dining room. Affidavits by other employees and the arresting officer showed that both were drinking; that the fight was accompanied by much profanity and that while one wielded a knife the other employed an iron bar and threw heavy water glasses. Several items of company property were deliberately destroyed.

One of the men fled the police, the other was taken to Emergency Hospital for treatment. He was treated and discharged the following day. Seven weeks later he returned and demanded his job, which was refused on the grounds of his conduct and because of his absence of 7 weeks. In the interim he had been employed at another place. The union, for several weeks thereafter, insisted that he be reinstated, which was refused.

(2) The second incident occurred in August last, when a white girl complained to the management of the conduct of a colored employee, whom she charged, in an affidavit, had made improper advances to her and had placed his hands on her person. On August 7, still another white waitress charged the same colored employee with having attempted to assault her in one of the storerooms. Both charges were supported by affidavits of each girl. The colored employee was immediately discharged.

On August 15, 1939, a suit was filed by the discharged employee and the union, demanding $500 damages. On October 25, 1939, the case was tried. At conclusion of the plaintiff's case, verdict was rendered in favor of the cafeteria * * * the sole testimony being that of the union's business agent, and an admission by the union's attorney "that there was a great deal of merit in the reasons for his discharge."

Verdict for costs were awarded the cafeteria, and the union refused and still refuses to pay same. Verification of the facts can be had by reference to municipal court case No. 383,496.

CONCLUSION AND AN APOLOGY

We have no quarrel with the 35 of our employees who belong to the union. They have a moral and legal right to union representation. Many of our employees have been with us for several years and do not desire to be represented by the union. That also is their legal and moral right. The owners of the company are entitled to a fair return on their investment and for their labors.

The company has not refused to barter with the union's representatives but has refused to enter into a contract that takes away from the management the control of the affairs of the company and which makes the successful operation of the company unprofitable.

We have agreed to renew our present contract with the union, provided control of the company's operation remains in the management. This the union has refused. Thus the pickets.

We apologize to our patrons for any inconvenience they may have suffered as a result of the picketing.

HARVEY L. COBB,
President and Attorney.
ARCADE CAFETERIA, INC.

The officers in this city, either because of lack of authority or hampering restrictions, are not giving proper protection to the property owners; to the merchants; to the people who live here; to the people who come here to visit our Nation's capital. To Washington, from all over the country, come thousands upon thousands of our people. They come not only to see the Nation's capital; the magnificent buildings; the home of the Supreme Court; the Congressional Library; the legislative halls, and to visit the various departments but they come to see how laws are made, how the Nation's capital is governed.

What a disappointment it must be to the hundreds of thousands of visitors to observe on one of Washington's main streets the failure of the peace officers in the Nation's capital to give protection to the property owners, and to the mer-

chants of the city; to observe representatives of a particular group using hour after hour, to the exclusion of others, a certain part of the sidewalks; interfering with American citizens going in and out of places of business.

The Nation's capital should be an example to the rest of the cities of the country in the matter of law enforcement.

Here where the Senate Civil Liberties Committee sits so often to condemn employers and businessmen; where it fails utterly to act on the denial of the right of employers and businessmen to exercise their civil liberties, the people observe with their own eyes how the Government for one reason or another fails to protect the average citizen when the exercising of his rights comes in conflict with the claimed privileges of a labor organization which contributed to the election of the present Executive.

Perhaps our visitors are wondering whether the present administration will ever dare to lift its hand to enforce the law; to protect the average citizen, while Lewis roams at large, booming his threats of political reprisal. Lewis contributed his miners' $470,000 to Roosevelt's campaign fund. Lewis' daughter the other day walked on the picket line in front of the Press Building, and so Washington officers must stand aside while the C. I. O. picket lines interfere with the right of the people to travel about their lawful business.

Will this administration ever get its debt to Lewis paid? How long will we here in Congress permit such acts as these to continue? Will we ever assert our independence and give to the unorganized; to the citizens who pay the taxes; who pay our salaries, the protection which the Constitution guarantees to them? Or will we continue to let Lewis take his tribute upon the pay checks of every woman and every man who wants to work.

Pegler's Chronic Fault-Finding

EXTENSION OF REMARKS

OF

HON. JOHN M. HOUSTON

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

EDITORIAL FROM THE WICHITA (KANS.) BEACON

Mr. HOUSTON. Mr. Speaker, under leave to revise and extend my remarks, I include in the RECORD an editorial from the Wichita Beacon, Wichita, Kans., of April 9, 1940, as follows:

[From the Wichita (Kans.) Beacon of April 9, 1940]

PEGLER'S CHRONIC FAULT-FINDING

Believing that every writer should be given the widest possible latitude, and that suppression is not the solution of any problem, the Beacon has continued the publication of columns by Westbrook Pegler, on which this newspaper strongly disagrees. Apparently Pegler believes he has been given some divine appointment to act as the guardian angel of the people of the United States, and that it is up to him to right every wrong, reform the entire country, and make it the kind of a place in which he would like to live.

Of course, he has received no such appointment. There can be no doubt that there is much in this country that can be criticized, and there undoubtedly is room for criticism on the subjects which have drawn Pegler's attention, but there is no earthly reason why any man should be continually mad at everyone. Pegler starts his column almost every day with a tirade against somebody. He should be one of the first to realize he cannot ram his private opinions down the throats of everybody.

Almost everyone in the United States knows that William Green is honest, truthful, and that he has devoted his time and energy not only in helping labor but in promoting the general welfare of the country. Of course, there are rascals in his organization, just as there would be rascals in every organization as large as the A. F. of L. But that does not mean that Mr. Green condones such rascals, nor do they have his consent to do the things for which they and he are criticized.

Westbrook Pegler is an able writer, one of the best newspapermen in the United States, who has shown marked ability in the past. Instead of constant criticism he could point out some of the fine points of a country in which there is still sufficient freedom of the press to permit him to say what he pleases. Pegler should not take advantage of that freedom to constantly harass other men and, by his ability to use the English language, to attempt to tear down the good work they have accomplished.

Evidently his recent vacation did him no good. His friends and well-wishers, of whom there are many among Beacon readers, sincerely hoped that his rest would settle his nerves and calm whatever disorder had upset his thoughts. Since the climate of Florida was not successful we can only hope that time will effect a cure and that, eventually, reason and logic will regain control of his mind and he will devote his ability again to some constructive subjects.

Marvel Mills Logan

EXTENSION OF REMARKS

OF

HON. VIRGIL CHAPMAN

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 4, 1940

Mr. CHAPMAN. Mr. Speaker, under leave to extend my remarks, I include an article published in the Kentucky Post, Covington, Ky., which was written by Mr. Clay Wade Bailey, of Frankfort, Ky., ardent admirer, trusted friend, and loyal protege of the late Senator M. M. LOGAN; memorial resolutions of the Agoga Bible Class of the First Baptist Church, Frankfort, Ky., of which class Senator LOGAN was the founder and for years the teacher; editorial from the Park City Daily News, Bowling Green, Ky., October 3, 1939; editorial from the Louisville Times, Louisville, Ky., October 3, 1939; editorial from the Kentucky Post, Covington, Ky., October 3, 1939; article by Mr. Rufus W. Weaver, of Washington, D. C., in the Western Recorder, prominent Baptist publication, of Louisville, Ky., October 17, 1939:

[From the Kentucky Post, Covington, Ky.]

CAREER OF SENATOR LOGAN WAS ONE OF CONSTANT POLITICAL SURPRISE—LATE SOLON WAS ENIGMA TO PRACTICAL, SCHEMING TYPE OF CAMPAIGNER—OFTEN CONFOUNDED WOULD-BE ADVISERS BY TURNING APPARENT DEFEAT INTO VICTORY—HAD WIDE KNOWLEDGE OF AFFAIRS

(By Clay Wade Bailey)

FRANKFORT, KY., October 6, 1939.—Many Kentuckians were shocked and stunned almost beyond measure Tuesday when word filtered in from Washington that MARVEL MILLS LOGAN, 64, junior United States Senator from Kentucky, had died.

His passing is expected to materially change existing political alliances in the State. His successor in the Senate will be Gov. A. B. CHANDLER. Lieut. Gov. Keen Johnson, Democratic candidate for Governor, will be Governor in fact 2 months earlier than he anticipated due to Senator LOGAN'S death.

Kentucky's junior Senator not only distinguished himself in the political field but also in other lines of endeavor. He was widely known as a churchman, member of fraternal orders, jurist, tax expert, and legal adviser. In whatever field he entered he made his mark, and his influence was keenly felt.

NEVER DEFEATED IN CONTEST

As a politician, he was an enigma to the practical, scheming type. They could not understand him, because of peculiar antics which always brought him success. He never was defeated in a political contest in his life. He always led his ticket, being several thousand votes stronger than his party running mates in each instance.

To demonstrate his running ability, he was elected county attorney of a Republican county (Edmonson) in 1901. In 1915 he was on the Democratic State ticket for attorney general. Governor Stanley won by 471. Other Democrats on the ticket won by from 3,000 to 5,000 votes, and Logan topped the ticket with a 10,000-vote lead.

In 1926 he sought office as judge of the court of appeals. Senator ALBEN W. BARKLEY, at the head of the ticket, carried the second appellate district by 3,000 votes. LOGAN won by 6,780 votes in the same territory. In 1936, as a candidate for reelection to the United States Senate, he carried the State by 2,500 more votes than did President Roosevelt.

CALLED JUDGE

LOGAN was familiarly known to his friends as either Mills or Judge. Few intimates ever called him "Senator." He first came to Frankfort in 1912 as an assistant attorney general, a post he occupied for 4 years. Four years later he was the unopposed Democratic candidate for attorney general, in the primary.

While in that office, his capacity for hard work became known among his colleagues. There was no case too hard for him to tackle. Tax cases, involving huge amounts, were taken to the Supreme Court by large railroad lines. Most of the attorney general's office shunned the job of handling the cases, but LOGAN took them and won them for the State.

While arguing before the Supreme Court, he told the Justices—without the aid of notes—amounts involved in the various assessments, the tax rate applicable, and the exact amount in dollars and cents of the tax due.

JUSTICE AMAZED

The late Chief Justice Edward D. White came forward with the inquiry:

"Young man, where do those figures come from; you do not refer to notes in your brief?"

The young lawyer responded:

"From my head. You take the figures, compute the tax rate, and you will arrive at the same result."

The Chief Justice tried the process, found that LOGAN had given the correct answers.

Early in 1917, Gov. A. O. Stanley called the general assembly into extra session to consider revamping the State tax laws. A State tax commission was created, and LOGAN resigned his post as attorney general and became the first chairman of the new commission.

MOVED TO LOUISVILLE

He continued in this capacity until December 1918, when he moved to Louisville to practice law. He remained there 4 years, then went to Bowling Green in 1922, only to emerge in 1926 as a candidate for judge of the court of appeals in his district.

On the court he was especially noted for his industry. He turned out an unusual number of opinions, and found time to make addresses to luncheon clubs, continue religious activity, and be active in one of the world's leading fraternal organizations.

He wrote the Louisville election contest case which held that the 1925 election held in that city was void for widespread frauds. He bitterly denounced "an inner circle of practical men" who had used sharp practices in the election.

His opinions read more like novels than legal documents. He stated his cases in terms understandable to the laymen. He had been on the court 2 months when a case from Pulaski County arose involving a provision in a deed providing for "good care and treatment of a black horse named Dick."

HELD SANE ACT

It was contended that this provision alone showed the man was mentally deficient. Ignoring the customary procedure of citing a lot of legal precedents, LOGAN wrote the opinion in simple language, and the only outside volumes used were a Bible and the book, Black Beauty. He used these books as authority to show that sane men loved horses, and that the peculiar clause was the act of a rational man.

Later, in a will contest, an attack was made because the maker was an old man, citing no proof to show specific acts of mental deficiency or insanity. LOGAN answered this argument with the words:

"Let not this court write that age dries up the fountains of wisdom. The old have wisdom the young know not of."

Early in 1929, prompted by a small group of personal friends, LOGAN decided he wanted to go to the United States Senate. He announced his candidacy early. Many politicians had wanted him to run for Governor, an office he never desired.

DOUBTED CHANCE TO WIN

There was a feeling that no Democrat had much chance for the Senate that year. The State had voted 176,000 for Hoover in 1928, and there was a Republican administration in power at Frankfort. The attitude of most Democratic politicians was that LOGAN would make a good candidate, but they doubted the ability of any Democrat to win.

He was given the party nomination without opposition. When time for the fall campaign was on, LOGAN wrote his own itinerary. His first speeches were to be in the mountains of southeastern Kentucky, where his opponent, JOHN M. ROBSION, was especially strong.

Seldon R. Glenn, now collector of internal revenue; the late Allie W. Young; and William F. Klair warned LOGAN against the trip. "Stay out of there," they counseled. "Let sleeping dogs lie. You'll stir up those mountain Republicans and you'll be beaten by 50,000 in that district alone."

He gave them this answer:

"The people of every section of Kentucky have a right to see the man who wants to represent them in the Senate. I'm going up there and see those people. I believe I can sell them a good bill of Democratic goods."

The results proved LOGAN, not the politicians, right. He came within an ace of carrying Harlan County, and when the returns from the mountain sections of the State alone trickled in from the November election, the Republicans knew they had taken a drubbing at the hands of the soft-spoken Brownsville-Bowling Green lawyer whose nasal twang had captivated them.

His victory over ROBSION for the Senate in 1930 paved the way for a series of unbroken Democratic victories in the State that have continued up to the present time.

Once in the Senate he soon attained considerable notice by his defense of David S. Barry, Senate sergeant-at-arms, who was hauled on the carpet for writing in a current magazine that "all Senators and Representatives are not crooks."

Barry had attempted to defend public officials from the cynical observation that "all public officers are crooks" in the opinion of LOGAN, but the Senate removed Barry, who died shortly afterward, brokenhearted.

He became an active Roosevelt supporter upon the latter's elevation to the Presidency. In 1936 he was a candidate for renomination to the Senate and was opposed by the powerful State organization of Governor Chandler, which backed former Senator J. C. W. Beckham for the post.

Few knew it at the time, but in 30 counties of the State LOGAN had no active campaign management. Politicians shunned the task or were soon dulled into a sense of inactivity by promises from the opposition. Then Logan rose to the occasion, took his campaign direct to the people.

He began a series of Saturday radio speeches that were classics. The fight seemed hopeless to many in the Senator's own headquarters, but on Thursday night before the August 1936 primary election, he whispered to a friend at Frankfort sitting next to him:

"I'm going to win this fight, as God be my judge, and show these politicians at Frankfort that a fight can be won without their aid."

Win, he did. The victory was narrow, but he emerged on top in the closest contest of his long career.

He enjoyed running for public office and never forgot a face or name. During repeated attempts to get him out of the way or shelved into a lifetime judicial position, there were those who believed that his final decision would be against the change, because they knew of his desire to meet people.

BROTHER NOMINATED

LOGAN'S political prowess was still recognized in the State this summer. Both major Democratic candidates for Governor sought his support. His answer was:

"My brother is a candidate for auditor of public accounts. I shall take no part in the race for Governor, unless one side or the other fights my brother. I shall construe that as a declaration of war against me."

The result was that his brother, David A. Logan, was nominated without serious opposition.

The Mammoth Cave National Park project first originated in his mind 30 years ago. He nursed the project alone many years before selling it to civic groups in the State. It is now a reality.

During the recent session of Congress he sponsored an administrative court bill to make decisions of administrative bodies subject to judicial review. The measure still is pending.

For years the Judge hair was a heavy black, and shaggy like a horse's mane. He permitted this extra growth of hair to be cut only a few years ago—as signs of gray began to appear about his temples.

LOVED BROWNSVILLE

Judge LOGAN always held a tender spot in his heart for Brownsville and his native county of Edmonson. He made few speeches in his career that did not contain complimentary references to Brownsville and Edmonston County, though he had long since moved away. Nevertheless, Brownsville was always home to him.

For 30 years every Democratic campaign in Edmonson County was closed by the Judge or Mills at Brownsville on election eve. It did not matter what the speakers' bureau of his party said, he always asked for and got Brownsville as his final assignment.

There he felt at home, for he knew practically every man, woman, and child in the county and most of them were his friends. There was no surprise when it became known that he had asked that his remains be interred there.

Senator LOGAN was no stranger to other lines of endeavor. He was an active member of the Baptist Church, where he taught Sunday school and had a record of which he was proud—35 years' continuous service at Sunday school without missing a single Sunday.

He was a member of numerous fraternal orders. He took a great interest in the Odd Fellows' organization, and rose to the highest position in that body—international grand sire.

LIBERAL WITH MONEY

He was liberal with his money to a fault. No beggar ever left LOGAN without a piece of change in his pocket, even if the Senator or Judge as he was best known here had to borrow from a friend to accommodate the one seeking aid.

Recently Judge LOGAN was offered a post with a New York law firm which would have paid him financially many times the salary of a Senator. He never accepted the offer, but he wrote an acquaintance:

"I have no desire to leave Kentucky. Few people know it, but the greater portion of my adult life has been given to Kentucky. I do not intend to let them down now. My friends live there. I love the State and its people. I have no desire for money, only enough to pay my bills."

His philanthropies were many. Many an orphan boy and girl received an education at LOGAN'S expense. He made no show of the matter, and would always remark to friendly critics who urged him to be more careful with his money, that "money is only a means to an end. I have no desire to accumulate money."

MEMORIAL RESOLUTIONS ON THE DEATH OF SENATOR M. M. LOGAN

MARVEL MILLS LOGAN was born in Edmonson County, Ky., on January 7, 1875, and on October 3, 1939, in the city of Washington,

suddenly, though peacefully, passed to his eternal reward. He died in harness, just as he would have chosen to do. His was an active life and eminently successful. It is a long, tortuous climb for a poor boy to make from the hills of Edmonson County to the United States Senate. MILLS LOGAN made it only by hard work, application to duty, efficient, conscientious public service, and the full and complete confidence of his fellowmen. His is a record of worthy and inspirational achievement which could well be used as a textbook in our public schools. He followed the star of his ideal from boyhood to the grave.

His long public life is too full of noble deeds to receive more than mere mention here. Suffice it to say that as county attorney of his native county, assistant attorney general, attorney general, judge of the court of appeals, and United States Senator he served with great credit to himself and honor to his State and Nation. He was devoted to the public interest and his death has left a vacancy among the leading citizens of the Commonwealth and caused a loss which we all deeply deplore.

In the fall of 1927 he was one of the moving spirits in the organization of the Agoga Bible Class of the First Baptist Church of Frankfort, Ky., and was its able teacher until called to Washington in the early part of 1931. As a Bible student and teacher he had few equals. He was fearless in his interpretation of the Bible, though generous toward those who might differ with him.

As simply and serenely as he had met the duties and responsibilities of each passing day, he faced the frontiers of the other world with the confident assurance of a satisfied traveler at his journey's end.

A beautiful thought which may well have possessed him in the last solemn hour is aptly expressed by the poet:

"When the long day's tramp is over,
When the journey's done,
I shall dip down from some hilltop,
At the going down of the sun,
And turn in at the open door,
And lay down staff and load,
And wash me clean of the heat of the day,
And the white dust of the road."

As a slight token of the friendship, affection, and high regard in which Senator LOGAN was always held by the members of this class, this expression of our appreciation has been prepared and is now offered as a heartfelt, though inadequate, tribute to a beloved teacher and citizen of the Commonwealth.

We extend to Mrs. Logan and the other members of the family our sincerest sympathy, and commend them to Him "who doeth all things well" with the assurance that in the afterwhile "all will be made plain." How fittingly your husband and father could have exclaimed in the language of St. Paul:

"I have fought a good fight, I have finished my course, I have kept the faith. Henceforth there is laid up for me a crown of righteousness, which the Lord, the righteous Judge, shall give me at that day."

We, your committee, recommend that this memorial tribute be spread upon the records of the class, and that a copy thereof be transmitted to Mrs. Logan.

Respectfully submitted.

T. M. JONES,
D. E. WESTMORELAND,
HENRY HULETTE,
Resolutions Committee of Agoga Class.

[From the Park City Daily News, Bowling Green, Ky.]

M. M. LOGAN

The unexpected death early today of Senator M. M. LOGAN removes Bowling Green's most distinguished citizen. Well known throughout the Nation and enjoying some fame in various foreign countries, Senator LOGAN was outstanding as a jurist, statesman, fraternalist, churchman, and a citizen.

One of his accomplishments was achieving a position of trust and honor as the head of the Independent Order of Odd Fellows. A notable characteristic was his devotion to church and Sunday-school attendance and to church activities. His record as a citizen and the head of a family was exemplary. As a jurist he was imbued with the rare qualities of humor, foresight, legal knowledge, and tolerance, which led to his advancement to the highest judicial position in his native State. And as a Senator he continued to serve his constituency and his Nation in a manner above reproach.

MILLS LOGAN will long be remembered in southern Kentucky, even after national appreciation of his extremely creditable record has faded under the crush of passing events. For from a humble beginning, this Edmonson County boy advanced to a position of public trust, public appreciation, and public confidence rarely achieved in the history of the State.

Memory of his ideals, his accomplishments, and his sincere devotion to his duties will form a lasting memorial in the minds of the friends and neighbors who knew him best.

[From the Louisville (Ky.) Times of October 3, 1939]

KENTUCKY LOSES LOGAN

Senator M. M. LOGAN'S ability and engaging qualities made him widely popular among Kentuckians. He made his mark as attorney general and thereafter he was established in Kentucky politics.

He was a capital campaigner and a useful man in office. His health had not been good recently, but it was not supposed that he would not live out his term as an active Member of the Senate, to which he was twice elected.

His death is a loss to the administration inasmuch as he was a new dealer, although not invariably a supporter of the President, and never a rubber stamp.

Because of the state of the world and the state of the Nation the quality of the man who succeeds LOGAN is of great importance.

[From the Kentucky Post, Covington, Ky., of October 3, 1939]

A VALIANT PUBLIC SERVANT PASSES

Both State and Nation have lost a rugged and outstanding figure in political life in the death of Senator MARVEL MILLS LOGAN. He had the admirable trait of standing firmly for a principle and once he had decided on what he believed to be right, he was a vigorous champion of the cause.

Senator LOGAN as the junior representative of Kentucky in the upper House of Congress was a stanch supporter of the Roosevelt program since 1933. While he may not have agreed always with all the President's proposals, he was in the main an administration man. The Senator championed the Roosevelt program and the New Deal because he was a man of the plain people. He believed in those principles that meant true democracy rather than merely being a Democrat in party name.

Senator LOGAN'S strong forte was the law. Many of his friends thought he should have gone far in the Federal judiciary, for he was never happier than when delving into the Constitution and the principles and interpretation of the law. It was for this reason that Senator LOGAN did noble duty as a member of the Senate Judiciary Committee. It was he who had sponsored a measure to create a new Federal judicial district in Kentucky.

The State of Kentucky has lost a valiant servant in the passing of Senator LOGAN; the Nation has lost a champion of what was reasonable and just.

[From the Western Recorder, Louisville, Ky., October 12, 1939]

PASSING OF SENATOR MARVEL MILLS LOGAN

Hon. MARVEL MILLS LOGAN, the junior Senator of Kentucky, died suddenly in Washington, D. C., on October 3, 1939. He served the Commonwealth of Kentucky in many responsible positions, among them chief justice of the highest court of the State. He was known in Washington for his interest in Christian work. He taught regularly a large class of men in the Bethany Baptist Church. He was an active member of the committee on public relations, appointed by the southern Baptist convention. He was ever ready to defend the Christian faith. No other man in public life has had so fine a record for unbroken Sunday-school attendance as Senator LOGAN. His going is a loss to our Baptist cause in Washington.

RUFUS W. WEAVER.

WASHINGTON, D. C.

Logan-Walter Bill An American Magna Carta

EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

STATEMENT BY RICHARD A. STADERMAN

Mr. EDWIN A. HALL. Mr. Speaker, I have never seen as near-unanimous support for a bill among many groups of our people as is the case with the Logan-Walter bill, S. 915 and H. R. 6324. It is the product of many years of effort by the American Bar Association, especially by an important leader, Col. O. R. McGuire, chairman of the association's committee on administrative law as well as general counsel of the American Good Government Society of Washington, D. C. The bill has won endorsement of many State and city bar groups, as well as of the American Federation of Labor, the National Grange, and numerous trade associations of businessmen. A rule has just been obtained in the House, assuring debate of the bill on the floor of the House this session.

The Logan-Walter bill, although introduced by gentlemen of the Democratic Party, is a commendable nonpartisan effort which deserves the support of all forward-looking persons, regardless of party, if we are to avoid dangers such as many foreign nations succumbed to. I urge everyone to read House Report 1149, Senate Report 422, and Senate Document 145,

all of the present Seventy-sixth Congress, for a detailed explanation of the bill.

As part of my remarks, I include an article by Richard A. Staderman, of New York, president of the American Good Government Society, Washington, D. C. A large part of the Staderman article was printed in the New York Herald Tribune and numerous court and legal papers throughout the United States, and I quote the full text here:

[From the American Good Government Review, Washington, D. C.]

AMERICAN GOOD GOVERNMENT SOCIETY COMES TO SUPPORT OF THE LOGAN-WALTER, OR ADMINISTRATIVE-LAW BILL—DECLARES IT TO BE AN AMERICAN MAGNA CARTA AND LIKENS IT TO THE PETITION OF RIGHT

WASHINGTON, December 3.—The American Good Government Society has just announced through its president, Richard A. Staderman, that it was supporting the American Bar Association's administrative law bill, popularly known as the Logan-Walter bill, as an American Magna Carta as important to American business, labor, and farmers as the English Petition of Right. This announcement came on the heels of the ceremony at the Library of Congress where there was deposited for the duration of the war one of the original copies of the famed English Magna Carta, declared to be the spiritual ancestor of the Declaration of Independence and the United States Constitution.

President Staderman, in making the announcement, stated that:

"The recent deposit of a copy of the original Magna Carta in the Library of Congress is now known to every newspaper reader in America. In view of frequent arbitrary action of literally scores and scores of Federal bureaus and other administrative agencies, it is advisedly that the American Good Government Society has thrown its support behind the Logan-Walter administrative-law bill, now before Congress as America's Magna Carta for the protection of the individual citizen in his struggle against the ever-tightening grasp of the tentacles of the Federal Government upon his everyday life.

"Every citizen of the United States may at any time be wronged by arbitrary commands of somebody in any one of the myriad agencies of the Federal Government. A farmer, for example, may sell a bushel more than the quota of wheat imposed by some tin god of the A. A. A. Another farmer may compute the details of his acreage reduction so as to seed one furrow more than an erstwhile political hack, now a political busybody inspector, thinks should have been seeded.

"Businessmen are constantly harassed by members of a veritable army of Federal inspectors roving the country over. Perhaps there is a vague word in an advertisement, or perhaps a druggist has neglected to put on the label of a patent medicine what should be obvious to a child, namely, 'in event of severe abdominal pains, call your physician.' For such omission the druggist is liable to criminal prosecution and to seizure of the entire stock of his allegedly offending product.

"A laborer may prefer to be represented by a union to which he has belonged for 20 years, or he may prefer to bargain individually and have nothing to do with any union. Through a combination of loose statutory language plus bureaucratic decisions, often conflicting and equally vague, this worker has lost rights which he thought guaranteed by the United States Constitution. As things now stand, some petty chieftain of bureaucracy may threaten the employer with dire consequences if such employer bargains with that worker individually or with one particular union instead of another. The employer may be told to bargain with some other union officered by ambitious and professional agitators who have never worked in his shop. He is told to obey, or else.

"Suppose—and the supposition is based upon actual occurrances—a petty bureaucrat with an ounce of brains and a pound of authority decides to crack down on you or your neighbor for some alleged violation of a statute or secretly adopted rule. Depending upon the details, you may be jailed, you may have valuable property confiscated, or you may be assessed sufficient fines and penalties to throw you into bankruptcy in establishing that the denial of your rights was without basis in either valid law or in fact. When the average resources of more than 52 percent of the corporations in this country are $50,000 or less, there is no comfort in the fact that you must pay an average of $20,500 to contest some bureaucratic rule before the N. L. R. B., for instance.

"Even if you had the money to contest the case, you may have to contest rules which you never even heard about until the proceedings are brought against you. This has actually happened in a case now pending in the Department of Agriculture concerning the establishment of a sugar quota for certain farms in Puerto Rico. Other instances could be cited. An agency says there is a rule under which it intends to decide the case on the evidence which it has gathered. If you ask to see the rule, you are told that it is confidential and cannot be seen or maybe that it is no rule at all but only an order for interoffice guidance. Denied access to the rule and without knowledge of the case you have to meet, you nevertheless go through the motions, appear before sundry examiners, frequently without any legal training, and finally you get the case before some of the chief officials of the agency who, likewise, are often without legal training and too busy with their routine executive duties to even read the record of the case.

"Such a system of law administration is not a legal system. It is administrative absolutism run riot. Washington is overrun by lobbyists seeking to protect the rights of their clients, often through devious methods but by the only methods which seem to be effective in many instances. Yet just as frequently these lobbyists may be endeavoring to secure benefits and advantages for their clients to which they are not entitled under either the law or the facts.

"Anyone who expects a politician appointed to public office, where he can and does exercise uncontrolled legal authority, to cease to be a politician is simply too credulous to be without a guardian.

"The Federal administrative law bill—that is, the Logan-Walter bill—is intended to 'regulate the regulators' and to 'govern the governors.' It is the result of some 7 years of intensive study by the best brains in the legal profession of America. It has been approved by numerous legal, business, and labor organizations, and by leaders in agricultural areas. It has been unanimously approved by both the Senate and House Judiciary Committees of the United States Congress.

"We are aware that a reportedly communistically controlled legal organization is opposing the bill and that the bureaucrats in control of a bar organization of Federal workers are likewise opposed. These doubtless would be against the Sermon on the Mount because they did not write it, and would very probably object to the Ten Commandments.

"The American Good Government Society, entirely nonpolitical and interested solely in the betterment of government regardless of partisan politics, believes that the Logan-Walter bill should be enacted into law at the coming session of the Congress, and the society is behind the bill with all the power it has."

Forward in '40

EXTENSION OF REMARKS

OF

HON. FRANK C. OSMERS, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

ADDRESS BY HON. STYLES BRIDGES, OF NEW HAMPSHIRE

Mr. OSMERS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address by Senator STYLES BRIDGES, Republican, of New Hampshire, before the Bergen County Men's Republican Club, Hackensack, N. J., Thursday evening, April 4, 1940, at State Street School, as follows:

The last few months have been inspiring ones to me. During that time I have visited over 40 States in all parts of our country—North and South, East and West. I have talked to farmers, workers, housewives, manufacturers, business and professional men in all parts of the country. In nearly every case, I found a new optimism and fresh hope in the hearts of those to whom I talked. In these conversations I found a greater unity of opinion as to what needs to be done than I had dared to hope for. They have redoubled my faith in the American people and my belief that they will forge ahead once more if the Government gives them the chance.

The subject I have adopted for this speech indicates my views. Forward in 1940 should be our motto—and I firmly believe we will move forward to a Republican and an American victory this fall. In the middle 1920's our economic machine was running so well that we became careless. The American people began driving at a reckless speed and ignoring the red lights. In 1929 we crashed. The damage was not irreparable, but we were badly shaken and bruised and bewildered. In 1932 we decided that we needed not only a new chauffeur and different rules of the road, but a new car of a different model, run by a different fuel, taking us along new roads leading in new directions. These we have had. We have tried a Government-controlled economy, kept going by Government spending, taking us in the direction of a collectivist state. We have taken what we supposed were detours, and became caught in the quicksands of bureaucracy, crushing debt and taxation that threatens to become confiscation unless we save ourselves. We have tried short cuts, but have discovered that there is no easy road to recovery. We have tried tempting panaceas, but learned that there is no substitute for private enterprise, for an expanding economy of plenty, with private work creating increasing wealth, financed by private investment. Today the American people are increasingly aware of the dangers of the road along which they have been traveling, but increasingly united in the steps that must be taken to reestablish a genuinely free economy that will enable them to return and advance along the highway of solvency, self-government and freedom—the highway of true progress.

The trend became apparent with the elections in 1938, and has grown steadily stronger. Even some of those who support vast Government spending are realizing that taxation must fall upon the poor as well as the economic royalists.

"Of all the Federal revenue collected in 1929, 30.2 percent came from taxes bearing primarily upon consumption, such as excise taxes, customs, tobacco, and liquor taxes. * * * By 1938, the percentage of taxes, based primarily upon consumption, was 51.3 percent."

These figures are not published by the Chamber of Commerce in the hope of scaring American workers. They appear in the Legislative Program of the C. I. O. for 1940. In the fiscal year 1929, the Government collected something over $4,000,000,000 in revenue. In 1938, its revenues soared to well over six and a quarter billion dollars.

On the basis of these percentages a little over $1,218,000,000 of Federal revenue in 1929 represented taxes on consumption. In 1938, collections from taxes on consumption rose to nearly $3,202,000,000. That is an increase of nearly $2,000,000,000 in taxes levied, not upon the incomes of the wealthy, but upon every man, woman and child in the country in the added cost of everything they buy. And the New Deal talks of creating increased purchasing power! The man on the street is awakening to the price that he is paying for New Deal extravagance.

The American worker is realizing more and more clearly that he suffers from wasteful Government spending, not only through the taxes which he himself must pay but through the taxes levied upon business, in less employment and lower pay.

"One of the great drags upon industry during the past 7 years has been the burden of taxation that has been imposed upon big and little business. There are literally thousands of industrial and commercial concerns which have been forced into red figures by the taxes which have been imposed on flagging business. It is not a problem for labor alone, nor industry and agriculture alone. It is a problem which must be solved by an awakened citizenship. It is a problem to be discussed at every fireside.

"The hour has come for Americans to recognize the dangers that confront them and to join in a united effort to halt the drift toward national insolvency and industrial collapse, and to extend opportunity for the Americans of today and tomorrow."

That was the American Federation of Labor speaking, in a statement issued after a meeting in Miami, Fla., last February.

The only way to ease the tax burden is by a thorough revision of the tax structure. The only way to halt the drift "toward * * * insolvency and collapse" is "an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent." That is how the Democrats promised to do it in 1932. That is how the Republicans will do it when they take office in 1941.

If we are to go forward in 1940, if we are to safeguard our national currency, we must call a halt to subsidizing the rest of the world through purchases of foreign silver and gold at the expense of the American taxpayer. To make them outright gifts of hundreds of millions each year through paying artificially high prices to corner so much of the world's supply of these metals that we make them increasingly useless as currency and begin to wonder if we shall not have to give some of it back again is sheer madness.

During 1 week in February we paid $55,216,779 for foreign gold. That was an increase of $600,000 over the previous week. It represented payment for over a million and a half ounces of foreign gold at $35 an ounce. Before President Roosevelt raised the price of gold it was $20.67 an ounce. The cost of that same amount at that price would have been slightly over thirty-two and a half million dollars. In other words, we made an outright gift of over twenty-two and a half million dollars to other nations just in our purchases of their gold during 1 week alone.

According to the Treasury statement of March 25, our gold hoard was valued at nearly $18,400,000,000. That is an increase of more than $3,300,000,000 in 1 year.

The same thing has been happening on a less extensive and less expensive scale in regard to foreign silver, for which we have paid more than a billion dollars. We paid $70,000,000 in 1939. Thirty-one million, or nearly half of this, went to Mexico—the same Mexico which, having already expropriated American oil property so successfully, announced the confiscation of another million and a half acres of American property only last week. This time she has hit upon a newer and, to her, a better way. Previously, when land was expropriated under the Mexican agrarian law, the companies were able to put in a claim for compensation to the Agrarian Claims Commission, established in November 1938. This time, by claiming that the land, to which the companies concerned have held an undisputed claim for between 35 and 40 years, was never held legally in the first place, Mexico has apparently barred all hope of any compensation. Once more she is biting the hand that has done so much to feed her people.

The New Deal was going to raise prices generally by devaluing the dollar. It was going to raise our holdings of silver to one-fourth of our holdings of gold. It has succeeded in doing neither. Meanwhile the President has the power to raise the price of gold still further. He has the power to bring about inflation overnight with the hoards of silver and gold we now possess and whatever amounts we may acquire in the future under the monetary powers surrendered to him by Congress. The sooner we stop chasing the gold and silver rainbows, the sooner Congress reasserts its constitutional control over our currency, the better not only for us but for all the world.

If we are to go forward in '40, we must take the United States Government out of competition with its citizens. For 7 years private enterprise has lived in uncertainty as to what field was to be invaded next by an administration which was elected to office in 1932 on a platform which promised to take the Government out of competition with private industry.

One of the latest fields to be threatened by Federal invasion is that of life insurance. Few things are perhaps more remarkable in the development of our country during the last 40 years than the growth of life insurance. Between 1890 and 1937, our population increased 100 percent, while the amount of American life insurance in effect increased 2,500 percent. Today nearly one out of every two people in the United States has a life-insurance policy. One hundred million of them are either holders or beneficiaries of policies. Americans own 65 percent of all the life insurance in the world. And nearly two-thirds of all American life insurance is owned by people with incomes less than $5,000 a year. The story of the rise of life insurance in the United States is the story of the labors of the American people, of their thrift, and of their determination to provide for their own future and for that of their loved ones.

Today, this great American institution which has served the people so well is menaced by the shadow of political domination.

Already various plans have been devised by new dealers for putting the Government into the insurance business. The hearings before the Temporary National Economics Committee were used as a sounding board for the proposal of several possible plans for so-called burial insurance which would require compulsory contributions from every man, woman, and child in the country, and which, like the money collected for social security would be lumped in with the general funds of the Treasury. Last November Senator WAGNER proposed a voluntary plan by which insurance would be sold at post offices under the direction of the Social Security Board.

The pattern which the New Deal would follow, as revealed by the hearings before the T. N. E. C. and the various plans proposed, is aimed at the substitution of Federal control of life insurance for the State regulation which has heretofore proved so successful. The Securities and Exchange Commission would be given control of insurance investments, while the Social Security Board would sell insurance in competition with private companies. Voluntary plans would later be replaced with compulsion, while Government ownership and political control of the vast reservoir of funds of all types of insurance seem to be the ultimate goal.

Few people object to a fair and impartial investigation. If increased regulation is proved necessary, then let us have it. But the American people are unwilling to place the savings they have invested in insurance at the mercy of political bureaucrats in Washington. This will not happen under a Republican administration. Nor will any American citizen live in fear that his business or his job may be taken over by the Government.

If we are to go forward in 1940, the flow of funds into private industry must be released. What is needed is not vast Government spending but private spending that will go into expansion of industry, creating productive jobs at productive wages. New dealers are fond of saying that so long as private industry cannot or will not do the job it must be done by the Government. Private industry can and will do the job if it is given half a chance. In addition to easing the burden of taxation, legitimate investment in industry must be encouraged.

First and foremost, the administration of the Securities and Exchange Commission must be drastically changed. Here is an agency, presumably established for the prevention of fraud in the issuance of securities which has been given powers so broad as to make the five men who compose the Commission virtual dictators of the financing of private enterprise. No one knows just what interpretation or new regulations may be made tomorrow.

Since the first of the year many new restrictions have been clapped upon the issuance of new securities. The Commission has begun the operation of the death-sentence clause of the act of 1935. There is no telling how far this will go. Moreover, despite the vast amount of detailed information already required, the Commission demanded early last month that all registered utility holding companies and their subsidiaries make available complete information on all purchases and contracts entered into with any corporation, the aggregate value of which is $10,000 or more a year. This unprecedented move involves not only the utility companies themselves, but amounts to an investigation of the activities, methods of doing business, and contract arrangements of corporations who are outside of the utility field, but who supply services, merchandise, and equipment for utility concerns. Upon inquiry, the utilities were told that the Public Utility Holding Company Act empowered the Commission to investigate utility expenditures and to pass on their propriety and the conditions under which they were made.

In this latest move, by assuming authority over all utility expenditures and contracts, the S. E. C. will be able to affect the business of companies which do not come under the Utility Holding Company Act.

If the flow of new capital into industry is to be encouraged, the cost of registering securities with the Commission must be lowered. The amount of information required of all companies should be reduced to a minimum and the harsh penalties for omission modified. The Commission should be limited to the function for which it was created by Congress—the protection of the public. It should make new investments, and thus new business and new jobs, easier and not erect new barriers to industrial expansion.

The tremendous cost of creating a job is not generally realized. In the electric utility industry the cost is approximately $45,000 for each employee. In the steel industry, it is at least $11,000 per worker. The average in manufacturing industries is approximately $8,000 per employee, while the average for all businesses is $4,000.

Before new jobs can be created for the unemployed, the businessman must have the money with which to create them. Unless he has sufficient profit at the end of the year, he can scarcely be expected to expand. Unless the investor feels reasonably certain of a chance to make a profit, he can scarcely be expected to put his money into that business. The lack of profit and the lack of new investments are two of the greatest factors responsible for the failure of business to expand and to absorb the unemployed. They help to explain the phenomenon which new dealers seem unable to understand of idle savings in the banks, idle men walking the streets while factories are operating far below capacity. A Republican administration can and will bring them together in the only way in which this can be accomplished, by making it worth while for the investor to invest and for the producer to produce and to hire more men, by making possible a fair return for the risk involved and a fair reward for endeavor.

If we are to go forward in 1940 we must adopt a program of true reciprocity in our trade with other nations. The American people are in favor of stimulating trade through treaties with foreign countries, but they are awakening to the fact that the present program as it has been administered has not only failed to accomplish all that was promised for it, but has done far more harm than good to our economy.

We were told that under a program of multilateral treaties we would gain not only from the treaties to which we ourselves were parties but from those concluded between other nations. On March 1 of last year 10 of the 20 countries with whom we had treaties at the time had in effect several treaties apiece which were bilateral in character, thus excluding the United States from any of their benefits. This, added to the devaluation of their currency by a number of these nations, has constituted serious discriminations against the United States. And yet we have persisted in making concessions to all the world, except Germany, while receiving concessions from only one nation with each treaty.

We were told that the reciprocal program was the only way in which to revive world trade and our share of it. According to the Review of World Trade, published by the League of Nations, our percentage in world trade in 1938 was about what it was in 1935, the first year the agreements went into effect. It was 3 percent lower than in 1929 and a tenth of 1 percent lower than in 1932.

By 1938 our export trade was still 40 percent below the 1929 level, and there was less than 2 percent difference between the countries with whom we had signed trade agreements and those with which we had not.

It is true that by 1938 our export trade had increased by 37 percent from the level of 1935. But our exports had increased by more than 42 percent in 1935 from the level of 1932. Thus the rate of increase was greater before the inauguration of the trade-treaty program than it has been since. It is also true that exports to trade-agreement countries increased at a more rapid rate than to those countries with whom no agreements had been signed. However, the nonagreement countries have been and remain our best customers. Meanwhile much of the trade which has bolstered up our exports in the last few years has been in armaments and implements of war.

It is true that our total imports declined between 1935 and 1938. However, the importation of competitive goods, upon which duties have been reduced, particularly in agriculture, has increased, displacing American farms and factories, American farmers and workers.

The American Wage Earners' Protective Conference, the tariff group of the American Federation of Labor, representing millions of our workers, and the National Grange, representing millions of our farmers, have long recognized that if wages and prices are to be raised in this country they must be protected from the competition of cheap foreign labor; that legislation designed to achieve a higher standard of living for our people may be torn down by such competition; and that the increasing inflow of competitive products means the transfer of American jobs abroad at a time when we have over 9,000,000 unemployed at home.

They demand adequate protection of their means of livelihood. They do not ask for embargo duties achieved through logrolling, but an adequate protective tariff which will prevent the inflow of foreign goods below the American cost of production. They demand ample hearings before treaties are drawn, and a chance to ratify them through their representatives in Congress.

New dealers claim that Congress is incapable of wisely performing this function which was entrusted to it by the Constitution. That is but another way of saying that you, the people of New Jersey and the other States, are incapable of choosing representatives who will legislate in the interests of the Nation as a whole. If Congress is unworthy to pass on these treaties, once they have drawn, then it is unworthy to write legislation. I do not believe that. The American people do not believe it. The Republican Party will return to the American people through their chosen representatives a voice on this question which so vitally affects their lives.

If we are to go forward in 1940 we must remain at peace. That is first and foremost in the hearts of men and boys, of fathers and mothers, of sweethearts and wives, of Americans everywhere. In nothing are they more united than in their prayerful determination to avoid involvement in another European conflict. Some of them are apprehensive lest by word or deed Government officials lead those on one side to hope for our entry into the war and the other side to hostility and perhaps to reprisal. They approved the passage of the cash-and-carry amendments to the neutrality law. But that approval was not merely a desire to give assistance to the Allies; it was a desire to keep American ships and American citizens out of the zone of possible danger. Their first concern is not to give aid to one side or to hinder the other, but the protection of America. They are heartily in favor of a strong national defense; but they do not see why we should go 300 miles out to sea to look for trouble, which is what we are doing today in attempting to patrol this area.

This is not a policy of isolation, but rather one of strict neutrality. It is not to shut one's eyes to the effect of the conflict in Europe upon us, but to realize that we cannot govern the conduct of war abroad or dictate the peace at its conclusion. It is not to be indifferent to the fate of the democratic ideal in the world, but to realize that the only place we can assure its preservation is here at home. It cannot be enforced upon others, even by going to war, as we learned to our sorrow once before. We can inspire by the force of the example of the success of the democratic ideal, as we have done before. We can use our influence at the conference table, once peace has been restored, to achieve the democratic solution of the problems with which the whole world is faced—provided we are prepared to do so first by having achieved the democratic solution of our problems at home.

If we are to go forward in 1940, we must have a rebirth of the spirit of enterprise and industry, of initiative and hard work, by which men have forged ahead since time began. Conditions are changing, as they have since the dawn of history, and as they will continue to do until the end of time. But these fundamental laws of progress remain the same, and no man or men can change them. Progress cannot be achieved for a people by the Government, but the Government can and must make it possible for the people to go forward in their own right. There never has been a time when individual labor and enterprise and talent were of no avail, and there never will be. The American people are not lacking in these characteristics. These qualities have been thwarted; they have been repressed in recent years by Government folly; but they are still there, awaiting release.

If we are to go forward in 1940, we must have a rebirth of that spirit of unity and tolerance by which Americans have always advanced through voluntary cooperation. A people incapable of that cooperation must fall prey to a dictatorship, under which unity is enforced through regimentation. Those who would take us toward statism do not believe that the American people are capable of solving their problems through working together of their own free will. I say to you that they are.

If we are to go forward in 1940, we must have a rebirth of the courage that dares to overcome all obstacles, the faith that persists in spite of temporary set-backs and discouragement, the vision that sees the America that we and future generations will build. Americans are not lacking in that courage. They have not lost in their faith. They are not without a vision of the things they can and will achieve. But that spirit must reassert itself anew.

We will go forward in 1940, and embark upon a crusade to carry forward once more all that is symbolized to us in the one word "American." To that crusade the Republican Party is humbly dedicated. We will not fail.

Works Progress Administration

EXTENSION OF REMARKS

OF

HON. JAMES SECCOMBE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

LETTER FROM THE STARK TRI-COUNTY BUILDING TRADES COUNCIL

Mr. SECCOMBE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

STARK TRI-COUNTY BUILDING TRADES COUNCIL,
Canton, Ohio, April 8, 1940.

Representative JAMES SECCOMBE,
House of Representatives Office Building, Washington, D. C.

DEAR SIR: The Stark Tri-County Building Trades wish to protest the awarding the paving of streets, sewers, and other projects that require skilled workmen to W. P. A. All the work that has been done by W. P. A. has not been up to the standard that you would expect of a contractor and the cost has been as great; and if there is any damage to the property, the contractor has to stand for the same. W. P. A. does not pay any attention to the damage and the property owners stand double expense.

We feel that the contractor would absorb all the men that is working on projects and would pay the prevailing wage and the worker would have more than just an existence.

We also believe that the present set-up of the W. P. A., under military authority (Colonel Harrington), is leading us into dictatorship.

Prior to June 1939, the Works Progress Administration carried on its operations on a basis which was acceptable to the building trades movement, building craftsmen being employed at prevailing wage rates in effect with respect to the various trades. However, even then, contractors in the construction industry were deprived, at least to some extent, of business to which they were entitled because the Government engaged in building construction which, under normal circumstances, would have been let to private contractors.

In June 1939 a deplorable condition was imposed by the Federal Government on skilled construction workers when it eliminated a provision for paying the prevailing hourly wage rate to craftsmen employed on W. P. A. projects, and substituted therefor a subnormal wage. As a result, skilled craftsmen were suddenly forced to accept wage slashes of more than one-half less than the prevailing wage rate, while hours were lengthened to 130 per month or refuse to work under such conditions. This resolved itself into a situation decidedly injurious to the wage structure in the construction industries and so jeopardized wage agreements that union members in the building trades had no other alternative than to decline to accept such employment, be it private or Government, at such drastic reductions in their hourly wage rate.

We now propose that construction and remodeling work planned by the city be restored to the basis which was in effect prior to the time that Government agencies injected themselves into the construction industry, as a continuation of such practice will result in demoralization, not only for craftsmen engaged in the industry, but also contractors who encounter difficulty in maintaining their establishments because of the Government's entrance into the construction field formerly controlled by private enterprise.

The system of Government participation in building construction under W. P. A. served a useful purpose in providing employment for the unemployed in the building trades so long as the prevailing hourly wage rate remained in effect. However, willing submission to such drastic wage reductions as decreed by Government order in June of 1939, would have resulted in nullifying working agreements as in effect between private contractors and unions, or would have resulted in an impossible situation where members belonging to the same union would have worked at wage rates more than 50 percent in variance.

You will very likely realize that such a situation as outlined above automatically bars union craftsmen from obtaining employment on projects set up under W. P. A. auspices. These are conceded to be the better craftsmen, but in justice to themselves and principles involved, are unable to accept employment on W. P. A. at wages less than half that paid in private industry.

In Toledo a cursory survey of the proposed painting project that calls for the painting of 13 bridges as set up under W. P. A. auspices would involve an estimated cost of $23,000, according to interested parties identified with the painting industry while the total cost if done under private bid would be approximately $3,000 lower than that estimated as total cost under W. P. A. The private award would of necessity provide full coverage and payment into various funds as protection in case of injury to workers, and likewise would make employees eligible for unemployment insurance, old-age insurance, etc., as set up as of benefit to the workers engaged in private industry. This coverage would not be provided under a W. P. A. set-up.

We believe it appropriate that municipal government, as well as other branches of local government, should revert to their normal manner of operation and disassociate themselves from paternalism and Government supervision in functions purely of a local nature. We believe construction and remodeling projects should be let on a merit basis to qualified and responsible contractors, so that an early return to normalcy in the city's business relations shall be assured.

We are particularly interested in that construction and remodeling programs calling wholly for skilled craftsmen be awarded to private contractors on a basis calling for responsible bids. This will not only help to alleviate the unemployment situation of skilled craftsmen who have faced a winter of unemployment, but will likewise result in saving industries for the city that are not finding it difficult to survive. Contractors who have spent a lifetime building their business are looking forward to the time when they, too, will be enabled to reestablish themselves as living and integral parts of the community.

Either private industry must be given an opportunity to revitalize itself and resume the normal ways of conducting its business with reemployment of the unemployed, or the relief rolls will continue to be crowded, with its attendant heavy cost to the city and nothing saved except that further chaos will result.

While there is an apparent difference in the cost to the city if the painting of the bridges and other forms of construction and remodeling is let to private contractors rather than under W. P. A. auspices, yet it must be recognized that the welfare of its citizens who pay taxes is dependent to some extent upon the city returning to a normal manner of functioning, keeping also in mind the welfare of its industries.

We believe our request as contained herein is deserving and proper and will serve the best interests of the community. We urge that it be given fullest consideration.

Cordially and sincerely,

STARK TRI-COUNTY BUILDING TRADES,
E. C. SAGER, *Secretary*.

Farm Credit Administration

EXTENSION OF REMARKS
OF
HON. WALTER M. PIERCE
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Friday, April 12, 1940

STATEMENT BY THE SECRETARY OF AGRICULTURE

Mr. PIERCE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement issued yesterday by the Secretary of Agriculture:

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 11, 1940.

Secretary Wallace today issued the following statement:

The public is entitled to accurate information concerning the real issues in the controversy over the Farm Credit Administration and the farm-credit situation generally.

Efforts have been made to persuade everyone interested that the Department of Agriculture's supervision of F. C. A. and support of proposals to help debt-burdened farmers threatens to wreck the credit structure of agriculture.

In the light of experience gained since the Farm Credit Administration became a part of the Department of Agriculture, I can say that certain farm-credit policies in the past have been unsound and, if continued without modification, will cause serious losses to land banks and farmer borrowers. The real threat to our farm-credit structure is to go on as we have been going.

The Department of Agriculture now is taking steps to place the credit policy of the Farm Credit Administration on a sound basis.

A foreclosure crisis last fall clearly revealed that the land banks have been following unsound and "soft credit" policies, and this situation is further revealed by the appallingly large number of their borrowers who are unable to meet their present payments.

The revaluations and reappraisals made in 1933 and 1934 helped put farm credit on a sounder basis. But experience has demonstrated that these revaluations and reappraisals were not realistic enough. There were "soft" reappraisals. In thousands upon thousands of instances, high valuations bailed out the creditors but left the farmers with debts they can never pay. To use a banking term, this sort of thing might have made the position of banks and insurance companies more liquid, but it failed to help the farmers and the credit structure of agriculture.

Some of the figures on the farm-debt situation are more revealing than loose statements about "private enterprise" and "soft credit":

(1) The land banks and land bank commissioner have foreclosed over 85,000 loans since 1933, including voluntary deeds to avoid deficiency judgments; last year more farmers were foreclosed by the land banks than by any other class of creditors holding farm mortgages.

(2) More than 250,000 loans, or approximately 25 percent of the total, are now delinquent; the delinquency increased steadily in 1937, 1938, and 1939.

(3) The stock in 60 percent of the 3,700 national farm-loan associations has been wiped out or so badly impaired that loans no longer can be made through the associations.

It should be emphasized that these losses of capital investment are not the fault of the officers or directors of the national farm-loan associations; nor is it the fault of the associations that they have been unable to perform the services for which they were originally intended. The lending policies of the Farm Credit system have not been realistically related to the national and international situations which have affected farm income, but, as I stated, this was not the fault of the local associations. Governor Black, of the Farm Credit Administration, already has taken steps to meet—as well as he can with existing authority—the situation shown by the figures I have quoted and by other pertinent facts.

Wherever possible he has reorganized to keep loans on a sounder basis; and this has relieved some of the heaviest debt pressure. About 50,000 loans, most of which were unwisely written for relatively short-term repayment, have been reamortized. New repayment programs have been worked out for several thousand of the most heavily indebted farmers. Some of these borrowers will make payments according to their income or crop yield. The Farm Security Administration is being asked to help those who are in a very bad financial condition but who still have a chance to pay out.

But these measures cannot solve the underlying problem. In the light of experience there are at least three basic needs. The first of these is revision of interest rates. They should and can be lowered from original contract rates ranging between 4 and 6 percent. Instead of weakening, this action will strengthen the land banks since debtors will be better able to pay.

Second, the responsibility for losses on loans should be placed where it belongs—on the Federal land banks which make the

loans and not on the national farm-loan associations, most of which have become insolvent. As I have stated, most of the losses to the associations were incurred not because of poor management or the attitude of its directors or officers but because of factors largely beyond their control.

A third need is the elimination of the requirement that the borrower acquire stock amounting to 5 percent of his loan. In practice, this requirement has added 5 percent to the amount borrowed and has injured the debtor. A farmer needing $1,000, for example, had to borrow $1,050. Because of this situation the farm debt of the country is $111,000,000 higher than it otherwise would have been. This $111,000,000 of added debt has not protected the associations. The quicker we get rid of this pseudo-cooperative feature of the present system, the better off we will be.

I feel sure that when farmers understand what is going on they and the organizations which represent them will support moves for sound credit and away from soft credit. When land-bank interest rates are high other creditors are in a position to charge farmers rates that are too high, regardless of how many farms are foreclosed as a result. The reasons for much of the opposition to low interest rates to farmers should be clearly understood by farmers and by the general public. With the increase in tenancy threatening the stability of agriculture and with the European war complicating efforts to raise farm income, I cannot understand how genuine friends of agriculture can continue to oppose efforts to place the whole farm-credit situation on a better basis.

National Labor Relations Board

EXTENSION OF REMARKS

OF

HON. CHARLES A. EATON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

TELEGRAM FROM DUBILIER ELECTRIC CORPORATION

Mr. EATON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following telegram received by me from a constituent:

WASHINGTON, D. C., *April 4, 1940.*

Hon. CHARLES A. EATON,
Washington, D. C.:

The Cornell Dubilier Electric Corporation and its subsidiaries, of South Plainfield, N. J., employing over 1,600 people, have been ordered by the National Labor Relations Board on March 29, 1940, to reinstate 36 employees whose term of service was less than 6 months and dismiss 36 employees whose terms of service is over 3 years.

All our contract with the American Federation of Labor expired in 1939 after running for 2 years, and a new contract entered into March 1939 for a period of 2 years has been ordered canceled. This contract of March 1939 was entered into only after the most intensive collective bargaining and a week's work on the part of a conciliator from the Bureau of Conciliation of the Department of Labor.

It also seems from the decision that the National Labor Relations Board and the Department of Labor are working at cross purposes because of the fact that the renewal was entered into after weeks of collective bargaining with the assistance of the Bureau of Conciliation of the United States Department of Labor. The Board, by its decision, has apparently found that the Bureau of Conciliation of the Department of Labor aided, abetted, and assisted in what the Board has inferentially found to be unfair labor practices.

In rendering its present decision, the National Labor Relations Board has condoned and adopted the illegal and improper conduct of the National Labor Relations Board examiner, and the National Labor Relations Board trial counsel, who conspired together to create a record wholly adverse and prejudicial. The trial examiner was the William Seagle, whose conduct has been so flagrantly bad that the Board was compelled to "shelve" him. He has not been permitted to sit in any case for months. His background is a matter of common knowledge. In this case, as in every other case in which he has sat, he was most overbearing, abusive, and insulting. He discredited his office by engaging in counsel baiting, and called all of the attorneys representing the respondents liars. In spite of this he testified falsely before the Smith congressional committee that he had only called attorneys liars in the Stromberg-Carlson case.

Counsel for the Board was Will Maslow, whose background is the same as Seagle's. During the course of the hearings he physically assaulted William Beedie, the A. F. of L. organizer involved in the case. He had the temerity to introduce one of the complaining witnesses as his assistant, and had this wholly irresponsible person make an exhaustive examination of the records of the New Jersey Bell Telephone Co. under that subterfuge. Confidential records of the Board, and of the respondents were entrusted by him to other unsavory individuals, and one of them, an official organizer for the Communist Party, was arrested with N. L. R. B. records in his possession. Maslow contemptuously violated the tenets and ethics of the legal profession throughout the hearing, and invariably repudiated every stipulation and agreement which he made with counsel for the respondents.

We cannot believe that the members of the Board who concurred in the decision and order ever read the record itself, or have the slightest knowledge of its contents, other than what they were permitted to see in the analysis and review prepared for them by members of the review division. Certainly, a casual reading of the record itself and of the exhibits would have convinced the members of the Board who signed this decision that the evidence was against the findings in the decision.

Worst of all is the badly explained 3-year delay in this case. The complaint was served in January 1937, based upon alleged illegal practices in December 1936. The hearings started in February, 1937, and continued for a week. They were stayed by an injunction which was dissolved in March 1937. No further steps were taken by the Board until August 1937. Hearings were resumed in September of that year and concluded at the end of October 1937. The proposed decision was not served until December 1939, a period of some 3 years after the alleged illegal practices and more than 2 years after the termination of the hearing. Any number of cases which were started long after this one have been terminated many months ago, and we can only surmise that it took a long time for even the most biased partisan to find enough in the record which would warrant writing any sort of decision against us.

The question of free speech also plays an important part in this case. The Board's theory apparently is that the employer must make no comment, no matter how innocuous, with reference to his business, since such a comment must invariably be interpreted by the employees as a threat. In this case, statements made to the employees, expressing the necessity for their cooperation in order to assure success in a highly competitive industry, were distorted by the Board into antiunion statements. Apparently, an employer or his representative speaks only at his peril, in the Board's opinion, and the safest thing for him to do under any circumstance is to keep quiet, no matter what the exigencies of the situation are.

It is most significant that William A. Leiserson did not join in the decision and order, although he sat during the last argument. It is obvious that Messrs. J. Warren Madden and Smith, despite the obvious warning from Congress, are determined to continue their headstrong and headlong course to self-destruction and oblivion.

We have already been advised by the American Federation of Labor that if we comply with the Board's order and cancel their contract, they will use their economic right to strike.

So, here we are, a company that has not had 1 minute's interruption of commerce, faced with a strike if we comply with the National Labor Relations Board, and if we don't comply we are faced with an expensive appeal costing probably another $10,000, after already spending $25,000, and back-pay orders running to over $25,000.

It is true that the Board has ordered an election but states that in view of the desirability of affording employees an opportunity freely to consider and determine their choice the election shall be held at such time in the future as they shall direct. We can only assume that such an election will be held after commerce has been interrupted and the C. I. O. and the Communists have had ample opportunity to disturb industrial peace to their own satisfaction.

This telegram is sent to you for the sole purpose of placing before you the practical result of the functioning of the Wagner Labor Act and the impractical type of remedies prescribed by the Board in attempting to effectuate what definitely could never have been the intent of Congress. This concern has no labor problem. It has only had an expensive Labor Board problem.

CORNELL DUBILIER ELECTRIC CORPORATION,
OCTAVE BLAKE, *President.*

Rehabilitation Program of Farm Security Administration

EXTENSION OF REMARKS

OF

HON. OVERTON BROOKS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

REPORT BY THE FARM SECURITY ADMINISTRATION

Mr. BROOKS. Mr. Speaker, I have received recently a very informative and detailed report on the work of the Farm Security Administration for the Fourth Congressional District of Louisiana. Since it is evident that this report has been prepared very laboriously and with especial refer-

ence to the benefits of this work in Louisiana, I believe that it should constitute a matter of general interest to the entire Nation. Especially should this report be of interest to those who believe that the Agriculture Department should try, by means of loans and supervision, to rehabilitate those farmers who through misfortunes and in some cases bad judgment have become incapable temporarily of maintaining themselves and who threaten to become general charges upon the Government. Because of these facts, Mr. Speaker, I ask leave to have this report reproduced in full in the course of this statement. The report follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FARM SECURITY ADMINISTRATION,
Washington, March 15, 1940.

Hon. OVERTON BROOKS,
House of Representatives.

DEAR MR. BROOKS: We have just completed a Nation-wide survey of the progress being made by Farm Security Administration borrowers, and I felt that you might be interested in the figures for the fourth district in Louisiana.

We are proud to report that F. S. A. borrowers not only have increased their net worth and annual income but also are making satisfactory progress in the repayment of their loans.

The survey showed that the 1,422 standard rehabilitation borrowers in your district had an average net income last year of $464.27 per family, as compared with $248.29 in the year before they came to F. S. A. for help. This represents an increase of 87 percent.

Moreover, these families increased their average net worth—over and above all debts—from $439.16 before they came into the F. S. A. program to $636.35 at the end of the 1939 crop year—a gain of 45 percent.

In other words, these families not only have added $280,404 to the wealth of their communities but they also have increased their annual incomes by a total of $307,125. This expanding purchasing power has, of course, been a considerable benefit to the merchants and other businessmen of the district.

At the same time the survey showed that the borrowers in your district already have repaid $433,212 into the Federal Treasury as installments on loans totaling $812,716. The typical rehibilitation family in your district has borrowed $571.53 and already has repaid $304.65. Since much of the money loaned does not fall due for 4 or 5 years, there is every reason to expect that the great bulk of it will be repaid.

We feel that this collection record is particularly significant because, according to normal business standards, our borrowers would certainly not be considered good credit risks. Rehabilitation loans are made only to families which cannot get adequate credit anywhere else, and nearly all of them either had been on relief or were approaching the relief level.

Although the rehabilitation program is intended to meet long-range problems, which have been growing steadily worse for more than a generation, it is financed out of relief appropriations; and it takes the place of direct relief in rural areas. It is designed to help needy farm families to become permanently self-supporting, instead of remaining indefinitely dependent on relief.

It has succeeded largely because every loan is accompanied by advice and guidance in sound farming methods, to make sure that the money is put to the best possible use. There is ample evidence that this guidance and technical training is the most important part of the rehabilitation program. Without it, few of the families would have been able to make much progress or to repay their loans.

In a limited number of cases, in order to get the family off to a sound start, small grants have been made to supplement the loan. Usually these grants were just large enough to tide the family over until it could make its first crop. They have averaged $17.84 per family, or a total of $25,368, over a 4-year period.

Often it has been necessary to work out an adjustment of the family's old debts, before rehabilitation could be successful. Local farm debt adjustment committees have been set up for this purpose. They have no legal authority to compel adjustments, but by bringing the farmer and his creditors together for a friendly discussion, they usually are able to arrange a scale-down of the obligations, reduced interest rates, or extension of the payment period. Such adjustments frequently save the farmer from foreclosure, and at the same time enable the creditors to get substantial payments on what might otherwise have been bad debts.

This service is available to all farmers, whether or not they are rehabilitation borrowers. Altogether, debt reductions totaling $54,587 have been negotiated for the farmers in your district. This represents a scale-down of 9.7 percent. As a direct result of these adjustments, $10,505 in back taxes has been paid to local governmental agencies.

In helping rehabilitation borrowers to plan their farm operations we always urge them to get away from one-crop farming and to raise as much as possible of their food and feed supplies. The progress they are making is indicated by the fact that the borrowers in your district produced $369,094 worth of goods for home consumption last year, as compared with only $168,024 worth before they came into the F. S. A. program.

These families canned 373,858 quarts of fruits and vegetables last year, or an average of 263 quarts per family for home consumption. They also produced 540,360 gallons of milk, an average of 380 gallons; and 1,337 tons of forage, an average of ninety-four one-hundredths ton. This kind of diversified farming has meant a higher standard of living, a better diet, and usually a marked improvement in health.

One of the most common reasons for past failure among the families which come to F. S. A. for help was that they had not farmed enough acreage to make a living. In helping our borrowers to get a new start, we have made every effort to assist them in getting adequate-size farms. Consequently, the borrowers in your district are now operating an average of 53.36 acres, or an increase of 16½ acres since they came on the program. This increased acreage has not added materially to the production of commercial crops, however, since virtually everything raised on it is consumed on the farm. It simply means a better diet and a better standard of living for these families.

Another main objective of F. S. A. is to help tenants and sharecroppers get more secure land-tenure arrangements, so they can plan ahead for crop rotations, soil conservation, and other sound farming practices. The survey indicated that 1,021 tenants in your district have obtained written leases in place of verbal agreements. Furthermore, 274 families have advanced from sharecropper to tenant status as a result of F. S. A. help.

In making the survey our field workers found that there are 1,325 families in your district which are eligible and in need of rehabilitation loans, but have been unable to get them because of our limited funds.

Aside from the rehabilitation program, the Farm Security Administration's most important job is to make loans under the Bankhead-Jones Farm Tenant Act to tenants, sharecroppers, and farm laborers to enable them to purchase family-size farms of their own.

While it has been necessary to confine loans to certain counties because of the limited funds available, we had made 44 such loans in your district, totaling $219,845, up to the end of the last fiscal year. This year we are expecting to make about 35 Bankhead-Jones loans in your district, totaling approximately $170,000.

This has been a rather detailed report, but I felt that the information might be useful to you. If you would like to have any further details about our program, I hope you will let me know.

Sincerely,

C. B. BALDWIN,
Acting Administrator.

A Norwegian Angle

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

Mr. THORKELSON. Mr. Speaker, responsibility for the invasion of Norway and Denmark rests upon Great Britain alone. Her strategy is to involve neutrals, hoping in such procedure to swing sentiment in the United States favorably to our participation in the war on the side of England and France. England does not care as long as the United States is willing to pay for the war and to fight for the British Empire to the last American.

England has always been a meddler and a thorn in the side of neutral nations in time of war. She has also been a bully and bulldozer of all nations in time of peace. The State Department records show that Great Britain violated our neutrality during the World War, and that we were at one time on the verge of severing diplomatic relations because of her overbearing and unneutral attitude.

The same thing is happening today, for Great Britain is now violating our neutrality and our State Department is helping her to do so with the blessings of the Executive. Even recently the *Queen Elizabeth* arrived in the port of New York with full crew for the *Queen Mary* and *Mauretania*, and both ships left New York a few days after her arrival. I am sure when both ships left New York that they were not loaded with boxing gloves for the New Zealand kangaroos, and I am equally sure that they were not armed with powder puffs and cosmetics for the mermaids, yet they sailed out of New York with the same freedom as our own ships.

England had tried to draw the United States into the European war on her side, even before she declared war on Germany. It was to obtain the sympathy of the United States that Great Britain invaded the neutral waters of Scandinavia. This is particularly true in the invasion of Norway. England admits that she laid mines in the neutral waters of

Norway, and, from my familiarity with the coast line, I am sure these mine fields were laid in the inland waters. That in itself is a most unwarrantable breach of neutrality. This would be the same as if a foreign power laid mines in the Delaware River or Chesapeake Bay, and it is in reality an act of war.

It is also reported that five English ships, anchored in the harbor of Bergen with pretended Red Cross supplies for Finland, were loaded instead with cannons, arms, ammunition, and airplanes. According to reports, there were 50 Curtiss pursuit planes in the holds of the British ships, and this report may be accepted as true, for American sources report that 50 Curtiss pursuit airplanes were shipped to Norway in the last few weeks. It is therefore quite evident that England intended to invade Norway to establish a base for land operation against Germany. It is only natural that such attempt on the part of Great Britain would lead to German invasion of Denmark and Norway, and that is precisely what happened. English guilt is recognized by those who understand the Scandinavian situation, and it is to show this sentiment that I include in these remarks two letters that are self-explanatory:

HARVARD STREET LUTHERAN CHURCH OF THE NORWEGIAN SYNOD (SYNODICAL CONFERENCE),
Cambridge, Mass., April 10, 1940.

The Honorable J. THORKELSON,
Washington, D. C.

MY DEAR MR. THORKELSON: As a Norwegian, your voice should be heard with respect on the situation that has arisen in neutral Norway, even if you may not be on the committees most directly concerned. The enclosed copy of a letter to the Boston Globe explains itself. I am sending it to our own Senators and Congressmen, asking that something be done to neutralize the war-mongering activities of our President and his agents, and that our influence be used toward peace, instead of toward a continuation of the war, which would undoubtedly mean much suffering for our Norwegian people, as well as the Danes and other neutrals. Although you do not represent our State, I am addressing this to you also, as you are, I understand, a fellow Norwegian Lutheran.

With best greetings, I remain,
Sincerely yours,

GEO. O. LILLEGARD.

CAMBRIDGE, MASS., *April 10, 1940.*

THE EDITOR OF THE BOSTON GLOBE:

As an American citizen of Norwegian descent, we believe we have the right to express our resentment over the way in which helpless neutral countries are being dragged into this war as a direct result of our own unneutral failure to maintain the rights of neutral nations against British tyranny when we so easily could do so.

News reporters and commentators have not neglected to point out that it was British strategy to involve Norway, so that Germany might be drawn out from the shelter of her Siegfried line and the neighboring neutral nations. The Allies must accordingly bear the chief responsibility for exposing Denmark and Norway to the overwhelming armies of Nazi Germany. And our country is also responsible, because it has taken every attack on our rights by the British "lying down," and thus made it impossible for weaker neutral nations to oppose any effective resistance to the British strategy of forcing them to take sides in this conflict, no matter how anxious they were to keep strictly neutral.

Now, we shall, no doubt, be subjected to a high-pressure propaganda to come to the rescue of poor little England and the other "democracies" which she is so anxious to "save" with the aid of American blood and treasure. But we believe the time has come for us to insist that our Government cease to provide the Allies with war planes and other military supplies which will be used in the first instance to bombard Norway and Denmark and turn these unprepared countries into bloody battlefields. It is our plain duty to join the oppressed peoples of France and England who are crying for peace and the neutral nations who want peace in their demand for the cessation of this senseless conflict. If we do not do everything humanly possible to prevent this war from continuing and spreading—and many authorities agree it could continue only with our aid—we shall be guilty before God and man of the blood that will be spilled and the new hatreds that will be engendered.

Copies of this letter are being sent to our Congressmen with the request that they initiate some move toward peace.

GEO. O. LILLEGARD,
Pastor of Boston Norwegian Lutheran Church.

These letters are interesting because they express a thought contrary to what might be expected from a person closely in sympathy with Norway and other Scandinavian countries. It requires considerable courage for anyone to express himself as the Reverend Lillegard did in his letters, and this is particularly true in view of press reports. His opinion is much more valuable than that expressed in the press, for he speaks in sympathy with the Scandinavian people, while the controlled press is in sympathy with those who want to involve the United States in the war.

The Reverend Lillegard does not seem to be alarmed although he is concerned about the future of Norway, but he puts the blame where it rightfully belongs, namely, upon meddling Englishmen. His thought is, if possible, to avoid unnecessary bloodshed and destruction of property. This, of course, is bound to happen should England now attempt to invade Norway. He evidently fears naval operations and armed occupation by England which, of course, is bound to terminate in devastation of coastal cities. He evidently believes that England has blundered enough and should, for the sake of decency, blunder herself back home. One thing is certain: English attempt to land in Norway will bring about Russian invasion and the involvement of Sweden in the present war.

The Scandinavian countries would still be at peace had England left them alone. The English war lords should be satisfied, for they have succeeded in paving the way for German occupation of Poland and Scandinavia and for Russian occupation of Finland. All this adds a finishing touch to stupid British diplomacy in Europe and the United States.

MORE STUPIDITY

When did England declare war on Germany? England declared war on Germany after Poland's defeat, and she remained perfectly indifferent and quiet while Russia invaded Finland. After the defeat of both countries, Poland and Finland, and after the peace treaties had been signed and tranquility returned, England again, in the now disclosed attempt to invade Norway, involves the Scandinavian countries in the war.

If England and France did not want to fight, why did England send expeditionary forces to France, and why did both of them declare war? Both of these powers and Germany have, instead of fighting, played dance music for each other from the Maginot and Siegfried lines. The three powers started with music, and they should now at least be allowed to dance to their own tune. No one should forget the impelling forces in the present war, for they are the same old war mongers: The international bankers, and munition manufacturers, directed by the internationalist, the old enemy to peace.

The question that rises in my mind is in regard to the appropriation we made for Finland. Is it possible that this appropriation is used to buy airplanes for England? Airplanes which were to be used in the English invasion of Norway? It is a matter upon which Congress should check, for it is quite possible that this credit has been directed from charitable purposes to purposes of aggression.

BLOCKADE

Yesterday, I inserted remarks in the RECORD which describe a large organization in the United States, whose fight for human rights is boycott of all who disagree with it. It is these same tactics that England employs in the present war, and the purpose is to starve her selected enemies into submission. This attempt on the part of England is childishly stupid, for no power with the slightest self-respect will sit and wait for death by starvation. Such blockade on the part of England will unite the people who are so threatened into a compact and solid offensive unit, for it is less painful to die on the field of battle than it is to sit idly by and wait for famine and starvation to destroy millions of people. England's air-tight blockade will bring about a closer understanding among smaller neutrals and Germany, because all are bound to suffer by the same blockade.

It is, however, well to bear in mind that nothing unusual would have happened had England held its blockade in the proper zones, but that is not the way of England. She is willing to starve the world in order to protect her own empire. It was the English blockade that forced Germany to aline herself with Russia, and it is the English blockade, as I have already said, that has brought about the recent German invasion and occupation of Norway. Why did Germany risk such unpopular attack? She was forced to

occupy Norway as a measure of self-preservation, for she was evidently informed that England had ships in Norwegian harbors loaded with war material to be used in occupation of Norway, so it now should be clear to all that Great Britain is responsible for the whole thing.

We have had our troubles with the English neutrality patrol, for many of our ships have been escorted to British ports by the English Navy. Little or nothing has been said about this by our own State Department, and nothing will be said until the Executive looks at the war from an American neutral viewpoint. Nothing more disgraceful could have happened than British seizure and examination of our own mail. The protest made by the State Department against this British affront and insult to the United States is indeed feeble, and, as a matter of fact, it appears that the State Department acquiesced in such seizure.

This pro-British attitude would lead us into war could the proponents have their way. It is the neutral attitude of Congress and of the people which has kept us out of war, and it is only by active public expression that we will remain out of war. I hope, therefore, that smaller newspapers, or let me say, the papers which are not controlled, lend their pages to American neutrality.

We have nothing at all at stake in Europe, and our trade in war supplies will cease at the end of the war, when we will be ignored in exactly the same manner as we were after the World War. It is, therefore, to our interest to watch the war in Europe and prepare ourselves to consolidate and protect the American Continent and all adjacent possessions of the belligerent powers, as a step toward preserving and protecting ourselves. While they are fighting in Europe, we should get rid of the Communists and restore America to the American people. We should remove all the "reds" in schools and colleges, and particularly "red" judges and "red" courts. If we fail in that, we fail to protect ourselves and our Nation.

Surgeon General Parran Endorses House Version of Antipollution With Mundt Amendment

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

Mr. MUNDT. Mr. Speaker, now that Chairman MANSFIELD of the House Rivers and Harbors Committee has happily recovered from his recent illness, it is expected that the conferees will soon meet to consider Senate bill 685, the navigable waters antipollution bill which passed the House March 1 in a liberally amended and vastly improved form from that in which it passed the Senate. It is the hope of sincere conservationists everywhere that the House version of the bill will be accepted in conference so that unrestricted and uncontrollable pollution of the people's waters may be terminated in America insofar as presently clean streams are concerned and insofar as new types and sources of destructive pollution are concerned.

GENERAL PARRAN ENDORSES BILL WITH MUNDT AMENDMENT

Due to the fact that some of the less conscionable commercial polluters who formerly supported S. 685 in the pollution-encouraging form in which it passed the Senate—notably the so-called clean-streams committee of the Cincinnati Chamber of Commerce—have now disclaimed their offspring and are practicing legislative infanticide, it is well to call attention to the fact that opposition to the House version of S. 685 is now practically restricted only to those who openly support the continuance of pollution. Honest industries, civic-minded organizations, and public-health officials, who were counted upon by the "polluters' lobby" to accept the libel for fact that "Congress would never pass a bill to regulate pollution," are now rallying to the House version of S. 685 because they recognize it to be a reasonable approach to a long-perplexing problem. They realize the futility of condemning existing pollution with strong adjectives and expensive surveys unless some steps are taken to control and regulate new sources of pollution. They realize, too, that this control of new sources of pollution must be considerate of both the public interest and the economic factors, so they welcome the Mundt amendment to Senate bill 685, which simply gives the pollution-control board the right to grant or refuse permits for new sources of pollution, as a happy compromise between those who would be "too drastic" and those who would simply serve as disciples of the polluters.

Prominent among those now supporting the House amended antipollution bill with the Mundt amendment and typical of the manner in which sincere health officials are endorsing this fair and effective approach to pollution control is Surg. Gen. Thomas Parran, of the United States Public Health Service. In order to disprove statements by prominent polluters to the effect that "Dr. Parran does not favor legislation to restrict pollution," Mr. Kenneth A. Reid, of Chicago, general manager of the Izaak Walton League of America, wrote him a letter on March 16 asking General Parran to express his opinion on S. 685 in the form in which it is now in conference. On April 5 Surgeon General Parran replied to Mr. Reid's letter and stated definitely and positively that he was in favor of S. 685 in its present form including amendments by the House Committee on Rivers and Harbors and the Mundt amendment. The two letters are printed herewith in toto so that all Members may know exactly the attitude of Surgeon General Parran on this important legislation. The polluters may place easy dollars above human health and stream sanitation, but heaven be praised the health officials of the United States join with the conservationists of America in putting first things first.

NATIONAL HEADQUARTERS,
IZAAK WALTON LEAGUE OF AMERICA,
DEFENDERS OF WOODS, WATERS, AND WILDLIFE,
Chicago, Ill., March 16, 1940.

Dr. THOMAS PARRAN,
Surgeon General, United States Public Health Service,
Washington, D. C.

DEAR DR. PARRAN: In view of the House action on March 1 in accepting certain amendments to S. 685 and passing that bill with the amendments, it would now seem that all opposing groups could get solidly behind this amended bill so that we could end this long struggle and show some slight accomplishment toward the objectives.

As you know, we and other conservation organizations which have long advocated the need for actual Federal control have shown our willingness to cooperate toward the desired end by dropping our own bill and supporting S. 685 in return for one amendment which in no way would interfere with existing polluters, but, while those problems were being studied in accordance with the terms of the original Barkley bill, would in effect draw a line between existing pollution and future or potential new sources and prevent the spread of pollution across that line.

Since the principle of quarantine to stop the spread of a disease is accepted by the medical profession as an essential preliminary in the treatment of disease, we feel sure that the United States Public Health Service not only can have no objection but will heartily approve of this amendment.

We trust that all agencies interested in the abatement of pollution can now wholeheartedly join forces in support of S. 685 as amended and passed by the House, and we would appreciate hearing from you advising the present position of the United States Public Health Service regarding this legislation.

Sincerely yours,

KENNETH A. REID,
General Manager.

To this letter, on April 5, Dr. Parran sent the very definite and perfectly lucid reply:

FEDERAL SECURITY AGENCY,
UNITED STATES PUBLIC HEALTH SERVICE,
Washington, April 5, 1940.

Mr. KENNETH A. REID,
General Manager, Izaak Walton League of America, Merchandise Mart, Chicago, Ill.

DEAR MR. REID: Absence from the city has prevented an earlier acknowledgment of your letter of March 16 relative to the stream-pollution bill now before a conference committee of the House and Senate.

In my opinion, the bill as passed by the House represents a constructive approach to th's important and constantly increasing problem. It affords the opportunity for all agencies and organizations which are interested in cleaning up our streams to work together in accomplishing the purpose of the proposed legislation, and I earnestly hope the legislation will be enacted.

Sincerely yours,

THOMAS PARRAN,
Surgeon General.

The above exchange of letters between Mr. Reid and Dr. Parran brands as a malicious falsehood the statement that the United States Public Health Service is opposed to the Mundt amendment or to any constructive attempt to begin the solution of America's very serious pollution problem. In recent publicity releases, the Cincinnati Chamber of Commerce has dropped its mask of favoring antipollution legislation and is now openly advocating the defeat of Senate bill 685 on the basis that, in its present form, it actually takes steps to curb the evil of pollution. That is to be expected. It is only logical that polluters would want to ply their practices as long as public indifference or congressional lethargy permitted. It is really a wholesome sign that the polluters of America, instead of continuing their Trojan-horse policy of sending lobbyists to Washington to favor inane and silly legislation criticizing pollution and then condoning it, are now forced to unmask their true intentions and to fight in the open for legislation "of the polluters, by the polluters, and for the polluters." Few, if any, Congressmen will now, since the choice is evident and the decision clear-cut, vote to sacrifice the rights of the people to the predatory interests of pollution.

Senate bill 685 as it passed the House is a reasonable and righteous bill. The House conferees are prepared to battle for its acceptance as is. It is hoped all Congressmen and Senators interested in a better, cleaner, happier, and more healthful America will resist the propaganda now pouring in upon them from the pollution interests and enact S. 685 into final law with its amendment labeling pollution as contrary to the public policy of the United States, plus its rational provisions to set up reasonable barriers against new sources of pollution and against the contamination of the all too few clean streams still existing in America the beautiful.

NO WHITE FLAG TO THE BLACK BARONS!

A vote for Senate bill 685, with the Mundt amendment, is a vote for fair play and for giving the people's rights at least equal consideration with the polluters' predacity. A vote to accept Senate bill 685 without the amendment to regulate new sources of pollution would be a vote of surrender to the barons of pollution and a weak confession that America is reconciled to have her rivers and streams of today become the sewers and filth trenches of tomorrow. It is inconceivable that this Congress would ever run up the white flag to the black piracy of pollution.

Thomas C. Corcoran—Securities and Exchange Commission

EXTENSION OF REMARKS

OF

HON. STYLES BRIDGES

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Friday, April 12 (legislative day of Monday, April 8), 1940

ARTICLE FROM THE UNITED STATES NEWS AND EDITORIAL FROM THE CLEVELAND PLAIN DEALER

Mr. BRIDGES. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD two articles, one from the United States News of April 12, 1940, entitled "Tom Corcoran's Success—The Story of the Administration's 'Power Behind the Throne,'" and an editorial from the Cleveland Plain Dealer of March 23, 1940, entitled "Investigate the S. E. C."

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the United States News of April 12, 1940]

TOM CORCORAN'S SUCCESS—THE STORY OF THE ADMINISTRATION'S "POWER BEHIND THE THRONE"—HIS ABSENCE FROM WASHINGTON FOR A BRIEF INTERVAL IS FELT IN OFFICIAL CIRCLES

Thomas C. Corcoran finds his work piling up. He got married and left Washington on his honeymoon. Immediately things began to happen that demanded his attention. A vitally important opening developed on the Securities and Exchange Commission. Relief policy came up for decision. Trouble developed over television. President Roosevelt, recovering from a cold, had a dozen jobs that needed doing.

Without Corcoran on the job high officials complained that the "spark plug" was gone. They remarked that he would have to hurry back. They raised questions about appointments overdue. They wondered—and their wonder was reported by his close friends, Joseph Alsop and Robert Kintner, newspaper columnists—how Tom Corcoran would find an answer to the S. E. C. problem; to pick a Republican who would vote like a new dealer.

AN AMAZING SUCCESS STORY

All of this called attention to the most amazing success story in recent Washington history—a story that never really has been told.

It is the story of a young man who, in a few brief years, has picked 4 out of 9 Supreme Court Justices, who has named judges and district attorneys, and officials of major departments, who has a strong voice in the operation of 4 of the 10 executive departments of the Government and a score of agencies. Nobody quite remembers when there has been another Government official like Tom Corcoran, wielding immense influence, yet operating constantly in the background.

WIDESPREAD ACTIVITY REVEALED

Tom's operations only now can be reported with a measure of completeness. From Corcoran's associates and appointees comes the information that follows, revealing for the first time how widespread is his activity.

Tom Corcoran takes special pride in the change he has wrought in the personnel of the Nation's courts. Four appointments to the Supreme Court, in which he had a hand, altered the viewpoint of the Court and lowered appreciably its age level.

It was Corcoran who successfully urged the Supreme Court appointment of Stanley Reed, his nominal boss at the R. F. C. Corcoran influence dominated in the selection of William O. Douglas to fill a second Court vacancy. When Justice Brandeis resigned from the Supreme Court, Tom had an opportunity to repay an old debt by pulling successfully for the selection of Justice Frankfurter. The Justice, then a Harvard professor, had been responsible for Corcoran's entrance into Government service when, back in 1931, he recommended the young Wall Street attorney to Eugene Meyer for a job with R. F. C.

In his latest maneuver affecting the Supreme Court, Tom Corcoran sold the idea of elevating Frank Murphy from the Attorney Generalship to the Court and raising his close friend, Robert H. Jackson, from the Solicitor Generalship to the Attorney Generalship.

These are revealed by the facts to be typical moves, although in the higher realm of appointments. They show why it is that Corcoran is so respected and so carefully watched. Tom's interest in courts, however, is not confined to the Supreme Court. Recent appointments of appeals court judges in which he was much interested are those of Calvert Magruder, of Cambridge, Mass.; Charles E. Clark, of New Haven; and William Clark and Herbert Goodrich, both of Philadelphia.

Tom also takes pride in pointing out to friends that his efforts have resulted in reduction of the over-all age of United States district attorneys by more than 100 years. Two of his favorite choices are District Attorneys John T. Cahill, at New York City, and William J. Campbell, at Chicago. Right now Corcoran is particularly proud of the work of John Rogge, Assistant Attorney General in charge of the Criminal Division, who was selected on his urging.

But Tom Corcoran's interests extend far more widely than in the narrow field of the judiciary.

A WALL STREET GRADUATE

Corcoran has taken a special interest in regulation of Wall Street and of the public utilities. Together with his friend Ben Cohen, he was graduated into Government service from Wall Street. Tom managed to retain a modest fortune that he made in the period from 1926 to 1931. He has retained, too, a desire to bring private finance and the private power industry to heel. In practical terms, Corcoran has selected a majority of the members of the S. E. C., charged with regulation of both the security issuance and trading industry and the utility holding-company industry.

Chairman Jerome Frank, of S. E. C., was taken under Tom's wing when Chester Davis purged him from the A. A. A. Frank, after serving for a time with R. F. C., moved to a place on S. E. C. When two other vacancies occurred, Corcoran picked Leon Henderson to fill one and Representative Edward C. Eicher to fill the other. Henderson had supplied the New Deal with economic ideas and Eicher had helped with the attempted 1938 purge of conservative Democrats.

REFLECTORS OF A VIEWPOINT

In the field of electric power, Corcoran went further. He picked Leland C. Olds to be chairman of the Federal Power Commission, Harry Slattery to administer the Rural Electrification Administration, and Ben Cohen to serve as general counsel of the National Power Policy Committee. Seven out of nine members of this policy committee reflect the Corcoran viewpoint.

Tom Corcoran, of course, had a hand in the selection of his very good friend, Harry Hopkins, to be Secretary of Commerce, and he

saw to it that David Niles, another friend, was chosen to handle Commerce Department patronage, including the census. Tom picked A. J. Wirtz as Under Secretary of the Interior.

But some of Corcoran's most interesting and striking successes have occurred in the Treasury Department, where conservative Henry Morgenthau rules.

During the early New Deal years, Corcoran's interests were represented by the late Herman Oliphant, who served as general counsel and exercised great influence on tax and fiscal policy. After Mr. Oliphant's death, Corcoran introduced as his successor Edward Foley, who had been one of his young friends in the R. F. C., and whose viewpoint closely paralleled that of Oliphant. When Mr. Morgenthau brought in conservative John W. Hanes as Treasury Under Secretary in charge of taxes, Tom Corcoran was greatly disturbed, but Hanes did not stay long when he found that his tax ideas were stymied in ways that he couldn't understand. Today John L. Sullivan serves, on Corcoran's recommendation, as Assistant Treasury Secretary in charge of taxes. Businessmen who have wondered what became of the plan for removing tax irritants and depressants no longer need be in doubt.

A HAND IN MONEY POLICY

Harry White, who directs money policy at the Treasury, represents the Corcoran viewpoint, and so—in a measure—does Lauchlin Currie, economic adviser to the President, although Currie is not a member of the Corcoran group.

This same story of success runs through department after department and agency after agency.

It was Tom Corcoran who selected and recommended James L. Fly to head the Federal Communications Commission. Corcoran approved Theodore Kreps as successor to Leon Henderson in directing the work of the monopoly committee. Corcoran recommended Francis Biddle as Solicitor General. He promoted Abe Fortas to the job of General Counsel of P. W. A., and has Fortas as one of his candidates for the S. E. C. job vacated by George Mathews, if the P. W. A. counsel can prove that he is a Republican. Corcoran had a hand in selecting Charles Fahy to be General Counsel of the National Labor Relations Board. All of the Assistant Attorneys General under Frank Murphy had been selected by Corcoran. Gerald Reilly, solicitor of the Department of Labor, is a Corcoran choice.

And so it goes.

There are some departments, however, in which Tom Corcoran has not been able to exercise much influence, and some others in which he has not been interested. He concluded early that the Army and Navy were special fields not directly involved in questions of domestic policy. For that reason those two service departments have not shared in the attention devoted to other departments.

Tom met a stone wall when his interest in personnel clashed with those of James Farley, Postmaster General, and the Post Office Department has been far outside of his realm. Corcoran, likewise, has not had much success with Henry Wallace at the Department of Agriculture. Mr. Wallace, consequently, is very definitely excluded from calculations of the New Deal group, although he runs the largest New Deal experiment. In the same way, Cordell Hull, at the State Department, has refrained from going along.

Corcoran has been so busy with his widespread activities in the broad field of administrative policy and personnel that he has not, this year, had time to devote to Congress. There was a period when calls from Tom Corcoran caused administration leaders in both Houses to jump.

The fact, however, that Corcoran does not have personal representatives in a department or in Congress is not a sign that he is out of touch with situations in those places. Tom has found it very important to have young lawyers placed in all parts of the Government. Those lawyers sit in on conferences and are aware at all times of what is going on. The result is that Corcoran is better informed on the inside workings of this Government than any other person, with the possible exception of President Roosevelt.

Corcoran, through experience, has learned to be a great believer in young men in key positions because young men are less inclined to be swayed by sentiment or by business and financial ties.

The amazing story of rising success and power for a man barely 40 years of age started back in the early days of the New Deal when Joe Kennedy, now Ambassador to Great Britain, was giving a small party at which President Roosevelt was present. Tom Corcoran entertained at that party with his accordion and with his piano playing, both accompanied by a baritone voice that carries an endless repertoire of ballads. Mr. Roosevelt was entranced both by the entertaining ability of Corcoran and by his personality. He was invited to the White House, and today stands as the man who wields more power than any individual in the Government other than the President himself. New dealers speak of Tommy Corcoran as the "power behind the throne."

EXERCISING EFFORT AND VIGILANCE

Tom earned that reputation by dealing in personalities and in issues. He has expressed to friends his conviction that only by untiring effort and constant vigilance can the liberal ideas which he holds be transformed into action. Corcoran himself is a striking example of both effort and vigilance. He is so active, has so many irons in the fire, faces such demands upon his time that he maintains three bases of operations

One is his official office on the eleventh floor of the R. F. C. building. It is as special counsel of R. F. C. that Corcoran draws his $10,000 a year, and Jesse Jones, R. F. C. chairman, would not say that this is overpayment for the few hours each month that Tom can devote to the Corporation. The second office is at the Department of the Interior, where Corcoran's good friend, Harold Ickes, runs the show and where his other good friend, Ben Cohen, operates. Then there is a third base at the Department of Justice, where one more good friend, Robert H. Jackson, presides.

With Tom Corcoran gone, Washington was quiet.

[From the Cleveland Plain Dealer of March 23, 1940]

INVESTIGATE THE S. E. C.

After completing an investigation of the British banking system, the House of Lords reported, in 1848, that "the best banking system may be defeated by imperfect management, and on the other hand, the evils of an imperfect banking system may be greatly mitigated, if not overcome, by prudence, caution, and resolution."

This observation of the House of Lords is in order in connection with the Securities and Exchange Act and its administration by the Securities and Exchange Commission. High-handed administration by the Commission has created a situation which makes it virtually impossible for the investment banking machinery to operate effectively and serve the functions for which it was set up.

The Securities and Exchange Act was passed, and the Commission created, for the purpose of subjecting the underwriting of and trading in securities to proper regulation. Abuses in connection with both came to light in the decade of the 1920's which demonstrated beyond a doubt the need for regulation of a branch of commerce which is affected with a broad public interest and in which an uninformed and gullible public had dropped billions in the decade following the Great War.

Quickly drawn as it was and based on incomplete information with respect to the functioning of the stock exchanges and the business of security underwriting, the act was obviously imperfect. In some respects it was faulty in a high degree, but in the hands of a commission having prudence, caution, and resolution, the act could have been made to provide the intended protection to investors without damming up completely the flow of new capital into productive enterprise.

In the hands of a commission which has been captious and unsympathetic, the Securities and Exchange Act has created a situation which has lately become impossible to the investment fraternity. As a consequence, the Investment Bankers' Association is involved currently in a controversy with the S. E. C. which probably will not be quieted until the operations of that Commission are subjected to a congressional investigation similar to that made recently of the N. L. R. B.

The immediate issue in the controversy is the arm's length bargaining provision of the Public Utility Holding Company Act, administration of which is also vested in the S. E. C. Involved here is the broad question of whether it is preferable for industry entering the market for new capital to deal with an investment banker of its own choice or whether all securities coming on the market should in effect be put up at public auction in the open investment market.

In the fuss that has been precipitated between the S. E. C. and the I. B. A. the original subject of controversy has become subordinate. The Government agency charges the investment bankers with having no interest in investment, in security buyers or even in the capital markets, but in regaining by any subterfuge, their "outlawed privilege of operating their financial markets without responsibility to anybody but its own little group."

This newspaper will hardly be charged in this instance with being prejudiced in favor of the bankers. Back in the 1920's when they were pursuing a course which could not fail to involve the public in heavy losses, if not to precipitate a financial collapse, we called attention repeatedly to the dangers of the situation. Again in the early days of the New Deal when the Securities and Exchange Act was under consideration we consistently and persistently urged the enactment of a measure with real teeth in it, one that would protect the investor and put the investment business into the place in our financial organization it is designed to occupy.

We still feel the act is passably good, but its administration by the S. E. C. has been putrid. There is evidence in abundance to support the thesis that the Commission, in the exercise of its broad and largely undefined administrative powers, has gone much further than it was necessary to go to secure information for the public's protection. There is unfortunately not a little evidence pointing to a desire on the part of this agency to impede and to deter private financing to the end that the field for Government financing be extended and expanded, so that the alleged failure of private capital to seek productive employment could be used as excuse for unbalanced budgets, for pump-priming expenditures, for the encroachment of the Federal Government on private enterprise, as in the public-utility field, and as argument for the substitution, which already had gone too far, of a Government-managed economy for one of private enterprise.

We would hesitate to say with Congressman COX, of Georgia, that the S. E. C. is "rapidly falling to the low level of the N. L. R. B." We hope its offenses are less grievous and its objectives more nearly consistent with the aims of the legislation under which it was created. But we agree with COX and with Senator VANDENBERG that "a thoroughgoing, constructive, fact-finding investigation would be a wholesome thing for the country and the S. E. C. itself."

Such an investigation pretty clearly must be a forerunner to the restoration of confidence in the capital market and to the re-establishment of conditions under which the flow of investment funds into permanent plant and equipment will be resumed. Without that, the history of the last decade indicates, we may reasonably expect no full employment of our productive energies and accordingly nothing better in a business way than the subnormal operations of the 1930's.

Recent National Conservation Conventions Endorse House Version of Antipollution Bill With Mundt Amendment

EXTENSION OF REMARKS

OF

HON. KARL E. MUNDT

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

Mr. MUNDT. Mr. Speaker, since March 1, when this House passed Senate bill 685 containing committee amendments and the so-called Mundt amendment to provide means of discouraging indiscriminate pollution of clean waters and discharge of new sources of pollution where they would have deleterious effects upon streams still biologically valuable, several great conservation organizations have held their national conventions. It is of more than passing significance that each of these conventions, which include America's greatest conservation groups, enthusiastically passed resolutions praising the House action in regulating new sources of pollution and in giving sense and substance to the version of S. 685, which came to us in such an incongruous form from the Senate.

AMERICAN WILDLIFE CONFERENCE ENDORSES MUNDT AMENDMENT

The North American Wildlife Conference, holding its fifth annual meeting in Washington on March 18, broke a long-standing tradition against passing resolutions on legislative matters and passed the following resolution in cognizance of the tremendous importance of sensible clean-streams legislation if wildlife is to be kept from extinction in America:

Resolved, That the Fifth North American Wildlife Conference recommend to the joint conference committee of the Senate and the House of Representatives that the antipollution bill, S. 658, be favorably reported in the form and with the amendments as it passed the House of Representatives on March 1 of this year; be it further

Resolved, That if this bill is not so favorably reported, that it is the sense of this conference that the bill should be defeated.

AMERICAN FISHERIES SOCIETY PASSES SIMILAR ENDORSEMENT

In a letter to Senator BARKLEY, of Kentucky, under date of March 22, the American Fisheries Society recorded its resolution in favor of the amendment to protect presently clean streams from pollution and to set up a "needs test" before new sources of pollution are permitted on navigable streams in the following language:

AMERICAN FISHERIES SOCIETY,
Washington, D. C., March 22, 1940.

Hon. ALBEN W. BARKLEY,
United States Senate, Washington, D. C.

DEAR SENATOR BARKLEY: I am requested to advise you that the American Fisheries Society is in favor of the passage of the Barkley bill, S. 685, as amended by Congressman KARL MUNDT, and trusts that you and your Senate and House conferees will pass it with this amendment. Without this amendment the society prefers to see the measure killed.

Respectfully submitted.

TALBOTT DENMEAD,
Secretary, Committee on Pollution.

IZAAK WALTON LEAGUE CONVENTION ENDORSES MUNDT AMENDMENT

Meeting in Chicago, the national convention of the Izaak Walton League of America made the subject of pollution its first order of business, and in resolution No. 1 emphatically urged Congress to pass S. 685 in the form in which it passed the House and with the Mundt amendment included. This resolution also asked all Congressmen and Senators to vote against S. 685 as a hollow subterfuge and a backward step antagonistic to honest clean-streams legislation if the conferees should by any chance yield to the pressure of polluters and delete the Mundt amendment from the bill as reported by the conference committee.

THIRTY-THIRD ANNUAL CONVENTION OF GAME AND FISH COMMISSIONERS PASS CONVENTION RESOLUTION FAVORABLE TO MUNDT AMENDMENT

Meeting in June of 1939, before action was taken by the House on the subject of pollution but after the Senate had passed the original version of S. 685, which later analysis showed to be more destined to encourage rather than diminish pollution, the International Association of Game, Fish, and Conservation Commissioners, meeting in San Francisco on June 29 and 30, passed the following resolution, which is found on page 121 of their convention report:

Whereas the pollution in the waters of the United States is detrimental to our valuable fish and other wildlife; and

Whereas there are several bills pending in Congress to regulate pollution in navigable waters:

Resolved, That the International Association of Game, Fish, and Conservation Commissioners, assembled in San Francisco, Calif., these 29th and 30th days of June 1939, after carefully considering the various measures, does hereby recommend to Congress the passage of the bill introduced by Congressman KARL MUNDT, known as H. R. 6723, and that the secretary be authorized to transmit copies of this resolution to Congressman MUNDT, the press, and others he may feel should be advised of the action of this association.

Mr. Speaker, it should be remembered that my bill, H. R. 6723, would have gone much further in the regulation and control of pollution than the so-called Mundt amendment. H. R. 6723 was designed to take steps to curb present practices of injurious pollution as well as to decrease indiscriminate pollution of the future. The Mundt amendment lifted from H. R. 6723 its pollution-discouraging features insofar as they pertain to new sources of pollution, but it sets up no regulations to penalize or prevent existing sources of pollution. Public-spirited industrialists should welcome such a fair and considerate compromise and most of them do; however, a few stubborn and ultraselfish pollution profiteers want to persist in their practice of indiscriminately poisoning and polluting existing clean streams and ruining to the point of biological sterility streams which still serve the public interests. It is these let-the-public-be-damned polluters who are now urging Congress to delete the Mundt amendment and to pass S. 685 in such an adulterated version that it will actually do more to promote pollution than to prevent it.

Fortunately for this country, it is my sincere conviction that most Senators and Representatives are more interested in preserving America than they are in protecting its polluters, and so I am highly hopeful that the conferees and the Congress will adopt S. 685 in its present language with the amendment included, which for the first time in American history sets up some reasonable barriers against unreasonable forms of future pollution.

SENATOR BARKLEY'S HOME STATE NEWSPAPER ADDS ITS ENDORSEMENT

Indicating that those having an opportunity to learn the facts almost universally endorse and sponsor the House action in adding pollution-preventing clauses to S. 685, the potent Louisville Times, of Louisville, Ky., ran the following editorial after the House action on March 1:

[From the Louisville Times of March 11, 1940]

WHY SHOULDN'T STATE'S SENATORS ACCEPT HOUSE AMENDMENT OF WATER-POLLUTION BILL?

Conservation forces procured in the House an amendment to the Barkley-Spence water-pollution bill which we believe will make it much more effective than it would have been as the Senate passed it.

They express the hope that Senator BARKLEY will accept the amendment.

Is there any reason why Senator BARKLEY and Senator CHANDLER should not approve the bill as amended?

The Barkley-Spence bill received wide endorsement before it was up for passage in the Senate, and after it passed the Senate and was sent to the House for consideration. Enlightened discussion attended action by the House, and an amendment which water polluters and their lobby opposed passed the House by a substantial majority.

Those who procured its adoption declare, and apparently are prepared to prove, that the polluter's lobby, which endorsed the Barkley-Spence bill in its original form, is fighting the amendment.

EVEN AMERICAN ASSOCIATION FOR ADVANCEMENT OF SCIENCE ENDORSES MUNDT POSITION ON POLLUTION CONTROL

Occasionally some careless and overzealous prince of pollution condemns those who favor "doing something about" pollution regulation as "starry eyed idealists" or "impractical purists" or some such phrase intended to be derogatory and destructive. Such spokesmen for polluters forget the fact 20,000,000 adults in this country are either hunters or fishermen and that their numbers are amply abetted by millions of other outdoor enthusiasts who never pull a trigger or wet a line, but who value the importance of a clean stream, to say nothing of the great army of John Citizens who are getting tired of drinking water distilled from open sewers and industrial drain pipes. Those who recklessly rise to defend pollution against all comers and refer to those of us who are willing to fight back for clean streams as a "highly vocal minority" forget or do not realize that recreation today—primarily associated with some phase of clean streams and unpolluted waters—is one of America's $1,000,000,000 industries, distributing employment more widely and rewarding employees more generously than the sum total of stubborn, self-centered polluters who mournfully wail when the people set out to prevent them from extending the "right of pollution"—a right they never had in the first instance—to our few remaining virgin streams.

It must come as a shock to these apologists for pollution, therefore, to read the following resolution passed at the annual conference of the American Association for the Advancement of Science at its December meeting in 1939, just shortly prior to the House action on pollution and again after the ill-advised and ineffective Senate version of Senate bill 685 had passed the Senate. On December 30 this conference unanimously adopted the following resolution:

The menace of stream pollution has already been given careful consideration and the American Association for the Advancement of Science has expressed its views that any legislation should include provisions for reasonable control by constituted authority. At present the Mundt bill as amended is the only measure yet proposed which conforms to that consideration.

A SCIENTIST IS HARD TO FOOL WITH A PRETTY ADJECTIVE

Mr. Speaker, it takes a brave baron of pollution to refer to the American Association for the Advancement of Science as "starry eyed idealists." These are hard-headed, level-thinking, analytical scientific men used to conversing with slide rules and mathematical formulas. They are hard to fool. They are logical and cautious. A naughty adjective does not stop them from following through a sentence to the verb to see what the author proposes to do about the subject he so vigorously assailed.

Unfortunately for the sly polluters, who now admit they had their finger in the drafting of the original version of Senate bill 685, these men of science looked for the verbs in that bill and found them as scarce as pollutionists at a fishermen's camp. Senate bill 685 criticized pollution with all the fighting adjectives in a lexicographer's handbook, but it concluded by caressing its continuance with all the endearing terms of a love lyric. Such trickery did not add up right to scientific men, so they endorsed the Mundt bill, because they realize the national destructiveness of unrestrained, unregulated, uncontrolled, and unconscionable pollution.

YOUR VOTE WILL POLLUTE OR PROTECT AMERICA FOR YOUR CHILDREN

In a few days or a few weeks now, Senators and Representatives, you and I will be privileged to cast our individual votes for or against a polluted America. It is hoped the conference committee now studying Senate bill 685 will bring back a report accepting the House amendments, including the Mundt amendment to discourage new sources of pollution. If it does, you and I can proudly vote for legislation to protect America from wholesale pollution of streams yet unspoiled or by sources yet unused. If the conference committee fails us, and brings back a version of Senate bill 685 dictated by the polluters' point of view that rivers are intended to be nature's sewers, you and I have the high privilege of rejecting this legislation forthwith for the subterfuge which it would be and of voting against the entire legislation.

We have a happy opportunity to help pollute or protect America by our votes on this legislation. By retaining the amendment to retard the expansion of new types of pollution we shall be taking a great forward step to a more healthful America and a more wholesome out-of-doors. If this amendment is deleted by the direction of the polluters, we can still serve the cause of conservation by voting against the hollow shell which would then remain and thus giving hope to America that, lacking the courage to outlaw pollution of the present or future we at least possess convictions too high to permit us to support legislation to give solace to the polluters. Thus, by refusing to sign our names to legislation which surrenders to the polluters, we encourage America to believe that a future Congress of more sturdy Members will prepare and pass legislation to protect the people against the practices of those who heedlessly pollute the public waters.

THE MUNDT AMENDMENT—WHAT IT DOES AND DOES NOT DO

The extensive polluters' lobby now encamped in Washington has resorted to crying "Wolf, wolf," when there is no wolf in S. 685 as it passed the House. They set up straw men and imaginary ghosts to try to frighten Members into voting against the so-called Mundt amendment. They tell you in personal conference, by inspired letters, by publicity releases, and printed tracts that this amendment to discourage new sources of pollution "will stop cities from adding new apartment houses or residential areas to their city sewers; that no new industry can hook up with the city disposal system; that farmers will be prevented from pasturing stock near banks of streams; that no new industry can be established on any river in America"; and the polluters set up numerous other impossible and equally silly contentions with which to fool mature-minded men and women in the House and Senate into casting a polluter-protecting vote.

What do the facts in the situation reveal? In the first place the Mundt amendment—now identified as subdivision D of section 2 of the March 6 print of S. 685, found on page 17 of the bill—limits its restrictive language to "sewage or industrial waste." Automatically that eliminates the army of straw men represented by the scared cries that it will work a hardship on farmers and stockraisers. What next? The amendment limits its restrictive language to "new sources of pollution." Another apartment house, another residential section added to a city, another industry emptying its discharge through an existing sewer system could not possibly be interpreted as a "new source of pollution." It is an expansion of a prevailing nuisance; it is an extension of existing sources of pollution; it may be unhealthful to people and injurious to fish and animal life, but it is not "new pollution."

Finally, how is this restrictive language implemented? The amendment says, "no new sources of pollution, either by sewage or industrial waste, shall be permitted to be discharged into the navigable waters of the United States and streams tributary thereto until and unless approved by the division." Note that this "division" is the "division of water pollution control" set up by the original authors of S. 685—including the Cincinnati Chamber of Commerce by self-admission—and this division can permit the discharge of any sources of pollution, old or new, which it does not consider deleterious to the public interests.

WHAT MORE COULD POLLUTERS REASONABLY ASK?

Have the polluters any right to ask for more license than that? By what strange pagan creed do they reason that they should be permitted to disregard public interests and set up new sources of pollution antagonistic to public health and common decency? The division which they themselves set up is empowered to establish standards of purity to judge the effects of new discharges of pollution, and to grant or refuse permission to permit these discharges on the basis of their effect upon the public interests as represented in the navigable watersheds of America. In all fairness, could conservationists ask for less and keep faith with the public welfare in America? Should polluters ask for more and expect to retain the respect of the fair-minded people of America? Boiled down to what it does and not what the polluters describe it as

doing, this amendment carefully and cautiously sets up barriers against deleterious new sources of pollution which cannot be justified before the division of water pollution control as being economically essential in face of their effects upon the public interests. No hard and fast barriers are established. The division is comprised of fair-minded and reasonable public officials.

They will establish standards of purity based upon public needs and campatible with economic necessity. They will treat the polluters and the public with equal justice and fairness. They will neither harass industry needlessly nor ignore the public interests. They represent, under the authority of this amendment, the most moderate approach to the eventual solution of America's pollution problem that can be devised without a complete capitulation to the polluters and a public confession that nothing is to be done to disturb their expansion of pollution to the point that not a fish can swim in our streams and where our rivers will become creeping cesspools, indicating to a sorry world that America is the land of the free and the home of pollution.

THIS CONGRESS FACES A GREAT CHALLENGE

This Congress faces a great challenge in conservation. It is my conviction that it will meet the challenge courageously and enact Senate bill 685 in the form in which it passed the House, thus treating with equal justice the people who own our streams and the polluters who heretofore have unhappily monopolized so many of them for private profit. By so doing we can make a lasting contribution to the conservation of American natural resources and the protection of the peoples' rights. We can help give substance to the song, America the Beautiful.

International Union of American Republics

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

ADDRESS BY THE PRESIDENT

Mr. BARKLEY. Mr. President, I ask unanimous consent that there be printed in the RECORD a very interesting and timely address delivered today by the President of the United States before the Governing Board of the Pan American Union.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

In the year 1890, on April 14, and without fanfare of trumpets, an Inter-American conference unanimously adopted a resolution providing that "there shall be formed by the countries represented in this conference an association under the title of the International Union of American Republics."

The tasks of the new organization were simple. They were to collect and distribute commercial information, to publish a bulletin, to provide trade information and to carry forward the work of promoting sound business relations.

But behind these prosaic words there was the driving force of a great American conception which had been gathering headway for 60 years.

The ideal originated in the mind of Simon Bolivar; and a kindly history has preserved for us the draft he had written in 1825, sketching his purpose and objective.

His aim was peace for the Americas. His hope was that the American example might eventually give peace to the entire world. His plan was stated in a single, brilliant sentence: "The New World takes shape in the form of independent nations, all joined by a common law which would control their foreign relations and would offer them the stabilizing force of a general and permanent congress." The result, as you know, was the calling of the Conference of Panama in 1826.

At that time, it took bold minds even to dream of universal peace. And yet the Congress of Panama gave clear expression to precisely that aspiration. Before that time, there had been but two systems of peace known to the world. One of them had been the peace of universal conquest, which Rome had achieved and lost, and which Napoleon had vainly endeavored to imitate. The other was the dangerous and temporary peace of balance of power—which even in 1826 was plainly no permanent solution.

At the Congress of Panama, the American nations proclaimed the ideal of a cooperative peace; the peace of free equals, freely agreeing to settle whatever differences might arise among them by none but pacific means—determined to cooperate with each other for the greater good of all.

Never before had any group of nations been asked to renounce the splendors of indefinite conquest, and to achieve their true grandeur by peaceful cooperation. Yet that was precisely what the Americas were considering.

The dream of Bolivar was not realized at the Congress of Panama. But it did remain a hope, an inspiration. To the writers, the poets, the dreamers, who kept the ideal of cooperative peace alive through the imperialist nineteenth century we owe an everlasting debt of gratitude.

In spite of several attempts to bring to a realization the ideal of inter-American unity, more than six decades went by before the seed began to grow. I am proud of the fact that on that occasion the initiative came from the United States. In 1888 President Cleveland approved an act of Congress authorizing him to call a conference of the American countries in order that there might be worked out a peaceful plan for the settling of disagreements and disputes, and a means of encouraging such reciprocal relations as would benefit all.

It was that inter-American conference, 50 years ago, that set up the International Union of the American Republics, the anniversary of which we are observing today. In opening the conference, James G. Blaine expressed its high purpose in the following words: "We believe that a spirit of justice, of common and equal interest between the American states, will leave no room for an artificial balance of power like unto that which has led to wars abroad and drenched Europe in blood."

Fifty years of unremitting effort has brought our republics far along the road that leads to this goal. Today as never before our nations have reason to appreciate the fruits of that progress. For today we are again face to face with the old problem.

Universal and stable peace remains a dream. War, more horrible and destructive than ever, has laid its blighting hand on many parts of the earth. Peace among our American nations remains secure because of the instruments we have succeeded in creating. They embody, in great measure at least, the principles upon which, I believe, enduring peace must be based throughout the world.

Peace reigns today in the Western Hemisphere because our nations have liberated themselves from fear. No nation is truly at peace if it lives under the shadow of coercion or invasion. By the simple process of agreeing that each nation shall respect the integrity and independence of the others, the New World has freed itself of the greatest and simplest cause of war. Self-restraint and the acceptance of the equal rights of our neighbors as an act of effective will has given us the peace we have had, and will preserve that peace so long as we abide by this ultimate moral law.

Peace reigns among us today because we have agreed, as neighbors should, to mind our own business. We have renounced, each and all of us, any right to intervene in each other's domestic affairs, recognizing that free and independent nations must shape their own destinies and find their own ways of life.

Peace reigns among us today because we have resolved to settle any dispute that should arise among us by friendly negotiation in accordance with justice and equity, rather than by force. We have created effective machinery for this purpose and we have demonstrated our willingness to have full recourse to that method.

Peace reigns among us because we have recognized the principle that only through vigorous and mutually beneficial international economic relations can each of us have adequate access to materials and opportunities necessary to a rising level of economic well-being for our peoples. In every practicable way we are seeking to bring this vital principle to its realization.

We of this hemisphere have no need to seek a new international order; we have already found it. This was not won by hysterical outcries, or violent movements of troops. We did not stamp out nations, capture governments, or uproot innocent people from the homes they had built. We did not invent absurd doctrines of race supremacy, or claim dictatorship through universal revolution.

The inter-American order was not built by hatred and terror. It has been paved by the endless and effective work of men of good will. We have built a foundation for the lives of hundreds of millions. We have unified these lives by a common devotion to a moral order.

The cooperative peace in the Western Hemisphere was not created by wishing; and it will require more than words to maintain it. In this association of nations, whoever touches any one of us touches all of us. We have only asked that the world go with us in the path of peace. But we shall be able to keep that way open only if we are prepared to meet force with force if challenge is ever made.

Today we can have no illusions. Old dreams of universal empire are again rampant. We hear of races which claim the right of mastery. We learn of groups which insist they have the right to impose their way of life on other nations. We encounter economic compulsions shrewdly devised to force great areas into political spheres of influence.

All of this is not of mere academic interest. We know that what happens in the Old World directly and powerfully affects the peace and well being of the New. It was for this very reason that we have adopted procedures that enable us to meet any eventuality. At Buenos Aires we agreed that we would consult,

should our peace be threatened. At Lima we agreed to stand together to defend and maintain the absolute integrity of every American nation from any attack, direct or indirect, from beyond the seas. At Panama we worked out ways and means for keeping war away from this hemisphere. I pray God that we shall not have to do more than that; but should it be necessary, I am convinced that we should be wholly successful. The inner strength of a group of free people is irresistible when they are prepared to act.

In my conception, the whole world now is struggling to find the basis of its life in coming centuries.

I affirm that that life must be based on positive values.

The value of love will always be stronger than the value of hate; since any nation or group of nations which employs hatred eventually is torn to pieces by hatred within itself.

The value of a belief in humanity and justice is always stronger than the value of belief in force; because force at last turns inward and if that occurs each man or group of men is finally compelled to measure his strength against his own brother.

The value of truth and sincerity is always stronger than the value of lies and cynicism. No process has yet been invented which can permanently separate men from their hearts and consciences or can prevent them from seeing the results of their ideas as time rolls by. You cannot make men believe that a way of life is good when it spreads poverty, misery, disease, and death. Men cannot be everlastingly loyal unless they are free.

We acclaim today the symbol of 50 years of the American way. We are determined to continue on that way in friendship. We are determined that our mutual relations be built upon honor and good faith. We are determined to live in peace and to make that peace secure. We are determined to follow the path of free peoples to a civilization worthy of freemen.

Farm Legislation at the Present Session

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

RADIO ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by me on Saturday, April 13, during the course of the National Farm and Home Hour over the N. B. C. network on the subject of farm legislation at the present session of Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am glad to have this opportunity to speak to the farm people of America and to the city people as well who may be listening to this farm-and-home-hour broadcast of the American Farm Bureau Federation. First of all, let me say that I come from an agricultural State. We have nearly a million farm people in New York. We produce a wide variety of farm products and we lead the Nation in the production of four or five important crops.

New York State ranks first in the value of dairy products, fourth in commercial truck crops, ninth in value of farm animals, first in the production of buckwheat, second in the production of grapes, third in cherry production, second in commercial apple production, fourth in pear production.

New York is not only a great producing area; it is also a vast consuming area. The New York City market is the greatest consuming center in the United States, one of the largest in the world; 13,000,000 consumers, about one-tenth of our country's entire population, reside in my State.

Therefore, I am interested in farm problems from the standpoint of both the farmer and the consumer. Since I first came to Congress I have had an interest in the welfare of agriculture, both in my State and in the Nation.

During the last 7 years we have been able to develop a workable farm program. The American Farm Bureau Federation has played a very important part in molding public opinion and helping to bring about the present national farm program, which has saved American agriculture from bankruptcy and the Nation from ruin.

Our present farm program is not perfect; we will never have a perfect program. It will always be necessary to modify and improve the program from time to time in the light of practical experience and to meet changing conditions. Nevertheless, I feel that we are making definite progress in our effort to improve agricultural conditions.

Coming as I do from the greatest consuming center in the Nation, and at the same time from a leading agricultural State, I realize the close interdependence of agriculture, industry, and labor. I appreciate the mutuality of interests of farm people and city people. I am convinced that we will never fully solve the unemployment problem until we solve the farm problem. It is equally true that we cannot fully solve the farm problem until we solve the unemployment problem.

Unless farmers are restored to a parity position with industry, we cannot have an adequate market for the goods of industry.

That is why I supported the present farm program; that is why I supported the farm appropriations when they were recently considered by the Senate.

I know of few activities by which the problems of the city and the country are dealt with more effectively than the program carried on by the Federal Surplus Commodities Corporation. It provides a realistic and effective solution of the paradox of starvation in the midst of bulging granaries and storehouses which afflicted us during the depression of a decade ago. By removing these price-depressing surpluses from market channels where they would otherwise ruin the farmers' prices, we increase the income of farmers, and at the same time we safeguard the health and well-being of millions of city families through distribution of the necessities of life to the destitute, to the low-income groups who otherwise could not obtain them. This program has had a wholesome and stabilizing effect upon our agricultural economy and has done much to relieve suffering in the cities. This program merits the continued support of both urban and rural people.

It was my pleasure last year, and again this year, to assist the officials of the American Farm Bureau Federation, headed by Mr. O'Neil, and its national fruit and vegetable committee headed by Mr. Herbert P. King, president of the New York State Farm Bureau Federation, in obtaining additional funds for the Department of Agriculture to study some of the problems confronting the producers of fruits and vegetables, particularly marketing problems.

But let me say a word about farm credit. One of the most important agricultural problems which has come before Congress for attention this session is that of rural credit. During the past 25 years we have built up a well-rounded system of rural credit—12 Federal land banks which extend farm-mortgage loans to farmers, 12 Federal intermediate credit banks which extend production credit through farmer-owned cooperative production credit associations—a system of banks for cooperatives to extend credit for farmers' cooperative purchasing and marketing associations. Notable progress in the extension and improvement in this system has been made during recent years.

As a result of long study of this problem of rural credit and years of practical experience in meeting the credit need of farmers, the major national farm organizations have come to the conclusion that this system should be administered and supervised by an independent bipartisan board.

A bill is now pending in Congress which removes the Farm Credit Administration from the Department of Agriculture, to which it was transferred some months ago by Executive order. It reestablishes it as an independent agency under the administration of a board of five members.

This legislation is strongly supported by representatives of the American Farm Bureau Federation, the National Grange, the National Council of Farmer Cooperatives, and other farm groups. It merits very careful attention and consideration.

One of the great problems confronting farmers and the Nation is the excessive cost of distribution, which penalizes both farmers and consumers. In an effort to improve the distribution of agricultural commodities, farmers developed cooperative marketing associations. Notable progress has been made in the farmers' cooperative movement. Farmers found by practical experience, however, that they alone could not solve the distribution problem. In order to supplement and assist farmers' cooperatives in grappling with the problem of distribution of farm commodities, the marketing-agreements program was developed as a part of the national farm program of 1933. Since that time it has been modified and improved. It has been used with notable success to aid the producers of dairy products and certain fruits and vegetables.

In my State, for example, it has been a lifesaver to the dairy farmers. The inauguration of a milk-agreement order for the New York City milkshed in August 1938 raised the price to farmers immediately from $1.35 per 100 pounds to $1.87 and protected their market until February 1939, when the order was suspended. Chaos ensued and the market became demoralized. The price dropped from $1.88 in January to $1.38 in March and then to $1.04 in May. When the order was reinstated in July 1939 there was an immediate advance in milk prices from $1.14 in June to $1.50 in July to $1.89 in August and $2.28 in November. In his attempt to secure fair and just prices for his milk the farmer has the support of the consumer, while at times both have felt that the cost of distribution and of processing was excessive.

One of the most important measures acted on this session of Congress is the resolution extending the Hull Reciprocal Trade Agreement Act. I supported the trade-agreement program because I want to promote the fullest practical development of our markets, both foreign and domestic, and because I believe it will help to create a solid foundation for a stable peace and for satisfactory world economic progress after the present European war is over.

It is a forward-looking, practical program, under which, as a Nation, we are making tremendous progress under conditions of safety and neighborliness. Secretary Hull has cautiously safeguarded the interests of our farm and industrial interests and at the same time has gained hundreds of concessions from foreign nations for our agricultural and industrial exports.

Before I conclude let me draw your attention to some other important farm bills now before Congress. The House recently

passed a bill extending the current 3½-percent interest rate on Federal land-bank bonds for another 5-year period beginning July 1, 1940. This bill is now in the hands of the Senate Banking and Currency Committee. If it becomes a law, its benefits will save our farmers millions of dollars during the next few years.

The House Committee on Agriculture has approved the Lee-Jones Farm Tenant Act, designed to enable the Secretary of Agriculture to assist a greatly increased number of farm tenants up the ladder to farm ownership. It will likewise assist present owners to refinance their existing mortgages.

In short, the Lee-Jones bill provides for a system of Government insurance of farm mortgages similar to the mortgage-insurance provisions of the National Housing Act, under which the Federal Housing Administration has insured over $3,000,000,000 in mortgages for urban home owners.

I believe that this bill affords a real opportunity for Congress to do something about our farm-tenancy problem. About 42 percent of all our farmers were tenants in 1935. The Bankhead-Jones Act authorizes an annual appropriation of $50,000,000 for tenant purchase loans, but this amount is entirely inadequate to meet the needs of this type of financing. The Government cannot provide all of the needed funds, but it can tap a tremendous reservoir of private capital by setting up this proposed insurance system for tenant purchase loans.

I want to appeal for unity of action in the solution of our great social and economic problems—unity among farmers and unity between the great economic groups in our Nation—industry, agriculture, and labor—to cooperate together in the solution of these vital national problems.

In these days of uncertainty and unrest, as the last great bulwark of democracy left in the world, we need all of the strength and aid which unified, cooperative, and unselfish endeavor can supply. These are not days when we can afford to dry up the springs of progress by unsound, illogical, or unwarranted attacks on the mechanics of representative government. The most pressing requirement of this day and hour is patriotic cooperation in the advancement of methods designed to assist all of us—labor, industrialist, and farmer—in the economic plight common to us all. With unity and united endeavor we will, through democratic processes, hold the gains which we have made and pave the way for a brighter, happier, and more peaceful America in the tomorrows to come.

And in this splendid effort the American Farm Bureau Federation stands ready to make its fullest contribution.

Silver-Purchase Program

EXTENSION OF REMARKS

OF

HON. CHARLES W. TOBEY

OF NEW HAMPSHIRE

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. TOBEY. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a statement made by the senior Senator from Delaware [Mr. TOWNSEND] on April 15, 1940, on the silver-purchase program.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNITED STATES SILVER BUYING HELPFUL TO JAPAN

(Statement by Senator JOHN G. TOWNSEND, April 15, 1940)

How the United States foreign-silver-buying program is helping Japan is disclosed in an article in the March 21 issue of the Trans-Pacific, an American-owned Tokyo weekly.

The article reports that the Japanese Government has established silver buying in schools and department stores. At these offices such silver articles as medals, cigarette cases, sport trophies, and the like are purchased. In view of the shortage of foreign exchange in Japan, the availability of the Silver Purchase Act of 1934 is undoubtedly of great assistance to the Japanese Government.

The full text of the article follows:

"SILVER PURCHASES BEGIN

"A move to buy up silver held by the public was begun March 15 by the wartime Materials Utilization Association, supported by the Finance, Commerce and Industry, and Home Ministries, as well as the Tokyo prefectural and municipal offices and the Central League for National Spiritual Mobilization, Domei reports.

"Buying offices were set up in the Joto Primary School, Nihonbashi Ward, the Tokiwa Primary-School Nursery, in the same ward, and the Mitisukoshi, Shirokiya, and Takashimaya department stores. Members of the association and silver experts were at each place to weigh the metal offered. Signs stating 'Let's have your silver' urged the public to sell.

"Cash was paid at the rate of 0.3 sen a grain for such articles as medals, cigarette cases, cups, sport trophies, and other silver ornaments. One person was reported to have offered 200 silver coins minted during the Meiji era. Another seller was Mr. Hachio Shiokawa, managing director of the Dai-Ichi Marine & Fire Insurance Co., who received 26.87 yen for disposing of a Daikokuten (god of wealth) and other ornaments.

"No time limit has been set for purchases."

The Townsend Pension Plan

EXTENSION OF REMARKS

OF

HON. SHERIDAN DOWNEY

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

LETTER TO HON. JOHN TABER, OF NEW YORK

Mr. DOWNEY. Mr. President, I ask unanimous consent to have printed in the RECORD a letter dated April 15, 1940, addressed by me to the Honorable JOHN TABER, Member of Congress, discussing the question of the yield under the 2-percent transactions tax provided for in the Townsend bill.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 15, 1940.

Hon. JOHN TABER,
Member of Congress, Washington, D. C.

DEAR CONGRESSMAN TABER: It has been called to my attention that on March 27, 1940, in the House of Representatives you stated that the 2 percent gross income tax, provided in the new Townsend bill, would yield only $12.25 a month for each of the 10,000,000 recipients who are expected to claim the pensions.

Your statement is plainly and grossly erroneous and in common decency should be retracted by you.

My own calculations show that, before exemptions are figured, there would be about three hundred and sixty-five billions of gross income subject to the 2-percent levy. This predicated upon a net national income of seventy-five billions.

Under the bill, wages up to $250 a month are exempt as is gross income of other kinds up to $3,000 annually. This provision would exempt about sixty-five billions, leaving three hundred billions subject to the tax of 2 percent. This would produce six billions which would provide $50 a month for 10,000,000 people.

If you wish to verify my figures of a gross national income of three hundred and sixty-five billions you can do so by referring to the hearings relative to the Social Security Act amendments of 1939, before the Committee on Ways and Means, House of Representatives, Seventy-sixth Congress, first session, volume 1, page 849, wherein representatives of the Department of Commerce testified to about the same amount. I might tell you that several of the governmental bureaus in Washington will report to you about this same approximate gross national income, which, of course, varies with our periods of prosperity and depression.

In your calculations you assume that 70 percent of the gross income would not be taxed under the provision exempting wages up to $250 a month and gross income up to $3,000 a year. Here you fall into sad and serious error. Doubtless you had in mind that about 70 percent of our income groups have incomes under $3,000 annually, but that doesn't mean that they have 70 percent of the gross national income. On the contrary, this 70 percent of our taxpayers receive only about 20 percent of the gross national income and not 70 percent as you figure.

You should be able readily to see why this must be true. And I calculate in rough figures to simplify your understanding.

45,000,000 workers, average wage exempt about $900 per year	$40,500,000,000
All other income groups—farmers, merchants, manufacturers, investors, etc., about twelve millions in number—average exemption $2,000 per year	24,000,000,000
	64,500,000,000

I might inform you that I have verified these figures of exemptions from several sources, including the Social Security Board. If you will address that Board I am sure what I have said will be corroborated.

I do not contend that my figures are entirely accurate. Precise yield of any gross income tax can be determined only by experience,

but certainly your estimates are widely in error, and you owe your colleagues and the people of this Nation a further and accurate statement which I hope may be soon forthcoming.

I remain,

Sincerely yours,

SHERIDAN DOWNEY.

Patent Sesquicentennial Dinner

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. EDWARD J. NOBLE

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD the interesting address delivered by Hon. Edward J. Noble, Under Secretary of Commerce, at the United States Patent Sesquicentennial Dinner, held at the Mayflower Hotel on Wednesday evening, April 10, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

We are gathered tonight to celebrate the close of the one hundred and fiftieth year of United States patent law and to acclaim the extraordinary progress of American invention under the protection thus afforded by the Congress. The heroes of the occasion are, of course, the inventors who through all these years have been constantly lightening the burden of our toil and enriching our lives with new materials. We are the heirs who have inherited the knowledge and skills these men and women have given the world; we will be the beneficiaries of their present and future labors.

There is nothing new or novel about the inventive spirit which has enabled these people to endow us with this wealth of goods and services. That spirit has a universal quality. It consists of an apt adjustment of the thirst for knowledge and the desire to build.

Those of you who have had the delight of reading Clarence Day's comments on This Simian World know the simple, monkeylike character we disguise under the phase "a thirst for knowledge." It is merely our everlasting curiosity, our human instinct for prying into things, our desire to know what makes the wheels go 'round.

This trait of curiosity causes man to pry into every corner of his world. We are a race of explorers, not so much because we want new lands as because we want to know what lies beyond the horizon. Even a man who has no expectations of ever going anywhere likes to look at a map. It shows him the relations between his part of the world and the mountains and lakes, the streams, and cities that lie beyond.

It is this same instinct of curiosity that animates all exploration in the fields of science. My learned friends differentiate between what they call pure science and what they know under the name of applied science. The former is curiosity in its most unmaterialistic form. When Sir Isaac Newton lay under the apple tree wondering why the fruit always falls downward instead of outward or upward he was engaging in scientific speculation of the pure variety. He was mentally exploring the forces called gravitation without thought of making any useful applications of such discoveries as he might make. He just wanted to ascertain the inward facts.

The "pure" scientists of today are still following that unmaterialistic bent. They are ranging through the universe exploring its every phase. With the accumulated knowledge of the ages at their disposal they are prying into every nook and cranny. Their field ranges from intimate exploration of the tiniest conceivable particles of matter out into the depths of astronomical space. They seek to learn just for the sake of knowing.

The men and women who have made the inventions we celebrate tonight have also been blessed with an abundant curiosity. In addition, however, they have been endowed with a strong desire to build, to construct, to produce something that is new and useful.

That combination of curiosity and the creative urge has existed to some degree in all ages and all climes. Somebody, sometime, discovered fire and the ways in which it could be made useful. Someone somewhere discovered the spear and the arrow, and thereby enriched the human race by making it easier to get meat. The old Greek, Archimedes, gave a huge lift to our thought about applying knowledge to useful purposes. In the centuries that have followed our workers in applied science have constantly gathered and applied more and more knowledge as to how to lighten the burden of human toil and how to produce newer and better things that are of use and value.

It is to these workers in applied science that we have been devoting our attention on this one hundred and fiftieth anniversary of the enactment of the first United States patent law. We are justly proud of the long and ever-growing list of Americans who have displayed this will to know about their world, and the desire to apply that knowledge in new and useful ways. Their genius has helped to make our lives richer and freer than anyone had reason to expect 150 years ago. During that interval their creative brothers in other lands have not been idle. We have profited by those foreign inventions, even as foreign peoples have profited by ours. We cannot fail, however, to take a just pride in the tremendous accomplishments the citizens of the United States have made in this field of invention during the last century and a half.

The first patent statute was enacted by the Congress of the United States and approved by President George Washington on April 10, 1790. That act and its successors through the intervening years have been designed for the sole purpose of stimulating and encouraging American inventive genius. They provide that anyone who invents a new and useful thing may receive a patent which will entitle him to the exclusive right to make, use, and sell that article for a specified number of years. After the lapse of that time the invention becomes public property. Thereafter everyone is free to use it without hindrance or charge.

The enactment of that statute so early in the career of the infant republic is but another evidence of the foresight and wisdom of the statesmen of that day. We would have had some new inventions without any Patent Act. The instinct to create cannot be wholly suppressed. There can be no doubt, however, that the fair and equitable protections established by our patent laws have achieved the purpose of stimulating and encouraging American invention. Without them we would not have secured the vast interest we have had in this exploratory field and our world of today would be lacking in very many of the important tools and products that make our civilization what it is.

Those of us who viewed the parade of inventions in the Commerce Department Building this afternoon must have come to the table tonight with a sharpened awareness of the relative poverty that existed in the world of 1790. We all know from our own experience the multitude of useful things we now have which were totally absent in our younger days. Some of us may not know much detail about the marvelous mechanisms that reduce the amount of human labor required to produce those goods. However, we know of their existence and see abundant evidence of them in the increasing sum of goods and services that are constantly becoming available in our daily lives.

This afternoon's parade of inventions could, of course, display only an infinitely small fraction of the tools and products that our American inventors have created since the first Patent Act was passed. It was an impressive sight. It served to renew our memories of the inventors of the past and present and our appreciation of their contributions to our civilization. As we reviewed their creations, thoughts must have passed through many minds of the toil and labors that went into the development of those inventions. The spiritual struggles, the repeated disappointments and finally, in those successful cases, the satisfactions of achievement.

To my mind, however, the most significant factor of all was another thing unseen. It was the fact that every one of those inventions, and the myriad of inventions which could not be displayed, were wholly absent from the lives of the men who lived in America in 1790.

It would be difficult to have portrayed more vividly the relative dearth of products that were available for consumption in the days of the founding fathers. Today's parade has also made it easier for me to visualize the enormous amount of labor and toil required to produce the handful of goods of indifferent quality that the average family of 1790 could have made for itself. The richness of the heritage we have gained from American invention is measured by the difference between the standards of living and hours of work that then prevailed and those we now enjoy in the America of 1940.

Around the dinner tables here in Washington tonight are many intrepid explorers of the unknown. I see distinguished representatives of the groups who exercise creative talent in many fields. Here are mechanical and hydraulic engineers who conceive and design great machines which contribute to lightening the labor in our industrial establishments, and little machines which we use directly to add to the comfort and efficiency of our daily lives. I see men who have won their distinctions in the field of chemical research where they are developing new and improved products and processes in a multitude of lines. I see scientists and engineers who devote their lives to finding new and improved applications of electricity and radio. I see leaders of industry whose function it is to manufacture the products of all invention and to put them into distribution so that they may become readily available to all. I see, also, distinguished members of the bench and bar, leaders from the Senate and the House, and officers from many branches of the administration. All are eager to proclaim their gratitude to American inventors.

On behalf of all who are present here tonight—on behalf of all the people of the United States and elsewhere who have profited by their labors—I express appreciation and gratitude to our American inventors of the present and the past, and our best wishes for those who shall follow in their footsteps.

I salute the inventive genius of America, and the patent laws which have done so much to foster, protect, and encourage it.

The Un-American Poll Tax

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

STATEMENT BY HENRY H. COLLINS, JR.

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I submit the testimony of Henry H. Collins, Jr., legislative representative of the Descendants of the American Revolution. These amazing revelations were made before a subcommittee of the House Judiciary Committee during the hearings on H. R. 7534, the Geyer anti-poll-tax bill.

The facts contained therein are so startling that one is constrained to remark, "Can this happen here?" Mr. Collins is to be commended for this carefully prepared testimony.

The matter referred to is as follows:

STATEMENT BY HENRY H. COLLINS, JR., NATIONAL LEGISLATIVE CHAIRMAN OF DESCENDANTS OF THE AMERICAN REVOLUTION, BEFORE A SUBCOMMITTEE OF THE HOUSE JUDICIARY COMMITTEE AT A HEARING ON THE GEYER ANTI-POLL-TAX BILL (H. R. 7534)

Mr. Chairman, members of the subcommittee, the Descendants of the American Revolution is a patriotic organization formed for the purpose of carrying out today those principles for which our forefathers fought in 1776. One of the chief of those was the concept that "taxation without representation is tyranny." In order to free themselves from the yoke of unrepresentative government, our forefathers battled for and won the independence of the United States. Their children's children would be unfaithful to their memory if they did not today attempt to carry to completion the unfinished work bequeathed them.

Taxation without representation exists today in the eight States of Alabama, Arkansas, Georgia, Mississippi, South Carolina, Tennessee, Texas, and Virginia, which require the payment of a poll tax as a prerequisite to voting. Federal taxes fall alike upon all States. Federal laws govern equally all parts of the country. The citizens of the poll-tax States pay these taxes and are governed by these laws. Yet on neither taxes nor Federal laws are the vast majority of the people of the poll-tax States consulted. Our modern slogan might well be "unrepresentative government is tyranny"; yet such government, Mr. Chairman, is what we have today in the poll-tax States.

According to the Constitution, the population of a State determines the number of Representatives it shall have in Congress. Today one Representative is allowed for approximately every 280,000 people, when the right of citizens over 21 to vote in Federal elections is not denied or abridged. But, contrary to the fourteenth amendment, Congress has suffered eight States to retain poll taxes, which greatly reduce the electorate without proportionately diminishing their representation in Congress.

There are 78 Congressmen from these States. Of these, 29 received not one opposition vote in the last election, including the entire delegations from Arkansas and Mississippi. Twenty-six more each had less than 100 opposition ballots. Only 8 of the 78 had to face an opponent who polled more than 2,000 votes. In 16 of these districts less than 6,000 votes were sufficient to elect a Congressman—6,000 out of a population of 280,000.

In my State, Pennsylvania, 43.2 percent of the population goes to the polls. In Georgia only 2.3 percent. In the last election in one district in Pennsylvania 50 percent of the entire population, black and white, adults and infants, native-born and foreign-born—50 percent, I say, of the people voted. In one district in Mississippi, on the other hand, one-half of 1 percent of the population cast a ballot. Whereas in that Pennsylvania district for every 2 people there is 1 voter, in the Mississippi district it would be necessary to round up 193 American citizens to find 1 who had cast a ballot. In that district only 2,172 votes were cast. Yet, due to failure to reapportion, that district is half again as large as the average and contains over 420,000 persons. In a district of similar size in Missouri, 151,000 persons went to the polls and cast 70 times as many votes as in this district in Mississippi. Indeed, more votes were cast in this one district in St. Louis than were cast in the three entire States of Mississippi, Georgia, and South Carolina, and 23 Congressmen owe their seats in the House to an electorate smaller than that which debated the election of this 1 Missourian.

In my district in Pennsylvania, 72,000 persons voted to send one Representative to Congress. Yet the combined popular vote for a group of 10 well-known Congressmen, consisting of 1 from Texas, 2 from Virginia, 3 from Mississippi, and 4 from Georgia, was less than that cast for my Representative, whose district is somewhat smaller than the average of these 10. My Representative has one vote. They have 10. Is that representative government?

An oustanding example of this national disgrace is shown by the case of little Rhode Island, the smallest State in the Union, with 687,000 people. Yet the people of its 1,300 square miles cast more votes in the last election for its 2 Representatives than were cast in a vast area of the United States stretching from the Atlantic Ocean to the Mississippi River and the Gulf of Mexico, embracing 4 districts in Virginia, plus the entire States of South Carolina, Georgia, Alabama, and Mississippi, with a total population of ten and three-fourths millions, with an area of well over 200,000 square miles, and with 36 Representatives in the House.

One of the most active chapters of the Descendants is in that cradle of liberty, Boston, Mass. In the latest senatorial elections Massachusetts, with a population of 4,249,614, cast 1,614,911 votes. This was more than were cast in the 6 poll-tax States of Alabama, Arkansas, Georgia, Mississippi, Texas, and Virginia, with their population of over 17,000,000—more than four times as great.

In the last election for Senator in California, 44.5 percent of the people voted; in Georgia, 2.4 percent. Democracy, as judged by the use of the ballot, is 18 times as widespread in California as it is in Georgia. In every district of New Jersey and Iowa and in 33 of the 34 in Pennsylvania over 43,000 votes were cast for each victor. This is 8,000 more votes than were cast for all 7 candidates from Mississippi. Three Kansas districts cast over 69,000 votes for each winner, more than were cast for all 10 Representatives from Georgia. The State of Nevada, with only 91,000 people and 1 Representative, came within 800 votes of the total number of ballots cast in South Carolina with one and three-quarter million people and 6 Congressmen.

Democracy in the poll-tax States has greatly declined in the last 60 years. In 1876, 37.4 percent of the male population of these States voted. In 1936, with women enfranchised, only 12.1 percent of the population voted. The percentage of possible population voting has thus declined by two-thirds during a period when these States have almost tripled in population and enjoy 20 more seats in the House. In the case of South Carolina and Mississippi, actually fewer votes were cast in 1936 than 60 years before, in South Carolina 37 percent fewer, yet during this time these States have more than doubled in population, women have been enfranchised, and each has an additional seat in the House.

This unrepresentative poll-tax government results in widespread disfranchisement, tends to corruption at the polls, and fastens the grip of machine politics securely on the citizenry of these districts. Where only one-sixth to one-tenth as many people vote as in the non-poll-tax States, patronage goes 6 to 10 times as far. The tenure of these Representatives is thus unduly lengthened and, due to seniority, they come to hold a disproportionate number of chairmanships in both Senate and House. Poll-tax Senators and Representatives occupy a third—twice their due proportion—of standing committee chairmanships in the Senate and more than one-third of all committee chairmanships in the House. Of the Members who have been in Congress more than 20 years, 38 percent are from the poll-tax States, again more than twice the normal expectation. Of the 10 most important House committees, 4 have poll-tax chairmen and 3 more have ranking members from poll-tax States.

Prior to the Civil War only three-fifths of the Negro population was used in figuring the basis for Representatives. The Negroes did not vote then; neither do they now. Yet today the entire Negro population is counted in determining the number of Representatives. Twenty-eight Representatives from the poll-tax States owe their seats to Negro population counted by the census taker but not by the registrar of elections, and this is 11 more than they would have been proportionately entitled to under slavery.

However, the poll tax not only disfranchises almost all Negroes but it disfranchises far more whites, since in all these States whites outnumber, and in some cases greatly outnumber, the Negroes. If we assume, for example, that all votes cast in the last election were white votes, we find that in the poll-tax States only 7.9 percent of the white population voted, a percentage that sinks to 3.7 percent in Georgia and 3.6 percent in Mississippi. Stated another way, throughout the poll-tax States over 92 percent of the whites do not vote. Yet in the State of Illinois 40.7 percent of the entire population cast a ballot, and the average for a non-poll-tax State is over 34 percent of all the people.

As a result of this, only 15,000 persons vote in an average poll-tax district election as against 100,000 in an average non-poll-tax district, and the winner in these latter States polls three to four times as many votes as in the former. Thus the poll tax not only disfranchises the vast majority of citizens in the States where it is in effect but it disfranchises more than 67 percent of the rest of the country, because one vote for a winner in a poll-tax State has greater value than three votes for a winner elsewhere. As an example of the working of these unrepresentative elections, last year the lend-spend bill was introduced by an administration that received over 18,000,000 Democratic votes. The lend-spend bill was defeated by the negative votes of 14 Congressmen from the poll-tax States. Yet these Representatives received a total vote of less than 135,000, which was not even three-fourths of 1 percent of the 18,000,000. This recital could be multiplied interminably. A digest of these facts is contained in the statistical tables appended hereto.

Stone guardians flanking the entrance to The National Archives of the United States proclaim "Eternal vigilance is the price of liberty" and "What is past is prologue." Revering the memory of our fathers who died that this country might be free, remembering the principles for which they fought, and seeing about us today remnants still existing of the evils which they strove to overcome, the Descendants of the American Revolution would be neither mindful of the lessons of our forefathers nor possessed of the vigilance they admonished did we not condemn the poll tax as thoroughly un-American. The Descendants heartily endorse and support the Geyer bill, which would make its collection in Federal elections illegal.

APRIL 3, 1940.

Consolidated poll-tax statistics

Poll-tax States	Poll-tax requirements	Per capita income	Percent illiteracy, 1930	Percent population voting				
				Males only, 1876	Total		Whites only	
					1936	1938	1936	1938
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Alabama	$1.50; cumulative, 24 years	$233	12.6	34.2	10.45	4.62	16.20	7.27
Arkansas	$1	212	6.8	40.0	9.6	7.77	13.20	10.58
Georgia	$1 plus $1 charges; cumulative	288	9.4	30.8	10.05	2.34	16.05	3.73
Mississippi	$2; cumulative, 2 years	207	13.1	39.7	7.98	1.77	16.35	3.59
South Carolina	$1	261	14.9	51.8	6.64	2.66	12.30	4.92
Tennessee	$2	298	7.2	35.4	18.1	10.29	22.25	12.86
Texas	$1.75	411	6.8	36.6	14.4	6.27	20.00	8.72
Virginia	$1.50; cumulative, 3 years	358	8.7	38.4	13.75	5.20	19.20	7.22
Poll-tax average	$1.50	307	[1] 9.9	37.4	12.1	5.32	17.9	7.87
Non-poll-tax average	None	[2] 547	[2] 4.3	45.4	44.24	34.80		

Poll-tax States	Representatives elected with less than 100 opposition votes		Committee chairmanships		Members with more than 20 years consecutive service		Total votes, 1938	Number of Representatives, 1938	Average number of votes per Representative	Population, 1930
	Number	Number	House	Senate	House	Senate				
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Alabama	5	[3](4)	2	1	2		123,838	9	13,600	2,646,248
Arkansas	[4] 7	(7)		1			144,056	7	20,580	1,854,482
Georgia	8	(3)	2	2	1		68,087	10	6,808	2,908,506
Mississippi	[4] 7	(7)	2	1	1	1	35,439	7	5,070	2,009,821
South Carolina	5			4	1	1	46,196	6	7,700	1,738,765
Tennessee	2	(2)		1		1	264,404	9	29,400	2,616,556
Texas	14	(6)	7	2	5	1	365,208	21	17,890	5,824,715
Virginia	5		3	2	2	1	126,043	9	14,000	2,421,851
Poll-tax total	53	(29)	16	14	12	5	1,173,271	78	15,048	22,020,944
Non-poll-tax total	[1] 16	(14)	35	30	19	8	35,055,804	[7] 348	[6] 100,600	100,754,102

[1] Unweighted.
[2] United States average.
[3] Figures in parentheses show number of districts without a single opposition vote.
[4] All.
[5] 12 of these from Florida and Louisiana where full effect of recent abolition of poll tax not yet realized.
[6] Or 6.7X.
[7] Omitting 9 at large from States with more than one Representative.

Sources:
Column (1), Appendix of the RECORD, 76th Cong., 3d sess., p. 1873.
Column (2), Appendix of the RECORD, 76th Cong., 3d sess., p. 1873.
Column (3), p. 611, World Almanac, 1940.
Column (4), p. 564, World Almanac, 1940.
Column (5), pp. 769–811, 343, World Almanac, 1940.
Column (6), pp. 251–257, Congressional Directory, January 1940; p. 343, World Almanac, 1940.
Column (7), pp. 251–257, Congressional Directory, January 1940; p. 343, World Almanac, 1940.
Column (8), pp. 251–257, Congressional Directory, January 1940.
Column (9), pp. 507, 812, World Almanac, 1940.
Column (10), see column 1.
Column (11), pp. 251–257, Congressional Directory, January 1940.
Column (12), pp. 251–257, Congressional Directory, January 1940.
Column (13), pp. 177–210, Congressional Directory, January 1940.
Column (14), pp. 177–210, Congressional Directory, January 1940.
Column (15), pp. 160–164, Congressional Directory, January 1940.
Column (16), pp. 160–164, Congressional Directory, January 1940.
Column (17), see columns 11 and 12.
Column (18), p. 258, Congressional Directory, January 1940.
Column (19), divide column 17 by column 18.
Column (20), p. 487, World Almanac, 1940.

Poll-tax figures, Senate

1930 population, 8 poll-tax States 22,020,943
1930 population, 8 Northeastern States plus New York and Maryland 22,385,934

Poll-tax States	Latest Senator votes	8 Northeastern States	Total votes cast
Alabama	131,299	Maine	[1] 311,488
Arkansas	137,173	Vermont	112,824
Georgia	70,443	New Hampshire	185,553
Mississippi	[1] 140,641	Massachusetts	[1] 1,614,911
South Carolina	45,861	Connecticut	630,433
Tennessee	275,232	Rhode Island	[1] 285,266
Texas	[1] 834,466	New York	4,813,039
Virginia	[1] 257,091	Maryland	523,238
Total	1,892,206 = 22.3 percent of		8,476,752

Poll-tax States	Winning votes	8 Northeastern States	Winning votes
Alabama	113,413	Maine	158,068
Arkansas	122,883	Vermont	73,990
Georgia	66,987	New Hampshire	100,633
Mississippi	140,641	Massachusetts	875,160
South Carolina	45,351	Connecticut	270,413
Tennessee	194,028	Rhode Island	149,141
Texas	774,975	New York	2,438,904
Virginia	244,518	Maryland	357,245
	1,702,796 = 38.6 percent of		4,423,554

	Population	Latest Senator votes	Percent of population voting
Alabama	2,646,248	131,299	4.96
Arkansas	1,854,482	137,173	7.39
Georgia	2,908,506	70,443	2.42
Mississippi	2,009,821	[1] 140,641	7.00
South Carolina	1,738,765	45,861	2.64
Tennessee	2,616,556	275,232	10.52
Texas	5,824,715	[1] 834,466	14.61
Virginia	2,421,851	[1] 257,091	10.62
Total	22,020,944	1,892,206	8.6
8 Northeast States, New York and Maryland	22,385,933	8,476,752	37.20
Iowa	2,470,939	831,839	33.61
Kansas	1,880,999	746,405	39.70
Florida	1,468,211	176,792	12.05
New Mexico [1]	423,317	169,614	40.00
North Carolina	3,170,276	496,335	15.70
Kentucky	2,614,589	599,021	23.00
California	5,677,251	2,522,142	44.50
West Virginia [1]	1,729,205	827,083	47.80
Total	19,434,787	6,369,231	32.80

[1] 1936; all others, 1938.

Bonneville and Grand Coulee Dams

EXTENSION OF REMARKS

OF

HON. GEORGE W. NORRIS

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

ADDRESS BY UNDER SECRETARY ALVIN J. WIRTZ

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by Hon. Alvin J. Wirtz, Under Secretary of the Interior, on the question of trying to bring about harmony and cooperation between the citizens of the great Northwest and the Federal Government in the utilization of the power which will be produced at Grand Coulee Dam and the power which is already being produced at Bonneville Dam on the Columbia River.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the Reclamation Era for March 1940]

UNDER SECRETARY WIRTZ ON POWER

During the course of an early spring inspection tour of Interior Department projects on the Pacific coast and in the Northwest, Under Secretary of the Interior Alvin J. Wirtz addressed chambers of commerce luncheons at Portland and at Spokane. In both places he dwelt upon the power policy of the Department with regard to power projects under its administration. Of particular interest to those interested in reclamation was the Secretary's statement at Spokane following his visit to the Grand Coulee Dam:

"It is logical that States and communities cooperate with the Federal Government in the development of large projects such as Bonneville and Grand Coulee. Such a partnership is founded on a recognition of interdependence and mutual trust. It presupposes an identity of interest and a common goal. We are securing the rights of our States and communities against the ravages of nature and absentee control.

"The Federal Government has shown the extent of its trust in the people of the Northwest in establishing the Columbia River projects as great national interests. The President did not lay down any conditions as a prerequisite to aiding in the development of these projects. He had confidence in the people of the Northwest and faith in their willingness to cooperate to make these national projects monuments of productive wealth of which both the Nation and the Northwest could be proud.

"The objectives of these projects were to control the waters of the Columbia so as to irrigate more than a million acres of land and provide opportunity for resettlement, and at the same time make available for the widest possible use electric energy at the lowest possible cost. Congress provided for the generation of power at these great dams by and at the risk of the Federal Government. It provided for the transmission of power from these dams to centers of distribution. These things the Federal Government is doing at cost, and it is up to you people to determine how and by whom this power shall be distributed.

"In connection with the Grand Coulee project the Congress with foresight provided an antispeculation law. No man may enrich himself by gambling in a resource whose value is enhanced by the Federal Government. The acres which are made fertile by the waters impounded by this great project may not be sold and resold at ever-mounting cost merely by taking advantage of the effort of the Federal Government.

"Although no antispeculation bill was passed with regard to electric power, nonetheless, the Congress in many ways has stated its policy directly, and certainly by implication in this particular case it is evident that the Congress does not propose that there shall be speculation in electric power. The people of the United States jointly are generating this power for the benefit of the people of the Northwest—for home use, for commerce, and for industry. The desire, then, is to distribute this electricity to the largest number of persons at the lowest possible cost so that its benefits may be spread and it may be a potent factor in helping raise and maintain the standard of living which we want to have.

"As I say, the manner of the distribution is for decision by the people in the area. But the people have a right to demand that the benefits from this power shall be theirs and not that of absentee managers. Furthermore, I think it is the duty of all Federal officials who are responsible for the construction and operation of these projects to let the people know that they have the right to have the water from their rivers utilized by their dams transmitted over their lines and brought to their homes, farms, stores, or factories, over their own distribution systems.

"It is your responsibility in this partnership with the Federal Government to see that the savings made possible by this project result in increased purchasing power in your region."

Wages and Hours of Labor

EXTENSION OF REMARKS

OF

HON. CLAUDE PEPPER

OF FLORIDA

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

RADIO ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA

Mr. PEPPER. Mr. President, on Sunday, April 14, the junior Senator from Montana [Mr. MURRAY] delivered a significant and forceful address before the American Forum of the Air, which was broadcast over the coast-to-coast network of the Mutual Broadcasting System. The address related to the proposed amendments to the wage-hour law. I commend it to the consideration of Senators and request that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AMENDMENTS TO THE WAGE-HOUR LAW

Ladies and gentlemen of the radio audience, tonight you will learn some shocking news. The Federal statute that outlaws starvation wages and reduces long hours of work—the Fair Labor Standards Act—is threatened with destruction. Powerful and influential groups are attempting to deprive the most helpless and underpaid workers in America of the protection of this act. They opposed the act originally. They have been plotting its death ever since.

I refer to the powerful groups representing the canning, packing, sugar, lumber, tobacco, and wholesale interests of the country, now promoting the passage of legislation in the Congress which would condemn hundreds of thousands of industrial workers to a state of misery and suffering. The most dangerous of these bills is the measure sponsored by the able and aggressive Congressman from North Carolina, Mr. BARDEN. Under this bill the several groups just mentioned are making a mass attack to get what they could never secure individually. Some of these groups argue that the present law should be construed by the Administrator so as to exempt their workers; others profess they are only seeking changes in the interest of the farmer; while more callous groups shamelessly ask to amend the act so they may be free to pay as low a wage as 5 or 10 cents an hour.

All these devious reasons which have been advanced as excuses for destroying the Wage and Hour Act should not be allowed to confuse the real issue. The issue here is simple and clear-cut. The question is: Should any group of industrial workers in the United States be paid less than 30 cents an hour? Is a wage of 30 cents an hour too high for the woman worker who toils and sweats in the cannery? Is 30 cents an hour too high for the homeless itinerant laborer, who has a job only a few weeks a year in the fruit-packing shed? Are we to admit that 30 cents an hour is too much to pay a man who spends his life toiling in the cheese factory, or the ice-cream plant, or who must earn his livelihood shelling pecans? Is 30 cents an hour too high for the worker in the lumber mill?

Mr. BARDEN and those in Congress who support his program say this wage is too much. I wonder what they consider a fair and decent wage. Stripped of all legislative verbiage, Mr. BARDEN is simply proposing by this bill to permit thousands of human beings to work at a starvation wage of 5 or 10 cents an hour.

First, let us consider for a moment what a requirement of 30 cents an hour means in terms of a living wage for the average family of a father, mother, and two children. Thirty cents an hour for a week of 40 hours will produce $12. For a full month's work it adds up to only $52. Even assuming that such a laborer were to secure a full year's work, which is seldom the case, at 30 cents an hour, he would earn just $624. Imagine only $624 to pay the rent, the food, clothing, doctor bills, and all other living expenses for a worker and his family for a full year.

Every cost-of-living survey so far made by the Government has shown that just the bare necessities to sustain life require at least $840 a year per family. And remembering that does not begin to provide the so-called American standard of living. It is barely enough to keep a family above the starvation level. Now, $840 per year means 40 cents an hour. But we are here now talking

about a wage of only 30 cents an hour—a wage not even sufficient to feed, clothe, and shelter the worker and his family. Nevertheless, Congressman BARDEN says that 30 cents an hour is too much, and he asks that thousands of hopelessly indigent people be excluded from the benefits of the act so that they may be exploited and worked for a nickel or a dime an hour. Maybe you think no American employer would pay such a shamefully low wage. If you doubt it, just read the report of the survey made by the Women's Bureau of the United States Department of Labor, which reveals the appalling fact that thousands of workers employed in canning factories or in packing, processing, and handling food products were working at just such inhuman wages before the Federal wage and hour law became effective. The wage and hour law lifted them up a little, but now these proponents want to push them back again.

Why did the Congress pass the wage and hour law in the first place? It was simply the result of widespread indignation against starvation wages. Congress realized that millions of human beings in this country are so helpless and weak in bargaining power that they are unable to get a living wage in industry unless we help them. Legislation was regarded as absolutely essential to avoid a system of industrial peonage in this country similar to China and other countries. Furthermore, the act was also intended to help business by raising purchasing power. It was intended to give the workers more money so that they could buy more goods and thus help the business of the retailer, the manufacturer, the doctor, the butcher, the baker, and the farmer. The best customer of the farmer and manufacturer is the American worker. He is limited in spending, however, to the amount he receives in wages. When wages are reduced, sales of farm products and merchandise drop. The acknowledged cause of unemployment and depression in our country is the low purchasing power of the toiling masses. How, then, can any legislator justify the lowering of wages?

The Wage and Hour Act was designed also to protect the fair employer who pays decent wages from the unscrupulous competition of those who would beat down wages to secure an unfair advantage in the market. Employers in enlightened and progressive States, who pay fair wages, should not be forced into bankruptcy by legislation intended to aid those who chisel down wages and engage in unfair competition.

This law was passed also because many forward-looking States already had laws requiring the payment of wages equal to or even higher than this Federal statute requires. For example, California and several other States have established minimum-wage requirements for full-time workers in fruit and vegetable canning and packing industries. Do you agree with Mr. BARDEN and his associates that employers in those States should be penalized because some other States let their employers get away with starvation wages? I certainly cannot agree to that.

Why should we discriminate between industries? Wouldn't the textile manufacturers have a just complaint if they were forced to pay decent wages while other low-wage industries are given exemption? Some of the most miserably paid workers in the United States are engaged in the very operations Congressman BARDEN proposes to exempt. Is there any justice in denying them the same protection we have given to other factory workers? Is there any justice in denying fair employers, or employers in high-wage States, protection from the chiselers in other States? It seems to me that the advocates of these exemptions are trying to punish the fair employer and leave the progressive States which have passed minimum-wage laws out on a limb.

The canners, packers, sugar, tobacco, and lumber manufacturing people say they want these amendments because they want to help the farmer. That's their alibi. They know very well they cannot get Congress to destroy the law unless they can inveigle, bamboozle, or frighten the farmer into fighting their battle for them. So they say, "Mr. Farmer, if we are required to pay our workers 30 cents an hour, we will have to reduce the price we are paying you for your produce." I am sure no intelligent farmer is going to fall for this bluff. They are now paying the farmer the lowest price they can get away with. They are not working for the farmer's welfare. They are working for the packer, the canner, the tobacco, sugar, and lumber interests. If they want to be consistent in their theory, why don't they try to exempt the textile mill and shoe plant, and the manufacturer of wearing apparel? Don't all the materials for those things come from the farm, too? Not only that, but if they are consistent they will exempt industries manufacturing such things as automobiles, lumber, motor fuel, and farm machinery. For these are things the farmer has to buy, and increased wages can be used as an excuse for higher prices. The logic of this would mean that we couldn't have a wage and hour law at all, because, as contended, all wages should be reduced as an aid to the farmer who sells or buys.

No one in Congress recognizes the need for protecting agriculture more than I do. I come from a great agricultural State and have supported every proper farm bill of the administration; but I submit to your common sense and judgment that we cannot help the farmer by decreasing the wages of those who buy his products. Every economist knows this. What these proponents of the Barden amendments are actually doing is setting the stage for the farmer's ruin by reducing the wages of the town and city workers so that they will have no money to purchase what the farmer raises.

Furthermore, it should be remembered that thousands of farmers today work part time in nearby factories. An increasing number of them are doing this every year to supplement their farm income, and as a result are benefiting directly from higher wages secured through the wage and hour law.

Let me repeat, the issue tonight is whether any group of workers in the United States should be deprived of the protection of the law which requires the payment of a wage of only 30 cents an hour; and don't let anybody tell you otherwise.

In this I am taking the same view of the problem as Chief Justice Hughes, of the Supreme Court of the United States. The effects of sweated labor on the community and the cost of the social evils which flow from substandard living have been aptly summarized by him in the so-called Parrish case, wherein he said:

"* * * The exploitation of a class of workers who are in an unequal position with respect to bargaining power, and are thus relatively defenseless against the denial of a living wage, is not only detrimental to their health and well-being but casts a direct burden for their support upon the community. * * * The community is not bound to provide what is in effect a subsidy for unconscionable employers. The community may direct its law-making power to correct the abuse which springs from their selfish disregard of the public interest. * * *"

Now, my friends, let me say in conclusion: If we vote to exempt workers from the just minimum-wage provisions of the Fair Labor Standards Act, we will be legislating poverty. We will be adding to the relief burdens of communities everywhere. We will be legislating crime and destitution for millions of helpless citizens. Those who advocate such a course are fostering discontent, radicalism, and economic ruin for our country.

American Agriculture

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

RADIO ADDRESS BY EDWARD A. O'NEAL

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Mr. Edward A. O'Neal, president of the American Farm Bureau Federation, over the National Broadcasting Co.'s National Farm and Home Hour, on April 13, 1940, in Washington, D. C.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

On behalf of the American Farm Bureau Federation, I want to express our deep appreciation for Senator MEAD's splendid address. He is one of the young stalwart leaders in the United States Senate, and he has taken a deep interest in farm problems. He is a real friend of agriculture and of the American Farm Bureau Federation, and he has rendered valiant service in behalf of constructive farm legislation. He is one of the coauthors of our farm-credit bill of 1940 which restores the Farm Credit Administration to an independent status.

The fate of the appropriation for parity payments for farmers next year now rests with the House and Senate conferees who met on Thursday to consider the agricultural appropriations bill. The House, as you will remember, approved the bill without any appropriation for parity payments. The Senate voted to put in an item of $212,000,000 for this purpose, and $85,000,000 for surplus disposal. The American Farm Bureau Federation had asked for $607,000,000 for parity payments, the estimated amount needed to raise agriculture to full parity, and $100,000,000 for surplus disposal. Naturally, we were disappointed in not getting the full amount, because we firmly believe that normal business and normal employment depend upon restoring normal buying power to agriculture. However, part of a loaf is better than no bread, and we must center our efforts now on making certain that agriculture gets the $212,000,000 for parity payments and $85,000,000 for surplus disposal. We are thankful to the Senate for putting in the item for parity payments, and we are confident that the House will approve the Senate action. The responsibility rests with the House Members, and we trust they will not fail the farmer in the present extremity. It is a matter of vital concern, not only to agriculture but also to the entire Nation, because the future welfare of the country must rest on a sound and prosperous agriculture.

To survive, any economic system must distribute national income so widely as to insure broad purchasing power among all classes. When the masses of the people are buying, then men go

back to work, to earn money which still further expands purchasing power, and so the prosperity cycle goes on in constantly enlarging circles. That is not theory, but practical common sense. The national penalty for failure to achieve this condition will be, ultimately, a break-down of the system, regardless of sentimental or wishful thinking.

For 20 years farmers have not been getting that fair share of the national income which is necessary to permit agriculture to function on a sound and permanent basis.

Farmers constitute the largest group in America entirely devoted to the democratic ideals of private property, free enterprise, and free political institutions. But they cannot maintain the American family type farm, conserve the Nation's soil, maintain an American standard of living, educate their children, provide the Nation with abundance, and buy their normal share of the products of industry on the income they have received during the past 20 years.

Cash, rather than sympathy, is required to preserve a sound agriculture as the foundation of American civilization. The price America must pay for a healthy agriculture—and perhaps for the preservation of the entire American system—is a fair share of the national income to the farmers. The cash which the economic system is failing to supply for the farmer must come temporarily from supplementary sources.

Congress has repeatedly declared its policy to be the restoration and maintenance of parity prices and parity income for farmers, first in the original Agricultural Adjustment Act of 1933, then in the Soil Conservation and Domestic Allotment Act of 1936, and again in the A. A. A. of 1938. The Marketing Agreements Act of 1937 and section 32 of the A. A. A. are likewise directed toward the parity goal, particularly with respect to nonbasic commodities.

These acts constitute the most comprehensive and effective national farm program ever enacted for farmers by the Congress. The program is sound in principle, and if sufficient funds are appropriated to make it fully effective, parity can be achieved. Experience has proved that the program has been effective just to the extent that money has been appropriated to make it work.

For 7 years the farm program has functioned to make up a good part of agriculture's income deficiency. It is vitally important that the good work be continued, and that in the years to come additional money be supplied to bring the farmer to complete parity position.

There is a great need for a stable, continuing source of revenue. As Secretary Wallace has said: "Farmers need something that will work as noiselessly for them as does the tariff for industry."

Several plans for establishing such a source of revenue have been proposed to the Congress as alternatives to direct Treasury appropriations. Among these plans are the processing-tax plan and the certificate plan, both of which are now before Congress. In order that full consideration may be given to all possibilities, the American Farm Bureau Federation suggests another possible method of financing the farm program, namely, the manufacturers' sales tax.

Alternatives to these three plans are: Continued direct appropriations from the Treasury, price fixing, increased income taxes, or a tax on monopolies. The last-named alternative would require private monopolies enjoying special governmental privilege, which have for a long time affected adversely the buying power of farmers, to pay the cost of the farm program.

The necessity, as well as the fairness and desirability of a permanent source of revenue for this purpose, are obvious when we examine the facts, which reveal:

1. That disparity of income with other groups has drained money away from agriculture for many years.

2. That monopoly industry has injured the buying power of farmers, who have operated under a system of free competition.

3. That industrial tariffs have levied tremendous burdens on farmers and have been responsible for the loss of much of agriculture's foreign market.

4. That agriculture has paid and continues to pay its share of subsidies to other groups.

5. That the dammed-up purchasing power of farmers and rural people who depend on them, if released, will be sufficient to restore national prosperity.

The disparity between farm income and nonfarm income since 1929 has amounted to more than $2,000,000,000 a year. In other words, if farm prices had been in line with other prices, farmers would have received $20,000,000,000 additional income. Farmers during this period have received only $3,000,000,000 in farm-program payments. Putting it another way, for every dollar received in Government payments, farmers have contributed more than $6 to the general public. They have subsidized consumers to that extent.

Parity for farmers means simply the same share of the total per capita national income available for living that farmers received in the 1909–14 period, a period when farm and city income were in balance—when farm products flowed freely to the cities and city goods flowed freely to the farms.

The disparity between farm and city that has developed was well illustrated by Secretary Wallace in his recent statement to the Senate Appropriations Committee. Among other things, he said: "At January 15 prices in 1913 it took 4.7 pounds of cotton to buy a work shirt. The cost now is equivalent to 7.2 pounds of cotton, based on January 15 prices, or 53 percent more than in 1913. The cost of bib overalls has increased 39 percent in dollars and cents. In terms of cotton the cost has increased from 5.8 pounds to 9.6 pounds, or 66 percent * * * in 1913 it took 31 pounds of hogs to buy 100 pounds of eightpenny nails * * * in 1940 it took 70 pounds of hogs to buy 100 pounds of eightpenny nails, an increase of 126 percent."

Secretary Wallace went on to say that now it takes practically twice as much wheat to buy an ax, 80 percent more wheat to buy a spike-tooth harrow, twice as much corn to buy a corn planter, and so on.

The farm depression started in 1920 and culminated in national disaster in 1932, when farm income went down to 34.2 percent of parity. Since that time farmers have been recovering. Farm income is now about three-fourths of parity. To bridge the full distance to parity will require at least one and one-half billion dollars a year additional income yearly. Until agriculture reaches that goal there can be no national prosperity.

The gradual development of disparity between farmers and other groups is a long story. Increasingly since the Civil War, and alarmingly since the first World War, many shrewd businessmen broke the first commandment of the American system—keep competition free—by developing monopolies to maintain prices and increase profits. To regulate production, they strangled competition. To do this, they broke the second commandment in the American system—keep Government out of private enterprise—by securing from the Government certain privileges and subsidies without which monopolies could not have grown to their present stature.

Organized business learned the advantage of Government privilege early in American history. The corporation charter is an example. It is a privilege granted by Government which permits groups of individuals to function as a unit in business without personal liability. A similar privilege is the holding-company charter which permits big-scale monopoly. By means of it, single corporations and a few individuals have been able to pyramid control of many corporations. Court rulings favoring corporate practices have thrown the mantle of governmental protection around these institutions.

The tariff keeps foreign competitors from cutting in on a domestic monopoly. It acts as a wall around certain industrial prices and profits which would tumble if exposed to the free play of competition. It is a sales tax, a subsidy, and a monopoly privilege all rolled into one.

Among other privileges granted by Government to business are patents, copyrights, franchises, easements, and discriminatory freight rates.

Because of these privileges, more than half of our privately owned business is monopolized. Some 2,000 individuals in 200 corporations control half of all our industries. Two corporations sell about two-thirds of all farm machinery; 10 corporations make 89 percent of the sales.

Tight production and price control are fixed industrial policies. From 1929 to 1932, farmers maintained their production and found their prices slashed more than 50 percent. Industry cut its production in half, and its prices dropped less than 25 percent.

The industrial plow-up of the 1930–33 period set a world record. The value of the goods which could have been produced with existing facilities—goods which were actually needed by consumers—is estimated at $135,000,000,000. Inflexible industrial-price policies were largely responsible for this great loss.

According to the Brookings Institution, that amount represents a value equal to "4 times the value of the Nation's farms, nearly 6 times the value of the Nation's factories, 14 times the value of all mercantile establishments, and more than 25 times the value of the 26,500,000 automobiles registered in 1929."

While the appalling waste of this industrial sit-down strike continued, farmers kept right on producing, and they saw their prices cut in half.

With half of the Nation on a monopoly basis and the other half (farmers, small-business men, small manufacturers, professional workers) on a basis of free competition, terrific strains are put on the national economy. On agriculture the strain is measured by disparity of income. Unless this strain is relieved by getting all business on a freely competitive basis, the ruinous effects on agriculture must be alleviated by a well-financed farm program. The alternative is a crack-up of the whole economic system.

Tariffs are already costing the American people considerably more than the one and one-half billions needed to make the farm program fully effective. Whatever else it may be, the tariff is a sales tax on consumers. Allowing for the softening effect of trade agreements, it was a 39-percent tax in 1938.

If tariffs are fully effective, they added more than sixteen billions to the cost of manufactured goods in 1937; if they are 50 percent effective, they added eight billions.

If tariff rates are fully effective, they cost American farmers $681,000,000 in 1935, according to a United States Department of Agriculture estimate. That would be $108 for each farm family.

But that is not the whole story of the effects of the tariff on the farmers. Since this country has about two-thirds of the world's gold, it is hard for other nations to buy our farm commodities unless they can also sell manufactured goods here. The tariff keeps out foreign manufacturers, thus forcing other nations to buy

from nations which will buy goods from them. After the Fordney-McCumber tariff was adopted in 1922, there was a loss of farm exports equivalent to the production of 40,000,000 acres of land. The Smoot-Hawley tariff cost us exports equivalent to the production of another 20,000,000 acres. No wonder our surpluses have piled up.

However beneficial in some respects the tariff may be to certain segments of our national economy, to agriculture it means discriminatory taxation, curtailed markets, and unsalable surpluses, an aggravated land-adjustment problem, and reduced farm income.

Large-scale subsidies have existed in this country for more than 100 years. Since the Civil War, they have become so important that they may now be said to be a part of the American system. Until recently, agriculture has not shared substantially in the distribution of these benefits.

In 1939 air lines were subsidized to the extent of $63,629,179, ocean shipping to the extent of $21,191,472.35, waterways to the extent of $115,987,261.02, publishers (through low postal rates) to the extent of $87,460,317.14, and highways to the extent of $1,100,000,000.

There are few groups in the country who can say that they have not received substantial assistance from the Government in some form. In addition to the things I have mentioned, there have been land grants to railroads, insurance rate stabilization by Federal law, franchises to utilities, utility rate regulation on a guaranteed-return basis, railroad rate stabilization, oil proration laws, "fair-trade practice" laws, protection for labor under the Fair Labor Standards Act of 1938.

All of these things have contributed to the farm disparity. The tragedy of the situation is that when agriculture is down it holds the entire Nation down with it. The income of factory workers rises and falls as agriculture's income rises and falls. Parity income for farmers is the chief thing needed to restore national prosperity. Experience indicates that the one and one-half billions needed to bring farmers to parity position would add at least three or four billions to total national income. That amount would employ three to four million workers at an annual wage of $1,000. It would increase farm cash available for living, which farm families spend almost entirely for goods and services to the level reached in 1925 to 1929.

Farmers are the Nation's best spenders. The farm market for city goods could be doubled in size if farm income permitted. About 80 percent of increases in farm income are spent for city goods and services. It is estimated that there is actual need on farms now for a billion dollars in new housing, $2,000,000,000 worth of heating equipment, one and one-half billions' worth of wearing apparel, a quarter of a billion worth of automobiles, tremendous quantities of fencing, farm machinery, tools, and equipment.

If only the dammed purchasing power on farms can be released, it will bring national prosperity on a scale never dreamed of before. It is the key to the baffling problem and the unsolved puzzle of poverty in the midst of plenty in this country.

I am convinced that the same objective could be reached in either of two ways. If we could wipe out and throw on the scrap heap every artificial device we have, including administered prices, minimum wages, tariffs, monopoly privileges, and everything else of this nature, and restore completely free and open competition, the job could be done. But there is not even a remote prospect of this Nation going that road; then I maintain that the only other method open is to give agriculture a tariff equivalent to make it truly a part of the protected American system. That is the stand that the American farmer takes; that is the basis for his demand upon Congress for an appropriaion to make the farm program fully effective. The fairness and justice of his position cannot be questioned.

Merchants' Association and Townsend Silver Bill

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

ARTICLE FROM THE NEW YORK COMMERCIAL AND FINANCIAL CHRONICLE

Mr. TOWNSEND. Mr. President, I ask that there be printed in the RECORD an article which appeared in the Commercial and Financial Chronicle of New York, N. Y., on March 30, 1940, relating to the endorsement of my bill (S. 785) by the Merchants' Association of New York.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Commercial and Financial Chronicle of March 30, 1940]

TOWNSEND BILL TO END TREASURY PURCHASES OF FOREIGN SILVER FAVORED BY MERCHANTS' ASSOCIATION OF NEW YORK

The Merchants' Association of New York sent a letter on March 23 to Senator JAMES M. MEAD and the entire New York City delegation in Congress endorsing the action of the Senate Committee on Banking and Currency in reporting favorably the Townsend measure to terminate foreign silver purchases by the Federal Treasury. The New York Members were urged by the association to support the Townsend proposal both by their influence and by their vote. The letter read:

"The Merchants' Association of New York wishes to record with you its hearty approval of the Senate Banking and Currency Committee's vote to report favorably Senator TOWNSEND's proposal to terminate foreign silver purchases by the Federal Treasury.

"In our opinion the unsoundness of foreign silver purchases has been thoroughly demonstrated by experience. What is not generally appreciated, however, is that its very existence was one of the underlying threats to monetary stability which has retarded long-range investments and helped to slow up our economic machinery.

"The discontinuance of this policy would, therefore, be an important constructive step forward. We urge you with all the earnestness at our command to use your influence and cast your vote for the passage of the Townsend resolution."

The action of the Senate group was referred to in our issue of March 23, page 1858.

Commemoration of Approval of First Patent Law

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. CONWAY P. COE

Mr. BONE. Mr. President, I ask unanimous consent to have printed in the RECORD the address delivered by Hon. Conway P. Coe, Commissioner of Patents, on Wednesday, April 10, 1940, at the celebration of the sesquicentennial of the signing of the first patent law.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

RADIO TALK BY HON. CONWAY P. COE, COMMISSIONER OF PATENTS, OVER THE NATIONAL BROADCASTING CO. BLUE NETWORK, WEDNESDAY, APRIL 10

I wish you who hear my voice in this broadcast had also the aid of television so that you might have a sight of this gathering of men important in the affairs of your Government and of the Nation's industry. I know you would be impressed and pleased by this worthy observance of a momentous event in our history.

We are commemorating President Washington's approval of our first patent law on April 10, 1790, just 150 years ago today. With that law began our patent system, which has done so much to further our economic advancement, to improve our social conditions, and to make ours a mighty democracy, able to preserve our freedom in a world threatened by tyranny.

Our patent system is one of the democratic heritages bequeathed to us by the very founders of our Government. Its need and its value were foreseen by the authors of our Constitution, one of whom was Benjamin Franklin, a successful inventor. They made provision for that system when, in the first article of the Constitution, they empowered Congress to promote the progress of science and useful arts by securing to inventors the exclusive rights to their discoveries.

President Washington urged the First Congress of the United States to enact legislation carrying that provision into effect. And then, by a most benign decree of fortune, Thomas Jefferson, writer of the Declaration of Independence and father of the Virginia statute for religious freedom, was chosen to administer the system during the first several years of its operation. He was then Secretary of State. Long before he was chosen for that office, Jefferson had at least two inventions to his credit.

In his address to the second session of the First Congress, President Washington counseled its Members to grant "effectual encouragement to the exertion of skill and genius at home." President Roosevelt, in the proclamation in which he set aside this 10th of April 1940 as Inventors and Patent Day and invited its general observance, recorded that our patent system, by affording protection and encouragement to inventors, has contributed greatly to foster inventive genius.

For the fine fruits of the patent system, then, we are indebted to the wisdom of the creators of our Government itself. They regarded it as a democratic means of assuring the country's future welfare. The present head of our Nation, Franklin D. Roosevelt, bears eloquent witness to the success of the system in achieving the aims of the framers of our Constitution and the Members of the First Congress.

This assemblage here in Washington, seat of the Federal Government, is manifesting its gratefulness for all that the patent system has done thus far and for what it promises for the future. Our American democracy gives opportunity for the humblest of our citizens to attain the highest office in our Government. Our patent system, equally democratic, gives the neediest of our people like opportunity to profit by his ingenuity. The protection and the recompense of patents are bestowed without regard to race or sex, creed, caste, or age. This safeguard and this reward are open to any man, woman, or child who earns them by enriching the world with a desirable invention.

Many thousands of Americans have helped by their inventions to increase the convenience, the comfort, and the safety of us all. They are still adding to our wonderment and to our well-being. So long as the patent system continues to prompt them, to protect them, and to requite them we may confidently count on further benefits.

The marvels of invention we now possess should remind us of the debt we owe their makers, but still more they should make us deeply grateful to the men who established this Government, including the patent system. It is to them that this gathering here this evening is paying thankful and reverent tribute.

Most of you listening, wherever you are and whatever your calling may be, are every hour of the day beneficiaries of inventions which the patent system has brought into use. They serve you at home, in your shop or office; when you are engaged in your work and when you turn to your amusements. Perhaps you take them for granted, as so many commonplaces. But if we were suddenly deprived of them we should be returned to the conditions in which our ancestors existed as recently as 125 years ago. We should find ourselves without railways, the telephone, the telegraph, motion pictures, automobiles, airplanes, radio and scores of other utilities we have come to regard as indispensable.

So, my friends, I invite you to join in spirit this evening's recognition of the American patent system—one of the best gifts of democracy.

The Pan American Union

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

ARTICLE BY ROLAND HALL SHARP

Mr. WILEY. Mr. President, I ask to have printed in the Appendix of the RECORD a very thought-provoking article by Roland Hall Sharp, entitled "Laboratory of Peaceful Living," printed in the magazine section of the Christian Science Monitor. In these days, when all we read about is war, this article provides an antidote to that line of thinking.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor of April 13, 1940]

LABORATORY OF PEACEFUL LIVING

(By Roland Hall Sharp)

The Pan American Union at the turn of its first half century stands more than ever for a great vision partially realized and beckoning. This ample continent, this symbol of freedom, this America beloved of its residents and longed for by the war weary, still quickens the imagination of the refugee, the frustrated, the homeless—all seekers for a fresh start.

Many American frontiers are closed. No longer can the dissatisfied flock to these shores. Yet in spring of 1940 the Western Hemisphere offers one supreme frontier. It remains a laboratory of peaceful living among nations.

Upon the American people rests the responsibility of sound stewardship. Blessed by half a world comparatively free from armed frontiers and the pressure of old hatreds, the Americas owe to humanity at least an unselfish consolidation of American peace. Beyond that, they owe whatever impetus they can give toward a workable and just world peace.

Some marvel has preserved the Western Hemisphere hitherto as an almost unbroken sanctuary from the kind of agression now rampant in the world. The Americas have had their wars. A break-down of the present inter-American peace system might lead to other wars. Yet not only on the Canadian-United States frontier but on most of the other frontiers there are no pill boxes, no subterranean battleships, no barbed wire except to keep cattle in bounds.

At Panama last September the delegates of Bolivia and Paraguay stood up before representatives of other American nations and vowed to let bygones be bygones in the Chaco. Those two nations in the heart of South America had fought in the courts and at times on the battlefield for nearly a century. At length mediation and arbitration settled the dispute 2 years ago.

Foreign Minister Alberto Ostria Gutiérrez, of Bolivia, voiced the essence of the Pan-American movement when he said at Panama:

"Between our peoples there are no divergencies without solution, no errors without possibility of correction. Besides that, even if at times some obsession sweeps them into strife, on the day after the end of the hostilities there is no more thought of revenge, but, rather, are the first steps taken toward a fraternal reconciliation. And so the wars on our continent are never anything but civil wars in which—whatever extremes may be indulged in—there is never the element of lasting hatred."

And Foreign Minister Justo Pastor Prieto, of Paraguay, concurred.

However far the Americas may fall short of living up to their ideal, however many inroads of power diplomacy and aggression may be in store, the mere championship of such a sensible and friendly outlook is to the enduring credit of the Pan American Union.

Appropriately, this week's commemoration at Washington and throughout the Americas falls in a moment of profound transition. Certain it is that the past half century closes the books on a period already merging into new shapes. Some are foreseeable. Others are hidden in the mists of coming events.

At an earlier crisis in American affairs the British statesman, Canning, saw the New World in 1826 as "called * * * into existence to redress the balance of the Old." Today the New World again poises, wary, aloof, alert, and potentially decisive in Europe's war even by the negative weight of actions not taken.

Consider the realm surveyed by the Pan American Union. Except for friendly Canada and a few small European colonies, the Union comprises an entire hemisphere. Within this hemisphere lie the world's greatest reserves of unexploited resources. On its fields and plains, in its valleys and forests, dwell the comparatively small number of 250,000,000 people. A little over half of these live in the United States. Literally hundreds of millions more could be fed, clothed, and housed in this newest of the inhabited continents.

Young it is, and inexperienced, America retains somewhat the audacity of youth, the exuberance of frontier days not yet entirely sobered by crowding social problems. In memory lingers the struggle for political and economic independence from Europe. America is disillusioned with results of Europe's last war. Slowly a determination grows to build, if possible, one enduring structure of ordered peace in the Americas.

And the Pan American Union reflects it all—its aspirations, its disappointments, its yearnings, its shortcomings. The Union is what it is because the Americas are as they are. That is the Union's distinguishing characteristic—its natural evolution and steady growth. Whether by intuitive leadership or fortunate circumstances, the Pan American Union, after many ups and downs, emerges from its first 50 years on a plane of ascending usefulness. Other international organizations have had more imposing aims and methods. But they have crashed repeatedly. The Union pursues the even tenor of its way, stronger with every passing year.

Unobtrusive, reserved to the point of self-effacement, taking with good humor the criticism that it is timid, impotent, or do-nothing, the Union surprises those who discover its hidden strength.

The Pan American Union bears no resemblance to a superstate. More significant, in 50 years not one step has been taken toward conversion into a superstate. Every project for formation of an American League of Nations is politely pigeonholed. And the latest League project, submitted at the Lima Conference, would have had more teeth for use against aggressors than the Geneva League.

Yet the appearance of political impotence is belied by what actually can be done in the name of the Pan American Union. The governments can do through it whatever they wish. When they act by agreement, there is no appeal, no necessity for enforcement. Voluntary action has at least that element of strength.

In its latest development, the Union is resorting more frequently to practical and speedy means of action. The outbreak of war in Europe found them ready. At Buenos Aires in 1936, and at Lima in 1938, the procedure of consultation was prepared for action. Foreign ministers were empowered to meet in time of crisis. At Panama, within 3 weeks after Britain and France declared war on Germany, the American nations met to chart a course together.

In the fierce, uncertain flashings and gloom of that late September they consecrated a union of interests never equaled before on the continent, and not fully maintained since.

Out of Panama came an imposing new Inter-American Advisory Committee on commercial and financial problems. Yet, within a few months after Panama, the carefully prepared Argentine-United States trade negotiations had to be abandoned.

The next half century of the Pan American Union has its work cut out. That work extends far beyond the legal structure of peace, now admirably fitted and joined. The real challenge lies in economics.

Americans North and South too easily take for granted their bomb-free homes, their ample resources, their heritage of blessings in nature and in the freedom-bestowing deeds of spiritually minded men and women. There are heroic tasks yet to be performed before the Americas can measure up to their opportunities.

For the United States, no single field of foreign affairs offers a higher rate of return for small expenditures of effort than Latin America. A friendly southern continent simplifies even the basic problem of naval and air defense. To force the Latin American countries against their will would cost hundreds of millions of dollars. To fight any aggressive combination that had gained a foothold in South America the United States would have to arm beyond imagination. The Navy would have to be quadrupled, the air force even more so. In terms of Federal tax bills in Kansas, that prospect advises insuring South American goodwill now, even at costs such as buying a little Argentine meat.

Pan Americanism works both ways. Good neighborliness implies mutual understanding and practical cooperation on both sides of the back fence.

Geography and certain powerful common objectives work toward uniting the Americas. There are cleavages that can either be deepened to the splitting point or closed by intelligent statesmanship.

One dominant interest surpasses all others. It is written in the rock and seas of this continent. The national defense of every American country is bound up with that of all the others. Today the United States is safe with an Army only a little larger than that of Bulgaria. The southern countries are secure with embryonic defense forces.

Why? Only because this hemisphere remains relatively friendly within and remains uninvaded by any hostile power. The Monroe Doctrine and the United States Navy guarantee that. But the Pan American Union has a way of enforcing the intent of the doctrine that minimizes any necessity for resort to armed force even for defense.

That way has proved its value during 50 years. New tests of today and the future wait on Americans, North and South, girded, purposeful, and active within the broad avenues opened by the Pan American Union.

The Civil Aeronautics Authority

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

ARTICLES FROM THE WASHINGTON DAILY NEWS AND THE WASHINGTON TIMES-HERALD

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the record a very able article on the question of the proposed abolition of the Civil Aeronautics Authority by the recent Executive order. The article is by Gen. Hugh S. Johnson.

I also ask to have inserted an illuminating editorial expression in the Times-Herald on Saturday, April 13, on the same subject.

I likewise request that there be printed a fine article by Frank C. Waldrop in yesterday's Times-Herald dealing with the same matter.

The PRESIDING OFFICER. Is there objection? There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the Washington Daily News]

ONE MAN'S OPINION

(By Hugh S. Johnson)

Up to 18 months ago, the chief beef of this column was the appalling series of commercial airplane accidents and the sloppy work and unsatisfactory reports of the Commerce Department bureau in charge. Under the former Secretary it was a political pothouse, and the influence of the big aviation interests was not conspicuous by its absence.

Then, after 4 years' effort, Senator McCARRAN got through his bill setting up the Civil Aeronautics Authority as an independent nonpartisan agency. It separated executive function from judicial and legislative ones, put the former in the hands of an Administrator, set up an independent safety board to plug up the ghastly gap in the departmental administration. The Authority was promptly manned with competent experts.

This column hasn't seen anything to kick about for more than a year, in which 815,000,000 passenger-miles were flown without a death—an unprecedented safety record. Civil Aeronautics Authority is not entitled to all the credit, but it rates its share. It is now proposed, under the Reorganization Act, to abolish the safety board and reduce the Authority to old status as a bureau of the Commerce Department—right back where we started from.

In defense of this it is said, according to the American Aviation Daily, that Secretary Hopkins is well informed in aeronautics and is not a politician. If Harry is an airman, how did he get that way? If the other reason had said, "not a good politician," it could pass. But, Harry is the author of the great backfiring 1938 purge of "Tax and tax and spend and spend and elect and elect," and of such a political use of W. P. A. billions that he had to be hastily kicked upstairs into the Cabinet in order to avoid a congressional investigation that would have cooked him and the administration, too.

Many in Congress, the commercial air pilots and informed air travelers are up in arms against this shocking proposal, but the big aviation interests are not saying a word. They prefer King Log to King Stork and King Sugar Papa most of all. The dope is that the change will go through if they do not oppose it. It is doubtful if they will, but the air-traveling public ought to join the air pilots in forceful opposition. These are the people whose hides are endangered.

There are only two apparent reasons for wrecking a unit that was working so well to go back to a system that wasn't. One is politics and the other is amateur professional piddling with an organization chart in the rarefied academic atmosphere of the Brownlow committee. Neither is good enough. Politics is what we don't want here. The best reorganization chart in the world is no good without the right men in the proper places with unhampered opportunity to do their stuff.

This move not only fails to let well enough alone by a step back to a tried and condemned failure, but it is highly probable that it will result in resignation of the three best men in the authority, including the administrator—spark plugs that made the system work.

The President says that these views are all spinach. That is a picturesque but sterile use of an epithet to answer an argument. If it is spinach, it is of the variety that makes Popeye click so well.

The best features of the McCarran Act were the President's own inventions—the independence and nonpartisan character of the organization and separation of the executive from the legislative and judicial functions of the Board—a highly important advance that should be extended to most of the miniature governments which so easily tend to become miniature tyrannies or more than miniature nonentities.

The President does a lot better when he rolls his own in planning organization than when he calls in the theoretical or professional pink fingers to do it for him.

[From the Washington Times-Herald of April 14, 1940]

BETTER HANG ONTO A GOOD THING—INDEPENDENT AIR SAFETY BOARD HAS PROVED ITS VALUE

(By Frank C. Waldrop)

The true value of anything is demonstrated not by showing how it fits so neatly into a blueprint of authority, but in the record of its works.

It is not the form, but the substance, that counts.

There used to be an agency of Government here known as the Bureau of Air Commerce. It had a nice location on the blueprint of authority under the command of the Secretary of Commerce. It had the assignment to make and enforce regulations for civil aviation.

It was a flop. A terrible, deadly flop.

You remember how it worked. It made regulations. It checked to see whether the airlines were living up to those regulations. And when the charred ruins of an airplane were scraped off a mountainside, as they so regularly were, it rushed its investigators to the scene to determine whether it was responsible for the horror.

The Bureau of Air Commerce was prosecutor, judge, and jury. And it was a terrible, deadly flop. Under its administration, the national confidence in civil aviation disintegrated. And civil aviation came near to doing the same. Only slathering governmental subsidy kept it out of bankruptcy.

Even so, it was on the very edge of collapse when, on August 22, 1938, there went into effect a law setting up the Civil Aeronautics Authority, an agency independent of all elements of government except the Congress which created it, and the President, who appointed its members.

A specific response to public demand was the establishment, within the Authority, of an Air Safety Board.

The members of this Board were appointed by the President and were wholly independent of the Civil Aeronautics Authority. They were not even joined to it for budgetary purposes, but got their funds directly and separately from Congress. Their personnel was of their own choice. Their function was to "investigate • • •

and report to the Authority the facts, conditions, and circumstances relating to each accident (involving aircraft) and the probable cause thereof."

This meant the Board was to act as the public's independent agent to see whether an accident involving aircraft was caused by error or negligence of a plane maker, an air line, a pilot, or the Civil Aeronautics Authority, or whoever might be the responsible party.

The public had demanded that independent agent because experience had proved, in sorrow and in full, that the same bureau which was making aviation regulations and enforcing them was unable to bring itself to self-condemnation when it was at fault. As it so often was.

Such inability to render impartial judgments was only human on the part of the Bureau of Air Commerce. But that was no excuse for the toll in life and property that piled up.

Well, how has the independent Civil Aeronautics Authority acquitted itself? It has brought American aviation to the highest level of efficiency and safety in world history. It made the airways secure against disaster for 12 full months and it did that without destroying technical progress.

The counterbalance of the Air Safety Board, free to criticize and to report facts impartially and fully, was a paramount factor in that success.

You have only to look at the facts. In the pre-Safety Board days there were crashes and scandals. Since the Board's establishment, the same companies, same pilots, and same type planes have given safe and greatly improved service.

In his latest order reorganizing the executive administration of Government, Mr. Roosevelt has destroyed the independence of the Civil Aeronautics Authority, abolished the Air Safety Board, and once more telescoped into a subordinate division of the Department of Commerce the functions of making aviation regulations, enforcing those regulations, and investigating the consequences.

When it was suggested that this move puts air safety back in jeopardy, the President retorted "pure spinach." He said something of the same sort back in 1933, when it was suggested that the Army Air Corps wasn't fit to fly the United States mail.

But the funerals and the bills for ruined equipment that followed at once weren't spinach.

This reorganization plan may be a pretty sight on paper, but a scattered fuselage and what goes with it are not.

When you have a good thing, the rule of common sense is to hang on to it and the independent Civil Aeronautics Authority, plus the independent Air Safety Board, are proved good.

Congress, which has the honor of having established this good thing, had better hang onto it.

For when the crashes come again, as they are sure to do if a subservient attachment of the Secretary of Commerce is revived as judge, jury, and prosecutor of civil aviation, the people will forget the President's blunder and do their shooting only at Congress.

[From the Washington Times-Herald of April 13, 1940]

SAFETY THROWN AWAY

In the present Civil Aeronautics Authority, the Air Safety Board is an independent agency deriving its money directly from Congress.

Its duty is to determine the responsibility for any failures of service or crashes of ships in civil aviation.

Under that system, a year of safe aviation has just been accomplished. Under the system proposed by Mr. Roosevelt in his latest scheme of bureaucratic reorganization, the independent Air Safety Board is abandoned and its duties handed over to a subservient subdivision of the administrative agency.

Mr. Roosevelt calls criticism of this change "spinach." That is no answer. The change is a danger to human life and safe aviation because it destroys the independence of those charged with criticism of administrative failure. In fact, it makes critic and administrator one. It must be prevented.

Attitude of Baltimore Association of Commerce on Silver Purchase Repeal Bill

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

LETTER FROM THE BALTIMORE ASSOCIATION OF COMMERCE

Mr. TOWNSEND. Mr. President, I ask consent that there be printed in the RECORD a letter from the Baltimore Association of Commerce dated April 11, and the report referred to therein.

There being no objection, the letter and report were ordered to be printed in the RECORD, as follows:

BALTIMORE ASSOCIATION OF COMMERCE,
Baltimore, Md., April 11, 1940.

Re: S. 785, relating to foreign silver purchases by the United States Government.

Hon. JOHN G. TOWNSEND, JR.,
United States Senate, Washington, D. C.

DEAR SENATOR TOWNSEND: For your information I am transmitting a copy of the report of the committee on national legislation of the Baltimore Association of Commerce, setting forth the committee's reasons for advocating the speedy passage of Senate bill 785, relating to foreign silver purchases by the United States Government.

This report has been approved by our association and a copy was sent by our president to each Member of the Maryland congressional delegation, urging prompt and favorable consideration of this pending measure.

Sincerely yours,

W. G. EWALD, *Secretary.*

REPORT OF THE COMMITTEE ON NATIONAL LEGISLATION OF THE BALTIMORE ASSOCIATION OF COMMERCE

Re: S. 785, relating to foreign silver purchases by the United States Government.

To the Board of Directors, Baltimore Association of Commerce:

GENTLEMEN: Your committee considered the status of pending legislation in Congress to repeal authority for the purchase of foreign silver. Besides the very general public opinion calling for such legislation as expressed by editorial comments from all sections of the country and action taken by such bodies as the United State Chamber of Commerce and the Chamber of Commerce of the State of New York, your committee had requests for action by the association from representative business and financial interests, including a strong appeal from the Baltimore silver manufacturing industry, severely affected by the silver-purchase policy of the United States Treasury.

The repeal bill had been referred to the Senate Committee on Banking and Currency, which, by a nonpartisan vote of 14 to 4, recently made a favorable report upon the enactment of legislation to end the purchase of foreign silver. For this purpose the committee submitted an amended bill and recommended its passage. As amended, the bill provides that all power and authority of the President and the Secretary of the Treasury, under the Silver Purchase Act of 1934 with respect to the acquisition of foreign silver, shall cease and terminate on the date of enactment, and all proclamations, orders, rules, regulations, and other action by the President or the Secretary of the Treasury with respect to foreign silver shall cease to be effective on and after such date, with provision to acquire and make payment for foreign silver purchased or contracted for prior to the date of enactment of this act, and for the repeal of the tax on transfers of any interest in silver bullion.

The first effect of the enactment of this legislation will be to reopen to industry a free market in foreign silver, with broader remedial effects as to the whole national economy.

Reviewing the data presented to the Senate committee considering this legislation, it is shown that the continued buying of foreign silver is unnecessary, even for the purposes originally contemplated; imperils the future domestic buying power of the dollar, swollen by the issuance of gold and silver certificates; wasteful of American resources by bestowing buying power on foreigners ultimately exchanging American goods and services for imported silver arbitrarily priced without regard to its true world commodity value; that such benefits are not linked to reciprocal considerations; that there is no prospect of fulfilling the terms of the Silver Purchase Act of 1934, which contemplated that silver must be purchased until the monetary value of the country's stock of silver (valued for the purpose at $1.29 plus per fine ounce) equals one-fourth of the total monetary value of the gold and silver (gold being valued at $35 per ounce) or the world price for silver had reached $1.29 per ounce. Despite the purchase of more than 2,200,000,000 ounces of silver at a cost of over $1,000,000,000, the inflow of gold has been so great that the Silver Purchase Act would now require further silver purchases greater in the aggregate than when it was passed in 1934. Illustrative of the futility of establishing a world price of $1.29 per ounce (or 16 to 1 of gold before the dollar devaluation) is that the Secretary of the Treasury has recently been buying foreign silver at 35 cents an ounce and foreign gold at $35 an ounce—a ratio of 100 to 1. Further, it is shown that no other government in the world maintains a market for the world's silver; that joining in the general demand for repeal are numerous economists, including the Economists' National Committee on Monetary Policy, of which Dr. Edwin Kemmerer, of Princeton University, is president; the Federal Advisory Council of the Federal Reserve System; the Northwest Mining Congress; and the Chairman of the Board of Governors of the Federal Reserve System.

With such an array of data and unanimity of authorities, your committee recommends that the Association of Commerce request each member of the Maryland delegation in Congress to actively

contribute his best efforts to the speedy passage of the bill for ending the purchase of foreign silver, as recommended by the Senate Committee on Banking and Currency.

Respectfully submitted.

COMMITTEE ON NATIONAL LEGISLATION,
By WILLIAM J. CASEY, *Chairman.*

Committee: Randolph Barton, Jr., Charles W. Brown, Albert D. Hutzler, C. P. McCormick, W. Frank Roberts, Allan Sauerwein, William J. Casey, chairman.

APRIL 10, 1940.

Bonneville Dam

EXTENSION OF REMARKS
OF
HON. GEORGE W. NORRIS
OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

RADIO ADDRESS BY STATE SENATOR HARRY KENIN, OF OREGON

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a radio address delivered on March 23, 1940, by Hon. Harry Kenin, a member of the Legislature of the State of Oregon, on the subject A Challenge to Every Thinking Citizen.

I have read this address, and I wish I could appeal to every citizen of the great city of Portland, Oreg., to read and to heed the wisdom and the logic of Senator Kenin's address, which I have asked to have printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

PEPCO OR P. U. D.

A CHALLENGE TO EVERY THINKING CITIZEN

For years we have been waiting for the completion of Bonneville Dam. It was here in Portland in 1932 that the promise of its construction was made. Today, 8 years later, Bonneville Dam is complete. Its first generators are in operation. Its transmission lines are at the gates of our city.

Many of you have worked on the dam itself. All of us have followed its progress. We know that Bonneville Dam is only the beginning. The Columbia River is our greatest regional asset. With its tributaries it has more than 10,000,000 kilowatts of undeveloped power—power that is worth $200,000,000 a year to Oregon and her neighboring State. It is not too much to say that the Columbia River may be more valuable than the coal mines of Pennsylvania or the oil fields of Texas.

BONNEVILLE AND YOUR JOB

We must realize what Bonneville Dam can mean to us. We have looked forward to its completion. Thousands of us have thought that soon we could afford electric cooking, electric water heating, and yes, even heating our homes with electricity, as they are doing down in the Tennessee Valley. But Bonneville Dam can mean more than just a little cheap power in our homes. It is not too much to say that the future of Oregon is tied up with the development of the Columbia River. Today three out of four of us in industry are dependent upon a single resource—timber. And today our timber is being cut off much faster than it grows. What will we do when our forests are gone? How will we earn our living?

So I ask you to think of Bonneville Dam not only as something that can help you today but as something that can mean even more to your children. Let us think not only of the immediate comfort of cheap power in our homes, but of the more important question of power for earning a living. We have seen the beginning. The Aluminum Co. is erecting a factory just west of Vancouver. An iron industry also has gone to Vancouver and a chemical industry to Tacoma. Other factories which will convert our hidden minerals into useful goods must replace our sawmills as our forests are cut away.

P. U. D.—OUR CONSTITUTIONAL RIGHT

This power issue is not a new one. A decade ago our beloved Senator, George W. Joseph, debated this question from every angle. As a result of his heroic work the people of Oregon wrote into their constitution an amendment, preserving forever to the people title to their great water-power sites. And that was not all. We wrote into our constitution how this power should be sold. We assured to every county and every community the right to form people's utility districts, the right to distribute its power at cost.

Today Bonneville Dam is finished. We must decide how this power will be distributed. This issue concerns all of us, whether we are consumers of electricity, employees of the power company, or investors in utility stocks or bonds. Any solution must be fair to all and must assure to the people the full benefits of Columbia River power.

RETAIL DISTRIBUTION—PUBLIC OR PRIVATE?

On December 1, Bonneville power crossed the Columbia River into Oregon. As it did so it brought into focus the vital issue before us tonight—whether this power will be distributed publicly or privately, for profit or for service.

As a public official—a member of the senate from Multnomah, Columbia, and Clackamas Counties—I am deeply concerned with this issue. However, it is not a partisan question. Republicans and Democrats are found on either side. Primarily it is an economic issue: Which is cheaper, which is more efficient, public or private distribution? A Portland people's utility district or the two existing power companies?

Bonneville power is not an academic issue; it is a vital problem that concerns us all. You have been told that you have cheap power already. You have read it in newspaper advertisements, you have heard it on radio broadcasts, and now we see the same statements on billboards, streetcar posters, and even in the mail. We are told that Bonneville power is cheap now.

HOW CHEAP IS PEPCO POWER?

What are the facts? How cheap is Bonneville power in your home and mine? What price are you paying the power company? Can you afford to replace the old wood stove with a new electric range? How much cheaper can we get hot water? And what about heating our homes with Bonneville power?

Kilowatts are unfamiliar terms to most of us. The great majority of us cannot even read our electric meters out on the back porch. But we are interested definitely in using electric power—to bring jobs to the Northwest and comfort to our homes. So it is our duty to learn more about our greatest resource, hydroelectric power.

I think everyone will agree, whether he works for the private power companies or for the public, that there is one official to whom we can turn for accurate information on Bonneville power. That man is Paul J. Raver, Bonneville power administrator. He is a recognized authority on electricity—and was chosen by the congressional committee to make a complete investigation of the electric rates of the Tennessee Valley Authority—more commonly known as T. V. A. When Paul J. Raver took over the job as Bonneville administrator, here is what he said of the local electric companies, and I quote exactly:

"Frankly, I see little reason why power that costs $2.60 in Tacoma costs $5 in Portland. I hope that with the aid of Bonneville you and I can help close that gap."

Today, 5 months later, you are receiving Bonneville power through the Portland General Electric Co. What does it mean to you? Can you afford electric cooking now? How much cheaper is electric power in your home?

TACOMA $2.86—PORTLAND $5 (NEW RATES)

If Administrator Raver were before the microphone tonight, here is what he would have to say to you, "I cannot understand why electric power that costs $2.86 in Tacoma, costs $5 in Portland." Yes, that is the comparison between Tacoma's public power rates and the local private companies.

How much are you paying right now for electricity? Suppose you are an average family of four. Let us say you have ordinary lighting, a refrigerator, an electric stove, and a few small appliances. Today you are paying $4.75 a month, and probably a good part of the power you are using is coming straight from Bonneville Dam.

FIFTEEN DOLLARS MORE A YEAR

If you are served by the Canby or Forest Grove public systems, you pay only $3.50. Or, if you live in Portland or Salem, or any other of the cities served by the company, you pay $4.75, a difference of $1.25 a month, or $15 a year. To many people that is equal to a week's wages every year paid in excess electric charges. A week of needless labor performed for your inefficient electric company.

If you want to use more power in your store, the picture is even worse. Power that costs $10 from Tacoma's public system costs $22.65 at the so-called new low rates in Portland and Salem. These are official Federal Power Commission figures.

FOREST GROVE SHAMES PORTLAND

Nor is Tacoma an isolated example. Portland merchants are paying nearly twice as much as storekeepers in Forest Grove and Canby. Why must we pay so much more for Bonneville power than the public systems of Canby and Forest Grove are charging? The Portland General Electric Co. buys Bonneville power even cheaper than Forest Grove's public lighting system. They buy as low as one-fifth cent a kilowatt-hour. Even if you use twice as much power as the ordinary family, you pay 12 times that amount. That is the $4.75 figure I mentioned a minute ago.

Why do the private utilities companies charge so much more than these public systems? There are many reasons, and I hope that in the course of the next few months I will be able to go into these reasons specifically. Certainly the stockholders are not getting the advantage of this high electric rate, nor is the power-company employee being paid any more.

CHEAP POWER FOR ALL

Many of us agree with George W. Joseph that the power of the Columbia River is too important to us to use for speculative profits

for a few persons. Like our water system, like our roads, and like our public schools, we believe that Bonneville power should be used for the benefit of all; that we should use Bonneville power to stimulate industrial development by selling it at cost; that we should use Bonneville power to stimulate development of our mines; and that we should use Bonneville power in our homes and on our farms, thus promoting the sale of many new electrical appliances.

If we are to distribute Bonneville power at cost through our own public system, how shall it be done? A few months ago a group of business and professional men formed the Bonneville-for-Portland Committee. Thousands of citizens have signed petitions asking the Hydroelectric Commission of Oregon to make an investigation of public distribution of Bonneville power. That State commission, of which Mr. George W. Joseph, Jr., is chairman, set its engineers and experts to work. After 4 months they reported that a public power district for the city of Portland would be very profitable.

LARGE PROFIT FOR PEOPLE'S UTILITY DISTRICT

The hydroelectric commission found that a Portland people's utility district could pay the Portland General Electric Co. and the Northwestern Electric Co. a fair price for their properties and still have a surplus of two to three million dollars a year.

Further, the commission says a people's utility district can make a substantial reduction in rates and pay off the cost of the entire system in 30 years or less.

That is the report of the Hydroelectric Commission of Oregon, appointed by the Governor of our State. Copy of this report may be found in the Portland Public Library or at the offices of the commission in Salem or Portland. It is well worth reading, for it points out how the people of Portland can make a two to three million dollar surplus each year from the sale of electric power; how the people of Portland can own their own debt-free public system in a comparatively few years.

PORTLAND INDUSTRY NEEDS CHEAP POWER

I need not point out how very cheap electric power can be in our homes once our electric system is paid for, when there are no more interest or principal payments; how we can attract steady, job-producing industries with electric power rates among the lowest in the Nation. That is not an idle dream, but a practical achievement which State engineers agree can be realized.

What is a people's utility district? I have been asked time and again. It is not much different from the school board, whose members you elect. Just as the school board operates the schools on a non-profit basis, so the utility district would operate the power system. With one important exception—by financing with revenue bonds, the system will be paid for entirely out of electric profits and not out of taxes.

P. U. D. PAYS TAXES

What about taxes? The facts are that a public district by law is required to pay taxes on exactly the same basis as the present private power company. Instead of losing tax moneys, our cities, our counties, and our schools would in fact get much more. Utility districts pay taxes on their property just as private companies do and they would have more property to pay taxes on. Lower rates would permit the people to use more power. This would require the construction of more lines and the district would pay taxes on all of this new property.

What about wages? The law requires the public district to pay employees the same wages that prevail throughout the area so that utility employees can be assured of the same or higher pay. When the Wahkiakum public power district bought out the local electric company, all employees were retained and given a 15-percent increase in wages.

What about bonds? All bonds, even revenue bonds, must be voted by the people after the district is formed.

What about buying Bonneville power? Congress has stated that public districts must be given preference over private companies in the sale of Bonneville power. The only way we can be sure of getting Bonneville power on a long-term basis is through a public system and not a private company.

VOTE "YES" FOR P. U. D.

Today the Bonneville-for-Portland Committee is urging the people of this city to vote "yes" for formation of a Portland people's utility district, as provided in the constitution of the State of Oregon. We believe that such a public district is best qualified to bring to us the full benefits of Bonneville power; to sow these benefits broadcast to every family, to every merchant, to every property owner, to every man who holds a job or wants a job. The members of this committee feel that the interests of our entire community are more important than speculative profits for a few.

Already in the State of Washington 25 county-wide public districts have organized. Nearly half of the population of our neighboring State already is served by public power systems, such as Tacoma, Seattle, Centralia, and others. Already one public district near the damsite has bought out the local power company at a fair price and is distributing Bonneville power to the people of the area. On January 15, Grays Harbor District bought out the local company and is serving thousands of homes on a nonprofit basis. Bonneville power lines are being constructed now to serve this district. Pacific and Wahkiakum County public utility districts also have bought out the private company systems. But Portland just has sat by and waited.

Why are we urging the formation of a people's utility district to distribute Bonneville power in Portland?

P. U. D. MEANS POWER AT COST

First. Because it will be organized to market Bonneville power at cost—to assure industries, homes, and stores power at the lowest price.

Second. A Portland district will be directly responsible to the people. They will elect the directors and may remove them. Remember, you cannot do that with the officials of a power company over whom you have no control.

Third. A Portland district will be entitled to preference in the sale of Bonneville power. Already there is every indication that Bonneville will not be able to install generators rapidly enough to meet the growing demand for power. We must act now to get our share of Bonneville power.

MORE TAX DOLLARS, NOT LESS

Fourth. We urge the formation of a Portland district because it will pay the same or more taxes than a private power company. That is the law. This is especially important to our schools and city and county employees. As a member of the school board, I can appreciate the fact that a Portland power district will pay more taxes to the city and county, rather than less. We will also get cheap power so we can properly light our schools and protect our children's eyesight.

Fifth. A Portland public district will not be mixed up in city or county or State politics. It will not have high-powered lobbyists at Salem each session of the legislature. The district commissioners will deal solely with the question of electric power, and not with political issues. They will hire a competent manager to run the system.

P. U. D. BEST FOR INVESTORS

Sixth. A Portland district will buy out the properties of the local companies at a fair price. That is best for the investors and best for the public. They have had enough of mismanagement and holding-company depredations.

Seventh. A Portland district can finance the purchase of these properties by issuing revenue bonds—bonds that will be paid for solely from electrical earnings and not from taxes. These bonds can be issued at 3½ percent or less, as the city of Knoxville did a short time ago. Right now utility rates are based on interest charges nearly twice as high. Cut these interest rates in half, and we can have cheap power and pay skilled employees even better wages.

EMPLOYEES TREATED FAIRLY

Eighth. A Portland people's utility district is required by law to pay its employees the same or higher wages than those prevailing in the community. By cutting power rates our district will permit people to use more electricity, and thus more jobs are created for linemen, electricians, salesmen, etc. A Portland people's utility district is job insurance for every electrical worker.

Ninth. A Portland district will reduce power rates rapidly as it pays off its debt. It will pattern its rates after Tacoma's successful record. Today Tacoma charges $1.20 for lighting that costs $1.75 in Portland. Today Tacoma charges 35 cents for refrigeration that costs 88 cents in Portland. Today Tacoma charges $1.15 for electric cooking that costs $2.12 in Portland. More important yet, today Portland's industries are paying $1,145 for power that costs $597 from Tacoma's publicly owned system.

BONNEVILLE WILL HELP

Administrator Raver has promised that the entire Bonneville administration will be squarely behind our public district. Here are his exact words:

"A basic readjustment of retail rates is essential if Bonneville power is to have any economic significance at all.

"As to the newly formed public groups, they will be given every assistance in getting started. Our engineers, our rate experts, and our accountants will do everything possible to start them off right."

UP TO PORTLAND TO ACT

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"As to the issue of public versus private distribution of power, that question is in your hands rather than mine. Each community has the right—and the obligation—to choose the method which will insure the lowest electric rates and the best possible service. With the increasing importance of power in community growth, and particularly in industry, no city can afford to be handicapped by electric-power rates that are very much higher than its neighbor."

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"Whatever your decision may be upon this question, I trust that the interests of all concerned—consumer, employee, investor—will be respected. If there is to be a transition from private to public operation in distribution of power, I am confident that a fair price, a price based on legitimate investment, will be paid. I am confident that the ultimate management will retain the technical and skilled employees so essential to reliable and efficient service."

The Bonneville-for-Portland Committee believes that every part of this important question of electric power should be placed before the people of this city and this State. Another civic group, the Bonneville Service Committee, of which Mr. C. A. Lucas is chairman, is also advocating a people's utility district for Portland. This committee is preparing factual information on the cost of electric power to stores, apartment houses, and industries. I hope that in the near future Senator William F. Woodward will have the privilege of speaking to you on this important question. All of these men are giving their time and services without compensation. They are

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The Logan-Walter Bill

EXTENSION OF REMARKS
OF
HON. CHARLES A. PLUMLEY
OF VERMONT
IN THE HOUSE OF REPRESENTATIVES

Friday, April 12, 1940

ANALYSIS BY JOSEPH C. DUGGAN

Mr. PLUMLEY. Mr. Speaker, I have just finished reading a paper analyzing the Logan-Walter bill—an excellent analysis evidencing close study and careful research. It was written by Joseph C. Duggan, a member of the District of Columbia bar, who is presently a postgraduate student at the Law School in the Catholic University of America.

The subject matter of this paper being the bill shortly to come before the House for action, I commend this article for your attention.

Under permission granted me to extend my remarks in the RECORD, I insert the article to which reference is made:

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(By Joseph C. Duggan, A. B., LL. B., member of the District of Columbia Bar)

I. INTRODUCTION

The mushroom growth in the field of administrative law which has been attendant upon the establishment of the multiple boards, bureaus, agencies, and commissions[1] in the Federal Government has focused the attention of lawyer and legislator alike upon the need for the formulation of some systematic procedure to regularize and standardize the functional aspect of that law. The American Bar Association, through its Special Committee on Administrative Law[2] and, more recently, the Attorney General's Committee on Administrative Procedure,[3] have both done pioneer work in making a thorough survey and study of the entire field; and while the latter committee has not as yet made its recommendations and findings, there has been introduced into Congress, with the sanction of the former committee, the so-called Logan-Walter bill,[4] entitled "A bill to provide for the more expeditious settlement of disputes with the United States, and for other purposes." This bill passed the Senate on July 18, 1939, but was subsequently recalled for reconsideration, and it is currently on the Union Calendar[5] for the attention of the House of Representatives.[6]

In view of the widespread interest in, and the importance of, this pending legislation, it will be the purpose of this paper to impart some idea, by means of dissection and analysis, of what the administrative-law bill provides. Before delving into the nature of the suggested legislative expedient, however, it is believed that a brief statement of the problem sought to be solved thereby will be both pertinent and orientative.

II. A STATEMENT OF THE PROBLEM

The immediate issue which has been constantly magnified in this country for the past 50 years is one of governmental policy. Despite implied[7] and express[8] prohibitions in our Constitution forbidding the commingling of executive, legislative, and judicial powers, there has grown up within the framework of our democratic structure a department of Government, extraconstitutional in nature, which, for lack of a more completely descriptive name,[9] is known as the "administrative" department. To this department, consisting of the sprawling bureaucracy composed of agencies, administrations, boards, bureaus, commissions, and corporations, is committed a vast agglomeration of powers—police, regulatory, discretionary, and supervisory[10]—out of which has emerged the elusive subject termed "administrative" law.[11]

All of these agencies and commissions, operating under the statutes which give them existence and power, have made a direct impingement upon the industrial, social, and economic life of the Nation; and while there has been much outcrying against them, ranging from insistent clamoring for their abolition to suggestions for amendments to their organic statutes, the sober fact is that they have become an integral part of our governmental system, and obviously are here to stay. Abolition, then, is not the remedy for whatever abuse is claimed to have crept into their administration.

Conceding the necessity and the permanence of the administrative branch of our Government, then the next question that presents itself is, "How is the administrative department to be adapted to the traditional structure of constitutional government, so that it can legitimately take its place beside the executive, legislative, and judicial branches, subject to the limitations of the historical pattern of checks and balances?" The question is highly provocative, and since "checks and balances" is most closely associated with a concept of "judicial review," it resolves itself ultimately to a discussion of the focal point about which the stormiest argument in administrative law rages—judicial review of administrative action.

The proposed administrative-law bill is an attempt to settle the argument in favor of the proponents of judicial review. The contention is that the nature[12] of administrative bodies, permitting the exercise of diverse functions, prompts their inclusion in a hierarchical system wherein the possibility of judicial review[13] will serve as an effective brake upon arbitrary and capricious administrative action. Concurring in this sentiment, Professor Stason has expressed himself as follows:

"We have a confusion of methods, and all too frequently the selection of the incorrect method impairs the rights of a client. Has not the time arrived for the evolution of a properly conceived procedure for the judicial review of administrative decisions? Such decisions are no longer exceptional in our jurisprudence. They constitute a great bulk in current litigation. The need of simplification of methods of judicial review is fully as great as, if not greater than, the former need of simplification of common-law pleading. * * * As I have said, judicial review of administrative decisions is one of the essential checks and balances in

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for a few persons. Like our water system, like our roads, and like our public schools, we believe that Bonneville power should be used for the benefit of all; that we should use Bonneville power to stimulate industrial development by selling it at cost; that we should use Bonneville power to stimulate development of our mines; and that we should use Bonneville power in our homes and on our farms, thus promoting the sale of many new electrical appliances.

If we are to distribute Bonneville power at cost through our own public system, how shall it be done? A few months ago a group of business and professional men formed the Bonneville-for-Portland Committee. Thousands of citizens have signed petitions asking the Hydroelectric Commission of Oregon to make an investigation of public distribution of Bonneville power. That State commission, of which Mr. George W. Joseph, Jr., is chairman, set its engineers and experts to work. After 4 months they reported that a public power district for the city of Portland would be very profitable.

LARGE PROFIT FOR PEOPLE'S UTILITY DISTRICT

The hydroelectric commission found that a Portland people's utility district could pay the Portland General Electric Co. and the Northwestern Electric Co. a fair price for their properties and still have a surplus of two to three million dollars a year.

Further, the commission says a people's utility district can make a substantial reduction in rates and pay off the cost of the entire system in 30 years or less.

That is the report of the Hydroelectric Commission of Oregon, appointed by the Governor of our State. Copy of this report may be found in the Portland Public Library or at the offices of the commission in Salem or Portland. It is well worth reading, for it points out how the people of Portland can make a two to three million dollar surplus each year from the sale of electric power; how the people of Portland can own their own debt-free public system in a comparatively few years.

PORTLAND INDUSTRY NEEDS CHEAP POWER

I need not point out how very cheap electric power can be in our homes once our electric system is paid for, when there are no more interest or principal payments; how we can attract steady, job-producing industries with electric power rates among the lowest in the Nation. That is not an idle dream, but a practical achievement which State engineers agree can be realized.

What is a people's utility district? I have been asked time and again. It is not much different from the school board, whose members you elect. Just as the school board operates the schools on a non-profit basis, so the utility district would operate the power system. With one important exception—by financing with revenue bonds, the system will be paid for entirely out of electric profits and not out of taxes.

P. U. D. PAYS TAXES

What about taxes? The facts are that a public district by law is required to pay taxes on exactly the same basis as the present private power company. Instead of losing tax moneys, our cities, our counties, and our schools would in fact get much more. Utility districts pay taxes on their property just as private companies do and they would have more property to pay taxes on. Lower rates would permit the people to use more power. This would require the construction of more lines and the district would pay taxes on all of this new property.

What about wages? The law requires the public district to pay employees the same wages that prevail throughout the area so that utility employees can be assured of the same or higher pay. When the Wahkiakum public power district bought out the local electric company, all employees were retained and given a 15-percent increase in wages.

What about bonds? All bonds, even revenue bonds, must be voted by the people after the district is formed.

What about buying Bonneville power? Congress has stated that public districts must be given preference over private companies in the sale of Bonneville power. The only way we can be sure of getting Bonneville power on a long-term basis is through a public system and not a private company.

VOTE "YES" FOR P. U. D.

Today the Bonneville-for-Portland Committee is urging the people of this city to vote "yes" for formation of a Portland people's utility district, as provided in the constitution of the State of Oregon. We believe that such a public district is best qualified to bring to us the full benefits of Bonneville power; to sow these benefits broadcast to every family, to every merchant, to every property owner, to every man who holds a job or wants a job. The members of this committee feel that the interests of our entire community are more important than speculative profits for a few.

Already in the State of Washington 25 county-wide public districts have organized. Nearly half of the population of our neighboring State already is served by public power systems, such as Tacoma, Seattle, Centralia, and others. Already one public district near the damsite has bought out the local power company at a fair price and is distributing Bonneville power to the people of the area. On January 15, Grays Harbor District bought out the local company and is serving thousands of homes on a nonprofit basis. Bonneville power lines are being constructed now to serve this district. Pacific and Wahkiakum County public utility districts also have bought out the private company systems. But Portland just has sat by and waited.

Why are we urging the formation of a people's utility district to distribute Bonneville power in Portland?

P. U. D. MEANS POWER AT COST

First. Because it will be organized to market Bonneville power at cost—to assure industries, homes, and stores power at the lowest price.

Second. A Portland district will be directly responsible to the people. They will elect the directors and may remove them. Remember, you cannot do that with the officials of a power company over whom you have no control.

Third. A Portland district will be entitled to preference in the sale of Bonneville power. Already there is every indication that Bonneville will not be able to install generators rapidly enough to meet the growing demand for power. We must act now to get our share of Bonneville power.

MORE TAX DOLLARS, NOT LESS

Fourth. We urge the formation of a Portland district because it will pay the same or more taxes than a private power company. That is the law. This is especially important to our schools and city and county employees. As a member of the school board, I can appreciate the fact that a Portland power district will pay more taxes to the city and county, rather than less. We will also get cheap power so we can properly light our schools and protect our children's eyesight.

Fifth. A Portland public district will not be mixed up in city or county or State politics. It will not have high-powered lobbyists at Salem each session of the legislature. The district commissioners will deal solely with the question of electric power, and not with political issues. They will hire a competent manager to run the system.

P. U. D. BEST FOR INVESTORS

Sixth. A Portland district will buy out the properties of the local companies at a fair price. That is best for the investors and best for the public. They have had enough of mismanagement and holding-company depredations.

Seventh. A Portland district can finance the purchase of these properties by issuing revenue bonds—bonds that will be paid for solely from electrical earnings and not from taxes. These bonds can be issued at 3½ percent or less, as the city of Knoxville did a short time ago. Right now utility rates are based on interest charges nearly twice as high. Cut these interest rates in half, and we can have cheap power and pay skilled employees even better wages.

EMPLOYEES TREATED FAIRLY

Eighth. A Portland people's utility district is required by law to pay its employees the same or higher wages than those prevailing in the community. By cutting power rates our district will permit people to use more electricity, and thus more jobs are created for linemen, electricians, salesmen, etc. A Portland people's utility district is job insurance for every electrical worker.

Ninth. A Portland district will reduce power rates rapidly as it pays off its debt. It will pattern its rates after Tacoma's successful record. Today Tacoma charges $1.20 for lighting that costs $1.75 in Portland. Today Tacoma charges 35 cents for refrigeration that costs 88 cents in Portland. Today Tacoma charges $1.15 for electric cooking that costs $2.12 in Portland. More important yet, today Portland's industries are paying $1,145 for power that costs $597 from Tacoma's publicly owned system.

BONNEVILLE WILL HELP

Administrator Raver has promised that the entire Bonneville administration will be squarely behind our public district. Here are his exact words:

"A basic readjustment of retail rates is essential if Bonneville power is to have any economic significance at all.

"As to the newly formed public groups, they will be given every assistance in getting started. Our engineers, our rate experts, and our accountants will do everything possible to start them off right."

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our governmental scheme. If we fail to evolve a smoothly working, capable, and effective method of preserving the proper balance between necessary governmental regulation by administrative officers on the one hand and protection of personal and property interests from arbitrary action on the other hand, we shall fail in a measureable degree to preserve the governmental scheme which we hope will continue to survive. The time has arrived for a careful and intelligent evolution of both proper theory and proper practice with respect to this particular balancing mechanism." [14]

The proponents of the proposed legislation contend that the proper theory and the proper practice suggested by Professor Stason are both contained in H. R. 6324 and S. 915. They argue that the theory is sound in that the judicial power as such is left in the courts, thus conforming to the traditional constitutional concept; and that the process of gradual assumption of that power by administrative bodies is halted at that point, now generally conceded to be permissible, beyond which the delegation of judicial power would be unconstitutional. The contention is clearly stated by one writer as follows:

"Admitting for purposes of argument that it should be unconstitutional in most instances to confer upon an administrative body the power of final and conclusive determination enforceable by that body's own executionary writ, this concession does not save the judicial function of the courts from serious infringement. The essence of the judicial duty is to decide. If as a practical matter that ultimate decision rests with the administrative tribunal, to that extent has the judicial power of the court been affected. If all the courts do is to furnish the enforcement process for the administrative determination, the essence of the judicatory function is with the latter and not with the former body. So also judicial review of only a limited portion of the commission's determination leaves the commission as the sole and final arbiter of that part of the controversy to which the judicial review does not extend. Anyone familiar with the workmen's compensation litigation, for example, knows full well that in 90 percent of the cases it is the commission's determination of the facts which is the conclusive and decisive factor. Even where full judicial review is afforded, the administrative decision may, for practical reasons, be the final word. In the case of the poor fisherman whose nets have been summarily destroyed by the game warden, it is little more than contemptuous irony to tell him that in theory of law the executive determination has not affected his rights, since he still possesses the liberty of spending time and money far beyond his ability to command in a possibly vain pursuit against the officer for damages. What is here said is offered not in argument against judicial powers of administrative tribunals but rather in emphasis of the belief that the current provisions for judicial execution and review do not, from the realistic viewpoint, prevent large measures of the judicial functions from being conferred on executive bodies." [15]

The "proper practice" is ostensibly supplied by the proposed bill itself in that it purports to bring order out of chaos by standardizing the procedure of administrative bodies and making the possibility of judicial review a matter of right.

Unfortunately, the resolution of the problem of judicial review for administrative agencies in this country has been complicated by the necessity of dovetailing the administrative process with the somewhat rigid pattern of tri-partite government implicit in the Constitution. On the Continent, the problem has been solved to a great extent by taking administrative controversies away from the civil courts altogether, and entrusting their solution to administrative courts.[16] An abortive attempt to foster this expedient in the United States has now been abandoned by its originator and chief proponents, the American Bar Association.[17]

The critics of the proposed legislation contend that the provisions for judicial review contained therein, if enacted into law, would nullify the administrative action altogether. They hold that the suggested method is too rigid [18]; that the problem attempted to be solved thereby cannot be legislated out of existence at one fell swoop [19]; that the bill would hamper, rather than expedite, the administrative process [20]; that the all-inclusive provisions for judicial review disregard the distinctly different nature of the administrative as compared with the judicial process [21]; and that the bill, if enacted into law, would seriously disturb the mechanism of government.[22]

A powerful argument in favor of the critics of the proposed bill is deduced from the fact that the committee on ministers' powers in England gave the administrative branch of the Government in that country a clean bill of health.[23] Whether our own administrative agencies will be cleared of charges of administrative absolutism by the Attorney General's Committee on Administrative Procedure remains to be seen.[24]

In the meantime the battle over the advisability or inadvisibility of judicial review goes on. Both the proponents and opponents of judicial review have telling arguments to bolster their respective positions. The problem is fundamental. Professor, now Mr. Justice Frankfurter, put it this way:

"And I should say the center of our difficulties is the failure, the perfectly natural failure, to adapt old formulas, our existing machinery, but above all, our traditional modes of thought, to the difficult problems presented by contemporary society to the whole framework of law, compared to the problems that were presented to the framework of law, say, even 50 years ago." [25]

In that criticism lies the germ of the readjustment which has to be made before the problem can be solved.

The proposed bill

The administrative law bill, as committed to the Committee of the Whole House on the state of the Union, is a relatively simple piece of legislation; yet its purpose is so reformative, its scope so broad, and its possible effect on the processes of government so profound that each section of the bill deserves special attention and analysis. The method of consideration, therefore, will be to take each of the several sections [26] of the bill in order, analyze its content, and then consider its purpose and effect.[27]

The proposed bill—Section 2. Implementing administrative rules

"SEC. 2. (a) Hereafter administrative rules and all amendments or modifications or supplements of existing rules implementing or filling in the details of any statute affecting the rights of persons or property shall be issued by the head of the agency and by each independent agency respectively charged with the administration of any statute only after publication of notice and public hearings. All such rules shall be published in the Federal Register within 10 days after the date of their approval by the head of the agency or the independent agency concerned, and shall not become effective until such publication, except when the President declares that a public emergency exists.

"(b) Administrative rules under all statutes hereafter enacted shall be issued as herein provided within 1 year after the date of the enactment of the statute subject to the adoption thereafter of further rules from time to time as provided in this act.

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[14] E. Blythe Stason, Methods of Judicial Relief From Administrative Action, Am. Bar Assoc. Jour., April 1938, p. 278.

[15] Brown, Ray A., Administrative Commissions and the Judicial Power, 19 Minnesota Law Review, 274–5.

[16] "The recent swing of the pendulum toward administrative courts is, in part, a protest against the present cumbersomeness of judicial procedure, of which protest the bench and bar have been too slow in taking notice." Pillsbury, W. H., 36 Harvard Law Rev. 407. For a complete discussion of the operation and functioning of administrative courts, see The German System of Administrative Courts: A Contribution to the Discussion of the Proposed Federal Administrative Court, by Rudolf E. Uhlman and Hans G. Rupp, 31 Illinois Law Review 847, 1028.

[17] Extensive hearings on the proposal (S. 3676, 75th Cong., 3d sess.) were held in April and May 1938. Hearings before a subcommittee of the Committee on the Judiciary (Senate) on S. 3676, a bill to establish a United States Court of Appeals for Administration.

[18] Analysis of H. R. 6324, contained in a letter of Secretary of the Interior Ickes to the House Committee on the Judiciary, quoted in hearings on the administrative-law bill (H. R. 6324), pp. 69–75.

[19] Without naming the bill, the Attorney General's committee on administrative procedure expresses "skepticism that a single formula" can control the "various and changing situations." "A too rigid prescription of administrative procedures" often would defeat the purposes of the laws. Letter of the committee to the Attorney General transmitting its monographs, p. 6.

[20] Letter from Acting Chairman of Federal Power Commission to House Committee on the Judiciary, Hearings on the Administrative Law Bill (H. R. 6324), pp. 110–112.

[21] "To assimilate the relation of these administrative bodies and the courts to the relationship between upper and lower courts is to disregard the origin and purposes of the movement for administrative regulation. * * * Unless these vital differentiations between the functions of judicial and administrative tribunals are observed, courts will stray outside their province and read the laws of Congress through the distorting lenses of inapplicable legal doctrine." Frankfurter, J., in *Federal Communications Commission* v. *Pottsville Broadcasting Co.* (84 Adv. Op. 361; — Sup. Ct. Rep.—; No. 265, decided Jan. 29, 1940).

[22] "No general or fundamental change such as is contemplated by this bill should be made without a very thorough examination of the whole subject in all of its aspects, not only from what the system is on paper, but also from the viewpoint of how it is functioning." Analysis of H. R. 6324, by F. F. Blachly, of Brookings Institution, in hearings on administrative-law bill before subcommittee No. 4 of Committee (House) on the Judiciary, p. 158.

[23] Fuchs, R. F., Concepts and Policies in Anglo-American Administrative Law Theory, 47 Yale Law Jour., 562–563.

[24] "The committee's program contemplates submitting its final report and recommendations to you in the fall of this year (1940)." Letter of the committee to the Attorney General transmitting its monographs, p. 11.

[25] Frankfurter, F., Summation of the Cincinnati Conference on Administrative Law, Am. Bar Assoc. Jour., April 1938, p. 282.

[26] Except sections 1, which merely defines terms used in the bill, and 7, which deals with certain exceptions and reservations. The exceptions exempt certain agencies from the scope of the act, e. g., courts martial, Federal Reserve Board, Office of the Comptroller of the Currency, Federal Deposit Insurance Corporation, all Federal lending agencies, the Department of Justice, the Department of State, etc.

[27] Since the bill is of such a controversial nature, its discussion herein will be purely objective, and confined to an analysis of its contents; and no attempts at recommendations of adoption or rejection will be made.

"(c) Any person substantially interested in the effects of an administrative rule in force on the date of the approval of this act may petition the head of the agency or the independent agency which administers any statute under which the rule was issued for a reconsideration of any such rule; and the head of such agency or the independent agency shall, after publication of notice and hearing, if requested within 10 days thereafter, determine whether such rule shall be continued in force, modified, or rescinded. All amendments of such rules shall be in accordance with the procedure provided in subsection (a) of this section and all action of the head of such agency or the independent agency on such petitions and all new or amended rules shall be published in the Federal Register as prescribed in said subsection (a) for the publication of rules.

"(d) No person shall be penalized or subjected to any forfeiture or prosecuted for any act done or omitted to be done in good faith in conformity with a rule which has been rescinded or declared invalid by any final judgment entered as hereinafter provided, unless the act was done or omitted to be done more than 30 days after the publication in the Federal Register of the rescission or final judicial determination of the invalidity of such rule." [28]

This section of the bill deals mainly with the process known in administrative law as "filling in the interstices" of a statute. Practically all administrative agencies, operating under a delegation of legislative power, have the authority to implement their organic statutes by rules and regulations.[29] Concerning the proper delegation of such power, there is general acquiescence in its necessity because of the function of the administrative agency in the complex governmental scheme; [30] concerning the methods (which are as variegated as the administrative tribunals themselves) of exercising the power, there is confusion and disparity.[31] The avowed general purpose of this section, therefore, is to remove the chaotic conditions which circumscribe the exercise of the rule-making power, and attempt to provide a uniformity of procedure applicable to all administrative agencies exercising such power.[32]

The section provides that any rule or regulation implementing [33] a statute and "affecting the rights of person or property" shall not be issued prior to publication of notice and public hearings.[34] The requirements of the section extends to rules dealing with both the adjective and substantive [35] phases of any statute they are intended to implement. Provision is made for review of rules already in effect prior to the passage of the bill by permitting any person "substantially interested" therein to petition for reconsideration; and protection is afforded to a citizen or other person acting in accordance with a rule for 30 days after the rule is rescinded or held invalid, and notice to that effect has been published in the Federal Register.[36]

It is to be noticed in passing that the section does not provide the detail of procedure to be followed,[37] an omission which would indicate that the matter is best left to the discretion [38] of the administrative agency concerned. This would seem to permit of a flexibility required by the peculiar nature of the exigencies which arise in the administration of such agencies. The uniformity,[39] therefore, attaches to the requirement of notice and hearing, and not to the method in which either or both is given.[40]

To summarize, then, section 2 of the proposed bill has for its purpose the establishment of a mandatory procedure governing the implementation of statutes under which agencies of the Federal Government exercise sublegislative power. The insistence is upon the factors of notice and hearing, and not upon the method thereof. The safeguards of the required procedure consist in—

1, requiring the issuance of rules defining both adjective and substantive details of Federal statutes administered by the particular agency;

2, authorizing and requiring public notice and public hearing, when hearing is requested, prior to the issuance of rules;

3, providing a method whereby businessmen and citizens may be advised in advance of administrative action determining particular cases as to the administrative interpretation of the statutes; and

4, protecting citizens acting in good faith in accordance with administrative rules for a reasonable period after the rule is rescinded or held invalid.[41]

IV. THE PROPOSED BILL, SECTION 3

"SEC. 3. In addition to the jurisdiction heretofore conferred upon the United States Court of Appeals for the District of Columbia, that court shall have jurisdiction, upon petition filed within 30 days from the date any administrative rule is published in the Federal Register, to hear and determine whether any such rule issued or continued in force in accordance with section 2 of this act is in conflict with the Constitution of the United States or the statute under which issued. No rule shall be held invalid except for violation of the Constitution or for conflict with a statute or for lack of authority conferred upon the agency issuing it by the statute or statutes pursuant to which it was issued or for failure to comply with section 2 of this act. A copy of the petition, and copies of all subsequent pleadings, shall be served upon the Attor-

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[28] "(This section) of the attached bill requires the issuance and publication of rules and regulations implementing the statutes administered by governmental agencies. We feel, however, that the matter ought not to be allowed to rest here, but that the Association should continue to urge that administrative rule-making in what may well be called a quasi-legislative capacity * * * should, so far as possible, be done in advance of controversy and from time to time revised in the light of experience with reference to that experience in general and not exercised pro hac vice for particular cases so as in effect to make a rule for a case for the time being which is in substance no rule. Undoubtedly with the volume of detail which must be dealt with in administration today a very large rule-making power must be committted to administrative agencies. But where this power is in effect legislative, there should be so far as possible the same hearing of those interested or to be affected, the same action before particular controversies, and the same promulgation and provision for reasonable possibility of public access to the rules and regulations as are a matter of course in the case of ordinary legislative lawmaking." Report of the Special Committee on Administrative Law, 63 Am. Bar. Assc. Reports 334 (1938).

[29] E. g., see sec. 23 (a) of the Securities Exchange Act of 1934, Public, No. 291, 73d Congress, as amended by Public, No. 621, 74th Congress; approved May 27, 1936.

[30] "The only way out of the confusion * * * is to recognize the fact that the doctrine of separation of powers in its extreme form is not applicable to modern government. There are many cases in which a mingling or blending of the powers of two or more of the three departments is justifiable and proper and should be frankly permitted, rather than to force the courts to sustain the validity of such bodies upon artificial or strained reasoning. * * * Such mingling of powers should be frankly recognized and sanctioned." Pillsbury, W. H., 36 Harvard Law Rev. 425.

[31] "One practical problem, of great importance to everyone who has had to deal with administrative agencies exercising delegated legislative powers, is to learn what legislation they have promulgated. Statutes are readily accessible, but this subordinate legislation has often heretofore been quite inaccessible. * * * An added difficulty is that there is no approach to uniformity in nomenclature." Jaffe, L. A., Publication of Administrative Rules and Orders, Am. Bar. Assoc. Jour., May 1938, p. 393.

[32] "The establishment of special forms of procedure to be followed in the formulation of sublegislative enactments may include specific provision for: Notice that regulations on a given subject are to be drafted; hearings at which interested parties may appear and be heard; filing of objections against a particular regulation; participation of certain interested groups or associations in the drafting of rules and regulations; complaints against any feature of a sublegislative act before it goes into operation. In a significant sense, such procedure provides for some of the safeguards that ordinarily result from legislative action. Procedural requirements such as those just mentioned are particularly applicable when the rules and regulations to be made are far-reaching and important * * *" (Blachly, F. F., and Oatman, M. E., Administrative Legislation and Adjudication, the Brookings Institution, p. 86 (1934)).

[33] "A rapid calculation * * * indicates that there are 115 Federal agencies having delegated authority to issue documents implementing the statutes of Congress, that is, to promulgate administrative law, and that the legislative or other authority therefor is contained in 964 statutory provisions (including amendments) and 71 Executive orders or proclamations (as of May 11, 1936)" (Jaffe, L. A., Publication of Administrative Rules and Orders, American Bar Association Journal, May 1938, p. 396).

[34] This provision seems to be a fundamental postulate in any attempt to prescribe a uniform procedure in this respect, in view of the Supreme Court's decisions in the *Schechter* and *Panama Refining Co. cases* (295 U. S. 495, and 293 U. S. 388, respectively). In *Wichita R. and Light Co.* v. *P. U. C.* (260 U. S. 48) the Court said: "In creating such an administrative agency the legislature, to prevent it being a pure delegation of legislative power, must enjoin upon it a certain course of procedure and certain rules of decision in the performance of its function."

[35] By this requirement "we have the details of the statute filled in by the administrative officers who are familiar with administrative problems and processes, rather than by the courts, and we protect the courts from the warring social and economic forces—diverting their hostility to the political branches of the Government which are responsible for legislating in accordance with the terms of the Constitution" (report of the special committee on administrative law, American Bar Association, Jan. 9, 1939, p. 591).

[36] For an excellent article discussing the importance of the establishment of the Federal Register to the field of administrative law, see L. A. Jaffe, Publication of Administrative Rules and Orders (American Bar Association Journal, May 1938, p. 393).

[37] "Such details are best left to the discretion of the agency conconcerned * * *." (Report of the special committee on administrative law (American Bar Association Journal, Jan. 9, 1939, p. 592).

[38] For a case exemplifying judicial overruling of the exercise of administrative discretion, see *Lukens et al* v. *Perkins* (107 Fed. 2d).

[39] "All arguments that such uniformity is neither possible nor desirable are answered by the fact that uniformity has been found possible and desirable for all classes of both equity and law actions in the courts exercising the whole judicial power of the Federal Government." (Rept. No. 1149, to accompany H. R. 6324, 76th Cong., 1st sess., p. 3.)

[40] For an adverse criticism, see The Administrative Law Bill—Unsound and Unworkable, by Alfred Jaretzki, Jr., in Louisiana Law Review for January 1940, reprinted in full in CONGRESSIONAL RECORD for February 29, 1940, at pp. 3366–3373.

[41] Report of the special committee on administrative law (American Bar Association Journal, Jan. 9, 1939, p. 588).

ney General of the United States, who shall direct the defense of the rule. The court may refer such petition and any reply thereto for the taking of such evidence as shall be material and relevant thereto. The court shall give preference to such petitions and shall have no power in the proceedings except to render a declaratory judgment holding such rule legal or valid or holding it contrary to law and invalid. If the rule is held contrary to law and invalid, the rule thereafter shall not have any force or effect except to confer immunity as provided in section 2 of this act. Nothing contained in this section shall prevent the determination of the validity or invalidity of any rule which may be involved in any suit or review of an administrative decision or order in any court of the United States as now or hereafter authorized by law."

This section of the proposed bill is to be sharply distinguished from section 5 (post) in that the judicial review contemplated herein is applicable only to the rules and regulations promulgated under section 2 (supra), whereas the review referred to in section 5 is an appellate review applicable to the decisions and orders of administrative agencies. In other words, section 3 of the bill provides for review, by means of declaratory judgments, of the subsidiary legislation issued by administrative agencies pursuant to the authority vested in them by their basic statutes. The validity or invalidity of this subsidiary legislation in the form of rules and regulations is to be tested by the yardstick method, i. e., judicial comparison of the rule or regulation in question with the Constitution and the statute or statutes under which the rule or regulation is issued.

For this purpose there is conferred upon the United States Court of Appeals for the District of Columbia, the authority and jurisdiction to declare the rule or regulation valid or invalid according to its consonance or inconsonance with the Constitution and the statute or statutes under which it is issued. In view of this provision, the ostensible purposes of the bill, according to the intent of this particular section, are:

(1) To insure a higher degree of draftmanship of such rules prior to issuance, and thus effect an improvement in the administrative technique;[43]

(2) To provide a much-needed, expeditious, and inexpensive method of determining the validity of rules and regulations;[43]

(3) To provide an adequate procedural safeguard which will in turn provide the "control of law" deemed necessary to prevent the development of administrative absolutism.[44]

It is readily apparent, from an examination of its content, that this section of the bill establishes the Court of Appeals for the District of Columbia as an appellate tribunal in the administrative system.[45] While this function is not a new one for a court of general jurisdiction, it is somewhat novel in the connection under consideration because the court becomes, in effect, an integral part of the administrative scheme as such, with the limitation that its operation within the system shall be confined to the rendition of declaratory judgments upon questions of law. No authority is granted by this section for review of questions of fact, even if not supported by "substantial evidence."[46]

By limiting the proposed review to this court, it is hoped that the Court of Appeals for the District of Columbia will become familiar with[47] and expert in the determination of administrative questions[48] and at the same time the right to test the validity of any rule in a case on the merits in any circuit court of appeals is preserved.

Fundamentally, however, the mechanism of the declaratory judgment in the Court of Appeals for the District of Columbia is intended to furnish the "practicable safeguard around the rule-making power" suggested by the President's Committee on Administrative Management when it recommended that Congress should:

"Investigate the advisability of providing means of challenging the validity of regulations that affect the public by a simplified procedure, without delay, and at a nominal cost."[49]

On the other hand, there is a suggestion that the review provided by this section of the bill is altogether unnecessary.[50] It is contended that relief for any threatened injury in the legal sense may be had in any proper court by way of injunction, and it is further emphasized that, even if the District of Columbia Court of Appeals declares the rule valid and legal, such declaration is of no final effect and may be nullified by any other Federal court having jurisdiction over the administrative tribunal.

That the proposed relief by means of the declaratory judgment is open to the same criticism implied in the general charge of unwarranted judicial interference with administrative bodies is suggested by the following observation:

"It is feared that in many cases a court attempting to act under this section would either pass on the validity of the rule without the necessary factual background or would be led into burdensome and yet necessarily incomplete consideration of many possible factual variations. That the proposed procedure runs contrary to the long-established tradition of the common law is no adequate answer to a legitimate attempt at improvement. Testing the validity of statutes in actions for declaratory judgments is a procedure of growing acceptance in State courts, but even so it is doubtful whether there has been sufficient experience to warrant its application on so broad a scope as under the present act. Conditions under Federal laws are in many respects quite different and of much wider application than under State laws. It would certainly seem sounder to proceed cautiously with its application, in the first instance, with respect only to a relatively small number of agencies or types of rules chosen with respect to their particular adaptability to such procedure."[51]

And while this same criticism is voiced from another quarter in almost identical words, the conclusion is appended that—

"Where the existence of a rule constitutes a grave and imminent threat to the demonstrable interests of a particular person, it ought to be possible to test it in advance of its actual application, and we are inclined to believe that in such cases a speedy remedy, where not already available, should be provided. Except in such cases, however, it seems preferable as a general matter to test rules and regulations only as their effect is observed in practical operation."[52]

The real question, then, as to the advisability or inadvisability of section 3 seems to resolve into one of practicality, apart from desirability. Perhaps no effective answer to the question can be found until one is synthesized by the best method known to the administrative process—the method of experience.

The proposed bill, section 4, statutory approval and authority for administrative boards and prescribing their procedure

"SEC. 4. (a) Every head of an agency shall from time to time designate three employees of his agency for such intra-agency boards (including the field service of such agency) as may be necessary and desirable. Where there are intra-agency boards existing on the date of approval of this act, they shall be reestablished and function in accordance with this act. Wherever practicable, such boards shall be designated in various sections of the United States to hear any controversy which may have there arisen. At least one employee designated for each such board shall be a lawyer, who shall act as chairman of the board. When the members of any board are not engaged in the hearing of administrative appeals as hereinafter provided, such employees shall be assigned to other duties in the service of the agency concerned. No member of a board who has participated in a particular case or in the preparation, draft, or approval of any rule which may be involved shall sit in appeal of the case or application of the rule. [Each board shall be impartial, free, and independent in the hearing and determination of administrative appeals.] (Part in brackets to be omitted.)

"(b) When any person is aggrieved by a decision of any officer or employee of any agency, such person may notify the head of the agency in writing of objections thereto, specifically requesting that the controversy be referred to a board, constituted as hereinbefore provided, for hearing and determination. Such notice shall be given not more than 20 days after the date of receipt of a registered letter notifying him of the decision, act, or failure to act. Such written objections shall be referred promptly to an intra-agency board for the agency concerned. At the time and place to be designated and communicated to the aggrieved person he shall have an opportunity at an early day for a full and fair hearing before said board, at which time there shall be introduced into the record the testimony and any documents or objects relating to the appeal before said board. Any person having a substantial interest in the controversy shall have the right to intervene therein. A stenographer shall be assigned to the hearings before the board to take and transcribe the testimony. All testimony, other evidence, and all proceedings before the board shall be reduced to a written record and filed in the agency concerned and a copy thereof shall be furnished to the aggrieved person upon his written request therefor at a charge not exceeding the actual cost thereof. Within 30 days after the day the evidence and arguments are closed the board shall make written findings of facts and separate decision thereon, which shall be subject to the written approval, disapproval, or modification of the head of the agency concerned or of such person as he shall designate in writing to act for him. A copy of the findings of fact and decision, showing the action, if any, of the head of the agency concerned or his representative, shall be filed in the agency as a part of the written record in the case and a copy shall be mailed to the aggrieved person and to the intervenors, if any. The United

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[43] Report of the special committee on administrative law (American Bar Association Journal, pp. 595–596, Jan. 9, 1939).

[43] House Report No. 1149 to accompany H. R. 6324, p. 5.

[44] 63 American Bar Association Reports, pp. 342–346, 1938.

[45] For an example of a like function conferred on this court, see *Keller* v. *Potomac Electric Power Co.* (261 U. S. 428 (1923)).

[46] Factual reviews of this type are provided for in sec. 5 (a), post.

[47] Query: Does the admitted expertness of Mr. Justice Frankfurter in the field of administrative law make his opinion in the Pottsville case more or less authoritative? (*Federal Communications Commission* v. *Pottsville Broadcasting Co.*, 84 Adv. Op. 361, decided Jan. 29, 1940.)

[48] Report of special committee on administrative law (American Bar Association Journal, p. 594, Jan. 9, 1939).

[49] Exercise of the Rule-Making Power (President's Committee on Administrative Management, p. 7).

[50] The Extent to Which S. 915 or H. R. 4236 Would Affect the Work of the Department of Agriculture, by Ashley Sellers, head attorney, office of the Solicitor, in hearings before Subcommittee No. 4 of House Committee on the Judiciary, pp. 84–85.

[51] Jaretzki, A., The Administrative Law Bill—Unsound and Unworkable, Louisiana Law Review, January 1940, quoted in full in the Appendix of the CONGRESSIONAL RECORD p. 1073 (76th Cong., 3d sess.).

[52] Hearings on the administrative law bill, joint report of the committees on administrative law and on Federal legislation of the Association of the Bar of the City of New York on S. 915 and * * * H. R. 4236, * * * before Subcommittee No. 4 of the Committee on the Judiciary, Seventy-sixth Congress, first session, p. 126.

States shall take such action as may now or hereafter be provided by law to enforce the decision of the agency unless there be pending judicial review thereof as hereinafter provided.

"(c) The chairman of any board, upon request of any party to the proceedings, shall require by subpena the attendance and testimony of witnesses and the production of documents and all other objects before said board without other showing than required by the rules in United States district courts for the issuance of subpenas by such courts. Any witness subpenaed or whose deposition is taken shall receive the same fees and mileage as witnesses in courts of the United States, to be paid by the party at whose instance the witness appears or deposition is taken. In the event of disobedience of a subpena issued as herein provided, the chairman, or any party to the proceedings, may apply to any district court of the United States of the jurisdiction in which the witness may be found for an order requiring his attendance and testimony and the production of all documents and objects described in the subpena. The chairman of the board shall be authorized to administer oaths to witnesses and there shall be a right to examination and cross-examination of witnesses.

"(d) Where the matter in controversy is such that the delay incident to the hearing and decision of the case would create an emergency contrary to the public interest and there is administrative action or inaction, prior to or without such hearing and determination, resulting in the destruction of the property or damage to the aggrieved person involved in such controversy, the findings of fact and decision when made by the board shall state the amount of pecuniary damage suffered by the aggrieved person and upon approval thereof by the head of the agency concerned, the amount of the damages so approved, if acceptable to the aggrieved person, shall be certified to the Congress for an appropriation with which to pay the same.

"(e) Where any matter arises out of the activities of any independent agency, it may be provided by rule that such matter may be heard in the first instance by one of its trial examiners, who shall file with the independent agency the written record and his written findings of fact and separate decision, which shall be made in all instances, whether by the examiner or the independent agency, after reasonable public notice and a full and fair hearing as hereinbefore in this section provided. A copy or copies thereof shall be sent by registered mail to the aggrieved party. The independent agency shall enter at the expiration of 30 days such appropriate decision as may be proper unless within said 30 days the aggrieved party shall signify his written consent to the entry of the decision or shall file by registered mail with the independent agency his written objections to the findings of fact and decision of the examiner, in which event the independent agency shall not enter its decision without first according a public hearing upon reasonable notice to such party. Such hearing shall be before the members of the independent agency, if it has not less than three members, or before any three of such members. If the independent agency has less than three members, an intra-agency board shall be constituted in the manner provided in subsection (a) of this section, upon which the member or members of such agency may serve at his or their election.

"(f) No hearing shall be permitted before any agency or independent agency seeking affirmative relief against the United States concerning any controversy which arose more than 1 year prior to the date on which there was filed with such agency or independent agency a written request for such hearing as provided in this section."

Ostensibly based upon our Federal and State patterns of court systems providing for lower, intermediate, and high courts, this section of the proposed bill creates an intermediate appellate functionary designed to afford intradepartmental appeals in respect of any action taken by administration bodies. The intra-agency board created by this section, molded to perform a quasi-judicial function, are not intended to be a part of the judicial system; but rather, they are intended to serve as a formularizing agent in the administrative process itself.

The purposes of this section are divided by the sponsors of the bill into direct and indirect. As direct purposes they tabulate:

(1) The establishment of a uniform standard of procedure for hearing and determining controversies between administrative tribunals and private persons (a) in the single-headed Federal agencies, (b) in the independent boards and commissions.

(2) The providing of opportunity for a mandatory hearing to be accorded any aggrieved party so that there may be a full and complete record before the responsible administrative officers for action.

(3) The fixation of responsibility for administrative action.[53]

The indirect purposes are listed as—

(1) A higher degree of care in arriving at determination of controversies, resulting from written exposition of findings of fact reasoned from an analysis of the evidence.

(2) The improvement and betterment of the Federal administrative service by necessitating the appointment of expert and competent administrators attuned to the responsibilities of positions wherein the decision of controversies is an important part of the duties involved.[54]

[53] Annotated copy of the bill (S. 915) to provide for the more expeditious settlement of disputes with the United States; Senate Document No. 145, Seventy-sixth Congress, third session, p. 10 (February 8, 1940).

[54] Report of the special committee on administrative law, American Bar Association, January 9, 1939.

In one of its earlier reports, the American Bar Association's Committee on Administrative Law commented upon this section of the proposed bill in a manner which revealed both the advantages and disadvantages of the procedure suggested. For its revealing analysis, that portion of the report is worthy of quotation in full:

"As to intradepartmental boards * * * of the proposed bill there is much to be said on both sides. The advantages are (1) that instead of attempting an immediate cure for all the evils in the present practice, it seeks a speedy, uniform, and inexpensive, and, on the whole, elastic review with a secured right of appeal. (2) That the organization of the reviewing process is flexible so that administrative officials could not complain of being unduly hampered by such a process as they do complain with respect to appeals to outside judicial tribunals. (3) That it regularizes within the departments what is now largely the actual present procedure. (4) That it tends to compel a clear record of what is done and on what basis and by whom, and gives to administrative superiors an opportunity of understanding exactly what was done and of fixing responsibility therefor. The objections which have been urged are (1) that it involves more appeals than are desirable, namely (a) to the interdepartmental board, (b) to a reviewing court, and (c) to some appellate tribunal reviewing the action of the latter. Multiple appeals are an unfortunate feature of the American procedure. They ought to be avoided. (2) That it tends toward final review by administrative officials of their own action. * * * The very nature of administrative organization calls for esprit de corps, for thorough subordination in a hierarchy of officials, and tends to preclude the kind of appeal which is imperative if the rights of individuals are to be secured. * * * (3) That in hearing an appeal and in taking evidence upon it, it is quite possible that members of the intradepartmental board will be passing on the action of their administrative superiors to whom they must look for promotion, if not for the very tenure of their positions. Above all things it is important to make administrative adjudication as free from influence as is judicial adjudication. But administrative appeal can hardly be expected to be free from the influence involved in any administrative hierarchy.

"The provisions of the proposed bill with respect to record and findings of fact are in accord with important principles that ought to be adhered to in any plan. While the plan of administrative review proposed by the bill is not a panacea and is not immune to objection, it meets obvious abuses now existing as well as any other plan which may be devised." [55]

Briefly summarized, the section directs the establishment from time to time of such intradepartmental boards, consisting of three members, as may be feasible and desirable for the appeal of controverted questions before administrative agencies. One member of such board, a lawyer by profession, shall act as chairman of the board. No member of the board who has previously been a participant in any case, or who assisted in the drafting or approval of any rule, shall sit in appeal of that case or application of that rule. Any person aggrieved by the decision of any official or employee of any independent agency may have the controversy referred for hearing and determination by the intraagency board so constituted.[56] The board is given the judicial powers of administering oaths, subpenaing witnesses, and directing the taking of depositions.

Prima facie, the section and the procedure that it establishes is a proposed legislative answer to the demands of the Supreme Court in the Morgan cases.[57] Both the litigous history of those cases, and the admonitory judicial insistence in each of them upon the right to a full hearing before administrative bodies, would be avoided by the adoption of the safeguards outlined in this section. In fact, one prominent jurist has intimated that the type of administrative review provided thereby may happily result in a better understanding of the administrative process and a lessening of the antagonism toward administrative tribunals in general.[58] In the main, therefore, there is no quarrel with the type of review provided—perhaps mainly because the particular review in question is left with the administrative. The dispute as to the practicality of the section hinges around its scope rather than its purpose.[59]

[55] Sixty-third American Bar Association Report, 336–337.

[56] Ballantine, A. A., Administrative Agencies and the Law, American Bar Association Journal, February 1938, p. 111.

[57] *Morgan* v. *United States* (298 U. S. 468), *Morgan* v. *United States* (304 U. S. 1).

[58] "Among English-speaking peoples the right of appeal is almost as sacred as the right of trial. Deprived of this right of appeal or of effective review, litigants denounce the whole system of administrative law, and it is conceivable at least that in time strong antagonism might be aroused against it. In my opinion, the review should be by an administrative agency rather than by a court, because the administrative agency has greater freedom and flexibility of action." Rosenberry, Hon. Marvin B., chief justice, Wisconsin Supreme Court, Power of the Courts to Set Aside Administrative Rules and Orders, American Bar Association Journal, April 1938, p. 333.

[59] "There can be no doubt as to the imperative need for the improvement of the judicial process within the administrative agencies themselves. Whether, however, the act goes too far in the extent to which review is provided and whether or not it is possible or desirable to legislate so broadly in respect of so many administrative agencies without a study of the effect of such legislation on each agency is another question." Jaretzki, A., Jr., The Administrative Law Bill—Unsound and Unworkable. Louisiana Law Review, January 1940, quoted in full in the Appendix of the CONGRESSIONAL RECORD, p. 1074.

The gist of this criticism has been succinctly stated in the following well-developed paragraphs:

"The course of wisdom is to introduce appellate administrative tribunals into particular fields of administration as their presence is shown to be needed, taking care that they have the characteristics of both expertness and fairness, rather than attempt to legislate at one fell swoop for the entire executive branch of the Federal Government. At the same time, the effort should be made to restrict the review of their determinations by the regular courts as fully as the legal competence of their membership, the need of unity in the administrative system, and the state of constitutional doctrine will allow. Consolidation of tribunals, or the extension of their jurisdiction can then take place as expediency dictates, after the manner of the formation of the present Court of Customs and Patent Appeals.[60]

The conclusion obviously to be drawn is that the section is a concession to expediency inserted in the bill in its present draft mainly because of inability to find a more satisfactory solvent for a problem which is one of the most vexatious in the entire field of administrative law.[61]

That intradepartmental review as provided in the section would be salutary cannot be doubted. Whether it will dovetail with the administrative process in all agencies and tribunals can be determined only by testing it in the crucible of experience. One writer hopefully suggests that such review would probably constitute the final step in 95 percent of all the cases.[62] But the same writer insists that the review cannot stop with provision for intradepartmental appeal. The further review by the courts, it is contended, is fundamental to the preservation of the bulwark of individual rights. This further review is the subject matter of the next section.

The proposed bill: Section 5, judicial review of decisions or orders of administrative agencies

"SEC. 5. (a) Any party to a proceeding before any agency or independent agency, as provided in section 4 of this act, who may be aggrieved by the final decision or order of any agency or independent agency, as the case may be, within 30 days after the date of receipt of a copy thereof, may at his election file a written petition (1) with the clerk of the United States Court of Appeals for the District of Columbia; or (2) with the clerk of the circuit court of appeals within whose jurisdiction such aggrieved party resides or maintains his principal place of business or in which the controversy arose for review of the decision. Before filing a petition such party may within 10 days make a motion to the agency or independent agency concerned for a rehearing, tendering a statement of any further showing to be made thereon which shall constitute a part of the record, and the time for appeal shall run from the order on such motion if denied or the order made on such rehearing if a rehearing shall be had. The petition shall state the alleged errors in the decision of the agency or independent agency concerned. The Attorney General of the United States and the agency or independent agency shall each be served with a copy of the petition, and it shall be the duty of the Attorney General of the United States to cause appearance to be entered on behalf of the United States within 30 days after the date of receipt by him of a copy of the petition, and it shall be the duty of the agency or independent agency, as the case may be, within 30 days, or such longer time as the court may by order direct, after a receipt of a copy of the petition, to cause to be prepared and filed with the clerk of such court the original or a full and accurate transcript of the entire record in such proceeding before such agency or independent agency. The court may affirm or set aside the decision or may direct the agency or independent agency concerned to modify its decision. Any case may be remanded for such further evidence as in the discretion of the court may be required, but no objection not urged before the agency or independent agency, as the case may be, shall be considered by the court unless the failure or neglect to urge such objection shall be excused by the court for good cause shown. To facilitate the hearing of such appeals and avoid delay in the hearing of other matters before the court, such court may constitute special sessions thereof to consist of any three judges competent in law to sit as judges of a circuit court of appeals, which special sessions may be held concurrently with the regular sessions of said court. Any decision of any agency or independent agency shall be set aside if it is made to appear to the satisfaction of the court (1) that the findings of fact are clearly erroneous; or (2) that the findings of fact are not supported by substantial evidence; or (3) that the decision is not supported by the findings of fact; or (4) that the decision was issued without due notice and a reasonable opportunity having been afforded the aggrieved party for a full and fair hearing; or (5) that the decision is beyond the jurisdiction of the agency or independent agency, as the case may be; or (6) that the decision infringes the Constitution or statutes of the United States; or (7) that the decision is otherwise contrary to law.

"(b) The judgments of the circuit courts of appeals shall be final, except that they shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in sections 239 and 240 of the Judicial Code, as amended (U. S. C., title 28, secs. 346 and 347).

"(c) Where the cause of action is otherwise within the jurisdiction of the United States Court of Claims as provided in section 136 to 187, inclusive, of the Judicial Code, as amended (U. S. C., title 28, secs. 241 to 293, inclusive), the petition provided in this section may be to the said Court of Claims at the election of the aggrieved party.

"(d) Where a circuit court of appeals or the Court of Claims finds itself in disagreement with a previously rendered decision of another court having jurisdiction under this section, it shall certify to the Supreme Court of the United States a distinct and definite statement of the question or proposition of law upon which such disagreement rests, with a statement of the nature of the cause and of the facts on which such question or proposition of law arises, together with a statement of the reasons in support of such disagreement. Such further proceedings shall be as provided in section 239 of the Judicial Code, as amended (U. S. C., title 28, sec. 346)."

In this section of the proposed bill the real intent to "govern the governors" and "regulate the regulators" is revealed by the sweeping proposal to bring the ultimate decision and determination of administrative controversies within the province of the judicial branch of the Government. While the ambit of judicial review of administrative action has already, in most cases, been extended to questions of law as decided by administrative agencies,[63] the power to remand for the further taking of evidence [64] and the scope of the review provided by subsection (a) of this section is illustrative of an intendment to make the courts triers of fact as well as reviewers of law.

Beyond a shadow of doubt, the question of judicial review of orders and decisions of administrative agencies is one of the most difficult of adjustment as well as most controversial in nature. Between the two extremist philosophies—that which advocates no review at all on the one hand and that which espouses a complete review on the other hand—there is, no doubt, a median at which the proper balance may be achieved. In the St. Joseph Stockyards case Mr. Justice Brandeis, a conceded liberal in the orthodox meaning of that abused adjective, stated that—

"The supremacy of the law demands that there shall be opportunity to have some court decide whether an erroneous rule of law was applied and whether the proceeding in which facts were adjudicated was conducted regularly." [65]

Since the decision in that case is peculiarly pertinent to the discussion of administrative adjudication, it would seem that section 5 of the administrative law bill is but a legislative echo of the cry of the eminent Justice. On the other hand, the proponents of what has been roundly denounced as "administrative absolutism" have found valiant champions to defend their position; and, at least as far as review of findings of fact is concerned, the dean of Harvard Law School, himself an experienced administrator, has plumped for administrative finality in that realm.[66] The dividing line between administrative finality and assumption of judicial review is, in the opinion of Dean Landis, to be drawn at that point where the expertness of these respective branches of the Government can best assert itself. Thus, in analyzing the meaning of the "supremacy of the law" postulated by Mr. Justice Brandeis, he asserts:

"I return to the issue of 'law' as being the dividing line of judicial review—as bounding the province of that 'supremacy of law' that is still our boast. Its content, insofar as it relates to judicial review of administrative action, seems to me to reach back to the issue of expertness. Our desire to have courts determine questions of law is related to a belief in their possession of expertness with regard to such questions. It is from that very desire that the nature of questions of law emerges. For, in the last analysis, they seem to be those questions that lawyers are equipped to decide." [67]

What, then, in the light of these observations, are the provisions of section 5 of the proposed bill?

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[60] Fuchs, Ralph F., Concepts and Policies in Anglo-American Administrative Law Theory, 47 Yale Law Journal, 568–569. Note: The author is also a member of the Attorney General's committee on administrative procedure.

[61] Report of the special committee on administrative law, American Bar Association, January 9, 1939, p. 606.

[62] "Now, it probably is desirable * * * to provide for review of all administrative determinations, where review is desired, first, by intradepartmental boards, which, in addition to determining the appeal, could see to it that the record in the case was complete and perfect. Such review would probably end 95 percent of all such cases, especially if these departmental boards could give detached and disinterested consideration to such cases, because those sitting in review had not helped to work the cases up. But, even so, we cannot afford to have these determinations made absolutely final. Liberty is at stake and the courts are our last line of defenses." Masters, J. V., Making Administrative Action Safe, American Bar Association Journal, October 1938, p. 840.

[63] E. g., Federal Communications Act of 1934, sec. 406 (a); Federal Power Commission, 49 Stat. 860, sec. 313; Federal Trade Commission, Public, No. ——, 75th Cong., sec. 5 (c); etc.

[64] H. R. 6324, 76th Cong., 1st sess., p. 12, lines 13–18.

[65] *St. Joseph Stockyards Co.* v. *United States* (298 U. S. 38, 84 (1936)).

[66] "The positive reason for declining judicial review over administrative findings of fact is the belief that the expertness of the administrative, safeguarded by adequate procedures, can be trusted to determine these issues as capably as judges." Landis, J. M., Administrative Policies and the Courts, 47 Yale Law Journal 530.

[67] Landis, J. M., Administrative Policies and the Courts, (47 Yale Law Journal 535–536).

In response to the admitted charge of nonuniformity in the matter of judicial review,[68] the proponents of the bill maintain that this section of the bill merely supplies a grave deficiency in the present system of administrative procedure. In supplying the deficient factor by making judicial review available, the following purposes are sought to be attained: (1) to provide a uniform procedure of judicial review for all decisions and orders of administrative boards, whether of intraagency boards or of independent agencies; (2) to insure, by judicial review, that administrative quasi-judicial decisions and orders shall remain within the limitations established for them by statutes conforming to the Constitution and to insure that within such limitations there shall be free exercise of administrative discretion, provided a full and fair hearing has been accorded the citizen and provided further that the decision, or order, shall be in accordance with the law and the facts established in the record; (3) to decentralize the judicial reviews of administrative decisions, or orders, into the circuit courts of appeal throughout the United States, rather than centralizing them in Washington; and (4) to provide an expeditious method of resolving any conflicts among the reviewing courts, so as to provide, by final decision of the Supreme Court of the United States, that degree of certainty so necessary in the administration of the law.[69]

These broad purposes are to be achieved through a plan of review in which the circuit courts of appeal—except in those cases which are further appealed to the Supreme Court—become, in effect, the apex of the American administrative system. This plan of review permits (a) the filing of a motion by the aggrieved party to the agency or independent agency, which motion, if denied, becomes a part of the record, and the adverse action thereon may be appealed to (b) the United States Court of Appeals for the District of Columbia, or any circuit court of appeals, which appellate court may (c) affirm, set aside, or modify the decision of the administrative agency, or remand the case for the taking of further evidence; and such court may set the order or decision aside on any one or more of the following grounds: (1) that the findings of fact are clearly erroneous; (2) that the findings of fact are not supported by substantial evidence; (3) that the decision is not supported by the findings of fact; (4) that the decision was issued without due notice and a reasonable opportunity having been afforded the aggrieved party for a full and fair hearing; (5) that the decision is beyond the jurisdiction of the agency or administrative tribunal rendering it; (6) that the decision infringes the Constitution or statutes of the United States; or (7) that the decision is otherwise contrary to law.[70]

In applicable cases, the Court of Claims is also open to any aggrieved party, and further review may be had in the Supreme Court by certiorari or certification by a court which finds itself in disagreement on a question of law with a sister court.

The main objection to the provisions for judicial review in the section are centered around the scope of the review proposed. It is contended that no leeway is permitted for the diversity of administrative processes, and that the section is too indiscriminate in its lack of specification of the acts from which appeal may be taken.[71] One outstanding judge, considered to be an authority on administrative law, would leave the review of administrative controversies in the hands of an administrative tribunal rather than the courts,[72] and comments further that

"It seems obvious that such a review (i. e., review by the courts on all questions) were provided, they might just as well abolish administrative tribunals, because the whole controversy would be left to the court, because it would be in the court where you get a final determination. Therefore, the proposition which looks to a review by the court of the whole matter, including questions of fact, it seems to me would bog the courts down, throw them into politics, or do away with these administrative statutes. Personally, I regard this development of administrative law as one which has grown out of necessity, and whether we like it or not, we have it here, we have it perpetually, and we must learn how to deal with it." [73]

Obviously, section 5 of the proposed bill does nothing more than add fuel to the fire raging about the question of judicial review of administrative action. A review of the literature and opinion on the matter forces the conclusion that the section is decidedly amicable to the legalistic and juristic concept of the place of judicial review in the administrative system; and postulating the passage of the bill, the problem would then become one of adjustment and conformity for the administrative branch of the Government, with the balances fully tilted in favor of "supremacy of law" in a judicial sense.

The proposed bill, section 6

"SEC. 6. The courts shall have jurisdiction and power to impose damages in any case where the decision of the agency or independent agency is affirmed and the court finds that there was no substantial basis for the petition for review. In all cases the costs on review shall be allowed the prevailing party after final judgment, to be collected according to law."

As a deterrent to frivolous and procrastinating appeals, this section of the bill adopts existing statutes [74] and vests in the reviewing courts the power to assess damages for any dilatory tactics in the use of the appellate procedure made available by the terms of the bill. According to the American Bar Association's annotation of the bill,[75] there is no record of such action ever having been taken by a court, but the conclusion is that it is a salutary provision and one that should be vested in the courts as an available expedient to discourage the employment of court machinery for purposes of administrative frustration.

While it would seem that such a provision would meet with the unqualified endorsement of administrators and governmental officials, yet there has been some criticism of the proposal as impractical. In a letter to the chairman of the Judiciary Committee, the Acting Secretary of the Treasury stated that—

"Two practical considerations militate against an assessment of damages: First, it is extremely difficult to prove that any petition for appeal is filed merely for delay; and, second, sufficient opportunity for delay exists under the provisions of the bill prior to appeal to the courts." [76]

As to costs, the logical rule that "loser should pay" is adopted as the standard. If the individual seeks judicial review of administrative action and is successful, the Government bears the cost of preparation of the record; while if the Government prevails, the individual pays such costs, including court costs.[77]

Apparently the section is ancillary to the bill as a whole, and it is doubted whether its inclusion or exclusion would materially affect the aims and purposes of legislation considered as a fundamental reform of the administrative structure.

[68] This admission is taken for granted in view of the fact that opponents of the bill contend that, due to the diverse character of the functions of administrative agencies, a uniform system of review is neither desirable nor practicable. See Blachly and Oatman, "Administrative Legislation and Adjudication," the Brookings Institution, pp. 196–201; Hearings on Administrative Law Bill, p. 158.

[69] Senate Document No. 145, 76th Cong., 3d sess., p. 17.

[70] H. R. 6324, 76th Cong. 1st sess., p. 13, lines 2–12.

[71] Jaretzki, A., "The Administrative Law Bill—Unsound and Unworkable", Louisiana Law Review, January 1940, quoted in full in the Appendix of the CONGRESSIONAL RECORD, p. 1075.

[72] Chief Justice Rosenberry (Wis.), "Power of the Courts to Set Aside Administrative Rules and Orders", American Bar Association Journal, April 1938, p. 333.

[73] Same as Note 72, p. 281.

[74] U. S. Code, Title 26, sec. 631 (c) (4); U. S. Code, title 28, sec. 258.

[75] Report of Special Committee on Administrative Law, American Bar Association, January 9, 1939, p. 617.

[76] Hearings on administrative law bill, 76th Cong., 1st sess., p. 107.

[77] House Report No. 1149, 76th Cong., 1st sess., to accompany H. R. 6324, p. 7.

Purchase of Silver From Mexico

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, April 15 (legislative day of Monday, April 8), 1940

EDITORIAL FROM THE NEW YORK TIMES

Mr. TOWNSEND. Mr. President, I ask consent that there be printed in the CONGRESSIONAL RECORD an editorial which appeared in the New York Times of April 11, 1940, entitled "The Note to Mexico," in which the statement is made that—

there was never any good reason in the first place why our Government should have * * * to load itself up with foreign silver for which it has not the slightest need.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 11, 1940]

THE NOTE TO MEXICO

The note that Secretary Hull addressed to the Mexican Ambassador places the American case regarding the oil and land seizures on irrefutable ground. It fully grants the right of a sovereign state to expropriate property for public purposes. But it insists that no appropriation is legal unless it is accompanied by "adequate, effective, and prompt compensation." This requirement is not satisfied, the note continues, merely by an expressed intent on the part of Mexico to pay at some time in the future. In a severe historical summary the note points out that "during the last 25 years one American interest in Mexico after another has suffered at the hands of the Mexican Government," and that, though Mexico took over American-owned petroleum property to the value of many millions of dollars more than 2 years ago, "not 1 cent of compensation has been paid." Mr. Hull suggests that

the problem be solved by resort to "the appropriate, fair, and honorable procedure of arbitration."

It is difficult to see how the Mexican Government, if it wishes to adhere to principles of equity and to maintain friendly relations with our Government, can reject this eminently fair offer. If it does do so, our State Department will be faced with a very delicate question concerning what its next step ought to be. It is absurd, however, that our Government, during all the period that the seizure of American property has been going on, and during all the period that the Mexican Government has been putting off or evading the question of compensation, should have continued to lend substantial financial support to the latter by its very substantial purchases of Mexican-held silver at artificially high prices. These purchases should in any event be terminated at the earliest possible moment—not in retaliation for Mexico's policy in seizing the property of American citizens, but simply because there was never any good reason in the first place why our Government should have been forced by a fantastic domestic law to load itself up with foreign silver for which it has not the slightest need.

Neutrality

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

RADIO ADDRESS BY HON. JAMES A. SHANLEY OF CONNECTICUT

Mr. SHANLEY. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following radio address delivered by me last Thursday evening, April 11, 1940:

Good evening, ladies and gentlemen, through the courtesy of station WOL in Washington and its radio affiliates in the Mutual Broadcasting System, I am permitted to express to you my creed on the duty of neutrality and its chances of keeping us out of this war.

Above all and rightly foremost we are a neutral by the determined choice of our people, by the endorsed will of Congress, and the solemn proclamation of the President of the United States acting from congressional authority. But what is neutrality and for what are we neutral?

In the first place neutrality means effective practical action to make both sets of belligerents honor our overpowering desire to stay out of this war. Written protests are not enough when prerogatives on the high seas are ignored and scorned. Belligerents must recognize our militant will to be neutral. We must implant in their minds a profound respect for our strict and impartial neutrality and that comes faster when we treat them all alike. We cannot support either nor can we pass judgment on the merits of their wars. Our neutrality is neither malevolent nor benevolent.

As Professor Borchard says, we must make all belligerents feel that they are dealing with a friend and not a disguised enemy. It means we must stand up to belligerents who tamper with our rights. It tells the British that unless they desist in their forced contraband control and mail violations we will shut out their armed merchantmen or take greater steps to indicate our sincerity. Germans, Russians, Japanese, or other offending nations must know that they cannot take advantage of our self-imposed restrictions on combat zones for their own use.

Brutally, realistically the President caught this significance in his neutrality proclamation of September 4, when he said that we are on "terms of friendship and amity with the contending powers," imposing the duty of "strict and impartial neutrality" during the existence of the contest. He did not officially pick out one side or the other. He added, "No person within the territory and jurisdiction of the United States shall take part directly or indirectly in the said war, but shall maintain a strict and impartial neutrality."

Thus the President spoke and by that utterance we should be guided.

Our second point reveals the real place for the United States in this chaotic world. That is the revival of Woodrow Wilson's dream for post-war help with the understood benefits of his mistake as our best hope.

Here it is: "My fondest dream for America is to so conduct herself that when the time comes for peace we can be ready to assist in a way that will permit the utmost use of our immense reservoir of natural advantages, prestige, and influence." That is our hope.

Our third point gets us back to earth. A constant, present, and vivid understanding of what our entrance into war would mean.

Here again Wilson spoke:

"Once lend this people into war and they will forget there was ever such a thing as tolerance. To right you must be brutal and ruthless and the spirit of ruthless brutality will enter into every fiber of our national life, infecting the Congress, the courts, the policemen on the beat, the man on the street. * * * Yes; it means that we will lose our heads along with the rest and stop weighing right and wrong. * * * It means an attempt to reconstruct a peacetime civilization with war standards, and at the end of war there will be no bystanders with sufficient power to influence the terms. There won't be any peace standards left to work with, there will only be war standards."

In the same vein Pope Pius XII recently pointed out in his famous encyclical the dangers of victory.

"The hour of victory is an hour of external triumph for the party to whom victory falls, but it is in equal measure the hour of temptation. In this hour the angel of justice strives with the demons of violence; the heart of the victor all too easily is hardened; moderation and far-seeing wisdom appear to him weakness; the excited passions of the people often inflamed by the sacrifices and sufferings they have borne obscure the vision even of responsible persons and make them inattentive to the warning voice of humanity."

There is danger lest settlements and decisions born in such conditions be nothing else than injustice under the cloak of justice.

Further we may well ask in paraphrase as Gladstone did:

"Is America so uplifted in strength above every other nation that she can with prudence advertise herself as ready to undertake the general redress of wrong? Is any power at this time of day warranted in assuming this comprehensive obligation * * * that she should not encourage the weak by giving expectations of aid to resist the strong, but should rather seek to deter the strong by firm but moderate language?"

Unless we adopt such a realistic viewpoint of the solemn duty of America to remain aloof from this war, we may fall into the error of advertising ourselves to the world as a nation that is ready to redress the world's wrongs. It is too late now to redirect the channels of thought that might have given this world of ours in post World War days some semblance of sanity. It is not too late, however, to repeat that this Nation did everything it could to help. All that, however, is water under the bridge. Now the die is cast. We must keep out of World War No. 2.

Our Army has been streamlined also and today we are planning to put a force into the field that will be a real help in case of a defensive emergency. We learned much from the maneuvers at Plattsburg.

Yes, we are on a respectable defensive posture, well bracketed between the dangers of dire unpreparedness and the evils of militarism.

The world knows that we follow Shakespeare's formula:

"Rightly to be great
Is not to stir without great argument,
But greatly to find quarrel in a straw
When honour's at the stake."

The fifth point. A perpetual and constant alertness against propaganda. Here once again Shakespeare speaks with authority in the best definition of this subtle poison—"The seeming truth which cunning times put on to entrap the wisest."

The sixth point. But there is another field in which we are superbly prepared; that is in our foreign service and diplomacy. After all, war only begins when diplomacy fails. But today American diplomacy is at its best. We have the finest set of career men in our history, and even our so-called political ambassadors are far and away superior to any similar group in recent times.

Contrast these men and our present set-up with 1914 and you will discover the tremendous preparation, protection, and power built by the administration in cushioning our reaction and repercussions to the onslaughts of the fierce, terrible, and costly effects of war. We have the fiscal, financial, economic controls ready and able to streamline our impingements with whatever happens in Europe. In 1914 the stock market was closed from August to early December because of the suddenness of the war's shocks; but today everything is moving along with efficiency built up and caused by administrative measures in advance.

Yes; we are ready, but we are really neutral. We give the lie to Shakespeare, who said, "Who can be wise, amazed, temperate and furious, loyal and neutral in a moment?" The answer is that we will, but only because we won't fly off the handle but will reflect and control our emotions.

It is truly amazing that one finds more worries about eventual participation in the war at home than here.

In the fourth place, vigilant but not boastful realization of our relatively impregnable defensive strength. Washington, in his farewell address, insisted that we keep our national defense on a "respectable defensive posture."

Let us look at our defenses. First, we have a first rank among the navies of the world. Even Great Britain acknowledged that at the London Naval Conference in 1930. This means that we possess the defensive naval power which can cope with any attacking

force three times our limit. Without chauvinism or undue gloating we are the equal of any navy of the world today. Rugged, honest Admiral Leahy virtually told our committee that it would take a coalition of powers with three times the present American Navy to defeat us in our own waters. Let us be more real. "If we superimpose," as has been said, "the map of Europe upon the map of America with Berlin placed upon Chicago, we will find that Leningrad (St. Petersburg) falls on Boston, that Constantinople falls on Miami, Rome on New Orleans, Paris on Wichita, Kans., and London on Omaha, Nebr."

More than one distinguished visitor to America has been given a chance by our War Department to travel by air over the key areas in our democracy. Every one has been most profoundly affected by the score of large cities presented to their view as they flew to the north, south, east, and west. There are so many retreats possible in our national set-up that the loss of many centers could be endured because of the presence of worthy substitutes.

If you sweep up the Atlantic by air you are impressed by the dozen or more great areas from Miami to Portland—all pretentious, large, and progressive cities. The same situation is existent for the Pacific. We are not a one- or two-city nation.

Another line of protection is our tremendous capacities in industrialization and resources, topping the world. We have accessible machine power, naturally and created, of unsurpassed potentialities. Our economic self-sufficiency is of the best. Here we have primacy in all of the great essentials—food, iron, machines, chemicals, coal, and iron ore. Here, too, we have adequate supplies of the so-called raw materials—copper, lead, sulfur, zinc, phosphate, and mica.

Even in the deficiency materials—rubber, tin, chromite-nickel, and antimony—we have stored inventories for the future and have made preparations to supply them in the event of need.

Don't sell America short, but don't forget that eternal vigilance is the price we must pay to keep strong. What we want is the ever-ready capacity to throw our immense peacetime economy into defensive high gear if necessary. This is especially true of plane production.

In defense we stand foursquare for the philosophy of the poet:

"Strike till the last armed foe expires,
Strike for your altars and your fires,
Strike for the green graves of your sires,
For God, and native land."

Finally, and to me the most important of all, beware of propaganda. On the top of West Rock, in my district, there is a cave in which the Regicides hid, and here is the inscription as I remember it:

"Here, May 15, 1661, and for some weeks thereafter, William Whalley and his brother-in-law, Edward Goffe, members of the Parliament General, officers in the Army of the Commonwealth, and signers of the death warrant of Charles First, found shelter and concealment from the officers of the Crown after the restoration.

"Opposition to tyrants is obedience to God."

The greatest tyrant we may have during the next year or later may be an emotional majority, a possible propagandized force sweeping reason and restraint before it and making real and starkly present the spector of the tyrant majority.

Here is its best description from the hand of a master, Mark Twain, in a posthumous writing:

"There has never been a just one, never an honorable one—on the part of the instigator of the war. I can see a million years ahead, and this rule will never change in so many as half a dozen instances. The loud little handful, as usual, will shout for war. The pulpit will warily and cautiously object at first. The great, big, dull bulk of the nation will rub its sleepy eyes and try to make out why there should be a war and say earnestly and indignantly, 'It is unjust and dishonorable and there is no necessity for it.' Then the handful will shout louder. A few fair men on the other side will argue and reason against the war with speech and pen and at first will have a hearing and be applauded, but it will not last long. Those others will outshout them, and presently the antiwar audiences will thin out and lose popularity. Before long you will see this curious thing: The speakers stoned from the platform and free speech strangled by hordes of furious men who, in their secret hearts, are still at one with the stoned speakers, as earlier, but dare not say so, and now the whole nation, pulpit and all, will take up the war cry and shout itself hoarse, and mob any honest man who ventures to open his mouth, and presently such mouths will cease to open. Next the politicians will invent cheap lies, putting the blame on the nation that is being attacked, and every man will be glad of those conscience-soothing falsities and will diligently study them, and will refuse to examine any refutations of them, and thus he will by and by convince himself that the war is just, and will thank God for the better sleep he enjoys after this process of grotesque self-deception." (Excerpt from The Mysterious Stranger, by Mark Twain.)

All nations ought to remember that we are a humane nation—that our people are profoundly affected by all events and are equally struck by any attack on the rights of minorities or smaller nations. We cannot close our eyes and ears to the happenings in the world; and while we have adopted a course of "strict and impartial neutrality," we cannot but think that all nations, belligerents and neutrals, ought to profit by our neutrality in that they should so act in the matter of man's decency to win our respect.

Investors, Banks Lose Faith in Government

EXTENSION OF REMARKS
OF
HON. FRED BRADLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

EDITORIAL FROM THE DETROIT TIMES

Mr. BRADLEY of Michigan. Mr. Speaker, we are constantly being besieged for greater appropriations for relief, for unemployment, for various forms of pensions, and for all manner of expenditures. We are still hearing the constant cry of spending our way back to prosperity.

For 7 long years we have been told that only by increased Government expenditure could we get this country back on a sound economic basis. We have continued to plunge this country further and further into debt without reducing unemployment, without satisfying the recipients of relief, without satisfying the recipients of pensions. Too few of our people will force themselves to recognize that a day of reckoning must come when we must pay the fiddler for all this Government extravagance.

Mr. Speaker, the following editorial, appearing in the Detroit Times this morning, is most timely. The handwriting is on the wall when investors, the banks, and the insurance companies of this Nation indeed lose faith in our Government. Let us hope that they have not lost all faith in our Government and in our American way of doing things through private initiative.

[From the Detroit Times of April 15, 1940]

INVESTORS, BANKS LOSE FAITH IN GOVERNMENT

The greatest danger that confronts the American people is the lack of confidence of the investing public and the banks in their own Government—that is, the present administration.

The quarterly statements of the 15 largest banks in New York's financial district, just issued, reveal that while deposits rose 5.9 percent in the quarter, loans and discounts declined.

Still more significant is this:

The amount of idle cash jumped 9.6 percent.

And, above all, this: 41.7 percent of all assets are idle in these banks.

A great part of this money should be employed in business enterprises.

But the shadow of the New Deal's verbal and actual threats to business rests over these billions of "frozen" dollars.

There are other formidable threats to our credit system and to our investing instinct.

The public debt is, in reality, now far above the legal $45,000,000,000 limit—counting Government loans and credits to New Deal enterprises.

The total cost of running the Government is $18,000,000,000 a year—in peacetime.

That is more than 25 percent of the total national income.

In other words, every wage earner is paying out, in one way or another, one-quarter of his salary to support New Deal bureaus, commissions, and what not.

The "New England letter" of the First National Bank of Boston tells us that if all expenses were currently met, the American people, on the average, would work 3 months out of each year for the Government.

That evidences how, gradually, we are imitating the Russian Soviet system, where the workers work 12 months a year for the government.

Four years more of New Deal lending-spending and we will be completely stalled, if not Stalinized, economically, and maybe politically.

The "letter" brings out other sinister facts. They explain why 41.7 percent of the assets in 15 New York banks are idle and why credits and discounts are declining.

In 1913 the Federal debt was 21 percent of the total debt of the country.

It is now 68 percent.

Interest charges alone on the Government's debt are today as large as the debt itself a generation ago.

Further, the public debt is today $2,000 for each American family.

The "letter" also explodes the fallacy that the "rich" are paying for this in these words:

"The data of the Internal Revenue Department show that where in 1929 Federal expenditures were about equivalent to the aggregate net income of all individuals receiving more than $150,000 a year, in 1937 they were almost identical with the aggregate taxable income of all individuals receiving more than $5,000 a year."

In fine:

The debt is going up, per capita taxation is increasing, billions of dollars lie "frozen" in our banks, and legitimate reemployment is at a standstill.

And nothing is being done about it at Washington, where, we are told, "politics boils"—and the investing public, the banks, and the whole people swelter and sweat.

Unfair to Our Unfortunates

EXTENSION OF REMARKS
OF
HON. JOHN G. ALEXANDER
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

Mr. ALEXANDER. Mr. Speaker, Minnesota is known far and wide as a progressive and great Commonwealth usually out in the lead in social and legislative reform. In this regard we have many things to point to with pride. Not the least of these is our modern, up-to-date, humanitarian, well-operated State prison system.

In the unit at Stillwater there are approximately 1,400 men undergoing a real rehabilitation process under the guiding genius of Warden Utecht and his staff. A great farm-machinery-making factory has been established, and its products have been sold for years to farmers in the Northwest area. Fair and adequate wages are paid in accordance with the skill and ability of the inmate to produce. Besides the cash wages paid, this industry gives the prisoner a chance to learn a useful vocation, and what is most important, takes his mind off his troubles and thus relieves the mental strain under which most cases of that type suffer.

Now, certain selfish special interests are attempting to destroy this business and force Minnesota and other States having perfected a modern means of criminal rehabilitation to go back to the barbaric systems of the past when idleness, solitary confinement, dungeons, and other blight served to deny the truth which Christ demonstrated as one of His last acts as He hung on the cross and said to the criminal about to die at his side, "Today thou shalt be with Me in Paradise." From that incident it seems to me that our duty is plain and clear.

The means being employed to destroy the advance which we have made in prison reform is best illustrated by the following letter which I commend to the Members of the House for contemplation and consideration:

MINNESOTA STATE PRISON INDUSTRIES,
Stillwater, Minn., April 5, 1940.

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

DEAR MR. ALEXANDER: We received information the other day that there was a bill introduced in the Senate, S. 3550, by Mr. ASHURST. This is a bill to make unlawful the transportation of convict-made goods in interstate and foreign commerce. We have now found that an additional bill has been introduced in the House by Representative SUMNERS of Texas. We do not have the number of the House bill but presume that it is the same as the Senate bill. We are very much opposed to such a bill being passed and would ask that you use your best efforts in killing it. We are also writing to the other Representatives of Congress from this State.

Such a bill is injurious to the industries of this institution and also detrimental to the welfare of the farmers of this and adjoining States. Inasmuch as the Hawes-Cooper bill has been passed and gives the individual States the right to pass such legislation as will prohibit the shipment of prison-made goods into their State and the adjoining States to Minnesota have not passed such legislation, although it has been up several times, it is proof that such States do not wish to prohibit the shipment of Minnesota prison-made products into their State; in fact, the farmers in the adjoining States have bitterly opposed such legislation, as they wish to receive the profits that are entailed by buying our products. Also, such a bill would even prohibit them from purchasing repairs for the many thousands of Minnesota machines which they now have.

We feel that the farmers' interest of this and other States would be best served by the killing of this particular legislation, and we ask that you oppose vigorously its passage.

Yours very truly,

MINNESOTA STATE PRISON,
M. C. MCMILLAN,
Superintendent of Industries.

I trust the Members will ponder long and carefully before lending their vote to the Ashurst or Sumner bill, H. R. 8853.

A Plea for Americanism

EXTENSION OF REMARKS
OF
HON. WILLIAM D. BYRON
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

ADDRESS BY JAMES B. FITZGERALD

Mr. BYRON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by James B. Fitzgerald, department commander, the American Legion of Maryland, on Friday, March 29, 1940, at Kensington, Md., at a joint meeting of the Henderson-Smith-Edmonds Post, the Arnold Wilburn Post of the American Legion, and the Parent-Teachers Association:

My comrade, Judge Prescott, Congressman BYRON, distinguished guests, my fellow Americans, I appreciate very much the complimentary introductory remarks of my comrade Judge Prescott and trust that I shall always live up to them.

May I express my thanks to the Henderson-Smith-Edmonds Post, the Arnold Wilburn Post, of the American Legion, and the Parent-Teachers Association, for their kind invitation to address you. Two of the most important subjects of the American Legion program are to be discussed, two subjects very vital to the welfare of our country—national defense and Americanism. Congressman BYRON, who is a member of that important committee in the United States House of Representatives, namely, the Military Affairs Committee, will discuss national defense and tell you of his inspection of our military outposts, an inspection that took him and other members of the committee 16,000 miles.

I said that national defense and Americanism were very vital to the welfare of our country. Without national defense, Americanism is of little value; without Americanism we do not need national defense.

I do not believe that any of you will disagree with me when I say that a critical year in the history of our country confronts its people. Possibly more than any other organized group, the American Legion feels the grave responsibility of what the future may bring in the way of danger to our national existence and to our institutions as a free people. Once again the United States faces the test of whether "a nation so conceived and so dedicated may long endure." We may yet be faced with the proposition of whether "a government of the people, by the people, and for the people" shall or shall not perish from the earth. Legionnaires throughout the length and breadth of our country have not only been practicing but teaching Americanism for more than 20 years. I shall address you upon that subject, not that I have the idea that this audience needs such an address, but that I may sow a seed of new thought that you can implant into the heart of our citizenry with the fervent hope that it will bear fruit.

I regret to admit it, I regret to say it, but some of our citizens have forgotten the patriotism of George Washington, Patrick Henry, Nathan Hale, Ethan Allen, Molly Pitcher, and Betsy Ross. They have forgotten the patriotism, Americanism of Stephen Decatur, Francis Scott Key, and John Carroll of Carrollton, patriots who lived in our native State of Maryland.

They have forgotten the band of patriots who suffered and died at Valley Forge, patriots who trod through the snow and ice in their bare feet, half starved, half clothed; and the ground at Valley Forge was consecrated by the blood dripping from their frozen and cracked feet. Those patriots suffered and sacrificed their lives for you and for me and every person living within our shores, citizens and, yes, aliens.

They fought, bled, and died not for shaft or mausoleum but for freedom, for the Constitution and the Bill of Rights that we enjoy. They fought for remembrance in the hearts of men.

We are prone to treat lightly the noble heritage that they won for us and therefore it is our solemn and sacred duty to remind

our citizens and, yes, aliens, within our borders from time to time and at frequent intervals, what we enjoy here in America that is denied to the peoples of many of the European countries:

We have the right of trial by jury.

We are free to express our thoughts without fear.

We have a free and untrammeled press.

Freedom of speech and lawful assembly.

The right to worship God according to the dictates of our own conscience.

The right of petition.

We participate in our Government through the ballot (not the bullet).

We are secure in our homes from unlawful search and seizure.

We have the right of the writ of habeas corpus.

These rights comprise most of our Bill of Rights and are the bulwark of democracy, and if we cherish the principles of justice, freedom, equality, and democracy, we will see to it that they remain as our Bill of Rights.

Thanks to the heroic dead who have fought to preserve our Nation at various times in our history, we have a noble heritage. We have a stake in the world second to none. It includes the lives, families, and properties, and the rights of 130,000,000 people, occupying an area of 4,000,000 square miles and possessing one-half of the total wealth of the world.

Our country is young and vigorous. It is not perfect, we know it contains faults, but we esteem its virtues more and we believe these faults can be eliminated within the structure of democracy. Compared to the rest of the world, however, the men and women of our country are more secure in their property, more protected in their lives, and more happy in their outlook toward the future than the inhabitants of any other nation in the world.

There is hardly a man living today anywhere in Europe who, if given the opportunity and a free passport to America, would not drop his work and migrate to this country on the first available boat. There is hardly a man living in this country who would give up his citizenship or residence permanently, to leave this country to seek greater happiness abroad. American citizenship is priceless. The declaration "I am an American" stands today in the forefront of earthly titles. I believe it means as much today as the declaration "I am a Roman citizen" meant in the days of Julius Caesar and if we cherish the noble heritage that is ours, we will see to it that the declaration "I am an American" continues to stand in the forefront of earthly titles.

Despite the fact that we enjoy the highest rights and privileges—the highest standard of living in the world, there are within our borders citizens destitute of knowledge and undesirable aliens, who would tear down from our constitutional mast these rights and privileges and set up a totalitarian government.

There is abundant evidence in the files of Congress and the Dies committee that we have sinister and mischievous forces and influences within our borders seeking with sinister cunning to inject into the minds of our children and less educated adults the malignant virus of alien and destructive doctrines and to incite rabid, racial, social, and religious hatreds.

It may be well to remind these subversive agents regardless of their sponsors or their origin that the benevolence of our guarantee of freedom of speech and assembly has very definite limitations. Fritz Kuhn, a vest-pocket Hitler, the leader of the bund, is reported to have said, "We are not trying to change the form of government in this country, we are only trying to make it a Christian country, we want to improve its culture." Did you ever hear of such temerity and unmitigated gall? I say to Fritz Kuhn and his ilk, let them go back to the country where they have the Christianity he seeks and the culture he desires and we here in America will stand by and hold fast to the principles of our forefathers as set forth in the Declaration of Independence, namely, "We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights and among these are life, liberty, and the pursuit of happiness."

The success of Americanism does not require unanimity in all matters affecting the State. We in this country enjoy the freedom of dissenting publicly, we have the privilege to present our views to Congress, the President, and the bar of public opinion. It is the spirit of Americanism which tolerates freedom of expression not only of applause but of criticism, which only democracies and especially our institutions, foster and encourage.

In other countries to question an official act is to ask for a one-way ticket to a concentration camp or banishment to frozen or desert wastes. Here our writers, authors, and our actors, without fear or danger, enjoy complete freedom of press and speech, all of us enjoy freedom of religion, all of us have our Constitution and Bill of Rights and yet these termites are poisoning the minds of our children and less fortunate adults with their alien and destructive doctrines. They would supplant our Americanism, our Democracy, with communism, fascism, and nazi-ism.

Now what is communism?

Communism deprives man of the right to worship God according to the dictates of his own conscience. It is a Godless country and a Godless government. It deprives man of the right of private property and inheritance. Under communism, the government owns all property. Communism promotes class hatred, it destroys all form of representative or democratic government, including all civil liberties such as freedom of speech, of the press, of lawful assembly, and trial by jury.

And what is fascism?

While theoretically you own your property under fascism, there is one man who tells you what you can and what you cannot do with it. It aims at a totalitarian state that is a highly centralized government under control of a political group which allows no representation to other political parties. The individual is subordinated to the good of the state. It destroys the independence of the judiciary and all other safeguards that a free society accords to its citizens.

And nazi-ism?

It includes all of fascism, every iota of it and in addition the most despicable trait of mankind—intolerance—a hatred for your fellow man—nazi-ism violates the command of God, Love thy neighbor as thyself.

Red shirts, black shirts, brown shirts, silver shirts, we want none of them here in America. If there is to be any goose stepping in this country, let it be in the United States Army under the glorious Star and Stripes of Old Glory and not under the banner of the swastika.

There is no room in this country for communism, fascism, nazi-ism, or any other ism, except Americanism and patriotism and we want 100 percent of that.

And what is Americanism?

It is an unfailing and undying love for our country and our flag. Loyalty to its institutions and its ideals, eagerness to defend it against all enemies, and a burning desire to secure the blessings of liberty for ourselves and our children.

And what is patriotism?

It is an intangible, invisible something that makes your heart beat faster when you hear the inspiring strains of The Star Spangled Banner.

It is a spiritual, sacred attribute that makes the blood in your fingertips tingle when you hear the thrilling story of the young patriot Capt. Nathan Hale, when you visualize him standing upon a scaffold with his hands tied behind him, when you hear the British officer address him, "Have you anything to say before you die?" And in your imagination you see young Hale straighten to his full height, every inch a soldier, and utter the words that will live as long as America lives, "Sir, I regret that I have but one life to give for my country." That, my comrades, was patriotism; that was an example of Americanism.

Oh, my fellow citizens and you young men and girls, our citizens of tomorrow, I conjure you, take unto your heart, the spirit, the determination of the members of the American Legion, that you will ever maintain, preserve, and protect our Constitution, our Bill of Rights, and our country, and in the words of Lincoln, "Let it be your proudest plume not that you were the last to desert our country, but that you never deserted her."

I do not believe that I could sum up my plea for Americanism better than to recite what I term a poem prayer written by William A. Chappell, of Milwaukee, Wis., and I commend it to you as a daily prayer during the critical days that lie ahead for our country:

"Our Father, who art above
Instill in our hearts a greater love
For the liberties we enjoy today,
Before it's too late and they're taken away.

"Continue to give us our daily bread,
Grant us the power to keep our head
When radicals rave of their favorite 'ism,'
With which they'd displace our Americanism.

"Forgive us for meddling in foreign affairs,
Teach us to mind our own business, not theirs;
To 'tend to our problems and ours alone,
To better conditions right here at home.

"Lead us not into war with the modern day Neroes
That would cost the lives of American heroes;
And wipe out democracy or worse still,
Subject us all to a dictator's will.

"Deliver us, our Father, who art above,
From the loss of these rights we cherish and love,
So that each night when we kneel and pray
We can say 'Thank God for the U. S. A.'"

Rights of the Workingman and Consuming Public

EXTENSION OF REMARKS

OF

HON. THOMAS D'ALESANDRO, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

Mr. D'ALESANDRO. Mr. Speaker and Members of the House, I appear here today in behalf of the workers in the

sugar industry in the State of Maryland, who are 100 percent in favor of the Barry bill, which is a continuation of the expiring act of 1937.

The American Sugar Refining Co., which is located in Baltimore, has about 1,000 persons employed directly and from 1,200 to 1,300 indirectly. About 80 percent of the employees are residents and taxpayers in my district.

The unemployment situation is our greatest domestic problem today.

Approximately 16,000 persons are directly employed and about 32,000 indirectly employed in the sugar industry throughout the Nation.

The present Sugar Act is costing the consumers about $350,000,000 annually. The Cummings bill would cost about $78,000,000 extra.

The American people are fast getting wise to the fact that they are paying millions and millions of dollars annually to support the parasitical beet-sugar industry which has no more excuse for existence than a wealthy playboy on relief. That is what the beet-sugar farmers are: they are economic playboys enjoying the benefits and privileges of a benevolent Government mainly because we sugar consumers are gullible enough to fall for their phony arguments of justification.

The arrogance of the beet-sugar spokesmen in appearing before this committee and demanding still greater benefits is the thing that amazes me. I cannot for the life of me understand why the beet-sugar representatives are not intelligent enough to see that they are going to spoil a good thing if they do not silence further demands for cash hand-outs from the American sugar consumers.

Let us look at some figures. I can bring a pound of sugar into my home today for about 5½ cents. I should be paying only 3 cents a pound for sugar. The 2½ cents additional I must pay goes to support the economically unsound beet-sugar industry. That means the general public is paying about $325,000,000 a year more than they should be paying for their sugar. That is not bad enough. We now have before this committee the outrageous and preposterous proposal to raise the price of sugar still another half cent. That will go to the beet- and cane-sugar farmer and that will mean another $70,000,000 or $80,000,000 which the American people will have to pay for their sugar.

The irony, and I might say the tragedy, of all this is that the cane-sugar-refinery workers in Baltimore are called upon to foot part of this enormouus subsidy to the beet-sugar industry. In other words, the men and women workers in the Baltimore refinery are contributing to the support of their competitors. They are contributing to an industry which, if the annual demands are met by Congress, will soon destroy them.

Not satisfied with direct hand-outs from the Government, the beet-sugar farmers are now seeking further expansion. They want to have their cake and eat it, too. They want to rape Cuba of some 200,000 tons of sugar at a time when the island is experiencing great economic stress. They want more than that. They will take some of the quota now allocated to foreign countries. I want to warn them here and now that they will never get away with the pernicious scheme to rob the Treasury, gouge the consumer, and throw industrial workers out of employment. Public opinion is fast crystallizing against the beet-sugar industry and can possibly be melted only through the beet-sugar spokesmen making reasonable demands on their Government.

The people of Baltimore do not want this bill, and through me they appeal to your sense of fairness to see that it is never approved by this committee.

I am submitting with this statement a list of organizations in the State of Maryland which are absolutely opposed to any bill that will further reduce employment and at the same time gouge the consuming public.

The following list of names and organizations represent various labor groups who have either passed resolutions or endorsed the cause of the workers engaged in the cane-sugar refining industry of Baltimore, Md.:

Industrial Union of Marine and Shipbuilding Workers: James W. Atkins.

Third Ward Colored Democratic Club: Emory Bedford.

Regional director C. I. O., State of Maryland: Frank J. Bender.

Editor of Labor Herald: Charles S. Bernstein.

Housewives League: Mrs. E. M. Bond.

Roy S. Bond.

International Ladies Garment Workers Union: Samuel Caplan.

Benjamin F. Chilsom.

City Wide Young People's Forum (colored): Howard L. Cornish.

Baltimore Consumer Council: Miss Sarah Hartman.

National Association for the Advancement of Colored People: Mrs. Lillie M. Jackson.

Baltimore Industrial Council: Irving Kandel.

International Longshoremen's Association: James T. Kelly.

Baltimore Urban League: Edward S. Lewis.

Baltimore Federation of Labor: Joseph P. McCurdy.

Brotherhood of Railroad Trainmen: H. C. Miller, C. W. Mitzel, R. H. Murphy, R. H. White.

Seventh Ward Colored Republican Club Association: Charles L. Norris.

Baltimore Colored Youth Federation: Miss Hilda Orr.

Douglas High School: Harry T. Pratt.

Maryland Democratic League: Loyal Randolph.

Alvan S. Stanley.

Baptist ministers (colored): Rev. M. I. Tynes.

Funeral Directors Association of Maryland: Robert Young.

United Sugar Refining Workers, L. I. Union 276: Melvin Burgess, president.

International Union of Marine and Shipbuilding Workers, No. 31: Mr. Sinclair.

Maryland and District of Columbia Industrial Union Council: Sidney R. Katz, Washington, D. C.

International Union Mine, Mill, and Smelter Workers, No. 273: James P. Simms.

United Mine Workers of America, Local Union No. 2523: Thomas I. Metz, Barton, Md.

United Mine Workers of America, Local Union No. 2003: Benjamin C. Filer, Frostburg, Md.

United Mine Workers of America, Local Union No. 12138: Milton Aleksazka.

Amalgamated Clothing Workers of America, No. 131: Mary Powell, Frostburg, Md.

United Federal Workers of America, Local No. 23: Ingrid Millison, Washington, D. C.

United Construction Workers Organizing Committee No. 2: Arthur G. Pilon.

Egerton Bros.: Samuel and Stuart Egerton.

Sharp Street Community House: Mrs. Edna Rawlings.

Steel Workers Organizing Committee, Lodge 1224: Edwin Abbott.

American Legion Unit Ladies Auxiliary No. 14: Mrs. Catherine F. Johns.

Daughter Ruler of Frances E. W. Harper Temple 429, Daughters of Improved Benevolent Protective Order of Elks of the World.

Maryland Association for Promoting Business: Ellen S. Banks.

Prelier Club: George James.

Maryland Dental Society: Albert A. Smith.

Arthur N. Grant.

Young Men's Christian Association.

William H. McAbee.

Ancient Egyptian Order of the Mystic Shrine: Thomas E. Kelson.

First District Democratic Club of the Sixth Ward: E. Walters, president.

A Fitting Tribute to a Pioneer Educator

EXTENSION OF REMARKS

OF

HON. JED JOHNSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

ADDRESS BY REFORD BOND

Mr. JOHNSON of Oklahoma. Mr. Speaker, the great Commonwealth of Oklahoma, among the last of the States to be admitted to the Union, has produced a number of outstanding orators and statesmen. Among those distinguished men and women of our great State who have been honored, respected, and revered by all who knew them, a goodly number were of Indian descent. One of the most brilliant attorneys of Oklahoma, whose eloquence is unsurpassed by any citizen of our State, is my personal friend of many years, Hon. Reford Bond, of Chickasha, Okla. Judge Bond is a native Oklahoman, is of Indian lineage, and received his early education at the El Meta Bond College.

On September 8, 1939, I had the pleasure of being present at the celebration in honor of Mrs. Meta Sager, at Minco, Okla., and hearing Judge Bond deliver a most beautiful, inspiring, and eloquent address. His speech was a very fitting and deserved tribute to Mrs. Sager, one of Oklahoma's well-known and much-beloved pioneer educators, who founded the El Meta Bond College at Minco, Okla., in 1889.

The address of Judge Bond is as follows:

It is a pleasure to return to the home town of my boyhood to pay honor to an educator who has been a potent factor in the life and education of our Commonwealth.

I am told that when General Barrett dedicated your armory our educator asserted that she had thrashed practically every man present. The general remarked that this was the home of the chairman of the corporation commission, and she promptly responded that on many occasions she had tanned the seat of the pants of the chairman of that commission. I acknowledge the salutation and signature. But, regardless of need or necessity, she seldom "taught reading and writing and arithmetic to the tune of a hickory stick." This story illustrates her art of punishing with wit and humor. One day during the recitation hour the strict disciplinarian was called from the schoolroom, and while absent a stray dog wandered in. The students hastily made him a pair of wire spectacles and tied him in Meta Sager's seat. When she returned and found the dog there, "Ah," she said, "I see that during my absence you held a meeting and elected one of your members as chairman."

In 1889 Meta Sager sacrificed family ties and civilization's comforts to cast her lot with the pioneers of Oklahoma. She saw Oklahoma when its prairies stretched to the horizon, untouched by the plow or the barbed-wire fence, when its forests lifted their treetops to the skies untouched by the saw or the ax, when the only home was the wigwam, the cow camp, and the ranch house.

She saw the old stagecoach supplanted by the steam engine, the teepee village transformed into the modern city. She saw the subjugation of the Kiowa, Comanche, and Apache. She saw the passing of the Indian brave. She saw the coming of the plainsman and mountaineer, the Puritan and Cavalier, and now she beholds the composite Oklahoman, the last and best, the Cincinnatus of the West.

She came to Oklahoma when statehood was only a mythical dream. She has lived with us for 50 years, 50 years of life, 50 years of service, 50 years of progress, 50 years of educational development.

She was the first woman educator to appear before the Chickasaw Legislature, the first to win tuition from the Chickasaw law makers, the first to convince the Chickasaws that coeducation was beneficial, the first to receive recognition from the Department of the Interior, the first among us to fight for higher education for women, the first among us to announce that a higher education should be the heritage of every daughter as well as the birthright of every son of our Republic.

Two highlights of 1889 will ever be pleasant memories in my life. The run and the meeting of Meta Sager. In the spring of that year, homeseekers commenced assembling at my father's ranch on the South Canadian, and at high noon, when the signal gun was fired, the land-hungry horde broke across the starting line and plunged into the river. Red water splashed at the impact of onrushing horses, there was a wild chase across the channel, a scramble up the far bank, and a maddening race for claims. The riders were mounted on every breed, from plow horse to thoroughbred. For miles I rode and raced with the horde. My mount had a boy rider to carry, knew how to change pace in sand and water, and how to sprint on the prairie. I rode with the fastest and slowed with the slowest. I saw the mad run, the wild stampede, its excitement, fears, hopes, and compensations.

I saw courage, hardihood, and endurance stake claims, face droughts, build homes, raise herds, and cultivate the soil. I saw genius, intellect, and energy give us splendid cities, a progressive constitution, and a wise code of laws. I saw the population and political ideas of the States meet, fuse, and merge in complete and free union.

In the fall of 1889 I saw a tall, willowy daughter of the South open a small school near Silver City and call it the Sunny South.

After the Rock Island crossed the Canadian, when Minco was in her infancy and Silver City was a memory, a magician's wand transformed the Sunny South into El Meta Bond College, and the educator continued to fire her students with ambition, thrill them with prophetic vision, and teach them to think, to work, to achieve, and accomplish.

Master writers have described Bryant Baker's masterpiece, his magnificent tribute to the pioneer woman, but in the presence of our pioneer educator, in the presence of the living model, all description fails and eulogy falls weak and baffled to the ground.

No human plummet can sound the depths of her devotion. No surveyor's chain can mark the limits of her faithful, patient endurance, and only the wings of an archangel can transcend that pinnacle to which the sublime principle of self-sacrifice exalts her soul. Dauntless from the God who gave her without fear to draw a breath, first at birth, last at death.

I unveil this lasting monument to Meta Sager, an educator strong in purpose and pure in strife, thereby making our lives stronger and purer, an inestimable influence. She taught that botany should point to the Rose of Sharon, geology to the Rock of Ages, and astronomy to the Star of Bethlehem.

President Franklin D. Roosevelt Had the Ability and Courage To Cause His Ideas on Social Security To Be Adopted

EXTENSION OF REMARKS

OF

HON. WRIGHT PATMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

Mr. PATMAN. Mr. Speaker, it is so seldom that one, who has vision and an understanding of the major problems of the country, has an opportunity to put his ideas into effect. President Franklin D. Roosevelt not only had vision and understanding, but after assuming office, he had the ability and courage to carry out his convictions. In the latter part of 1931, long before he was nominated for the Presidency, he caused to be published a very interesting article on unemployment insurance. Our law on this subject so closely follows his ideas at that time that I am inserting herewith the article in full:

The Nation has a duty toward the human beings who create and support our Government. That duty is not fully performed until we supply a cushion against unemployment. That cushion is unemployment insurance.

Unemployment insurance is no cure-all for depression. It cannot prevent the recurrence of industrial crises. It is no panacea for human misery. But it softens the shock. It is a life belt for those who are swept overboard.

At the beginning of 1931 I called a conference of Governors to consider the problem. Unemployment insurance, the remedy they suggested, is not a radical or socialistic experiment. It is dangerous or unfair neither to employer nor employee. The adequate and detailed plan proposed by the conference should be translated into law as soon as legislative bodies can be persuaded to act.

The plan imposes upon every employer of six or more persons the duty of laying aside an amount equal to 2 percent of his pay roll until the reserve fund thus created totals $50 for each employee. Thereafter he contributes 1 percent until the total for each employee reaches $75. Then his contribution ceases.

The pool thus created is intended to give those who are laid off a maximum benefit of not more than $10 a week, or half his wage, whichever is lower, for a maximum period of 10 weeks within any 12 months.

The plan provides for any unemployment administration in every city, consisting of three members, representing labor, industry, and the public. The individual States are called upon to extend their

public employment office service. Where no such service exists they are to create a scientific system of employment exchanges.

One of the functions of the Unemployment Administration would be to encourage cooperation between individual firms and the industry of which they are a part. No industry can be stabilized effectively by a single firm, however large. Collective effort is the key to success.

The foregoing plan does not at first envisage any contribution from the employee. In times like the present such a contribution would thrust upon him an undue hardship. But when the insurance plan is established and conditions of employment are more stable the employees themselves should also bear a proportionate share of the burden. The self-respect of the American worker will insist upon this.

Few people visualize that every dollar the Government spends comes out of the taxpayer's pocket. Every taxpayer is his nontaxpaying brother's keeper. Every taxpayer pays for emergency relief in one form or another, whether he likes it or not, as society is now constituted.

Unemployment insurance lightens the taxpayer's load and takes from the worker's back the nightmare of starvation.

It banishes the shadow of the dole.

He did not stop with unemployment insurance but, when he became President, suggested a system that has been adopted that affords a measure of security to all the breadwinners of the entire family.

SECURITY FOR BREADWINNERS OF ENTIRE FAMILY

Crisis comes to a family when pay checks stop. When the breadwinner can no longer bring home a regular wage, the family cannot pay the landlord, the grocer, and the clothier, cannot plan ahead for the education of the children or even maintain its independence as a family.

The security of income is a basic need of family life.

OLD-AGE AND SURVIVORS' INSURANCE

The year 1940 has been a red-letter year in the history of the family security. For it is in 1940 that benefits have begun under the old-age and survivors' insurance system, a Federal system which protects workers in every field of commerce and industry against destitution in their old age, and provides a regular monthly income for their families in the event of their death.

UNEMPLOYMENT COMPENSATION

Old age and death are just two of the times when pay checks stop and family independence is threatened. Unemployment is another such time. So it was that the Social Security Act provided also for federally aided State systems of unemployment compensation—an opportunity which has been seized by every State.

PUBLIC ASSISTANCE ALSO ADDED

These insurance systems protect workers who have jobs. They are the front-line trench against destitution. But there must be protection, too, for those who have not been regularly employed in commerce and industry, and therefore, cannot be covered under an insurance system. So Congress, in passing the Social Security Act in 1935, provided for federally aided State programs of public assistance to care for the needy aged, the needy blind, and dependent children.

THE CAPSTONE OF THE NEW DEAL EDIFICE

These programs—(a) old-age and survivors' insurance, (b) employment security, and (c) public assistance—constitute the three parts of a well integrated social-security plan developed under the leadership of the current administration. This social-security system constitutes, in a very real sense, the capstone of the New Deal edifice. Let us examine it more closely. Let us see just how it is related to the other accomplishments of the New Deal. Let us see just what each of these programs has meant to America.

MAJOR PROBLEMS ATTACKED AND SOLVED BY NEW DEAL

Much of this program we call the New Deal has been concerned with an attack upon forces and practices which, though external to the family, have threatened its security. We have attacked fraudulent finance. We have created conditions for more effective bargaining between worker and employer. Depositors no longer lose their savings in banks. Farm debts, home debts, and business debts have been placed beyond the reach of usurers, profiteers, and manipulators. Employment has been created and stimulated in many fields.

These family protections had been undertaken before we embarked upon the broad social insurance enterprises set up by the Social Security Act. Social insurance has come later because dependable family security had to be built upon a solid national economic foundation. Family security could not be built effectively until the social and economic structure of the country was itself secure.

NO VISION IN TWENTIES

With more foresight in preceding years the 1930's might not have begun under the desperate threat of insecurity. From 1923 until 1929 we had our years of plenty. But the voice of Joseph was not heard in the land. There was no planning for lean years to follow. There was no assumption that lean years would ever come again. There was only a riotous assumption that a new era had dawned, that the chips would mount higher and higher, that family cars and chickens in every pot would multiply like rabbits, that a gambler's paradise was a new American way.

BY END OF ADMINISTRATION, MARCH 4, 1933, LAST DOLLAR SCRAPED OUT OF FAMILY SAVINGS

Half the lean years had passed by 1933, when we began to rebuild. The last dollar had been scraped out of family savings. Fathers had stood in bread lines. Families had been defeated and scattered. Opportunities for education, health, and the normal life around a family fireside had been destroyed for many.

INSECURITY DOES NOT CREATE INDEPENDENCE

These years will bear recalling because they illustrate a very fundamental relation, in a democratic country like ours, between the family and the Government. Those who talk theory will tell you that one must rely either upon the Government or upon the individual. They will tell you that as the Government grows strong, men and women rely upon it and family ties weaken. They do not want to see a working alliance between the Government and the ordinary man.

Americans do not believe their story.

Americans do not believe that it strengthens the character of a family to bet its security on the chance that American industry may find itself in a perpetual boom.

Americans do not believe that insecurity creates independence.

Give the American family a secure place to plant its feet and a reasonable grip on its own immediate future. Then, and then only, do you have the conditions upon which sound family life and independent living can be based.

SOCIAL-SECURITY SYSTEM STRENGTHENED IN 1939

The Social Security Act was passed in 1935. In 1937 the taxes which form the contributions for old-age and survivors' insurance began to be collected. In 1939, after a careful study of how its benefits could be liberalized without jeopardizing its financial integrity, Congress broadened and strengthened this system.

These amendments, passed last August, added new beneficiaries, increased the scale of benefits, and made them payable 2 years earlier than was thought possible in 1935.

RESULTS OF RECENT CHANGES

So immediate and impressive are the results of these changes that I would like to list them briefly:

Any worker qualified for this insurance who retires after 65 years of age will receive a benefit check every month for the rest of his life.

The wife of any such worker, when she is 65, will receive an additional benefit. If her husband dies she gets survivors' insurance monthly.

The minor children of such a worker will receive additional benefits to enable them to continue school and live their lives normally and securely under the family roof.

The widow and children of any qualified worker who dies will receive regular monthly benefit checks immediately upon application.

If there is no wife or minor child the worker's aged dependent parents receive benefits. In other cases a lump-sum death benefit may be paid.

These benefits became payable January 1, 1940. By the end of this year the number of beneficiaries will probably mount to near the million mark. Within 4 or 5 years about 3,000,000 people may be receiving these insurance payments—aged workers and their wives or young children, elderly widows, widows and children of workers who have died in the prime of life, dependent parents of workers who have died—all these will be receiving monthly insurance checks to which they have a right. Many of these people might otherwise have had to rely on public or private charity, but now, through this national insurance system, they will be able to maintain their self-respect and independence.

BENEFITS COME AS A MATTER OF RIGHT

This system has two characteristics: First, it is a sound, carefully financed system—a system which, like any well-planned business enterprise, is keeping its own future well within control. The benefits which flow from such a plan are not charity, not relief, not visionary promises. They are the result of systematic investment by workers and their employers, and to every eligible worker they come as a matter of right.

COST REDUCED 50 PERCENT

This is a system, moreover, which has operated at an administrative cost of less than half what was estimated by experts on social insurance and private insurance operations in 1935. It has built up under civil service a corps of loyal well-trained employees who will permanently assure its professional standing among the agencies of the Government. To administer old-age and survivors insurance nearly 500 field offices are scattered throughout the Nation, where local people can serve their fellow townsmen and their neighbors with a first-hand knowledge of the needs of particular regions, States, and communities.

THE OBJECT TO HOLD FAMILY TOGETHER

Its second and at least equally significant characteristic is that it stands squarely for family security; it operates in the interest of preserving the American home and all that the home means in American life. It is the family which is protected on retirement and for which additional benefits are paid. It is to hold the family together that monthly benefits have been provided for the survivors of workers who die.

FEDERAL-STATE SYSTEM OF UNEMPLOYMENT INSURANCE

But old-age and survivors' insurance is, as I have said, only one part of the broad social-security program. It is the one part which is entirely a Federal enterprise. In cooperation with the Federal Government, every State has protected its wage earners and their families against the threat of want due to unemployment.

Employment conditions vary from State to State. The needs of the people vary from State to State. The administration of a program of unemployment insurance must be close to the people. And yet, to be dependable, it must have behind it financial and social planning of the first order. The Federal-State program which has been developed has not only enabled every State to provide this protection but has also preserved the opportunity to deal with local problems in a local way, a principle which is basic in the American Federal system.

BEFORE PRESIDENT FRANKLIN D. ROOSEVELT ONLY ONE STATE HAD UNEMPLOYMENT COMPENSATION

Many people do not realize how much this program of employment security owes to the Roosevelt administration. Before congressional consideration of unemployment compensation, only one State had passed a law for this purpose. In 1935 and 1936, just after the Social Security Act was passed, 14 States and the District of Columbia had plans of unemployment compensation written into their statute books—15 unemployment-compensation acts in all, up to the first week in November 1936. And there were many in those days who did not know what the future would hold for family security. Many States were still governed by the do-nothingism of a previous political era. Fifteen unemployment-compensation laws up to the first week in November of 1936, and in that month the American people made it clear what kind of a future they believed that America should have.

NOW EVERY STATE HAS AN UNEMPLOYMENT-COMPENSATION LAW

In November and December 1936, after the election, 20 States wrote unemployment compensation onto their statute books. They knew America was not going to backslide. And by the time the other legislatures had finished their meetings in the spring of 1937, the final 15 States and Territories had been added. There is today provision for unemployment compensation in every State and Territory of the United States.

MILLIONS PROTECTED

More than 28,000,000 wage earners are now protected by these State laws. Last year 4,500,000 of these wage earners drew weekly benefits during temporary unemployment. More than $425,000,000 in purchasing power was thus made available to men and women who, through no fault of their own, were deprived for a time of their regular means of livelihood. This past year the payment of benefits has been merged with an expanded Nation-wide public-employment system, thus providing wage earners and their employers with a unified job-placement and compensation service. Employment security is the name and the objective of this broader program. This unemployment-compensation system has been built soundly. Its income is sufficient so that we can and should plan larger benefits for the unemployed in the very near future.

TWO PROGRAMS

There you have the two insurance systems. First, a Federal system of insurance to guard against the threat of want when old age or death cuts off earnings. These problems are the same from Maine to California and from Texas to the Canadian border. For death and old age we must plan coverage which protects the worker and his family throughout his working life and as he moves from State to State. Second, a system of insurance to provide compensation against the perils of unemployment—a Federal-State system which permits us to adjust to local conditions.

These insurance programs pay benefits as a matter of right to every qualified worker in American commerce and industry. They make their payments because the workers and their employers have cooperated with their Government to build a system which is their own. These insurances are valuable possessions. They belong to the worker in just as true a sense as a house or a plot of land. They provide for workers in commerce and industry that kind of a backlog of self-sufficiency which a farm or a homestead once represented to the people of an agricultural Nation.

ANOTHER PROGRAM FOR THOSE TOO OLD FOR WORKERS' PROGRAM

But there are some who cannot qualify for these insurance benefits, men and women who are already old and in need, families whom death has already left dependent. Insurance, by its very nature, cannot protect them; yet they, too, must be cared for. Insurance, we have noted, is only the first line of defense against dependency. The second line of defense is public assistance.

Last year some 2,500,000 of the needy—old people, blind people, and dependent children—received regular assistance in their own homes to the extent of $555,000,000 of combined Federal and State funds. This year the Federal contribution for each of these forms of assistance has been increased, thus permitting the States to make more liberal provision for their needy and dependent citizens. It is particularly gratifying to know that the Federal matching ratio for aid to dependent children has been increased from one-third to one-half the assistance granted, a change which I hope will

enable the States to care for thousands of children who have not yet received this aid.

ADDITIONAL PROGRAMS FOR NEEDY

Meantime cooperative Federal-State programs for public health, maternal and child welfare, care of crippled children, child-welfare services, and vocational rehabilitation of the physically handicapped have been making a great contribution to social security. These programs, also established under the Social Security Act, have prevented irreparable waste of our human resources and have restored to economic and social usefulness individuals who might otherwise have remained a burden to themselves and to the community. This year increases in the Federal funds available for these services will make it possible to develop and strengthen these essential protections.

Ten years ago the economic system of this country seemed to be shaking itself to pieces. To many finding jobs seemed hopeless. How to feed people was a big problem in that day. Years of boom had not created any system to provide security for the American family. In a depression there seemed little reason to hope for better things. It seemed then that security—even basic minimum security—was a long way off.

But after those first great economic reforms of 1933 and 1934, the year 1935 gave us the Social Security Act. It was conservative and practical. It provided for protection against immediate need through public assistance. It provided for prevention of future need through social insurance. Its purpose was to provide a foundation on which people could build their own security. But Congress was careful to make it a sound and dependable foundation that would not let the people down.

Congress strengthened the program through its fundamental amendments of 1939. I have described those liberalizing changes. But as important as the changes themselves is the fact that they are based upon experience—the careful consideration of American experience. They were not invented in the dark recess of a library. They were not the dreams of zealots. They were not an alien system. They were hard, practical, well-worked-out improvements within the framework of the American social-security system.

A DEPENDABLE SYSTEM, THOUGH NOT PERFECT

That method of change is the real bulwark of American family security. We have a system that can be depended upon. It is not perfect. Its protections do not yet reach all the individuals and families who should eventually be reached. It will be changed, little by little as experience points the way. With that kind of a history, with that kind of future, American workers and American families who depend upon it need not fear that they will wake up some morning and find that politics or financial disaster has swept away their security.

There may be critics who will call these enterprises paternalistic. We need not answer those critics. The social-security program speaks for itself. As we have called the roll of these enterprises, we have seen how each of these efforts is directed toward creating and maintaining the conditions under which an individual or a family can keep independence—or regain that independence when it has been lost.

GOVERNMENT ADVANCES ONLY IN THE SERVICE OF THE CITIZEN

No, there is no war in a democratic nation such as ours between the citizen and his government. That is well worth remembering in the world today, when many nations have turned their backs upon the democratic ideal. There are many who talk as though every advance of government were made through invading the rights of citizens; whereas, in a democratic society such as ours, government advances only in the service of the citizen. The government, as government, is never served. It is that distinction which is basic in drawing contrast between democracy and dictatorship. As Americans, we stand upon the record of democratic progress and face the future with confidence in our own capacity for self-government and self-protection.

Typical Electric Bills

EXTENSION OF REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

Mr. RANKIN. Mr. Speaker, so much mail is piling into my office, from every State in the Union, with reference to the overcharges for electric lights and power, that I have decided to take this moment to tell the Members of the Congress and the people of the Nation who read this RECORD how to find out what electricity is costing the consumers anywhere in the United States.

As a result of the passage of a bill which I introduced in the House, and Senator NORRIS, of Nebraska, introduced in the Senate several years ago, the Federal Power Commission now issues a pamphlet entitled "Typical Electric Bills," showing residential rates charged in every community in America of more than 250 population, up to 500 kilowatt-hours a month, the commercial rates charged in every town of more than 2,500 population, up to 1,500 kilowatt-hours a month, and the industrial rates charged in every city of 10,000 or more population, up to 400,000 kilowatt-hours a month.

One of these pamphlets covering any State in the Union can be secured by simply writing to the Federal Power Commission, Washington, D. C., sending them 10 cents and asking for F. P. C. R–19, for 1940, and then giving the name of the State or States, sending 10 cents for each State named in the request.

While these pamphlets do not give the commercial rates in towns of less than 2,500 population, or the industrial rates in cities of less than 10,000, you can rest assured that the rates are equally as high in the smaller places as in the larger ones, if not higher.

If you want to compare the rates in your State, or in your town, with the rates in any other town, or any other city in another State, just order this pamphlet entitled "Typical Electric Bills," for both States, sending 10 cents for each one.

We will say, for instance, you live in New Hampshire, where they have the highest residential electric-light and power rates in America, if not in the world.

If you want to compare your rates with the T. V. A. rates, you can get one of these typical electric bills for New Hampshire, and one for Mississippi, Alabama, or Tennessee, and compare the New Hampshire rates with the T. V. A. rates.

Or if you want to compare them with the Tacoma or Seattle, Wash., rates, get one for the State of New Hampshire and one for the State of Washington; if you want to compare them with the Los Angeles rates, get one for the State of California.

If every power consumer in America could get one of these typical electric bills pamphlets for every State in the Union and make his own comparisons, there would be such a universal demand for justice to the electric-light and power consumers of America that they would get a reduction of at least $500,000,000—a half billion dollars—a year between now and the November election.

Just remember that if you want one of these typical electric bills for any State, write to the Federal Power Commission at Washington, D. C., and ask for F. P. C. R–19, 1940, for the State or States you are interested in, and send 10 cents in cash for each State mentioned. Then make your own comparison.

Air Corps Expansion

EXTENSION OF REMARKS
OF
HON. CHARLES R. CLASON
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

ADDRESS BY BRIG. GEN. BARTON K. YOUNT

Mr. CLASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Brig. Gen. Barton K. Yount, Assistant Chief of the Air Corps, at Westover Field, Mass., on April 6, 1940:

Mr. Chairman, distinguished guests, ladies, and gentlemen, we have come together this afternoon to break the ground for the first permanent building at Westover Field and to raise the flag of our country over one of its newest Army posts. This is a historic locality and this should be a thought-provoking occasion. Our people settled in this vicinity in the earliest days of our colonial history. They have lived here continuously for over 300 years; and for more than a century and a half as thriving citizens of a growing democracy. They have watched the expansion of our great domain westward to the shores of the Pacific and beyond with lively interest and have shared in the increasing prosperity of a new, small country grown into one of the world's most powerful nations.

Throughout our history we have been vitally concerned with military defense. The very lives and continuing existence of our early pioneers on their farms and in their villages were dependent on their ability to cope with every conceivable hardship. Later generations brought devastating attacks from without and within against the principles and institutions of our young Republic. Within the lifetime of our adult population we have joined with other great nations in a titanic struggle for liberty and democracy. And today, while praying and working for peace and its manifold blessings, this mighty Nation is surrounded by a chaotic state of affairs throughout the world.

Along the road of national expansion our Army has marched hand in hand with the hosts of civic, commercial, and industrial development. From the days of the founding of our Republic, with the small handful of determined patriots that made up Washington's army—never more than a few thousand at any one time—through the War of 1812, the Indian struggles, the Mexican War, the great Civil War, and the Spanish War, to the mighty millions that turned the tide of victory in 1918, the military forces of the Nation have been a protecting shield for the principles and interests of our people and our Government. Not only in war, but in peace, the Army has contributed to our development. Our military engineers have led the field in the building of our inland waterways and transcontinental railroads. The Panama Canal is an example of the genius not only of our Army engineers, but of our Army medical service which fought a heroic and victorious battle against yellow fever and malaria, which made the completion of the Canal a possibility. The Army has set up records of civil administration in Cuba and the Philippines that have not been surpassed elsewhere in the world. In industry and science the Army, through its experiments in communication and aviation, has opened limitless fields for commercial endeavor.

For 12 years the anniversary of our entrance into the first World War has been designated as Army Day, for the purpose of celebrating its achievements. For this reason it is appropriate that we are here today to witness the establishment of one of the newest stations of the Army's newest fighting branch—the Air Corps.

I should like to digress for a moment from the subject of the Army in general and Westover Field in particular and say a few words about the Air Corps expansion program which has made this base possible.

In the early spring of 1939 the President recommended and the Congress appropriated the funds for a large augmentation of our Air Corps. Airplanes were to be increased from 2,300 to 5,500. The officer strength was to be raised from 1,600 to 4,600, and the enlisted strength from 18,000 to 45,000. Sixty-six new squadrons were to be formed and five new air bases and two air depots were to be added to those already in being. All this was to be accomplished within 2 years—by June 30, 1941.

As compared with our previous growth, this was really an enormous undertaking and though progressing satisfactorily to date, it his required prodigious effort on the part of all in the War Department, and particularly in the Air Corps.

Our first great problem was the procurement of the required number of airplanes, including engines and accessory equipment. The aviation industry was not prepared to manufacture them at the rate we desired. Moreover, we did not want to buy merely the additional number of the existing standard types for it was obvious that many of them would be obsolete by 1941. It was hazardous to order new types without subjecting them to the time-consuming service tests. Any numbers of things can happen to prevent a new airplane or engine from meeting its design expectations. It takes from 6 months to a year to prepare for the manufacture of a new type of airplane and we couldn't afford to spend that time, only to learn at the end that we had produced an unsatisfactory machine.

At best, we were between the sharp horns of a dilemma. Fortunately, there were in existence, and well advanced, some excellent improved types. Moreover, in anticipation of foreign orders, many airplane manufacturers had accumulated stocks of materials and made other preparations to speed up production and enlarge capacity. So it was decided to eliminate the long service test period on new machines and go right into production. Thus far our planes have been crowned with success and we will obtain the equipment necessary for the expanded Air Corps and there will be no finer air equipment in the world.

The next big problem was that of obtaining and training additional pilots and enlisted mechanics. Our pilot schools in the Army had been turning out about 500 pilots per year. It suddenly became necessary to produce them at more than twice that rate. Our training facilities in the Army were inadequate to produce that number, so we turned to civilian pilot schools for the primary training of all pilots. Nine such schools throughout the country are taking a total of about 400 cadets every 6 weeks and they are doing a splendid job. Those who complete the primary course are sent to Randolph, Brooks, and Kelly Fields where, after 6 months of basic and advanced training, they graduate and become Reserve officers and are sent to tactical squadrons for extended active duty. Each year the regular Air Corps strength is increased by about 130 officers so that at least that many Reserve officers are given regular commissions annually.

The training of some 18,000 enlisted specialists, such as airplane, engine and radio mechanics, armorers, parachute riggers, cooks, clerks, etc., also challenged our ingenuity and best efforts. Our technical schools at Chanute and Scott Fields in Illinois and at Lowry Field, Colo., were greatly expanded. Special courses are being given at many of our larger stations and over 2,000 enlisted men are being trained at civilian mechanics schools.

On February 1 of this year, the last of 66 new squadrons was formed to complete the additional units required for the increased number of airplanes and personnel.

It has been a complex problem to get pilots and mechanics trained and organized at the precise time that additional new aircraft were coming out of the factories and while shelter at old and new fields was being made available. But with the zeal, loyalty, and ingenuity of the American soldier, the task is well along toward successful completion.

Returning now to Westover Field, let me tell you briefly what an air base is, why this locality was selected for the location of one, and what it means to the Army and to the community to have an air base here.

An air force, like the Navy, with which the people of Massachusetts are familiar through generations of association with the sea, is dependent upon land bases. Ships of the air, like ships of the sea, after navigating or fighting in their proper elements, the skies or oceans, must return to the shelter of land bases for supplies and repairs. These bases, in the case of air forces, must be stocked with food, fuel, and munitions; equipped with machinery and tools to make repairs of all kinds, and with housing, hospital and recreational facilities to care for the personnel. The bases must also have communication facilities, both radio and wire, and means for weather forecasting, all of which are necessary for the operation of aircraft. Ample water, power supply, highways, and transportation facilities are essential to the operation and maintenance of these bases.

Obviously an air base, for reasons of economy of time and money, should be located as close as practicable to the area of employment of the air force which it supports. Also obviously it is necessary to employ a defensive air force in the vicinity of our most important and vital centers of population and industry. Heretofore New England has lacked an air base adequate for air operation on a large scale.

The War Department has long been aware of this deficiency, and so, when an augmentation of the Air Corps was provided a year ago, it was but natural that one of the five new air bases should be located in this general vicinity. The actual selection of the site for this new station was made only after long and careful consideration of the many factors involved, and the final decision happily met with general approval within civilian and military circles alike.

It is a source of deep satisfaction to the Army to see the establishment of a new air base in the Northeast. We are blessed with an enduring peace with our continental neighbors throughout this hemisphere and we have no fear of any difficulty with our fine neighbor to the north. The location of an air base in the Northeast is not due to presence of that neighbor, I can assure you, but to the development of aviation and of naval weapons which has reduced the effectiveness of the oceans as barriers to hostile operations from abroad, and if we are unfortunate enough to have to engage in another war, an air attack against our great seaports and industrial centers along the eastern seaboard is a distinct and

disturbing possibility. An indispensable element of defense against such attacks is an efficient air force. While we have many airports and landing fields in the New England area, we have not before had a major air base there, nor air units trained and accustomed to the task involved by habitual operations therein. The units regularly stationed at Westover Field will serve as a nucleus for any larger forces that might be needed, and the new air base will provide a strong backbone for the administrative organization required to sustain those forces.

To the people of this community and the neighboring areas the establishment of this new base should be a cause for gratification. It should bring an increased feeling of security to know that in your midst is a formidable unit of the Army's newest combat arm. There will be stationed here a bombardment group consisting of a headquarters and three bombardment squadrons. There will also be a reconnaissance squadron.

For administrative purposes, an air-base squadron and weather, communications, and supply detachments are also included in the garrison. Altogether there will be around 2,000 officers and men garrisoned here. The construction program which we are to inaugurate today includes temporary barracks, four hangars, a communications building, five officers' and six noncommissioned-officers' quarters, a hospital, central heating plant, fire and guard house, and warehouses and utilities buildings. When completed, this new station will be an important link in the chain of our air defense which has been greatly strengthened through the recent Air Corps expansion program.

It is expected that an initial detachment consisting of an officer and several enlisted men will be sent here just as soon as shelter and facilities are available, probably within a few months. All the buildings at present contemplated we hope will be completed by the summer of 1941.

Of particular interest and importance is the relationship that exists between the personnel of a military post and the civilian community in which it is located. Our American Army has always been close to the hearts of its civilian comrades. In this country the Army is at once the protector and servant of the civil population. We have never in time of peace had compulsory military service nor employed foreign mercenaries in the ranks of our defense forces. Our soldiers, like our Government, are "of the people and for the people." As a result, there has always been a mutual feeling of confidence and respect between the civilian and military elements of our population. With the establishment of this new post I hope you will feel that it is here not only for your protection but that it is a human part of a human community.

You will always be welcome at Westover Field at times and under conditions which do not interfere with the requirements of the military situation. And I should like to bespeak for the officers and men and families of the new garrison your consideration and hospitality. You will find them ever ready to do their full share in advancing your mutual interests. They are well grounded in the knowledge that in union there is strength, and they will always be eager to foster that cordial feeling of mutual respect and friendliness which have marked the contacts we have had thus far in this vicinity.

I am certain you will find the officers and enlisted men a fine, representative lot of American manhood. The officers are either graduates of West Point or they are, in most cases, graduates of our colleges and universities.

At the present time we are receiving and training the "cream" of American youth. They are well-educated, keen, courageous, and proud of the uniform they wear. You will find them interested in your communities, and many of them will be eager to assist in your civic problems if you make them feel that they "belong."

Our enlisted men are a fine, upstanding lot. Most of them are high-school graduates, and they will constitute a real addition to the cross-section of your communities. They are highly trained in the many technical branches of modern aviation. We are proud of them, and we know that you will be. Most of the officers and many of the enlisted men have wives and children, and we know that they, too will be welcomed into your midst.

I shall hope to come back from time to time during the next few years. I shall be intensely interested in seeing the progress of the work which begins with the upturning of the earth today. As I look into the future I can see a group of fine buildings, runways, magnificent bombing planes landing and taking off by day and by night, floodlights, searchlights, formations—a beehive of activity.

I can see a group of fine manhood trained to the minute and ready to go if need be to the defense of this country whose soil, institutions, and privileges mean so much to us.

God grant we may never have to go to war but the stronger we are and the better prepared we are, the less the chance that we may ever again be drawn into armed conflict.

We are the youngest of the branches trained for our country's defense but so powerful has the threat of air warfare become that a strong air force may keep America out of war and it may keep war out of America, and so I am certain that you will look upon this activity which begins today not only as an economic addition to this locality, but as a great institution of which you are a part and to which you owe a definite responsibility.

I do not like to close without saying a word about the naming of this field. It is an Air Corps tradition to name our stations in honor of our departed heroes. Because of the importance which we attach to this new station, it was named in honor of Maj. Gen. Oscar Westover, who, after a long and distinguished career in the Army and in the Air Corps, became Chief of our branch in 1935. He held the rating of pilot of both airplanes and airships. At the peak of his illustrous career he met a tragic death while piloting his own airplane, and the Air Corps and the Army are perpetuating the memory of his great name by giving it to a great station. The name of Westover means a great deal to the Army Air Corps.

In closing, I wish to thank the people of this community, both the officials with whom we have had most pleasant dealings, and the people whom they represent, for the excellent spirit of friendship and cooperation that has led up to this occasion. We in the Army Air Corps look forward to years of pleasant association with all of you, and you may count upon us to do our share in maintaining this happy relationship.

Responsibility of Businessmen and Bankers in Influencing Governmental Policies and National Legislation

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EXTENSION OF REMARKS

OF

HON. COMPTON I. WHITE

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

LETTER FROM ALONZO B. SEE, AND REPLY

Mr. WHITE of Idaho. Mr. Speaker, much is heard in criticism of the Congress and the policies of the administration. In answer to some of these criticisms there is included herewith correspondence with Mr. Alonzo B. See, a prominent industrialist of New York.

BROOKLYN, N. Y., *March 15, 1940.*

I had worked in a factory up the Hudson and came to New York City to start in business in a small way repairing elevators.

I learned that the elevator in a store needed repairing and went there to see if I could have the repair work to do. I spoke to the man I saw walking up and down the store, who seemed to be a man of importance, about the work and he said he would give it consideration.

I went to the store the day following and was told that this man would not be there that day. While I stood looking longingly at the elevator whose repairing I wanted to do, the porter came to me and asked if he could do anything for me. I answered I had come to see about repairing the elevator but the man I had seen about it would not be there. When I described the man I had seen about the work the porter said, "Oh, hell, he is a floorwalker."

Because the 531 are floorwalkers and not statesmen, they dabble in things they cannot comprehend and in their ignorance pass laws that cripple business.

How proud we were of our dollar when we were here at home or abroad. United States of America whether on paper, silver, or gold meant a full dollar, but the 531 have so debauched our money that we hardly know what the word "dollar" means.

Our country's bankruptcy started shortly after March 4, 1933, when the 531 took $3,000,000,000 of the people's money away from them.

Let us not say it is perfidy that has caused the 531 to cast a blight over our country; let us say it is incompetency.

ALONZO B. SEE.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON IRRIGATION AND RECLAMATION,
Washington, D. C., April 15, 1940.

Mr. ALONZO B. SEE,
Brooklyn, N. Y.

DEAR MR. SEE: Your circular letter with reference to the qualifications of the present membership of Congress has been received. In considering the problem of Government pressing for solution and the course to be followed by the Congress in formulating policies and enacting laws to promote the welfare of people and safeguard our form of government, it is encouraging to find that influential businessmen are giving consideration to our national problems and advising those representing them in Congress, as evinced by your communication. Your interest in the conduct of our Government and the public welfare is to be commended.

It appears that your classification of the present Members of Congress, as stated in the fourth paragraph of your letter, is an indictment of our form of representative government and the product of its processes.

In considering your appraisal of the former worth of the monetary system, referred to in the fifth paragraph of your communication,

it should be understood that to properly weigh the value of this attribute of government it is necessary to take into consideration the quality of service the national currency system has performed for the American people as a whole in supplying the money function and the extent of the failure of our banking and monetary system to supply the American people with the necessary volume of currency with which to conduct their business transactions—a failure to which we must charge in a large measure the bankruptcy of business which overtook the country prior to March 4, 1933, when the 531 Members of Congress of whom you complain took over the legislative branch of government.

If you and the other influential businessmen who criticize the Members of Congress must insist on the continuation of our defective money and banking system, and the monopolistic business practices maintained by many business organizations which destroy competition and establish arbitrary price levels responsible for the price maladjustments that existed before March 4, 1933, then you must be prepared to endure the business conditions and tax burden that has resulted from the incompetency of the "floorwalkers" of the Congress which unreservedly accepted the advice of the big banking and big-business interests in formulating governmental policies and enacting legislation; that permitted the conditions to develop that caused the country's bankruptcy preceding the advent of the 531 now in office.

And now—let me tell you the remedy. Let the Government give the American people a good, workable, adequate monetary system freed from the present continuing interest charge, with which to transact business and with the establishment of this sound monetary system remove the restraint on production and trade which will automatically operate to restore the parity between the prices of the products of the basic industries—agriculture, mining, lumbering, and the fisheries—with the products of our manufacturing industries.

Let us cooperate, Mr. See, in putting into operation this simple program. If we can, I am sure the thrift, industry, and enterprise of the American people will soon restore national prosperity, and thereby insure our country its preeminent position among the nations of the world. Let us hope that the majority of businessmen will follow your example and give thought to constructive national policies, and interest themselves in promoting our country's general welfare.

Sincerely yours,

COMPTON I. WHITE, M. C.

Poll Taxes

EXTENSION OF REMARKS

OF

HON. LEE E. GEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

SUMMARY OF TESTIMONY BEFORE HOUSE JUDICIARY SUBCOMMITTEE

Mr. GEYER of California. Mr. Speaker, under leave to extend my remarks, I include a news release on the hearings before the House Judiciary subcommittee on H. R. 7534, a bill to prevent the collection of a poll tax as a prerequisite for voting in Federal elections, as follows:

Passage of the Geyer anti-poll-tax bill, H. R. 7534, as an immediate step toward greater democracy in the eight Southern poll-tax States was urged today by witnesses appearing before a subcommittee of the House Judiciary Committee. Representative WALTER (Democrat), of Pennsylvania, is chairman of the subcommittee. The bill, introduced by Representative GEYER (Democrat) of California, prohibits the poll tax as a prerequisite for voting in Federal elections.

Those presenting arguments in behalf of the bill were Lucy Randolph Mason, Atlanta, public relations adviser for the Congress of Industrial Organizations in the South; Crampton Harris, of Birmingham, authority on constitutional law and former associate of Justice Hugo Black, of the Supreme Court; Congresswoman Caroline O'Day, of New York, formerly of Savannah, Ga.; Mrs. Albert Thomas, representing the Parent-Teachers Congress of Alabama and six other State-wide organizations; the Honorable George A. Pruner, Republican member of the House of Delegates of the Virginia Legislature; Arthur Shores, attorney, of Birmingham; Martin Popper, of the National Lawyers Guild; and Gerald Harris, vice president of the Alabama Farmers Union.

Mrs. Thomas told the committee that at least four of the seven State-wide organizations comprising the Women's Joint Legislative Council of Alabama which she represented are in favor of complete removal of the poll tax as a requirement for voting. She said they believe in the abolishment of the poll tax as a matter of fundamental democracy. In addition, they object to it on the ground that the law operates to build up an electorate of the older people and other specially privileged groups who are exempted. Payment of the tax is beyond the realm of possibility for thousands of families. "The $1.50," she said, "for the man and the woman of a family ($3 for both) may mean the difference between a child going to school or not going through even the 4, 5, or 7 months of the year—for it will buy a pair of shoes." Add to this the cumulative effect of the tax and it becomes utterly impossible for a great proportion of the families in Alabama to exercise their right to vote.

She brought out the fact that the farmers are able and do vote in the A. A. A. referendums and stressed the fact that it is no more justifiable to charge $1.50 for voting for representatives than for voting on strictly economic matters.

Mrs. Thomas said: "Women have seen the tremendous effect actions of their State and National Government are having upon the institutions they hold dear—notably the home and the school and community life. We have a real and genuine stake in Government. We oppose any handicap to our full participation in its council."

Martin Popper, testifying in behalf of the National Lawyers Guild, discussed general and constitutional aspects of the Geyer bill. He stated that the National Lawyers Guild endorses the bill and he submitted a comprehensive report analyzing the history and effect of the poll tax and filed a further analysis of its constitutionality drafted by Louis Boudin, eminent constitutional authority.

Gerald Harris, of the National Farmers Union, contended that the poverty of the people is responsible for their not paying the poll tax and it is not lack of interest in the affairs of government. The right to vote is a luxury in the poll-tax States and when the tax is paid, it means in most families the sacrifice of some necessity of life. "Before 1900," Mr. Harris remarked, "the small farmer of Alabama had a political voice, but after the inception of the poll tax that voice grew fainter and fainter until now it is almost still. The reason for that is the inability of the small farmer to keep up the poll-tax payment."

Congresswoman O'DAY, formerly of Savannah, Ga., called attention to the retarded development of progressive legislation in the States requiring a poll tax as a prerequisite to voting and explained this on the ground that in the poll-tax States fewer people vote and a smaller percentage of the voters are women. She pointed out that where it is possible from the standpoint of finances for only one person in a family to pay a poll tax, the man does the voting. As a result, "the leavening influence of a women's vote cannot be as effective in aiding the extension of progressive legislation and progressive policy."

Mrs. O'DAY reviewed the stand favoring abolition of the poll tax which the National Conference on Labor Legislation has taken since 1936.

"The poll tax," said Mrs. O'DAY, "is sapping some of the strength of our democracy—a strength we can ill afford to lose in these times."

Lucy Randolph Mason, public relations representative of the C. I. O. in the south, said that the poll tax, originally intended to disfranchises Negroes, has resulted in also disfranchising masses of white persons of small means, and has effectually throttled democracy.

Miss Mason pointed out that in Georgia that the $1 poll tax is merely the base for a mounting penalty of costs which often operates to permanently disfranchise vast numbers of people, unless their voting power is illegally restored for political purposes through manipulation of poll-tax requirements and the voters' register.

The county unit system of voting in Georgia, Miss Mason pointed out, interlocks with the poll tax and its heavy penalties to concentrate political power in the hands of the courthouse ring in the 54 small counties which have less than 1,000 registered voters and where a majority of even 1 decides the whole county's vote.

Hon. George Pruner, Member of the House of Delegates of Virginia, to illustrate his point that much fraud exists in connection with the poll-tax requirement, produced a copy of an order blank for paying other peoples poll taxes in Virginia. The politician passes these out for the voters to sign, he recounted, and then at the proper time turns in large numbers and pays the taxes. "Payment of a voter's poll tax is an indirect means of buying his vote," according to Mr. Pruner. Speaking also of the absentee-ballot racket, he quoted from an article in the Roanoke World News of January 19, 1940, to the effect that "the candidate with sufficient funds to employ canvassers can sew up an election before the polls open."

Mr. Pruner opposed the poll-tax requirement on the ground that (1) it is in opposition to our theory of government that the citizens are their own sovereigns; (2) that it discourages and prevents many capable citizens from seeking public office; (3) that payment of a citizen's poll tax by a candidate or political organization influences the voter; and (4) that the requirement is reducing those States which have it to second-rate States politically.

A table which Mr. Pruner presented for the record showed that in 1900, before the poll-tax requirement was placed in the Constitution of Virginia, there were polled 261,945 votes or more than were polled in 1920 even after the woman's suffrage amendment had been placed in the United States Constitution.

Arthur Shores, attorney of Birmingham, spoke of the poll tax as one method of disfranchising the Negro. He held that this was its main purpose, rather than the raising of revenue. He explained to the committee the connection between the disfranchisement

by means of the educational qualification and disfranchisement for nonpayment of poll tax and showed that the two together create a system of Negro disfranchisement in violation of the fifteenth amendment.

Among those scheduled to be heard before the subcommittee at some future date are: Senator Elbert Thomas of Utah; Morris Ernst, American Civil Liberties Union; Michael Widman, Jr., assistant director of organization, C. I. O.; J. Finley Wilson, exalted ruler of the Negro Elks; Mrs. Florence Fletcher, National Women's Trade Union League; Mr. Sidney Katz, Maryland-District of Columbia Industrial Union Council; Noel Beddew, southern regional director, Steel Workers Organizing Committee, Birmingham; and the Reverand Fred E. Maxey, Leeds, Ala., representing the Workers Alliance; Congressman Arthur W. Mitchell, of Illinois; Alton Lawrence, southern regional director of Labor's Non-Partisan League, Judge J. M. Nabrit, Jr., of National Association for the Advancement of Colored People.

The Widows and Orphans' Pensions

EXTENSION OF REMARKS
OF
HON. JOHN M. COSTELLO
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

Mr. COSTELLO. Mr. Speaker, I am not surprised that the gentleman from Mississippi objected to my request to discuss the bill H. R. 9000 on the floor of the House this afternoon. It is undoubtedly due to the fact that the bill itself cannot stand the spotlight of publicity being turned upon its expensive features, nor does the gentleman from Mississippi desire to have the inference drawn that this bill is but a stepping stone for universal pensions for all veterans who wore a uniform during the World War. The gentleman has previously declared that this is "but propaganda that ought not go into the RECORD," yet the fact remains that in the April issue of the magazine Foreign Service there appears an article by Mr. Millard W. Rice, legislative representative of the Veterans of Foreign Wars, in which he discussed the subject, Widows pension bill headed for vote. Mr. Rice stated:

> Several years ago the Veterans of Foreign Wars decided that, if a serious attempt were made to secure the enactment of one all-inclusive bill to provide uniform pensions, there would be grave danger that in the process of securing the enactment of same—keeping in mind the inevitable compromises which are made—it would be probable that various classifications of veterans, and their dependents, would suffer reductions of current benefits in the process of equalizing all veteran benefits.

Apparently the World War veterans desire to equalize their benefits with the benefits veterans of other wars received, provided they can retain all the excess benefits, such as the bonus, free hospitalization, vocational training, and 10-percent civil-service preference, which were not granted to other groups of veterans.

Mr. Rice goes on to say,

> It was therefore decided that the much better strategy would be to seek the enactment of piecemeal legislation, holding what we have, and gradually securing eligibility for certain benefits for various classifications of veterans, and the dependents of veterans, not previously entitled thereto, and increased benefits for certain classes of beneficiaries, more nearly, or if possible precisely, on the same basis and in the same amounts as previously granted to other groups of veterans, and the dependents of deceased veterans.

Mr. Rice asserts that the insistent vigorous advocacy by his organization "has acted as leverage pressure, and has had a strong influence upon congressional committees."

While the bill, H. R. 9000, is not all that the V. F. W. are advocating, it provides the first step toward satisfying their demands in their piecemeal program.

> If the V. F. W. bill to provide pensions for the dependent widows and orphans of deceased World War veterans on the same basis as for the widows and orphans of Spanish-American War veterans, H. R. 7950, were enacted into law, then it is estimated that the dependent widows and orphans of about 148,300 deceased World War veterans would be entitled to pensions at a cost of about $70,286,000 during the first year, divided as follows: Widows without children, 67,100; children alone, 23,500; affecting 124,600 widows and 249,275 children, if all potential applicants proved themselves entitled.
>
> On the basis of past experience, it is assumed that not more than half of the potential applicants would have proven themselves entitled during the first year after enactment of such proposed pensions. The actual number affected and actual cost thereof would therefore perhaps be about one-half of the above estimates, with double the number and twice the cost during the second year.

It will be seen from the above quotations that the ultimate cost of the pensions to widows and orphans will be in excess of $70,000,000 a year, rather than the $48,000,000 that I have previously mentioned and which is the cost proposed under the present bill.

The drive for general pensions for all widows of veterans even though the veteran has no service-connected disability, and hence, has no claim upon the Government himself, was started when the insurance policies of the Gold Star Mothers and Fathers expired. Recognizing the merit of the claim of the Gold Star Mothers and Fathers to continuing pensions even after the expiration of the insurance policies, the World War Veterans' Committee also provided benefits for widows of veterans suffering a 30-percent disability. The following year an effort was made to cut the 30-percent disability requirement to 10 percent. As a result of a compromise a bill providing for 20-percent disability was enacted into law. The following year this was again cut to 10 percent. Now comes the demand to eliminate all question of veteran disability. Judging from this past record, it is quite evident that the piecemeal program is being carried steadily forward due to the leverage pressure that is being brought to bear on Members of Congress.

In that connection, I might mention the fact that I have received a large number of telegrams from various Legion auxiliary units urging support of this legislation, which reminded one of the drive made by the utility companies of a few years ago. One such telegram is that which I print herewith, from the department commander of the Legion in California:

> Representing 70,000 ex-servicemen in California I urge your support of bill H. R. 9000, known as widows and orphans bill. The American Legion in every locality in California is militantly fighting for this legislation.
>
> WILLIAM S. DUNN,
> *Commander, Department California.*

However, it is my opinion that all the service men are not of one mind as is indicated by this telegram. On the contrary, I have received numerous letters from various sections of the country commenting on the news item which mentioned that this bill had been stopped when previously before the House. Four such letters follow:

LOS ANGELES, CALIF., April 4, 1940.

Hon. JOHN M. COSTELLO,
Congressman, California Fifteenth District, House of Representatives, Washington, D. C.

SIR: My congratulations to you for your fortitude in opposing the bill to provide allowance for widows, orphans, and parents of veterans without regard to whether the veterans' deaths were connected with their service. I use the word "fortitude" because it takes just that to stand up against the pressure of those veterans who are demanding more and more benefits every year. However, I speak as a veteran and one who from actual service on the battle fields of France knows what war is. For the veteran who incurred disability in service I have every sympathy; but for the veteran who feels that, because he contributed to his country that measure of service which every loyal American citizen owes his country, the Government should forever after take care of him and his dependents and relatives when he himself incurred no disability in the service, I have no sympathy whatever. So all I can say to you is, more power to you.

Very sincerely yours,

———— ————.

LOS ANGELES, CALIF., April 10, 1940.

Hon. JOHN M. COSTELLO,
House of Representatives, Washington, D. C.

DEAR REPRESENTATIVE COSTELLO: For some time I have felt the urge to express my personal satisfaction to you for what seems to me to be a very intelligent, constructive job that you are doing—and I say intelligent advisedly because, almost without exception, I find that I would have voted exactly as you did on the various controversial measures which came up.

As a member of the American Legion, but expressing only, of course, my personal opinion, I felt that your stand on the pension-extension program was most courageous and most intelligent.

* * * * * * *

With highest personal regards,

Respectfully yours,

———— ————.

NORTHAMPTON, MASS., *April 3, 1940.*

Hon. JOHN M. COSTELLO,
Washington, D. C.

DEAR SIR: I noted the enclosed clipping in our local paper and thought I would drop you a line to tell you that I feel you have done a good job.

I feel that the group that is backing this bill are using the disabled veterans again for a stepping stone. If they were real veterans they would look out for the disabled in place of using them for their own gains. For example, right here in New England, the veterans' hospitals are ever crowded, not by disabled veterans of the World War, who only make up a small number of patients in all the hospitals, but it would not surprise me in the least to find as many Spanish War veterans in said hospitals as there are service-connected cases of the World War.

I find no fault with this, but I do oppose all moves to use the name of the disabled veterans of the World War for the benefits of others. We are in need of a hospital here to care for the disabled, so if the Government has any money to spend it should be for our care in place of women and children who had nothing to do and gave nothing in the World War. Right now about 99 cents out of every dollar the Government spends in the name of disabled veterans of the World War goes to the care of others. Now is the time to stop it, and I am glad to see that you have taken a step in that direction.

Very truly yours.

HOLLYWOOD, CALIF., *April 2, 1940.*

Hon. JOHN M. COSTELLO,
Washington, D. C.

SIR: We commend your courageous stand against veterans' families' pensions, from which President Wilson intended to protect us. It is popular to give others' money away, and I am glad you have the courage to stand against it.

Respectfully.

I cannot help but wonder how far we are going on this program of unjustifiable benefits to veterans. There is pending before the committee the Veterans of Foreign Wars disabled pension bill, H. R. 7980, which if enacted into law would bring some 800,000 new cases on the pensions rolls, as well as augment the compensation now received in certain other cases. In all 969,300 veterans would be affected by this proposed legislation, and the first year's cost, according to Mr. Rice's figures, would be $293,045,000. Included in this bill is the provision for a universal pension of $60 a month for all World War veterans of 65 years of age. The cost of this is computed the first year at approximately $14,000,000. Members will recall that when the Spanish War pension bill providing for $60 a month at 65 years was passed by the House, I stated that a drive would be made to provide the same pension for World War veterans, and I also presented a tabulation of the cost of that legislation.

It is estimated that the last World War veteran will die in 1996, and during the 56 years of this one pension provision would cost the Government in excess of $20,000,000,000, yet this innocent provision starts with a first year's cost of only $14,000,000! While the pending widows and orphans bill only calls for $30 per month instead of $60, it is reasonable to assume that benefits under this provision will survive beyond the year 1996, and as a result the total cost of this proposed legislation over the period of years will itself run into billions of dollars, even though between now and December, a period of 6 months, it may only cost $12,000,000, and even though between now and next June, after its first year of operation, it might only cost $24,000,000, and even though in the following year, when all presently eligible beneficiaries shall have applied, it might only incur a cost of $48,000,000 for that year, no one will hazard a guess as to the full and complete cost of this legislation. However, since we are spending in excess of $550,000,000 annually for the Veterans' Administration, and since demands such as the disability pension bill are constantly being made upon the Congress, it behooves us to move slowly in voicing our approval of these continual raids upon the Federal Treasury. I have stated before that this legislation will ultimately lead us to bankruptcy if we are going ato accede to insistent vigorous advocacy of veteran groups using leverage pressure to obtain universal pensions in the process of equalizing all veteran benefits while "holding what we have."

Continuance of Farm-Tenancy Program

EXTENSION OF REMARKS
OF
HON. PHIL FERGUSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

LETTERS FROM OKLAHOMA FARMERS

Mr. FERGUSON. Mr. Speaker, the tenant farmers of the Eighth District of Oklahoma present the best argument yet made for an appropriation to carry on the Bankhead-Jones Farm Tenant Act. Every one of these farmers want the program continued, even on a small scale. The Members who argued the program was a failure because so few farmers could buy farms have their answer in these letters. I have received over 200 letters on this subject, all in favor of continuing the Bankhead-Jones Act and the Lee-Jones Act, to insure farm-purchase mortgages.

The letters follow:

DEAR SIR: In reply to your letter on the opposite page, I am greatly in favor of the program continuing even if it has to continue on a small scale for a while. While I might not be able to secure a farm right away, I feel like it would be helping someone else. I don't intend to give up as long as there is a chance to buy one of these farms, because I feel that is the only way some of us renters can ever become landowners. I believe people would be more satisfied if they owned their home.

No, I don't feel that it has been an injustice to me because my application was not approved. I realized this is something new, and I hope it continues, as it has been my one ambition in life to own my home, and that I feel is the only chance I will ever have.

I am glad to answer this letter, as I'm for this program 100 percent.

Yours truly,

H. A. MASON,
Meno, Okla.

APRIL 3, 1940.

DEAR MR. FERGUSON: I have your letter of March 29 asking my attitude concerning the continuation of the purchasing of farms under the Bankhead-Jones Act.

I was an applicant for a farm this year, but was not chosen; however, I do not feel that an injustice has been done me, as I am fully aware that the program is in an experimental stage. To be sure, I will apply again if the opportunity presents itself.

The program, I believe, is very instrumental in helping those who sincerely hope to get back onto the farm, yet finances preventing it.

Speaking from my own standpoint, of which many come in the same class, I am a tenant hoping to acquire a farm of my own yet. I fully realize that it will be next to impossible unless under a long-time purchase plan.

So you can readily understand that I would only be hurting myself in not hoping for the continuation of the Bankhead-Jones Act.

Hoping that these few words will help the cause along, I am

Sincerely yours,

LOUIS J. HULA,
R. 5, Caldwell, Kans. (*Grant County, Okla.*).

APRIL 3, 1940.

DEAR SIR: Of course, I was very disappointed when the committee didn't see fit to let me buy a farm last year under the Bankhead-Jones Act. However, since that time I have sought to make such an improvement that they will consider me more favorably next time if my county is lucky enough to get appropriations.

Naturaly I am in favor of more appropriations to continue this program and hope for better luck next time.

My disappointment at not being able to buy a farm did not make me blind to the fact that there were a great many more applicants than it was possible to supply with funds, so I did not feel that an injustice had been done me. I am anxious to see more funds provided for the purpose and then I will be more hopeful.

Sincerely,

HUBERT HAND,
Ames, Okla.

APRIL 4, 1940.

DEAR SIR: Answering your letter of March 30, 1940, I having applied for a farm-purchase loan last year and also have application in for this year. As to last year's application, it was turned down on acccunt of there wasn't enough money available only

for four applicants. I think the Bankhead-Jones bill to be a splendid bill for tenants like myself.

I want to be one of those that are chosen this year for farm purchase. I do not have any grudge or sore spots because I wasn't chosen first. I hope to see this good work continue. I want to see each applicant that applied that is worthy of such a loan to be financed on this low-interest and long-term loans and handled through the Government and local set-ups.

I thank you, Mr. FERGUSON, also the Senate and the House for the splendid farm bills that have been passed.

Respectfully yours,

LYLE WOODRUFF,
Braman, Okla.

APRIL 3, 1940.

DEAR SIR: I wish to express my opinion about the continuation of funds to enable tenant farmers to buy farms. I submitted an application the past year but did not get a farm. I understood at the time I applied that there would only be enough funds available to buy five farms in this county (Kay). Later this was cut to four. I do not entertain any feeling of injustice because I was not one of those chosen but rather I have hopes that in the near future I may be able to obtain one. I am acquainted with three other men who applied and did not receive farms and I am confident that their views are the same as mine.

If I am not able to buy a farm through some such plan I am afraid I will not be able to accumulate enough to secure one otherwise. My wife and I have been farming 19 years and as is customary in this locality given one-half every year. I believe I have paid out enough to buy a good quarter section of land.

I think you and your fellow House Members may feel assured that those men who applied for farms last year and did not obtain them will be more than glad of another chance.

Yours truly,

K. C. SMITH, *Tonkawa, Okla.*

APRIL 3, 1940.

DEAR SIR: In answer to your letter we did apply for a farm but we were not angry because we didn't get one as we realize everyone can't have one and we were just hoping we could have another chance this year. We were glad for the people who did get farms. We most certainly are for a continuation of the program as some could get farms that way that might not be able to otherwise. We are very much interested in getting us a farm as our landowner wants everything put to wheat and we believe we could have a better living and it be a live-at-home method if we were on a farm where we could plant a variety of feeds, etc.

If some felt it was an injustice to them because their application was not approved, we did not know it, and we entertain no such thoughts. We would not be so selfish as to begrudge or envy what the other person has but we do want a farm badly.

Sincerely yours,

GLEN O. GOODRICK,
Renfrow, Okla.

APRIL 3, 1940.

DEAR SIR: Received your letter of March 30 and am very much in favor of the continuation of the farm-purchase plan. Although I was not fortunate enough to get a farm last year, I hope to be one of those selected in the near future. I think these tenants should be selected on their merits alone regardless of the number of dependents.

I attended the Farm Security meeting of Kay County and found out of the 200 in attendance a majority were in favor of the continuation of the farm program, only on a larger scale, where more tenants could become home owners.

I have been a tenant on this one place 22 years. I think every tenant would appreciate your efforts in helping them become a home owner.

Sincerely yours,

ADRIN CARR, *Tonkawa, Okla.*

APRIL 2, 1940.

DEAR SIR: I certainly am in favor of continuing the Bankhead-Jones Act. I consider it the best thing ever tried for the tenant farmers, also the most paying proposition for the Government.

I do not feel an injustice was done me by not being selected as a purchaser, as there are thousands as deserving as I and only money enough to buy a very few farms so someone had to be left out.

I think if more people could be land owners instead of so much land in the hands of one person or corporation that conditions would be better everywhere.

Yes; I am for the act 100 percent.

Very truly,

ELVER J. CLAUNCH,
Marshall, Okla.

APRIL 2, 1940.

NARDIN, OKLA., *April 2, 1940.*

DEAR SIR: We have your letter at hand in regard to the application for the purchase of a farm under the Bankhead-Jones Act. We should like very much to see this continued. We do not feel at outs with the program as we did not expect to be one of the first chosen, as we understood before sending in our application that there was only enough funds for just so many farms and that sometime we might have a chance. We would think it a good policy to start on a small scale, as we understand there are a good many things yet to be worked out about the plan.

In fact, we were one of the first five chosen to purchase a farm but could not find one within the price allotted us and then there wasn't enough for the purchase of all five, so we withdrew, hoping to find one if we were still on the list next time.

We see need of your plan if we can ever hope to have a home; we think farms are getting too large and that the graduated land tax would help a lot.

Sincerely,

VALDO LATTON.

JET, OKLA., *April 2, 1940.*

DEAR MR. FERGUSON: I applied to purchase a farm under the Bankhead-Jones Act and while my loan wasn't accepted I wish to say I certainly am in sympathy with this program and would like to see it continued not only from a personal view but I think it is one of the greatest steps forward we Americans have made since the Cherokee strip was opened for settlement.

Helping a worthy tenant purchase a farm, in my opinion, is the step toward building a greater America. We didn't have the farm problems in colonial days we have now, because each farmer owned his farm. So I heartily endorse the continuation of the Bankhead-Jones Act in the future farm programs.

Very truly yours,

HERMAN VINCENT.

DEAR MR. FERGUSON: I am one who applied for a farm under the Bankhead-Jones Act, hoping to get a farm in the near future, and would like to see the program continued. No; I don't feel that it was injustice because my application was not approved. I would rather see farms purchased on small scales rather than not at all. If there are any funds provided for this program I would still be interested.

Yours truly,

HENRY MILLER, *Fairview, Okla.*

APRIL 3, 1940.

DEAR SIR: Will answer your letter with the utmost desire that this program be continued for the benefit of the American people. This is what this Nation needs today to give the poor laborers a chance in life, which is just due them.

I, for one, signed up and never expected to get anywhere because I had not been farming but was raised on a farm and am renting the house on the best farm in this county at this time, because I cannot find a place to rent and do not have cash for the purchase of a farm.

By all means, Mr. Ferguson, keep the good work up.

Your friend,

W. H. EMERY, *Byron, Okla.*

APRIL 2, 1940.

DEAR MR. FERGUSON: I am in receipt of your letter as to my wanting a farm. I applied for a farm under the Bankhead-Jones Act and would like to have one any time that I can get one, now, or next year, or even 1942. I personally would like to have the continuation of this program, even if I don't get a farm. It will help someone else, and to help the other fellow helps me; see?

I can't see why anyone would not like to see this program stay in effect. I think it a wonderful idea, myself.

Your friend,

GLEN PAUL BOYER,
Blackwell, Okla.

APRIL 4, 1940.

DEAR SIR: I am in favor of the Bankhead-Jones Act to continue buying farms on long-term time payment. This would help the tenant farmer to help himself more than any other program. I think 160-acre farms should be the limit in the first purchase, then as the tenant got able he could purchase more land.

I do not feel it an injustice at this time but hope in the near future to be able to buy a farm. Would like to see the program enlarged so more could benefit.

Yours truly,

PARK WILLIAMS, *Newkirk, Okla.*

APRIL 2, 1940.

DEAR SIR: Yes, I put in my application 2 years ago this July, but missed last year. I think that it is a great help to the people. The people have something to work for. You take, for instance, the W. P. A. and all the other work program—there are a certain percent of the people when they receive their checks have to have one, two, of three pints of whisky or whatever it might take. I know not one, but several, who work on the W. P. A. who do this very thing.

I hope that the House of Representatives does not turn down this appeal because I do not think that the people are on the outs with the program. I am living in hopes that the next time I put in my application to purchase a farm through the Bankhead-Jones Act that I am one of the lucky ones.

Sincerely yours,

FLOYD HEMPHILL,
Hunter, Okla.

APRIL 1, 1940.

DEAR SIR: In response to your recent inquiry about my reactions to the farm-loan plan, I will say first, I favor the plan as it seems to be the only chance the "little" farmer has of securing a place of his own, as it seems impossible for a renter to make a living and save enough for a down payment.

Naturally, I was disappointed when my application for a farm loan was turned down, but I felt no resentment as the other men had the cash to make a small payment when as I had no cash then. I owed the Government some at the time, but that is paid now, so if the farm loans are to be continued I hope to be a lucky one next time. Hope the loans can be continued on a larger scale next year.

Yours truly,

Mr. and Mrs. O. I. MCINTIRE,
Goltry, Okla.

APRIL 3, 1940.

DEAR MR. FERGUSON: I have your letter of March 30, 1940. Yes; I made application to purchase a farm on long terms. I was very disappointed at the time not getting in. Yes; I certainly would favor the continuation of the program with the hope that some time in the future I would be able to buy a farm on long-term payment. I am staying right in and really believe it is a good thing and the only way for some of us to ever own a farm.

I have a family of six. I have rented this farm for 13 years on 50–50. I have paid Mr. Manley more than $13,000 in rent the 13 years. That would be nearly enough to buy that farm, but it takes nearly $1,000 to keep up my machinery and taxes, doctor, and to care for my family, so at the end of the year I am not much better off than I was at the start. By all means keep it going.

Sincerely yours,

AUG. J. KAHNERT,
Ponca City, Okla.

APRIL 3, 1940.

DEAR SIR: In reply to your letter of inquiry about the farm tenant purchase program, will say that I did apply to buy a farm in Kay County, Okla., and I knew when I applied that I only stood about one chance in a hundred of getting one and I fully realize that we all could not get one. But every tenant is for the program, for we all want a home of our own. That is why we rent and strive to accumulate enough to buy one. I do not believe there is a bit of dissatisfaction about the program. The only bad thing there wasn't enough funds to buy farms.

It is next to impossible to rent a farm in Kay County. Three years ago I rented a farm for cash rent, and in 3 years I paid almost $1,800 worth of cash rent, and a landowner who owns 1 farm and rents 13 more raised the rent and I had to take a very poor farm this year. There are a number of others just like me. That is why I want to have a home of my own.

In the purchase of a farm this way if anything should happen there is always someone willing to go ahead, and if one fails you will still have the land left. It is not buying oil stock. We are all for it, and sometime in the future I hope to be a home owner.

Sincerely yours,

VERN R. TRACY,
Newkirk, Okla.

APRIL 2, 1940.

DEAR MR. FERGUSON: I had my application in to purchase a farm under the Bankhead-Jones Act program last year. I was not accepted, and sincerely hope the program will be continued that I may still have a chance to buy. Even though I should never be accepted, I would not be selfish enough to wish it to discontinue. I would be glad for those who were accepted because they would have the same desire as I, to own their home.

Hoping the program can continue, I remain,

Yours truly,

VINCENT V. TURPIN,
Ponca City, Okla.

APRIL 3, 1940.

DEAR MR. FERGUSON: I received a letter from you yesterday wanting to know what I thought of the Bankhead-Jones Act to provide those wanting to buy farms an opportunity. Some 2 years ago I applied for one of these loans in Garfield County. I was lucky enough to be one of the five to be drawn for the county, but when they drew three for the loans I was left out. I guess this was the lack of funds.

I do think this is a poor man's opportunity if he can qualify. Do all you can to have this program continued. Thanks a lot, Mr. FERGUSON, for your interest in me.

Yours truly,

MARION LEE, *Waukomis, Okla.*

APRIL 4, 1940.

DEAR SIR: Am sorry to hear that there is a possibility of discontinuing the purchase of farms under the Bankhead-Jones Act. I, of course, regret that my application was not chosen but realize that we all can't be selected at once. The plan, in my estimation, surely will be beneficial to the country in many ways. We surely appreciate your efforts in trying to keep it going, as we may be chosen later.

Sincerely yours,

CARL E. HOOVER, *Hunter, Okla.*

APRIL 3, 1940.

DEAR SIR: In reply to your letter on the Bankhead-Jones Act, I think this is a very fine thing, although my application was turned down. I would like to see this plan continued even if I knew that I would never personally get accepted, because it is about the only way a poor man has a chance to buy a farm and live on it.

I live in one of the choice farm sections of the county. They are consolidating our schools because there are only 6 or 8 to the schools where there were 25 or 30. Farm families can't find a place to live with whole sets of farm improvements empty on every side. This is caused by persons who live in the city generally buying the farms that are for sale and hiring some farm boy to put out 4 or 5 for a dollar a day, while the improvements stand empty and rot down. If it were possible for renters to buy farms, it would help overcome this.

Yours truly,

HOWARD WILSON,
Waukomis, Okla.

A Farmer's Wife Expresses Some Sound Thoughts on National Legislation

EXTENSION OF REMARKS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 9, 1940

LETTER FROM MRS. ALTON FIZZELL

Mr. CRAWFORD. Mr. Speaker, a few days ago there came to my desk what I consider a very important letter written by the wife of one of the farmers residing in my district.

The letter from Mrs. Fizzell contains so many important observations that I feel it deserves a place in the CONGRESSIONAL RECORD.

Everyone who is familiar with the current farm problems and with the high degree of intelligence which the farmers of this country now apply toward the solution of their economic and social problems must realize that our farm people are today, as never before, thinking things through. No longer can political parties or so-called politicians parade around the country and "ballyhoo" the farm people into supporting any and every crackpot scheme that may be designed to trap them into voting for a continuation of a program which experience has demonstrated to them to be unsound.

Some day I hope the intelligence of all political parties and those individuals who operate the machinery of the parties will reach such a high level that they will comprehend what the farmers of this country want and are entitled to is a comparable price for their labor in the form of the farm products which they place on the American market. The industry of farming should not have to depend upon the whims of those who make appropriations and who administer the funds. The American farmer is entitled to a free market and a fair price, and with these factors he would not need appropriations.

ELSIE, MICH., *March 26, 1940.*

Hon. FRED L. CRAWFORD,
Representative, Eighth District, Michigan, Washington, D. C.

DEAR SIR: I have at hand your letter, No. 20, of March 22.

I know that if I do not stop now and take time to write you that it just won't get done.

My husband and I are very glad to get these letters, but I can't say they make us feel much easier in our minds as to the state of affairs.

We are very much opposed to Congress voting more billions to help (?) the farmer. We consider it merely another form of dole and a scheme to win the farm vote.

All the farmer wants is a square deal, not a dole. These sugar-coated reciprocal-trade treaties, why not call it by its good old name, free trade.

These so-called parity payments don't begin to make up to the farmer what they are taking away from him by not protecting the industry by a good high tariff.

We farmers are in much worse shape than we were during the depression. Then our produce didn't bring much, but we could take that little and buy what we needed, according to the price that we were being paid. Now we are on this sort of basis: For instance, in 1932 I sold eggs for perhaps 9 cents or 10 cents per

dozen. Now I sell for 13 cents, and buy a yard of cotton print and pay 19 cents. In 1932 I bought the print at 9 cents per yard.

It makes me depressed to see the people losing their farms. They just can't pay for them. You can't keep a farm up, live, and buy machinery. And who is buying those Federal loan farms? Wealthy city people, and they are keeping the farmer owners on as tenants. How many young people do you see starting out buying their own farms these days? Not many. Several people in our own neighborhood have had this happen to them, and through no fault of their own. It must be a bitter experience.

It is the great middle class that are taking the beating. The wealthy people don't know what it is all about, and the lower class are enjoying the "more abundant life."

Every time you have a chance, vote against anything that smacks of centralized government. I know that it is a great deal to expect of just one man in Congress to do much about all this, but do what you can, and we folks back home will appreciate it.

It's like voting; one vote doesn't count much, seemingly, but it does count, and I intend always to be there to cast mine as intelligently as possible. Then I have done my duty, and that's all any good citizen can do.

I am enclosing an editorial and cartoon from the Lansing Journal which I think are very apt and express conditions much better than I could. The majority of the farmers in our locality are against these large appropriations for farm relief.

It is just too bad F. D. R. can't think up a few more asinine schemes like this inter-American bank. I wish they would let the farmers have a little of that gold to buy some of the things they so badly need and cannot afford to buy.

How about shorter hours and more wages for farm folk. Will they never find out that when the farmer doesn't prosper the Nation doesn't, and vice versa.

Depression, recession, and the whole 7 years a magnificent obsession.

Respectfully yours,

MRS. ALTON FIZZELL.

What Good is Gold?

EXTENSION OF REMARKS

OF

HON. CHARLES L. GIFFORD

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

Mr. GIFFORD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article which is of real interest on the gold problem:

[Wirtschaftsdienst, XXV, 201, March 15, 1940]

WHAT GOOD IS GOLD?

People in the United States have recently been giving more attention than before to the future of gold, especially to the future of America's gold. Until lately it has been Europe's privilege to debate the indispensability of gold for currency, for note coverage, for bank reserves, and for settling international balances, and, with certain reservations, to deny that indispensability. Now, the problem has reached a pass when the Federal Reserve Bank of the United States, through its technical adviser, Dr. Goldenweiser, raises the question, what good is our gold? No very definite answer has been given. The best thing would be if the gold would go away of its own accord. But, there is no definite answer. To be sure the Government might give the people back the gold which it took away from them some years ago. They would be glad to get it, quite apart from its convenience for paying current bills. But, would they be so ready then to purchase Government obligations which pay them almost no interest? If, on the other hand, the gold is kept in the possession of the Government it is serving no useful purpose, for it is inconceivable that more than a small fraction of it could ever be used for making payments abroad. Quite the contrary.

Everything indicates that the flow of gold to the United States has far from ended, and people are beginning to take seriously the suggestion that it will not end until all the rest of the world has been stripped of its gold and all the gold mines have become American property. Furthermore, America's huge hoard of gold is not free from danger since it keeps the Government, the Federal Reserve Bank, and the credit system exposed to inflation. This danger may be exaggerated by many. Nevertheless, it is certain that the United States will never get any profit from its gold. No one will ever take it back at what the American Government paid for it, and the latter will have no choice except to depreciate it or to devalue it entirely. Why, then, does not the Government do something to stop a further inflow of gold? Goldenweiser says that a sudden stop to American gold purchases would create chaos in the exchange market. A desire to keep the American exchange market as stable as possible in the present parlous times is alleged to be the principal motive for the Government's buying gold. So we are to understand that the United States is monopolizing the world's supply, not in its own interest, but for the benefit of the world at large.

It is very evident that any changes in our monetary policies are viewed with alarm by those in authority, although they all now seem willing to acknowledge that what we have done and what we are doing is leading us into most serious consequences. Would it not be better to act courageously now? The longer we hesitate, the more disastrous the results.

Pending Sugar Legislation

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

STATEMENT BY HON. JAMES F. O'CONNOR, OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which I made recently before the Committee on Agriculture of the House in support of sugar legislation:

Mr. Chairman, if there is one proposition that deserves the support of every Member of Congress, it seems to me it is the proposition that the American market belongs, first, to the American farmer, the American businessman, and the American laborer.

Because I believe in this proposition, myself, so strongly, I appear here today, gentlemen, to throw every bit of influence and strength that I have behind the proposed legislation to continue the existing laws for the benefit and assistance of the American sugar growers, and for the American businessmen and American laborers who derive their profit and their wages from the production and sale of American beet and cane sugar.

It may be difficult for you and I to understand, gentlemen, but there are persons of prominence in this administration who apparently are determined to strike down the great American sugar industry and to continue the operation of a policy that may well be called "Be good neighbors to producers in other countries first, and let our own American farmers have what is left."

I want to say right now I condemn their attitude and I propose to do everything I can to defeat their purpose. I say, let's be good neighbors to our own people first and to outsiders afterward.

It is a simple matter to state the aims of those of us who are supporting the proposal for new sugar legislation. I believe I can make the situation clear in a very few words.

The condition of our American sugar beet and sugarcane industry is, at least partially, an outgrowth of the World War, which found the Federal Government encouraging and stimulating production of sugar as a vitally necessary food product. Our industry was helped by the Government and overexpansion was a natural result. Conditions within the industry became so critical for all participating that the administration investigated the problem and in 1934, at the recommendation of the President, mind you, Congress passed the first Sugar Act.

This law was projected as an attempt to safeguard the interests of consumers, farmers, and processors. It brought relief to all concerned, but it obviously was not a perfect law and was not so regarded by anyone. Before the law expired Congress in 1937 passed another sugar act, extending the provisions of the first law with certain refinements and revisions.

As we all know, the major features of the sugar legislation are the quota system to hold production to certain limits; the processing tax, and the payment of benefits, out of this tax, to the farmers who grow the sugar beets and sugarcane.

Because of the tax feature in this law the sugar program pays its own way. I want to specifically get it over to the committee that our producers take part in a farm program that doesn't cost the Government or the taxpayers a single cent. In addition, I wish to point out that according to the record of the Agricultural Department the retail price of sugar to the consumer has been lower under the operations of what is known as the sugar legislation or the quota system than it was under the tariff laws.

And, yet, now, when we all agree that the sugar industry is facing the same distress that brought about the enactment of the original Sugar Act, we find some who don't want new legislation to continue this program. We find some who say, in effect, "Now, let's don't do anything for the sugar beet and sugarcane farmers in our own country until after we've taken care of the farmers down in Cuba."

Why, gentlemen, it is a perfectly preposterous situation in my opinion.

Let us examine, briefly, just what these foes of our own farmers actually are accomplishing through their so-called good neighbor generosity. Let us see what is actually happening.

First, according to figures furnished by Director James W. Young, of the Bureau of Foreign and Domestic Commerce, of the Department of Commerce, our exports to Cuba in 1939, including all reexports, amounted to $81,643,791, while our imports were $104,930,345.

In other words, we were told that we must buy from Cuba so Cuba, in turn, could buy from us. And see what happened. Look at the official figures. While we were selling Cuba $81,000,000 worth of goods, we were buying back $104,000,000 worth.

And what were we buying? Why, we were buying, principally, Cuba's sugar in competition with our own sugar, production of which was held down to quota limits. In short, we let our own farmers grow about 29 percent of the whole sugar market. We gave away the 71-percent share of the market to Cuba and the producers elsewhere.

And yet, even that isn't the worst of this preposterous story. Consider this testimony, as it was presented on the floor of the Senate by Senator ELLENDER, of Louisiana, only a short time ago. He said:

"Senators, listen to these facts: The number of mills in Cuba aggregates 174. The number of mills that are owned and controlled by the United States citizens is 67. The production of sugar from these 67 mills aggregates 55.75 percent of the entire production of the island. That shows that Cuban capital owns about 55 mills, and the percentage of production of sugar on the island by Cuban-owned mills amounts to 22.2 percent.

"The other mills on the island belong to citizens of Spain, Canada, England, France, and Holland. These figures show that in respect to the entire production of sugar in Cuba, 55 percent of the benefit payments that accrue to Cuba find their way back to New York."

So, then, what really happens is this: Our good-neighbor policy, supposedly for the assistance of the Cuban farmer, supposedly to help the Cuban farmer buy more American goods, actually is working out so that the chief benefits go to the financial interests in Wall Street and in other countries who own most of the Cuban sugar industry.

And for this our American farmers must suffer. Is it any wonder Montana beet growers write me and demand that this situation be corrected. They are entitled to action.

I favor enaction of new legislation to continue and improve the present Sugar Act. I think, first, it should be continued without limitation. I think it should, as has been proposed in H. R. 8746, take steps to give the American sugar producer a parity price for his sugar.

If the officials in charge of the sugar program want to be fair with our American farmers, they will say to them "go ahead and produce all you can to fill the needs of the American market. Be assured you'll get a fair price for your crop. If you can't produce all our country needs, then it will be time enough to look to outsiders to supply any deficiency."

I am in favor of, and I hope to see put into the new sugar bill, gentlemen, amendments necessary to gradually increase the percentage of the market allotted to the American farmers, so that the American farmers not only can grow but, what is more important, can be assured that they can sell what they grow.

I think this increasing-scale percentage should be:

For 1941, 58.37 percent.
For 1942, 61.28 percent.
For 1943—63.73 percent.
For 1944—66.27 percent.
For 1945—68.26 percent.
For 1946—70.34 percent.
For 1947—71.74 percent.
For 1948—73.17 percent.
For 1949—74.63 percent.
For 1950—76.12 percent.

For each year thereafter, until the requirements of American consumers are wholly filled by our own American farmers, I feel the percentage should be increased annually by 2 percent over the percentage for the year immediately preceding.

I think the law should be written with such provisions as are necessary to adjust the allotments of our market to outside producers in accordance with this guaranteed allotment to our own American farmers.

I am reliably informed that Congressman Lemke will offer an amendment to the Cummings bill, providing for the increasing scale percentage herein set forth, and I am for and approve such an amendment and urge its adoption by the Committee.

In support of this amendment I wish to point out that in our sugar beet producing States that sugar beets and beans are produced on land that is artificially irrigated only. They are our two main cash crops. Refusing to enlarge our sugar-beet acreage in such territories does not make sense with our Federal reclamation program, as such restrictions of production necessarily conflicts with Federal reclamation expansion.

I insist, gentlemen, that in writing this sugar bill we make the American sugar farmer the first "good neighbor" to be considered. He is the man we should help first. To him and to the American businessmen and American laborers who have a part in our great domestic sugar industry—to them should we give the American market.

H. R. 8748

EXTENSION OF REMARKS

OF

HON. JAMES F. O'CONNOR

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

STATEMENT BY HON. JAMES F. O'CONNOR, OF MONTANA

Mr. O'CONNOR. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement made by me before the House Committee on Agriculture:

Mr. Chairman, and members of the committee, I heartily endorse the provisions of H. R. 8748. It, in a measure, will assist in the solving of some of the farmer's problems. In considering this bill, I think it well to bear in mind the percentage of the land owned by the Government as a result of foreclosures and the land owned by private lending agencies as a result of the same procedure and the number of families that have been forced from farms as a result of foreclosures.

LAND OWNED BY GOVERNMENT AS RESULT OF FORECLOSURES

"Land owned by the Federal land banks and land bank commissioner totals approximately 7,000,000 acres. This is about two-thirds of 1 percent (0.664 percent) of all land in farms.

"As of December 31, 1939, the Federal land banks and land bank commissioner held 35,426 farms, including sheriff's certificates and involving an investment of $155,331,130." (Source of data: Bureau of Agricultural Economics, Farm Credit Administration.)

LAND OWNED BY PRIVATE LENDING AGENCIES AS RESULT OF FORECLOSURES

"Holdings of three principal groups of non-Federal lending agencies (life-insurance companies, joint-stock land banks, and three State credit agencies) total about 21,000,000 acres. This is about 2 percent of all land in farms." (Source of data: Bureau of Agricultural Economics, Farm Credit Administration.)

NUMBER OF FAMILIES FORCED FROM FARMS AS RESULT OF FORECLOSURES

Foreclosure data not helpful in that farmer foreclosed upon may become renter on the same or another farm.

"There is a net migration, however, from farms to cities. Farm population estimates for January 1, 1939, show that more persons moved from farms to villages, towns, and cities than moved to farms during 1938. It is estimated that 1,025,000 persons left farms and that 823,000 persons moved to farms."

The farmers in the past have been paying the highest rates of interest, at the same time offering as security for repayment of their loans and interest, the very best security we have in this country. The provisions with reference to reducing interest rates on land-bank and land commissioner loans will be of particular benefit to the farmers. This provision is covered in section 2A of the bill. Section 2–B also contains an excellent provision, providing that the interest rate of defaulted payments or on taxes, liens, judgments, or assessments, if not paid when due, shall bear 3 percent interest.

The provision for abolishing the requirement that borrowers purchase stock in their local farm association is indeed another splendid step for the Government to take. Many borrowers, to my personal knowledge objected to the purchase of stock, regarding such a purchase as a liability rather than an asset, as his shares were held as collateral security for the loans of other borrowers through his association. Such a provision necessarily penalizes borrowers who make good. The provision with reference to refinancing is likewise a needed one. Farmers will be furnished in one word more safe and certain credit and are not so likely to lose their homes.

Generally speaking, I may say that the chairman of the Agricultural Committee of the House and Senator WHEELER, of Montana, are indeed to be congratulated for introducing this bill and a like bill in the Senate. It will go a long way toward relieving the distress of the farmer. It is not a complete answer, however, to the farmer's problem. Some thought must be given by Congress later with reference to taxation. The farmer is made to bear an exceptionally heavy burden because the farmer must accept what he is offered for his products—not what he asks for them—he stands by himself in being unable to budget his taxes. His taxes vary little from year to year although his income from the land is subject to wide fluctuations. Simply, the manufacturer, and even the wage earner, pay a percentage of their volume—whether it is manufactured goods or wages—as taxes. The manufacturer sets the price on the article he makes. He can include the tax in the price he sets as its selling price. The wage earner knows how much he will receive, and can budget his tax bill as he knows exactly how much he will pay. If the farmer could pay his taxes in bushels of wheat or bales of cotton, he could more nearly budget his taxes. But in years when wheat is selling at 50 cents a bushel, it takes twice as much to pay his taxes as it

would in years when the price is $1 a bushel. The capacity of his land to produce more does not vary with prices received. As a result, there is a disparity not only in the price he receives, but in the taxes he pays as well.

In this connection, I wish to call the committee's attention to another outstanding inequity concerning taxation. That is, the amount of tax-exemption securities outstanding:

Amount of tax-exempt securities outstanding

[Billion dollars]

1930 (June 30):	
States, counties, cities, etc. (wholly exempt)	15.1
Territories and insular possessions (wholly exempt)	.1
Reconstruction Finance Corporation (partially exempt)	.8
Federal Home Loan System (partially exempt)	2.8
Federal Farm Loan System:	
Wholly exempt	1.2
Partially exempt	1.3
Total	2.5
United States Government:	
Wholly exempt	7.3
Partially exempt	24.2
Total	31.5
Grand total:	
Wholly exempt	23.8
Partially exempt	29.5
Wholly and partially exempt	53.3

This committee, of course, has nothing directly to do with relieving the situation created by these tax-exempt securities but all of these tax problems are tied in with the burden placed on the farmer and as we go along and as our Government becomes more complex and more expensive, the burden on the farmer increases accordingly. As an illustration, according to the latest published information by the Agriculture Department in pamphlet form we are advised that in 1932 and 1933 it required the farmers to sell an average of three and one-third times as much produce to pay their taxes as they sold for the same purpose in 1913. This comes about because farm taxes mounted while income of the farmer was sharply reduced. Illustrating, gross income per acre in 1932 was only 66 percent of that of 1913 as contrasted with real-estate taxes per acre at 189 percent of 1913. In other words, taxes in 1932 were 89 percent above, while gross income per acre was 34 percent below the pre-war level. (Authority: H. Doc. 406.)

We must broaden, in some fashion, the base of taxation. I realize, of course, that the great burden is placed on the farmer by local taxation. However, the Federal Government is deeply interested in a just revision of State, local, and Federal taxes to try to bring about a more equitable distribution of the burden of Government costs throughout. In broadening the base of taxation, we should include taxing the income from tax-exempt securities. This Committee, composed as it is of able and learned members, should give some thought, at an early date, to the question of taxation. If some relief is not afforded to place the burden of taxation upon the taxpayers of this country, in accordance with their ability to pay, the farmers' now disastrous condition will gradually become worse.

The farmer, in the past, has been actually eaten alive by the exhorbitant rates of interest, exacted from him by loan sharks of all kinds, and unconscionable commissions that had been charged him. The foregoing, together with the heavy burden of tax placed on him, coupled again with his low income, places him in a disastrous position and his future is really dark. It makes no difference which way he looks—it looks bad. This bill will answer, to a certain extent, the interest problem, the credit problem, and some of his other difficulties, but, of course, it will not answer the tax question. My own thought is that the question of tax cannot be answered unless we adopt either the cost of production theory, or proceed in some way on a plan of income tax based on the policy that we must pay our tax in accordance with our ability to pay. It might be suggested that the farmer stands out practically alone as having the kind of property, both real and personal that the assessor can find. Hence, under the present system, he must pay or lose his home—and that is happening every day.

British Propaganda Film

EXTENSION OF REMARKS

OF

HON. LEWIS D. THILL

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

Mr. THILL. Mr. Speaker, a propaganda film which glorifies England's part in the present European war is being presented in the theaters of America. The title of the cinema production is "The Lion Has Wings," and it is produced by Alexander Korda. It is a London film production released through United Artists and narrated by Lowell Thomas. Emanuel Silverstone and Morris Helprin are listed as the agents of Alexander Korda Film Productions, Ltd., under the alien-registration law. Why must American citizens be subjected to such movie productions when practically everyone will admit that the motion picture The Lion Has Wings is an attempt to propagandize and influence American public opinion in favor of Great Britain? The following movie review article appeared in the Washington Post, March 7, 1940. It presents a short summary and review of the motion picture The Lion Has Wings.

LITTLE

Like an H. G. Wells forecast in terrifying reality, The Lion Has Wings is an avowedly propaganda film, at once ugly and fascinating. Made through the cooperation of the Royal Air Force, the Alexander Korda production opened yesterday at the Little Theater.

No matter how much one may wish England to win the war against Hitlerism, this film is a disturbing experience, a grim ultimatum that in wartime intelligence goes on the shelf while life is disorganized for a parade of destruction. Factories turn out death missiles, the triumphs of life becoming the deaths of others. Smiling Englishmen and grim-faced Nazis reflect the disease of civilization.

The Lion Has Wings is presented not only for its unquestionably interesting picture of how the war is being waged, but as an example of propaganda. One can only be thankful that here we are able to analyze its approach rather than be influenced by it.

Noncomparative things are compared. All Nazis goosestep; they have none of the traditional sports of the English. Death, when it comes to the flying English, come gloriously and off screen; but the Grim Reaper sends the taut-faced Nazi plummeting earthwards in his airplane in full view of the camera.

The details of modern war making are strikingly revealed. The amazing central control room from which all fighting planes are directed, where it is possible to listen by radio to a sky battle hundreds of miles away, and the R. A. F. in action over the Kiel Canal are tied together in a slim story which only years of future suffering can possibly conclude. Lowell Thomas voices the preliminary narration. Ralph Richardson, Merle Oberon, and June Duprez are the "names" in a cast drawn from England's fighters.

R. L. C.

National Labor Relations Board Bears Swords Instead of Scales

EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

ARTICLE FROM AMERICAN LAW AND LAWYERS, A NATIONAL WEEKLY LEGAL PAPER PUBLISHED IN CINCINNATI, OHIO

Mr. EDWIN A. HALL. Mr. Speaker, the following article is by Col. O. R. McGuire, a bar leader and general counsel of the American Good Government Society of Washington, D. C.

[From American Law and Lawyers]

SAYS BAR PLAN WOULD PREVENT UNFAIR RULINGS—TESTIMONY IN LABOR BOARD PROBE HELD TO SHOW VALUE OF LOGAN-WALTER MEASURE—CIVIL SERVICE URGED, TOO

WASHINGTON.—Testimony offered at the Smith committee investigation of the National Labor Relations Board proves beyond doubt that there has been inadequate administrative control and inadequate judicial review of the Board's factual decisions, according to Col. O. R. McGuire, chairman of the American Bar Association's committee on administrative law.

To the leader in the American Bar's campaign for legislation designed to bring the Federal bureaucracy under control, the Labor Board hearings have been an object lesson pointing to the necessity for a measure such as the Logan-Walter bill.

BEST AIMS DISCREDITED

The best objectives in Government may be discredited and defeated, Colonel McGuire declared, when:

1. Administrators come bearing swords instead of scales.

2. Administrators believe they have a mission to perform instead of administering the law as written.

3. Subordinates are able to threaten citizens.

4. Employees may attend meetings of either workers or employers at the expense of their hosts.

5. The record of hearings before examiners are such that they fail to show upon appeal to the Board or on review in the courts what actually transpired.

6. There are consultations between examiners and trial attorneys, with employer or employees or both excluded.

SUBJECT TO PRESSURE

It must be noted in mitigation of the Labor Board's faults, Colonel McGuire continued, that it has been subjected to pressure in the selection of its subordinates because it did not have the protection of civil-service laws.

"No administrator can build a permanent force under such a system as that prescribed in the law for the Labor Board. The same situation exists as to some of the other boards and commissions created since 1933 and some subordinates of such boards not only resent any attempt to bring them under the control of the law but they even go to the extent of opposing any attempt to subject appointments of examiners and attorneys for such agencies to the requirements of the civil-service law. Even where the heads of the agencies are sympathetic to both control by law and to civil service, these bureaucratic subordinates are able to make such reforms most difficult to obtain."

WOULD CORRECT FAULTS

Colonel McGuire added that the Logan-Walter administrative law bill would correct most if not all of the defects in the Labor Relations Act by requiring regulations to be issued after public notice and public hearing, subject to judicial review for the guidance of attorneys and examiners in the field; also, by requiring the record of all that transpired at the hearings to be openly, fairly, and accurately made for use on appeal to the Board or on review in the circuit courts of appeal, with the courts having sufficient jurisdiction to review and reverse the findings of facts when not reasonably supported by record evidence.

"Garrison at first and now Madden had a difficult job to perform," said McGuire, "and they have not always had the assistance of qualified and unbiased colleagues. Neither have they had procedure laid down in the law for their own guidance of their subordinates. I have many times pointed out that it is impossible for the head of a governmental agency to be informed as to the action of his subordinates unless such subordinates are compelled to make a proper record so that bias, mistakes, and ineptitude may be brought to the attention of such head.

"I believe that this investigation has already demonstrated that the Logan-Walter bill should be enacted into law at the earliest possible date so as to correct the defects uncovered in the administration of the Labor Relations Act and similar defects which could be uncovered in a number of other agencies if they were subjected to a similar searching investigation." After that will come reforms in the methods of selecting personnel pursuant to a selective civil-service law to man such agencies."

Checkrein for Bureaucracy

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

ARTICLE BY HON. RAYMOND S. SPRINGER, OF INDIANA

Mr. GILLIE. Mr. Speaker, under leave to extend my remarks, I include the following article by the Honorable RAYMOND S. SPRINGER, my esteemed colleague from Indiana, which appears in the April issue of the National Republic:

[From the National Republic for April 1940]

CHECKREIN FOR BUREAUCRACY

Drastic developments in European history during the past few years have brought on conditions under which many of those countries now find their destinies subject to the whims and fancies of ambitious men who have usurped the power of "government by law" and established dictatorships. We abhor such forms of government, yet, perhaps, fail to see the existence in our own Government in Washington a startling parallel to the very methods by which those tyrants rose to power.

For the past 50 years the trend in our Nation has been away from "government by law," based on our fundamental concept of constitutional democracy, and toward a "government by men." The origin of this trend may be conceived as an inevitable necessity to supply methods of administrative regulations required to meet the expansion of Government concurrent with the rapid growth of our social and economic life. But the danger lies in failure to provide adequate safeguards against the usurpation of fundamental principles; against human weaknesses, and man's inhumanity to man.

The tendency toward expanding the powers of the Executive in Washington by creating administrative agencies with authority to regulate and control activities of the governed has increased manyfold in the last decade. Today there are one-hundred-and-thirty-odd administrative agencies of the Federal Government, not including the various bureaus into which the departments are divided. In addition to the great number of agencies in Washington there are scattered throughout the country a vast number of subsidiary offices of these agencies, each with its many officers and employees with discretionary powers to regulate and control. Thus is established in our Government in Washington, and throughout our Nation, an army of regulators whose conduct and control may be a real and potential menace to our democratic form of government.

To say that the danger in this situation is merely potential, and with ungrounded claim for real fear, is not true. There have been many instances where administrative officials have assumed authority beyond the written law. These instances have occurred in nearly every channel of enterprise and trade which, under our rapid social and economic advancement, has been subject to some degree of governmental regulation. Labor, industry, and agriculture alike have experienced unpleasantries of varying degree from the aberrations of a minor official to the administrative absolutism of a bureau chief.

There was a case in which a matter of law was preventing the introduction of certain documents as evidence in a hearing being conducted by a Federal commission in Washington. The Government's attorney had moved to have these documents admitted over the defense counsel's objections. The defense counsel insisted that under the rules of evidence the documents were inadmissible. The commission judge, with full power over the hearing, informed the attorney for defense that he (the judge) "would make a law" to fit the occasion. He legislated accordingly and the evidence was admitted.

The Federal Communications Commission not so long ago was forced by a storm of popular protest to rescind a ruling regarding the sale of time on the air for the discussion of controversial subjects. There was no available judicial remedy.

A few months ago the then Director of the Wage and Hour Division of the Department of Labor devised a policy which would have had disastrous effect on the small country weekly newspapers. At once he was besieged by protests from Members of Congress on both sides, and immediately he took steps to so clarify the ruling as to remove the objectionable features. Again there was no legal remedy.

These are instances where lusty and powerful groups were injured and whose protests could not be ignored. But the essence of democracy is to extend the protection of justice to otherwise defenseless minorities. For every case where public protest was effective there are scores of obscure cases where inarticulate groups and individuals must suffer in silence under the tyranny of man-made rules that contravene law-made rules.

The cause for the controversy which sprang up over certain questions to be incorporated in the taking of the census can be ascribed to an act of administrative absolutism. In the tempest over some of the questions to be asked, Senator CHARLES W. TOBEY (Republican, New Hampshire) points out that the questions to which he objected were not a matter of law. They were placed in the census questionnaire by the Secretary of Commerce, who, under the law is given the power to phrase the questions. Senator TOBEY's objection was on the ground that the questions exceeded the law. In a letter to President Roosevelt he said, "If * * * an unauthorized ruling of a departmental bureau constitutes a law of the United States, then it is important that the people recall that such were the tactics of Hitler in gaining powers never sanctioned by the people. It is time to call a halt to attempts of departments to arrogate to themselves the function of a legislative body * * *."

In my district in Indiana there is now being conducted an investigation of a case in which a subscriber to the program of the Agricultural Adjustment Administration was ordered by a local official of the A. A. A. to mow down a certain percentage of his wheat acreage before it ripened. In answer to the farmer's protest that the order was not consistent with his total acreage the official assured him that it was the order of the county committee and must be complied with. Assuming that he had no choice but to obey the order, the farmer followed instructions, with the result that he was compelled to purchase seed for his next planting. As this is written a report of the investigation has not been received, but it is only reasonable to believe that if the order is shown to be in error the farmer still has no recourse to compensation. A similar case in another Midwestern State resulted in a reprimand from Washington being directed upon the State, county, and local officials, but left the farmer to suffer his loss.

These are but a few of the examples of the trend toward "government by men," and the abuse of uncontrolled discretionary power to regulate and control. When a rule adversely affects a given group sufficient pressure may be brought to change or qualify the rule; or when the action meets with the disapproval of the majority of the citizenry popular protest will nullify it; but when a single individual or concern is caused to suffer there is no choice but to bear the burden of "the forgotten man" with no right of appeal.

Regulation by commission began to attract attention long before the advent of the present administration, but the rapid growth of a tendency toward increased regulation, combined with the realization of a strange parallel to the trend which has culminated in totalitarian governments abroad, has brought an increasing demand for "a law to regulate the regulators." Documentary evidence of congressional heed to this need and demand lies in a bill introduced in the House of Representatives by Congressman FRANCIS E. WALTER, Democrat, of Pennsylvania, and in the Senate by the late Senator Marvil M. Logan, Democrat, of Kentucky. This bill, the so-called Walter-Logan bill, was prepared to meet the long-standing and ever-growing need for an administrative law act. The American Bar Association, and other groups interested in trends which endanger our "government by law," have recognized the need for, and urged the passage of, such an act.

As a minority member of the Judiciary Committee in the House of Representatives, of which Congressman WALTER is a ranking majority member, I have come to know and respect the man as a sincere believer in the preservation of constitutional rights and liberties. And as a member of the Judiciary Committee it has been my privilege not only to become familiar with the Walter-Logan bill, but also to make a study of the actual need for an administrative law. I am thoroughly convinced that recognition of the need alone influenced Mr. Walter to sponsor the House draft of the bill, and it was my pleasure to concur in the favorable report of the committee.

In order further to understand the need for an administrative law act it is best to look briefly over the developments in government upon which the tendency toward "government by men" has been permitted to feed.

Every schoolboy knows that the Constitution of the United States divided the power of Government into three parts, each acting as check on the other. The legislative power was vested in Congress; the executive and administrative powers in the Executive, and the judicial power in the courts. But, despite the fact that it was necessary for Congress to extend the administrative officers and agencies certain discretionary powers, it was never intended that those agencies should assume unrestrained legislative, executive, and judicial powers beyond constitutional provisions.

The statutes of 1789 created discretionary authority for the issuance of rules and regulations. Under these statutory provisions a system of complete review of administrative decisions of Federal agencies, both as to the law and the fact, was carried on by the courts until the turn of the present century. The trial-and-error method, at that time not involved with the complications of our present-day economic and social problems, sufficed until rapidly changing conditions drastically altered this practice of review by the courts. Later statutes, creating additional administrative agencies, in a great many instances provided for judicial review of administrative decisions. At the same time, however, many restrictions were placed on judicial review by these same statutes. In a recent United States Supreme Court decision the National Labor Relations Board was held to be free from judicial supervision regarding its findings of facts, although the facts were disputed.

There is a noticeable lack of uniformity, in statutes creating new Federal administrative agencies, of provisions for the scope of judicial review, and none of them contain provisions to establish the practice and procedure to be followed by the agencies in conducting hearings and deciding controversies. A few of these statutes provide that the decision of the agency is final and conclusive, only if supported by substantial evidence; in others, if supported by evidence; but some simply provide that the decision shall be final and conclusive.

Under this system it is not at all surprising that many of these administrative agencies consider themselves above the law, and practice a contemptuous disregard for both the Congress and the courts.

For obvious reasons it would be both impractical and impossible to abolish all of these administrative agencies. However, I do believe that those created for political reasons and others which have outlived their usefulness could and should be done away with. All those which are essential counterparts of the Federal Government and necessary to the needs of government should be subject to, and assisted by, "a uniform procedure for administrative determinations and for judicial review thereof to see that the administrative agencies remain within the terms of the law, both in the hearings accorded and in applying the law to the record facts." The Walter-Logan bill proposes to supply that procedure.

The bill (H. R. 6324) providing for the more expeditious settlement of disputes with the United States, and for other purposes, is not a hastily drawn bit of proposed legislation. For more than 3 years it was carefully considered by the American Bar Association. The principles have been approved not only by the board of governors and the house of delegates of that association, but also by the State bar associations of California, Colorado, Illinois, Nebraska, Ohio, and Oregon. Approval has been given the bill by the committee on administrative law of the National Association of Women Lawyers, the city bar associations of Boston, Cleveland, Dallas, St Louis, Phoenix, and Philadelphia, and undoubtedly additional bar associations will submit their approvals from meetings scheduled through the coming months. The bill is also acceptable to a number of associations and organizations of business and labor.

When the objectives of the bill, already approved by many nationally representative groups, associations, and organizations, become familiar to the country at large, there will unquestionably follow from the citizens who see the dangers of arbitrary rule by centralized government, hearty support for a legislative measure which proposes to curb the tendency of Federal agencies to exercise arbitrary and tyrannical administrative powers beyond the law.

In the studious consideration given this bill before its final drafting every effort was made to avoid all possible objectionable features, and particular attention was directed toward making it feasible without creating provisions that would in any way tend to retard the functions of administrative government or burden the judicial. That this effort was successful to a high degree is evidenced by the fact that the bill, after an exhaustive study by the Judiciary Committee, was unanimously reported by the committee with but little change from the original draft.

The progress of the bill in Congress has been satisfactory, but not too rapid to be consistent with its scope and importance. As this is written, its consideration has been temporarily postponed by legislative procedure which caused the measure to be stricken from the Consent Calendar, which action will necessitate its being reported under a rule. The rule has already been secured, and there is every indication that it will receive favorable action, which will bring the bill, H. R. 6324, to the floor of the House for debate and final action perhaps fairly concurrent with the appearance of this article in print. The companion bill in the Senate, S. 915, has been reported by the Senate Judiciary Committee and awaits consideration by the upper house. In the last session of Congress this same bill was passed by the Senate under a unanimous consent rule, but was rescinded at the request of Senator MINTON (Democrat, Indiana).

I would not be so presumptuous as to declare that the Walter-Logan bill will be a cure-all, but I sincerely believe that it represents a step in the right direction for removing unlimited power from the hands of administrative officials—a condition which, if permitted to continue without restrictions, can but mean the eventual loss of constitutional rights and liberties in America.

Communism in America

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

ARTICLE BY SOTERIOS NICHOLSON

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article entitled "Communism in America" which was written by Mr. Soterios Nicholson, distinguished Washington lawyer and author, which appeared in the California Greek Newspaper of February 16, 1940. Mr. Nicholson is a leader among Greek-American citizens of this country and his views concerning the dangers of Communism are worthy of careful thought and attention. He was born at Kalliani, Corinth, Greece, educated in Tripolis and Athens until 1903, when he came to the United States to complete his education at Emerson Institute and George Washington University Law School. He entered the United States Army during the World War and won a captain's commission, and served in various distinguished capacities. He has been admitted to practice law in the District of Columbia, Maryland, and Michigan, and before the Supreme Court of the United States. He is the

author of two books and is a former supreme counselor of the Greek-American Order of Ahepa. His article on Communism follows:

COMMUNISM IN AMERICA

WASHINGTON, D. C.—The freedom of speech and of the press, guaranteed by the Constitution of the United States to every person living within the borders of this great wide country, has been misunderstood and frequently abused by a certain class of people. One cannot very well blame the average man, woman, or child who listens to a flowery speech or reads some articles inspired by communistic propaganda and believes misstatements uttered or written about the fine work some other country or countries are doing contrary to our principles of government.

LET US EXAMINE THE CAUSE AND EFFECT

The main reason for being convinced in any argument is the novelty of the thing. Human beings are eager for more knowledge, and, particularly so when they hear or read something different than what they have known before. Another reason is the general and individual dissatisfaction of existing conditions. There are other factors, but those are the main points to discuss for our purpose. The first one—eagerness for more knowledge—is not confined to the educated class alone but to all classes. Of course, there are exceptions. The so-called educated class, however, analyzes the pros and cons and makes its own deductions. Some people of this category—nay, even professors—conclude contrary to what one may logically expect. Conversion of some of the people of this class to communism is the most dangerous. The reason is obvious. They have the faculty and ability to enlarge the arguments in favor of this theory and make it easier understood and more attractive for general consumption, though untrue.

The other cause—dissatisfaction—has more followers, because, when the people are discontented with their economical welfare, they are willing to have a change in usual forms of government or conditions and are ready to try anything for the better. It is this group which is the prey of Communists. The disapproval of existing conditions makes the mind of such a people more receptive of the change, and, hence, more supporters of the theory.

The effect is now happily understood by both classes of people above-mentioned, and they less and less adhere to the cause of communism. They understand that such a philosophy is unworkable, destructive to the natural initiative of each person, and, instead of bringing freedom to the individual or equality to all, as has been advocated by the proponents, it conclusively produces restraint, slavery, and autocratic powers to one individual, whose aim is not to look after the welfare of all the people in his realm but to his immediate supporters only.

Fortunately, the American people do not "fall" as easily as it was apparently thought by Communist leaders. Americans know how and when to show their displeasure of prevailing situations. They will do it in their own way—the constitutional way, the change of leadership, the polls. No one should be afraid of the state of affairs in America. If in doubt, look at the other countries of the world.

It is generally agreed that the United States should be still in a better position than it is today. It is a country of plenty, and yet there are people who actually starve, depend upon charity or dole. There is undoubtedly something wrong, but this eventually will be corrected. There are many elements as contributory causes for prevailing conditions. Too many to discuss in this short article, but the remedy lies with us—the people. One of the main causes of this condition is the lack of faith. Let us think of better times with faith. Instill faith in the youths of America. Keep them away from destructive elements—atheism, communism, and the other "isms." Their tender minds are apt to go in the wrong direction. It is not their fault. They are eager to learn. Their parents, teachers, professors, politicians, high officeholders, etc., should explain the difference very carefully so that they may see the right from the wrong way. Do not keep them in ignorance, but explain to them the truth. Then, and only then, we shall construct a better America for tomorrow.

Amendment of the Wage and Hour Act

EXTENSION OF REMARKS

OF

HON. GRAHAM A. BARDEN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 15, 1940

RADIO ADDRESS BY HON. GRAHAM A. BARDEN, OF NORTH CAROLINA

Mr. BARDEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by me recently over the radio:

My friends of the radio audience, the question, Shall the Barden amendments, H. R. 7133, be adopted, is one that I, together with practically every farm organization in America, and millions of agricultural people, very definitely answer in the affirmative? For the purpose of giving the background for these amendments, let me say that after the Wages and Hours Act had been in effect several months, it was discovered that Congress had not only failed in many instances to clarify the law, and provide adequate machinery with which to apply it without considerable dislocation, but had left certain phrases and terms open for interpretation, and when interpreted by the then Administrator, Mr. Andrews, he not only refused to recognize the exemption intended, and granted agriculture and agricultural operations by Congress, but he proceeded to put agriculture in a strait jacket. His ruling has not been set aside nor changed. Whether he changes the interpretation or not, the law should be so written that agriculture and processors of agricultural products would not face either a new interpretation of the law, or a change in regulations every time administrators are changed, or every time the Administrator changes his mind.

Let us, for a moment, look at the problems confronting agriculture, using the same base period as used by the Statistical Department of the United States Government that period, between 1910 and 1914. We find that in 1937 farm prices were 21 percent above base period; in 1938 farm prices were 22 percent lower than in 1937, and 5 percent lower than they were in 1910 and 1914. In 1939 farm prices were 24 percent lower than they were in 1937, and 7 percent lower than in 1910 to 1914. With labor supplies and materials used by agriculture increasing in cost, is it any wonder that agriculture should become alarmed with the same old custom in vogue of having the industrial areas fix the price on everything they sell, and also fix the price on everything they buy from the farmer?

These amendments do not hamper, hinder, or cost industrial labor 1 penny or add 1 minute to their day's work. They do not destroy nor attempt to destroy the wage-hour law. As a matter of fact they make it more workable.

The Wage-Hour Act has now been in operation approximately 2 years, during which time a number of problems have confronted both those operating under the act and the Administrator who is charged with its enforcement. In the brief time allotted me I can only discuss briefly the most important ones, which are:

First. The Puerto Rico and Virgin Islands situation;

Second. The partial exemption of agriculture from hours generally referred to as section 7 (c);

Third. White-collar exemptions;

Fourth. Area of production covering practically all agriculture;

Fifth. Home work or piece work in rural areas.

Discussing these subjects in the order mentioned, we come, first, to the Puerto Rico and Virgin Islands situation. The act as it now stands makes no provision for the Administrator to fit the law to the conditions existing in Puerto Rico and the Virgin Islands. As a result of an investigation conducted by the Labor Department, it was found that not only were conditions in Puerto Rico and the Virgin Islands entirely different from those existing in the United States but it was found that great hardships would be imposed on both labor and employers unless the Administrator were given some discretion in the application of the act to this Territory through industry committees. The identical amendments contained in the Barden bill were recommended by the Wage-Hour Division; by the Department of the Interior; by General Winship and by Admiral Leahy, Governor Generals; and by the Labor Committees of both the House and the Senate, and passed unanimously by the Senate. This history would certainly indicate that these amendments are not only desirable but most necessary.

Second. The partial exemption from hours generally referred to as section 7 (c) has practically been destroyed by interpretative bulletins and rulings by the Administrator.

Third. White-collar exemptions: In the present act there is no such thing as white-collar workers' exemption, except the following section, which is 13 (a) 1: "Any employee employed in a bona fide executive, administrative, professional, or local retail capacity, or in the capacity of outside salesman (as such terms are defined and delineated by regulations of the Administrator)." As absurd as it may sound, it is nevertheless true that the Administrator is now confronted with men drawing as much as $7,000 per year and more who are under this act, and apparently there is no way to take them out without an amendment. My amendment is very simple and provides as follows: After exempting those exempted in 13 (a) 1, I quote "or at a guaranteed monthly salary of $150 or more, or at a guaranteed yearly salary of $1,800 or more, if such employee is not required by his employer to work any specified minimum number of hours in any workday, workweek, or other period, and has been notified by his employer in writing to that effect." Without this amendment it is absolutely unfair to the Administrator to expect him to perform an utterly impossible job by enforcing the act. As it is now written, columnists, newspaper reporters, and others who have responsible jobs, and sometimes like to go to a baseball game, play golf, or take an afternoon out for fishing, either must forego this pleasure or violate the act. I am willing to leave it to the American people which would happen. It is very clear to me that we have in this country at the present time more than a sufficient number of law violators without attempting to increase the number by growing a new crop. It has been my pleasure to meet and know personally the present Administrator and a number of

his assistants. There is no question in my mind but that they are high-type intelligent gentlemen, striving as best they can to administer a law full of ambiguities and terms almost impossible of interpretation, construction, or application, and I am firmly of the opinion that unless the amendments included in the Barden bill or amendments of similar purport are adopted the act will pull its own house down, and industrial labor will lose the protection and benefits which it has heretofore and is now receiving.

Fourth. Area of production: This term has probably given more trouble both to the Administrator, to agriculture, and to agricultural operations than the remainder of the act, and is responsible for the introduction of these amendments. Section 13 (a) (10) under the heading of exemptions from wages and hours reads as follows:

"To any individual employed within the area of production (as defined by the Administrator) engaged in handling, packing, storing, ginning, compressing, pasteurizing, drying, preparing in their raw or natural state, or canning of agricultural or horticultural commodities for market, or in making cheese or butter or other dairy products."

The souce of the trouble being the term "area of production" (as defined by the Administrator). Since the former Administrator, Mr. Andrews, and his legal and economic departments finished defining this term, no one has ever been able to either understand it, apply it, or operate under it. His definition consists of four lengthy paragraphs, the first of which limits the number of employees to seven and the last one of which reads as follows:

"(d) If he performs those operations on materials all of which come from farms in the immediate locality of the establishment where he is employed and the establishment is located in the open country or in a rural community. As used in this subsection (d) 'immediate locality' shall not include any distance of more than 10 miles, and 'open country' or 'rural community' shall not include any city or town of 2,500 or greater population, according to the Fifteenth United States Census, 1930."

(Imagine area of production hatching this!)

There is no question in my mind, nor was there in the mind of Congress at the time the act was passed, but that they intended to exempt those agricultural operations carried on within the area where the commodities or products were normally and commercially produced. They did not intend to take in the country grist mill or the small gin or the seasonal cannery, the capping of strawberries, grading potatoes, packing fruits and vegetables, or any other similar operations dealing with agricultural commodities. Yet the Administrator, Mr. Andrews, so determined, and the present Administrator has not seen fit to change the order which, in brief, says there must not be over 7 people working the operation; it must not be in a town of over 2,500 people, and all of the commodities used in the operation must come from within a 10-mile circle, as the crow flies. How they expect the country cotton ginner to attach a speedometer to the crow has not been determined.

There is simply no way to enforce his definition; it is impracticable, unworkable, and in all my experience, I have not yet found one person who attempted to defend it in its entirety. The Labor Committee spent several months last year working on amendments to this act. Thousands of pages of evidence were accumulated, hearings were held, and yet, not one single representative of the great farming industry was permitted to enter the committee room for the purpose of saying one word or of giving one word of testimony in behalf of agriculture. Yet that committee was performing a major operation on agriculture without even the advice or consent of agriculture. My amendments simply discard the term "area of production" and set out the exemptions in clear, unequivocal, understandable terms, and can be administered for a small percentage of the cost that will be incurred in an attempt to enforce the present act, and then it will not be enforced. There may be a few people, a few hundred, or maybe a few thousand left out from under the act by these amendments that probably should be under it, but in my opinion, it is far better that we have 1,000 out from under the act that should be under it, than 20,000 under the act, who cannot live under it or operate under it; and if the conditions complained of and which I seek to correct are permitted to continue unabated, it will sooner or later lead to a tearing down of the whole structure. This we learned from our experience with the N. R. A.

FIFTH—HOME WORK OR THE PIECE WORK IN RURAL AREAS

In my amendments there is provision made for home work in rural areas, granting to the Administrator the right to make special provision and voluntary constant wage plans consistent with the purposes of section 7. Great injury has been done the rural areas by depriving them of a source of income which, prior to the act, made it possible for them to supplement the meager income from their farms and provide cash during crop season. There is also provision made for the Administrator to safeguard the minimum standards provided in the act. It is not difficult to understand how it is impossible for anyone to carry on this kind of work under the present law and keep the records required by the Department. The Administrator should not be called upon to bend over backward or strong-arm the law in order to prevent doing a great injustice. This is a responsibility resting upon the shoulders of Congress and which should be dealt with intelligently and expeditiously.

American Democracy

EXTENSION OF REMARKS
OF
HON. JERRY VOORHIS
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, April 15, 1940

LETTER FROM HON. JOSEPHUS DANIELS, AMERICAN AMBASSADOR TO MEXICO

Mr. VOORHIS of California. Mr. Speaker, it is with sincere thankfulness that I am asking to include with my remarks the following letter of comment on my speech, What Democracy Means to Me. The letter is from Hon. Josephus Daniels, our present Ambassador to Mexico, former Secretary of the Navy in the Cabinet of Woodrow Wilson, and for years an outstanding exponent of native American democracy. It means a very great deal to me to have had this expression from him.

AMERICAN EMBASSY,
Mexico, March 15, 1940.

The Honorable JERRY VOORHIS,
House of Representatives, Washington, D. C.

MY DEAR MR. VOORHIS: May I thank you sincerely for your definition of American democracy which I read with real pleasure in the CONGRESSIONAL RECORD of March 5? You have compressed into small compass what truly should be the way of life for all Americans. You are correct in saying "true democracy can no more endure monopolistic power in finance or industry than in government." We say much about the importance of preserving the capitalistic system—it is a bad name for it—and you truly say monopoly destroys opportunities, and if it is not destroyed, it will destroy the kind of democracy you and I believe in.

With sentiments of regard and esteem.

Sincerely yours,

JOSEPHUS DANIELS.

H. R. 1, a Bill To Curb Absentee-Owned Interstate Chain Stores

EXTENSION OF REMARKS
OF
HON. WRIGHT PATMAN
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

STATEMENT BY HON. WRIGHT PATMAN, OF TEXAS, BEFORE WAYS AND MEANS SUBCOMMITTEE

Mr. PATMAN. Mr. Speaker, I am inserting herewith a copy of my direct testimony before the Subcommittee on Ways and Means, March 27, 1940. It is as follows:

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

Mr. PATMAN. Mr. Chairman, I desire to express my appreciation to the members of this subcommittee and to all the members of the Ways and Means Committee, and especially the chairman, the Honorable ROBERT L. DOUGHTON, and the chairman of this subcommittee, the Honorable JOHN MCCORMACK, for the privilege and opportunity of appearing before you in behalf of H. R. 1, a bill providing for an excise tax on retail chain stores.

The question involved is whether or not interstate chain stores are a good thing and should be encouraged regardless of their size, or whether or not they become so large that they are against the public interest and, therefore, should be curbed. I believe the best way to determine this question is to first determine what

is in the interest of the general welfare; in other words, keep in mind the greatest good to the greatest number.

The questions involved in this bill are of major importance. As to whether or not interstate chain stores should be curbed is a question about which honest men may differ.

H. R. 1, which was introduced by me on January 3, 1939, and referred to the Committee on Ways and Means, has already been put into the record by the chairman of this committee.

In the beginning, Mr. Chairman, I ask unanimous consent to revise the remarks that I shall make and to include therein certain excerpts that I may consider material, and certain tables, charts, and other information.

Mr. McCORMACK. Without objection, it is so ordered.

Mr. PATMAN. This bill, H. R. 1, takes into consideration the fact that small chains operating locally assume and pay a much larger tax burden locally and in the State than the national corporate chains pay. Hence the exemptions of the small number of stores.

PROVISIONS OF ORIGINAL BILL

The principal provisions of the bill are as follows: The first 9 stores are exempt from taxation. From 9 to 15 stores, the tax will be $50 a store. For each store not in excess of 25, $100 a store. The tax is graduated upward until the tax is $1,000 a store for all stores in excess of 500.

In addition to this tax, if the chain operates in more than one State, the tax shall be multiplied by the number of States in which it operates.

For the first year, however, the tax under section 1 will be 50 percent of the graduated rates, and under section 2 one-fourth of 1 percent of the amount specified in that section.

During the second year the tax will be 75 percent of the amount determined in accordance with section 1, and one-half of 1 percent of the amount provided in section 2.

The taxes for the first 2 years are sufficiently low to enable the present concerns owning a large number of stores to operate, but without expanding, and will give them an opportunity to dispose of their retail outlets that will be unprofitable after the second year. I predict that these stores can be sold at a price which will cause a return to each stockholder of an amount much greater than he could obtain for his stock. Local managers of these stores and other local people will gladly buy them for a fair and reasonable price.

Any concern whose gross annual business does not exceed $250,000, regardless of the number of stores or regardless of where located, will be exempt from this tax.

The bill also carries certain exemptions such as restaurants and newsstands in railroad and bus stations, which are maintained for the convenience of their customers. The exemptions are the ones usually carried in State laws that levy a tax on chain stores.

Filling stations that do not handle automobile tires or tubes are exempt. Voluntaries and cooperatives composed of individually owned stores are also exempt, and all individually owned stores are exempt. Section 4 (b) has other exemptions.

The bill carries the ordinary exemptions. There are 22 States that have laws against chain stores; that is, tax laws. We placed on the table a copy of each one of these laws. This bill was framed after reading those bills and determining the provisions that they contained and the usual exemptions that are contained in the State laws are contained in this one; in other words, as I have said, it carries an exemption as to restaurants and newsstands in railroad and bus stations which are maintained for the convenience of their customers. That is the principal exemption.

The bill, as written, does not include filling stations engaged primarily in the sale or distribution of petroleum products, if not engaged in the sale or distribution of automobile tires or tubes. I will ask you to eliminate this exemption. After careful consideration, I have decided, and those who are associated with me in sponsoring this proposal have decided, that this exemption should not be in the bill. Therefore I will ask the committee to eliminate this provision which exempts filling stations.

Why certain exemptions in bill? This bill does not include wholesalers or manufacturers. Our congressional committee, which agreed upon the terms of this bill, decided that we should confine our efforts to preserving for local people only that type of business which we know local people can and will conduct if permitted to do so. Many of the large wholesalers and manufacturers have retail stores, and this bill will apply to them the same as others.

In preparing this bill the chain-tax laws of 22 States were consulted and the exemptions usually carried in these State laws are contained in the bill.

PROPOSED AMENDMENTS

Now, I have some suggested amendments here which, without doubt, are material. I should like to indicate what those amendments are and I have had copies prepared for the use of the members of the committee and also the members of the press.

Mr. McCORMACK. Do you want them in the record at this point?

Mr. PATMAN. Yes, sir.

Mr. McCORMACK. Without objection, it is so ordered.

Mr. PATMAN. It was never the intention of the sponsors of this bill to unduly penalize or to place an undue burden upon local, sectional, or purely State chain-store concerns. The bill in this respect has been very much misrepresented. In order to make our intentions absolutely clear, the sponsors of this bill have agreed to certain amendments, which will remove any doubt as to the intentions of those of us who are pushing this measure.

We have agreed upon and will ask this committee to consider and adopt the following amendments to H. R. 1:

In section 1, reduce by 50 percent the amount of tax specified per store in each bracket. In other words, for each store not in excess of 15, $25 a store instead of $50 a store. And instead of $1,000 a store for each additional store in excess of 500, insert $500 a store for each additional store in excess of 500 stores and change the other brackets accordingly.

At the end of section 1, add subsection (c) as follows:

"The provisions of section 1 shall not apply to any person who does not open, establish, operate, or maintain more than 50 retail stores in the State in which his principal place of business is located or within a radius of 100 miles of the city or town in which is located the principal place of business of said person."

At the end of section 2, add another section, 2 (a), as follows: "for a period of 7 years from and after the effective date of this act, section 2 shall not apply to any person opening, establishing, operating, or maintaining on the effective date of this act retail stores under the same general management, supervision, ownership, or control and located in more than one State if such person shall operate or maintain, throughout the said period, only such retail stores, or a smaller number thereof, provided, however, that section 2 of this section shall be applicable to such person who increases the number of retail stores owned by him at any time or changes the location of any such store during the said period."

Amend the bill on page 6, commencing with line 14, by striking out the following language:

"any filling station engaged primarily in the sale or distribution of petroleum products and not engaged in the sale or distribution of automobile tires or tubes."

FIRST 50 STORES EXEMPT

Under the terms of the amendment offered to section 1, any concern may operate or maintain 50 retail stores or less in the State in which the principal place of business is located, or within a radius of 100 miles of the principal place of business, without any tax whatsoever. In other words, it makes our intentions clear and plain that we are attempting to stop the large interstate chains that are attempting to spread all over the country and destroy local communities.

We are not sacrificing in any way the principal object of the bill to restrict interstate chain stores to the boundaries of one State or a smaller area.

SEVEN YEARS FOR LIQUIDATION OF BIG CHAINS

Section 2 has been referred to as the "death sentence" provision, because the tax in that section is determined by multiplying the tax in section 1 by the number of States in which a chain-store concern operates. The argument has been made that 2 years' time was not a sufficient time to allow these large interstate chain-store concerns to liquidate their stores. There is a possibility that the courts might frown upon such a short period allowed for liquidation, and we should not run that risk. This amendment to section 2 will allow them as long as 7 years from the time this act becomes effective. Certainly that is a sufficient time. The Holding Company Act allowed only 5 years for liquidation. Of course, the amendment goes further and provides that the tax provided in section 2 will be applicable if such a concern increases the number of retail stores owned at any time or changes the location of any such store during that period. In Switzerland in 1933 this kind of a law was passed; that is, one to freeze the large retail chain concerns and not permit them to expand any further or to even enlarge their present locations.

NO LOANS BY BANKS TO PERSONS IN COMPETITION WITH CHAINS

As it is now, the banks will not make loans to people who desire to engage in any kind of a retail business in which the interstate chain stores are engaged, because by the time one builds up a business in any locality, the interstate chain is likely to move in across the street and unfairly destroy the business of the one who borrowed the money from the bank. If this amendment passes, banks can safely make loans to people who desire to engage in retail business in a new locality with the knowledge that when the business is established by anyone that the large interstate chain store cannot move in next door and unfairly put him out of business. In other words, the large chains can keep all their units and not be subject to the tax provided in section 2, which is referred to as the "death sentence" tax, if the concern does not increase its number of stores and does not change the location of any store.

I have here, Mr. Chairman—which I will insert in the record under permission heretofore granted—a statement showing the growth and size of chain stores. It shows, I believe, without a doubt, that the period of the greatest growth of the interstate and other chains in this country was in the twenties, commencing about 1920 or the early part of 1921.

In fact, up until 1920 there were only 553 chains and only 15,000 stores, but by 1925 that had more than doubled, and by 1929 it had increased again; by 1930 it had increased once more.

AMENDED BILL

The bill as amended is as follows:

"*Be it enacted, etc.*, That (a) on and after the effective date of this act every person opening, establishing, operating, or maintaining under the same general management, supervision, ownership, or control 10 or more retail stores, shall pay annually an excise tax for each fiscal year ending June 30, measured by the number of retail stores so opened, established, operated, or maintained during such fiscal year as follows, except as provided in subsection (b) hereof:

"For each store not in excess of 15, $25 a store;
"For each additional store not in excess of 25, $50 a store;
"For each additional store not in excess of 50, $100 a store;
"For each additional store not in excess of 75, $125 a store;
"For each additional store not in excess of 100, $150 a store;
"For each additional store not in excess of 200, $225 a store;
"For each additional store not in excess of 300, $300 a store;
"For each additional store not in excess of 400, $375 a store;
"For each additional store not in excess of 500, $450 a store; and
"For each additional store in excess of 500, $500 a store.

"(b) For the first fiscal year beginning on July 1 following the date of enactment of this act, the tax under this section shall be one-half of the amount determined in accordance with subsection (a) hereof; and for the second fiscal year the tax shall be three-fourths of the amount determined in accordance with such subsection.

"(c) The provisions of section 1 shall not apply to any person who does not open, establish, operate, or maintain more than 50 retail stores in the State in which his principal place of business is located or within a radius of 100 miles of the city or town in which is located the principal place of business of said person.

"SEC. 2. If any person subject to the tax imposed by section 1 opens, establishes, operates, or maintains during the taxable year retail stores under the same general management, supervision, ownership, or control located in one or more State, the tax imposed by section 1 shall be multiplied by the number of States (including the District of Columbia) in which any of such stores are located, except that for the first fiscal year beginning on July 1 following the date of enactment of this act, the tax shall be one-fourth of 1 percent of the amount determined in accordance with the preceding provision hereof, and that for the second fiscal year the tax shall be one-half of 1 percent of the amount determined in accordance with such provision. If this section, or any provision or application thereof, shall be held invalid, the validity or application of section 1 shall not be affected thereby.

"For a period of 7 years from and after the effective date of this act section 2 shall not apply to any person opening, establishing, operating, or maintaining on the effective date of this act recall stores under the same general management, supervision, ownership, or control and located in more than one State if such person shall operate or maintain, throughout the said period, only such retail stores, or a similar number thereof: *Provided, however,* That section 2 of this act shall be applicable to such person who increases the number of retail stores owned by him at any time or changes the location of any such store during the said period.

"SEC. 3. (a) The tax imposed by this act shall be collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury and shall be paid into the Treasury of the United States as internal-revenue collections. If the tax is not paid when due, there shall be added as part of the tax interest at the rate of one-half of 1 percent per month from the date the tax became due until paid.

"(b) Not later than July 31 next following the close of the taxable year, each person subject to the tax imposed by section 1 shall make a return of the tax under this act for such taxable year. Each such return shall be made under oath, shall be filed with the collector of internal revenue for the district in which is located the principal place of business of the taxpayer, or, if he has no principal place of business in the United States, then with the collector at Baltimore, Md., and shall contain such information and be made in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe. All provisions of law (including penalties) applicable in respect of the taxes imposed by section 600 of the Revenue Act of 1926, shall, insofar as not inconsistent with this act, be applicable in respect of the tax imposed by this act. The Commissioner may extend the time for filing the return of the tax imposed by this act, under such rules and regulations as he may prescribe with the approval of the Secretary of the Treasury, but no such extension shall be for more than 60 days.

"(c) Returns filed under this act shall be open to inspection in the same manner, to the same extent, and subject to the same provisions of law, including penalties, as returns made under title II of the Revenue Act of 1926.

"(d) The taxpayer may (except in case of the taxable period between the effective date and July 1 following) elect to pay the tax in four equal installments instead of in a single payment, in which case the first installment shall be paid not later than the last day prescribed for the filing of returns, the second installment shall be paid on or before the last day of the third month, the third installment on or before the last day of the sixth month, and the fourth installment on or before the last day of the ninth month, after such last day. If the tax or any installment thereof is not paid on or before the last day of the period fixed for its payment, the whole amount of the tax unpaid shall be paid upon notice and demand from the collector.

"(e) At the request of the taxpayer the time for payment of the tax or any installment thereof may be extended under regulations prescribed by the Commissioner with the approval of the Secretary of the Treasury, for a period not to exceed 6 months from the last day of the period prescribed for the payment of the tax or any installment thereof. The amount of the tax in respect of which any extension is granted shall be paid (with interest at the rate of one-half of 1 percent per month) on or before the date of the expiration of the period of the extension.

"(f) The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make and publish rules and regulations for the enforcement of this act.

"SEC. 4. When used in this act—

"(a) The term 'person' shall include any individual, corporation, partnership, association, joint stock company, or business trust, however organized and whether or not incorporated, but does not include any such person if during the taxable year the gross business of the retail stores opened, established, operated, or maintained by it does not exceed $250,000 or, in case of the taxable period between the effective date and July 1 following, does not exceed such part of $250,000 as such period bears to a year.

"(b) The term 'retail store' shall mean and include any store or mercantile establishment in which goods, wares, or merchandise of any kind or description are sold at retail; but said term shall not include any establishment or facility maintained by a common carrier as part of its transportation facilities primarily for furnishing meals or other commodities to its passengers and employees, or any branch office maintained by a newspaper for the distribution of its papers or for taking subscriptions or advertisements therefor, and shall not include individually owned stores, whose revenues in part or in whole are not made available to or inure to the immediate or ultimate benefit of any other individual store, store owner, or any other person, firm, or corporation operating a retail store as herein defined.

"(c) The term 'under the same general management, supervision, ownership, or control' shall include control or direction by one management or association of ultimate management, whether by legal control, direct or indirect, or by actual control, direct or indirect, through ownership or control of evidences of indebtedness, physical property, or other assets, through contract, lease, or agency arrangements, through interlocking directors or officers, or through any other means.

"(d) The term 'effective date' means January 1, April 1, July 1, or October 1, whichever date first follows the date of enactment of this act. In case the effective date of this act is a date other than July 1, the period between the effective date and the following July 1 shall be considered as a taxable year under this act, but the tax for such period shall be such part of the tax imposed by this act for the first fiscal year beginning July 1 as such period bears to a year.

"SEC. 5. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby."

PERCENTAGE OF BUSINESS DONE BY CHAINS

In the shoe business at least 50 percent of retail sales are made by chain-store concerns; in the grocery business, 40 percent. Considering the fact that they only operate in a comparatively few cities—perhaps I had better not put it exactly that way; but in view of the fact that they do not operate all over the country and that there are lots of towns and cities where they do not operate and lots of communities where they do not operate; considering the fact that figure of 40 percent means that they almost have a monopoly in some towns and cities, if they can do 40 percent of the total business of the Nation, including those places where they do not even operate, that means that they are bound to be doing almost 100 percent of the business in many of the towns or cities in which they do operate.

In the variety-store business from 90 to 95 percent of the retail sales are made by chain stores.

Mr. Chairman, I should like to make a statement on the constitutionality of this bill. The question was carefully gone into.

BILL IS CONSTITUTIONAL

Recent Supreme Court decisions indicate that the Court finds nothing unreasonable in basing the tax upon the number of stores. In *Tax Commissioners* v. *Jackson* ((1930) 283 U. S. 587) the Supreme Court held that Indiana license tax upon retail mercantile establishments which increased with the number of stores operated did not violate the fourteenth amendment.

The principle that chain stores may be regarded as a distinct class for taxation purpose was also recognized in *Liggett Co.* v. *Lee* ((1933) 288 U. S. 517, 533), although it was held in that case that the statute was unconstitutional to the extent that it graduated the tax in accordance with the number of counties in which the chain operated.

The reasonableness of a tax which distinguishes between ownership of chain stores and individual ownership and which imposes a tax that increases with the size of the chain is established by the case of *Fox* v. *Standard Oil Co.* ((1935) 294 U. S. 87), in which the Court said (p. 100):

"* * * A chain, as we have seen, is a distinctive business species, with its own capacities and functions. Broadly speaking, its opportunities and powers become greater with the number of the component links; and the greater they become, the more far reaching are the consequences, both social and economic. For that reason the State may tax the large chains more heavily than the small ones, and upon a graduated basis, as indeed we have already held (*State Board of Tax Commissioners* v. *Jackson*, supra; *Liggett Co.* v. *Lee*, supra). Not only may it do this, but it may make the tax so heavy as to discourage multiplication of the units to an extent believed to be inordinate, and by the incidence of the burden develop other forms of industry."

The same principle was applied in *Great Atlantic & Pacific Tea Co.* v. *Gorsjean* ((1937) 301 U. S. 412), in which a State statute upon chain stores measured the tax on the number of stores both within and without the States was held constitutional.

The object of H. R. 1 is to restrict interstate chain stores to the boundaries of one State, or to a smaller area than some of them now cover.

The question is asked: "If that is the object, why not leave out the tax provision and offer a bill that says an interstate chain cannot operate in more than one State?"

My answer is that such a proposal, if enacted, would probably be held unconstitutional; whereas, if we use the taxing power of Congress to reach the same objective, there will be no doubt of the constitutionality of the law, when enacted.

It is not at all unusual for Congress to use its taxing power in passing a constitutional law to carry out a worth-while objective.

FEDERAL TRADE COMMISSION POINTS WAY THROUGH TAXATION

The Federal Trade Commission, in response to congressional inquiry, made a report on its chain-store investigation December 14, 1934. In this report, which is Senate Document No. 4, Seventy-fourth Congress, first session, page 91, it is stated:

"If, as a matter of policy, the Federal Government wishes to check the growth of chain-store merchandising on the theory that ultimate injury to the public interest outweighs any temporary benefits, it has been suggested that the course marked out by a recent State legislation suggests a possible solution, provided no constitutional barrier were successfully interposed. The Federal Government might conceivably impose a graduated tax on chain stores similar to those imposed by the States and upheld by the Supreme Court. While a graduated Federal tax on chain stores might be made to produce substantial revenue, it is well to bear in mind the words of Justice Brandeis in the *Florida Chain-Store Tax case, Liggett Co. et al.* v. *J. M. Lee, Comptroller* (288 U. S. 517):

" 'The chain store is treated as a thing menacing the public welfare. The aim of the statute, at the lowest, is to preserve the competition of the independent stores with the chain stores; at the highest its aim is to eliminate altogether the corporate chain store from retail distribution.'

"And as Justice Cardozo said in the same case:

" 'The system (of special chain-store taxation) has had its origin in the belief that the social utility or inutility of one group is less or greater than that of others, and that the choice of others to be taxed should be adjusted to social gains and losses. Courts would be lacking in candor if they were not to concede the presence of such a motive behind this chain-store legislation.'

"As pointed out in the discussion of State laws on the subject, judicial affirmance of the principle of the graduated tax opens the way theoretically to an enlargement of the tax until it attains the social ends which underlie such legislation. It may be doubted that any of the State laws on the subject has done more than reduce somewhat the competitive advantages of chains over independents. Such a tax may fail in its minimum social purpose until it is so graduated as to entirely offset those advantages, and as Justice Brandeis said, 'at the highest, its aim is to eliminate altogether the corporate chain store from retail distribution.' "

LOCAL BUSINESS FOR LOCAL PEOPLE

Local people cannot always operate a railroad, a telephone company, an investment firm, a manufacturing plant, or even a wholesale house. But, if permitted, they can and will operate a local bank, local retail stores, and other purely local businesses.

SOCIAL AS WELL AS ECONOMIC PROBLEM

I invite your attention to the fact that a tax has oftentimes been used as a vehicle for the purpose of correcting a social objection, or to remove evil social consequences.

I invite your attention to the fact that during President's Grant's administration we had all kinds of State banks all over the country that were issuing so-called wildcat currency. Congress wanted to pass a law that would stop these banks from issuing that wildcat currency. It was not in the interest of the country. They wanted to pass a law saying that hereafter it shall be unlawful for those banks to issue wildcat currency. But Congress decided that they could not pass a law that would be constitutional, that would have that effect. But someone suggested, "We can tax them and that will do the same thing"; so they passed a law to tax this currency issued by State banks 10 percent. That destroyed many State banks, but it served a more worthy purpose of preserving our great currency system of this country.

So that in President Grant's time the taxing power was used as a vehicle to correct an evil that could not be reached in any other manner in a constitutional way.

Now, with reference, for instance, to machine guns: This committee—and I venture to say many members who are sitting here on this committee today have personal knowledge of this—passed a bill taxing machine guns. I believe the rate was only $1 for the transfer of a machine gun. Did you do that to raise revenue? Of course, you did not. You did that for the purpose of cooperating with the Federal Bureau of Investigation in trying to break up these rackets among these desperados and criminals in different places in this country. You wanted to keep up with these machine guns, and you had no power to say that every American who purchased a machine gun had to file a statement with the Government. You did not have that power. Or if someone transferred title to a machine gun, you did not have the power to compel him to say that he had transferred it, or that another person had received it. But you did have the power to place a dollar tax upon the purchase of that machine gun, or its transfer. And if the tax was not paid, and a report not made, then a law was being violated.

There are two instances where a tax has been used as a vehicle to reach an entirely different objective.

BANK CANNOT HAVE BRANCHES ACROSS STATE LINES

And that has been done dozens and dozens of times by both Republican and Democratic administrations, so neither one can criticize the other for it. It is not new to propose that certain institutions should be restricted to a smaller area. I invite your attention, gentlemen, to the fact that a bank cannot now operate a branch across a State line. They cannot do it. They are confined within the boundaries of the State in which they are engaged, and then only may they have branches if the State law permits it. So there is a precedent for exactly what we are doing here today.

CIRCUS TAX

Now, I do not wish to compare business with a circus—not by any means—but for the purpose of making an illustration, I consider it in point. I invite your attention to the fact that in practically every city in this country today, including Washington, D. C., there is a heavy tax on the old traveling circus, and in most places they are not allowed to remain more than 1 or 2 days. The tax is exceedingly heavy.

Why is that tax placed on them? Because the people know that the big circus comes to town and drains the town of all of its money and takes it out of town.

I know that the circus is much worse in that respect than the interstate chain store, because they do it very quickly. They just move in with all of their employees, and sometimes with all of their food and everything else, collect all the money they can, and move out of town. So the different cities and the different counties and States have decided that they ought to have some amount of money left; they did not want the towns bled white and their reservoir of credit absolutely destroyed. That is the reason the tax was placed on that activity.

It is the same principle that we are applying to the interstate chain stores. They do not do that as fast as the old circus did, but they do it just as surely, if more slowly, than the old circus did. They are in business, not 1 day or 2 days during the year, but they are in business 365 days in the year, excepting the usual holidays and Sundays. And they are taking the money out of town every business day; not as fast as the circus, but eventually it will be just as effective as the circus in taking money out of the town and destroying the local reservoir of credit. That is exactly on all fours with the proposal that we have here, to compel a business to restrict its activity to a smaller area, where the net profits can remain in that area and serve all the people.

MONEY TAKEN OUT OF TOWN

I know that it is contended that if an interstate chain saves a customer a certain amount on each purchase, that that stays in the community, and that is a sufficient answer to what I have said. But I do not think it is, and I will tell you why. I do not care how much an interstate chain saves the consumer in a town on any or all purchases; if they take a certain amount out of that town every day, 365 days of the year, it is not going to be long before that local reservoir of credit will be entirely wiped out; it will be dried up. There will be no local reservoir of credit and money to support the local community.

Now, I consider, gentlemen of this committee, that the three greatest objections to the interstate corporate chain system are the following:

First, the concentration of money and credit.

Next, the destruction of local communities, and third, monopolies.

I believe everyone concedes that the period of greatest growth of the interstate chain-store system was from 1921 to 1933. During this time, more than 53 percent of the commercial banks of the Nation were forced to close their doors. There must have been

some good, substantial reasons why such a large percentage of the commercial banks were forced to close during a 12-year period. I insert herewith a table, which was prepared by the Comptroller of the Currency, which shows the number of commercial banks on June 30, 1921, and the number of commercial banks on June 30, 1933. This information is by States and is self-explanatory.

(The table referred to is as follows:)

Number of all classes of active banks, by States, June 30, 1921, and 1933

	1921	1933[1]	1921		1933[1]	
			National banks	Banks other than national	National banks	Banks other than national
Alabama	358	203	107	251	66	137
Arizona	83	19	21	62	8	11
Arkansas	488	194	83	405	45	149
California	732	295	309	423	135	160
Colorado	399	149	143	256	73	76
Connecticut	223	211	64	159	58	153
District of Columbia	47	20	15	32	8	12
Delaware	55	47	18	37	15	32
Florida	272	143	56	216	45	98
Georgia	723	292	95	628	47	245
Idaho	216	80	83	133	24	62
Illinois	1,893	845	494	1,399	239	606
Indiana	1,083	492	252	831	104	388
Iowa	1,803	438	354	1,449	93	345
Kansas	1,379	773	267	1,112	198	575
Kentucky	602	422	134	468	87	335
Louisiana	269	139	36	233	22	117
Maine	158	81	61	97	25	56
Maryland	285	135	90	195	45	90
Massachusetts	470	397	162	308	127	270
Michigan	737	295	117	620	50	245
Minnesota	1,536	668	341	1,195	204	464
Mississippi	355	212	31	324	23	189
Missouri	1,672	646	131	1,541	83	563
Montana	420	124	143	277	46	78
Nebraska	1,184	384	186	998	129	255
Nevada	35	11	11	24	6	5
New Hampshire	126	112	56	70	48	64
New Jersey	402	398	220	182	214	184
New Mexico	126	42	50	76	23	19
New York	1,079	869	505	574	414	455
North Carolina	641	163	87	554	35	128
North Dakota	854	193	180	674	67	126
Ohio	1,132	619	375	757	210	409
Oklahoma	981	404	359	622	216	188
Oregon	285	108	96	189	56	52
Pennsylvania	1,607	1,001	861	746	601	400
Rhode Island	48	33	17	31	10	23
South Carolina	460	104	81	379	15	89
South Dakota	700	212	134	566	63	149
Tennessee	570	332	98	472	67	265
Texas	1,609	957	557	1,052	450	507
Utah	129	69	28	101	14	55
Vermont	108	85	49	59	33	52
Virginia	511	327	174	337	122	205
Washington	400	183	96	304	63	120
West Virginia	350	168	123	227	62	106
Wisconsin	998	401	153	845	84	317
Wyoming	155	64	47	108	25	39
Total United States, excluding possessions	30,748	14,565	8,150	22,598	4,897	9,668
Alaska	17	15	2	15	4	11
The Territory of Hawaii	20	19	2	18	1	18
Puerto Rico	17	14		17		14
Philippines	10	11		10		11
Total possessions	64	59	4	60	5	54
Total United States and possessions	30,812	14,624	8,154	22,658	4,902	9,722

[1] Licensed banks operated on an unrestricted basis.

Information furnished by Comptroller of the Currency, Mar. 22, 1940.

The deposits of the 15 largest banks in New York City are given below:

	Total deposits	Demand deposits
Dec. 31, 1939	$14,223,000,000	$13,534,000,000
Dec. 31, 1938	11,407,000,000	10,795,000,000
Dec. 31, 1937	10,348,000,000	9,681,000,000
Dec. 31, 1929	9,010,000,000	[1] 8,054,000,000
Change from Dec. 31, 1929, to Dec. 31, 1939 (percent)	+58	+68

[1] Partly estimated.

It will be noticed that 15 large New York banks December 31, 1939, had about 33⅓ percent of the demand deposits of all banks, whereas on December 31, 1929—10 years before—they only had 25 percent of the total deposits.

Deposits in the 300 largest commercial banks in the United States, excluding possessions

[In millions of dollars]

	10 largest banks	15 largest banks	25 largest banks	100 largest banks	200 largest banks	300 largest banks
Total deposits:						
Dec. 31, 1939	14,375	17,595	21,635	31,691	36,362	38,950
Dec. 31, 1938	11,874	14,654	18,176	27,072	31,262	33,597
Dec. 31, 1937	10,788	13,327	16,575	24,992	28,999	31,231
Dec. 31, 1929	8,400	10,552	13,567	21,506	25,244	27,518
Change from Dec. 31, 1929, to Dec. 31, 1939 percent	+71	+67	+59	+47	+44	+42
Demand deposits:[1]						
Dec. 31, 1939	12,706	15,812	18,787	26,493	30,071	31,787
Dec. 31, 1938	10,224	12,665	15,392	22,017	25,029	26,601
Dec. 31, 1937	8,913	11,322	13,841	19,840	22,718	24,183
Dec. 31, 1929	6,671	8,488	10,600	15,616	18,179	19,522
Change from Dec. 31, 1929, to Dec. 31, 1939 percent	+90	+86	+77	+70	+65	+63

[1] Demand deposits of noninsured banks in 1939, 1938, and 1937, and of banks not members of the Federal Reserve System in 1929 are partly estimated.

The demand deposits of the 10 largest banks December 31, 1929, amounted to 20 percent of the demand deposits of all commercial banks, whereas December 31, 1939—10 years later—these banks had more than 30 percent of the demand deposits of all commercial banks.

Deposits in commercial banks in the United States, excluding possessions[1]

[In millions of dollars]

	All commercial banks	300 largest commercial banks	Other commercial banks	Percent of total held by—	
				300 largest banks	Other banks
Total deposits:					
Dec. 31, 1939	57,493	38,950	18,543	68	32
Dec. 31, 1938	51,170	33,597	17,573	66	34
Dec. 31, 1937	48,475	31,231	17,244	64	36
Dec. 31, 1929	51,205	27,518	23,687	54	46
Change from Dec. 31, 1929, to Dec. 31, 1939 percent	+11	+42	−22		
Demand deposits:					
Dec. 31, 1939	41,964	31,787	10,177	76	24
Dec. 31, 1938	35,941	26,601	9,340	74	26
Dec. 31, 1937	33,199	24,183	9,016	73	27
Dec. 31, 1929	31,535	19,522	12,013	62	38
Change from Dec. 31, 1929, to Dec. 31, 1939 percent	+33	+63	−15		

[1] Deposits of noninsured banks in 1939, 1938, and 1937, and of banks not members of the Federal Reserve System in 1929 partly estimated.

Mr. PATMAN. I want to invite the attention of the committee to the fact that the 10 largest banks, from December 31, 1929, to December 31, 1939, increased their deposits 71 percent; the 15 largest banks increased their deposits 67 percent. The table, which is in the record, is self-explanatory.

As to the demand deposits, which are more impressive, because they represent the currency of this country—they represent the money. In other words, if everybody paid their debts we would not have any money. Someone has gone into debt and created deposits and those deposits have been going to the large banks of this country from the smaller towns and cities. And in that 10-year period, the 10 largest bank deposits increased 90 percent; the 300 largest banks increased their deposits 63 percent during that period. But the other banks, the country banks, and the other 14,700 banks in this Nation did not increase their deposits, but they actually lost 22 percent of their deposits during that time—total deposits including savings—and actually lost 15 percent of their demand deposits.

Mr. MCCORMACK. Are you including, in that 22 percent, the banks that failed?

Mr. PATMAN. No; of course, very few banks have failed since 1933.

Mr. MCCORMACK. I mean from 1929 to 1933.

Mr. PATMAN. None of these 10 that I have mentioned failed; that is not included in there. That is according to my information.

Mr. MCCORMACK. I am talking of the smaller banks.

Mr. PATMAN. That is not included; only those that are in existence today. It does not include those that failed.

AMAZING HOW MONEY IS BEING DRAINED INTO NEW YORK BANKS

These figures which are in these tables that I have put in the record show conclusively that the money is being drained from the country into the larger cities and especially New York City, where the largest banks are located.

The table further discloses that the deposits in all banks, excluding the 300 largest banks and including all deposits, actually decreased 22 percent.

May I repeat one or two of these figures, Mr. Chairman?

BIG BANKS BIGGER, SMALL BANKS SMALLER

It will be noticed that the demand deposits in the 10 largest banks during the past 10 years increased 90 percent; and in the 15 largest banks, 86 percent; in the 25 largest banks, 77 percent; in the 100 largest banks, 70 percent; in the 200 largest banks, 65 percent; in the 300 largest banks, 63 percent.

Whereas, during the same period of time, all commercial banks only increased their demand deposits 33 percent, and all the other banks—the country banks, not including the 300 largest—actually lost 15 percent of their demand deposits during this time. This shows conclusively that the money is being drained from the country into the larger cities and especially to New York City, where the largest banks are located.

The table further discloses that the deposits in all banks, excluding the 300 largest banks and including all deposits, actually decreased 22 percent during this 10-year period.

LOCAL COMMUNITY 40 YEARS AGO AND NOW

Let us take a look at the local community of 40 years ago and now. Then local people owned and operated the telephone company, the electric-light plant, and the gas company. They also owned and operated the water company, the picture shows, the retail stores, and all other local retail business. These represented the pillars of the community. As one was weakened or destroyed, the community was proportionately weakened or destroyed.

No one has ever contended that the telegraph companies or the railroad companies should be owned by local people. They are necessarily large and can only be owned by shareholders, and no one is objecting to it. A good, logical argument was made in favor of the integration of the telephone companies, electric-light plants, and gas companies.

Yet as they drifted into the hands of absentee owners, the local community was weakened in proportion. I recall one New York concern that purchased the electric-light plants in 1,900 towns and cities in this country.

After those purchases by the New York concern, 1,900 local print shops in these 1,900 towns lost a good customer, because all the printing was done in New York. That meant further that 1,900 local insurance agencies lost good customers in these 1,900 towns, because the insurance was carried by one agency in New York.

The acquisition of these utilities by the New York concern especially hurt the local banks in these 1,900 communities. But the people were glad to bow to the so-called more efficient and better system and apparently raised no objection.

After these three main utilities had been purchased by absentee owners, the local community was greatly injured, but at the same time was able to get along because of the other business locally owned.

The people owning them kept their net profits at home and placed their net profits in the local banks, which became a reserve for credit that could be used by themselves and by their neighbors and friends. This helped to preserve and build the community.

Then the water and ice companies in many of the principal towns and cities of our Nation were bid for and purchased by outside interests. I do not see any particular reason why a water or ice company can be operated more efficiently or why better service could be rendered by outside interests, but they were purchased just the same by the absentee owners.

I remember when the picture shows were owned by local people, who kept their profits at home in the local bank and patronized local insurance agencies and local printing establishments, as well as the local newspaper. All at once there seemed to be a demand for these picture shows and the local owners were induced to sell out to absentee owners. In many cases it has been charged that they were forced to sell, otherwise they could not obtain pictures from the producers. Anyway, the picture shows now are owned by eight concerns that are not in competition with one another. They operate in a different section of the country.

When the automobile came in, the filling stations were owned by local people, who kept their net profits at home and who patronized local business, but the large oil companies decided that they wanted to purchase these filling stations and they have succeeded in acquiring in one way or another most of the filling stations in this Nation.

Since the enactment of the Social Security Act, the larger oil companies have adopted a policy of leasing their stations to a local person, which will enable them to evade the payment of the social-security taxes.

Now, with the principal pillars of the local community gone—that is, the best utilities and money-making businesses having come into the hands of absentee owners—the local community is very much weakened, but it is not yet destroyed. Now, however, an effort is being made to acquire all the retail stores in the country. That is, to obtain control of retail distribution whether they acquire the existing establishments or not.

In the grocery business, the large chains operate in different sections of the country. They compete only to a limited extent. When they get control of retail distribution in their particular areas, it will be an easy matter for them to merge and consolidate, as has been done in many other instances, and give control of all retail distribution in the grocery business to a few men, as it is in other lines of business today.

A few years ago, along with good roads and automobiles, came the truck. Many local people were permitted to make fairly good wages and a fair annual income through the operation of trucks in their local communities.

Soon, however, these truck lines were merged and consolidated into larger operating units. Then they were merged and consolidated with other large operating units until, today, the bus and truck lines are owned by a few people, the same as the utilities and railroads are owned by a few people The whole tendency is in the direction of bigness.

RESULTS OF INTERSTATE CHAIN CONTROL

Let us see what will happen to the local community if the interstate chains get control of retail distribution I will enumerate a few of the things that will be the result of such absentee ownership:

1. Community life will be considerably weakened, if not destroyed, because hired hands of absentee owners do not assume the duties and burdens of local citizenship as well as local owners of stores.

2. Absentee-owned interstate chains do not contribute to local relief, local schools, churches, or charities as generously as owners of local businesses.

3. The local reservoir of credit will be destroyed in the local bank which will close the local bank. Net profits remaining in the community and deposited in the local bank circulate many times a year among local citizens. I do not care how much the absentee-owned chain apologists claim that they save the people on a purchase in a local community; regardless of that, if they take their net profits out of town, eventually the net profits taken from that town will be sufficient to completely wipe out the local reservoir of credit and drain out all the money and within a comparatively short period of time.

4. It will cause further concentration and control of wealth in the hands of a few. Even if they sell for less it is not real economy for you as a consumer to save $1 when it will cost you $4 as a taxpayer to take care of the unemployed caused by the $1 saving.

5. It will cause the cost of food and other goods and commodities to be higher, as monopoly always requires the people to pay just as much as the traffic will bear. We should not expect a benevolent monopoly in the retail field any more than we should expect a benevolent monopoly in any other field, or a benevolent monarchy in government.

So far as efficiency is concerned, a dictatorship is more efficient than a democracy, but who is willing to give up his democratic form of government and live under a dictatorship because it is more efficient? However, the interstate chains are not efficient.

6. The local insurance agencies will be destroyed. If you were to destroy the buying power of all the insurance people in your home town, you know it would considerably injure your community. Absentee owners never patronize local insurance agencies or agents.

7. The local newspapers will be destroyed. It is true that big business helps the large national magazines and the large daily newspapers, but the smaller newspapers and the country newspapers which the people need to preserve and protect are considerably harmed by the interstate chain-store system and will, if such a system obtains control, be absolutely crushed. While the chains are putting the local merchants out of business, they will, of course, be very good to the local newspapers, but we know in communities where they have already obtained control, they are putting out their own local advertising and it is printed elsewhere—not in the local community.

8. The local printing shops will be absolutely crushed, because absentee owners do not patronize local printers.

9. Local privileges and opportunities that formerly enabled citizens to assume local relief burdens and responsibilities are taken away. Before absentee owners purchased the money-making businesses in the local community, there was always a sufficient number of well-to-do people locally, who had kept their net profits at home, who could give employment where it was absolutely necessary, and they could contribute the amount necessary to take care of their local relief problems. But along with absentee ownership of business came Federal relief and the greatest unemployment problem that we have ever had in this country. The interstate chain system is responsible for our unemployment and relief problem.

10. Independent business will be destroyed unfairly.

11. The interstate chains do not go into a town until that town is built. You never heard of an interstate chain-store concern establishing a store where no town had been established. In other

words, they take away what others have created; they do not create for themselves.

12. Such a system will kill individual initiative and will crush the hopes and aspirations of ambitious young people. The independence and self-reliance that builds this Nation will be destroyed.

13. Such a system eliminates free competition. The interstate chains charge different prices in different cities in the same State and even in the same city, depending upon the competition from the independent merchants across the street, who is marked as the next victim.

14. The interstate chains narrow the market of the farmers and force down the prices that the farmers are compelled to accept. The interstate chains stand between the farmers and prosperity. And if the farmers are prosperous, the country is prosperous, so they are keeping our country in a depression.

15. The interstate chains are the first to arrive after a town is built and the first to leave when a town is overtaken by drought, cyclone, epidemic, or other unforeseen disasters. They are fair-weather friends only.

16. A dictatorship in government is not wanted; neither is a dictatorship in business desired. The interstate chain-store system will cause bureaucracy and dictatorship in business, and will destroy democracy in our country and substitute fascism instead.

17. Where will the millions of unemployed, both old and young, get jobs if we allow the interstate chains to destroy the purchasing power of the farmers and continue to put more people out of work? Four million young people under 25 are now out of work and a million are graduating every year. What is to happen to them?

18. No local attorney will be needed, as expert legal advice will be furnished from New York.

19. The local physician and dentist will be compelled to accept fees that people who receive small wages are able to pay.

20. The employment and discharge of all employees will be under the supervision of an executive with headquarters in New York. Your son, in order to get a job at starvation wages, will be forced to swallow his pride and go out, hat in hand, to someone who has a pull with this New York banker.

It is an illusion that man is efficient only as he moves in regimented groups at the bidding of a New York executive.

The New York owners of local business believe that individual man is no longer needed as the responsible pillar of his community to guide and support the civic welfare.

Absentee-owned chains mean goose-step regimentation of employees.

There are further objections to interstate chains.

Absentee control of business is a detriment to the future welfare of all classes and there is no class or group that escapes its detrimental effect upon our economic life.

Net profits from farms, mines, or business are the only means of building towns, cities, and States. These net profits—under the chain system—fly overnight to New York.

Every dollar that is taken from your State or mine in net profits is a loss of many times that $1 in buying power to the local residents.

Net profits remaining in the community and deposited in the local bank circulate many times a year among local citizens.

SERIOUS QUESTIONS TO BE ANSWERED

It is material in passing on the question of chain-store monopoly and the absentee ownership of retail business in this Nation to consider the following questions:

Shall we strive to keep open the broad highway of opportunity to our sons and daughters of America? Did you ever hear of any absentee-owned chains voluntarily contributing to any local charity, church, or school until State legislatures and the National Congress began making efforts to check their growing monopoly?

Did you ever hear of the largest chain-store concern in America taking out a fire-insurance policy on any store in your State through a local insurance agent in the town where the store was located?

Did you ever hear of the largest chain-store concern in America ever having any printing done in a union printing plant until I introduced a chain-store tax bill in the National Congress?

Did you know that in the banking crisis of 1932 and 1933 that in nearly every town the first firm to withdraw their local deposits and rush the money by registered mail to New York were the interstate corporate chains?

Did you ever hear of the national interstate corporate chains trying to cultivate the good will of farmers and wage earners until an effort was made to make them share their part of the burdens of government?

In the days gone by, when the retail stores, filling stations, and other business establishments were owned by individual owners, one who was out of work could create a job for himself. I remember when all kinds of gadgets and devices that were helpful and useful to independent businessmen were made and sold from store to store.

I mention this as a simple illustration of just how work was created by an unemployed person in the past.

But now it is impossible because the filling stations are owned by the large oil companies and one having anything to sell, regardless of how useful it might be to the local filling-station operator, could not sell it to him. He would have to see the New York manager of that filling station in order to make a sale.

The same thing applies to retail stores and to other establishments. This is a small matter, but I believe it illustrates the point and can be enlarged upon many times.

Small manufacturers are at a great disadvantage in an interstate chain-store system.

The interstate chain-store question does not constitute a battle between persons. We are engaged in an attempt to correct an uneconomic system through the passage of H. R. 1. There are social as well as economic reasons why it should be passed. If it becomes a law, it will result in the following:

IF BILL PASSES, RESULT

1. Needed revenue for old-age assistance and other worthy purposes.

2. It will cause the employment of millions of people.

3. It will grant reasonable security to small business but will not hold an umbrella over the inefficient. It will not penalize any business except monopolistic business. It will not place a premium or reward on inefficiency but will give every independent businessman a chance to work and earn a living for himself and his family and through that means help the entire country.

4. It will cause lower retail prices through clean competition.

5. It will benefit farmers and small manufacturers because there will be more buyers for their products. This is the direct opposite of the monopolistic picture.

6. If there are economies in bigness that permit a saving to be passed on to the consumer, H. R. 1 will not interfere, a sufficient number of stores is entirely exempt to permit a concern to obtain the maximum discount by reason of mass purchasing power. But the smallest chains will not have the chiseling and racketeering ability by reason of size as now possessed by the large interstate chains, which destroy the buying or purchasing power of the American farmer.

7. If chain stores bring lower prices, the passage of H. R. 1 will not cause higher prices because there will still be chain stores that will be in a position to grant to the consuming public every convenience, economy, and price that is now given or granted by the interstate chains.

MUST SERVE BEST INTEREST OF ALL CONCERNED

This bill cannot be justified unless it serves the best interest of all the people. The charge that it is intended to help the inefficient businessman meet competition with a more efficient distributive system is false and is used as a smokescreen. I would not favor any law to reward the inefficient. We have a situation now where the most efficient person who is honest, able, and popular with his people cannot successfully conduct a business because New York concerns that are able to sell goods below cost until he is destroyed go into competition with him and destroy his business. No concern should be allowed to grow so big that such destructive practices can be adopted. It is practically natural that they will be adopted because men are naturally selfish and they will do what they can to crush a competitor. Therefore, it is the duty of the Government to protect the weak against the strong, and we should certainly restrain the greed of such big concerns that are ruthlessly and unfairly destroying their competitors. It is against the interest of the country.

WHAT WILL YOUNG PEOPLE DO?

Now, opportunities for young people are at stake.

The Work Projects Administration has reported that every decade at least 2,000,000 young men and women must leave the farms and go into the cities—that the farms cannot take care of them. What are those 2,000,000 young folks going to do? If you have the chain-store system operating from one end of the country to the other, they have charge of all these local communities. The local printshop is out. The local lawyer is gone. They do not need him. In addition to that, the insurance agents are gone. He cannot go into the grocery business nor the drug business. What are those 2,000,000 young people going to do? If you prevent them from having the opportunity of going into business for themselves, what are you going to do with them? That is just the young people. It is a serious question.

A recent report discloses, as I suggested a while ago—I believe Mr. Owen D. Young was the chairman of the committee that made the report—that 4,000,000 young people under the age of 25 are now unemployed in this country.

If we do not distribute the privileges and opportunities in this country, there will be a serious demand made for a distribution of wealth. I believe it is far preferable to distribute privileges and opportunities and give everybody a chance to earn a living than to invite a serious effort to distribute the wealth of the country.

Now, what about the consumer?

The consumer is the father or mother of those young people. The consumer is also thinking about what will happen to him when he gets to be 45 or even 40 or 35 years of age. Private industry will not employ him. What can he do? In times gone by he could go into business for himself in one of many different kinds of business, but he cannot do it now. So you might just as well make arrangements to either curb the greed of a few people who are trying to get

control of retail distribution and all the privileges and opportunities of this Nation, or arrange to put many of them on some kind of relief roll when they get to be 21 years of age—certainly when they get to be 35, when they cannot get employment in private industry. It is a very serious question.

Now, I should like to make for the record a statement on the effect of the concentration of economic power upon maintenance of the competitive system.

BUSINESS ENTERPRISES LAST 40 YEARS

The history of business enterprise during the past 40 years has been marked by the apparently anomalous situation in which the population has steadily increased while the number of individual and private manufacturing concerns has steadily decreased. Normally it would seem that as consumer demand increased with a growing population the number of manufacturing concerns producing articles necessary to satisfy that demand would increase correspondingly. Such a result would be inevitable under a system of free competitive enterprise. A brief glance at statistics, however, shows an opposite trend.

The population of the United States increased from 75,000,000 in 1900 to 137,000,000, in 1940, an increase of 62,000,000. In 1900 there were approximately 15,000 manufacturers of tobacco products; today there are approximately 850. In 1900 there were 28,000 manufacturers of lumber products; today there are less than 8,000. In 1900 there were more than 700 manufacturers of agricultural equipment; today there are 260. In 1900 there were more than 2,000 manufacturers of boots and shoes; today there are less than 1,100. Even in industries where several hundred manufacturers exist, a very few companies control from 75 to 85 percent of the entire business.

Every census of industries of the United States shows a steady decline in the number of operating establishments in practically all industries and an equally constant increase in the size of the average establishment. Considering all manufacturing industries as a whole, the value of the product of the average single establishment has increased nearly 400 percent in the last 25 years, or from $77,000 value of product per establishment in 1915 to $365,000 in 1940. Certain industries show an even more pronounced increase. For example, agricultural implements have increased in terms of average output per establishment 850 percent in the past 25 years. Chemicals have increased nearly 400 percent; glass factories, 550 percent; petroleum refining, 335 percent; tobacco manufactures, 5,600 percent.

Even these figures are deceptive, since most industries are dominated by a comparatively few large concerns. In the cigarette industry, for example, which is the most important of tobacco products, six companies in 1937 had total assets in excess of $734,000,000. The three largest of these six companies had assets amounting to more than $640,000,000, or an average of more than $200,000,000 per establishment. The sales of these three companies amount approximately to $800,000,000, or approximately $263,000,000 per establishment. These three companies represent 80 percent of the output of the cigarettes in the United States. Obviously, entry of a successful competitor in the cigarette field would require a capital outlay of at least $25,000,000. The profits of the few tobacco companies are more per annum than the total amount paid to the farmers for tobacco.

The Standard Oil Co. of New Jersey alone had total assets in 1937 exceeding $2,000,000,000. The United States Steel Corporation owned assets of approximately $1,920,000,000. The Texas Corporation, another oil company, had assets of $615,000,000; Gulf Oil had assets of $560,000,000; Allied Chemical & Dye Corporation had assets of nearly $400,000,000; American Radiator in the plumbing field, $166,000,000; International Paper & Power in the paper industry, $258,000,000; and Crown-Zellerbach, $104,000,000.

Expressed in different form, figures presented before the Temporary National Economic Committee indicate that less than 6 percent of the number of companies producing tobacco products owned 92 percent of the assets of the entire tobacco industry; in the chemical industry, 2.7 percent of the companies engaged in business owned 86 percent of the assets; in rubber products, 4.3 percent of the companies owned 80 percent of the assets; in metal products, 2 percent of the companies owned 74 percent of the assets; in the pulp and paper industry, 3.5 percent of the companies owned 62 percent of the assets.

Even in the field of food products, widely scattered though they are, 1.2 percent of the producing companies owned 60 percent of the assets.

The figures set out above refer primarily to manufacturing establishments. The economic picture presents no less a discouraging outlook from the point of view of new enterprise in the field of distribution.

The distribution of food products will serve as an illustration. While there are thousands of retail grocery stores located throughout the country, this field is being dominated more and more by a few large concerns. In 1938 the net sales of any five of the large grocery chains amounted to more than $1,700,000,000. One chain alone enjoyed sales of approximately $880,000,000. The average sales for the five chains was more than $340,000,000 each. The invested capital required to conduct the business of five chains was approximately $322,000,000, or an average of approximately $65,000,000 per chain. One chain had invested capital of approximately $160,000,000.

One of the serious problems resulting from this concentration of volume of business in a few chains lies in the fact that to a great extent one chain does not overlap in the territory of another. The net result is that they throw a "wet blanket" over the entire United States in the form of thousands of individual units in every community. This stifles local enterprise. A generation ago anyone could start a corner grocery store with a little capital. Today, with the chain stores located on the best corners, it is suicide to attempt competition.

The same hazards beset an individual desiring to establish a local motion-picture theater. Twenty-five years ago, hundreds of ambitious young men started the exhibition of motion pictures on small capital in local neighborhoods, charging 5, 10, and 15 cents admission. Today, with chain theaters occupying preferred positions, with their vast buying power and ability to dictate terms, clearance, and even admission prices of competitors, individual attempts at competition merely invite early bankruptcy. There is no more certain way to lose $50,000 than to build an independent local motion-picture theater.

Whatever economic theory one may hold, the future must be judged by experience of the past. If the trend of the last 40 years continues for another generation, there will be a complete elimination of competition in all major industries. The management of the industrial life of the Nation will be vested in the hands of corporal's guard of businessmen, which will not be responsible to any democratic check, and whose chief aim will be multiplied profits.

New techniques must be developed with the instruments at hand, namely, the antitrust laws, if such laws are to be given a fair test. The giant corporations of today have created problems of administration and enforcement which would never have been possible had the control of corporation organization been widespread rather than concentrated in the hands of a few. A few pointed illustrations from the case book of the Antitrust Division of the Department of Justice will illustrate the difficulties inherent in restoring some semblance of competition.

At the present time the Government is engaged in prosecuting the Aluminum Co. of America. That corporation owns 99 percent of the products of virgin aluminum and sells approximately 100 percent of the aluminum products offered for sale in American markets. This monopoly was built up by the purchase of plants abroad, by cartel agreements with foreign producers, and by restrictive contracts, oppressive tactics, and discriminatory prices practiced against competitors in the industry by the aluminum giant. The Government in its suit seeks, among other things, dissolution of the Aluminum Co. of America. This in itself presents difficult problems. Who will purchase the component parts of the Aluminum Co. of America in the event the Government is successful? Whole communities have been built up around certain plants of the Aluminum Co. of America. Transportation facilities have been built around these communities. Dissolution might change the entire economic picture of a whole section of the country. On the other hand, continuation of the present monopoly permits a single corporate management to dictate in perpetuity the prices to be paid by the American public for aluminum products which are necessary and essential to the life of ordinary citizens.

Another suit brought by the Government involves the motion-picture industry. There the eight largest producers of motion pictures own their own theaters and distribute their own products. The theaters owned by these eight chains are so located as not to compete directly with one another. The country has been districted, so to speak, one chain operating in one section, another chain in another, and so forth. Independent exhibitors find it impossible to compete with the chain theaters on an equal basis due to lack of chain buying power.

The antitrust suit now pending on appeal against the General Motors Corporation demonstrates the power of a large automobile-manufacturing concern over 15,000 independent sales outlets. The control exercised by the manufacturer is such that the business of these 15,000 independent sales outlets is controlled in all its details by the manufacturers.

The difficulty of handling a case of the size of that involved in aluminum is illustrated by a brief calendar history. The case was under investigation for approximately 3 years prior to the filing of the petition on April 23, 1937. On June 28 to 29, 1937, the issue was presented as to whether or not the defendant, Aluminum, Ltd., was transacting business, and "found" in the southern district of New York on July 16, 1937, opinion by the district judge denying motion of Aluminum, Ltd., to quash service of process; on March 2, 1938, the Government filed an application for leave to file interrogatories; on April 19, 1938, argument was had on motion to quash subpena duces tecum directed to defendant; on April 25, 1938, argument on motion of Aluminum, Ltd., objecting to portion of interrogatories; April 28, 1938, court sustained interrogatories; April 29, 1938, agents representing British, Swiss, and French aluminum companies obtained orders to show cause why subpenas duces tecum addressed to them should not be quashed; May 2 to 5, 1938, argument on subpenas duces tecum continued; May 5, 1938, Government moved to amend petition; May 10, 1938, court granted same; May 31, 1938, motion from one of defendants to dismiss petition; June 1, 1938, trial commenced, and is still in progress at this date, namely, March 7, 1940. Indications are that the trial will last another 6 months. After this

the case will probably be carried through the circuit court of appeals on up to the United States Supreme Court.

Certain concerns have become so large that an individual or another corporation cannot cope with them in a court of justice. Too much money required to try a case, too many delays. Takes too long to get justice.

Even the Government does not have the money available in the Department of Justice to handle more than a few large cases each year. It is highly desirable that a large appropriation be made to enforce antitrust laws.

The report of December 30, 1939, discloses that the New York City banks have deposits aggregating $20,221,262,369, about one-third of the total deposits in the entire Nation. This was an increase during the 12 months by the huge figure $2,887,355,469.

The ratio of deposits to capital funds in these banks was, on December 30, 1939, 9.35 to 1.

In addition, these banks have approximately $4,000,000,000 in excess reserves. This is two-thirds of the excess reserves held by all the banks in the entire country. The banks in the country are privileged to make loans equal to an average of 7 to 1 on excess reserves. There are sufficient excess reserves in this one city alone to authorize the issuance of sufficient money or credit to absolutely buy the remainder of all money-making business properties throughout the Nation that are not now owned or controlled by a few people who own and control a few banks in this one city.

HOW BIG CHAINS CONNECT UP WITH LARGE BANKS

Mr. John A. Hartford, one of the principal owners of the A. & P. Co., which operates in about 40 of the 48 States, is also a director in the Guaranty Trust Co. of New York. The resources of this one bank—Guaranty Trust Co.—exceeds the resources of all the 1,455 banks in Texas, Arkansas, and Oklahoma, the population of these three States being approximately 11,000,000 people. There are interlocking directorates between the Guaranty Trust Co. of New York, the Chase National of New York, the Bankers Trust Co. of New York, the Chemical Bank & Trust Co. of New York, the J. P. Morgan & Co. of New York, and the New York Trust Co. The total resources of these six banks, according to the Comptroller's report for December 31, 1936, aggregate $7,409,904,000, and their total resources December 30, 1939, were $8,233,765,859. The resources of these six banks, which are closely related through interlocking directorates, one of the directors being Mr. John A. Hartford, are a billion dollars in excess of the resources of all the 3,710 banks in the 13 Southern States.

There are 24 banks in the United States, 13 of them being in New York City, that have resources equal to approximately one-third of the total resources of all the banks—15,000—in the United States. The 6 heretofore named are in this group of 24. There are close interlocking directorates between these 24 banks and the 175 nonfinancial corporations that own 58 percent of the corporate wealth of the Nation. Considerable time and thought was given to a study of this question. The study was placed in the CONGRESSIONAL RECORD June 15, 1937, and is contained in bound volumes for the first session of the Seventy-fifth Congress, pages 5777–5785, inclusive.

Banks under our present system, as heretofore pointed out, can create through their own bookkeeping systems and loan to their customers $7 for every $1 that they have as a reserve. Using this tremendous power and influence, these few banks can create sufficient money practically to control this country, and that is what they have been doing and what they are doing now.

WHAT CHANCE WILL PEOPLE HAVE?

The question is, What chance will the people, young and old, of the future have in this great country of ours if we continue to permit a few people to control so much of our country's wealth and foreclose to our people so many privileges and opportunities that the" should rightfully enjoy?

A drive is now being made to legalize branch and chain banking across State lines. Mr. Hartford's Guaranty Trust of New York wants to do banking business over the entire Nation.

MIDDLEMEN WERE TO BE ELIMINATED

When the interstate chain-store system started operation, the claim was made that producers would enjoy greater profits; that consumers would benefit through increased savings; that definite economy would result through elimination of wholesalers and by taking traveling men off the road.

What happened? Why, the chain managements immediately set up their own wholesale houses and saved not 1 penny on distributive expense. They caused hundreds of thousands of traveling men to be taken off the road and thus seriously affected our unemployment problem. At the same time they have not saved the consumer one extra penny and have not given the producer one extra penny.

The United States Government figures disclose that the spread between the producer and consumer is much greater under interstate chain-store domination than under the old competitive system.

So the move that threw thousands of people directly into unemployment, also poured millions of dollars into the pockets of a few Wall Streeters. It also gave added millions to a few ambitious American girls, who took the money to foreign lands for their count husbands and no-account husbands to spend abroad.

I have prepared some statements here after examining information that was furnished to me by the Department of Agriculture. I made the statement a while ago that the spread is greater between the producer and the consumer under the interstate chain-store system than it was under the competitive system. You have a right to demand proof of that and it is my duty to give you proof of it, because it is a serious statement, but I believe that the proof is available, and here it is.

During the twenties was the period of the greatest growth of the interstate chain-store system. At my request, the Department of Agriculture has prepared tables, which disclose the farm value of certain agricultural products and the percentage of the retail value received by the farmer from 1913 down to and including the year 1939. It will be noticed that the farmer received more of the consumer's dollar before the interstate chain-store system obtained such a monopolistic grip upon the farmers and the consumers. The following tables prepared by the Department of Agriculture for the years indicated are self-explanatory:

Dairy products—Farm-to-retail price spreads

Year	Farm value of 100 pounds milk equivalent [1]	Retail value of 100 pounds milk equivalent [2]	Actual margin	Farm value as percentage of retail value
				Percent
1913	$1.47	$2.66	$1.19	55
1914	1.42	2.60	1.18	55
1915	1.44	2.58	1.14	56
1916	1.53	2.75	1.22	56
1917	1.89	3.40	1.51	55
1918	2.30	4.11	1.81	56
1919	2.63	4.86	2.23	54
1920	2.80	5.09	2.29	55
1921	2.16	4.19	2.03	52
1922	1.97	3.82	1.85	52
1923	2.23	4.15	1.92	54
1924	2.04	4.02	1.98	51
1925	2.10	4.14	2.04	51
1926	2.07	4.10	2.03	50
1927	2.13	4.19	2.06	51
1928	2.17	4.23	2.06	51
1929	2.16	4.19	2.03	52
1930	1.83	3.88	2.05	47
1931	1.37	3.26	1.89	42
1932	1.01	2.76	1.75	37
1933	1.01	2.70	1.69	37
1934	1.20	2.94	1.74	41
1935	1.40	3.13	1.73	45
1936	1.58	3.31	1.73	48
1937	1.64	3.42	1.78	48
1938	1.39	3.23	1.84	43
1939	1.31	3.12	1.81	42

[1] Farm value of 100 pounds of milk equivalent estimated as equal to value of 49 pounds wholesale milk plus value of 2 pounds butterfat.

[2] Retail value of 100 pounds of milk equivalent estimated as the combined values of 15.7 quarts of whole milk, 0.7 pound of cheese, 2.6 pounds of butter, and 2.5 14½-ounce cans of evaporated milk.

Pork products—Farm-to-retail price spreads

Year	Farm value of 1.90 pounds of live hogs [1]	Average retail price per pound of principal pork products [2]	Actual margin	Farm value as percentage of retail value
	Cents	*Cents*	*Cents*	*Percent*
1913	14.2	17.7	3.5	80
1914	14.4	17.9	3.5	80
1915	12.5	17.1	4.6	73
1916	15.6	19.2	3.6	81
1917	25.8	27.3	1.5	95
1918	30.2	33.7	3.5	90
1919	30.8	36.7	5.9	84
1920	24.7	33.9	9.2	73
1921	14.9	26.4	11.5	56
1922	16.0	25.3	9.3	63
1923	13.5	24.5	11.0	55
1924	14.2	24.6	10.4	58
1925	20.9	28.7	7.8	73
1926	22.4	30.6	8.2	73
1927	18.4	28.4	10.0	65
1928	16.6	27.1	10.5	61
1929	17.9	27.4	9.5	65
1930	16.9	26.4	9.5	64
1931	11.2	22.1	10.9	51
1932	6.6	15.7	9.1	42
1933 [3]	6.7	14.5	7.8	46
1934 [3]	8.1	18.2	10.1	45
1935 [3]	16.1	27.3	11.2	59
1936	17.4	26.7	9.3	65
1937	18.1	27.1	9.0	67
1938	14.7	23.8	9.1	62
1939	12.1	21.4	9.3	57

[1] 100 pounds of good grade live hogs yields 52.6 pounds of principal retail pork products, giving 1.90 pounds live weight per pound of retail products.

[2] Average retail price per pound obtained by weighting the price of each product by weights proportional to quantities of these products obtained per 100 pounds of good grade hogs.

[3] No allowance is made for processing taxes per 100 pounds live weight, which were: 50 cents, beginning Nov. 5, 1933; $1, beginning Dec. 1, 1933; $1.50, beginning Feb. 1, 1934; and $2.25 from Mar. 1, 1934, to Jan. 6, 1936.

NOTE.—These taxes are included in the margins as additional costs of processing.

White flour—Farm-to-retail price spreads

Year	Farm value of 1.41 pounds of wheat [1]	Retail price of 1 pound of flour	Actual margin	Farm value as percentage of retail value
	Cents	*Cents*	*Cents*	*Percent*
1913	1.9	3.3	1.4	58
1914	2.0	3.4	1.4	59
1915	2.6	4.2	1.6	62
1916	2.8	4.4	1.6	64
1917	4.8	7.0	2.2	69
1918	4.8	6.7	1.9	72
1919	5.1	7.2	2.1	71
1920	5.2	8.1	2.9	64
1921	2.7	5.8	3.1	47
1922	2.4	5.1	2.7	47
1923	2.3	4.7	2.4	49
1924	2.6	4.9	2.3	53
1925	3.5	6.1	2.6	57
1926	3.2	6.0	2.8	53
1927	2.8	5.5	2.7	51
1928	2.7	5.4	2.7	50
1929	2.4	5.1	2.7	47
1930	1.9	4.6	2.7	41
1931	1.1	3.6	2.5	31
1932	.9	3.2	2.3	28
1933	1.4	3.9	2.5	36
1934	1.9	4.9	3.0	39
1935	2.0	5.1	3.1	39
1936	2.3	4.8	2.5	48
1937	2.5	4.8	2.3	52
1938	1.6	4.0	2.4	40
1939	1.5	3.8	2.3	39

[1] One 60-pound bushel of wheat normally yields 42.6 pounds of white flour, making 1.41 pounds of wheat per pound of flour as retailed. No allowance is made for interseasonal variation in milling qualities of wheat.

NOTE.—No allowance is made for processing tax on wheat, which was 30 cents per bushel from July 9, 1933, to Jan. 6, 1936, or about 0.7 cent per pound of flour.

Onions—Farm-to-retail price spreads

Year	Farm value of 1 pound of onions [1]	Retail value of 1 pound of onions	Actual margin	Farm value as percentage of retail value
	Cents	*Cents*	*Cents*	*Percent*
1918	1.8	4.7	2.9	38
1919	3.0	7.4	4.4	41
1920	1.5	7.1	5.6	21
1921	2.4	5.5	3.1	44
1922	1.6	7.9	6.3	20
1923	2.5	6.4	3.9	39
1924	1.6	6.0	4.4	27
1925	2.0	7.1	5.1	28
1926	1.4	6.0	4.6	23
1927	1.5	6.4	4.9	23
1928	2.2	6.2	4.0	35
1929	1.3	6.8	5.5	19
1930	.9	5.0	4.1	18
1931	1.4	4.3	2.9	33
1932	.7	5.2	4.5	13
1933	1.1	3.6	2.5	31
1934	1.1	4.4	3.3	25
1935	1.3	5.2	3.9	25
1936	.8	3.8	3.0	20
1937	1.2	4.1	2.9	29
1938	1.1	4.3	3.2	26
1939	.8	3.8	3.0	21

[1] Farm value is based upon United States seasonal average farm price of onions per 100-pound sack.

Hens—Farm-to-retail price spreads

Year	Farm value of 1.11 of hens [1]	Retail value of 1 pound of hens	Actual margin	Farm value as percentage of retail value
	Cents	*Cents*	*Cents*	*Percent*
1913	13.2	21.3	8.1	62
1914	13.7	21.8	8.1	63
1915	13.0	20.8	7.8	62
1916	14.9	23.6	8.7	63
1917	18.8	28.7	9.9	66
1918	23.9	37.8	13.9	63
1919	27.0	41.1	14.1	66
1920	28.7	44.7	16.0	64
1921	23.3	39.7	16.4	59
1922	21.2	36.0	14.8	59
1923	21.1	35.0	13.9	60
1924	21.3	35.3	14.0	60
1925	22.6	36.7	14.1	62
1926	24.3	38.8	14.5	63
1927	22.6	36.9	14.3	61
1928	23.6	37.4	13.8	63
1929	24.9	39.7	14.8	63
1930	20.6	35.6	15.0	58
1931	17.2	31.0	13.8	55
1932	12.9	24.7	11.8	52

Hens—Farm-to-retail price spreads—Continued

Year	Farm value of 1.11 of hens	Retail value of 1 pound of hens	Actual margin	Farm value as percentage of retail value
	Cents	*Cents*	*Cents*	*Percent*
1933	10.7	20.9	10.2	51
1934	12.4	24.2	11.8	51
1935	16.5	29.2	12.7	57
1936	17.2	32.0	14.8	54
1937	17.3	33.5	16.2	52
1938	16.8	33.6	16.8	50
1939	14.9	30.1	15.2	50

[1] Estimating that there is 10 percent shrinkage between the weight of hens sold by the farmer and the weight purchased at retail gives 1.11 pounds at the farm per pound at retail.

Eggs—Farm-to-retail price spreads

Year	Farm value of 1 dozen eggs	Retail price of 1 dozen eggs	Actual margin	Farm value as percentage of retail value
	Cents	*Cents*	*Cents*	*Percent*
1913	21.5	34.5	13.0	62
1914	22.6	35.3	12.7	64
1915	21.7	34.1	12.4	64
1916	24.7	37.5	12.8	66
1917	34.0	48.1	14.1	71
1918	39.9	56.9	17.0	70
1919	44.7	62.8	18.1	71
1920	47.8	68.1	20.3	70
1921	33.1	50.9	17.8	65
1922	28.1	44.4	16.3	63
1923	29.8	46.5	16.7	64
1924	30.3	47.8	17.5	63
1925	33.7	52.1	18.4	65
1926	31.5	48.5	17.0	65
1927	28.2	45.2	17.0	62
1928	30.3	46.4	16.1	65
1929	32.1	49.0	16.9	66
1930	25.1	41.0	15.9	61
1931	18.6	31.7	13.1	59
1932	16.0	27.2	11.2	59
1933	15.3	26.0	10.7	59
1934	18.4	29.9	11.5	62
1935	24.1	36.6	12.5	66
1936	23.0	37.8	14.8	61
1937	21.7	36.9	15.2	59
1938	21.3	36.0	14.7	59
1939	18.4	32.6	14.2	56

NOTE.—The farmer averaged 67¼ cents of every consumer's dollar on eggs prior to the interstate chain control or during the period from 1913 to 1920. Last year he received 56 cents.

The farmers' loss on eggs last year compared with the period before interstate chains amounted to $112,500,000, or one-eighth of a billion dollars loss to the farmers in 1 year on eggs alone.

Potatoes—Farm-to-retail price spreads

Year	Farm value of 1 pound of potatoes	Retail price of 1 pound of potatoes	Actual margin	Farm value as percentage of retail value
	Cents	*Cents*	*Cents*	*Percent*
1913	1.0	1.7	0.7	59
1914	1.1	1.8	.7	61
1915	.9	1.5	.6	60
1916	1.8	2.7	.9	67
1917	3.1	4.3	1.2	72
1918	1.9	3.2	1.3	59
1919	2.4	3.8	1.4	63
1920	4.1	6.3	2.2	65
1921	1.7	3.1	1.4	55
1922	1.6	2.8	1.2	57
1923	1.4	2.9	1.5	48
1924	1.4	2.7	1.3	52
1925	1.9	3.6	1.7	53
1926	3.1	4.9	1.8	63
1927	2.2	3.8	1.6	58
1928	1.4	2.7	1.3	52
1929	1.6	3.2	1.6	50
1930	2.1	3.6	1.5	58
1931	1.2	2.3	1.1	52
1932	.7	1.7	1.0	41
1933	1.1	2.3	1.2	48
1934	1.1	2.3	1.2	48
1935	.8	1.9	1.1	42
1936	1.7	3.2	1.5	53
1937	1.5	2.8	1.3	54
1938	.9	2.1	1.2	43
1939	1.2	2.5	1.3	48

NOTE.—The average part of the consumers' dollar paid to the farmer on potatoes was 63¼ prior to chain control or from 1913 to 1920, inclusive, but last year it was 48 cents.

These tables, which I have put in the record, were prepared at my request by the Department of Agriculture and they disclose the farm value of certain agricultural products and the percentage of retail value received by the farmers from 1913 down to and including the year 1939. These are prepared by years.

It will be noticed that the farmer received more of the consumer's dollar before the interstate chain-store system obtained such a monopolistic grip on the farmer, and the tables, as I have said, which I have introduced, are self-explanatory.

Referring to the table on dairy products, it will be noted that before the interstate chains obtained such a monopolistic grip on the dairy industry, the farmers received an average of 55⅜ cents on every consumer's dollar (the average from 1913 to 1920, inclusive), but after the control of the interstate chains, they received 42 cents in 1939 of the consumer's dollar. If the farmer had received as many cents of each consumer's dollar on dairy products in 1939 as he received in 1920 and back to 1913, which was 55⅜ cents of each consumer's dollar, the farmers would have received $441,000,000 more for their dairy products in 1939 than they did receive.

Let us consider pork products. From 1913 to 1920, the farmer received on an average of 34 cents of each consumer's dollar. In 1939, he only received 57 cents of each consumer's dollar. That is a difference of 27 cents. That shows if the farmers had received as much in 1939 of the consumer's dollar as the farmers received on an average from 1913 to 1920, inclusive, the farmers would have received $378,000,000 more for pork products than they did receive in 1939.

Now, let us consider white flour. During the period from 1913 to 1920, inclusive, the farmers received an average of 65 cents of the consumer's dollar on white-flour purchases. During the year 1939, the farmers only received 39 cents of such consumer's dollar. The difference is 26 cents. That means if the farmers had received as much of the consumer's dollar on white flour in 1939 as they did during the period from 1913 to 1920, inclusive, they would have received $260,000,000 more than they did.

Let us consider onions. The farmer received an average of 32¼ cents of the consumer's dollar on onion purchases during the period from 1918 to 1935, inclusive. Last year they only received 21 cents of each consumer's dollar. Suppose that the farmers had received in 1939 as much of the consumer's dollar on onions as they received during the 8-year period on an average from 1918 to 1925, inclusive. They would have received an average of 32¼ cents of each consumer's dollar. In that event they would have received more than $33,000,000 in excess of what they did receive in 1939 for their onion crop.

Let us consider the price of hens before the interstate chain-store system obtained so much control and last year. The farmers received upon an average of 63½ cents of the consumer's dollar on hen purchases during the period from 1913 to 1920, inclusive. Last year, 1939, they received only 50 cents of each consumer's dollar on hen purchases. That means that if they had received as much last year during 1939 as they received on an average before the interstate chain-store system they would have received last year alone $67,500,000 in excess of what they did actually receive.

The farmers lost a large sum last year on the sale of their potatoes, compared with the period before the chain stores obtained such control. During the time from 1913 to 1920, inclusive, the farmers received 63¼ cents of every consumer's dollar on potato purchases. Last year, however, the farmers only received 48 cents of such purchases. There is a difference of 15¼ cents. Therefore, if the farmers had received as much for their potatoes as they did during the period from 1913 to 1920, inclusive, the farmers would have received in 1939 $45,750,000 more for their potatoes than they actually did receive from the interstate chain-store buyers.

I am inserting herewith a table, which was prepared by the Division of Marketing and Transportation Research of the Department of Agriculture, which explains the method used in arriving at the amount that the farmers lost last year under the interstate chain-store system, compared with the time when the interstate chains did not have sufficient buying power to control the farmers' market.

The table is as follows:

1939 cash farm income from sales and changes in farm income corresponding to specified changes in farmer's share of retail price

Commodity	1939 farm income (tentative estimates)	1939 farmer's share of retail price	If the 1938 farmer's share of retail price had been received in 1939			If the 1939 farmer's share of retail price had been 1 cent higher			If the 1939 farmer's share of retail price had been 5 cents higher		
			Farmer's share		Change in farm income	Farmer's share		Change in farm income	Farmer's share		Change in farm income
			Cents	Percent change		Cents	Percent change		Cents	Percent change	
		Cents per retail dollar									
Pork products (hogs)	$800,000,000	57	62	+8.8	+$70,000,000	58	+1.7	+$14,000,000	62	+8.8	+$70,000,000
Dairy products (milk and butterfat)	1,355,000,000	42	43	+2.4	+33,000,000	43	+2.4	+33,000,000	47	+11.9	+161,000,000
Hens (chickens)	230,000,000	50	50	0	0	51	+2.0	+5,000,000	55	+10.0	+23,000,000
Potatoes	157,000,000	48	43	−10.4	−16,000,000	49	+2.1	+3,000,000	53	+10.4	+16,000,000
White flour (all wheat)	397,000,000	39	40	+2.6	+10,000,000	40	+2.6	+10,000,000	44	+12.8	+51,000,000
Onions	[1] 14,000,000	21	26	+23.8	+3,000,000	22	+4.8	+700,000	26	+23.8	+3,000,000

[1] 1938–39 seasonal value of sales.

The changes in income associated with the several assumed changes in the farmer's share of retail price are calculated by assuming retail price and quantity of farm sales would remain unchanged.

INTERSTATE CHAINS CAUSE FARMERS TO LOSE BILLIONS ANNUALLY

On the six products mentioned above, the farmers lost a billion, two hundred million dollars last year, compared with what they would have received on an average each year during the 8 years preceding the control of the interstate chain-store system.

Possibly it will be thought that I selected the six products where the aggregate difference was the greatest. That is not true. The Bureau of Agricultural Economics of the Department of Agriculture has prepared a table, which discloses for each year from 1913 to 1939 the farm value, the retail value, and the margin on all of the 58 foods that are usually consumed by the typical American workingman's family. This table discloses that the difference that the farmer received last year of each consumer's dollar and the amount he received during the period from 1913 to 1920, inclusive, was even greater on the 58 products than on the 6, which I have given as an example. I am inserting herewith the table, which is self-explanatory:

Estimated retail value and equivalent farm value of quantities purchased annually by a typical American workingman's family

Year	Farm value [1]	Retail value [1]	Margin	Farm value as percentage of retail value
				Percent
1913	$134	$252	$118	53.0
1914	137	258	121	53.0
1915	134	258	124	52.0
1916	155	285	130	54.0
1917	223	370	147	60.0
1918	245	424	179	58.0
1919	267	470	203	57.0
1920	272	514	242	53.0

[1] Retail-price data are from the Bureau of Labor Statistics, farm-price data are principally those estimated by the Bureau of Agricultural Economics.

Estimated retail value and equivalent farm value of quantities purchased annually by a typical American workingman's family—Continued

Year	Farm value	Retail value	Margin	Farm value as percentage of retail value
				Percent
1921	$179	$404	$225	44.0
1922	170	374	204	45.0
1923	173	384	211	45.0
1924	170	381	211	45.0
1925	198	410	212	48.0
1926	202	418	216	48.0
1927	190	406	216	47.0
1928	194	407	213	48.0
1929	195	415	220	47.0
1930	171	391	220	44.0
1931	121	322	201	38.0
1932	88	270	182	33.0
1933 [2]	92	264	172	35.0
1934 [2]	108	295	187	37.0
1935 [2]	138	331	193	42.0
1936	152	342	190	44.0
1937	160	353	193	45.0
1938	130	321	191	40.5
1939 [3]	126	311	185	40.5

[2] No allowance is made for processing taxes on wheat, rye, rice, hogs, corn, peanuts, and sugar, which, on the quantities of these products included in annual family purchases, amounted to about $2 in 1933, $10 in 1934, and $11 in 1935.

[3] Preliminary estimate.

Estimates of annual purchases of foods by a typical workingman's family were obtained from the 1918–19 cost-of-living survey made by the Bureau of Labor Statistics. The 58 foods include meat, dairy, and poultry products, bakery and cereal products, a number of fresh and canned fruits and vegetables, and several miscellaneous items.

FARMERS WOULD HAVE RECEIVED $3,000,000,000 MORE LAST YEAR THROUGH COMPETITIVE SYSTEM

It is my belief that had it not been for the interstate chain-store system that the farmers of this country last year would have received at least $3,000,000,000 more for what they produced than what they did receive. This would have meant that our national income would have been increased from fifteen to twenty billion dollars. It would have meant that the American workingman would have received billions of dollars more in additional purchasing power.

I have discussed the losses to the farmers on only 6 commodities. There are 52 others to be considered. Therefore my estimate is very conservative, especially in view of the fact that an increase of 1 cent in the farmer's part on the 6 products would amount to $10,000,000 on an average for each product, and when the average difference between what the farmers received in 1939 and what they received during the 1913–20 period was 21 cents on each of the 6 products, and there are 52 other commodities to be considered. I presume these 6 are the largest items.

Doubtless it will be contended by the opposition that during this period of time that wages have increased and cost of transportation has increased. No doubt that is true, but in a competitive system, the farmers' price would have advanced along with them. The monopolistic chains have obstructed the competitive system to the extent that the farmers' part of the consumer's dollar could not go along with other increases. Normally and without this obstruction, prices would have increased to the extent that the farmer would have received just as much of each consumer's dollar as he received in the past.

COMBINED PURCHASING POWER OF ALLIES

The United States Department of Agriculture, Office of the Secretary, Washington, on December 27, 1939, made a special report to the Agricultural Advisory Council on Economic Weapons of War Bear on Farm Exports. It contains the following significant statements:

"The Allies have pooled economic and financial resources and made arrangements to centralize purchases through government commissions. This is a big gun of trade control. It has not yet been brought to bear heavily upon United States farm exports. United States farm products for France and Britain are still being handled in much the usual channels. However, the centralized purchasing has borne on our export volume indirectly through the fact that the Allied centralized purchasing commissions have bought farm products heavily in British Dominions and in other countries where they could deal directly with governments."

This statement did not say so, because it dealt with a foreign situation, but I presume if the same consideration had been given to our domestic situation, that the Secretary would have called attention to the fact that the combined purchasing power of a few large interstate chains is just as destructive to the interest of the farmer as the combined purchasing power of the Allies. It is just as wrong for people in our own country to gang up on the farmer as it is for those in foreign countries to gang up on the farmer. The point here is that the farmers have been ganged up on by the Allies cooperating together in making their purchases of farm products in this country. The Secretary believes that it is not in the farmer's interest. I agree with him. At the same time, I say that when a few large chain stores get their representatives together and do exactly the same thing, it is just as wrong as if the Allies were doing it.

One national farm association—the National Grange—condemned the Allies' efforts to cooperatively buy from the farmers because it was destructive to the American farmers' interest. The same logic and reason will possibly cause them to condemn the cooperative buying by the few large chains, which control the farmers' market today.

NATIONAL GRANGE ON COOPERATIVE BUYING

January 19, 1940, the Evening Star, published here in Washington, carried the following statement, headnotes, and article:

"PRESIDENT IS URGED TO RESIST ALLIES' COMBINED BUYING—NATIONAL GRANGE MASTER SAYS EFFECT IS CRUSHING ON MANY PRODUCERS

"Louis J. Taber, master of the National Grange, said after a White House visit today that he had urged President Roosevelt to take the most vigorous attitude consistent with neutral diplomacy in protecting the interests of agriculture against combined purchasing by France and Great Britain.

"The Allies have pooled funds and worked out arrangements for buying in this country through a joint committee."

Mr. Taber could have pointed out to the President that the representatives of a few interstate corporate chains were purchasing two or three times as much from the American farmer as the Allies, and while it is true that the Allies' purchasing is detrimental to the farmer and should be stopped if at all possible, for the same reason the representatives of interstate chains, who are doing more damage than the Allies, should also be stopped.

The income to the farmers from fresh fruits and vegetables aggregate more than $1,000,000,000 each year. This is greater than the farmers' income from any other source except in dairy products. The Federal Trade Commission completed its investigation in 1937 of the fresh fruits and vegetables industry. The Commission's report contains some very interesting information, which discloses that the growers receive more when they sell through normal channels than they do when they sell direct to the interstate chain-store buyers.

INVESTIGATION BY FEDERAL TRADE COMMISSION

Now, the Federal Trade Commission, within the past 2 years, completed a thorough investigation, which included the principal farm products and the effect of interstate chain stores upon the farmers buying power. The following excerpts from this report are of particular interest.

I have here excerpts which are taken from the committee's report. and I will quote a few short ones:

ONLY A FEW COMPANIES BUY FARMERS' PRODUCTS

"In certain of the farm commodities made the subject of this inquiry there is a comparatively concentration of manufacturing or marketing in the hands of a relatively few companies" (p. 5 of the Report of the Federal Trade Commission on Principal Farm Products—Agricultural Income Inquiry, vol. 1).

A FEW COMPANIES HANDLE SUFFICIENT BUTTER AND CANNED MILK TO CONTROL MARKET

"Six of the larger chain-store companies, however, sold in a single nonidentical year, quantities of butter and canned milk equal to 17.4 and 22.1 percent, respectively, of the United States production of these commodities in 1934, and the three of these reporting the largest sales accounted for equivalents of 13.6 percent and 19.6 percent of these totals, respectively. The Great Atlantic & Pacific Tea Co. had sales of canned milk equal to about 15 percent of the total production, and was the outstanding retail chain in the distribution of this Product" (p. 9 of the Report of the Federal Trade Commission on Principal Farm Products—Agricultural Income Inquiry, vol. 1).

FARMER CANNOT SURVIVE UNLESS MONOPOLY BROKEN

"The Congress ordered this investigation because of 'the unsatisfactory condition of agriculture and of those engaged therein.' The Commission records with dismay its belief that the survival of independent farming by farmers who own their own farms and maintain an American standard of living is in jeopardy. Although the Commission's inquiry was necessarily limited to those subjects which the Congress directed it to investigate, and for which funds were provided, it finds that additional facts which have come to its attention during the inquiry express graphically the plight of agriculture" (p. 27 of the Report of the Federal Trade Commission on Principal Farm Products—Agricultural Income Inquiry, vol. 1).

Remember this is the Federal Trade Commission of the United States saying to the farmers of this country, the independent farmers, that they are recording with dismay the belief that the survival of independent farmers who own their own farms and maintain an American's standard of living is in jeopardy. How much more evidence do we need that the interstate chain-store system of this country is destroying the American farmer, that is, independent farming? Why is it in jeopardy?

Mr. BOEHNE. In what connection was that report made?

Mr. PATMAN. That was a report made by the Federal Trade Commission in connection with the agricultural inquiry. Now, quoting further from the Federal Trade Commission:

"FARMING SHOULD BE RESTORED

"The depression of agriculture has been a major economic problem ever since the war. The restoration of farming to a reasonable degree of prosperity which will permit farmers to share in the growing wealth and income of the country must be the result of different types of action directed at different parts of the problem (p. 29 of the Report of the Federal Trade Commission on Principal Farm Products—Agricultural Income Inquiry, vol. 1).

"FEDERAL TRADE REPORTS MONOPOLISTIC TENDENCIES OF THE LARGE GROCERY CHAIN-STORE SYSTEM AND OTHER CONCERNS

"Monopolistic tendencies—Amendment of antitrust laws: In the study of the situation of the handlers, manufacturers, and processors of agricultural products, the Commission has observed the existence in various industries of a high degree of monopolistic control which, in some cases, has been derived, in part, at least, by methods contrary to the letter or spirit of the law. In some cases, no doubt, ineffective enforcement has been in part responsible. In other cases, the law itself appears to require amendment. * * *

"* * * The history of various corporations which have been examined in connection with this inquiry indicates that their present dominant position in their respective industries has been obtained largely as a result of consolidations and mergers or acquisitions of the capital stock or assets of other corporations. This statement is true, for example, of General Mills in the case of flour milling, Armour & Co. in the case of meat packing Continental Baking Co. and National Biscuit Co. in the bakery field, National Dairy Products and the Borden Co. in milk, and of several of the large grocery chain-store systems (p. 30 of the Report of the Federal Trade Commission on Principal Farm Products—Agricultural Income Inquiry, vol. 1).

"Various restraints upon commerce and unfair methods of competition in the sale of potatoes have been disclosed by the inquiry" (p. 39 of the report of the Federal Trade Commission on Principal Farm Products—Agricultural Income Inquiry, vol. 1).

LARGE BUYERS DEPRESS PRICES RECEIVED BY THE PRODUCERS

The Federal Trade Commission reported June 10, 1937, as follows:

"Practices of certain large buyers, particularly chain-store buying companies, tend to depress prices received by the producer and are often discriminatory in their effect."

This inquiry had to do with fruit and vegetable buying by chains.

I have often said that chain-store buyers depress the prices paid to the producers. This statement has been challenged by the opposition. I have here cited what the Federal Trade Commission said in its report, which corroborates what I have often said. It is perfectly natural that when a few people get control of a market that they are going to use it to their own advantage and not to the advantage of the producers.

RETAIL CHAIN-STORE ORGANIZATIONS DETERMINE MARK-UP

The Agricultural Income Inquiry, part 1, 1937, the Federal Trade Commission, page 323—this report shows that the cottonseed trust continues, but it is broken up into State units, so as to prevent the Federal Government from having any control of its activity. The question of breaking up the cottonseed trust is now in the hands of State officials.

The same volume, page 614, shows the farmers had their price of potatoes depressed by the corporate chains.

The same volume, page 617: The report shows the margin of profit which chains make on potatoes and states that the large chains dominate the market.

The same volume, page 616:

"The other principal factor in the spread (potatoes) is the amount of mark-up by retailers. The amount of this mark-up is dominated by retail chain-store organizations."

Now, they tell us that they have framed up on the farmer, that they have ganged up on him, that they have destroyed his markets. And I have shown you figures that cannot be disputed, that they depressed the price of the farmers' products in this country more than $3,000,000,000 last year.

What further evidence do we need? We know that if the farmer's income increases $1, the wage earner's income increases $1. And we know that the national income increases several times that much. So, when you stand by and see a few buyers, working in their own selfish interest, destroying the buying power of the American farmer to the extent of $3,000,000,000, you will understand why I say that you are standing by and witnessing the national income being forced down twenty or twenty-two billion dollars and seeing $3,000,000,000 taken from the pockets of the American workingman.

SECRETARY OF AGRICULTURE REPORTS NONFARM POPULATION BUYING FOOD FOR TWO BILLIONS LESS THAN THEY SHOULD

On January 16, 1940, the Department of Agriculture made public a report from the Agricultural Advisory Council. In this report of the Agricultural Advisory Council as given to the newspapers by Secretary Wallace, there were statements from the Bureau of Agricultural Economics, which are very interesting. The following may be quoted as of special interest:

"Food prices are still relatively low in relation to prices of other goods in the average consumer's cost of living.

"Whether comparison is made with prices of 1937 or 1929; and this relatively low level of retail food prices, reflected equally in relatively low prices received by farmers for foods, contributes greatly to the present discrepancy between farm income and parity income."

I hope the gentleman from Minnesota will listen to this, because it goes right back to dairy products.

"Compared with 1929, retail food prices are 26 percent lower while prices of other items in living costs are 13 percent lower. In other words, were food prices 17 percent higher, they would bear the 1929 relation to other costs. The real significance of these figures is that the nonfarm population is now buying its food for about $2,000,000,000 less, on an annual basis, than it would be paying if food prices were not out of line with other prices.

"The council was unanimous in its expression that in the interest of national recovery, farm prices should be in balance with other prices, and there was considerable discussion of ways and means of trying to bring this about.

"Farmers are receiving a smaller share of the consumer's food dollar now than at the outbreak of the World War in 1914, this report of the advisory council states."

I desire to invite your attention especially to two points in the report of this Agricultural Advisory Council's report. The first point is that the farmers are losing $2,000,000,000 a year in food alone in purchasing power. (Therefore my estimate of $3,000,000,000 on all farm products cannot be high.)

I say this is brought about by the combined purchasing power of a few interstate chains that have ganged up on the farmer and have caused the farmer to lose this $2,000,000,000 a year. It is in the Nation's interest that this $2,000,000,000 be restored to the farmer. Every time the farmer receives a dollar, he puts it into circulation into the channels of trade and distribution. In this way, wage earners get part of this money, and over a period of years it has been discovered that for every dollar the farmer receives it increases the purchasing power of labor at least $1. In addition, every time the farmer receives a dollar and he spends that dollar, the national income is increased six to eight dollars during that year, because of the velocity of that dollar.

The other point is that the farmer is receiving a smaller part of a consumer's food dollar now than at any time since the outbreak of the World War in 1914. The only explanation I can think of for that is that the farmers have not been organized; they have been forced to take what was offered to them by the few buyers which they had for their products. The few buyers representing the interstate chains worked closely together and bought the farmer's products for just as low a price as it was possible.

The Bureau of Agricultural Economics of the Department of Agriculture, on January 16, 1940, made a special report on food prices, workers' purchasing power, and parity price and income for the Agricultural Advisory Council. In this report, it was stated:

"If food prices at 74.4 percent of 1929 are 'fair,' other prices in the cost of living should be 15 percent lower. If nonfood prices at 87.3 are 'fair,' then retail food prices should be 17 percent higher. Annual expenditures for food by the nonfarm population, with a national income of around $70,000,000,000, is over $12,000,000,000. If food prices were 17 percent higher, it would mean about $2,000,000,000 more available to farmers and all those engaged in food distribution."

In this report is was also stated: "Those relatively low prices contribute a great deal toward keeping farm income below the parity income level."

FARM SURPLUS

The national corporate chains claim much credit for disposing of certain surplus commodities of the farmers. One critic advised me that he had just purchased from a national chain store three cans of peas for 12 cents and challenged me to deny that such purchase was in his interest and the interest of the country. He incidentally pointed out that the farmers were helped as well as himself; that the farmers had a surplus of peas that the chain store was helping them to dispose of. Let us see who was helped by this sale of surplus peas at 4 cents a can. The can company made a fair profit on the can. The railroad company made a fair profit on transporting the can to the producer and cannery, and also on the transportation after the can was filled. The telephone company made a fair profit on the calls necessary to complete the sale to the distributor, but the farmer who produced the peas worked for less than 5 cents an hour and threw in absolutely free the soil on his farm required to produce them. The wage earner working in the cannery did not receive a living wage. The chain store either received a profit or else placed his competitor a little bit nearer to bankruptcy. The railroad company profited, the Can Trust profited, the telephone company profited, but the farmer and wage earner suffered.

POTATOES IN MAINE AND MICHIGAN

One Member of Congress from Michigan protested to the Federal Surplus Commodity Corporation because this Government organization was purchasing potatoes in Maine but not purchasing potatoes in Michigan. An investigation disclosed that the chain stores had framed upon the farmers in Maine and Government money had to be used to fix a fair price in that market, which was unnecessary in the Michigan market at the time. The Government money has been used by this corporation to prevent the chains from destroying entirely the farmers' market for potatoes on the Atlantic seaboard, onions in Massachusetts, grapefruit and grapefruit juice from Florida and Texas, and poultry products all over the Nation.

Mr. BOEHNE. Referring to your illustration of those cans of peas for 12 cents, will you call that a loss leader?

Mr. PATMAN. I would think that it was a loss leader; I do not know how it could be sold in any other way.

Mr. BOEHNE. I thought that there was certain legislation on the books affecting loss leaders.

Mr. PATMAN. The Federal Government has never passed any law against loss leaders that I know of. Some States have attempted to; that is, they have attempted to legislate on the subject, but I am not sure that this happened in one of the States where they had a so-called antiloss leader law.

Mr. DINGELL. Let me ask you this question. Does not the Robinson-Patman Act have any control over that practice?

Mr. PATMAN. Not so far as direct sales by retailers are concerned, because that is intrastate. That is an intrastate transaction. The Robinson-Patman Act only affects transactions between States. And besides it does not apply to loss leaders and it is not price fixing. We cannot deal purely with a local transaction.

The question is asked, will the pasasge of H. R. 1 make it harder on the farmer and producer by keeping high prices, less goods sold, less production, and less tax collections for the Government?

BRAG ABOUT KEEPING PRICES DOWN

Answer. In every chain-store argument one point is emphasized, and that is, "We keep prices down." If the farmers had $12,000,000,000 a year gross income, as they should have instead of $6,000,000,000 or $7,000,000,000 a year, one of the greatest markets in the world would be created for all goods and services produced in America. This additional purchasing power would represent acres of diamonds here in our own yard and would be better than the entire foreign trade of several of the other countries of the world. But with the interstate chains keeping the farmers' prices down, that reduces the buying power of the farmers who are the best customers of the people who live in the cities. The

people who live in the cities have lower wages because the farmers cannot buy; therefore low prices to farmers force low wages to factory workers. Low wages to the factory worker means he will buy less, because his debts, taxes, and other fixed charges have become proportionately higher by reason of his low wages.

So the effect of the passage of H. R. 1 will mean more purchasing power to the farmers in the form of higher prices but not unreasonably high prices. It means more goods sold because the aggregate wages will increase, which will make fixed charges easier for the wage earner to pay and will cause him to have remaining a much larger percentage of his earnings to buy goods, which will mean more goods sold. This will lead to more production and more tax collections for the Government.

Any consumer who demands a price so low that the farmer or wage earner does not receive a fair price or a fair wage to give him purchasing power, is demanding a price that will destroy the purchasing power of two-thirds of our people and will eventually destroy our Nation. If low prices were the paramount consideration, repeal of the protective tariff would be the logical step in that direction.

February 21, 1939, I received a letter from a farmer, which stated:

"I am a farmer and a producer of fruits and vegetables and ship them to most all eastern markets. For a number of years these markets have been declining so rapidly at present it is useless to ship at all. I ask the commission men what is the trouble and the answer from them all is the same—'chain-store control.'"

The same thing applies to dairy and other farm products.

FARMERS' PLIGHT WORSE AS CHAINS GROW

The question is asked: How does interstate chain buying power affect the farmer?

Answer. The chains' representatives know when perishable and other products of the farmer are moving to the market. They know exactly where each car is traveling every night. If they want to reduce the price on that market, all they have to do is to withdraw for the period of time necessary to effect their purpose. In this way they force prices down or force the farmer to take his products back home to await a more favorable market. The farmer cannot return his products because the freight charges would be more than his products would be worth.

As the interstate corporate chains have grown in number, size, and power, the farmer's plight has become more and more acute. As the sales volumes of these concerns approached their peak, farmers' prices sank lower and lower, until the yearly total of agriculture income became so low as to cause national alarm.

Question. What was done by the Government to protect the farmer against such an abuse of mass buying power?

Answer. The Federal Surplus Commodities Corporation was organized in 1933 under the Department of Agriculture. Large sums of money running into many millions of dollars each year appropriated by the Government have been used by this agency to go into the markets, where the chains were destroying the buying power of the farmer, and buy up some of the farmer's products at distressed prices and prevent a total collapse of the market in that area. It is a case of Government money being used in an effort to protect the producers against a conspiracy on the part of the big chains. It is well known that this agency is powerless, in many instances, properly to protect the producers against the tremendous power and influence of a few organized large buyers of national corporate chains.

FARM ORGANIZATIONS ON H. R. 1

The question is asked, Is it true as charged that the American Farm Bureau Federation, at its anual convention in New Orleans, passed a resolution against H. R. 1?

Answer. The proceedings of this convention disclose that the following resolution, No. 16, was passed:

"We condemn discriminatory and punitive taxes of all types designed to favor or penalize a selected group. The enactment of such legislation results in further efforts by other groups to obtain special privileges."

Evidently the delegates to this convention were sold on the theory that this resolution correctly outlined the aims and purposes of H. R. 1—at that time the bill was H. R. 9464 in the Seventy-fifth Congress. Doubtless our side was not presented. Let us see if the resolution properly describes our proposal. First, the primary object of H. R. 1 is not to levy discriminatory or punitive taxes. It is using the taxing power as a vehicle to correct a bad economic system. Suppose it should favor independent business, that is no excuse for opposition to it if it is in the country's interest. If chains were put out of business entirely the million and a half independent merchants would not have a monopoly. Another million and a half people could immediately go into competition with them. The resolution applies to the protective tariff, as it is a punitive tax.

The American Farm Bureau passed a resolution at the same convention against monopoly, as follows:

"RESOLUTION 15—MONOPOLY

"The alarming growth of monopolistic practices and monopolistic controls in industry and labor place a heavy burden upon American agriculture and constitute one of the chief reasons for the inequalities between farm prices, industrial prices, and industrial wages.

"We commend the Federal Trade Commission and the United States Department of Justice for instituting a more aggressive and effective enforcement of antitrust laws and urge a continued, vigorous attack upon illegal monopolies and unfair trade practices."

The interstate chains dominate more farm prices than any other group in America and have done more to destroy farm prices. One would think from the wording of that resolution that its object was severely to condemn the interstate chain systems.

I cannot agree that Resolution No. 16 was passed to praise the chains, as their defenders are contending, after the Farm Bureau passed Resolution No. 15 that hits them right on the nose.

IF FARMER PROSPEROUS—NATION PROSPEROUS

It is my belief that the prosperity of this Nation depends upon the prosperity of the American farmer. Any system that reduces the buying power of the farmer works a hardship on all the other people, whether they are engaged in the professions or business or wage earners. When the farmer is prosperous wage earners are prosperous. So the wage earner who insists on perpetuating a system that is reducing the purchasing power of the class that represents the best customer for what he—the wage earner—is manufacturing is certainly not acting in his own interest or in the country's interest.

The farmers of this Nation today, and especially those engaged in dairying, producing livestock, poultry, eggs, and all fruits and vegetables, would be enjoying a fair measure of prosperity were it not for the conspiracy of a few interstate chain-store owners who are dominating the market for these products and forcing the prices real low in order to accommodate their city consumers. City consumers who have vision realize this and know that it is against their interest and the interest of the country, and would not object to paying a fair price—one that would be fair to the producers.

FARMERS' WELFARE INVOLVED

How will the farmer be affected by this bill?

The large chains have framed up on the farmer and practically ruined him. Recently the largest chain in America carried the following advertisement all over the Nation. I quote:

"We have got food prices pinned down to startlingly low levels and are holding them down. We will keep them down—way down—every day in the week."

Mr. KNUTSON. What company was that?

Mr. PATMAN. Well, I said the largest chain in America. That would necessarily be the Great Atlantic & Pacific Tea Co. I will state to the gentlemen that this advertisement was carried in Dallas, Tex. But that statement means the producer of dairy products, poultry, eggs, etc.

That statement means that the producers of dairy products, poultry, eggs, tomatoes, potatoes, and all fruits and vegetables will continue to receive below the price of production in order that this concern might control prices and get a firmer monopolistic grip upon the throats of the American people.

It goes back much further than saving a few cents on farm products. Farmers work hard. They are entitled to a fair price and a sufficient income to enjoy the American standard of living, which they are not getting.

These big monopolistic concerns are destroying farm prices, placing farm families upon starvation, depriving farm children of an opportunity in life. And doing all this in your name and claiming that, as chains, they are a great benefit to you, the city consumers.

Time and time again the Federal Trade Commission has reported, in effect, that the 1 percent of the chain-store companies (seriously affected by this bill) are operating against the interest of the farmer.

LOW-INCOME GROUPS NOT HELPED BY CHAINS

The question is asked, Is the statement made by representatives of chain-store groups true, that the chain stores help low-income groups?

Answer. If that is true, which I deny, H. R. 1 will not deprive low-income groups of such help, as the passage of this bill will only seriously affect one-third of 1 percent of the chain-store companies. It will not destroy the one-third of 1 percent but will have a tendency to restrict each company in this category to the boundaries of one State or smaller area.

Question. Do low prices help the low-income groups?

Answer. What is known as the submerged one-third of our people will be helped more by good prices and good wages than they will by low prices and low wages. Suppose we should arbitrarily reduce prices 50 percent and wages 50 percent. The argument would be made that the wage earner earning $2 per day under the new scale would be able to buy as much as he formerly bought when he received $4 per day, since prices had been reduced in proportion. This is a beautiful theory, but in practice it does not work out. The people of this Nation owe more than $200,000,000,000 in debts. Much of it is owed by the one-third of our people in the low-income class. If we reduced their wages and prices 50 percent, we in effect would double their indebtedness, in what they have to pay with. Instead of owing $100, they will owe $200, measured in their paying power, and instead of paying 6 percent interest they will pay 12 percent interest.

Further, there are certain fixed charges that cannot be reduced and which become cheap or lower only with good prices and good wages. I refer to electricity, gas, water, and telephone service; also to railroad freight and passenger rates and such fixed charges as interest, debts, and taxes.

The lower the wages and the lower the prices of farm products and other commodities that go to make up purchasing power the higher in proportion becomes the debt and tax burden.

IF HOMES, CHURCHES, AND SCHOOLS ARE DESTROYED, THE NATION WILL BE DESTROYED

Three of the greatest institutions on earth are the homes, the churches, and the schools. Anything that destroys community life destroys or weakens these three great institutions. Not only are these three great institutions being destroyed by absentee ownership of local business but the increase in tenancy on the farms has increased to such an alarming extent that the farm problem has become a major problem.

Farming is a big business. According to the last census, there are 6,812,350 farmers in the United States; 31,800,907 people dependent upon farming for a livelihood, a million increase over 1930; about 1,080,000,000 acres are in cultivation. The land and buildings aggregate about $33,000,000,000 in value. There are 11,000,000 horses, 5,000,000 mules, 68,000,000 cattle, 25,000,000 milk cows, 51,000,000 sheep, 42,000,000 swine, and 575,000,000 chickens on these farms. They produce an average of 2,000,000,000 bushels of corn every year, about 750,000,000 bushels of wheat, and an average of about 13,000,000 bales of cotton. It is the greatest business in the world.

WHERE WEALTH ACCUMULATES AND MEN DECAY

Two hundred years ago a young boy was growing up in a village in central Ireland, who later became one of England's most famous poets. He witnessed the farms of his surrounding countryside passing from the hands of their local proprietors into those of absentee English landlords. Thirty years later he immortalized its wasted remains as The Deserted Village. Its lines are as vibrant with warning to us today as they were poignant with memories to his impoverished countrymen of that generation:

"Ill fares the land, to hastening ills a prey,
Where wealth accumulates, and men decay;
Princes and lords may flourish, or may fade;
A breath can make them, as a breath has made;
But a bold peasantry, their country's pride,
When once destroy'd, can never be supplied."

The peasantry to whom Goldsmith referred in those living lines was not the farmer as an employed laborer but the farmer as an independent proprietor and businessman, the owner and manager of his farm as a business enterprise. It was their independent proprietorship that gave them that sturdiness which was their country's pride; it was their reduction to tenancy and the ranks of employed labor that broke their spirit and sapped the life of their community. The problem that then afflicted rural Ireland menaces rural and urban America today.

THREE MAJOR PROBLEMS

I consider the three greatest problems confronting our country at this time are the following:

First. A monetary system that will provide an adequate supply of currency and credit for the needs of the people; a system that will not cause either inflation or deflation, but a system that is administered by the Government instead of by those who are selfishly interested.

Second. Parity prices for basic farm commodities.

This will provide one-third of our population with purchasing power, and bring prosperity to the other two-thirds of our people.

Third. Prevention of absentee ownership of any business that local people are able and willing to operate. Protection should also be afforded local business against destruction by absentee ownership. This is one of our greatest problems. If a few people control distribution, a few people will determine the price that producers and manufacturers shall receive for what they produce and manufacture, and the same few people will tell the consumers what they must pay. Monopoly invariably fixes a price just as high as they can fix it. Our experiences in the past are too convincing for anyone to assert the contrary.

I have often made the statement that the interstate chains were closely connected up with Wall Street interests. That statement has been denied. I believe that I have proof of it and, with the permission of the committee, I will insert herewith a chart that has been carefully prepared, which discloses the chains and retail outlets connected with seven private banking firms and four large commercial banks. It will be noticed that these chains and large subsidiaries represent the largest interstate chain-store concerns in our country. It is self-explanatory, and is as follows:

(Chart cannot be inserted but it will be contained in the printed hearings of the committee.)

This chart that I have introduced in the record, gentlemen, shows on one side the private banking houses, and the large commercial banks; in the middle of the chart, the chains and large subsidiaries, retail outlets, connected with seven private banking firms and four large commercial banks. It starts off with the Great Atlantic & Pacific Tea Co. and takes in the American Stores Co., the Economy Groceries Corporation, the Jewel Tea Co., the Kroger Grocery & Baking Co., the National Tea Co., the Purity Bakeries Corporation, the Borden Co., the National Dairy Products Co., the United Drug Co., etc.

I have attached in back of this chart a statement prepared by the legislative-reference department of the Library of Congress that discloses the number of chain outlets owned and operated by each one of these concerns and the amount of sales of each one of these concerns.

Mr. KNUTSON. Do you attempt to prove by this chart that the large banks own or control the chains?

Mr. PATMAN. I do not attempt to prove that the large banks own the chains.

Mr. KNUTSON. Or control them?

Mr. PATMAN. But I do believe that it is a matter of general knowledge that the financial director on any board has more influence on that board than any other director on it. And I certainly believe that he has influence that few directors have and, to that extent, they are influencing these concerns that have interlocking directorates.

Mr. KNUTSON. These companies have interlocking directorates—the companies that you name are on this sheet?

Mr. PATMAN. Yes, sir.

Now, in connection with Wall Street owning interstate chain stores: I have made the statement that the interstate chain-store concerns that would be seriously affected by this bill were practically all connected up with Wall Street interests. I stand by that statement and will offer proof of what I have said.

First, with the permission of the committee, I will insert in the record a chart which shows the number of chains and retail outlets in which Lehman Bros., of New York, have a director and also the suppliers of goods and services in which Lehman Bros. have a director. In other words, the names of all the chains and retail outlets are given on one side and the names of the suppliers of goods and services given on the other side. This table shows in the middle of the chart the names of the partners and those employed by Lehman Bros. who are directors in the concerns named. The chart is self-explanatory.

(Chart cannot be inserted here but will be contained in printed hearings of committee.)

With reference to one New York concern, Lehman Bros., I have introduced this chart and a statement covering retail outlets. On this chart there are listed the chains and the retail outlets, and on the other side of it the suppliers of goods and services, and in the middle the partners in this firm and the employees—that is, Lehman Bros.—showing the directorships in the retail field. That was prepared from information furnished to me by a source the reliability of which I have no doubt of. I am willing to state that it is true and correct.

I have, in addition to that, the name of each one of the concerns listed on that chart in which Lehman Bros. have a director, the number of outlets of that concern, and the amount of the sales.

This information shows that they represent—at least, have interlocking directorships in—concerns that own 13,402 outlets engaged in different kinds of business, that do a total business of $2,361,-000,000 a year.

Now, we are asking that the filling stations be included in this bill, and I have had prepared a chart which shows the interlocking directors of the large oil companies and the large banks, and that chart is self-explanatory. This chart shows the connection between large banks and financial companies and the large oil and sulfur companies. The sulfur companies are not involved in this bill, however, except when their products are sold through chains. Most of the oil companies have a large number of retail filling stations. It is true that since the passage of the Social Security Act an effort has been made to evade this act by the large oil company leasing a filling station to the operator. In that way the social-security taxes have been successfully evaded. If H. R. 1 becomes a law and the amendment, which I have suggested, is eliminated from H. R. 1, all of these filling stations will be subject to the tax, will force the oil companies to permit them to be owned by private owners and will prevent the oil companies from evading the payment of the social-security tax through the lease arrangement as they are now evading the tax. The chart is self-explanatory and is as follows:

(See committee hearings.)

I have another chart here, which is self-explanatory. This shows three private banking houses in New York and two commercial banks in New York, and indicates the chains and retail outlets that they have through their directorships. The three private banks are Goldman, Sachs & Co., Lehman Bros., and J. P. Morgan & Co. The two commercial banks are the Chase National Bank and the Guaranty Trust Co., which have interlocking directors on the principal interstate chain-store boards in America; this commences with Montgomery Ward & Co., also the Great A. & P. Tea Co.; American Stores; Jewel Tea Co.; Kroger Grocery & Baking Co.; Borden Co.; National Dairy Products Co.; United Drug Co.; Sears, Roebuck & Co.; S. H. Kress & Co.; Associated Dry Goods Corporation; Allied Stores Corporation; Federated Department Stores; Franklin Simon & Co.; Gimbel Bros.; W. T. Grant; Interstate Department Stores; Kaufman Department Stores; May Department Stores Co.; Oppenheim-Collins & Co.; H. L. Green Co.; McCrory Stores Corporation; McClellan Stores; F. W. Woolworth.

(See committee hearings.)

A pipe line from every community in America to Wall Street banks: The Chase National Bank of New York, which has assets of more than $3,000,000,000, has interlocking directorates with the Atlantic & Pacific Tea Co., the Borden Co., Allied Stores, Inc., Oppenheim-Collins Co., and H. L. Green Co.

The Guaranty Trust Co., of New York, with assets of two and one-third billion dollars, has interlocking directorates with the Atlantic & Pacific Tea Co., W. T. Grant Co., McCrory Stores, Inc., and McClellan Stores Co.

The Atlantic & Pacific Tea Co. has a director on the board of the Chase National Bank and the Guaranty Trust Co.

Twenty-four banks own one-third of the resources of the entire 16,000 banks in America; 13 of these 24 banks are in New York City; the 2 banks—Chase National and Guaranty Trust—own one-fourth of the resources of these 24 banks.

A few men controlling a few banks now control the corporate wealth of the Nation.

The hand of greed should be taken from the throat of the American people.

When we take into consideration the fact that the Wall Street banks control practically all the money-making businesses of the country, we wonder what is going to happen. I doubt that a dictatorship would allow this to happen, yet we who live in a democracy tolerate this deplorable condition.

TWENTY-FOUR LARGE BANKS HAVE MORE THAN 30 PERCENT OF RESOURCES OF ALL BANKS

List of banks in the United States with resources in excess of $350,000,000 in the order of their size at Dec. 31, 1936

	Officers	Directors	Resources Dec. 31, 1929 (thousands)	Resources Dec. 31, 1936 (thousands)
1. Chase National Bank (N. Y.)	63	25	$1,714,829	$2,562,182
2. Guaranty Trust Co. (N. Y.)	42	23	2,017,119	2,086,979
3. National City Bank (N. Y.)	36	19	2,206,241	1,904,800
4. Bank of America National Trust & Savings Association	20	25	1,055,113	1,430,337
5. Continental Illinois National Bank & Trust Co.	29	21	1,176,603	1,232,513
6. Bankers Trust Co. (N. Y.)	34	20	817,977	1,070,173
7. First National Bank of Chicago	45	25	365,559	991,280
8. Central Hanover Bank & Trust Co. (N. Y.)	34	23	769,259	979,309
9. First National Bank of Boston	28	25	703,347	756,202
10. Manufacturers Trust Co. (N. Y.)	29	25	508,226	748,564
11. Irving Trust Co. (N. Y.)	27	23	865,980	728,677
12. Chemical Bank & Trust Co. (N. Y.)	32	20	423,172	686,676
13. Security First National Bank (Los Angeles)	54	25	610,683	649,173
14. First National Bank of the City of New York	9	10	568,425	648,019
15. Bank of the Manhattan Co.	30	14	506,939	570,538
16. J. P. Morgan & Co.-Drexel & Co.	[1]19	19	(2)	550,338
17. Philadelphia National Bank	13	24	358,423	497,392
18. New York Trust Co.	15	19	401,665	444,556
19. National Bank of Detroit	15	14	(3)	442,803
20. Union Trust Co. of Pittsburgh	10	14	217,786	386,913
21. Mellon National Bank (Pittsburgh)	7	23	192,501	380,895
22. Cleveland Trust Co.	38	25	316,508	380,070
23. Corn Exchange Bank Trust Co. (N. Y.)	16	15	298,483	360,262
24. Northern Trust Co. (Chicago)	33	8	69,395	355,701
Total	678	484	16,164,233	20,853,352
Comparable figures 21 banks [4]			16,094,838	19,504,510
Total resources, all banks			72,038,566	67,525,335
Percent of total resources in 21 large banks			22.34	28.88

[1] Partners.
[2] No report made public.
[3] Organized Mar. 24, 1933.
[4] Eliminating J. P. Morgan & Co., National Bank of Detroit, and Northern Trust Co., Chicago.

The relationship of these banks to all banks and banking resources as of June 30, 1936, is shown as follows:

Relation of 24 largest commercial banks to all commercial banks

Class of banks	Number of banks	Total resources (thousands)	Percent of total
1. Resources exceeding $350,000,000	24	$20,853,352	30.88
2. All other banks	15,964	46,672,983	69.12
3. Total	15,988	67,525,335	100.00

From the above summary it is shown that over 30 percent of all commercial banking resources is in the hands of 24 banks out of a total of 15,988 (as of date indicated) or less than sixteen-hundredth of 1 percent of all banks. Reference to another tabulation indicates there was a trend toward increased concentration of banking resources for the period 1930–36.

As in the case of corporations, the banking control exercised by these banks extends beyond the resources in their own hands, since many of the smaller banks have banking relationships with the larger banks and are subject to their control in many ways.

These 24 banks are controlled by 484 directors, but from a practical standpoint, as in the case with boards of directors of other corporations, many directors are not generally active in the affairs of the banks.

The above number is also reduced due to duplications resulting from interlocking directorates. Therefore it may be assumed that the actual control of these banking resources is concentrated in the hands of a relatively few men.

The relationships among the 24 leading banks were studied and it was found that further concentration exists in this group, as evidenced by interlocking directorates.

CHART SHOWING INTERLOCKING DIRECTORS BETWEEN CORPORATIONS AND LARGE BANKS

From the study of interlocking control between banks and industry the following conclusions may be reached:

(1) There exists a definite community of interest and interlocking control between banks and industry.

(2) Of a total of 1,543 directorships in the 100 major corporations there are 403 connections with the 24 banks through interlocking directorates.

(3) Of a total of 488 directorships in the 24 leading banks there are 403 connections with the 100 corporations through the interlocking directorates.

(4) Of the 403 interlocking directorships between the 100 corporations and 24 banks, 230 are held by directors of 7 banks and 103 by directors of 2 banks.

(5) The 100 major corporate units having interlocking directorates represent concentration of wealth in their respective fields.

(6) Interlocking control is represented by the men holding the 403 interlocking directorates. One hundred men of this group represent the more important interlocking directorates and the potential control of a large part of our national wealth.

(7) The attached charts illustrate the relationship existing between the 24 leading banks and 100 major corporations. In the large chart each connection between the banks and companies is shown.

CHART SHOWING INTERLOCKING DIRECTORS BETWEEN 100 CORPORATIONS AND 24 LEADING BANKS

(See committee hearings.)

WHEEL OF WEALTH—SUMMARY CHART SHOWING INTERLOCKING DIRECTORS BETWEEN 100 CORPORATIONS AND 24 LEADING BANKS

(See committee hearings.)

What Woodrow Wilson said about concentration of wealth and large corporate units:

In 1909 Woodrow Wilson in his New Freedom maintained that as a result of the concentration of the credit system in the hands of the few we had become "the most highly controlled and dominated government in the civilized world." This subject was commented on from time to time by men prominent in public affairs, and as a result of those comments, and the general situation existing, Congress appointed the Pujo investigating committee in 1912, with Samuel Untermeyer as counsel. After extended investigation, this committee issued its report analyzing the financial control of the Nation as the committee then saw it. It directed attention to the First National Bank of New York, National City Bank of New York, Lee Higginson & Co., of Boston, Kidder, Peabody & Co., and Kuhn, Loeb & Co., as the most active agents in bringing about concentration of credit control.

The concentration of wealth in large corporate units and the ultimate control of this wealth by a few individuals have merited for some time the interest and study of men prominent in the affairs of the Nation. The following statements by Woodrow Wilson indicate the general tenor of a great mass of material on this subject, a portion of which may be obtained from the reference material listed in the first division of the study.

"It is true that while most men are thus submerged in the corporation, a few, a very few, are exalted to a part which, as individuals, they could never have warranted. To the great organizations of which they are the heads, a few are able to play a part unprecedented by anything in history in the control of the business operations of the country, and in the determination of the happiness of great numbers of people.

"American industry is not free, as it once was free; American enterprise is not free; the man with only a little capital is finding it harder to get into the field, more and more impossible to compete with the big fellow. No man can deny that the lines of endeavor have more and more narrowed and stiffened. No man who knows anything about the development of industry in this country can have failed to observe that the larger kinds of credit are more and more difficult to obtain unless you obtain them upon the terms of uniting your efforts with those who already control the industries of the country.

"The dominating danger in this land is not the existence of the great individual combinations—that is dangerous enough in all consciousness—but the combination of the combinations—of the railroads, the manufacturing enterprises, the great mining projects, the big enterprises of the development of natural water power in the country, banded together in the personnel of a series of boards

of directors into a "community of interest" more formidable than any conceivable single combination that dare appear in the open.

"The great monopoly in this country is the monopoly of big credits. So long as that exists our old variety of freedom and individual energy of development are out of the question. A great industrial nation is controlled by its system of credit. Our system of credit is practically concentrated. The growth of the Nation, therefore, and all our activities are in the hands of a few men who, even if their action be honest and intended for the public interest, are necessarily concentrated upon the great undertakings in which their own money is involved and who necessarily by the very reason of their own limitations chill and check and destroy genuine economic freedom. This is the greatest question of all, and to this statesmen must address themselves with a determination to serve a long future and the true liberties of men."

Mr. KNUTSON. What you say would indicate that the money changers have not been driven from the temple.

Mr. PATMAN. I think President Roosevelt has done more for this country than any other half dozen Presidents that have ever served as President; for the poor people especially and for the underprivileged classes, and the lower one-third as well as the people generally. But you cannot do everything in a short period of time. We must crawl before we can walk. It takes time to do these things, and these money masters have lots of interests and lots of controlling interests. They can greatly retard any President by placing obstacles in his way.

I do not believe that they can affect President Roosevelt or his administration. They have been hollering. And when they begin to make a noise you know that they have been hit.

I notice that the S. E. C. the other day issued a statement that they were going to compel these directors to ask for bids on contracts for the corporations they represent, where the amounts exceeded a certain sum. You noticed what they said about that. And you can just take the howls and the grumbles and the complaints of these New York banks and these big bankers over the country generally and put them down as evidence that something has been done to them in an effort to protect the interest of the people.

There are two things—money and monopoly—that I hope this administration will get after next. The Department of Justice is doing a good job on monopoly. I think within a reasonable time those two major evils will be corrected. But you cannot save all the banks in the country and all the homes, all the railroads and all the insurance companies, and raise the purchasing power of the people by helping the farmers and wage earners and send millions of boys and girls to school and give millions of people old-age pensions, and do everything else along with those things, without taking time. It takes time to do those things.

But I do not want to get into any discussion with the gentleman on politics.

Mr. KNUTSON. You can go ahead; I have a thick skin.

Mr. PATMAN. Of course, the gentleman and I are good friends and what we say about these things is accepted in the same spirit as what is said in a courthouse between lawyers.

WHO GETS THE DIVIDENDS?

It is said that the stock ownership of interstate chain stores is so widely distributed that the people in all the towns and cities where these stores are located receive dividends as though they were the local owners. This, if true (and I deny that it is true) is not a complete answer to the charge of remote and absentee ownership of a business that should be owned and conducted by local people.

The statistics of the Bureau of Internal Revenue, which were quoted by the President of the United States in his message to Congress on April 29, 1938, contain the following information relative to the ownership of corporations:

"Ownership of corporate assets: Of all corporations reporting from every part of the Nation, one-tenth of 1 percent of them owned 52 percent of the assets of all of them.

"And to clinch the point: Of all corporations reporting, less than 5 percent of them owned 87 percent of all the assets of all of them.

"Income and profits of corporations: Of all the corporations reporting from every part of the country, one-tenth of 1 percent of them earned 50 percent of the net income of all of them.

"And to clinch the point: Of all the manufacturing corporations reporting, less than 4 percent of them earned 84 percent of all the net profits of all of them."

The President, in this message, stated:

"The danger of this centralization in a handful of huge corporations is not reduced or eliminated, as is sometimes urged, by the wide public distribution of their securities. The mere number of security holders gives little clue to the size of their individual holdings or to their actual ability to have a voice in the management. In fact, the concentration of stock ownership of corporations in the hands of a tiny minority of the population matches the concentration of corporate assets.

"The year 1929 was a banner year for distribution of stock ownership.

"But in that year three-tenths of 1 percent of our population received 78 percent of the dividends reported by individuals. This has roughly the same effect as if, out of every 300 persons in our population, 1 person received 78 cents out of every dollar of corporate dividends while the other 299 persons divided up the other 22 cents between them.

"The effect of this concentration is reflected in the distribution of national income.

"A recent study by the National Resources Committee shows that in 1935–36, 47 percent of all American families and single individuals living alone had incomes of less than $1,000 for the year; and at the other end of the ladder a little less than 1½ percent of the Nation's families received incomes which in dollars and cents reached the same total as the incomes of the 47 percent at the bottom."

Then the President added these significant words:

"We believe in a way of living in which political democracy and free private enterprise for profit should serve and protect each other—to insure a maximum of human liberty not for a few but for all.

"It has been well said that, 'The freest government, if it could exist, would not be long acceptable, if the tendency of the laws were to create a rapid accumulation of property in few hands, and to render the great mass of the population dependent and penniless.'"

The fact is that a few men who control a few large banks control a majority of the corporate wealth of the entire Nation.

I have here some statistics, which were referred to by the President of the United States in his message, to show that these dividends go to a very few people, go to very few hands. I have a statement here which contains very unusual information and which shows conclusively that these dividends are not as widely distributed; and which also shows conclusively that these shares are not owned by the people all over the Nation.

A majority of the money-making businesses of this Nation are now controlled by a few men who own and control a few banks. I made this same statement on the floor of the House in the early part of the year 1938, and the Honorable Bertrand Snell, who was then the minority leader in the House, attempted to criticize me for the statement. On February 17, 1938, he attempted to show in a speech on the floor that my statement was misleading; that while a few large concerns own much of the business and industry of the country, they are corporations—according to his contention—and the stock is owned by people all over the country. In other words, that the stock was not concentrated into the hands of a few but it was widely owned by people in every nook and corner of the Nation. He listed a number of companies of the greatest wealth and gave them as examples of companies that were owned by such a large number of people throughout the country. I took it upon myself to contact these corporations and ask them for further information. In compliance with my request, I was furnished the information as to the number of shares of stock held by people in each State and the number of people who owned this stock in each State, as well as the par value. The information was obtained for the following-named corporations, as of the dates mentioned and assets after the names of the corporations:

	Assets
American Telephone & Telegraph Co., Dec. 15, 1937	$2,978,500,000
General Motors Corporation, Dec. 31, 1937	1,598,000,000
Pennsylvania R. R., Dec. 31, 1937	2,322,400,000
United Gas Improvement Corporation, Feb. 1, 1938	837,600,000
Standard Oil Co. of New Jersey, Dec. 31, 1937	2,044,600,000
North American Co., Mar. 2, 1938	931,600,000
Packard Motor Car Co	49,400,000
Socony-Vacuum Oil Co., Inc., Feb. 21, 1938	923,400,000
Pacific Gas & Electric Co., Jan. 31, 1938	764,300,000
Standard Oil Co. of Indiana, Feb. 15, 1938	724,600,000
Armour & Co., Illinois, Dec. 31, 1937	307,200,000
Du Pont de Nemours & Co., June–August 1936	810,500,000
National Dairy Products Corporation, Nov. 29, 1937	199,700,000
Commonwealth Edison Co., Nov. 10, 1937	824,300,000
American Waterworks & Electric Co., Inc., Mar. 15, 1938	399,500,000
New York Central R. R., Dec. 31, 1936	1,822,000,000
American Tobacco Co., Dec. 10, 1937–Feb. 10, 1938	276,700,000
Swift & Co	306,500,000
Total	18,120,600,000

The above figure of $18,120,600,000 is 15.1 percent of the estimate of $120,000,000,000, which was the estimate of the wealth of all nonfinancial corporations as of December 31, 1936.

Only information of the kind available: Volume 83, part 6, of the CONGRESSIONAL RECORD containing the tables which I inserted at that time. At page 6415 of this RECORD will be found a list of the 24 major American companies, showing stockholders, employees, and directors with banking connections, which were referred to by Mr. Snell in his criticism. Following this statement will be found the distribution of stockholders and shares of American Telephone & Telegraph Co., and the other 17 companies that furnished me the information about the number of stockholders and the number of shares in each State and the par value. I will not reproduce it here. It is too long. It is unusual information, and I believe it is the only information of the kind available.

However, I have had prepared one statement which shows the total number of shares of all these corporations that were held by citizens of each State. The statement also discloses the per capita shares of stock in each State and the percent held in each State. The table for the 18 large corporations by States is as follows:

Capital-stock distribution of 18 large corporations, by States[1]

State	Population [2]	Shares of stock		Percent held [4]
		Total	Per capita	
Delaware	261,000	21,264,553	$81.50	8.67
New York	12,959,000	89,827,550	6.93	36.59
Pennsylvania	10,176,000	31,571,223	3.10	12.86
Massachusetts	4,426,000	13,477,123	3.05	5.49
New Jersey	4,343,000	11,204,161	2.58	4.56
Michigan	4,830,000	11,149,203	2.31	4.54
Connecticut	1,741,000	3,986,366	2.29	1.62
Illinois	7,878,000	17,159,901	2.18	6.99
Rhode Island	681,000	1,418,023	2.08	.58
California	6,154,000	11,611,011	1.89	4.74
New Hampshire	510,000	887,061	1.74	.36
Florida	1,670,000	1,786,982	1.07	.73
Vermont	383,000	400,678	1.04	.16
Maryland	1,679,000	1,662,076	.99	.68
Maine	856,000	800,590	.94	.33
Ohio	6,733,000	5,637,914	.84	2.30
Nevada	101,000	79,893	.79	.03
Missouri	3,989,000	3,055,103	.76	1.25
Colorado	1,071,000	817,310	.75	.33
Wyoming	235,000	170,560	.73	.07
Wisconsin	2,926,000	1,793,082	.61	.73
Virginia	2,706,000	1,607,791	.59	.66
Oklahoma	2,548,000	1,334,527	.52	.54
Indiana	3,474,000	1,745,367	.50	.71
West Virginia	1,865,000	827,901	.44	.34
Texas	6,172,000	2,358,906	.38	.96
Arizona	412,000	152,536	.37	.06
Kentucky	2,920,000	1,026,381	.35	.41
Minnesota	2,652,000	923,654	.35	.38
Washington	1,658,000	517,194	.31	.21
Iowa	2,552,000	772,452	.30	.32
Oregon	1,027,000	293,367	.29	.12
Montana	539,000	151,295	.28	.06
Kansas	1,864,000	487,201	.26	.20
Utah	519,000	131,369	.25	.05
New Mexico	422,000	104,961	.25	.04
Louisiana	2,132,000	493,844	.23	.20
Nebraska	1,364,000	319,414	.20	.13
Tennessee	2,893,000	539,248	.19	.22
North Carolina	3,492,000	630,931	.18	.26
Georgia	3,085,000	463,489	.15	.19
South Dakota	692,000	96,895	.14	.04
Idaho	493,000	57,522	.12	.02
North Dakota	706,000	72,527	.10	.03
South Carolina	1,875,000	172,479	.09	.07
Alabama	2,895,000	199,110	.06	.08
Mississippi	2,023,000	123,090	.06	.05
Arkansas	2,048,000	103,914	.05	.04

[1] Arranged in order of per capita holdings.
[2] 1937 midyear census estimate, United States Statistical Abstract 1938 (p. 9).
[3] Obtained by consolidating State reports of 18 large corporations inserted in Congressional Record (vol. 83, pt. 6, p. 6415-6422).
[4] Percentage of total shares of these corporations held in the 48 States, excluding the District of Columbia

Thomas R. Baldwin, Mar. 4, 1940.

The following table discloses the number of shareholders in each State and the number of shares held by each holder in these 18 large corporations:

	Number of shareholders	Shares per holder
Delaware	18,166	1,171
New York	465,314	193
Oklahoma	8,355	160
Michigan	74,496	150
Florida	15,589	115
Texas	22,277	106
Pennsylvania	352,044	90
New Jersey	143,627	78
Illinois	229,507	75
Virginia	22,842	70
Ohio	80,591	70
Rhode Island	21,407	66
Connecticut	61,868	64
California	171,747	63
Missouri	48,610	63
Massachusetts	229,868	59
West Virginia	14,546	57
New Mexico	1,867	56
North Carolina	11,699	54
Kentucky	19,238	53
Indiana	32,688	53
Wyoming	3,348	51
Colorado	16,183	51
Nevada	1,611	50
Louisiana	10,126	49
Tennessee	11,080	49
Arizona	3,217	47
Kansas	10,467	47
Maryland	35,436	47
Minnesota	22,580	41
Wisconsin	40,469	40
Utah	3,572	37
Nebraska	8,729	37
Washington	14,148	37
New Hampshire	24,255	37
Iowa	21,076	37
South Dakota	2,667	36
Mississippi	3,424	36
Alabama	5,504	36
Maine	22,135	36
Arkansas	2,959	35
Vermont	11,586	35
Georgia	13,095	35
Montana	4,477	34
Oregon	8,699	34
South Carolina	5,196	33
North Dakota	2,295	32
Idaho	1,994	29

In Dr. Prescott Webb's book on Divided We Stand, the United States is divided up into three sections—North, South, and West—for the purpose of showing that most of the wealth is owned in the North. I will use the regional lines used by Dr. Webb in his book and insert herewith a table, which shows how this stock is distributed between the North, South, and West. The table is as follows:

Capital-stock distribution of 18 large corporations, by regions

Region	Population (thousands)	Number of shareholders	Shares			Percent held
			Total	Per capita	Per holder	
North	73,049	1,935,723	218,736,080	2.99	113	89.1
South	35,776	157,575	10,334,066	.29	66	4.2
West	19,805	263,376	16,397,582	.83	62	6.7
Total	128,630	2,356,674	245,467,728	1.91	104	100.0

This manuscript supplements one entitled "Capital Stock Distribution of Eighteen Large Corporations, by States."

North: Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Delaware, Maryland, Pennsylvania, Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri. South: Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Texas. West: North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Montana, Idaho, Wyoming, Colorado, Utah, New Mexico, Arizona, Nevada, Washington, Oregon, California.

Since California holds 4.74 percent of the stock the other Western States hold less than 2 percent of the stock of these 18 companies, which is considered typical of all large corporations.

Dr. Webb's book: Dr. Walter Prescott Webb is a professor of American history at the University of Texas, Austin, Tex. He is the author of the book Divided We Stand—the Crises of Frontierless Democracy. This book was published in 1937 and has attracted a great deal of attention. It should be read and studied by every person in America who is interested in economic justice and freedom of opportunity for all the people.

In Dr. Webb's book he was able to use but one example of sectional distribution of stockholders, and that was the example of the American Sugar Refining stock, as of December 5, 1935. That distribution, shown by Dr. Webb in his book on page 43, follows very closely the distribution that I have prepared of the 18 large corporations. I repeat this type of information is very scarce and difficult to obtain.

This information is given, not for the purpose of criticizing northern ownership, except to point out that local privileges and local opportunities should be retained by the people in the South and West. Further, it is in the interest of the North that these opportunities and privileges be maintained by the people in the local communities. An effort is now being made by a few men who own a few banks in New York to acquire control over retail distribution in all the counties of the United States.

Very few of us have a thoroughgoing idea of the vast extent of empire controlled by the North, nor need I add here, parenthetically, that I am not indulging in carping criticism of the North, for that is idle occupation. But I am most diligently directing my effort and attention to curing the North of monopolistic evils that

threaten the complete and final ruin of many southern and western sections and which will result in great injury to the North.

We gain a comprehensive picture of northern influence and power upon examination of the following brief facts:

Railroads: Construction of railroads, as far back as 1860, was based on plans to make the West tributary to the North. From that time until the present practically all railroads were built to feed the North and incidentally to kill the flourishing river traffic that had so long nourished the South.

Tariff: Daniel Webster said of the Tariff Act of 1828:

"This bill, if adopted as amended, will keep the South and West in debt to New England for the next hundred years."

We could not accuse Mr. Webster, Dr. Webb says, of being short-sighted. He might well have said "for the next 200 years."

Pensions: Following the War between the States, of a total amount of slightly less than $8,000,000,000, approximately $7,000,000,000 went to the North and $1,000,000,000 to the South and West combined. It was pension money that caused the rise in manufacturing and industry in the North.

Patents: Still another subsidy received by the North came in the form of patent benefits, because practically all machinery and patents are owned by northerners. Patents protect the owners from domestic competition as tariff protects owners from foreign competition.

Dr. Walter Prescott Webb estimates that 90 percent of the effective money-producing patents are held in the North. Much of the statistical information used in this statement is obtained from Dr. Webb's book.

Corporations: Approximately 200 corporations of the United States own 25 percent of the national wealth and over 50 percent of the entire corporate wealth of the Nation. Of the 200 corporations, 180 are in the North, 9 are in the South, and 11 in the West.

Insurance: Citizens of the United States have about $105,000,000,000 worth of life insurance on the books.

Of this amount 95 percent is in the hands of northern companies. There are 14 companies, all located in the North, with over a billion dollars' worth of business. Seventy-five companies have over $200,000,000 each of insurance and together hold $93,000,000,000 of the $105,000,000,000 in force. Fifty-five of these companies are in the North, 14 are in the South, and 6 are in the West. The North has $27 of insurance for each dollar held in the South, and $65 for each dollar held in the West, and it has 19 times as much insurance as the other 2 sections combined. The life-insurance budget is approximately $5,000,000,000 annually. Out of each $100 of this income the North received $96.10, the South only $2.50, and the West a paltry $1.40. The South and West furnish 30 percent of the total insurance in America. They hold only 5 percent. This means that they send $5 of their insurance money North for each $1 they keep at home.

Since this information regarding insurance was compiled by Dr. Webb, the Temporary National Economic Committee has disclosed in part 4 of its report, which is on life insurance, that the 16 largest life-insurance companies have 80.6 percent of the assets of the 308 life-insurance companies reporting. This information is contained on page 1514 of this report. On the same page it is disclosed that 6 large life-insurance companies in New York City and in Newark, N. J.—which is just across the river from New York City—have assets amounting to 56.9 percent of the total assets of 308 life-insurance companies in the United States reporting.

Income: The North's percentage of excess of income over disbursements, of the 75 leading insurance companies, is greater than its proportion of income. Out of each $100 the North gets $97.50, the South gets $1.84, and the West trails with but 76 cents. Where the South made a gain of $1 the North gained $53; where the West made a gain of $1 the North gained $128.50.

Out of every $100 paid in dividends to stockholders of the large corporations, $90.97 is paid to the North, $4.55 to the South, and $4.46 to the West.

Dr. Webb's book discloses that the South and West have within their boundaries most of the natural wealth of America. Leaving aside the fact that they comprise nearly 80 percent of the area, they produce all the gold and silver, 95 percent of the oil, 45 percent of the coal, 90 percent of the lumber, and 63 percent of the agricultural dollars. In the face of all this they hold at the most liberal estimate less than 20 percent of the money, and probably less than 5.

Ancient feudalism was based on the ownership or acquisition of land, but contemporary feudalism is based on finance and capitalism. A glance at the roster of large-scale corporations will show that in almost every line of business, from sugar to petroleum products and from telephony to 10-cent stores, the home office stands grandly on granite pillars somewhere in the North.

And so we view a picture of nearly one-way traffic, with American dollars rolling across country, from the sunny orange groves and succulent apple orchards of the long Pacific coast and from the cotton and oil fields of the South, to the cashier cages in the Northern States.

I have no desire, and I repeat for emphasis, to criticize northern ownership except in point of robbing the South and West of local privilege and local opportunity, for it is only by giving the South and West these opportunities and privileges—and maintaining them—that all sections, including the North, can and will prosper.

Figures from the statistical abstract of the United States show that of nearly $14,000,000,000 of insurance written in 1931, a total of 69.4 percent went to the northern companies, whereas the southern companies had only 15.9 and western companies a shade less, with 14.7 percent of the business.

I have shown you the figures for life insurance and I can add, without further discussion, that the same sort of story is to be found in scores of other lines of business, including a very close parallel in the fire- and casualty-insurance field.

It is utterly obvious that, unless local privilege and opportunity are restored to the South and West, we cannot continue to support the Wall Street interests that are so typical of the North and its octopus tentacles of monopoly.

Finally let me put the picture up for your inspection in the extreme light: In an emergency, and estimated on the basis of $30 a month for each individual, every person in the North could live for 14 months, and here, for the first time, the West supersedes our southern area for the western people could live for 7½ months, whereas the southerners could only go for 2 months and 18 days on their savings. I quote these figures from Webb (p. 41). Nor can I refrain from a direct reference to the closing words in his volume, Divided We Stand. The case is stated most succinctly:

"That the North has the advantage we all admit. But when it faces the effects of its increasing drive for profits, the North will realize that the desire of the South and the West to live and share in the national prosperity is not only natural and legitimate for them, but is essential to its own continued prosperity."

Absentee ownership of any business that can be conducted and owned by local people is a dangerous thing for the country. The object of this bill is to give local people an opportunity to own and control local business and to prevent a few men who own and control a few banks in New York to carry out their conspiracy to get control of the retail distribution of this country. It is not in the interest of New York or the North for retail business to be owned and controlled by a few men in New York City or any other city.

I call your attention particularly to the excess reserves of banks. Where are these excess reserves? The answer is they are located in a few banks, mostly in New York City. A few banks in New York City have about $4,000,000,000 of the $6,000,000,000 excess reserves in all member national banks. These large banks will not make loans to small business; they make loans only to large business concerns; they will make loans to interstate chain-store companies but they will not make loans to their competitors.

Imagine the disproportion when you consider that out of every $100 in excess reserves $85.55 is in the North, $6.84 in the South, and $7.61 in the West. Notice, too, where the combined savings of the country are held.

Do not fail to consider the fact that demand deposits represent our money. All purchases of food, wearing apparel, durable goods such as lumber and hardware, and even luxuries such as jewelry, have a direct relationship to the per capita demand. Where deposits are high the people buy more comforts, necessities and luxuries of life than they do in a State where the per capita demand deposits are low. The standard of living in a State is determined by the available credit and money in that State.

With the assistance of the Comptroller of the Currency, and using the same regions for the North, South, and West that are used in Dr. Webb's book, tables have been prepared showing the deposits in banks in the different regions.

The following tables are self-explanatory:

TABLE 1.—*Time and savings deposits in all classes of active banks in the United States, by regions, June 30, 1939* [1]

Region	Population [2] (in thousands)	Time and savings deposits (in thousands)	Per capita	Percent of total time and savings deposits
North	73,975	$21,005,209	$283.95	81.16
South	36,151	1,637,246	45.29	6.33
West	19,959	3,238,120	162.24	12.51
Total	130,085	25,880,575	198.95	100.00

[1] Exclusive of possessions. [2] As of June 30, 1938.

TABLE 2.—*Demand deposits in all classes of active banks in the United States, by regions, June 30, 1939* [1]

Region	Population [2] (in thousands)	Demand deposits (in thousands)	Per capita	Percent of total demand deposits
North	73,975	$30,041,161	$406.10	78.35
South	36,151	4,292,040	118.73	11.19
West	19,959	4,012,073	201.02	10.46
Total	130,085	38,345,273	294.77	100.00

[1] Exclusive of possessions. [2] As of June 30, 1938.

TABLE 3.—*Reserves of member national banks in the United States, by regions, June 30, 1939*

Region	Reserves (in thousands)			Percent of total		
	Held	Required	Excess	Held	Required	Excess
North	$4,511,543	$2,629,944	$1,881,599	79.99	76.44	85.55
South	489,143	338,596	150,547	8.67	0.84	6.84
West	639,381	472,057	167,324	11.34	13.72	7.61
Total	5,640,067	3,440,597	2,199,470	100.00	100.00	100.00

I have here a statement of the assets of the banks. That has been prepared by dividing the country into 3 sections. I am not sectional, but I am doing this for convenience, just as the Federal Reserve Banking System is divided into 12 great regions. So for convenience and for the purpose of making the point, I have divided this country into 3 regions, the North, the South, and the West. Let us take the bank resources and find out where they are. In the North they are 79.69 percent; in the South only 9.24 percent, and in the West only 11.07 percent.

The people in the North realize that the concentration is just as great in the North as it is throughout the entire Nation. I will offer this table of total assets of all active banks in the United States by regions, June 30, 1939, in the record at this point.

Total assets of all active banks in the United States, by regions, June 30, 1939[1]

Region	Population[2] (in thousands)	Total assets (in thousands)	Per capita	Percent of total assets
North	73,975	$58,288,452	$787.95	79.69
South	36,151	6,761,513	187.04	9.24
West	19,959	8,099,334	405.80	11.07
Total, United States	130,085	73,149,299	562.32	100.00

[1] Exclusive of possessions. [2] As of June 30, 1938.

I also have some information here on the per capita demand deposits, which are, of course, low in the South and in the West, and they will be lowered more if interstate chain stores get control of this country, because the more control they have, the more business they do, the more net profits they drain from these towns that are now almost destroyed.

I have here a statement showing the demand deposits, subject to check, in each State in this Union for 1939, and I will insert that table along with this table of demand deposits of individuals, partnerships, and corporations in insured commercial banks in the United States, the first table being dated June 30, 1939, and the second September 21, 1938. I put those in the RECORD in accordance with permission heretofore granted.

The tables referred to are as follows:

Demand deposits of all active banks in the United States and possessions, June 30, 1939

	Number of banks	Demand deposits[1]	Population (approximate)[2]	Per capita demand deposits
Maine	102	$74,214,000	859,000	$86.40
New Hampshire	107	45,375,000	512,000	88.62
Vermont	84	27,329,000	386,000	70.80
Massachusetts	390	1,208,346,000	4,427,000	272.95
Rhode Island	35	128,689,000	681,000	188.97
Connecticut	207	339,254,000	1,748,000	194.08
Total, New England States	925	1,823,207,000	8,613,000	211.68
New York	888	10,086,194,000	12,983,000	776.88
New Jersey	393	723,818,000	4,358,000	166.09
Pennsylvania	1,103	2,194,664,000	10,216,000	214.83
Delaware	46	127,076,000	263,000	483.18
Maryland	190	331,186,000	1,684,000	196.67
District of Columbia	22	174,643,000	635,000	275.03
Total, Eastern States	2,642	13,637,581,000	30,139,000	452.49
Virginia	315	246,130,000	2,741,000	89.80
West Virginia	181	150,830,000	1,900,000	79.38
North Carolina	228	224,644,000	3,527,000	63.69
South Carolina	151	96,408,000	1,890,000	51.01
Georgia	284	236,541,000	3,110,000	76.06
Florida	170	235,501,000	1,698,000	138.69
Alabama	216	159,970,000	2,926,000	54.67
Mississippi	205	112,918,000	2,038,000	55.41
Louisiana	146	276,336,000	2,142,000	129.01
Texas	844	952,705,000	6,227,000	153.00
Arkansas	216	108,660,000	2,073,000	52.42
Kentucky	414	243,536,000	2,957,000	82.36
Tennessee	299	242,917,000	2,922,000	83.13
Total, Southern States	3,669	3,287,096,000	36,151,000	90.93

[1] Exclusive of deposits of U. S. Government, deposits of banks, and certified and cashiers' checks, letters of credit and travelers' checks sold for cash, and amounts due to reserve agents (transit account).
[2] As of June 30, 1938.

Demand deposits of all active banks in the United States and possessions, June 30, 1939—Continued

	Number of banks	Demand deposits	Population (approximate)	Per capita demand deposits
Ohio	705	1,133,805,000	6,753,000	167.90
Indiana	512	493,224,000	3,489,000	141.37
Illinois	855	2,464,967,000	7,911,000	311.59
Michigan	456	734,144,000	4,877,000	150.53
Wisconsin	582	388,417,000	2,944,000	131.94
Minnesota	683	433,389,000	2,669,000	162.38
Iowa	648	359,411,000	2,561,000	140.34
Missouri	636	757,668,000	4,019,000	188.52
Total, Middle Western States	5,077	6,765,025,000	35,223,000	192.06
North Dakota	169	36,054,000	709,000	50.85
South Dakota	166	55,839,000	692,000	80.69
Nebraska	426	190,119,000	1,364,000	139.38
Kansas	680	275,103,000	1,842,000	149.35
Montana	113	83,586,000	547,000	152.81
Wyoming	58	36,666,000	237,000	154.71
Colorado	144	184,189,000	1,076,000	171.18
New Mexico	41	43,689,000	422,000	103.53
Oklahoma	396	288,884,000	2,568,000	112.49
Total, Western States	2,193	1,194,129,000	9,457,000	126.27
Washington	146	255,751,000	1,673,000	152.87
Oregon	75	149,020,000	1,037,000	143.70
California	229	1,446,980,000	6,249,000	231.55
Idaho	50	59,534,000	501,000	118.83
Utah	59	69,584,000	522,000	133.30
Nevada	11	20,874,000	102,000	204.65
Arizona	12	53,266,000	418,000	127.43
Total, Pacific States	582	2,055,009,000	10,502,000	195.68
Total, United States (exclusive of possessions)	15,088	28,762,047,000	130,085,000	221.10
Alaska	13	8,726,000	62,000	140.74
Canal Zone (Panama)	2	2,218,000	52,000	42.65
Guam	1	59,000	23,000	2.57
The Territory of Hawaii	12	47,168,000	406,000	116.18
Philippines	15	58,079,000	13,609,000	4.27
Puerto Rico	13	27,434,000	1,806,000	15.19
American Samoa	1	60,000	11,000	5.45
Virgin Islands of the United States	1	390,000	22,000	17.73
Total possessions	58	144,134,000	15,991,000	9.01
Total United States and possessions	15,146	28,906,181,000	146,076,000	197.88

This information discloses that the real money of the country—demand deposits—is concentrated and not properly distributed. The actual money is only a few dollars per capita as it is only about $6,000,000,000 in circulation and much of that is in bank vaults. The real business of the country is done on credit or demand deposits subject to check.

Demand deposits of individuals, partnerships, and corporations in insured commercial banks in the United States, Sept. 21, 1938

[Total and per capita amount insured and not insured by Federal Deposit Insurance Corporation by geographic regions]

	Population[1] (in thousands)	Demand deposits insured by Federal Deposit Insurance Corporation			Demand deposits not insured by Federal Deposit Insurance Corporation		
		Total amount (in thousands)	Amount per capita	Percent held	Total amount (in thousands)	Amount per capita	Percent held
United States, total	130,085	$8,533,575	$65.60	100.0	$13,436,405	$103.29	100.0
North	73,975	5,486,802	74.17	64.3	11,370,030	153.70	846.6
South	36,151	1,527,603	42.26	17.9	977,527	27.04	7.3
West	19,959	1,519,170	76.11	17.8	1,088,848	54.55	8.1

[1] Approximate as of June 30, 1938.

NOTE.—Insured deposits include all accounts of $5,000 or less and the first $5,000 of accounts in excess of that amount. The amount of demand deposits actually protected is less than the amount indicated here as in computing insurance protection all accounts standing to the credit of a depositor are combined whereas in the above figures accounts were not combined. To the extent that depositors hold more than 1 demand account in a given bank and the aggregate of the balances in the accounts exceeds $5,000, the amount of insured demand deposits is overstated in this table. In addition, the above figures can be used to indicate the amount of insured demand deposits only to the extent that it is assumed that when an individual holds more than one type of deposit the insurance protection is given first to the demand deposit. In practice the Corporation does not differentiate between types of deposits in making payments to insured depositors.

Referring to this table that I have just put in the record, you will notice that in New York, the demand deposits are $776 per capita. You will notice that in the State of New Jersey, it is $166; in Pennsylvania, $214. The average in that group of States around New York is $452.49.

But the average of the Southern States is only $90, as contrasted with $776 in New York, or $452 for the average for that small group of States around New York.

For the Western States, it is only $192. In the Middle Western States, it is $146. In the Pacific States, it is $195.

STANDARD OF LIVING DETERMINED BY DEMAND DEPOSITS

The demand deposits subject to check represent our money. The actual money in circulation today is small, $6,000,000,000. Much of it is in the vaults of the banks and is held by people who do not put it in circulation. There is only a small amount of money in circulation. But the actual money of this country is the demand deposits in the banks. You can take any State and determine the amount of per capita demand deposits and compare that with other States, and you will find that where the per capita demand deposits are large, that the people have better schools, pay their teachers better salaries, provide better for their aged; have more comforts and conveniences and luxuries for themselves than do the people who live in the States where the per capita demand deposits are low.

We should not further concentrate these deposits into the hands of a few people in a few banks. It is not in the interest of the country.

Too many money-making businesses over the country are now owned by Wall Street. That is the reason our money and deposits are concentrated into a few hands.

Now, we are told that the banks of this country are just bursting open with money. Of course, that is not true. In fact, if every bank should be called upon today to pay its deposits, it would have but a dollar and seventy-five cents for every $100 that it owed. Yet we are not afraid of the banks. They are safe. The deposits are insured up to $5,000. And further, we know that the money will be made available through the Bureau of Engraving over here in Washington. So we are not afraid of the banks.

The point is that we should not allow this money to be concentrated. We should have it distributed throughout the length and breadth of our country instead of having 22 percent less money in the banks over the country today, when the large banks have 90 percent more, we should stop these few concerns from gobbling up all of these privileges and opportunities and taking the net profits away into these larger banks and giving them more control over the money-making businesses of this country.

Mr. McCORMACK. Mr. PATMAN, have you any figures as to the net profits that these companies have made in recent years?

Mr. PATMAN. That will be presented. Following my testimony we have asked that Governor Christianson be heard and then Mr. George Schulte from St. Louis. I believe Mr. Schulte has all of that information and will answer it if Governor Christianson does not and if there is one expert in this country on matters affecting the details as well as the fundamental principles of this vital problem, he is the expert. I am speaking from the side of the independents, and I am sure that he will be able to give you that information. Governor Christianson is also well informed on this subject and will doubtless be able to answer any question you ask.

I will state, gentlemen, that my own investigation discloses that while they claim to make only 1 or 2 percent profit on a dollar of sales, that they are making from 20 to 30 percent profit every year on every dollar invested in the concern. They never use those figures. They never quote that, because that does not sound so good. But it looks rather favorable to say that they only make 1½ or 2 cents on every dollar sale. But if you drain 1 or 2 percent out of a community on every sale, it will not take long before that community is left with its reservoir of credit absolutely dried up.

Mr. McCORMACK. I suppose the taxes would probably be the best evidence of that.

Mr. PATMAN. I shall have inserted here a statement that the President made about this matter that I think will be helpful, Mr. Chairman.

Mr. McCORMACK. I was just trying to get information for the record. I was not examining you, but just asking whether you had those figures.

Mr. PATMAN. Yes, sir. That information will be furnished by Mr. Schulte, if it is not furnished by Governor Christianson.

Mr. McCORMACK. I assume that we will also get official information ourselves.

Mr. PATMAN. I appreciate the patience of this committee, and I should like to close my testimony, but before doing so I should like to put in the record, in the hope that you gentlemen will read it, certain statements which have been made bearing on this subject. I do not care to burden the committee with reading it this morning.

I am inserting in the record in connection with what I have said, statements made by the President about why it is necessary that we should have local business locally owned and operated. And if the President were sending up a message on this particular bill, he could not use language with greater force, and that would apply to this bill more directly than the language that he has often used in messages presented to the House and the Senate. I am quoting some of those messages.

NEW YORK CITY A GREAT CITY

Incidentally I have said a great deal about New York. I want to add that I think New York City is the greatest city in the world. I know, too, that the entire city should not be charged with the greed of a few men in that city. It has many fine things—New York City does. But above all, it has one of the best mayors of any city in the United States, Mr. LaGuardia. Mr. LaGuardia, the mayor of New York, is not only an able, conscientious, and courageous mayor, but as a Member of Congress he demonstrated ability, knowledge, and courage in solving our national problems. I have never admired a man more for his ability than I admire Mayor LaGuardia.

The United States Daily on March 31, 1930, carried this statement:

"MERGER OF CHAIN STORES FORECAST—MR. LAGUARDIA WARNS THE INDEPENDENTS

"The chain-store system is threatening the existence of the independent grocery store and when the independents are eliminated, mergers of the chains and the higher prices may be expected."

That is just one of the many fine statements by prominent people from all over this Nation, from the President on down, regarding this particular problem.

PRESIDENT SAYS AMERICAN SYSTEM OF INITIATIVE AND PROFIT SHOULD BE ENCOURAGED

President Roosevelt, in his speech on June 27, 1936, to the Democratic Convention in Philadelphia, reviewed the condition of the country prior to the American Revolution. In commenting on these conditions he stated:

"There was no place among this royalty for our many thousands of small-business men and merchants who sought to make a worthy use of the American system of initiative and profit. They were no more free than the worker or the farmer.

* * * * * * * *

"Throughout the Nation, opportunity was limited by monopoly. Individual initiative was crushed in the cogs of a great machine. The field open for free business was more and more restricted. Private enterprise became too private. It became privileged enterprise, not free enterprise.

"GIVE MAN SOMETHING TO LIVE FOR

"An old English judge once said: 'Necessitous men are not free men.' Liberty requires opportunity to make a living—a living decent according to the standard of the time, a living which gives many not only enough to live by, but something to live for.

"AGAINST SMALL GROUP CONTROLLING

"For too many of us the political equality we once had won was meaningless in the face of economic inequality. A small group had concentrated into their own hands an almost complete control over other people's property, other people's money, other people's labor—other people's lives. For too many of us life was no longer free, liberty no longer real; men could no longer follow the pursuit of happiness."

What the President said is on all fours with the present situation today regarding retail distribution.

PRESIDENT FOR SMALL-BUSINESS MEN

The President delivered a speech at Forbes Field, Pittsburgh, Pa., October 1, 1936, in which he stated:

"And so the program of this administration has protected the small business, the small corporation, the small shop from the wave of deflation which threatened them. We realized then as we do now that the vast army of small-business men, factory owners, and shopowners form the backbone—together with our farmers and workers—of the industrial life of America. In our long-range plan we recognized that the prosperity of America depended upon and would continue to depend upon the prosperity of them all."

IF A FEW OWN THE COUNTRY, WHO WILL FIGHT FOR IT?

The President recognizes, as he always recognized that the small-business man and shopkeeper along with the farmers and workers, form the backbone of the industrial life of America. Suppose a few greedy people in Wall Street succeed in obtaining control of the wealth of this Nation; suppose they succeed in owning it outright, and America should become involved in a war, do you believe that the people would very energetically, enthusiastically, or patriotically go to war to defend a country that they did not own even a part of and did not have an opportunity in the future to acquire a part of?

PRESIDENT SAYS CONCENTRATED WEALTH GOBBLED UP INDEPENDENT BUSINESS IN NEW ENGLAND

The President delivered an address on Boston Common, October 21, 1936, in which he was discussing the reasons why New England was handicapped under Republican administrations. For one of these reasons he stated:

"Concentrated wealth and economic power gobbled up or wiped out or moved away hundreds of small independent New England businesses, the kind of businesses with which at one time New England had conquered the markets of the world."

In this speech he also said:

"New England has traditionally been a land of moderate-sized independent business, a land of economic democracy. Its far-seeing statesmen always understood that democracy was impossible under the relentless pressures of concentration and monopoly wielded by the new power of high finance. The New England Puritan spirit of simplicity, the New England passion for democracy, the New England genius for democratic statecraft, are the very

sources of that program of this administration which set itself to end such concentration of wealth and economic power."

PRESIDENT'S FIGHT FOR LITTLE BUSINESS OPPOSED BY GREEDY FEW

The President, in a radio address from the White House, October 23, 1936, stated:

"An overwhelming majority of independent individual businessmen approve in their hearts what we did to save American business. I am equally sure that a handful of monopolistic businessmen hate what we did for American business. Business had become regimented. Free enterprise was being gobbled up piece by piece. Economic control of business in these few persons had developed into political control of government itself. They did not want us to take American business out of their grip.

"Our bill to place an excise tax on chain stores will prevent free enterprise from being gobbled up piece by piece."

OUR BILL WILL CARRY OUT PRESIDENT'S WISHES AS EXPRESSED IN SPEECHES AND MESSAGES

I have quoted many excerpts from speeches of our great President in favor of the local businessman; many others could be quoted. Our bill, H. R. 1, will carry out the will of the President as expressed in these messages and speeches. If this bill does not carry out his wishes on this subject, has a bill been introduced to carry them out? Are we, as Members of Congress, going to permit the President to keep on insisting that we do something for local business and take not a step in that direction? Legislation to carry out the President's wishes should be passed by Congress. It is the responsibility of Congress to propose, pass, and submit to the President, legislation which Congress believes proper and necessary.

The Kentucky Legislative Council asked Mr. Orba F. Traylor, research director of the legislative council, to prepare a statement on chain-store regulation. This statement was finished January 6, 1940, and it contains the following significant statements regarding chain stores in the State of Kentucky:

"POLICE CONSIDERATIONS

"Because of the chain method of conducting retail business, direct police costs needed to prevent theft, robbery, and burglary may, and probably do, exceed the cost of similar public services in the case of unit stores. Larger crowds, coupled with no delivery service, necessitate policing of traffic congestion and packages in parking areas which is not required to the same extent in smaller-unit stores.

"The existence in Kentucky of small home-town merchants has been regarded generally as a social asset—quite aside from the economic considerations which have been set forth. Chains tend to carry high-profit items; whereas, local dealers assume the burdens of carrying slow-selling stock and low-profit items that are needed by local consumers. Local dealers who own their stores have a stake in civic affairs, frequently lacking in the case of chain managers and clerks. Also, owners of single-unit stores are usually more inclined to contribute from profits to community improvements than chain executives. Unit stores extend credit to needy families when they do not have available funds. It is well known that chains frequently release older employees, allowing them to become charges either of the community or local businesses. Single-unit stores, usually locally owned, do not do this. Local dealers take more seriously community actions for the relief of the poor, protection of the community health, and guarding the morals of the youth than do the chain-store managers under pressure to make sales who, especially in rural communities, frequently have no interest in the community besides the job itself. Unit stores in taking a personal interest in local customers cannot afford to load them up with fancy-package, high-profit items instead of sensible staple merchandise. Moreover, the local store in itself has constituted in many cases a community center such as a chain store has never been. Insofar as chains affect unemployment, the gravamen is not just displacement of men by mechanical devices but more sales per man such as is found in the supermarkets.

"It is to the interest of the State to foster communities built up by men who have devoted their whole lives, paid their taxes, and invested all their capital in these communities. The State should not lose the chance for development of individual initiative that is so necessary to the development and vigor of a democracy. It may be substantially argued that in encouraging one-family-merchandising institutions the State is doing in this field what the National Government is doing in the field of soil erosion and conservation, and that established independent local merchants are just as necessary to industrial health as rich soil is to farming. Even if communal merchandising is a more efficient economic unit, Americans might nonetheless elect to remain one-family merchandising on a small scale the same as they probably would choose one-family farming over Russian Soviet communal farming."

LETTER BRINGS OUT GOOD POINT

"Speaking of un-American activities, I believe that it is very un-American of our Government to allow gigantic capital to wipe out and destroy small industries, small retailers, poor little farmers, canners, packers, distributors, salesmen, and along with this goes realty values of all small people in each and every community, both rural and urban." (This contained in letter from E. F. Hunter, 1017 Alabama Street, Lawrence, Kans.)

ANOTHER LETTER POINTS TO PROBLEM

"Twenty years ago this was the Golden West, where fathers and mothers ran stores and built homes. Today these fathers and mothers have disappeared from main streets. They worked hard to start their sons in business. But what has happened to these sons? Let us think: They are broke, and why? Because the chain stores sold so cheaply, the fathers were forced out of business.

"The sons now walk the streets, disgusted, and because they cannot make a living for their family in an honorable way they get into bad company and gangland. Gangland tells these boys that they have jobs for them, and they believe it. Before they know it they have become criminals and are in the hands of the law. These sons were once honest men but have now brought sorrow to their homes. Their lives have been ruined because of the big chain corporations, which have forced them out of private enterprise." (The above two paragraphs from letter from Frank Albright, Milbank, S. Dak., January 18, 1940.)

PRESIDENT ROOSEVELT HAS MANY TIMES DENOUNCED MONOPOLY, AND ESPECIALLY THE KIND OF MONOPOLY AIMED AT BY H. R. 1, A BILL PROVIDING FOR A FEDERAL TAX ON INTERSTATE CHAIN STORES

November 15, 1937, the President of the United States transmitted a message to Congress. This message is House Document 370, Seventy-fifth Congress, third session. In this message, which concerned the revision of our revenue laws, the President stated:

"Small businesses or even those of average size have difficulties of financing and distribution which are not shared by large corporations. Therefore, by special tax consideration they should receive more equal opportunity to compete with their more powerful competitors. In this way we may also find assistance in our search for a more effective method of checking the growing concentration of economic control and the resultant monopolistic practices which persist today in spite of antitrust statutes. A further search for additional methods to meet this threat to free competitive enterprise is called for at this time."

HELP SMALL BUSINESS

It will be noticed in this statement that the President refers to giving small business a more equal opportunity to compete with their more powerful competitors, and this should be done through special tax consideration.

CHECK ECONOMIC CONTROL

It should also be noticed that in dealing with the tax question the President suggests that we can find that we may also find an effective method of checking growing concentration of economic control and the resulting monopolistic practices.

LIBERTY OF DEMOCRACY

In the message from the President of the United States to Congress April 29, 1938, and which is printed and available as Senate Document 173, Seventy-fifth Congress, third session, in regard to strengthening and enforcement of antitrust laws, the President stated:

"The first truth is that the liberty of a democracy is not safe if the people tolerate the growth of private power to a point where it becomes stronger than their democratic state itself. That, in the essence, is fascism—ownership of government by an individual, by a group, or by any other controlling private power."

CORPORATIONS SO LARGE EVEN GOVERNMENT CANNOT COPE WITH THEM

We have many facts to support the conclusion that some large concerns are now so powerful that they have, in the language of the President, "become stronger than their democratic state itself." It costs the Government $100,000 to prosecute an antitrust suit against a large concern. A few suits and all of the money for antitrust violations is gone. Many of these concerns are so large that not only are the different States, their competitors, and other citizens of our country unable to cope with them in the courts of justice but they have become so large that even the Government of the United States is unable to properly and adequately enforce laws against them and protect the rights of competitors and consumers.

UNPARALLELED CONCENTRATION OF PRIVATE POWER

The President stated further in this message:

"Among us today a concentration of private power without equal in history is growing.

"This concentration is seriously impairing the economic effectiveness of private enterprise as a way of providing employment for labor and capital and as a way of assuring a more equitable distribution of income and earnings among the people of the Nation as a whole."

THIS MESSAGE SHOULD BE THOROUGHLY CONSIDERED

This message is 10 pages long and deals with growing concentration of economic power, financial control of industry, the decline of competition and its effects on employment—competition does not mean exploitation, the choice before us, and a program. Anyone interested in this question should certainly read and study this message.

The President in this message stated:

"We have learned that the so-called competitive system works differently in an industry where there are many independent units from the way it works in an industry where a few large producers dominate the market."

FARMERS HURT BY FEW BUYERS

It operates in the same way where there are many producers but few buyers. When the large interstate chain stores obtained sufficient control over the farmers' market to control prices, the number of cents that the farmer received of each consumer dollar

went down and down and down every year. This is perfectly natural, since the fewer buyers a farmer has for his products, the lower price he will receive, and these few buyers cannot resist the temptation of going in together and robbing the farmer. The Temporary National Economic Committee disclosed that when two concerns got sufficient control of the dairy industry that they were able to control prices the farmer received less and less for his milk.

PRESENT ADMINISTRATION FAVORS INDEPENDENT BUSINESS

The present administration has many times indicated its friendliness toward independent business. The problem is in the hands of Congress. If effective laws to curb absentee ownership are not passed it will not be because the present administration opposes them. How can any Member of Congress listen to the appeals of the President of the United States in behalf of local ownership of business and not be inspired to work unceasingly to that end?

PRESIDENT SAYS LOCAL OWNERSHIP PREFERRED TO ABSENTEE CONTROL

President Roosevelt, in his great speech at the Jackson Day dinner, January 8, 1938, made several very significant statements. In his speech he stated:

"I was interested the other day to read the report of a correspondent of a London financial magazine who had recently surveyed conditions in the Middle West and other parts of the Nation. He found a point of view in other parts of the country wholly different from that of the principal financial centers, such as New York, Philadelphia, and Chicago. And he found this other interesting development: Wherever an enterprise is controlled locally its managers have a local, independent point of view. But when the business is controlled from great financial centers the local manager takes his cue from what his bosses are saying and reflects the state of mind prevailing hundreds of miles away."

I desire to call your attention especially to one part of the statement, in which he states that where an enterprise is controlled locally its managers have a local, independent point of view.

LITTLE MAN SHOULD BE PROTECTED

In his speech the President also stated:

"I have recently described many other activities that should not be tolerated in our democracy—price rigging, unfair competition directed against the little man, and monopolistic practices of many kinds. Call them evils, call them abuses, call them unfortunate facts. It makes no difference. Give to me and give to your Government the credit for a definite intention to eradicate them. Give to me and give to your Government the credit for believing that in so doing we are helping and not hurting the overwhelming majority of businessmen and industrialists in the United States.

* * * * * * *

"The White House door is open to all our citizens who come offering to help eradicate the evils that flow from undue concentration of economic power or unfair business practices—who offer to do all that is possible by cooperative endeavor and to aid in corrective and helpful legislation where necessary.

"We know that there will be a few—a mere handful of the total of businessmen and bankers and industrialists—who will fight to the last ditch to retain such autocratic controls over the industry and the finances of the country as they now possess. With this handful it is going to be a fight—a cheerful fight on my part, but a fight in which there will be no compromise with evil—no let-up until the inevitable day of victory."

Please do not overlook what the President said in this statement regarding unfair competition directed against the little man and monopolistic practices of many kinds.

PRESIDENT ROOSEVELT FAVORS PROTECTING SMALL-BUSINESS MAN AND ENCOURAGING LOCAL OWNERSHIP OF LOCAL BUSINESS

The President definitely came out in favor of local business locally owned and owner-operated in a message that he delivered to Congress January 3, 1938. In this message it was stated:

"There are practices which most people believe should be ended * * * unfair competition which drives the smaller producer out of business locally, regionally, or even on a national scale.

"Another group of problems affecting business which cannot be termed 'specific abuses' gives us food for grave thought about the future. Generically, such problems arise out of the concentration of economic control to the detriment of the body politic—control of other people's money, other people's labor, other people's lives."

From these statements no one can question the direction the President of the United States is going. He is determined to protect local business, locally owned and owner-operated, as against absentee ownership or control.

ATTORNEY GENERAL ROBERT H. JACKSON REALIZES SERIOUSNESS OF PROBLEM

The Honorable Robert H. Jackson is the President's new Attorney General and chief of all Federal law enforcement. Recently Mr. Jackson gave a special interview to the United States News. As Solicitor General—chief of the Federal Government's legal staff—he sold the Supreme Court of the United States on 21 of the 24 cases he argued before that august body, according to this quoted interview.

In this interview he stated, according to the United States News:

"The President's 'favorite son' has one criticism to make of the last 7 years' reforms: If anything, they have been 'too moderate.'

"By this he means that the efforts to regulate business and finance have not been wholly successful. The trend toward concentration of wealth continues because the Roosevelt checks have been 'too moderate.'

"He explains: "The unvarnished truth is that the Government's recovery program has succeeded nowhere else so effectively as in restoring the profits of big business. Labor has had no such advance. The small merchant has had no such prosperity. The small manufacturer has had no such advantage.'

"Looking ahead, the new Attorney General sees the trend toward concentration threatening the individual competitive system. This concentration of the control of wealth, accompanied by the disappearance of the local utility, the independent merchant, and the small industry, he believes, is the most significant trend toward socialism in the United States."

Notice what Attorney General Jackson said about concentration of the control of wealth and the disappearance of the local utility, the independent merchant, and small industry.

INTERSTATE CHAIN STORES A MENACE TO THE ECONOMIC AND SOCIAL WELFARE OF THE PEOPLE, AND WILL DESTROY NEWSPAPERS

One of the most popular magazines in America has carried several articles favoring the interstate chain stores and particularly a great boost in a long special article for the Hartford brothers, owners of the Great Atlantic & Pacific Tea Co. This publication is now preparing another great boost for another large interstate chain-store concern. Recently a representative of individually owned stores—independent merchants—asked a representative of this popular magazine why the independents could never get anything published that was favorable to them when they had often requested it and had furnished information in which the public would be interested. This representative frankly confessed that the independents did not advertise with them and the interstate chains did; therefore, they felt obligated to help the chains because they were good customers and felt under no obligation to help the independents.

If a few large concerns can get control of retail distribution, they can carry their weekly advertisements, even including prices in the Saturday Evening Post, Collier's, and other popular magazines instead of the local papers. They will not have to sell below cost then to squeeze out competitors and their prices can be the same. They will certainly carry plenty of advertising in the large magazines to build up goodwill, but will they patronize the local newspapers? Any system that causes foreign ownership of local business will eventually destroy the local newspaper.

1937 AMERICAN FEDERATION OF LABOR REPORT AGAINST CHAIN STORES

The American Federation of Labor, at Denver, Colo., October 4 to 15, inclusive, 1937, asked for a Senate investigation of chains and unanimously endorsed the following statement in a resolution:

"It is an intolerable situation when highly organized chain systems can hammer down prices all over the Nation and then force manufacturers to make shoes at these prices or go out of business. This condition leads to steady demands upon the workers for wage cuts, and, with living costs steadily rising, wage cuts are impossible. Wage earner and manufacturer alike are dictated to by highly organized selling groups who deliberately fix prices for the whole country. The Boot and Shoe Workers' Union appeals to the organized trade-union movement for support. The very existence of entire communities is at stake, and the shoe industry is rapidly becoming a mere appendage to a few small groups who control prices throughout the United States and who manipulate these prices for their own profit and with absolute disregard for human welfare or social justice."

THE 1932 AMERICAN FEDERATION OF LABOR REPORT AGAINST CHAIN STORES

The American Federation of Labor, at its annual convention at Cincinnati, Ohio, November 21 to December 2, inclusive, 1932, unanimously endorsed a resolution which contained the following:

"Whereas the growth of these chain-store companies, both financially and in number of units operated, have shown remarkable growth at the expense of the people of the United States; and

"Whereas it is our thought that the present economic depression is due in part to consolidation, amalgamations, and the creation of some mammoth organizations of chain-store companies now operating in this country; and

"Whereas the laboring classes of the United States derive no benefit whatsoever from some mammoth combinations: Therefore be it."

AMERICAN FEDERATION OF LABOR DID NOT CONDEMN OUR BILL

In October 1938 the American Federation of Labor had a convention at Houston, Tex. One morning a headline article appeared on the front page of practically all of the newspapers in this country to the effect that this great organization had condemned the so-called Patman anti-chain-store bill. This article purported to give several paragraphs of a resolution that was supposed to have been passed at this convention condemning this proposed legislation.

This purported resolution was presented to different labor organizations all over the country in order to induce them to pass similar resolutions, and in many cases they did, the efforts of the interstate chains being successful.

The truth is no such resolution was passed by the American Federation of Labor at Houston, Tex., in 1938, nor any resolution condemning this bill. This false claim has been exposed, yet I have never seen the correction carried in one newspaper in America, although it has been fully carried in the CONGRESSIONAL

RECORD at different times. This is exhibit No. 1 of the influence of fourteen and one-half billion dollars. The truth is the interstate chain representatives went so far in their efforts to use money to influence this great organization that a real scandal will probably be exposed before many moons. It is a compliment to the loyal, alert representatives of the American Federation of Labor that they did not permit their organization to be so used.

DECEITFUL PROPAGANDA

The owners of large interstate chain stores caused to be organized the National Consumers' Tax Commission, of Chicago, Ill. It is supported by the large fortunes of a few very wealthy men, who made their money destroying community life. The object is to hire prominent women over the country to be a "front" for the interstate, absentee-owned chain stores, and carry on a deceitful and misleading fight in their behalf. Many prominent women have become victims of this treacherous and sordid conspiracy. Information is now in my possession which indicates enormous sums of money have been spent in organizing these associations locally. I was astounded to learn that many prominent women, who have held responsible positions with different women's organizations, have accepted huge sums from the owners of giant monopolies in return for the use of their names, which carries with it their prestige and standing, in behalf of those who are working against the interest of the plain people of this country and who would deny to the very children of these misled mothers a fair and equal opportunity in life. I am receiving information from all over the Nation about the activities of this association, and I hope people continue to send me this information.

Deceitful propaganda is very damaging to the interest of the general welfare of the people of this Nation and should be exposed at every opportunity. As further evidence of deceitful and misleading propaganda that is being published by the interstate chains through their 100-percent-owned institute of distribution should be mentioned the stand of the American Federation of Labor on this bill.

Chain-store propagandists are still making the false claim that the American Federation of Labor condemned our bill, H. R. 1.

MODERN LOBBY

Do any of you recall the power lobby? Well, the power lobby was amateurish compared to this modern, streamlined, absentee-ownership lobby. It is backed by tens of millions of dollars. It is spending huge sums of money each month in the effort to influence Members of Congress.

Money can hire brains and this lobby, having plenty of money, has obtained the best brains and the services of the most influential people money can buy. Today Washington is flooded with all kinds of "legislative consultants * * *" and others, who claim to know how to get things printed in the newspapers and how, through artful methods, to influence the Members of Congress. These lobbyists profess vast personal influence, and I might add that with my introduction of the Federal chain-store tax bill, many lobbyist slaves of the money masters have enjoyed steady employment.

Here is another illustration of chain-store pressure methods:

Away from Washington, and throughout the interior of our land, the interstate chains have compelled store managers to deliver sets of eight form letters to customers. They try to persuade customers, through the use of incorrect data, to write letters to Congressmen, urging them to oppose the Federal chain-store tax bill.

These letters are written on stationery supplied gratis by the interstate chains. When written they are turned in, unsealed, to local chain-store offices. After examination by chain officials, the letters are sealed, stamped, and mailed to Washington.

I admit that this is attention-getting propaganda. But I believe that the average Member of Congress gives more serious consideration to one uninspired letter from a good mother or father, with the vision to see local opportunities and local privileges slipping away from their children and into the hands of a few rich money masters of Wall Street, than he gives to a hundred chain-inspired letters.

They are also commencing a pressure campaign by telegraph.

WHAT ATTORNEY GENERAL MURPHY SAID ABOUT INDEPENDENT BUSINESS

Attorney General Frank Murphy, who was recently sworn in as a member of the United States Supreme Court, and who is one of the best and ablest men in this Nation, made this statement about the necessity of preserving independent business:

"Trusts and monopolies in America have been fostered and promoted in the past by the Federal Government to such an extent that they virtually have wiped out the small independent businessman. We must restore this independent businessman or we will be a nation of corporation peons in another decade.

"The day is already here when a boy graduating from college can seek a career only in some monopolistic enterprise if he has any hope whatever of achieving comparative success.

"We have come to the point of making jokes about the disappearance of the corner grocer."

PRESIDENT OF THE UNITED STATES ON ABSENTEE OWNERSHIP

The President of the United States visited Grand Coulee Dam, and in his speech on October 2, 1937, at the Grand Coulee Dam, he stated:

"The concentration of ownership and control of industry is fatal to the operation of competitive economy. Concentration destroys the sources and possibilities of competition, and the antitrust statutes attempt to check it; but the courts, blind to this purpose, have said 'size is no offense.'"

Concentration of corporate ownership of wealth, chiefly means of production, has proceeded to a surprising degree. In 1932, according to the statistics of the Bureau of Internal Revenue, 53 percent of all corporate-owned assets in this country was held by 618 corporations, which constitutes only two-tenths of 1 percent of the number of corporations reporting. Five percent of the corporations owned 85 percent of all the corporate-owned wealth in 1932. More than 50 percent of all the net income enjoyed by corporations in 1932 went to 232 corporations, while of the country's manufacturing corporations 1.2 percent of the total number accounted for 63 percent of the aggregate net profits. In 1934, the only group of corporations to earn an aggregate net profit was the group whose assets exceeded $50,000,000. Thus, the process of concentration was continuing.

There was likewise a high degree of concentration in the ownership of these corporations; 1929 was a banner year for stock ownership, and in that year the 3.28 percent of the population who filed individual income-tax returns accounted for the receipt of more than 83 percent of all dividends paid to individuals. And 78 percent of those dividends reported were received by three-tenths of 1 percent of our population.

In 1933 the Bureau of Internal Revenue statistics show that there were only, 1,747,740 taxable individual incomes in the United States and nearly one-third of all the property reported as passing by death was found in less than 4 percent of the estates. You are all familiar with the Brookings Institution's studies in 1929, which reports that about 6,000,000 families, or 21 percent of all families, had family incomes of less than $1,000 annually, and that 36,000 families in the high-income brackets received as much of our national income in that year as 11,000,000 families with the lowest incomes.

Even these statistics do not properly measure the degree of concentration of control of industry for by holding companies and interlocking directorates many corporations may be under a single control and there is no discernible limit to the centralizing tendency.

This is a strong argument in favor of local ownership and against absentee ownership or control of any business that can be conducted by local people.

I hope no one will overlook what the President said in the preceding statement relative to the local merchant, local manufacturer, local banker, and local utility man.

Notice the indictment the President of the United States has made against the chain store. The logical and reasonable argument that he has presented against absentee ownership cannot be answered by representatives of the interstate chains.

PRESIDENT COMMENTS ON BAD EFFECTS OF CHAIN STORES

In addition to this statement by our President at the Grand Coulee Dam, he also stated:

"This concentration of business accounts in large part for the lost influence of big business, and its press, and its legal lackeys, and its business organizations, in legislative and election struggles. Forty years ago big business had as its ally in every town and settlement the local merchant. Each was a leading citizen, on whom many depended for information and leadership as well as for credit and jobs. This type of man has largely gone. Why he has gone makes little difference.

"In the place of this strong and leading individual is a managing clerk at the chain store who cannot make a credit sale, and a local superintendent for the factory. The local bank is closed and nobody who has more authority than a bill collector represents the utility in most communities. Big business has found it to its advantage to rotate even these men so that no one of them is left in the community long enough to get his roots established or to really become a part of the life about him, to become a property owner, or to be regarded as a fellow citizen by those among whom he dwells as a representative of an absentee control.

"Thus, big business has destroyed its own defense, it has devoured its own young. The small-business man who used to be our most ardent capitalist and the most uncompromising of conservatives has been crushed, or merged, or consolidated, or otherwise retired. This has brought about a subtle change not only in economic life, but in social and political life as well. There are values in local independence and responsibility which are being sacrificed to balance-sheet values.

"The process seems not to be discernible to, or appreciated by, the people who dominate the large industries in our great cities. It is plainly discernible to those who live in smaller cities and see the life of the community as a whole."

INTERSTATE CHAINS FAIR-WEATHER FRIENDS OF LOCAL COMMUNITIES

Foreign-owned chain stores take away local privileges and opportunities that formerly enabled local citizens to assume local relief, assistance, and responsibility. They never fail to keep down the price of farm products. They are leeches who move in after a town is well established as a lively business community, and the first to leave when a town is overtaken by drought, cyclone, epidemic, or other unforeseen disaster. They charge different prices in different cities in the same State, and even in the same city, according to the competition from the independent merchant across the street, who is marked as the next victim.

EYES OF CONSPIRATORS ON EVERY COUNTY IN THE UNITED STATES

There are 3,070 counties in these United States. In every county there is one good town—usually the county seat—that has concrete highways leading to it from every section of the county. A few so-called wise men in the East have conspired to get control of retail distribution in this country.

They know that if they can get control of the retail business in these 3,070 county-seat towns that they can control the retail business of this Nation. They know, too, that when they get this control that they can dictate to the people from whom they buy the price that they must accept; and at the same time they will dictate to the consumers the price that they must pay. The interstate chain-store system should be stopped. It is absolutely destroying local community life in our Nation. It is responsible for unemployment and relief. We did not have a Federal relief problem until the local communities were weakened by interstate chain stores siphoning the net profits into the hands of their absentee owners.

LOANS TO SMALL BUSINESS

Mr. Chairman, I want to suggest one thing about loans to small business. Recently a witness before the Temporary National Economic Committee testified—I think it was last week; at least it came to my desk last week—in a way that was very interesting on the question of loans to small business. He testified that 56.9 percent of the reserves of life-insurance companies are in the hands of a few people within a radius of 25 miles, in New York City and Newark, N. J., which is just across the Hudson River from New York.

Fifty-six percent of the reserves of the life-insurance companies are in the hands of a few people within a radius of 25 miles, in New York City and Newark, N. J. Those life-insurance officials testified that they did not consider loans to business of less than $150,000; and most of them $200,000 and $250,000.

So the point that I am trying to make with you gentlemen is that as we encourage bigness through banks, insurance companies, interstate chains, and all other concerns that necessarily help one another, the small man is not helped, and if the small man goes out of the picture, it will put our country into a much worse condition than it is today.

In fact independent business built this country, and the same type of business which built this country up to 1920 should be allowed to continue as independent business. But since that time, all of these great money-making businesses have been bought up by a few and the money drained into the hands of a few people.

WHAT CHANCE HAS THE YOUNG MAN WHO WANTS TO GO INTO BUSINESS?

Now, if you were a banker, Mr. Chairman, and some young man who had worked in a store 10 years and was qualified to go out on his own, just as they used to—let us say in a clothing store—decide that he wanted to be in a store for himself. If he were to come to you and say, "Now, I have $10,000. I have saved that money. I have not spent anything. I want to go into business." I believe that if the chairman of this committee were the banker, he would say, "Young man, don't do that. You have not got a chance. I would not mind putting up a little money, because you have got $10,000, and you can give me good security, but why should I encourage you to lose your own money? You have not got a chance."

Well, the young fellow will say, "I will go out here into the suburbs. There is a nice place out there. I have built up good will among the people there. They all like me. I go to church; I go to Sunday school; I take an interest in civic affairs; I have lots of friends; I am a Boy Scout master. I have taken an active interest in all worthy undertakings for the people. Why could I not build up a good trade out there?"

I imagine that the chairman of this committee, if he were the banker, would say, "Young man, you might get your business built up and popularized, and then one of these interstate chains will come in and establish themselves right next to you."

The young man would say, "Well, I can compete with them."

"But, oh, no; you cannot," the banker would say. "They are not dependent upon that one store. They have thousands of stores. They can sell at a loss until they put you out of business and then put their prices up and make back their losses in extra profits. They can use the profits that they have made elsewhere, where they have already destroyed the independent merchant."

SUPPOSE IT IS A PUNITIVE TAX

That situation should not be allowed to continue to exist, and it will not be, if this bill is passed. It is a reasonable bill. The rates are not excessive. It is not a death sentence. It is not a punitive tax.

But suppose it is a punitive tax? I believe the first bill passed by Congress when it met in 1789 was a tariff bill, was it not, Mr. Chairman? I have heard that said. What is a tariff? You do not find the word "tariff" in the Constitution. Why did Congress pass the tariff bill? Why was it allowed to? Because it was a tax. The protective tariff is a punitive tax, that is all it is.

Mr. KNUTSON. You say the word "tariff" is not mentioned in the Constitution. But you will find the words "customs duties," which represent a synonymous tax.

Mr. PATMAN. I know; but they do not expect to collect those duties. If they collect the duties, then it would not be effective. The tariff is only effective if it fails to collect duties.

Mr. KNUTSON. I do not think that I quite follow you.

Mr. PATMAN. I believe the gentleman has had lots of experience in tariff matters; several times as much as I have had. I believe that he will admit that the tariff rates, where they are high, are high because they are not supposed to collect customs duties under the tariff laws. The object is protection, to keep the goods out. If they come in and pay customs duties, then the tariff has failed; it is not sufficiently high, according to the theory of those who are in sympathy with it.

Mr. KNUTSON. Do you subscribe to the theory of protection?

Mr. PATMAN. Well, I do not want to get off on that subject. I am not talking about tariffs now. I was just mentioning it as an illustration. But I say it is a perfect illustration.

Mr. MCCORMACK. I think we will limit the examination to the subject before us.

Mr. PATMAN. Mr. Chairman, I have one or two brief statements here which I should like to include in the record before I close.

Mr. MCCORMACK. Very well.

Mr. PATMAN. Mr. Willis J. Ballinger, director of studies and economic adviser to the Federal Trade Commission, testified before the Temporary National Economic Committee, February 28, 1939. In this statement to the Committee, he said:

"Some of them directly affect the consumer, others provide materials to a multitude of small industries, and still others are of primary interest to the producers of raw materials who must sell in a market where monopolies are the only buyers.

"In the Commission's opinion, one of the gravest problems before the Temporary National Economic Committee is one of recommending suitable changes in our present laws which will lead to an effective encouragement and protection to free initiative in business.

"To avoid the degeneration into totalitarian control, something that we know as free initiative must be permitted and encouraged.

"A cancer may live successfully at the expense of the body of its victim only until it kills the body and dies with it. There appear to be symptoms indicating that monopoly has so far weakened the body of capitalism that both are in danger of dissolution, to be followed, as in other nations, by some kind of authoritarian social order which should be highly distasteful to the American people."

It is in competitive markets that mankind has made his greatest progress to all civilizations that seek to rise to higher levels of economic achievement.

"American industry has always thriven, when it has thriven at all, on freedom; it has never thriven on monopoly.

"Limit individual opportunity, restrict the field of originative achievement, and you have cut out the heart and root of all prosperity. You cannot use monopoly in order to serve a free people. We purpose to prevent monopoly by law, to see to it that the methods by which monopoly are built up are legally made impossible. We design that private limitations on individual enterprise shall be removed so that the next generation of youngsters, as they come along, will not have to become proteges of trusts but will be free to go about making their own lines what they will."

BIGGEST LOBBY IN HISTORY

We are opposed in our fight against interstate chain stores by a fourteen and one-half billion dollar lobby. The biggest lobby in the history of the world.

Mr. Carl Byoir, president of Carl Byoir Associates, Inc., and public relations counsel for the Atlantic & Pacific Tea Co., made a speech at Rye, N. Y., September 19, 1938, before the members of the National Association of Chain Drug Stores, in which he, according to the printed proceedings, stated:

"I have clients in American industry with assets of $14,500,000,000."

How much is $14,500,000,000? It is twice as much as all the money in circulation in the United States. It is equal to the value of all the retail stores in the United States. It is equal to the value of all the public utilities in the United States. I estimate that this vast aggregation of wealth includes 90 percent of all the national advertising in this country.

Why do Collier's, Saturday Evening Post, Chicago Tribune, and many other large publications want big concerns instead of small ones? The answer is simple. If the citizens of every town owned its own utilities, these publications would not get thousands of dollars a day or week for full-page advertisements from one utility concern. Instead the local newspapers all over the country would benefit from such advertising. If any line of business or industry is owned or controlled by a few people in one city, the owners of the big newspapers and magazines have little trouble and practically no expense obtaining advertising of tremendous value to them. Whereas, if such business is separated into smaller units and scattered over the country, the smaller newspapers get more of the advertising and the larger ones less. It is in the selfish interest of the owners of the means of communication, including the newspaper and magazine, the radio, and the newsreel, that a few people control all business, industry, and banking. Therefore they may be expected to oppose any proposed law that will retard, restrict, or prevent absentee or foreign ownership of business.

Why the fourteen-and-one-half-billion-dollar boast? This fourteen-billion-and-five-hundred-million statement by Mr. Byoir was evidently made for the following purposes:

First, to let the newspapers of the country know that he controls enough advertising to determine whether or not any one newspaper which is dependent upon advertising is able to survive in business. By making this threat, newspapers that are dependent upon advertising for support will be very reluctant to fail to print and fail to give good publicity to any statement that is sent to them by Mr. Carl Byoir and will very quickly throw into the wastebasket anything against his interest.

Second, to threaten every member of the legislatures in all of the States, Members of the United States Congress, and all other public officials who have the power to restrict or curb absentee ownership of business. It advises them of his influence over the press and lets them know that it is within his power to injure them politically if they oppose his Wall Street clients.

Third, to advise the country that he possesses tremendous power over means of communication to the people, which results in obtaining favorable publicity for what he wants and the "playing down" or the stopping of all news that might be helpful to independent business.

Mr. Byoir's statement is an admission that the rich people of the Nation have pooled their wealth, their advantages, their advertising; and their influence for the purpose of deceiving the people.

Mr. Byoir said in the same speech:

"It is necessary to create organization to bring that force of public opinion to bear on the legislators or Congressmen or elected public officials. That is a thing that remains yet to be done."

In the same speech he quoted:

"If I were a politician and I wanted to make a public reputation, and I wanted to be sure that in the present state of public opinion I would have the support of the great majority of the American people, I would pick the Patman bill."

In other words, Mr. Byoir says that the Patman bill is right; that public opinion will support it; that public men can make a great name for themselves by advocating it; but he, Mr. Carl Byoir, is such an expert at directing the minds of the American people and teaching them what to think and what to believe that he can take the millions of dollars furnished to him each year for that purpose, backed by the advertising of the concerns worth fourteen and one-half billion dollars, and cause the American people to oppose a bill that is in the interest of the general welfare of all the people.

Benefits, propaganda a powerful weapon: Distortion and deceit accompanied by suppression of opponents' views represent a very powerful weapon. The people are getting wise to deceitful propaganda.

Mr. Byoir has not agreed to make Congressmen believe that black is white or that white is black, but he has taken upon himself a task just as extraordinary, and that is to make Congressmen believe that it is in the interest of the country for local business to be destroyed, private initiative crushed, and the wealth of the Nation concentrated into a few hands.

In addressing that group of chain-store representatives, he said:

"You had better sit down and assess yourself at $20, $40, $60, or $80 a store, and had better put it in a fund."

That was tantamount to saying that they should immediately raise from three to twelve million dollars and put it in a fund. This fund would be in addition to the one already created by the Atlantic & Pacific Tea Co., which aggregates millions of dollars. They are people who believe they can take a large slush fund and control State legislatures and Congress.

DISCLOSURES OF CONGRESSIONAL INVESTIGATING COMMITTEE

When I was chairman of a congressional committee in 1935 and 1936 investigating large-scale buying and selling, our committee discovered from testimony that among the things many of the people who were now opposing us in this fight against an interstate store monopoly were guilty of were the following:

(1) Conspiracy to obtain control of retail distribution America;

(2) Stopped the showing of a picture, Forward, America, which was favorable to independent business;

(3) Attempted through influence to have our committee appoint as our principal investigator a man who, it was later discovered, was employed by chain-store interests under investigation;

(4) Organized what they called a cornstalk brigade, which was composed of key farm leaders, whom they paid to go before legislatures and pose as farmers' representatives for the purpose of defeating certain legislation.

(5) Employed influential men in each State who were close to members of the legislature and the Governor and who could stop legislation they were opposed to.

(6) They admitted that their attorneys were instructed if they could not succeed in defeating a bill in a State legislature to get some amendment adopted which sounded good, but would cause the law to be declared unconstitutional if passed.

(7) Employed influential people on contingent basis to defeat legislation. That is, if the bill did not pass a certain session, they received a certain large amount of money. If it did pass, they did not receive anything.

(8) Faked consumer groups were organized to deceive the people, and at some meetings held by certain groups every person attending was on the pay roll of the interstate corporate chains.

(9) Schools were held to teach their representatives how to deceive the people.

(10) They had unlimited funds, which were used for bribery, deceit, trickery, and treachery.

(11) They brought pressure to bear on newspapers that carried their advertising to print nothing about independent business, but boost absentee-owned business.

ABSENTEE AND FOREIGN OWNERSHIP

Interstate chains are making ghost towns all over America. They are especially objectionable for the following reasons:

First, interstate chain stores cause three major evils—monopoly, community destruction, and money and credit concentration.

Second, foreign-owned chain stores constitute a conspiracy by a few big bankers to obtain control of retail distribution, national finances, and create a private monopoly.

Third, the few men who control the few banks that rule the corporate and much of the Nation's private wealth are interlocked in directorates with the few big chain-store systems: 24 banks own one-third of the banking resources of the entire Nation, and 13 of the 24 are in New York City.

Fourth, farmers are being ruined by the interstate chain-store system. The Department of Agriculture reported facts which prove that under the interstate chain-store system consumers pay more and farmers get less. Low-income groups, instead of being helped by the chains, are hard hit by them.

Fifth, the octopuslike foreign-owned chains are invading small cities and towns and making unsafe all lines of business.

Sixth, we must crush monopoly or monopoly will crush us.

Gentlemen, I have finished my statement. If there are any questions that members of the committee should like to ask me, I should be glad to yield and answer them to the best of my ability.

Mr. McCORMACK. It is now a little after 12 and the House is in session. The House has a very important bill before it today. I think it would be better if we adjourned at this time until tomorrow at 10 o'clock, when members will have an opportunity to question the gentleman from Texas.

If there is no objection, the committee will adjourn at this time until 10 o'clock tomorrow.

(Whereupon, the committee adjourned, to meet on Thursday, March 28, 1940, at 10 a. m.)

An Adequate Navy

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS, BEFORE DAUGHTERS OF THE AMERICAN REVOLUTION

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address delivered by me before the Daughters of the American Revolution at Washington, D. C., on April 15, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

These are momentous days in world affairs and human destiny—momentous for all nations and all peoples everywhere on earth. In many respects and for many peoples they are terrifying and tragic days.

We in this land of freedom, at the same time that we give thanks for our escape from the holocaust of war which now engulfs Europe, must give thought—more thought, I venture to suggest, than ever before—on ways and means of our own protection and preservation, coupled with a high resolve, at all costs and at all hazards, to stay out of the war in Europe. Let us not be beguiled with the notion that we can make a late entry, bring a quick victory, and then get out unscathed and resume peacetime pursuits and preserve our democracy.

Let us face the stern reality that the moment we enter the war the mobilization of industry and the dictatorship which will of necessity then ensue, in conjunction with the existing enormous Federal debt, may seal the doom of our own democracy.

However, we are here today, not to discourse on the subject of foreign policy or neutrality, nor to debate the doctrines of the isolationist versus the internationalist, but rather upon the subject, An Adequate Navy. It is a subject upon which I have spoken many times and to which I have devoted much consideration and study during my years of service in the Senate and as a member of the Naval Affairs Committee.

Indeed, this is not the first time I have had the privilege of appearing before the congress of the Daughters of the American Revolution to speak about our Navy in terms of our national defense, which is but another phrase for an adequate Navy, for the measure of its adequacy is the measure of our national-defense needs.

We have come a long way since the days when the U. S. frigate *Constitution*—Old Ironsides, though her sides were only oaken plank—fought the frigate *Guerriere* on August 19, 1812, off the coast of Nova Scotia. We have come a long way since the battle of the *Monitor* and the *Merrimac* on March 8, 1862—the first real ironclads.

We have come a long way since our Navy sank the Spanish Fleet of Admiral Cervera as it sought to escape from Habana Harbor in 1898 and since Admiral Dewey steamed into Manila Bay.

We have come a long way since the close of the World War, and a long, long way since the Naval Disarmament Limitation Treaty of Washington in 1922.

At that time we had the largest Navy in the world as a consequence of our rapid expansion and construction during the World War. By the treaty of 1922, signed by the 5 great powers, and as our contribution to the cause of disarmament, and as a means to world peace, we scrapped 18 battleships then afloat, and, in addition, abandoned 11 capital ships then in various stages of construction, comprising nearly three-quarters of a million tons of combat ships.

We always speak of our Navy as our first line of defense and this is so because any conceivable enemy invader must first cross either the Atlantic or Pacific Ocean to reach our shores.

We invariably describe our Navy as planned and maintained solely for national defense, and this is so because any war of aggression or conquest by the United States is utterly inconceivable; nor do we propose to assume a rcle of international policeman.

We customarily lock upon our Navy as a whole fleet of majestic battleships, mighty cruisers, swift destroyers, and silent submarines, and this is natural because although the Navy in reality is a composite and complex organization, the fleet is its central, paramount, and most integral part.

The question of what constitutes an adequate Navy for our national defense admits of no precise definition. One of the several factors is the comparative naval strength of the various world powers. Another important factor is world conditions.

When we signed the partial disarmament treaty in 1922 we took the position that an adequate Navy for the United States was one equal in size to that of Great Britain and in a ratio of 5–3 with the Navy of Japan. We adhered in theory to this definite concept, or to this yardstick of adequacy from that date to the expiration of the limitation treaties on December 31, 1936, although in fact we at no time in this period actually had or actually provided for a Navy that approached these ratios. In fact, from that day to the present, while we have undertaken a large construction program, our Navy has never been on a 5–5–3 ratio as planned to be adequate for us in peacetimes. Today the Navy of Great Britain is larger than ours and all the information available from Japan is that her Navy is in excess of the 5–5–3 ratio.

What the Great Britain Navy will be at the end of the present World War no one can prophesy at this time. It may be greater or it may be less than it is now. We do know that Japan is building naval vessels to the limit of her capacity. We know that Italy is engaged in a large-scale naval-construction program. We know that Germany aspires to be a great naval power.

Now let us consider how we may determine what may be an adequate Navy for our national defense, in the light of present world conditions. There are no treaty limits today. The 5–5–3 ratio has been abandoned. Events have demonstrated that treaties and international peace pacts afford no guaranty of peace and afford no security.

We are facing today disheartening realities and are forced to the realization that our only security lies in the strength of our Navy to prevent any power or group of powers from invading us.

I am not departing from the concept that we are speaking and thinking only in terms of defense—not in terms of aggression. No American wants a Navy for any other purpose than the protection of our people and our land. But to disregard all these factors in determining what is an adequate Navy, in view of the present European war, is short-sightedness. We cannot banish from our minds in any study of our naval-defense needs the possible outcome of the present war in Europe.

We must remember also that when we speak of an adequate Navy, we mean a Navy capable of meeting and defeating an enemy navy at sea, and thereby preventing a blockade, preventing bombardment of our coast, and invasion of our shores.

Congress dealt with the question of naval construction and our national defense needs in 1938, and adopted recommendations of the Navy experts, who presented a naval program based upon our needs following the expiration of the limitation treaties in 1936. The program then adopted authorized an increase in our Navy of about 20 percent. Since that time we have been appropriating increasingly large sums of money to construct ships authorized under this program. The Congress has before it now a bill appropriating $967,000,000, of which sum $340,000,000 represent naval vessel construction in various categories, for our naval needs in the fiscal year beginning July 1, 1940, and ending July 1, 1941.

We have by no means completed the construction contemplated and authorized by the 1938 naval expansion bill. However, the Congress at the present time is considering not only an acceleration of the construction program under the 1938 act but, in addition, is giving favorable consideration to legislation whereby the authorized limits of our Navy will be still further enlarged. This present naval expansion bill, upon which hearings are already being held before the Senate Committee on Naval Affairs, increases the authorized composition of the Navy from 1,557,470 tons to 1,724,480 tons—the size of navies is always referred to in tonnage rather than in number of vessels. This is an increase of 167,000 tons (approximately 21 vessels) in the following categories:

	Tons
(a) Aircraft carriers	79,500
(b) Cruisers	66,500
(c) Submarines	21,000

It increases the number of authorized naval airplanes from not less than 3,000 to not more than 4,500; it increases the authorized number of lighter-than-air craft to a total of not less than 12. There are now 7 blimps in service. It authorizes the President to acquire and convert or to undertake the construction of 75,000 tons of auxiliary vessels—approximately 22.

We have no assurance that if we pass this bill and if we build the ships this bill authorizes, that we shall then have attained our full naval requirements. Indeed, our naval experts warn us now that this program does not represent our maximum future needs.

When we discuss the question of the size and number of the ships that may be necessary to successfully combat any enemy or group of enemies that threaten to strike at our security we must not lose sight of the fact that it is more than a question of tonnage or steel in our ships or the number of our aircraft. It is also a question of education, training, skill, and efficiency of the manpower of our Navy. This is a vital element, impossible of exact measurement, but I believe that we have developed a standard of efficiency among our officers and enlisted men that is unexcelled by any other nation.

The geographical situation of the United States makes our problem of adequate defense and national security vastly different from that of European nations or Japan. We have on the one hand thousands of miles of seacoast to defend and the Panama Canal.

We have on the other hand a vast ocean separating us from any and every potential aggressor. We have nothing to fear from them so long as they are prevented from obtaining any base of operations in the Western Hemisphere. That means that if we are able to maintain control of the seas we are reasonably secure.

All this indicates the importance and seriousness of our present problem in formulating our naval program. In the last analysis we must rely on the experts of our country who have been studying all these facts and whose lives are solely devoted to an understanding of all the problems and ramifications relating to our national defense.

Adequate national defense and preparedness are the only insurance against war. Preparedness for defense is a necessity so long as great armaments, the spirit of fear, hate, militant nationalism, arrogance, and aggression linger in the world. President Coolidge well said in his Armistice Day address in 1928:

"All human experience seems to demonstrate that a country which makes reasonable preparedness for defense is less likely to be subject to hostile attack and less likely to suffer a violation of its rights which might lead to war. It is our duty to ourselves and to the cause of civilization, to preservation of domestic tranquillity, to our orderly and lawful relations with foreign people, to maintain an adequate army and navy."

History—even our own history—shows that war is like the angel of death. It comes unexpectedly. It is no respecter of nations. No spot on earth has ever been immune from its devastation. History is replete with never-ending conflicts of the human family, fighting against subjection by mightier forces and, in return, fighting desperately to throw off the oppressor and win back freedom.

We may hope for peace and pray for peace, but we must be prepared to defend our Nation if attack comes. Let us read the lessons of history. Let not our love for peace blind us to the realities of this present-day world. Let us perceive the dangers. Let us realize the priceless values of our homes, our loved ones, and our liberties. Let us remember again the words of Washington:

"To be prepared for war is the most effectual means of preserving peace."

Jefferson Day Dinner, Providence, R. I.

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

ADDRESSES BY HON. THEODORE FRANCIS GREEN, OF RHODE ISLAND, AND HON. JAMES A. FARLEY

Mr. MINTON. Mr. President, on last Sunday evening, at the annual Jefferson Day dinner held at the Narragansett Hotel, Providence, R. I., the junior Senator from Rhode Island [Mr. GREEN] and the Postmaster General, Hon. James A. Farley, were guests of the evening and addressed the assemblage. I ask unanimous consent that their addresses may be inserted in the Appendix of the RECORD.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. THEODORE FRANCIS GREEN, OF RHODE ISLAND

It is good to be here with you again. It is always good to get home. I am especially glad to attend this Jeffersonian dinner. Thomas Jefferson was the founder of our party. The central theme of his political belief was the nobility of the common man. On that theme the Democratic Party was founded and built and today stands firm. It was maintained by Andrew Jackson with his frontier democracy, by Grover Cleveland, by Woodrow Wilson and the new freedom, and is now carried forward by Franklin Roosevelt and the New Deal.

I am glad to welcome here tonight another firm believer in that fundamental Jeffersonian principle in the person of a strong pillar of the present administration, a great administrator, my good friend, your friend, everybody's friend, Jim Farley. He comes here at personal inconvenience, for which I trust the warmth of our heartfelt welcome will in part repay him.

I have been asked to talk to you about certain recent events in Rhode Island which have gained Nation-wide publicity, and which have brought shame to the good name of our State. Let me summarize just what has happened in our National Capitol since this wire-tapping escapade was exposed.

After learning that the telephone wires leading to the home of Mayor McCoy, of Pawtucket, and the home and offices of Attorney General Jackvony had been tapped, I introduced in the United States Senate a resolution directing the Senate Committee on Interstate Commerce "to make a full and complete investigation of alleged instances of (1) interception, by means of wire tapping or otherwise, of wire communications to or from officials and employees of the Federal, State, and local governments; and (2) installation of dictographs or similar devices for the purpose of listening to or recording conversations participated in by such officials and employees." It also provided that "the committee shall report to the Senate as soon as practicable the results of its investigation, together with its recommendation for the enactment of any remedial legislation it may deem necessary."

Upon introduction this resolution was referred to the Senate Committee on Interstate Commerce, and Senator WHEELER, its chairman, immediately appointed a subcommittee to consider this legislation. This subcommittee, consisting of five Senators—three Democrats and two Republicans—held a private hearing, and, at the request of the committee, I invited J. Howard McGrath, the United States district attorney, and Louis Jackvony, the attorney general of Rhode Island, to attend and give a complete report of just what happened in Rhode Island. I was present at that meeting, and I want publicly to congratulate both Mr. McGrath and Mr. Jackvony upon the assistance they gave the committee. Immediately after this private hearing the subcommittee unanimously and favorably reported the bill to the full committee.

At its next meeting the Senate Committee on Interstate Commerce, consisting of 21 Senators, unanimously and favorably reported the bill to the Senate for consideration. As the bill included an appropriation it was then referred to the Committee to Audit and Control the Contingent Expenses of the Senate. This committee also unanimously and favorably reported the bill to the Senate itself, which gave it immediate consideration and passed it without objection from any Senator.

Soon after the bill passed, Senator WHEELER appointed as the investigating committee the same subcommittee which considered my bill when it was introduced. This committee, headed by Senator TOM STEWART, of Tennessee, has already held a number of meetings, has appointed investigators, and has under way an investigation which I am glad to tell you will begin in Rhode Island, and I believe will expose facts of interest not only to the good citizens of Rhode Island but also to those of the whole Nation.

Although the United States Attorney General last week ordered the United States district attorney not to press for indictments against those who were responsible for this wire tapping here in Rhode Island, I can assure you that the Senate committee acting under the resolution I introduced will make a thorough and complete investigation in Rhode Island, and that the efforts of Mr. McGrath and his associates, who worked on this matter day and night for 4 months, will not have been in vain.

The citizens of Rhode Island want to know who the master minds were behind this scheme, for it is unlikely that any one man conceived this idea of calling a private detective agency into Rhode Island to spy not only on public officials but also on responsible businessmen.

The citizens will be interested to learn of the activities of these agents who were imported here from New York. They will want to find out who these agents are, their records, their characters, their associates, and their connections.

The citizens want to know whether or not these agents are now working in Rhode Island, and further than that, who is paying them. Are some of them quartered at this very moment in a local hotel? Who gave these agents the leads and the information so that they could prey upon the citizens of our State? Were these informers rewarded by being placed on the State's pay roll? If so, who placed them there? This costs the State money—even if individuals contributed to the expense—generously and modestly—not letting the right hand know what the left hand gave. All this and much more here and in other States I hope and believe will be brought into the open when the Senate committee conducts its hearings.

I am interested in the enactment of remedial legislation to correct abuses such as this, for the main purpose of the investigation is to find the facts on which wise legislation may be based to suppress what the late Mr. Justice Holmes characterized as "dirty business."

The Senate committee in its report to the Senate made the following statement: "The importance of this investigation is great. Whether it be the use of wire tapping or dictographs by those seeking to detect crime, or their use by those seeking to commit crime, the effect on our judicial and social systems is far-reaching."

There are many other things I would like to talk to you about—but my time has expired. I cannot close, however, without expressing publicly the satisfaction I feel, and which I know you share with me, at the splendid work of our new State Chairman Denny Roberts. His enthusiasm is contagious, his energy is inexhaustible, and he, too, is filled with the Jeffersonian sympathy for the common man. We look to him for great work in the coming campaign.

Just one more word. All this enthusiasm for Jeffersonian principles will be of no avail unless you express it by going to the polls and voting. You cannot vote unless you register. So your first and immediate duty is to register and to get all your family and friends to register also. If the registration is large the victory is almost won.

ADDRESS OF HON. JAMES A. FARLEY, CHAIRMAN OF THE DEMOCRATIC NATIONAL COMMITTEE

I am glad to see so many of you here tonight because this is going to be a good year for Rhode Island Democrats.

Just 12 years ago your State adopted the wise practice of voting the Democratic ticket in Presidential elections. The habit has continued unbroken and this year again, with its customary good sense, I feel certain that Rhode Island will repeat the process. It is my firm conviction also that the temporary lapse of 2 years ago will be atoned for by the election of a Democratic State ticket and a Democratic United States Senator.

We are gathered here today, among other purposes, to pay honor to the memory of Thomas Jefferson, the founder of our party. For many years, the observance of Jefferson's anniversary was confined almost exclusively to those who professed allegiance to the Democratic faith. He was given rank among the outstanding Presidents but there was no general understanding of the role he played in molding the form of American institutions.

Fortunately, as the years go by, his fame has increased and each generation seems to arrive at a fresh appreciation of Jefferson's work. This is especially true in this age of chaos and upheaval when the principles and the institutions of popular government are being challenged throughout the world.

While many great men contributed to the establishment of the Republic, it was Jefferson who gave voice and purpose to the ideals and aspirations of the colonial patriots. He was the author of those stirring lines in the Declaration of Independence, guaranteeing life, liberty, and the pursuit of happiness, as the fundamental right of every American citizen. Later he was the mainspring in the movement to attach the Bill of Rights to the original Constitution, providing an enduring safeguard for the cherished rights of liberty of conscience, freedom of speech and press, and freedom of assembly.

A few years ago, under the impact of harsh social and economic conditions, it was fashionable in some quarters to scoff at democracy. There were individuals, even in high places, who questioned

whether the slow and sometimes tedious processes of popular government could survive in this present-day world. They looked across the water and professed to see unexpected merit in the uncompromising sway of dictatorship.

The passage of time has brought the world picture into focus and served to correct this false impression of the value of absolute government. It has brought home the fact that no dictator ever lived who could give something in exchange for the simple dignity of citizenship in a democracy. Once again people realize that without personal liberty and the right of self-expression life itself is hardly worth the living.

The great principles which Jefferson expounded have taken on new light and he is rightly regarded as the spiritual father of the finest system of government ever devised by man.

But Jefferson knew that democracy is not self-operating, that something more is needed than the mere declaration of principles. He was a rare combination of philosopher and thoroughgoing realist. He knew that popular government could not exist unless the mass of citizens was prepared to fight and struggle for its maintenance under the guidance of enlightened leaders. Even in the infant Republic, he was disturbed at the activities of those who wished to move away from democracy, those who wanted to perpetuate the rule of a privileged class on the theory that the best government is that which watches out for the interests of the best people.

To safeguard the Government which he had done so much to establish, Jefferson founded a political party. He sought support among the masses of the people, the toilers, the farmers, and the artisans, ignoring the cries of those who charged that he was catering to the rule of the mob. He had faith in the common people, and he was a born organizer. Although the facilities for propaganda were few and limited, he used them to excellent advantage, forging the strongest political party ever to exist in this country. This is the instrument by which he hoped to perpetuate the ideals of popular sovereignty in which he passionately believed.

The party which Jefferson founded has lived through 140 years of turbulent history. It has had periods of prosperity and lean years of adversity. The party has made mistakes, and at times it has been torn by discord and internal dissension, the usual fate of political organizations. On one or two occasions, in the heat of controversy over burning issues, it has made the error of losing sight of Jefferson's ideals. But in the main the Democratic Party has been the bulwark of popular government in this country, and the greatest champion the common man has ever known.

In the days of Andrew Jackson the party fought for the welfare of country against the fury and hate of a small oligarchy that tried to secure a strangle hold on the Nation's financial life. It won that struggle. Again, in our day, under the Wilson and Roosevelt administrations, the party has consistently adhered to the principles of liberal and progressive government laid down by its illustrious founder, Thomas Jefferson. That is why the Democratic Party is in the majority today, and why it is in a true sense the great American party.

The Democratic Party enters this campaign on its record for constructive achievement, both in the State and Nation, and on this record we propose to win the coming campaign. There is no political party which will dare to advocate the repeal of the splendid program of laws which the Roosevelt administration has placed on the statute books, because these laws have the sanction and approval of the vast majority of the American people. Recognizing the truth of this situation, the opposition party has seen fit to shift the basis of its attack. After putting forth every effort to hamper and hamstring the Democratic program, its spokesmen and leaders are now trying to swallow their words. They want the electorate to hand over the program to its enemies.

Here in Rhode Island you had the benefits of progressive government under a wise and far-seeing statesman, Theodore Francis Green. During his tenure as Governor there was enacted a program of labor legislation which lifted the State into the forefront of enlightened Commonwealths seeking to improve the lot of humble citizens.

Despite the fact that Rhode Island had been an industrial State for generations, it was backward in the protection of working men and women under Republican rule, and every individual here knows that to be a fact. Governor Green brought about the creation of a unified department of labor and made it an effective weapon in the administration of labor legislation. And in the passage of other legislation intended to safeguard the lives and happiness of those who toil; his record stands unsurpassed.

There was a minimum-wage law and a 48-hour law for women and children; a child labor act which is one of the best in the country; a prevailing wage law for public works, roads, and bridge construction; a law creating a special division of women and children in the new department of labor; far-reaching amendments to the workmen's compensation act; and, finally, an unemployment compensation and old-age-benefit law.

The value of this broad humanitarian program is undisputed. The proof lies in the fact that the Republican State administration has found it expedient to avoid changing a single comma in this excellent legislation. The sponsor of this program is now a Member of the United States Senate, and I am happy to inform you that he is just as useful, just as eminent, in Washington as he was in Providence.

In the field of national action, the story has been similar. The long and constant struggle to bring justice into the economic system and to make it work has been carried on almost exclusively by the Democratic Party. Some who were not members of the party have given valuable aid. A few Republican Senators and Representatives, able to rise above partisanship, have helped in the passage of individual measures. But the power, the leadership, and the drive came from the Democratic Party, without which this magnificent program of social and economic progress would never have become a reality. Again let me emphasize that the Democratic Party has lived up to the ideals of Jefferson.

The Republican Party has never been liberal and it never will be. It has a fringe of idealists and liberals who strive constantly to convert the party to progressive principles and to bring it in touch with the needs and aspirations of the average citizens. They have been disappointed in the past and they will be disappointed again this year. The Old Guard is reaching out to control the Philadelphia convention and to dictate the party nominees. The voice of liberalism may come through the loud speaker, but the controlling hand at the mechanism will be the same old hand of reaction.

To support this view it is not necessary to rely on my word alone. The standardbearer of the Republican Party in 1936 was Alfred M. Landon, of Kansas. Over a long period he has been identified with the so-called progressive wing of the G. O. P. In a recent speech, he sounded a plain warning that a group of "money-raisers," as he called them, should not be allowed to pick the Republican nominees.

You may be sure that Governor Landon never would have uttered this warning if he had not picked up ample evidence to show that the big money bags were planning to move in and take possession. He is too wise in the ways of politics and too practical in his own right to set up a straw man. He spoke because he has been deeply disturbed by the backstage maneuvering.

Enough has happened to give solid ground for Governor Landon's misgivings. A few weeks ago the Republican National Committee selected a national finance chairman to supervise the money-raising activities for the coming campaign. The choice was Ernest T. Weir, the steel industrialist, who has been a consistent foe of genuine collective bargaining and the rights of labor. A national magazine said of him that he treats his labor with so little ceremony that even steel men are appalled. He has been charged constantly in the press and elsewhere with using the most hateful kind of strong-arm tactics in dealing with his employees.

I do not question the right of the Republican National Committee to select Mr. Weir or any other individual as finance chairman. The objection to Mr. Weir does not arise from the fact that he is an industrialist, but from his views and attitude on matters of public policy. Mr. Weir, despite his recent efforts to acquire a thin coating of liberalism, still belongs to the Stone Age of industrial relations. The idea that he has agreed to raise a huge campaign fund to put a progressive President in the White House is too ridiculous for words.

The Republican Party made a gesture to the liberal and independent voters by publishing the Glenn Frank report with its outright approval of a host of Democratic measures. Then, in keeping with traditional party policy, a stalwart of the old guard was placed swiftly and securely in a key position in the party organization. The practice of facing both ways is an old political device, the purpose of which is to screen the real objective of those handling the controls. But it has been employed too often to fool the public. To speak of a liberal Republican Party is a contradiction in itself.

During the past 7 years, the finest program of constructive legislation in recent history has been enacted into law at Washington. The banking system has been stabilized, bank deposits insured, social security translated into reality, the issuance of wildcat securities halted, and agriculture rescued from the double threat of glutted markets and ruinous prices. The unemployed have been given work on useful projects, the C. C. C. camps have provided work for 2,000,000 young men, and hundreds of thousands of home owners have been saved from eviction by the Home Owners' Loan Corporation. Labor has been guaranteed the right of collective bargaining and standards have been fixed to put a floor under wages and a ceiling over hours of work. The list of worth-while enactments could be extended indefinitely.

The Social Security Act alone will live as a monument to humanitarian government, and I should like to remind you that Senator PETER G. GERRY voted for it, while the other Senator from Rhode Island, a Republican, voted against it. You have since taken care of that situation.

In considering this forward-looking program of legislation, it is well to remember that the Roosevelt administration came into power facing one of the worst economic depressions that ever vexed a government in modern times. The old policy of letting things drift on the theory that conditions would right themselves had reached a logical conclusion in a crisis of unparalleled magnitude. The task of restarting the industrial machinery was huge in itself. But even larger in scope was the human responsibility of providing a means of livelihood immediately for millions of citizens who were out of work and out of funds.

The Roosevelt administration moved to meet this problem in the only way it could be met—by using the Federal credit. Here in Rhode Island you saw the awful consequences of unemployment at first hand. You saw the bread lines and the soup kitchens. You know of your knowledge that this was not an imaginary problem—that it was deep, grave, and far reaching.

These millions of men and women, estimated at from 13,000,000 to 15,000,000, were not idle because of the faults of a Democratic administration. They constituted a legacy from 12 years of Re-

publican misrule. The Roosevelt administration had the courage and the foresight to put them back at work by using Federal funds to do the job. Those who were dumb and had nothing to suggest during the emergency now criticize the Roosevelt administration for its spending policy. But I wish to remind you that the Hoover administration increased the public debt by over five and one-half billions of dollars without doing a single effective act to restore the economic lifeblood of the Nation.

The Roosevelt administration has been compelled to contend with something more than a devastating domestic situation. The labor of revitalizing the Nation's economic life has had to be accomplished in a period of world strife and discord so widespread that it is necessary to go back to the time of Jefferson to find a comparable period.

Keeping the peace and protecting the essential rights of the Nation in foreign affairs has been a difficult task during the past 7 years. The civilized world has resounded to the tramp of armies, minorities have been crushed, treaties torn up as scraps of paper, neutral nations invaded, and savage terms imposed upon those who stood in the path of conquerors. The law of reason and right-dealing has been supplanted by the law of force and violence.

It is to the eternal credit of President Roosevelt that throughout this time of disaster and woe he has followed without deviation the course of peace and quickened the moral conscience of the world by his constant appeals for the end of hostilities. When other nations have gone down crushed and helpless, his administration has stood firm and fast for the preservation of America's rights. It has retained the respect of belligerent nations without sacrificing national honor or security.

The success of the Roosevelt administration in keeping the peace has not been due to accident or blind luck. It has been the result of sound public policy. The first step was to build up the Navy from the weakened condition in which it was left by the Hoover administration. The second step was enactment of the neutrality bill whereby the ships of Uncle Sam are kept out of belligerent waters. The only way to avoid war is to avoid the incidents that lead to war. Every day we read of neutral vessels being bombed or torpedoed by the warring powers. This has not happened to American ships, because they are forbidden to enter the trouble zones. In other words, we have been kept free of entanglements by the wise provisions of the Neutrality Act. Again I should like to remind you that it was a Democratic measure passed by Democratic votes, and that your two Senators were among those who had the good sense to vote for it.

The Democratic Party has kept the peace and restored the fabric of domestic life. Against tremendous odds, it has brought the Nation safely through one of the most trying periods in recent history. Taking control of the country when industry was stagnant and hope was low, it has made the United States once again the strongest and most powerful nation in the world. It has done the job and done it well.

The Republican Party enters the coming campaign with the advantage that always lies with the opposition party. Having accomplished nothing in the past 7 years, its leaders are free to criticize and condemn, to view with alarm, and to utter gloomy forebodings of approaching disaster. Their hope is to bring dissatisfaction to the boiling point. Like the unhappy salesman with a poor product to offer, they spend their time talking down the rival line of goods.

We are not disturbed. The same tactics were tried in past elections, with conspicuous lack of success. It is still true that you can't beat somebody with nobody.

The people of the United States want peace with the world and a government that keeps abreast of human needs. Their only hope lies in the Democratic Party.

"Due Process," and Mr. Justice Black

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

ARTICLE BY RT. REV. MSGR. JOHN A. RYAN

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "'Due Process,' and Mr. Justice Black," by the Right Reverend Monsignor John A. Ryan, D. D. The article appeared in the Catholic World of April 1940.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Catholic World for April 1940]

"DUE PROCESS," AND MR. JUSTICE BLACK

(By Rt. Rev. Msgr. John A. Ryan, D. D.)

Not the least of the contrasts between the American Government and all the varieties of totalitarianism is found in its protection for individual rights against arbitrary action by public officials, whether they be legislators, executives, or judges. In the unanimous decision of the Supreme Court, February 12, 1940 (*Chambers et al.* v. *the State of Florida*) this protection received striking and comprehensive confirmation. The case came before our highest Court on appeal from a decision by the Supreme Court of Florida which had upheld the conviction of and sentence of death upon four impoverished Negroes. They had been taken into custody in 1933, accused of murdering a white man. Arrested without a warrant, they were then subjected for 6 days to "questioning" by the sheriff and his associates. The prisoners were interrogated in secret and without the assistance of counsel. On the sixth day the "questioning" continued until about 5 o'clock the following morning, when the last of the four prisoners "confessed." Upon the basis of these "confessions" all four were convicted in the district court and sentenced to death. On three separate occasions, conviction and sentence were affirmed by the Supreme Court of Florida.

This judgment was reversed by the Supreme Court of the United States on the ground that it violated that clause of the fourteenth amendment to the Federal Constitution which forbids a State to deprive any person "of life, liberty, or property without due process of law." This clause is likewise found in the fifth amendment, which is one of the original ten, generally denominated the Bill of Rights. The fifth amendment is a restraint upon the Federal Government, while the fourteenth is binding upon the several States. Ratified in 1868, the fourteenth amendment was intended mainly for the benefit of the recently enfranchised slaves. In more than one southern State they had, immediately after the close of the Civil War, suffered discrimination as regards their liberty, property, and economic opportunity in the so-called "black codes." In the recent decision by the Supreme Court, the primary intention of those who drew up the fourteenth amendment is strikingly realized and fulfilled, for the amendment is utilized on behalf of the welfare and rights of Negroes.

In passing, it is interesting to note that these precious words of the fourteenth amendment have been frequently employed for the injury rather than the protection of the weak. For almost a century due process of law was construed by the Supreme Court (with a single insignificant and indecisive exception) as merely a procedural restriction. In other words, it was uniformly interpreted as preventing any person from being deprived of life, liberty, or property without a fair trial. Beginning about half a century ago, however, the courts have given the due process clause a substantive or legislative as well as a procedural interpretation. According to this new construction, no person could be deprived of life, liberty, or property by an enactment which is arbitrary or unreasonable. When is a law arbitrary or unreasonable? Obviously this question was, is, and always will be answered by the individual judge on the basis of his social, economic, ethical, and political associations, training, and opportunities. He cannot find a conclusive answer in the words of the Constitution. Hence the members of the Supreme Court, and of other courts, have given differing and contradictory answers in many cases which involved the validity of acts of Congress and of statutes enacted by the State legislatures.

The decisions in the minimum-wage cases are the most recent and striking illustrations of the elasticity inhering in the terms arbitrary and unreasonable. In the Adkins case (1923) involving the constitutionality of the minimum-wage law enacted by Congress for the District of Columbia, five of the Justices of the Supreme Court found that the statute was arbitrary, unreasonable, unfair, and, therefore, unconstitutional. It was invalid, said the majority of the Court, because it required the employer to pay his female employee a decent living wage. It deprived him of that freedom of contract which is comprehended in the word liberty, in the due process clause. The other three participating Justices denied that the law was thus vitiated and held it constitutional. In the Morehead case (1936), six of the Justices pronounced the minimum-wage law of New York unconstitutional, while the other three dissented.

Less than a year later, however, two of the six had changed their attitude and joined the three dissenters in holding constitutional the minimum-wage law of the State of Washington (*West Coast Hotel Co.* v. *Parrish*). Indeed, the Court went so far as to declare: "Our conclusion is that the case of *Adkins* v. *Children's Hospital* should be, and it is hereby, overruled." Not often has the Supreme Court dealt so drastically with a previous decision of its own. This action must have caused great chagrin to the amateur authorities on constitutional law who had pontifically proclaimed that the Court could not have given a different decision in the Adkins and Morehead cases without "disregarding their oaths of office," or "repudiating the settled interpretation of the Constitution." But the Supreme Court disagreed with this solemn judgment when it came to decide the Parrish case.

As a result of the decision in the Parrish case and of the changes that have since taken place in the personnel of the Supreme Court, we can be assured that for some years to come legislation in favor of the economically weak will be in no danger of judicial nullification on the ground that it violates the due-process clause. The

precious word "liberty" in that clause will not be construed to empower the economically strong to oppress the economically weak under an immoral theory of liberty of contract.

Lest I be misunderstood, let me express my rejection of a legal or judicial doctrine which would confine the due-process clause to its procedural signification. After all, the men who put into the Constitution the fourteenth amendment intended it to guarantee the right of the Negro to follow one of the ordinary callings. I hope that intention and that meaning will always be respected in judicial interpretations of the due-process clause. It was upon this interpretation that the Supreme Court declared unconstitutional the Oregon anti-private-school law. The Court declared that this law attempted to deprive the Sisters of the Holy Names and the directors of the Hill Military Academy of their constitutional right to exercise the vocation of teaching. This decision put upon the due-process clause a legislative and not merely a procedural construction. Other rights and opportunities are implied in this general right of following one of the ordinary callings and they should all continue to have the protection of due process. On the other hand, the conception of freedom of contract, which involves coercion of the weak by the strong, which amounts to legal power to impose extortionate contracts, should not be validated under the due-process clause or any other part of the Constitution.

Returning to the decision handed down February 12, I point out that its most beneficent effect will be to compel policemen and other law-enforcement officers to refrain from the use not only of rubber hose, blackjacks, and similar instruments of physical torture, in order to extort confessions, but also from those less vulgar but equally effective methods which fall under the head of fear, terror, mental confusion, mental coercion, and mental torture. So far as I know, the Chambers case marks the first decision when these reprehensible methods came clearly before the Supreme Court and were decisively judged and condemned as a violation of procedural due process. Every believer in human dignity and in essential human equality, every defender of the weak against the strong, every lover of his kind, every lover of justice should rejoice over this situation.

A prominent metropolitan newspaper refers to this decision as "far and away the most direct, sweeping, and brilliantly written application of the fourteenth amendment to human rights that has come from our highest court." Yet this journal had severely criticized the appointment to the Court of the man who wrote this decision. Now, it apologizes for what it then said against him. Who is the man? None other than Mr. Justice Hugo Lafayette Black. At the time when he ascended the bench, he was denounced by many religious and secular papers because at the beginning of his political career he had joined the K. K. K. Some of us who had sympathetically followed his 10 years of battling for social justice in the United States Senate, suggested that he ought to be forgiven for his youthful indiscretion as a "joiner." We pointed out that as a Klansman he had never displayed great activity, either in the burning of crosses or in any other overt manner. We pointed out that his main object in going into the Klan was probably the same as that which moves other politicians to join the Elks or the Knights of Columbus. In some places membership in these two organizations is a valuable political asset. In Alabama, membership in the K. K. K. was much more effective. We pointed out that in his 10 years' career in the Senate, Hugo Black had never exhibited racial or religious bigotry. Nevertheless, his critics denied that he had any claim to forgiveness. They treated his connection with the Klan as an unpardonable sin.

At any rate, Justice Black may well be proud both of the reasoning and of the language which he used in formulating the opinion of the Court. He pointed out that those who have suffered most from procedures such as that employed in the case of the Florida Negroes "have almost always been the poor, the ignorant, the numerically weak, the friendless, and the powerless." He also declared that:

"Due process of law, preserved for all by our Constitution, commands that no such practice as that disclosed in this record shall send any accused to death.

"Under our constitutional system courts stand against the winds that blow, as havens of refuge for those who might otherwise suffer because they are helpless, weak, outnumbered, or because they are nonconforming victims of prejudice and public excitement.

"No higher duty, no more solemn responsibility, rests upon this court than that of translating into living law and maintaining this constitutional shield, deliberately planned and inscribed for the benefit of every human being subject to our Constitution of whatever race, creed, or persuasion."

It was a graceful act on the part of Chief Justice Hughes to allot the writing of the opinion of the Court to this son of Alabama, a State which is not conspicuous for excessively considerate treatment of the Negro and which borders on Florida, where these four Negro prisoners had been denied due process of law. Indeed, the whole course of the case in the Supreme Court is not only reassuring for the future of procedural justice in this country, but adapted to make every genuine American proud of our American traditions of liberty and equity.

The forecast in the immediately preceding sentence about "the future of procedural justice" has already been fulfilled. On March 11 the Supreme Court reversed the decision of an Alabama State court which had sentenced to death a Negro who was convicted of murder on the "testimony" of a confession extorted from him by coercion. In this case the Court did not write any formal opinion; it merely noted that its decision was based upon the decision in the case of the Florida Negroes. Thus the latter decision is now among the precedents which the Court regards as so firmly established and so compelling that no argument of reasoning or explanation is necessary in connection with the decisions in similar cases. It is now the settled law of the land that not even obscure and indigent Negroes can be deprived of their lives or their liberty without due process of law.

The Challenge of Underconsumption

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

ADDRESS BY MILO PERKINS

Mr. MEAD. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an address delivered by Milo Perkins, President of the Federal Surplus Commodities Corporation, on the subject The Challenge of Underconsumption.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Most of the figures which we are going to consider today have not been available until now. They deal with how much we eat, commodity by commodity, at different levels of income. For the first time we are beginning to know about underconsumption in terms of simple arithmetic. That has a direct bearing on farm prices. Our farmers, you know, make up 25 percent of our population, and yet they get only 11 percent of our national income. They are producing more than they can sell in the present market at a profit. Surpluses of agricultural products have been a serious national problem now for over a decade. As I see it, there are three major causes behind this situation:

The first is the application of science to agricultural production. Briefly, we have learned how to make two blades of grass grow where one grew before, and we don't know where to sell the extra blade of grass. Yields of lint cotton, for example, are now 35 percent greater per acre than they were 10 years ago. Yields of corn in the 10 Corn Belt States during the years 1936–39 were 22.8 percent above the 1929–33 average. If there were time, we might consider similar efficiencies in nearly every phase of agricultural production.

Secretary Wallace recently stated this scientific progress in another way. He said: "One hundred and fifty years ago it required 19 people living on the land to support themselves and one person in town. Today, under greatly commercialized and industrialized conditions, one person on the land supports himself, three people in town, and contributes to the support of another person overseas."

All this is a tribute to our technological genius as a people, and we may well be proud of it. Some day we'll turn that genius to solving the problems of underconsumption. When that day comes the extra blade of grass will add to human happiness and not to human misery. For the first time in history we're suffering because we've got too much of the things we need most. The science of production has outrun the science of distribution. We've got to catch our breath—and catch up.

The second cause of our farm surpluses has to do with dislocations in foreign trade. Naturally, our export crops have been hit the worst. This goes back more than 20 years ago to the time when we changed from a debtor to a creditor Nation—to the time when we plowed up 40,000,000 acres of grasslands and ruined part of the Great Plains in an era of military hysteria. Wheat, you know, helped to win the war. Then came the time when the armies of the world were demobilized, and our farmers lost their markets for the crops they had been raising on those 40,000,000 acres.

Following that one country after another entered the frantic race to have its cake and eat it too. Every major nation in the world tried to sell all it could abroad and buy as little from other countries as possible. We were in the race from the beginning; part of the time we were out in front. Tariffs were raised, imports and exports were licensed, foreign exchange was blocked, food was produced under Government subsidies within certain countries at over twice the cost of producing it elsewhere. One of the tragedies of world history is that Secretary Hull couldn't have given us his leadership in a reciprocal trade agreements program 13 years before he became Secretary of State. Some day historians will measure that loss to the American farmer and to our whole economy.

In the long run, the present war seems certain to hurt our agricultural exports. When the war is over things are likely to be even worse. We'd better not dodge the facts. It's still a habit with us to refer to France and Great Britain as our sister democracies.

But in the rough and tumble of a war fought on the economic as well as on the military fronts they are finding it necessary to put their economies on a totalitarian basis just as fast as they can, particularly so far as international trade is concerned. They are employing the same economic weapons which Germany has been using for several years. As a matter of self-preservation, they are fighting fire with fire; it's a part of the death struggle in which they're engaged. Before it's over, however, the American farmer is likely to get badly burned in the process. Belligerents as well as neutrals are resorting to centralized controls of their foreign trade.

Great Britain, for instance, is doing more than to buy all the food she can from within her own empire so as to conserve her dollar exchange for other purposes. She is buying large amounts of agricultural products in countries which normally sell to Germany, and she is doing it vigorously as a part of her economic offensive. For example, she has bought huge quantities of tobacco and dried fruits from the Mediterranean countries, in addition to the fresh fruits which were available. The tobacco farmer here at home and the producer of raisins and prunes and apples and winter pears has lost his best customer. His exports have been savagely curtailed. Only quick and heavy Government purchases, as well as loans, have kept him from realizing fully just how serious a blow has been dealt him. The war is bringing about dislocations in foreign trade which may last for a generation or longer. Following our own Revolutionary War, for example, we changed from a nation of tea drinkers to a nation of coffee drinkers, and the habit is now 150 years old.

Barring a miracle of brotherhood and vision at the next peace conference, we are likely, as a nation, to find ourselves in a world loath to give up its barter economies. Having surpluses of both farm and city goods ourselves, we may find it extremely difficult to trade with other countries in such a world. Right now, of course, they can give us gold for our surplus of exports over imports. The country seems to think it's all right to swap 3½ tons of fuel oil for an ounce of gold. If the war lasts, however, we'll have most of the world's gold, and just what other nations will use for money to buy the things they may want to buy from us, no one seems to know. We could, of course, act like a creditor nation and accept goods from them in exchange for what we need to sell them. Whether or not our various pressure groups will continue to oppose a real expansion of foreign trade remains to be seen. Heretofore, they have all wanted increased exports, but as far as increased imports were concerned, they have wanted those to take place in the other fellow's back yard. It looks now as though there's trouble ahead for farmers who have been selling a substantial part of their crops abroad.

INDUSTRIAL UNEMPLOYMENT ADDS TO SURPLUS PROBLEMS

The third and last major cause of farm surpluses, as I see it, has to do with industrial unemployment in our own country. Farmers producing dairy and poultry products, and fruits and vegetables as well as meats, have been hit the hardest. These are the foods low-income folks start buying as soon as they get a little more money. The term "surpluses," as applied to these foods, is simply a smug, polite name for a shocking amount of underconsumption. During last December we virtually reached the 1929 level of industrial production, and yet some 10,000,000 of the unemployed were still with us. No intelligent person can look those figures in the face and reach the conclusion that the unemployment problem is going to solve itself. Every year there is a net increase in our working population of about 500,000 persons. Over half of the 10,000,000 folks who want work but can't get it belong to this group.

Better than half of the balance are said to have lost their jobs to machines. Industrial output per worker is said to have increased around 20 percent in the last 10 years. We've been smart enough to make tractors and mechanical cornpickers and dial telephones; are we smart enough, however, to find work for the folks they've thrown out of work? Upon our answer to that question—not in words but in new jobs—hangs the future of our industrial democracy. In other lands it has lost its race against time; if we have the courage to make it work here, then we shall in truth be a chosen people.

Personally, I think we can, and that what we need most is a redirection of our genius as a people. Heretofore, we've concentrated on methods of efficient production. Henceforth, we must concentrate on efficient and businesslike methods of increasing domestic consumption no matter how much violence it may do to some of our preconceived notions. We know how to produce almost anything—but we haven't learned how to distribute such things to the jobless who ask only the chance to work for them. This nightmare of underconsumption is the black plague of the twentieth century; we've got to make up our minds to wipe it out—with a vengeance. Only one thing can stop us and that's a mental sit-down strike—a kind of smug, nineteenth-century faith that things will work themselves out if only we don't do anything about it.

We musn't let that happen. It won't if we keep our eyes glued to the goal of fully utilizing all of our resources—and if we keep marching until we get there. We can have full employment in this country within a few years, but we've got to fight for it. If we slash out at underconsumption within our own country as we would at a foreign enemy, individual initiative and free enterprise will come into their own as they never have before. That's the only way in which we can be sure of their continuance. That's the only way I know of to assure a nineteenth century chance of opportunity to youngsters who are growing up to run the twentieth century.

We've got to restore confidence in this country—the confidence of our young folks—not by platitudes but by jobs. And we've got to do it not for just a few of them but for all of them who are willing and able to work. Any answer short of that is unworthy of the men who fought their way westward for us and our children. There's a job of internal pioneering ahead of us which has barely been started. The full conquest of underconsumption still belongs to our tomorrows.

One of the well-established truths in marketing is "know your product." Agriculture knows its product. It knows how to produce efficiently. It has taken many steps to widen the meaning of efficiency. More and more its efforts are being directed toward maintaining and improving its production resources. At the same time, however, an increasing emphasis is being put upon the importance of knowing its market and marketing conditions. Actually there are too many characteristics of that market that we have not known enough about in the past. For instance, who is it that buys our various agricultural products? What kinds of incomes do they have? What is their demand for food? Is it true that since our stomachs are limited in size we have an automatic limit to the demand for foodstuffs? What would happen to agricultural income if every family in America making less than $1,200 a year were to make that much money? These are typical of the questions we are asking ourselves in this new era. We are beginning to get some encouraging answers.

THE POTENTIAL LOW-INCOME MARKET

Recently the Bureau of Labor Statistics and the Bureau of Home Economics, with the collaboration of the National Resources Committee, made a detailed study of incomes in the United States during 1935–36. It covered about 29,400,000 families and 10,000,000 single individuals representing over 126,000,000 persons. These folks provide the principal market for agricultural commodities. Their incomes and their purchases are the key to agricultural prosperity, particularly for farmers who sell most of what they raise here at home.

It may come as a surprise to us, and an unpleasant one, to know that this study indicated that there were more than 4,000,000 families, or 14 percent of the total, who had an average income of only $312 for the year. There were more than 8,000,000 other families, 27.5 percent of the total, who had an average income of $758. And there were nearly 7,000,000 families, 23 percent of the total, who had average incomes of $1,224, or about $100 per month. In other words, nearly two-thirds of our families had incomes of less than $1,500, and the average was only $826 a year—$69 a month for a whole family. That's the story of underconsumption in one figure.

Frequently we hear statements about the average income in the United States. For instance, in 1935 the average family income was about $1,622. The important thing for us to remember is that 65 percent of the people were getting, on an average, only about one-half of this amount. You can get mighty hungry trying to eat on averages if you're out of a job.

About 85 percent of the farmers' income is derived from the production of commodities used for food. In 1935 over 29,400,000 families spent $13,700,000,000 for food. Here are some startling facts. Only $848,000,000 of that food bill, or 6 percent, came from 4,200,000 of our lowest-income families, who were about 14 percent of all families. Only 20 percent came from another 8,000,000 of our families, who were 27.5 percent of the total. In other words, nearly 42 percent of our families provided only 26 percent of our food market.

According to a recent study, the 14 percent of our families with the lowest incomes, that is, families receiving $312 on the average, are spending only slightly more than $1 per person per week for food (actually, in order to keep going, they spent about 50 percent more for all purposes than they earned; some merchant got stuck for part of the difference). With an increased income to an average of $758, the weekly per capita expenditure for food rose to about $1.62. With an average income of $1,224, people spent about $2.18 per person per week for food. I would guess the average weekly expenditure for those of us in this room at around $5. As income increased above the $100-a-month level, food expenditures also increased but at a somewhat slower rate. In other words, this tells us that people with incomes of under $500 a year have about 5 cents per person per meal to spend for food. Families getting an income of $100 a month have around 10 cents per person per meal for food. The market for our farmers is doubled, so far as this group is concerned.

NEW FIGURES ON UNDERCONSUMPTION

What would happen if every family head who was receiving less than $100 per month got that much money? Of course, we could speculate on what would happen if every family made $2,500 or $5,000 a year, in which case we'd get some Utopian answers for the American farmer. We'd better stick to what we can and should achieve in the decade of the forties, however. The data that we have show that if all families getting less than $100 per month had been able overnight to increase their incomes to that level, in terms of the 1935 situation, this would have meant an increase in expenditures for food of approximately one and nine-tenths billion dollars. The expenditures of these people would have been increased by 51 percent. The national food bill, not counting purchases by single individuals, would have been increased 14 percent, and the health of the low-income people would have been

very much improved. Farmers would have received directly nearly $1,000,000,000 more in income. The extra demand certainly would have improved farm prices and farm income by a large additional amount. Such an increase would have been an enormous contribution to the general welfare, and would have reduced unemployment in our cities.

What is this potential low-income market like? Evidently these underprivileged people can and will spend more money for food if they have an opportunity. Does this mean that they pay higher prices for better food, or do they actually seek more food? The answer is that they do both. We know that low-income people are eating about half as much as they want. They will buy more food and greater varieties of it if they have the opportunity. There are calory as well as vitamin deficiencies in the diets of our less-fortunate families.

Some preliminary studies made of consumer purchase habits indicate that there are considerable differences in the ways in which people will increase their purchases of individual commodities as incomes increase. We have brought together some of this preliminary information, and it tells an extremely interesting story.

We have our greatest underconsumption of farm products among families whose income averages less than $100 a month, and it holds true for more than half of our population. In the broadening of that market lies the greatest single hope for our farmers who produce the foods that are largely consumed in this country and do not go into export in any volume.

The information we have shows how purchases of fruits, meats, dairy products, vegetables, eggs, and wheat products change with changes in income. The per capita consumption by urban nonrelief families at the $100 a month level is equal to 100. That's lower than we like to think of as an American standard of living for a whole family, but we're thinking realistically in terms of what we've got a chance to reach in the next few years rather than in terms of what we'd like to see. We find that those millions of families receiving less than $500 per year on the average purchased only 38 percent as much fruit as was purchased by the group receiving about $100 per month. In other words, the per capita consumption of fruits of 14 percent of our families was only slightly more than one-third of the per capita consumption of urban families receiving about $100 per month.

The meat purchases of the lowest-income group were only 56 percent of the per capita consumption at the $100 level. For dairy products, purchases were only 43 percent; for eggs, they were 57 percent; for vegetables, 58 percent. Only for wheat products does the consumption of the lowest-income groups come relatively close to the consumption of other levels. For these commodities the quantities purchased were equal to about 94 percent of the $1,200 consumption level. People have nearly enough bread in this country, even though the poorer families do their own baking.

A less drastic but similar story of underconsumption is told with regard to families who have to get along on an average income of $758 a year. Almost without exception, the percentage increase in purchases is larger as incomes increase to $1,200 per year than it is when they increase above that level. The farmer's real stake is in the bottom two-thirds of our city families, who are fighting for an income of $100 a month on which to exist. That's his greatest potential market—and it's right here at home. The overstuffed third at the top, to which most of us in this room belong, has enough to eat anyway.

What we now know is that many of our people have been underfed or badly nourished. May I repeat, if every family making less than $1,200 a year had earned at least $100 a month, under 1935 conditions, this would have increased food expenditures by the groups below $100 a month by about 51 percent. The total demand for food by families would have been increased by 14 percent. Agricultural income probably could have been increased directly by nearly $1,000,000,000. No economist would want to guess how much more could have been added to that income by this increased demand. Prices certainly would have improved on the entire production of most of our crops going largely into domestic consumption.

The most important thing about these specific figures on underconsumption is the fact that they get us down to earth in our thinking. It's all right for well-meaning people to rant up in the stratosphere about want in the midst of plenty, but we need to know, in terms of simple arithmetic, crop by crop, just how far we can go in solving our surplus problems by giving the underfed a chance to eat the surplus. The figures we have been considering were based upon a study of consumer purchases by nonfarm, nonrelief families. Since May of 1939 we have gathered some very interesting figures dealing with food-consumption habits among persons getting public assistance, particularly so far as their purchases of surplus farm products are concerned. This has been done in connection with our food-stamp plan, and the figures are based upon day-to-day purchases by families using the stamps. After 9 months of actual experience with this program we are convinced that such an approach holds great promise for farmers producing certain crops, although it holds very little for a few other crops—chiefly those on an export basis. We are anxious to get at the facts as they are, however, and to shape our programs accordingly.

THE FOOD-STAMP PLAN

Some of you may not know how the stamp plan started. Secretary Wallace became convinced that this paradox of want in the midst of plenty could be licked only by the united effort and ingenuity of our whole people. So he asked some of us to get together with farm leaders, with public-welfare officials, and with key people in the food trades to see if we could not develop a businesslike way of solving this problem in a wholly nonpartisan fashion. The stamp plan was the composite result. Some day that same approach, in principle, will be taken to our unemployment problem. I must get back to the job of distributing surplus foods through normal trade channels, however.

Most of you, I take it, are familiar with the objectives as well as the details of the food-stamp plan. Briefly, this is the way it works:

1. Studies indicate that persons getting public assistance spend an average of about $1 a week per person for food.

2. On a voluntary basis, such persons may buy a minimum of $1 worth of orange stamps a week for each member of the family. These are good for any food at any grocery store.

3. Persons buying orange stamps receive half again as many blue stamps free. They receive these in place of the commodities they formerly got at food depots. These blue stamps also are good at any grocery store but only for foods found to be "in surplus" by the Secretary of Agriculture—chiefly dairy and poultry products, meats, fruits, and vegetables.

4. Grocers paste the stamps, each worth 25 cents, on $5 cards and redeem them through their banks, their wholesalers, or through us. The Government pays for both colored stamps; the blue stamps are redeemed from the same funds that are now used to purchase surplus commodities directly.

5. Under the stamp plan, therefore, persons receiving public aid can get surplus foods at the corner grocery store. They have 7½ cents to spend for each meal rather than the 5 cents a meal they formerly spent. That improves farm income as well as the public health. The idea is to eat the surplus—that is, the part that can be consumed in this country.

Since the program was put in effect on May 16, 1939, the surplus commodities have been changed from time to time, in accordance with changes in economic conditions and seasonal factors. The first commodities on the list were butter, eggs, wheat and graham flour, corn meal, dried prunes, oranges, grapefruit, and dry beans. On July 16 oranges and grapefruit were dropped and a number of new commodities were added. These included rice, fresh peaches, fresh pears, cabbage, peas, tomatoes, and onions. On October 1 peaches, cabbage, peas, tomatoes, and rice were dropped from the list, and raisins, apples, snap beans (for October), and pork lard were added. On December 15 pork meats, rice, hominy grits, oranges, and grapefruit were added.

The inauguration of the food-stamp plan has been announced in about 50 cities and county areas. It is now contemplated that by July 1, 1940, it will be in effect in about 100 cities throughout the United States. Nearly 600 cities have applied for the program. During December approximately 400,000 persons were participating in the program on a voluntary basis. When the programs now announced are in operation, nearly 2,000,000 persons will be participating. By July 1 it is expected that between three and four million persons will be taking part in this dual effort to find a wider market for surplus agricultural commodities and to improve the diets of low-income persons in our cities at the same time.

There has been some confusion about how the retailer gets his supplies under the stamp plan. Sometimes it has been assumed that under this program the Federal Surplus Commodities Corporation purchases surplus commodities and sells them to retailers who then supply them to the needy people in exchange for stamps. This is not the case. All the commodities on the list are handled through regular commercial channels. The retailer makes his purchases in the usual way and so does the wholesaler. After the persons receiving public assistance receive their stamps, they may go to any retail store they wish in order to select the commodities they want in exchange for their stamps. The program does not involve any price fixing or price regulation, nor are special stores designated to receive the stamps. We have relied upon competition to keep the retailers' margins at a minimum. Any retail food establishment may, in accordance with the regulations established by the Secretary of Agriculture, accept the food stamps in exchange for the designated commodities.

There is another misconception that the stamp plan is a substitute for local relief. I want to make it plain that none of our activities is intended to supersede present relief assistance. On the contrary, the distribution of surplus foods by the Federal Government is designed to supplement local relief and other forms of public assistance. Every effort is made to prevent any substitution of our funds for other relief funds. Local units of government requesting the stamp plan are required to sign a contract by which they agree not to reduce relief grants on account of the stamp program. This is an important requirement. If substitution of funds were permitted, the purchasing power made available through the stamp plan would not be additional purchasing power. That net increase in purchasing power is needed if farmers are to enjoy a broader market and if underprivileged families are to get better balanced diets.

RESULTS OF STAMP-PLAN OPERATION

Fundamentally we are concerned with the contribution that this program can make to higher farm income and improved nutrition among our low-income families. We are, therefore, conducting continuous studies of the economic and marketing aspects of the food-stamp plan in addition to some work on its nutritional aspects. These are extremely important. In a number of key cities through-

out the country our economic analysis section is following in considerable detail changes in food sales, prices, total sales of surplus commodities, and the sales through the use of blue stamps. Additional supplementary information is obtained on the nature and extent of the voluntary participation in the program, as well as general economic and marketing background data. All of these are designed to give us a clear understanding of what is happening and to guide our future activities in this newest approach to widening the home market for surplus agricultural commodities.

We are watching the selection that low-income families are making of commodities placed on the surplus list. This gives all of us a much better understanding of what low-income people will buy if they are given an opportunity. At the same time it provides a basis for calculating the extent of the contribution that this program may make to the economic welfare of growers of particular commodities. A very important consideration is the measurement of the net increase in the domestic demand that may result from these efforts.

Finally, we are trying to obtain a sufficiently wide body of experience so that the people, the Congress, and the Department can determine the relation of this work to our other farm programs. Obviously, the Nation wants to work toward an integrated approach to the whole farm problem.

Although the stamp plan has not been in operation long enough to measure the ultimate economic effects accurately or to come to final conclusions, we have been maintaining current information to guide us in our operations. This has been made possible through the cooperation of wholesale and retail merchants in a number of cities, including Des Moines. These businessmen have devoted considerable time to giving us accurate reports. The stores have been selected on a basis which would assure a representative sample of low, upper, and intermediate income areas in each city. The cooperation that these merchants have shown is extremely helpful. I should like to take this occasion to thank them. It is very important to all of us that they continue to give us the basic information that we need. They are making a real contribution to the general welfare, which is deeply appreciated.

What are our low-income consumers buying with their surplus stamps? Preliminary figures now available are of great interest to every farmer in America. First of all, we can see how persons getting public aid are using their blue stamps on a wholly voluntary basis. We can tell which agricultural products are most popular and what percentage of the blue surplus stamps is going for each one on the list. We have records which bring this out in great detail for three periods when different surplus commodities were available.

With changes in the surplus list on December 16, 1939, there were indications of some marked changes in blue-stamp purchases. The period is too short, however, for any final conclusion and should be interpreted in terms of possible tendencies rather than of stable averages. Pork meats were placed on the list for the first time. They were very popular. From 20 to 25 percent of the increased purchasing power was used to buy these products. Another 6 percent was used for pork lard. The demand for butter and eggs decreased somewhat, though each accounted for 17 percent of the surplus buying.

Were the stamp plan operating nationally, this would be a very healthy situation from an agricultural viewpoint. Prior to the addition of pork meats to the surplus list on December 15, butter and eggs were taking about 25 percent each of the blue-stamp purchasing power. This meant that there was a potential new market each year under a national food-stamp plan for over 300,000,000 pounds of butter, and over 300,000,000 dozen eggs. That was about 12 percent to 13 percent more of each of these products than the country consumed annually during the previous 10-year period. Had it been possible to establish the stamp plan throughout the country overnight, prices of butter and eggs would have shot through the ceiling under such an increased demand. A more healthy price situation would obtain, of course, if the new demand for butter and eggs represented only 4 percent or 5 percent of former domestic consumption. The balance of the blue-stamp purchasing power would then be available to help lift other farm prices. We are very glad, therefore, to see this shift to the purchase of surplus pork products. If the stamp program were operating on a national basis today, farmers in the Corn Belt would be getting a much better price for their hogs than they are today. Fortunately, we'll have a chance to learn a lot more about supply and demand conditions for these surplus products before it will be possible to expand this program to cover the country.

One last word about the stamp plan. We look upon it as a necessary stopgap measure during this difficult period, when we are trying to find ways to put idle capital to work so that idle men can get jobs. From my own point of view, there are only three figures which I hope will stick in your minds as a result of this talk. The man getting public assistance has to live on about 5 cents a meal. If he's lucky enough to live in a town where the stamp plan is operating, he lives on 7½ cents a meal. When it's possible for him to get off relief and get a job at good wages he spends about 12 cents a meal. Every time an unemployed man gets a job, therefore, every farmer in America ought to yell "Hallelujah!" That's the real answer to many of his surplus problems.

I have devoted a good deal of time to the food-stamp plan as a method of disposing of some of our agricultural surpluses, both because of the popular interest in this new program and because Des Moines was selected as one of the early test areas. Recently the Secretary of Agriculture announced a cotton-stamp program. It is similar in principle to the food-stamp plan. We are going to try it out on an experimental basis in a few selected cities to test its possible value in actual practice. Until we have had an experience record we would rather not make any predictions about it. Within less than a week from the time it was announced, however, some 20 cities applied for its adoption in their communities. We received over 50 letters from one city alone. A table showing the underconsumption of cotton goods by low-income groups appears in the appendix.

OTHER PROGRAMS FOR DEALING WITH SURPLUSES

There are many other programs in the Department of Agriculture for dealing with surplus problems. This fiscal year, for example, the Federal Surplus Commodities Corporation will spend around $80,000,000 buying agricultural surpluses directly at the points of overproduction. These foods are being shipped in carlots to the public welfare departments of every State in the Union. They in turn distribute them through commodity depots, largely to families certified as eligible to receive them. This distribution to individual families is stopped in areas where the food-stamp plan is in operation. Direct distribution usually is continued, however, even in stamp-plan cities, to certain charitable institutions, and to schools participating in our school-lunch program.

We look upon this latter activity as one of our most important jobs, and we hope it will be possible for us to expand the program considerably. Nearly 2,000,000 undernourished children are now getting their noonday lunches, in whole or in part, from vitamin-rich surplus foods which the Congress has authorized us to buy and distribute for this purpose. Aside from the obvious social benefits of such an activity, it fits in perfectly with certain difficult surplus problems faced by some of our farmers. There are crops that move to market so rapidly that the stamp plan cannot be counted upon to soak up the surplus. Cling peaches, which are canned and used in our school-lunch program, as a good example. Quick and direct purchases often must be made to maintain farm income; surely, no better use can be made of foods bought under these conditions than to make them available to growing youngsters who happen to have been born into our less fortunate families.

We are spending some of the money available to us to develop new industrial uses for our surplus farm products. Here, we take a laboratory approach to our job. If we try 20 experiments, and only 1 succeeds, we still feel that we have done a good job. Our plan is to work very closely with the four regional laboratories which have just been set up to do research in this field. We know how important this work is for the long pull, but we also know how little it can offer the farmer this year or next by way of improved outlets for his price-depressing surpluses. A decade or two from now, however, it can be very important, indeed.

Part of our money has been spent to divert agricultural surpluses to domestic outlets which would have been impossible without a government subsidy. The diversion of surplus edible peanuts to oil is a good case in point. Under this program, the peanut farmers of the country have made several dollars by way of improved income for their entire crop for every Government dollar spent for surplus diversion payments. About a fifth of our money this fiscal year has been used to subsidize the exports of cotton and cotton goods. These exports will run about double what they did last cotton year, however, largely as a result of this activity. A similar but much less costly effort to help the American farmer hold his fair share of the world market has been made through our export subsidy payments in connection with wheat and flour. Under our marketing agreement programs, farmers are able to control the grade and size of fruits and vegetables moving to market. Where they care to do so, they can regularize the volume of such shipments, in addition, through the use of weekly prorate orders. All of these regulations must be approved by the Secretary of Agriculture.

Under our marketing agreement and order programs for milk, prices received by farmers from handlers and processors are set after public hearings. All orders now being issued include a special price for fluid milk to be delivered to families getting public aid. This is somewhat lower than the customary class I price but higher than the price the farmer receives for milk which goes into manufactured products. Through cooperation with local welfare agencies, and by virtue of a small subsidy from our funds, this makes it possible, in the city of Boston, for example, for families receiving general relief to get milk at 5 cents a quart and for W. P. A. families to get it at 7 cents a quart. Milk handlers and processors file competitive bids for this business. We feel that a program along these general lines has proved itself in practice and that it should be gradually expanded. There is a shocking underconsumption of fluid milk by our low-income families.

So much for surplus-removal programs in our own shop. Elsewhere in the Department we are dealing with these problems through our agricultural and soil-conservation programs, through our crop-insurance work, and through the lending activities of the Commodity Credit Corporation. Our ever-normal granary program is the answer of human ingenuity to the unpredictable changes of the weather. In years of abundance, farmers can get loans on their crops which can be carried into years of possible scarcity. They not only stand to benefit if prices rise but the presence of such a supply protects our city working people from any runaway prices in years of flood or drought. Of all the contributions which Secretary Wallace has made to American agriculture, historians are likely to put his ever normal granary program at the top of the list.

LOOK AT HOME NEEDS THROUGH MICROSCOPE

We probably shall hear more and more, during the next few years, about solving our surplus agricultural problems by feeding and clothing the destitute peoples of other continents, particularly those ravaged by war. Early this month, for example, when speaking before the Overseas Press Club of America, former President Hoover is reported to have said: "I do not believe that as a Christian nation or as a nation loving liberty we have any moral right to stand by with these large surpluses of food and see people starve to death wholesale, who are helpless to help themselves." I hesitate to mention that charity should begin at home, because I agree with Mr. Hoover that it should not end there. The present situation in Finland, for example, has pulled at our national heartstrings. I should like to suggest, however, that before we look at this problem of human hunger through a telescope that we look at it through a microscope right here in our own country, and remember the millions of youngsters we are pumping into our own society every year on 5 cents a meal. Innocent victims af malnutrition make mighty poor citizens.

This is where industrial democracy is going to make its last stand. We dare not lose our fight—not with our heritage! We won't if we tackle the problems of unemployment and underconsumption vigorously—as vigorously as the pioneers set out to conquer the West—as vigorously as our fathers set out to build a machine age to free men from inhuman drudgery. We stand between them and our children. We've got to build bridges between the old days and the new. We've got to make it possible for these youngsters to work for tickets of access to what we've got all around us. They won't wait forever.

MUST SOLVE UNEMPLOYMENT AND UNDERCONSUMPTION PROBLEMS

There isn't any single answer to this goal of full employment. No single genius is going to arise and light one torch in the darkness. We've got to move forward on many fronts, and the job has got to be done by thousands of ordinary people, like ourselves, who believe in tomorrow and are willing to fight for their convictions today. In the last analysis, of course, the national problem is an individual problem. Therein lies the real value of a meeting like this, and I should like to pay tribute to the men who made it possible.

We come here as individuals, each with his own particular job to do. We go back home, each to his same particular job. What really matters is whether or not we go back as individuals with a new vision. If we don't, we're sunk. If we do, anything is possible. If we go back thoroughly convinced that we can lick this modern headache of underconsumption, then each of us will start a bonfire in his own world and in his own unique way. That sort of enthusiasm is contagious. Others will light their fagots at our little fires and start their own bonfires. The flames will spread until they become like a crown fire in the forests which will burn away this ugly paradox of want in the midst of abundance.

We'll find ways to make it possible for those who want work to get it—thousands of them—and they'll be worked out by thousands of people. It won't come overnight any more than our machine age came overnight, any more than we settled in the West overnight. But it will come, it must come, if we keep our eyes on such a goal and keep marching until we reach it. That's the challenge of our generation. We couldn't have been born during more exciting times. Our destiny is to make the most of them.

Let's not get the notion that because there are 130,000,000 people in the country that 1 person can't do very much. We count enormously as individuals, and thank Heaven our responsibilities end with our own circles of influence. Not one of us has a bigger job before him than he is able to do. Within those circles of influence, however, we've got to make good. We've got to be worthy of the richest country, in terms of tangible resources, that was ever given to any people. We've got to move forward from this halting place of uncertainty to a new day. As I've said elsewhere, we've got to face the fact that a money-rich, consumption-poor economy cannot survive.

It doesn't matter whether we lead a squad or a regiment. It only matters that we know that we don't have to put up with this nightmare of underconsumption in a land of plenty forever, and that we know it with such certainty that it will make us conquerors to the core. No obstacle on earth can stand against such singleness of purpose. The day we wake up to the fact that the problems of unemployment and underconsumption are not going to solve themselves we'll have gone better than half the way toward solving them. Out of such leadership, springing up in thousands of places, will be built the America of tomorrow. Personally, I have faith that we'll measure up to the tradition of businesslike action which has made for progress throughout our history.

The 65 percent of our families living on an average of $69 a month need twice that much income for a minimum standard of living. The unsatisfied wants of two-thirds of our people make up the greatest new market that has ever loomed before our businessmen and our farmers. It's right in our own back yard. We've got to use some imagination and find ways to build a more industrious and therefore a more prosperous America.

Unemployment

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

ARTICLE BY CHARLES G. ROSS

Mr. SCHWARTZ. Mr. President, in the Washington Evening Star of April 15, 1940, there appears a very interesting article by Charles G. Ross, one of our prominent columnists, entitled "Big Riddle Studied by O'MAHONEY; Method of Seeking Answer to Job Question Praised." I ask unanimous consent to have the article printed in the Appendix of the RECORD. It deals with the question of unemployment, which is being considered by the Temporary National Economic Committee, presided over by the senior Senator from Wyoming [Mr. O'MAHONEY].

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington (D. C.) Evening Star of April 15, 1940]

BIG RIDDLE STUDIED BY O'MAHONEY—METHOD OF SEEKING ANSWER TO JOB QUESTION PRAISED

(By Charles G. Ross)

The temporary National Economic Committee (the O'Mahoney committee) has begun a hearing on "the all-important riddle of our time, namely, why it is that in a world of inexhaustible natural resources, inhabited by men who know more about the physical and chemical secrets of nature than all the generations who preceded them, we still have not learned how to apply the wonders of technology in such a fashion as to provide decent jobs for the millions of idle who are able and willing to work." The words are those of the chairman in outlining the study.

Why is it that with production hitting the 1929 prosperity level, as it did toward the end of last year, we still had 10,000,000 unemployed?

Why is it that we have 8,000,000 families with incomes of less than $750 a year and an additional 11,000,000 with incomes between $750 and $1,500?

Why is it—to lump a hundred questions into one—that the genius which has enabled us to solve the problem of production has failed tragically before the problem of distribution?

PROSPECTUS ADMIRABLE

To put the question is to show the profound importance of the committee's inquiry into the social and economic effects of technology. Chairman O'Mahoney's prospectus is altogether admirable: "The leaders who have been invited to testify are under no restriction of any kind. We are not trying to prove a case for any remedy or for any approach. We are not seeking to solicit evidence to justify more government or to justify increased expenditures."

Admirable, too, was the manner in which the hearing was opened by the committee's economic adviser, Dr. Theodore J. Kreps, an economics professor at Stanford. It is possible here only to glance at his paper, for anyone who will take the trouble to go through it and study its charts and graphs there's a liberal education in the subject.

One of the statistical facts at the root of the problem of technological unemployment: From 1924 to 1938, thanks to the machine—by which is meant all forms of improved methods of production—the productivity of labor increased 40 percent. Since 1929 the output per man-hour has increased 25 to 30 percent.

Another point brought out by Dr. Kreps: The percentage of available workers from 45 to 64 is increasing rapidly and "finding jobs for men over 40 will in the near future require every scrap of ingenuity that leaders in business and Government can summon."

THE BRIGHTER SIDE

On the brighter side, suggesting the infinite possibilities that lie in industrial pioneering: Substantial portions of the output of some of the largest chemical companies consist of products that a few years ago were unknown. For example, the Monsanto Chemical Co., of St. Louis, reported recently that products put into commercial manufacture since 1929 accounted for 39 percent of its sales in 1938. Forty percent of the business of the Du Pont Co. in 1937 was done in products relatively unknown in 1929.

The present needs of industry: Not more capacity but more market. Industry is equipped to produce a national income of ninety to one hundred billion dollars.

At this point Chairman O'MAHONEY summed up: "That is another way of saying that the problem now is one of distribution rather than of production."

Dr. KREPS: "Yes, I think that would follow."

The question was posed: Who has received the benefits of technology in the last 20 years? The answer, roughly, was that benefits had been distributed to the consumer, in the form of lower prices, but not to the extent that they should have been—not to the extent that they must be if the beneficent possibilities of the machine are to be realized. As the case was stated by Dr. Kreps: "The best argument for, if not the proof and substance of, technical progress, consists in the lower prices that are quoted to consumers. These savings from increasing productivity, if passed on to consumers, increase the purchasing power of millions of people and thereby give increased opportunities for employment to millions of businesses throughout the country."

PROBLEM STATED GRAPHICALLY

This is what might happen: It has happened up to now in a degree far from sufficient to make the machine the unmixed blessing that it ought to be. Instead, along with its benefits, the machine has helped to produce "complete absence of employment in a quantity we don't know."

Dr. Kreps stated graphically the problem with which the committee is wrestling: "There are some truly gigantic bridges to be built, economic bridges connecting the needs of these families (the 19,000,000 at the bottom of the economic scale) with the goods which our superb machines can produce.

"There are, in short, two frontiers, the industrial frontier and the frontier of economic adjustment. * * * If we vigorously push advances in technology and refuse to make the requisite economic adjustment we will set up grave tensions in our society. To call a moratorium on the progress of the machine is both unwise and impossible. But the shortsightedness of those who argue that the industrial frontier is gone is only exceeded by the stupid defeatism of those who wish to call a halt to economic adjustment."

What form should this adjustment take? Chairman O'MAHONEY and the economist, between them, arrived at this answer: There should be no limitation of production, but a building up of the consuming capacity of those 19,000,000 families.

It gets the T. N. E. C.'s hearing off to a good start to have the problem so clearly recognized and stated.

Civil Aeronautics Authority

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

LETTER FROM DAVID L. BEHNCKE, AND NEWSPAPER ARTICLES

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a letter over the signature of David L. Behncke, president of the Air Line Pilots' Association, bearing on the subject of the recent Executive order doing away with the Civil Aeronautics Authority.

I also ask unanimous consent to insert in the RECORD two very able articles from the American Aviation Daily on the same subject.

I also ask unanimous consent to have inserted in the RECORD an article by David Lawrence, published in the Washington Evening Star of April 15, 1940, perhaps one of the most comprehensive articles published on the subject of the Executive order doing away with the Civil Aeronautics Authority.

I also ask unanimous consent to have inserted in the RECORD an article by Messrs. Drew and Pearson under the caption Washington Daily Merry-Go-Round, published in the Washington Times-Herald of April 16, 1940, which deals with the same subject.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

AIR LINE PILOTS ASSOCIATION,
Chicago, April 5, 1940.

Hon. PAT MCCARRAN,
United States Senate, Washington, D. C.

DEAR SENATOR: I thought it would be timely and fitting to call your attention to the fact that air transportation recently completed 12 months of service without a passenger fatality.

Briefly, the record made during this period is as follows: Between March 26, 1939, and March 26, 1940, the air carriers flew 814,906,250 passenger-miles, 87,325,145 plane-miles, and carried 2,028,817 passengers without a fatality.

There is an old axiom, "actions speak louder than words," which may be appropriately carried a step further in this situation by adding the phrase, "good performance is the sum total of proper legislative planning and foresight."

Now that the well-known band wagon is creaking and groaning under the weight of the would-be credit seekers, I hear no mention of the legislators who made such a fine safety record possible, and, in fact, very little is said about the pilots who called a spade a spade only a short time ago as to what was necessary to stop the many terrible crashes that were being experienced and thereby put the industry on its feet.

Be all that as it may, the pilots wish you to know that they have not forgotten the very important part you played in the transitionary and revolutionizing period in air transportation that has resulted so commendably.

It is a commonly recognized fact that commercial flying, and especially air transportation, is the backbone of the Nation's aviation. To have something, so important to the security and well-being of the American people, flounder and stumble so far short of its rightful goal because of the needless accidents which have happened in the past, represented a truly chaotic condition. The part you played in eliminating this chaotic condition is something that you can mark down in your book of accomplishments that will reflect to your everlasting credit.

My only prayer now is that we'll be able to keep it up. I believe we will if the Civil Aeronautics Act of 1938 is properly administered, and if the Air Safety Board is kept strong and free from influences that will deter it from that which it was established to do, namely, to call a spade a spade where safety is involved.

The Air Safety Board is truly the sentinel of safety in air travel, and so long as it is kept at its post armed with the necessary wherewith to properly do its duties both in finance and proper backing in Congress and the regulation-making and enforcing part of the Civil Aeronautics Authority, we have an excellent chance of continuing the splendid safety record that has been created during the past 12 months.

If, on the other hand, the Air Safety Board is hampered and curbed in what it was established by Congress to do, there is an excellent chance that we will slowly drift back into a situation similar to that prior to the time that the Civil Aeronautics Act of 1938 was passed.

While we are on the subject of how the Civil Aeronautics Act is working out, it might also be well to mention that labor relations under the labor provisions of this act are working out excellently.

Your continued cooperation in the interest of maintaining and perpetuating the splendid safety record that has placed American air transportation in No. 1 position in world aviation will be genuinely appreciated by the air-line pilots.

Sincerely yours,

DAVID L. BEHNCKE, *President.*

[From American Aviation Daily of April 11, 1940]

REORGANIZATION PLAN PLACES AVIATION UNDER COMMERCE

The President's Reorganization Plan No. IV, sent to Congress today, places the Civil Aeronautics Authority (renamed Civil Aeronautics Board) in the Department of Commerce; abolishes the Air Safety Board; and transfers the Weather Bureau from the Department of Agriculture to the Commerce Department.

TEXT AFFECTING C. A. A. AND WEATHER BUREAU

The text of the President's message concerning the C. A. A. and Weather Bureau follows:

"Department of Commerce

"SEC. 7. Transfer of Civil Aeronautics Authority:

"(a) The Civil Aeronautics Authority and its functions, the office of the Administrator of Civil Aeronautics and its functions, and the functions of the Air Safety Board are transferred to the Department of Commerce.

"(b) The functions of the Air Safety Board are consolidated with the functions of the Civil Aeronautics Authority, which shall hereafter be known as the Civil Aeronautics Board, and which shall, in addition to its other functions, discharge the duties heretofore vested in the Air Safety Board so as to provide for the independent investigation of aircraft accidents. The offices of the members of the Air Safety Board are abolished.

"(c) The Administrator of Civil Aeronautics, whose functions shall be administered under the direction and supervision of the Secretary of Commerce, and the Civil Aeronautics Board, which shall report to Congress and the President, through the Secretary of Commerce, shall constitute the Civil Aeronautics Authority within the Department of Commerce: *Provided*, That the Civil Aeronautics Board shall exercise its functions of rule making (including the prescription of rules, regulations, and standards), adjudication, and investigation independently of the Secretary of Commerce: *Provided further*, That the budgeting, accounting, personnel, procurement, and related routine management functions of the Civil Aeronautics Board shall be performed under the direction and supervision of the Secretary of Commerce through such facilities as he shall designate or establish.

"SEC. 8. Transfer of Weather Bureau: The Weather Bureau in the Department of Agriculture and its functions are transferred to the Department of Commerce and shall be administered under the direction and supervision of the Secretary of Commerce: *Provided*, That the Department of Agriculture may continue to make snow surveys and to conduct research concerning (a) relationships between weather and crops, (b) long-range weather forecasting, and (c) relationships between weather and soil erosion."

TEXT OF PRESIDENT'S EXPLANATION FOR THE CHANGES

The President, elsewhere in his message to Congress, explains the various shifts in more detail, as follows:

"Department of Commerce

"One of the purposes of the Reorganization Act is to reduce the number of administrative agencies and thereby simplifying the tasks of executive management. We have made substantial progress toward this objective under previous reorganization plans. I am now proposing another step in this direction by placing the Civil Aeronautics Authority within the framework of the Department of Commerce.

"Reorganization Plan III, which deals with intra-departmental changes, draws a more practical separation between the functions of the Administrator and the Civil Aeronautics Board. In plan IV, which is connected with interdepartmental reorganization, I am bringing the Authority into the departmental structure.

"The Administrator will report to the Secretary of Commerce. The five-member Board, however, will perform its rule-making, adjudicative, and investigative functions independent of the Department. In the interest of efficiency it will be supplied by the Department with budgeting, accounting, procurement, and other office services.

"As a result of the adjustments provided in plans III and IV I believe the Civil Aeronautics Board will be able effectively to carry forward the important work of accident investigation heretofore performed by the Air Safety Board. In addition to the effective and coordinated discharge of accident investigation work which this transfer will facilitate, economies in administration will be possible.

"The importance of the Weather Bureau's functions to the Nation's commerce has also led to the decision to transfer this Bureau to the Department of Commerce. The development of the aviation industry has imposed upon the Weather Bureau a major responsibility in the field of air transportation. The transfer to the Department of Commerce, as provided in this plan, will permit better coordination of Government activities relating to aviation and to commerce generally without in any way lessening the Bureau's contribution to agriculture."

COMMENT ON THE PLAN

The President's Reorganization Order No. IV was called the biggest political double-cross of the century by a prominent aviation official today. This summarizes initial reaction in both Government and industry circles to the worst blow civil aviation may have had for many years.

Members of the Authority, the Administrator, and the Air Safety Board were stunned by the news. It is probable that if the order becomes effective there will be important resignations and the present high morale of the entire Government organization in civil aviation may be seriously broken. The proposed transfer puts the C. A. A. back into the highly political Commerce Department with potential disastrous effects for both air lines and manufacturers of civil airplanes.

The order was promulgated by the Brownlow reorganization group. No hint of the order had leaked out and no person connected with the C. A. A. had the slightest inkling it was coming. Believed to be prominent in the behind-the-scenes activities were Edward J. Noble, former chairman of the C. A. A., whose maladministration bogged down the C. A. A. in its early days and who now is Under Secretary of Commerce; C. Stuart Guthrie, former general counsel of the C. A. A. who is now with the Department of Commerce, and who is a protégé of Tommy Corcoran; and Col. J. Monroe Johnson, Assistant Secretary of Commerce, who formerly had charge of the highly political Bureau of Air Commerce.

(NOTE.—According to the Reorganization Act (Public 19, 76th Cong.) the reorganization plan becomes effective upon the expiration of 60 days after the plan is transmitted to Congress, but only if during the 60-day period "there has not been passed by the two Houses a concurrent resolution stating in substance that the Congress does not favor the reorganization plan." Consequently, the approval of either House has the effect of putting reorganization into operation. It is impossible to effect a rejection of a reorganization plan by filibustering as this would prevent a vote within the legally specified 60-day period. On the other hand, Senators favoring the reorganization plan might filibuster to avoid a rejection vote within the 60-day period. The House, of course, is barred from filibustering through limited-debate procedure.)

The Daily passes on a suggestion made by a highly competent authority on governmental procedure as one means of making an effective protest in Congress. There are special reorganization committees in both the House and Senate headed respectively by Representative JOHN J. COCHRAN, of Missouri, and Senator JAMES F. BYRNES, of South Carolina. In past reorganization orders sent to Congress by the President these committees have not held hearings. The committees do have the power to hold hearings, however, and to subpena witnesses. If the industry could secure hearings by these committees, the entire reorganization plan could be placed in the open with witnesses forced to appear. The individual who made this suggestion to the Daily believes this to be one of the most effective means of killing the Executive order, although a negative vote in both Houses must be obtained within 60 days regardless.

The industry is faced with one of its most difficult legislative tasks if it desires to defeat the order. This is election year, and the President still holds a powerful hand over Congress by reason of his not declaring himself out of this year's elections. Although it is known that he will not run unless the European situation becomes much worse, his failure to declare will keep many Democrats in line. Republicans will probably oppose the reorganization plan to a man, but these votes are not sufficient. Senator PAT MCCARRAN (Democrat, Nevada) will doubtless be the opposition leader in the Senate.

Clinton M. Hester, C. A. A. Administrator, evidently was not involved in either the order of last week or today. Several years ago Mr. Hester was draftsman of legislation sponsored by the Brownlow committee, but the present order is believed to eliminate definitely Hester from any current connection, and is directly contrary to his own beliefs.

Manufacturers of civil aircraft are just as much affected by the order as air lines in that the multitudinous technical problems relating to aircraft airworthiness (which cost the manufacturers much grief under the old Bureau of Air Commerce) would again be placed in a red-tape Government department subject to political domination. The C. A. A. has been 99 percent immune from politics.

The shift reduces civil aviation to the status of a bureau in a Cabinet Department in direct contrast to the importance aviation is receiving in other nations, although the possible military reasons the President may have are not yet known.

NOTE.—Although the Authority has made a splendid record and accomplished much, the fact remains that the slowness and delay in handling regulatory and quasi-judicial air-carrier cases may be a contributing reason to the present order. Brownlow, who opposed the existing C. A. A. set-up, was given good evidence that he was right in his views by the dilatory tactics of C. A. A. on airline matters. Part of this delay originated with Ed J. Noble and Stuart Guthrie, while since Noble's transfer to the Commerce Department the Authority has dallied too long with purely administrative matters and such activities as the civilian pilot training program, and so forth. The initial reaction in Washington is that if the Authority had cut red tape on economic regulatory matters there would be no reorganization order for it today, although the President may have reasons not yet revealed. Nevertheless, it is believed the industry would a thousand times prefer the present C. A. A. than a political Commerce Department.

What steps will be taken by the industry to offset the order are not known yet, but the job is no small one and will require mustering the support of not only every segment of the industry but as much affiliated and allied help as possible if the industry desires to make an effective protest. It is possible that the reorganization order will have wide ramifications in the 1940 political campaign, although this is a first day's reaction.

The Daily will appreciate being advised of plans, comments, reactions, and opinions from the industry as a guide to its newscovering in regard to the order.

[From the American Aviation Daily of April 12, 1940]

REORGANIZATION DEVELOPMENTS

The President's Reorganization Plan No. IV made public yesterday was chief source of conversation in aviation circles today. Developments since late yesterday are:

1. Senator PAT MCCARRAN, aviation champion in the Senate, introduced a concurrent resolution yesterday afternoon (S. Con. Res. 42) rejecting both Reorganization Plans No. III and No. IV, the former making intra-agency changes and the latter being the shift of the C. A. A. into the Commerce Department. He was to make an extemporaneous speech on the floor of the Senate this afternoon as a prelude to his fight to defeat the President's order.

2. David L. Behncke, president of the Air Line Pilots Association, issued a statement in Pittsburgh last night vigorously protesting against the proposed reorganization, especially the abolition of the Air Safety Board. He was due in Washington today. He will lead the fight of airline pilots for retention of the Board.

3. The daily press was quick to catch the controversial angles in the order. The Washington Times-Herald, especially, gave the proposed change much attention and gave MCCARRAN and Behncke headlines for their protests. Press reaction is expected to be unfavorable to the proposed order.

4. Air-transport industry: Airline officials now in Washington are noncommital. It is not likely that the industry will rush into any campaign to defeat the order. Most of them personally oppose the proposed change, but recommend a cautious approach in protesting. Col. Edgar S. Gorrell, president of the Air Transport Association, is recuperating from serious illness and apparently is not able, physically, to be active. Some airline officials are decidedly lukewarm and are not as high in their praise of existing C. A. A. as the C. A. A. had assumed they would be.

5. National Aeronautic Association: Gill Robb Wilson, president, has had discussions with Government and congressional people but is noncommital.

6. Aeronautical Chamber of Commerce: Col. John H. Jouett, president, told the Daily the chamber is definitely neutral and noncommittal until members have had an opportunity to study the proposed change and make recommendations.

Other developments are:

PRESIDENT'S PRESS CONFERENCE

The President at his press conference this morning was questioned specifically on the C. A. A. phase of the order. He said that the present machinery will remain intact and that the order simply carries out a plan under which the President is not required to talk to so many different agencies, and this is a move in that direction. He pointed out the plan saves some top salaries and denied the Air Safety Board would be imperiled by the shift.

CONGRESS

Both the Reorganization Plans III and IV have been referred to the Select Committee on Government Reorganization, headed in the Senate by Senator JAMES F. BYRNES, of South Carolina. MCCARRAN explained that he rushed his resolution to forestall an effort by Senator BYRNES to push approval of the plans, although some observers point out that one such order last year obtained congressional approval because an opponent filed his resolution too soon, permitting the administration forces to rush the measure through for final action before opposition had had time to organize. Senator MCCARRAN says he is well aware of this possibility but expects to forestall such hasty action. He is forced to leave town for a few days, after which time he hopes to fight the proposed reorganization.

Few in Congress would be quoted today. Senator BYRNES endorsed the President's plan, but refused to comment specifically on the C. C. A. phase. Several Senators expressed wholehearted disapproval in off-the-record comments. Representative CLARENCE LEA had not been reached for comment up to press time. Sentiment in the House will probably oppose the order but whether the votes can be obtained in this, an election year, remains a very debatable question. Senator BENNETT CLARK, chairman of the Senate Commerce Committee, who should have much to say, is still out of the city. His committee is considering holding a special meeting to determine policy. It is evident that many Members of Congress are only today becoming aware of the seriousness of the order, not merely for the C. A. A. change, but for other shifts including the provision for continuing the President's power to make executive changes. This latter provision might well be the decisive issue.

C. A. A.

If the plan goes through in 60 days, observers expect several resignations. Robert H. Hinckley, C. A. A. Chairman, is expected to leave. Grant Mason will probably do likewise. Clinton M. Hester, Administrator, could not do much else. Messrs. Branch, Ryan, and Warner would probably remain. The order has done much to upset C. A. A. activities and personnel are thinking of little else. Mr. Hinckley was in New York today for an address but will be back tomorrow.

TRENDS

The initial reaction yesterday was that if the reorganization plan is to be defeated the industry must take the initiative. Evidently certain Government officials expected this to happen. However it is now clear the industry will not rush to make comments or take any action. It will probably be a week or more before the industry attitude is known and considered. There will be some within the industry who oppose taking any steps. On the other hand, there is a growing belief that a strong group in Congress with the aid of newspaper publicity may be able to turn the trick.

NOTE.—It is very significant that a comment was made from inside top Democratic Party circles this morning that the party is afraid of this order as a political issue, especially because newspaper and radio commentators seem to oppose the plan. It is conceded that this latest order could be made into important political capital by Republican and antiadministration Democrats.)

A long fight in Congress, however, does not seem to be in the cards at present. Congressmen want to go home in June.

As background comment it may be recalled that a move to include the C. A. A. in the group of all other administrative quasi-judicial agencies exempt from reorganization was defeated last year by a close Senate vote. Senator BENNETT CHAMP CLARK was partially responsible for this defeat. However, the situation has materially changed since that time and the C. A. A. has obtained much favorable support in Congress in view of the airline safety record.

OTHER COMMENT

In regard to strategy on the Hill, Senator MCCARRAN attempted to have his concurrent resolution referred to the Senate Commerce Committee where it would receive more cordial reception. The presiding officer yesterday, however, denied the Senator's request and it went to Senator BYRNES' reorganization committee.

There is some talk in Washington that Clinton Hester, C. A. A. Administrator, might resign and openly and actively join forces with the opposition to the order on the Hill, partly as a means of offsetting rather deep impressions in some quarters that he had a hand somewhere in the President's plan. Mr. Hester was noncommittal on the order but is nevertheless known to have bitterly opposed it in private, as have members of the Authority.

Who will file the concurrent resolution in the House is not yet known.

Although the C. A. A. is the most important single element in the reorganization plan, aviation interests are by no means all that are affected. Food and drug interests are expected to wield considerable influence on another section of the order.

[From the American Aviation Daily of April 12, 1940]

STATEMENT OF SENATOR MCCARRAN ON C. A. A. REORGANIZATION

Senator PAT MCCARRAN released to the Daily today the following statement on C. A. A. reorganization:

"In March 1934 I introduced my first bill, which provided for an independent agency. The President sent a message to Congress of date June 7, 1935, wherein as against my bill, he recommended that all transportation facilities should be under the Interstate Commerce Commission. After that the President called me for a conference. As a consequence of that conference I redrafted my legislation, putting the Interstate Commerce Commission in charge of the set-up. This bill was defeated by a filibuster.

"Early in 1938 the President again called me to the White House and stated that he thought I was right in my first idea—that it should be an independent agency. Following this conference I wrote the present civil aeronautics bill. Thus the Civil Aeronautics Authority was born.

"At the conference he called in his son, Mr. James Roosevelt, and discussed his ideas at length, repeating his belief in the correctness of my position. But, in the course of the conversation, he stated that, in his judgment, there was involved in the independent agency the legislative, the executive, and the judicial; that in the legislative and judicial phase of the agency the President had no place. But as regards the executive phase, to use the President's homely expression—the 'housekeeping agency'—the President should be advised, and reports should be made to him. He suggested, and I afterwards drafted into my bill, a provision for what is known as the position of Administrator.

"Pursuant to the suggestion of the President, I from time to time in the redrafting of the bill, conferred with his then secretary, Mr. James Roosevelt. All of the time we kept in mind the message of the President and his urgent advice that the Civil Aeronautics Authority be made an independent agency.

"The bill I drafted was presented to the Senate Commerce Committee, of which the late Senator Copeland was chairman. This bill was brought out of the Committee on Commerce and, after a protracted debate on the floor of the Senate, was finally adopted by the Senate. During all of the history of the legislation I refused to recede from the demand for an independent safety board. The same controversy was carried on through the committee of the House and Senate conferees, of which I was a member; and out of this conference committee came the provision for the independent safety board. The whole policy of the legislation, the whole spirit of the law initiated by myself in 1934, carried on until it became a law, was that the Civil Aeronautics Authority should be an independent agency.

"There is no agency today authorized by Federal statute which demands more of independence from political interference than the Civil Aeronautics Authority. The fact that it has been independent and unhampered has led to a safety record unexcelled by any transportation facility through all the ages of civilization, a record in which 87,325,145 plane-miles and 814,906,250 passenger-miles have been flown in 1 year in continental and extra-continental United States without a single fatality.

"My reason for initiating this legislation, my reason for taking this transportation facility out of the Department of Commerce, was to take this important agency out of politics. There can be no reason for putting it back into the Department of Commerce except to put it under the control of the greatest political agency in the world. My reason for setting up the Safety Board was to insure the safety of human life and property in this all-important transportation facility. There is no reason why this Safety Board should be destroyed.

"I have offered a concurrent resolution pursuant to law, against the adoption of the reorganization orders.

"We have arrived at a time in the history of this Government when Congress should either assume absolute responsibility for the initiation of legislative acts or Congress—the Senate and the House of Representatives—should honestly admit their inability to perform under our constitutional democracy. If an act, passed after 5 years of consideration by both Houses of Congress—which involves one of the greatest activities in which a people or a nation can engage, namely, public transportation—can be set aside by a mere stroke of the Executive pen, then better a thousand times that the people should know that Congress does not represent the people.

"I care not who the Executive may be nor how much I have adhered to the progressive government effected by the Executive. I care more for our Constitution and our constitutional democracy, and the freedom of legislative action under our constitutional democracy—than I do for any man or any set of men.

"With this principle I shall go forward regardless of the time during which I may serve in public life.

"The reorganization order sent into the Senate yesterday, consigning the fate and destiny of the Civil Aeronautics Authority to the Secretary of Commerce, is destructive and not constructive."

[From the Washington Evening Star of April 15, 1940]

AERONAUTICS REVAMPING PLAN HIT—HIGH PRAISE GIVEN WORK OF SAFETY BOARD AND C. A. A.

(By David Lawrence)

American public opinion will shortly have a significant test. Can it think penetratingly of anything else but war events abroad? Will it manifest disapproval of one of the most unfortunate mistakes that has been made in Washington in many years, and which must be corrected within the next 60 days, or else the public interest will suffer?

These questions arise out of an extraordinary set of circumstances in connection with President Roosevelt's reorganization order abolishing the Air Safety Board and placing the Civil Aeronautics Authority inside the Department of Commerce as a subordinate bureau.

Of all the governmental boards created in a decade or more, the Civil Aeronautics Board is admittedly the best functioning, and the Air Safety Board the most valuable. Not only is the personnel of fine quality and integrity but the law creating the two agencies is the product of many years of unselfish service by some of the best legal minds of the country. Senator PAT MCCARRAN, of Nevada, Democrat, known as father of the legislation, worked over 21 different bills before he finally pressed for passage the one that seemed best suited to administer the regulatory powers of government over the airways of America and the aviation industry.

Few examples are afforded of any better cooperation anywhere between government and business than between the aviation industry and the Civil Aeronautics Authority. Few examples are afforded also of keener admiration on the part of students of government, even inside the New Deal, of the fairness of procedure and efficiency of administration of the C. A. A.

But all of a sudden the prestige which this new institution has enjoyed as an independent body is to be impaired as it is made the tool of a political department instead of the independent servant of the Congress.

Nobody in the Department of Commerce asked that the Civil Aeronautics Authority be placed in that Department. Nobody in Congress who had any interest in aviation was consulted; certainly not the leaders like Senator MCCARRAN. Nobody in the C. A. A. itself was consulted, either. This may sound strange to persons outside of Washington, but it is a fact.

Who, then, started it and carried it through to President Roosevelt and persuaded him to sign the order?

The answer is that ever since the reorganization bill came before Congress there has been a group of theorists who have no use for practical suggestions about governmental operations but want to fit every bureau and commission into a pattern of their own designing. They are sincere theorists. They have no ulterior motive. They simply believe that independent commissions belong in the executive branch of the Government, and they have the ear of Mr. Roosevelt, who is so harassed by detail and so pressed for time by public problems that he has assented to a change without giving everybody concerned a chance to be heard.

The President cannot be blamed, in a sense, for what has happened. He has been warned that reorganization orders must be planned in secret and sent to Congress so that a backfire cannot be built to prevent the order from being decided upon. Congress itself recognized that this might happen when it delegated power to the President to issue such reorganization orders but legislated a provision that the orders could be disapproved if a majority of both Houses so voted within 60 days.

This is an important safeguard, but it may not work, because it is not easy to rivet public attention on a technical order affecting reorganization of a particular board or bureau. Also, people who have other responsibilities and work to do, especially in the aviation industry, now must come to Washington and, in effect, lobby for a change that never should have been ordered in the first place.

If the President had given a hearing to all interests concerned, the order never would have been issued. In the last 24 hours since the order was published Senator MCCARRAN has had telegrams from all parts of the country expressing grave concern that the Air Safety Board is to be abolished and that the C. A. A. is to be made a bureau. Representative WOODRUM of Virginia has taken a stand against the order in the House.

The present executive reorganization law provides that the resolution of disapproval must come out of congressional committees in 16 days and debate is limited in both Houses.

[From the Washington Times-Herald of April 16, 1940]

WASHINGTON DAILY MERRY-GO-ROUND

(By Drew Pearson and Robert S. Allen)

WEIRD REORGANIZATION

Just 2 weeks ago the air lines of the United States celebrated their first year without a single fatality. It was a national landmark in transportation, and thousands of congratulatory messages poured in upon the Civil Aeronautics Authority, which had contributed so materially to this record. Among those messages was one from President Roosevelt personally to able Civil Aeronautics Authority Chairman Robert Hinckley.

Hinckley and his four associates had taken hold of a broken-down, politics-ridden agency which was so scandal-soaked that Congress wrenched it out of the Department of Commerce and forced the administration to accept it as an independent commission. And in two short years the Civil Aeronautics Authority Commissioners made it one of the model agencies of the New Deal.

But now, just 2 weeks after the brilliant no-fatality air record, the Civil Aeronautics Authority finds itself right back where it started. It has been dumped into the lap of the Commerce Department, with Chairman Hinckley and his capable colleagues shorn of their power.

All this was done through the latest Government reorganization messages to Congress.

And believe it or not, but Harry Hopkins, boss of the Commerce Department, did not know 15 minutes in advance that he was to take back the Aeronautics Authority. Furthermore, there seems to be some doubt whether the President himself knew that the Civil Aeronautics Authority was being transferred to the Commerce Department.

For when outraged friends of Chairman Hinckley went to the White House to find out what the transfer was about, Roosevelt was just as blank as they.

"Why, I thought we were giving Bob (Hinckley) control of the whole Civil Aeronautics Authority," he said.

WHO RULES REORGANIZATION

All of this brings up the very important question of who is writing the Government reorganization orders with which the President has been peppering Congress. Chief master minds are:

Louis Brownlow, an affable exnewspaperman, formerly city manager of Petersburg, Va., and Knoxville, Tenn., who now operates the Public Administration Clearing House in Chicago. It was Brownlow who wrote the President's reorganization bill.

William H. McReynolds, who for 34 years has been wound up in Government red tape in the Post Office, the now defunct Bureau of Efficiency, the Budget Bureau, and the Farm Credit Administration; and who finally was sold to Roosevelt by his pal, Henry Morgenthau. McReynolds now is a member of the enlarged White House secretariat.

Both men, it is interesting to note, are close friends of Clinton M. Hester, Civil Aeronautics Authority Administrator and, another Government careerist. During his career, Hester became familiar with red tape all the way from the Interior Department to the Treasury, including the Shipping Board, Alien Property Custodian, and Justice Department, where he ran into a storm with the late Mrs. Homer Cummings.

Hester, as administrator of the Civil Aeronautics Authority, was kept under rein by Chairman Hinckley. But suddenly, friends Brownlow and McReynolds inserted in their first reorganization of the Civil Aeronautics Authority a deft provision whereby most of Hinckley's powers suddenly were transferred to Hester. They put this plan under the President's nose, he signed it, and overnight Hester became czar of the Civil Aeronautics Authority.

But not for long. Perhaps worried over the resultant storm plus knowledge that Chairman Hinckley would resign, they wrote a new reorganization message for the White House. This time they transferred Civil Aeronautics back to the Commerce Department and old-fashioned politics.

Thus, in 2 weeks, and for no apparent reason, came two reorganizations of an agency which had just chalked up one of the most notable records of the New Deal. And all of this has been done by a reform measure supposed to streamline Government.

The Labor Board

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

EDITORIAL FROM NEW YORK POST

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an exhaustive and brilliant editorial on the philosophy and operation of the National Labor Relations Act, appearing in the New York Post of Monday, April 8, 1940.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Post of April 8, 1940]

THE LABOR BOARD

Five years ago our democracy, in a creative mood, invented the National Labor Relations Board. It selected three men and said to

them: "You are the Labor Board. Now bring peace to American industry." With a definite objective but with only a few suggestions as to procedure, it set the Board afloat, to succeed or to fail, to sink or to swim.

The prospects were not good when the work started. Employers, through their organizations, declared war on the Board before it had handled a single case. Labor organizers stormed the least progressive areas of the country, promising: "You may safely join a union; the Labor Board will protect you." At almost the same time, labor itself split into two camps, each side jealous lest the Board give the advantage, by even a hair, to the other. And in a hundred Federal courts, injunctions were handed down, effectively estopping the Board from its work until the Supreme Court should rule.

This was high social adventure, begun in a mood of social bitterness. With all these handicaps the Board has handled more than 20,000 cases. The disposition of these cases is shown below:

Fifty percent, both satisfied; 11,121 cases closed by agreement; 1,874,345 workers.

Twenty-seven percent, employer wins; 6,053 cases withdrawn; 1,165,363 workers.

Sixteen percent, employer wins; 3,611 cases dismissed; 877,555 workers.

Seven percent, labor wins 2 out of 3; 1,617 cases; 584,486 workers go to trial and decision.

A LIMITED LAW

The word "union" appears nowhere in the National Labor Relations Act. Nor will you find in it anything about rates of pay, or hours per week, or closed shop or open shop. Let us focus clearly on what the Board may do: Its only function is to protect the right of collective bargaining. It has no other function. It cannot add a penny to a pay check; it cannot cut a minute from a working day.

A SELF-REPEALING LAW

It follows that once an employer has recognized the right of collective bargaining, he is through so far as the Board is concerned, and the Board is through so far as he is concerned.

It follows, again, that if all industry (as in the case in England) freely recognizes the right of labor to bargain collectively, the Board's function will be ended, except for routine handling of technical complaints. The act will, in effect, have been repealed. A bit of it is repealed whenever a new union contract is signed.

So sharply is the Board's function limited that once a corporation (say United States Steel or General Motors) recognizes the right of collective bargaining, the Board becomes merely a convenience to it, protecting it against unfair charges of bias, keeping it from being pinched between opposing unions in jurisdictional conflicts.

HOW THE RECORD READS

Three years ago friends of the act and the Board had to make this argument in theoretical terms. They had to promise (on their word, for there was nothing else to go by) that the Board would be fair, that the Board would be moderate, that the Board would not harass business. Today we have elaborate statistical data.

There is a theory, sometimes urged in less than scrupulous fashion, that the Board is loaded against the employer, that it is a club which any union can wield at its pleasure. Where facts refute a theory, the theory must be abandoned.

Out of every hundred cases—

1. Fifty are settled to the mutual satisfaction of labor and employer long before the stage of trial before an examiner and decision by the Board.

2. Twenty-seven cases are withdrawn by labor, which means, most often, that the Board has told some labor union with a low flash point that it had no evidence to support its charge of unfair labor practices and that it had better withdraw. These are victories for the employer.

3. Sixteen cases are dismissed by the Board. These, too, are victories for the employer.

4. Only 7 cases out of 100 go to final process; of these, only 5.3 cases are unfair-labor-practice cases; and even of these labor wins only two-thirds.

It is worth noting that the Federal Bureau of Investigation convicts 98 out of every 100 persons it brings to trial—and it brings its prisoners to trial before juries and Federal judges, not members of the F. B. I. It is not on the basis of the number of final convictions, therefore, but on the basis of a study of procedural methods, that we can tell whether a legal process is fair or unfair.

PRODUCTION UP; STRIKES DOWN

A sharp rise in business took place last year. By December the (Federal Reserve Board) index of industrial production reached 128, highest in our history. This was accompanied by a rise in prices. Normally there would have been a sharp increase in the number, duration, and severity of strikes during such a period. Strikes always rise during a period of expanding business activity, because the cost of living goes up and because "you have to have a job before you can strike."

December 1939 marked our highest recorded level of business activity, and it produced the lowest loss of man-days through strikes of any month since 1932.

Here we have the outline of a trend startling enough to make an economist feel that something new has come into his world. For it seems to carry the promise that democracy can, by wise management of its affairs, reverse an "immutable law." It is now true for the first time in our history that a major rise in production has been accompanied by an actual decline in strikes.

Can the Board take credit? The decline in strikes in interstate industries, over which the Board has jurisdiction, is almost twice as great as the decline in strikes in intrastate industries, with which the Board is not concerned.

UNION MEMBERSHIP UP, STRIKES DOWN

Proof that our bold social adventure is succeeding can be shown quickly in another way: There are now 9,000,000 organized workers as compared with 6,000,000 in 1937; but the number of strikes has been cut in half, the number of workers affected has been cut by two-thirds, the number of man-days lost by two-thirds.

AN ADMINISTRATIVE AGENCY

We turn now to the complaint that the Board (in deciding whether a man has been fired for joining a union or whether the employer has established a company union or whether an employer is using coercion) acts as "prosecutor, judge, and jury." It brings the charge, it hears the evidence, it decides. Can it perform all three functions fairly?

Here we must broaden the issue and insist on an honorable approach to the problem.

The Board has the three functions outlined above because it is an administrative agency. It has no more powers and in some respects fewer powers than several hundreds of other administrative agencies, Federal and State. The administrative agency itself is a great and bold democratic convention deliberately designed to have all three powers in a limited field in order to "make democracy work;" i. e., to carry forward a particular policy which has been accepted as the policy of the country.

WHY HAVE ADMINISTRATIVE AGENCIES?

The New Deal did not invent the administrative agency. The oldest is the Interstate Commerce Commission, now in its second half century. Administrative agencies came into being as our society grew in complexity, and as it became clear that in a complicated technical field of specialized regulation Congress did not have the time nor the expert knowledge needed to lay down hundreds of detailed rules, that the President did not have the time nor the ability to prosecute thousands of individual cases, that the courts did not have the time nor the ability to render thousands of decisions as to fact, requiring expert knowledge, uniformity of policy throughout the country, and a continuing relationship with the field to be regulated.

NO UNLIMITED POWERS

It is therefore disingenuous to single out one agency, the National Labor Relations Board, and criticize it as a usurper of powers and commingler of powers, for following the ordinary routine of all administrative agencies.

The Board's powers are sharply defined. It may make rules, but only in the field allotted it by Congress, and Congress can change any of its rules. It may hear the evidence, but only according to a procedure that is fair and acceptable to the courts. It may make findings, but only when these are supported by evidence. Finally, after it has made its findings, it can enforce them only by taking its verdict to a Federal Court, proving to the court that the verdict is based on evidence and not on caprice, and then obtaining an order of enforcement from the court—an order which can in every case be appealed higher. No one, in 22,000 cases, has ever been sent to jail for violating the act or for defying the Board.

We will not, therefore, discuss here those arguments against the Board which are arguments against administrative agencies in general, for that dispute is two generations old, and the great authorities are on the side of the administrative-agency idea.

A CHANGE IN ATTITUDES

One purpose of the act was to change the attitude of a small minority of employers toward collective bargaining. Yet (this is what only an administrative agency can do) the act has also changed the attitude of labor toward government, toward its boards and courts. Starting with April 1937, the very month in which the Supreme Court finally validated the act, the number of workers involved in peaceful, orderly cases before the Board rose above the number involved in strikes. It is fair to say that labor has come to trust in government more than ever before in our history.

Now, in a typical month (January 1940) there are 143,000 workers involved in peaceful settlement of their complaints before the Board, and only 48,000 on strike. The historical fact that this trend began with the Supreme Court's validation of the labor law shows that this trend is to be credited to the law.

Thus, out of the muck of controversy and the fury of day-to-day argument, our democracy is sending strong new feelers toward a more stable, a more peaceful future. We do not say that these trends should be decisive in making up our minds concerning the Board; they would not excuse acts of unfairness. But we must keep them in mind as we go on to consider complaints against the Board and suggestions for altering the act.

CHANGES OF CONTENT

One group of proposed changes are changes in content, not form. For example, the National Association of Manufacturers suggests that the act be amended to include a ban on the closed shop and on the check-off.

Here again we have to look to the fundamentals. The Board has nothing whatever to do with the closed shop or with the open shop

either. The Board exists solely (remember our first paragraphs, above) to protect the right of collective bargaining. The closed shop was in existence long before the Board. The closed shop may arise as the outcome of collective bargaining or it may not.

The act and the Board rest on the theory that the people of the country want to see the right of collective bargaining protected. That is all. To include specifications as to what the outcome of the bargaining must be is to get into entirely new ground, to pervert and distort the purpose of the act.

Let us remember that labor's right to bargain collectively was not created by this act. It existed a hundred years before the act and exists outside of and apart from the act today. The act is merely an expression of the public will that this right be protected; only this and nothing more.

CHANGES OF DEFINITION

Of a similar nature are the subtle changes of definition which are (except for the broadside attacks on the Board's power to act at all) the most dangerous items in the amendments offered by Representative HOWARD W. SMITH. These would redefine the word "employee" so as to exclude anyone who committed an act of violence and to exclude agricultural workers, including those in canneries and sawmills, from the protection of the act.

But the right of agricultural workers to bargain collectively does not rest on this act, and the punishment of acts of violence is no part of the theory on which this act was passed. That belongs to local penal codes, and it would be as sensible to include a provision against burglary in the act as one against violence. Certainly, the Board should not argue on behalf of burglars. If local authorities are vigilant, it will be unable to do so; the burglar will be in jail.

CHANGES OF JURISDICTION

It is also proposed that the act be made fair by including provisions against unfair practices by trade-unions as well as against unfair practices by employers.

Again we return to the definition. This act has one function—to protect the right of collective bargaining. It does protect that right, even on behalf of one union against another, through the democratic means of ordering elections so that a minority union is prevented from taking control.

But as to unions which make impossible demands or which set up uneconomic rules, other remedy must be sought. The Board is not a censor of union contracts; the people would not stand for it if it were.

OUR CONCLUSIONS

The basic question is simply this: Are we for collective bargaining or are we not? It seems that the country is overwhelmingly for collective bargaining. Since this is so, we can see no reason for any change in the theory on which the act is written.

Nor can we see any reason for a change in the administrative set-up. A Board which has won in full 12 out of 16 cases before the Supreme Court, and 2 others in part, a Board whose operations and whose rules have been described by Chief Justice Hughes in these words: "We construe the procedural provisions as affording adequate opportunity to secure judicial protection against arbitrary action. * * * " has earned honors rather than rebuke.

Slowly a change is taking place. Social attitudes are changing. For one, the proportion of unfair-labor-practice cases before the Board is declining and the number of representation and union election cases is increasing, for which see the accompanying bar-graph. In other words, employers are accepting the law and the Board is more and more devoting itself to administrative work concerning proper union certification, in which the employer is not involved; in which, in fact, the employer is protected from cross picketing and jurisdictional conflict.

THE ACT IS NOT RIGID

As for improvements in procedure, we are for these from now on for all time eternal, for such improvement is the soul of democratic process. Many of these can take place and are taking place within the Board itself.

Even Board Member Leiserson, hostile to Chairman Madden and Member Smith, and superbly placed within the Board to discover fault, has suggested only minor technical changes in procedure. Leiserson's defense of the act, given to the Smith committee on December 11, 1939, compared it in democratic consequence to the public-school system, and is one of the most eloquent statements yet made on behalf of the act and the Board.

NONSTATISTICAL FACTORS

This outline would be incomplete without some mention of factors relating to the act which cannot be put into figures.

In terms of the dignity of the individual, his sense of equality and place, his sense of participation in his country's economic life, the act creates benefits which cannot be charted, but which are nevertheless of prime importance. That this democratic trend should occur in our country at a time when an antidemocratic trend runs around the world is proof of our national vitality and of the vitality of the American dream. Let us hold this in mind, too, when we consider detailed objections to the act and to its enforcing Board.

Transfer of Civil Aeronautics Authority to Department of Commerce

EXTENSION OF REMARKS

OF

HON. PAT McCARRAN

OF NEVADA

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

EDITORIALS FROM THE NEW YORK TIMES, WASHINGTON POST, AND WASHINGTON STAR

Mr. McCARRAN. Mr. President, I ask unanimous consent to have printed in the RECORD an outstanding editorial from the New York Times of April 13, bearing on the subject of the transfer of the Civil Aeronautics Authority to the Department of Commerce; also an editorial appearing in the Washington (D. C.) Post of April 13, 1940, bearing on the same subject; also an editorial from the Washington (D. C.) Evening Star of April 12, 1940; and an editorial from the Washington (D. C.) Evening Star of April 15, 1940, on the same subject.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of April 13, 1940]

SHIFTING C. A. A.

It is difficult to see any good reason for the provision in the fourth Government reorganization plan which makes the Civil Aeronautics Authority an appanage of the Department of Commerce. This independent authority and the Air Safety Board, which would be abolished—its important functions having been transferred to a board within the Department—were created after long and earnest consideration on the part of both Government and the air carriers. The C. A. A. has functioned exceedingly well. It has been criticized for taking a middle-of-the-road position and endeavoring, when confronted with controversial problems, to carry water on both shoulders. In nearly all cases, however, events have proved its wisdom. It has shown initiative, notably in the pilot-training program, and has earned the respect and the thorough cooperation of the air lines.

The Air Safety Board has put force in what used to be the all-too-perfunctory function of accident investigation. It has not hesitated to censure where blame was due. While there has been some lag in the translation of its recommendations into action, healthful punitive measures have been taken. There has been rather widespread and to some degree justified complaint among private flyers over the red tape and complexities of the restrictions on their activities under the air regulation section of the C. A. A. But on the whole these restrictions have made for safer flying of unscheduled as well as of scheduled character. The splendid record of the air lines, which has now extended well over a year without fatality or serious injury to passenger or crew member, stems in great part from their own efforts, but unquestionably a contributing factor has been the level-headed cooperation of the C. A. A. To make this independent agency a mere bureau of the Commerce Department seems to be a course of doubtful wisdom.

[From the Washington Post of April 13, 1940]

DISCUSSION IMPERATIVE

One of the most controversial features of the President's fourth reorganization order is the proposed transfer of the Civil Aeronautics Authority to the Department of Commerce and the vesting of the functions of the abolished Air Safety Board in the C. A. A.—to be known hereafter as the Civil Aeronautics Board. Members of Congress, officials of the agencies concerned, and representatives of the aviation industry are reported to be both surprised and deeply concerned by this unexpected announcement.

It would be interesting to know who are the master minds engaged in directing the reorganization of the Government's administrative machinery. For it is quite evident that the officials, public and private, who are most directly affected by proposed changes are frequently taken unawares, as in the present instance.

It would seem only an act of common courtesy to give Government officials whose positions are to be wiped out, or whose status is to be radically altered, advance notice of such intentions. Furthermore, the advice and admonition of practical administrators are needed to prevent errors of judgment.

Had expert advice been sought in advance, the President might have hesitated to return control over aviation to the Department of Commerce, especially in view of the unsavory record of the old

Bureau of Air Commerce. To be sure, the order provides that the Civil Aeronautics Board is to conduct its quasi-judicial and rule-making functions independently of the Secretary of Commerce. But the fate of the once independent Farm Credit Administration, following its transfer to the Department of Agriculture, is a warning against taking assurances of continued independence too seriously.

It is also doubtful whether the functions of the Air Safety Board can be handled as well by an agency also charged with regulation of air commerce. David Behncke, president of the Air Line Pilots' Association, believes that the two functions must be kept separate to secure a maximum degree of air safety, so that "those who make the regulations will not be placed in the position of investigating themselves when a crash occurs."

For these reasons and because of the excellent work done by the Air Safety Board since its establishment, the proposed changes in organization set-up are meeting with strong opposition. Senator McCARRAN has already introduced a resolution calling for Senate disapproval of the third as well as fourth reorganization plans. The former provides for separation of the functions of the Administrator of Civil Aeronautics from that of the Board.

It is to be hoped that the Senate will avail itself of the opportunity thus afforded to discuss the advantages and disadvantages of the proposed changes, instead of permitting them to become effective by merely remaining silent for 60 days.

[From the Washington Star of April 12, 1940]

OPEN TO QUESTION

For all practical purposes, President Roosevelt's latest plan of Government reorganization would return supervision of the air industry to the Commerce Department, and in the light of experience the wisdom of that move is open to serious question.

The President proposes that the Civil Aeronautics Administrator, in charge of such important functions as operation of airways and pilot training, report to the Secretary of Commerce, who would also control the purse strings of the Civil Aeronautics Board—now Authority. The latter would perform adjudicative, rule-making, and investigative functions independent of the Department, assuming in the shift the duties of the Air Safety Board, but a Secretary out of sympathy with policies of the Administrator and the Board could make their path exceedingly difficult.

The Civil Aeronautics Authority was set up as an independent agency in 1938 after politics had snarled the administration of the air branch of the Commerce Department. Since that time the industry has established an enviable record and has just completed a year without a fatal accident. Under these circumstances a change should not be made unless there are the most persuasive reasons for it. Senator McCARRAN was quick to announce that he would fight the new proposal, which is based in part on an earlier reorganization plan now before Congress.

There are other highly important and interesting proposals in the new plan, but they, too, require the most careful study before being given final approval.

[From the Washington Star of April 15, 1940]

A BACKWARD STEP

The numerous expressions of alarm and dismay which have greeted the President's executive order transferring the independent Civil Aeronautics Authority to the Commerce Department and abolishing the Air Safety Board indicate a strong belief throughout the aviation industry that such a transfer would be a disastrous step backward.

Fresh in the minds of those connected with American aviation is that period from 1933 to 1938 when the Civil Aeronautics Act went into effect. During those 5 years the predecessor of the Civil Aeronautics Authority, the Bureau of Air Commerce, was a branch of the Commerce Department, subject to departmental politics. The results were most unhappy; the whole period is considered one of the blackest in the history of air transportation and civil aeronautics generally.

One congressional investigation followed another. The lack of a general Federal policy for handling civil aviation development and a lack of confidence in a politics-ridden Federal agency prevented proper air-line development. All of the air lines were operating at deficits and many suffered financial collapse.

The situation became so intolerable that Congress, with the support of virtually every responsible aviation organization, finally enacted the Civil Aeronautics Act, intended primarily to take aviation out of the Commerce Department, to free it from politics and political pressure, to give a continuing policy of Federal regulation, and to build up an expert "career" personnel to handle civil aeronautics development.

The results were successful beyond the most sanguine expectations of supporters of the legislation. Assured of a sound, nonpolitical, continuing policy of Federal control, the air lines confidently began expansion programs and air transportation entered into a period of tremendous growth. Within a year most of them were out of the red and recently the domestic air lines completed a year of operations without accident. A feeling of stability and complete confidence spread through the entire industry.

The effects were felt not only by the air transport systems. Private flying began to increase to an unprecedented degree, even prior to the inauguration of the very successful civil pilot training program of the C. A. A., now in progress at more than 400 centers throughout the Nation.

In view of the great benefits which have followed the creation of an independent, nonpolitical agency to control civil aeronautics, it is difficult to understand why the President now is proposing transfer of the Authority back to the Commerce Department. Announcement of the proposal has come as a bombshell to the aviation industry and, apparently, to officials of the C. A. A., who do not appear to have been consulted. The plan is widely denounced and there does not appear to be a voice raised in favor of the transfer, which, it is feared, was worked out along completely theoretical lines without any consideration of the real needs of aviation.

It is certain that a real fight against the proposed transfer will be made in the Senate and it is to be hoped that approval will not be given to this change unless persuasive reasons for it can be advanced.

The American Forum

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the first issue of the American Forum on the question, Have 7 years of the Roosevelt administration benefited the Nation? as the same was published in the Washington Daily News on Saturday, April 13, 1940.

In posing the question, Mr. Theodore Granik, director of the American Forum, makes the following statement:

Seven years ago Franklin Delano Roosevelt took the oath of office as President of the United States, bringing into being a new administration which was quickly labeled the New Deal.

1. What have 7 years of this regime accomplished?
2. How do we stand today—as a Nation—compared to how we stood 7 years ago?
3. Have these 7 years of the Roosevelt administration benefited the country?

With a Presidential election ahead of us, these questions comprise the issue uppermost in the mind of every citizen. The views of two outstanding political authorities, the rival chairmen of the major parties, are given in these articles, written exclusively for the American Forum. They reveal in each writer's own words the difference of opinion which the country will have to resolve in November.

James A. Farley, chairman of the Democratic National Committee, says, "Yes." John Hamilton, chairman of the Republican National Committee, says, "No." Their respective arguments appear below.

At a time like the present, when the totalitarian governments in the benighted countries of Europe have stifled the press, done away with freedom of expression, and driven fear into the hearts of men, so that no one is free to express himself as he wishes, we, fortunate enough to dwell in and be citizens of this great American democracy, present a totally different picture. Here, we permit full expression of individual opinion, no matter what the question may be involved, and no man need be afraid.

Great tribute should be paid to the United Features Syndicate for syndicating this important feature to newspapers throughout the country. Equally high tribute should go to the Washington Daily News for printing the same. And high praise should of course go to Theodore Granik, who conceived and now directs this very important forum of public opinion—one that is possible only in our blessed democracy.

Mr. Farley's views are herewith set forth:

YES!

(By James A. Farley, chairman, Democratic National Committee)

When the Democratic Party came into power on March 4, 1933, it inherited from the Republican Party a defeated, discouraged United States, tangled in the bog of financial and economic chaos.

We inherited a prostrate banking system, 15,000,000 unemployed workers, farmers in or at the edge of bankruptcy, trade and commerce at a standstill, and a Federal Budget badly out of balance. We started, not from scratch, but from way behind it.

Under 7 years of our administration business has been revived, agriculture has been improved, the national income has been almost doubled, foreign trade has been substantially increased, and the

total of unemployed reduced by millions. The spirit of the Nation has been transformed from despair to courage and hope. In a world shaken by war and conquest the United States has become the last great bulwark of freedom and peace.

This is the Democratic record, and we are proud to stand upon it. The inheritance of wreckage taken over from the Republican Party has been converted into a legacy of hope and vigor for the present and future generations.

The goal of the Democratic administration has been security—security for the Nation and security for the mass of common citizens who must find happiness and a means of livelihood in a harsh and complex industrial age. The old policy of drift and shift, of doing nothing and letting things take their course, produced only bitter fruits and tragic failure.

The constructive achievements of the Democratic administration stand unmatched in recent history. While other nations have wasted their substance on war and destruction, the United States has been conserving its natural resources and human manpower. The soil has been protected against the ravages of wind and drought, water power has been developed, and the benefits of time- and labor-saving electricity carried to rural homes and rural firesides.

Idle hands have been given employment in the building of roads, schoolhouses, bridges, dams, airports, landing fields, and other useful public projects. As a result of this program, undertaken in a time of economic emergency, the Nation's physical plant is in better shape today than it ever was before.

These splendid benefits are here and now benefits that will accrue to future generations as well as to our own. A social-security law has been enacted to provide a measure of financial security for men and women workers who arrive at old age without independent means. Payments under the act are beginning this year. The law was designed to correct one of the gravest abuses in the industrial system and before many years have passed it will take its place as one of the most humane pieces of legislation ever enacted by a far-seeing government.

Bank deposits are now insured, guaranteeing against a repetition of the misery and disaster caused by the wholesale collapse of the banking structure under the last Republican regime. A brake has been placed on the issuance of wildcat securities and phoney stock certificates. Wholesome regulations have been adopted to curb the type of reckless speculation in security markets which did so much to bring on the last tragic depression.

Labor has had the right of collective bargaining given the sanction of law. An excellent start has been made on the difficult task of putting a floor under wages and a ceiling over hours of toil.

A program of agricultural aid has been placed in effect, under which the prices received by farmers have risen far above the ruinous rates received in 1932.

The national defense has been strengthened and relations with Latin American countries vastly improved by the good-neighbor policy.

The list of worth-while, workable measures written into law by the Democratic administration could be extended indefinitely. It is significant that the Republican program committee, headed by Dr. Glenn Frank, found it expedient to put a reluctant stamp of approval on many of the major measures sponsored by a Democratic President and a Democratic Congress. A political party, facing a national election, could hardly do otherwise.

The critics, of course, are dissatisfied. Under the grand old American way, they have a right to fill their lungs with air and then scream until the heavens echo their plaintive cries. They still have that right, because the Democratic administration has been zealous in its protection of civil liberties.

What disturbs our critics? First of all, they complain about the size of the public debt, neglecting, of course, to remind the electorate that the debt rose more than five and one-half billions during Mr. Hoover's regime, when nothing was done to turn the tide. The Democratic administration had a choice to make in the face of a dreadful calamity—it could balance the Budget or it could use the public credit to meet human needs. The latter course called for greater courage. But it was right, and it was chosen.

The debt has gone up, but spending has advanced the national income and saved millions of worthy citizens from privation and want. There was no other way to do the job. The public credit has been strengthened, not weakened, and United States bonds are selling above the levels that prevailed when this administration came into power.

"Look at the unemployed." This is another favorite cry of the critics. What did the Hoover administration do to solve unemployment? Has any Republican candidate offered a single concrete suggestion for meeting the problem? I mean apart from the usual bunkum about business improving if the Republicans are returned to power. In other words, "prosperity is just around the corner" provided the Grand Old Party gets back in the saddle. The same old medicine in a different bottle.

Senator BARKLEY, majority leader, stated the case in a recent speech summarizing the work of the Democratic administration.

"It must be remembered," he said, "that we have had only 7 years to climb the hill from the depths of the depression as it existed in 1933. If it took 12 years of political and economic folly to throw 13,000,000 men out of work, we claim to have attained a miraculous success if we have been able to put three-fourths of them back to work in 7 years in addition to the absorption of those who have newly come upon the scene and those who have been displaced by mechanical improvements."

Mr. Hamilton's views are now presented:

NO!

(By John Hamilton, chairman, Republican National Committee)

I do not suppose there was ever a national administration that was wholly good or entirely bad. Every administration from the beginning of the country has made some worth-while contribution to American life, and every administration has done things, undoubtedly with the best of intentions, that have reacted adversely on the Nation's welfare.

This needs to be said in any discussion of whether the present Democratic regime has benefited or injured the country, because by special pleading it is possible to make it appear that the Roosevelt administration is all black or all white. It is neither. It has sponsored in the field of social reform many worth-while undertakings which certainly should be and will be continued. On the other hand, it has miserably failed to solve our economic problems, and, indeed, has greatly weakened the country's financial foundations.

Thus, in discussing the question propounded in this forum, we should take a long-range view. No single act, nor the record of a brief period, should be considered as sufficient evidence on which to predicate an answer. We must consider all that the New Deal has done and the results against the background of our history of progress as well as the effect on the Nation tomorrow.

President Roosevelt has supplied us with a yardstick with which to measure the greatness of his administration. In his recent Jackson Day speech he declared that "the measure of greatness of any party leadership of a country is the measure in which it gets done in its time the big job that has to be done."

What was the big job before the Roosevelt administration when it came into power in 1933? It was to restore this country to a sound economic recovery. It was to end unemployment; to restore farm prices to parity; to raise the national income to its previous levels and even higher; to end deficit financing by the Federal Government—in short, to put our governmental and economic house in order.

For approximately the first 90 days of this Democratic regime, steps toward that end were taken. President Roosevelt acted in that honeymoon period as a Democrat and in accord with the Democratic platform on which he was elected. But by June of 1933 he had completely abandoned his platform pledges, ceased to act as a member of the party of Thomas Jefferson, and capitulated to the miracle prophets and socialistic "brain trusters."

Forgotten was the President's 1932 declaration, speaking of the 10,000,000 unemployed of that year, that it was pessimism—"hair shirt hypocrisy"—to say there was "no hope for a restoration of normal employment for these 10,000,000 people." His "brain trusters" said we were confronted with a permanent army of unemployed—that private industry never could support them, and that henceforth a great part of this army of jobless must become wards of the Government, living on relief rolls.

Today we still have 10,000,000 unemployed. Is that getting done "the big job that has to be done"? Has this administration benefited those 10,000,000 who want work at decent wages, but now for 7 years have been condemned to a hand-to-mouth existence on a meager relief allowance?

Has the American farmer been benefited? Is he better off now than he was in the 1920's? Surely his economic condition was nothing to boast about in the 7 years before the New Deal, but his plight is worse today. This is evidenced by the Agricultural Department's own figures which show that annual average income per farm for the 1926–32 period was $1,432, compared with $1,062 for the 1933–39 period, including Government payments in the latter period.

National income last year totaled $68,500,000,000, which was less than in 1937 and was $14,000,000,000 less than in 1929. Indeed, national income last year was less than it was in 1925, when we had some 10,000,000 fewer persons in the country. Average annual national income on a per capita basis was 18 percent less during the New Deal years than in the preceding 7 years. Is this evidence that the Roosevelt administration has benefited the country?

On the contrary, it is evidence of the failure of the New Deal to solve our economic problems. Not only has it failed, but it has pursued policies obviously harmful. Such has been its spending program, under which the national debt in 7 years has been increased from less than twenty-one billions to more than forty-two billions, plus some five billions of guaranteed obligations on the side. This debt is the New Deal's "gift" to posterity. It is a millstone around the neck of a generation yet unborn, and it can be removed only through repudiation or taxes paid in the sweat of the labor of everyone.

Already the Federal tax burden is twice what it was before the New Deal, and unless the present spending orgy is stopped it will become heavier. Concededly, the New Deal has done some good things, but the price for them has been much too high.

The greatest cost, however, cannot be measured in taxes or dollars. It is found in the demoralized condition of American business, the dangerous centralization of authority in the hands of one man in Washington, and in the blasted lives of a generation of youth denied jobs and an opportunity to carve out careers and attain happiness in the American way.

The radicalism and recklessness of New Deal economic policies have placed in a strait jacket the American system of free enterprise which, under a more sympathetic regime, can produce abundance and jobs for all willing and able-bodied workers. By these

policies it has likewise placed in jeopardy its own social reforms, for this country must function at its maximum economic potentialities to pay the bill for these things.

Thus, when we view the 7 New Deal years as a whole and from all sides, we see that instead of benefiting the country the administration has seriously hampered its forward progress.

National Bituminous Coal Act

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

STATEMENT BY J. D. A. MORROW

Mr. ALLEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include a statement prepared by Mr. J. D. A. Morrow, of the Pittsburgh Coal Co., expressing the damaging effect of the National Bituminous Coal Act of 1937 on the bituminous coal industry. This statement by Mr. Morrow was prepared for presentation before the Senate Appropriations Committee, but unfortunately could not be presented at that time. I therefore include it herewith.

STATEMENT BY J. D. A. MORROW, PRESIDENT OF PITTSBURGH COAL CO.

My appearance before you is made in behalf of the Committee for Amendment of the National Bituminous Coal Act of 1937. That committee represents bituminous coal operators who have been and are opposed to that act. We feel that Congress should make no further appropriations for the administration of the present law.

The committee membership includes both large and small producers in all parts of the country, whose combined annual production represents between 30 and 40 percent of the commercial output of the country, and we know that the committee likewise expresses the sentiments of many other coal producers, both commercial and captive, who are in accord with our views, so that your committee may consider that we represent the views of perhaps half the bituminous coal output of the United States.

I wish to make it emphatically clear that I shall say nothing here that is, or is intended to be, a reflection or criticism of any kind on the honesty or capacity of the men who have the duty of administering this act. It is my belief that Mr. Howard A. Gray, director of the Bituminous Coal Division of the Department of the Interior, Mr. Thurlow G. Lewis, Mr. Charles O. Fowler, and Mr. Samuel H. Jaffee, trial examiners connected with the Coal Division, and Mr. C. J. Potter, assistant chief of the Marketing Section thereof, will doubtless do as good a job as anyone could do, but this law is simply so bad that nobody can or should be required to administer the act.

We recognize the fact that when Congress creates an agency of government, it has a moral responsibility to provide funds for such agency to perform its duties, but we feel that the Bituminous Coal Act is so exceptional that in its case Congress is justified in departing from this traditional policy.

The original act was bitterly fought by producers of about half the coal output of the United States, but it was passed in spite of their assertion that it was unsound, impractical, and impossible of administration. Because of the uncertainty with regard to the effects of the act, it was regarded as an experiment, its duration was limited to 4 years, and it will expire by limitation on April 26, 1941, or within about a year from date. We oppose any further appropriation of funds for the administration of this law because we are satisfied that the experiences of the past 3 years are quite sufficient to prove the experiment a disastrous failure. Therefore it should be ended now.

Three years have passed since the enactment of this law, and no prices have yet been fixed under its provisions. In effect, it requires the fixing of hundreds of thousands of individual coal prices by what amounts to a series of long lawsuits under a procedure so involved and intricate that an eventual just decision for each and every producer is almost impossible and, even if finally reached, would probably be more disastrous to coal producers than if no decision had ever been made.

This statement is deliberate and considered. Here are the facts to justify it:

When coal comes out of the mine originally in run-of-mine form, it consists of a conglomeration of broken pieces from lumps a foot or more in size to dust as fine as flour, with intermediate sizes between those extremes all mixed together. To prepare this coal for market, it is run over screens which separate this mixture of varying size particles into groups of uniformly sized classifications. My own company, operating 18 mines, regularly sells 106 sizes of coal—at one plant alone we prepare 41 different sizes—made as they are made because the uses of our customers require these particular sizes for the most efficient utilization of the coal.

The Coal Division, in the report of the trial examiners who are conducting the last phase of the many in this intricate price-fixing procedure, states that there are 13,500 mines in the United States, which mines ship coal to a total of 150,000 individual destinations in the United States and Canada.

If each of these 13,500 mines on the average makes no more than four sizes of coal, that would require the fixing at these mines of 54,000 prices, but these prices must be fixed from each mine on each size of coal so that at each of the 150,000 destinations every size and grade and kind of coal from every mine that can sell to each of these destinations reaches a possible customer at each such point on a basis of equivalent value, after allowing for all the differences in freight rates and/or boat charges and/or trucking charges.

Now, when you start with a minimum of some 50,000 different sizes, kinds, grades, and qualities of coal, and multiply that number by the possible destinations to which each mine can ship, allowing for all the differences in freight rates and boat rates and trucking charges between mines and markets you will find between the 13,500 operators who compete with each other on different transportation charges to these destinations, you will find the total of individual prices to be fixed under the act. That total reaches astronomical figures and even when reduced by throwing mines and destinations into classifications, so far as possible, the Coal Division admits that the total prices to be fixed still run into the hundreds of thousands.

The individual prices proposed, for instance, for my own company, exceed 3,000, plus so many exceptions and special prices to cover differences in freight rates and boat and truck charges that we have not yet ascertained the complete total that we will be expected to observe if the proposed prices are actually put into effect.

But this is merely the beginning of the complications. The specific terms of the act impose on the administrator conflicting and mathematically irreconcilable standards that he is obliged to observe in fixing these hundreds of thousands of prices. He is required, in respect of each individual size of coal from every mine, to fix a minimum price after taking into account the myriad of interrelated competitive factors that change constantly and endlessly with respect to each other, according to differences in the ash, sulfur content, heat value, friability, and other significant characteristics of each size of coal at each mine as compared with each size of coal at every other mine that competes with it. He must also take into account every increment of freight rates, boat and truck charges, as coal moves away from the mines, and every such increment in transportation rates changes the comparative values of competing coals at different destinations.

These competitive or comparative values differ again depending upon the uses to which the coal is put, or the kinds of equipment utilized by one consumer as compared with another. Furthermore, when all these minimum prices are finally fixed, they must be fixed so that the average price realized approximates as nearly as possible the average production cost in each of certain specific coal-producing areas of the United States. They must also be fixed so that each interested coal producer will be given an opportunity to be heard with respect to his prices and those of his competitors, either through his district board or individually, if he so elects.

In the face of these requirements it is no wonder that no prices are in effect after 3 years of effort. The Coal Division is now in the process of promulgating its minimum prices, but these are subject to exceptions, further argument and the filing of still more briefs by interested parties and the Division cannot fix any specific date when the prices will be made effective.

Just take a realistic view of this final effort by the Division. The trial examiners in their report state that the record of the hearings they have held in this last phase of the administrative task imposed on them by this act contains in excess of 26,000 pages of testimony and arguments, about 200 written protests, 112 briefs, and some 2,000 exhibits. That is, however, one of the greatest examples of understatement known to official literature.

That record actually contains, not 26,000, but nearer to 75,000 pages. Examination of the 2,000 exhibits reveals that one of them alone contains a further record of 5,000 pages of testimony not included in the 26,000 total, and also contains 500 subexhibits not counted in the 2,000 total of exhibits reported. Another of the 2,000 exhibits adds another 8,000 pages of testimony and 600 more uncounted subexhibits. Still another of the 2,000 exhibits piles up thousands upon thousands of individual pages of detailed statistical matter, and the remaining 1,997 exhibits reported by the trial examiners contain additional uncounted thousands of pages of intricate statistical computations and tabulations, many of them huge sheets, each of which is a veritable wilderness of figures.

The mere statement of the actual size and character of this record does not at all reveal its actual significance. Remember that thousands upon thousands of pages of that record are made up of detailed and intricate statistical exhibits, that more than half the 75,000 or more pages in that record contains testimony of interested parties, expert witnesses and Government officials, that shows almost every degree of contradictory, irreconcilable, and doubtful testimony. By some of that testimony you can prove that a particular coal is one of the poorest known; in fact, almost fireproof. By other testimony that same coal is portrayed as one of the finest in the United States.

Now, gentlemen, remember that every one of the 13,500 coal operators who is a victim of this procedure must protect himself against the fixing of incorrect prices on his product by properly presenting fact, testimony, opinion, or whatnot against the counter testimony and assertions of his competitors and against the inevitable honest errors of the administrator who tries to find one grain of dependable fact and some semblance of justice in this enormous blizzard of complex and contradictory material; and remember further that the operator who fails in this duty does so at his peril.

In view of that responsibility, consider the position of any operator, large or small, confronted with this 75,000 page record, for which no official index is available. To protect himself against the improper fixing of prices on his coals with relation to the prices on the coals of his competitors he must plow through these thousands of pages of testimony and he must analyze thousands of pages of highly intricate statistical exhibits. Why, if every operator were an analytical genius and able to dispose of 500 pages a day of that record, it would take him 6 months to begin to find out why his prices had been fixed as they were, and probably even then he never could find out, because the record reveals many arbitrary decisions affecting the prices proposed for which no explanation or justification is advanced.

In the light of these facts, let me for a moment emphasize the seriousness of slight errors in fixing these minimum coal prices. The prices tentatively proposed reveal that in most cases the minimums will be above the actual prices at which coal is now sold and therefore the minimums when fixed will become the market prices.

Coal is purchased by industrial consumers from one operator as against another on price variances as little as 1 cent per ton or even less. In the open competitive market for coal, operators can negotiate with buyers to keep their business against competition, run their mines, keep their men at work, and keep their companies alive. No matter how capable and honest the personnel of the Coal Division may be, it is a certainty, in view of the thousands of individual prices to be fixed, and in view of the standards and procedure imposed, that in thousands of cases errors will be made in fixing these prices, with the consequence that one operator will have an advantage as against another.

Let me remind you again that coal is sold in a variety of different sizes. The sales of coal for shipment from the mines must be made so that the correct quantities of each size produced are sold and shipped simultaneously. Otherwise one size begins to pile up at the mines and not move to market. Coal is a bulky commodity. Hundreds of mines located in narrow mountain valleys have no place available at which an oversupply of one size or another can be stored pending sale. Mines are not equipped for such storage which involves additional cost, degradation of coal, and rescreening when taken out of storage. Coal cannot be stored in railroad cars because railroad tariffs will not permit such storage except at prohibitive demurrage costs. Consequently, each of these separate sizes must be sold and shipped concurrently with the production of its companion sizes. Now if the minimum price on a single one of those different sizes at any mine is improperly fixed under this act, so that competing operators take the business from that mine on any one of its several sizes of coal, then production of all coal from that mine will quickly cease. The producer is unable to supply his customers for his other sizes, his mine is idle, his men out of work, his customers become dissatisfied because he does not ship to them when other companies can ship, they go elsewhere and he loses his business.

Now what is his remedy? He may appeal directly to the Coal Division for relief, but before he can present and sustain an argument in favor of relief, he must plow through those 75,000 pages of record full of conflicting and even contradictory statements which may concern his coal, and in which the Coal Division can find plenty of evidence to sustain any opinion they may assert or any decision they may make. He must assume the burden of attacking that huge record and overturning the substantial evidence that may be arrayed against him from the pages of this enormous compilation of fact, fancy, and figures.

Remember, too, gentlemen, that the coal division will not readily make changes in this highly complicated, interrelated fabric of prices if ever established. If the administrator changes one price out of those hundreds of thousands, he immediately changes the relationships of hundreds and possibly thousands of prices with every single change he makes, because while a complainant may have lost his business to one or two competitors only, if the coal division changes his price or prices, such change or changes will affect, not merely the one or two competitors directly involved, but hundreds of other competitors at other points on other coals with perhaps different freight rates or boat or truck charges, and different values with which this complaining producer can come into competition, so that consequently, if the administrator starts to change prices, he is immediately forced into consideration of an ever-increasing and ever-widening circle of price disruption. Even Einstein's celebrated theory of relativity would not be comprehensive enough to unravel the complications arising from such a situation.

Gentlemen, please consider a moment. If you were running a factory, a retail store, or a coal mine, would you like to have the prices at which you are going to sell your goods or your manufactured product or your coal fixed in a lawsuit that required 9 months and produced a record of 75,000 pages? How would you like the prospect of relief from a decision in such a proceeding as already outlined when you look ahead at the prospects for any prompt or businesslike action as a result of your appeal?

Remember, too, that if the interests of your situation in your view would lead you to resort to the courts for final relief, you face the cost of presenting that record to a court of competent jurisdiction. That cost would be so great as to be prohibitive and to work the denial of the right of appeal to the courts upon nearly every operator subject to the administration of this act.

How would any of you who are lawyers like to protect the interests of a coal operator client in such circumstances? I am not a lawyer, but my counsel advises me that if this kind of procedure and this kind of protection of the individual is due process, then that time-honored cornerstone of our concept of justice has become nothing but an outworn museum piece to be stored away with other dusty relics of the past. Let us be realistic. The picture presented here is incredible. It is the kind of nightmare that in sleep men struggle and strive to escape. It is a page out of Alice in Wonderland, and belongs with the Mad Hatter's tea party.

But these are not the only reasons for our assertion that this act is already a proven failure, that therefore the experiment is over and should be ended.

Over a long period of years the Interstate Commerce Commission in lengthy proceedings after due consideration has established a structure of freight rates from the different coal fields that has resulted in the development of the present producing districts as they are, and from which the railroads derive the revenues on coal they now receive. The requirement of this act that the administrator in fixing minimum prices take into account differences in freight rates has resulted in the practical wiping out of this entire structure of freight rate differentials built up in formal proceedings by the Interstate Commerce Commission. Attached hereto is an exhibit that shows a few instances of the complete wiping out of present freight rate differentials and the modification of other differentials. As we understand it, the statute compels the Coal Division to take this action in order to protect high-cost mines and high-cost districts against the competition of lower-cost mines and lower-cost districts, and in order to comply with the requirement to give every present operator an equal opportunity as against every other operator to sell his coal in whatever markets he reaches. But the present producing districts and the present volume of tonnage from those districts has been built up on the freight-rate structure in effect over many years. We do not believe that Congress intended to repeal the rate-fixing powers of the Interstate Commerce Commission with respect to bituminous coal when it passed the Bituminous Coal Act, nor to put into the hands of the administrators of that act the unlimited power over freight-rate relationships on coal that they are now exercising.

The law forbids operators to make their customary yearly contracts for the sale of their coal. They have thus been compelled by this statute to sell their coal from day to day on orders good for not more than 30 days. This has produced a continuous bargain sale of coal, and in consequence our coal markets have never before witnessed such a demoralization of prices as created by this act, a demoralization that at a conservative estimate has cost the bituminous coal operators over $100,000,000.

Furthermore, if the Coal Division does establish its hundreds of thousands of minimum prices not only may any operator lose his business to some other coal operator but he is surrounded by a horde of fuel-oil and natural-gas salesmen trying to get his customers away from him. In fact, some of us wonder if the natural gas and oil industries were not secretly influential in getting this law passed and put over on the bituminous coal operators. What an opportunity those gas and oil salesmen will have if minimum coal prices go into effect. Every coal operator competitor will be nailed to the cross of fixed Government prices, unable to get any permanent reduction on a single price for a single customer except at the end of a long lawsuit, even though the operator concerned can produce coal at a cost which would enable him to compete with oil and gas, if he were at liberty to do so, and unable to make contracts for longer than 30 days, if by some miracle he does obtain a competitive price. On the other hand, the oil and gas salesmen can quote any prices they like and make contracts for any period that will permanently land the business for him.

Prior to the enactment of the National Bituminous Coal Act prices in the bituminous coal industry were like waves in the ocean—constantly responsive to every change in customer demand and requirement, subject to all the efforts of every individual producer to improve his product, reduce his cost, and increase his business. The level of prices rose and fell with consumer demand, with changes in production costs, and with all the changing economic influences that bear upon any industry in the United States. It was absolutely vital to every single coal producer that he should be entirely free to change his prices currently on every size of coal, up or down, as conditions might make necessary.

This Bituminous Coal Act imposes on its Administrator the duty of leveling off these waves in the ocean of trade and of keeping it eternally smooth, in spite of the fact that every economic influence that necessitates instant change of coal prices will still impinge with undiminished force upon the helpless coal industry.

Gentlemen, we submit that the record of 3 years under this act and the inevitable distressing consequences if prices are fixed under the act make it your duty as legislators to end this incredible experiment by cutting off any and all appropriations for that purpose.

Illustrations of freight-rate adjustments reflected in proposed prices of June 16, 1939

	Mine price	Freight rate	Delivered price	Differentials				Remarks
				Quality		Freight		
				Added	Deducted	Added	Deducted	
Syracuse, N. Y.; 2 by 0 inches:								
District No. 1, Kent, No. 1 (base)	$2.15	$2.64	$4.79					
District No. 2. Ocean	1.93	2.86	4.79				22	Removes freight differential.
District No. 3. Federal, No. 1	1.93	2.86	4.79				22	Do.
Buffalo, N. Y.; 2 by 0 inches:								
District No. 1. Kent, No. 1 (base)	2.15	2.19	4.34					
District No. 2. Ocean	2.00	2.34	4.34				15	Do.
District No. 3. Federal, No. 1	1.85	2.49	4.34				30	Do.
District No. 4. Piney Fork	1.75	2.34	4.09		25		15	Do.
Cleveland, Ohio; 2 by 0 inches:								
District No. 2. Ocean (base)	2.00	1.94	3.94					
District No. 3. Federal, No. 1	1.85	2.09	3.94				15	Do.
District No. 4. Piney Fork	1.75	1.84	3.59		25		10	Do.
District No. 8. Island Creek, No. 20	1.65	2.49	4.14	20			55	Removes 35 cents of 55 cent freight differential.
Lake cargo west; 2 by 0 inches:								
District No. 1. Kent, No. 1 (base)	1.95	1.56	3.51					
District No. 2. Ocean	1.95	1.56	3.51					
District No. 3. Federal, No. 1	1.75	1.76	3.51				20	Removes freight differential.
District No. 4. Piney Fork	1.68	1.53	3.21		30	03		Do.
District No. 8. Island Creek, No. 20	1.65	1.91	3.56	05			35	Do.
Lake-vessel fuel, any size:								
District No. 1. Kent, No. 1 (base)	2.40	2.19	4.59					
District No. 2. Grant	3.10	1.49	4.59			70		Do.
District No. 2. Renton, No. 3	2.91	1.68	4.59			51		Do.
District No. 2. Ocean	2.65	1.94	4.59			25		Do.
District No. 2. Allison	2.59	2.00	4.59			19		Do.
District No. 3. Federal, No. 1	2.50	2.09	4.59			10		Do.
District No. 4. Piney Fork	2.65	1.84	4.49		10	35		Do.
District No. 8. Island Creek, No. 20	2.10	2.49	4.59				30	Do.

Supreme Court Judges Appointed Only "During Good Behavior"

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

Mr. THORKELSON. Mr. Speaker, those who approve and applaud the taking of liberties with our Constitution by judges of the Supreme Court of the United States would do well to acquaint themselves with the provisions in article I of the Constitution for impeachment, the provision in article III making the term of office "during good behavior," and the provision in article VI requiring an oath of office "to support this Constitution."

The fact that no member of the Supreme Court has yet been impeached does not mean that the reserved power in such connection has lapsed, or that such safeguarding provisions in the Constitution are thereby shown to have been unwisely adopted.

In these critical times, when intense propaganda seeks to influence the Supreme Court's decisions along lines contravening the plain letter and spirit of the Constitution, it behooves the public and each member of the Court to ponder well the aforesaid provisions in articles I, III, and VI of the Constitution. There may be temporary immunity, but a day of reckoning should be expected as to any and all violations of the plain letter and spirit of the Constitution. While a flagrantly unconstitutional decision must, nevertheless, be obeyed, until overruled, it need not, and should not, be respected. A fortiori, those who participate in the making of an unconstitutional decision of a nature involving patent misbehavior in office, necessarily forfeit further public respect and confidence, and should be tried for such misbehavior and removed from office as promptly as possible. Although the Supreme Court is ordinarily the last bulwark of constitutional American liberty, our forefathers had the foresight to provide methods of dealing with treachery or other misbehavior committed in such bulwark.

Those who consider chicanery or perfidy on the part of a member or members of the Supreme Court to be legally or actually impossible would do well to turn back the pages of history to the year 1857.

On March 4, 1857, President Buchanan delivered his inaugural address, in which—referring to the then undecided Dred Scott case before the Supreme Court—he said:

> Besides, it is a judicial question, which legitimately belongs to the Supreme Court of the United States, before whom it is now pending, and will, it is understood, be speedily and finally settled. To their decision, in common with all good citizens, I shall cheerfully submit, whatever this may be (vol. X, the Works of James Buchanan, p. 106).

On March 6, 1857, 2 days later, the Supreme Court handed down its astounding decision in the *Dred Scott case* (19 How. 393), declaring lack of power in Congress or a Territorial Legislature to prohibit slavery in a Territory.

Abraham Lincoln called the decision "an astonisher in legal history," and charged it to be "based upon falsehood in the main as to the facts" upon which the Court rested its conclusions—volume 3, Writings of Abraham Lincoln, Constitutional Edition, pages 55–56. It was with respect to this decision, and the surrounding circumstances, that Lincoln delivered his well-known classic, the equal of his Gettysburg Address:

> Why the incoming President's advance exhortation in favor of the decision? These things look like the cautious patting and petting of a spirited horse preparatory to mounting him, when it is dreaded that he may give the rider a fall. And why the hasty after-endorsement of the decision by the President and others?
>
> We cannot absolutely know that all these exact adaptations are the result of preconcert. But when we see a lot of framed timbers, different portions of which we know have been gotten out at different times and places and by different workmen—Stephen, Franklin, Roger, and James, for instance—and when we see these timbers joined together, and see they exactly make the frame of a house or a mill, all the tenons and mortises exactly fitting, and all the lengths and proportions of the different pieces exactly adapted to their respective places, and not a piece too many or too few—not omitting even scaffolding—or if a single piece be lacking, we see the place in the frame exactly fitted and prepared yet to bring such piece in—in such a case, we find it impossible not to believe that Stephen, and Franklin, and Roger, and James all understood one another from the beginning, and all worked upon a common plan or draft drawn up before the first blow was struck (vol. 3, the Writings of Abraham Lincoln, Constitutional Edition, page 8).

Lincoln's clever and annihilating analysis on this matter was later confirmed, after Buchanan's death in 1863, when

the Buchanan papers were found to contain letters to Buchanan from Judge Catron of February 19, 1857, and from Judge Grier of February 23, 1857, directly implicating both of them, together with Judge Wayne and Chief Judge Taney, in secretly imparting advance information to President-Elect Buchanan as to the Dred Scott decision, to permit the use of his inaugural address to flimflam the public about the matter—volume X, The Works of James Buchanan, pages 106–108, where said letters are reproduced.

When these letters became known, only one of said named judges was still alive, namely, Judge Grier, who lost no time in resigning—January 1870. In order that the aforesaid letters of Judge Catron and Grier may be judged from their texts, they are here reproduced:

THURSDAY, FEBY. 19TH [1857].

MY DEAR SIR: The Dred Scott case has been before the Judges several times since last Saturday, and I think you may safely say in your Inaugural,

"That the question involving the constitutionality of the Missouri Compromise line is presented to the appropriate tribunal to decide; to wit, to the Supreme Court of the United States. It is due to its high and independent character to suppose that it will decide & settle a controversy which has so long and seriously agitated the country, and which must ultimately be decided by the Supreme Court. And until the case now before it, (on two arguments) presenting the direct question, is disposed of, I would deem it improper to express any opinion on the subject."

A majority of my Brethren will be forced up to this point by two dissentients.

Will you drop Grier a line, saying how necessary it is—& how good the opportunity is, to settle the agitation by an affirmative decision of the Supreme Court, the one way or the other. He ought not to occupy so doubtful a ground as the outside issue—that admitting the constitutionality of the Mo. Comp. line of 1820, still, as no domicile was acquired by the negro at Ft. Snelling, & he returned to Missouri, he was not free. He has no doubt about the question on the main contest, but has been persuaded to take the smooth handle for the sake of repose.

Sincerely yr. frd.

J. CATRON.

TO MR. BUCHANAN.

WASHINGTON, FEBY. 23D, 1857.

MY DEAR SIR Your letter came to hand this morning. I have taken the liberty to shew it in confidence to our mutual friends Judge Wayne and the Chief Justice. We fully appreciate and concur in your views as to the desirableness at this time of having an expression of the opinion of the court on this troublesome question. With their concurrence, I will give you in confidence the history of the case before us, with the probable result. Owing to the sickness and absence of a member of the Court, the case was not taken up in conference till lately. The first question which presented itself was the right of a negro to sue in the courts of the United States. A majority of the court were of the opinion that the question did not arise on the pleadings and that we were compelled to give an opinion on the merits. After much discussion it was finally agreed that the merits of the case might be satisfactorily decided without giving an opinion on the question of the Missouri compromise; and the case was committed to Judge Nelson to write the opinion of the court affirming the judgment of the court below, but leaving both those difficult questions untouched. But it appeared that our brothers who dissented from the majority, especially Justice McLean, were determined to come out with a long and labored dissent, including their opinions & arguments on both the troublesome points, although not necessary to a decision of the case. In our opinion both the points are in the case and may be legitimately considered. Those who hold a different opinion from Messrs. McLean & Curtis on the powers of Congress & the validity of the compromise act feel compelled to express their opinions on the subject, Nelson & myself refusing to commit ourselves. A majority including all the judges south of Mason & Dixon's line agreeing in the result but not in their reasons—as the question will be thus forced upon us, I am anxious that it should not appear that the line of latitude should mark the line of division in the court. I feel also that the opinion of the majority will fail of much of its effect if founded on clashing & inconsistent arguments. On conversation with the chief justice I have agreed to concur with him. Brother Wayne & myself will also use our endeavors to get brothers Daniels & Campbell & Catron to do the same. So that if the question must be met, there will be an opinion of the court upon it, if possible, without the contradictory views which would weaken its force. But I fear some rather extreme views may be thrown out by some of our southern brethren. There will therefore be six if not seven (perhaps Nelson will remain neutral) who will decide the compromise law of 1820 to be of non-effect. But the opinions will not be delivered before Friday the 6th of March. We will not let any others of our brethren know any thing about the cause of our anxiety to produce this result, and though contrary to our usual practice, we have thought due to you to state to you in candor & confidence the real state of the matter.

Very Truly Yours

D. GRIER.

HON. JAMES BUCHANAN.

P. S.—It is the weak state of the Chief Justice's health which will postpone the opinion to that time.

There has been too much veneration for the Supreme Court, or at least too much forbearance regarding its steady impairment of plain and undoubted constitutional rights. There should have been some early impeachments to serve as an example against Federal encroachments upon the plain rights of the people.

Almost from the beginning that Court virtually superseded one of the most vital safeguards in the Constitution to protect the citizen against the Federal Government, namely, that contained in the fifth amendment prohibiting the taking of private property for public use without just compensation, by holding that the Federal Government must first give its consent before it can be sued in any case. It is perfectly manifest, of course, that our forefathers did not intend that this vital provision in the Constitution should be rendered nugatory by adopting a negating policy patterned after the British Crown, which we had spurned. In 1912 the Supreme Court carried such negating policy still further by holding that when the Federal Government shall condescend to give its consent to suit it may take private property without any payment or appropriation for payment at the time of the taking, leaving the citizen with a mere claim for just compensation, rather than the just compensation itself guaranteed by the Constitution (*Crozier* v. *Fried Krupp Aktiengesellschaft*, 224 U. S. 290). The citizen may, of course, starve to death between the taking of his property and the ultimate awarding to him of just compensation therefor under this kind of substitute for the constitutional safeguard. Everyone with a grain of sense knows that our forefathers never intended any such substitute for the perfectly plain and simple provision in the Constitution.

Another conspicuous example of patently unconstitutional action by the Supreme Court is the *Block* v. *Hirsh* decision of 1921 (256 U. S. 135). It overruled, without the slightest warrant, the well-known *Ex parte Milligan* decision of 1866 (4 Wall. 2) which had held our constitutional safeguards to be effective at all times. The Block against Hirsh decision substituted the patently unconstituted holding that, in emergencies, Congress could set aside constitutional safeguards. The Milligan decision, which the Block against Hirsh decision overruled, pointed out most clearly and unanswerably that the setting aside of constitutional safeguards for either an actual or a supposed emergency would endanger the sacrifice of all the cardinal principles of liberty, and would be wholly without sanction in the Constitution.

It is significant, in this connection, that the deciding vote in that patently unconstitutional Block against Hirsh decision was cast by Judge Brandeis who, 4 years later—in 1925—dissented from the masterly decision of the Supreme Court in *Gitlow* v. *New York* (268 U. S. 652). The Supreme Court held to be criminal and anarchistic the advocacy of overthrow of government by force and violence, whereas Judge Brandeis, in his dissent, sought to defend it as free speech.

It is further significant that this same Judge Brandeis also cast the deciding vote in the patently unconstitutional *Gold Clause* decisions of 1935 (294 U. S. 240), thereby paving the way for an ultimate financial collapse in this country at the behest of international gold hoarders.

Let us also not fail to recall that this same Judge Brandeis has been called the father of the New Deal, which has been insidiously and steadily destroying constitutional American liberty. Alert patriotic Americans have a right to ask why Judge Brandeis was permitted to retire on full pay, instead of being impeached.

Has not the time arrived when the President of the United States and the members of the Supreme Court should be given to understand that they are—no less than the Members of the Senate and House—public servants, and in no sense public masters. Let us have no more foolish talk about a supposed duty to trust the President, the Supreme Court, and the Congress. Our salutary system of checks and balances requires active vigilance, not supine trust. Let us build up the respect for public office by promptly removing the unfit and unworthy in the ways prescribed by the Constitution.

In Lincoln's time there was a conspiracy to perpetuate and extend Negro slavery throughout our Republic. Today, the conspiracy on foot is obviously much more far-reaching. It would regiment and enslave the people generally, and utterly destroy constitutional American liberty. And it would accomplish it through plain usurpation, against which Washington warned in his Farewell Address.

Let those in the executive, legislative, and judicial branches of our Government, who have taken oaths to support this Constitution, ask themselves, frankly, whether they are patriots or traitors when aiding and abetting such usurpation. Let them also ask themselves what will be their status and that of those nearest and dearest to them when such usurpation shall have destroyed constitutional American liberty, even if impeachment or criminal proceedings should fail to reach them in the interim. Are they willing to trust their own future and that of their offspring to the destroyers of constitutional American liberty?

California Farm Leaders Oppose H. R. 8748

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

REPORT BY GEORGE HODGKIN, MANAGER OF CALAVO GROWERS OF CALIFORNIA

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following report by George Hodgkin, manager of Calavo Growers of California, stating the position taken by officials of the California Farm Bureau Federation, the California State Grange, and other farm organizations concerning Federal farm loan agencies at a meeting held March 26, 1940:

Reestablishment of the Farm Credit Administration as an independent agency and opposition to destroying the cooperative features of the Federal farm-loan system and substituting a Government direct-lending agency were unanimously endorsed in a meeting of California farm leaders in Los Angeles this morning. George Hodgkin, manager of Calavo Growers, of California, and chairman of the agricultural committee, Los Angeles Chamber of Commerce, stated that the group represented almost every phase of agriculture in California, and while not authorized to act for their respective organizations agreed to report back the action of the meeting and urge a unified program on the part of all California farm groups.

Unanimously approved were S. 3480 and H. R. 8825. These are identical bills, now before Congress, and provide for the reestablishment of the Farm Credit Administration as an independent agency of the Government. These bills were introduced at the request of the American Farm Bureau Federation, the National Grange, the National Association of Farm Cooperatives, the National Wool Growers' Association, and the American National Livestock Association. Under this legislation, the present administrative set-up—that is, a governor plus four commissioners—is done away with and instead there is established a Federal farm credit board. This board consists of six members, of which the Secretary of Agriculture is a member ex officio, the other five members being appointed by the President. Not more than three of such board members shall be appointed from one political party. All five of the appointed members shall devote their full time to business of the board and receive an annual salary of $10,000. Their appointments are for a period of 10 years and are staggered so that one appointment comes up each 2 years.

Vigorous opposition was recommended against S. 3509 and H. R. 8748. These bills would wreck the efforts of the farmers of this Nation over the last 25 years to establish a cooperatively owned farm-loan system. Instead would be substituted a Government direct lending agency. This would be accomplished by eliminating the cooperative features of the national farm-loan associations. Farmers would not own stock in national farm-loan associations, and farm-loan associations would not endorse loans made by Federal land banks to their farmer members. The farm-loan associations might continue as service agencies, but even this function could be eliminated by action of the Governor.

While thus breaking down the cooperative system which the farmers have endeavored to build up, the bill offers tempting bait by a reduction of interest rate to 3 percent on all outstanding loans and loans made prior to June 30, 1946. Federal subsidy is provided for in order to make possible this 3-percent loan. Government guarantee of Federal land-bank bonds is offered as further inducement. The bills also would eliminate deficiency judgments and provide far-reaching refinancing provisions, which would undoubtedly result in maintenance of submarginal farmers on farms long after their inability to operate economically had been determined.

Deep concern and alarm over this legislation was expressed. The ultimate result of such legislation would inevitably be nationalization of farms. Instead of farmers being assisted in improving their financial condition and getting out of debt, they would be encouraged into more and continued debts. Much of the Government subsidy provided in these bills to keep the less efficient farmer in business would come from the better farmers of the country. The latter would also suffer the burden of continued competition from subsidized submarginal operators.

The bills would place a premium on delinquency and a penalty on thrift. The subsidy would last only so long as Congress responded to the farmers' pleas. Congresses in the past have not always been sympathetic to farm problems and may not always be in the future. Farm votes represent only a minority of the electorate. Failure of an unsympathetic Congress to provide continued subsidy would leave farmers without either the substantial credit agency which now serves them and which they own in a large part (64 percent in the eleventh Federal land bank district) or the more tempting provisions of this legislation.

Private credit agencies would be forced out of the farm-mortgage business and the Government would soon hold practically all of the $7,082,000,000 national farm-mortgage debt. The national debt would be increased by the losses incurred on bad loans taken over and the Government would have a contingent liability of tremendous proportions.

With the Government saddled with a tremendous amount of bad loans, popular opinion would turn away from the farmer. When this day of reckoning comes the liquidation of the Government's holdings would demoralize the whole agricultural industry. The time appears to be at hand when we must think in terms of the long-time welfare of agriculture rather than a temporary, tempting expedient.

The farmer has long been regarded as the backbone of the Nation. He has fought hard and in recent times somewhat successfully for better consideration of his problems. He is not willing now to let the politicians run away with his program, making him a ward of the Government and subject to its whims. He has had too much experience in the past both with the Government and private agencies not supplying his credit requirements when most needed. Instead of going back to dependence upon some other agency, he expects to strengthen and extend the cooperative features of his own system.

Those attending in addition to Hodgkin included E. C. Kimball, first vice president, California Farm Bureau Federation; George Sehlmeyer, master, California State Grange; Paul Armstrong, general manager, and C. E. Meyer, director, California Fruit Growers Exchange; Carlyle Thorpe, general manager, California Walnut Growers Association; Dr. C. B. Hutchison, dean, College of Agriculture, University of California; H. W. Amelung, general manager, Poultrymen's Cooperative Association; Ralph Taylor, executive secretary, Agricultural Council of California; Dwight Rutherford, southern California editor, Pacific Rural Press; Will Wood, editor, California Cultivator; Dr. George Hecke, woodland farmer; W. F. Cowan, grower relations manager, Calavo Growers of California; Dr. George P. Clements and Howard Miller of the Los Angeles Chamber of Commerce. The group also had as guests Mr. Ray McKaig, master of the Idaho State Grange, and Mr. C. C. Cogswell, master of the Kansas State Grange. R. V. Garrod, State president, Farmers Educational and Cooperative Union of America, was unable to attend the meeting but later evidenced his approval of the action taken.

Arguments for the Townsend Bill

EXTENSION OF REMARKS

OF

HON. JOHN G. ALEXANDER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

Mr. ALEXANDER. Mr. Speaker, since introduction of H. R. 8264, the new Townsend plan bill, I have received many messages regarding it, but none more potent or well prepared than two which came to me today from young people.

In the first of these the point is made that the plan is a great moral issue. It goes on to say that the question as to whether we shall honor our parents, allowing them to enjoy the fruits of their many years of hard labor, or force them to live on the crumbs that fall from the money changers' tables is exactly in issue. Shall our young people have an opportunity to marry and live normal lives, or shall they be forced to live in idleness and poverty, is asked. Shall we have money for construction and for doing good, or only for war and other destruction? It certainly cannot be denied that these questions, and many more which might be asked in connection with our present unsatisfactory condition, are moral issues which no intelligent American can evade without becoming seriously responsible before both God and man.

We are our brother's keeper, and no amount of human evasion or fruitless lawmaking can alter the eternal truth of the Biblical assertion.

How a so-called Christian nation can expect God to bless and protect a generation which allows its fathers and mothers to be driven from their homes and be made to beg for food and shelter, they and their friends being ridiculed when they attempt to improve conditions, is, indeed, a question I ponder considerably.

The article goes on further, as follows:

Like everything which has a human origin the Townsend plan undoubtedly will be improved. However, the idea of a dividend, commonly called a pension, to those who have built this Nation is absolutely Scriptural and correct from every standpoint. In Numbers 8:25 we learn that God commanded Moses to pension the Levites at the age of 50 although they were permitted to minister with their brethren. The dividend plan, as advocated by the Townsend plan, is not only a moral necessity it is also necessary from a political and monetary viewpoint. No nation can expect its citizens to support a government which allows the Governor of the so-called Federal Reserve bank $50,000 a year, and then attempt to compel millions of others who have labored and toiled for years to live on a measly $20 or $30 a month. This is not only an insult to those who have built this Nation, it is an abominable sin in the sight of God.

The Townsend plan is much like the plan put into effect by Nehemiah when a money depression came to the land of Judea. In verses 1 and 3 of Nehemiah 5 we read the following: "And there was a great cry of the people and of their wives against their brethren the Jews. Some also there were that said, We have mortgaged our lands, vineyards, and houses, that we might buy corn, because of the dearth." In verse 5 we read that the people said "other men have our lands and vineyards." This is what has happened in our day. Through our debt money system and the use of mortgage and usury, a comparatively few men have gained control of nearly everything in our land including, apparently, our Government. In verse 6 Nehemiah says, "And I was very angry when I heard their cry and those words." In verse 10 he commanded "Leave off this usury." Verse 11 of Nehemiah 5 reads as follows: "Restore, I pray you, to them, even this day, their lands, their vineyards, their olive yards, and their houses, also the hundredth part of the money, and of the corn, the wine, and the oil, that ye exact of them." In verse 12 we read, "Then said they, We will restore them. * * * Then I—Nehemiah—called the priests, and took an oath of them, that they should do according to this promise." This restoring to the people that which had been taken from them was a moral necessity, and so it is today. While we cannot restore to the people their homes, businesses, and farms, with the lost opportunities which have been taken from them, we can and we must issue a monthly dividend or pension to the older people, at least. These pensions, in order to turn the wheels of industry, must be large enough to enable the ones receiving the dividends to live on a high standard, buying what they desire and need. A pension of $30 a month is like trying to turn a water wheel built for the Niagara by a small trickly stream of water. Nehemiah commanded that usury be discontinued. The Townsend plan would strike a telling blow to usury, rightly called civilization's greatest curse, in this that it would offset the terrible scarcity of money which causes the usury business to flourish. In this respect the Townsend plan is in harmony with the Scriptures, for both the Old and New Testaments forbid the taking of interest.

The other letter is equally interesting, and reads as follows:

MINNEAPOLIS, MINN., *April 15, 1940.*

Hon. JOHN G. ALEXANDER,
House of Representatives, Washington, D. C.

DEAR MR. ALEXANDER: As a young citizen, anxious to preserve and perpetuate our American ideals and constitutional form of government, I am setting forth herein my reasons for urging your militant support of the new Townsend national recovery plan bill, H. R. 8264:

Contrary to the belief of some people, the Townsend plan is not merely an old-age pension proposal; it is a national recovery program. Its primary purpose is to establish in the United States a sound and sensible economy that will increase business, assure steady employment in private industry for us younger people, and adequate security for our senior citizens.

How will it do this? Let us use the gasoline tax as an example. In 1919, when this method of taxation was first adopted, the revenue therefrom was only $1,022,514. However, this small amount was used for a specific purpose, namely, to build good roads. These improved roads—few as they were at that time—created a greater demand for more travel. This, in turn, meant the use of more gasoline, which automatically increased the gas-tax revenues proportionately, to be used for the construction of more good roads. And right there, from that small beginning, we put into operation, for the first time in the history of this Nation, a complete cycle of tax dollars in forced circulation. The annual revenue from this tax is now more than $1,000,000,000 and it continues to increase each year. Today the widespread benefits derived from this method of taxation is unparalleled in tax annals.

Now the Townsend national recovery plan employs the identical principles of the gasoline tax. It proposes to tax the use of our money—which is the gasoline used in our economic engine—by placing a 2-percent tax upon all gross incomes of individuals and business concerns, when these gross incomes are more than $250 per month. (All gross incomes of $250 or less per month are tax-exempt.) The revenue from this tax will also be used for a specific purpose, namely, the voluntary retirement of American citizens 60 years of age and over, from all gainful occupation. This will start providing employment and business opportunities for many of our younger folks now unemployed or on relief rolls. Eventually, by this retirement procedure alone, it is conservatively estimated that more than 3,000,000 permanent jobs will be made available for our citizens under 60 years of age.

The revenue from this tax will be prorated equally among those citizens applying for the annuities. No annuitant can receive more than his or her prorated share. The amount of these shares or annuities will depend—at all times—solely upon business conditions, but at no time can the annuitants receive more than the maximum amount of $200 per month. These annuities must be spent for goods and services within 30 days after they are received by the annuitants. The perpetual spending of these annuities each month will gradually create a greater demand for more goods and services, making more business and employment, which in turn will automatically increase the revenue to be again prorated among the annuitants. Thus, in this manner, regardless of what the annuities may be to start with, we will once more place into operation another complete cycle of tax dollars in forced circulation that will, in the due course of time, accomplish for our entire economic system what our gasoline tax has so successfully accomplished for our national highway system. Because of the practical principles involved, this becomes a mathematical certainty, as any fair and open-minded study of the Townsend national recovery program will reveal.

This plan actually provides a scientific pay-as-you-go solution for the perplexing economic problems caused by our modern mass production and power age.

Respectfully yours,

MAMIE M. STEABNER.

It is apparent from the above excerpts taken from my voluminous correspondence on the pension and social-security problem that even the youth of America are alive to the need for constructive thought. I feel that this is a good sign and a healthy indication of future progress.

The Logan-Walter Bill

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 16, 1940

ARTICLES BY E. A. EVANS

Mr. WALTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following series of news articles published by one of the leading chains of newspapers in America:

SAFEGUARD ON FEDERAL BUREAUS' POWER TO MAKE LAWS IS PURPOSE OF LOGAN-WALTER BILL, NOW BEFORE CONGRESS

(By E. A. Evans)

WASHINGTON.—Some 130 Federal agencies—not one member or employee of any of them elected by the people—now have authority to make laws, administer laws, and enforce laws.

The men who adopted the Constitution would have been astounded and dismayed if they could have foreseen this fact. The people's freedom, they believed, depended upon keeping separate the three powers of government—legislative, executive, and judicial—checking and balancing them against each other. That these powers should ever be combined in appointed officials, far removed from direct responsibility to the people, would have seemed to the founding fathers to involve intolerable dangers.

Nowadays, however, almost everyone agrees that a system of administrative agencies is necessary. Civilization has become more complex, Government has been called upon to undertake functions not even imagined a century and a half ago, and Congress perforce has placed more and more power in administrators.

So, over many years, the administrative system has grown to its present vast proportions, most rapidly in the last 7 years under the New Deal.

Congress, for instance, has undertaken to deal with such problems as the regulation of security markets, the protection of labor's right to organize for collective bargaining, and a host of others. It has enacted general statutes on these subjects. It has created agencies to administer and enforce these general statutes. And it has delegated to the agencies the authority to implement and interpret the statutes by making rules which, in effect, are laws.

Everyone agrees that this system does present dangerous possibilities of abuse of bureaucratic powers. And almost everyone agrees that, in many of the agencies, there have been abuses, and that something should be done to correct them and to prevent them in the future. As to exactly what should be done, however, there is no such complete agreement.

But, long before the New Deal began, this question was discussed; and one product of the discussion is the Logan-Walter bill, now being battled over in Congress.

The bill, in substantially its present form, was drafted by the Administrative Law Committee of the American Bar Association, after an extended study during which its provisions were submitted for criticism and suggestions by many lawyers, law-school deans, and others. It has been endorsed by the A. B. A., by many State and city bar associations, and it has been approved by the Judiciary Committees of both House and Senate.

Its original Senate sponsor, the late Senator M. M. Logan, Democrat, of Kentucky, obtained its passage by the Senate last July, without debate. Administration forces later moved for reconsideration, and in the present session of Congress the bill has come up first in the House, where its sponsor is Representative FRANCIS E. WALTER, Democrat, Pennsylvania.

The first part of the bill deals with the power of administrative agencies to make laws, or rules, and undertakes to provide a uniform procedure for the exercise of this power.

It would require published notice and public hearings before any rule affecting personal or property rights could be issued. A rule, having been issued, would have to be published within 10 days, and would not become effective—unless the President declared a public emergency—until it has been published.

Administrative rules under all future statutes of Congress would have to be issued within 1 year of the statute's enactment, but thereafter additional rules could be issued or existing rules amended as necessary.

Any person substantially interested in the effects of a rule now in force would be permitted to petition the head of the appropriate agency for a reconsideration of the rule and might request a public hearing on his petition. Within 10 days after the hearing the head of the agency would be required to determine whether the rule should be continued in force, modified, or rescinded, and to publish his decision.

There would be a right of appeal from the decisions of agencies to the District of Columbia Court of Appeals, and to other Federal circuit courts throughout the country. The courts could declare an administrative rule invalid only if they found it in conflict with the Constitution or a statute of Congress; would have no authority to go into the question of the rule's wisdom.

Advocates of the Logan-Walter bill argue that these provisions would safeguard personal and property rights from abuse of the administrative lawmaking power; would speed up the proper use of that power; would enable citizens and agency subordinates to know promptly, and without extended litigation, what their rights and duties are; and, by giving the agencies reason to use greater care to make their rules conform to law, would decrease the number of rules contested.

Opponents of the bill maintain that the scores of different agencies, handling different problems, require different procedures, and would be put into a strait jacket by the attempt to provide uniform procedure; that the courts would be overloaded with appeals; that judges do not have the technical information to deal with matters which the agency heads decide on the basis of expert knowledge; and that the shifting of added responsibility to the courts would have a harmful effect on administrative efficiency.

PROTECTION AGAINST LONG DELAYS AND HEAVY EXPENSE IN DISPUTES WITH FEDERAL AGENCIES PROPOSED IN BILL

(By E. A. Evans)

WASHINGTON, April 12.—The maxim that "justice delayed is justice denied" applies with special force in the vast American bureaucracy.

The citizen who has business with the Government deals with 1 or more of the 130 administrative agencies which have been created as government has been called upon to undertake more and more functions. And his dealings must be, for the most part, with subordinate officials.

Some of the agencies are headed by single individuals, such as Cabinet officers. Many others are headed by boards or commissions with three or more members. The men at the top, in whom rests authority to make final decisions so far as their agencies are concerned, can't possibly give personal attention to all the intricate details of all the claims and cases that fall within their province.

So the citizen deals with members of an army of underlings—trial examiners, lawyers, clerks, and others to whom the agency heads have delegated limited authority. More often than not, in many agencies, these subordinates adjust matters to the citizen's satisfaction and approval of the adjustment by agency heads follows automatically.

But the citizen whose case involves unusual, technical, and controversial issues and who is not satisfied with what he gets from subordinates may have great difficulty, meet long delay, and incur heavy expense in obtaining from the agency heads a final decision which, if he is still not satisfied, he can make the basis of an appeal to the courts.

One purpose of the Logan-Walter bill now before Congress is, as explained in a previous article, to provide a fair and uniform system for exercise of the administrative agencies' power to make rules which, in effect, are laws. A second purpose is to provide a prompter and uniform system for exercise of their quasi-judicial power—the power to make decisions.

Where an agency is headed by a single individual, he would be required to designate employees of his agency for service on three-member boards of review.

At least one member of each board of review, the chairman, would be a lawyer. An agency might have one such board or, if needed, several. Board members, when not engaged in hearing administrative appeals, would be assigned to other duties in the agencies. Where practicable, boards could be designated to hear controversies in those sections of the country, remote from Washington, where they arise.

Any individual or corporation aggrieved by a decision of agency subordinates could, within 20 days after being notified of the decision, state his objections in writing to the head of the agency and demand a review.

A full and fair hearing by a three-member board of review would then be required at an early day, the aggrieved person having the right to introduce evidence and subpena witnesses. A complete record of all testimony would be kept.

Within 30 days after the close of testimony and argument, the board of review would be required to file with the head of the administrative agency written findings of fact and a decision on them. The duty of the agency head would then be to approve, disapprove, or modify the decision of the three-member board, and to notify the complaining citizen of his action.

That would give the citizen a final decision from the agency, with which he would be required to comply unless, still dissatisfied, he elected to appeal to the courts.

The procedure under agencies headed by boards or commissions of three or more members would be similar, except that trial examiners could be designated to hear evidence and make preliminary decisions, with the complaining citizen having the right of prompt appeal and public hearing before three members of the agency concerned.

Opponents of the Logan-Walter bill contend that the proposal is too sweeping; that a uniform system of internal appeals could not properly serve all the different administrative agencies; that some agencies already have satisfactory review systems; that, since the bill does not limit appeals to quasi-judicial matters, the reviewing boards or officials would be swamped by demands for consideration of trivial controversies, thus clogging and slowing up the whole Government service.

The bill's advocates argue that if some agencies have satisfactory review systems, all should and can have; that the plan would fix responsibility for executive action and enable citizens to get prompt action from responsible executive officers; that subordinates will handle controversies with greater care, thus providing fewer reasons for dissatisfaction; that the entire administrative service would be improved, and that the number of controversies reaching the heads of agencies and the courts would eventually be greatly decreased.

UNIFORM JUDICIAL CHECK-AND-BALANCE SYSTEM PROPOSED FOR DECISIONS BY FEDERAL AGENCIES

(By E. A. Evans)

WASHINGTON, April 15.—Government by bureaucracy inevitably tends to become government in the interest of the bureaucrats.

This generally accepted fact is responsible for that portion of the Logan-Walter bill, now before Congress, which deals with review by the Federal courts of the decisions or orders of the multitude of Government administrative agencies.

Other sections of the bill, as explained in previous articles, are intended (1) to provide a uniform and safeguarded system for exercise of the agencies' quasi-legislative power to make rules which, in effect, are laws; and (2) to provide a prompt and uniform system for exercise of their quasi-judicial power to make decisions.

Supporters of the bill contend that these sections will automatically insure sounder administrative laws and fairer administrative decisions.

But the agencies, especially those which administer statutes relating to social and economic problems, are headed and largely staffed by enthusiasts—by people sincerely, earnestly, and properly zealous to make the statutes accomplish what Congress intended, or what they think Congress intended or should have intended.

The bureaucrat who abuses his power for his own benefit is, perhaps, the exception. Abuse of bureaucratic power results more commonly from the zeal of administrators to get results for, as they see it, the benefit of the people they are supposed to serve. But the consequences, in damage to the personal and property rights of citizens, are no less evil than if the interests of the bureaucrats were entirely selfish.

So, it is argued, the decisions made by quasi-judicial administrators—often actuated by partisan feelings—need to be checked and balanced by wholly judicial officials in much the same way as the decisions of trial judges are checked and balanced by courts of appeal.

A third section of the Logan-Walter bill, therefore, proposes to provide a uniform procedure of judicial review for the decisions and orders of administrative agencies.

A party to a proceeding before any agency, if aggrieved by the agency's final decision, could appeal within 30 days to the District of Columbia Court of Appeals or to the United States Circuit Court within whose jurisdiction he lives or has his principal place of business or in which the controversy arose.

This is intended to decentralize judicial reviews, since there are 10 circuit courts throughout the country, instead of centralizing them in Washington at great expense in time and money to citizens with appeals.

The court to which an appeal is taken would be required to base its decision on the record of proceedings before the agency. But that record would have to be "full and accurate," and the court might require the agency to submit further evidence. This provision is aimed at what has been described as "scandalous abuses by prejudiced trial examiners of some agencies in permitting to go into the record only what suits their purposes."

Having considered the appeal, the court could affirm the administrative agency's decision, or set it aside, or direct the agency to modify it. The court would be required to set the decision aside if satisfied that the agency's findings of fact are "clearly erroneous" or are not supported by "substantial evidence," or that the decision is not supported by the findings of fact, or that the decision is beyond the agency's jurisdiction, or that the decision infringes the Constitution or the statutes of Congress, or that it was not issued by the processes required by law.

To meet the objection that appeals to 11 different courts of review might result in many disagreements among these courts, the bill provides that any court finding itself in disagreement with a previous decision of another court having the same jurisdiction shall immediately certify the matter to the United States Supreme Court. This, it is contended, would enable the prompt adjustment of diverse views among the lower courts.

Dissatisfied litigants would, of course, retain their present rights to seek Supreme Court review of the decisions of the appellate courts.

Opponents of the Logan-Walter bill maintain—but its supporters deny—that existing law is amply sufficient to secure judicial review of administrative decisions. The opponents also say that in this respect, as in others, the bill is too sweeping; that it would flood the circuit courts with petty appeals; that it would transfer control of the executive branch to the courts, making for vast and costly executive confusion; that judges would substitute their opinions as to "substantial evidence" and as to whether findings of fact are "clearly erroneous" for the opinions of administrative officers.

The bill's advocates reply that the circuit courts would not be required to hear petty or frivolous appeals; that the courts would merely check and balance, not control, the administrative agencies; and that judges could not go into the merits of issues before them, but would have authority only to make sure that the administrative proceeding had given adequate consideration to the merits.

Finally, supporters of the bill argue that responsibility for incompetent, biased, and illegal actions would be clearly fixed on the administrative officers and employees concerned. This, they say, would give the agencies every incentive to avoid such actions. The result would be better, fairer decisions by the agencies, a great improvement in the executive service, and consequently a great decrease in the number of administrative decisions that would be appealed to the courts.

Opposition Grows to Proposed Change in Federal Aviation Set-Up

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

Mr. RANDOLPH. Mr. Speaker, it is my opinion that the recent order which would abolish the present Air Safety Board and place in the Department of Commerce the Civil Aeronautics Authority is going to increasingly face opposition from the Congress and the American people.

Editorial comment in the newspapers of the United States has been practically unanimous in opposing the move which would seriously, I believe, cripple the splendid regulatory work now being done throughout the aviation industry in all its phases.

Indicative of the newspaper comment, I quote from the following representative editorials. Writing in the Washington Times-Herald of Sunday, April 14, Frank C. Waldrop clearly and emphatically says:

INDEPENDENT AIR SAFETY BOARD HAS PROVED ITS VALUE

The true value of anything is demonstrated not by showing how it fits so neatly into a blueprint of authority but in the record of its works.

It is not the form, but the substance, that counts.

There used to be an agency of Government here known as the Bureau of Air Commerce. It had a nice location on the blueprint of authority under the command of the Secretary of Commerce. It had the assignment to make and enforce regulations for civil aviation.

It was a flop, a terrible, deadly flop.

You remember how it worked. It made regulations. It checked to see whether the air lines were living up to those regulations. And when the charred ruins of an airplane were scraped off a mountainside, as they so regularly were, it rushed its investigators to the scene to determine whether it was responsible for the horror.

The Bureau of Air Commerce was prosecutor, judge, and jury. And it was a terrible, deadly flop. Under its administration the national confidence in civil aviation disintegrated. And civil aviation came near to doing the same. Only slathering governmental subsidy kept it out of bankruptcy.

Even so, it was on the very edge of collapse when, on August 22, 1938, there went into effect a law setting up the Civil Aeronautics Authority, an agency independent of all elements of Government except the Congress, which created it, and the President, who appointed its members.

A specific response to public demand was the establishment, within the Authority, of an Air Safety Board.

The members of this Board were appointed by the President and were wholly independent of the Civil Aeronautic Authority. They were not even joined to it for budgetary purposes, but got their funds directly and separately from Congress. Their personnel was of their own choice. Their function was to "investigate * * * and report to the Authority the facts, conditions, and circumstances relating to each accident—involving aircraft—and the probable cause thereof."

This meant the Board was to act as the public's independent agent to see whether an accident involving aircraft was caused by error or negligence of a plane maker, an air line, a pilot, or the Civil Aeronautics Authority, or whoever might be the responsible party.

The public had demanded that independent agent because experience had proved, in sorrow and in full, that the same Bureau which was making aviation regulations and enforcing them was unable to bring itself to self-condemnation when it was at fault. As it so often was.

Such inability to render impartial judgments was only human on the part of the Bureau of Air Commerce. But that was no excuse for the toll in life and property that piled up.

Well, how has the independent Civil Aeronautics Authority acquitted itself? It has brought American aviation to the highest level of efficiency and safety in world history. It made the airways secure against disaster for 12 full months and it did that without destroying technical progress.

The counterbalance of the Air Safety Board, free to criticize and to report facts impartially and fully, was a paramount factor in that success.

You have only to look at the facts. In the pre-Safety Board days there were crashes and scandals. Since the Board's establishment, the same companies, same pilots, and same type planes have given safe and greatly improved service.

In the Baltimore Evening Sun of April 13 we find a strong editorial on the subject, as follows:

MESSING IT UP

Commercial flying used to be under the direction of the Bureau of Air Commerce of the Department of Commerce. And then it was the football of politics. There were scandals over the air-mail contracts. There was an indifferent policy which many persons interested in flying held responsible for the lagging course of the industry in the United States. In fact, so much dissatisfaction was aroused by the Bureau of Air Commerce that the President relieved it of its duties and turned them over to the newly created Civil Aeronautics Authority.

The C. A. A. set up shop in August 1938. Its administrator, board of five, and safety council of three members were approved by the Senate in February of last year. A few days ago the National Safety Council over in Washington celebrated with a dinner the completing of a whole year of commercial flying in the United States without the loss of a single life, either of a passenger or an employee of the air lines. President Roosevelt sent a letter of congratulation to the dinner on the industry's remarkable achievement.

Moreover, from a financial and operations standpoint the commercial flying industry had the best year in its history. In the same period private flying increased some 125 percent, and is still increasing by leaps and bounds. A major part of this advance is attributed to the efficient work of the C. A. A. It is true, there have been some criticisms of the C. A. A., but they have been of a minor nature. Now, in spite of the record made by commercial flying under the existing organization, the President has submitted to the Senate a proposal to return the supervision of the industry to the Department of Commerce. In the face of a year without an accident, he proposes to abolish the safety council and hand its work over to the board of the C. A. A.

The President's proposal, including not only the transfer of the C. A. A. but several other bureaus, is expected to effect an administrative saving of $300,000. Why mess up the C. A. A. to save a fraction of $300,000? It looks more like politics than economy.

The Washington Star in its issue of April 15 says:

A BACKWARD STEP

The numerous expressions of alarm and dismay which have greeted the President's Executive order transferring the independent Civil Aeronautics Authority to the Commerce Department and abolishing the Air Safety Board indicate a strong belief throughout the aviation industry that such a transfer would be a disastrous step backward.

Fresh in the minds of those connected with American aviation is that period from 1933 to 1938 when the Civil Aeronautics Act went into effect. During those 5 years the predecessor of the Civil Aeronautics Authority, the Bureau of Air Commerce, was a branch of the Commerce Department, subject to departmental politics. The results were most unhappy; the whole period is considered one of the blackest in the history of air transportation and civil aeronautics generally.

One congressional investigation followed another. The lack of a general Federal policy for handling civil aviation development and a lack of confidence in a politics-ridden Federal agency prevented proper air-line development. All of the air lines were operating at deficits and many suffered financial collapse.

The situation became so intolerable that Congress, with the support of virtually every responsible aviation organization, finally enacted the Civil Aeronautics Act, intended primarily to take aviation out of the Commerce Department, to free it from politics and political pressure, to give a continuing policy of Federal regulation, and to build up an expert "career" personnel to handle civil aeronautics development.

The results were successful beyond the most sanguine expectations of supporters of the legislation. Assured of a sound, nonpolitical, continuing policy of Federal control, the air lines confidently began expansion programs, and air transportation entered into a period of tremendous growth. Within a year most of them were out of the red, and recently the domestic air lines completed a year of operations without accident. A feeling of stability and complete confidence spread through the entire industry.

The effects were felt not only by the air-transport systems. Private flying began to increase to an unprecedented degree, even prior to the inauguration of the very successful civil-pilot-training program of the C. A. A., now in progress at more than 400 centers throughout the Nation.

In view of the great benefits which have followed the creation of an independent, nonpolitical agency to control civil aeronautics it is difficult to understand why the President now is proposing transfer of the Authority back to the Commerce Department. Announcement of the proposal has come as a bombshell to the aviation industry and, apparently, to officials of the C. A. A., who do not appear to have been consulted. The plan is widely denounced and there does not appear to be a voice raised in favor of the transfer, which, it is feared, was worked out along completely theoretical lines without any consideration of the real needs of aviation.

It is certain that a real fight against the proposed transfer will be made in the Senate, and it is to be hoped that approval will not be given to this change unless persuasive reasons for it can be advanced.

The Pan American Union

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

PRESIDENT ROOSEVELT'S ADDRESS BEFORE THE PAN AMERICAN UNION ON ITS FIFTIETH ANNIVERSARY

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the address of President Roosevelt, delivered Monday, April 15, before the Pan American Union in commemoration of the fiftieth anniversary of the formation of the Pan American Union:

In the year 1890, on April 14, and without fanfare of trumpets, an inter-American conference unanimously adopted a resolution providing that "there shall be formed by the countries represented in this conference an association under the title of the International Union of American Republics."

The tasks of the new organization were simple. They were to collect and distribute commercial information, to publish a bulletin, to provide trade information, and to carry forward the work of promoting sound business relations.

But behind these prosaic words there was the driving force of a great American conception which had been gathering headway for 60 years.

The ideal originated in the mind of Simon Bolivar; and a kindly history has preserved for us the draft he had written in 1825, sketching his purpose and objective.

His aim was peace for the Americas. His hope was that the American example might eventually give peace to the entire world. His plan was stated in a single, brilliant, sentence: "The New World takes shape in the form of independent nations, all joined by a common law which would control their foreign relations and would offer them the stabilizing force of a general and permanent congress." The result, as you know, was the calling of the conference of Panama in 1826.

CONGRESS OF PANAMA SET UP IDEAL OF COOPERATIVE PEACE

At that time it took bold minds even to dream of universal peace. And yet the Congress of Panama gave clear expression to precisely that aspiration. Before that time there had been but two systems of peace known to the world. One of them had been the peace of universal conquest, which Rome had achieved and lost, and which Napoleon had vainly endeavored to imitate. The other was the

dangerous and temporary peace of balance of power—which even in 1826 was plainly no permanent solution.

At the Congress of Panama, the American nations proclaimed the ideal of a cooperative peace; the peace of free equals, freely agreeing to settle whatever differences might arise among them by none but pacific means—determined to cooperate with each other for the greater good of all.

Never before had any group of nations been asked to renounce the splendors of indefinite conquest, and to achieve their true grandeur by peaceful cooperation. Yet that was precisely what the Americas were considering.

The dream of Bolivar was not realized at the Congress of Panama. But it did remain a hope, an inspiration. To the writers, the poets, the dreamers, who kept the ideal of cooperative peace alive through the imperialist nineteenth century, we owe an everlasting debt of gratitude.

INITIATIVE CAME FINALLY FROM THE UNITED STATES

In spite of several attempts to bring to a realization the ideal of inter-American unity, more than 6 decades went by before the seed began to grow. I am proud of the fact that on that occasion the initiative came from the United States. In 1888 President Cleveland approved an act of Congress authorizing him to call a conference of the American countries in order that there might be worked out a peaceful plan for the settling of disagreements and disputes and a means of encouraging such reciprocal relations as would benefit all.

It was that inter-American conference 50 years ago that set up the International Union of the American Republics, the anniversary of which we are observing today. In opening the conference, James G. Blaine expressed its high purpose in the following words: "We believe that a spirit of justice, of common and equal interest between the American states, will leave no room for an artificial balance of power like unto that which has led to wars abroad and drenched Europe in blood."

Fifty years of unremitting effort have brought our republics far along the road that leads to this goal. Today, as never before, our nations have reason to appreciate the fruits of that progress. For today we are again face to face with the old problem.

PEACE REIGNS IN AMERICAS BECAUSE FEAR IS GONE

Universal and stable peace remains a dream. War, more horrible and destructive than ever, has laid its blighting hand on many parts of the earth. Peace among our American nations remains secure because of the instruments we have succeeded in creating. They embody, in great measure, at least, the principles upon which, I believe, enduring peace must be based throughout the world.

Peace reigns today in the Western Hemisphere because our nations have liberated themselves from fear. No nation is truly at peace if it lives under the shadow of coercion or invasion. By the simple process of agreeing that each nation shall respect the integrity and independence of the others, the New World has freed itself of the greatest and simplest cause of war. Self-restraint and the acceptance of the equal rights of our neighbors as an act of effective will has given us the peace we have had, and will preserve that peace so long as we abide by this ultimate moral law.

Peace reigns among us today, because we have agreed, as neighbors should, to mind our own businesses. We have renounced, each and all of us, any right to intervene in each other's domestic affairs, recognizing that free and independent nations must shape their own destinies and find their own ways of life.

Peace reigns among us today because we have resolved to settle any dispute that should arise among us by friendly negotiation in accordance with justice and equity, rather than by force. We have created effective machinery for this purpose and we have demonstrated our willingness to have full recourse to that method.

A NEW ORDER FOUND, AND NOT BY VIOLENCE

Peace reigns among us because we have recognized the principle that only through vigorous and mutually beneficial international economic relations can each of us have adequate access to materials and opportunities necessary to a rising level of economic well-being for our peoples. In every practicable way we are seeking to bring this vital principle to its realization.

We of this hemisphere have no need to seek a new international order; we have already found it. This was not won by hysterical outcries, or violent movements of troops. We did not stamp out nations, capture governments, or uproot innocent people from the homes they had built. We did not invent absurd doctrines of race supremacy or claim dictatorship through universal revolution.

The inter-American order was not built by hatred and terror. It has been paved by the endless and effective work of men of good will. We have built a foundation for the lives of hundreds of millions. We have unified these lives by a common devotion to a moral order.

The cooperative peace in the Western Hemisphere was not created by wishing; and it will require more than words to maintain it. In this association of nations, whoever touches any one of us touches all of us. We have only asked that the world go with us in the path of peace. But we shall be able to keep that way open only if we are prepared to meet force with force if challenge is ever made.

Today we can have no illusions. Old dreams of universal empire are again rampant. We hear of races which claim the right of mastery. We learn of groups which insist they have the right to impose their way of life on other nations. We encounter economic compulsions shrewdly devised to force great areas into political spheres of influence.

VALUE OF LOVE STRONGER THAN THE VALUE OF HATE

All of this is not of mere academic interest. We know that what happens in the Old World directly and powerfully affects the peace and well-being of the New. It was for this very reason that we have adopted procedures that enable us to meet any eventuality. At Buenos Aires we agreed that we would consult should our peace be threatened. At Lima we agreed to stand together to defend and maintain the absolute integrity of every American nation from any attack, direct or indirect, from beyond the seas. At Panama we worked out ways and means for keeping war away from this hemisphere. I pray God that we shall not have to do more than that; but if it should be necessary, I am convinced that we should be wholly successful. The inner strength of a group of free people is irresistible when they are prepared to act.

In my conception the whole world now is struggling to find the basis of its life in coming centuries.

I affirm that that life must be based on positive values.

The value of love will always be stronger than the value of hate; since any nation or group of nations which employs hatred eventually is torn to pieces by hatred within itself.

The value of a belief in humanity and justice is always stronger than the value of belief in force, because force at last turns inward and if that occurs each man or group of men is finally compelled to measure his strength against his own brothers.

The value of truth and sincerity is always stronger than the value of lies and cynicism. No process has yet been invented which can permanently separate men from their hearts and consciences or can prevent them from seeing the results of their ideas as time rolls by. You cannot make men believe that a way of life is good when it spreads poverty, misery, disease, and death. Men cannot be everlastingly loyal unless they are free.

We acclaim today the symbol of 50 years of the American way. We are determined to continue on that way in friendship. We are determined that our mutual relations be built upon honor and good faith. We are determined to live in peace and to make that peace secure. We are determined to follow the path of free peoples to a civilization worthy of free men.

Capitalism, the Creator

EXTENSION OF REMARKS

OF

HON. WILBURN CARTWRIGHT

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 8, 1940

LETTER FROM HON. ROBERT L. OWEN

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to insert in the RECORD the following letter from Hon. Robert L. Owen, former United States Senator of Oklahoma, in regard to Carl Snyder's book, Capitalism, the Creator.

APRIL 5, 1940.

Hon. WILBURN CARTWRIGHT,
House of Representatives.

MY DEAR MR. CARTWRIGHT: Carl Snyder's book, Capitalism, the Creator, recently published by MacMillan, is an extraordinarily able defense of American capitalism and its potential power to bring abounding prosperity to the American people and to the world if we could only get rid of the periodic booms and depressions. The book shows how to control booms and depressions, in chapter 13.

It has received the most extraordinary praise from men of the highest standing, some of which I venture to quote, because I wish you to read this book and call it to the attention of your colleagues as of the greatest importance to their political service.

"This book is destined to become the Bible of American capitalism. It is the finest, most convincing volume ever written in defense of the system which is under attack from so many quarters."—John S. Piper, financial editor, San Francisco News.

"It is the first real book on the economics of business which has been produced in this twentieth century."—The American Banker.

"In so many ways is it exceptional that it challenges memory to recall something comparable. It resembles several classics in the gigantic research which its preparation occasioned, in the profundity of knowledge which it conveys, and the stupendous importance to the world and mankind, of the central idea which it presents with apparent irrefutability. It is surely a 'big' book. It is probably a 'great' book, destined to be epochal because of the influence it will exercise on the entire economic structure which

surrounds us. It is difficult to speak about it with restraint."—The Commercial and Financial Chronicle.

"It is my sincere belief that this book will prove to be the most revolutionary work published during the last half-century. From it, I believe, will date a complete reexamination and dissipation of a whole complex mythology of economic, political, and social theory. It will lay, I believe, a whole legion of fallacies. * * * Carl Snyder is one of the few scientific economists the world has produced; one of the first actually to test theories by gathering data and subjecting them to scientific, mathematical examination. * * * This is a book of incalculable importance."—Burton Rascoe.

"It is a masterpiece and will be a monument to your invaluable work in this field."—Lionel D. Edie, economist.

"One of the outstanding books of the decade, which should be required reading for everyone of high-school age and beyond. * * * This book, we venture to say, will be one of the most-talked-of books of the year in its field."—John D. Van Becker, financial editor, San Francisco Call-Bulletin.

"You have created conviction not only by statistics but by a style that conveys completely the personality of the thought. * * * Great stuff—the heady wine of truth, served out with Gargantuan gusto."—Virgil Jordan, president, National Industrial Conference Board, New York.

Incidentally, of course, I am pleased with the book because it confirms the truth of what I have been urging upon Congress with regard to the prevention and control of booms and depressions in this country.

Yours respectfully,

ROBERT L. OWEN.

Necessity for Presence of Sleeping-Car Conductors on Trains Carrying Sleeping Cars

EXTENSION OF REMARKS

OF

HON. ROBERT CROSSER

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

Mr. CROSSER. Mr. Speaker, today there was introduced by me a bill for the purpose of preventing the practice of substituting porter-in-charge service for both conductor and porter service on sleeping cars, or in other words for sleeping-car service with a conductor on each train and a porter on each car.

The cars operated without a conductor are of identically the same construction, accommodations, and appointments as are the cars operated under the service of both a conductor and porter. They are, as a general rule, the usual standard type, having upper and lower berths with a cloth curtain dropped in front of the berths, which furnishes the only partition between the berths and the aisles of the cars.

CHARACTER OF PATRONS

The people who travel in these cars are the same kind of people as those who use the cars under conductor supervision. All kinds of people utilize the one just as they do the other—people of both sexes, of all ages; the experienced and inexperienced; the strong and the infirm; the chaperoned and the unchaperoned; unattended women and inconsiderate men. All these are entitled to ride as passengers and from time to time are found in sleeping cars. They are assembled in the car without any power of choice as to relative location. They are all together in one large room with no separation from or protection against each other, so far as physical equipment is concerned, except the cloth curtain hanging in front of the berth.

They are thus assembled for transportation in the nighttime, through the hours when passengers are asleep and powerless to protect themselves or their property.

BEST POSSIBLE SERVICE DEMANDED

The bill is based on the proposition that the character of the service undertaken and the responsibilities assumed by the sleeping car company demand the best possible policing and supervision of all sleeping cars operated in overnight runs. No company should be permitted to assemble people of all kinds and characters in a large room shielded and protected in the dead hours of night by anything less than the best safeguards possible.

PUBLIC ENTITLED TO COMPLETE SERVICE

If we are right in our contention that the nature of the service and the responsibilities undertaken by the sleeping car company demand the highest possible order of policing and supervision, then it must follow that conductor and porter service under conductor supervision should be furnished. No one, I assume, would contend that the combined service is not superior to the porter-in-charge service or to the service of the conductor alone. The public is entitled to both.

STANDARD LONG ESTABLISHED

The fact that the public has had as a general rule the service of both porter and conductor through all the years did not occur by chance. It was due to the reasonable requirements of the traveling public and a recognition of them by the sleeping car company. By long practice, the company has set that standard of service, and should not now be permitted to substitute service that is inadequate.

PROPER SERVICE REQUIRES CONDUCTORS

A full and careful study of the services required on sleeping cars and of the duties imposed upon the conductor and the porter convinces any reasonable person that the standard set is reasonable and that anything less would be inadequate.

DUTIES AND RESPONSIBILITIES OF SLEEPING-CAR CONDUCTORS

Mr. Warfield, for many years an active sleeping-car conductor, and for the past 22 years president of the Order of Sleeping Car Conductors, has described the work of the sleeping-car conductor as follows:

The duties and responsibilities of sleeping-car conductors cover a wide field and require special training different from that of other train-service employees. Special schools of instruction are conducted periodically to keep conductors up-to-date and informed on all matters affecting the safety, comfort, and convenience of passengers. All types of cars and mechanical equipment, including heating and air conditioning, must be studied and their operation and maintenance en route understood.

Each conductor is given a book entitled "Instructions to Conductors." The first part contains instructions on matters pertaining to conductors' duties only.

The second part contains instructions to other car employees, who are under the supervision of conductor; he must, therefore, make himself familiar with their duties as well as his own. The index to subjects covers 14 pages. The manner in which these instructions are to be followed is stated as follows:

"The regulations contained herein are general in character and should be observed in a manner that will not defeat their purpose, which is to make the service popular.

"The most important feature of a conductor's duties at all times and under any conditions is to please and satisfy passengers. When passengers request privileges that cannot lawfully or properly be granted, they should be politely informed that the request is beyond his authority. Do not resort to the expression 'It is against the rules,' but explain the matter in such a way as to avoid giving offense.

"The reputation of the service depends as much upon the efficiency of employees as upon the facilities provided by the company for the comfort of its patrons; it is imperative, therefore, that employees in serving passengers be obliging and courteous at all times, alert to anticipate their wants and diligent and cheerful in executing orders.

"Conductors are the responsible agents of the company in carrying out all service requirements. Their presence gives passengers the assurance that an authorized representative of the company will supervise all service either requested or anticipated. Among the many and varied duties and responsibilities of conductors are the following:

"(a) See that cars are properly cooled or heated prior to the time they may be opened to receive passengers.

"(b) To require that all porters be in proper uniform.

"(c) To regulate the temperature both of the air-conditioning device and the heating equipment, which is a matter of grave concern to the health, comfort, and convenience of passengers; to regulate these devices and receive special instructions in other operations which are not given to any other train-service employees.

"(d) Give special attention and care to old people, children, sick persons, and college girls, as well as others who require personal service and who are committed to his special care; such attentions are often required by old women who are blind or otherwise unable to care for themselves, and who are placed on the train under the special care of the conductor, who must see that their every need is fulfilled, including serving their meals in their section, putting

them off at their proper destinations, providing them with wheelchairs, and any other service that may be necessary. Likewise, children of tender years, who are unable to care for themselves and who are committed to the care of the conductor, will be carefully watched while en route and delivered safely to their relatives, friends, or proper authorities at the end of their trip. Give first-aid treatment to passengers who become ill, and when necessary summon a physician. Give special attention to passengers in case of wrecks. They must be removed to a place of safety and first aid administered to the injured, summoning medical assistance, and rendering any other service for their care, convenience, and comfort.

"(e) Furnish information about schedules of connecting lines and all other means of transportation, such as boats, airplanes, and busses.

"(f) Crippled or deformed persons, mental or physical, who are committed to the care of the conductor must be carefully attended and all their needs supplied.

"(g) Maintain proper decorum in the cars, handling all cases of disorderly conduct, excessive drinking, boisterous talking, and undesired attentions between passengers so that no complaint will arise.

"(h) When switching of cars is done and they are separated one from another, see that the tail-gates are erected in proper position at each end of the cars to prevent passengers from falling and becoming injured.

"(i) See that all passengers are assigned to their proper accommodations, that the cars are kept clean at all times and supervise the work of porters so that their duties will be properly carried out."

Constant policing of cars is a necessity. The presence of conductors is a deterrent to disorderly conduct. This condition exists on all trains irrespective of the numbers of cars, and nothing less than the services of both conductors and porters will suffice for adequate protection of passengers.

WITHDRAWAL OF CONDUCTORS UNFAIR TO PUBLIC, TO PORTERS, AND CONDUCTORS

To withdraw from the sleeping-car service the specially trained conductor and to impose upon the porter the manifold duties of the conductor in addition to his duties as a porter is unfair to the public, to the porters, and to the conductors.

(a) Unfair to public

Nothing more needs to be added to what has already been said to demonstrate the unfairness to the public of the practice of which complaint is made, except perhaps to add that the passenger in the porter-in-charge car pays the same fare as the passenger in the car with the complete service. His rights are the same and his needs are the same. That it is a palpable discrimination to deny him the same service is obvious.

(b) Unfair to porters

The porter-in-charge practice is unfair to the porters. When the company eliminates the conductor and places a porter in charge it does not promote the porter to the rank of conductor or pay him a conductor's wage. It keeps him in the porter's rank and pays him a small additional amount above the standard rate of porters' wages for discharging the conductor's duties.

STATEMENT OF A. PHILIP RANDOLPH

The very able president of the Brotherhood of Sleeping Car Porters, A. Philip Randolph, denounced the unfairness of this practice in an address, printed in the American Federationist for August 1939, from which the following is quoted:

> Concretely speaking, Pullman porters may run in charge of one car at a small differential in wages above the standard rate, but they are not promoted to the rank of conductors. * * *
>
> These in-charge jobs only serve to displace a Pullman conductor or dining-car steward, thereby bestowing an unfair economic advantage to the carriers. This does not mean that Pullman porters should not desire to be promoted to conductors or that dining-car waiters should not aspire to become dining-car stewards. This is their right. But it does mean that these hyphenated occupational honors and advantages are more apparent than real.

(c) Unfair to conductors

Mr. Randolph, in the language just quoted, points out the unfairness of this practice to conductors. He says—to quote again:

> These in-charge jobs only serve to displace a Pullman conductor or dining-car steward, thereby bestowing an unfair economic advantage to the carrier.

NO CONTROVERSY BETWEEN CONDUCTORS AND PORTERS

Mr. Randolph recognizes that this is in no sense a controversy between the conductors and porters but between the sleeping-car company on the one side and the conductors and porters on the other; the conductors fighting for their economic lives and the porters protesting against being used by the company to destroy the conductors while receiving no real benefit themselves.

LOSS OF CONDUCTOR JOBS

If it be said that conductors protest against the loss of jobs, they will not deny it. Of course, they desire to keep their jobs if possible. They would be less than human if they did not wish to do so. We have not yet reached the point from which we can view with unconcern and indifference the thrusting into the ranks of the unemployed men who have invested their lives in honorable and useful service as sleeping-car conductors.

We should be proud to stand for a policy which both serves the public interest and gives employment to honorable and worthy men. I submit that this is the sort of business policy which the country needs at this hour.

TRAIN CONDUCTOR DOES NOT SUPERVISE SLEEPING CAR

It is no answer to the demand for sleeping-car supervision to claim that adequate policing and supervision are furnished by the train conductor for such is simply not the case.

The train conductor has general charge and direction of the train; but he does not and cannot, as a practical matter, furnish the constant, protective supervision necessary in sleeping cars. He is called upon when needed to straighten out some acute trouble after its occurrence. The public is entitled to preventive precautions, the kind afforded by the presence of the porter and sleeping-car conductor.

The sleeping car company obligates itself by contract with the several railroad companies carrying its cars to furnish the necessary employees to care for its own cars. The railroad companies are entitled to look to the sleeping car companies for the discharge of its obligations and do so rely upon it. The public must likewise look to it for adequate supervision of its cars.

SHORT-SIGHTED BUSINESS POLICY

The policy complained of is not only unfair to the public and to porters and conductors, but it is, I submit, unwise from the company's own standpoint.

The sleeping-car business depends on public favor and patronage. It no longer has a monopoly on passenger transportation. The percentage of passenger travel which the railroads and sleeping-car companies will enjoy depends on the kind of service rendered, and service requires not only physical equipment but human agencies. The best salesmen of the sleeping-car service are the men in charge of the cars. The discharge of conductors means the elimination of the company's best salesmen. This, of all times, is not the time for the sleeping-car company to be depriving itself of the supervisory and salesmanship services of sleeping-car conductors by discharging men, or to deprive itself of their highest loyalty and most efficient service by holding over the heads of those left in the service the constant threat of unemployment.

NEED FOR LEGISLATION

The representatives of the sleeping-car conductors have sought to correct the evil here complained of, by negotiation and agreement, but without success. Resort has been had to the National Railroad Adjustment Board, but its rulings have been disregarded.

Various State railroad commissions, on their own initiative, have made orders designed to correct the evil within the limits of their jurisdictions. These orders have been resisted.

The matter is now presented to the Congress, and properly so for two reasons:

First. The primary interest involved is the public interest.

Second. Congress alone has adequate power to act in the public interest.

Free Waterways Provide an Essential Yardstick for Low-Cost Transportation of Agricultural Products

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EXTENSION OF REMARKS

OF

HON. FRANCIS D. CULKIN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

Mr. CULKIN. Mr. Speaker, the railroads' driving to a "Garrison finish" in an attempt to take over and destroy water and truck transportation through the medium of the Wheeler-Lea bill (S. 2009) have endeavored to make the public believe that waterways play no important part in our economic system and in the transportation problems of the farmer and consumer. This propaganda of the railroads marshaled and stimulated by a disbursement of over $200,000,000 since 1920 has made some strange converts.

I was amazed last year by the attitude of some of the Repsentatives from the Western farm area who not only voted for this bill but spoke in defense of it. I agree with these gentlemen that the railroads have played and are playing an essential and important part in the development of America.

I have a great deal of admiration for the solid merits of these gentlemen and for their high integrity. Their attitude, however, ran counter to the viewpoint of the United States Army Engineers and to my own viewpoint. The engineers, be it said, are the greatest living economists on water transportation and are definitely imbued with the belief that unfettered water transportation is the only available yardstick by which oppressive and destructive railroad rates can be measured and reduced. Without claiming to be a technician in this field myself, I beg leave to state that for 12 long and weary years I have been a member of the Rivers and Harbors Committee of the House and have been fairly diligent in my work on said committee. During that time I have heard times without number that exorbitant railroad rates was one of the mortal diseases of the farmers. I heard farmers from the Western States give emphatic testimony to the fact that the high transportation rates was the thing that was destroying them. I will give three instances of this type of testimony which particularly impressed me.

HIGH RATES DESTROY BOTH PEOPLE AND LOCALITY

One project brought out the testimony of a farmer from the Snake River country in Idaho that it cost him as much to carry his wheat a hundred miles as the wheat brought in the open market. Another was the case of the farmer in the apple country of the State of Washington who said he went into that territory at the instance of railroad promotion. He stated that in the year in question he had a crop of apples in his orchard unpicked which he could sell in the eastern market for $20,000, but the freight on them to the eastern seaboard was $15,000—spraying his orchards, handling the crop, and barreling them would cost him an additional $8,000. It left him confronted with a total disbursement of $23,000 as against a $20,000 return. He told the committee with bitter emphasis that he and his sons had spent a great part of their lifetime bringing the orchard into bearing and that he was ruined by high transportation rates. He further said that when he went into that country the railroads had told him then that when the country was populated more thickly the rail rates would be reduced, but that they were now three times as high as when he had cast in his fortunes with that section. The reverse side of the economic tragedy was that there were plenty of consumers in the United States who wanted these apples.

I early came to the conclusion that without adequate low-cost transportation vast areas in the United States would in fact be marooned and that there would be no economic deliverance from these conditions, until such time as the unconscionably high railway rates, most of which were based on a fictitious capitalization, were materially reduced. The issue appealed to me as one that was part of the warp and woof of our economic system. It came to be my fixed belief that the transportation of bulk commodities here as abroad should be done by water transportation by which method it could generally be carried for one-tenth of the railroad rates.

FARM ORGANIZATIONS AGAINST BILL

I knew, of course, that the agriculture organizations of my colleagues' States and other national agricultural organizations did not agree with their conclusions. Corroborative of this, on April 2, 1940, I placed in the RECORD, at page 1827, the attitude of the various farm organizations on the Wheeler-Lea bill (S. 2009). I suggest that the Members of the House examine this compilation.

In fairness to my colleagues from the farm States who voted for the Wheeler-Lea bill, may I state the matter of actual benefits accruing from the development of water transportation is a somewhat involved matter. It is made highly complex and complicated by the crazy-quilt railroad rate structures, entirely lacking in rhyme or reason which the railroads had demanded and obtained from the Interstate Commerce Commission. However, a brief analysis of these benefits will convince the most skeptical that the savings to the farmer are very great and widely distributed, way beyond the area of the water transportation.

Geographically, it is a far cry from Kansas or Iowa to New York, yet the western farmers' grain is now carried by rail across New York State at one-quarter of the carrying charge per bushel that obtains in the State of Montana, the home State of Senator WHEELER, the distinguished proponent of this bill.

NEW YORK STATE SHOWS THE WAY

The House will be interested in knowing that in a recent discussion on this question before the Town Hall in New York City the participants were Senator Wheeler, Mr. Pelley, president of the Association of American Railroads, and Mr. Eastman, of the Interstate Commerce Commission. It is worthy of note that no representative of the waterways was present on the program. Queried from the floor, none of these gentlemen could tell why this rate was so low in New York and so high in Montana. The answer, of course, is simple. It is due to the fact that New York State maintains at its own cost an elaborate system of barge canals, toll free, which the people of the State of New York estimate saves them $50,000,000 a year in freight rates.

PROPOSED WATERWAYS LOWER RATES

A great hue and cry is raised by the railroads and their proponents that the improved waterways in the Mississippi and Missouri River areas have not developed the tonnage that would justify the cost. The answer to that is likewise simple. Beginning with the adoption of any such program by Congress and almost invariably before its completion, the railroads through its puppet instrumentality, the Interstate Commerce Commission, immediately inaugurated a series of rate reductions on all of the commodities which are actually adapted to economic transportation by water. Invariably, the normal rail rates, prior to the authorization of the building of the waterways, is so unjustifiably high that the mere threat of waterway transportation in the area results in greatly reduced rates. No figures are, of course, available as to this saving, but it runs into hundreds of millions of dollars a year, which saving is invariably reflected back to the farmer, consumer, and the shipping public.

I cite on this point the proposed waterway connecting Tombigbee and Tennessee Rivers in Alabama and Mississippi which was initiated and mistakingly rejected in the first session of this Congress. The engineers found that lack of low-cost transportation was holding this region back, and the development of this waterway would give impetus to the development of the rich natural resources of the section. The people of this area were living practically from hand to mouth, and the United States Army engineers diagnosed their economic disease as springing from high transportation

costs. The engineers made a favorable report on this waterway. After the project was initiated, and before the favorable report came in from the engineers, the railroads made a petition to the Interstate Commerce Commission to reduce their rates in this area 50 percent. Mr. J. Carter Fort, general solicitor for the Association of American Railroads, claimed they could do this without burdening other traffic or subsidizing the line, and the half rates petitioned for would be compensatory to the railroads. I trust the House will get the force of my reasoning. Here is a great region, populated by fine Americans, with great natural resources, that has been marooned for 50 years by reason of oppressive and unjust rail rates. The mere approach of a water improvement in this section was sufficient to make the railroad acknowledge these facts.

FARMERS HELPED IN MIDDLE WEST

An excellent example of the influence of water transportation is found in the reduction of the rail rate on grain from St. Louis to New Orleans for export. The old rail rate was 18 cents per 100 pounds. In 1929, to meet water competition, the railroads published a rate of 11 cents per 100 pounds—increased last year to 11½ cents. This reduction from 18 cents to 11 cents caused an immediate corresponding reduction in the rates from Kansas City and Omaha, and automatically from all interior Nebraska, Kansas, Dakotas, and Iowa producing points, amounting to 7 cents per 100 pounds. Thus, the Omaha-New Orleans rate, which was 31½ cents, became 24½ cents, and is now 25 cents. Rates from interior Nebraska and Kansas points, such as Wichita and Hutchinson, to other Gulf ports, such as Houston and Galveston, were at the same time reduced 7 cents per 100 pounds.

The rail rate on corn from Kansas, Nebraska, and South Dakota points to the Pacific coast was 65 cents per hundred pounds until corn began to move from Illinois and Iowa via the Mississippi River to New Orleans and thence via the Panama Canal to the Pacific coast. The rail rate from points west of the Missouri River to the Pacific coast was thereupon reduced to 50 cents per hundred pounds. When the ocean lines increased their rates the rail rate was correspondingly increased to 55 cents and is now 58 cents—still 7 cents per hundred pounds under the old rate. On the other hand, the rate on wheat to the Pacific coast was not affected by this competition and remained at 68 cents from points west of the Missouri River to the Pacific coast. The Missouri River itself is now being improved by the Army engineers and will undoubtedly, if not hamstrung by restrictive legislation, result in further sharp reductions.

Barge and steamer competition, actual or potential, has resulted in many other drastic cuts in rail rates. The rate on grain from St. Louis to Miami was reduced from 52 cents to 38 cents per hundred pounds—from Memphis to Miami the reduction was from 45 cents to 34½ cents per hundred pounds. In 1938 the southeastern railroads made general reductions from all Ohio River and Mississippi River crossings to the entire Southeast, in order to meet competition of grain moving by water to Gulf and South Atlantic ports and thence inland. These reductions automatically applied from all of the producing territory north and west of the Ohio and Mississippi Rivers.

From Kansas City to New York the rate in 1920 was 55 cents per hundred pounds on domestic traffic, 53½ cents for export. These rates have been reduced until in 1938 they were placed at 42 cents and 33½ cents, respectively. Again is seen the influence of the barge canal.

Last year the railroads reduced the rate on wheat, ex-lake, from Buffalo to New York to meet barge competition on the New York State Barge Canal from 18 cents per hundred pounds to 8.33 cents per hundred pounds.

Just last month the Interstate Commerce Commission allowed the Illinois Central to reduce rates on grain from Illinois points to New Orleans, an average of about 6 cents per hundred pounds, in order to meet large competition (I. & S. docket, 4689).

It is, therefore, clear that those who contend that the farmer has not received and does not now receive a large share of the benefits of water transportation has failed to investigate the facts and have leaned too heavily upon the false propaganda of those interests which would force upward the water rates and allow the railroads to return to a universal application of the practice of charging exorbitant noncompetitive rates.

In 1922 the railways established sugar rates from Atlantic and Gulf ports into the territory embracing Chicago, St. Louis, Dubuque, Milwaukee, Indianapolis, Cincinnati, Louisville, and so forth, ranging from 50 cents to 54 cents per hundred pounds. In 1933, because of inland waterway competition, the railroads applied to the Interstate Commerce Commission for permission to reduce these rates to 32 cents and 34 cents per hundred pounds, which latter rates they acknowledged were fully compensatory.

SAVINGS GO TO FARMER

It has been further loudly contended that in those cases where water transportation is actually used the savings are pocketed by the middleman and not passed on to the producer or consumer. That statement has been so often refuted by unimpeachable evidence that it should seem unnecessary to go into the matter here—that those who have undertaken to propagandize in favor of strangulation of water services seem to be proceeding on the theory that if an untruth is repeated often enough, regardless of the facts, it will eventually be accepted as a truth. Let us, therefore, review that situation a little. Corn moves from Muscatine, Iowa, by barge down the Mississippi River. The records of the McKee Feed & Grain Co. of that city, which handles a large part of this corn, show that they paid producers in that vicinity from 3 cents to 6 cents per bushel more than they could have possibly received if it had been shipped by rail. W. W. Dewey & Sons, Inc., are grain dealers in Peoria, Ill., and have elevators located both on and off the river. A comparison of the prices which they paid at their elevator at Henry—which has no water connection—with those paid by them at Pekin—which has a water connection—during the month of June 1939, taken from their records, is as follows:

	No. 2 corn		No. 2 wheat	
	Henry	Pekin	Henry	Pekin
	Cts. per bu.	*Cts. per bu.*	*Cts. per bu.*	*Cts. per bu.*
June 1	44	46	68	69
June 2	44	46	68	69¼
June 3	44	45½	68	69
June 5	44	45½	66	67½
June 6	44	45½	66	67½
June 7	44	46	66	68
June 8	44½	46	64	66
June 9	44	45½	64	65½
June 10	44	45½	64	65½
June 12	43	45	62	64
June 13	43	45	62	64
June 14	43	45	62	64½
June 15	43	45	62	64
June 16	43	45	62	64
June 17	43½	45½	60	64
June 19	43½	45	60	63
June 20	43½	45	60	62½
June 21	42	44½	59	61½
June 22	41	43½	58	60½
June 23	42½	44	59	61½
June 24	41½	43	59	61½
June 26	41½	43	59	62
June 27	42	43	61	63
June 28	41	43	59	62½
June 29	42	43½	60	64
June 30	41	43	59	63
Average	42.9	44.7	62.2	64.5
		42.9		62.2
Average Pekin price above Henry		1.8		2.3
Percentage price increase to farmer on grain carried by water	*Percent*	*Percent* 4.2	*Percent*	*Percent* 3.7

The Lone Tree Farmers' Exchange, a farmers' cooperative located at Lone Tree, Iowa, recently stated that during 1938 it moved over a million bushels of corn by river and paid the producers from 3 to 6 cents per bushel more for it than it could have paid had it used the railroads. This cooperative further stated that it estimated an increased profit of 30 percent on corn which it moved by river, which was included in the profits distributed to its participating members.

At a recent hearing before the Interstate Commerce Commission, Mr. J. O. McClintock, manager of the Chicago division of the Farmers National Grange Corporation, testified that competition compels all dealers to pass savings in transportation costs back to the producer and on to the consumer. At the same hearing, Mr. C. L. Kienzle, traffic manager of S. Zorn & Co., of Louisville, Ky., testified that grain transported by barge sells in the Southeast for from 1 to 2½ cents cheaper than grain shipped by rail. Another interesting bit of testimony at the same hearing was given by Mr. Bert Collins, manager of the Checker Board Elevator Co., as follows:

Question. When you say you can't meet the competition of the man who uses the barge line, you mean he pays the producer more than you can afford to pay him?

Answer. Yes, sir.

Question. And, when selling in the South, they can sell it cheaper than you can, and you can't meet the competition there?

Answer. Yes, sir.

Question. So the producer and the consumer both get better bargains in the South, where it is handled by the barge lines, than you can give on account of your rail transportation being higher?

Answer. I assume that is the case.

COAL A NECESSITY TO COMMON MAN

Coal is a commodity well adapted to water transportation and the savings accruing when all or a part of the movement can be made by water are very large. For instance, the rail rate on bituminous coal from Belleville, Ill., to Minneapolis is $3.61 a ton. The rail rate from Belleville to East St. Louis or Alton is 85 cents a ton. The barge rate from East St. Louis or Alton to Minneapolis is $1.85 a ton. There is, therefore, a saving of 91 cents a ton on coal shipped by rail to the river and thence by barge to Minneapolis. That these savings are passed on to the consumer was strikingly illustrated by the recent testimony of Mr. Earl C. Peterson representing the Midland Cooperative of Minneapolis at a hearing before the Bituminous Coal Division of the Interior Department. Mr. Peterson testified that coal moving to upper Mississippi River cities by barge was delivered to ultimate consumers at savings ranging up to $1.30 a ton under the prices charged for coal moving all-rail.

HIGH RAIL RATES DESTROYING COAL MINES AND MINERS

The anthracite and bituminous coal associations have times without number made application to the Interstate Commerce Commission for reductions in the cost of transportation of coal, but without result. In the northern latitudes coal is an essential item of disbursement for the very poor. It is an item of first importance in our industrial set-up. Today the coal business is a sick industry due to the fact that high railroad rates have made hydroelectro power and petroleum products competitive. Petroleum products are carried up the coast at a cost of five-eighths of a mill per ton-mile. Railroad rates on coal have been skyrocketed beyond all conscience and decency. The high cost of rail transportation is the cancer that is taking the life out of the coal industry, and destroying the miners and operators alike.

In a decision just handed down by the Interstate Commerce Commission in case No. 27669, a reduction in rates was denied to the petitioner, the Commission standing 6 to 5 on the question. I wish to commend the vision and intelligence of the dissenting Commissioners. The majority of the Commission, however, remained true to its ancient allegiance. They are destroying the miners and the operators, and this indicates they are completely without vision or conscience. If a majority of the Commission is unwilling and unable to give relief in a situation such as this, what will happen to the waterways when they get jurisdiction? The American people—farmer, consumer, and industrialist alike—will pay through the nose for any and all types of transportation.

Savings from water transportation are invariably reflected back to the consumer and the public. This is inevitable.

During the debates on the Wheeler-Lea bill at pages 9733 to 9742 of the RECORD of July 22, 1939, I placed therein affidavits and certificates from 87 dealers in petroleum products showing that the savings in transportation costs were reflected back to the people. Savings during recent years in the cost of transporting petroleum products, great quantities of which are moved by water by specialized carriers, have been a large factor in the general reduction of the cost of gasoline throughout the entire country as evidenced by the following table presented by the American Petroleum Institute:

Average annual price per gallon of gasoline, 50 representative cities, 1920–38

Year	Service station (exclusive of tax)	State gasoline tax	Service station (including tax)
1920	$0.2974	$0.0009	$0.2983
1921	.2611	.0020	.2631
1922	.2482	.0038	.2520
1923	.2106	.0091	.2197
1924	.1947	.0148	.2095
1925	.2009	.0211	.2220
1926	.2097	.0241	.2338
1927	.1829	.0280	.2109
1928	.1790	.0304	.2094
1929	.1792	.0350	.2142
1930	.1617	.0378	.1995
1931	.1300	.0400	.1700
1932	.1330	.0463	.1793
1933	.1241	.0542	.1783
1934	.1364	.0520	.1884
1935	.1355	.0529	.1884
1936	.1410	.0535	.1945
1937	.1458	.0540	.1998
1938	.1407	.0544	.1951

Source: American Petroleum Institute.

All of the foregoing gives irrefutable evidence of the great part which water transportation is now playing in bettering the conditions of producers and consumers throughout the United States. Competitors of the water carriers have expended large sums and great energy in partially successful attempts, in which they were aided and abetted by the Interstate Commerce Commission, to prevent large areas and many shippers from having access to a proper participation in these savings. They have in numerable instances slashed rates to noncompensatory levels on traffic moving by water—while maintaining their rates at high levels on traffic not adapted to water movement. They have refused to enter into joint-rate and through-route arrangements with water carriers, as well as with motor carriers. The railroads' activities in connection with prevention of development of joint rail and motor services being the cause of their recent indictment for violation of the antitrust laws.

COMMISSION DEFIES CONGRESS

In 1928 the Congress sought to provide for the establishment of rail and water through-route arrangements by the enactment of the Dennison Act which provides in part that when a common carrier by water made application to the Interstate Commerce Commission and was granted a certificate as such the Commission "shall, thereupon, by order, direct all connecting common carriers and their connections to join with such water carrier in through routes and joint rates," and shall in such order "fix reasonable minimum differentials between all-rail rates and joint rates in connection with said water service," and so forth. That would seem to be sufficiently clear—and to be a distinct statement of the rights of shippers to have access to through movements at proper rates reflecting the savings accruing from the water portion of the movement. The result of the holdings by the Commission, however, has been something else. The maximum differential of which I can find any record is 20 percent under the all-rail rate—which does not begin to show the full savings. In many cases this has been narrowed to 10 percent, 5 percent, or denied entirely. In 1934 the Commission entered into a general investigation of all such rates which had been established and threw the whole business into confusion and chaos.

The railroads, well staffed with lawyers and "experts," joined wholeheartedly and assisted in building a record so huge and so involved that it is doubtful if even they can understand it.

RUTHLESS PROCEDURES

The water carriers, unequipped for such a tremendous undertaking, were at a considerable disadvantage, and the shipper was practically out in the cold. For 5 years hearings were held—15,000 pages of testimony and over 1,300 exhibits. By

the time briefs were called for, a large proportion of the evidence was out of date and no longer represented the true situation. The case is still pending before the Commission, nearly 6 years after it was started, and no one can yet say what the rates will be, on what basis they will be built, nor even if there will be any which can be economically used. This is the Commission unto whom the railroads would deliver the water carrier, lock, stock, and barrel. This is bureaucracy at a new antisocial and criminal low. This is the sort of proceeding it is intended to impose on every little water carrier and every shipper who desires to avail himself of water transportation. It is no wonder that the farmers, as well as the other shippers of the country, are alarmed, are cautioning Congress to proceed with care and deliberation, are demanding a chance to study this legislation, and are in increasing numbers insisting that the waterways be left free for the use of all.

The founding fathers had no illusions about the importance of water transportation. Before the birth of the Constitution and the Colonies were still under the Articles of Confederation, the Continental Congress, on July 13, 1787, passed the Northwest Ordinance. Writing into the law the theory of free transportation, the founding fathers said in article IV of the Northwest Ordinance:

> The navigable waters leading into the Mississippi and St. Lawrence, and the carrying places between the same, shall be common highways, and forever free, as well to the inhabitants of the said territory as to the citizens of the United States, and those of any other States that may be admitted into the Confederacy, without any tax, impost, or duty therefor.

This pending legislation will undo the spirit and letter of that great document which I am advised is still the law today in many of the Western and Mississippi Valley States.

I desire to cite one more eminent authority on this question. Theodore Roosevelt, one of the greatest of American Liberals, while still President of the United States, made an address in Memphis, Tenn., on October 4, 1907. In this speech he reiterates the declaration contained in the Northwest Ordinance, and declared for free waterways, unfettered by bureaucratic or monopolistic control. He summarizes most effectively the argument I have attempted to make in the foregoing discussion. I quote him verbatim:

> Such being the case, this valley being literally the heart of the United States, all that concerns its welfare likewise concerns the whole country. Therefore the Mississippi River and its tributaries ought by all means to be utilized to their utmost possibility. Facility of cheap transportation is an essential of our modern civilization, and we cannot afford any longer to neglect the great highways which Nature has provided for us. These natural highways, the waterways, can never be monopolized by any corporation; they belong to all the people, and it is in the power of no one to take them away. Wherever a navigable river runs by railroads, the problem of regulating the rates on the railroads becomes far easier because river regulation is rate regulation. When the water rate sinks the land rate cannot be kept at its excessive height. Therefore, it is of a national importance to develop these streams as highways to the fullest extent which is genuinely possible.

Political Neutrality of the Civil Service

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Tuesday, April 16 (legislative day of Monday, April 8), 1940

ARTICLE BY H. ELIOT KAPLAN

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an article by H. Eliot Kaplan, entitled "Political Neutrality of the Civil Service," appearing in the Public Personnel Review of April 1940, the quarterly journal of the Civil Service Assembly of the United States and Canada.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Public Personnel Review for April 1940]

POLITICAL NEUTRALITY OF THE CIVIL SERVICE

(By H. Eliot Kaplan)

As the rapid expansion of Government service brings with it new responsibilities toward industry and potential impingement on individual liberties, the problem of neutralization of our public service becomes a subject of grave consideration. In 1939 the Hatch Act, prohibiting political activity of Federal employees, was adopted. Legislation to apply the Hatch Act to State and local agencies receiving Federal grants-in-aid has been introduced, and there is a demand for State laws curbing political activity of State and municipal employees. These facts prompt a reexamination and appraisal of the question of how far, if at all, the political privileges of civil-service employees should be abridged under a democratic form of government.

Many who oppose restrictions on political privileges of public employees argue that such stringent prohibition against civil liberties of a great class of our citizens is a great and ominous departure from our traditional democratic principles. It is claimed that such denial of equality under the democratic concept is unheard of in a true democracy, and that it strikes at our fundamental rights of free speech and free assembly available to all citizens alike.

Is the trend definitely in the direction of stringent neutrality of the public service in the United States? Is this trend only a passing fancy born of current political expediency? Or is this the beginning of a positive movement deliberately designed to curb the potential danger of a politicalized bureaucracy? If the latter is the real purpose, how far should restriction on political activity of public employees go? Where should the line be drawn between necessary political education by those best informed through actual practice with government administration, and uncontrolled political dominance by officeholders uniquely situated to propagandize for the "ins" against the "outs," and virtually controlling the balance of political power in our National and State governments?

VIEWS OF THE EARLY PRESIDENTS

Before examining the philosophy of political privileges of public employees in a democracy such as the United States, let us briefly review the history of political restrictions on public employees in this country.

In Washington's day our Government service was naturally not very extensive. The number of Federal employees was relatively small. The desires of the first President of the United States and the essential need for competence in public office in a newly formed republic were potent safeguards against the patronage system. The imperative concern of the leaders of the first administration for impartial administration of Federal affairs in an experimental period prompted the employment of persons of recognized ability for the particular tasks assigned to them. Nonpartisanship was not only recognized as politically expedient but was a policy actually practiced during the first political administration in the United States.

President Washington was not unaware of the problem of neutrality of the civil service as a practical problem of governmental administration even in his day. While not indebted to any political party or faction for his election, he was nevertheless subjected to more than a little pressure from both personal and political advisers. He was of course partial to the Federalists. Undoubtedly with the gradual rise of party politics during his second administration, Washington gave more than a little consideration to the political assets of some of his later appointees. Washington was probably as concerned as any Chief Executive with the selection of subordinates in sympathy with his policies. That he considered this element as an important and necessary qualification for appointment to Federal office is indicated by his letter to Timothy Pickering (September 1795) in which he stated:

"I shall not, while I have the honor of administering the government, bring men into office of consequence knowingly whose political tenets are adverse to the measures the general government is pursuing; for this, in my opinion, would be a sort of political suicide."

There is little evidence, however, that any pressure had been brought to bear on the rank and file of officeholders to engage actively in partisan political activity during the administration of our first President. There was undoubtedly little need for it.

With the campaign of President John Adams more distinct party lines were drawn. Our two-party system showed definite signs of development and potential exploitation. Adams, although following in large measure the policies laid down by Washington, nevertheless found it politically desirable to remove some of the earlier appointees who appeared to have been "politically disrespectful" to his new administration. It is doubtful whether John Adams was really desirous of requiring his subordinates to engage in partisan politics in administering affairs of his Government, but the pressure from the rising political organizations was probably too great for Adams to withstand. After he left the Presidency, Adams complained to a friend that "The President had not influence enough and is not independent enough. Parties will not allow him to act for himself." He summed up his view of the Presidential responsibility with regard to appointments thus:

"The President has, or ought to have, the whole Nation before him, and he ought to select the men best qualified and most meritorious for offices at his own responsibility, without being shackled by any check of law, Constitution, or institution. Without this unrestrained liberty he is not a check upon the legislative power nor

neither branch of it. Indeed, he must be the slave of the party that brought him in. He never can be independent or impartial."[1]

Nevertheless it plainly appears that John Adams removed some subordinate officers for partisan political activity. For example, he ousted the collector at Portsmouth and the commissioner of loans of New Hampshire upon recommendation of some of his local political mentors. The complaint was that "their political conduct has been disrespectful to the Government and offensive to good men in the extreme." It was admitted that their work otherwise was quite satisfactory. Their removal was placed on the lofty plane that "justice to the public requires the removal of these men. They surely cannot complain if that Government which is the object of their execrations should weaken their means of injuring it and abusing it."[2]

The first really bitter political campaign developed with the election of Thomas Jefferson. The Jeffersonian Republicans clamored for the ousting of the Federalists who had been swept out of power. Jefferson found that practically all the Federal offices were filled with adherents of the opposing political party. The relatively small number of removals made by Adams was magnified and used as a pretext for urging the ouster of the Federalists. Although Jefferson firmly believed that "fitness for the position and respectable and unexceptionable character" should be required for appointment to the public service, and that removals should not be made because of differing political principles, the temper of the victorious Republicans was much too great for him to resist and overcome. Jefferson, however, moved cautiously. He sought to make removals only where some evidence appeared that the incumbent was guilty of undue political activity against the administration. Slowly, over a period of 2 years, Jefferson removed many of his political opponents from the service.

Under Jefferson the Republican Party was not yet quite united. Realizing this situation, Jefferson, 3 days after his inauguration, wrote to James Monroe:

"I have firmly refused to follow the counsels of those who have advised the giving of offices to some of their leaders in order to reconcile. I have given, and will give, only to Republicans under existing circumstances. But I believe with others that deprivations of office, if made on the ground of political principles alone, would revolt our new converts and give a body to leaders who now stand alone. Some, I know, must be made. They must be as few as possible, done gradually, and bottomed on some malversation or inherent disqualification. Where we shall draw a line between retaining all and none is not yet settled, and will not be until we get our administration together, and perhaps even then we shall proceed a talons, balancing our measures according to the impression we perceive them to make."[3]

Based, no doubt, on his experience with the political activity of Federal officeholders during the Presidential campaign in which he was involved, Jefferson in 1802, in attempting to stop electioneering by governmental employees, had the following order proclaimed by the heads of the Federal departments:

"The President of the United States has seen with dissatisfaction officers of the General Government taking, on various occasions, active part in elections of the public functionaries, whether of the General or of the State governments. Freedom of election being essential to the mutual independence of governments * * * so vitally cherished by most of our constitutions, it is deemed improper for officers depending on the Executive of the Union to attempt to control or influence the free exercise of the elective right. * * * The right of any officer to give his vote at elections as a qualified citizen is not meant to be restrained, nor, however given, shall it have any effect to his prejudice; but it is expected that he will not attempt to influence the votes of others, nor take any part in the business of electioneering, that being deemed inconsistent with the spirit of the Constitution and his duties to it."

With the advent of Andrew Jackson, the system of removals for political reasons was at its height. Political partisanship had grown to almost a religion. The demand to "turn the rascals out" transcended all other considerations. Economical and efficient administration of governmental affairs was given only casual consideration. But even in this seemingly unwholesome atmosphere of political barter and chicanery, Andrew Jackson appreciated the patent need for nonpartisanship in government. As early as 1812, in a more sober moment and in a more detached mood, Jackson wrote to President-elect James Monroe:

"The chief magistrate of a great and powerful nation should never indulge in party feelings. His conduct should be liberal and disinterested, always bearing in mind that he acts for the whole and not a part of the community."

FIRST RULES AGAINST POLITICAL ACTIVITY

Restrictions on the political activities of public-office holders are not new or even recent. Such restrictions were applied to certain public officials, such as judges, court clerks, and police officers, long before the civil-service laws were adopted. These inhibitions were invoked either by statute, administrative rule, or as a part of a code of ethics in actual practice.

[1] The Works of John Adams, ed. Charles Francis Adams IX, 634.

[2] The Doctrine of Civil Service Neutrality in Party Conflicts in the United States and Great Britain, by Wei-Kiung Chen, University of Chicago, June 1937.

[3] The Writings of Thomas Jefferson, VIII, 10.

The earlier civil-service laws prohibited political considerations in appointments and promotions, and prohibited political assessments of employees in the competitive (classified) service. Beyond these inhibitions the earlier laws did not go. But even before civil-service laws were considered, political statesmen appreciated the necessity for keeping the political activity of public employees within reasonable bounds. In 1841 Daniel Webster, then Secretary of State, issued at the direction of President Harrison an order prohibiting political activity by Federal employees. President Hayes in 1877 issued an order against political activity of Federal employees and prohibiting political assessment. Within 4 years after the adoption of the present Federal Civil Service Act, President Cleveland, on July 14, 1886, issued an Executive order forbidding political activity of employees in the Federal civil service; but lacking statutory authority, its application to employees outside of the competitive civil service became difficult to enforce. Cleveland's order read as follows:

"I deem this a proper time to especially warn all subordinates in the several departments and all officeholders under the General Government against the use of their official positions in attempts to control political movements in their localities.

"Officeholders are the agents of the people, not their masters. Not only is their time and labor due to the Government, but they should scrupulously avoid in their political action, as well as in the discharge of their official duty, offending by display of obtrusive partisanship, their neighbors who have relations with them as public officials.

"They should also constantly remember that their party friends, from whom they have received preferment, have not invested them with the power of arbitrarily managing their political affairs. They have no right as officeholders to dictate the political action of their party associates, or to throttle freedom of action within party lines by methods and practices which pervert every useful and justifiable purpose of party organization.

"The influence of Federal officeholders should not be felt in the manipulation of political primary meetings and nominating conventions. The use by these officials of their positions to compass their selection as delegates to political conventions is indecent and unfair; and proper regard for the proprieties and requirements of official place will also prevent their assuming the active conduct of political campaigns.

"Individual interest and activity in political affairs are by no means condemned. Officeholders are neither disfranchised nor forbidden the exercise of political privileges; but their privileges are not enlarged nor is their duty to party increased to pernicious activity by office holding.

"A just discrimination in this regard between the things a citizen may properly do and the purposes for which a public office should not be used is easy in the light of a correct appreciation of the relation between the people and those entrusted with official place, and a consideration of the necessity, under our form of government, of political action free from official coercion."

Later President Theodore Roosevelt, augmenting the executive order of President Cleveland, sought to differentiate between classified (competitive) and unclassified employees. He required a much stricter compliance on the part of the classified employees, but believed that for most employees in the unclassified service, who were viewed as political appointees, the restriction should be modified so as to preclude the unclassified employees from engaging only in offensive or pernicious political activity, and to prevent the unclassified employees from coercing the political action of the classified employees. President Theodore Roosevelt's order (June 3, 1907) provided:

"Persons who by the provisions of these rules are in the competitive classified service, while retaining the right to vote as they pleased and to express their opinions on all political subjects, shall take no active part in political management or in political campaigns."

Under the June 24, 1938, Executive order of President Franklin D. Roosevelt, active participation of a classified employee of the Federal Government in political management or in political campaigns is specified as one of the causes for which the Civil Service Commission may request the Comptroller General to withhold payment of salary. The pertinent provisions of this Executive order are as follows:

"For the proper supervision and enforcement of its functions, the Commission shall, if it finds that any person has been appointed to or is holding any position, whether by original appointment, promotion, assignment, transfer, or reinstatement, in violation of the Civil Service Act or of the rules promulgated in accordance therewith, or in violation of any Executive order or any regulations of the Commission, or that any employee subject to such act, rules, orders, or regulations is taking active part in political management or political campaigns, after notice to the person affected and opportunity for explanation, certify the facts to the proper appointing officer with specific recommendation for discipline or dismissal; and such appointing officer shall carry out the recommendation. In the event of any continued violation for 10 days after such recommendation, the Commission shall certify the facts to the proper disbursing and auditing officers, and such officers shall not pay or allow the salary or wages of such person thereafter accruing."

The Federal Civil Service Rules have long prohibited political activity on the part of Federal employees whose positions were in the competitive classified service. Rule I now provides that:

"No person in the executive civil service shall use his official authority or influence for the purpose of interfering with an election or affecting the results thereof. Persons who by the provisions

of these rules are in the competitive classified service, while retaining the right to vote as they please and to express privately their opinions on all political subjects, shall take no active part in political management or in political campaigns."

ADOPTION OF HATCH ACT

Implementing this civil-service rule which has been enforced with relative indifference and only casually applied, the Congress last year adopted the proposal sponsored by Senator CARL A. HATCH, of New Mexico, seeking to restrict pernicious political activity of all officers and employees of the executive branch of the Federal Government other than those holding major policy-determining positions. The important provisions of the Hatch Act, signed by President Franklin D. Roosevelt on August 2, 1939, are included in sections 1, 3, and 9, which read as follows:

"SECTION 1. * * * it shall be unlawful for any person to intimidate, threaten, or coerce, or to attempt to intimidate, threaten, or coerce, any other person for the purpose of interfering with the right of such other person to vote or to vote as he may choose, or of causing such other person to vote for, or not to vote for, any candidate for the office of President, Vice President, Presidential elector, Member of the Senate, or Member of the House of Representatives at any election held solely or in part for the purpose of selecting a President, a Vice President, a Presidential elector, or any Member of the Senate or any Member of the House of Representatives, Delegates or Commissioners from the Territories and insular possessions.

* * * * * * *

"SEC. 3. It shall be unlawful for any person, directly or indirectly, to promise any employment, position, work, compensation, or other benefit, provided for or made possible in whole or in part by any act of Congress, to any person as consideration, favor, or reward for any political activity or for the support of or opposition to any candidate or any political party in any election.

* * * * * * *

"SEC. 9. (a) It shall be unlawful for any person employed in the executive branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof. No officer or employee in the executive branch of the Federal Government, or any agency or department thereof, shall take any active part in political management or in political campaigns. All such persons shall retain the right to vote as they may choose and to express their opinions on all political subjects. For the purposes of this section the term 'officer' or 'employee' shall not be construed to include (1) the President and Vice President of the United States; (2) persons whose compensation is paid from the appropriation for the office of the President; (3) heads and assistant heads of executive departments; (4) officers who are appointed by the President, by and with the advice and consent of the Senate, and who determine policies to be pursued by the United States in its relations with foreign powers or in the Nation-wide administration of Federal laws.

(b) Any person violating the provisions of this section shall be immediately removed from the position or office held by him, and thereafter no part of the funds appropriated by any act of Congress for such position or office shall be used to pay the compensation of such person."

The complete provisions of the Hatch Act were analyzed by the president of the National Civil Service Reform League in a letter addressed to Members of the House of Representatives in July 1939, when the legislation was under consideration. From this analysis, it is clear that the foregoing sections of the act and other sections not herein quoted forbid:

"1. Intimidation or coercion of others for the purpose of interfering with their votes in national elections.

"2. The promise of employment, compensation, or other benefit as a reward or consideration for political activity or the support of or opposition to any candidate or party; and the deprivation of such employment, compensation or benefit (including work relief) on account of refusal to give such support.

"3. Solicitation of political assessments or contributions from persons paid from relief funds.

"4. Disclosure of the names of persons receiving employment or benefits from relief funds to any political candidate, committee, or campaign manager.

"5. Use of funds appropriated for relief or for public works for purpose of interfering with the right of any individual to vote as he chooses at any election.

"6. Use of official authority or influence by any administrative or supervisory officer to interfere with an election or influence its results.

"7. Activity in political management or political campaigns on the part of any person employed in an administrative or supervisory capacity."

The enactment of the Hatch Act has led to considerable discussion in political circles, among political scientists, students of government, and public employees all over the Nation. With more words than charity, leaders of employees' organizations, statesmen, politicians, legislators, and editors have expressed their views about the implications and construction of the new law. So far as employees in the Federal executive civil service are concerned, all that the Hatch Act does is to extend to the entire Federal civil service the prohibitions against political activity, political coercion, and solicitation of campaign funds which, under the civil-service law, have long been applied to persons in the competitive service. Indeed, these prohibitions would have been applied to more than 90 percent of the employees excepted from the civil-service rules since 1939 had these employees not been kept out of the competitive service by acts of Congress under the plea of emergency.

The provisions of section 9 (a) of the Hatch Act have caused spirited debate. This section deals with the restrictions of Federal employees' political privileges. It has been construed by the Attorney General[4] as applying to the following officers and employees, among others, in the executive branch of the Federal Government:

"1. United States attorneys and marshals, their assistants and deputies.

"2. Special attorneys of the Department of Justice and special assistants to the Attorney General.

"3. Temporary employees, substitute employees, and per diem employees, during the period of their active employment.

"4. Reserve officers of the United States Army, Navy, and Marine Corps during the period of their active duty.

"5. Furloughed employees and employees on leave, whether with or without pay.

"6. Officers and employees of governmental agencies such as the Home Owners Loan Corporation, the Reconstruction Finance Corporation, and the Public Works Administration.

"7. Officers and employees occupying administrative and supervisory positions in the Work Projects Administration, the National Youth Administration, and the Civilian Conservation Corps."

According to the Attorney General, section 9 of the Hatch Act does not apply to the following:

"1. Officers and employees of the legislative branch of the Federal Government, including secretaries and clerks to Members of Congress and congressional committees.

"2. Officers and employees of the judicial branch of the Federal Government, including United States Commissioners, clerks of United States courts, referees in bankruptcy, and their secretaries, deputies, and clerks.

"3. Officers and employees of State and local governments, even though their employment involves the expenditure of Federal funds.

"4. Persons who are retained from time to time to perform special services on a fee basis and who take no oath of office, such as fee attorneys, inspectors, appraisers, and management brokers for the Home Owners Loan Corporation and special fee attorneys for the Reconstruction Finance Corporation.

"5. Persons who receive benefit payments, such as old-age assistance and unemployment compensation under the Social Security Act, rural rehabilitation grants, and payments under the Agricultural Conservation Program.

"6. Retired employees."

It has been ruled by the Attorney General that the following acts constitute taking an "active part in political management or in political campaigns" within the meaning of section 9 of the Hatch Act:

"1. Holding office in a political party or a political club.

"2. Attending political conventions as a delegate or alternate.

"3. Serving on committees of a political party or a political club.

"4. Distributing buttons or printed matter in support of any candidate or party.

"5. Serving at party headquarters or as watchers at the polls, or otherwise assisting a party or candidate in any primary or election campaign, whether or not Federal officers are involved.

"6. Being a candidate for elective office—Federal, State, or local.

"7. Soliciting funds for a political organization or campaign fund."

The following activities are not considered to be prohibited by the act:

"1. Holding membership in a political organization and attending its meetings otherwise than as an officer or delegate.

"2. Participating in the activities of civil associations and educational groups, provided the activities in question are divorced from the campaigns of particular candidates or parties.

"3. Holding a State or local office (but see (6) above)."

It is likely that the provisions of the Hatch Act will eventually be somewhat more broadly construed to correspond with interpretations of the existing civil-service rule prohibiting political activities on the part of Federal employees in the competitive service.[5] However, it is significant that in interpreting provisions of section 9 of the Hatch Act the Attorney General[6] has pointed out that—

"Civil-service employees are required by the civil-service rules to confine their opinions on political subjects to private expression. From the corresponding provision of the Hatch law, on the other hand, the word 'privately' was omitted. Accordingly, as stated by the President in his message to the Congress approving the Hatch bill, non-civil-service employees would not violate the act 'if they should merely express their opinion or preference publicly—orally, by radio, or in writing—without doing so as part of an organized political campaign."

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[4] Circular No. 3301 issued October 26, 1939.

[5] A detailed statement regarding interpretations that have been placed upon Federal laws and the civil service rules in this matter has been prepared by the United States Civil Service Commission and is known as Political Activity and Political Assessments of Federal Officeholders and Employees (Form 1236).

[6] Circular No. 3285 issued August 10, 1939.

EXTENSION OF RESTRICTIONS SUGGESTED

It is proposed by many to extend the Hatch Act to prohibit political activities of State and local government employees paid in whole or in part from, or participating in the expenditure of, grants-in-aid from the Federal Treasury. Legislation of this character has already been passed by the United States Senate. The Social Security Board has already insisted that employees in the State and local employment security and public assistance agencies under the Board's supervision shall refrain from engaging in political affairs. As a correlative provision in the merit-system plan for State agencies as evolved by the Board under recent Federal legislation requiring such agencies to adhere to merit-system standards in appointments, the general prohibitions contemplated in the Hatch Act have been invoked by the Board to cover employees in these agencies.

In about one-fourth of the States prohibitions against one or another form of political activity already exist. Agitation for additional State and local legislation similar to the Hatch Act to affect State and local employees has been started in many States and municipalities. Bills to compel neutrality of civil-service employees have already been introduced in many legislatures throughout the country. These efforts will undoubtedly result in needed legislation to control the extent and character of political activities in which State and local government workers may engage. This legislation may prove to be one important factor encouraging the extention of merit systems to those areas not now covered by appropriate civil-service provisions.

USE OF POLITICAL COERCION

The use of public employees for political purposes is not always confined to the patronage-mongers and the unscrupulous politicians. The spoilsmen's device of coercing civil-service employees to engage in pernicious partisan political activity, from securing names on nomination papers to packing the political meeting places or acting as convention delegates or making partisan campaign speeches, is often used by the "reformers" as well. Gov. Gifford Pinchot, "purest of the pure," was accused in the primary fight of 1933 in Pennsylvania of having coerced the State employees to take a strong stand politically in his behalf, and of having "milked the State employees to help the cause of virtue." [7]

Even the lofty Farmer-Labor Party of Minnesota is accused of having assessed public employees 1 to 3 percent of their pay for the political war chest, and of having persuaded the State employees to help get out the vote.[8]

What the statesmen of lesser stature are wont to do in assessing civil-service employees for political contributions and coercing partisan political activity is only too well known. A few reminders might be of interest. A former chairman of the Republican County Committee of Cuyahoga County, Ohio, was actually moved to bring suit to test the legality of restrictions on political activity of provisional and temporary employees in the State civil service. Why? The status of committeeman was particularly important to the Republican organization because of the understanding that only committeemen and ward leaders would be recommended and retained for State jobs.[9]

Assessments against State employees in Illinois by the Democratic organization, known as The Illinoisans, became so widespread that the Union League Club of Chicago and some of the civic organizations were forced to bring suit against the offenders. The practice of "pay up, get out and work, or else," according to the Chicago Tribune (January 17, 1940), was applied equally to the exempt and competitive class employees.[10] The Loyalty Club of Michigan officeholders in Detroit served notice on its followers in the club to "get out the vote for the party or lose their jobs." Employees were coerced into the most pernicious kind of political activity, including driving trucks and cars around town at night with campaign placards and tacking up political posters, all at the employees' own expense. In another State public employees were required to ring doorbells, make political speeches, and distribute petitions in lieu of making cash contributions. Later, when an investigation ensued, the employees testified their political work was "voluntary."

Political assessments continue to exist largely because of the difficulty of securing evidence against the offenders. Those who are generally involved in the transaction are either protected by their political friends in power on whose behalf they have acted, or the victims are importuned or intimidated. As a result unscrupulous politicians are emboldened to extend the sphere of exploitation. The step from financial compulsion to requiring political service by employees is a relatively short one. Often the temptation to an employee to contribute in terms of political service instead of cash is too inviting to resist. Threats and intimidation against those unable to meet the financial obligation makes resistance to temptation very weak.

ENCROACHMENT ON CIVIL LIBERTIES?

It is argued by some political scientists that by restricting the political privileges of public employees we are not only interfering with their civil liberties, but are eliminating from our public forums an entire class of citizens who are in the most advantageous positions to bring the facts of governmental affairs to public attention. They contend that public employees are best equipped to help the public interpret political issues affecting our Government and appraise and evaluate the interest and competence of candidates for political office in the light of these political issues. There is undoubtedly much to be said for this point of view. The partial disfranchisement that restrictions on political privileges of public employees entails if extended to all public employees today would affect approximately 3,700,000 persons throughout the Nation. In another generation continued expansion of governmental activities might possibly extend such restrictions to a public service considerably larger than that of today. How seriously would such partial disfranchisement affect our political and social lives?

Many leaders of the civil-service employee groups are genuinely of the opinion that the Hatch Act seriously abridges the inherent citizen rights of civil employees. Others pretend to be greatly offended by this denial of equal rights of ctizenship because it interferes with their own game of exploitation of the civil service for selfish purposes. It is doubtful, however, whether the rank and file of public employees have any serious objection to such restraints. Most of them welcome the law privately, although for strategic reasons they appear publicly to be against such restrictions. Take, for example, the experience in New York City with the new law against employee contributions to political campaigns. When the provision was first proposed in the new charter a few years ago the employees were alarmed at the intrusion upon their political rights as citizens. In reality the employees supported the law at the polls largely because of the new freedom the new charter held out to them. Today none of the employees in New York City sheds tears over his legal inability to make campaign contributions to political war chests. The same reaction will undoubtedly follow the application of the Hatch Act.

It is significant that neither the National Federation of Federal Employees nor the American Federation of Government Employees opposed the Hatch Act. Luther C. Steward, president of the former organization, testified some years ago before the Commission of Inquiry on Public Service Personnel:

"I am not in favor of unrestricted political activity. I don't think that people who are permitted to enter on a life career as public employees should get right out actively and take leading parts in purely political matters. But here is the sort of situation that we have. We have restrictive statutes prohibiting political activities of Federal employees within the competitive classified services. In other words, they cannot defend themselves, and nobody has defended them except their own organization."

"All through the public service, not only policy-making positions but comparatively minor positions are political. It is possible to find right in the same office people doing very much the same work; one, a political appointee, can and does very freely indulge in political activity, and when the party for which he is working is in power he moves forward much more rapidly than the person right across the table who is in the competitive classified service and hence restricted."

Not a few idealists and theorists argue that we have long ago passed from the "police state" to the "service state"; that with the virtual elimination of the patronage system in the United States, the new concept of governmental responsibility under our democracy, and the high educational standing of our present citizenry with its keen, intelligent interest in governmental affairs, we no longer need have any concern over neutrality of our civil service. They point out that in a "service state" the merit system becomes a natural and compelling influence in administration of government; ergo, there is impelling need for those in the "service state" to inform and educate the public as to the evaluation of political and economic issues and appraise our political candidates for responsible public management. In time this theory may prove itself, but judged in the cold light of long experience, fortified by recent developments, this sophomoric philosophy appears to be no more than wishful thinking.

It is pointed out by some that in Sweden we have an excellent example of the proper relationship between the state and its employees, a "democratic" government where its employees are unrestricted in their political privileges, and where the experiment has proved eminently successful. There civil-service employees are permitted to hold other public offices, national and local, and even hold seats in the national legislature. This was also the practice for some time under the late German Republic where a considerable number of seats in the Reichstag was held by civil-service employees. In France also the civil-service employees are unrestricted in their political activity; but there the experiment has not been an overwhelming success.

In comparing the situation in Sweden with the conditions in the United States, we must not overlook the inherent dissimilarities of our political party system of government; nor should we lose sight of the absence of any spoils system in Sweden comparable to ours. Unfortunately our particular two-party system has encouraged the patronage system as a necessary concomitant of our political organizations. That in itself has militated against granting the right to unrestricted political activity to our public employees. Even the Weimar constitution of Germany, possibly anticipating the inevitable rise of the patronage system in the new republic, in spite of absence of restrictions against political activity of public employees,

[7] Editorial, New York Times, June 1, 1934.
[8] Duluth News Tribune, February 4, 1935.
[9] Cleveland Plain Dealer, February 2, 1939.
[10] For an interesting report of an investigation by a civil-service commission of the enforcement see the Report of the Illinois State Civil Service Commission, November 15, 1939.

found it necessary to proclaim that "civil servants are the servants of the whole community, not of a party." (Article 130.)[11]

The urgent necessity for political neutrality of the civil service in a democracy such as ours where changes in our political complexion are often kaleidoscopic and result in a "procession of casuals," has been well expressed by Dr. Herman Finer in his Theory and Practice of Modern Government, where he states:

"Whatever the changes in the political constellation, however violent its revolutions, the State, which is certainly regularity, order, must continue. It must not cease; cessation is mortal. The instrument of continuity of services, which ex hypothesi are vital, is the civil service. Conceive the social and economic loss in modern England or Germany or the United States of America if the administrative services were the sport of political parties; the waste of organization, technique, expertness, professional zeal, and the adaptation which comes of years of regular and uninterrupted devotion to duties. All parties in the State must be sure of a highly efficient instrument, however diverse their policies, for no policy is worth the paper it is written on unless there is an executive force behind it. Parties may differ on all things, but one thing is their common desire—power when they are in office, and such power is executive power. Our chief hope that political ministers and a helpless public will be prepared to learn from real science, resides in the flawless impartiality of their experts; and only the fact will create the confidence.[12]

Prof. Harold J. Laski believes that "the surest road to maximizing the neutrality of the civil service" is to debar civil servants from a political career, for "the knowledge that this road is debarred to them is vital not only to the esprit de corps of the service but also to the freedom from political influence on its habits."[13]

One interesting question that came before the Royal Commission on the Civil Service in England in 1910 was the necessity or desirability of placing any restriction upon the political activity of members of the civil service. The commission had no hesitancy in expressing the view that complete liberty of political action for civil-service employees "would inevitably result in frequent conflicts between the desires and interests of the officer as a citizen and his duty as an official, and that such conflicts could not fail to have disastrous effect on the morale of the public service." The commission was fearful that removal of restrictions against such political activity might result in the public's loss of confidence in the impartiality of the civil service, and ministers might cease to believe that their subordinates were really giving them faithful support in carrying out their political policies. The commission summed up its beliefs in the following manner:

"If this were so, the system of recruitment by open competition would prove but a frail barrier against ministerial patronage in all but the earlier years of service; the civil service would cease to be in fact an impartial nonpolitical body, capable of loyal service to all ministers and parties alike; the change would soon affect the public estimation of the service, and the result would be destructive of what undoubtedly is at present one of the greatest advantages of our administrative system and one of the most honorable traditions of our public life."[14]

We need not go to England for practical observations on the inherent difficulties of permitting uncontrolled participation on the part of those engaged in the public service. The writings of American scholars, officials, and publicists are replete with remarks on this subject. Some of these have been included in previous paragraphs. Space does not permit recounting them in detail. The argument against permitting political activity among public employees was cogently expressed in the following words by Theodore Roosevelt when he was a member of the United States Civil Service Commission:

"A man in the classified service has an entire right to vote as he pleases, and to express privately his opinions on all political subjects, but he should not take any active part in political management or in political campaigns, for precisely the same reasons that a judge, an Army officer, a Regular soldier, or a policeman is barred from taking such active part."

Only recently one of our most prominent publicists and political observers, William Allen White, in commenting on the extension of the Hatch Act, wrote:

"Any law that curtails the power of men in office to hold them in their jobs by political manipulation is a good law for taxpayers. Also it is a good law for fundamental democracy. * * * It is a bill to make a law long overdue. It is a righteous principle and it should have the support of all good citizens."[15]

Senator MORRIS SHEPPARD, of Texas, chairman of the Senate Campaign Expenditures Committee, was reported[16] as having made the following terse statement as the result of an investigation in which he participated in 1938:

"Government employees are working for the whole people, whom they are supposed to serve impartially. If they are politically active, they are taking time from the efficient performance of their job."

The right of public employees to engage in partisan political activity on the same basis as is accorded to all other citizens is a matter that may not be dismissed too lightly. As has been stated, many sincerely believe that it would be a serious mistake to exclude from participation in our "democratic system" such "a large percentage of our best-informed voting population." Others fear that it may be an infringement upon the civil liberties of the civil-service employees. Indeed, the Civil Liberties Union was reported to have threatened to institute proceedings in the courts to test the constitutionality of the Hatch Act as violating the civil rights of public employees. One disingenuous State attorney general has held that any ban on political activity by State employees would violate a provision in the State constitution, which prohibits an employee from being discharged "for religious or political reasons."

But the more serious-minded and better informed have posed the question as to just how far we ought to go in sanctioning prohibitory measures against employee participation in politics. One prominent political scientist, E. A. Cottrell, of Stanford University, stated the problem briefly:

"We have not been able to draw a proper line between what we might call the employee's individual activity as a citizen and his activity for superiors or for those in office whom he would like to favor, or those running for office. When we think of the tremendous percentage of persons in this country who are now on some form of public salary or grant or pension, and see the tremendous power which they may exercise at the polls, I think we have to consider whether some measure cannot be taken to limit the so-called political activities of this group."

PROBLEM OF INTERPRETATION

In seeking to abridge the political activity of public employees, some legislatures undoubtedly will go to extremes. Little distinction, it is feared, will be made between the right of employee groups to support or oppose issues in which they may be directly and vitally concerned and their support of or opposition to a particular candidate deliberately opposing or favoring their cause. The issue may not directly, or even indirectly, involve the political party itself. How is the distinction to be made?

Equally difficult will be the problem of distinguishing between public expression of employee attitudes on nonpartisan policies by responsible representatives of the employee organizations and prohibited political activity. Where does the former end and the latter begin?

Like all general restrictive laws, statutory restraints against political activity require for their proper enforcement intelligent interpretation and application. Here even more so than usual, for involved in the administration of the law are the possible infringements on the personal liberties of the civil-service employees. One must ever bear in mind the real intent and purpose of these restrictive laws. Essentially they are designed to curb offensive, obnoxious, and pernicious activities of employees so as to make our civil service as neutral, nonpartisan, and impartial as possible under a democracy. These laws were never intended to place the employees in a political strait jacket. The tendency has sometimes been to attempt to restrain the activities of employees beyond reasonable bounds, overlooking the real purpose of the law. Realism and practical sense must be injected into the administration of these laws. The difficulty arises, of course, in attempting to draw the line between permissible activities and what constitutes offensive partisan activities. A few general principles would need to be observed, however, if these restrictive laws are to be properly applied.

There should be clear distinction made of the right of employees to participate in political activities which are patently nonpartisan in character, and which do not directly affect or influence the election of any particular party candidate. Active participation in discussions relating to public issues referred to the electorate, such as proportional representation, the city-manager plan, the merit-system laws, bond issues, and constitutional amendments generally, should not be included in such restraints. While some of these issues might be indirectly involved in the election of a political candidate, nevertheless it is better that the employees be permitted to exercise their political privileges in connection with these public issues which affect them in the same manner as all other citizens, than to preclude them for fear of some abuse. In rare instances will we be running the risk of such participation on the part of the employees tending toward really offensive partisan political activity. In any event, the importance of having their intelligent participation is worth the minor risk involved.

Certainly these prohibitory laws should not be so literally construed as to lead to absurdity.

One might appreciate the literal interpretation by the courts of these restrictive laws, but hardly the perspicacity of some courts in straining the intent and primary purposes of these laws. An illustration in point is the late ruling of an Ohio common pleas court (July 25, 1939) wherein the court ruled that classified civil-service employees may not take part in a campaign for or against any issue to be determined by a vote of the people. The Cleveland law department had ruled that city employees could take part in a campaign for tax levies, bond issues, charter amendments involving the raising of tax funds, but could not, however, take part in a campaign for a charter amendment involving the civil-service or

[11] Carl J. Friedrich, the German and Prussian Civil Service, in the Civil Service in the Modern State, p. 396.

[12] Volume II, p. 1398.

[13] Harold J. Laski, the British Civil Service, in the Yale Law Review, December 1936, pp. 340, 349.

[14] Fourth Report of the Royal Commission on the Civil Service, Cmd. 7338 (1914), p. 97.

[15] Editorial, Emporia Gazette, January 20, 1940.

[16] Washington Post, August 22, 1938.

pension issues. The case grew out of protests by the Civil Service Employees' Association against the practice of coercing employees in the city departments to obtain signatures on pledge cards for the tax-levy referendum. The action was instituted by the Citizens League of Cleveland, which for long had contended against employee participation in any form of political activity. In a declaratory judgment denying the right of public employees to participate in the tax-levy campaign in any form whatever, the court resorted to literal interpretation of the words "political" and "campaign." The court stated:

"Political campaigns may involve issues other than that of the election of public officials and political organizations are frequently formed in the interest of issues and not office seekers. The words are not used in any unusual sense but have ascribed to them their ordinary meaning."

The court then discusses with meticulous care and at considerable length the dictionary meaning of the words "political" and "campaign," including Webster and Bouvier, and then proceeds as follows:

"From these definitions there can be but one result in giving the correct interpretation to the words 'political campaign.' A political campaign is any concerted effort to influence citizens to act in the exercise of their right of franchise in favor or against a candidate for public office or a person seeking public office, or for or against any public question which by law is to be determined by a vote of the people.

"Whether or not one in the classified service is engaged in a political campaign is to be determined with respect to what he does in supporting or attempting to defeat any candidate for public office or a political issue as herein defined. A classified service employee does not by accepting such employment waive his right of franchise or the right in a proper manner to express his views upon candidates or issues, but he does among other things waive the right to take part in, or conduct a political campaign. It would be impossible to set forth every set of facts that would constitute the conduct thus prohibited. All that can be done is to set forth the rule by which his conduct will be determined as follows:

" 'One is engaged in a political campaign when he either by himself or by joining with others makes a concerted or systematic effort to influence others in their exercise of the right of franchise in favor of or against either a candidate for public office or any issue to be determined by a vote of the people.' "

This strict interpretation of the political-activity-restriction law may be edifying, but it does not view the problem with realism or practicality in the light of the real intent and purpose of these restraining laws which have as their ultimate motive the prohibition of pernicious partisan activity against party candidates.

A more practical viewpoint is that expressed by the California State Personnel Board in construing the California law prohibiting political activity of State employees. The opinion was handed down as the result of a question raised by the California State Employees' Association prior to the special election of November 7, 1939. The board's opinion, which appeared in the form of a resolution, related only to measures or issues to be submitted at the special election, and did not refer to any of the candidates. The resolution read in part:

"It is the opinion of this board that all State civil-service employees have the right to participate in the campaigns for and against the measures to be voted on at the November 7, 1939, special election, and such participation is not in violation of the State Civil Service Act, and in particular that part relating to 'improper political activity,' nor any other provision of the State constitution or State statutes: *Provided, however,* That such participation shall not involve State time, the prestige and power of the employee's position, or the use of State facilities."

Secretary of the Treasury Henry Morgenthau, Jr., in 1934 issued a new regulation forbidding Treasury workers to engage in partisan political activity, which would seem to go as far as practicality permits. Employees of the Treasury were denied the right—

"1. To hold any other public or political office.

"2. To become a candidate for a political office.

"3. To be a member or officer of any official committee of a political party, or of any other committee that solicits funds for political purposes.

"4. To own, edit, or manage a political publication.

"5. To display such obtrusive partisanship as to cause public scandal.

"6. To attempt to manipulate party primaries or conventions.

"7. To use his position to bring about his selection as a delegate to conventions.

"8. To act as chairman of a political convention.

"9. To assume the active conduct of a political campaign."

If these restrictive laws are not to fall into public disfavor and become inoperative and unenforceable, they must be administered with common sense and sound discretion. They must be applied with as little impingement on the civil rights of public employees as the spirit of these laws will permit. These problems are not easy of solution, and the line may be difficult to draw. It would seem, however, that both prudence and practicality will largely contribute to and determine the solution. So long as the actions of the employees or their representatives are not offensive to the public; so long as employees can justify concerted action because the issue involved peculiarly and directly affects their interest; so long as their participation does not become pernicious and obtrusive, the public will probably pay little attention to them. But like most disciplinary laws, the extent to which the Hatch Act will be enforced will in the long run depend on the attitude of the public. This, in turn, will depend on the attitude and conduct of the employees as well as the sagacity and good faith of the politicians.

In discussions of this whole subject much attention has been given to the inherent political rights and privileges of employees. Unfortunately little attention has been given to the rights and welfare of the public. The public is obviously interested in having the employee do his work well; in having the employee give his time and energies to the public service, not to tasks designed solely to benefit political organizations. Our taxpayers can hardly be expected to be enthusiastic over paying employees for political service, rather than for public faithfulness. Nor would the public be enthralled by the spectacle of officers and employees in the public service wrangling among themselves in political factional fights, party conventions controlled by public officeholders, and political clubhouses run by public employees. Moreover, from the public employee's point of view, undue political activity invites political reprisals and results in friction and hardship to the employee himself.

It is difficult to see how legitimate activities of public employees will suffer under laws such as the Hatch Act. Such laws will hardly be construed or applied as prohibiting organized employees from protecting their rights or interests in matters directly affecting their own working conditions, grievances, and general welfare. If this may be viewed as wishful thinking or implied winking at strict and rigid legalistic interpretation and construction of the Hatch Act, let us be reminded that even in application of law there is still practicality and wisdom.

The validity of laws restricting public employees from engaging in undue political activity or making contributions to political-party campaign funds has often been attacked by the uninformed. They fail to appreciate that the rules against political activity are not discriminatory in a legal sense; that they affect equally all persons within the classification of public employees. These laws do not deprive the employees of "fundamental" rights. They leave the employee free to vote as he pleases and to express his views privately. They do, however, prevent persons while in the service of the Government from using their official positions and money contributed by the public for the benefit of any political party.

ATTITUDE OF THE COURTS

There can be little doubt of the validity of legislation prohibiting political activity or political contributions on the part of public employees, whether elected, appointed politically, or serving as a result of competitive tests. The right of the Congress or the State legislatures to provide any reasonable restrictions on the activities of public employees, including prohibitions against political activity, has long been recognized by the courts. The United States Supreme Court has sustained the power of the Congress to prescribe rules of conduct for officials and employees of the Federal Government (*United States* v. *Wurzbach,* 280 U. S. 396). As long ago as *Ex parte Curtis* (106 U. S. 371) the power of the Congress to provide any reasonable conditions for public employment was clearly recognized by the Court. The right of the State legislatures similarly to prescribe conditions for employment by the State has been upheld (*Atkins* v. *The State of Kansas,* 191 U. S. 207; *People* v. *McCullough,* 254 Ill. 1, 98 N. E. 156; *McAuliffe* v. *Mayor of New Bedford,* 155 Mass. 116, 29 N. E. 517; *Gianatasio* v. *Kaplan,* 257 N. Y. 531).

The issue of prohibiting political activity of employees of the State was squarely decided by the Supreme Court of Oregon in 1931 in the case of *Stowe* v. *Ryan* (296 Pac. 857), where the court upheld the action of the civil-service commission of Multnomah County (Portland) in removing an employee from office for violating the State law prohibiting employees from engaging in political activity. It was urged upon the court that such prohibitory statute was unconstitutional, as it deprived the employee of certain rights as a citizen of the State. It was attacked also as invalid class legislation, and repugnant to the Bill of Rights provisions of the Federal Constitution. The Oregon court sustained the power of the State to prescribe the conditions of service and the rules of conduct for its officers and employees to the extent that it may become necessary to promote efficiency and integrity in the discharge of their duties and proper discipline in the public service.

Many politicians would rather play politics than serve the public. This is amply demonstrated by the action of so many public employees who, since the enactment of the Hatch Act, have been willing to sacrifice their regular governmental positions to serve their political organizations. Such martyrdom is inspiring and significant. Such undying loyalty is almost to be admired. But is not this blind loyalty to partisanship the gravest danger to a democracy when imparted to the rank and file of the civil service, either through political coercion or misguided zeal for a political cause? Loyalty in the civil employee should mean allegiance solely to the Government of the day, and not to a partisan political organization. What we need most of all in our democracy is an impartial, disinterested, and detached public service—one that represents the people's civil service, not the service of the political party in power. Indeed, the very nature of the Government service today, with the new social agencies created under the

welfare and economic programs during the last decade, calls more than ever for impartial administration of these agencies. The elimination of undue political activity on the part of public employees has now become imperative.

Unemployment

EXTENSION OF REMARKS

OF

HON. CHARLES F. RISK

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

ADDRESS BY HON. HARRY SANDAGER, OF RHODE ISLAND

Mr. RISK. Mr. Speaker, under leave to extend my remarks I include an address delivered by my colleague the gentleman from Rhode Island [Mr. SANDAGER] on April 2, before the Rotary Club of Providence, at the Biltmore Hotel in that city, as follows:

Unemployment is generally recognized as the Nation's No. 1 economic problem. Its seriousness is augmented with every school graduation in June, when about 600,000 young job hunters pour into the labor market. With the deepening and widening of the depression has come a realization on the part of leaders in education, Government, and industry that some practical steps must be taken, not only to attempt to provide occupational careers for the youth of America, but to check and control the general jobless tide.

That is why vocational guidance and a practical system of apprenticeship is attracting such widespread attention; that is why the employers, the trades-unions, and the schools are joining hands with the States and the Federal Government in practical application of remedies to meet the situation.

When one realizes that, according to the last available figures (Unemployment Census of November 1937), there were 3,900,000 young people between the ages of 19 to 24 out of school and out of work, the enormity of the task of getting jobs for them becomes apparent. That young unemployed army, which does not include part-time workers, is bigger than the standing armies of France rated at 3,750,000; of Germany, with 3,500,000; larger than the combined armies of the British Empire, 1,707,000; and Italy, 1,448,000; and more than six times the Regular Army of the United States. It is more than one-third the number of the total unemployed in this country today.

But, strictly speaking, one should not refer to these youngsters as an army, for this might indicate that they possess some training. As a matter of fact, the big handicap before those experts who are battling the unemployed problem is that only an infinitesimally small number of our youth have had any practical manual training whatsoever.

For one of many reasons, whether it be because they prefer a "white collar" job, or have been taught to fear the seasonal slack periods in the trades, or seemingly have no aptitude for precision work, most of these young job hunters are the type, who, when asked what they can do, vaguely reply "anything." What they really mean is, anything that does not require a high degree of skill or training. Salesmen, clerks, truck drivers, helpers—their number is legion, but when an employer seeks a skilled worker he literally is forced to comb the country.

According to the Federal unemployment census of November 1937, right here in our own Rhode Island, which we are wont to regard as well supplied with trained workers, out of 20,862 youths between the ages of 15 to 24 who registered as out of work, only 810, or 4 percent, were skilled workers, and only 7,587, or 36 percent, claimed to be semiskilled workers.

It is one of the ironies of the whole unemployment picture that at a time when more than 10,000,000 people are out of work certain types of industries are at this minute crying for craftsmen. When the European war started last September and certain factories experienced a rush of orders, some concerns actually started to outbid rival firms for artisans and even steal workers from each other.

In the face of such conditions it is small wonder that vocational guidance has increased in scope and popularity within the past few years. It is everybody's gain. The youth himself, tiring of hanging around the corners and wearing out his shoes looking for work, realizes now that a steady job in the shop, where his own expertness is protection against sudden dismissal, is a great deal safer than a job that anybody else can do as well if not better than himself.

Labor, which for a time looked askance at vocational training, is keenly interested now in setting up standards of apprenticeship and properly safeguarding the skilled worker. Industry, which pays out 85 percent of its net earnings for wages, naturally has an intense interest in the finest possible labor available; and the Government, under present world conditions, is taking serious note of the country's potentialities from a standpoint of efficient reserves of trained workmen behind our Army and Navy.

The necessity of developing and maintaining an adequate force of skilled labor is constantly becoming more apparent. It is an open secret that, whereas from 1912 to 1936 a total of 1,214,291 skilled workers came to America, we are now losing them at the rate of 250,000 a year to the warring countries of Europe. Back to England, Germany, and Italy have many of them gone, not so much discouraged by the continued depression here as enticed to return to the homeland by the high wages offered them.

Modern warfare, with its aircraft, motorcraft, tanks, machine guns, and explosives, needs more than ever precision tools and workmen who know how to make them and use them. This was true as far back as the Civil War, when superior manpower was not the only advantage the North possessed. The dashing cavaliers of the South could make brilliant and striking forays into Northern-held territory, tear up miles of track, blow up bridges, damage locomotives, and derail freight cars, only to have the plodding and efficient artisans of the North steadily repair the damage and move further into the South.

How much manual dexterity plays in the game of warfare was revealed only the first part of this year, when plucky Finland, although hopelessly outnumbered, was able to offer such stubborn resistance to the mighty hordes of Russia. So vocational guidance and apprentice training serves another objective besides helping solve unemployment.

New England, because of her supremacy for more than a century in textiles, machine tools, jewelry, and other industries, now more than ever feels the need of an adequate supply of skilled labor to provide for the diversified businesses which have replaced the vanishing textile industries in so many of our cities, conspicuous examples of which are the one-time spinning centers like Fall River, Mass., and Manchester, N. H.

It is worthy to note here that Rhode Island has pioneered in vocational training and apprenticeship long before the Federal Government bestirred itself. Dr. Richard D. Allen, assistant superintendent of schools of Providence, was one of the first educators to interest himself in vocational education, and in Washington right this minute his opinions, because of his long experience, are sought and listened to with great respect. Brown & Sharpe for years has maintained what Government experts today regard as a modern school for apprentices.

Curiously enough, however, although individuals and private concerns in this State have enjoyed priority in this field of endeavor, it was not until last year that the State of Rhode Island officially bestirred itself along these lines. During the summer of 1939, when it became evident that there was a shortage of skilled labor in many of our industries, Governor Vanderbilt called upon a committee comprising representatives of the departments of labor, education, the Rhode Island Unemployment Compensation Board, and industry and labor to investigate the situation. That committee published in December of last year a most informative survey containing valuable data as to the needs of specific industries and suggesting plans for a trade-school program for Rhode Island.

A bill now pending in the general assembly provides for an appropriation of $5,000 for continuing and amplifying this study, and it is safe to assume, as a result of the information which has been and will be obtained, that it is only a question of time before Rhode Island will follow in the footsteps of Connecticut, Massachusetts, and Vermont in establishing a full-fledged apprenticeship council.

The Government's fight for the lessening of youth unemployment has been conducted, roughly, on four different fronts, the divisions being the Civilian Conservation Corps, the National Youth Administration, the Occupational Information and Guidance Service in the Office of Education, and the Division of Apprenticeship in the Department of Labor.

Briefly outlined, the C. C. C. serves as a reservoir of unskilled youth, keeping them off the streets and out of the labor market and feeding them back into industry as fast as business can accommodate them. The N. Y. A. acts as a sort of juvenile W. P. A., sponsoring work projects for young workers and also has an extensive program of student aid.

The Occupational Information and Guidance Service, headed, it is interesting to note, by a former Providence man, Harry A. Jager, began its activities about 2 years ago and has already made rapid strides along the path of teacher training in guidance fields. Last year this agency went into 26 States for the purpose of equipping teacher personnel to act as counselors for students endeavoring to map out their occupational future and encouraging the initiative of the individual in fitting himself for some particular sphere of activity. In other words, as Mr. Jager puts it, the object this agency seeks is to "fit children into the world as they find it."

The Division of Labor Standards of the Department of Labor began in 1934 to make a study of apprenticeship and in this sphere of activity New England is again represented, for on November 15, 1939, Secretary of Labor Perkins appointed Ralph E. Flanders,

long active in New England council, to serve as one of two representatives of management on the Federal Committee on Apprenticeship.

This agency concerns itself with the immediate objective of replenishing the ranks of apprenticeships in various trades and is making rapid headway with the increasingly hearty cooperation of both industry and labor. In Rhode Island, Connecticut, and other States, unions have gone on record favoring this endeavor and have appointed committees for the promotion of sound apprenticeship standards. Employers in New England recognize that an agency of this sort can serve not only to provide a steady stream of beginners for trades, but can extend its activities to guard against both shortage and surplus in the supply of skilled labor.

To the feeble complaint that apprenticeship training is not important because it provides employment for only 10 percent of the available youth is the ready answer that this skilled 10 percent, because of its work in the field of precision, can make the tools and the machines that will provide jobs for a large portion of the other 90 percent in the field of assembling, packing, shipping, delivery, selling, and in all kinds of paper work.

Capital is only too willing to take into its shop boys who give promise of qualifying as skilled workers. Particularly are the new industries eager to find able recruits. A single example that might be cited is the American Air Lines, which at present has over 100 apprentices at LaGuardia Field in New York.

I think that the most encouraging thing about this youth-job picture as I have briefly sketched it is because it is all so new. You may have noticed the dates; 1934 is ancient history in this movement. Even 1938 seems a long time past. The whole proposition is moving, pushing, and shoving forward right this very minute, and all the forces that count are in it—the States, the Federal Government, the schools, labor, capital, and even service clubs such as the Rotary, which has supported this kind of a program from the start.

This business of teaching the youngsters the three R's, dressing it up with a spice of Latin, French, German, or Spanish, a drop or two of grammar, a jigger of chemistry, and a dash of ancient history, and then sending them out to do battle with the cold, tough, old world may have been all right in the good old days, but in these times is it not merely a question of the survival of the fittest; it is the survival of the specialist.

The "white collar" job has lost its lure because it is so hard to find and so hard to keep. The youth of today is commencing to believe that it is more practical to sit at a bench where both his brains and fingers are kept busy than to push a pencil one month and a wheelbarrow the next. In free America the ambitious boy is not doomed to the bench. He can rise, and he has risen to the very top.

Statistics show that only one-third of the "white collar" jobs really pay good money and, when you look at it, what manner of men are these "white collar" fellows, anyway? The "white collar" man more often than not is the chap who nervously lies awake listening to a tap in the bathroom he can't fix, who sits and swelters because he can't open a window which sticks in the frame, who rides home on the rim of his wheel because he can't fix a flat tire. He can't use his hands except in bridge or poker.

A trained youth in America means a more capable and self-sustaining United States, a country with a real future in the constantly increasing new industries, a nation as self-reliant in war as in peace.

There is only one bugbear behind the whole setting of apprenticeship and youth occupational guidance. That is the politician. But the very forces which have made this whole program possible are mighty enough in themselves to crush him if he attempts to exploit the youth of the country for his own or his party's advantage. The politician does not belong in this program and if he can corkscrew his way in, he should be cut out as quickly as a schoolboy would cut a worm out of his apple. This problem is not political. It is economic. There is no better service that the Rotary and similar organizations can do the cause than maintain constant vigil to see that the entire campaign of guidance is carried to fruition without the interference from the meddlesome paw of self-seeking individualists who can contribute nothing toward its progress. Its success is vital to the industrial future of our country.

Wheeler-Lea Transportation Bill

EXTENSION OF REMARKS

OF

HON. SCHUYLER OTIS BLAND

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

Mr. BLAND. Mr. Speaker, regulation of water transportation in conformity with railroad regulations means the destruction of waterway transportation.

Congress should stop, look, and listen before proceeding further.

We are facing a new epoch in water transportation. Legislation has reached an advanced stage to place all water carriers under strict regulation. If the philosophy underlying this legislation is sound, which I deny, yet it would be sound only in part. The claim is made that it is not logical to have one type of common carrier free from regulation while its competitors are regulated. The proponents contend that it is desirable to round out the national transportation scheme and to effect a uniform national policy. Even if the legislation should be passed, yet because of the essential difference between water lines and railroads, and because of the fundamental differences between different kinds of water carriers, it is vitally necessary that legislation, if any, recognize these differences and provide adequate safeguards to protect the public interest. It must further be recognized that coastwise and intercoastal water carriers are already subjected to regulation and that the proposed legislation is in large part simply a shift in regulation from one Government agency to another.

A study of the history of the legislation shows clearly where its shortcomings originated. It is public knowledge that it was proposed by the railroads, which have constantly kept before the public an appeal for it. The Association of American Railroads' recommendations in regard to the legislation reads as follows:

> First and fundamental, there should be a square deal in transportation—a public transportation policy providing for fair, impartial treatment of all forms of transportation, so administered as to preserve the inherent advantage of each. The establishment of such a policy would include the following action, State or national.

Under this head the third and fourth specific recommendations read as follows:

> (3) Equal regulation, administered by the same public body or bodies, should be applied to all forms of transportation.
>
> (4) The rate-making rule of the Interstate Commerce Act, applying only to railroads, should be replaced with a rule applying to all forms of transportation alike, etc.

A careful study of the above shows that the railroads claim to advocate a square deal to preserve the inherent advantages of each form of transportation while coincidentally, by individual and collective action, by resolutions of the board of directors of the association and by various actions of such association, the railroads pursue an opposite course.

As will be later indicated herein, the differences between rail transportation and water transportation are so basic and so vital, that any attempt to apply the same statutory rules of regulation to both must necessarily produce inequality instead of equality. The "equality" about which the railroads talk, therefore, is equality in theory only, and in practical effect would operate to the serious if not fatal disadvantage of the water carriers.

The Wheeler bill is a codification of the Interstate Commerce Act applying to all carriers. Thus all forms of water carriers would be regulated under rules designated for railroad regulation. The Lea bill attaches a part III to the Interstate Commerce Act, in which all types of water carriers are to be regulated, but the rules of part III were patterned in large measure upon the rules of part I, namely, those governing rail transportation. Hence, both the Wheeler and the Lea bills have the same fundamental defect. These bills fit the specifications of the Association of American Railroads in regulating each carrier equally by applying the same rules, but the attempt to cut a steamship cloak from a railroad pattern is apt to prove disastrous to some types of water carriers. It is like trying to employ rules and instructions for regulation of aircraft engines for the regulation of clocks and watches. It is not to be assumed that an expert aviation mechanic could regulate clocks and watches without some experience, even with an instruction book on the regulation of clocks and watches. No matter how carefully legislation is drawn covering the regulation of each of the various types of water carriers, it must be expected that any new governmental agency taking over such

regulation will for a period of time be inefficient and cause a certain amount of damage. To vest in the Interstate Commerce Commission, with mainly railroad regulatory experience, powers to regulate all types of water carriers in accordance with the rules devised for railroad regulations may well spell the doom of the water carriers, and, in turn, will have a very adverse effect on many rail carriers. Furthermore, to apply the same rules of regulation to a barge line on the Mississippi River as to a coastwise or intercoastal line is just as bad as to attempt to regulate the coastwise and intercoastal water lines in accordance with the railroad rule book. The economic principles involved in various types of carriers, including the various types of water carriers, are so vastly different that any regulation which does not recognize the fundamental differences between them is bound to be a failure.

Take, for example, the approach to a simple problem—the delay of a year or more in settling a discriminations case or a rate case. Such delay for a water line with its limited capital and limited service may literally bankrupt such line; whereas the railroads' interest are so diversified that one or two cases of discrimination or of unfair rates do not result in bankruptcy. What is more, even in the case of bankruptcy, a railroad continues to run, whereas a bankrupt water line usually has no alternative but to go out of business. Most of the railroads' investment is in a fixed right-of-way and in facilities which from their very nature can be used only in serving certain territories, whereas the investment of steamship lines is mainly ships which can adapt their routes and their service to the needs of the public. When ships fail to pay their way on a particular route they can be shifted overnight to some other route, or the investment can be liquidated by selling the vessels in the world market. The public interest is much more vitally affected when a steamship line is put out of business than it is when a railroad goes into bankruptcy. In the first case the public is deprived of the service, and unless there are other lines with ships or with the ability to charter ships so as to replace the service immediately, the public suffers irreparable damage. But with a bankrupt railroad, the receivers take over and the public is not directly affected in the least.

The Wheeler and Lea bills provide for certificates of convenience and necessity for water carriers. It will be found in time, if such clauses become law, that one of the great public advantages of water transportation, namely, its flexibility, has been destroyed, because the time and expense involved in obtaining a certificate for a new service would be so great as to make it difficult or impossible for a steamship line to inaugurate it. There may be a serious disadvantage to the public either because no other water line serves the port or ports affected or because existing lines have insufficient capacity.

Where there is a public demand for water service, and a water carrier is able to meet the need, it should be permitted to do so without the serious delay and expense entailed in obtaining a certificate of public convenience and necessity. Such certificates are required for railroads because of the great capital expense involved when a railroad is projected into a new territory, with heavy outlays for right-of-way and for construction of tracks and terminals. But a water line has no right-of-way to purchase, and can shift its vessels about at will. This elasticity of service is of tremendous benefit to the shipping public. Why place this service in a railroad strait jacket of regulation and thus deprive the shipping public of the benefit of elastic and efficient water service?

Not only is it essential that the statutory rules be fitted to each type of carrier, but the procedural methods of regulation must likewise be designed and applied so as to fit the needs of the different carriers of the governmental agency. For example, the delay of a year or more in reaching a decision affecting the rights of a water line may literally bankrupt it, while the same delay in a decision affecting the railroads may not have a serious effect. The danger lurking in the theory of "equal regulation" is that these fundamental differences may be overlooked.

Much has been said about the "railroad-mindedness" of the Interstate Commerce Commission, the implication being that the Commission is partial to the railroads, and that it would have an unfair bias in their favor. This, as I see it, is a real, but not the only, danger. Serious danger is to be found in that in spite of the honesty and integrity of the Commission, which I do not doubt, the many years' experience of the Commission in dealing with railroads will lead the Commission to apply the same technique to the regulation of the water carriers as to the regulation of rail carriers, with disastrous results to the water lines. If the Commission frequently takes more than a year to decide a railroad case, the presumption is that it will take more than a year to decide a water-line case.

If a water line is required to wait 1 or 2 years for a decision, it may die in the meantime. There is grave danger, I think, that such things will occur; in fact, the experience of water carriers to date in their dealings with the Commission on railroad water rates and divisions shows that these dangers are facts.

Of outstanding importance to all water carriers is the question of discriminatory treatment of water lines by railroads. Obviously, it is possible for a group of railroads, by favoring one water line, to ruin a competing water line. If the burden is upon the latter water line to prove the discrimination, and if it takes the Interstate Commerce Commission 1 or more years to decide the question, it may very well be that the injured water line will be literally ruined before relief is afforded. There should be a positive burden on the railroads to avoid discrimination of this character, and some legal process should be available, similar to a mandatory injunction, that would prevent a railroad from treating one water carrier differently from its competing water carrier unless the railroad could show justification therefor.

A water line against which the railroads have discriminated in the matter of through traffic and through rates has heretofore been able to protect itself in part by reducing its port-to-port rates. To a considerable extent the United States Maritime Commission has been sympathetic with water lines in this matter because it has realized the comparative helplessness of water carriers in attempting to compete with the railroads. If, as now proposed in S. 2009, the power to prescribe minimum rates is to be vested in the Interstate Commerce Commission, the water lines may no longer be able to use the strategy of reducing their port-to-port rates but will be at the complete mercy of the railroads until the Commission acts.

A large portion of the traffic handled by the water lines originates in or is destined to interior points reached by rail. On such traffic joint through rail-and-water rates have been made effective in a majority of instances, such rates being lower than the sum of the so-called combination of local rates applicable for separate movements to and from the ports over the same route. Hence, if water line A has a joint through rate with the railroads, such joint through rate will generally be lower than the combination rates applicable via water line B which does not enjoy or cannot obtain joint through rates with the railroads. If, under such circumstances, water line B asks the railroads to join it in the same rates as are effective in connection with water line A and the railroads refuse, water line B must bring a discrimination complaint before the Interstate Commerce Commission, waiting for a year or more for a decision from that Commission, meanwhile foregoing much valuable traffic; in the meantime it may cut its port-to-port rates so as to make some of the through combination rates equal to the joint through rail-and-water rates maintained in connection with its competitor or it can attempt to cover the same territory by specific proportional rates if some railroads will work equally with it. This latter remedy is of doubtful value because of the almost insuperable difficulty of establishing proportional rates which will equalize the through rates from every possible origin to every possible destination.

What is a water line to do in the meantime? Must it lay up its ships until the discrimination is removed? Is it to

continue the operation of its ship at a loss because of the heavy loss of traffic caused by the discrimination? In what manner is the law to protect a water carrier in such a situation, and what assurance is there that the Interstate Commerce Commission will be inclined to find ways of helping water lines out of these difficulties? Experience shows not only that the Interstate Commerce Commission does not seek to find ways, but rather that it insists upon applying to water carriers the same technique of regulation and the same technicalities of regulation as applied to rail carriers, completely ignoring the fact that the difficulties and delays entailed may ruin the water carrier.

Let us assume that the water carrier decides to file a formal complaint against the railroads alleging discrimination. Under the customary rules of procedure of the Commission the railroads must be given 20 days to reply, hearings must be held which often are dragged out over a period of several months, after which briefs are submitted and the examiner prepares his proposed report. The preparation of the report alone usually requires several months. Exceptions are then filed to the report and replies are filed to the exceptions. Still later oral argument is permitted. I do not criticize these steps in the procedure, each one of which is important in finally obtaining adequate adjudication. But the point is that a steamship line may die while this procedure is in process. Such costly procedure could be avoided if the burden of justifying discrimination could be placed where it belongs, on the railroads.

If the bill is favorably acted on then it is important to guard against this discrimination. The law not only should place a mandatory duty on the railroads to avoid discrimination, but it should vest in the Commission summary power, similar to that enjoyed by courts of equity, to order a railroad to show cause why such discrimination should not be terminated, with burden on the railroads to justify the difference in treatment, instead of placing the burden on the steamship line of establishing the discrimination and putting an end to it. In other words, the fact that a water line is denied the same treatment accorded to its rivals ought to establish a strong prima facie case of discrimination. A national policy which declares that water transportation shall be fostered and maintained in full vigor should not be permitted to tolerate a discrimination which kills a water line. Nor should procedural methods be tolerated which result in a delay of several years in getting the question of discrimination adjudicated.

Equally important is the question of divisions. Even though joint through rates may exist between railroads and a water line, this fact does not save the water line from ruin. The railroads are in a position to collect the freight charges in a majority of instances and pocket them or pay what they please to the steamship line as its proportion. Unfortunately, an examination of divisions cases adjudicated by the Interstate Commerce Commission shows that the Commission often pursues the policy of establishing joint through rates and leaving the question of divisions to subsequent determination. It takes many, many months for a steamship line to obtain an order from the Commission requiring the establishment of joint through rates, and then it may require 2 years or more to get the divisions fixed, with the result that the line may be literally brought to bankruptcy because of its inability to collect a fair proportion of the through charges during the several-year period that the matter is under review. The least that should be done to correct this evil is to provide by law that the divisions shall be fixed in the proceeding in which the joint through rates are established and contemporaneously therewith. It would be much fairer to require the railroads to grant equal divisions unless and until the railroads could show cause why equal divisions should not be maintained with competing water carriers.

A further difficulty in connection with divisions is a ruling by the United States Supreme Court that the Commission has no power to fix divisions retroactively. In other words, where joint through rates have been established voluntarily and the water carrier's proportion of the through charges is inadequate or unreasonably low, the water carrier may file a formal complaint asking that the divisions be fixed, but the Commission may not award reparation prior to the effective date of its order. It necessarily follows that any water line which interchanges traffic with railroads under joint through rates which have not been prescribed by the Interstate Commerce Commission runs the danger of encountering a terrific financial loss, and this actually happened in a recent case. The Interstate Commerce Commission is powerless under present law to protect the water lines or even railroads in such a situation. Quite obviously the law should vest in the Commission power to fix divisions as of the date of the complaint whether the level of the rates has been prescribed by the Commission or determined voluntarily by the carriers.

In a proceeding involving the establishment of through routes and joint rates which the railroads are unwilling to establish the water line is at a serious disadvantage. It may find itself up against an association of railroads or other combination of railroads represented by expert lawyers and well prepared for the battle. They may contend that the water service is superior and should be handicapped by high rates, or they may contend that the water line gives inferior service and should not be recognized as operating in the public interest. The latter argument may lose some of its force under S. 2009, which provides for the granting of certificates to water lines in bona fide operation on or prior to a specific date.

Another danger to water lines that are efficiently operated is the defense sometimes made by the railroads that joint through rates in connection with efficient carriers should be higher than corresponding rates in connection with inefficient carriers. The argument advanced is that where a water carrier provides a superior service, with better terminals, more frequent service, faster ships, or better handling, a rate differential should be provided so as to make the rates of the efficient carrier higher by fixed amounts than the corresponding rates of its less-efficient competitors. This is a highly dangerous argument. It would encourage inefficiency by placing a handicap on efficiency. Like the golf-handicap theory, under which a good golfer is penalized by adding several strokes to his score, this vicious theory would require the efficient water line, even if its service were of less cost, to charge the shipping public higher rates because of the efficiency with which its operations are conducted. The tendency would be, of course, to divert traffic to the inefficient lines because of the lower rates enjoyed by them.

Clearly it is in the public interest to encourage efficient transportation. Especially important is protecting the rights of the public to efficient water transportation at low rates but productive of cost. It is a matter of common knowledge that water transportation is usually of lower cost than either rail or truck transportation. Since many of our water highways were created by God and since they are owned by the public in perpetuity, the public interest obviously requires that transportation service be made available over them at the lowest practicable cost. If the rates of an efficient carrier are to be jacked up to a higher level merely because the carrier is efficient and regardless of its cost of operation, not only is a premium placed on inefficiency but the public is discouraged from using the best and cheapest form of transportation. Transportation is an art and it can be improved only by encouraging efficiency and progress. To place a heavy handicap on the efficient carrier is to discourage the art and to prevent improvement.

Railroads can discriminate against water carriers and do discriminate against them, not only in the matter of joint through rates but in the equally important matter of terminal service rendered within a port area. Obviously the water carriers will be at the mercy of the railroads if they are permitted to determine the method by which they will make delivery to or take receipt from a particular water carrier. It should constitute a violation of law for any railroad to refuse to provide the same terminal facilities or services for one water carrier which it contemporaneously provides for another water carrier of the same class, common, contract, or private, within the same port area.

There would seem to be no doubt that provisions of existing law are inadequate if applied generally to water carriers.

The statute does not with sufficient definiteness prevent discrimination, nor does it provide relief to a water carrier within a reasonable period of time. Even where a water carrier is definitely injured, even to the point of death, provision is not made for full recovery of damages. The solution would seem to lie in tightening up the discrimination clauses so that discrimination will be in fact and effectually prevented; to vest in the regulatory body equitable power that will insure prompt adjudication to prevent discrimination; and to provide more adequate and full recovery of damages and for prompt decision on involving joint through rates and divisions.

It must be admitted that there is a very real danger in the proposed legislation in that the rules and technique of railroad regulation will be made applicable to water-line cases and as a result that the development of water transportation will be discouraged, if not prevented, by using the rule book for railroad regulation for the regulation of different types of carriers, even where the regulatory body administers the statute in the best of faith after sufficient training in regulation of such different types of carriers whose fundamental economic principles are so vastly different from one another. The examples above mentioned prove the case that equal regulation cannot be obtained by using the same rules and regulatory technique for all carriers.

Regulation of water carriers should be left where it is now, and coordination accomplished as proposed in H. R. 4307 now pending on the House calendar. The general objectives of that bill to extend the regulatory jurisdiction of the Maritime Commission to apply to common carriers by water engaged in interstate transportation on inland waters and, with the systems for the regulation of water carriers thus rounded out and made national in scope, to provide a plan and means to effect coordination in the regulation of carriers subject to the Maritime Commission and the Interstate Commerce Commission where there is competition between such carriers.

The history of regulation under the shipping acts has been one of gradual and steady development with opportunity to make sound progress in meeting the problems involved in the water-transportation industry. The extension of regulation to inland water carriers should be undertaken in a similar way with like opportunity for sound progress. The extension proposed in H. R. 4307 provides a tested and workable plan of regulation and one that is not unduly restrictive or burdensome.

Most of the questions in connection with the competition between the different types of transportation can be solved by voluntary arrangements and cooperation between the Commissions, and the small remainder of cases which cannot be thus handled can be properly disposed of by the joint board proposed to be established by the bill and to be composed of two members from each of the said Commissions with a chairman to be appointed by the President by and with the advice and consent of the Senate.

The main provisions of the bill are as follows:

First, to make the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act of 1933 applicable to common carriers operating on inland waters and to terminal facilities furnished in connection with such common carriers;

Second, to declare a congressional policy as to water transportation;

Third, to declare a congressional policy as to cooperation and coordination in the development and maintenance of the Nation's transportation system; and

Fourth, to establish a joint board to secure coordination in the regulation and in the operations of carriers subject to regulation by the Maritime Commission and the Interstate Commission in matters concerning which the said Commissions cannot arrive at coordinated determinations or action by voluntary means.

Tideland Oil Suit Faces California

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

ARTICLE FROM THE LOS ANGELES TIMES

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article from the Los Angeles Times of April 12, 1940, written by Lorania K. Francis, Washington staff correspondent, reporting that the Government intends to file suit to establish Federal title in the oil deposits under the tidelands of the State of California:

[From the Los Angeles Times of April 12, 1940]

UNITED STATES MAY SUE STATE TO GAIN TIDELAND OIL—JUSTICE DEPARTMENT'S PROPOSAL GIVEN PRESIDENT, BUT NO DECISION ANNOUNCED

(By Lorania K. Francis, Times Staff Correspondent)

WASHINGTON, April 11.—Instigation of a suit against the State of California in an effort to establish Federal title to billions of dollars' worth of submerged oil deposits, harbor improvements, and built-up lands located off the shores of southern California has been proposed to President Roosevelt, it was learned today.

While Government officials would neither confirm nor deny the report, it was reliably ascertained that the Department of Justice has sent to the White House a memorandum suggesting a suit by the United States Government for "declaratory judgment" in the long-disputed question of who owns the offshore land. The suit, which would involve the State of California and possibly the city and county of Los Angeles and numerous private interests, probably would be brought before the United States Supreme Court.

TWO COURSES

Two alternative courses were suggested in the Justice Department memorandum, it was said. One of them would involve the filing of a similar suit in the southern California Federal district court, and the other would call upon Congress to direct the Justice Department to bring suit against the State to determine ownership of the lands.

Choice of the latter alternative, it was believed, would indicate that the Justice Department is not prepared to go ahead with the suit on the basis of information which it has gathered during a year and a half of investigation.

NEW ATTACK ANGLE

A new angle in the Government's attack upon ownership of the property was indicated in the report that the United States might bring suit not only against the State of California, but against the city of Los Angeles, Los Angeles County, the city of Long Beach, and such interests as the Standard Oil Co. of California, the Southern Pacific Railroad Co., the Southern California Edison Co., the Ford Motor Co., the Union Pacific Railroad, and other corporations having a substantial interest in built-up lands located within the tidelands.

Some sources predicted that the United States might challenge title to Reeves Field—a portion of Terminal Island which the Navy Department is anxious to convert to a permanent naval base—as a "smoke screen" covering the real intent to seize approximately $2,000,000,000 worth of undersea Southern California oil deposits which the Navy wants for a reserve.

SAME ISSUE

The difference between a suit against the State of California, over title to the oil deposits, and a suit against the city of Los Angeles, over title to Reeves Field, would be purely a question of nomenclature, it was pointed out, since the common question of title to the tidelands is involved in each.

The action might be instituted as a suit against the State of California, involving original jurisdiction in the United States Supreme Court without any previous trial in a lower court, it was explained. This method of attack would permit the naming of the other interested parties, although jurisdiction of the highest tribunal might not extend beyond the State itself. At all events, it was said, an originating suit, authorized under the Constitution, would represent the strongest action yet taken in a case involving a dispute over Federal versus State ownership of lands.

JEOPARDIZE PROPERTY

A widespread reaction against any move involving seizure of the tidelands is expected both from Congress and from private interests affected. Even though the case is limited to the State of Cali-

fornia, or even to Reeves Field alone, an affirmatory decision from the Supreme Court would jeopardize all property lying between the low-water tide mark and the maritime 3-mile limit on both coasts of the United States, it was pointed out.

Port authorities from all the coastal States, as well as State officials, were concerned over a congressional measure seeking Federal ownership of submerged oil deposits last year, and a concerted fight has been predicted in the event that California is singled out as a "test case" which might establish a precedent through which the Federal Government could extend its powers over the entire American seaboard.

Take Second-Class Mail Off the Dole

EXTENSION OF REMARKS

OF

HON. VINCENT F. HARRINGTON

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

EDITORIAL FROM THE PHILADELPHIA INQUIRER

Mr. HARRINGTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include the article Take Second-Class Mail Off the Dole, from the Philadelphia Inquirer, as follows:

[From the Philadelphia Inquirer of February 1, 1940]

TAKE SECOND-CLASS MAIL OFF THE DOLE

It's about time American taxpayers were relieved of footing the stupendous postage bills of magazines and newspapers.

The publishing business, generally speaking, isn't a charitable institution. Its object is to make money. It can stand on its own feet and pay its own way.

But in Uncle Sam's mails it is on the dole—and has been there for 89 years.

The Inquirer believes newspapers and magazines have been on the postal relief rolls entirely too long and that they ought to get off.

Publishers would get sore if it were suggested that they ask the Federal Treasury for a straight hand-out of public cash to meet their pay rolls.

But they don't grow hot with indignation when the Post Office Department carries their thousands of tons of second-class mail on what amounts to a gigantic Government subsidy.

They publish self-righteous denunciations of tax-financed bounties for farmers, bounties for shippers, bounties for industrialists, bounties for this, that, and the other.

But all the time they are accepting, as a matter of course, a whopping bounty for themselves.

The brutal fact is that in the fiscal year ending last June 30 the United States Government had to pay out $87,264,126.47 more than it received to transport and deliver the second-class mail, in considerable part magazines and newspapers.

That the Post Office Department, according to Postmaster General Farley's annual report, wound up with a deficit of only $38,691,862.90 was no credit to the publishers. Postal revenue from first-class mail cut down the losses on the newspapers, magazines, and other matter.

If the publishers had paid their own way in the mails, not only would there have been no postal deficit; there would have been money left over to defray the cost of the Congressmen's free mailing privilege, free mail for the blind, and the postage of official Government agencies.

Of the more than $87,000,000 worth of red ink in second-class mail delivery, daily newspapers contributed $27,000,000; newspapers other than daily, $14,000,000; magazines of all kinds, $26,000,000; publications put out by religious, educational, and scientific organizations, $13,000,000; county newspapers delivered free within the county, $7,600,000.

It is an impressive list of postage chiselers.

Why don't they hold up their end of postal costs? Technically the reason is amazingly simple. The average postal rate on second-class matter that costs the Government approximately 8.41 cents a pound to carry and deliver is only about 1.8 cents, or a deficiency of 6.6 cents per pound.

When it is remembered that this second-class mail runs to more than 1,300,000,000 pounds a year, it can readily be understood that a loss of 6.6 cents a pound piles up an astronomical deficit.

And why isn't the newspaper and magazine per-pound postage rate high enough to let the mails break even? Because every time there is an attempt to raise the rates the publishers yell bloody murder and go on the warpath for the Congressmen who would dare wipe out this second-class-mail racket.

It all started back in 1851, in the days of President Fillmore, when Congress got the idea that a wider distribution of printed matter would be a good thing for the country. So the postal rate on newspapers and magazines was set attractively low.

The principle was excellent, at that time, and resulted in relatively huge national circulations of papers and magazines.

But now, with Congress trying to cut costs and the people weighed down by taxes, deficit-producing postal rates are a costly and discriminatory burden.

The postage loss on second-class mail, figured down to a Philadelphia basis, means that Uncle Sam went in the hole to the extent of almost $8,500,000 on the more than 128,000,000 pounds of papers, magazines, and other publications that passed out of this city last year.

But Jim Farley's Department takes it on the chin in more ways than this. Some publishers, not content with the already starvation rates on second-class mail, pack their papers, magazines, or what have you in mail bags and ship them by freight to distant focal points for distribution.

This is cheaper than mailing the publications from Philadelphia, or wherever they originate, to remote destinations. It makes possible a considerable saving in the case of magazines having large and far-flung circulations.

But the mail bags, loaned by the Government to publishers for sending second-class matter by freight, wear out. New ones cost money—from 80 cents to around $1 apiece. And who stands this loss? Uncle Sam, of course.

Why should the Government lend mail bags to publishers in order to gyp itself out of money both going and coming? That is only one more puzzle growing out of this second-class mail hocus-pocus.

If permitting the use of mail bags for the freight transport of publications is good business on the part of the Post Office Department, harassed by postal deficits, the fact is not easily perceptible. As for the ethics of it, there may be cause for eyebrow lifting.

The Inquirer believes that magazines and newspapers have no right whatsoever to foist their second-class postage costs upon the taxpayers and the users of first-class mail.

Publishers are not in business for their health. If they are making a profit, or trying to make a profit, they ought to show enough gumption to pay their own way to prevent the Treasury from sinking deeper in the red ink than it is now.

The Inquirer proposes that Congress, closing its ears to the yaps that are sure to arise, courageously set about boosting the rates on second-class mail to the point where magazines and newspapers will not be putting the Government and the taxpayers in the hole.

There has been too much of this craven failure of publishers to pay for the service the Post Office Department gives them. Let's have an end to it.

Speaking Mexico's Language

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

EDITORIAL FROM THE WASHINGTON TIMES-HERALD

Mr. HENNINGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington Times-Herald of April 4, 1940:

[From the Washington Times-Herald of April 4, 1940]

SPEAKING MEXICO'S LANGUAGE

If there are any Mexicans left who can understand that their country's success depends on decent, peaceful relations with the United States, they had better read and take seriously House Resolutions 454 and 455, introduced Wednesday by Representative THOMAS C. HENNINGS, Jr., of St. Louis, Mo.

These provide for a congressional investigation to determine whether it is true, as charged, that Mexico has been violating international law and denying justice to American citizens by seizing American property, and if these charges are true (the resolution reads):

"The Congress may take any and all means available under the Constitution to the end that commensurate justice be obtained."

Mr. HENNINGS' idea of "commensurate justice," the Mexicans may be interested to know, is to exercise the powers granted Congress in article I, section 8, of the Constitution, specified as follows:

"Congress shall have the power to * * * declare war, grant letters of marque and reprisal, and make rules concerning captures on land and water."

He is very frankly working to convince Congress that the only way the people of the United States will ever get justice in their claims

for damages in Mexico is by congressional letters of marque and reprisal.

WE'VE BEEN THE GOAT SINCE 1905

Intelligent Mexicans ought to be grateful to learn that the number of Senators and Representatives who are about done listening to the President and the State Department on how to deal with Mexico is rapidly growing. They are eager to take their exclusive, direct action.

It is not mere impatience with the run-around we have been getting on both silver and oil that has them aroused. It is resentment at the abuse we have been taking ever since the Mexicans went crazy in 1905 and began to seize foreigners' property right and left. They haven't stopped since but have only got worse.

Now, this Hennings resolution could be just the thing to tip Congress into independent action. And don't think that the phrase "letters of marque and reprisal" is a mere quaint relic of 1776 power politics. As late as 1895 the British exercised the right of reprisal to collect claims against Nicaragua; the Dutch smacked Venezuela the same way in 1908; and we did it to Mexico ourselves in 1914, when the marines landed at Vera Cruz. The Villa expedition of 1916 was also a form of reprisal.

These are touchy times in the world and Congress is in a black mood with Mexico anyhow. It wouldn't take much to get this Hennings investigation going. And if it ever does reprisal in some form is certain.

Biggest Spending Yet

EXTENSION OF REMARKS

OF

HON. CLIFTON A. WOODRUM

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

ARTICLE BY DAVID LAWRENCE

Mr. WOODRUM of Virginia. Mr. Speaker, under leave granted me I herewith insert an article by David Lawrence entitled "Biggest Spending Yet," which appears in the United States News of April 19, 1940:

[From the United States News of April 19, 1940]

BIGGEST SPENDING YET

(By David Lawrence)

All peacetime spending records will be broken by the Federal Government in the last 6 months of this year. Vast outlays of money—$5,000,000,000 in cash—are scheduled for the second half of 1940. Great Britain is not yet spending at that rate to fight her war against Germany.

The record-breaking flow of cash out of Washington will coincide with the approach of national elections. It is encouraged in part by the urge at the White House and in Congress to speed up national defense now that war is gaining headway in Europe. It is encouraged also by the urge in Congress to give continued support to business, following the setback that has occurred since December.

All idea of economy is shattered. The urge to satisfy those home folks who look, directly and indirectly, for a check from the Government overcame the urge in Congress to satisfy those taxpayers who complain about the future tax bill. As a result, checks will be flowing later this year to nearly 2,000,000 W. P. A. workers, to 1,500,000 old people, to 4,000,000 or more farmers, to large and growing groups of businessmen.

EXCEEDING THE 1936 OUTLAYS

The total of these checks will be much more than in the year of the last Presidential election. In the second half of that year—with a big chunk of cash for the soldiers' bonus included—total outlays were barely $4,400,000,000. Few officials were bold enough to guess that Government spending in peacetime ever again would exceed that figure. Yet, 4 years later, it is to be far exceeded.

Facts show that Government is building great new vested interests. Communities get C. C. C. camps and, like communities that once were given Army posts, battle with all their political power against giving them up. Farmers get checks and relief workers get checks and Members of Congress soon are impressed with the fact that, if there is any cutting to be done, it has to be at the expense of other groups. Business is bolstered by Government cash and, when business slips, the remedy that comes to mind is more cash.

One man in Congress, this year, tried to buck the new vested interests, and thought he had succeeded.

CLIFTON A. WOODRUM, leader of the economy bloc in the House of Representatives, set out at the start of this year to sell the idea of lower expenditures. Mr. WOODRUM is a prominent Member of that group of Virginia Senators and Representatives who believe that the Federal Government must put its finances in order. After great effort, he induced the House to trim $256,000,000 out of President Roosevelt's paper Budget of $8,000,000,000. The Senate quickly restored that amount, and $166,000,000 besides. Then the House changed its mind—in the light of pressure from back home—and voted $50,000,000 above the Budget for C. C. C. camps, and $15,000,000 additional for the National Youth Administration.

The lid now is off again. Representatives of city districts want more money than the President has recommended for W. P. A. They have let Representatives from farming districts know that their support can be had for larger farm subsidies if farm support can be had for larger relief subsidies. The result will be larger monthly outlays than planned by Mr. Roosevelt for W. P. A. during the last half of this year. War developments are creating an urge to be generous with the Army and the Navy after the original urge had been cut down.

Complained Mr. WOODRUM after the House had increased funds for C. C. C. camps:

"This action has shown a reversal of the spirit which the Congress adopted in the beginning to try to live within the Budget estimates, to try to hold down appropriations, and to try to assist the President in keeping the deficit down in order to avoid taxes or raising the debt limit."

But this is a year in which Congress cannot afford to offend groups of voters and a year when it is imperative from the point of view of the party in power to make sure that business is good. Experience reveals that in years of bad business the tendency of voters is to change parties, while in years of good business the tendency of voters is to return to office the party in power.

The contribution that the Federal Government will make to business in the form of cash outlays, consequently, is to be enormous.

SPENDING $28,000,000 A DAY

Cash spending—different from the paper total of budgeted expenditures because the Federal Budget has undergone many shifts—is going to average about $28,000,000 for each day between July 1 and January 1. The British say that they now are spending barely $25,000,000 a day on the war. Back in 1936, the last year of a Presidential election, the cash outgo amounted to about $24,000,000 a day for the final 6 months of the year. The coming half year's expenditures, in other words, will average nearly $850,000,000 a month where, in 1936, they had averaged about $750,000,000.

The volume of cash spending, figures show, has consistently been upward in the last half of election years ever since the pump-priming theory of recovery has been accepted by the Government.

NEEDS INCREASE IN AUTUMN

Increases in past election years have tended to be concentrated in relief and in farm subsidies. The facts reveal that in 1936 outlays on W. P. A. that had been running under $150,000,000 a month at midyear rose to $190,000,000 in November and December. In 1938, when W. P. A. had been leveled off at around $100,000,000 at midyear, the outlay rose to $200,000,000 by the year end. In the present year W. P. A. spending now is headed downhill at about $110,000,000. It is scheduled to rise to $160,000,000 late in the year.

This tendency for relief rolls to rise in the autumn is defended on the ground that needs increase at that time of year. The point is made that Congress cannot be held responsible for an obvious trend that may coincide with an election period. The further point is made by officials that the Government can hardly be blamed for increased spending if private business shows a tendency to lag and shows a need for support.

Business recently has sagged badly. The decline in production from December to the present is among the most drastic and the swiftest on record. This decline is influencing Congress to vote in favor of the largest cash outlays on peacetime record. It is a major factor in easing the congressional conscience over a break with economy promises.

The result is that business will in the months ahead receive a flood of cash dollars from the Federal Government. Those dollars will be divided about as follows:

National defense: Nearly $1,000,000,000 will flow out during the last 6 months of this year to support and build up the Army and the Navy. A large part of this money will be poured into the heavy industries for armor plate and airplanes and guns and military and naval equipment. Four years ago barely half this amount was paid out to support the Nation's Military and Naval Establishments. The trend is toward a rapid acceleration of spending in this field.

Relief and social security: More than $1,800,000,000 will flow into W. P. A., C. C. C., N. Y. A., Farm Security, old-age assistance, old-age insurance, and the Federal portion of unemployment insurance. More than 3,500,000 families will participate in the distribution of checks from this fund during the last half of the year. Nearly as much money now flows out to pay for this one phase of Government activity as flowed out to pay the entire cost of governmental activity prior to 1933. If State payments for unemployment insurance and old-age assistance are added, the total is larger than the cost of the Federal Government in the years before the New Deal.

Agriculture: Checks to farmers and expenditures to maintain services for farmers will amount to more than $700,000,000 in the final 6 months of the year. A large proportion of the farmers of the country are cooperating under the Government program and are receiving payments from the Treasury.

Construction: The Government will pay out more than $500,000,000 for P. W. A. and flood-control, and river and harbor work and low-cost housing in the second half of 1940. This money will go in large part to private contractors, who will in turn pay for labor and buy materials.

Then, to top it off, the Federal Government is going to pay out another billion for its operating expenses, for its debt service, and for the other less well defined of its activities.

Altogether: More than $5,000,000,000 in 6 months, or, for the entire year, more than $9,600,000,000—within gunshot of $10,000,000,000 a year. Within another year, allowing for a continuance of present trends in national-defense spending, the cost of government will pass ten billions.

Most immediate importance attaches to the effect of this volume of spending upon business.

There is no single industry—not automobiles, nor steel, nor even agriculture—that pays out $5,000,000,000 in 6 months. This volume of spending is counted upon to provide a heavy cushion against further decline in business. The rising flow of dollars in the last half of the year will be expected to produce a strong support for industry by maintaining the level of consumer income.

When to that vast support is added the prospect of large-scale exports, owing to rising war demands, there is almost positive assurance of a rising business trend. This rising trend, in turn, will be expected to play a part in the outcome of the November elections.

But then the question rises concerning the source of funds to pay for the vast Government expenditures.

Part will come from taxes; part from borrowing. The part that comes from taxes is larger than the President had figured. In the calendar year tax receipts will be about $300,000,000 more than had been counted upon. As a result there will be less pressure for new taxes in this year and less prospect that Congress will do anything about the Nation's present debt limit.

The fact is, however, that after the large outpouring of cash in the last half of this year the United States Treasury will bump against the present legal ceiling of $45,000,000,000 in debt. After the ceiling is touched, the Secretary of the Treasury will have to pay out the cash he has on hand and then stop writing checks unless he is willing to draw on his currency-issuing powers or unless Congress fixes a new debt limit.

RAISING THE DEBT LIMIT

The settled view of the best-informed Government officials is that the debt limit will have to be raised far above $45,000,000,000 if it is to take care of the future borrowing needs of this Government. The reason is that almost no informed official expects that Congress either will be ready to check spending in the period ahead—particularly if war continues—or that Congress will be willing to vote taxes high enough to provide tax revenue of $10,000,000,000 a year. Present taxes might yield that amount if the national income could be raised to $100,000,000,000 a year from the present $70,000,000,000.

Millions of voters, nearly one-third of them, now have a stake in Government spending. Those voters—as a general proposition—favor economy. Individually, however, the voters want to retain the check or the contract or the trade that flows directly to them from the Treasury of the United States.

Year by year, as a consequence, the trend of expenditures is upward. In election years, that trend is accelerated. Where the cash expenditure plateau had been about $8,000,000,000 in 1936, it is nearly $10,000,000,000 a year in 1940. Nobody is willing to chance a guess as to where it will be by 1944.

One point stands out.

Present increases in spending center in national defense. Businessmen who have objected to spending on relief and housing and public works do not object, publicly, to spending for armament.

The First World War

EXTENSION OF REMARKS

OF

HON. THOMAS C. HENNINGS, JR.

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

EDITORIAL FROM THE ST. LOUIS POST-DISPATCH

Mr. HENNINGS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the St. Louis Post-Dispatch of March 31, 1940.

[From the St. Louis Post-Dispatch of March 31, 1940]

THE FIRST WORLD WAR

In any classroom quiz, a question as to the origin and date of the first World War would be promptly and confidently answered. The shot at Sarajevo would rip the languor of a peaceful June morning, and August 1914 would again be shaking to the tread of marching armies.

Historians tell it differently. They say the first World War was fought 2,300 years ago. They fix the date at 432 B. C. And, instead of a dramatic assassination, they agree that the unjust tariff levied on Megara by Athens was a true cause, though only one of many inciting conditions. Perhaps that old world had become to small for Athens and Sparta, for democracy and monarchical regimentation, to exist in neighborly relations.

And the analogist may wonder whether Europe is large enough to accommodate the rival ideologies gripped in a struggle for survival—democracy as embodied in France and England, regimentation as vociferated by nazi-ism.

They clashed—democratic Athens, like Great Britain, the maritime power, and rule-ridden Sparta, like Germany, the land empire. And voices prohpetic were predicting disaster and ultimate ruin as the inescapable end.

Whether Europe is to go the way of that ancient Greek civilization may still be debatable, though the learned consensus entertains little doubt that the present war, if prosecuted to a decisive finish, will leave all the belligerents, victor and vanquished, prostrate, impoverished—socially, politically, industrially destroyed. The Cassandras always have the privilege of the floor, but without rejecting or accepting their messages of despair, it may be ventured that Europe is following a path parallel in many respects to that of suicidal Greece.

Just as Europe is now having its second World War, so were there two Peloponnesian wars. As Europe had its Versailles Treaty, so Athens and Sparta had their Peace of Nicas. That earlier truce was of briefer duration than our modern armistice. The first Peloponnesian War, begun in 432, ended in 421. Three years later, in 418, they were at it again, and down to destruction they swept, through all the excesses of tyranny and terrorism, through plunder, confiscation, execution, starvation, with epidemics drenching the land with death.

Was Cleon the Hitler of that far-off day, whose ferocity, seemingly, might have made "to rise and mutiny" the musing hosts of marble that still glorified the memory of Pericles?

There were philosophers then, even as the Woodrow Wilsons and Briands of our own time, who were visioning a fairer world. Plato and Protagoras could still dream. There were practical men of affairs—Hippodamus might fancifully, in our twentieth century, have been the German industrialist Rathenau, done to death by Berlin thugs. Somewhere beyond a beckoning peace was preparing a lovely city where rich and poor, man and woman, Athenian and Spartan would dwell in the equality of brotherhood.

The second Peloponnesian War ended in 404 B. C. It ended not in the wonder city of material abundance and spiritual joy. It ended "in Plato's Laws, as one little hard-living asylum of the righteous on a remote Cretan hilltop. Even in that form it was not fulfilled." The great hope had died.

Perhaps Aristophanes was prophet as well as poet, and perhaps Macaulay was, too. In the Greek playwright's comedy, The Knights, the tyrant is not mentioned by name until the last word of the last line when Cleon is deposed and borne off "to pursue his true vocation of selling cat's meat at the city gates and exchanging billingsgate with the fish sellers and prostitutes." In the conceivable historical repetition of today, the scene, in movie imagination, might be dimly backgrounded by that New Zealander of gloomy forecast painting the ruins of London Bridge.

Flood Protection in the Greater Endicott Area

EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

EDITORIALS FROM THE ENDICOTT (N. Y.) DAILY BULLETIN

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my remarks, I include the following editorials from the Endicott Bulletin, Endicott, N. Y., for April 2, 3, and 4, 1940:

[From the Endicott (N. Y.) Daily Bulletin of April 2, 1940]

MORAL OF THE 1940 FLOOD IS "ACT"

Moral of the 1940 flood in the Greater Endicott area is the same as the moral of the 1936 deluge: "Act! Do something about dredging out the Susquehanna from Binghamton on down to Endicott and below here and build retaining walls to keep the river where it belongs."

While there was no loss of life in the Greater Endicott area, there have been hundreds of dollars of property damage. Just how much no one knows, but, when the water finally recedes and those who have been forced to leave their homes get in again, it is a safe guess that they will find considerable damage in their basements, foundations, and in some cases higher up in their dwellings.

Since the 1936 flood there has been talk, talk, and more talk about preventing a duplication of this disaster, and the only reason that damage was not much greater this year than 4 years ago is that the river did not rise as high.

In short, if the flood had been as bad as the one in 1936, resulting damage would have been the same or worse.

We discussed the need of action to combat the flood danger in an editorial Monday; we're discussing it again tonight; and we're going to keep on pointing out the need for action until something concrete is done to get the Army engineers, or whoever is responsible, into action to do something about the Susquehanna from Binghamton on down to Endwell, Vestal, Endicott, and below here until we all learn once and for all whether the Federal Government is going to act or not.

As soon as the present floodwaters recede there will be a tendency to gradually forget what happened in 1940 until another year rolls around when we are flooded again with the same devastating results.

This should not be allowed to happen, and we believe it will not be permitted to occur, considering the present feelings of residents in Greater Endicott who have been affected by the flood.

There has been a great deal of unselfish work done by disaster committees in Endwell, Vestal, and Endicott, and residents of the area should take off their hats to those who toiled day and night to move belongings of residents whose homes were flooded.

The community was not caught napping; that is certain. Had the flood been worse than it was (we hope we can talk about it in the past tense), they would have been right on the job, preventing loss of life and providing a real humanitarian service to their fellow men.

Let's not forget the flood of 1940. It should serve as a constant reminder that Greater Endicott is vulnerable to high water and that something must be done to protect the area before another flood descends upon us.

[From the Endicott Daily Bulletin of April 3, 1940]

HALL BACKS FLOOD PROTECTION FOR GREATER ENDICOTT

Congressman EDWIN A. HALL is a man of quick action as a telegram we received from him late yesterday afternoon indicates.

Wired the Congressman representing Greater Endicott at Washington:

"Have read your impressive editorial on the flood situation in Endicott and want you to know that I will take the appeal for adequate flood control on the floor of the House Wednesday [today]."

Congressman HALL referred to our editorial of Monday, April 1, in which we suggested that citizens of Endwell, Vestal, and Endicott should petition Congressman HALL and Senators WAGNER and MEAD for definite action on flood-protection measures for the Greater Endicott area.

As the Monday Daily Bulletin arrived in Washington only yesterday, Congressman HALL certainly lost no time in taking action on the suggestion in our editorial, and, for the sake of those who had their homes flooded the past week and for the protection of residents from future floods, we hope that he is successful in initiating action in regard to dredging the Susequehanna River from Binghamton on down here as well as erecting retaining walls along the river where needed.

We urge local residents to support Congressman HALL in his appeal for adequate flood control, and the best evidence that the Greater Endicott area is with him is to have letters directed to him supporting the project.

Flood prevention is like fire protection in many respects. The village of Endicott spends thousands of dollars each year for fire protection in the form of a paid fire department, yet this personnel and equipment is not put into use too often.

In fact the fire-loss record in Endicott is exceptionally low, which is a tribute to our fire department.

It is becoming increasingly evident that the Greater Endicott area is going to be subjected to floods each year that there is an unusual accumulation of snow in the watershed or when there are excessive rains in the spring.

Since this flood protection appears to fall in the province of the Federal Government, we certainly need action on this—not 4 years hence when we have another flood but this year while the subject is still fresh on our minds.

The danger exists that future floods may grow in intensity and, if nothing is done to protect the Greater Endicott area, we may suffer a real disaster with high damage and loss of life as well.

Congratulations to Congressman HALL. He's on his toes. Let's hope that he gets some reaction at Washington.

Send him a letter indicating you're with him. Do it now.

[From the Endicott Daily Bulletin of April 4, 1940]

GREATER ENDICOTT SEEKS FLOOD PROTECTION

First step toward obtaining flood protection for the Greater Endicott area was taken last night at a meeting at the greater chamber of commerce office, attended by representatives from Endicott, Endwell, Vestal, and Westover.

We are definitely in favor of the formation of such a central committee, representative of these four communities, that can go to bat for flood protection at Washington with the aid of Congressman EDWIN A. HALL.

We suggested editorially 2 weeks ago that such a committee could carry on the campaign most effectively, and, needless to say, we are pleased that such a group has been formed. Efforts by each community individually might cause confusion, while unified action should definitely bring results.

We received a letter from a Daily Bulletin reader several days ago who suggested that we keep on hand the page and a half of flood pictures that we published earlier in the month so that we can publish them periodically to remind local residents that unless protection is provided greater Endicott lowlands will be flooded again.

The point made is well taken. Too often meetings are held to act on such a proposition, but, after the meeting the idea is forgotten, and nothing happens.

Formation of a central committee should avoid this pitfall, and we are confident that the group representing the four communities will follow the subject at hand until action is taken.

In any event, as we suggested last week, we are going to keep calling to the attention of Greater Endicott residents the need for flood protection until the Federal Government takes action.

The Greater Endicott commission should be a great help to Congressman HALL in his campaign for aid to this area, and, jointly, we are confident that the needed protection can be secured.

This Question of Relief

EXTENSION OF REMARKS

OF

HON. CHARLES A. PLUMLEY

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

ADDRESS BY HON. W. ARTHUR SIMPSON

Mr. PLUMLEY. Mr. Speaker, under permission granted me to extend my remarks in the RECORD, I wish to insert a speech delivered at the Vermont School of Agriculture, Randolph Center, Vt., by Hon. W. Arthur Simpson, chairman, Old Age Assistance Commission of Vermont, and a nationally recognized authority on questions in this field.

Relief and near relief inaugurated on a vast Federal scale in 1933 as an emergency has become a permanent institution in America. The cost of these colossal programs constitute a grave menace to the financial stability of the Nation and to the continuation of democracy. Unquestionably, we have achieved certain desirable social goals in our more humane methods through which society has met its obligation to care for our citizens who are in need. From the standpoint of a more equitable division of financial responsibility the partnership of the Federal, State, and local Governments in the public-assistance programs of the Social Security Act constitutes a progressive accomplishment. The insurance policies of the act are also an attempt on the part of the Government to erect barriers against some of the hazards and vicissitudes of life. It has yet to be determined that the business and industry of the Nation can support the heavy tax burden to continue these insurance programs on the scale and scope now contemplated. It is a well-known fact that old-age and survivors' insurance is not yet financed on a sound actuarial basis and that increased taxes will be necessary. The reserves, now being established for the benefit of the workers of America, offer a most ingenious method of temporarily meeting part of the cost of governmental extravagance and has inherent possibilities for great financial disaster.

The fact that we have achieved certain important and desirable social goals should be a challenge to keep our programs workable and sound instead of stimulating increased demands for greater governmental services. Visionary Utopian schemes are still being advocated in many States and in Congress. An extension of insurance benefits is being proposed while the present program is still in the experimental stage.

Those who administer public-assistance programs may be pardoned for expressing concern over the future of those who are genuinely in need. We can be actuated by the most humanitarian motives and recognize our responsibility, but we can go so far as to destroy our national credit and in the end the condition of those most needy and deserving and of those whom we most desire to help is worse than when we started because in a bankrupt government, or under dictatorship, human life becomes of very little account, and the poor, the dependent, and the underprivileged suffer first and suffer most.

There is currently being expended in the United States about $275,000,000 each month for relief and work relief. There are in round numbers 1,600,000 persons who are recipients of general relief. One million nine hundred thousand individuals receive old-age assistance. Seven hundred and fifty thousand children receive aid under the policy of aid to dependent children. Two hundred and ninety thousand young men are recipients of help through enlistment in the Civilian Conservation Corps. Seven hundred thousand young men and young women are receiving aid through the National Youth Administration. Sixty-five thousand farmers are receiving subsistence payments from the Farm Security Administration. Seventy thousand individuals are beneficiaries of the blind-aid program. Nearly 2,000,000 persons are on W. P. A. and work projects of other Federal agencies, and 450,000 more are employed on Federal work-construction projects. About

8,000,000 persons are therefore the direct beneficiaries of these programs. With their families, they probably constitute nearly one-quarter of the entire population of the country.

We are taxed for these expenditures by direct levies or what is more deplorable, public borrowing, which must be paid by new taxes. Not all of these payments are included under the social-security categories, but they constitute a social and economic problem with which society must cope.

Business, industry, agriculture, and the whole of the Nation have a tremendous stake in meeting these problems objectively. Otherwise, the financial stability of government will be wrecked and the social fabric of the Nation destroyed. These problems must enlist the active interest and action of the people of America. We realize that we cannot measure present-day problems by predepression standards, but the fundamental principles of existence and growth through private enterprise still hold good. Industry is, and always must be, the economic fountain and lifeblood of the community and the Nation. Industry is not something added or injected into the life of the people. To be successful, it must operate in harmony with the hopes, the aspirations, and the ideals of the people it serves, but the people themselves have the greatest stake in its success and the uttermost responsibility for its survival and well-being.

This country was built up by the constant establishment of new business and the expansion of old business. In every city and every village throughout the country men were constantly starting out on their own initiative to improve on the enterprises of others or develop a new product. They put a few men to work. If successful, they expanded to employ ten or a hundred or thousands. If unsuccessful, they passed from the picture without need of Government subsidy. New methods of production were found and small industries expanded into large industries. Men were willing to spend their time and their money in order that they might provide more completely for themselves and their families in their old age, in order that they might rise above the average standard of living and enjoy a little more luxury or a little more power. In the last 6 years this process has come to an end.

America was largely a self-sustaining country for over 200 years. A majority of its cititzens lived off the land or in relatively small, self-sustaining communities supplying their own needs. The Nation had tremendous room for expansion. Life was not easy, sacrifice and hard work were essential to existence, but opportunity was virtually unlimited. Less than 100 years ago our great industrial developments were in their infancy. With approximately every 20 years new and specialized great industries came into operation in the Nation. The employment of persons in industry was progressively increased in an expanding ratio for two generations.

For many years in this country we went on the theory that any man who wanted a job could get it, and if he worked hard he could support himself without the help of the Government. Private initiative and enterprise and our policy of encouraging industry and thrift resulted in the American system under which a reasonable economic prosperity was more nearly universal than in any other country in the world. Our living was more expensive and more enjoyable than any developed elsewhere at any time in human history. It required 300 years of sacrifice, hard work, careful planning, and prudent saving to build this Nation into the high position it occupied among the nations of the world.

The depression which began in 1929 brought home to everyone that even America was no Utopia, that many people could not secure work, that many hard workers were unable to provide for their old age, and that savings had been wiped out or exhausted and earnings from investments had been greatly reduced. The uncertainties of jobs, wages, and of returns from efforts put into farming and other producing occupations have been ever-increasing factors in the great social problem of the Nation.

In our most prosperous year, 1929, there were gainfully employed 36,000,000 workers. A decade later we had gainfully employed only 33,000,000 workers, in spite of the fact that about 10,000,000 new workers had grown up and become available in the Nation. It has been asserted that our production in 1939 was equal to the 1929 level.

Our greatest and most profound social problem lies in the fact that the young men and women of America who are coming into active citizenship during the next decade are children of the depression. The new voters of 1940 have passed nearly all their formative years in the shadow of the great national emergency. Their lives, their thoughts, and their outlook on life have been profoundly affected by the unsound and the unstable way of living during this period. What will be their attitude toward a generation that has saddled them with a debt which they can never pay and one that they had no voice in creating? Shall we more and more abandon our system of private initiative, industry, and thrift, continually clamor for governmental subsidy, forming more self-seeking groups, until we sink the ship of state by a burden of debt, and embark on the inevitable course of inflation and repudiation. Certainly the youth of tomorrow will owe little allegiance to a political system which has failed to solve these great problems.

It is not the cost of relief which alone menaces the future of the Nation, it is the increasing burden of near relief in the form of subsidies to every minority group strong enough to maintain a lobby or exert political pressure in Washington. We have been teaching all classes of our population to come to Government for subsidies and hand-outs. Many of them may be justified in an emergency, but not as a continuous function of Government. We cannot even maintain humanitarian measures through a policy of taxation and borrowing which will completely bog down our industrial machine. A continued Federal deficit not only menaces those in need of aid, but the future of salaries, Government bonds, bank savings, and life insurance.

We have developed a fantastic and dangerous type of financial morality when it is asserted that there is no danger in a huge public debt because we owe it to ourselves. We are about to raise the statutory debt limit in this country from $45,000,0000,000 to $50,000,000,000 with every indication that as soon as the new limit is reached it will have to be lifted again. Any sound-thinking man or woman knows we have wandered far from the dictates of common honesty and common sense when we try to fool ourselves into thinking we can spend ourselves rich. It is just as futile as for a man to think he can drink himself sober.

Americans like to talk about common sense in Government, but few, at present time, are very much interested in logical schemes of Government if they require individual or community sacrifice. Adherents of both political parties profess interest and support of principles of economy, and then rush to write or telegraph their Representatives in Congress the minute it is proposed to curtail the expenditures for their pet projects or policies.

In this great country of ours, with a growing and dispersed population, proven principles of sound government require that people be encouraged to undertake and assume more of its responsibilities and duties. The fact that a certain school of thought in control of our Government has succeeded in centralizing more and more authority in the Nation's Capital indicates that we have departed from the fundamental principles upon which this Republic was established and developed. We pay dearly for bureaucracy. The practical, the inexpensive, and the efficient have no place in the lexicon of the bureaucrat. He thrives and prospers on public spending. Domination by a centralized autocracy creeps in on us, slowly breaking down our morale, deadening our faculties, and bribing our intelligence. It has been the predominating factor in the steady erosion of the American fiber of unlimited self-responsibility.

The new weakness of democracy is in the unheeded growth of one thing—debt. Under the American system no political party has been able to impose a serious increase in general taxation and hope to remain in office after the next election. It is easier for any party in power to borrow money than to raise taxes. Consequently we are busily mortgaging the future ambitions, abilities, and thrift of the younger generation and generations yet unborn. The very existence of every institution and privilege attained under our democratic system of government is imperiled by this situation. National despair under the immense load of debt has brought about the tremendous changes in the governments of the Old World and endangered civilization. The Republic is threatened not by the public enemy but by the public debt.

The ease with which public servants surrender to political expediency appears to be intensified in an election year. The steadily increasing army of independent voters in this country will soon, however, establish its great political power. The success of fusion and coalition tickets in the field of good government will eventually make themselves felt in the field of national politics. The apathy with which the American voter has viewed the coming elections is predicated on the fact that the Nation is sick of partisan politics and the realization that party platforms are no longer a covenant with the people.

America needs to do some serious thinking, for we can no longer live in an imaginary financial paradise where you can borrow money and not have to raise taxes. The Nation needs a leader not to promise more things to more people, but one to catch the vision and sell the people on careful spending, prudent saving, hard work, cooperation, and sacrifice, all of which are essential to the safety and preservation of the United States of America.

The Trade-Agreements Program

EXTENSION OF REMARKS

OF

HON. ROBERT L. DOUGHTON

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

STATEMENTS BY THE PRESIDENT AND THE SECRETARY OF STATE

Mr. DOUGHTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statements of the President and the Secretary of State:

STATEMENT MADE BY THE PRESIDENT AFTER SIGNING THE JOINT RESOLUTION PASSED BY THE CONGRESS FOR THE PURPOSE OF EXTENDING THE AUTHORITY OF THE PRESIDENT UNDER SECTION 350 OF THE TARIFF ACT OF 1930, AS AMENDED

The action of the Congress in continuing the operation of the trade-agreements program is expressive of the determination on the part of our people to retain unimpaired for the next 3 years this

powerful instrument for promoting our national economic well-being and for strengthening the foundations of stable peace.

I was very glad that, in the course of extended hearings and exhaustive debate, the Congress subjected to a most thorough examination the objectives and the underlying principles of the program, the results of its operation over nearly 6 years, and the procedures used to achieve these results. The facts brought out by that searching scrutiny should leave no room for doubt in the mind of any fair-minded person that the trade-agreements program has brought demonstrable benefits to our Nation as a whole and to every interest directly concerned, and has not inflicted injury on any group of producers.

What was particularly striking was that, in the absence of any proof of actual injury, much of the opposition seemed to be based on unwarranted fears as to what might happen in the future. There is nothing more destructive of public welfare than the conjuring up of groundless fears for the sole purpose of discrediting a constructive policy which is invulnerable to attack on any legitimate basis.

The record of the trade-agreements program is in large measure the result of the procedure which has been employed. It cannot be too strongly emphasized that the formulation and negotiation of the agreements, down to the smallest details, involves the cooperative effort of the Secretaries of State, Agriculture, Commerce, and the Treasury and of responsible officials of their respective Departments, as well as of the United States Tariff Commission and, as occasion warrants, of other appropriate agencies of the Government. Each of these agencies contributes its specialized knowledge and judgment to the work. For example, all questions relating to agriculture are passed upon by the Department of Agriculture. Hearings before the Committee for Reciprocity Information afford an opportunity for all interested parties to present their views, which are given the most careful consideration.

Under this procedure all recommendations made to me with regard to trade agreements represent the collective judgment of all agencies of the Government concerned with any phase of the matter, based upon most painstaking study of all pertinent information. I have never known an example of more effective collaboration among the various divisions of the Government and between the Government and the general public for the good of the entire Nation.

Needless to say, this procedure which has worked so well in the past should be continued in the future.

STATEMENT BY THE SECRETARY OF STATE

The passage through Congress of the act continuing the trade-agreements program in force for the next 3 years will afford profound satisfaction to all those who have been observing and appraising the operation of the program from the standpoint of our best national interest. They know that the three high objectives of the trade-agreements policy and of the principles which underlie it are: (1) To promote the fullest practicable development of both our domestic and foreign markets, thereby achieving increased production and employment; (2) to help in creating a solid foundation for any stable peace structure to follow the war; and (3) to safeguard free enterprise in this country against ever-expanding regimentation which would be the inescapable result of extreme foreign-trade controls of the kind that would be rendered necessary by a reversion to the Hawley-Smoot embargo doctrine.

The progress toward attaining these objectives, made in the last 6 years under conditions of unprecedented difficulty, has brought marked benefits alike to our agriculture, our industry, and our labor—without injury to anyone. The policy embodied in the 22 trade agreements already negotiated is an assurance that in the future operation of the program the interests of all sections of the country—West and East, South and North—and of all groups of the population will be as vigorously promoted and as scrupulously safeguarded as heretofore.

This country and all other countries interested in the three great objectives of the trade-agreements program are giving increased support to the program and to the principles which underlie it. These principles must prevail in economic relations among nations at the end of present hostilities if our Nation and other nations are to have stable peace and satisfactory economic progress.

Bureaucratic Law and the Census

EXTENSION OF REMARKS

OF

HON. DANIEL A. REED

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 16, 1940

RADIO ADDRESS BY HON. DANIEL A. REED OF NEW YORK

Mr. REED of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address which I made over the Blue Network of the National Broadcasting Co. from Radio City, New York, on March 27, 1940:

Ladies and gentlemen of the radio audience, I wish to discuss with you for a few minutes the 1940 census as it relates to you and your liberties.

On January 24 I addressed the House of Representatives, pointing out to the Members of that body that the income questions in this census are without authority of law.

Furthermore, I questioned the propriety of asking the questions prepared and propounded by Secretary Harry Hopkins under the Census of Housing Act. These proposed questions were such a flagrant violation of private rights that I introduced a bill to repeal the particular part of the census which seeks to pry into every nook and corner of your household from the bathtub and toilet facilities to the monthly payments on your mortgage. The Census Committee of the House of Representatives refused to hold public hearings on my bill. We attempted to strike from the appropriation bill the millions of dollars required to carry on this snooping program. We were outvoted by the Democratic Party—and the taxpayers will bear the burden, as well as the annoyance of this inquisition. Unless the Congress acts with decision and dispatch, you will be confronted with obnoxious questions never heretofore asked by your Government under penalty of fine or imprisonment, or both, for a refusal to answer.

I invite your attention to a resolution introduced in the Senate by Hon. CHARLES W. TOBEY to strike the income questions from the population schedule. The Senate has refused to consider this resolution up to the present moment.

I respectfully call your attention to the Census Act of 1929, which provides that this census "shall be restricted to inquiries relating to population, to agriculture, to irrigation, to drainage, to distribution, to unemployment, and to mines."

It is perfectly obvious that the Congress provided with meticulous care that the census powers granted to the Secretary of Commerce delegated no more power than was specifically set forth in the act. Instead, Congress restricted the extent of the inquiries which he might pursue.

I am amazed at the effrontery of the Commerce Department when it contends that under the 1929 Census Act it has the power to make any and every inquiry into the personal status of an individual. The Department further contends that income is akin to population. We can all think of many other questions that are akin to population, but common decency shrinks at the thought of pursuing inquiries to such a point.

Remember that the census of 10 years ago was taken under the authority of this very same act, and the suggestions then made to do this sort of thing were refused. Sociologists, mail-order houses, and other pressure groups urged that these same prying, snooping questions be included in the census of 1930, but the Republican administration, then in power, refused to permit these invasions into the privacy of the citizen.

I say to you—and the records of the Census Committee support my assertion—that it was not the intention of Congress that the citizens of this country should be subjected to any such inquisition.

I would remind you that when the Census Act of 1929 was passed there was no doubt whatever in the minds of the people that they could rely upon the Supreme Court of the United States to forbid any attempted abuses of delegated power. Public confidence in the Court was justified in the early days of the New Deal, when the N. R. A. was held unconstitutional because of an illegal delegation of power, as in the "hot oil" case. You may also recall the case of *Jones* v. *Securities and Exchange Commission*, where it was held that the procedure amounted to an unconstitutional search and seizure.

The situation has changed now, and particularly since the Court-packing bill. Perhaps much of the uneasiness in the minds of the people was caused by the unlawful seizure and publication of private correspondence by former Senator Hugo Black and the issuance of Executive orders by President Roosevelt making public the information gathered by the Government on a confidential basis.

The time has come for free men and women to awaken to the grandeur of their inheritance—and the threats to it. It is not an inheritance of servitude, but one of liberty—a free government under which every citizen is a sovereign ruler in his own right; a republic, not a democracy, "a Government of the people, by the people, for the people," within constitutional limitations. We are the legatees of liberties bequeathed to us in trust to use, coupled, however, with a duty to transmit these liberties to our posterity as a priceless and unimpaired heritage.

These liberties are now threatened. The Census Act of 1929 and the Census of Housing Act of 1939 have been distorted into two companion snooping measures. They are typical examples of bureaucratic usurpation of power. If these attempted invasions of personal privacy are suffered to pass without a determined public protest, the logical consequences of such indifference will be to lend encouragement to further and more drastic regimentation by bureaucratic edict. I maintain that Secretary of Commerce Harry Hopkins, acting contrary to the letter and spirit of the law, has tortured and twisted the 1929 Census Act into a despotic inquisition.

In the Bureau of Census Instructions to Enumerators, the enumerators are advised that "you have the right of admission to all dwellings (including institutions) within your territory for the

purpose of obtaining information required by the Bureau of the Census * * *.

While there are penalties provided for refusal to answer questions within the purview of the statute, under no possible construction of the Census Act of 1929 is there the "right of admission" to your house, occupied by you as your home.

A serious question arises as to the integrity and validity of the results of the census when we note that instruction No. 20 of the Census Bureau's Instructions to Enumerators says:

"You have a right not only to an answer but to a truthful answer.

"Do not accept any statement you believe to be false. Where you know the answer is incorrect, enter upon the schedule the correct answer as nearly as you can ascertain it."

Quite clearly under this instruction the census enumerator is advised to set himself up as the judge of the truth and veracity of the citizen's statements, and if he, the enumerator, "believes" any answer to be false or incorrect, he, the enumerator, is himself to supply the answer.

The obvious result of a census taken under these conditions and instructions will not be the information given by the citizens, necessarily, but information culled out of the answers given by the citizen, which the enumerators may believe to be correct, together with such other information as the enumerators may see fit to supply on their own responsibility.

Just how far shall we permit the arbitrary and dictatorial bureaucrats to drive us down the path toward totalitarian despotism? Why should a petty Government employee, paid for his services by the taxpayers, acting as a mere tool of his political party or of some pressure group, invade the liberties of the citizen and heap such indignity upon free men and women?

The questions, even aside from income and mortgages, are such as to pry into the most intimate family secrets. There are inquiries relating to marriage, divorce, and the age of women that would furnish the local gossipmongers bases for stories of children born out of wedlock, incidents long forgotten and lived down, which, for the good of all, should not be resurrected. For example, I quote:

"Has this woman been married more than once?

"Age at first marriage?

"Number of children ever born?"

No good purpose can be served by these insolent and prying questions; on the contrary, it is obvious much harm can be done to the reputation of many law-abiding loyal citizens. This Government should not become a scandalmonger. Yet the Secretary of Commerce, Harry Hopkins, proposes to put the power of his office to such an un-American and dictatorial use.

We hear much these days from high official sources about the sanctity of law and the duty of citizens to obey the law. Of course, it is conceded by all good citizens that they—and this includes all upright officials and all bureaucrats as well—should respect and obey the law; but must a citizen be compelled to bow down in abject submission to departmental decrees or rulings contrary to law?

If it is to be regarded as the duty of the citizens to submit to such bureaucratic decrees, then it is time for us to remember "that where law ends tyranny begins."

If we accept the principle that a bureaucrat who has never submitted himself to the approval or disapproval of the voters can by edict prescribe these questions which the citizen must answer in the census, and if the bureaucrat can take advantage of penalties provided for refusal or neglect to answer proper questions, then we have taken another long step down the road toward dictatorship.

If a bureaucrat can compel answers to questions, such as these under discussion, under penalty of punishment for failure to do so, he or some other bureaucrat can later compel citizens to reveal what secret orders they belong to; the secret work of fraternal orders, such as the Masons, or the Knights of Pythias, or the Elks, or the Knights of Columbus, or the Holy Name Society, or the Friendly Sons of St. Patrick, or the Ancient Order of Hibernians, or any other organization—fraternal, social, or business.

It has happened abroad, and every American citizen can well profit by the experience of those unhappy peoples who failed to protest in time against the invasion of their fundamental rights.

The record shows that in the last 7 years regulations have been established in ever-increasing number, imposing restraints on citizens in matters in which their acts were formerly free of bureaucratic domination. The individual citizen, under these decrees, Executive orders, and departmental regulations, has been forced to submit to regimentation or face severe penalties, and often ruin, for the violation of them.

If the citizens shall submit to these bureaucratic encroachments upon their fundamental rights without protest, then step by step, here as in foreign dictatorial nations, decrees and edicts of men will displace government by law. When this happens, then it can truly be said that this is not a "people's government, made for the people, made by the people, and answerable to the people." But you know and I know that Americans have not lost those qualities which for 150 years have given splendor, vigor, and grandeur to the principle of self-government.

You, whose sturdy forebears gave us self-government, have not become incapable of self-government.

In conclusion, what are your remedies? Our form of government provides recourse for the injured citizen by the right of petition to Congress, or by action in the courts, and, lastly, by the sovereign power of the ballot.

The choice is yours.

Accomplishments of the Work Projects Administration in Wyoming

EXTENSION OF REMARKS

OF

HON. H. H. SCHWARTZ

OF WYOMING

IN THE SENATE OF THE UNITED STATES

Wednesday, April 17 (legislative day of Monday, April 8), 1940

REPORT BY THE WORK PROJECTS ADMINISTRATION

Mr. SCHWARTZ. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an official summary of the work performed by the Federal Works Agency, Work Projects Administration, in Wyoming, cumulative through December 31, 1939.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

REPORT OF ACCOMPLISHMENT ON PROJECTS OF THE DIVISION OF OPERATIONS, WORK PROJECTS ADMINISTRATION, FEDERAL WORKS AGENCY IN THE STATE OF WYOMING, CUMULATIVE THROUGH DEC. 31, 1939

SEC. 1.—*Highways, roads, streets, and related items*

Item	Unit of measurement	Number or amount
Highways, roads, and streets, total	Miles	3,228.54
Rural roads, total	Miles	2,985.44
Paved, total	Miles	6.59
New construction	Miles	6.50
Reconstruction or improvement	Miles	.09
Unpaved	Miles	2,978.85
Urban streets and alleys, total	Miles	212.32
Paved, total	Miles	31.94
New construction	Miles	31.09
Reconstruction or improvement	Miles	.85
Unpaved	Miles	180.38
Other roads (in parks, etc.), total	Miles	30.78
Paved, total	Miles	.15
New construction	Miles	.15
Unpaved	Miles	30.63

Item	Unit of measurement	Number or amount	
		New construction	Reconstruction or improvement
Bridges and viaducts, total	Number	787	265
Do	Length in feet	21,751	9,137
Wood bridges and viaducts	Number	772	253
Do	Length in feet	20,788	7,970
Steel bridges and viaducts	Number	9	7
Do	Length in feet	619	1,167
Masonry bridges and viaducts	Number	6	
Do	Length in feet	344	
Culverts	Number	2,739	83
Do	Length in feet	68,610	1,814
Roadside drainage, total	Miles of ditch and pipe.	13.45	8.00
Roadside drainage ditch	Miles	12.69	8.00
Roadside drainage pipe	Miles	.76	
Sidewalks and paths, total	Miles	18.89	.57
Paved	Miles	17.46	.02
Unpaved	Miles	1.43	.55
Curbs	Miles	29.91	
Gutters	Miles	.72	
Guardrails and guardwalls	Miles	2.27	.06
Road and street lighting	Number of light standards.	82	12
Do	Miles of road equipped.	.90	1
Traffic signs erected	Number	105	
Roadside landscaping	Miles of road		7.66
Removal of car and railroad track	Miles of single-line track removed.		2.86

SEC. 2.—*Public buildings, excluding utility plants and buildings at airports*

Item	New construction	Reconstruction or improvement	Additions
	Number	*Number*	*Number*
Public buildings, total	158	232	15
Educational buildings, total	17	80	1
Libraries	1		
Schools	[1] 16	80	1
Recreational buildings, total	39	18	5
Gymnasiums	2	1	1
Recreational buildings N. E. C.	37	17	4
Offices and administrative buildings	4	12	
Hospitals		1	[2] 1
Penal institutions	1	1	
Fire houses		1	
Garages	10	3	2
Storage buildings	11	6	
Armories		4	3
Public buildings, N. E. C.	76	106	3
Number of buildings demolished		8	

[1] Of this number, 1 is a scientific building erected on the campus of the University of Wyoming, while an additional 5 are log buildings used as temporary classrooms at the Geological Summer Camp of the University of Wyoming.
[2] Works Progress Administration constructed the basement only.

SEC. 3.—*Outdoor recreational facilities*

Item	Unit of measurement	Number or amount	
		New construction	Reconstruction or improvement
Stadiums, grandstands, and bleachers	Number	15	10
Do	Seating capacity	13,029	17,770
Fairgrounds and rodeo grounds	Number	1	5
Do	Area in acres	6	234
Parks	Number	5	23
Do	Area in acres	28.6	1,188
Playgrounds, total	Number	8	30
School playgrounds	Number	7	30
Other playgrounds	Number	1	
Athletic fields	Number	8	7
Do	Area in acres	82	34
Handball courts	Number	2	
Horseshoe courts	Number	23	
Tennis courts	Number	33	2
Swimming pools	Number	12	
Do	Surface area in square feet.	109,150	
Wading pools	Number	6	
Do	Surface area in square feet.	6,606	
Ice-skating areas	Number	8	1
Do	Surface area in square feet.	168,878	23,400
Bandshells	Number	1	1
Golf courses	Number	3	4
Do	Number of holes	27	45
Do	Area in acres	280	409

SEC. 4.—*Public utilities and sanitation*

Item	Unit of measurement	Number or amount	
		New construction	Reconstruction or improvement
Utility plants, total	Number	11	5
Electric power plants	Number	4	2
Do	Capacity in kilowatts.	[1] 25.5	305
Pumping stations	Number	6	3
Do	Capacity in thousands of gallons per day.	1,740	892
Sewage-treatment plants	Number	1	
Do	Capacity in thousands of gallons per day.	125	
Water mains, aqueducts, and distribution lines.	Miles	54.37	15.83
Water consumer connections	Number	856	255
Water wells	Number	32	
Storage tanks, standpipes, cisterns, and reservoirs.	Number	30	3
Do	Capacity in thousands of gallons.	2,076	2,940

[1] Small light plants installed at fish hatcheries, summer camps, etc., account for small kilowatt capacity.

SEC. 4.—*Public utilities and sanitation*—Continued

Item	Unit of measurement	Number or amount	
		New construction	Reconstruction or improvement
Reservoirs impounded by dams (storage dams).	Number	35	5
Do	Capacity in acre-feet.	111,217	99,732
Storm and sanitary sewers	Miles	33.91	1.08
Sewerage service connections	Number	772	
Manholes and catch basins	Number	747	82
Sanitary privies	Number	5,380	5
Abandoned mine sealing	Number of openings sealed.		
Mosquito control	Acres drained	12	
Do	Miles of ditch and pipe.	0.05	
Do	Gallons of spray used.		
Telephone and telegraph lines	Miles	47.83	
Electric power lines	Miles	5.42	
Flood-lighting athletic fields, parking lots, etc.	Number lighted	1	
Do	Acres lighted	3	

SEC. 5.—*Flood and erosion control—Irrigation—Conservation*

Item	Unit of measurement	Number or amount		
		New construction	Reconstruction or improvement	Additions
Fish hatcheries	Number	3		[1] 24
Do	Annual capacity in thousands of fingerlings.	8,750		1,157
Reforestation	Acres		150	
Do	Thousands of trees planted.		10	
Rodent extermination [2]	Thousands killed.	9		
Jetties and breakwaters	Linear feet	300		
Retaining walls and revetments	Linear feet	26,709	2,361	
Riprap	Square yards of surface.	285,467		
River bank and shore improvement	Miles		14.60	
Streambed improvement	Miles		5.77	
Conservation, flood, and erosion control dams.	Number	4		
Irrigation system	Acres	147	640	
Do	Miles of ditch, canal, pipe, or flume.	7.57	0.56	

[1] Consist mainly of rearing ponds located at selected sites, not, in all cases, immediately adjacent to hatchery.
[2] Predatory animals.

SEC. 6.—*Airports and airways*

Item	Unit of measurement	Number or amount		
		New construction	Reconstruction or improvement	Surfacing
Landing areas, total	Number	2	3	
Commercial airports	Number		2	
Do	Area in acres		716	
Intermediate (Civil Aeronautics Authority) landing areas.	Number	1		
Do	Area in acres	621		
Landing areas, N. E. C. (emergency, etc.).	Number	1	1	
Do	Area in acres	181	40	
Landing fields	Number	3	2	
Do	Area in acres	666	203	
Runways, total	Length in feet	9,900		12,200
Paved runways	Length in feet	3,500		12,200
Unpaved runways	Length in feet	6,400		
Airport buildings, total	Number		3	
Administrative and terminal buildings.	Number		2	
Airport buildings, N. E. C.	Number		1	
Boundary lights	Number of light standards.	130		
Airway markers	Number	269	16	
Airway beacons	Number		1	

SEC. 8.—*Miscellaneous items*

Item	Unit of measurement	Number or amount		
		New construction	Reconstruction or improvement	Additions
Cemeteries	Number		4	1
Do	Area in acres		108.5	52
Landscaping and beautification, N. E. C.	Acres		282.26	
Ornamental pools and fountains	Number	2		
Monuments and historic markers	Number	157		
Drainage, N. E. C.	Acres	1,422	2,540	
Do	Miles of ditch	4.38	6.06	
Do	Miles of pipe	1.11	0.32	
Fencing	Miles	218.90	43.51	
Tunnels, N. E. C., total	Number	2		
Do	Length in feet	745		
Artificial channels, N. E. C.	Miles	0.19		

Foreign Policy

EXTENSION OF REMARKS
OF
HON. HENRY CABOT LODGE, JR.
OF MASSACHUSETTS
IN THE SENATE OF THE UNITED STATES
Wednesday, April 17 (legislative day of Monday, April 8), 1940

ARTICLE BY JOSEPH A. CONRY

Mr. LODGE. Mr. President, I have had called to my attention for insertion in the RECORD an illuminating letter to the editor of the Springfield Republican written by Mr. Joseph A. Conry, formerly a Member of the House of Representatives from Boston, who was also for 25 years Russian consul in Boston. While this letter is not one which expresses my views completely, it is so interesting that I ask unanimous consent that it be printed in the Appendix of the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the Springfield (Mass.) Republican of April 16, 1940]

FOREIGN POLICY—NOT OUR PART TO INTERFERE WITH THE "PLAY OR PROFIT" OF THE CHRONIC WARRIORS

To the EDITOR OF THE REPUBLICAN:

Through the editorial page of the New York Times comes an academic challenge to the Republican Party, and particularly Thomas Dewey, to tell where they stand on the question of American foreign policy. In 1916 President Wilson was reelected on the slogan "He kept us out of war." Yet there was a decided fatalistic tendency at that time that we must enter the war to "make the world safe for democracy." Today American feeling is decidedly opposite. Without recalling the sordid actions of our Allies in repudiating their debts as reasons for our belief, it is safe to say that 90 percent of our people are determined that America should keep out of the war, while it is equally true that the same percentage of our sympathy is with the Allies, not because of affection but based on aversion for Hitlerism.

It is well to recall that war is the normal condition of Europe. The continent is overpopulated and underfed. Once more we are reminded of the conditions confronting Abraham and Lot on leaving Egypt. Each possessed great wealth, with vast herds of cattle and servants. When their servants began to quarrel, Abraham, a conservative, said to Lot, "Let us avoid quarrels; you go to the left and I will go right." So, we are told in Genesis, Lot entered into the lovely lands bordering the Jordan while Abraham went into the land approaching Canaan. Thus war was temporarily avoided, but only for a short time. A dozen years later Lot was taken prisoner by some neighboring tribes, being subsequently released through the military support of Abraham.

From that time, during the whole history of Europe and Asia, war has been the constant occupation of a large and important body of its people. The aristocracy provided the gaudily uniformed officers and the well-paid contractors, with their constantly increasing multitudes of retainers. War was their occupation, their glory, their whole life. If they persist in continuing the barbarous system, why should we interfere with their play or profit? We did have a curious idea 20 years ago that a demand for peace existed in Europe. History shows we were in error.

Whether or not foreign policy may be made a party issue is open to question. Our wisest men said that party politics ended at the water's edge. At the opening of the present war Congress enacted the neutrality bill which seems to express American opinion. The Johnson Act, forbidding loans to nations defaulted in their indebtedness to us, is almost unanimously approved. Both pieces of legislation were passed to prevent us becoming involved in war through our pocketbook. The Monroe Doctrine has been asserted and approved, not scrapped.

We are unfortunate in our neighbors in Mexico, where our citizens entered into business under the belief that their property would be protected. When the Mexican Government expropriated the property of American citizens, it was generally hoped payment, prompt and adequate, would be made for the property taken. Now Mexico refuses arbitration of the matter. Are we going to war to collect these debts? If so, we shall have several wars on our hands. Soviet Russia confiscated American property and refuses to pay. The cost of a war would be greatly in excess of the total debts owed us.

Why do we go on loaning money to foreign countries in order to enable them to carry on war? We have just loaned $40,000,000 to China, ostensibly to buy American goods, agricultural implements, etc. Yet that help gives China $40,000,000 with which to buy war materials and carry on a war. We ought to know that war has been the sport of rulers in Asia from the days of Genghis Khan down to the hours of Joseph Stalin.

Why should we become involved in such communistic controversies? Are they going to stop just to please America or to pay what they owe to America? The writer has no authority to speak for Mr. Dewey and less to make any suggestions to him either in his personal or party candidacy for the Presidency. One observation is ventured; namely, that Mr. Dewey will advise keeping out of war and guarding carefully against every temptation either of sentiment or squalid propaganda having for its purpose allying ourselves with men who prefer the brutality of war to the glory of peace.

Paul spoke with real eloquence to the Galatians when he said, "For the whole law is fulfilled in one word, Thou shalt love thy neighbor as thyself. But if ye bite and devour one another, take heed that ye be not consumed one by the other."

JOSEPH A. CONRY.

BOSTON, *April 13, 1940.*

Involvement in War

EXTENSION OF REMARKS
OF
HON. PAT McCARRAN
OF NEVADA
IN THE SENATE OF THE UNITED STATES
Wednesday, April 17 (legislative day of Monday, April 8), 1940

EDITORIAL FROM THE NEW ULM (MINN.) DAILY JOURNAL

Mr. McCARRAN. Mr. President, I ask unanimous consent to have inserted in the RECORD an editorial from the New Ulm (Minn.) Daily Journal of recent date, which, to my mind, is exceedingly cogent on the subject which it covers, namely, how we go to war.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New Ulm (Minn.) Daily Journal]

HOW WE GO TO WAR

Many people seem to think our getting into the last World War was the result of a sudden uprising of the people and their statesmen and a broad leap and jump into the war. Nothing is further from the truth.

The American people walked into the last war step by step just as we are walking into this one. We are following the same war pattern this time as though it is a fever.

Back in 1914 we started out by being neutral, but we were not neutral very long. Soon we began to ship supplies to the Allies. Then we loaned them money. Eventually we were sending over men and we were in the war with full force.

The greatest factor in getting us into the war was not the international bankers, although they played an important part. It was not the English propagandists, although they contributed mightily to the final result. It was not Woodrow Wilson and his group of internationalists down in Washington. They merely led and hastened the final decision.

America went into the World War when the people were convinced a German victory imperiled the peace of the world, and when they felt certain that a German victory was a danger to the American people. Of course, the international bankers down in Wall Street, the internationalists in Washington, the English propagandists all united in creating the conviction which resulted in the decision to go to war.

They did this over a period of nearly 3 years and led the people step by step. Even at the time war was declared in 1917 they softened the decision for us. We were told then that America

would not be expected to furnish men. We would send food products and loan the Allies money. Then Woodrow Wilson made his "force to the utmost" speech pledging all the forces of America to a vigorous prosecution of the war. Conscription followed and soon we were sending over billions of dollars and four millions of men.

We are treading today the same path to war and we are being drawn to the vortex of war step by step. First we started on the road by frankly trying to play the war game by methods which were "stronger than words but short of war." Next we repealed the arms embargo and began to sell to the Allies. This tied us up with an allied victory. Now comes the campaign to repeal the Johnson Act to loan money to the Allies. This is followed by speakers who become bolder and franker in their appeals that the United States get into the war "in defense of their fellow democracies." Our diplomats are playing a more unneutral game than they ever played up to 1917. We are doing everything possible to help the Allies win short of going to war.

Soon the propaganda will start flowing. Speakers now tell us the democracies of Europe are in a death struggle with the dictatorships. England and France are fighting our fight they claim. If the Allies lose, America will face great consequences we are told. Hitler will take over England and France, seize the English Navy, move in on South America and then force America to spend ten or fifteen billions on a bigger Army and Navy in self-defense. A victory by Hitler will cut off our foreign markets, they claim, and upset our economy. Then this country will be forced to fight the dictators alone whereas now they could do it with less cost in men and money.

Of course, this presupposes two things. First that this is a war for democracies; and secondly, that we can save democracy by fighting a war. The struggle in Europe today is a fight for raw products, supplies, and commercial trade. Democracy, unfortunately, has little to do with it one way or another. The chance to save democracy in Europe passed when the Weimar Republic in Germany was strangled to death. France and England did little to save that.

No matter who wins over in Europe in this war, they are going to be so exhausted that they will have great difficulty in saving themselves, to say nothing of sending men 3,000 miles to fight a war over on this side. By the time they are able to dig out and reorganize their countries on a peace basis most of the present leaders will be dead or out of office.

The last war taught us that we can destroy democracy by war but we cannot save it by war. The two great enemies of democracy are war and debt, and war increases the debt and impoverishes the people to a point where they cannot afford the luxury of self-government. Then comes the man on horseback to force people to work long hours for little pay to pay the cost of war.

If the United States cannot save itself and democracy by staying out of this war in Europe it is not likely that democracy can be saved anywhere in this world.

One thing is certain. If we go into a long, expensive European war, we may be able to knock Hitler from his throne in Germany, but we will see dictatorships arise in England, France, and perhaps even in this country following such a war. We and the Allied countries then will have such a heavy debt structure that only a military dictator with full powers to regiment the people will ever be able to keep this country functioning.

An Adequate National Defense

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

ADDRESS BY COL. FRANK KNOX

Mr. VAN ZANDT. Mr. Speaker, on Saturday, April 13, 1940, the National Association Legions of Honor composed of World War veterans, members of the Shrine, had as their guest speaker at their convention in Cleveland, Ohio, Col. Frank Knox, of Chicago, Ill. His address on the subject of an adequate national defense evoked much commendation, and it is herewith submitted for the information of the Members of the House of Representatives.

It is impossible to exaggerate the gravity of the world situation at the present time. Certainly not in the last 500 years has civilization, as we know it and live it, been so threatened. The struggle now in progress is not merely a renewed attempt at conquest of the weak by the strong, although that is a part of it. It is not solely a fresh attempt to change or correct the balance of power in Europe, although that, too, is not absent. It is not primarily a contest over control of trade routes and the possession of colonies, although this frequent cause of war has played its part. Fundamentally it is a clash between two irreconcilable systems of living and governing, which apparently cannot exist in the same world peaceably. This is what makes this a different kind of war than most wars that history deals with. And this is why it will be fought to a conclusion without compromise. It is as impossible to end the war in Europe by negotiation as it was to end our War between the States—and for the same reason. The world, now so closely knit together, cannot continue to be half slave and half free. It will either become all slave or all free. This can only mean a long war, a war of fearful costs and fearful suffering, a war of exhaustion, leaving in its wake economic bankruptcy for the victors and indescribable chaos for the vanquished.

And while more than 90 percent of our people sympathize with the democratic powers in their fight against the dictator nations and hope for their success, there is in the present situation little upon which to build confidence in allied victory. Thus far the advantage has all been to the dictator. Austria, Czechoslovakia, Poland, and now Denmark have fallen successively to German might. Finland has yielded to Russia's legions. Japan has overrun North China. The dictators have done all the scoring. In Europe, Germany still maintains supremacy in the air and has a greater capacity for the production of airplanes than Britain and France combined. The allied blockade has been thus far only partially effective, and German engineers are swiftly reorganizing Russia's methods of production and transport as an aid to Germany's economic resistance. It is fair to say that no sure prediction of the outcome can be made with safety today. It is actually giving the Allies the best of it to say that, on the basis of operations to date, they have a 50–50 chance of winning.

It is when we here in America contemplate the possibility of a totalitarian victory that alarm blazes up over our state of preparedness against such a contingency. A very simple statement suffices to illuminate the reasons for our fears. Suppose Germany conquers Britain and France, could we contemplate German control of British and French possessions in the Caribbean area, commanding approach to the Panama Canal? Merely to state the question is to deny it.

We cannot shut our eyes to the brutal fact that we live, at the present time, in a world where force, and force alone, reigns and where safety is only found in a sufficient state of defense to veto aggression at our expense. This is why I come to you tonight to talk about our Nation's defenses in a war-mad and war-torn world.

But before we can intelligently discuss a satisfactory defense policy, we must define in general outline what our policies with respect of other nations are. We have long lacked a realistic definition of just what we want to promote in international relations, but it seems to me that one is slowly emerging under the stress of world-wide conflict—both military and ideological.

Nearly a hundred years ago we enunciated the doctrine which bears the name of President Monroe. We have successfully enforced acceptance of this policy by the rest of the world. Since its promulgation no overseas power has acquired territory or political dominance in the Western Hemisphere. The Monroe Doctrine then constitutes a specific plank in our foreign policy. As we shall see later its enforcement has very real implications for those who seek an adequate national defense.

As a matter of national policy we covet no additional possessions anywhere. We have no aspirations for territory beyond our present boundaries. This definite attitude on territorial expansion also affects our defense program since it means that our military policy is one of true defense, since it is nonaggressive with respect of other nations. We will never fight an aggressive war. We will act on the offensive only when that serves as our best defense against aggression initiated by others.

These two features of an American foreign policy may be regarded as well established. There is yet another policy which may be said to be now in process of incubation. It has the support of an unquestioned majority of our people, regardless of party lines, but can hardly be regarded yet as an acknowledged part of our foreign policy. This is the policy of reciprocity in trade relations. It contemplates the lowering of trade barriers, and the promotion, progressively and aggressively, of international exchange of goods and services. We steadily tend toward acceptance of this doctrine because, as a people, we are peace-minded, and we believe international trade promotes peaceful relations. Also since we have become a creditor nation we have been compelled to reorient our attitude toward tariffs and trade outside our own borders. Pursuit of this policy also has a direct bearing on national defense. Now I am frankly indulging in a forecast of future foreign policy which I believe is by way of speedily becoming a part of our international attitude and, as such, will play an important part in determining the character of our defense policy. The most casual observer can see that the world is torn in conflict between two types of government, and two schools of economy. Broadly speaking, one kind of government is totalitarian and autocratic, and the opposing sort is individual and democratic. One school of economy is that of state socialism and the other is that of the full enterprise system.

In this struggle there cannot be a vestige of doubt as to where both our interests and our sympathies lie. In our thinking and in our personal attitudes, we are overwhelmingly on the side of those who fight for freedom from dictatorship, and for the preservation of free enterprise. There is already in evidence, in official quarters in the United States, a disposition to aline this country, in its relations with others, with those who may be said to be devoted to the promotion of four freedoms. Freedom of speech. Freedom of the press. Freedom of religious belief. Freedom from fear.

You may say these are generalities, more applicable to domestic than to foreign policies. But don't overlook the fact that the world is at war, basically, upon the question of the destruction

or the perpetuation of these principles which underlie all human liberty. If that is true, then, incontestably, these four freedoms are involved deeply in the relations between nations. We will instinctively cooperate with those who fight for them and as instinctively oppose those who would destroy them. In the not distant future an American spokesman, to the applause of the whole American people, will enunciate a doctrine expressive of our views on these fundamentals, and thereafter there will remain no doubt as to where we stand as between human slavery and human freedom, wherever the issue is drawn.

Here we have, then, the outlines of an American foreign policy: (a) The Monroe Doctrine; (b) no conquest of other countries by force of arms; (c) promotion of reciprocity between nations in trade relations; (d) cooperation with those who defend human freedoms and opposition for those who would destroy them. Around such a definition of American foreign policy let us turn to the particulars of a defense program that would effectually implement it.

In any realistic appraisal of the future security of the United States two factors must be given first consideration: The insular geographic position of this country, and the swift development of modern sea and air power. Beyond all others these two things must have weight in planning our national defense. Reduced to its simplest terms, this means that we must take full advantage of our wide separation by intervening oceans from any possible enemy or combination of enemies, and provide against successful attack by sea or air. Any land attack upon us is impossible so long as mastery of sea or air routes to our shores remains in our hands. This fundamental of effective security, obviously, puts the emphasis of a system of national defense first upon a high-seas fleet that can by its fire power, its strength of armor, and its speed meet and destroy any enemy; and, second, the creation and maintenance of an air force that will intercept and destroy air raiders whether launched from transoceanic bases or from the decks of enemy carriers. This rationalization of our defense plans excludes the need of creating a huge army for the purposes of protection.

After our experience in the last World War it is simply unthinkable that we will ever again send overseas a great expeditionary force of armed men. Consequently, all grandiose plans for a whole nation making war, with millions of soldiers in the field and other millions engaged in production of arms and supplies for these great armies, can be dismissed as unnecessary for our defense. A program for an adequate Army against any aggression aimed at our peace and security would envisage a regular professional army of not more than 300,000 officers and men and a National Guard of raising 400,000 officers and men, both of which are provided for in our present National Defense Act.

Clear definition of our directives in providing national security can be summarized thus:

1. Taking maximum advantage of our insular position.

2. The swift construction of a high-seas fleet big enough and powerful enough to bar approach to our shores by any enemy or combination of enemies.

3. The creation of a reasonable air force made up of the latest and best models of all classes of aircraft; but of even greater importance than this, the expansion of the aircraft industry to enable it to turn out ships of the very latest models in large numbers when danger threatens.

4. The expansion of the Regular Army and the National Guard to the full quota for each under the present law, and the swift equipment of both regulars and guardsmen with modern fighting and mechanized matériel.

This constitutes a program of national defense that will keep us safe from attack, that will not involve expenditures that will cripple our efforts to reduce taxes and encourage a return of prosperity, and it does not invite any disruption in domestic production or the complete regimentation of the lives of our people.

I have given priority in my outline for a national-defense program to the immense advantage which we enjoy because of our insular position. England, many years ago, achieved security from attack by her enemies by building sea power sufficiently strong to prevent possible invasion. It was only after the invention of the airplane that this insular security of Great Britain was impaired. England, however, was separated from possible enemies in Europe only by the English Channel, easily spanned in force by air power. We, on the contrary, enjoy a security on both sides that wide oceans alone can give. The only attack by airplanes of sufficient significance to be considered must come from planes launched from the deck of naval airplane carriers. This means that an enemy attacking us from either Europe or Asia could not deliver an attack of serious dimensions unless he at first established control of the sea. Sea power then must be our principal bulwark for security. With a high seas fleet strong enough to meet and defeat any possible enemy, an attack upon us will be so unpromising as to be scarcely attempted.

Of course, we must supplement the high seas fleet with an adequate air force as an auxiliary to the fleet and for the protection of our coasts against possible air raids. With these two arms of our defense—a Navy and an air force—ready for any emergency, we can count ourselves safe, without the necessity of a huge standing Army. Under such circumstances as I have just described, our land force could be, with safety, confined to a small Regular Establishment of professional soldiers of the size authorized in the present National Defense Act, supplemented with a National Guard at its authorized strength of 420,000 officers and men. If these two components of the land forces are supplied with modern, mechanized equipment and organized for high mobility as well as great fire power, we shall have supplied all of our needs so far as land armed forces are concerned.

There are vital details about all of these proposals which must not be overlooked. First, we cannot regard our insular position as giving us security unless we recognize, as a unit for common defense, the entire western world—the Western Hemisphere as a whole. It would be futile and fatal to content ourselves with preventing the approach of a potential enemy to the actual shores of the United States, and leave him free to establish bases in Canada, Mexico, and Central or South America. Under modern conditions of warfare, the existence of nearby bases for the maintenance in a state of fighting efficiency of warships, including submarines and airplanes, is absolutely vital. This consideration compels us, whether we wish to do so or not, to include in our plans for defense the entire region of North and South America. This means a close collaboration in a military way with all of the independent nations that make up the Western Hemisphere. With substantially all of them we already have a military alliance for the purposes of common defense.

Another physical feature which has a tremendous bearing upon the efficiency of our high-seas fleet is the Panama Canal and its continuous uninterrupted operation. The existence of this Canal, which cuts through the narrow waist of the Western Hemisphere, literally makes possible the functioning of one grand fleet of overwhelming power, no matter from whence danger may come, instead of two fleets in widely separated oceans. It is the accepted strategy of the American Navy to customarily station that fleet at San Diego on the California coast. From that point the fleet may move toward the point of danger, whether it comes from the West or from the East, and arrive before the enemy. If it comes from the East, the fleet can cross the Isthmus through the Canal and meet it in full strength before the enemy is half way across the Atlantic. If it comes from the West, the fleet can steam from San Diego to Hawaii and arrive there long before the enemy can reach that outpost of American naval power. It will be seen, therefore, how vital the Canal is to our safety. Its continuous operation is of such critical character that we cannot afford to leave anything to chance.

The Canal, hemmed in on either side by an impenetrable jungle, is immune from any serious attack by land forces. Its coast defenses are so powerful and have so long a range that an attack on the Canal by a surface navy is out of the question. The sole danger to the continuous operation of the Canal will come from the air. To achieve complete safety from air attack at the Canal we need air bases many miles distant from the Canal approaches. On the Atlantic side we are establishing such bases on islands in the Caribbean. We lack similar measures of safety on the Pacific side, and we should waste no time in acquiring possession, peacefully, from Ecuador and Costa Rica of the Galapagos and Cocos Islands, from which both airplanes and submarines may operate against any enemy approaching the Canal from that direction. We have already taken every precaution on the Canal itself that military skill can devise. These additional safeguards should be provided without delay.

We already have a magnificent fleet, the equal of any in the world. We are now adding to it additional units which, when completed, will give us the greatest fleet on the high seas. Such preeminence in sea power must be maintained in the future if we are to keep the western world secure.

Let us turn now to the question of air protection. For us air power is second only to sea power as a means of safety from attack. If the types of fighting planes had been stabilized to the degree which is true of surface ships, we could proceed with our present productive capacity to turn out an air fleet in sufficient numbers to maintain air supremacy over any possible enemy that might attack us in the air, but it is not as simple as that. Aeronautics is a new science and the methods of war in the air are constantly changing.

We could readily turn out thousands of ships of an accepted model today, only to find when attack came, the whole fleet was helpless before a much smaller number of superior ships. It seems to me that a wise program of air defense would provide for a moderate number of war planes of the various types of the very latest present models, and the prompt establishment and expansion of research laboratories and experimental flying fields which would constantly add to our knowledge and skill in air warfare. Along with this, by every legitimate means, we should do as we are doing—encourage the manufacture and sale of airplanes to other nations to the end that our productive capacity for planes would be increased rapidly and steadily. Under these circumstances, under the threat of possible danger, our entire productive capacity in airplane manufacture could be turned to production in large numbers of the very latest models of airships. Today, we excel all other nations in the quality and efficiency of our airships. We have no reason to doubt that we could maintain this supremacy. We are rapidly developing the productive capacity to turn out ships in great numbers, and the swift growth of private aviation insures that these plants will be kept busy, even if war should cease.

The ideal then, with respect to air defense, is the maintenance of an air fleet of reasonable proportions, the constant training of pilots, and the encouragement of increased capacity for production by airplane factories. If we do this we shall be safe against any foe from the sky.

With respect to land forces, our safety requires the maintenance of large garrisons of picked troops at Hawaii in the Pacific, and at the Panama Canal. That portion of the Regular Army stationed in the United States should be concentrated in a small number of

strategic points, for two reasons: First, for training purposes to enable high-ranking officers to be trained in the command of large bodies of troops, and second, in order to provide for swift mobilization and prompt transfer to any point of danger. A very considerable portion of the Continental Army of the United States should be organized into a highly mobile army of sufficient size to cooperate fully with the Navy in its mission of protecting any portion of the entire Western Hemisphere from enemy occupation. The present system of small garrisons scattered over the entire country should be abandoned and the troops concentrated, for the reasons that I have assigned above. The Indian wars which produced this curious dispersion of the Army ended long ago, and only local politics has prevented its correction. Politics must yield to national safety.

Let me at this point destroy a popular bogeyman. In order to provide us with security against attack, it is not necessary to create a military force of great size requiring large numbers of men. Such a Navy as I have described, adequately manned, would not require a personnel—commissioned and enlisted—of more than 300,000 men, including the air forces of the Navy. A Regular Army of 300,000 men would also include the officers and men, of an adequate Army air force. Thus, there would be withdrawn permanently from productive activities the meager total of only 600,000 men, out of something like 50,000,000 wage earners. About 1 percent of our manpower. The National Guard, of 420,000 men, are not properly soldiers at all. They are patriotic civilians who devote their leisure time to training as soldiers. They are only withdrawn from active civilian life when war actually threatens. There is then, no possible reason for the assumption of a need of vast armies comprising millions of men, in the field, and other millions of men and women engaged in providing the munitions and the supplies for the soldiers. Even less necessary would be the proposed arrangement for a complete regimentation of business and people in a time of emergency. The business of protecting our country against military attack from abroad need not conjure up visions of an entire Nation under arms. We can be safe without it. Providence has given us the means to keep our enemies at arm's length. If we will exercise common prudence and common sense, and never be deluded by pacifist clamor into weakening our sea power, or emasculating our air force, or failing to provide our small, professional Army with the very latest and best equipment to be had, we can always be safe and we can live our own lives, under our own pattern, practicing those freedoms for which our scheme of Government was devised, and maintaining the integrity of our institutions in the face of any powerful enemy that may challenge us.

I give you a United States devoted to peace, not covetous of any other Nation's possessions, enjoying the liberties God meant man to enjoy, but withal, strong enough, in a world where might rules, to make our rights respected.

Costs of Registration and Issuance of Securities of Smaller Corporations

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

LETTER FROM JEROME N. FRANK, CHAIRMAN OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

SECURITIES AND EXCHANGE COMMISSION,
Washington, April 10, 1940.

The Honorable JOHN W. McCORMACK,
House of Representatives.

DEAR CONGRESSMAN McCORMACK: Your recent letter to me raises the familiar question as to whether the Securities and Exchange Commission has been a deterrent to the financing of small business. On behalf of the Commission, and with its approval, I shall discuss at some length, as follows, the problem you raise, because it is one to which the Commission has given a considerable amount of attention not only recently but practically since its inception. You state:

"There is also a strong feeling existing among businessmen, particularly among that group known as the 'small-business man,' complying with the regulations and rules that the expense of such compliance has been a deterrent. I feel that if this situation exists it should be remedied in order that money could be quickly invested in productive enterprise, thereby increasing opportunities for employment."

The Commission has been aware that such an impression exists among certain groups of the business community. While the Commission is convinced on the basis of its studies, some results of which will be summarized immediately, that registration under the Securities Act of 1933 is at most only a very minor factor in the high cost of flotation of small issues of securities, it has taken whatever steps are possible to reduce that part of those costs over which it has influence to the lowest level compatible with the basic aims of the Securities Act. A description of the measures taken by the Commission to reduce the expense and inconvenience to small enterprises in registering new securities may be found on pages 32 to 34 of our fifth annual report, copy of which is attached as exhibit I.

The details of that study need not be repeated here. But it should be emphasized that various exemptions from registration have been provided with respect to issues below $100,000 in amount. Furthermore, for the larger issues of small-business enterprises (for which a full registration statement must be filed under the terms of the Securities Act) special concessions have been worked out. All these measures have reduced the amount of information required from small-business enterprises wishing to register securities and were specifically designed to reduce the cost of registration.

The Commission, however, has gone further and has created a special unit within its Registration Division to aid prospective registrants and to advise them and their representatives on any problems which may arise in connection with their registration statements. The services of this unit are, of course, utilized mainly by smaller registrants. The Commission is convinced that the work of this unit has not only reduced the actual expenses of the registrants of small issues of securities, but also has considerably shortened the time required for the preparation of their registration statements and for the examination of such statements after filing.

The high cost of flotation of small issues (over and above the cost of registration) has always been a major point of concern to the Commission. Our statistics show that among registered issues with expected proceeds of less than $1,000,000, such costs of flotation are estimated by the issuers to amount to around 20 percent of proceeds for common stocks, about 16 percent for preferred stocks, and around 7 percent for bonds. These averages have fluctuated but little since 1936, when such statistics were first compiled. A set of statistical releases, attached as exhibit II, will give you further details.

The significant fact, however, which is often overlooked in discussions of this problem lies in the preponderance of the compensation paid to underwriters and other distributors of securities among total costs of flotation. Our figures indicate that between 80 and 90 percent of the total costs of flotation of stock issues of less than $1,000,000 and about 70 percent for bond issues of similar size have consisted of the compensation to security distributors.

A considerable part of the remaining expenses, of course, is in no way connected with registration under the Securities Act of 1933; listing fees, revenue stamps, State qualification fees, and the fees of transfer agents and trustees, for instance, must be paid whether or not an issue is registered. Other expenses, particularly legal and accounting fees and the expenses of printing, are attributable only in part to registration. It thus seems obvious that only a small part of the total high cost of flotation of small issues can be traced to the requirement of registration under the Securities Act.

It is, of course, difficult to estimate precisely the additional cost of selling small issues which may be due to registration under the Securities Act; but it is clearly demonstrable that that extra cost is not in excess of about 1 percent of gross proceeds, not a large item compared to the high level of other costs of flotation of small issues. There is some reason to believe that the extra cost is nearer one-half of 1 percent.

In our desire to determine as closely as possible the reasons for high cost of flotation of small issues, we have recently had our Research and Statistics Section make a comparison between the costs of flotation of small issues in the years 1935–38, when the Securities Act was in effect, and in the years 1925–29. We have not yet made the results of this study available to the public but are preparing to do so at the present time. Our statisticians have found that the total cost of flotation of bond issues of less than $1,000,000 averaged about 7 percent of gross proceeds for both periods, but that it rose for preferred-stock issues from about 8 percent to nearly 15 percent. It is, however, mainly the expenses other than compensation to underwriters and distributors which interest us here. These other expenses rose only from 1.2 to 2 percent for bonds and from 0.8 to 1.8 percent for preferred stocks. Thus the average increase is less than 1 percent of total proceeds, and only part of that increase is attributable to registration under the Securities Act. We were unable to collect sufficient material on small issues of common stock to form precise estimates, but there is no reason to assume that the increase in expenses which may be caused by registration under the Securities Act is larger than in the case of small issues of preferred stocks and bonds.

We have additional evidence, however, that it is not the alleged cost and delay of registration under the Securities Act of 1933 which are mainly responsible for the relatively low level of flotation of small equity issues. This evidence is provided by the fate of the issues of unseasoned and mostly small registrants filing on forms A–1 and A–O–1, which we have been studying since the Securities Act went into effect. We have now analyzed nearly 700 returns covering issues of this type and believe that the results are representative of this category of securities. We find that over one-third

of the registrants have not sold within a year any of the securities included in the registration statements. In other words, over 200 of these small issues—all fully registered and ready for market—could not find a single buyer. The remaining registrants actually sold within a year not much over one-third of the amount registered. You will find a somewhat fuller discussion of this subject in an earlier study covering nearly 600 cases which was presented in pages 34 to 37 of the attached report on selected statistics on securities and on exchange markets made last year to the Commission by its Research and Statistics Section. The fact that less than one-quarter of the proposed amount offered of these issues (which, you will remember, had been effectively registered) actually was purchased by investors, would seem to indicate that the obstacles standing in the way of the successful flotation of issues of small and particularly of unseasoned enterprises are to be found in places other than the requirements of the Securities Act.

In reviewing the statistical and factual material which comes before it, the Commission has been particularly impressed by the fact that the flotation of small issues appears to have been a costly procedure at all times, and that the very great majority of those costs consists of the commissions and fees paid to underwriters and agents distributing these issues. The origin of the high cost of flotation of small issues thus obviously lies in the investment banking machinery itself. That machinery is geared mainly to the handling of larger issues. The minimum of expenses, be it ever so small, involved in the investigation and preparation of every individual issue and the difficulty of acquainting prospective purchasers with the security offering of a company which may not be known to the investing public, combined, force the security distributor to charge a commission on small issues which is very high in proportion to the proceeds. This emphasis on the high cost of investment bankers' services in distributing small issues should not be taken as a criticism of the investment bankers, but merely as a statement of conditions which have prevailed for a great many years, and which, unfortunately, are often lost sight of, when the obstacles to the flotation of small issues are discussed.

As a result of looking at the problem from the point of view of the security distributor, the small issuer, and the regulatory agency, we have come to the conclusion that the remedy for the high cost of flotation of small issues cannot lie, or certainly cannot consist predominantly, in a reduction of investment bankers' fees to anything like the level now prevailing on larger issues. Nor can it consist in practically doing away with the safeguards set up by the Securities Act. If we want to reduce the cost of flotation of small issues significantly, and, what may be more important, if we want to create a fairly large and reliable market for such issues, we shall have to construct new machinery expressly designed to meet the needs of small-business enterprises for long-term capital, particularly in equity form. This may be done by private initiative alone.

Perhaps the aid of the Federal Government may be necessary, at least in the beginning. Mr. Justice Douglas, when he was chairman, and I, subsequently, have suggested some form of regional capital-credit banks or finance companies which might supply funds to successful small businesses having a justifiable need for further capital. Such proposals contemplate that the Government would give some aid in financing such regional banks or finance companies, which, in turn, would aid in supplying capital to deserving and prosperous small-business enterprises. I have, however, been much concerned to safeguard any such plan so that it will not lead to the Government owning the voting stock of, or otherwise controlling, American corporations or businesses. Such a result, as I said in my testimony before the House Appropriations Committee on December 14, 1939, should surely be avoided. I then suggested that the Government might aid such regional banks or finance companies by buying their nonvoting preferred stocks, having a low dividend rate, while their common stocks would be purchased by private persons who would thus own, control, and operate the regional banks or finance companies. I think that any plan which did not insure against Government operation or domination of such institutions would be unwise. I do feel strongly, however, that there are many small businesses which have a justifiable need for capital, but which, because of the limitations of our existing financial mechanism, are unable to obtain it.

It may be that a certain form of investment trust might perform this service to some extent. In this connection I call your attention to a portion of the testimony by Floyd B. Odlum, president of the Atlas Corporation, before the Securities and Exchange Commission in connection with its study of investment trusts:

"There is a field of finance never yet adequately served in America and which, I believe, can only be well served by large companies and with benefit both to industry as a whole and to the stockholders. I refer to the many industrial and other companies that have a sound place in the scheme of things, but have fallen on evil days because of lack of working capital, dry rot in the management or inability to carry through some temporary period. Sometimes their capital structure must be adjusted, sometimes new blood must be injected into the administrative department. Their affairs are in such shape that a short-term bank loan will not suffice or would not be justified from the bankers' standpoint. These securities, although sound, are unseasoned and should not be distributed to the general public until proven. It is no place for the stockbrokers' services and the investment banker must promptly resell what he buys. Much unnecessary loss has been caused untold investors in such companies, because in this country there have been no organized groups of capital for such situations. Such capital must be semimobile and must be backed by guiding hands ready to temporarily take hold, diagnose, and help solve corporate situation. This is a field in which the investment trusts in England engage to considerable degree, and also the English so-called finance companies. It is a field in which Atlas Corporation has interested itself. No legislation or regulation should be adopted that would cut off development of service in this field or cause companies so operating to be bound by like rules of capitalization, investment, operation, or relation to other companies as apply to companies referred to above as 'investment trusts.'"

The investment-trust measure just introduced by Senator WAGNER and Congressman LEA makes provision for just the kind of activity that Mr. Odlum mentions. I hasten to add that that bill does not contemplate that this should be the only kind of investment trust. In fact it recognizes the type of mechanism proposed by Mr. Odlum as frankly speculative and proposes to surround it with substantial safeguards.

Although this discussion of capital-credit banks and investment pools may seem to be something of a digression, I believe it bears on the point that the difficulties of flotation of securities for deserving small business enterprises lie not in burdens imposed by the registration requirements of the Securities Act but almost exclusively in the gaps in our present financial mechanism.

Sincerely yours,

JEROME N. FRANK, *Chairman.*

America Must Keep Out of War

EXTENSION OF REMARKS

OF

HON. ROY O. WOODRUFF

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1940

Mr. WOODRUFF of Michigan. Mr. Speaker, slowly but surely the propaganda pattern for luring the United States into the European war is becoming more clear. First was the secret mission of Under Secretary of State Sumner Welles to Europe; next came the performance of our Minister to Canada, James Cromwell; then followed the open assertions of responsible Canadian officials that America "must be enticed into the war as soon as possible." Following this were the outbursts by political leaders in England bitterly denouncing the United States as "Uncle Shylock," and asserting that it is our duty to bring our money and our men into the war and to help England and France fight "the battles of the United States."

The next development in this pattern followed hard on the heels of the Nazi invasion of Norway and Denmark. President Roosevelt has, through his Secretary of State, Cordell Hull, moved to establish direct diplomatic relations with Iceland under a declaration that Iceland falls within the zone of influence of the Monroe Doctrine. Concurrently with this significant move on the part of the administration, President Roosevelt, at the Pan American meeting, issued his declaration that the Americas—meaning to say the United States, principally—will "meet force with force."

Now the talk is rising in administration circles that if the Nazis attack the Netherlands the United States must get into the war on both oceans in order to protect the West Indies on the one front and the East Indies on the other.

There can be no question in the mind of any well-informed person, least of all President Roosevelt and Secretary of State Hull, as to the overwhelming desire of the American people to stay out of war. It becomes increasingly apparent, however, from the day-by-day developments, that the desires of the American people are having little influence on the plans of the administration and of the rulers of the war-torn countries. The question seems to be not whether the American people want to go to war or do not want to go to war. Instead the main consideration seems to be how quickly the administration will dare move toward taking us into war without creating too much outcry on the part of the people, who have to do the fighting and the dying and the paying.

The danger signs are unmistakable, and it is up to the American people themselves to safeguard their own security by protesting through their Representatives in the Congress so vehemently against these apparent plans to take us into

war that the administration will not dare to try to force or persuade the Congress to agree to such alterations in our neutrality status as will be sure to further involve us in these foreign conflicts.

America must be kept out of war.

The only conditions under which we should consider fighting at all should be when foreign aggressors attempt to invade the zone of the Monroe Doctrine for the purpose of building up bases from which to launch some future attack on us. In this connection, just why is the administration now taking steps which obviously will lead to including Iceland in the zone of the Monroe Doctrine? Will an attack upon this little country by Germany provide at some later date an excuse to plunge us completely into the maelstrom of the developing World War?

The people must not, they dare not, lose sight of the fact that the moment we declare an emergency due to the imminence of war this Nation will pass under a military dictatorship more arbitrary and complete than any dictatorship abroad.

The so-called industrial mobilization plan, which is in reality a national mobilization plan to mobilize every man, woman, and child in and out of industry, is designed necessarily to set aside the Constitution and all liberties and privileges embraced in the Bill of Rights, in order to meet the necessities of modern warfare. Nevertheless it is a fact that our first act in going into any so-called save democracy war is to sacrifice democracy in America. Our very first act in going to war to preserve the liberties of other people will be to give up all our own liberties.

The trends of the last 7 years are too significant and too unmistakable for us to be blind to the fact that if we turn this Nation over to the tender mercies of a military dictator, there will quickly rally around such a ruler a group of bureaucrats who will resist to the very point of bloodshed any attempt, after a war is over, to deprive them of their vast powers and perquisites.

The only safe course for America is to stay out of foreign wars; to build up a national defense adequate to protect us against all contingencies; and then to let the rest of the world understand that those who would disturb us will fare badly.

America must be kept out of war.

Statement by Col. Vincent A. Carroll

EXTENSION OF REMARKS

OF

HON. FRED C. GARTNER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

ARTICLE FROM THE PHILADELPHIA INQUIRER OF APRIL 8, 1940

Mr. GARTNER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the statement by Col. Vincent A. Carroll, Three Hundred and Fifth Cavalry, which appeared in the Philadelphia Inquirer, Monday, April 8, 1940. Colonel Carroll was a major, Field Artillery, in France during the World War; past national vice commander, American Legion; past national executive committeeman from Pennsylvania, American Legion; Special Assistant Attorney General of the United States; and is now assistant district attorney, Philadelphia County.

The article follows:

[From the Philadelphia Inquirer of April 8, 1940]

CARROLL DEFENDS DIES RAIDERS, HITS ARREST OF AGENTS AS PLAN FOR "ANOTHER SOAPBOX"

In a bristling denouncement of communistic activities, First Assistant District Attorney Vincent A. Carroll came to the defense yesterday of the raiders who were arrested for seizing records at the Communist and International Workers Order headquarters last Tuesday.

"It is apparent," he said, "that the only purpose of the arrest of public officials, because they performed their full duty, is to construct another soapbox from which to shout to the unlearned and untutored the specious plea of civil rights and make further attack on the sedition laws of this Commonwealth, which so far they have been unable to destroy."

DOGOLE TO SEE DIES

At the same time, Magistrate Jacob Dogole, who issued the warrant which made possible the raid and ultimate placing of the records with the Dies House Committee, announced he would confer with Representative MARTIN DIES (Democrat, of Texas), committee chairman, at 2:30 today in Washington.

The purpose of the conference, he said, was to "look over what was found" in the raid, which subsequently brought the order to arrest Detective Lt. Albert A. Granitz and George F. Hurley and Chester Howe, Dies committee agents, by Federal Judge George A. Welsh.

MAYOR PLEDGES AID

Both DIES and city authorities have thrown their full support behind the raiders, Mayor Lamberton and Director of Public Safety Malone, issuing a public commendation for the detective "for doing his plain duty" and promising him legal services.

"The action of the Dies committee," Carroll said, "was directed against the subversive Communist organization, which, by its agents and members, is in open defiance and contempt of the constituted agency of the American people—a committee of Congress.

ENFORCED ONLY FEEBLY

"The action was taken in accordance with existing penal statutes of the Commonwealth of Pennsylvania, which have been enforced only feebly since they were enacted. * * *

"Employing and enjoying the broad privileges which our form of government affords to all its citizens, these Communists are openly engaged in the work of destroying these privileges. They advocate intolerance, all the while demanding tolerance of themselves, to the end that we permit them to establish a revolutionary and alien form of government here in America.

ASSEMBLING FOR YEARS

"Under the guise of liberty, they have been assembling force for years to destroy liberty itself. And they have declared again and again that they will not defend the very liberty which, in the past, has permitted them unlimited freedom of action.

"It is interesting to observe that they did not lay their complaints before the United States attorney in the usual manner, but rushed into court with the arousing cry of civil liberties. Whose civil liberties are they talking about? The civil liberties of contemptuous revolutionists and their organization or those of the American citizen?

OBJECT ACCOMPLISHED

"It is also interesting to note that the United States attorney has fairly and properly refused to sign any information against the Dies agents or the police of this city.

"While their object of propaganda has been accomplished, the entire incident should provide some interesting facts for the American people when exposed by the Dies committee, including the methods of raising defense and other funds and the use of these funds.

SHOULD BE EXPOSED

"Even if this whole revolutionary movement is only a racket, as some believe it is, nevertheless it should be exposed and destroyed."

Carroll added that there was no police law setting forth where evidence should be kept as long as it was returned on the return day set in the search warrant.

Communist Party leaders had charged that the raid was illegal because it was executed on a local search-and-seizure warrant, and that a dozen filing cases of material had been taken out of the State and to Washington.

The Wheeler-Lea Bill (S. 2009)

EXTENSION OF REMARKS

OF

HON. JOSEPH J. MANSFIELD

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

Mr. MANSFIELD. Mr. Speaker, in the Appendix of the RECORD, page 1941, in the speech of the gentleman from Pennsylvania [Mr. VAN ZANDT] favoring the Wheeler-Lea bill, appears the following language:

Since mention was made of the Santa Claus activities of the Wallace-Woodring-Land combine, it is not difficult to recognize their reasons for opposing S. 2009.

Let us consider Secretary of Agriculture Wallace, who during the past year handed out more than $1,000,000,000 in Government subsidies; then Secretary of War Woodring is revealed by the records to have disbursed for rivers and harbors $723,006,637; and Admiral Land in the past 2 years expended $155,364,000.

I am not advised as to the expenditures made by Secretary Wallace and Admiral Land, but the Chief of Engineers, who made the disbursements for the War Department, reports that only $117,702,066.54 were expended for river and harbor improvement and maintenance work last year. It will be observed that the figures of the Chief of Engineers are more than $600,000,000 under the figures appearing in the speech of the gentleman from Pennsylvania.

No doubt President Roosevelt thought that Secretaries Wallace and Woodring and Admiral Land were honest men when he appointed them to their present positions. Personally, I still have confidence in their integrity.

The moneys spent by these officials on matters pertaining to transportation are of little consequence in comparison with the billions expected to be controlled by the I. C. C. under the provisions of the Wheeler-Lea bill. Can it be reasonably contended that Wallace, Woodring, and Land are subject to improper influences and that the members of the I. C. C. are above reproach?

Imports

EXTENSION OF REMARKS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 17, 1940

FIGURES FOR THE YEARS 1938 AND 1939

Mr. McGREGOR. Mr. Speaker, under leave to extend my remarks, I am including a table showing the increase of competitive imports in the year 1939 over 1938. This table is given to further show the workingman and the farmer the ever-increasing strangulation of the present reciprocal trade policy. It is indeed discouraging to note that the farmers and the workingman are forced to compete with foreign countries.

United States imports on products for calendar years 1938 and 1939

U. S. DEPARTMENT OF COMMERCE FIGURES

Import items	Unit	1938	1939
Cattle	Head	424,022	753,570
Canned beef	Pound	78,597,000	85,863,000
Mutton, fresh	Pound	43	105,000
Hides and skins (total)	Pound	181,951,000	323,446,000
Cattle hides	Pound	59,650,000	134,107,000
Sheep and lamb skins	Pound	32,649,000	63,776,000
Silver-fox fur skins	Number	16,468	133,251
Barley	Bushel	126,000	776,000
Oats	Bushel	7,183	4,293,000
Wheat (all)	Bushel	3,829,000	10,747,000
Wheat flour	Pound	14,289,000	17,279,000
Potatoes, white or Irish	Pound	45,820,000	93,859,000
Peas, canned	Pound	450,000	1,159,000
Wool, unmanufactured	Pound	104,274,000	245,970,000
Wool noils, wastes, and rags	Pound	3,803,000	18,343,000
Cheese	Pound	54,432,000	59,071,000

LIBRARY OF CONGRESS FIGURES

Import items	Unit	1938		1939	
		Quantity	Value	Quantity	Value
China and porcelainware	Dozen	3,510,492	$3,681,940	3,583,670	$3,539,774
Earthenware, crockery, and stoneware	Dozen	3,731,940	2,842,265	4,490,437	3,208,166
Glass and glass products	Pound	25,556,490	5,847,924	28,102,937	4,711,517

One Man's Opinion

EXTENSION OF REMARKS
OF
HON. NOBLE J. JOHNSON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 17, 1940

ARTICLE BY GEN. HUGH S. JOHNSON

Mr. JOHNSON of Indiana. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an article by Gen. Hugh S. Johnson which appeared in the Washington Daily News on April 12, 1940:

[From the Washington Daily News of April 12, 1940]

ONE MAN'S OPINION

(By Hugh S. Johnson)

"Never swap horses while crossing a stream." "In the case of a continued serious international situation we would have to keep F. D. R." These are typical of the sort of capsuled wisdom that passes for thinking and carries conviction to many people.

The "horse-swapping" precedent was popularized in Lincoln's second campaign, but that election did not hinge on that. It turned on the simple issue of whether or not to stop the Civil War without a complete Federal conquest. Carl Sandburg calls August 1864 the darkest month of the war. Washington itself had been threatened. The conscripive draft mess was at its malodorous worst. Many in the North were weary of the war. Lincoln himself expected defeat.

Then the tide turned. Sheridan licked Early and gutted the Shenandoah in our first example of war "frightfulness." Sherman took the same attitude before Atlanta. Grant was threatening Richmond. Fears of foreign intervention faded. The North began to favor Lincoln, who stood for victory, and not McClelland, who represented the earlier overwhelming sentiment for a negotiated peace.

The question was not "Lincoln or McClelland," or anything about a horse. It was "victory or compromise," and victory was becoming more clearly visible every day.

We began to hear again about that horse in 1916. But the question was not nearly so much of the choice between Wilson and Hughes as of a policy now called "isolationist." Mr. Wilson won by the skin of his teeth and beyond a shadow of doubt because of the slogan, "He kept us out of war."

The stream-crossing slogan is silly on its face anyway. Why shouldn't you swap horses while crossing a stream—especially if you get a better horse for stream-crossing purposes?

If Mr. Roosevelt's election is to be taken as certain if the war continues to spread and flare, it must be either because of some definite policy toward it that will be placed in issue in the election or because he has convinced the country that he would be the best war President because of skill and experience.

Mr. Roosevelt has as yet announced no definite war policy, but this much it is fair to say: Everything he has said or done is consistent with a policy of participation in this war on the side of the Allies; nothing that he has said or done is inconsistent therewith.

He can't enter the 1940 campaign without revealing some glimpse of his policy. If, as seems quite clear from the circumstances, it is outright intervention, he is going to get licked. His fourth New Deal associates are largely interventionists. Many, if not most, of Washington and New York press, editorial and columnist comment trends that way—just as it did in 1917. But also, as in 1917, a great majority of popular opinion, at least west of the Alleghenies, is the reverse of that.

Mr. Wilson fooled them in 1916, or at least disappointed them in 1917, but Mr. Roosevelt can't do it in 1940. He is too far out on an interventionist limb.

There remains what is taken for granted by many commentators—that he is best qualified to handle international war relations and our domestic problems. But where are the supporting facts? Almost all of his principal policies regarding our domestic problems are proved and ruinous failures—in agriculture, labor, and recovery. It is astonishing that a man could fail so far and so consistently and still maintain that myth.

As for foreign policy and performance, it has been one of ever-increasing involvement, of an army wholly unprepared, although full authority and funds to prepare it were given 7 years ago, of greatly impaired financial strength and of continuing failure to get our industrial defensive machinery back into gear. All this is not to mention the recent performance of our amateur playboy diplomats and the inherent weakness of a third-term President as a leader of either Congress or the country. These slogans may make sense to some, but they sound like schmuss to me.

Failure After 7 Long Years

EXTENSION OF REMARKS
OF
HON. NOAH M. MASON
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 17, 1940

EXCERPTS FROM LEADING NEWSPAPERS

Mr. MASON. Mr. Speaker, after 7 years of the New Deal it is time to take stock, time to strike a balance between the assets of the New Deal and the liabilities of the New Deal. The following is a series of short statements taken from the "Record," as printed in the editorial columns of the Nation's newspapers, as well as a few quotations from some of America's leading columnists, all of which must needs lead one to the definite conclusion—failure after 7 long years.

KANSAS CITY STAR

After 7 years of panaceas to end unemployment and to bring recovery; after all the billions of expenditure both for relief and pump priming; after all the taxation in an unsuccessful effort to finance the expenditures; after deficits, debts, labor reforms, wage and hour reforms, business restrictions and what not, we still have 9,296,000 idle workers in the country.

LOS ANGELES TIMES

Franklin D. Roosevelt entered the White House 7 years ago under his own and his party's pledge to cut national expenses 25 percent, reduce taxation, maintain sound money at any cost, solve the farm problem, deflate the unwieldy Federal bureaucracy, and generally put the Nation's house in order. * * * After 7 years industry is still largely in the dumps, unemployment maintains its 9,000,000 average, and crippled agriculture is still on crutches. Summing up 7 years of the Roosevelt administration, it may be said that he has left unsolved virtually all of the problems that he promised to solve, and created a host of new ones, particularly connected with the national finances. These are in a mess it will take a generation to clean up.

ENID (OKLA.) MORNING NEWS

After 7 years, has the New Deal solved the farm problem? That is the question that must be answered today. However much credit may be accorded Mr. Roosevelt for trying, what has he accomplished? Admitting that agriculture needed help badly when he took office, where has it come to after 7 years, and after billions of expenditure? "By their fruits ye shall know them," asserts the Good Book. By the fruits of the Roosevelt farm program, it should be known. And however good its objectives, it can only be known as a failure. It has not produced the promised fruits.

CLEVELAND PLAIN DEALER

That the President has gone too far in several directions we believe a majority of Americans will agree. His wild spending for recovery, his deficit financing year after year, his indifference to a national debt risen to an all-time high, his coddling of the radical elements of labor, his creation of a top-heavy, dangerous bureaucracy, his attempt to bring the judiciary into subservience to the Executive, his attempted purge of Democrats who did not agree with him, all these things are remembered, along with his establishment of unemployment insurance, old-age benefits, and a minimum wage and a maximum workweek.

SOUTH BEND TRIBUNE

After 7 years of the promised New Deal reform the record shows the most fantastic and fruitless Government spending in the history of this or any other country. No wonder the new dealers are hoping that the European war will divert American attention from the record of this reform administration.

CHARLESTON NEWS AND COURIER

The New Deal set out to spend the American people into prosperity. It failed. It set out to benefit the American cotton farmer. It succeeded in causing the South to lose control of the world cotton market. It meddled with the supply of cattle and of swine. The result was that a shortage ensued, the New Deal placing the blame on a severe drought in the West. The New Deal, which is the Roosevelt administration, achieved a notable record for failures. Congress had its part in these costly failures, for House and Senate approved the measures and gave the President power over the spendings.

GEORGE ROTHWELL BROWN

Franklin D. Roosevelt comes to the seventh anniversary of his inauguration as President of the United States with nearly all the hopes he raised so high in 1933 gone with the well-known wind. For 3 months from that fateful March the 4th which saw him take the oath of office on the wind-swept portico of the Capitol these hopes seemed justified. Then things began to happen. The new President gave ear to the radicals of the New Deal left wing, and they still swarm about him in the White House, and are now urging him to break a tradition which is one of the bulwarks of the Constitution he so solemnly swore to defend.

PHELPS ADAMS (NEW YORK SUN)

As new dealers prepare to celebrate the seventh anniversary of President Roosevelt's inauguration, and to cheer for a third term * * * the consumer, the farmer, the laborer, the businessman, and old John Public in general will have little occasion to participate in the festivities. They have in most cases less money, fewer opportunities, and more burdens than they had in those normal, pleasant years of 1925 and 1926 that nestled peacefully between the war hysteria of 1919 and the exploded bubble of 1929.

GEORGE VAN SLYKE (NEW YORK SUN)

Concealed under the broad and generous label of "liberals," radical groups of every color and description have built up in the last 6 years a solid front in the New Deal administration in Washington until they have come to exercise a dominant influence in the executive branch of the Government. That left-wing element has been encouraged and its operations promoted to an extent never before known in this country. In that "red" front are mild and extreme Socialists, moderate Communists, and the motley crowd of agitators who are against the American system and seek to overthrow capitalism and set up a totalitarian state. They are intrenched in every department and bureau over which Mr. Roosevelt exercises patronage control. They have been for years burrowing from within and it has been testified before the Dies committee that some extremists have been acting in unison, with perfect understanding, and in cooperation with Stalin and his Russian Government in spreading their propaganda.

SENATOR CHARLES L. M'NARY, OF OREGON

Senator CHARLES L. MCNARY, of Oregon, says that—

Because the Federal Budget is still unbalanced and 9,000,000 people are still unemployed and labor is still divided and farm income is still low and industry is stifled, the performances of the New Deal add up to "abject failure."

Greenland and Iceland, the Sentinels of the North—the Western Hemisphere

EXTENSION OF REMARKS
OF
HON. JAMES A. SHANLEY
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 17, 1940

Mr. SHANLEY. Mr. Speaker, in Norse mythology, one comes abruptly upon such expressions as "bottomless deep," "a world of mist," "choosers of the slain," all typical of the fierce character of those heroic times. Stern, unrelenting prophecies of triple winters with snow falling from the four corners of the earth, severe frosts, piercing winds, and a complete absence of any warmth in the sun—the day of doom—are rampant.

Inhabitants of Iceland knew those legends, but greater than such knowledge was real experience in encountering Nature's fury. Man's inhumanity from without and Nature's attack from within have both combined to torment this northern outpost with its Iliad of Woes. But she survived—dauntless, courageous, and inspiring.

Today, in spite of pirates, earthquakes, volcanoes, disease, famine, and social oppression, there has emerged a truly representative government with unbelievable modern attributes of democracy. Nowhere is the strength of a national conscience so strong. Socrates, beseeching mankind to bring all things to the test of conscience and not to abide by the verdict of "majorities, authorities, or custom, to judge of right and wrong not by the will or sentiment of others but by the light of which God has set in each other man's reason and conscience," might well say that these people fulfill his ideals.

A distinguished writer, Elizabeth Yates, says this about Iceland:

Still bound to Denmark by an elastic "Act of Union," Iceland has the opportunity of becoming wholly free in 1940, if it so desires.

Today, Iceland abounds in relative phrases. There are proportionately more artists and poets than in any other country of the world, and both are thought of as highly honorable and worthy of subsidy by the state. In proportion to the population, Iceland has

more bookshops and publishes more books than any other country, it is averred.

That is the key, for in Iceland the whole population counts. There are no very rich and no very poor. There are no fine schools for a privileged few and second-rate schools for others; all have the same educational opportunities. There are no mansions and no slums. And because there has never been militarism, there are no war memorials or veterans' homes.

Icelandic women were among the first in Europe to gain the franchise. * * *

Iceland's climate is rendered moderate by the Gulf Stream and its prevailing colors are the bright greens of fertility and the blues of mountain ranges. It is so far north that its period of daylight falls into sharp divisions—all light in midsummer and no light in midwinter, but even the period of darkness is illumined by frequent and splendid shows of the aurora borealis.

When the weather is good, it is wholly delightful—warm sun and crisp air. It rains often and is so quickly variable that a clear day can change to a wet one in a few minutes. Every week or so a strong, cold wind, straight from the North Pole blows across the island. There is little foliage; no trees to speak of save scattered birch thickets some 3 feet high and generously termed "forests."

* * * A country that abolished duelling in 1006 and has come close to abolishing poverty by 1940, while consistently guarding its mental life, comes near to setting an example which the world may follow—even though that country be a glacier-crowned island on the edge of the Arctic Circle.

It is submitted that the political status of Denmark unlike that of Greenland is one of virtual independence with full possession of sovereign rights, Iceland will be found to have complete possession of all its political faculties and thoroughly independent of Denmark. There are opinions at odds with this belief but I submit that there is an independent political entity in Iceland. I do, however, suggest that every effort should be made by the Executive to clarify the status. It might mean an invitation to join us in the Western Hemisphere.

As a matter of fact, I am thoroughly convinced that our entire Monroe Doctrine should be streamlined in the light of modern, up-to-date events. I would not surrender one vestige of our historic position, but simply revive and make corrections resultant from modern conditions.

I certainly believe that another study such as that of the J. Reuben Clark Memorandum on the Monroe Doctrine would be helpful. That book was issued under the aegis of the Department of State and published, says the title page, December 17, 1928. The new study would consider Greenland, Iceland, South Pacific Islands, the Antarctic and every other sphere relatively connected with the doctrine and its modern implications. It might also suggest changes consonant with the good-neighbor doctrine. It certainly would sound out opinion.

It might be pertinent to point out that the President of the United States delivered the following all-important thoughts to the Congress of the United States:

We no more than other nations can afford to be surrounded by the enemies of our faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection.

Iceland fulfills these ideals, but let us check her relation to us, the Monroe Doctrine, and the Western Hemisphere, in a formal way, if necessary, by invitation, I repeat.

The President has also asked that we Americans should study these lands to the north. For that reason I submit the following extracts and observations:

"ICELAND THE FIRST AMERICAN REPUBLIC"—VILHJALMUR STEFANSSON

In Iceland, a 1939 publication by Vilhjalmur Stefansson, I take the opening paragraphs for that noted man's studies of the democracy of Iceland as well as his definite placement of it—vis à vis—the Western and Eastern Hemispheres:

There is much in common, though perhaps more in contrast, between the first American democracy and the greatest American democracy.

The Republic of Iceland is dated from 930, the year in which sectional governments were replaced by a national parliament. We date the United States either from 1776 or 1789—from the Declaration or from the Constitution—so Iceland became a republic either 846 or 859 years ahead of the United States.

It has been contended that Iceland is part neither of Europe nor of America but a midway house between them; or, to use a figure with truer and more picturesque historical meaning, that Iceland is a stepping stone between the Old and the New Worlds.

By the convention of Eastern and Western Hemispheres, Iceland comes near being a halfway mark; for the line between them is usually drawn through Iceland. That line, however, cuts east of the middle of the island, and there are textbooks which show part of Iceland on the map of the Eastern Hemisphere but all of it on the map of the Western.

To reach Iceland from Europe you must cross a wide sea, long out of sight of land—the distance is more than 500 miles from southeastern Iceland to the nearest large European island, Scotland. But from northwestern Iceland children at play see Greenland when they scramble up the mountains that are only 180 miles from the still higher mountains of the Blosseville coast. In northwestern Greenland you do not have to climb a hill to see the next island west, which is Ellesmere—you do not even have to sail to it, but can walk across, as many Europeans and Americans have done the last hundred years, and as the Eskimos have been doing for one or more thousands of years.

The geographers, then, according to Stefansson, have Iceland "American."

It has been said that, although geographically a part of America, Iceland is culturally a part of Europe and should be classed as a European republic, the first north of the Alps. But if culture is to be the standard, what republic is American? Not the United States, for even Will Rogers spoke English, a European language, and dressed, except on rare occasions, much more like an Englishman than like a Cherokee.

* * * * * * *

As we were saying, there would have been fair agreement around 1900 that the Irish discovered the New World about 795 A. D. Today we discuss the following probabilities, among others:

The Irish had been visiting Iceland for centuries before 795. We now incline toward thinking probable that the Venerable Bede (674–735) has at least one reference showing that Iceland was known in his day; a few years ago we though this improbable. We feel similarly about the probabilities where Adamnan (679–704) tells us in his Life of St. Columba (521–597) that Cormac visited an uninhabited island in the sea beyond Ireland. We are now predisposed to think not merely that Pytheas visited Iceland about 325 B. C. but also that the implication of his statement is correct—that he was informed about Iceland before he visited it, therefore by the people of the British Isles, who may have been familiar with it a few or even many centuries before.

It may be interesting to add some more pertinent extracts from this last-minute history.

In the chapter entitled "Iceland Today" we find:

The Icelanders are of mixed Scandinavian and Irish descent, with other strains figuring little. One estimate has it that Norwegians, whether they came direct or by way of the British Isles, would account for 60 percent of the blood; that settlers from Ireland who had little or no recent Scandinavian admixture would be 30 percent; and that Scotland, England, Denmark, and Sweden would account for the remaining 10 percent.

The debate on the Celtic element has been hot and at times emotional; so the estimates vary greatly. However, few, if any, scholars of standing place the Celts lower than 10 percent and only one has suggested their percentage may be as high as 50.

In the chapter on agriculture we learn about the climate in these paragraphs:

Speaking generally, Iceland has a moist, insular climate with comparatively mild winters and cool summers. The average annual temperature in Reykjavik in the southwest is, as said, 39° F., and that of Modruvellir in the north is 36.5° F. The mean temperature of the warmer summer months exceeds 52° F. in few or no places. (July in San Francisco averages 58°.)

The Icelandic climate is particularly variable. During midwinter the temperature may be several degrees above the freezing point with fine weather, while in summer there may be cold spells with snowfall. Precipitation varies greatly with season and locality. In the southeast the annual rate is only 4 inches. These uncertain conditions, especially in spring and summer, make agriculture difficult.

Later we read these statements:

The scientists tell that once upon a time there was a land bridge connecting the American and European mainlands by way of Greenland and Iceland. This is now represented by a submerged ridge from which project Iceland and the Faroes, Iceland rising nearly 6,000 feet above sea level.

There is another connection between the New and the Old Worlds, the Gulf Stream; from one branch of this stream, the Irminger Current, it results that the country is nearly surrounded by warmish water, 33° to 57° F., as well as that the climate is milder than would be expected from geographical position.

Most of the sailings from Iceland to neighbor countries during the republic were in the early summer, when European vessels came to trade and domestic vessels called at foreign ports for the same purpose. It is interesting to remember, then, that the first definitely recorded voyagers to Iceland left Ireland in February A. D. 795 and returned to Ireland in August.

What has interested me more than anything else about Iceland's strategic advantages is this series of extracts on the possibilities of air transportation and defense:

The obvious strategic position of Iceland for the operation of a line across the northerly Atlantic has been discounted hitherto by foreign lands and even by the aeronautically little-informed Icelanders themselves, on the supposition that the Icelandic climate was hostile to flying. Now, particularly under the stress of mercy flights, Iceland has seen this stock-model American plane operating in some of their worst weather, always with greater success than could have been attained by any other transport and never with harm to itself, to passenger, or to pilot. This gives renewed confidence that aviation will eventually utilize the strategic position of Iceland just as completely as if it were a tropical or subtropical island, like the Hawaiis or the Azores.

Icelanders like to think of the airways of the future in relation to the seaways of the past. The country was a stepping stone in the European discovery of America. They were themselves a seafaring nation of consequence and took the lead in westward discovery and colonization a thousand years ago. Things are now on such a different scale that Icelanders cannot be leaders where vast aviation capital is required, but they can nevertheless feel satisfaction in that they are to be a link in that prospective air commerce which, for them at least, takes the place of the Viking navigations between the continents a thousand years ago.

There have been many flights across the North Atlantic by way of Iceland and Greenland, exploring tentatively this intercontinental highway of the future. There was a first-flight interest in the visit of the United States Army round-the-world planes in 1924. There was, perhaps, greatest significance in the flight of Col. and Mrs. Charles A. Lindbergh in 1933. For the Lindberghs came prospecting a route for an American company that has broad geographic scope, that operates scheduled services throughout the year not only in South America and Alaska but across the Pacific and (as planned for 1939) across the Middle Atlantic—Pan American Airways. Like most of their predecessors and successors, the Lindberghs navigated easily the portions of the route which had been considered most dangerous, those over Greenland and Iceland.

The Lindberghs differed from some other flyers who have visited Iceland in being successful in their whole circuit (from New York by way of Labrador, Baffin Island, Greenland, Iceland, and the Scandinavian countries to the Soviet Union, and then back by way of Spain, North Africa and South America). So there have been no misunderstandings resulting from their air voyage. Other flights by way of Iceland have been misunderstood; through those misunderstandings they have created the feeling that the vicinity of Iceland had been shown to be dangerous. An example was the flight of the American, Parker Cramer, and the Canadian, Oliver Pacquette, in 1931.

It is impossible to include in the RECORD any maps. It would be well for those who would study this subject further to look at a map with the North Pole in the center and then the rest of the Arctic and northern-temperate lands extending out from the pole on all sides in both hemispheres. If this is done you can obtain a more thrilling and accurate inspection of the focal importance of Iceland in the matter of air flight.

Geographically, I find on a map, The World, in the possession of the Cartographic Section of the Library of Congress, a division of the world into the two spheres. That map is published by the Weber Costello Co., of Chicago, Ill.

The Western Hemisphere is bracketed between 20° west longitude and 160° east longitude in the Pacific Ocean. The 20° limit cuts the tip of Iceland as well as the whole of the Azores and the Cape Verde Islands in the Western Hemisphere. Although these islands have been generally regarded by geographers as parts of the Eastern Hemisphere, the distinguished Chief of the Maps Division, Col. Lawrence Martin, whose map scholarship is highly regarded by Professor Bemis and other great authorities, has this to say about it in two letters to me:

FEBRUARY 3, 1940.

The attached map, as printed, shows the conventional mathematical limits of the Western Hemisphere on the meridians of 20° west longitude and 160° east longitude. Most American, British, German, and Italian maps represent it this way.

The red-pencil lines upon this map present a defendable representation of the actual limits of the Western Hemisphere with relation to political geography. It will be observed that the use of the international date line as the western limit of the Western Hemisphere solves the problem concerning Siberia, New Zealand, etc., and that the four departures from the meridian of 20° west longitude take care of the situation with respect to the Cape Verde Islands, the Azores, and northeastern Greenland as well as the view of Stefansson with respect to Iceland. A large proportion of the part of Antarctica in the Western Hemisphere was discovered and explored by Americans. Wilkes Land, however, lies entirely in the Eastern Hemisphere.

LAWRENCE MARTIN,
Chief, Division of Maps.

FEBRUARY 2, 1940.

In considering what part of the continent of Antarctica belongs to the Western Hemisphere, I suggest that he keep it in mind that the conventional map usage respecting the limits of this hemisphere farther north are the meridians of 20° west and 160° east longitude.

In the Atlantic Ocean, however, the meridian of 20° puts the western tip of Iceland, as well as the whole of the Azores and the Cape Verde Islands, in the Western Hemisphere, although these islands have been generally regarded by geographers as parts of the Eastern Hemisphere. In the Pacific it puts eastern Russia (Siberia), as well as New Zealand and adjacent islands, in the Western Hemisphere, although they are generally regarded as parts of the Eastern Hemisphere.

Nevertheless no other meridians can be chosen as limits of the hemispheres without similar minor departures upon the basis of political geography.

LAWRENCE MARTIN,
Chief, Division of Maps.

Lippincott's Gazetteer of the World contains the following about Iceland:

The climate is variable. The temperature is more elevated than that of any other country in the same latitude; mean of year at Reykjavik, 40° F.; of the summer, 56°, Gulf Stream drift, are much milder than the north and generally free from ice. Forests formerly abounded, but the island is now almost destitute of trees. Clumps of small woods or stunted beech and mountain-ash occur. The want of fuel is severely felt, although the Gulf Stream and the polar currents occasionally float driftwood to these shores, and a fine white turf is used. Except a few oats, and a kind of wild grass whose seeds are carefully garnered for food, or grain can be raised; but potatoes and garden vegetables are cultured. There are fine natural pastures, and rich grass fields surround the farms. The most important domestic animal is the sheep, which, with the goat, cow, horse, ox, and dog, was introduced from Norway. Reindeer, introduced in 1770, now exist in large herds, but are not domesticated. The polar bear is sometimes cast on the shores from the northern icefields. The fox is one of the commonest of the land animals. Fish (cod, herring, flounder) are very abundant on all the coasts and form an important part of the support of the inhabitants. Birds are very numerous, the most valuable of which is the eider duck. No reptiles of any kind exist in the island. There are practically no manufactures, and most of the inhabitants live by breeding cattle and sheep. Until recently there were no roads in the island, and transport was effected almost exclusively over bridle paths by horses. Good roads are now being constructed, together with bridges over the numerous streams.

Population in 1703, 50,444; in 1843, 57,180; in 1880, 72,445; in 1890, 70,927; in 1901, 78,489.

Iceland (called Island, ces'land, by the natives; L. islandia), an island subject to the Crown of Denmark and situated between the North Atlantic and the Arctic Oceans, 155 miles southeast of the nearest point of Greenland and 570 miles from the coast of Norway, extending between latitude 63°24′ and 66°33′ N. and longitude 13°31′ and 24°30′ W. Greatest length, from east to west, 290 miles. Area, about 40,450 square miles.

I repeat the thought of the President and ask if Iceland does not fulfill these high principles:

We, no more than other nations, can afford to be surrounded by the enemies of our faith and our humanity. Fortunate it is, therefore, that in this Western Hemisphere we have, under a common ideal of democratic government, a rich diversity of resources and of peoples functioning together in mutual respect and peace.

That hemisphere, that peace, and that ideal we propose to do our share in protecting against storms from any quarter. Our people and our resources are pledged to secure that protection.

Our course should be one of prudence and caution. It is likely therefore that Iceland may take the first step.

The Reapportionment Bill

EXTENSION OF REMARKS

OF

HON. MICHAEL J. KENNEDY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

Mr. MICHAEL J. KENNEDY. Mr. Speaker, as a member of the Committee on the Census, I wish to avail myself of

this occasion to clarify my position on the reapportionment bill. I voted in favor of reporting this bill in committee and in the House for its enactment, because it is strictly in accordance with the mandate of the Constitution to pass such a bill concurrent with the census now in progress. However, I wish to state also that I voted in opposition to the so-called alien amendment, as a member of the committee and on the floor of the House, because conversely this provision was strictly in violation of our Constitution, and should the House see fit to take such action, however unfair it might be, its only proper recourse would be by constitutional amendment. I shall state further that were I not faced with the constitutional objection to this provision, I should still have been constrained to vote against it, proceeding on the simple premise that I regard it as unhumane, undemocratic, and un-American. We are solely a legislative body—the vocal organ of the people. Every alien who is legally within our shores is entitled to all of the rights endowed by our Government upon one of his particular status. It is not within our province to strip him of a single one of those rights, by any legislative act, in violation of our Constitution.

I am equally concerned, however, with the humane aspects of the alien amendment. The State of New York has contributed many outstanding public figures to the progress of our country and its government, many of whom have been aliens. We have a "favorite son" serving with distinction in the upper body at this time from our State who was an alien, the Honorable ROBERT F. WAGNER, whose progressive and social legislation has made him a national figure. In addition, we have had distinguished prosecutors, jurists, and innumerable other public figures who came to this country as aliens, or whose parents came here as aliens. Many of them, it is true, became naturalized citizens, but in my opinion the unfairness of this amendment which would exclude the aliens in the reapportionment of the House is illustrated by the fact that many who are aliens today may become the pioneers and leading citizens of our Nation tomorrow.

I do not hestitate to denounce, either publicly or privately, any alien in my city, or any other city, who is affiliated with the Communist Party, or any organization whose principles and activities are in opposition to the American form of government. I am concerned only with the defense of those aliens who have resided in our country for many years and who are citizens in spirit, although unable to attain technical status because of their inability to qualify, in many cases. Many of them reside in my district and have reared splendid, strong, healthy children and educated them to be creditable American citizens today, proud of their heritage, proud of their citizenship, and proud of their democratic form of government.

I commend the House for its action in voting to strike the so-called alien amendment out of this reapportionment bill.

Gold and Its Power—Part 8

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 2, 1940

Mr. THORKELSON. Mr. Speaker, in this, the eighth speech on gold and its power, I shall discuss the legal-tender money which we, the American people, have been satisfied to use since Congress in 1934 took gold and sound money from us and gave it to the international bankers.

The legal-tender or plebeian money which we are now using expresses the contempt in which we, the people, are held by the internationalist and his cohorts. Our commodity money or legal tender is a purely inflated dollar with a zero background. This dollar is an emblem of servitude. Russia, with a 95 percent internationalist government under Lenin, issued credit cards to the people, which they used in the purchase of commodities. In the United States, internationalists under Mr. Roosevelt have issued legal tender, blue and yellow chips, for the purchase of commodities. Our legal-tender money has no greater standard value than the Russian credit slips, as both currencies have only purchasing power or value. We are even cheated when we buy foreign credit or traveler's checks, for we take a dollar with the same purchasing power or hour-labor value today as it had in 1926, when it was worth 100 cents in gold and 100 cents in purchasing or labor value, and exchange it for the present 59-cent international dollar.

In the following discussion, let us assume that $1 represents 1 hour of labor.

In 1926 and 1932 an automobile cost 100 ounces of gold, or $2,067. This money represented 2,067 hours of labor, at $1 per hour. We still pay the same price for the automobile in legal-tender dollars and in hours of labor.

Today, and since 1934, when the Gold Reserve Act was adopted, a foreign government with 100 ounces of gold may buy one automobile for $2,067 and will receive in change $1,433. This represents the difference between $3,500, which is the inflated price for 100 ounces of gold, and $2,067, which was the old price and is still the standard price for 100 ounces of gold.

Let us now subtract the $1,433 from the $2,067 and the result will be $634, which is the price a foreign government pays for that automobile. This appears unbelievable, but I challenge contradiction from anyone who feels disposed to question this statement. This is in accord with the statement that I have made before, namely, that we furnish approximately 69 percent or more free merchandise for every 25.8 grains gold dollar nine-tenths fine, spent by foreign governments in the United States.

These statements may appear preposterous, but here are the facts: The international standard price of 1 ounce of gold is still $20.67. We pay $35 for it. The difference, $14.33, represents profit to the foreign governments. Fourteen dollars and thirty-three cents is a mere 69 percent of $20.67 and is the administration's gift to foreign governments at the expense of the taxpayers of the United States.

This is a financial transaction—or, let me say, a financial trickery—in which our Government connives with foreign powers in cheating or stealing from our own people $1,433 for every 100 ounces of gold which have come and are coming into the United States Treasury. This is, of course, premeditated and willful fraud which must be charged against those who asked for the legislation and against those who passed the Gold Reserve Act.

Fraud is evident as we recall that domestic business is carried on with dollars and, since 1934, with the purely inflated dollar, devoid of all standard value.

I charge, furthermore, that the President, the Secretary of the Treasury, and the Secretary of State are now knowingly engaged in defrauding the United States, first, by paying $35 for 1 ounce of gold. Second, by manipulating and keeping prices down so that foreign governments may buy the same amount for $20.67 as we buy for $35. Third, that reciprocal-trade pacts and treaties are employed to keep prices down, or at the same price level as they were before the Gold Reserve Act was adopted.

This price "pegging" is necessary from the standpoint of the defrauders; first, to fool the people into believing that the present legal-tender dollar is sound money, when the actual fact is that the money we now use is a worthless and inflated currency. Second, price pegging as manipulated by the administration is an aid to foreign governments and particularly to England and France, for it is those nations that ship most of the gold into the United States. Russia, of course, has benefited to some extent, but much of her gold has been shipped through England.

This should be clear, particularly to Members of Congress, as they recall that we have loaned gold to South America and other nations, the same nations that are now in default on interest as well as principal.

I have tried to warn the people of this and other dangers, through the medium of the CONGRESSIONAL RECORD, in the hope that in spite of its restricted circulation, this information may serve some good.

I shall now make a statement which I challenge the President, the Secretary of the Treasury, and the Secretary of State to prove wrong, and here it is:

Since the Gold Reserve Act was passed, foreign governments today buy as much with 31 cents of the 1932 dollar as we buy with 100 cents of the new legal-tender dollar. In other words we donate 69 percent of all merchandise bought by foreign nations. The loss we sustain in this transaction is in reality one of the major causes for unemployment and for the chaotic state in which we find our industrial and business structure today.

This can only be looked upon as malicious and willful fraud, and is in my opinion a bona fide cause for impeachment of those who proposed the legislation and of those who upheld the Gold Reserve Act.

The Constitution makes it obligatory upon Congress to remove all public officials who violate their oath of obligation, and all judges who transcend constitutional authority, for the Justices of the Supreme Court are public servants and occupy the same position in regard to their obligated duty as all other public officials.

Congress has also the power to remove any of its own Members for just cause so we may assume that these provisions were made for the sole purpose of keeping the Government clean.

After having delegated this power to Congress the people have reserved the right to themselves to remove or impeach their Representatives every 2 years, and the Senators, since adoption of the seventeenth amendment, every 6 years. It is therefore clear that the people are the supreme power in this Government, a power, if you please, that can demand impeachment of all public officials and remove its own representatives by not reelecting them to office. The people can protect themselves only by protecting the Constitution, and the Constitution can be protected only by electing to office men who will preserve, protect, and defend the document in the literal meaning of the words. Liberal interpretation of the Constitution is death to the document, for no liberties may be taken by Congress or anyone else with those rights which the people have reserved to themselves.

LEGAL TENDER WITHOUT GOLD RESERVE

Legal-tender money which is not secured by gold is of no greater value than the inflated German marks that wrecked the currency system of Germany.

The legal-tender or commodity money we are now using is a purely inflated currency which is bound to collapse and end in national bankruptcy. When that happens, everyone will be broke except the international bankers or those who are now holding gold certificates and their foreign representatives who are holding industrial bonds and stocks. It is well to bear in mind that all foreign obligations are payable in gold, and this even includes our present inflated currency. While speaking of this, let me say that our own people were deprived of this security when the Gold Reserve Act was adopted in 1934.

GOLD

Gold is in the United States today for three major purposes: First, for safekeeping; second, to provide gold credit to finance the present war in Europe for England and France; third, to be available so that the international financiers may dominate foreign nations as well as the United States.

It is of interest to note that the international financiers are working in close cooperation to protect the gold, for approximately $150,000,000 was moved secretly from Norway to England in anticipation of invasion. This little news item might have escaped many people's attention, but it was in one of our local papers. This shows, if nothing else, the importance of gold, and be assured that it is for the control of this metal that the internationalist is gambling with human lives on the battlefields of Europe.

War in Europe is promoted by the financial internationalists to reestablish the power of gold in those nations which are now trying to establish their independence and freedom from such control. This is very important to the internationalist, for should he fail to establish himself so as to wield the power of gold in Japan, Italy, and Germany, he will lose the dominating influence which he has had over many nations for a number of years.

The international financiers are now wielding a pernicious influence over all nations except the three to which I have referred, and they are solidly entrenched in Great Britain, France, and the United States. It is these financial interests which are now seeking to involve us in a war that is for no other purpose except to establish themselves as world rulers in a much advertised and discussed world government. Should we foolishly permit the United States to become involved in the European war, we will in such procedure jeopardize the rights and liberties which we have enjoyed, and for which the founders of our country fought and died in the Revolutionary War.

International agents are now swarming through the country to promote a favorable reception for a "world government," which is supposed to be set up as an international union to end war. This is the same "buncombe" that was peddled 23 years ago, when we were told that the World War was to stop all future wars.

The present well-advertised "world union" or "super world government" is an internationalist dream, in which he hopes to establish an international government based upon the same ideas as the League of Nations. This international government, like the League of Nations, will be rejected by all people who cherish independent government and self-determination. Strange to say, "world union" is an American conception which is promoted by those who favor socialism, communism, and totalitarian "democracy." Those who are now touring the country speaking in favor of world government will no doubt, if the records are investigated, be found to be socialists, communists, or internationalists.

It is not my intention to be unnecessarily harsh in my criticism, yet I cannot refrain from denouncing those who have deliberately and willfully ignored their obligated duty to our people. Each Member is sent to Congress upon some promise he or his party makes to the people. I, like others, came to Congress upon a platform in which I dedicated myself to honor my sworn obligation "to preserve, to protect, and to defend the Constitution of the United States." I denounced those who ignored the Constitution and the people's rights, as expressed in the document, and in this I have not changed because I still maintain that the people in this Nation are the supreme power who will eventually set this Republic back upon that document which came out of the Convention in Philadelphia on September 17, 1787. I still maintain that all public officials, Members of Congress, the President, and the Justices of the Supreme Court, are the elected or appointed servants of the people, and these officials must, in order to remain loyal to the Nation, remain true to their obligation.

I furthermore maintain that it is the duty of Congress, as the direct representatives of the people, to preserve, to protect, and defend the people's rights by removing from office those who have transcended the authority granted to them in the Constitution of the United States. It is only in this manner that the Republic can be protected, so that sound government may prevail.

It is with this responsibility in mind that I now say the Federal Government and the New Deal administration have engaged in high crimes and misdemeanors for nearly 8 years, and I charge the present administration with full responsibility for the chaotic state in which we find our Nation today.

I have called attention to this delinquency from the very first day I addressed the House, and I still maintain that Congress has failed to conform to the tenets of the Constitution. I do not believe any administration has committed more crimes against the United States, or condoned fraud and usurpation more than this administration. It is not only

disgraceful but I am sure that liberties taken with the Constitution will, when the facts are known, forever remain a black page in the history of Congress.

The attitude which congressional committees have pursued in investigating and prosecuting our Nation's industries may well be compared to an organization of train robbers, investigating and prosecuting the railroads which they have robbed, for both are adding insult to injury.

I think the business people of this Nation are most extraordinarily tolerant when they allow themselves to be dominated, prosecuted, and persecuted by men whom they elect to office, "to preserve, to protect, and defend their rights." It is, if nothing else, a most astonishing situation. I furthermore maintain that the people of this Nation are extremely tolerant and jeopardize their own liberties and rights when they permit their own representatives to deprive them of sound-standard money and when they permit alien people to control the Nation's currencies and use such money to entrench themselves in our Nation's industries. This is particularly pertinent when we bear in mind that the money used for this purpose is the property of the people which has been placed in banks for safekeeping.

The people should demand that this Congress restore the rights to the people, by repeal of the Gold Reserve Act and other unconstitutional legislation which has made a king of the Executive, and a knave of Congress. Congress should repeal the silly emergency power granted to the President, for there is no provision in the Constitution for the delegation of such power to the Chief Executive. This power, while not particularly dangerous, is tempting when in the hands of a person who is biased and prejudiced in thought and action.

Efforts are constantly made to involve us in the present European war, and the administration's policy, if expressed correctly in the press, is not averse to such participation. It is apparent that little or no consideration is given to the wishes of the people, for they have clearly said: We do not want war.

It is now the duty of the people to express themselves fully and clearly upon this subject so that there will be no misunderstanding now or in the future. As a neutral, I say let us remain neutral and impartial in our actions toward all belligerents. It is only so that justice will prevail. We have much to do at home in order to care for our own people, and to aid recovery let us restore our own home markets to the American producers so that our idle people may again be employed.

War in Europe should be none of our concern. We have nothing but sad memories from the last war, for we were not only used, but we were also abused by those to whom we gave aid. War in Europe might have been averted had we taken a firm stand on neutrality. This we did not do, but it is not too late to remind Europe that we are not going to take sides in this war. We must use all our resources to rebuild our industries at home, and this can best be done when the American people take charge of their own Government.

South Again Speaks for the Anti-Poll-Tax Bill

EXTENSION OF REMARKS
OF
HON. LEE E. GEYER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 17, 1940

Mr. GEYER of California. Mr. Speaker, many letters are coming to my office pledging support in the fight to remove the un-American practice of requiring the payment of a head tax before the citizen is permitted to exercise his democratic right of casting his ballot.

Most of these letters come from these eight States: Alabama, Arkansas, Mississippi, Tennessee, Texas, South Carolina, Georgia, and Virginia, for these are the offenders. These people are looking to the Federal Government for relief, for the provision is frozen upon them by their State constitutions, and to expect the "economic overlords" to vote themselves out of power is too much. The voices of the voteless 90 percent in these States have now risen from a whisper to a mighty chorus and the tide is still rising, for the people all over the country are realizing that before we condemn autocratic rule abroad we had better set our own house in order. The only way to preserve democracy is to broaden its base.

In some sections of these States the farm income of many families is less than $100 per year per family. The average number of voters per family is three. To ask these three to pay $2 each for voting is asking the impossible. If, my colleagues, we paid the same percentage of our incomes in order to vote, we would pay $600.

Even the crews of our steamships as well as labor groups are protesting.

I insert two letters in the RECORD:

NORFOLK, VA., *April 12, 1940.*

Representative LEE E. GEYER,
House of Representatives, Washington, D. C.

DEAR SIR: At a meeting of the crew of the steamship *Jason*, we unanimously agreed to support your bill to eliminate the poll tax in Federal elections in those States in which this obsolete and undemocratic law still exists. In these trying times, with labor being seriously threatened at home, and with war raging abroad, with the danger of our direct involvement in this war growing daily, it is especially important that the people be in a position to express their desires in a legal, democratic way. Nearly 80 percent of the people of the Southern States do not vote, most of them because they cannot pay the poll tax. A situation such as this is a tremendous blot on our democratic processes. It should be remedied at once. Therefore we say good luck, and may the voice of the people be strong enough to have the law passed.

Yours very truly,

CREW, STEAMSHIP "JASON,"
J. P. SMITH, *Chairman,*
RICHARD B. PUETTE,
Recording Secretary.

LYNCHBURG CENTRAL LABOR UNION,
Lynchburg, Va., April 15, 1940.

Mr. LEE E. GEYER,
Representative, Washington, D. C.

DEAR SIR: The Lynchburg Central Labor Union at the last regular meeting went on record as endorsing the bill you are sponsoring to do away with poll tax as a prerequisite to voting. We have fought for this in Virginia for a number of years but so far have been unable to accomplish anything. We are not adverse to paying the poll tax, but feel that it should not be used as a means of disfranchising the poorer class of people. They may be able to pay other taxes, yet not able to pay poll tax in order to vote.

Yours sincerely,

MRS. GRACE M. DIERGUID,
Recording Secretary, Lynchburg Central Labor Union.

A Realistic View of Pan American Idealism

EXTENSION OF REMARKS
OF
HON. T. V. SMITH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 17, 1940

Mr. SMITH of Illinois. Mr. Speaker, under leave to extend my remarks, I insert an address I gave Sunday, April 14, at Chicago in joint celebration of the fiftieth anniversary of the Pan American Union and the one hundred and ninety-seventh birthday of Thomas Jefferson. The address was given under the auspices of the Pan American Council of Chicago. The inventiveness of Jefferson in the social field raises hope for continued efforts to discover new forms of amity with our all-American neighbors and to implement these forms through dynamic institutions.

Now that we have converted national isolation into Pan American insulation through the Panama agreement, we must inquire as to the nature of our new bonds throughout the Americas and improve if possible the prospects of their

continuance. One is tempted to put the best possible light on all things social when he views them through high windows of Gothic loveliness. But life is no mere succession of Sundays, and even Gothic windows are not bombproof. After the most peaceful Sunday there comes blue Monday trooping along with other days in tow, trailing moods, hesitant if not malevolent.

There are three general types of cooperation upon which we may more or less depend to make the American unity of idea a working thing in fact. In international arrangements, only those who sleep on the floor of mutual self-interest do not fall out of bed. So, starting with a 50-year old Pan American dream, let us count ourselves as hardy adventurers in realism.

As means to all-American amity, there is, first and finest of all, cooperation cordial. This form flowers as friendship and glorifies life with a radiant afterglow like the sunset of some superb summer day. But, life carries on without such radiance. Love lost, not all is lost between nations. We certainly do not have to kiss across our boundaries in order to cooperate with our neighbors.

There comes, second, cooperation competitive. This type of cooperation makes up in hardness of fiber what it lacks of ideal dimension; and States are fortunate when they can attain and maintain a continuous peace through forms competitive. Even this condescension from cordiality to competition does not exhaust the descent toward international accord.

For there is, third, cocperation disdainful. Of this inferior but commoner type is internationalism mostly made today. Let us not grieve too much that it is so, but rather rejoice if it can be kept from beccming worse.

As Paul Laurence Dunbar, the Negro poet, has said:

> There is a heaven forever, day by day,
> The upward longing of my soul doth tell me so.
> There is a hell, I am quite as sure; for pray,
> If there were not, where would my neighbors go?

To live peaceably with those whom we deprecate, to tolerate them for the sake of something yet in common—this is the first test of the democratic way of life. Democracy welcomes chance associations and then transforms them through tolerance into something mildly spiritual. To hate urbanely is a magnificent advance indeed over hating savagely, that is, to hate and forbear action rather than to hate and desolate. It is this difference between hating urbanely and hating savagely that nations forget who prostitute the spirit of man with the ancient heresy that to act regardless is more important than to understand and to dominate is more important than to suffer this human comedy, to which we all contribute our share of folly.

While the whole world is menaced by nations that forget, we Americans—South, Central, and North—had best hang together, lest we hang separately. Of such humble realism must pan-Americanism be made, if made it is or is to be. This much indeed self-respect as well as self-preservation does require of all American States: That they stand with one another rather than with those whose coy embrace is but the kiss of death to all that is gentle in our common western way of life.

If we cannot be good neighbors—and it is much continuously to expect of mere men—then let us be neighbors nevertheless, mere neighbors. Whom geography hath so gracefully joined together let not foolish pride or provincial patriotism ever wholly put asunder. Going on courageously from what little 50 years of idealistic effort have bequeathed us, though at times that legacy hardly rises above hate, we may in the spirit of civilized men grow at length from toleration of variety into appreciation of variety as the major meaning of this gallant human show.

A half-grown phoenix, that fabled bird of the century cycle, has of late whistled in my ear this Pilgrim's Progress of the pan-American spirit:

> I first lived in a little house and lived there very well,
> I thought the world was small and round and made of pale blue shell.
> I next lived in a little nest nor needed any other,
> I thought the world was made of straw and brooded to my mother.
> One day I flew beyond the nest to see what I could find,
> I said the world is made of leaves; I have been very blind.
> At length I flew beyond the tree, quite fit for grown-up labors;
> I don't know how the world is made, and neither do my neighbors.

It was this genial mood of skeptical hope that brought Columbus to these American shores so many years ago. When he left Spain he did not know where he was going; when he got here he did not know where he was; when he returned he did not know where he had been. And yet, and yet—he discovered a world, a new world, our new world of the Americas, South, Central, and North. Every nation is today a Columbus adventuring on strange and turbulent international seas. We are adventurers all from chaos toward a cosmos of amity, with only this pole-star to guide us—the pole-star that where wealth accumulates through aggression, men decay; men and women, and children decay.

We need not close, however, on a note quite so pessimistic—not on a week-end that for us North Americans marks the one hundred and ninety-seventh anniversary of Thomas Jefferson's birthday. In the spirit of that inventive man's whole life we seek under forms conventional and through lowly hope for new ways of carrying forward the American impulses to unity. Those impulses are not killed by war, not even in war-torn nations. Alfred Noyes has of late sung immortally of Finland's triumph through defeat. Of the whole of Scandinavia also let the song now ring true.

> Far off between the mountains and the sea
> In ancient days this word was sped—
> "Tell them at home we held Thermopylae
> According to their word and lie here dead."
>
> Now from the North there comes a mightier cry—
> "We fought and failed against titanic powers,
> But ask mankind whose is the victory
> When every unchained heart on earth is ours?"

Now the world, my friends, is by no means emptied of "unchained hearts." But of all hands, American hands almost alone remained unshackled for constructive furtherance of fellow feeling. While others work their will to peace through the enforced tragedies of war, it remains for us at peace to further throughout the Americas the fruits of peace. What the Pan American Union has done in half a century may be more than doubled in a century. The cause of pan-American progress we cannot suffer to fail; for if unshackled hands cannot honor unchained hearts with house and home, the dearest spirits on earth must roam the limbos of the lost unhoused and without the respite of any homeland at all. Celebrating, then, the spirit of social inventiveness justly associated with our founding fathers and the Federal Union which they founded in North America, let us fortify our spirits for new creativeness throughout the Americas with the ringing words of Jefferson:

> As members, therefore, of the universal society of mankind, and standing in high and responsible relation with them, it is our sacred duty to suppress passions among ourselves, and not to blast the confidence we have inspired of proof that a government of reason is better than one of force.

A. F. of L. Unions Oppose Expansion of W. P. A. in Construction Field

EXTENSION OF REMARKS

OF

HON. CARL HINSHAW

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

LETTER FROM C. J. HAGGERTY

Mr. HINSHAW. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a letter from Mr. C. J. Haggerty, secretary of the Los Angeles Building and Construction Trade Council, transmitting a resolution by that

body setting forth their position concerning the building construction activities of the W. P. A. and appropriations to be made therefor.

LOS ANGELES BUILDING TRADES COUNCIL,
Los Angeles, Calif., April 6, 1940.

Hon. CARL HINSHAW,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN HINSHAW: Enclosed you will find a resolution, adopted by the Los Angeles Building and Construction Trades Council, which I believe in a measure is self-explanatory.

This council is composed of 20,000 construction workers who are being deprived every day of the chance to make a living because of the great inroads into the construction industry being made by the W. P. A. workers.

At the present time more than $36,000,000 have been pledged and allocated to W. P. A. construction for the balance of 1940. Not a dollar of this money will go to independent workers who have been good citizens and have maintained themselves, in some manner or other, without applying to relief agencies and are entitled to work at their trade without being forced, by governmental activities and the diversion of funds from the normal channels of the industry, to relief labor.

Thousands of independent construction workers have been and are still being gradually forced to apply for relief because of the enlarged activities of W. P. A. in the construction field. It has come to the point in southern California particularly and possibly many other places in the Nation that various political subdivisions, State, county, and city and the city subdivisions, are themselves on relief, so that at the present time all construction projects are being diverted to W. P. A. because of the fallacious idea that this money is cheap and not so expensive to the governmental agencies.

The Los Angeles Building and Construction Trades Council is very much alarmed over conditions wherein, not alone thousands of men who never worked in the construction industry are now being supported by it, but also the political subdivisions are themselves on relief in company with these thousands of construction workers.

We respectfully petition your immediate assistance in this matter so that the conditions complained of will be eliminated and that our people will again be permitted to work at their trade without being forced to become relief clients and that you will assist to remove political subdivisions from relief status and restore them to their former status.

Trusting this will receive your immediate attention and cooperation, I am,

Sincerely yours,

C. J. HAGGERTY,
Secretary, Los Angeles Building and Construction Trades Council.

Whereas the members of the affiliated unions of the Los Angeles Building and Construction Trades Council have suffered the loss of employment through the use of W. P. A. relief labor on large construction projects; and

Whereas the W. P. A. is constantly enlarging its field of construction activities which tends toward the establishment of a permanent, national construction agency and is placing relief clients on a special basis for particular attention from the Federal Government to the exclusion of the free, independent construction worker; and

Whereas through the beneficence of the Works Progress Administration and their selling point of cheap money for State, county, and local administrations, which administrations are succumbing to the lure of obtaining so-called cheap construction projects and are diverting funds formerly used in the private contract and for the employment of independent labor; and

Whereas W. P. A. expenditures are a direct concern to all citizens and taxpayers and do not represent in the true sense of these terms any gift or donation from the Federal Government; and

Whereas the Los Angeles Building and Construction Trades Council believes that such constant enlargement of W. P. A. activities, which exclude the employment of free, independent mechanics and construction workers, is inimical to the welfare of the Nation and the best interest of its citizens and further believes that the continuation of such a policy in the construction industry will eventually force large numbers of free, independent building-trades men to accept relief from W. P. A. in order to obtain a livelihood: Therefore be it

Resolved, That the Los Angeles Building and Construction Trades Council petition the present relief administration and the Congress of the United States to take the following steps to correct the above abuses herein complained of:

1. Reenact the provisions of the 1939 appropriation act regulating wages, hours of employment, purchase of equipment, and limiting the size of building projects.

2. Limit all individual W. P. A. construction projects to a total cost not in excess of some reasonable sum, such reasonable sum to represent the total estimated cost of the project, including the sponsor's contribution.

3. Prohibit the division of large construction projects into smaller units, the size of which unit after such division being small enough to admit the smaller units into the W. P. A. program.

4. Prohibit the extension of any existing past or present project in violation of the specified limitations of cost.

5. Require that all relief projects estimated to cost more than $10,000 be constructed as far as practicable by private-contract methods so as to employ free, independent building and construction workmen at their prevailing scale and hours of employment.

6. Prohibit the W. P. A. from accepting funds as a contribution to a project which have been diverted from a fund or budget normally used in the employment of independent workmen for all construction projects.

Aircraft Landing Area Development Act

EXTENSION OF REMARKS
OF
HON. JOHN M. HOUSTON
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES

Thursday, April 11, 1940

Mr. HOUSTON. Mr. Speaker, in my speech before this body on June 15, 1938, I mentioned the necessity for a great network of civil airports for the safety of air navigation and national defense and for the proven transportation of the future. Since then notable progress in aviation has been made; however, the airport problem is still with us. Only a few days ago we celebrated a new achievement and a new milestone in the progress of air transportation—the impressive record of 87,000,000 miles of scheduled air transport operations without a single passenger fatality.

Two years ago Congress approved the Civil Aeronautics Act creating the Civil Aeronautics Authority. This act also recognized in principle the justification for Federal participation in the development of a national airport system. Recognition of the importance of this problem was also granted by the President of the United States in a letter to the National Aviation Forum, dated January 24, 1939, reading in part, as follows:

Civil aviation is clearly recognized as the backlog of national defense in the Civil Aeronautics Act which set up the effective machinery for a comprehensive national policy with respect to the air.

Underlying the statute is the principle that the country's welfare in time of peace and its safety in time of war rests upon the existence of a stabilized aircraft production—an economically and technically sound air-transportation system, both domestic and overseas—an adequate supply of well-trained civilian pilots and ground personnel.

In the Civil Aeronautics Act Congress directed that the Civil Aeronautics Authority make a national airport survey under section 302 (c) of the act, reading as follows:

The Authority shall, through the Administrator, make a field survey of the existing system of airports and shall present to the Congress not later than February 1, 1939, definite recommendations (1) as to whether the Federal Government should participate in the construction, improvement, development, operation, or maintenance of a national system of airports, and (2) if Federal participation is recommended, the extent to which, and the manner in which the Federal Government shall so participate.

Both the Air Commerce Act and the Civil Aeronautics Act treat airports as air navigation facilities. They are, therefore, recognized as necessary to make air navigation possible, as are other facilities such as beacon lights and radio beams. All told, these facilities are to flying exactly what navigable water areas are to marine transportation.

The report of the Civil Aeronautics Authority to Congress dated March 24, 1939, contains, in part, the following recommendations:

(1) Development and maintenance of an adequate system of airports and seaplane bases should be recognized in principle as a matter of national concern.

(2) Such a system should be regarded under certain conditions as a proper object of Federal expenditure.

(3) In passing upon applications for Federal expenditures on airport development or improvement, the highest preference should be given to airports which are important to the maintenance of safe and efficient operation of air transportation along the major trade routes of the Nation and to those rendering special service to national defense.

The report of the Civil Aeronautics Authority was referred to the Committee on Interstate and Foreign Commerce 2 years ago; however, no action has been taken on this report to date.

It must be recognized that there can be no flying without airports and that no airport can exist by itself. The usefulness of every airport depends upon the status and location of neighboring airports. Therefore, in dealing with this problem from the national aspect, we must concentrate on a system of airports. Needless to say, such a system of airports is essential to the Nation's welfare and national defense.

Quoting from the Civil Aeronautics Authority's report to Congress:

> There is one special interest in an airport system that touches every citizen. It is no more possible to operate an air arm in the national defense without suitable ground bases than it is to operate an air line without them. The Army Air Corps and naval aviation have many fields of their own, and those are substantially excluded from this survey, since they are open to civil use only in emergency and form no part of the regular civil airport equipment. But beyond the roster of Army and Navy fields there is a need for additional sites, to facilitate the easy and swift movement of large groups of military aircraft across country, and to permit of concentrating more aircraft in a limited area for a short period of intensive operation than the military and naval bases in that area could efficiently accommodate. Were there not a municipal airport in the United States, the Army and Navy would need many more auxiliary fields of their own than they now possess or plan; and when there is talk of a national airport system there must be ever clear in mind both the service that such a system can render to the armed services and the specifications that their potential needs should impose upon its style and development.
>
> All that leads on immediately to an arrangement, or a grouping, of airports in accordance with their respective nature or purposes; for it is not alone in size, location, type of runway, or surfacing used, and architectural magnificence of their buildings that airports differ from one another. They differ also in the purposes for which they are primarily planned.

It is based upon the strength of the quotations and statements just made and based upon the necessity for immediate action toward a stabilized program for a national airport system that I introduced, on March 25, H. R. 9049, which is intended to meet this urgent national necessity. This bill authorizes $125,000,000 to be expended by the Civil Aeronautics Authority for the development of landing areas in order to meet the needs of national defense, the Postal Service, and civil aeronautics; the sums appropriated to be apportioned among the States, Territories, and possessions, but allotments shall not be in excess of 80 percent of the cost of any project except in the case of a project found to be necessary or requisite for purposes of national defense.

The development of airports in the United States has lagged seriously behind the development of air transportation and air defense. A great deal has been accomplished by the expenditures of relief appropriations in the construction of airports. But we have reached an era where the emergency-work programs do no longer lend themselves to meet with a reasonable degree of efficiency what can be termed a national emergency.

As an example, I quote the experience of the city of Wichita, Kans., which already has spent more than $500,000 of city funds on its airport. The limitations placed on material purchases and equipment rental make it impossible for a city such as Wichita to efficiently cooperate with the United States Government in the conduct of an emergency-work program. To a large extent the Wichita municipal airport serves as a Federal facility. It serves the United States Army as an important transcontinental fueling point. It serves the flying public who travel interstate in transport planes. It serves transient pilots who also fly from State to State, and it serves interstate commerce. Because of this Federal aspect, it is only reasonable to assume that such an airport located in an important place on a Federal airway should receive a larger allotment for material and equipment, under the existing Federal regulations governing the expenditures of the emergency-work program in contrast to projects of purely local character such as city parks, swimming pools, or other local improvements.

Wichita is not a large nor a wealthy city, and the expenditures incurred have placed a heavy burden on the Wichita taxpayers. But in spite of this huge expenditure, the city is now faced with the reality that unless additional improvement work is accomplished immediately, the Wichita Municipal Airport will no longer be considered adequate to safely accommodate the modern large transport ships now being placed into service. No doubt, there are many other cities in the United States finding themselves in this same situation as Wichita in the matter of airport improvements. In fact, resolutions urging that Federal funds be made available for airport construction have been adopted by the United States Conference of Mayors, the National Association of State Aviation Officials, the American Municipal Association, the American Road Builders' Association, the National Aeronautic Association, and numerous State and city governments and civic organizations.

And it is intended, as mentioned in my bill, that these facilities located on a Federal airway be granted a status of preference in considering the grant of Federal funds for airport development. It is only through a provision of this kind that the United States, its Territories and possessions, will be able to keep abreast of the rapidly growing needs of air commerce and national defense and to retain leadership in world aeronautical affairs.

In closing may I say that the time is ripe for action. The problem is national in scope and is a serious one. In looking up from the navigable waterways and the highways to the airways, the enactment of H. R. 9049 will be a step of extreme importance toward adequate national defense and the Nation's welfare.

Forestry Problems

EXTENSION OF REMARKS

OF

HON. HAMPTON P. FULMER

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

ADDRESS BY HON. HAMPTON P. FULMER, OF SOUTH CAROLINA

Mr. FULMER. Mr. Speaker, under leave to extend my remarks, I am inserting herewith an address delivered by me at a luncheon at the Mayflower Hotel on Monday, April 15, to members of the D. A. R. representing the various States of the Union who are interested in and who are doing a splendid work in planting trees and in forest conservation.

The address follows:

> I can assure you that it is a real pleasure for me to be with you on this occasion, and I feel highly honored in being invited to speak to you on what I believe to be one of the most important problems confronting us today. I refer to our national forestry problem.
>
> In 1938 the President of the United States sent a message to the Congress requesting that a committee be appointed to make a thorough investigation of our forestry resources, with the hope of ascertaining the real facts and for the purpose of having this committee make a report and recommendation to the Congress as to what should be done in building up and preserving our great forest resources.
>
> I happen to be vice chairman of this committee.
>
> You know, it is very interesting to me, and it should be to you, to stop and think seriously of how beautifully and efficiently our Heavenly Father gave to us all of our natural resources at the time of the creation of the earth, just how these resources have been located in every section of the world, the type of these resources, and how useful and beneficial they are to humanity and to the welfare of our people, and it is my belief that these great resources, minerals, oils, coal, silver, gold, thousands of water-power sites scattered over the universe, and our forests were intended to be utilized by the people and in the interest of all the people.
>
> The sad story today, and the thing that is operating against normal prosperity, and a reasonable income for the people as a whole, is the fact that in practically every instance these resources are owned and operated by a few individuals and monopolistic groups, and for this reason millions of our people are not receiving

any of the benefits that should come to them, and, if so, in a great many instances, they are not receiving a proper price for that which they have, or they are paying extreme, unfair, high, fixed prices for that which some of them are able to secure.

We have had several hearings in the various sections of the United States, and I want to give you briefly, in part, a picture of the actual situation, as we found it in these various sections.

We found in the State of New York that those in charge of forest conservation and the people generally were doing more, from a State and community standpoint, than any other State in the Union.

The university at Syracuse, where we held our hearings, is also doing a great work in class work as well as in actual nursery and planting demonstration.

We held a meeting at Madison, Wis., and the situation in the North Lake States—Michigan, Minnesota, and Wisconsin—is as follows:

In an area half again as large as the New England States, a region of 57,000,000 acres, covering 86 counties, lies the so-called cut-over area of the North Lake States. There is a population in that area of about one and a half million people.

In 1890 these States produced about 35 percent of the Nation's total of lumber and wood products. Thirty years later it was but 8 percent. Today it is 4 percent.

Out of the 57,000,000 acres of timbered land at one time, we have in that section today about 3,000,000 acres of splendid forests, with millions of acres of cut-over lands.

The ruthless destruction has caused many of the industries to close down and move out, or they have to supply their plants with imported pulpwood or secure same over long haul. Unemployment is very large. Millions of acres of this land today are tax delinquent, and many farmers are forced into tenant farming and on W. P. A. rolls, at the expense of the Federal Government.

While at Madison we had the privilege of visiting the forest laboratories, which was most interesting. We found that those in charge were doing a wonderful work, stacking away numerous volumes of statistics, facts, but the serious trouble in connection with this line of work, which is very important, is that these facts or findings are not getting out to the people, and, if so, only in a limited way to these large, well-organized groups.

We found, for instance, that they had perfected the manufacture of newsprint paper. However, we are not using newsprint paper manufactured in the United States. Seventy-five percent of the newsprint is coming in from Canada, and coming in duty free. Something will have to be done to bring about some type of organization operating between these research laboratories and the people so as to get the benefit of the findings down to the people.

I want to pass on to the north Pacific coast. We had the privilege of holding a meeting in California and at Portland, Oreg. We drove many miles through beautiful scenery in both of these States.

One of the most impressive sights that I have ever seen was when we drove through the California redwood section. These redwood trees are the oldest living things in the country today.

When we walked through these tall and stately trees, many of them perhaps 16 feet in diameter, I felt constrained to remove my hat, feeling as though we were walking on hallowed ground.

These beautiful trees, standing from 2 to 10 feet apart, and, as stated, being tall and stately, together with the quietude and solemnity of the surroundings, give one the real assurance of a living God.

I find, however, that most of the area where these trees are located is in the possession of perhaps about seven large individual owners or corporation owners. Many of them are carrying out fairly good forestry practices.

When these trees will have eventually been destroyed because of the failure on our part to bring about proper forestry practices, it will be the last of the oldest living things in any part of the world. What an opportunity to preserve these for untold future generations.

In driving through Oregon I had the privilege of seeing the beautiful Douglas-fir trees. However, on all of this trip we saw thousands of acres of land where the forests had been ruthlessly destroyed.

I had the privilege of driving through a 35,000-acre tract of land owned by a corporation, with their railroad running through this land, cutting everything clean with millions of small size timber, short lengths, absolutely going to waste because of the lack of proper woodworking plants, which would mean giving employment to thousands of people, increasing income, and, in the meantime, nothing being done to reforest these lands.

The pitiful thing about it is when they have finished these lands will become tax delinquent.

While in Oregon it was called to my attention that one of the local county papers had to add 52 pages for the purpose of advertising tax-delinquent lands.

These lands did not belong to any of the large operators or nonresident owners. This land belonged to individuals.

When a great amount of land in any county becomes tax delinquent, the next step on the part of the county government is to increase the taxes of those who are still holding on to their lands. This eventually means that additional land will become tax delinquent, and the next move on the part of these people is to place these lands in the possession of the Forest Service or Federal Government, and, because of the lack of revenue, they are now coming to the Federal Government, requesting an increase in payment by the Forest Service to these counties to be used in helping to defray the expenses of the county government.

Let's take a look at the South. I can remember, as a boy, my father clearing up new land, the cutting of beautiful, long-leaf pine trees, and what a time we had burning these logs for the purpose, as stated, of clearing up farm lands. Today, in the South, we can find very little virgin long-leaf pine timber.

However, we have in the Southern States, perhaps, the second best timber supply to that of the North Pacific Coast, largely composed of second growth, most of which at this time is pulpwood size.

During the last three, four, or five years, we have had some forty-odd pulp-and-paper mills moving into the South. Many of them have moved there because of the possibility of securing plenty of pulpwood. They have either moved out of sections where all of the pulpwood has been destroyed; or they have refused to move into other sections because they knew they could not get a supply of pulpwood; and I want to state that it is pitiful to observe the ruthless destruction of one of the greatest resources that we have, under the operations of these pulp and paper mills, as well as under the operations of many sawmills in the South.

It is my belief that the years will not be many before this wonderful and important resource, which, if properly preserved, would mean employment and tremendous income to millions of our people, will be a thing of the past—will be a picture just like the one I painted for you in the North Lake States.

I could take many individual States and paint to you a sad picture—Mississippi, Missouri, etc. You remember reading about the Ozark tenant march down in Missouri. If you will go into northeast Missouri, you will find millions of acres of cut-over land, millions of acres tax delinquent, unemployment running rampant, prosperous landowners of years ago now operating as tenant farmers, many of the furniture factories and other plants closed down, or if they are still operating they have to secure their supplies from over long haul, all of which is an added cost to the consuming public.

It may be of interest to you to know that the serious problem at this time is unemployment and the tremendous increase in farm tenancy, all of which has been brought about because of the ruthless destruction of resources and because of unfair prices that farmers receive for these resources and their farm products.

Now, after all of this has happened, you will note that the present administration is spending millions of dollars to rehabilitate farmers, to take care of the unemployed, and in trying to make landowners out of tenants. I want to state to you frankly that these problems cannot be solved in such manner; and, in the next place, it is impossible to make landowners out of tenants until you stop the thing that is making tenants out of landowners.

It may be of interest to you to know that the pulp and paper mills of the South have a program of buying pulpwood through one or more agents located within special areas, and, in that farmers cannot sell direct to these pulp and paper mills, they are forced to sell their pulp products through these contractors and subcontractors; and, according to the information and evidence that we have in our printed hearings, the manner in which the buying of pulpwood is carried on is simply highway robbery, in that the farmers are not securing a sufficient price to pay them for the actual cost of replanting trees.

We all remember the courageous fight on the part of the Finns some months ago. It is my firm belief that this was because they had something to fight for.

Today we are spending millions to build up our defense in the way of building battleships, airplanes, etc.; but, to my way of thinking, if we would spend more time and money in building up and preserving our resources—our forest resources, if you please—we would be doing more toward building up our defense and placing our people in the attitude of defending our great Republic than anything that we could do.

Millions of our people today are living in poverty and ignorance; thousands of farmers are annually becoming tenant farmers; millions are unemployed—all of which is costing the Government millions annually at the expense of the taxpayers, all because of selfishness on the part of these well-organized and well-financed groups; and, in closing, may I state that this is doing more to create fertile ground for the growth of communism than anything that I know about; all of which, unless this situation is remedied, perhaps will lead to that in this country at some time, which we, as a liberty-loving people, would not like to see.

The Next President

EXTENSION OF REMARKS

OF

HON. CHARLES HAWKS, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

ARTICLE BY GEORGE E. SOKOLSKY

Mr. HAWKS. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by George

E. Sokolsky, which was published in the New York Herald Tribune for April 1, 1940:

[From the New York Herald Tribune of April 1, 1940]

THE NEXT PRESIDENT

(By George E. Sokolsky)

Suppose we drop personalities. Suppose we were to vote, not for a radio voice or a vote catcher but just for a President of the United States, what would we have in mind? Or, better still, what would we expect the candidate to have in his mind?

Surely, in these perilous times, we should be concerned with knowledge, experience, wisdom, capacity for work, compassion for humanity, a firm rooting in the traditions of the country.

I notice that no one seems to be talking about these qualities today. They ask, Can he lick Roosevelt if Roosevelt runs? Is it a prize fight or a beauty contest, or has the Presidential election reduced itself to a cock fight? Is mere licking sufficient? Suppose the licker is as objectionable as, or more so, than the lickee? Where do we go from there?

It seems to me that if Mr. Roosevelt runs for a third term that will be the sole issue. The people will have to decide whether they want to destroy American tradition, risk a dictatorship, and establish a one-party tyranny. If they do, they will. If they don't, the third-term attempt will fail. The name and personality of the opposition candidate will matter little, for the people will not vote for him but against a third term. On the other hand, if Mr. Roosevelt is not a candidate, the Republicans and Democrats will be nominating much the same kind of Americans. The probability is that in that event 2 of the 20 names now being mentioned will appear on the ballot, and we shall be selecting, even as ever before, what the party politicians have given to us in their bounty.

Well, what kind of man do we want? Do we want a glamorous or a dull man, a bald or a bemustachioed man, a great scholar or a wise politician? After 8 years of experience with a Presidential wife, shall we analyze the wives of the candidates and their children, if any? Shall we do this analyzing by a common procedure, or by Freudian obscurities or by Marxian criteria? Shall we wonder whether he knows how to fish or to sing Sweet Adeline? After all, some people vote for candidates because they wear dumpy clothing or even, it is said, because they're silent.

It seems to me that we cannot afford the luxury of taking this election that lightly. Too much is at stake. Let me suggest a few of the minimal qualifications of the next President:

1. He must be expert in international relations. The world is at war. Although we are not at war, we are in the war, because it encircles us. The next President will have to decide whether we actually go to war or stay where we are. He will have to know the characteristics, habits, ideas, and tricks of the various combatants. He ought to know how to read a map, and it would be a convenience if, at least once in his life, he visited some country other than his own. It would be better still if he had visited many countries. He ought to know something of the history, traditions, and politics of these various countries, and it might even be an advantage if he knew one or two statesmen personally. In a word, he ought to have a better working knowledge of international relations than comes from the headlines of newspapers, comments on the radio, or even the memoranda from his own State Department. He ought to have discernment and principle.

2. He must be an economist. Whether the next President is a Republican or a Democrat, he will have to clean out the New Deal Augean stables. It will be a job for any man. There is not only the question of industrial relations but the more difficult question of gold. Here we've been collecting gold and silver to every other country's heart's content, and we don't know what to do about it. The next President will have to know what to do about it or we shall have some very dangerous inflation.

3. As regards the problems which come under the single word "labor," there appears a complex of attitudes, ideas, traditions, bickerings, and hatreds with which only superb statesmanship can deal. We cannot afford to have another decade of continued madness in this field. American industrial relations need to be on a cooperative rather than a class-conflict basis. Few of the unemployed, few young men and women just out of school and out of jobs, have any realization of how great a part the conflicts of labor—that is, conflicts over policy—have played in their misfortunes. And there can be no question that "labor's charter," the Wagner Act, has proved to be a carelessly conceived and stupidly written document. Yet there ought to be a charter for labor, one to which the unions, the employers, the workers themselves, can subscribe. Is this utopian? Statesmanship can make it a practical reality.

4. Agriculture is, in American life, a shifting occupation. The number of farmers is decreasing; their relationship to the soil is changing. Crops which once were the gift of God to the American agriculturalist are now a drug on the market. This is not always due to the farmer or the Government or anyone in particular. The trade routes of the world change with wars, and changing trade routes alter the production balances of countries. Furthermore, and I might say even more so, we have been steadily altering our diets and apparel, and therefore our agricultural needs. Take the single item of women's undergarments, which once were largely a cotton product and today are made of spruce, cotton, and chemicals, with cotton on the decrease—that works havoc which no government can control. Nor is price fixing of the raw material a solution, for whenever the price of the raw material produces an unmarketable manufactured article the chemist will provide a substitute. The possibility is that the solution to our agricultural market lies in varying crops to meet needs and in expanding markets in countries having a lower standard of living.

Whatever the solution is, here is a problem that has been dealt with only politically. The farmer has been the sport of the politician. I should even say that he has been fooled, swindled, and tricked by the politician. The proof lies in the increase in tenant farmers—in farmers who do not own the farms they occupy. Tenancy on so wide a scale is an evil error in a democracy. It may ultimately produce some equivalent of feudal serfdom.

Surely this problem requires more adequate and honest treatment than it has received. And a statesman is needed in this field.

5. Let us shift for a moment from the tangible to the illusive. Let us consider the question of national morale and national morals. This is a hard generation to be born to. It is a pessimistic generation. It follows upon fierce shocks—the great war, prohibition, the shift in sex relationships, the inflations of production and currency, the jazz age, the flapper period, the debunking of tradition, progressive education, the depression, the New Deal, and now another war. Our generation has had to take those shocks in its stride, and it has been hard to do. Millions simply could not go on. Millions more are disheartened, disappointed, embittered.

It is not enough for statesmanship to feed them burdensome promises. Some of these promises are coming home to roost in terms of more burdensome and destructive taxes. It will be worse rather than better during the next 5 years. We need to face that inevitability.

Statesmanship calls for a great moral leader in the White House, one whose absolute honesty and humanity will reinstill a love of country, a faith of country in our people. We shall need to reach heights of self-sacrifice and devotion to country if we are not to fail as a democracy. We shall need to sacrifice hundreds of thousands of leeches who are now letting the blood of the Nation, if youth is not to be permanently impoverished by taxes. This is a moral question, not only an economic one. It needs moral handling.

Obviously in this small area I cannot explore more of the requirements of such a President as this country needs at this stage. Do I ask for too much? Is it possible to believe that among the one hundred and thirty millions of us there is no one competent to organize an administration which will provide such leadership? Are we so bankrupt in character and personality that all we can think of in terms of the Presidency is his thorax and diaphragm and their workings, or about the cut of his jib and his stance in golf?

And must we always limit our thinking to victory? Can he be elected, they ask? Could Lincoln have been a candidate had that question been asked? Is it not more important to assert a principle, to offer the Nation beauty of mind and character, than to base this contest on mere political invulnerability? And who is really invulnerable?

The next President needs to be a man—a good, an honest, a fine man. He needs human wisdom and experience. He needs character. He needs to love his fellow men.

What we need in a President comes from the soul of a mother, the training in home and church and school, from the struggles in the inner life of a man of capacity and experience.

Who is that man?

Where is that man?

The Relief Problem

EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

EDITORIAL FROM THE ENDICOTT (N. Y.) TIMES

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my own remarks in the RECORD, I include the following editorial from the Endicott Times of April 11, 1940:

[From the Endicott (N. Y.) Times of April 11, 1940]

THE EDITOR WRITES A G. O. P. PLATFORM

(Article No. 2)

Last week I wrote one of my proposed planks for the Republican platform—long-termed, thorough flood control.

This week I want to deal with another type of flood, one even more menacing and expensive because its tides are rising and it is continuous; I speak of the relief problem. I have stated before, and I repeat it now, that this one major problem constitutes the

greatest threat to American free government on the national or international horizon today. All the "isms" put together are child's play beside the threatening implications of failure to solve our problem of relief. For an increasing number of our people are coming to regard relief as a career, are accepting relief as a permanent solution of their economic problems, and are interested in perpetuating and increasing this burden upon the taxpayers of America. A people dependent upon government for the means of existence cannot be a free people. Democracy falls down before a majority vote of either the unfortunate or the incompetent, or such a majority made up of a combination of both. Free institutions are maintained by a people who support their government, not by a subsidized citizenry supported by the government. And if we do not solve this problem in time to save our republican form of government, economic pressure will force us to solve it by a dictatorship that sacrifices freedom to the Moloch of efficiency.

Now, I am well aware that unemployment is a vital factor in this problem and that the attitude of government toward business and industry is directly reflected in business conditions and employment. But I shall leave that to a separate plank in my platform, devoted to the relationship of government and business. In the present plank, let us confine ourselves directly to the matter of relief.

It must be conceded at the beginning that we shall always have a burden of relief to shoulder. The poor, the incompetent, the handicapped, and the unfortunate are ever with us. But our present relief totals are not accounted for by these groups. We have the able-bodied, willing to work if given a chance, and the able-bodied, unwilling to work if he can avoid it, cluttering up the entrances to our relief bureaus, with the result that many of those who should have help do not get it, because the funds are spent on those who should not have it.

Before we can devise a policy for action we must have a planned objective. Now, I ask any sensible, fair citizen, who is willing to view this problem entirely apart from partisan politics, if he can tell me what the objective of present policies is? What hope, even in small quantity, exists in the present relief activities that any person on relief may be restored to economic independence? Are we not drifting along on a Micawber current, trusting that eventually something will "turn up," and in the meantime playing with the taxpayers' money and the tragic circumstances of the unfortunate, to achieve partisan political advantage?

I would write into the Republican platform, first of all, an objective for all governmental relief activities, and the objective would be the rehabilitation of those on Government subsidy. And any project which did not contribute to the achievement of that objective should be rejected.

Such Government works as are proposed should meet the tests of common sense—are they needed, have they permanent value, and are they needed sufficiently to meet the test of advisability in the light of the taxpayers' burden. Morever, all such projects should be carried out on a lower wage scale than that prevailing for similar work in private industry, in order to furnish an incentive to secure private employment. Any labor leader that would raise a question to that policy should be removed from circulation until he can be convinced that the welfare of all the people is of greater concern than the welfare of the minority for whom he presumes to act as a paid mouthpiece. (All the politicians will howl about that one, but I'm interested in good government, not in cornering votes at the cost of national freedom. Some party has to defy these greedy, selfish, unpatriotic pressure groups, and I'd like to see my party do it.)

I would propose a farm home purchase measure, which would provide for the establishment of dependent families on small "subsistence farms" under the supervision of the county farm bureaus, on loans without interest, to be amortized over a reasonable period. I would advocate Federal allocation of funds to assist States in such projects, provided the State devoted its entire motor-tax receipts to the maintenance and construction of highways, adding materially to the value of these farm homes by the construction of good roads, and giving the occupants of these farms preference in employment on the highway projects in order to provide a cash income by which to meet the payments on their loans. And as an added detail of that plan, I would advocate limiting the sale of products from the farm, in order to spare our legitimate farmers the damage of unfair competition. It will take time to work out our salvation by such a route. It will take more years to get us out of the dangerous rut in which we find ourselves, than was required to get us in. Downhill travel is usually speedier than uphill going. But the objective of restoration to normal citizenship, home ownership, and economic independence is in the idea, and by that much it is better than anything that is being done now.

It would be much more to the point to subsidize our families on subsistence farms in their own communities than to send them out to "pioneer" in Alaska.

It will cost us money, but it envisions a decrease in the golden tide that we are now pouring out to no purpose. It proposes lending without interest, but as a substitute for giving away the principal also. It goes without saying that some will not make good; but that is better than a program that guarantees that none can make good. It is a trail with rocks and thorns—but it goes some place, and therefore beats our present merry-go-round.

The Wheeler-Lea Bill

EXTENSION OF REMARKS
OF
HON. LINDSAY C. WARREN
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 17, 1940

RESOLUTION OF THE ELIZABETH CITY (N. C.) CHAMBER OF COMMERCE

Mr. WARREN. Mr. Speaker, I herewith present a resolution from the Chamber of Commerce of Elizabeth City, N. C., expressing its vigorous opposition to the Wheeler-Lea bill.

Hon. LINDSAY C. WARREN,
House of Representatives, Washington, D. C.:

Whereas the board of directors of the Elizabeth City Chamber of Commerce, meeting in regular session on Wednesday, April 10, 1940, in discussing the effects of the proposed Wheeler-Lea bill; and

Whereas the board was familiar with your fight against the measure on the floor of the House; and

Whereas it was unanimously agreed that this bill which would put the water transportation under the Interstate Commerce Commission would stifle competition between railways and waterways and cause freight rates to soar to a parity with rail rates; and

Whereas it would seriously affect improvements in the waterways that mean so much to the fishing industry and destroy the livelihood of those interested in this industry; and

Whereas it would throw thousands of people out of employment: Therefore, be it

Resolved, That we, the board of directors of the Elizabeth City Chamber of Commerce, petition you to let our wishes be known to the proper authorities as against the aforementioned Wheeler-Lea bill, which is against public interest and is unnecessary and grossly unfair; and be it further

Resolved, That a copy of these resolutions be spread upon the minutes of this meeting.

This 15th day of April 1940.

ELIZABETH CITY CHAMBER OF COMMERCE,
By E. C. CONGER, *President*.

Attest:

G. C. MOODY, *Secretary*.

Air Safety Board

EXTENSION OF REMARKS
OF
HON. D. WORTH CLARK
OF IDAHO
IN THE SENATE OF THE UNITED STATES
Thursday, April 18 (legislative day of Monday, April 8), 1940

LETTER FROM DAVID L. BEHNCKE, EDITORIAL FROM THE CHRISTIAN SCIENCE MONITOR, AND TELEGRAMS

Mr. CLARK of Idaho. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter to me from Mr. David L. Behncke, president of the Air Line Pilots Association, in connection with the recent reorganization order; also, an editorial from the Christian Science Monitor under date of April 15, 1940, entitled "Air Safety and Economy"; also, two telegrams addressed to the junior Senator from Nevada [Mr. MCCARRAN], all in connection with the same reorganization order of the President.

There being no objection, the matters referred to were ordered to be printed in the RECORD, as follows:

AIR LINE PILOTS ASSOCIATION,
Chicago, April 16, 1940.

Hon. D. WORTH CLARK,
United States Senate, Washington, D. C.

DEAR SENATOR CLARK: Several days ago the pilots that fly America's airliners received news that was so abrupt, so far-reaching, and so shocking that it left them stunned. President Roosevelt

had announced his fourth reorganization plan to Congress, containing a proposal to abolish the new Civil Aeronautics Authority and the Air Safety Board and place the entire air regulatory and independent air accident investigation duties that they have been performing so commendably, back under the Department of Commerce which made such an amazingly deplorable and costly failure of the same duties prior to the time that the new act was passed. The why of this is indefinable. The history of civil air regulation and air accident investigation is a matter of record.

From the late twenties to the time that the Civil Aeronautics Act of 1938 was passed were black pages in the history of the country's air-transportation development. It is not a matter of suppositions, assumptions, or the preponderance of vaguely defined ideas, but what this amounts to is cold, hard, indisputable facts—facts established by stark realities, facts established by the loss of score upon score of human lives and the loss of millions upon millions of dollars.

On May 6, 1935, Senator Bronson Cutting lost his life in an air-liner crash. In sheer desperation, the pilots, with the backing of a friendly, public-spirited press, started to lead the fight to free America's air transportation from the entwining tentacles of death in the air, which was strangling it to ruin.

During the period that the Department of Commerce regulated the country's air-transportation network 473 persons lost their lives in air crashes, of whom over 146 were air-line pilots. The ranks of the air-line pilots were being thinned at the startling rate averaging one every 28 days; their passengers were meeting death averaging one every 15 days. The crash-scared public was afraid to ride, which resulted in unestimably large losses of revenue to the industry and progress was stymied.

Air-minded Congressmen and Senators became interested. A senatorial air investigating committee was appointed, namely, Senators Clark (Missouri), White (Maine), Donahey (Ohio), and the late Royal S. Copeland (New York). They did a good job. They listened patiently to everything that anyone had to suggest that might be the solution. The congressional record built up by this committee is truly a bible on air safety. The politically involved and obviously faulty regulatory and air-accident investigating procedure of the Department of Commerce is all written in the record of this senatorial air-safety investigating committee.

Congress, the line pilots, and everyone else that was really interested in doing something about increasing air safety worked tirelessly and relentlessly, until in 1938 the new Civil Aeronautics Act was passed. The pilots had repeatedly pointed out through these dark years that the solution to the problem was to remove the control of civil aeronautics from the Department of Commerce, and not only that, but to separate the functions of regulating civil aeronautics from the functions of investigating accidents and making recommendations as to what should be done to prevent recurrences. The pilots pointed out simply that no one agency could reasonably be expected to handle both functions efficiently and effectively, because no one agency can be expected to decide against itself when something happens.

The line pilots recommended the creation of an Air Safety Board which was to be completely independent of the regulation-making divisions of the Authority, the sole duty of this Board being, without influence of any kind, to investigate accidents with the view of preventing recurrences and to make recommendations to the Authority which would, in the opinion of this Board, tend to prevent accidents.

Congress listened, and the Air Safety Board and the new Air Authority was created.

Now, let's look at the record since the Air Safety Board took over. Accidents have been cut to a minimum, and there has not been a pilot death on our country's air lines in the past 16 months, nor a passenger fatality in more than 12 months—a world air safety record. During this 12-month period the pilots that are making this appeal to you now not to permit the abolishment of the Air Safety Board flew 87,325,145 miles and carried 2,028,817 passengers without a fatality. Contrast this to 1 pilot being killed every 28 days and 1 passenger every 15 days for the entire period that the Department of Commerce regulated civil aeronautics and investigated accidents numbering a total of 473 pilots and passengers killed.

Certainly no one wishes to go back to that. The pilots are not quarreling with anybody. All they are trying to do is a good job, so that American air transportation may continue to be No. 1 in world flying.

When Congress created the Civil Aeronautics Act bringing into being the Air Safety Board, it won with one stroke the confidence of the American people, and they took to the air. Real air safety has been established by the Air Safety Board with the cooperation of the new Authority. This combination is paying dividends in lives saved and thousands upon thousands of dollars saved because of not having to pay the cost of crashes, and millions earned due to increased patronage resulting from the no-fatality safety record that has just been established, and we have only just started. It is only plain common sense to want to leave well enough alone. Your support to set aside the President's proposal to abolish the Air Safety Board and to strip the new Air Authority of its identity and independence is earnestly and respectfully solicited by the country's air-line pilots who fly our air liners on the most extensive civil air network in the world.

Respectfully yours,

AIR LINE PILOTS ASSOCIATION,
DAVID L. BEHNCKE, *President.*

[From the Christian Science Monitor of April 15, 1940]

AIR SAFETY AND ECONOMY

President Roosevelt's reorganization order proposing to do away with the Air Safety Board and leave its functions to the Civil Aeronautics Authority seems to have stirred up a small hornets' nest. Actually it presents one of the questions which reduction of Federal bureaucracy often presents.

Assistance to areonautics and regulation of air transport are among the more recently added functions of the Federal Government, and the agencies charged with these duties have expanded rapidly in personnel and expenditures. If economy can be achieved by consolidating bureaus and centralizing responsibility, this mushrooming field would seem a place to apply the precepts. This apparently is what the President has done, saving a couple of top salaries.

But is that all there is to it? A few weeks ago Senator ROBERT A. TAFT posed a query as to whether the National Advisory Council on Aeronautics, among a number of other Federal agencies, was a necessary institution. Mr. Roosevelt immediately came to the defense of the Council by saying that it fosters research which contributes enormously to the development and safety of air travel.

If this is true of the Council, it seems just as strikingly true of the Air Safety Board. Some years ago when the Aeronautics Division of the Department of Commerce was its own investigation agency a rather bad situation arose, represented in a series of crashes. The Air Safety Board was set up with independent authority to investigate such occurrences and to place the responsibility where it might belong, whether on the operating company, the plane manufacturer, the pilot, or on the Government units supposed to maintain airway aids, to test airworthiness of planes, or to make flying regulations.

On these various points the Board has made some significant reports. Men who fly the ships believe its presence has had something to do with the magnificent safety record of air lines in the United States during the last year. Once more economy presents the question, How far do Americans wish the Government to curtail new functions?

CHICAGO, ILL., *April 17, 1940.*

Hon. PAT MCCARRAN,
United States Senate, Washington, D. C.:

May I plead for your aid to prevent the adoption of the plan for placing the C. A. A. under the Department of Commerce and the abolition of the Air Safety Board. Their record of the past year during which there were no fatalities in air transportation speaks for itself of the splendid job each of these organizations is doing. I cannot protest too vigorously this proposed move when human lives are at stake.

Pilot KENNETH R. CASE,
American Air Lines.

NEW YORK, N. Y., *April 17, 1940.*

United States Senator MCCARRAN:

Having by necessity to avail myself of air transportation almost constantly, I am advised through the mediums of the press that an administrative order of the President is discontinuing the Safety Board of C. A. A. Take this opportunity as an air traveler to enter my protest against any such action. The functions of the Safety Board have been a matter of the greatest degree of caution administered by competent, intelligent, and capable staffs and have to a great degree eliminated the fear of individual air travelers and their families. To revert this authority to a politically responsible bureau is a step backward. For my own security and for the mental appeasement of my family I am entering this protest.

F. T. MURRAY,
Manager, Branch Operations, Universal Pictures Corporation.

Freight Rates in the South

EXTENSION OF REMARKS

OF

HON. TOM STEWART

OF TENNESSEE

IN THE SENATE OF THE UNITED STATES

Thursday, April 18 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. TOM STEWART, OF TENNESSEE

Mr. STEWART. Mr. President, I ask unanimous consent to have printed in the RECORD an address on the subject of transportation rates, with special reference to rate discriminations as affecting the South, which I delivered last evening over the Columbia Broadcasting System.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I wish to talk for a few minutes on a question in which I am vitally interested because it vitally affects the South, and, I believe, has much to do with the industrial growth of the South and Tennessee.

For many years class-rate freight charges have been higher in the South and West than in the East.

The United States is divided into territories or zones and freight-carrying charges are different in each zone. The zone or territory known as the eastern or official enjoys better class rates than any other territory.

I live in the State of Tennessee and that State is in the southern territory where class rates, as a whole, are higher than in the eastern territory by about 30 percent, according to estimates.

For a long time now, a consistent fight has been waged by those who live in southern and western territory against these artificial barriers of commerce which have hampered the industrial growth of these sections and which are, at most, relics of a punitive system.

I know that the people of the South and of Tennessee want manufacturing plants and pay rolls, but as long as manufactured articles from the South cannot be shipped to a market and sold as cheaply as kindred products from other sections of the country, just that long will factories and pay rolls continue to be a thing to be desired and never realized.

I know of many small towns in my State that want manufacturing plants and have tried to secure them, but because of these high freight rates have failed. Most towns have a large surplus of labor. They have many men and women who would like a chance to work and earn a livelihood, but it stands to reason that they cannot get this chance so long as manufacturers cannot make and sell goods on equal terms and in competition with others who enjoy cheaper shipping facilities. We have in the South freight rates on raw materials which are fairly low, but we want and need lower class rates on things that are made in factories. Our raw materials will not last forever. Every carload of coal or lumber that is shipped out of Tennessee depletes our natural wealth just that much.

It has been only a few months since the South was called the Nation's economic problem No. 1. We can help to solve that problem if we can have an equal chance with the industrial East and be allowed to make and sell manufactured goods on an equal competitive basis with them, and it is to this end that we propose to fight. We do not ask any advantage over the East, merely an equal opportunity.

We have seen some small improvement in our condition within the last few months. The South's victory in the "Governor's case" is a help to us, but not enough. We want to fight this thing intelligently, see that the people are told the truth about the situation and are not deceived and misled and kept in bondage until all our natural resources are gone.

I have recently written to all the civic luncheon clubs in Tennessee, asking if they will join in helping to effect an organization of businessmen and merchants who pay the freight, to the end that we might more effectively make this fight and see that the people are truthfully advised. I hope like organizations can be set up in the Southern and Western States.

Concerning a solution of this problem, it is stated in a message from the President of the United States transmitting a survey of the freight-rate problem of the United States to the Congress in 1937, that "This is a form of discrimination for which no adequate corrective has heretofore been applied. The application of a corrective manifestly is the responsibility of the Federal Government. Congress has sought for nearly 50 years, through the regulation of rates, charges, and practices of railroads, to prevent discrimination which has been deemed to be unjust and unreasonable, and contrary to the public interest. Legislation has been passed from time to time in furtherance of this policy. As to whether the present law contains authority for the removal of the particular form of discrimination discussed herein is a question upon which there is a difference of opinion."

Again in the concluding part of this report we find these words, "Such a solution of the problem might be attained through the voluntary action of the carriers concerned, if all of them could reach an agreement to that effect or, in course of time, a regulatory policy might be developed, even without specific statutory direction, which would ultimately solve the problem. There is no present indication that either of these alternatives will be adopted."

I would like to call to your attention that there is now being considered by the Congress certain legislation which, if finally passed, will be of great help, we think, in bringing about a correction of this matter. I refer to a bill which passed the Senate as S. 2009. This bill was amended in the House and is now being considered by a joint conference committee. As it passed both Houses there was, and is yet, a provision which declares it to be unlawful for any carrier to make or give any "undue or unreasonable preference or advantage * * * to any particular person * * * locality," etc. This provision of the bill is followed by a provision which directs the Interstate Commerce Commission to immediately correct any unlawful or unreasonable conditions such as above stated. If the bill passes in this form, we believe we will at last have secured legislation which will bring about, at least in part, a correction of this evil of discrimination.

So, again we are making some progress, but the fight must be kept up. We have every appeal for our side of the question and with right on our side we will eventually win out.

I hope to be able to make more talks along this line and, from time to time, give figures and other information showing the gross inequities that are imposed upon the less-favored sections.

We in the South will not be able to obtain free and equal opportunity without a fight. That is already apparent from the activities of certain large, absentee-owned interests operating in the South, which fear that they may lose their present freight rate advantage. These shippers are shippers of raw materials and so-called heavy goods—not high-priced commodities which we of the South should and want to manufacture. The rates under which their low-grade products are exported to the North are low and equitable at the present, but they say that a reduction of the general level of rates will result in an increase in the rates under which these commodities move. Of course, I do not believe that this will be the result of a general reduction of the rate level. I feel that their fears are unduly exaggerated and unjustifiably aroused. The reason why their rates will not be increased is because the North wants our low-grade commodities, and the southern producers of the commodities are owned and controlled in the North.

I mention this opposition for two reasons: First, to put the average shipper and citizen in the South and West on guard as to what may be expected in the way of opposition from this source; and, secondly, to refute one of their arguments against rate reductions.

I do not have the time tonight to give many figures and comparisons, but as an example I quote from the above-mentioned 1937 message of the President to the Congress, one instance of discrimination among the many thousands that exist. On page 18 of the printed report to which I refer there appears a table which gives comparisons of typical first-class freight rates from the southern territory to eastern territory with corresponding rates within the eastern territory for approximately equal distances. The rate quoted is on 100 pounds of first-class freight. From Chattanooga, Tenn., to Chicago, Ill., it is 592 miles by rail and from Philadelphia, Pa., to Toledo, Ohio, it is 595 miles—only 3 miles difference, yet the freight charge from Chattanooga to Chicago is 47 cents more for each 100 pounds of first-class freight than from Philadelphia to Toledo. This makes a difference of $9.40 per ton. So you can see in figures what I'm talking about. No man can sell merchandise and compete with another when he is required to pay such a large difference in freight charges when shipping the same distance.

Here in America we want to live peacefully—keep out of foreign wars which are always fought over questions we are not concerned with and which never seem to settle anything. We want to turn our full attention to our internal, peaceful development and build up our country, not for the benefit of one section but for the benefit of all America and Americans. We want to give to our people equal chance in their desire to work, educate their children, build up their churches, schools, and homes, and live at peace with the world and their neighbors.

"One, If By Land, and Two, If By Sea"

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

RADIO ADDRESS BY HON. J. WILLIAM DITTER, OF PENNSYLVANIA

Mr. DITTER. Mr. Speaker, under leave to extend my remarks I insert an address which I delivered over the Columbia Broadcasting System, Wednesday, April 17, 1940, as follows:

Tonight, as Europe rides to its dreadful destiny on a powder cart, there are hundreds of boys and girls in the peaceful quiet of our American homes studying Longfellow's recital of the ride of Paul Revere. Tomorrow marks the one hundred and sixty-fifth anniversary of that memorable event which aroused New England to imminent danger and which challenged the patriots of all the colonies with the courage that gave America its independence.

As long as Americans love liberty that poem of Longfellow's will be immortal. You and I learned it and came to love it years ago. It was a part of our hero worship in the same way that Lincoln's log cabin and Washington's Valley Forge were. We cherish it in the same sense today. It still inspires devotion. It still fires the imagination. The thought of it brings to our mind's eye the whole

dramatic scene—the belfry of the old North Church—the lanterns aloft as a signal—"one, if by land, and two, if by sea"—and Revere waiting on the opposite shore—"ready to ride and spread the alarm through every Middlesex village and farm."

More than a century and a half has passed since that "cry of defiance and not of fear" was sounded. Danger signals are again flashing their warnings—warnings we dare not ignore—warnings which are so manifestly plain that we cannot deny their meaning. There are lanterns warning us of danger abroad and difficulties at home, as a philosophy of force seeks the destruction of Europe and a philosophy of futility threatens the deadening of America.

Tonight we are confronted with both problems—both of them require clear thinking, deliberative consideration, and an honest judgment if they are to be solved. The one involves our international relations—our foreign affairs—our contacts with other nations. The other, the more intimate problem, is nearer at hand. It affects directly our day-by-day living with each other—our rights and our duties—our hopes for our children and the future of the Nation. All of us sense the seriousness of these problems.

There is scarcely anyone who fails to realize the far-reaching consequences of the policies adopted by our Government in the foreign field. On the other hand, the greater importance of a speedy and satisfactory solution of our domestic difficulties should be apparent to everyone as it becomes clearer day by day that self-government can only survive as it puts its own house in order. That can and must be done. It will be done if we do not content ourselves by being so blind as not to see, or so complacent as not to be concerned, or so indifferent as not to care. It will be done by clear thinking, not by wishful dreaming. It will be done by the soundness of principles and not by the popularity of a man.

For the last 7 months much of the time and thought of the President appears to have been directed to the problems abroad. Each incident in Europe has been seized upon to emphasize the importance of our relations with other nations. An idealism has been advocated, not altogether unlike the idealism which started a crusade to make the world "safe for democracy." With our attention riveted on our dealings with other nations, only secondary consideration has been given to the kind of deal carried on at home. The records seem to indicate that we're thinking about war instead of planning for work. The size of armies at war on the battlefields abroad rather than the effectiveness of armies at work in the business fields at home has been of primary concern. With war interest going up, work interest has gone down.

Despite the increasing importance which the administration has attached to our international relations, little, if anything, is known at the present time by the American people about our plans and purposes in the foreign field. Just what our policy is, or how it is to be carried out, remains for the most part a carefully and closely guarded secret. Whether a policy of "quarantine," as the President called it in 1937, is to be attempted has not been disclosed. Whether we shall resort to "measures short of war," as suggested by the President at another time, remains to be seen. But one thing is crystal clear, and that is the American people, irrespective of the tactics of those who have a part in secret diplomatic conversations—I say the American people—intend to avoid involvement in the present carnage of destruction in Europe. The warning against involvement has been seen as the lanterns in the belfries of America flash their signals.

While the seriousness of conditions in Europe dare not be underestimated, while the assertion of the philosophy of force by ruthless aggressors should not be approved, and while our relationship to world movements cannot be ignored, nevertheless, I believe our first duty is not to emphasize war but to make a continued drive to put America back to work. Obviously, if this is so, and I am convinced you think it is so, then domestic problems must once again receive the emphasis which is so urgently needed because of the present administration's failures.

For more than 7 years now the New Deal has tried its hand at recovery with little to show for its efforts except a burdensome debt and a disheartened people. Real recovery has been as hard to locate as an echo. A patient hope has been turned into a fearful despair. From the beginning high hopes were held out by the administration that the problem of unemployment would be solved and that a sustained recovery would be realized. Those hopes have been shattered. The rainbow promises of 1932 are hidden by heavy clouds of 1940 disappointments.

The failure of the present administration to create a sustained recovery—to put men back to work at real jobs—is a tragedy. No one will deny that the new dealers have tried. Frantic efforts have been made by a series of experiments to push, pump, or pound life into the Nation's business. Unfortunately, most of the experiments have been of the hothouse variety—very expensive, extremely hard to grow, and too frail to weather a real storm.

As we look at the results of these last 7 years; when we think of the high hopes that were held out; when we think of the bold promises that were made; when we think of the extracrdinary authority that was exercised, and when we think of the lavish hand with which funds were distributed, I repeat, when we see the results of all these efforts, it is hard to avoid the conclusion that the plan itself is wrong. Time, money, and effort have been put into the plan without limitation or restraint, and yet, the disheartening fact faces us that millions of men are still looking for a chance to work and millions of women are still waiting for a share of the wages

Excuses of all kinds have been offered to account for the failures. But the explanation given by Mr. Milo Perkins, President of the Federal Surplus Commodities Corporation, challenges attention. Last June in discussing the subject of unemployment, Mr. Perkins said, I quote, "No one is to blame for our unemployment problem. It is the kind of economic awkwardness that comes at the point when we are too old for knee breeches and too young for long pants." For sheer originality that explanation is certainly a prize winner. The more I have thought of that statement the more convinced I am that it's not economic awkwardness that is bothering us nearly as much as political awkwardness. Our national affairs have been as disjointed as a marionette with broken strings and we certainly have had a very generous supply of knee breeches in high places here in Washington during the past 7 years. In fact it would seem that long pants as well as long skirts have gone out of style completely. The trouble is we've been doing entirely too much custom tailoring of our whole lives—planning, measuring, fitting, standing before mirrors to admire ourselves and the new garments that some have tried to drape around us. What we need are a few ready-to-wear garments—garments that fit our pocketbooks, our style, and our habits. And by the way, a few homespuns and home-mades would not go amiss either.

Despite what the President of the Federal Surplus Commodities Corporation has said about awkwardness, knee breeches, and long pants, I believe, and I think you believe, that someone, or at least something, is to blame for our present unemployment. We have ended a 7-year period in which stagnation has taken the place of progress and dynamic growth has given way to arrested development. Verily, in the midst of life we are in debt. We cannot go on for another 4 years the way we have been going for the last 7 years and expect anything better in the future than that which has disappointed us so completely up to this time. When the New Deal started most of us were as hopeful as a baseball rookie at a spring training camp, but the weeding-out process brings a lot of men to their senses.

As I look at the record since 1933, look at it in the light of real accomplishments rather than in the light of highly tinted phrases, I recall an old teakettle we had at home years ago. It had a lid that didn't fit. My, and what a lot of racket it made bumping around when the kettle had steam in it, but it would have been worth much more if it had made less noise and retained more heat.

What is needed today is less noise and more heat—not a sputtering engine of political experiments but the driving, pulling, tugging force which private enterprise and private capital and private citizens at work with each other, and with confidence in each other, and in their Government can provide.

Such a program will be a reaffirmation of our faith in democracy—a reestablishment of our confidence that it can survive the present-day assaults of force and dictatorships and a reassertion of our rights as free men to self-determination and self-government.

"Meanwhile, impatient to mount and ride,
Booted and spurred, with a heavy stride
On the opposite shore walked Paul Revere.
* * * *
And lo! as he looks, on the belfry's height
A glimmer, and then a gleam of light!
* * * *
That was all! And yet, through the gloom and the light,
The fate of a nation was riding that night."

Thank God the spirit of Paul Revere still lives.

Rigid Economy Nationally Versus Generous Federal Expenditures Locally

EXTENSION OF REMARKS

OF

HON. JOHN M. COFFEE

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

EDITORIAL FROM THE LAKEWOOD LOG

Mr. COFFEE of Washington. Mr. Speaker, I herewith attach a copy of an editorial from a weekly newspaper from my home county, the Lakewood Log, published at Steilacoom, Wash. Its editor is a very original and clever publicist, C. F. A. Mann. His weekly periodical is replete with audaciously novel and unusual articles and editorials. Mr. Mann is a Republican by affiliation and inclination, yet he is possessed of that broad tolerance and human understanding which makes for sound and intelligent citizenship.

In his March 29, 1940, issue he wrote an interesting editorial entitled "Political Tantrum Season Due Next," a reading of which I commend to all those interested in public affairs. It has always seemed to me remarkable that many citizens inveigh against Federal spending in general, while

insisting upon it in particular; by that I mean to say, certain conservatives are insisting upon drastic reductions and economies in the National Budget, yet urging their Congressmen and Senators to move heaven and earth to secure appropriations wherewith to supply the means for construction of needed improvements in the particular congressional district or State of residence of the supplicant. This is an anomaly which must have struck many of you. If economy is good for the Nation, it is good locally and vice versa.

The editorial is as follows:

[From the Lakewood Log of March 29, 1940]

POLITICAL TANTRUM SEASON DUE NEXT

We demand economy. We demand tax cuts. We demand you build the new Indian hospital in Tacoma. We demand flood control, Hylebos extension, the new Tideflats Airport (Mr. F. Walsh speaking). We demand an end to Federal spending. We demand the Wagner labor law be repealed. We demand that Senator BONE be scalped for upsetting the greatest peacetime naval-armament racket ever recorded in modern times. We demand Cordell Hull's scalp for trade dickers unfair and ruinous to Northwest industry. We demand Mr. Roosevelt keep his trap shut about war in Europe—same to Ambassador Jimmy. We demand you revalue gold and resume specie payments. We demand you let private industry alone. We demand you give private industry all the fat Government contracts you can possibly wriggle loose. We demand cheap electricity from Bonneville in Tacoma. We demand the Federal Government stay out of the power business. We demand the Government stay out of housing construction. We demand the F. H. A. continue to guarantee low-cost home loans. We demand old-age pensions. We demand there be no rise in sales tax. We demand a Government job—didn't we help elect Franklin? We demand that Government employees not be taxed like private citizens.

THE WHOLE D—— PUBLIC ATTITUDE IS COCKEYED

The same Republicans who advocated return to balanced Budget are demanding more and fatter and bigger Federal appropriations and Government contracts. The same crowd who lambastes JOHN COFFEE floods his office with letters pleading for Mud Mountain, McChord, Fort Lewis, Narrows Bridge, Indian hospital, custodial school, and Fort Steilacoom (via P. W. A.), Clover Park High School, Puyallup flood control, Tacoma Federal building, etc., far into eternity.

No wonder thousands of young, intelligent husbands, who are proud fathers and anxious to be successful in life and their business or profession, are fed up, disgusted, cynical, and, when out celebrating over a little rye, will confess they have nothing but contempt for both the G. O. P. and the New Deal.

The editor is proud to recall that in 1932, with the tide running swiftly in his face and Wesley Lloyd was laughing his bitterest cynical laugh of scorn and derision, that he and some 300 other Tacoma young men boldly flew the flag of Cincinnatus, whose righteous motto was, "For a less expensive, smaller, and more efficient government."

The day is almost here for Cincinnatus to take another fling.

Any young man in our audience who wants to steer clear of the present mess and do a little original thinking on his own?

The Logan-Walter Bill

EXTENSION OF REMARKS

OF

HON. WESLEY E. DISNEY

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

Mr. DISNEY. Mr. Speaker, I am in favor of the Walter bill, H. R. 6324, and some of my views are as follows:

This legislation exemplifies another phase of the struggle between the people and centralized government, between the legislative and executive branches of government, between the people and bureaucracies—a story as old as Anglo-Saxon civilization itself, even going back through the history of democracy at its very beginning and continuing to the present time.

It can be more properly described in its present aspect as a contest between the legalistic school of thought and the administrative, the legalistic laying down certain rules of conduct and the administrative contending for the unlimited right to the control of the people by the individuals and by the system in power at the time.

Centralization of government is the antithesis of democracy. Totalitarianism in any form contends that it is operating for the general good, according to its best judgment, without regard to the desires of the people, and it opposes representative government. The theory and practice of democracy take the opposite view.

Centralization of government is typified in communism, nazi-ism, fascism, and other schools of thought holding that the individual citizen is best benefited by the system that keeps him under control and regiments his conduct and activity. It is said that in Russia 1 percent of the population, the Communist Party, has control of the 170,000,000 people. Dispatches of yesterday show the final flowering of nazi-ism in the announcement of the confiscation of private property in Germany. In America we have nearly a million persons operating the executive department.

Civil rights—the right to contract, to reason, to speak, to worship, to own property—all fade as centralization of government overtakes the rights of the individual.

It is said the legalistic system, as compared to the administrative, is cumbersome, slow, and oppressive, in that the courts do not reflect the will of the people. It may be answered that the courts have responsibility and are beholden to the people and the elective and appointive power. The bureaucrat has no responsibility; rather, he exercises a lawless irresponsibility. The new tyranny of administrative bureaucracy, however much it makes for expediency, finally and inevitably results in the abhorrent conditions now found in Europe in the totalitarian states, where individual rights are completely subverted.

The Anglo-Saxon civilization was built on a legalistic school of thought. It is now attempted to supplant this by the administrative school. Anglo-Saxon civilization has been the pride of its builders and the envy of the rest of the world. Its system has been good to America and Americans. We cannot afford to abandon the American system—the American way of living. It is being attacked in the most insidious manner—evil operating under the guise of good; the people being lulled to sleep by suggestions that expediency by administrative government should take the place of principle; that the conduct of men instead of the operation of law should rule the people.

We find bureaucratic department heads acting as judge, jury, witness, prosecutor, and executioner, with authority in the executive department, arrogating to themselves powers never intended by their creator, the legislative department acting for the people.

The result has been a growing distrust, not alone of any current administration, but of government itself.

Too many Americans are consciously or unconsciously hating their Government. The American Revolution had its inception in the hatred by individual Americans, of the mother country's treatment of them, for the King's emissaries foisting on the citizens injustices, by taxes, delays, circumlocutions, petty annoyances, and unfair tactics, to the detriment of their individual rights. This hatred finally found expression in revolution against the oppression. Englishmen now look back at the absurdity of the conduct of their then government toward the American people. An unreasonable, bureaucratic, stubborn organization drove the Americans into a frenzied hatred. America cannot afford, after the brilliant accomplishments of the United States under her constitutional, representative form of government, to permit a political frankenstein to increase that hatred by the people of their own Government.

Our executive Frankenstein of bureaucracy has its ramifications into every walk of life of the individual citizen. It has had a mushroom growth, especially in the last three decades. Each individual in the Federal system constantly seeks more power, more authority, and more money for his activities. As a result, appropriations and taxes have grown inordinately in recent decades, resulting in a $45,000,000,000 debt, annual appropriations approaching ten billions, and a million people on the Federal pay roll, with taxes too burdensome for industry to absorb the unemployed.

The States have ceased to be a buffer against the incrdinate enlargement of the strength and political financial power of the Federal system. They have been suborned by gifts and hand-outs of Federal aid, and have become supine, and their civil units have become supplicants for Federal assistance.

Headed by a right-thinking humanitarian, the Federal system seems to present no danger signal; but if the people could visualize a monster, a Caligula, as head of this all-powerful Federal system of bureaucracy, a terrific awakening would ensue, an awakening that might come too late, if first came the entrenchment in power of an individual skillful and unprincipled enough to make use of the tyranny possible under the enormously powerful system.

If this bill does nothing more than to set in motion an education of the people to their danger, its passage, even though it may be in imperfect form, is justifiable.

Amendment of Wage-Hour Law

EXTENSION OF REMARKS

OF

HON. MICHAEL J. BRADLEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

ARTICLES AND EDITORIALS FROM LEADING NEWSPAPERS

Mr. BRADLEY of Pennsylvania. Mr. Speaker, the following four editorials attacking the Barden bill to amend the wage-hour law appeared in all Scripps-Howard newspapers throughout the country, the New York Post, Washington Post, and New York Times.

[From the Washington Daily News and other Scripps-Howard newspapers of April 16, 1940]

"HERE'S THAT BLOC AGAIN"

Remember the dime-an-hour bloc? It's back on the scene in Washington again, and stripped for action.

Last year the legislative servants of various low-wage industries got together behind the Barden bill, a bill to cut the heart out of the Wage and Hour Act by exempting these particular industries.

Friends of the act prevented a vote on the bill last year. But now the measure is scheduled for debate in the House within a few days.

The issue, stripped of sophistry, was summarized by Senator MURRAY, of Montana, on the American Forum of the Air. Mr. MURRAY said:

"The question is: Should any group of industrial workers in the United States be paid less than 30 cents an hour?"

Congress will decide.

In November, of course, ballots will decide whether the Congressmen who voted for the Barden bill spoke the sentiments of the people or only of a few articulate, organized, and well-heeled employers.

Thirty cents an hour. For a 42-hour week of manual labor, $12.60. Will such a wage wreck the American system? Is $655.20 for 52 weeks of work too much for industry to bear?

Or put it this way: Suppose we say that we don't give a tinker's damn how many of the necessities or comforts the lower one-third can purchase. Suppose we pretend for argument's sake that we don't care whether a cannery hand can save enough out of his pay to buy a radio on installments, or a fifth-hand flivver, or an overcoat, or a magazine, or a ticket to the movies.

O. K. It's nothing to us. We'll look the other way. But what about the radio manufacturer, the automobile manufacturer, the textile and garment manufacturers, the publishers, Hollywood? What happens to their markets?

We don't believe the dime-an-hour bloc has deliberately set out to destroy markets, to monkey wrench the national economy, or to fertilize a potential field for subversive agitation. But if these were its intentions, it could hardly find a better method than the Barden bill.

[From the New York Times of April 12, 1940]

AMENDING THE WAGE-HOUR LAW

Early next week leaders of the House expect to take up the Barden bill to amend the Federal Wage and Hour Act. The act is in serious need of amendment, but the Barden bill is not likely to prove very helpful in this regard. What it does chiefly is to extend the scope of the various operations in the handling and processing of farm products to which the wage-hour provisions are specifically not to apply. Such amendments seem primarily political in intent. The supposed purpose of a Federal minimum-wage law is to protect marginal labor. If we are to have such a law it ought to apply to all such labor to the greatest extent practicable. There is no excuse for exempting agricultural labor except the sheer administrative difficulty of covering some of it. But the exemptions provided for in the Barden amendments are based, in the main, not on administrative difficulties but on mere ability to label certain operations "agricultural" because they are concerned in the processing of agricultural products, even though that processing—in such cases, for example, as canning fresh fruits or shelling and packing nuts—might take place in large establishments. Amendments of this sort are derived from the political sacredness of the farmer rather than from any principle of equity. If the Federal Wage-Hour Act is bad in principle or in practice, it does not cure the central difficulty to grant discriminatory exemption for a few politically favored operations.

Any serious reconsideration of the Federal Wage-Hour Act would begin by raising the question whether minimum-wage legislation should not properly be left to the individual States. Such a solution would enormously simplify the administrative problem involved at the same time as it would abandon the effort to force a Procustean uniformity on wage rates throughout the Nation, regardless of great differences in local conditions. Even if it were decided to retain a Federal Wage-Hour Act, it would still be highly advisable to abandon fixed statutory rates and to follow the almost universal practice of good State minimum-wage acts, which do not attempt to fix definite minimum-wage rates in the law itself, but provide that such rates shall be fixed only on the recommendation of special committees of investigation for each industry after a careful study of actual conditions found in that industry. Finally, the present so-called hour provisions of the Federal law should be reexamined. In their present form they are really disguised wage provisions, which apply not merely to marginal or low-paid labor but to the overwhelming bulk of all labor. They have, moreover, been interpreted in such a way as, in effect, to set a different minimum wage for each employer.

On the eve of a Presidential campaign, however, it is unlikely that any changes will be considered except the kind of pressure-group amendments embodied in the Barden bill.

[From the New York Post of April 15, 1940]

TO DESTROY LABOR STANDARDS

The wage and hour law now faces a fight for its very existence. The opponents of the act do not try for its outright repeal; the principles incorporated in the law are far too popular for that. Instead, its opponents propose amendments cloaked in the attractive garb of protecting the farmer and clearing up certain ambiguities in the statute. The suggested changes may sound innocent and not unreasonable. But, as soon as their effects are understood, it is clear that the amendments would destroy the law by exempting from its provisions those who most need its protection.

The emasculatory changes are incorporated in a bill introduced by Representative BARDEN, of North Carolina, last July. The bill is tentatively scheduled for consideration by the House next week, along with the Logan-Walter bill which is also designed to hamstring New Deal activity, under the guise of minor improvement in administrative procedure.

The Barden bill has nothing to do with the farmers, who do not come under the wage and hour law. It is simply a device to take away the law's protection from 1,500,000 employees who perform industrial operations on agricultural, horticultural, and dairy products from the time they have left the farm until they have reached the ultimate retail distributors. In October 1939, when the 30-cent hourly wage and the 42-hour week went into effect, only 650,000 workers got raises, and only 2,400,000 were benefited by the minimum-hour provision. By depriving 1,500,000 workers in the most poorly paid industries of the law's protection, therefore, the Barden amendments would vitiate the greater part of the law's effectiveness.

The wage and hour law was designed to put a floor under wages in some of the most shockingly underpaid industries in the United States, and at the same time to fix a limit to impossibly long hours. In each case the minimum standards set were extremely modest—no more than a first step toward the conditions that would be socially desirable. After a year and a half the lobbyists for those who have maintained the lowest standards of employment are about to succeed in bringing their destructive amendments to a vote.

Congress should reply by treating the Barden amendments to a smashing defeat.

[From the Washington Post of April 18, 1940]

THE BARDEN BILL

The Barden bill scheduled to come before the House this week would extend the exemptions of the Wage and Hour Act to probably 1,000,000 workers engaged in the handling and processing of farm products. Workers in canneries, fruit- and vegetable-packing plants, and other processing establishments are among the lowest paid groups in the country. Opponents of the Barden bill persuasively contend that its passage would withdraw the protection of minimum-wage legislation from those most in need of it, lead to demands for further exemptions, and defeat the purpose of the law.

Certainly the Barden bill is highly discriminatory in according exemptions to agricultural processors and their employees while denying them to other groups. If it is bad for the farmer to have the cost of processing fruits and vegetables raised by compulsory increases in wages paid by canneries, it is also disadvantageous to have the price of the farmer's clothing raised by applying minimum-wage laws to textile workers. Furthermore, if we accept the thesis that an industry unable to pay decent wages has no right to survive, the effect of minimum-wage legislation upon the farmer is an irrelevant consideration.

The Fair Labor Standards Act unquestionably ought to be amended, but revision might profitably be delayed until the new Administrator has had more time to perfect his organization and show what can be accomplished under a decentralized administration. The enforcement task is immensely difficult and virtually certain to prove impossible without the whole-hearted cooperation of State officials.

Heretofore the Wage and Hour Division has been severely handicapped by lack of funds, and by the inevitable delays of developing a new regulatory mechanism. With more money to spend, and with more experience to draw upon, a better showing is to be expected. But under the best conditions, the Federal Government cannot effectively police thousands of establishments employing millions of workers unless community sentiment supports the laws and employers and employees do a good job of self-regulation.

The work of bringing violators of this act to book by investigating complaints is extremely arduous. Up to last December the Wage and Hour Division had received more than 32,000 complaints involving 25,000 establishments. It concluded that between 15,000 and 16,000 of these complaints were valid and should be looked into. But at the end of the year it had completed only 2,138 inpections, had 1,999 cases still under investigation, and 11,410 cases still unassigned.

This record constitutes no reflection upon the pitifully inadequate inspection force of the Division. But it does emphasize the folly of passing regulatory legislation of far-reaching character without stopping to consider the difficulties of enforcement.

A great mistake was made initially in providing for comprehensive coverage of industries in all parts of the country. The establishment of uniform minimum-wage rates and maximum-hour standards was likewise a blunder. What we need is a careful overhauling of the law to make it more workable and less rigid. Its inherent defects would only be increased by introducing discriminatory exemptions such as those carried in the Barden bill.

Farmers Educational and Cooperative Union

EXTENSION OF REMARKS

OF

HON. ARTHUR CAPPER

OF KANSAS

IN THE SENATE OF THE UNITED STATES

Thursday, April 18 (legislative day of Monday, April 8), 1940

THE PROGRAM FOR 1940

Mr. CAPPER. Mr. President, I ask unanimous consent to have printed in the Appendix to the RECORD the resolutions adopted by the Farmers Educational and Cooperative Union of America at the annual convention of that great national farm organization held in Omaha, Nebr. This farm organization, at whose head is a Kansas farmer well known to me—Mr. John Vesecky, of Salina, Kans.—has for years been a leader in the national agricultural field, and has pioneered in advancing the status of agriculture and of farmers along cooperative lines, as well as taking a leading part in the enactment of national farm legislation. I call the attention of the Senate especially to the legislative program for 1940 sponsored by the Farmers Union, as set forth in the resolutions which I send to the desk.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

THE 1940 PROGRAM OF FARMERS EDUCATIONAL AND COOPERATIVE UNION OF AMERICA, ANNUAL CONVENTION, OMAHA, NEBR.

We, representing organized farmers of the United States, banded together as the Farmers Educational and Cooperative Union of America, assembled in our thirty-fifth annual convention at Omaha, Nebr., November 20, 21, and 22, 1939, submit our program to guide us in the crucial year of 1940, clearly mindful of our grave responsibility in a world of crisis, where chaos threatens to engulf all civilization, and where no class, nation, or age can escape economic consequences of the turmoil abroad today.

We reaffirm the historic and basic principles of the Farmers Educational and Cooperative Union to attain equity and justice through maintaining a democratic political system and building a cooperative economic system as the practical expression of the Christian idea of brotherhood, which alone can bring lasting peace and security; to permit no black-out of our objective to attain parity income for agriculture, sufficient to cover production costs, to provide a home, free from threat of dispossession, and a decent standard of living for ourselves and our families; to cooperate with other organized groups who genuinely seek to provide economic security, preserve democratic processes, provide distribution of abundance for all the people, and maintain our civil liberties.

In order to attain these objectives by doing together what we cannot do alone, we adopt the following program of educational, cooperative, and legislative activities for the coming year:

EDUCATION

Believing that education, which assures an understanding of cooperative economics, is basic to the development of unity which is needed to effectuate our cooperative and legislative programs, we pledge our organization to continue and expand the work carried on by the department of education of the National Union.

We also pledge our organization to continue its policy, through junior and adult education, to build an understanding of the problems facing farmer and industrial worker alike.

COOPERATION

Believing that a system of cooperative business, owned by producers and consumers, is the only means by which the potential abundance of this Nation may be made available to all its people and by which true democracy may be maintained and safeguarded, we urge that our membership continue to actively encourage and promote the development of cooperative business institutions.

We also urge a continuation of the cooperative conferences which have been held during the past 3 years.

LEGISLATION

SECTION I. Agriculture is not only the basic industry of the Nation—it is, under control and ownership of farm families, the only foundation upon which may be built and sustained our declared form of a democracy. Therefore, in an admitted legislated economy to assure a democracy, agriculture must be assured a parity position with the other important and essential groups.

Agricultural security is therefore the first required prerequisite for a well-fed, clothed, and housed democratic society.

Such legislation must first provide for a revaluation of the farm plant now under mortgage so that the debt, principal, and service charges may be related to the potential production of the plant and also provide conservation of the farm plant and farm family.

Production insurance and income assurance against drought, insect pests, speculative price changes, and other causes beyond the control of the farm operators must be provided as a matter of national policy. We must soon be done with Federal programs which rest upon perennial political caprice and which contribute to the continuing increase of the Federal deficit.

In keeping with these objectives we urge passage of the following national legislation:

1. The Farmers Union debt adjustment plan embodied in S. 2549 and section 21 of S. 2864, pending before the Rules Committee of the House of Representatives.
2. A Farm Tenancy Act as embodied in S. 1836.
3. The Farmers Union dairy bill, H. R. 6500.
4. The Farmers Union cotton-income certificate plan embodied in S. 2434.
5. The Farmers Union wheat-income certificate plan embodied in S. 2395.
6. Similar legislation for flax, rye, barley, rice, and other commodities.

Pending the enactment into law of the foregoing legislative proposals, we request that loans made by the Commodity Credit Corporation shall be at 75 percent of parity permitted under the present law.

SEC. II. We recognize that Federal agricultural programs up to this time have many weaknesses and that legislation has not, as yet, provided for American farmers either cost-of-production or parity price. However, we believe it would be a serious setback to American agriculture to lose any of the good parts of existing Federal programs. Therefore, we deal with this problem from the standpoint of maintaining the legislation which we presently have and seeking those changes and corrective amendments which, in our judgment, are necessary.

We propose the following:

1. Payments to cooperatives in the soil-conservation program should be made on the basis of needed soil conservation practices and should be separated from commodity-income programs.
2. Expansion of the program of the Farm Security Administration to meet the needs of our farmers with particular reference to farm tenancy, debt adjustment, land utilization, mortgage refinancing, rehabilitation, and emergency relief.
3. The transfer of the Farm Credit Administration to the Department of Agriculture, which has demonstrated through its administration of Farm Security Administration its capacity and intentions to deal sympathetically and intelligently with the problems besetting those farm people of the country, who, through drought, insect pests, low prices, and other causes, have been reduced to abject poverty.

The President of the United States, by Executive order last June, directed the transfer of the Farm Credit Administration to the Department of Agriculture. We sought this transfer because we

needed the more sympathetic administrative attitude as exemplified in the administration of the Farm Security Administration. For some reason the transfer was deferred, thus leaving the Farm Credit Administration in its former relatively autonomous position.

Believing the transfer would prove to be a contribution of immeasurable consequences, we respectfully urge the President to immediately effectuate his original order of June 1.

4. Use of cooperatives wherever available and serviceable and assurance that the Government stay out of the field of agricultural distribution.

In all the Federal laws dealing with warehousing and distribution of agricultural commodities, the Congress has provided directive language to use producers' cooperative associations when practicable. In too many instances Federal agencies have wantonly evaded the intent of Congress that producers' cooperative associations, when available, should be used.

The Commodity Credit Corporation is accumulating large supplies of cotton, corn, and wheat through loans to cooperators on a basis of a loan unit price above the current market price. The Commodity Credit Corporation is making use of the facilities and services of the producers' cooperative associations, yet is gradually building the Government into the field of commercial distribution to the detriment of all who have invested in the facilities and services of agricultural distribution.

During the last session of Congress the House of Representatives disapproved a required appropriation for $119,000,000, without which Commodity Credit Corporation could not have made cotton, wheat, and corn loans during the present year. Our organization expended a great deal of time and funds to gain approval of this $119,000,000 appropriation by the United States Senate. Subsequently, the House concurred in the action of the Senate.

It would prove to be a fatal policy in the long-time interest of producers for the Farmers' Union to continue to support appropriations for any agencies of the Federal Government which either fail to use existing facilities and services or would eventually force, by competition, existing cooperative marketing associations to liquidate their enterprises. We will henceforth support appropriations which at least do no harm to our cooperative associations; otherwise we will vigorously oppose such appropriations.

5. Continuation of the Federal Surplus Commodities Corporation and an expansion of the stamp plan as a method of distribution.

6. Usefulness of the Rural Electrification Administration should be expanded and accelerated.

7. Revision of the Crop Insurance Act, insuring the top 75 percent of the loss; providing that in determination of loss quality, as well as quantity, be considered; providing that indemnities paid be eligible to commodity loans and that the crop-insurance program be extended to other basic commodities at the earliest possible date.

8. Opposition to the assignment of any payment made under the various Federal farm programs, except for the purpose of paying crop-insurance premiums for which Congress has already made legislative provision.

Section III: We also reaffirm our position relative to the following:

1. Protection of the family-sized farm shall be a constant and primary policy and aim in the formulation, amendment, and administration of all farm legislation.

2. Administrative personnel of Federal farm programs should be farmers democratically elected insofar as legally possible; all other administrative personnel should be persons who understand, participate in, and are sympathetic to farm organizations and the cooperative movement.

3. Adequate and effective legislation which will make possible the rapid development of the cooperative movement and which will protect cooperatives in their infancy from large, established enterprises.

4. Protection of the domestic market for American agriculture.

5. Permanent adjustment of interest rates on Federal indebtedness of agriculture to those rates enjoyed by private industry.

6. Levy of all taxes on the basis of ability to pay. Continued ability to pay must be based on net income, and we are unalterably opposed to any system of taxation not based upon this principle. Since a sales tax has historically been the method used to extort revenue from those least able to pay, we reiterate our continued and consistent opposition to that tax.

7. Refinancing of farmers' indebtedness at low interest; amortized repayment plan; funds provided by Government issue of currency.

8. Restoration to Congress of the power to coin and regulate the value of money.

9. Abolition of the practices under which tax-exempt Government bonds are issued.

10. Conservation of all natural resources.

11. Opposition to regulation of truck and water transportation rates that tends to increase transportation costs. We also oppose repeal of section 4 of the Interstate Commerce Act, commonly known as the long-and-short-haul clause.

LABOR

The Farmers Union is distinguished, among farm organizations, for its friendly attitude toward organized labor.

We reaffirm our historic position, expressing a continued desire to cooperate with our brethren in the mills, mines, and factories.

We emphatically condemn those individuals and organizations, who seek to foster intolerance, strife, and misunderstanding between farmers and organized laborers.

PEACE

We submit that war is a natural attribute of an economic system based upon the profit motive. The seeds of hatred, intolerance, and international conflict take root and flourish in a world where frenzied economic rivalry creates the tragic contrast of growing poverty for the masses and overwhelming abundance for a few.

The brotherhood of man cannot be achieved in an environment distinguished by economic contrasts.

We believe that a secure and lasting peace can be achieved only through the establishment of an economic system based upon the principles of cooperation. We reaffirm our historic position that the cooperative movement offers a practical pattern for the creation of a warless world.

We stand unalterably opposed to the appropriation of huge sums of money for armaments made at the expense of appropriations which are necessary in the solution of our domestic problems, both rural and urban.

We refuse to become engulfed, through propaganda and a defeatist psychology, in the tide of hatred, intolerance, and war, out of which nothing can be secured except more hatred, more intolerance, more war, and the probable destruction of our freedom to continue building a just society.

The Nation's Migrant Problem

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 17, 1940

EDITORIAL COMMENT ON THE TOLAN RESOLUTION

Mr. GEARHART. Mr. Speaker, Representative JOHN H. TOLAN's resolution, a resolution which, if enacted into law, will authorize a congressional investigation of the so-called migrant problem with which the people of California and nearby States are, at the moment, so sorely perplexed is now awaiting action by the House of Representatives Committee on Rules.

There is no measure now before the Congress which is of greater importance. But a hasty examination of the situation reveals the legislative problem as one demanding national attention, as one crying for a national solution. It is only through action of the Congress that an answer can be found. The Tolan resolution points the way.

Since the migration of peoples from place to place is as old as humanity itself, and since the problem is bound to occur and reoccur with greater or lesser severity as long as this Nation persists, the problem should receive the immediate consideration of the Congress with a view to the working out of a permanent, long-range solution.

From my own investigations I have become quite convinced that the social and economic problems which arise as a consequence of mass-movements of peoples from one State to another will never be solved until a thoroughgoing and official study of this subject is completed and the revealed facts and figures are made available to those who exercise legislative authority.

In this particular legislative endeavor, Congressman TOLAN is entitled to the support of the membership of the National Legislature. Not only is he entitled to our support but he is entitled as well to the congratulations of the membership of this body for having suggested an intelligent approach to the vexing problem which now engages our attention.

The arguments in support of the Tolan resolution are so many that it might be said that they are beyond numbering. Because of the apparent impossibility of treating them all at this time, I will conclude these instant remarks by calling attention to a most timely and strikingly interesting editorial which appeared on February 12 last in the Oakland, Calif., Post-Inquirer.

So important do I regard this particular editorial expression, so certain am I that its text should be laid before the membership of this body, I am constrained to ask the unanimous consent of the membership that it may be spread upon the pages of the CONGRESSIONAL RECORD of this day's proceedings.

Unanimous consent having been indicated, the editorial follows:

[From the Oakland (Calif.) Post-Enquirer of February 12, 1940]

JOBS, MIGRANTS—AND SPINACH

Public relief and semipublic charity organizations have been stirred the last few days by an incident that illustrates some of the abuses that have crept into the migratory-labor situation.

Down in the southern end of Alameda County there was a large crop of spinach to be harvested.

The owners of the land had sold the crop at the time of its planting, and had nothing to do with the picking of the spinach; the people who had bought the crop had arranged with a labor contractor for its harvesting.

There was plenty of available labor in the vicinity for the job. In fact, many families on relief and other families that had lived in the region for a long time had been looking forward to that spinach crop as an opportunity for employment.

But the labor contractor had other ideas. He went down to the Imperial Valley, more than 500 miles away, and spread the word among migrant families from Oklahoma, Arkansas, and Texas that work would be available in a few days in Alameda County.

So there was a northward migration of hundreds of unfortunate people from the Imperial Valley.

They drove their ancient, wheezing "joloppies" from Brawley and El Centro to Alameda County in the eager expectation of work, and under the impression that free housing facilities would be furnished for them.

When they arrived there was no work available. There were no free housing facilities—only a dirty camp, with no decent sanitary arrangements, and a high charge for rent.

They had to wait more than 2 weeks for the promised work. Then they were allowed to pick the spinach. By that time they were so desperate that they were willing to work for a very low rate, and there were so many of them that very few of the local residents got jobs.

In the meantime, their children had crowded into the local schools, to which the local families deprived of work in the spinach field contribute tax support.

There were so many of them that the harvesting job lasted only a few days—which was to the advantage of the labor contractor.

He paid the harvesters by the crate, but he paid the supervisors, checkers, and truckers by the day, so it was to his advantage to make the job last as few days as possible.

But plainly this system is not to the advantage of local labor, or taxpayers, or charity and relief organizations, or schools, or public-health services, or wholesome social conditions.

It is certainly not to the advantage of the migrants. They have scattered again in search of jobs, and the health authorities have condemned as a menace the camp they occupied.

This incident gives one little glimpse into the background of the migrant problem which we hear so much about.

It helps explain why Congressman JOHN H. TOLAN's bill for the appointment of a five-man commission to investigate conditions among migrant farm workers is getting the solid backing of all kinds of representative national groups.

It helps to explain why the realization is deepening that something intelligent and basic must be done about this problem.

Last week Eleanor Roosevelt and Herbert Hoover both advanced the proposal that a way should be found to settle these migrant families on subsistence farms—preferably in the States of their origin.

This week the Associated Farmers down in Tulare County pointed out to the State legislative committee on employment that in some ways these pitiful, dispossessed migrant families, now drifting over the country and living in ditch-bank camps, must be provided with new homes, a piece of land, a new opportunity.

This is hopeful. The Tolan committee should get into action as soon as possible, sift the facts from propaganda and prejudice, and present a sound program for action on a problem that is the concern of all Americans.

Proposed Legislation Affecting the Patent System

EXTENSION OF REMARKS

OF

HON. CHARLES KRAMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

REPORT OF THE NATIONAL ADVISORY COUNCIL

Mr. KRAMER. Mr. Speaker, under leave granted me to extend my remarks in the CONGRESSIONAL RECORD, I am submitting, as Chairman of the Committee on Patents, a report of the National Advisory Council to the House Committee on Patents, together with recommendations respecting legislation.

The minutes of the meeting of the House Committee on Patents, February 16, 1939, disclose that the late chairman, Hon. William I. Sirovich, of New York, was empowered to create this advisory council, "without any expense to the Government," and that it be composed of "eminent representatives of inventors, consumers, industrialists, labor, engineering societies, judges, lawyers skilled in the patent laws, and so forth." Because of the death of the former chairman, the Committee at its reorganization meeting in the third session of the Seventy-sixth Congress confirmed the authorization of the council.

To this preliminary statement as to the origin of the council might be added the additional comment that publication is made to gain the advantage of public opinion in connection with this study, the filing of which appropriately coincides with the recent celebration of the sesquicentennial anniversary of the signing of the first patent act, and emphasizes continued efforts for the betterment of the patent system. The report is as follows:

REPORT OF THE NATIONAL ADVISORY COUNCIL TO THE PATENTS COMMITTEE OF THE HOUSE OF REPRESENTATIVES, TOGETHER WITH RECOMMENDATIONS RESPECTING LEGISLATION

APRIL 1, 1940.

Hon. CHARLES KRAMER,
Chairman, Committee on Patents, House of Representatives, Washington, D. C.

DEAR SIR: On behalf of this council, I beg to submit the following report of its work to date, together with recommendations concerning legislation for the betterment of the patent system.

This council has approached its study with the full acceptance of the importance and value of the patent system as a means for encouraging invention in order to promote the progress of the useful arts, and with the understanding that its duty is to advise how the law may be modified to better effectuate that purpose. It realizes that it must proceed deliberately and avoid sensationalism. It has obtained the opinions of other groups. It has sought to balance the often conflicting views of inventor, patent lawyer, assignee, industrialist, and consumer in order that undue weight shall not be given to the interest or prejudice of any.

Of necessity the work of the council has been conducted mainly by correspondence. Its membership is so large and widely scattered and includes men of such activity and leadership in various important fields of work that frequent meetings of the full council were impossible. However, two such meetings have been held on September 11, 1939, and February 27, 1940, and by correspondence every member has been fully informed of every question to be passed upon by the council and has had the fullest opportunity to express his opinion. No recommendation is herein made that has not been approved by at least a full majority of the members of the council.

At the September 1939 meeting of the council a number of the proposals herein incorporated were approved in principle, and it was directed that committees consider the various subjects further and report upon them and, in certain cases, recommend the particular form of statutory amendments that would be appropriate. Such committees were appointed and submitted reports. These reports and additional matters were discussed at the February 1940 meeting, and it is as a result of resolutions adopted at that meeting, supplemented where necessary by correspondence and written ballots, that the recommendations herein submitted were authorized.

RESPECTING PATENTS THAT MAY BE INVALID ONLY IN PART

This council believes that the existing law as applied to patents which are, or may be, invalid in part only, is highly unsatisfactory because it brings about grave injustices, extreme uncertainties, and much unnecessary expense and delay. These evil effects have manifested themselves to a progressively increasing degree in recent years. To remedy these evils the council recommends that a statute be enacted substantially in the form of the bill accompanying this report and marked "Proposed bill I (H. R. 9384) of the National Advisory Council to the Committee on Patents of the House of Representatives."

An antique rule of law established by court decisions is that a patent invalid in part is thereby rendered totally invalid. This has never been a statutory provision, but the statutes have recognized its existence. Early in the history of this country it was appreciated that this rule brought about unjust results, and remedial statutes were enacted for the preservation of rights to the patent owner in the valid portion of his patent through the prompt filing in the Patent Office of a formal disclaimer of such separate portion of the patent as was invalid.

There are three statutes relating to such disclaimers. The circumstances under which a patentee may disclaim are prescribed in Revised Statutes, page 4917 (U. S. C., title 35, sec. 65). The conditions under which a disclaimer may be effective in a patent-infringement suit are prescribed in Revised Statutes, page 4922 (U. S. C., title 35, sec. 71), and these are partly repeated in Revised Statutes, page 973 (U. S. C., title 28, sec. 821). The bill proposed

by the council would repeal these three statutes and provide that a patent invalid in part is not necessarily invalid as a whole, but may, under proper conditions, be effective for that part of the patent to which the patentee should be entitled.

This recommendation is made because the history of the attempts by the courts to interpret and apply the disclaimer statutes has resulted in uncertainties, delays, expenses, and injustices that far outweigh the supposed protection to the public, which is at the basis of our present laws. For a complete analysis of this situation, you are referred to an article beginning in the February 1940 issue and concluding in the March 1940 issue of the Journal of the Patent Office Society, entitled "Defects of the Disclaimer Statute," by Dr. Charles Martin, a member of this council. Dr. Martin undertook the research work and wrote this article for the specific purpose of aiding this council. He was chairman of the special committee of the council which formulated the proposed bill.

This subject has been for a number of years discussed by many bodies of patent lawyers and others interested in the patent system, and it is safe to say that there is substantial agreement among those who have studied the subject that the disclaimer statutes have brought about intolerable results, that they should be repealed, and that the old rule of law that a patent invalid in part is wholly invalid should be nullified or substantially modified. The bill herewith submitted differs very little from bills that have heretofore been proposed by various committees who have studied the subject. It follows very closely a bill proposed by a committee of the patent section of the American Bar Association.

RESPECTING JOINDER OF APPLICANTS FOR PATENTS, THE FILING OF APPLICATIONS BY ASSIGNEES, AND THE REQUIREMENTS FOR EXECUTING THE APPLICATION

The council further recommends the enactment of a bill to liberalize (a) the rights of inventors to unite together as joint applicants for a patent, (b) to prevent injury to, or loss of rights of, assignees of inventors by permitting such assignees, under certain circumstances, to file applications for patents in lieu of the inventors, and (c) to simplify the formal application papers. Accompanying this report is a bill designated "Proposed bill II (H. R. 9386) of the National Advisory Council to the Patents Committee of the House of Representatives" to effect these purposes.

As to joinder of applicants: The present statutes require that an application be made by the inventor and in terms fail to recognize the well-known fact that many inventions are made jointly by two or more persons. However, the statutes have always been interpreted as meaning by the word "inventor" or "person" or "applicant" either an individual or such individuals as may have jointly made the invention. This has given rise to widespread, continuous difficulty in determining, under the circumstances of each particular case, who among associated persons actually made the invention sought to be covered by the patent. Moreover, after the matter has been determined on the basis of the facts as then understood, circumstances often arise which show that, as regards the subject matter of invention of allowed claims, the situation as to inventorship is quite different. The courts have even held that in a clear case a patent issued to joint applicants is invalid if the invention of the claim at issue was not truly the joint invention of all the applicants. The council is of the opinion, and this opinion has long been held by a great majority of those who have studied the subject, that this state of things is injurious to inventors, assignees, and the public. It is of the opinion that it would be beneficial to all interests to permit all persons who claim to be the inventors of any part of the matter for which a patent is sought to unite as joint applicants regardless of whether the individuals believed themselves to be sole or joint inventors or whether they had been working upon it cooperatively or independently. By such a practice inventors and attorneys would be relieved from the constant fear that an inadvertent error of this kind had been made, which would result in loss of rights on purely legalistic grounds.

The only pertinent and proper interest of the public is that everyone having any claim to the invention is included as one of the patentees. It has no substantial interest in the question of the particular relations to each other of the joined applicants, and should not have the right to infringe a patent otherwise valid and assert invalidity on the ground that one or more but not all of the applicants made the invention.

As to the matter of application by assignees of inventors: It frequently happens that an application and the invention thereof is assigned before the patent issues, and that for one reason or another it is necessary to file a divisional application, or a continuing application, or an application for reissue of the patent after it is granted. When this necessity arises the inventor usually has no further interest in his invention, and it may be that he cannot be found, or that for reasons of his own he refuses to execute any further application. Thereby the assignee frequently loses rights for which he has fully paid. The proposed bill provides the remedy in that it permits an assignee to file an application wherever the invention thereof has been previously disclosed as a part of the invention set forth in an application which had been made and sworn to by the inventor.

As to simplifying the formal application papers: At present it is necessary that the applicant or applicants sign the formal papers at three different places. Frequent annoyance has been suffered, particularly in the case of applications executed elsewhere than in the attorney's office, because the applicants overlooked one of the necessary signatures. Sometimes delays are caused thereby at a time when it is vitally necessary that the application be filed before a certain date. The bill proposes that when the oath to the application is appended to the other papers, a signature to the oath may be deemed a signature to each of the papers.

It is believed that the changes of law proposed by this bill will serve to simplify proceedings to eliminate certain technical losses of right and save considerable expense to many inventors and patent owners, but will harm no one.

RESPECTING INVENTIVE ACTIVITIES IN FOREIGN COUNTRIES

The council recommends that the law should be amended to provide that neither an applicant for patent nor a patentee shall have the right to rely upon evidence of inventive activities occurring in a foreign country. At present the law (R. S. 4923, U. S. C., title 35, sec. 72) forbids evidence of knowledge or use in a foreign country from being relied upon to invalidate a patent, but there is no provision of the law which prevents an applicant or a patentee from relying upon such knowledge or use. This anomalous situation was recently discussed by the United States Supreme Court in the case of *Electric Storage Battery Co.* v. *Shimadzu et al.*, 307 U. S. 5, wherein that Court sustained a patent by accepting evidence of the making of the invention in Japan prior to an actual independent use in this country, which domestic use had taken place earlier than that on which the patentee had filed an application in this country. It is believed that those familiar with the subject are in accord in believing that it is against the public interest, and is a great injury to American inventors, to permit reliance upon evidence of unpublished and unpatented activities in foreign countries to affect any question of priority of invention or of patent validity.

The council agreed that a specific addition should be made to R. S. 4886 (U. S. C., title 35, sec. 31) to take care of this situation. In this the council accepted an amendment that had been proposed twice by the patent section of the American Bar Association. Then we learned that on February 13, 1940 a bill, H. R. 8442, was introduced in the House of Representatives, which bill provided for precisely the same amendment. The council, therefore, approves this bill, H. R. 8442, and submits no separate bill. It is noted that H. R. 8442 does not state when it is to become effective and how far its effect may be retroactive. It is suggested, therefore, that H. R. 8442 should include the following section 2:

"This act shall take effect immediately and apply to all pending applications for patents and existing patents, except that its provisions shall not be effective to nullify any judicial finding of the validity of a patent heretofore made by a court of competent jurisdiction."

RESPECTING THE EFFECT OF A FOREIGN PATENT UPON THE ISSUE THEREAFTER OF A DOMESTIC PATENT

It is recommended that the law be amended in such manner that no patent shall be refused or invalidated merely because of the fact that the applicant for the patent had, prior to the issuance of the United States patent, been granted a patent in a foreign country on an application filed in that foreign country more than a year before his application was filed in this country.

There are many bona fide reasons why an applicant, either a United States citizen or a foreign citizen, may file an application in a foreign country and then, more than a year later, find himself in a position to file an application in this country. Under our present law he may do so if there is no statutory bar, such as a 1 year earlier publication use or publication, and he may obtain his patent if he can manipulate the speed of prosecution in this and the foreign country, respectively, in such a manner as to have the United States patent issue first. This is purely artificial. If this restriction be removed, the applicant would still be under the disability that he can make no use of the date of application in the foreign country and, therefore, would be subject to statutory bars 1 year earlier than the filing of his application in this country.

The present requirement of the statute not only injures these occasional inventors, but it is also a public injury for the reason that in practice the Patent Office, sympathizing with the unfortunate applicant, makes special efforts to speed the prosecution of this type of case, thus delaying prosecution of other applications.

Accompanying this is a bill designated "proposed bill III (H. R. 9388) of the National Advisory Council to the Patents Committee of the House of Representatives," which will take care of this situation. This bill merely eliminates one clause from R. S. 4887 (U. S. C., title 35, sec. 32). It is thought that there will be no serious opposition to this bill.

RESPECTING THE MINIMIZING OF THE ISSUANCE OF INVALID PATENTS

An important committee working in collaboration with this council, of which committee Mr. Leonard S. Lyon is chairman, has made various recommendations concerning legislation for the purpose of minimizing the issuance of invalid patents and for bettering the nature of the patent application and of the patent itself. This committee is still continuing its work, but one of its recommendations has already been finally approved by the council. This recommendation is that the law should be amended to create a proceeding which the committee describes as follows:

"Upon final allowance of the claims, the application shall be published prior to formal allowance of the application, allowing a limited time for any persons interested to communicate to the

Patent Office any prior printed publications or prior patents that they deem anticipatory. It would thereupon be the duty of the examiner to reconsider any allowed claims in the light of any prior patents or printed publications so communicated and, if found to warrant the rejection of any claims, to result in a new action with the right to the applicant to amend. To avoid possible abuse of the publication of the allowed claims, it is believed that any new law of this kind should provide that the issue of the patent should not be delayed on account of any interference based upon an application filed after the publication of the allowed claims, and that no public-use proceeding should be allowed to be initiated after the publication of allowed claims."

By direction of the council, Mr. Lyon's committee is to prepare a suitable form of bill to cover this subject matter.

In past years there have been various proposals for opposition proceedings, but these have generally been open to criticisms which the council believes are inapplicable to the procedure above outlined.

The obvious purpose of this proposal is to minimize the issuance of invalid patents, by enabling the public to call the attention of the Patent Office to earlier patents and publications which the examiner may have overlooked, or been unable to find because not available to him in his search. The benefit to the public of thus reducing the number of worthless patents is obvious. Such patents constitute threats which are embarrassing and costly to industry and which are likely to result in unnecessary and expensive litigation. Such winnowing out of the chaff from the wheat is equally beneficial to those inventors and patent owners who are seeking and purchasing patents for bona fide purposes. Such persons do not want worthless patents, but want patents to which are attached a strong presumption of validity.

There are a number of reasons why proposals for opposition proceedings which have been made from time to time have not met general acceptance. They created contests. They gave opportunities for industrial concerns to delay the issuance of a patent indefinitely, while subjecting an applicant for patent, including those without substantial financial resources, to the expense of prolonged inter partes proceedings, to meet arguments of powerful opponents. Many of these proposals gave opportunities for opponents to take testimony regarding alleged prior and published uses. Also, such proposals were subject to the objection that the making public of the application would incite others to file new applications for the purpose of causing the institution of interference proceedings. And another vital objection of the permitting of such oppositions is that unscrupulous persons would be tempted to create such expenses and delays in bad faith.

These objections to opposition proceedings do not seem applicable to the procedure which the council recommends. The Patent Office could, and undoubtedly would, in its rules provide that the examiner in charge of the application would not be informed concerning the identity of the party submitting information of prior patents and publications nor of anything argumentative in the paper submitted by such party. On the other hand, this procedure would effect the most important purposes that could be effected by conventional opposition proceedings, because, where patents are invalid, it is generally because of patents or publications which the examiner had not noted.

RESPECTING PROPOSALS OF OTHERS TO FORBID RESTRICTIONS IN PATENT LICENSES, AND TO LIMIT RIGHTS OF PATENT OWNERS IN SUING FOR INFRINGEMENT

Recently there has been much discussion throughout the country regarding a report of the Temporary National Economic Committee approving certain recommendations made by the Department of Justice. These, speaking generally, propose to make it illegal for patent owners to grant licenses having restrictive provisions relating to price, geographical location, quantity, or field of use. The proposals also include provisions to limit the right of patent owners with respect to the infringers who may be sued, the general idea being that where possible the patent owner must sue the licensor, if any, of the machines or devices employed by the infringer, rather than the infringer himself, and must sue the manufacturer of the device rather than any dealer or user of that device.

This matter was referred by the council to an able committee, of which Mr. Robert Cushman is chairman, and the council has had the benefit of a report of that committee. It has approved the recommendations of that committee that the limitations as proposed by the Department of Justice should not be enacted into law.

At this time no bills have been introduced into Congress relating to these recommendations, and it is quite possible that if any bills are introduced later they will reflect much modified viewpoints. It seems sufficient, therefore, that the council advises you of its opposition in principle to the recommendations, without burdening you with a statement of the specific reasons which has led it to this conclusion.

RESPECTING H. R. 8441

The council has given preliminary consideration to H. R. 8441, which was recently introduced and which has been referred to the Patents Committee. This bill applies to applications for patent the same rule with respect to recording an assignment or exclusive license which the present statute applies to issued patents. A committee was appointed to consider this bill and report upon it, the report to consider possible amendments to the bill. The council has approved the report of its committee to the effect that the enactment of this bill should be recommended, but that the bill should be amended to substitute the words "thirty days" for the words "three months", in line 3 of page 2 of the printed bill.

CONCLUSION

Various other proposals, some of them of great importance, are now being studied by the council or its committees, but have not been finally decided by the council. Some of these will form the basis for further reports.

Representatives of the council will be glad to cooperate with your committee in connection with any hearing concerning the recommendations made herein or in any other way.

Respectfully,

RICHARD EYRE, *Chairman.*

The N. L. R. A. Encourages and Upholds Violence

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

EDITORIAL FROM THE PHILADELPHIA INQUIRER

Mr. HOFFMAN. Mr. Speaker, the Republic Steel Corporation case, decided on November 8, 1939, by the Circuit Court of Appeals for the Third Circuit, and affirmed by the United States Supreme Court when it denied the company's petition for writ of certiorari, is authority for the doctrine stated in the caption to these remarks and in the editorial which follows.

That editorial is from the Philadelphia Inquirer of April 9, 1940, and reads:

[From the Philadelphia Inquirer of April 9, 1940]

A LABOR LAW THAT UPHOLDS VIOLENCE

In accordance with its custom, the United States Supreme Court gives no reasons for its refusal to review the National Labor Board's order directing the Republic Steel Corporation to reinstate 5,000 employees who participated in the notorious 1937 strike.

The effect is to leave standing the decision by the Federal circuit court in Philadelphia last November upholding the order for reinstatement, with back pay estimated at several million dollars.

The Labor Board had held that such violence as was perpetrated by the strikers constituted no reason for refusing to restore their jobs and compensate them for time lost on account of their own actions.

It also held that the steel company's "unfair labor practices" were responsible for the strike, a contention that was sustained by the circuit court.

The lower court made an exception in the case of 40 strikers who were convicted of carrying explosives, damaging property, or interfering with the mails.

That court also agreed that major crimes, "such as assault and battery, destruction of property, or the carrying of weapons or explosives" were sufficient bars to reemployment. It did not consider "mere fist fights and minor scraps along picket lines" in this category.

This opinion was exceedingly puzzling to the man in the street. For fist fights are breaches of the peace, punishable by law and frequently leading to serious disturbances in industrial disputes.

The Labor Board, in extenuation of its stand, remarked that the acts complained of were committed by strikers "in the heat and turmoil of bitter industrial strife." Violence is not commonly committed in a mood of cool and judicious calm.

The circuit court threw the responsibility for its decision on the Wagner Act when it said: "Violence of this nature, however much it is to be regretted, must have been in the contemplation of Congress when it provided that nothing in the act should be construed to interfere with or impede or diminish in any way the right to strike."

Then the thing to do with a law which, according to this decision, expressly upholds and condones violence in labor disputes, is to scrap it and the sooner the better.

The courts have no option except to interpret the law as they see it. But it is difficult to believe that the Senators and Representatives who voted for the Wagner Act intended to sanction the use of violence in strikes.

Certainly the United States Supreme Court took a different view in the Fansteel case when, in outlawing the sit-down strike, Chief Justice Hughes declared: "The employees had the right to strike, but they had no license to commit acts of violence or to seize their employer's plant. To justify such conduct because of the existence

of a labor dispute or of an unfair labor practice would be to put a premium on resort to force, instead of to legal remedies, and to subvert the principles of law and order which lie at the foundations of society."

In the Republic Steel case, now apparently closed so far as the courts are concerned, the circuit court rules that the strike could not be classified as of the sit-down variety and therefore did not come within the Fansteel case decision.

Among the proposed amendments to the Wagner Act is one which would prohibit the Labor Board from reinstating an employee in his job after he had engaged in violence or participated in seizing or destroying property of his employer.

Senator WAGNER, author of the act, is up in arms against this just provision. He declares that it would forever bar a man from employment "because of a minor scuffle in a picket line."

This is ridiculous on its face. All employers would continue to hire or rehire whom they chose. But the Labor Board would not be permitted to force an employer to take back a former worker who has been proved guilty of violence or sabotage.

Any law which confers such autocratic powers on a board of three men, or on any agency, calls for a thorough overhauling.

It's small wonder that a law so designedly one-sided should be judicially interpreted as countenancing violence and even rewarding those engaging in such conduct, a law which lists unfair practices by employers but none by employees.

Opponents of any sweeping revision that would remove this law's most serious injustices are now resorting to desperate legislative tricks to prevent wholesome action.

The circuit court decision, which the Supreme Court has now declined to review, has made the responsibility of Congress doubly plain.

If Congress did not intend to condone and encourage violence in strikes, let it hasten to make the meaning of the law plain beyond mistake.

It will have to adopt more than one sorely needed amendment. But the first should definitely outlaw all violence in industrial disputes and require that employees as well as employers come before the Labor Board and the courts with clean hands.

Capitalism

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 10, 1940

ARTICLE BY DR. JOHN BARR

Mr. PIERCE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Dr. John Barr:

CAPITALISM

(By Dr. John Barr)

Capitalism is our system of doing business. In its purity it is one of the most beautiful theories ever devised by the mind of man. It is a foolproof, self-regulating system in which the individual while doing the best thing for himself also does the best for society as a whole. It is also known as laissez-faire capitalism, laissez faire being French for "do as you please" and meaning that the businessman may do as he pleases without Government interference. Laissez faire believes that the rightful functions of government are very simple. They consist only of providing for the national defense against an external enemy, of maintaining order within the country, and in setting up a system of courts wherein citizens can arbitrate their own civil disputes.

Capitalism derives its name from capital and capital is something that has been saved. Economists tell us that there are three instruments of production: Land, capital, and labor. In the beginning there was no capital, only land and labor. Capital can be considered, therefore, as saved labor. There was no capital so long as men currently consumed all that they caught or produced. But when some early man postponed the immediate satisfaction of some want and took time off to fashion the simplest tool or weapon, he created the first capital goods. There is no doubt that the enormous amount of capital goods that we have today is one main reason why the average man has so many more things than he had in the past. His standard of living has been raised and it is largely a result of his own saving and the saving of his ancestors. It has all come through the deferring of immediate satisfaction in the hope of greater satisfaction in the future. We have progressed, perhaps, from the first fish net, the result of a few hours of labor by one man, to the innumerable and gigantic machines of the present time. We glory and may well glory in such progress. We have passed from the time that men had a desperate struggle to produce the bare necessities of life to the time when by a proper utilization of all this machinery we could produce comparative abundance for all with many fewer hours of labor. It is a great achievement, but the question remains, as in the consideration of all jobs well done, could we have done still better.

The smooth and successful working of capitalism was predicated upon two assumptions and qualified by the statement that it would work in the long run. The first of these assumptions was complete freedom of competition and the second was that investment would always equal savings.

In a state of completely free competition no huge fortunes would ever be acquired. There would, of course, be differences of income, but these would be kept within reasonable limits by the fact that if any man or company was making too much money in any location or particular industry, others would soon come in and divide the field.

In this country we have never had completely free competition as our very first Congress adopted a system of import tariffs. The cotton and tobacco farmers of the South were exporting a large part of their crops where they were sold on a free world market, but were forced to buy their supplies in a protected market. Government had stepped in and the system of laissez faire found itself impaired to some extent.

It was also assumed that the workingman was free to work or not as the wages offered by employers were or were not satisfactory. This is manifestly untrue, as the workman and his family can starve to death in 30 days if without funds, whereas the employer with some wealth to support him can always outwait the employee.

In England, in the early part of the 1800's, a great many children of 5 years of age and upward were employed in the textile mills and were worked as much as 16 hours a day. They were collected from the countryside and kept in barracks (sometimes under lock and key) near the factories. In 1819 a reform law was enacted which prohibited the employment of children under 9 years old. Those under 16 were not to be worked over 12 hours a day; they were to be given time off for their meals, and their barracks were to be whitewashed twice a year. Those who opposed this measure denounced it as rank socialism and said that the Government was interfering with business.

In the early days of this country it was unlawful for as many as two men to approach the boss together and ask for a raise. Free competition has never existed, and pure capitalism, like Christianity, has never been tried. At the present time our giant corporations are to a great extent monopolistic. While written agreements do not exist amongst them, in those industries dominated by a few large companies the leader sets the price of the product and the others follow.

If investment equals savings, it means that the entire national income is respent almost immediately—either spent for consumption goods or invested in capital goods. Economists say that supply creates demand—that when a certain amount of goods is produced, enough money is paid out in wages, rent, interest, and profits to buy the goods. If this actually happens, an equal amount of goods can again be produced and the process goes on and on ad infinitum. What does actually happen?

The absence of free competition has permitted some men to have incomes out of all proportion to what was contemplated and thereby accumulate huge fortunes. It was also assumed that the interest rate would serve as a stabilizing mechanism and automatically regulate the amount of money saved or, which is the same thing, the formation of capital. When opportunities for investment were great, such as in the development of new inventions or of newly discovered natural resources, businessmen would offer higher rates for the use of money and people would be induced to forego the satisfaction of immediate wants and save the money. When such opportunities did not appear, there would be less demand for money, interest rates would fall, and some of the money which would otherwise have been saved would be spent on consumption goods. The perfect working of this simple process would prevent the accumulation of any idle money; all income would either be spent for goods to be consumed or invested in production goods.

But the process is not so simple. Much of our income now makes its first appearance as the earnings of corporations. The corporations do not pay all the earnings out to their stockholders. If it seems wise to the directors, they expand the business, investing much of the earnings in buildings and equipment. If such opportunity is not present, they still withhold a large part of the earnings, saying that they may need them in the future to maintain the payment of wages and dividends in hard times and thus cushion the downward trend. What does this mean? If the earnings are held as cash, so that they may be immediately available, the money is withheld from the business stream, the principle that it must be spent is violated, and disaster is invited.

It seems necessary at this point to consider the distribution of income. In 1929, the most prosperous year we ever had, the national income was $81,000,000,000. It was so divided that $54,000,000,000 went to one-third of the people and $27,000,000,000 went to the remaining two-thirds. The people in the first group had on an average four times as much as those in the second group, and if we had taken the upper and lower tenths of the population, the divergence would have been many times as great.

The people in the upper third all had over $200 per month per family, and independent investigators tell us that families with less than $200 per month save little if any money. The larger the individual income, the larger the proportion of it that is saved. Families having larger incomes than they care to spend on their living save the balance and save it without deferring any satisfactions and without paying any attention to what the interest rate may be. If then there should be a let-down in the opportunities for investment, idle money will accumulate. Again part of the annual income is not being spent, and we are sure to have a recession in business.

There are in the United States in the spring of 1940 about ten billions of idle dollars. This is roughly estimated as follows: There are six billions of excess bank reserves, the required reserves are nearly double or three billions more than was looked upon as necessary before 1936, and we also have at least three billions more dollars in circulation than we had in 1929 when we were doing considerably more business. This adds up to twelve billions, but some of them are probably overlapping. This is money that has been saved but not invested.

The increase in the national debt since 1933 has been about $22,000,000,000, but President Roosevelt says that $14,000,000,000 have gone into recoverable loans and investments and durable improvements. That leaves $8,000,000,000 that have gone into direct relief. There are, as we have seen, more than eight billion idle dollars in the country at the present time. Had these idle dollars been at once returned to the business stream instead of being allowed to accumulate, the others would not have been necessary.

It is apparent that capitalism has not worked according to the two assumptions; there has not been free competition and the interest rate has not been a stabilizing mechanism.

As to working in the long run, the country has had many depressions and has in the past recovered from them all and gone on to bigger and better things. Our present-day apologists for capitalism are prone to either completely ignore or at least to greatly minimize the effect of these depressions. These men overlook the misery that has come to millions of other individuals and they tell us either that nothing can be done or that they prefer the state of depression to having the Government become paternalistic.

The key to the situation seems to be that opportunities for investment are not constant; they come and go in waves. The early writers recognized this when they depended upon the rate of interest to act as a regulator, but the rate of interest is powerless and there is nothing to take its place—nothing except the Federal Government.

In ordinarily good times many of our workers are employed in the heavy or capital goods industries; that is, in the investment industries. As the wave of great opportunity for investment recedes some of these men lose their jobs. If they could be immediately reemployed on public works, there would be no depression. This is where the Federal Government, as being the only agency that is big enough, must come in and play the role of regulator. It can by its power of taxation take the money that is being saved but not invested in private industry and distribute it so that consumption will be increased, by investing it, not in the things in which private industry would ordinarily invest it, but in other things which are just as necessary and just as desirable to the country as a whole.

The general goal to which Government should work is a healthy, husky, intelligent, educated, honest, and prosperous citizenry. Viewed merely from the standpoint of national defense, nothing could be more desirable. To accomplish this, more attention must be paid to the social sciences. Private investment goes into the production of goods; Government investment may go into health, education, and security. Money may be spent on sanitation, hospitals, schools, recreation centers, health insurance, unemployment insurance, and old-age pensions. All these things are just as wealth-producing; they produce just as much satisfaction as factories, farms, and mines. The time is past when we must worry about the ability to produce sufficient food and clothing. This in spite of the fact that millions of our families still do not have a decent amount of them. A taxation policy of the Government which would insure that no idle money would accumulate would also provide more goods for our lowest-income groups. All money spent upon the above-mentioned services would create a market for the products of private industry.

The private capitalist does not simply believe in many factories. He does not believe that our wealth should be in our homes, but has an insatiable desire for more and more factories. He would cover the country with factories so that at some indefinite time in the always-coming future we should have an enormous productive capacity that could turn out goods for the benefit of all the people. Of course, when money is saved and spent in building factories, most of it becomes available for the purchase of the products of the factories. But let's follow this process of saving and investing to its ultimate conclusion. Suppose we all decided to save just as large a part of our income as we possibly could. We could live on bread and water, wear the cheapest sort of clothing, live in shacks, never take a drink, smoke a cigarette, buy a gallon of gasoline, or go to a movie. We could still exist and build factories, and as money came back to us, we could save it again and build more factories. But would we? There would be so little demand for the product of these factories that we would see them standing idle and would soon sicken of the program.

This reduces the picture to an absurdity. It has shown that we can progress too fast. But there does seem to be somewhere a rate of saving that can be constantly maintained. Carl Snyder has written that his investigations lead him to believe that the American people for the last 150 years have saved on the average about 5½ percent of the national income. Mr. Snyder also believes that this saving has been remarkably constant from year to year. But his contention that our progress has been made at a constant rate is contradicted by the findings of the Brookings Institution, which says that for several years during the 1920's we saved around 20 percent of the national income.

We all believe in progress, but it would seem to be impossible to progress faster than at some small but as yet undetermined rate. When we exceed that rate for a time, we invariably fall into a decline. Our progress so far has been by a series of booms and depressions. To the great majority of our people who feel the tremendous impact of the depressions, their elimination, or at least the easing of the impact, is of vital importance.

The Federal Reserve Bank publishes a chart showing the production of durable and nondurable goods from the beginning of 1919 up to date. A glance at the chart will show that just previous to the beginning of our three last major depressions, in 1920, 1929, and 1937, the durable-goods line rose to meet the non-durable-goods line. This same condition presented itself in December of 1939, and again total production turned sharply downward, and we entered a period of business recession.

For the last 20 years the production of durable goods as plotted on the chart has averaged 73 percent of nondurable goods, and for the period of prosperity from 1922 to 1929 the lines are roughly parallel, with durable goods averaging about 85 percent of nondurables. This should be some indication of the rate of saving which can be constantly maintained under a system in which savings go primarily into industry. Most financial writers, in considering the statistics of production, mention only the total volume of goods produced, completely overlooking the vital importance of the relationship between the two types of goods.

Again if we look at the chart for the past 6 years, we will find several periods of very steep advances in the production of durable goods. But all of these periods were of short duration, none of them lasting for more than 7 months, another proof that a high rate of investment in industry cannot be maintained.

We may reach the same conclusion by an examination of this rapidity of investment from an entirely different angle. Let us consider technological improvement accompanied as it is by technological unemployment. Such improvement is the building of more and better machines, the invention of new machines or the discovery of new processes by which goods can be produced with less human labor. As these new machines and processes come into use, men lose their jobs. Since 1924 a new method of rolling thin sheets of steel has been developed. Many new machines have been installed for this purpose, and thousands of laboring men have been displaced. It is obvious that the more machines we have the easier it will be to produce a given volume of goods, and it has always been claimed that the men would find work in other lines or perhaps in producing more of the same kind of goods. This has in the past been true, *but it takes time*. The men cannot find other work immediately, and it is impossible for them to quickly adjust themselves to the new conditions. This new process of rolling steel is progress, but again we find that if the rate of change is fast it will also be painful.

There is still another consideration which bears upon this rate of investment. Whenever we build new factories, we more or less displace and destroy the value of the older ones. If we go so fast that the older ones are still quite useful, the losses will largely offset the gains.

Up until the collapse in 1929, most of our investments had been made in industry. When a man buys insurance, he saves money and invests it in security; but the private insurance companies take the money and in their turn invest it in industry. Whenever an investment is made in industry, it sets up a debt. If an entirely new debt is created, the investor's money goes into production, it is returned directly to the business stream and is not hoarded. But investors very often buy old debts; that is, they may buy already existing bonds or shares of stock. In that case the money does not necessarily go into production, but the responsibility of putting it into production rests upon the man who sold the bond or other evidence of indebtedness and now holds the cash.

Government can, however, through its power of taxation invest without setting up a debt, and by investing in other things than industry enable us to save more money without throwing the burden of rapid change upon industry.

Consider old-age pensions. If a man during his active years wishes to provide for his old age, he will save money and buy, we will say, an annuity. Suppose the Government taxed the active generation and paid the annuities to the aged. If it based its taxation on ability to pay, it would largely decrease the possibility of idle money piling up, and it would not set up a debt upon which interest must be paid, although it would obligate itself to continue the system.

But old-age pensions would be relatively constant. It would be almost impossible to make them flexible so as to take up the slack of a decline in opportunities to invest in industry.

Now consider unemployment insurance. If men who lost their jobs either from the advent of new labor-saving machines or from

any recession in business activity were at once paid a part of their usual earnings, they would still retain a part of their purchasing power and the recession would be cushioned. This process would be flexible and would work automatically, but, due to the temptation to malinger, the men could not be paid their full wages. This would still leave an amount of purchasing power to be made up in some other way. A prearranged program of public works, ready to be set in motion by the Government whenever the necessity arose, would take care of that.

It has been suggested that whenever the national income shows signs of declining by an appreciable amount the Government get busy at once. Government cannot increase business by taking in taxes money that would otherwise be spent anyway. It can effectively prime the pump only by taking the money that would otherwise be hoarded or by deficit spending.

The experience of the last 10 years has shown us that it is not absolutely necessary to balance the Budget for each calendar year. We can safely overspend for a limited period. If the process were started soon enough, it would never be necessary to go very far. Our big mistake was in letting the national income decline so far before taking vigorous steps to counteract it. It used to be said that the difference between good times and bad times was only 10 percent, but the national income declined 50 percent from 1929 to 1932. It is the effort to regain that $40,000,000,000 that seems to be the superhuman task. It is much easier to keep a car in motion than it is to start it or accelerate the pace.

Amazing Story of Treason That Opened Norway to Germans

EXTENSION OF REMARKS

OF

HON. PHIL FERGUSON

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

ARTICLE BY LELAND STOWE

Mr. FERGUSON. Mr. Speaker, this article by Leland Stowe, showing what actually happened in Norway, should shock this Nation out of its feeling of smug security. Oslo fell because of intrigue boring from within. This should make every American citizen realize what can happen in every country in North and South America. We cannot depend on our Regular Army and Navy alone. Every citizen must realize that in the world of dictators we will have to defend this democracy of ours—build a Navy, equip the Army, have the greatest air force in the world, but most of all, we must train our citizens to protect this great country of ours.

I am opposed to compulsory military training, but we can train our men the American way. Every young man should be given a chance to learn to shoot a rifle. This could be done purely on a voluntary basis, without other military training. C. C. C. boys and R. O. T. C. schools should have this training in the use of arms. The citizens of this Nation should be ready to defend this country when and if we are invaded.

The article is as follows:

[From the Washington Evening Star of April 15, 1940]

AMAZING STORY OF TREASON THAT OPENED NORWAY TO GERMANS—NAVAL GUNS SPIKED, MINES DISCONNECTED, REPORTER DECLARES—VAST PLOT LET GERMANS WALK IN WITHOUT RESISTANCE, HE SAYS

(By Leland Stowe)

STOCKHOLM, April 15.—For the first time the story behind Germany's paralyzing 12-hour conquest of vital Norwegian ports on Tuesday, April 9, can be told. Between midnight and noon on the bewildering day, Norway's capital, all her principal seaports, and her most strategic coastal defenses fell into German hands like an overripe plum.

Norwegian people were stunned as the Belgian people must have been stunned in 1914, and most of them still have not the slightest conception of how this incomprehensible tragedy could have happened.

I spent these hours in Oslo, together with the only other American newspapermen who were on the spot—Warren Irvin, of National Broadcasting Co., and Edmund Stevens, of the Christian Science Monitor—and we ourselves could scarcely believe the evidence of our own eyes.

But I had to remain in Oslo through 4 days of German occupation to learn how this miracle of lightning naval and military occupation was made possible. Then I could scarcely believe my ears. After that, with the last train connections to Sweden severed, Irvin and myself decided to try somehow to get across the border. It was the only possible way to give a detailed account of the most astonishing thing that has happened since the second World War began.

PORTS SEIZED BY GIGANTIC CONSPIRACY

Norway's capital and great seaports were not captured by armed force. They were seized with unparalleled speed by means of a gigantic conspiracy which must undoubtedly rank among the most audacious, most perfectly oiled political plots of the past century.

By bribery and extraordinary infiltration on the part of Nazi agents and by treason on the part of a few highly placed Norwegian civilian and defense officials, the German dictatorship built a Trojan horse inside of Norway. Then, when the hour struck, the German plotters spiked the guns of most of the Norwegian Navy and reduced its formidable fortresses to impotence.

Absolute control of only a handful of key men in administrative positions and the Navy was necessary to turn the trick and everything had been faultlessly prepared. The conspiracy was about 90 percent according to schedule. Only in two or three places was it marred by unexpected hitches, but Norway's sea gates were already wide open.

For the success of the German plan, the capture of three key cities was essential, these being Oslo, Bergen, and Narvik. It is known that Narvik was betrayed to the Germans by its commanding officer. How Bergen's harbor defenses were taken remains a mystery, as far as I can learn. But most important of all to the Nazi plot was the immediate domination of Oslo Fjord with its mighty fortresses and the forcing of its virtually impregnable narrows at Drobak, together with the seizure of the great Norwegian naval base at Horten.

Only in this manner could the Germans penetrate to Oslo and deliver an almost irreparable blow to Norway's parliamentary Government. To seize all of Oslo Fjord and force its narrows would have appeared impossible to any foreign government except the Nazi dictatorship, but, by methods even more astonishingly efficient than those which it used against Austria and Czechoslovakia, the inconceivable was accomplished. Until now, I believe, the outside world has had to guess how it was done.

GERMANS SAILED NIGHT OF APRIL 4

To understand the conspiracy's scope one must go back somewhere near the climax of the plot. In Oslo I learned, on the most reliable authority, that Germany's sea forces and troop ships sailed from German ports for their Norwegian adventure during the night of Thursday, April 4—3 full days before the British mined the upper Norwegian coast between Bergen and Narvik. I also was informed with impressive assurance that the German Army chiefs strongly opposed Fuehrer Adolf Hitler on the plan to invade Norway because they insisted that communication lines for an army of occupation in Norway would be most dangerously limited and exposed. Nazi radical leaders supported Der Fuehrer and the decision was taken against the regular army chiefs' counsels.

On Friday night, April 5, while the German fleet and transports already were streaming toward Norway, an event of enormous historical importance occurred in Oslo and, until now, has probably never been reported. The German Legation held a soiree to which it invited 200 persons representing Norway's influential personalities. All the members of the government were invited, as well as many officers of the defense forces, leading bankers, shipping executives, and industrialists. The invitation emphasized the importance of the soiree by reading, "White ties, uniforms, and decorations."

Despite the great formality imposed, it was no official dinner. Norway's elite had been invited to see an "unusually interesting film." It proved to be the motion picture "Baptism of Fire," depicting in the most graphic details Germany's aerial destruction in Poland. For more than an hour the distinguished Norwegian audience sat in icy silence, gripped by the horror of many of the scenes. Afterward the German Minister explained that the film was not a war, but a peace, film, since it showed what nations which elected peace would save their people from suffering. The Norwegians left the German Legation that night filled with gloomy ominous thoughts.

QUISLING RETURNED TO OSLO ON APRIL 6

In Oslo I learned that Maj. Vidkun Quisling, leader of the pro-Nazi Norwegian party, called the Camling, and now Premier of the so-called national government set up after the German occupation was in Berlin at the time the film was shown in Oslo and while the expedition was being organized. He returned to Oslo on Saturday, April 6. On Sunday night the British sowed mine fields below Narvik. On Monday Berlin's press flamed against this provocation. In the first hours of Tuesday, April 9, Norway's naval defenses were betrayed to the German fleet and the first German troops landed at Fornebo, Oslo's airport, a few hours after daybreak.

This brings us to the methods by which Oslo Fjord and Oslo itself were captured from the sea early in the morning hours of April 9. The Germans could not enter without controlling the vital Norse naval base at Horten. At 1:30 o'clock that morning—3½ hours before Berlin's ultimatum was handed to Foreign Minister Dr. Halvdan Koht—the commander of three Norwegian warships at Horten received an urgent message. It was supposedly signed by Dr. Koht himself and accepted as coming direct from the Government via the Ministry of Foreign Affairs. It ordered Norwegian ships not to fight against the German warships which were about to come up the fjord and to put all their men ashore immediately—without their arms.

Without questioning the origin of the order, the commander ordered all his men ashore except stokers and messmen.

From here on a slight hitch which was costly for the Germans occurred. The Norse minelayer *Olaf Trygvason* had unexpectedly put in for repairs the previous evening. Its presence apparently was unknown to the leaders of the conspiracy in Oslo. This was the only Norwegian war vessel which did not receive the order and so remained in condition to fight. Afterward the Norwegian sailor who verified these developments declared, "It was only through treason that the Germans got in."

Meanwhile, an even greater coup had been scored by the plotters. The narrows of Oslo Fjord were mined and controlled from Drobak. About 1:30 o'clock in the morning of April 9 these mines were all rendered harmless by being electrically disconnected from the Drobak central. The mystery of who ordered this to be done remained unsolved when I left Oslo, but this move enabled the German cruiser to penetrate the narrows before dawn.

At 4:30, still half an hour before the German Minister handed the ultimatum to Dr. Koht, a German cruiser, believed to have been the *Emden*, accompanied by two submarines, reached Horten. The three Norse war vessels were completely helpless, but the little minelayer, *Olaf Trygvason*, blocked the entrance to the narrows. It immediately discharged torpedoes and sank the cruiser and the submarine. It was reported, though I was unable to confirm this, that the cruiser *Bluecher* also was sunk by the narrows fort, called Oskarborg.

GERMANS LANDED AND SEIZED HORTEN

In any case, all other crews were ashore without arms at Horten, and by daybreak the Germans landed marines and seized Horten. The way through the narrows was open and Oslo defenseless from the sea.

I talked to another Norwegian who was a member of the Horten naval base that night. He confirmed all the main details of the above events, including the fact that two German cruisers were sunk.

"Later the Germans got about 100 men ashore," he related. "There was some fighting. We had 4 men killed; the Germans, 2. But there was nothing we could do. The officers on our ships ran up white flags. We didn't know why, and I still don't know why. We thought they had orders from the Government.

In this fashion Norway's capital was betrayed from within and the German occupation of Oslo assured before its Government knew what had happened or parliament had courageously refused to capitulate.

Before the Germans' capture of Horten the Oslo government had already ordered mobilization as a precaution. Accordingly, before daybreak on April 9 scores of young Norwegians reported at the Horten railroad station. They were immediately surrounded by the German marines landing party and placed aboard other German ships which came up.

When German warships approached the formidable Oskarsborg fortress, at the narrows above Horten, so it was stated there afterward, they radioed the fort's commander not to shoot. According to report, the Nazi said: "We've got your own men aboard." The fortress guns remained silent and the German warships passed into Oslo's inner harbor. The occupation of Oslo was then inevitable.

Meanwhile, we had spent an eerie night in Oslo's Grand Hotel with a succession of air alarms, the first of which sounded at 12:35 o'clock in the morning, about the time mobilization was ordered. At first I could not believe my ears, as the sirens were so different from those in Helsinki. They sounded like motorcars honking in a traffic jam. Later, Stevens and I decided that the Norwegians were only air-alarming as a precaution. So I refused to get up until 7 o'clock, when a Finnish diplomat informed me of the ultimatum and the Government's decision to leave.

PLANES DOVE OVER THE CITY

At 7:45 o'clock, while we still had not the slightest idea what had happened in Oslo Fjord and at Horten, five Nazi bombers suddenly came roaring over the roof tops, so low they almost touched them. We watched them some, expecting bombs momentarily. For 2½ hours German planes dove over the city, always only three or five in number. They were intended to terrorize the populace into surrender and the authorities into inaction while the first troops landed by air at Fornebo outside the city.

Thousands of Osloans gazed curiously and fearfully, but no panic occurred. None of us dreamed that German warships were in the inner harbor and that Oslo was already doomed. We still thought that British ships and planes might come at any moment. It seemed utterly incredible that the narrows of Oslo Fjord could have been forced by the Germans and its powerful forts silenced.

The same madness of incomprehensible events continued all day long. First was mystification over the complete lack of defense of the city by its naval forces and coastal forts. Then it was the immunity of the low-flying Nazi planes to thousands of machine-gun bullets which pattered almost incessantly until after 10 o'clock. Then it was the further fact that only one antiaircraft battery seemed to be firing against the German planes, and this became silent after firing only a few shells, all of which were inexplicably wide of the mark.

Finally, at 10:30 o'clock, came an equally fantastic lull, in which German planes only circled occasionally, and absolutely nothing seemed to happen. Tens of thousands of persons, clustered in the streets and on the sidewalks, looked and waited, utterly baffled. We all asked where were the British, but also where were the Germans.

BATTLE TO HAVE DISPATCH ACCEPTED

Meanwhile, I had a great battle to get the telegraph office to accept a dispatch without a special government press card.

At 9 o'clock in the morning Stevens and myself could find no responsible chief at his post in the telegraph building, only groups of perplexed employees standing in the corridors—those few who had reported for work. It was only through the personal intervention of Raymond Cox, first secretary, who remained in charge of the American Legation, that our first dispatches were finally accepted—and the only ones which were allowed to pass for more than 24 hours.

But Norway's capital in every quarter was the scene of dazed disorganization, completely without leadership. Apparently even the men who had been called to the colors did not know where to go or simply forgot about it. The streets were filled with men of fighting age, all standing watching the German planes, waiting and speculating, but doing nothing and going nowhere.

It was like this until 2:30 o'clock in the afternoon. Then, as I rushed up to the hotel desk, a porter asked me, "Aren't you going out to see the Germans come in?"

"What do you mean, the Germans?"

"Yes, they are marching up Carl Johan boulevard any minute now."

I called Irvin and Stevens and we rushed outside into the strangest conceivable scene. Oslo's beautiful main boulevard was jammed with people, all flocking to see the Germans come in. Strangest of all, Norwegian policemen were calmly forming lines along the sidewalks and clearing the streets for the Germans' triumphal entry. One of the policemen told me that the Germans would be there within 10 minutes.

NONE OF DISPATCH WAS SENT

All this and what followed I told in a dispatch which was filed that afternoon—but the Germans had just taken over the telegraph building, and I learned 2 days later that not a line of my dispatch was ever sent. Meanwhile, we supposed that the world knew most of the story.

We waited half an hour on the hotel balcony with an excellent view all the way up the boulevard to its beginning, at the foot of the hill on which the royal palace stands. Shortly before 3 o'clock two trucks filled with a dozen German soldiers rolled up the street. The soldiers lolled in them, with their guns dangling, as if they had been assured that they had not the slightest resistance to fear. From the rear of the second truck two machine guns poked their noses meaningfully straight down the boulevard. Their operators lay prone with intent, hard faces, ready to fire. This was the only show of force, and all that was needed.

At 3 o'clock there was a murmur through the crowd. We could see two mounted men swinging into the boulevard in front of the palace, then six more, then the head of a marching column in field gray. The mounted men were Norwegian policemen actually escorting the German troops which were occupying the capital. We looked uncomprehendingly. Later I was told that Norwegian policemen never carry any kind of arms. This was also why they failed to fulfill the government's order to arrest Major Quisling.

The German column marched steadily nearer through a lane of 20,000 or 30,000 Osloans, fully half of which were men of military age. A tall, broad-shouldered officer, Gen. Nikolaus von Falkenhorst, and two other officers marched directly behind the mounted police. Then came the German regulars in columns of threes, as if to make the line look as long as possible. One out of nine carried light machine guns; all toted compact aluminum kits and bulky shoulder packs.

They were hard-muscled, stony-faced men. They marched with guns on their shoulders, with beautiful precision. Mostly, they stared straight ahead but some could not restrain triumphant smiles toward the onlookers. Several times General von Falkenhorst and the other two officers returned Nazi salutes from persons in the crowd who must have been German advance agents who had been busy in Oslo for weeks before the crowning moment. From our hotel balcony two Nazis gave the salute. I noticed in particular the beaming face of a chic, slim, blond German woman whose husband had been very active in our hotel since we arrived on the previous Thursday.

COLUMN COMPOSED OF TWO BATTALIONS

It was a thin, unbelievably short column. It required only 6 or 7 minutes to march past. It was composed of only two incomplete battalions—surely less than 1,500 men in all. Norway's capital of

nearly 300,000 inhabitants was being occupied by a German force of approximately 1,500 men.

The last of the German troops went by without a single jeer or hiss, without a single tear noticeable on any Norwegian face. Like children, the people stared. Thousands of young men stood watching this occupation parade. Not one hand or voice was raised. We could discern no sign of resentment upon any face about us. This was the most incomprehensible thing among all the incomprehensible things of the fantastic 24 hours.

Somehow it seemed as if curiosity was the strongest sentiment in the throng of Osloans who watched the Germans come in. No other emotion was betrayed in the countless faces we scanned anxiously. The only indignant people we met or saw that day were foreigners. The Norwegians of Oslo seemed stunned beyond recovery. Everyone acted curiously like children suddenly given a chance to see a parade of strange creatures out of prehistoric times—something which had no connection with real life.

But within 2 hours real life was making itself felt in Oslo. The Germans had occupied the capital without dropping a bomb, without firing a shot within the city limits. They simply had paraded in and taken it over much as Frenchmen or Italians might parade into a colonial interior village somewhere in Africa. Now they went to work. It was the urgent task of the tiny force of 1,500 men to seize key places in the nation's capital. They did it swiftly, without any fear of interruption.

When I hurried into the telegraph building I had hopes. There were still no German troops guarding the door. But immediately I knew it was too late. The tipoff came when a women employee, who had always addressed me in perfect English, spoke to me in German and tried to refuse my message on the grounds that I had no special telegraph card. But her chief had already accepted my dispatch at 1 o'clock. Finally she accepted it reluctantly, together with $64 worth of Norwegian crowns, which had to be paid in advance. Then she told me in German that I must see Fraulein Hauge tomorrow morning or no more messages would be accepted. Of course, my own and all other dispatches for the next 24 hours were never sent. The Germans had closed all the wires as well as telephone lines to the outside world.

GERMAN SOLDIERS IN PARLIAMENT

The next day, Wednesday, was as unbelievable as the events of April 9 had been. German troops now stood guard in Parliament, the university, the city hall, and other public buildings. My first shock came early in the morning as I passed the Storting (Parliament). Twoscore German soldiers filled the open windows on the third floor of the building, all singing lustily, while one pumped joyfully at his accordion. Osloans stood watching and listening on the sidewalks below. I looked closely, but so far as I could see they were simply curious and somewhat entertained.

As on the previous night after the occupation, the city's cafes were filled in almost normal fashion, and a large number of young men were lolling in them as if there were no such thing as a regular Norwegian Army, ready to offer resistance to an invader, only 50 miles north of the capital. Wherever we went we saw groups of young people clustered around German soldiers on guard. Some of them chatted pleasantly with the soldiers; some stared at their rifles and machine guns and asked questions about them. Many young girls gazed admiringly at the men in field-gray uniforms.

Outside the telegraph building I encountered an open car with half a dozen hardened German regulars who had a machine gun mounted for action. The crowd laughed and joked with the soldiers; one man, apparently half intoxicated, shouted "Deutschland über alles" several times. The soldiers laughed. The chief of the machine-gun crew looked down upon his admirers with an indescribable smile. He stood up proudly like a member of a conquering Roman legion who realized that he had the right to do so.

Such scenes, far from infrequent, had not ended when I left Oslo on Friday. By that time, however, many young Norwegians had disappeared from the capital with packs on their backs. A great many more went after the Germans landed 20,000 troops on Oslo's quays on Thursday afternoon. This sight at last awakened many men from the daze which they had been in. Many others, however, still remained in the capital on Friday—seemingly a large part of the men.

RECEIVED COURTEOUSLY AT NAZI LEGATION

On Wednesday evening we discovered that the Quisling government had been formed in room 430 of the Continental Hotel. I went there about a matter which was said to require the new premier's personal decision. Three Germans in civilian clothes and one Norwegian were in room 430. After waiting I saw Major Quisling very briefly, but he turned for advice to a sharp-faced German who introduced himself as Reichsamtleiter Schoedt. The Reichsamtleiter decided the matter while another German assisted in giving further directions. From there we were referred to the German Legation, where we were received courteously. It appeared that the German military censorship was not yet completely organized and nothing could be arranged about the transmission of dispatches until the next day.

Nevertheless, we made another call at the telegraph building. The public hall was deserted when we entered after passing German guards. Inside, two German privates were standing. While we wrote our cablegrams they began an exercise in mass psychology. They marched 15 or 20 steps, slowly and calculatedly pounding the heels of their boots down on the cement floor at every step. Each step echoed loudly and menacingly against the ceiling. After a few seconds' pause the two soldiers pounded their heels again.

They continued this exercise as long as we were in the hall. The echo of their hobnailed heels was amazingly eloquent.

This is how Norway's capital was captured without a bomb being dropped and without a shot being fired within several miles of the city.

I believe this to be the first story of any completeness to reach the outside world. I also believe it to be the most important newspaper dispatch I have ever had the occasion to write. It is my conviction, for the sake of history and also for the sake of the ultimate restoration of security and freedom in all three Scandinavian countries, that it is crying to be told now. I am closing it with the earnest hope that it will reach America and the outside world quickly.

Foreign Trade Zone No. 1

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

EDITORIAL FROM THE STATEN ISLAND ADVANCE AND REPORT OF THE FOREIGN-TRADE ZONES BOARD

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an interesting editorial, Mercantile Mecca, which appeared in the Tuesday, April 9, issue of the Staten Island Advance. This editorial speaks of the growing significance and vast importance of foreign-trade zone No. 1, which was set up in Staten Island, N. Y., in pursuance of the bill which I introduced, and for the passage of which I labored for a number of years.

MERCANTILE MECCA

The port of New York, which embraces the water fronts of the North and East Rivers as well as the shores of the kills and the upper bay, is the Nation's greatest clearing house for raw products and manufactures from all corners of the globe.

Within that port—part of it, and yet apart—is our own Staten Island free port, more accurately called foreign-trade zone No. 1. We are so close to it that we are barely conscious of its rapid growth and of its growing significance as a mercantile mecca, a market center of the world where all lines of origin and destination converge.

Here, within a comparatively small, fenced-in space, is a cosmopolitan port in miniature—still in its infant state, but steadily growing more active, more extensive in its radiations of influence, and destined to occupy more space on the east shore—provided selfish interests can be stopped from undermining its structure.

Constant effort is being exerted at Washington by warehouse interests to destroy its prestige, and to bring about legislation to strangle and cripple it, for the benefit of private warehouses and to the detriment of the Nation's foreign-trade and good-neighbor policy.

Only 3 years ago the cargoes of the free port area were confined to occasional trifles such as "two bales of tweeds," or "three crates of glass beads." The spectacle of these huge pier sheds, so carefully segregated and guarded against smuggling, holding a couple of bales or packing cases was pitiful. What a contrast today!

The cargoes that are landed there to await regrading, resorting, packaging, bottling, labeling, mixing, blending, and ultimate import or reexport include such things as tobacco from Sumatra, brandy from South Africa, silver fox furs from Scandinavia, tungsten ore from China, corned beef from the Argentine, whiskies from Dublin, linoleum from Italy, millions of pounds of nuts from Brazil, watch parts from Switzerland, sisal fiber from Yucatan, diamonds from Holland, hides from Australia and South America, rugs from Persia. Their value is measured in millions.

The war has temporarily added to the zone's importance as a transshipping point, but its prosperity will not depend upon prolongation of hostilities. Economic competition will survive. The port of New York, because of the free port facilities available at Stapleton, will benefit by business and employment which would not exist under the old system of private bonded warehouse storage, with its lack of facilities, its reels of red tape, and restrictions which hampered and discouraged foreign business.

Everything possible should be done to encourage the growth and patronage of the free port. Nothing to discourage or hamper its normal, legal growth should be tolerated.

I also insert herewith the annual report of the Foreign-Trade Zones Board.

I cannot let this occasion go by without saying a word of praise for Thomas E. Lyons, executive secretary of the Foreign-Trade Zones Board, who has labored diligently to make a success of the operation of the foreign-trade zone under the Celler bill. He has worked incessantly and intelligently for the setting up not only of the foreign-trade zone at Staten Island, New York, but in other coastal cities as well.

The report is as follows:

FOREIGN-TRADE ZONES BOARD,
Washington, D. C., January 16, 1940.

To the Congress of the United States:

The Foreign-Trade Zones Board has the honor to submit herewith its annual report for the fiscal year ended June 30, 1939. There is also transmitted the annual report of the city of New York, covering the operations of foreign-trade zone No. 1, Stapleton, Staten Island, for the calendar year of 1938.

Public, No. 397, Seventy-third Congress, second session (48 Stat. 998, 1003), provided for the establishment, operation, and maintenance of foreign-trade zones in or adjacent to ports of entry of the United States, and created a Board consisting of the Secretary of Commerce, as chairman and executive officer, the Secretary of the Treasury, and the Secretary of War, to administer its provisions. The legislation authorized both public and private corporations to make applications to the Foreign-Trade Zones Board for the privilege of establishing foreign-trade zones. In the case of a private corporation, authority for filing an application must first be obtained from the legislature of the State in which it is proposed to establish the zone.

As contemplated by the act, a foreign-trade zone is an isolated, enclosed, and policed area, under Federal supervision, operated as a public utility by a corporation, in or adjacent to a port of entry, without resident population, furnished with the necessary facilities for lading and unlading, for storing goods, and for reshipping them by land and water; an area into which goods may be brought, stored, and subjected to certain specified manipulation operations. If reshipped to foreign points, the goods may leave the restricted trade zone without payment of duties, and without the intervention of customs officials, except under certain conditions. Such products cannot, of course, leave the trade zone for domestic use or consumption without full compliance with existing customs laws. Goods may not be manufactured or exhibited in such an area, but may be "broken up, repacked, assembled, distributed, sorted, graded, cleaned, mixed with foreign or domestic merchandise, or otherwise manipulated." The foreign-trade zone is subject equally with adjacent regions to all the laws relating to public health, vessel inspection, postal service, immigration, and to the supervision of Federal agencies having jurisdiction in ports of entry, including customs, to a limited extent.

Because of the experimental nature of foreign-trade zones in this country and perhaps in part because of lack of familiarity with the purposes of such facilities and the details of their operation, the establishment of such zones has proceeded slowly. The first grant under the act was made to the city of New York on January 30, 1936. That zone was opened a year later, on February 1, 1937, and is the only one now operating.

The only other zone to be established was under a grant made to the Alabama State Docks Commission, on September 22, 1937, for a foreign-trade zone at Mobile, Ala. That zone was completed and opened for operation on July 21, 1938, but its efforts to attract a substantial amount of business during the first few months of operation were unsuccessful. It was voluntarily closed in January 1939, and on the petition of the State of Alabama the grant was canceled by the Foreign-Trade Zones Board. While it is felt that 6 months' operation was too short a period to determine the zone's eventual success or failure, the newly created department of State docks and terminals, which succeeded the Alabama State Docks Commission, concluded that the operation of the zone would be unprofitable, and its maintenance too costly in its experimental stages to the State of Alabama.

A number of other port cities have evidenced an interest in the possibilities of increasing their foreign trade through the establishment of such zones. The Board of State Harbor Commissioners of California has given consideration to the establishment of a zone at the port of San Francisco, but the site originally selected was unsatisfactory. Also, in May 1936, the Governor of Puerto Rico gave consideration to the establishment of a zone at the port of San Juan. However, no applications for the establishment of zones were presented to the Board during the last fiscal year.

It must be remembered that the New York zone has only been in operation since February 1, 1937. Sufficient time has not elapsed to afford a very broad experience from which to judge the efficiency and value of its services. New York Harbor perhaps presents an exceptionally favorable opportunity for this type of development. Nevertheless, it is to be expected that the results of that operation will be carefully watched by other important ports of the country. If the New York operations prove valuable, it is to be expected that other port cities will eventually finance and operate similar activities.

NEW YORK FOREIGN-TRADE ZONE

The New York zone, "foreign-trade zone No. 1," utilizes a part of the municipally owned waterfront property at Stapleton, Staten Island, on which 11 piers were constructed during the World War period, but only occasionally used since that time.

At present the foreign-trade zone consists of four double-decked piers and the adjacent upland, a total of approximately 92 acres of land and water area. Two of these piers are equipped with semi-portal electric revolving gantry cranes and electrically operated elevators for handling cargo. The zone is segregated from surrounding territory by a land barrier in the form of a high fence of woven galvanized-wire netting surmounted by barbed wire, and a waterside barrier in the form of a photoelectric beam across the pier ends, both barriers establishing a perimeter of about 8,415 linear feet. Additional protection of the zone is afforded at night by a system of floodlights placed uniformly at about 50 feet inside the land barrier and on the several piers. Fifty-one of such lights are located on the piers and 37 on the land area. In addition, customs guards are on duty within the zone at all times.

In connection with its application for a grant the city undertook to construct certain facilities in addition to those already on the site. Plans for these additional structures were submitted and approved by the Board in connection with the issuance of the grant. Due to the experimental nature of the zone, however, the Board had heretofore authorized the deferment of the construction of these additional facilities.

With the expansion in zone activity the need for further structures has increased. On May 25, 1939, the city submitted plans for an extension of the present gatehouse, tanks for the storage of vegetable oil, and a utility building to be used primarily for repacking, distributing, sorting, crating, cleaning, mixing, and otherwise manipulating merchandise held in the zone. These plans were approved by the Board on June 29, 1939.

The erection of these new structures would not complete the plans originally submitted and approved, but would provide a substantial part of the additional facilities which the city is ultimately required to construct. The new buildings are much needed, since at the present time all zone operations, including manipulations, are performed on the piers. The difficulty of heating extensive pier areas and the inability to provide facilities for storing merchandise which requires controlled temperatures seems to have materially restricted the expansion of zone activities.

Construction has not yet been started on the new facilities now authorized. The Board is of the opinion that when such structures are completed the zone will be in a much better position to render the full services for which it was designed.

Summary of operations and fiscal condition

The books of the New York zone are kept on a calendar-year basis. Accordingly, its latest annual report, a copy of which is attached, covers only its operations for the calendar year of 1938. This report shows a gross operating income of $69,085.56, and operating and administration expenses of $116,508.46. Twenty-two thousand eight hundred and twenty-two dollars and twenty-nine cents of this latter sum represented the cost of United States customs guards whose services are paid for by by the grantee of the zone. We are advised that during the first 6 months of 1939 the activities of the zone continued to increase at a very satisfactory rate and that the operating results were much more favorable than in either of the two earlier periods.

During the year 1938 the city continued its work of improving and repairing the structures which were initially on the property. Its expenditures for that purpose during the year aggregated $228,543, and its total investments on that account including all items of expense in adapting the area for zone purposes at the close of the year amounted to approximately $997,546.

The statistical tables attached to the report of the city show receipt during that calendar year of 1,285 lots of merchandise weighing 77,790,893 pounds and having a value of $5,752,071.17. These figures represent a substantial increase over 1937, when 92 lots of merchandise, weighing 21,172,954 pounds valued at $1,174,293, were received in the zone. This gain is encouraging when it is shown that the number of different commodities increased to 152 in 1938, and came from 49 different countries, including the United States and its possessions.

Distribution of merchandise from the zone to 31 foreign countries amounted to 1,046,761 pounds, valued at approximately $151,951; and merchandise imported into customs territory of the United States from the zone in 1938 weighed 31,972,685 pounds and was valued at $3,729,860. The remaining merchandise in the zone on December 31, 1938, weighed 56,589,882 pounds and was valued at $2,769,546, being nearly five times the amount and having over three times the value of merchandise in the zone at the start of the year 1938.

Collection of customs duties on merchandise imported into customs territory rose from $29,936.26 in 1937, to $345,635.70 in 1938. The collection of this revenue was at no expense to the Government, the salaries of customs officials being borne by the grantee.

Merchandise was delivered at the zone in 1938 by 29 vessels engaged in foreign trade; 4 in coastwise and intercoastal trade; 153 in inland waterway and harbor traffic; 642 motortrucks; and 5 parcel-post deliveries.

Merchandise was shipped from the zone by 178 inland waterway and harbor craft, 2,388 motortrucks, and 5 parcel-post deliveries.

In order of value, the 10 leading commodities handled at the zone in 1938 were—household effects, $943,945; rugs and linoleum,

$893,708; Brazil nuts, $560,505; murumuru and babassu nuts, $511,730; cocoa beans, $511,608; wood pulp, $450,888; canned beef, $300,692; tobacco, $263,258; cod liver oil, $243,275; and raw flour, $154,375.

In order of weight the 10 leading commodities handled at the zone in 1938 were wood pulp, 14,539,550 pounds; murumuru and babassu nuts, 12,605,412 pounds; cocoa beans, 11,148,406 pounds; Brazil nuts, 5,924,369 pounds; raw flour, 5,781,380 pounds; household effects, 4,024,291 pounds; lumber, 4,016,000 pounds; canned beef, 3,718,817 pounds; palm-kernel meal, 3,342,480 pounds; and rugs and linoleum, 3,281,314 pounds.

In order of importance, by weight, the 10 leading foreign countries from which merchandise came to the zone in 1938 were Brazil, Sweden, West Africa, Argentina, Germany, Italy, Japan, Netherland Indies, Belgium, and French West Africa.

In order of importance, by weight, the six leading foreign countries receiving merchandise from the zone in 1938 were Cuba, Australia, United Kingdom, Spain, Japan, and Mexico.

Manipulative operations undertaken in connection with merchandise consigned to the zone have included sampling, cleaning, fumigating, curing, drying, sifting, grading and sorting, assembling, bottling, labeling, marking, and repacking. An examination of the manipulations most frequently employed shows that the opening, inspecting, repacking, and remarking of commodities was the procedure most in use.

While the foreign-trade zone is designed to encourage commerce, the New York zone is also serving a humanitarian purpose. European refugees summarily banished from their homelands have consigned their furniture and personal effects to the zone. At present there are several thousand lift-vans, boxes, crates, and bundles stored in the zone, representing in many instances the sole possessions of these unfortunate people. These articles may be kept in the zone indefinitely, subject to the usual storage charges, until the owners find homes in other lands to which their possessions may then be shipped.

MOBILE, ALA., FOREIGN-TRADE ZONE

Following 10 months of preparation, which included the erection of a land-barrier fence, installation of floodlights, and the construction of guardhouses, the Mobile foreign-trade zone was opened on July 21, 1938. For a brief period active efforts were made to attract business to the zone. Pamphlets printed in Spanish and Portuguese languages describing the facilities of the zone were sent to a number of Latin American countries. A representative of the zone made a brief visit to several of the Central American areas. As previously stated, the zone was voluntarily closed early in January 1939 and the grant canceled by the Board on April 14, 1939.

The Alabama State Docks Commission in its report to the State legislature for 1938 gave the following account of expenditures in connection with the establishment and first 5 months of operation of the foreign-trade zone: preliminary expenses, including cost of economic survey, $14,969.72; operating deficit, $15,540.30 (this item included cost of customs personnel); capital expenditures, $20,327.78; total outlay, $50,837.80.

BOARD'S ACTIVITIES DURING FISCAL YEAR

During the past fiscal year the Foreign-Trade Zones Board considered and acted on a number of matters concerning the administration of the act, which had previously been reviewed by the committee of alternates, and submitted to the Board with the committee's recommendations. Matters considered by the Board on which formal orders were issued included the adoption of a uniform system of accounts, records, and reports, for use by grantees, pursuant to the provisions of sections 16 (a), (b) of the act; an amendment to a previous order excluding gold and silver from foreign-trade zones, to permit the handling and storing of silver in foreign-trade zones; and the withdrawal and cancelation of the grant to the Department of State Docks and Terminals of the State of Alabama to operate foreign-trade zone No. 2 at Mobile. These, together with the previous numbered orders of the Board, are contained in the appendix of this report.

After a public hearing, the Board approved the plans submitted by the city of New York to erect additional facilities in foreign-trade zone No. 1, consisting of a utility building, and an extension to the present gate house; and storage tanks for vegetable oil. The estimated cost of the proposed improvements is approximately $500,000.

At the request of the mayor of New York City, the Board reviewed an agreement between the city of New York and a private company to operate the foreign-trade zone on an agency basis. The Board was of the opinion that the contract did not constitute a transfer of the grant within the meaning of section 17 of the Foreign Trade Zone Act. The Board also has before it a question raised by the American Warehousemen's Association relative to the scope of the Board's authority with respect to the publishing and filing of rates and charges in individual foreign-trade zones.

EDWARD J. NOBLE,
Acting Secretary of Commerce, Acting Chairman, Foreign-Trade Zones Board.

HERBERT E. GASTON,
Acting Secretary of the Treasury.

HARRY H. WOODRING,
Secretary of War.

Home Loan Bank System

EXTENSION OF REMARKS

OF

HON. HOMER T. BONE

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, April 18 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. JAMES F. TWOHY

Mr. BONE. Mr. President, on February 10 of this year Hon. James F. Twohy, Governor of the Federal Home Loan Bank System, delivered a very important address in Chicago on the subject of the Federal Home Loan Bank System. Many of our people are very much interested in this subject. The address is very illuminating. I therefore ask unanimous consent that it be published in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I hope you will not ascribe it merely to etiquette when I say that I am sincerely grateful for your invitation to this conference. As far back as I can remember I have found a thrill in visiting Chicago. Here, to my mind, among all our cities, is the ideal campground for convention or conference. No one can understand our Republic who does not know this city, and no one can come here from whatever remote section of the continent and feel himself a stranger. Here you will not find the towering brilliance of New York, the exotic charm of San Francisco, the flavor of quaint New Orleans. But you will discover all the direct raw energy of the Nation, gathered from north and south, east and west, from every race and creed and color, here commingled in a dynamic fusion which is creating a mighty future, as yet unshaped and unpredictable. At this one great cross road of the Nation, where there are no through trains, because every incoming line ends here; where the farm barters from hand to hand with the factory, and the East meets West; where a world-famous university rises on the site of yesterday's log cabin, and remembers the Indian arrowheads buried beneath its classic cornerstone; those of us who will can see, as in a glass darkly, the looming image of America. No wonder a visit to Chicago, even without the stimulation of a gathering like this, is an excitement to the inquiring mind. It recharges the batteries.

Besides personal enjoyment, however, as the Governor of the Federal Home Loan Bank System, I recognized in your kind invitation another opportunity for that candid exchange of opinions with the men who manage our savings and loan institutions, which I regard as an essential and a continuing part of my job. Frankly, I am out to invite the criticism and to earn the confidence of the men who run this business, and of the State officials, the officers of your leagues, and the many experts throughout the country who are devoting their energies to its development. Without this counsel and confidence I do not know how we can hope to make our system the important and powerful factor in the Nation's business which our Government designed it to be.

The Governor of our system reports to the Home Loan Bank Board, which prescribed his policies and procedures. He transmits these through the 12 regional banks of the system, where they are translated in turn to our member institutions throughout the country. Certainly, I should feel remiss in my duty to our Board, to our regional banks and their members, and to the public whom we all serve, if I did not seek anxiously to make my office the clearing house it should be for examining, sifting, testing, and interpreting the best operating opinions of the industry. Our Board does not want the Governor's office to be an avenue for one-way traffic only. We can't sit in quarantined isolation, and define new and constructive patterns for a great industry without intimate, realistic contact with its operators. We need your collaboration in working out patterns of action, recognizing that it is your business which we are commissioned to develop and to safeguard in the interest of the public. We need sharp criticism, not only from within but from outside the industry, and I may say in passing that we are receiving a fairly generous share at present.

In thus emphasizing our desire and need of your criticism, however, I would not have you think that I interpret our system as merely a Government instrument for expressing the uses and wishes of the industry. Such an interpretation would degrade the principles upon which the system was founded, and stultify its true objectives.

It cannot be as simple as that, and if it could, I am sure you would not have it so. Our Government, when it tackled the disordered problem of thrift and home financing in this country at

the critical time when the Nation's entire mortgage structure was on the verge of collapse, created the Home Loan Bank System, not to follow but to lead the industry. The system was designed to eradicate dangerous abuses in this vital field of public service, to provide a sound pattern of operation, and to set up for the future protection of our people a national barricade against panic and decay. Its principles of organization are soundly American. It recognizes free enterprise, the need for profit, and the necessity for organic decentralization. But it can never function as designed, for the good of the industry and the protection of the public, without vigorous and independent leadership. That leadership, you may be sure, we shall do our best to give it.

In casting about for a topic which you might find interesting and helpful in these remarks it occurs to me that I can do no better than disclose, as frankly as possible, my own views of the Home Loan Bank System, particularly with reference to what I believe is required of us if its future possibilities are to be attained. As you know, I am newly appointed the Governor of the system, and I must confess that I am much more eagerly concerned at present with learning them rather than with expounding its nature and possibilities. It seems to me, however, that this very fact may prove of some advantage to these remarks, because it will at least give them new and fresh color, which is always a benefit, and it will serve as well to expose to your judgment, and I hope to your criticism, my own approach to a job which is bound, as I well recognize, to affect your business profoundly. A national system such as ours depends for success not only upon the basic principles of its organization but also, and perhaps quite as much, upon the men charged with its administration. What we do can hardly ever be more important than how we do it. In this three-dimensional world of ours the blueprint is proven in the performance, and in the long run performance will always reflect in strength and weakness the character of the men who direct it.

I have spoken of the blueprint, and I suppose it would be impossible to give you an intelligent idea of the scope of our task without first advertising to the general background and conditions out of which our system has embarged. My job as an administrator is largely one of action, but action can become something like nihilism in motion if it is not related to the thought and philosophy which motivate it. It is not doctrinaire theory to make a reconnaissance survey before you begin construction; it is a fairly good way to avoid complicating chaos. To build a road is a rough, tough job, calling for driving energy rather than fine theories; but the most headlong direct actionist who ever operated a steam shovel has to have a profile and grade stakes to go by unless he wishes his road to miss the tunnel when it hits the mountains.

I think you will agree with me that it would be impossible to make a fair assessment of our system, or give a true outline of its character without reference to the drastic upheaval in our economic life which called it into being, and the world conditions which, do what we will, are bound to color and condition its existence. It is a commonplace for each generation of men to mark its own period as earth shaking, and as somehow the beginning or the end of an era. That is part of the mysterious chemistry of our make-up, I suppose, and men go on doing it even though history is ever busy to erase their pathetic conviction and to reduce their succeeding ardors and aspirations to a uniformity not unlike the succeeding seasons of the year.

Now and then, however, a certain period in history is singled out for sweeping changes so violent as to reshape the patterns of human living, much as a geological slip might affect the face of nature. The foremost economists and philosophers are agreed that we of this generation are the more or less bewildered spectators and actors in one of these rare convulsions in human affairs to which chapters in important history books will be devoted. Certainly, this conclusion is confirmed by daily events the world over in characters very grim and terrifying. In our own brief lifetime we have seen in Europe the dizzy fall of democracy from a position of almost universal ascendency to a position hemmed in by deadly peril. Organized wrath is converging upon it from the "black" right and the "red" left with a cunning and a fury which threatens to sweep away not only democracy as a political form but many of the spiritual and ethical values of our civilization. This conflict, as I see it, is not a new philosophy challenging an old. No convinced believer in the corporative state as a form of government can find in Hitlerism any vestiges of his creed. No Marxist, however pop-eyed a contortionist, can square the circle of Stalin's sinister mind. This conflict is the raw force of pure destruction flung against democracy, because millions are persuaded of its corrupt infirmity. It is nihilism marching with axes against a power which it feels must be destroyed.

Now, you and I may believe that this bloody force in the world is a new diabolism which must be stopped before its insensate fury wipes out the precious inheritance of the race. Our impulse is to reach for a weapon to defend what we hold sacred. But in my humble opinion, our present course lies in another direction, and we should not suffer propaganda, however moving and sincere, to turn us from it. It is our duty, I believe, to prove democracy. By geography and by providence, we have the material means to make ourselves physically invulnerable. Our job is to summon the moral energies of the Republic to make our own principles truly work. If we succeed in providing our own people with a working economy suitable to their temporal needs and compatible with the personal dignity of man, we will preserve democracy. If we fail, we have more germs of Stalinism and Hitlerism and nihilism within our own borders than can ever be erased by victory on the battlefields of Europe. Democracy, if we truly believe in it as a social instrument for helping man fulfill his spiritual destiny, should be vindicated here at home where we are endowed with such abundant means to prove it. Our people are now making heroic answer to this challenge. Ours is not a resort to force, which so often is a declaration of bankruptcy smothered in martial music, but the effort of a proud and free nation grimly enlisting to defend its inheritance, in a spirit as authentic as Lexington. We will experience plenty of discouragement, fear, and frustration, for it is a job enormously difficult and complex to thrust a whole people forward along an economic front; but to the task we bring a rich endowment, and a warrant from the highest authority; the rest depends upon our capacity to work together, and our own vision and resolution.

The Home Loan Bank System is one salient in the economic line which our Government is throwing around the particular and important field of the invested savings of our people. We might well be alarmed if the tremendous transformation which is now spreading over our entire economic and social order did not take in also our basic business of managing and mortgage lending these savings for home ownership. It is true that the building and loan business, by more than a century of tradition, is geared to neighborly, intimate close-up operation. Nothing in business, I suppose, is more personal than a mortgage loan, and every safeguard should be erected to preserve the individual and personal character of the business. We must never permit the federation of our industry to dehumanize it. But without Federal direction to provide a parity and a proper relation with other Federal agencies in finance, and to furnish national strength and sanction in its reserves, in a word to bring our great industry in line with the swiftly developing economic pattern of all American business, believe me, gentlemen, your business would soon be thrust into the alleys in the back of cigar stores where some of your critics and competitors would like to put it and keep it.

No one distrusts bureaucracy more than I. I come from the far West where the pioneer tradition and the doctrine of laissez faire made its last stand on our continent, if not in the world, and I inherit a good healthy hatred of regimentation. I try to dodge the red-eyed medicine man running around the country with patent cures for our ailments, and new formulas for our salvation which violate the fundamental tenets of democratic dogma. We all know, by a kind of mass instinct, that the amazing welter of existence cannot be compressed into these ingenious algebraic equations, and we turn a far-away look on the expert with an easy answer, no matter how learnedly thick his spectacles. Strange creatures always appear in time of flood and fire, and, while we wrestle with the disaster, we segregate the harmless ones, and turn the looters over to the proper authorities.

Nevertheless, I am even more distrustful of the impenetrable mind which fears all progress, or worse yet, is perfectly unaware that any change is upon us. Very dangerous to us all is the fact, which John Stuart Mill points out and which all history attests, that great changes can creep like lava over communities only half conscious of what is befalling them. You will recall the three old ladies in Arnold Bennett's masterpiece, whose only recollection of the siege of Paris, which they had endured in their youth, was the unaccountable trouble they had experienced with the poultryman in 1871; and Anatole France's sardonic tale in which he shows us Pontius Pilate in a Roman bath, gossiping of his youth, and unable to recall the name of that just man whom he had sentenced to death as the procurator of Judea. After the fear of the Lord, I suppose, the beginning of wisdom in approaching any problem is to know the significance of the events which have created it, and the circumstances which condition it. In these times, with the rising river washing away our bench marks every day, and cracking our gages, there is little comfort to our anxious minds in the plump planter who would have us all singing mammy songs about the good old days. In the muscular job of reshaping our business we will get little benefit of counsel from the critic who invokes false charges of regimentation and bureaucracy to conceal his homesickness for the good old 1920's, that dead decade of speakeasy heroes and thinkeasy philosophers. In the forward movement of a whole nation on the march, we may have to leave that soldier by the roadside with his belt of blank cartridges.

The details of the legislation which created our System were patterned largely on the Federal Reserve Act and the Farm Loan Act. While its purposes and functions are not strictly comparable, the Home Loan Bank System is intended to serve thrift and home-financing institutions in much the same way the Federal Reserve System serves the commercial banks and the Farm Credit Administration serves in the financing of farm ownership.

Our great Federal Reserve System serves the commercial area primarily by supplementing the funds of local banks, particularly in times of emergency. It is thus a source of temporary financing. The Federal land banks in turn were established to accommodate agriculture. Not only do they constitute the sole source of funds for national farm-loan associations which lend directly to the individual farmer, but in addition, the funds are provided for a long period of time. In similar manner, the Federal Home Loan Bank System was created to provide for the needs of urban home financing. Because of the nature of the primary institutions which operate in the field, the bank system is empowered to make both long- and short-term advances. The latter afford protection to investors by making funds available to relieve any unusual requirements. The former furnish funds to member institutions to foster home building and home ownership.

Thus there have now been established in this country these formally organized systems of finance—commercial, farm, and home.

Here, then, is a system of major importance in the business life of the Republic. It is predicated upon principles which to my mind fairly approximate the prescription which America in the future will make for the management of its savings: That it be personal in responsibility and profitable and yet mutual and profit sharing; that it be privately owned and operated and yet publicly insured and regulated; that it be constructive and expansive and yet rigorously guarded against speculative abuse. It is wisely set up under Federal direction to provide a parity and a proper relation with other Federal agencies in finance, and to furnish national strength in its reserves. It is broken into district banks to insure regional responsibility and ready response to local needs and conditions. In principle and in pattern it is soundly conceived for the protection of the industry and the public which it serves. There are able men, I know, who are skeptical of our system and who attack it. Some of them are within the industry; some outside. As I said before, I respect their judgment and do not question their good faith. I welcome their candid criticism, but I would be wanting in the same candor if I did not express a friendly warning, as a matter of my own opinion, that they are on very dangerous ground in attacking the principles upon which the home-loan bank system is founded or the organized pattern of its operation. We are ready to take them on, and will let them choose the precise debating ground, whether it be the particular history and hazards of this business, an appraisal of our national fiscal system and our relation to it, or the broad question of how best to protect and use the people's savings, which is the ultimate test of all.

All of these observations, I well appreciate, are the broadest generalities. A beginner, however, in any job is well advised to walk around it first before arranging all his machinery. Our task, it is true, is bristling with specific problems, each one of which might be made the subject of our earnest discussion, because all of them in their eventual solution will comprise the ultimate effectiveness of our system. For example, there is the Federal Reserve System, the office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. We have to work out a relationship there which will appropriately fit into the changing and developing fiscal plan of the Nation without invading the field of others or suffering a stultifying curtailment of our own. Or take the American Bankers Association—a great organization—and its savings-bank division. Here, too, clarification and an understanding must be reached which will be measured by the only true yardstick, the most effective service of our people. Or, again, take our State-chartered institutions and our relations with the State authorities, whether or not the institutions be insured. Principles must be stated and definitions formulated so exactly as to insure to the public our respective assistance and protection on a basis mutually respecting and cooperative. Then there is the question of supervision—a good "hot oil" subject. Here, too, the task is to extract essential principles, and the process, I suspect, will be predicated upon some fairly vehement and vigorous debate. But these and many kindred questions, though they constitute the substance of our present everyday work, may well wait upon a broader enunciation of our general objective from which, after all, they must derive. Moreover, of their nature, they do not belong so much in the school-masterly and unilateral field of the lecture room as in the harder and closer quarters of the laboratory. It is in conflict, criticism, and controversy, and in the cooperative way of experiment and trial and error, thank Heaven, that America attacks a problem, and it will be by these means that we will work out ours.

There are three major functions in my job as governor of your bank system which have been taking shape in my mind during my 3 months of wrestling with it. The first is to translate to the leaders in other and related Government agencies, to our banks, to our member institutions, and to the public an understanding of our service; what it is and is not; what it may become, and what it should not be; and to do so by methods and in language commensurate with its dignity and importance, and the profound respect I have for it. Frankly, I am out to eradicate a faint but widespread tendency to depreciate our vital function in the national economy; a tendency I may say not only evident among our critics and competitors where we might expect it, and where it will do us good, but also within our own ranks in our industry, where it can do us immeasurable harm. Certainly, our future importance and our real service to our people will be no greater than we think it, and we must not permit our great possibilities to be cheapened and truncated by little men of selfish purpose or no vision, whether they be outside the industry or within it. Speaking for myself, if you will permit the personal allusion, I could not work in an enterprise which did not command my honest respect and enthusiasm. Half of our troubles in this industrial age, I believe, arise from the fact that millions of men to whom work is as natural as flight is to a bird, spend their entire working hours and days and years on the assembly line of mass production, doing some senseless fragmentary bit of piece work which offends the spirit and degrades the natural creative impulse of man.

I believe our system can grow and expand its service to the public, and to an undreamed-of extent—not in any starry-eyed way, but by a hard work-a-day devotion to our real trusteeship—assist our people fulfill the dream of a better America. I am proud to have a hand in it.

The second function of my office is to encourage and promote the discussion and the dialectic which will truly create the system. We are only 7 years old, which, as I recall it, is the canonical age when reason only begins. Ours is not a fixed and frozen plan of action which has sprung full blown from the brow of Jove. It is a national system with its roots embedded in good earth, whose growth and health and harvest depend upon the nurture and care and pruning we give it. The particular problems I mentioned before, and a host of others like them, will only be solved by the friction of mind against mind in the dialectic of our experience. On behalf of your institutions on the one hand, and of the Board I work for on the other, I conceive it to be an important part of my duty to transmit from one to the other the freest traffic of ideas in order to develop our common usefulness to the public.

The third function I have in mind is the quality of leadership. I said before that we would try to provide the vigorous and independent leadership which the system needs. We recognize, however, that vigor and independence are by no means the only attributes of true leadership. There must also be restraint. It is quite as important to know and to respect the boundaries of authority as to act boldly within them. A captain can get in as much trouble roaming away from his company as ever he can by failing to lead them. The key to the democratic way of life is that we do not keep leaders who do not earn the job. We do not indulge the fantastic sovietism that everybody is his own boss until some slant-eyed dictator comes along to capitalize the fallacy. We know that no one can diminish his proper responsibilities, and yet continue to discharge them. It was not the Carthaginians who crossed the Alps; it was Hannibal who took them over, and we know from the lessons of history that officers who will act are essential to organization and to achievement. But it is part of the anatomy of leadership in our country that a captain functions by law and not by whim, and that he functions only so long as he deserves the job. The terms of his commission are his own qualities of courage and patience and vision.

I must confess to you that my first survey of your system gives me a very decent humility of mind before the magnitude of our job. Of course, we could slide over it if we would, but to make it what it is designed to be will tax and strain the best talents of us all. We shall make our share of blunders, you may be sure, with lapses and overlapses aplenty to confound us. It is a real assignment to balance the essential freedom of operation, which is our native way, with the effective Government supervision upon which our future depends. We will just have to chart a course in the historic spirit of good nature and determination, like the covered wagon caravans which brought the East to my part of the country. As with them, there is tension ahead of us, and hardships, and perhaps bickerings; but we shall also have prairie hen on the way, and now and then banjo music in the evening by the camp fire. Our discipline must be strong enough to avert a break-up and disaster, and loose enough for the free play of pioneer independence. We will probably lose some of our more reckless members to the Indians, for they lurk along our trail, too, and some of our children may wander away from the wagon train and get drowned in the river. But we will make the trail like those Argonauts before us did. We are of their blood, and we are pioneering as surely and as resolutely as they did, and for the same reason: because we mean to extend the frontiers of our civilization to make room for freer life. Beyond the plains, and the desert, and the mountains, lie fertile fields of plenty for our children if we have but the fortitude to reach them.

Order Sons of Zion

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, April 18 (legislative day of Monday, April 8), 1940

ADDRESS BY HON. JAMES M. MEAD, OF NEW YORK

Mr. MEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by me at the thirty-second annual banquet of the Order Sons of Zion at the Hotel Astor, in New York City, on April 14.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I am honored with this opportunity to speak to you on this happy occasion of your thirty-second annual banquet. Your great fraternal society has recently undertaken a magnificent project which has involved the collection of a large sum of money for the establishment of a colony in Palestine to provide a haven for

some 1,000 refugee families. The success of your undertaking, the enthusiastic humanitarianism of your society, and the worthiness of your objective commends itself to righteous people everywhere. I am sure you will succeed in fostering the ideals and aspirations which form the keystone of the arch in the reconstruction of the Jewish national home in Palestine.

In these troublesome times when intolerance, bigotry, and class hatred tear at the very vitals of human liberty, we need more of this spirit, more humanism and less barbarism in the hearts and souls of men.

Here in this most-favored land, we dine together tonight under happy circumstances. We have confidence that, fortified with the blessings of self-government and freedom of word and action, we are able to bend our united will into the avenues of progress and prosperity.

We are individually and collectively happy tonight because we all feel safe and secure. The future carries promise and hope of the fulfillment of our ambitions.

Here we enjoy freedom and order and enterprise under the protecting arm of our beloved democracy.

But in other lands there is less fortification against oppression. There bigotry beclouds the minds of leadership. There group is set against group, race against race, class against class. There doubts are instilled as to the worth of democracy. There religion is defiled, culture is stifled, and the higher aspirations of man is crushed to earth.

When the codes of religious, social, and political morality are violated by any system of government we must vigorously oppose that philosophy, and we must deny its infiltration into American soil. We feel that such violations to human rights have taken place under the totalitarian regimes, and therefore we must erect a bulwark of patriotic opposition to the inculcation of any such doctrine into this happy land.

Let us say again and again we believe in democracy. Let us repeat again and again for all the world to hear that we believe in defending the right of man to follow the dictates of his conscience. Let us by action and accomplishment demonstrate with unmistakable emphasis that we subscribe to a philosophy which permits and encourages freedom of personal and public independence in thought and action.

I ask you to live and breathe the spirit of democracy. I ask you by word and deed to typify the very embodiment of American principles. I ask you never to forget for one instant that American democracy stands for the enthronement of law and equity. I ask you to constantly sow the healthful seeds of good citizenship.

With diligence, with ample safeguards, and with a fundamental faith in our doctrine of government, we will be able to nip in the bud any sporadic or fly-by-night movement which may arise to plague or to threaten our citadel of freedom.

Current events in Europe involve not only the unfortunate victims who have been caught in the whirlwind of hate, but they involve every citizen throughout the world who subscribes to freedom, equality, and tolerance. With this in mind, we must take double caution lest these antidemocratic philosophies scatter their firebrands in our own peaceful land * * * lest here, too, the poison of oppression and bigotry threaten our national well-being.

What steps should we take to insure the preservation of our democratic institutions? What should be our plan of action in this battle of force against freedom? How should we emphasize the necessity for all our citizens to eliminate hatred of creed against creed, race against race, and to look upon one another, not as enemies but as brothers.

The answer, my friends, is threefold: First, we must rededicate ourselves to the Bill of Rights and reconsecrate ourselves to those basic principles of freedom and justice contained therein; we must resolve ourselves to a sustaining moral support of our heritage of freedom of speech, of the press, of worship, and of assembly—the sacred rights guaranteed to all Americans by our Constitution.

All of us, regardless of racial ancestry, or of differences in religious worship, must stand shoulder to shoulder in a united aim to eliminate racial and religious prejudice.

If such is our faith, it follows that we must not assume the role of a complacent, self-satisfied citizen lulled into the inertia of slumbering half interest. We dare not leave the arena of human rights to the despot or the demagog, thinking them to be but a harmless nuisance. Not if our eyes, ears, and minds are alert to the grim realities of today; not if we remember that democracy is not saved by laws alone, but by those who will speak for it, live for it, and, if need be, defend it.

Our second resolve should be to strive to provide for men the actual enjoyment of these liberties. "To be a free citizen," said that eminent American liberal, Justice Brandeis, "one needs a job, a minimum standard of living, a little saving, a little insurance. These are essential to the security of a free citizen." Ours must be a determination, therefore, to care for that group of citizens who, through no fault of their own, are without food, clothing, and shelter.

In the third place, we must be ever alert to combat sinister influences which may come to our shores from abroad. To those who would scoff at our institutions of self-government and who would ridicule our political philosophy which upholds tolerance and which extends a friendly hand to the oppressed everywhere, it would be well to remind them of our history—to recall the Protestants, Catholics, and Jews who came to our shores searching for the freedom, the opportunity, and the liberties we all now rightly enjoy.

We must forge new instruments and new methods to combat the blindness of the partisan, the passion of the jingoist, the vengeance of the bigot. Through education, logic, and understanding the clouds of prejudice must be dispersed.

As a nation we are devoted to the cause of peace. We condemn and abhor the persecution and oppression of unfortunate and defenseless minorities; we condemn and abhor class rule and government by violence.

We realize the conditions that exist today. We know that economic bewilderment has led people into strange and untried pathways of government—pathways that have, in many instances, led to the debasement of human dignities and of personal liberties. Let us resolve that that shall not come to pass in our country.

With that resolution in mind, let us not forget that it is our obligation, individually and collectively, to nurture peace in our hearts and to disseminate the philosophy of the good neighbor. In a world bewildered, overwrought, and unnerved by calamities which sometimes seem to challenge the ingenuity and intellect of man, a reassignment to religious ideals can conquer where moral skepticism, force of arms, and ruthless warfare must surely fail.

When the present European conflict is over, the wounds of men, of nationalities, and of regimes must be bound up by terms of peace. It must be a peace founded on an enduring formula, and that means that the elements of tolerance, reason, and morality must be given priority over all other considerations.

I think that we carry a portion of the responsibility for presenting to the world an example of fraternalism, neighborliness, and peace-loving behavior. The President of the United States has declared, "I hate war." The people of this Nation echo and reecho that sentiment. We will remtain a nation where peace abides.

Through our example and by our behavior we must indelibly impress upon warlike humanity elsewhere the unfaltering determination that is ours to stay out of military entanglements in foreign wars. At the same time we must impress the world with the fact that we are willing to assume our share of the burden in promoting peace.

Through united endeavor, and with a common purpose, such as that so nobly exemplified by the Order of the Sons of Zion, we will wage our campaign for peace.

We have the opportunity, the power, and the possibility of success. If we have the determination to succeed, our efforts will not be made in vain—for we can, and, I believe, we shall, succeed. America will then influence the world's new social and political order.

Abraham Lincoln and the Negro's Future

EXTENSION OF REMARKS

OF

HON. JAMES P. McGRANERY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

RADIO ADDRESS BY MAJ. R. R. WRIGHT, Sr.

Mr. McGRANERY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address delivered on February 11, 1940, by Maj. R. R. Wright, Sr., president of the Citizens & Southern Bank & Trust Co. of Philadelphia:

Today it is appropriate to speak of Abraham Lincoln and the Negro's future. For today is the eve of the celebration of the second greatest and most far-reaching event in American history; it's the birthday of Abraham Lincoln, and the seventy-fifth anniversary of the adoption of the thirteenth amendment to the Constitution of the United States.

Abraham Lincoln's achievements, and those of George Washington, like those of the Haitian Toussaint L'Ouverture and our hero—Frederick Douglass, matchless examples of our two great American spirits, George Washington and Abraham Lincoln—the one who founded and the other who saved the greatest and most powerful Nation still alive. Long live our United States of America, now freed from slavery and may she soon free herself from internal race prejudice and discrimination.

Abraham Lincoln's character had many phases and angles similar to the character of the Negro, particularly his exhibition of humor under the saddest conditions, and his uncanny belief that God would deliver him out of all troubles. Thus, it was Lincoln's greatness of heart, his sound common sense and his wonderful political sagacity, which met and overcame a crisis probably

unequaled in the world's annals. Born on a Sunday morning in a benighted hut, in a slave State, 131 years ago, Lincoln struggled upward to a manhood such as gave him a commanding position in a Government tainted with slavery which God willed that he should change into a Republic freed from slavery.

Never was the chief magistrate of a great nation confronted with a more difficult mission than that which confronted Lincoln. Elected by a minority vote of his fellow citizens, he assumed the Presidency of the United States surrounded by a hostile cabinet who had no confidence in his ability to guide the Nation. In his lonely presidency, Lincoln was like the freedmen liberated by a minority of the American people and left without a dime in the midst and at the mercy of their former slave masters. How astonishing has been their rise from their lowly estate. Few believed, 75 years ago, when the thirteenth amendment to our Constitution was adopted, that the freedmen would ever be in the condition to be incorporated fully into the American Government and civilization. But as the great God, who still rules in the affairs of men and nations, lifted Lincoln from his humble surroundings to the most exalted place in the Nation, so the same influence has guided the Negro along the line of moral, spiritual, educational, and economic progress into American citizenship.

Notwithstanding that, at the gate of American citizenship, that goodly garden of political, economic, social welfare and enjoyment, there appeared to be placed a flaming sword of racial and other prejudices which turned every way to keep the way of the tree of life, of that full and abundant life which our Constitution, as amended, guarantees to every citizen of the Republic. Notwithstanding these handicaps the Negro has met his difficulties as Lincoln met his difficult situation, with patient and courageous intelligence. Lincoln won. So must we win.

Starting with nothing, ignorant and penniless, now, without reciting statistics, we are happy today that what the Negro's 75 years in progress have accomplished stands for itself a luminous monument.

Lincoln changed the Republic's Negro people from a liability to an asset by restoring the Negro's initiative and liberating his energy.

After surveying the life and conduct of Lincoln, and the life and conduct of the Negro, I feel that the careful and sincere student of Lincoln and of the Negro must admit that the Negro has many traits like those of Lincoln. Lincoln's sweetness of disposition, his great patience of the wrong, his lack of memory for injustice, his forgiving spirit, his readiness to wait for the slow and patient development of opportunities, find a likeness in the Negro's patient and tenacious advance up from slavery. Gradually the Negro is now entering more and more fully and securely into American citizenship and life. In the future he will think more intensely, work more intelligently, and plan more definitely for the great task of true citizenship.

We are today, in the midst of a World War catastrophe and times look dismal, civilization shudders. We all feel it. Perhaps, no time in modern history have the world's leading statesmen so disappointed us. We agree with General Sherman about war. Hence as neutral nations we shed tears over the fate of Ethiopia, Czechoslovakia, Poland, Finland. Our own Nation may be tempted to take arms to fight for the freedom of people we have never seen.

Why should nations in this age have to resort to war to settle their differences?

And yet, envisaging the universal indignation at the attitude of the dictators, we are led to feel that this world-wide concern must mean that the spirit of altruism and brotherhood is not dead. The world is not going to the worst. While we know that the fate of our Republic is bound up with the fate of the world, we must not lose our heads. Forms and types of civilization may pass away as they have passed away, but the population of the world today is greater and more prosperous than ever; greater forms of civilization today than the ancients ever knew. Hence, no possible world catastrophe can permanently destroy the farthest reaches of our present civilization.

Therefore, why should the Negro despair with reference to his future? Can we not find enough in our past success to warrant the expectation that we shall be able to make the grade in our great country against any fate? We are getting more and more in step with advancing civilization. Let us patiently and wisely contend, as other citizens contend, for every right, immunity, and privilege accorded to any other citizens. As laborers, as farmers, as masters in industry, religion, and business, as scholars, scientists, and artists, let us seek to integrate more definitely ourselves into the thought and action of the American national set-up. Let us realize that no individual or race or nation can succeed without intelligent hard work and judicious savings from their work. We must solve our own economic problems.

Convinced that Lincoln was our benefactor and that our future is hopeful, let us make ourselves a more active and valuable asset.

I am willing to conclude that nowhere else in the world should the Negro have a better chance to think, act, to worship God as he pleases and achieve for himself as other human beings, than here in America. Ours may be a hard way; whose is not? We can take it. Let's go forward.

Our Choice—Decentralization of Governmental Responsibility or Government By a Centralized Bureaucracy

EXTENSION OF REMARKS

OF

HON. HATTON W. SUMNERS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

SPEECH BY HON. HATTON W. SUMNERS, OF TEXAS, THURSDAY, FEBRUARY 26, 1925

Mr. SUMNERS of Texas. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following speech which I delivered in the House 15 years ago, which is pertinent to the bill passed today:

Mr. SUMNERS of Texas, under general authority, extended his remarks on the creation of a joint committee to investigate and report to the next session of Congress with reference to the reduction of Federal governmental responsibility.

Mr. SUMNERS of Texas. Mr. Speaker, leave having been obtained, there is being printed herewith, in part, copy of a resolution pending before the Rules Committee, together with a statement made before that committee with reference thereto.

I wish it clearly understood that in what is said no reflection upon the personnel of Federal bureaus and departments is intended. Whatever of criticism there may be is directed against the policy of government under which bureaucracy develops and not against those who are carrying out that policy. I hope there will be no confusion on this point.

The resolution is as follows:

"Whereas the vast increase since its organization of the territory in which the Federal Government has jurisdiction, the natural development in such territory, and the shift of new governmental responsibility to the Federal Government have created an aggregate of Federal responsibility which is overloading its machinery and rendering it increasingly difficult to discharge with efficiency and economy through the agencies at its command either its original or its acquired responsibilities, and under which increasing responsibilities it is difficult, if not impossible, to prevent the Federal Government from becoming distinctively bureaucratic in its operations: Therefore be it

"Resolved,

"STATEMENT OF HON. HATTON W. SUMNERS, MEMBER OF CONGRESS FROM THE STATE OF TEXAS, BEFORE THE RULES COMMITTEE OF THE HOUSE

"Mr. SUMNERS. Mr. Chairman, this resolution proposes the creation of a joint committee to investigate and report back to the next Congress, if it can determine, how the Federal Government may be relieved of its governmental overload, in order that it may be able thereby properly to discharge its Federal duties. That is the primary purpose. Conferences with State officials and, as far as practicable, with the people are contemplated.

"Let us consider briefly the condition in which the three branches of the Federal Government find themselves at this time. First, the legislative branch.

"THE LEGISLATIVE BRANCH

"In the legislative branch of the Government gentlemen know from observation and from experience that matters of tremendous importance are acted upon without the membership, generally speaking, having had an opportunity to give the consideration which safety and good legislation require. Congress must have to do with the vast country between the oceans, from Canada to Mexico, with the Territory of Alaska extending up into the Arctic region; to the south in the West Indies are the Virgin Islands and Puerto Rico; farther down is the Panama Canal Zone; out in the middle of the Pacific Ocean are the Hawaiian Islands; and on the other side of the earth are the Philippines. Congress not only has to legislate for this territory in interstate, national, and international matters, but under our present system Congress is more and more being called upon to legislate as a State legislature, going further and further into the domain of State responsibility.

"There are thousands of bills coming in each session. If Congress legislates wisely it must not only study the proposed legislation, but it must know conditions in the sections of the country with which it deals. We have our committee work; we are called upon by our constituents to aid them in getting consideration of their matters with these bureaus which we are creating, and thousands of letters must be replied to in the course of a session. It is not a question of the ability of the present membership of Congress, but of human capacity. I do not care whom the people send here, this

accumulated governmental responsibility cannot properly be discharged by them. Nobody thus pressed can give the time and thought to the problems of the Federal Government which those problems require. There is not the slightest use for us longer either to deny or to undertake to hide that fact. That condition has to do not merely with efficiency but with the possibility of efficiency.

"DELEGATION OF RESPONSIBILITY TO COMMITTEES

"In trying to take care of the ever-increasing demands the Congress has already divided itself into what in many respects are little legislative bodies—we call them committees, but they are more than committees as committees were originally intended to function. The Members of Congress, not because they wish to do it, but because they are compelled to do it, follow to a dangerous degree the judgment of these small groups of men as distinguished from their own independent judgments based upon knowledge. It is beyond human capacity.

"DEVELOPMENT OF A BUREAUCRACY

"Not only that, but even with this dangerous arrangement, which increases capacity to handle volume at the sacrifice of safety, the legislative branch of the Government cannot take care of its overload, so that it makes a further sacrifice by turning over important legislative powers to the various rapidly multiplying bureaus of this Government; that is to say, the Congress will enact a general law and delegate to these bureaus the power to legislate as to details. We call their enactments rules and regulations. But in practical operation, insofar as the average citizen is concerned, they are laws. Not only that, but there is given to these bureaus the power to construe the rules and regulations which they make and the power to enforce them—the three powers of government. Contrary to our traditions, to our philosophy of government, contrary to all the things we profess to believe and against all the warnings of history, we are placing the three powers of government—legislative, executive, and judicial—into the hands of the same personnel, not one of whom is elected by the people.

"Not only has that happened and is happening to a greater and greater degree each year, but, as the power delegated to these bureaus accumulates around the heads of the bureaus those nearer to direct responsibility in turn are compelled to pass them on down to subordinates and from these subordinates to other subordinates, until the point is reached where some subordinate many times removed from anybody whom the people have had the opportunity to elect goes to the private citizen carrying with him all the powers of the great Federal Government.

"When he goes to that individual he does not go as one whom that individual has had a voice in selecting. He goes not as a responsible agent of popular government, responsible to the public; he goes as an appointed governor of the private citizen. As a practical proposition what can the private citizen 2,000 miles from this Capitol do to resist such an agent of the great Federal Government? That is the test. We have gone so far in increasing numbers and in increasing Federal powers that there is not, in fact, any elected person who in good conscience can be held responsible for the acts of these appointed persons. There are now between 500,000 and 600,000 persons scattered over this vast territory operating the machinery of the Federal Government. Only 533 of them are elected by the people, and all of them are located here in Washington, one little spot on the eastern border. There is no elected person who it can be charged, knows what the individuals of this appointed personnel are doing.

"THE JUDICIAL BRANCH

"Passing to the judicial branch of the Government, the thing which has happened with regard to the Federal judiciary is very interesting and indicative of what has happened with reference to the increase of governmental responsibility of the other branches of the Government. Until 1891 practically all appellate jurisdiction in the Federal system was vested in the judges of the Supreme Court of the United States. At that time Congress created circuit courts of appeals to relieve the Supreme Court. We now have nine of such circuit courts exercising appellate jurisdiction, much of which the Supreme Court formerly had.

"Notwithstanding that, the Supreme Court, in the judgment of this Congress, is compelled to have further relief and by a unanimous vote of both Houses a bill was passed by this Congress shifting much of the obligatory jurisdiction from the Supreme Court to these circuit courts of appeals. But no such possibilities of relief for the other two branches are to be found in our system. There can be but one President and but one Congress. It is true the State Governors and State legislatures afford possibilities of relief, but instead of moving legislative and executive responsibility away from Washington, as we are moving judicial responsibility away from Washington, the current of movement is toward Washington, the point where the overload already is.

"THE EXECUTIVE BRANCH

"I beg to direct your attention now to the executive branch of the Government. There is but one man belonging to that branch of the Government, the President of the United States, elected by the people, and that only in a qualified sense. Under the President there are more than 500,000 people on the Federal pay roll, operating the machinery of that one branch of the Government. I shall not discuss the element of expense, of unnecessary burden upon the taxpayers, or the system which we have developed of having the Federal officers and State officers working at the same governmental jobs, or of the policy of sending the tax gatherers into the States to collect money from the people, bringing it up to Washington and sending it back to the people from whom it was collected and fooling the people into the belief that they are getting something for nothing from Uncle Sam. I am talking about the result upon general governmental efficiency of this policy of concentration, without regard to cost.

"Has anybody little enough sense to imagine—when the duties of the President, dealing with all sorts of international questions and great national questions are considered, with the duty to make recommendations to Congress, the duty to examine and the power to veto every bit of legislation that we pass here, the necessity to make nomination of all the chief officers, and to do hundreds of other things—that Calvin Coolidge or anybody whom God has ever created or ever will create can supervise and direct any considerable part of what is being done by these 500,000 people who are operating the executive machinery of this Government within our own territory out among the States everywhere and into the farthest corners of the earth? Of course, he does not know what they are doing. And yet he is the only elected person of all that half million people, the only one directly responsible to the people.

"There is no use complaining of bureaucracy so long as the total of governmental responsibility concentrated in Washington is beyond the capacity of a government of the representative type to discharge.

"When the capacity of the ordinary machinery of the Federal Government becomes overloaded, these bureaus are the only agencies to which the overload can be shifted. When these bureaus have transferred to them such powers of government as it is necessary now to place in them, and they exercise those powers without effective supervision by elected agents of the people, as is now the case, we have a great Federal bureaucracy far toward its full development, regardless of what the Constitution provides.

"NATURE AND DEVELOPMENT OF OUR SYSTEM OF GOVERNMENT

"In this connection I would like to say a few things with reference to our Constitution, which I believe pertinent to this consideration. I will attempt only to touch a few high points. I am convinced that much of our confusion and of our difficulty has come from our acceptance as actual facts the mythological tales peddled over this country by Fourth of July orators and others of like sort as to the origin and nature of our system of government. These stories are all very fine and thrilling, and during our formative period where helpful, no doubt, to hold us together until we could develop into a nation, but they are utterly hurtful and confusing since that stage of national development has passed and the serious prosaic task of operating the governmental machinery which was established has come to challenge the genius of this generation. We must get it out of our heads that the 'fathers' established a self-adjusting, self-operating, bombproof, foolproof government. Our history runs counter to the fairy tales told to us by these Fourth of July orators. The 'fathers,' all honor to their memory, were too wise and too patriotic to attempt so impossible a thing as is ascribed to them. They well understood—those who assembled in the State constitutional conventions and those who assembled in the Federal conventions to complete the work begun in the State conventions—they understood that written constitutions cannot create a popular government, but that popular governments create written constitutions. The 'fathers' in 1787 understood that the constitution of popular government inheres in the nature of things; that it can no more be placed in the pages of a book than can a living human being be written into the pages of a book. What they wrote was descriptive, declaratory, interpretative, facilitatory, in a sense fixative, and was supplemental to the State constitutions which had already been adopted.

"Insofar as our Constitution is written, and in the sense that it is written, for each citizen, it is to be found in the document called the constitution of his State; there is where most of his constitution is to be found; and in the Federal Constitution. They are parts of the same thing. In theory, no; in fact, yes. We have passed the theorizing stage and are dealing with the facts of government now.

"I am taking a little time here, because I am convinced that there are a few basic things which we must get straightened out before we can properly consider what we should do in our present circumstances or how to do it.

"Our Constitution within historical times has been in process of development under natural law since the second century. I cannot cover that. It is an important thing, however, to have in mind. As a bearing upon our own task, it is necessary for us to have in mind also that in our own country we have passed through two periods and are now in the third. It would be more exact to say that we have passed through one period and are in the second. The colonial period was in fact a part of the formative period of our separate national development.

"During the formative period of our National Government, of any national government, where different territorial units are brought together into one governmental organization, there is tremendous pressure from the inside outward. During that period strength moves—it seems to move naturally—to the point of weakness. That is the period of concentration of governmental power, naturally and properly so.

"A constitution—written words—can never hold within itself the element of cohesive strength, especially among a people whose philosophy of government was, as expressed in the words of the Declaration of Independence, which became the battle cry of the Colonies, that governments 'derive their just powers from the consent of the governed.'

"During that period the Constitution acted as does the tape of the horticulturist, binding parts of different plants together. But the tape does not unite. It can only hold in proper adjustment and give Nature a chance. Our Federal Constitution held exactly that relationship during the formative period of our National Government.

"I do not know when we had grown together, but it is clear from the views expressed with reference to the annexation of Texas that by 1843 no minority of States in point of military strength could have left this Union without a civil war. If New England had undertaken to separate, we of the South would have joined with the other sections of the country to coerce those States back into the Union. There was one great weakness. I do not want to inject a matter that may raise controversy, but the tariff and slavery together helped to put an element of weakness between the two great sections, North and South. Those issues were as foreign substance between the sections. There was not the possibility of complete union between those sections until slavery at least was gotten rid of. At every other point there had been complete union. The States of these sections had united, but the sections had not. Suffice it to say that the union of the States is now a fact. The first period is now history. We have reached the point where no controversy can ever again reach through to test the strength of the Federal compact, whatever it may be. We are a Nation, created not by words nor Federal compact, but by nature. To all practical purposes we have ceased even to have a dual system of government. I know gentlemen will question that. I am just stating my judgment.

"We have a system of government, a Nation, a part of the governmental power of which is lodged in the municipality, part in the smaller units of government, part in the county, part in the State, and part here. In its construction it was built from the smallest unit upward. It functions from the bottom upward. That is its nature. We seem to have overlooked that fact. We are trying to operate it from the top downward. It cannot be done.

"OUR RESPONSIBILITY

"Our duty now and our responsibility is entirely different from that of those who in the Constitutional Conventions undertook to recognize and to declare the fundamental laws of popular government and to set up the machinery through which such a government may properly function. Our duty and our responsibility is also entirely different from that which obtained during the period when it was a question whether the Central Government—I do not use that designation in an exact sense—could hold the States together until they could grow together and thus form a nation. That has been an accomplished fact, at least since the Spanish-American War.

"We now have no further need for our very interesting mythology. I do not underestimate its former usefulness. Of the composite virtues, magnified, of the great men who wrought in that period, we builded a national shrine around which all the people of all the States could gather. That helped to strengthen at the point of weakness. I would not detract from those men or lessen in the slightest degree popular love and gratitude for them, but I would put them where they belong, upon a sane, humanly possible, historically true basis. That would better enable us truly to honor them by preserving the fruits of their labors and the heritage of centuries of governmental development, which, in a very definite sense, they transmitted to us.

"Popular governments grow as a tree grows. Man can help but he cannot create, and he can help only when he works in harmony with nature. Not only must those who establish the visible evidences of a popular government and provide its functioning machinery work in harmony with natural law, but those who operate that machinery must do that thing also. We seem to have overlooked that fact. We seem to have overlooked the fact that everywhere there is law which directs and limits human discretion. The physician recognizes it. The farmer recognizes it. The builder recognizes it, and those who operate the machinery of this Government must begin to recognize it. We will have to face about. Nature compels respect for her plan as much by the limitation imposed upon human capacity as by the capacities given to human beings. When the limit of human capacity is reached, that is the end of argument.

"Is there anybody in position to know the facts—Democrat, Republican, Socialist, or what not—who does not know that the total of governmental responsibility concentrated at Washington is beyond human capacity to discharge through any agency susceptible of popular control?

"REACTIONARY MOVEMENT

"Gentlemen, the present direction of movement is not progress. It is reaction; I do not care what sort of brand the individual puts upon himself who advocates it. I lay down this proposition, sound in theory, sound in governmental philosophy, and established by history, that after the completion of the formative period of a popular government, all true governmental progress, by the very nature of that system of government, must be in that direction which moves governmental power away from the central governmental agency where it accumulates during the formative period back toward the people into those governmental agencies more directly and more completely under popular control. The reasons for that are not founded in theory; they are founded in necessity. We face that necessity now. That is why I have introduced this resolution. This is not left to the will of statesmen. It is fixed in the economy of nature. Popular government is not an accident. It is necessary for human development, and nothing necessary for human development is left to chance. Human respect for nature's plan is secured by natural laws which human beings must respect or pay the penalty. We are paying the penalty not only here but in the States.

"DESTROYING STATE EFFICIENCY

"We are not only destroying the efficiency of our system of government at the Federal end by an overloaded governmental machinery but we are destroying the efficiency of the States. If we want to destroy the States as virile, efficient agencies of popular government, there could be no more effective method than our present policy of taking from them the necessity to discharge the powers that rest naturally within the scope of their governmental jurisdiction. That is what we are doing and doing largely by State and popular surrender as distinguished from Federal usurpation. That is a most remarkable fact. Can anybody question that the States are losing their dignity, their independence, their importance, and their vigor as sovereign units of government when he sees them bereft of responsibility, begging at the door of the Federal Treasury? That is not a beautiful figure. It is not a beautiful fact, either. There are exceptions as to individual States and as to individual officials of States, but this is true generally, not only as to States but as to the citizenship of the States.

"That is not all. We are not only destroying the efficiency of the Federal Government by the overload, and the vigor and governmental capacity of the States by this process, but we are doing a far greater harm than that. By taking governmental responsibilities from those units of government that are close to the people we are taking from the private citizens the necessity of a more direct grapple with the problems of their government, which problems and the necessity to work them out in good providence come to develop them for the bigger responsibilities of tomorrow.

"SYSTEM DEPENDENT UPON GOVERNMENTAL CAPACITY OF CITIZENS

"If this system of government is to endure, it must depend for its strength in the crises that are to come not so much upon its laws or upon the written provisions of its Constitution, or even upon the capacity of men in official position, but upon the virtue and the governmental capacity of its private citizenship. The present policy of creating a feeling of dependence upon a great central government is not calculated to develop such a citizenship. It is the sense of responsibility that sobers judgment, that develops civic virtue; it is the strength which comes from the struggle, from the grapple with the difficulties incident to the operation of a system of popular government which gives capacity. Nor can the lesson, taught by the penalty imposed for mistakes made, be dispensed with. How can we hope to develop a citizenship capable of dealing with the greater difficulties of tomorrow when we are constantly moving the power and responsibility, the necessity to govern, away from the people, away from those units of government wherein the private citizen has the more direct control and the larger share of responsibility? We have turned our backs on the lessons of history and are trying to operate our system of government from the top downward, in violation of the laws of its nature, and in violation of the laws of human nature as well.

"I do not care what the form of that government is; I do not care what the political philosophers say; if you injure the governmental capacity of the people, you strike at the foundation of governmental strength and at the ability of the people to protect their right against governmental and private oppression. We have not only to stop concentration, but we have to begin an intelligent decentralization of governmental responsibility.

"Whatever may be thought of the other reasons which I have given, there is one reason which no informed person will question either as to the fact or as to its sufficiency. This Federal Government has accumulated a total of governmental responsibility which is beyond human capacity to discharge through any governmental agency susceptible of popular control. I do not know whether or not what I have proposed would do any good. I believe it is the way to begin. I believe that if a joint committee were created to study our problems from the Federal end, to confer as I have indicated with State officials, to go really to the bottom of this situation and let the people of this Nation know the truth, it would help. We have not been telling them the truth about this situation because men do not like to go home to their respective constituencies and confess their lack of knowledge or the limit of their capacity. We are too much like a certain type of the old-fashioned school teacher who seemed to have the idea that they had to impress their students that all knowledge was an open book to them. I am willing to admit the truth when I say that important items of legislation pass through this Congress with regard to which I have very imperfect information, because it is the fact.

"Mr. BERTRAND. Have you any plan in mind?

"Mr. SUMNERS. As indicated in this resolution. I know we cannot drift along this way; I know this Federal Government is today more

bureaucratic than it is representative, and is drifting more rapidly each day in that direction. I am not unmindful of the difficulties before us. It is a big job. It is getting bigger all the while. The quicker we move, the less will be the task. We can do it because it has to be done. Things which have to be done can be done.

"I do have some ideas as to how to start, but I do not believe it would be good strategy for me to indicate now how I think this thing should be done—I mean decentralization brought about. I will say this: It cannot be done—I am speaking now as a practical proposition—unless the people will that it be done. Of that I am certain. That was had in mind when the resolution was framed. I have the most profound confidence in the capacity of the people of the United States to operate a system of self-government, if those with official responsibilities will discover the facts and tell them the truth. I do not underestimate the importance and the necessity of wise leadership. If the material for such leadership is not here now, it is in the body of the citizenship and can and will be sent here when the facts are made known to them.

"The CHAIRMAN. The general proposition with you is that you want someone to study the situation that has grown up here of concentration of power at Washington. That is the general idea?

"Mr. SUMNERS. Yes, sir; and to confer with State officers. This matter has to be handled as much at the State end as here. There is no use of the States deploring the loss of powers to govern unless they exercise the powers they have. They have to stand on their own legs. They cannot hold the strength they have, much less grow stronger, by leaning on the Federal Government in matters which lie within their governmental capacity.

"The CHAIRMAN. There is no question but that this is a very important proposition and so considered by very many Members of the House. It is an interesting study and will take a lot of time to accomplish definite results.

"Mr. NELSON. You would have to delegate a great deal of power to people who are not responsible.

"Mr. SUMNERS. Yes. And if we could get rid of non-Federal matters which destroy the possibility of supervision, it would be all right to do that.

"There are some things the Federal Government ought to do which it is not doing, but which under its present overload Members of Congress hesitate to commit the Federal Government to do. We hesitate to place more power in these bureaus because not only do we create these bureaus and turn over to them these powers, but the little group of elective agents of the people are so busy with responsibilities, which cannot be shifted, that they cannot supervise or control for the people what is being done by the appointed personnel which operates these bureaus. We are not only turning over the governmental powers to an appointed personnel, but to an unsupervised personnel. They are becoming with tremendous rapidity not agencies of popular government effectuating the public will but the unsupervised actual governors of the people, not only expending their money but exercising over them the most absolute and far-reaching governmental powers. Somebody elected by the people may find out about things that are done months and years afterwards, more often never at all. There are things which this Federal Government ought to do and would do if it could get rid of those things which the States can do, which are cluttering up the whole Federal machinery.

"Mr. NELSON. What the gentleman said was enormously true during the war. One lieutenant somewhere could bind the Government in a marvelous way.

"Mr. SUMNERS. Gentlemen, the plain facts about the matter are that we have made an awful mess of our job. It was the business of the 'fathers' to establish this system of government and it is ours to operate it. They established the machinery for a system of government with such a distribution of governmental powers as to render it susceptible of popular control; and we, with a rapidity unequaled in the governmental history of the world, by a concentration of those powers, are converting that marvelous system into a great Federal bureaucracy—a type of government in many respects the least efficient, the most expensive, the most susceptible of corruption and of tyranny of any of the known systems of government. Nobody can deny that. Is that not an important fact? Is it not time we were giving that fact earnest patriotic consideration?

"Regardless of who is responsible for the condition in which we find ourselves, whether the Congress in not having more vigorously resisted the pressure for centralization, or the State governments in not having insisted on the retention of their powers, or the people in having urged their representatives in Congress to function for them in shifting these governmental responsibilities, we face a situation which requires the united cooperative effort of the people and of their officials—State and Federal.

"It is my opinion that in one way or another responsibility is fairly well distributed. I will accept mine and have no time to quarrel with those who say they have none. I am trying to help deal with this situation. I feel confident that if a joint committee should be created and during this coming vacation devote itself to a study of our general governmental problems and of our governmental resources, consult with State officials, and, wherever opportunity presents itself, with citizens of the country, and formulate a clear statement presenting the situation as it is, I believe—I am certain to whatever degree judgment can give me certainty—that great good would result. Gentlemen, the general attitude of the public mind gives promise of helpful cooperation at this time. This is the time to act."

It will be of interest that there are in the executive departments of the Government, as of last December, 987,533 persons, and, based on the salary of that month, at an annual salary of $1,827,678,708.

Veterans' Hospital at Baltimore, Md.

EXTENSION OF REMARKS

OF

HON. WILLIAM P. COLE, JR.

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

Mr. COLE of Maryland. Mr. Speaker, for a number of years the Maryland delegation in the Senate and in the House has been very active in support of a plea from the veterans of Maryland, with which the delegation has been uniformly in sympathy, for the construction of a new Veterans' Bureau hospital in or close to Baltimore City.

Sometime ago I introduced a bill in the House authorizing the construction of such hospital, and Senator TYDINGS introduced a similar bill in the Senate. The Federal Board of Hospitalization of the Veterans' Bureau, following a public hearing attended by Governor Nice, then Governor of our State; Mayor Jackson, of Baltimore; representatives of all veteran organizations in Maryland; and many other public-spirited men and women, approved the project.

For several years there has been an effort made to secure the necessary appropriation, but other hospital plans on the approved list ahead of Maryland were given preference. In the early part of 1939 the Maryland delegation was advised that recommendation for the construction of the veterans' unit in Maryland, to be built in or near Baltimore, had been recommended by the Federal Board of Hospitalization to the Bureau of the Budget, and it was felt that finally the establishment of this much-needed veterans' facility was at last a reality; but the demand for further economy prevailed, and in lieu of funds being appropriated the Veterans' Administration was authorized to entertain offers for proposed sites in or near Baltimore. In the early part of the present session of Congress it was thought the funds would become available.

The Maryland delegation was disappointed in January 1940 to find the Bureau of the Budget did not recommend this project and, as will be found in the record, during the discussion of the Interior Department appropriation bill, hope was expressed that before adjournment of the present session it might be found possible to include this item in a deficiency appropriation bill.

Because of the delay the Maryland delegation in the House and representatives of the veteran organizations of Maryland, speaking through Mr. James B. Fitzgerald, department commander of the American Legion of Maryland; Mr. James H. Arther, department commander of the Veterans of Foreign Wars of the United States, Department of Maryland; Col. Henry S. Barrett, department commander, United Spanish War Veterans of Maryland; Mr. Albert Meid, Jr., commander of the Disabled American Veterans of the World War; and others, held a conference and decided to bring their appeal directly to the President, with the hope that necessary appropriations to carry out the long-awaited veterans' hospital for Maryland might be expedited and become available during the present session of Congress. To that end I was requested by the group, as dean of the Maryland Representatives in the House, to present this appeal to the President. I did so by letter under date of April 12, setting forth in substance what I have outlined above. I am happy to say I am in receipt of a letter from President Roosevelt in acknowledgment of my

letter, and because of the tremendous interest which I know the veterans and their friends in Maryland, as well as the Maryland delegation, have in the position President Roosevelt has taken, I insert herewith the letter from the President:

THE WHITE HOUSE,
Washington, April 17, 1940.

Hon. WILLIAM P. COLE, JR.,
Dean of the Maryland Delegation, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I desire to acknowledge receipt of your letter of April 12 in regard to the need for a new Veterans' Administration facility for the State of Maryland, and I note that the veterans of that State have taken up with the Maryland delegation the matter of urging early action in regard thereto.

Your letter indicates that you are familiar with the study of the future hospital-construction program which has been before the Federal Board of Hospitalization for some time. The Board submitted to me for my consideration, after the adjournment of the first session of the Seventy-sixth Congress, a construction program as a result of its studies. Between this date, the date of the assembling of the present Congress and the preparation of Budget estimates to be submitted to this Congress, I am sure you are aware of the new problems which arose making unusual demands for expenditures in connection with our national defense. The Federal Board's study had to do with making provision for additional beds, looking to the future and at the time that we expect to reach peak requirements. Because of the unusual current demands it was necessary to defer new construction projects for later consideration.

More recently I have directed the Administrator of Veterans' Affairs, who is Chairman of the Federal Board of Hospitalization, to cause the Board to make a comprehensive review of the entire hospital construction needs and to submit to me, on or about May 1, a complete program with recommendations covering the entire subject. I know that the Board will give full consideration to the requirements of the veterans from your State, and you can assure the veterans that their interests have not been overlooked because in the authorization of the new naval hospital which is being built at Bethesda, Md., provision is being made for 250 additional beds for veterans of that institution.

When the report of the Federal Board is before me, I will be in a better position to indicate to you and others interested just what action we may be able to take in providing new projects looking to our future requirements.

Sincerely yours,

FRANKLIN D. ROOSEVELT.

In behalf of Governor O'Conor, of Maryland; Mayor Jackson, of Baltimore City; the veterans of Maryland, and their many friends who are so much interested in this project, and speaking for the Maryland delegation in Congress, I hope sincerely the foregoing expression of interest from President Roosevelt means funds for the new building in question will be available before adjournment of the present session of Congress.

Analysis of Logan-Walter Bill

EXTENSION OF REMARKS

OF

HON. LUTHER A. JOHNSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

MEMORANDUM BY LOUIS G. CALDWELL

Mr. LUTHER A. JOHNSON. Mr. Speaker, under leave to extend my remarks, I am inserting herewith a memorandum prepared by Mr. Louis G. Caldwell, an attorney of Washington, D. C., and Chicago, Ill.

Mr. Caldwell is a very able lawyer and active practitioner, and is a member of the American Bar Association and has had considerable experience in dealing with departmental regulations, and litigation affecting same, and it is believed that his analysis of the Logan-Walter bill will be helpful, since he has a practical rather than a theoretical knowledge of the subject. The memorandum is as follows:

MEMORANDUM ON LOGAN-WALTER BILL (S. 915 AND H. R. 6324)

The bill is really a combination of two bills: (1) to regulate Federal administrative agencies in the making of rules and regulations, in other words, their quasi-legislative functions; and (2) to regulate Federal administrative agencies in the determination of particular controversies, in other words, their quasi-judicial functions. Section 1 is devoted to definitions and section 7 to exceptions and reservations. Both sections are applicable to the two portions of the bill.

Although the bill has been greatly improved over the original draft submitted to the American Bar Association, it still is full of flaws, ambiguities, and even incongruities. In order not unduly to extend this memorandum, I shall for the most part pass over such matters. Some of the more important will be mentioned under the appropriate headings below.

I. DEFINITIONS

An "agency" is defined in the bill as an establishment having one chief officer as the immediate head. An "independent agency" is defined as a board having two or more officers at its head. These definitions raise questions that are difficult if not impossible to answer. Do they mean that the Civil Aeronautics Administrator and the Civil Aeronautics Authority will be governed under the two entirely different procedures specified for these two kinds of agencies in section 4 of the act? What do they mean as applied to the borderline cases where agencies are established within the departments for budgetary or other limited purposes but are otherwise independent?

The other definitions in section 1 contain provisions which almost defy analysis, particularly when taken in connection with the later sections of the bill.

For example, "decision" is defined as "any affirmative or negative decision, order, or action on specific controversies which determines the issue therein involved." What is meant by a "negative decision, order or action"? If it means a "failure to act," as it apparently does under section 4 (b), how can it be expected that any agency will send a registered letter notifying the aggrieved person of the failure to act, and how can any such person give notice of his objections within 20 days thereafter, as required by section 4 (b)? What are "specific controversies"?

"Controversy" is defined as "any dispute or disagreement concerning any claim, right, or obligation for or against the United States and any refusal to grant any license, permit, or other privilege." Just as frequently as not, the granting of a license, permit or other privilege to A will adversely affect the interests of B. If the Federal Communications Commission grants a license to a new broadcast station, it usually adversely affects the interests of existing stations because of interference or for economic reasons. The granting of a certificate of convenience and necessity under the several statutes regulating various forms of transportation frequently aggrieves existing carriers that will be injured by competition. It is not clear that modifications of license or renewals of license are covered by the definition although both are frequently as important as the original license. The definition, furthermore, is so broad as to require a lot of judicial interpretation before it makes sense.

II. RULE-MAKING FUNCTIONS OF AGENCIES

Sections 2 and 3 have to do with the quasi-legislative or rule-making functions of Federal administrative agencies, both of the one-man and three-man types.

Section 2 makes notice and hearing prerequisite to the adoption of any regulation or amendment thereof and further requires publication in the Federal Register within 10 days after approval. The regulation "shall not become effective until such publication, except when the President declares that a public emergency exists."

With respect to regulations now in force, any person substantially interested is given the right to subject any regulation to notice and public hearing.

Section 3 gives the right of appeal from determinations having to do with regulations to the district court of appeals. No rule may be held invalid except for violation of the Constitution or for conflict with the statute or for lack of authority on the part of the agency. The court may order the taking of evidence. The section stipulates that nothing therein contained "shall prevent the determination of the validity or invalidity of any rule which may be involved in any suit or review of an administrative decision or order in any court of the United States as now or hereafter authorized by law."

Section 2 (d) provides that no person shall be penalized for reliance on a rule which is later rescinded or declared invalid for a period of 30 days after publication in the Federal Register of the rescission or determination of invalidity.

Section 2 (b) provides, with respect to statutes hereafter enacted, that regulations shall be issued within 1 year after the date of enactment "subject to the adoption thereafter of further rules from time to time."

These sections 3 and 4 are the basis for the principal objections against the Logan-Walter bill on the part of the Federal administrative agencies themselves. In my opinion, their objections are, on the whole, well taken. My reasons are as follows:

1. The sections impose drastic procedural restrictions with respect to functions as to which there is no noticeable or prevalent evil. On the whole, the procedure of Federal administrative agencies in adopting regulations has given general satisfaction, including agencies such as the Federal Communications Commission, which otherwise are subject to widespread criticism. It is true that occasionally regulations are adopted which are regarded as unsound, but this is usually not the fault of the procedure but of the wisdom or philos-

ophy of the agency. Even the must-discussed "censorship" regulation of the Federal Communications Commission in its rules governing international broadcasting was given a very full hearing, was suspended, and has stayed suspended ever since.

2. The overwhelming bulk of regulations do not require such formal procedure. They are better handled by informal conferences between the interested parties and the agency's experts or, on some occasions, by the traditional investigatory methods of questionnaires and correspondence. Usually highly controversial matters are set for public hearing, which operates for the protection and education of the agency as well as for the parties. There probably are particular kinds of regulations which always should have formal hearing, but such instances should be provided for specifically by Congress—and usually are.

3. Administrative agencies should be encouraged to express their principles and policies in formal regulations and not discouraged by burdensome procedural obstacles. A regulation, even if imperfect, is much better than a haphazard principle recognized in today's decision and ignored in tomorrow's. It leads to uniform and undiscriminating enforcement, and, if too harsh, is quickly modified or repealed. It makes the agency's principles easily accessible to the lawyer or individual wishing to inform himself. The provision in section 2 (b) requiring the issuance of regulations within 1 year after the enactment of future statutes means precisely nothing. Any agency can give a colorful performance of this obligation without actually accomplishing anything. No agency in a rapidly developing field, such as radio or aviation, can possibly foresee what regulations will be necessary next year or even next month. The imposition of a burdensome procedure will, in my estimation, tend to discourage the adoption of regulations, if it has any effect at all.

4. It is difficult to foresee what will be before the reviewing court on an appeal. The determination will have to be more or less in vacuo. The tendency may be toward requiring that the full justification for the regulation be in the record in the form of evidence. This would be unfortunate since, in exercising a legislative function, an agency should be permitted to consult all legitimate sources of information. In making regulations its function is very similar to that of Congress in enacting statutes. Congress may, and usually does, have hearings before its committees but does not, as a rule, have formal procedure in such hearings, may dispense with hearings whenever advisable, and is entitled to rely on information obtained from other sources.

5. The reviewing court's determination of a regulation's invalidity is necessarily final and the agency has no further recourse. The reviewing court would be sitting as a superior administrative agency and its determination would not be appealable to the United States Supreme Court. If the reviewing court holds the regulation valid, then its holding has accomplished nothing, since it is still just as much open to attack as before by the usual methods.

In a word, sections 2 and 3 subject the rule-making process to a very heavy burden whereas, so far as I know, there is no evil calling for so drastic a measure.

III. QUASI-JUDICIAL FUNCTIONS OF AGENCIES

This subject has three subheadings, (1) the procedure prescribed for agencies with one chief officer as the immediate head, (2) the procedure contingently provided for "independent" agencies, that is, agencies having two or more officers at the head, and (3) judicial review of proceedings under the act before either kind of agency.

1. Procedure prescribed for one-man agency

Section 4 (a) to (d) prescribes the procedure for determining "controversies" and for reaching "decisions" before agencies with one chief officer as the immediate head. Presumably, these provisions apply principally to the 10 executive departments of the Government, although, as already pointed out in connection with the definitions in section 1, it is difficult to tell whether certain agencies come within one classification or the other.

The bill directs that every head of an agency shall, from time to time, designate such three-man intra-agency boards as may be necessary or desirable. These boards are to be designated from among the employees of his agency, one of them to be a lawyer and to act as chairman. When not engaged in the hearing of "administrative appeals," these employees are to be assigned to other duties in the service of the agency. Employees who have participated in a particular case or in the preparation, draft, or approval of any rule involved, may not sit "in appeal of the case or application of the rule." It is specified that "each board shall be impartial, free, and independent in the hearing and determination of administrative appeals." The bill contains no definition of "administrative appeals" but it must be assumed that its meaning is intended to be coextensive with the definitions of "decision" and "controversy."

Procedure may be invoked by any person "aggrieved by a decision of any officer or employee of any agency" by notice in writing of objections to the head of the agency specifically requesting that the "controversy" be referred to a board. The objections are thereupon to be promptly referred to such a board, which is to afford the aggrieved person a full and fair hearing. Any person "having a substantial interest in the controversy" is given the right to intervene. Within 30 days thereafter the board is to "make written findings of fact and a separate decision thereon which shall be subject to the written approval, disapproval, or modification of the head of the agency concerned or of such person as he shall designate in writing to act for him. A copy of the findings of fact and decision showing the action, if any, of the head of the agency concerned, or his representative, shall be filed in the agency as a part of the written record in the case, and a copy shall be mailed to the aggrieved person and to the intervenors, if any."

There are further procedural provisions, and also a provision covering cases of emergency where "administrative action or inaction" may take place before hearing subject to an award of damages to the aggrieved person. These provisions, however, raise questions of detail which may be passed over in this memorandum.

In my opinion the procedure thus provided by the bill is highly objectionable for a number of reasons (in addition to the uncertain scope of matters covered):

1. The bill sets up, and tends to perpetuate, an unsound model for the adjudication of administrative controversies, vastly inferior to what has already been provided either by statute or regulation in a number of agencies. It may be conceded that a doctrinaire separation of the functions of prosecutor and judge is not practicable or feasible at present (although on the whole highly desirable in controversies that correspond in gravity to those usually heard by courts). On the other hand, there is no reason why Congress should now go on record that in all administrative controversies the desired separation of the two functions should be completely abandoned, including a number of instances where fairly satisfactory procedures have been worked out by agencies after years of experience. In this connection the following features of the bill should be noted:

(a) The head of the agency, who is in reality the party defendant, appoints the board from among his own employees. Under such circumstances it is idle for Congress to provide that such a board "shall be impartial, free, and independent."

(b) While the board is to make "written findings of facts and separate decisions," they are to be secretly submitted to the head of the agency (or his delegate), who is to have unlimited power to approve, disapprove, or modify the findings and decision before the parties are advised of them, and no party is to have opportunity to be heard by the head of the agency (or his delegate) before he approves, disapproves, or modifies. So far as appears from the bill (although this is ambiguous), the findings of fact and decision served upon the parties will not distinguish between the findings of the board and the revised findings of the head of the agency. In any event, under the doctrine of the Morgan cases, a serious and perhaps unconstitutional defect in procedure is present.

(c) It must be kept in mind that the findings of fact thus reached are binding on the reviewing court unless "clearly erroneous" or "not supported by substantial evidence" (sec. 5). The bill provides, therefore, for no independent adjudication of the facts, but simply for an adjudication by one of the parties most interested, namely, the head of the agency.

2. Subject to the foregoing, the procedure may serve sufficiently to cover sporadic or occasional disputes between individuals and the Government arising out of such matters as breach of contract, torts, and the like, where there is no regulatory feature and no particular need of a regularized procedure and a building up of rules and principles. Just as certainly, however, the proposed procedure will tend toward confusion and an absence of jurisprudence in the many quasi-judicial functions of agencies of a regulatory character, corresponding to those exercised by the independent commissions. The boards will be chosen in haphazard fashion, will not sit consistently in any particular class of cases, will not have any continuity of personnel, and are provided with no machinery for preserving, recording, and publishing their determinations. This represents a step backward and not a step forward from the point of view of bringing order out of chaos in administrative law.

3. Many of the agencies within the departments already have a far superior machinery for hearing controversies and making decisions. They have regular staffs of examiners or members of their law departments performing equivalent duties, with provision for examiners' reports, oral argument before a superior officer, and the like. Examples will be found in the Post Office Department in connection with fraud orders, in the Department of Agriculture in several of its bureaus, and in several of the other departments. A trained examiner under such a system is much more desirable than a transient three-man board, only one of whose members need be a lawyer. Here, again, the bill represents a step backward and not forward in the matter of introducing a measure of due process of law into administrative controversies.

Notwithstanding these obvious defects in the bill, its proponents are making the most astounding claims, and bar associations throughout the country (including the American Bar Association) have endorsed the bill, apparently, on the basis of the claims rather than its actual contents. Among the claims that are frequently heard are that the bill is aimed against the prosecutor-judge combination, that it cures administrative absolutism, that it provides an opportunity for hearing where none is now available, that it curbs the agencies, and other extravagant assertions. So far as the quasi-judicial functions of agencies are concerned, it would appear that, on the contrary, none of these claims is well-founded. With minor exceptions, it is difficult to know just what agencies and what quasi-judicial functions are reached by the bill that are not already equipped with at least equal and usually superior machinery.

2. Procedure contingently provided for "independent" agencies

Section 4 (e) of the bill provides a procedure for "independent" agencies, that is, agencies having two or more officers at the head.

It should first be noted that the bill does not prescribe any procedure for such agencies. It is simply permissive or contingent. In effect, it states that such an agency may provide by rule that "where any matter arises out of the activities" of such agency it may be heard in the first instance by one of its trial examiners. If the agency so provides by rule, the examiner shall file his written findings of fact and separate decision after public notice and a full and fair hearing, copies to be sent by registered mail to the aggrieved party. There follow rigid provisions giving the aggrieved party an opportunity within 30 days to file written objections; and if he does so, the agency shall not enter its decision without first according a public hearing upon reasonable notice to the party. There are other details which may be passed over.

The foregoing is objectionable for the following reasons:

1. Even if it be conceded that the procedure is meritorious, no independent agency is required to follow it, and any such agency may evade it by simply not providing by rule that matters may be heard by trial examiners. In fact, most of the statutes governing the important commissions specifically prescribe or authorize the delegation of the power to hear and decide controversies in the first instance to individual members or groups thereof, employees, examiners, etc., and it seems probable that the specific provisions of such statutes will not be considered to be repealed by the general and ambiguous language of the bill.

2. The machinery now available at most of the important commissions is at least equal to, and in a number of instances is better than, the procedure specified in the bill.

3. The bill attempts (on a contingent basis) to prescribe rigid details of practice such as the requirement of service by registered mail and the specification of a 30-day period; such matters should not be enacted into law without study of their actual effect upon existing procedures. It is my impression that in some instances the 30-day period is probably too long and in others too short. The Federal Communications Commission, for example, allows a longer period under certain circumstances for parties from the Pacific coast, Hawaii, and Alaska than it does for parties farther east. Corresponding differences will be found in the procedures of other commissions, usually built on years of experience.

4. So far as is apparent from the face of the bill, no existing evil in any of the independent agencies will be cured by its provisions.

At this point a comment may be made that applies both to this and the preceding subheading. It is to be feared that, if enacted into law, the bill will have the effect of hindering or preventing any fundamental or far-reaching reform of Federal administrative agencies such as has frequently been proposed and as was endorsed by the President's Committee on Administrative Management. This type of reform would, broadly speaking, consist in returning all the regulatory functions of independent commissions, other than their quasi-judicial functions, to the executive departments, and setting up really independent quasi-judicial boards for the hearing and determination of controversies on the model of the Board of Tax Appeals.

3. Judicial review

Section 5 provides for judicial review of proceedings before either kind of agency under section 4, at the instance of "any party * * * who may be aggrieved by the final decision or order." The appeal may be taken to either the district court of appeals or to the several circuit courts of appeals. Seven grounds are enumerated on which the decision shall be set aside but, when added together, they amount to nothing more than the traditional basis on which courts review the decisions of administrative agencies, namely, on questions of law, with the agency's findings of fact binding on the court unless not supported by substantial evidence.

Much is being made of this right of review supposed to be conferred by the bill. The fact is that, with reference to those agencies where a statutory appeal is already provided, the bill adds precisely nothing, although in some instances it would work a radical change in the courts to which the appeal is taken. For example, most decisions of the Federal Communications Commission having to do with radio licenses are now appealable solely to the district court of appeals whereas, under the bill, the appeals may be also taken to all the 10 circuit courts of appeal if the Commission chooses to adopt the procedure specified in section 4 (e). In view of the reservation in section 7 (a), which specifically saves all existing rights of review, considerable confusion is certain to be created.

With respect to agencies from whose decision no appeal is now provided by statute, the bill will, of course, definitely provide judicial review (although, so far as independent agencies are concerned, this review will be available only if the agency chooses to adopt the procedure of section 4 (e)). At present in such cases, in the absence of a statutory appeal, judicial review is sought by mandamus or injunction proceedings, usually in the United States district courts and particularly in the District of Columbia. An example is furnished by fraud orders issued by the Post Office Department. To the extent that such decisions would be subjected to statutory appeal, the bill represents an improvement although it is questionable whether all such cases should be subjected to appeals all over the country and directly to the circuit courts of appeals (which are obviously going to be overloaded). It is so impossible to foresee the scope and character of matters that are made appealable by the bill (because of the definitions of "decision" and "controversy" in section 1) that the problems that are created by the appeal section are also unforeseeable. It is claimed by opponents of the bill that section 5 attempts to provide judicial review on matters which, under the Constitution, may not be reviewed by constitutional courts.

In any event, the claims made by proponents of the bill as to the virtues and advantages of the proposed judicial review are highly extravagant.

IV. RESERVATIONS

Section 7 of the bill has two subsections. Subsection (a) preserves all rights or procedure now provided by law for judicial review in any district court or circuit court of appeals. Clearly, therefore, the bill does not promote the cause of uniformity to any serious degree.

Subsection (b) exempts a number of agencies, both of the one-man type and the independent type. Except for certain matters such as military or naval establishments and the Department of State, the exemptions are not based on any logic whatsoever. Most of them are due simply to the fact that at the Kansas City meeting of the American Bar Association in 1937, all Federal agencies which had representatives at the meeting and which protested loudly enough were included in the list of exemptions as approved by the association. One independent agency, the Federal Trade Commission, secured its exemption by a similar process after the bill had been introduced in Congress.

There is no conceivable justification for exempting the Federal Trade Commission and the Interstate Commerce Commission and not exempting the Federal Communications Commission and the Securities and Exchange Commission. The same may be said with respect to many agencies, both independent and otherwise.

CONCLUSION

The foregoing is not intended, and should not be construed, as an endorsement of the existing procedural situation in Federal administrative agencies, particularly with respect to the exercise of their quasi-judicial functions. I believe I have been as vocal as anyone in my criticisms, and as anxious to see a remedy found. This is not a proper occasion for me to elaborate my views which, subject to some modification due to further study and investigation, will be found in the 1933, 1934, and 1936 reports of the special committee on administrative law of the American Bar Association, and in various law-review articles (see particularly Comments on the Procedure of Federal Administrative Tribunals, 7 G. Wash. L. Rev. 741, April 1939). Incidentally, the Logan-Walter bill represents a reversal of position by the association (and of its special committee on administrative law) as against the position adopted at its annual meetings in 1934 and 1936. Briefly stated, my view is that the proposal urged in 1937 by the President's Committee on Administrative Management, if I understand it correctly, was basically sound, although it would have to be put into effect carefully and with due consideration to the problems presented by each agency. It was unfortunate that the proposal became enmeshed in controversies that obscured its merits. As already pointed out, it would have used or adapted the Board of Tax Appeals as the model for administrative adjudicatory machinery and would have opened the door to a satisfactory compromise between the demands of governmental efficiency in administrative matters and the requirements of due process of law in the adjudication of particular controversies.

I do not want to leave the subject without adverting briefly to developments which represent a point of view at the other extreme from the Logan-Walter bill. It is evidenced by the monographs now being made public under the auspices of the Attorney General's committee on administrative procedure, submitted to it from time to time by its staff. While the monographs do not as yet have the approval of the committee, they reveal a uniform approach which to me is just as far from leading to any remedy for the evils of the existing situation as is the bill. In general, and with exceptions, the Attorney General's committee staff appears to disapprove of and almost to ridicule, public hearings and the procedure incidental thereto as a method for determining questions of fact and of law, and to desire, so far as possible, to substitute what it is pleased to call the "investigative technique," coupled with a lack of the usual safeguards and a minimum of restriction on administrative discretion. Its studies were originally conceived to be for the purpose of gathering and assembling facts with regard to administrative procedure, to serve as a badly needed basis for a later intelligent analysis of the evils and of possible remedies. Instead, to a disturbing degree, they are being made the vehicle for circulating a preconceived point of view as to both the evils and the remedy. In the process, facts are suffering badly. Its monograph on the Federal Communications Commission, for example, is so inaccurate in describing and commenting on that agency's procedure that no person not already familiar with the subject may safely use it as a source of information (see my comments on the monograph in 8 George Washington Law Review, p. 749, March 1940). While I believe that the other monographs so far published do not exhibit inaccuracy or want of objectivity to the same extent, some of them reveal that the Commission's procedure is tacitly used as a measuring rod and all of them reveal the same à priori approach. The staff's philosophy may or may not ultimately prove to be correct. My point is that the issue, which is at least highly controversial, should not be determined in advance or on the strength of faulty evidence.

LOUIS G. CALDWELL.

Clarence Darrow on John P. Altgeld

EXTENSION OF REMARKS

OF

HON. T. V. SMITH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

FUNERAL ORATION BY CLARENCE DARROW

Mr. SMITH of Illinois. Mr. Speaker, under leave to extend my remarks, I insert a funeral oration of Clarence Darrow upon one of the great Governors of Illinois, John P. Altgeld. The speaker spoke of the dead, and now himself is dead. Sons of Illinois' best tradition will joy to link together the names of Altgeld and Darrow and doubly thus to fortify brave spirits for the battles still coming on.

In the great flood of human life that is spawned upon the earth it is not often that a man is born. The friend and comrade that we mourn today was formed of that infinitely rare mixture that now and then at long, long intervals combines to make a man. John P. Altgeld was one of the rarest souls who ever lived and died. His was a humble birth, a fearless life, and a dramatic, fitting death. We who knew him, we who loved him, we who rallied to his many hopeless calls, we who dared to praise him while his heart still beat, cannot yet feel that we shall never hear his voice again.

John P. Altgeld was a soldier tried and true; not a soldier clad in uniform, decked with spangles and led by fife and drum in the mad intoxication of the battlefield; such soldiers have not been rare upon the earth in any land or age. John P. Altgeld was a soldier in the everlasting struggle of the human race for liberty and justice on the earth. From the first awakening of his young mind until the last relentless summons came he was a soldier who had no rest or furlough, who was ever on the field in the forefront of the deadliest and most hopeless fight, whom none but death could muster out. Liberty, the relentless goddess, had turned her fateful smile on John P. Altgeld's face when he was but a child, and to this first, fond love he was faithful unto death.

Liberty is the most jealous and exacting mistress that can beguile the brain and soul of man. She will have nothing from him who will not give her all. She knows that his pretended love serves but to betray. But when once the fierce heat of her quenchless, lustrous eyes has burned into the victim's heart, he will know no other smile but hers. Liberty will have none but the great devoted souls, and by her glorious visions, her lavish promises, her boundless hopes, her infinitely witching charms she lures her victims over hard and stony ways, by desolate and dangerous paths, through misery, obloquy, and want, to a martyr's cruel death. Today we pay our last sad homage to the most devoted lover, the most abject slave, the fondest, wildest, dreamiest victim that ever gave his life to liberty's immortal cause.

In the history of the country where he lived and died the life and works of our devoted dead will one day shine in words of everlasting light. When the bitter feelings of the hour have passed away, when the mad and poisonous fever of commercialism shall have run its course, when conscience and honor and justice and liberty shall once more ascend the throne from which the shameless, brazen goddess of power and wealth have driven her away, then this man we knew and loved will find his rightful place in the minds and hearts of the cruel, unwilling world he served. No purer patriot ever lived than the friend we lay at rest today. His love of country was not paraded in the public marts or bartered in the stalls for gold; his patriotism was of that pure ideal mold that placed the love of man above the love of self.

John P. Altgeld was always and at all times a lover of his fellow man. Those who reviled him have tried to teach the world that he was bitter and relentless, that he hated more than he loved. We who knew the man, we who had clasped his hand and heard his voice and looked into his smiling face; we who knew his life of kindness, of charity, of infinite pity to the outcast and the weak; we who knew his human heart, could never be deceived. A truer, greater, gentler, kindlier soul has never lived and died, and the fierce bitterness and hatred that sought to destroy this great, grand soul had but one cause—the fact that he really loved his fellow man.

As a youth our dead chieftain risked his life for the cause of the black man, whom he always loved. As a lawyer he was wise and learned; impatient with the forms and machinery which courts and legislators and lawyers have woven to strangle justice through expense and ceremony and delay; as a judge he found a legal way to do what seemed right to him, and if he could not find a legal way, he found a way. As a Governor of a great State, he ruled wisely and well. Elected by the greatest personal triumph of any Governor ever chosen by the State he fearlessly and knowingly bared his devoted head to the fiercest, most vindictive criticism ever heaped upon a public man, because he loved justice and dared to do the right.

In the days now past, John P. Altgeld, our loving chief, in scorn and derision was called John Pardon Altgeld by those who would destroy his power. We who stand today around his bier and mourn the brave and loving friend are glad to adopt this name. If, in the infinite economy of nature, there shall be another land where crooked paths shall be made straight, where heaven's justice shall review the judgments of the earth—if there shall be a great, wise, humane judge, before whom the sons of men shall come, we can hope for nothing better for ourselves than to pass into that infinite presence as the comrades and friends of John Pardon Altgeld, who opened the prison doors and set the captive free.

Even admirers have seldom understood the real character of this great human man. These were sometimes wont to feel that the fierce bitterness of the world that assailed him fell on deaf ears and an unresponsive soul. They did not know the man, and they do not feel the subtleties of human life. It was not a callous heart that so often led him to brave the most violent and malicious hate; it was not a callous heart, it was a devoted soul. He so loved justice and truth and liberty and righteousness that all the terrors that the earth could hold were less than the condemnation of his own conscience for an act that was cowardly or mean.

John P. Altgeld, like many of the earth's great souls, was a solitary man. Life to him was serious and earnest—an endless tragedy. The earth was a great hospital of sick, wounded, and suffering, and he a devoted surgeon, who had no right to waste one moment's time and whose duty was to cure them all. While he loved his friends, he yet could work without them, he could live without them, he could bid them one by one good-bye, when their courage failed to follow where he led, and he could go alone, out into the silent night, and, looking upward at the changeless stars, could find communion there.

My dear, dead friend, long and well have we known you, devotedly have we followed you, implicitly have we trusted you, fondly have we loved you. Beside your bier we now must say farewell. The heartless call has come, and we must stagger on the best we can alone. In the darkest hours we will look in vain for your loved form, we will listen hopelessly for your devoted, fearless voice. But, though we lay you in the grave and hide you from the sight of man, your brave words will speak for the poor, the oppressed, the captive and the weak; and your devoted life inspire countless souls to do and dare in the holy cause for which you lived and died.

Reciprocal-Trade Agreements

EXTENSION OF REMARKS

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

Mr. THOMAS F. FORD. Mr. Speaker, in spite of the fact that the Reciprocal Trade Agreements Act has been renewed for a period of 3 years, the din of the battle waged over the adoption of the 3-year extension is still to be heard.

I suppose I am warranted in saying that the advocates of tariff rates, equal to or higher than those set up in the Smoot-Hawley Act of 1930, will never be reconciled to any other plan despite the fact that under the influence of the Tariff Act of 1930 our total exports declined from $5,241,000,000 to only $1,675,000,000.

It was, in fact, the drastic shrinkage of our foreign trade, between 1929 and 1933, that made it imperative that some plan be adopted to promptly counteract the disastrous effects of that act. It was this critical situation, plus the able leadership of President Roosevelt, that made it possible for Secretary of State Cordell Hull to secure the adoption of the Trade Agreements Act in June 1934.

How does the Trade Agreements Act affect California?

California is both directly and indirectly dependent upon foreign trade for continued economic development and sustained prosperity. It needs foreign markets for the surplus products of its factories, its farms, and its forests. It shares in the improved domestic market created when, by selling their surplus commodities abroad, other sections of this country increase their purchasing power.

Total exports reported as originating in California fell from $380,000,000 in 1929 to $149,000,000 in 1932. As the

volume of exports from California, and the United States as a whole, dropped, purchasing power throughout the State was reduced, large surpluses accumulated, and prices fell. The total accountable income of California fell from $5,200,000,000 in 1929 to $3,200,000,000 in 1932, and cash farm income declined from $712,000,000 to $366,000,000 between the same 2 years.

BENEFITS TO CALIFORNIA FROM THE TRADE AGREEMENTS

Since the Trade Agreements Act was approved, agreements have been negotiated with 21 countries, 19 of which are in operation. With so many variables in the economic situation here and abroad affecting the movement of trade it is difficult to determine precisely the extent to which trade agreements have helped in the restoration of foreign markets for American farm and factory products. It is significant, however, that United States exports to the countries with which trade agreements were in force showed an average annual increase of 42 percent in 1936–37 over 1934–35, while exports to all other countries showed an increase of only 26 percent. Annual average exports to trade-agreement countries in 1937–38 were 61 percent above the 1934–35 average; exports to non-trade-agreement countries increased only 38 percent during the same period. California undoubtedly shared in these increased exports.

CONCESSIONS OBTAINED WHICH BENEFIT CALIFORNIA

Fruits and vegetables, fishery products, petroleum products, and automotive products are examples of the important products of California for which expanded and more stable foreign market outlets have been obtained in trade agreements.

California farmers raise a great variety of fruits and vegetables which are shipped to foreign countries in either the fresh or the processed form. Both growers and processors, therefore, have direct interest in the concessions obtained in 17 agreements for vegetables and products, and in all agreements for fruits and products.

Among the important groups of concessions on these products are those obtained in the agreements with Canada and the United Kingdom. Canada lowered its duties and removed the 3 percent excise duty on a long list of fresh, canned, and dried fruits and vegetables, reduced the advanced valuations used in calculating regular and special duties, and reduced its in-season charges on fresh vegetables and fruits. The United Kingdom reduced or bound its duties on a wide range of vegetable and fruit products, and provided in the agreement for freer access to British colonial markets.

California's fishermen and canners are benefited by concessions obtained in 16 agreements. Fourteen countries reduced their rates of duty and two countries bound their rates of duty on such products as canned salmon, halibut, mackerel, oysters, shelled or in the shell, and many other kinds of fish.

Since one of California's important exports is petroleum products, petroleum refiners in the State are particularly interested in concessions on these products obtained in 12 agreements. Five countries reduced their duties, four countries bound their rates of duty, and one country bound the rate of duty and increased the quota on such petroleum products as gasoline, kerosene, lubricating oils, lubricating greases, fuel, oil, paraffin wax, and special petroleum preparations. In addition, two countries bound petroleum products on their free lists.

California manufacturers of automotive products benefit from concessions obtained on these products in 17 agreements. These concessions include reductions in the rates of duty, bindings in the rates of duty, bindings on the free list, and increases in quotas on many kinds of automotive products. Concessions on engines, parts for assembly and replacement accessories, and service appliances have been obtained in many agreements.

In addition to the direct concessions obtained, there is a most-favored-nation provision in each trade agreement which automatically extends to American products reductions or limitations on tariff rates granted by the agreement country to countries other than the United States. For example, lower tariff rates on some 600 items formerly extended by Canada to France but not to the United States, now apply to American commodities. Among these California is particularly interested in the reductions on fruit pulp and crushed and frozen fruit; on various canned fruits and vegetables; on many different kinds of canned fish; on crude petroleum and petroleum products; and on parts for motor vehicles.

BENEFITS TO CALIFORNIA LABOR FROM TRADE AGREEMENTS

It is estimated that approximately 20 to 25 percent of the persons engaged in farming and fishing and 15 percent of the wage earners in manufacturing industries in California owe their jobs to the export trade of the State. The trade-agreements program by reopening and expanding foreign markets increases the demand for labor. When foreign countries increase their demand for American products, industry must employ greater numbers of wage earners to produce these commodities. Increased employment in industries manufacturing for export provides greater domestic consumer purchasing power and creates greater employment opportunities for those engaged in supplying the domestic market.

Expanding foreign trade means greater tonnage of freight handled by the ports of California, as well as greater activity and employment in railway, steamship, and truck transportation, foreign-trade brokerage, warehousing, stevedoring, advertising, insurance, and banking.

CALIFORNIA BENEFITS AS THE UNITED STATES BENEFITS

There is a direct interrelationship between prosperity of any section of the country and prosperity of the country as a whole. Thus, the concessions obtained on American products not produced in California indirectly benefit the citizens of the State by creating increased domestic demand for the fruits and vegetables, fishery products, petroleum products, and the endless other commodities produced in the State.

Amendment of National Labor Relations Act

EXTENSION OF REMARKS

OF

HON. FRANK W. FRIES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

LETTER FROM THE CLOTHING MANUFACTURERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. FRIES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from the Clothing Manufacturers Association of the United States:

CLOTHING MANUFACTURERS ASSOCIATION OF THE UNITED STATES OF AMERICA,
New York, April 13, 1940.

HONORABLE SIR: We oppose the adoption of amendment 2 of the Norton bill, H. R. 9195, for the following reasons:

For upward of 20 years approximately 90 percent of our industry continuously and uninterruptedly maintained harmonious relationship through collective-bargaining agreements with the Amalgamated Clothing Workers Union. These agreements covered all the workers in our cutting rooms and factories. The making of a coat involves 92 operations; as many more operations are involved in the making of a vest and pants. A majority of workers employed in each of these operations under proposed amendment two would have the right to require the Board to designate it as a craft unit and compel the employer to bargain collectively with 180 units and perhaps as many unions. Chaos to our industry is the only conclusion.

The board of directors of our association at a meeting this afternoon convened to consider this amendment; by a unanimous vote, adopted the following resolution:

"*Resolved*, That the men's and boys' clothing industry inform the Congress of the United States of the irrevocable injury that will be perpetrated upon the employers engaged in the manufacture of men's and boys' clothing if amendment two, requiring the Board to designate a craft as an appropriate unit whenever a majority of employees of a particular craft so decide, is adopted."

Respectfully, FRANK P. ZURN, *Executive Director.*

Jefferson and the New Deal

EXTENSION OF REMARKS

OF

HON. J. WILLIAM DITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

RADIO ADDRESS BY HON. CHARLES A. PLUMLEY, OF VERMONT, APRIL 13, 1940

Mr. DITTER. Mr. Speaker, under the unanimous consent granted me, I include in the RECORD the text of a Jefferson birthday address delivered by Representative CHARLES A. PLUMLEY, of Vermont, over the N. B. C. Blue Network, Saturday, April 13, 1940.

The address is as follows:

Tonight I speak of a carelessly dressed redhead; one who, born to the purple, was nevertheless the greatest and truest friend that we, the common people—the workingman and the farmer—have had during our country's history.

This truly great liberal, who so appropriately used the house of a bricklayer in which to write the Declaration of Independence, and who later insisted on amendments to the Constitution to insure to the common man his freedom of religious worship, his freedom of utterance, his freedom of the person and the home from unreasonable searches and seizures, was Thomas Jefferson, of Virginia, the one hundred and ninety-seventh anniversary of whose birth we celebrate today.

It was he, Thomas Jefferson, who during his life represented the thought of the man on the farm, the man in the small community, the artisan, the laborer, the small-business man; that great mass of everyday common folk who then, as now, were devoted to the principles of the Declaration of Independence, and who had an unquenchable faith in the rights of man; men whose fathers had paid the penalties for their patriotism on the gallows, in their native lands overseas; and who from such aristocratic tyranny had fled.

What would he do were he President today? What would he do and say about our present irresponsible Government?

From his works and writings we know him to have been the most zealous, untiring partisan of the people of his day and age; by protecting and insisting upon the protection of their rights, he firmly believed the continuance of our republican government would be assured; failure so to do would result in its overthrow.

What would he do? Of many things we may be certain. I feel sure that he would not tolerate the unnecessary Government expense that has been incurred in such a profligate manner during these past few years—no, not this statesman who said, "We must push to the uttermost in economizing." I think he would view with justifiable holy horror the $45,000,000,000 debt of your Government.

Forty-five billions dollars in debt. Why, do you know that if you were to take $45,000,000,000 bills and lay them end to end and side to side you could construct a roadway 25 feet wide that would run around the earth and 10,000 miles out into space?

And do you realize that, since these dollars come out of the Treasury from the pockets of the taxpayer, in order to discharge the obligations they evidence, somebody will have to pick up and put back into the Treasury to relieve the taxpayers' burden the $45,000,000,000 plus the interest that is accruing? Somebody will have to pick them up. And it is going to be back-breaking picking.

His disapproval certainly would be given to our mounting Federal bureaucracy which continues to spawn an endless number of governmental employees; for he warned explicitly that "covering our land with officers, and opening our doors to their intrusions * * * once entered, is scarcely to be restrained from reaching successively every article of produce and property."

The Congressional Directory for January 1940, lists 10 departments, 39 boards, 42 bureaus, 81 commissions, and 10 corporations and authorities, all within the Federal Government.

It has reached the point, right now, where there are some 939,000 civil employees on the Federal pay roll; this figure does not include the buzzing swarm of census employees nor recipients of relief.

This man who charged his political foes with trying to perpetuate the Federal debt would most assuredly decry our present national financial policy which makes no attempt to maintain a balanced budget, nor a sound currency, but which, rather, repudiates the sacred obligations into which it has entered.

Just think of it, your Government is spending, every day, $15,000,000 more than it takes in.

How applicable, at this very time, are the words this scientist of government penned when he wrote his friend Monroe:

"We are ruined, sir, if we do not overrule the principles that 'the more we owe, the more prosperous we shall be,' 'that a public debt furnishes the means of enterprise,' 'that if ours should be once paid off, we should incur another by any means however extravagant'."

I know that the average man does not appreciate the fact that when you are talking about the public debt you are talking about a financial situation in which he should be vitally interested, since he has a share in it.

It is from his contributions, through the taxes he pays, that the money is raised to carry on this Government of ours. The public debt of each individual in the United States has increased from around $40 to nearly $442—and that is what it means to you and to each individual in dollars and cents—whether you are a wage earner, a salaried worker, a professional man, or not.

The average man and woman have been paying these taxes without knowing that they were paying them; paying, and still paying, other peoples' taxes, those who have shifted their taxes to your pocketbook. You are the ultimate consumer; you cannot pass your taxes along; you pay.

Because you are single and earn $18 a week and live in a furnished apartment you think that taxes cannot hurt you. Well, the truth is if you are earning $960 a year you are paying $116 in hidden taxes. I could reduce this to the items, but I am telling you if you could find some way of getting around the hidden taxes you are paying as a single man it would be the same thing as a 12-percent raise in your salary.

The farmer is the hardest hit of all. Every additional cent of debt increases the invisible mortgage on every acre of cropland he owns, if agriculture were to bear the burden of the load.

This gets right down into every man's pocketbook. There is a difference between spending when you have it, and borrowing to spend, or going into a morass of debt from which this country can never escape, just to let folks know you are a good fellow. You would not spend your own money that way. This administration cannot spend mine, or that of my constituents, that way without a protest from me.

The tax load on each one of us can be lightened only by reducing Government costs. I am the last one to suggest that the tax load should be lightened at the expense of the necessary duties of government, provided such duties are efficiently performed, but I am determined so far as anything I may say and may do, that the waste and inefficient and reckless spending of the people's money must stop.

The sooner the people themselves come to realize that they—the rank and file—are the actual taxpayers the sooner there will be a stop to this program, and the better off all of us will be.

The taxpayer has some rights, as some will discover when they recover from their debauch of reckless spending in which they seem determined to indulge again. If they think that by voting to load down posterity with an unbearable burden of debt in order to make it appear that they are broad-minded is going to get them any votes, they will wake up some day and be ashamed of the reckless way in which they have forced the taxpayer into the hands of the pickpockets of the Treasury to make a Roman holiday with up-to-date oratorical skyrockets that will come down like a dud on their heads.

The wage earners of this country, those who earn comparatively small incomes, the so-called low-income workers, are in for a sad awakening one of these days. They may not realize the extent to which it has gone, but with their homes, their food, their clothes, their jobs all being taxed, they are paying taxes from daylight to dark of every day.

Contrary to general belief, a larger percentage of the income of those who earn $1,000 a year is taxed or absorbed by taxes, direct and indirect, than is the case of the income of those who earn $5,000. Since practically every tax is passed along to the ultimate consumer, the low-income earner is always on the paying end, since he cannot pass his tax along to anyone else.

It is not difficult to imagine what Jefferson would say of any plan and program to erect and establish here in the United States of America a centralized, authoritarian, economic totalitarian state, all at the sacrifice of that liberalism, individualism, and Americanism for which he so valiantly fought.

It was Jefferson, you will remember, who so cogently said, "Were we directed from Washington what to sow and when to reap, we should want bread." In that sentence he made a particularly strong argument for the retention of control over local matters by the local political unit, be it town, county, or State. How exceedingly far we have come from that adjuration when it seemingly has become the necessary practice for delegations from our towns and cities to take the train to Washington whenever they wish to secure the consent and the necessaries with which to build sidewalks and curbs, a water system, or a sewage-disposal plant. Is not that the essence of the very thing against which he so vehemently warned?

How greatly at variance with the belief he so strongly held that to be really and truly independent one must support one's self by one's own exertions is the present situation wherein not only the people—yes; even the young men and women—are being taught not only that the "Government owes them a living" but that this is a good Government in which to live because it is a good one on which and off which to live.

I have few doubts as to the reactions of Jefferson were he here to witness the expenditure of billions for relief, only to find that after many years of such gigantic expenditure there were still the same number of unemployed; that in the process of giving such relief there had been painted the rosy picture of "a more abundant life."

I believe that Jefferson would tell you that we cannot have recovery until the unemployed are absorbed by productive industry. Industry cannot absorb the unemployed until it can expand and sell more goods; industry cannot expand until the people of this country feel sufficient faith in the future to risk their money in industrial undertakings, in the hope of making a profit.

People with savings are going to continue to hoard them so long as our governmental policy penalizes thrift and enterprise, through extortionate taxes and strait-jacket regulations.

The essence of Jefferson's contribution to thought involving government is that this Republic is founded on inalienable liberties. It is dedicated to the dignity and personality of individual men and women. It is consecrated to truth, justice, tolerance, and mercy. These liberties and obligations are inseparable. If political freedom, intellectual freedom, or economic freedom are any one of them undermined, all the others will fall.

These high purposes of this Nation are being undermined by the policies now pursued at home and by alien theories from abroad. Our first great mission is the preservation of these principles.

Today economic progress is being paralyzed. That destruction is the destruction of social progress. The imperious necessity of America is to restore economic productivity and thereby jobs for men. That alone can support our humanitarian aspirations. For social progress in care of the aged, the young, the ill-fed, the ill-clad, the ill-housed there must be parallel economic strength. Economic restoration is our second great mission.

We are the living custodians of the torch which fell from the hand of Thomas Jefferson. We may again rekindle the heart and mind of America with the glow of hope and promise for the future.

If Jefferson were here today surveying the potential wreckage of that republic for which he fought and slaved, I think he would say to his successor, the present occupant of the White House, as did the English Disraeli to Gladstone a century or so ago:

"You have had 4 years of it. * * * You have threatened every corporation and endowment in the country. You have examined into everybody's affairs. You have criticized every profession and vexed every trade. No one is certain of his property, and nobody knows what duties he may have to perform tomorrow."

Midwestern Farmers and the Republican Party

EXTENSION OF REMARKS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

LETTER FROM CLARENCE F. WILLIAMS

Mr. HOPE. Mr. Speaker, if the Republican Party is to be successful in the election this fall, it must carry the Middle West. To do that it must nominate a candidate and adopt a platform which will appeal not only to Middle Western Republicans but also to thoughtful independent and Democratic voters who feel that this administration has failed.

I believe that Middle Western farmers want to vote the Republican ticket this fall. They are concerned about governmental expenditures; about low farm prices; about unemployment; about agricultural imports, as well as about the labor and relief policies of this administration. They feel that this country is going on the rocks if these policies are continued. Yet they know that conditions have changed during the past decade and that these changes must be realistically appraised and considered by any administration which has the responsibility of meeting present-day problems. They will not vote for the Republican Party unless they feel it is fully aware of the great problems confronting the country and that it has a program to meet them.

The following letter from a successful, capable, and thoughtful Illinois farmer, who has been a Democrat in politics, expresses in a very clear and effective way the viewpoint of many Middle Western people, both on and off the farm:

PITTSFIELD, ILL., *March 9, 1940.*

Hon. CLIFFORD HOPE,
Washington, D. C.

DEAR MR. HOPE: I am writing you as a farmer and a Democrat regarding your efforts in making the Republican platform this year favorable to agriculture. I wish to commend you. I will try in my poor way to give you the situation as it exists in my community. I live in Pike County, Ill., the west-central part of the State, right in the heart of the Middle West. Within a radius of 20 miles of my home is the greatest individual hog-raising region in the United States of America. I live on United States Highway 36, midway between Pittsfield and Detroit, Ill.

There are 18 farms in the 6 miles between the 2 towns. Seventeen of the farmers have automobiles, only 2 were new when bought. Three have furnaces, the others are heated by coal and wood stoves. Twelve have electricity, thanks to the R. E. A., but I have heard several say they could not keep it another year unless their income became greater.

I have made a survey of my township, a typical agricultural one. There are 198 farmers in it, and I find that an average of $1,057 is needed to restore the depreciation of the last few years—paint, fencing, roofing, lumber, tile, limestone, and many other smaller items. Each family would have spent $800 more for clothing, furniture, floor covering, etc., during the same time. Two thousand dollars would have been spent by each family for automobiles. Four hundred dollars for furnaces by 132 of them and $500 miscellaneous and $2,220 for educating their children, making approximately $6,800 each would have spent in the last 5 years if they had had income enough to do it, almost $1,400 a year average. This multiplied by 10,000,000 farms would have kept industry so busy in the same length of time, there would have been no depression, recession, unemployment, or other retarding element toward recovery.

I am not a politician, but I am like Jim Farley in one way, I am an American first and a Democrat second. If the Republican Party can show me the way out, I will gladly vote that way and help organize my neighbors. Many of them, both Democrats and Republicans, feel as I do, but suspicion that the old guard will finally control the party and we will go back to the things that caused the debacle of 1929.

The Illinois Agricultural Association and the Farm Bureau are the strong farm organizations in Illinois, and I find that almost without exception the officers and employees are for the present program. I am an admirer of President Roosevelt in his efforts to help agriculture, but I believe the program has failed. I know that pork cannot be produced profitably for a nickel a pound, nor can corn and wheat be produced at 40 and 65 cents a bushel, respectively.

In the last week I have heard three men express themselves, an old Republican county judge, a middle-aged Democratic farmer, and a young cabinetmaker who professes no politics. They were not together when I talked to them, and I am sure they had not been, although their viewpoint was the same ultimately. Each one believed the depression was brought on by the uncontrolled inflation under Coolidge. Not one blamed Hoover for it, except they believed as Secretary of Commerce he should have warned the American people and should have made a greater effort in stopping deflation when he became President. Each admires Roosevelt but believes the only way out is to vote Republican this fall; and then all three say if that party fails, God help America. They reason that the youth of America is so highly educated that they will tire of promises and platforms and take matters into their own hands. Each agrees that if agriculture had been prosperous the last few years our troubles would have been over.

There is only one thing that I know. It is this: College and high-school graduates are tired of being truck drivers, filling-station attendants, waiters, and bartenders. Several million more will pour out of the halls of education in a few months. A very few will be specially prepared for positions. The great majority will face defeatism.

What is the answer? Shall the exploitation of agriculture be stopped and farm incomes rise to the point where it will be possible to put the United States of America on solid footing? Or shall we go on and face national disaster in a few years? I have never been a pessimist. Too much the other way, perhaps, but I am out where grass roots are grass roots, and I believe I can sense a deep feeling of despair in the American people. If the Republican Party can offer more than promises and platitudes, they will be successful, and I will be glad to help them.

Respectfully yours,

CLARENCE F. WILLIAMS.

Retired Pay and Allowances in the Army, Navy, and Marine Corps

EXTENSION OF REMARKS

OF

HON. ED. V. IZAC

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

Mr. IZAC. Mr. Speaker, I recently introduced a bill, H. R. 7866, which provides in substance—

That any officer or enlisted man of the Army, Navy, Marine Corps, or Coast Guard who has been advanced on the retired list of his respective branch of the service and promoted to the highest grade of his wartime rank; who has served honorably in three wars or insurrections, in which the United States forces have been en-

gaged, * * * shall upon the passage of this act be granted the retired pay and allowances of his highest wartime rank and grade * * *.

This bill in effect amends the acts of June 21, 1930, and May 7, 1932, which specifically provide that no increase of active or retired pay or allowances shall result from the advancement of officers, warrant officers, and enlisted men to their wartime rank on the retired list.

Mr. Speaker, my purpose in introducing this bill is to recognize the outstanding contribution to national defense made by the officers and men of the armed services who have served their country in three or more wars or insurrections and who, although in most cases advanced in rank on the retired lists, do not receive the compensation commensurate with that rank.

It is the custom in most foreign countries to recognize service to country of those who exercised command in places of great responsibility. In our country we limit such recognition to a very few whose service has been most spectacular. However, it is obvious that in times of war not all can be chosen to lead the armies in the field nor carry the colors in the face of the enemy. Some must accept their lot in drab positions of equal but less spectacular responsibility.

I feel these men are just as much entitled to the gratitude of the Nation as are the one or two selected for the highest honors. And I feel further that we can in no better way show the appreciation of the Nation for the services of these fine officers and men than by the enactment of a bill such as this, which will give them on the retired list the pay of the highest grade or rank which they exercised in wartime.

Inasmuch as the average age of the officers affected is 70 years, and that of the enlisted men only slightly less, it is evident that the small expenditure that would be necessary to carry out the provisions of my bill would be considerably less year by year. And it is estimated that at most it will be for the next fiscal year approximately $160,000. In all, I estimate that less than 600 officers and men will be affected and the average increased rate of pay would be not much over $20 per month.

I am indebted to our former Adjutant General of the Army, Maj. Gen. P. C. Harris, United States Army, retired, who, while not profiting by the enactment of this legislation, has nevertheless recognized the justice of it and has aided me in the compilation of the figures quoted herewith. He has likewise made an exhaustive survey of all the officers, warrant officers, and men of the Army that would be affected by this bill.

The number of officers that might be affected totals 92. This includes 1 general, 1 lieutenant general, 8 major generals, 7 brigadier generals, 32 colonels, 19 lieutenant colonels, 22 majors, and 2 captains, of whom 69, it is estimated, would probably come within the provisions of the bill. Likewise of the 77 warrant officers, including 1 lieutenant colonel, 17 majors, and 59 captains, about 58 would come within the provisions of the bill. And of the former enlisted men, totaling 530, a break-down shows 6 lieutenant colonels, 109 majors, and 415 captains, of whom about 398 would probably benefit by enactment of the bill.

I trust my colleagues will see the justice of this legislation and help me to bring about its enactment.

The Test of Citizenship

EXTENSION OF REMARKS

OF

HON. FRED A. HARTLEY, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

ADDRESS BY J. EDGAR HOOVER

Mr. HARTLEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by J. Edgar Hoover, Director, Federal Bureau of Investigation, United States Department of Justice, before the Forty-ninth Continental Congress of the Daughters of the American Revolution, Constitution Hall, Washington, D. C., April 18, 1940:

It is with pride that I meet with you this morning upon the occasion of the Forty-ninth Continental Congress of the Daughters of the American Revolution. Yet the pleasure of our meeting must be tempered with the necessity for bringing certain facts into the open where we may face them with the courage demanded for their remedy. These are not bright days for the America which your forefathers fought so valiantly to preserve.

Your organization has witnessed in the past a succession of remarkable instances of patriotic cooperation designed to aid our Nation toward a better plane of existence. Therefore, because you are one of the truly great influences which have molded this Nation, I want to discuss with you a most important problem concerning our country's welfare. It may be stated in simple language. Foreign "isms" are seeking to engulf Americanism; this must not be allowed to happen. It need not happen, for we have had ample warning.

No finer job has ever been done in the history of the American press than that which now is being performed by the rank and file of our truly American publications. Heroic efforts are being made by them to separate the facts from propaganda, the true from the false, the pure from the impure. Hard-working journalists and editors have given of their best efforts and thought that we might be correctly informed, and this without hysteria.

Meanwhile, the editorial staffs of magazines which have a real national conscience have striven as never before to place before us a correct and sincere evaluation of the world's problems, seeking not to influence, but to educate. The same, of course, may be said for the responsible men and women of the radio and screen.

But while all this has been taking place, there has been a contrary effort in the underworld of literacy. By oral and printed attack, numerous thinly camouflaged organizations of questionable background and endeavor have sought to wash away our national foundation in an ink stream of vilification. It seems inconceivable that in a land dedicated to freedom and existing under a constitution ordained for the well-being and protection of its every citizen, there should be so many despicable ingrates.

Many of them come from countries where political murderers have stained their hands with the blood of thousands; where every decent thing in life has been ravaged; where every man is expected to spy upon his neighbor and betray his best friend; and where the underlying fundamental principle of government seems that of harassing humanity and defying God.

Cloaking themselves with the guaranties of our Constitution and the things for which it stands, they have the inconceivable effrontery to tell us that they are seeking to bestow upon us the blessings of Utopia, instead of degrading us to the level of the blood-smeared countries for whose principles they are the bought-and-paid-for traveling salesmen. And I say that there is no place in America for such purveyors of hate and horror.

One may rightfully ask why I, as Director of the Federal Bureau of Investigation, should direct your attention toward revolutionary efforts in America. A main reason, of course, is the fact that by Presidential order, the F. B. I. has been designated as the central agency of the Federal Government to receive and give attention to complaints of espionage, sabotage, and matters pertaining to our national defense. In addition, there is a distinct connection between the professional destructionist and the professional criminal. Both are in a state of revolt against the American way. Both are racketeers.

However, what I have to say to you today should be construed as an appeal to common sense, and a desire for a calm, commonsense appraisal of existing circumstances. While there is yet time, we must lock our national stable before the horse is stolen. If we use our heads today, we will not be forced to use our rifles, our airplanes, and our battleships tomorrow. And one thing is certain. We in the United States want peace.

I must remind you that in times like these, there is great danger of misguided efforts on the part of over-zealous groups of individuals who are often the victims of those motivated by a desire to further their own selfish ends. Let me warn you against the patriotic racketeer, the only things lower are the vipers of alien "isms" whose poisonous fangs are fatal.

Our national apathy toward the subject of crime represents a condition which in fact is an incubator for the things which are anti-American. Our antisocial groups grow rapidly; it is a fact that today 1 out of every 26 persons in America has been arrested for an offense more serious than a traffic violation. Every 21 seconds witnesses the commission of a murder, aggravated assault, burglary, car theft, robbery, or larceny.

If we do not accomplish more toward the wiping out of this crime front, the enemy within our shores will steadily make wider use of its possibilities for the destruction of American institutions. You have seen recently in the constantly changing story of Europe, the vast inroads which have been made in neutral nations by the employment of spies, traitors, and saboteurs.

Before this year comes to a close, unfortunately, we may expect that 1 out of every 17 homes will be a victim of crime—either some member will be charged with an offense or will have suffered a loss, ranging from petty larceny to life itself. Our army of criminals numbers into the millions.

The representative of gangster governments find a fertile field for his recruits in the underworld. He sings his hymn of hate in our prisons and penitentiaries, he skulks in the dives of desperate men, there to paint his picture of the glories to come when, to quote a manifesto of the Communist Party, there will be established "a stern dictatorship * * *. It will confiscate the banks, the factories, the railroads, the mines, and the farms of the big corporations."

Perhaps you have labored under the mistaken impression that the radical who dreams of overthrowing our government classes as his future victims only persons of enormous wealth. Regardless how meager your possessions, someone will want them. If you lose them it makes little difference whether they are taken by an ordinary murderer or an international pirate masquerading as a self-appointed savior of a country whose language he can barely speak. Again I ask, why don't these perverted busybodies go back and save the countries which espouse their views? Can it be possible that there would be no money in such a venture?

The average American has understandably been so confused by the muddled charges and denials made regarding various revolutionary organizations that, with typical American apathy, he is more than eager to shrug it all away with the belief that it is a great deal of smoke and very little fire. We haven't the time, we say, to understand what the proponents of foreign "isms" are working toward and why they want it. That is exactly what these destructionists desire. Their tactics are to becloud the issue, to let others connected with ostensibly reputable organizations "front" for them, to cover their tracks with confusing statements, to confound the average brain so that they may be able to proceed toward their goal with the slightest resistance.

These "ism" advocates and their fellow masqueraders point to our forefathers as their historical sponsors. The preamble to the Constitution of the Young Communist League states that its organization "* * * cherishes the ideals of Americanism embodied in the democratic traditions of our Nation and its great patriots * * *" such as Thomas Jefferson, Andrew Jackson, and Abraham Lincoln. This organization then desecrates the memory of these great Americans by stating that it "* * * derives inspiration from those great teachers and guides of all mankind: Karl Marx, Frederick Engels, V. I. Lenin, and Joseph Stalin." Others exploit the workingman, the colored races, the farmer, the renter, and the white-collar class by any and all hokum by which they can create a smoke screen for their real endeavors. On the surface, their claims, to the unthinking person, look enticing.

However, if the claims of such organizations are so meritorious, why have they not proven of worth in the countries which sponsor the ideals of these disturbers? Is there any such thing as peace or happiness or liberty in places where the populace is ruled by the fear of secret police, where one must live or die by decree, where children are reared to the godless lullabies of rattling machine guns, the horrible burst of airplane bombs, and the juggernaut progress of clattering tanks, belching flame and death upon those who flee before them?

It is amazing what credulity such proponents of brutality attribute to us, and it makes little difference from what foreign "ism" they emanate; recent unions of allegedly opposing factions have ended much necessity to differentiate. They are of the same stripe—they use the same approach, both openly and brazenly they flaunt democracy. What the worshippers of one bloody creed desire is also the desire of others.

These newly allied destructionists stand for the complete overthrow of all American institutions. They plan for the destruction of all religion. They would strangle patriotism, or to quote the words of a youth publication of the Communist Party: "You must fight against teachings which tell you to be a patriot in your country." That is why, incidentally, as the result of propaganda, there have recently been many examples of a growing disrespect for the American flag and a cynicism toward the freedom for which it stands.

To these scoundrels the sanctity of the American home is meaningless. They dream of the day when every American school shall become their own training ground. They are under instructions to permeate our Army and Navy with proponents of revolution. Agitators have worked among farmers, particularly sharecroppers, painting rosy pictures of the day when skies shall be red with the flames of destruction, and that which has belonged to others shall change hands—simply for the taking.

The cry among these defamers of American traditions is always for more youth to be fed into the maws of deceit. In manifestos and training manuals, plan upon plan is urged for the infiltration of agitators and destructionists into youth-serving organizations.

It should be a matter of greatest national concern that while exponents of hatred, vice, and atheism seek youth with the rapacity of a starving wolf, we should be so apathetic to the needs of our civilization that of all our crime, nearly 20 percent is committed by boys and girls of less than voting age. To whom will these boys and girls listen while in jail, reformatory, or prison—to the chaplain with his earnest hope that they will proceed upon a better life, or to the skillful agitator and his fawning promises of a place at the table of luxury if only help be forthcoming on the day when freedom shall fall, outraged and bleeding before the assault of international terrorists?

You should remember that since the Federal Bureau of Investigation is in the first line of national defense against the saboteur, the espionage agent, and the revolutionist, it also is among the first to bear the brunt of attack. And I might add that no method is too foul, no lie too rotten, for these people, who dedicate themselves to the teachings of the leader of all communism, Lenin, who wrote: "We must know how to apply at need, knavery, deceit, illegal methods, hiding truth by silence * * *."

Therefore, since we know in advance that every trick of falsehood will be employed to lead us astray, let us look at the truth, so that we may know the lies when we hear them.

It is ever the cry of the "ism" advocate that his constitutional rights and civil liberties are constantly in danger. These destructionists care nothing about violating the civil rights of others, and they would revile our Constitution except for the smoke screen of defense it gives them while they dig deep at our foundations of decency and liberty.

Therefore, let us have an understanding in this matter here and now. I charge that accusations indicating a purpose on the part of the Federal Bureau of Investigation to become an Ogpu, a Gestapo, a national police, or anything resembling such bodies, emanate, directly or indirectly, from certain anti-American bodies who hope to discredit the F. B. I. as a step in a general plan to disrupt the entire United States or from well-meaning but misinformed persons who have fallen to the lies and utterly false information of those who would tear asunder America's machinery of law enforcement.

Such monstrosities as the Ogpu or the Gestapo are foreign-born. They are inhuman, uncivilized, and un-American. Any person who charges that such methods have been condoned or even considered within the Federal Bureau of Investigation deliberately purveys a malignant falsehood.

Let us proceed a bit further and really look at the record of the F. B. I. During the past 12 years the F. B. I. has investigated more than 52,000 cases in which convictions have been obtained. Not in a single instance has a conviction been reversed in a court of appeal for the alleged violation of civil liberties during the course of the investigation. In not one single instance has a conviction been reversed on a charge of brutality, third-degree tactics, cruel, or inhuman treatment.

Recently in Washington the Federal district attorneys from the entire Nation unanimously adopted a resolution commending the F. B. I. for its preservation of the constitutional rights and civil liberties of persons arrested by its representatives. These prosecuting officials of the Federal Government are in daily contact with our special agents in their work and are intimately acquainted with all of the policies, regulations, and practices of the F. B. I.

And I might remark that those who now seek to traduce the F. B. I. as a first line of espionage defense are most eager to have you forget those dark days when fear stalked through every nursery, when the gruff voice of gangsterism made its demands for family fortunes, threatening meanwhile the death or disappearance of American boys and girls.

Those were the days when thousands of mothers placed their faith in the Federal Bureau of Investigation, where brave men stood ready, day and night, as they do now, to battle gangsterism on its own grounds. More than one of those men now lie in their graves, sacrificed to the underworld in your defense, their memories immortal to us who were their comrades.

The Federal Bureau of Investigation of today is exactly the same organization which battled the underworld in the black hours of the kidnaping menace and which has successfully solved 177 of 179 kidnapings since June 1932. It is the same organization which has successfully met the extortion and bank-robbery menace. There have been no changes in motive, in policy, in fundamental methods, or in the fidelity, bravery, and integrity by which we have sought to protect you. However, certain individuals have hoped that the lapse of time may have lured you into disregard for the events of the past.

All I can say is that if the F. B. I. was a good organization when fiends like Bruno Richard Hauptmann, John Dillinger, Alvin Karpis, and hundreds of other blood-crazed gangsters roamed America, then it is still good today when personalities like Earl Browder, Fritz Kuhn, and other representatives of un-American organizations, no matter under what name they masquerade, seek to lead you, by lies, smoke screens, and innuendoes, into treacherous trails.

The extent of these efforts sometimes reaches almost unbelievable depths. Only last week, for instance, orders emanating from the Communist Party of America, demanded national and concerted action against the F. B. I. With fantastic belief in American credulity, these plotters announced that every effort must be made by members of their organization to involve F. B. I. special agents in situations where they might be accused of crimes or improper activities. Then, said these Communist leaders, with its reputation strained by the "smearing" and discrediting of some of its men, destruction of the Federal Bureau of Investigation could proceed unmolested.

Anyone in public life must, of course, expect criticism—it is wholesome and beneficial when constructive. This applies particularly to law enforcement. It is your duty to criticize freely when there is need; it also is the American duty to stand by the brave, honest, efficient officers who give of their best for the communities they serve. A law-enforcing agency is only as good as its popular

support, regardless of whether it is a constable's office, a county sheriff, a metropolitan police department, or a Federal agency.

Despite the tremendous obstacles that have had to be overcome, the character of law enforcement is today on a higher plane than ever before. Members of the law-enforcement profession, in many instances, have faced almost insurmountable odds in overcoming the barriers of apathy and venality, to say nothing of propagandist efforts everywhere, designed to picture the officer as a brute and the civilian as an object of oppression. Remember that all propaganda is not of the direct sort. The most dangerous type is that designed to make you doubt and distrust American methods, American habits, American institutions.

You have noticed that I have not designated all of our "ism" enemies by name. There is a good reason; it is a part of present-day strategy among these different assailants of liberty to claim all good things for themselves and all bad things for the organization down the street, thus creating confusion while they attack our institutions. Therefore the test of American citizenship lies in the ability to have nothing to do with any of them. The real test of citizenship is our devotion to the preservation of the American democracy for which our forefathers fought and died, and which we are permitted to enjoy as a blessed heritage.

Let us consider the miserable type of destructionist who seeks to be our self-appointed savior. Look into his background; study his so-called panaceas. Read the recent history of the countries which he so proudly points to, or by which he has been duped. What do you find? Ruthlessness, the destruction of civil rights, destruction of happiness, destruction of freedom and the destruction of life, often in such great numbers that they beggar statistics. From a land of starvation, hatred, envy, greed, brutality, and mass murder, they come fawning to us with their lethal drugs. Let us have none of them.

Our job is to keep to the path which has led us to happiness in the past, and to regard with suspicion any winding trail or alleged short cut, no matter how alluring it may be portrayed. These praters against the American way of life are in reality a gang of international confidence men, seeking to steal our wallets by promising us the pot of gold at the end of the rainbow which no one will ever reach. Apply to every self-appointed savior the acid test of Americanism and, if he cannot pass that, suggest that he go to the lands of stinking death which incubate his ideas.

And, I hope that today you will pledge yourselves with me to a solemn rededication of citizenship. That you will give more of your efforts, more of your being and of your hearts to the task of teaching and emulating Americanism. That you will strive ceaselessly to focus the spotlight of truth upon the "ism" scum which seeks to undermine the foundations of our Nation. By doing so, you will illuminate the world with the brilliance of American democracy, and demonstrate the sacred character of honest, decent, human elements which, God willing, our Stars and Stripes may forever symbolize.

No, Dr. Townsend; I Have Not Signed Your Petition

EXTENSION OF REMARKS

OF

HON. ROBERT G. ALLEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

LETTER FROM HON. ROBERT G. ALLEN, OF PENNSYLVANIA

Mr. ALLEN of Pennsylvania. Mr. Speaker, under leave to extend my remarks, I include the following letter:

Mr. OTIS J. BOUMA,
Editor, Washington Flash,
1038 Washington Building, Washington, D. C.

MY DEAR SIR: I have just received a copy of No. 7 of your Washington Flash, in which my name appears among those who have signed a petition to discharge the Townsend bill from the Ways and Means Committee. I have not signed this petition nor will I do so. I signed your petition 1 year ago, and helped give you a fair hearing in Congress. This you had. In my opinion, you are guilty of deluding the old people of this country in a shameful way. You are primarily interested in perpetuating your own jobs rather than alleviating the woes of our elderly citizens. The economic basis of your legislation has undergone an annual change for the past 5 years. If the original bills which you supported were correct, your latest bill is wrong, and vice versa. A year from now you will probably pull a new bill from Dr. Townsend's hat which will be as different from H. R. 8264, today's bill, as it is from H. R. 6466, which you tried to cram down our throats last year.

Your political machinations and the demagoguery of your leadership have brought your movement into disrepute. I ask that you correct the statement in your Washington Flash of April 17, where my name appears among those who have signed the so-called Townsend discharge petition.

Very truly yours, ROBERT G. ALLEN.

Forestry in the North Pacific Region

EXTENSION OF REMARKS

OF

HON. WALTER M. PIERCE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

LETTER FROM LYLE F. WATTS, REGIONAL FORESTER

Mr. PIERCE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter received by me from the regional forester at Portland, Oreg.:

UNITED STATES DEPARTMENT OF AGRICULTURE,
FOREST SERVICE, NORTH PACIFIC REGION,
Portland, Oreg., March 28, 1940.

Hon. WALTER M. PIERCE,
House of Representatives, Washington, D. C.

DEAR GOVERNOR: The Report of the Chief of the Forest Service for 1939 has just been issued. As a member of the Committee on Forestry and Agriculture you, of course, have received a copy, but I should like to amplify Mr. Silcox's statement insofar as it applies to forestry in the north Pacific region.

You are, of course, familiar with the important place which the Pacific Northwest holds in the national forestry program. About one-third of the Nation's timber supply of soft wood timber is in Washington and Oregon. About one-third the current supply of wood products comes from this region. Growth of timber is rapid. Conditions unfavorable for the production of timber can be controlled, or modified. Depletion undoubtedly exceeds the growth of saw timber and some phases of protection and of logging practice can be improved.

In 1938, which is the latest year for which complete information concerning State and private activities is available, expenditures for forest protection were $790,672. Of this amount, $126,336, or 16 percent, were contributed by the Federal Government under the terms of the Clarke-McNary Act. The public interest in Oregon timber is by no means expressed by this amount.

Recurring epidemics of tree diseases and insects make serious inroads on the timber supply. The current epidemic of the western pine beetle which has killed about 15,000,000,000 feet of ponderosa pine in Oregon and Washington during the past two decades, is one example. These epidemics can be controlled, but they are beyond the efforts of individual owners and are a public matter. Mr. Silcox's proposal that protection from insects and diseases could, to advantage, be provided for in an amendment to the Clarke-McNary Act, has merit.

Forest land in Oregon is held by about 27,000 owners. Most of these lands have little or no value for any purpose other than raising timber, and title to great areas has been abandoned after the timber has been removed. It is understood that about one and one-half million acres has passed to the counties through foreclosure for taxes. The Oregon law provides that the State Board of Forestry can take over lands of this class for State forests, and a beginning has been made. The Federal Fulmer Act was intended to assist States to buy land for State forests and to administer the forests so obtained, but so far no provision has been made to give the States the necessary financial assistance.

The forest and range experiment stations are most valuable in developing principles of land use and methods for making them effective. The change from virgin forests to managed forests is of much importance to the residents of Oregon and Washington. State, private, and Federal agencies are pioneering in this enterprise. The fact-finding work of the stations covers every phase of land use and is indispensable.

For about 10 years the Forest Service has been conducting the resource survey. The work was started in Washington and Oregon and has been completed in these States. Eventually it will cover the entire forest area in the United States. The information obtained and made public about the volume, area, ownership, depletion, and growth of the forest resources, is in much demand by all forestry agencies. The field work for about one-half the country is completed; the work of compiling the information obtained and making it available for use is finished for about one-half the area covered by field work. At the present rate of progress it will not be finished for many years. This information should be available for all parts of the country and it should be brought up to date at intervals. Here in the Northwest where changes from logging, fire, and growth are rapid, some of the information obtained 10 years ago is already obsolete.

The Forest Service has been studying the feasibility of forest management in each of the major operating areas in the North Pacific region. Several of these studies have been completed and a few companies operating outside the national forests are taking the steps necessary to put their lands on a sustained yield basis, or are seriously considering the practicability of this move. In many localities close to the national forests, this process would be facilitated if national forest timber could be blocked up with private

timber outside the boundaries to make sustained yield units. I believe that authorization to take this step is desirable and that assured access to public timber would be a strong inducement to operators and owners of private stumpage to stabilize their operations.

A very large acreage of timber in Oregon and elsewhere is so located that its owners, who have in many instances held it for a long time, cannot expect to realize on it for another decade or more. Other timber owners are not in a financial position to hold their lands indefinitely. In similar cases the owners have abandoned title to timber lands in order to avoid the tax burden, or have disposed of it to operators for small sums. This condition, of course, exists in connection with property of other kinds, and it may not be a matter of great public concern when private investments turn out badly.

What is of public concern is the disposition of an important public rescurce and asset. Failure to pay the taxes on great volumes of timber seriously weakens the finances of many counties. The forced sale or abandonment of timber forces down the value of the remainder and further contracts the tax base. The temporary abundance of this "distressed" timber on the market promotes wasteful logging practice and effectually prevents acceptable management of much of the remaining stand. I believe that the public welfare would be well served if the timber in excess of normal holdings was repossessed by a strong governmental agency, either State or Federal, and held until the market requires it. Public financial aid in the shape of low-interest-bearing, long-time loans might also help.

The 1939 fire season was severe. Periods drier than any on record were accompanied by strong winds, and several violent lightning storms occurred. One storm set 822 fires in 48 hours. The area of national-forest land burned over in Oregon was about 49,000 acres. In the entire region it was about 58,000 acres. Severe losses also occurred in State and private territory. About 150,000 acres of the 1933 Tillamook burn reburned, killing much of the reproduction which had started. This was a real calamity, because no source of seed to reproduce the area now remains. Improvements were made in organization of Forest Service suppression crews, in the technique of using tractors in building fire lines, and in radio communication. The smoke chaser's radio kit, developed by the Forest Service radio laboratory for two-way communication, weighs only 9 pounds. Some fire camps so situated that supplying them by ordinary methods was difficult, were serviced by planes. About 86,000 pounds of supplies and equipment were transported in this manner. Landing fire fighters from planes, using specially designed parachutes and equipment to insure safety, was tried successfully as an experiment. This may be an important development for suppressing fires in remote parts of the forests.

The deficiency in moisture which has lasted for more than a decade has decreased the grazing capacity of national forest ranges, and the number of stock grazed under permit was of necessity reduced also. In 1939 the number of stock grazed on national forest ranges in Oregon was about 74,000 cattle and horses, 460,000 sheep. Twelve hundred and fifty-two pay permits and 856 crossing permits were issued. Small numbers of stock belonging to over 600 owners grazed without charge under various exemptions. In 1935 the number of cattle and horses was about 87,000, the number of sheep, 570,000. More intensive management of the national forest ranges will undoubtedly increase its carrying capacity.

Wildlife on the national forests is handled in full cooperation with the State game commission and with the assistance of the Biological Survey and the Bureau of Fisheries. The overstocking of deer on the Murderer's Creek Range is not yet wholly corrected. The 1939 legislature passed an act authorizing the killing of antlerless deer during the 1939 and 1940 seasons in this reserve, but this measure may not furnish a complete remedy. The overpopulation of the range on the Fremont Forest along the California line, requires, and is receiving, attention.

The latest report shows 1,078,049 visits to the national forests in Oregon for recreation. The number has doubled in 5 years. The average visit was 2.6 days. About 100,000 of these visits were for hunting; 350,000 for fishing; 130,000 for winter sports. The great majority of campers and picnickers used the forest camps built by the Forest Service and the C. C. C. These camps make use of the woods during the fire season practicable. The accommodation of so great a number of visitors without the pure water supply and the sanitary facilities offered by the camps would not be feasible. The office of recreation and lands reports 2,421 special-use permits in effect in Oregon, 1,120 of them without charge. The permits cover a great range of uses, from water-power projects to summer cottages. Twenty-seven thousand three hundred and fifteen acres of land were acquired for the national forest by exchange for timber.

Timber-sale business is increasing, although it has not yet reached the high point of 1929. The cut in Oregon for 1939 was 217,371,000 board feet. Receipts were $503,136. The average price per thousand feet was $2.34. Of the 1,561 sales, 892 were to residents for domestic purposes at cost. The number of free-use permits issued was 3,735. This does not include free use on areas for which permits are not required. Timber in private ownership is more accessible and, as a whole, of better quality than the timber on the national forests. Pressure to realize upon it is heavy, and increases in sales of national-forest timber in Oregon can be expected to increase only as private holdings are cut out. It is probable, however, that timber-sale business will be greatly accelerated during the next 10 years.

The heavy loss of ponderosa pine by insect attack, to which reference has been made, and the continued loss of overmature timber which is especially vulnerable to many destructive agencies, suggested the need of a revision of logging methods. As you so well know, the method is light selective cutting confined to the weakened or overmature trees in the stand. In practice half the volume or less is removed, and this part is made up of relatively few individuals. The more valuable lumber grades are recovered and the residual stand consists for the most part of thrifty young trees containing the lower grade logs, capable of fast growth and with low mortality. This method is now in use in national-forest sales in Oregon, Washington, in Indian Service sales in Oregon, and in a few private operations.

We must recognize that the great bulk of our timber in Oregon is in private ownership. Unfortunately, too much of it is cut without due regard for acceptable forest practice. Recognition of this situation probably prompted the Secretary of Agriculture to advocate to the Joint Congressional Committee for Forestry increased public cooperation with private forest land owners in solving private forest land problems. Where cooperation is not effective in obtaining the results indispensable to public welfare, he suggests that public regulation may be required.

This is by no means a complete picture of the forest situation in the North Pacific region. I have noted some of the salient features and shall be glad if I can be of assistance in furnishing additional information.

Very sincerely yours,

LYLE F. WATTS,
Regional Forester.

What Price Security?

EXTENSION OF REMARKS
OF
HON. EDWARD H. REES
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 18, 1940

EDITORIAL FROM THE COUNTRY GENTLEMAN FOR MAY 1940

Mr. REES of Kansas. Mr. Speaker, under leave given me by unanimous consent to extend my remarks, I include herein an interesting and informative editorial by Philip S. Rose, editor of the Country Gentleman, which appears in the May 1940 issue:

[From the Country Gentleman for May 1940]

WHAT PRICE SECURITY?

With the utmost sympathy, it is time for a careful look at the vast experiment in security that has been set up in this country. The hopes of millions who are unable, or feel they are unable, to take care of themselves are centered around it.

Only a part of these are wage earners, whose future security is supposed to be financed out of contributions by themselves and their employers. The number of others is both large and increasing. It includes the aged and the handicapped who are receiving pensions, the unemployed on relief, and the dependent of various kinds who are getting help. Demands for other forms of security are rising.

All this represents a new and uncharted trend in American life. It raises a very important question: What is the price of security?

The question has never been answered by those who talk most about security. But there is a practical answer and it needs to be publicly realized. The standard old-age assistance that is advocated is $30 a month. It is prevailingly less than that, but since both husband and wife are eligible this figure will do. According to the latest tables, Government bonds average less than a 2-percent return. That is the most the banks will pay on savings. Thirty dollars a month thus represents the income on $18,000 of capitalized wealth. A $35-a-month relief check is the return on $21,000 at current investment rates.

There is an ominous connection between those figures. The funds for all security, public or private, can come from only one source. That source is created wealth. The Alexander Hamilton Institute has worked out an unvarying formula for calculating our national wealth. It is five times the national income. The national income for the past year was nearly $12,000,000,000 below the peak that was reached 11 years ago. Thus our wealth-creating capacity has decidely lessened, at the same time that we are putting enormous new demands upon it.

Foresighted action would have teamed up the security program with an intense effort to get our productive facilities into full operation. Instead, much was done to retard them.

As a result the Government is caught in a conflicting tangle of policies. To meet the demands of the now widespread security program it must levy heavier taxes and make up whatever deficiency there is by borrowing. But heavier taxes reduce buying power and further discourage enterprise, which alone can increase the Nation's wealth.

To make the cost of borrowing easier to carry, the Government has had to keep down interest rates. But that, in turn, calls for a larger amount of capitalized wealth to yield the necessary funds. This is what accounts for the seeming oddity of an old-age or relief beneficiary receiving the equivalent of an income from what is a small fortune to most people. These low rates of return have also placed many self-supporting families in a precarious position. Farmers who have retired from active work with what seemed sufficient for a comfortable living know how harshly true this is. It takes much larger savings now for self-dependent people to enjoy any security for themselves. At the same time the low return on savings makes it difficult for the average person to hope to accumulate enough to provide for old age.

Such facts as these recently led the editor of the Indianola (Iowa) Record to comment: "Retirement, except as wards of the State, has become almost impossible for millions of farmers, trades people, small-business men, and teachers. It is not altogether a pleasant outlook to those who have had an ambition to take care of themselves."

But will there be any room in the house of security for these prospectively more numerous dependents ahead? The demands now are being met only by borrowing from the future or taxing the present to a repressive degree. Clearly there must be a change of national attitude, or the outcome will be a tragedy.

The one and only price at which we can have security is to create enough wealth to pay for it. We probably have the resources, human and material, to afford a fair and decent amount of it. But, before we can, there must be policies that release and energize all our productive forces and increase the opportunities for self-support. No one has a deeper interest in seeing this done than the people who are themselves in need of security.

The Trade-Agreements Program

EXTENSION OF REMARKS

OF

HON. THOMAS F. FORD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

Mr. THOMAS F. FORD. Mr. Speaker, it is my purpose today to call to the attention of the House a speech delivered on the floor on the date of March 29, 1940, by the distinguished gentleman from Wisconsin [Mr. JOHNS]. That speech was timed for the purpose of giving aid and comfort to the enemies of the reciprocal trade agreements program which was then being debated on the floor of the Senate.

Much as I dislike taking issue with my distinguished colleague, I cannot refrain from calling attention to that speech because, I regret to say, it contains so many glaring examples of garbled statements of fact, and unwarranted conclusions as to immediately disqualify it from the consideration of any one who knows the truth or has access to the facts, facts which my distinguished friend could easily have secured, had he been interested in facts.

Just to start with, I quote from the address as printed in the CONGRESSIONAL RECORD for March 29, 1940, page 3713:

> Butter, under the Tariff Act of 1930, there was an import tax of 14 cents per pound. Under the agreement in 1935 this was left at 14 cents, but under the new agreement of November 17, 1938, this was reduced 2 cents a pound and is now 12 cents a pound.

The fact is the 1930 tariff rate of 14 cents a pound on butter has never been reduced under any trade agreement and is still in effect. Furthermore, there have never been any negotiations for reduction of the tariff on butter, in connection with any trade agreement whatever. This misstatement alone is enough to reflect on the credibility of all the rest of the speech.

The gentleman from Wisconsin spoke repeatedly of "24 treaties." The fact is that, while 22 agreements have been negotiated, only 19 agreements with reciprocal concessions are in effect. While the point is not fundamental to the issue, it demonstrates that the gentleman failed to inform himself as to how many agreements it comprises.

On page 3711 of the RECORD the gentleman asserted that dairy farmers, among all groups of farmers, have received no subsidy from the Federal Government. I quote:

> The population of the 5 leading dairy States I have named is approximately 6,000,000 people [here he includes both city dwellers and nondairy farmers]. I figure the farmers raising cotton, corn, and wheat represent about 3.1 percent of our national income [here he excludes city dwellers and shifts the basis from one of population to one of income] and have received millions in subsidies during the last few years. The dairy farmer has received nothing in subsidies.

Here the gentleman from Wisconsin finds himself in direct conflict with another very eminent Member from his own side of the House, the gentleman from Kansas, the Honorable CLIFFORD HOPE, who also opposed the trade-agreements program. Mr. HOPE, in an address on the floor of the House on December 3, 1937, after more than 3 years of the trade-agreements program, said:

> We have tariffs on dairy products which are in effect prohibitive. The imports of butter in an ordinary year are considerably less than 1 percent of our total consumption. While the percentage of cheese imports will run higher than that, such imports are mostly of classes and grades of cheese which we do not produce in this country.
>
> The same thing is true, of course, of other dairy products, such as fresh milk and cream, ice cream, and other manufactured dairy products. All of them are protected by high and practically prohibitive tariff rates. While it is hard to compute in dollars and cents how much of a subsidy the dairy industry receives as a result of this tariff protection, yet I think it is only fair to say it receives substantially the difference between the price of comparable dairy products in other countries and the price in this country.

Further along in the same speech the gentleman from Kansas, who bears no mean reputation as an agricultural statesman, made the following statement:

> Therefore it is hardly fair for the producers of dairy products to say other crops and other producers are receiving a subsidy and they are receiving none, because they are receiving the most effective subsidy which can be given to any producers through the tariff benefits they receive.

If the gentlemen from Kansas and from Wisconsin want to impress the country they would do well to get their heads—and their stories—a little closer together.

The trade-agreements program has been an effective force in bringing about an increase, in 1939 over 1932, of $1,500,000,000, or 97 percent, in United States exports; $995,000,000, or 75 percent, in our imports; over $3,000,000,000, or 65 percent, in farm cash income; of $364,000,000, or 37 percent, in farm income from the sale of dairy products; of $98,000,000, or 58 percent, in the farm cash income—excluding Government payments—of the State of Wisconsin.

These figures and facts bear directly on the economic situation of farmers in Wisconsin and all over the United States under the trade-agreements program as compared with their situation under the Hawley-Smoot policy from 1929 to 1932. The gentleman from Wisconsin carefully avoided putting them into his speech. They are conclusive evidence that his farmer constituents have not been "sold down the river." They are not generalities and half facts.

There is perfectly clear-cut proof, both common sense and statistical, that the trade agreements have benefited American agriculture. There is not a shadow of evidence that they have injured any of its branches.

The agreements have sustained and supported foreign markets for American agricultural surpluses—against exceedingly powerful adverse factors in some cases. American exports of farm products to trade-agreement countries during the course of the program have generally increased much more rapidly than have farm exports to nonagreement countries. In fact, in the fiscal year ended June 30, 1939, the value of the United States farm exports to the 16 countries with which trade agreements were in effect throughout that year was 15 percent greater than the value of such exports to the same countries in the fiscal year ended June 30, 1936, whereas farm exports to all other countries were 19 percent lower in value than they had been in the earlier year.

Meanwhile, export advantages for American industrial products, obtained through the trade agreements, have created employment and stimulated business activity in the United States and increased the buying power of the American customers of the American farmers.

The apparent thesis of the gentleman from Wisconsin, insofar as it can be separated from the welter of irrelevant, incomplete, handpicked, and misleading statistics with which he sought to support it, seemed to be that the trade agreements, by reducing United States tariffs on agricultural products, have deprived American agricultural producers of some of their domestic market to the consequent detriment of their incomes.

The thesis is entirely unsound and untrue. It could be disproved simply with the facts about agricultural income in the United States, which I have already cited and about which the gentleman from Wisconsin was painfully silent.

But equally significant in their indication of the confidence which the statement deserves, are some further examples of misrepresentation and distortion which appear in it and which demonstrate its general unreliability.

The gentleman from Wisconsin was extremely wary in choosing and using only such statistics as seem to bolster his assertions while painstakingly ignoring others, regardless of their significance. His omissions of this kind were often conspicuous.

For example, he gave export and import figures on corn for the years 1934 through 1937, apparently to show that we import too much and export too little. But why did he stop with 1937? The figures for 1938 and 1939 are just as readily available. It is because he did not dare to admit that in 1938—following the bumper corn crop of 1937—the United States exported 147,505,104 bushels of corn, practically a record, and imported less than half a million bushels. He was equally silent about 1939 when we exported 32,117,186 bushels of corn and imported 490,000 bushels.

He preferred to give only the figures for 1934–1937 during which period drought cut the corn crop of the United States by a billion bushels in each of two years. He directly implied that the trade agreements caused the increases in imports during the drought years. Is he willing to admit that the trade agreements also caused the increases in exports after the crop recovery? The proponents of the trade agreements have never made any such claim.

Even when he ignored the effects of droughts and bumper crops how did he conclude that trade agreements increased the imports of corn into the United States when the only change in the tariff on corn that has been made in a trade agreement is the reduction of 10 cents a bushel in the tariff on corn from Cuba alone? In 1937 imports of corn from Cuba amounted to 48,000 bushels. All the rest of the 86,289,000 bushels of corn imported in 1937 paid the regular 1930 tariff of 25 cents a bushel.

The gentleman laid a good deal of emphasis on imports of cheese and performed some really extraordinary statistical juggling in trying to show that the cheese industry of Wisconsin and of the United States had been injured as a result of reductions in the United States tariff on some types of cheese, under the trade agreements.

Among other things he declared that Wisconsin farmers lost a million dollars in 1937 because of cheese imports amounting to 60,000,000 pounds in that year. He did not even attempt to explain how he got this answer. He ignored all the really pertinent facts about income and imports. He quoted the 60,000,000-pound figure with the implication that the whole amount came in under reduced tariffs and displaced Wisconsin production. The implication is flatly untrue.

Through trade agreements United States tariffs have been lowered on several types of cheese, but they have been lowered on less than half of the cheese imports. Only two types—Cheddar and Swiss—on which there have been duty reductions, are produced in significant quantities in the United States. The tariff reduction to which the gentleman from Wisconsin referred applies only to Cheddar cheese, which accounts for some 70 percent of total United States production of cheese. There were not 60,000,000 pounds of Cheddar cheese imported into the United States in 1937; there were less than four and three-quarter million pounds imported. These imports did not cause Wisconsin dairy farmers to lose a million dollars in 1937 because the price of cheese on the Wisconsin market in 1937 was 15.9 cents a pound—the highest since 1930 when the Hawley-Smoot Tariff Act took effect. The estimated income to American farmers from cheese production in 1937 was over $78,000,000, the highest on record. Cheddar cheese imports into the United States in 1937 were less than 1 percent of domestic production.

The gentleman from Wisconsin pointed with justifiable pride to the great dairy industry of his State and to its growth, but sees no connection between that expansion and the level of prices for dairy products. He preferred to find the explanation in the dribble of imports.

In 1939 the United States production of Cheddar cheese was 151,000,000 pounds, or 40 percent greater than in 1932, and the price on the Wisconsin market was higher by 2.9 cents, or 29 percent. Estimated United States income from Cheddar cheese had risen $30,000,000, or 81 percent. The increase in imports was 5,746,000 pounds, to a total of 6,352,000 pounds in 1939.

In other words, the United States cheese industry had increased its production by over 23 times as much as the total imports of Cheddar cheese amounted to in 1939.

The gentleman from Wisconsin knows well enough that the market for the United States dairy industry is in the United States, and that market depends upon the buying power of urban consumers in the United States—it does not depend on the insignificant quantity of dairy products that are either exported or imported.

The American dairy industry supplies, normally, nearly 99 percent of the American market for dairy products of all kinds. In 1939 it supplied 99.4 percent of that market.

The gentleman from Wisconsin wants the other six-tenths of 1 percent of that market, and in order to get it he advocates a course which from 1929 to 1932 resulted in a fall of American dairy income from $1,844,000,000 to $991,000,000—almost one-half. Rather than let the American worker employed in an exporting industry buy even a pound of imported dairy products, the gentleman from Wisconsin would prefer him to lose his job entirely and be unable to buy any dairy products at all.

This is a basic consideration and wholly aside from the juggled and misleading figures which the gentleman used in his speech. He knows well that the best and biggest markets for the dairy products of Wisconsin are the areas in and adjacent to his own State, which produce automobiles, machinery, rubber products, and iron and steel products which the United States exports. But this is a segment of the American market which he does not want his constituents to have.

In a recent survey made for the American Farm Bureau Federation, economists of the Iowa State College estimated that increases in exports of farm machinery, automobiles, and other motor vehicles, rubber products, and primary iron and steel products—all of them produced in the marketing area of the Wisconsin dairy industry and all of them benefiting from foreign concessions obtained through trade agreements—from 1935 to 1937 made it possible for workers engaged in producing those commodities to increase their expenditures for foodstuffs—including dairy products from Wisconsin—by a total of from $8,616,000 to $11,142,000. The gentleman from Wisconsin proposes to cut out such increases.

Similar to the cheese argument of the gentleman was his argument on live cattle, in which he used hand-picked and partial figures and drew distorted conclusions. He quoted many figures on increased imports of live cattle. But he did not mention the facts that: (1) less than half—329,304 head—of the cattle imported in 1939 were admitted at tariffs reduced under trade agreements, whereas 424,266 head paid the 1930 tariff rate. (2) United States average farm prices for beef cattle were above parity throughout 1939, averaging $7.03 per hundred pounds for the year, and (3) farm cash income in the United States during 1939 from the sale of

cattle and calves in 1939 is estimated at about $1,250,000,000, the highest since 1929.

Still another example of evasion and misrepresentation is his reference to canned meats—again with the implication that all kinds of canned meats come in under tariffs reduced under the trade agreements. The truth is that the only canned meats on which the tariff has been reduced under a trade agreement are meat pastes, other than liver pastes, packed in cans weighing, with their contents, not more than 3 ounces each. This reduction, which is a very slight one, was granted to the United Kingdom and did not become effective until January 1, 1939. However, the gentleman from Wisconsin, in discussing canned meats, gave the figures on canned beef from Argentina and Uruguay, going back to 1934. Of course, any one familiar with the trade-agreements program knows there has never been any reduction in the tariff on canned beef in any trade agreement.

The gentleman mentioned imports of live hogs, trusting apparently that all his hearers or readers would be too ignorant to know that the imports of live hogs are infinitesimal compared to United States exports of hog products. In 1939 the United States imported $5,227 worth of live hogs and exported $44,714,752 worth of hog products, on practically all of which foreign countries had made concessions through trade agreements. He disparaged the exports of canned meats, hoping apparently that it would pass unnoticed that only a small percentage of United States meat-product exports are ordinarily in the form of canned meats—only about 8 percent in 1939.

Such half truths, misleading interpretations, incomplete statistics, evasions, and direct misstatements characterize this speech from start to finish. They typify the method of attack followed by many opponents of the trade-agreements program whose real motives are purely partisan.

The gentleman's omissions of things he did not want to talk about are no less conspicuous and glaring than the misstatements he makes. He is most anxious to ignore, among other things, the effects of the Hawley-Smoot embargo-tariff policy of 1929–32, the policy which he espouses and to which he would again consign the economic welfare of his constituents.

The gentleman spoke in glowing terms of the good times that American farmers are supposed to have enjoyed from 1922 to 1929 and the growth of United States exports and imports during that period. Of course, he did not point out that the bulk of those exports in those years were financed by American loans to foreigners who have not yet repaid them. They were not exports, they were gifts, financed by gullible American investors. And he was utterly silent about what happened to American producers between 1929, the last year before the embargo-tariff policy reached its culmination under the Hawley-Smoot Act, and 1932, when the depression reached its depth, in large part as a result of that policy. It should be emphasized that, through the trade-agreements program, we are attacking, and effectively remedying, the conditions that existed after the passage of the Hawley-Smoot Tariff Act.

If high tariffs meant prosperity for American farmers and other producers, why was it that in the 3 years of the highest tariffs in American history United States exports dropped 69 percent from $5,250,000,000 in 1929, to less than one and two-thirds billions in 1932; United States imports dropped $3,000,000,000; United States farm-cash income declined $6,500,000,000, or 58 percent; cash income from the sale of dairy products dropped $853,000,000, or 46 percent; and the farm-cash income in his own State of Wisconsin tobogganed 59 percent, from $413,000,000 in 1929 to one hundred and sixty-eight million in 1932? Is that the prosperity to which he wants his constituents to return?

Opponents of this program do not like to talk about the course of events from 1929 to 1932. They prefer to use average figures for some period preceding 1929 or preceding 1933, and cover up the fact that it was not an average nor a trend that constituted the situation in 1932 and which made necessary the various recovery programs of this administration, including the trade-agreements program. They prefer to average off the figures since 1933 and not to draw too close a comparison between things as they were in 1932 and things as they are today.

But conditions in 1932 are very pertinent to this issue, and so are the factors that brought about those conditions and that this administration is successfully seeking to overcome. The policy which found its disastrous climax in the Hawley-Smoot Tariff Act was one of the forces that brought agriculture and industry in the United States down to the depth of the depression. The policy of fair and equitable and enlarged foreign trade upon which the trade-agreements program is based is a major factor in recovery from that depth.

Let me say right here that anyone who has studied the trade-agreements program or the subject of international commerce generally is fully aware that many forces in addition to the agreements are operating in this field. There have been downward fluctuations in exports, imports, income, and industrial activity which have not been entirely offset by the effects of the agreements and there have been upward fluctuations which would have taken place if there had been no agreements.

But it is contrary to common sense and statistical evidence to take the ground that the trade-agreements program has not helped materially in sustaining and enlarging both our foreign and domestic markets by making it easier to sell abroad the surpluses of things we produce in this country. Careful, scientific, painstaking examination of all concessions have not been to the disadvantage of American producers but have been helpful in increasing our general industrial activity.

In the study by the Iowa State College economists already referred to, the general conclusion was:

> The trade agreements are "working" for agriculture and for industry; that is, for our economy as a whole. * * * The conclusion is not based upon any notions of spectacular accomplishments in the past or roseate prospects in the future. It is based upon three separate conclusions that seem quite solidly grounded. They are: (1) There have been positive gains to agriculture from the trade-agreements program. * * * (2) There have been important less tangible gains in that under this regime we have contributed to checking restrictionism in international trade that both at home and abroad had been hurting the farmer, and that was still in full process of development when the trade-agreements program went into effect. (3) We are plainly and simply extremely pessimistic as to the turns our trade policy might take if we throw over the present program in its essential outlines.

Members of Congress who seek, through manipulations of fragmentary statistics, by unsupported generalities, and by misleading interpretations to confuse and misinform their constituents about the effect of the trade-agreements program upon their economic welfare, are doing those constituents a most notable disservice.

Marksmanship—An Essential of National Defense

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

ADDRESS BY MAJ. GEN. C. M. WESSON

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by Maj. Gen. C. M. Wesson, chief of ordnance, to the National Rifle Association of America, at the Mayflower Hotel, Washington, D. C., February 2, 1940:

> Mr. Toastmaster, members of the National Rifle Association, and guests, it is a special pleasure to address you this evening, for you give me an opportunity to express to you my appreciation of the cordial relations existing between the Ordnance Department and your association. Let me assure you at once of the wholehearted support and cooperation of my Department in continuing your program, which is of such importance to our national defense.

That program, as I understand it, is to perpetuate that fine tradition, "America is a Nation of riflemen." Not only to perpetuate that tradition, but ever vitalize it so that it shall be as true today as in the past.

This slogan imports a high purpose. In choosing it tonight as the theme of my remarks, I have selected a text from a great book, well known to many of you, A Rifleman Went to War, by the late Herbert W. McBride.

"Probably no other thing in the soldiering game is so little understood as rifle shooting. The general impression seems to be that all that is necessary is to give a man a rifle and some cartridges and that, in some miraculous way, that man immediately becomes a perfectly good and competent rifleman, able to knock over any number of the enemy at most any range—but we know."

Tonight, tomorrow, and every tomorrow we must hearken to McBride's words, and make sure that we do know.

Since the founding of this Nation our people have prided themselves on their rifle marksmanship. This development came perforce from necessity, as have many other things. The early settlers lived in an immense wilderness and were dependent upon their weapons for much of their food and for the safety of life itself. Their weapons had to be accurate and their individual skill of a high order. Ammunition was scarce, each round fired must find its mark. The epic of the Kentucky rifle is the record of necessity.

Many of the rifles of those early days were laboriously made by hand and the workmanship on some of them was truly remarkable. If we can believe Fenimore Cooper and other early story tellers, our forefathers employed their trusty rifles with telling effects. There is no doubt that much of the success of our colonial wars and the Revolutionary War can be directly attributed to these fine weapons and to the skill with which they were employed.

Until 1871, when the National Rifle Association was established in the State of New York, there was no organized effort to create and maintain interest in rifle shooting throughout the Nation. This association, originally founded by a group of sportsmen in New York City, immediately interested itself in the improvement of small-arms marksmanship in the National Guard and in the Regular service of the United States.

Under the guidance of this association, interest in shooting throughout the country grew by leaps and bounds; but it was not until 1914 that the aid and support of the Government was obtained through the creation of the National Board for the Promotion of Rifle Practice.

It is gratifying to note that today there are more than 1,600 civilian rifle clubs, each with an average membership of 25. To each of these clubs is issued from two to eight rifles, target equipment, and an annual supply of ammunition. Medals are issued to those who qualify under prescribed rules as experts, sharpshooters, and marksmen. Needless to say the winners of these medals are proud of their achievement and become disciples of civilian rifle practice. They spread the gospel of marksmanship throughout the country. A medal for rifle shooting has most other medals pushed off the boards and well it should.

Make no mistake about this: In the wars of the future, as in the past, the plodding doughboy with his rifle and bayonet will be in at the finish. Of course, airplanes, artillery, tanks, and other similar contrivances will be necessary; but these are merely auxiliaries to the infantry, which always has been, and will continue to be, the Queen of Battle. At least, I see no other royalty at this stage of things to oust her majesty.

Prior to the World War, training in rifle marksmanship was all but abandoned by many of the armies of Europe. The theory was advanced that skill in marksmanship was unimportant as a factor in modern war. Numerous instances were reported in the Allied armies of men chasing an individual enemy throwing hand grenades at him instead of mowing him down with a shot from his rifle.

It did not take long for the American soldier, armed with the Springfield and carefully trained in its use, to discredit this theory. General Pershing from the beginning insisted that our troops be thoroughly trained in marksmanship, and he has stated many times that this training was an important factor in the success of our forces in the World War.

Our national military policy has always been to maintain a small highly trained Regular Army and National Guard and to depend upon a citizen army for our major fighting force. This policy, of course, throws a double load on the Regular Army and National Guard at the beginning of a war. They not only must bear the brunt of the early part of the conflict, but must also direct the training of the citizen Army. It is, therefore, essential that as many of our citizens as possible should be trained in time of peace in the use of the soldier's basic weapon—the rifle. Your organization more than any other is responsible for the interest being taken in its use throughout the country today. You are providing a body of men highly qualified to assist in the instruction of a large citizen army in this most important phase of training. The initials "N. R. A." have stood for lots of things not always foolproof. But when they mean National Rifle Association they always connote the trained citizen rifleman.

Another most important contribution to the national defense by your association has been the influence exerted in defeating detrimental firearms legislation. Some of this proposed legislation, had it passed, would have served to cripple the firearms industry in this country. I rise to applaud you for that. Our private firearms industry is an essential source of supply in an emergency, and therefore is an essential part of our defense potential.

The Ordnance Department is the supply service for all the activities under the tutelage of the Board for the Promotion of Rifle Practice, including your vast organization of rifle clubs, schools, colleges, and also for the national matches. Since 1914, when Government aid was authorized by the Congress, it has been our aim to provide you with the best rifles and ammunition possible. Improvements in ammunition and rifles have been undertaken each year and many changes have originated from experiences at the national matches.

These matches, held annually at Camp Perry, and perhaps the most important rifle activity under the jurisdiction of the War Department, until the present time have been conducted with the Springfield rifle. This rifle, which is known the world over for its superiority as a military weapon, has established many enviable records at Camp Perry.

The model supplied for the national matches is and always has been identical with the service rifle as to general design; but, in order to provide greater accuracy and smoothness of operation, careful selection is made from current production of parts that go to make up this rifle. For example, the variations of the interior dimensions of the barrel must not be more than one-half those permitted in the service rifle. When assembled, the rifle must pass a very rigid accuracy test before it is acceptable. The rifles for this year's matches will be of the same high quality as heretofore.

As all of you know, the War Department in 1936, after many years of extensive experimentation adopted a semiautomatic rifle to replace the Springfield as the arm of the individual soldier. This rifle, popularly known as the Garand, is now in production at the Springfield Armory, and 25,000 have been completed and delivered to troops. A year ago we were making 800 a month. In September last this was increased to 2,000 a month and in the current month a production rate of 4,000 a month has been attained. To supplement the production of Springfield Armory and also to provide another source of supply, a substantial order for these rifles has been placed with the Winchester Repeating Arms Co. That company plans to deliver at the rate of 3,000 per month beginning November next and subsequently to increase this rate materially. It is expected that the entire Regular Army and the National Guard will be equipped with it within the next 2 years.

This rifle made its first appearance at the national matches last year, where it was used in the small-arms firing school, and from the reports received it gave a very creditable account of itself.

In the hands of troops, it has been subjected to every conceivable test. Under the most adverse conditions it has met every expectation and the adoption of this rifle has put into the hands of each soldier the equivalent in aimed shots per minute of two and one-half Springfield rifles. Due to the decreased recoil and ease of operation this greater rate of fire can be maintained for a considerable period without causing undue fatigue. Instances have been reported of men firing as many as 600 rounds continuously without showing any ill effects; a feat hardly possible with the Springfield.

There is one thing, however, about this rifle that I want to especially call to your attention: It is primarily a combat weapon rather than a weapon for long-range accurate target work. So far as inherent accuracy is concerned, it is the equal of the Springfield. By that I mean that in a machine rest it will do about as well as the Springfield, but that the sights with which it is equipped are especially designed for combat use and are not adapted to long-range accuracy shooting. At ranges up to and including 600 yards, it will compare very favorably with the Springfield.

At the matches to be held at Camp Perry this year, it is proposed to supply about 400 of these rifles and several matches will be arranged in which they will be used. The course of instruction at the Small Arms Firing School and at these special matches should in my judgment be so designed as to develop in the riflemen the ability to utilize to the maximum the great battle efficiency of this rifle.

The facilities for the manufacture of the Springfield rifle have been converted to the manufacture of the Garand, and manufacture of the Springfield has been discontinued. When the present stock of National Match Springfield rifles has been exhausted, there will be available for the matches at Camp Perry, both the old Standard Springfield rifle Model 1903 and the new Standard Garand.

I am confident that with the reorganization of the target courses so as to best utilize the potentialities of the semiautomatic rifle as a superior battle weapon, it will attain all the popularity of the famous Springfield. This is another way of saying that the rifle and the rifleman are marching forward.

The development of rifle-caliber ammunition has kept pace with the development of the rifle. Prior to the World War and during that conflict, our standard service ammunition was the M1906. This ammunition, with various modifications, was used for many years in the national matches with satisfactory results. Many experiments were carried out with this cartridge, to improve its accuracy for national-match use. The cases were specially manufactured, bullets were selected from current production as to uniformity of weight and balance, and the velocity was increased above that of the service cartridge to better resist the effects of wind, particularly at the longer ranges.

During the progress of the war as the machine gun became more and more in use, a demand arose for an ammunition having a range far in excess of that obtainable with the M1906. This led to experimentation with various shapes and weights of bullets, the culmination of which was the M1 ammunition having a boat-tailed, 172-grain bullet, 22 grains heavier than the 1906 bullet. The production of 1906 ammunition was then discontinued.

The M1 cartridge was eventually adopted for all weapons. Its range is so great that it has been difficult to obtain target ranges of sufficient area to safely permit its use. As long as stocks of the M1906 ammunition were available, this type was supplied for use on those ranges where it was unsafe to fire the M1 ammunition. With the exhaustion of the supply of the M1906 ammunition, it became necessary to reestablish its production. In so doing certain improvements were made and this ammunition is now known as the M2.

In the intervening years since the World War, much thought and study have been given in the military service to the effective battle range of the individual rifleman, the amount and weight of ammunition carried, and the fatiguing effect of firing; particularly, the relationship between this effect and his efficiency in hitting.

As a result, it is now generally conceded that with whatever rifle he may be armed, the fire of the individual rifleman in combat will not be employed at ranges beyond 600 yards. There are many who are of the opinion that the maximum effective range is even less than this. Following this line of thought, the question naturally arose: Why should the individual soldier carry a cartridge as powerful as the M1 when its excess power serves no purpose other than to subject him to a terrific wallop each time he fires? It also adds nearly an extra pound of weight to his already heavy load, and has no more deadly effect on an enemy at effective ranges than a less-powerful cartridge; such as the M2.

This led to quite extensive tests of the new M2 cartridge. The results were so conclusively in favor of this cartridge that it was adopted for all shoulder weapons. Subsequently, it was adopted for all machine guns, except the aircraft type, when tests demonstrated that its maximum effective range was adequate.

The M1 cartridge has been retained temporarily for aircraft machine-gun use only because its time of flight at the maximum ranges contemplated in these weapons is slightly less than that of the M2 type. I believe that this slight difference is inconsequential; and that as a result of certain tests now being made, the M2 ammunition will also become standard for aircraft use and thus we will have only one type of caliber .30 ball ammunition which is, I think, as it should be and ought to serve every purpose.

From a military standpoint, it is my opinion that the adoption of this M2 cartridge has been a great step forward. It not only provides our troops with an entirely satisfactory combat cartridge, but one which can be manufactured much more readily than the M1 type. The fact that it can be produced by existing commercial facilities is extremely important in connection with the tremendous procurement program which must be undertaken in the event of war. I can assure you that the problem of obtaining the large quantities of small-arms ammunition which will be required is no easy one.

The difficulty of procurement of ordnance items is not only true of small-arms ammunition but is true of ordnance items in general. The designs must be such as to be adapted to quantity production by commercial firms upon whom we must rely for the greater part of our equipment in time of war.

These facts, which are of general knowledge, are being brought to our attention very forcibly today in connection with the large program of rearmament now in progress. This program, amounting in money to $120,000,000, more than two-thirds of which has been placed with private industry, includes substantial quantities of modern light tanks, combat cars, scout cars, antiaircraft guns with their mounts and fire control, antitank guns, mortars, artillery of several types with their mounts, semiautomatic rifles, and other items.

If additional funds are provided, sufficient to equip completely our troops with these improved weapons, we will have repaired a grave deficiency. The least, it seems to me, that we owe to the fighting man is to arm him with fighting tools equal in effectiveness to those possessed by any nation. As for our doughboy, with his semiautomatic rifle, we are well on the way to make him the most formidable rifleman in the world.

If we can achieve that goal and maintain it, we will have done well. But we must be sure always that rifle shooting is understood in all its essentials.

It was the Duke of Marlborough who said, "No soldier can fight unless he is properly fed on beef and beer." I suggest, in all deference to the great duke, that we amend his rule not by removing either the beef or the beer but by adding, "Neither can he fight unless he be properly trained in the battle efficiency of his rifle."

Hon. Louis Johnson

EXTENSION OF REMARKS

OF

HON. JAMES A. SHANLEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

Mr. SHANLEY. Mr. Speaker, it was with a particular source of pride that I noted the high tribute paid by news commentators to my distinguished friend the Honorable Louis Johnson, Assistant Secretary of War, and former national commander of the American Legion, for consideration for the second highest elective post in these United States.

The origin of that tribute and the attitude of the recipient are so expressive that I am using the unanimous consent I obtained yesterday to include the background of the honor in today's RECORD.

PORTLAND, OREG., *March 31, 1940.*

LOUIS JOHNSON,
Assistant Secretary of War:

We respectfully request that you wire Early Snell, secretary of state in Oregon, asking him to have your name entered as Democratic candidate for Vice President for the May 17 primaries. Thousands of your friends among the veterans' organizations and another great host of your warm admirers are eager for you to make your entry into the Oregon primary.

FRANK TIERNEY, *State Chairman.*
HOWARD LATOURETTE,
National Committeeman.

APRIL 1, 1940.

FRANK TIERNEY,
State Chairman,
HOWARD LATOURETTE,
National Committeeman, Democratic National Committee, Portland, Oreg.:

I am highly honored and deeply touched by your telegram of March 31 and the other communications suggesting that I enter the Oregon primary as Democratic candidate for Vice President. It is the loyalty and enthusiasm of such friends that make life worth while and make one do his best even when the going is toughest.

At present I am dedicating my every thought and effort toward the assurance of peace for America by way of sound and adequate national defense. Toward this objective, my friends of Oregon, without regard to party, have given me every encouragement and support. For me to personally and actively enter your primary would necessarily take time from this effort. I believe you would not have me do that in these troublous days.

I plead for your continuing support for a sound and peaceful America.

Your expression of confidence has moved me profoundly. Please express to all my friends, and particularly my comrades of '17 and '18 to whom you refer, my appreciation, my affection for them and for your glorious State, and my every good wish.

Gratefully yours,

LOUIS JOHNSON.

American Sugar

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 18, 1940

RESOLUTIONS OF BROOKLYN (KINGS COUNTY) COUNCIL, AUXILIARIES TO VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following resolution:

BROOKLYN (KINGS COUNTY) COUNCIL, AUXILIARIES TO VETERANS OF FOREIGN WARS OF THE UNITED STATES

Whereas Brooklyn is an old and important cane-sugar refining center which gives work to hundreds of men and women, who receive the high American wage; and

Whereas this cane-sugar refining industry gives employment indirectly to hundreds of other workers employed in the railroad and other supplying industries; and

Whereas the Federal sugar legislation, which governs our entire American sugar system, expires this year; and

Whereas cane-sugar producer-refiners in the Tropics, and beet-sugar producers at home who receive heavy subsidies from the American consumer, paid for partly through a sugar sales tax, are attempting to increase their share in the American market at the expense of our home-refining industry; and

Whereas our home-refining industry receives no benefits of any kind under the Sugar Act, and cannot possibly compete with groups receiving large subsidies, cash and otherwise: Therefore be it

Resolved, That when Congress formulates sugar legislation this year, this legislation shall not result in a loss of jobs or loss of business for our home cane-sugar refining industry, and loss of jobs to our refining men and women; and be it

Resolved, That the Brooklyn Council of the Auxiliaries to the Veterans of Foreign Wars, in passing this resolution, endorses this method of maintaining home industry and home employment; and be it further

Resolved, That copies of this resolution be sent to the congressional Representatives from Brooklyn, to the two Senators from New York State, and to the Secretaries of Agriculture, Interior, State, and Commerce respectively in Washington, D. C.

ANNA MORRA, *President*,
EDNA M. RATZSCH, *Secretary*.

APRIL 3, 1940, *date passed*.

Peace Plank for Political Platforms

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 16, 1940

RADIO ADDRESS BY HON. LOUIS LUDLOW, OF INDIANA

Mr. LUDLOW. Mr. Speaker, by unanimous consent, I present for publication in the RECORD an address I delivered last night over the red network of the National Broadcasting Co., as follows:

ANNOUNCER. War in Europe. War in the East. Peace in America. How may we keep this peace? What steps will the key political parties take in the coming campaign? These are some of the questions that Representative LOUIS LUDLOW, of Indiana, considers tonight in a talk from our N. B. C. studios in Washington. Mr. LUDLOW, author of the famous Ludlow amendment requiring a national vote for the entrance of this country into any overseas war, has entitled his address tonight "Peace Plank for Political Platforms."

Representative LUDLOW.

Mr. LUDLOW. The United States is slipping in the direction of war. If we keep out of the bloody chasm, we will have to build up our resistance by constructive thinking and planning. That is why I am proposing at this early date a definite peace plank for our 1940 national political platforms.

Our country will go a long way to insulate itself from foreign wars if it will demonstrate to all the world in an impressive way its inflexible will and determination not to be dragged in. The platforms of our national political parties will furnish exactly the vehicle needed to manifest and dramatize that will and determination.

The foreign picture is ugly, and there are many indications and trends that point to our ultimate involvement, unless we have the vision to erect proper safeguards. The broadening of the war in Europe increases our peril. Soon, judging from present portents, the Eastern Hemisphere will be aflame from the Arctic Circle to the Tropics. Every additional country invaded, every extension of the conflict has its menace for America.

But, grave as are the many possibilities that might be imagined as the outgrowth of the kaleidoscopic changes in Europe, I believe that more dangerous still, as an incentive toward our involvement, is our vast and expanding Allied war trade, which I fear will sooner or later be pulling with the strength of a million hawsers to drag us into the war. I have been unable to secure from the State and other Departments even a rough idea of the magnitude of that trade, but it is enormous and is growing like a rolling snowball. It was recently publicly announced that the Allies are placing orders in American factories for a billion dollars' worth of bombing airplanes. Only the Lord knows the size and extent of the other orders for lethal instruments of death and destruction that are pouring in from the belligerents.

Anyone would be credulous indeed to believe that the belligerent governments that are placing these enormous orders have the cash to pay in full for them. Those governments have bled themselves white building up armaments and otherwise preparing for war. They have used for this purpose not only money we loaned to them during the World War but about all of the money they can squeeze from their people in taxes. Does anyone think they have the billions in cash to lay on the barrel-head in payment for the vast orders they are placing in America?

They no doubt have enough cash to get operations started in the execution of these orders, and when everything is going good and vast numbers of men are employed in these American factories in the execution of foreign war orders the word will come across the ocean:

"We have run out of cash. You must vote us a loan to give us the credit to continue the execution of these orders, or we shall have to cancel them."

What will happen then? The workingmen engaged on munitions will say to our American Congress:

"We need this work. You must not throw us on the breadlines. You must grant the loan."

Our farmers will say:

"We will be ruined unless we have a market for our products. You must grant this loan so the city people can buy what we raise."

What is almost certain to happen then is that we will grant the loan, and from that time on we will be actively financing one set of belligerents.

A very high-up War Department official said to me the other day:

"I will favor lifting the ban on credits and furnishing the Allies everything we have that they need, but I will strenuously oppose sending even one man to fight in Europe, and, if necessary, I will take the stump to speak against participation with our manpower."

This position, I think, is wholly unsound, for if we take over the job of financing one side in the European war we will be in the war up to our necks and the time will come when resistance of pressure to send our troops will become our major problem.

Secret diplomacy adds to the nervousness of our situation and, I think, to the danger of our involvement. Secret diplomacy, engineered largely by Ambassador Page and Colonel House, was one of the major factors in getting us into the World War. Whether the activities of Ambassador Bullitt and Sumner Welles are in any way comparable to the movements of the great secret envoys of the World War era remains to be seen. The difficulty in making an appraisement is due to the impenetrable secrecy that surrounds their operations. In this game of life and death the people who have to do the dying and the suffering are entitled to have the cards on the top of the table. It is no disparagement of the ability or the rectitude of Mr. Bullitt and Mr. Welles to say that their past unrestrained utterances necessarily create a conviction that their minds are made up. I fear they are not unbiased emissaries. I apprehend that they are surcharged with eagerness to help the Allies.

Now with all of these and many more dangers and menaces surrounding us, what can we do to keep out of war? I think the most effective thing peace lovers can do, now and in the weeks immediately to come, is to cooperate in a determined Nation-wide movement to secure the adoption of a plank in our Democratic and Republican national platforms that will hold America in the path of peace.

Such a plank, to be effective, must be forthright, clear, and explicit. Unless the people arise and demand an unequivocal peace plank, the disposition of the politicians will be to pussyfoot and evade the issue by adopting a plank that will sound well but mean nothing. If our national political parties meet in solemn conclave in June and July and piously resolve that they are for peace and stop there, they will do nothing more than make colossal jokes of themselves. Even Hitler says he is for peace. His codisturbers, Mussolini and Stalin, are strong for peace if we take them at their word. In this crucial time, with the lives of human beings at stake and with the fate of democracy in the balance, the people of America, if I judge their temper, are not going to tolerate sidestepping and circumlocution on this issue. The national conventions will have to fish or cut bait.

In a speech in the House on February 28 last I recommended a peace plank for adoption by both the Democratic and Republican national conventions, as follows:

"*Resolved*, That we favor a Nation-wide referendum before declaration of war, except in case of invasion of the United States or some other country in the Western Hemisphere, or internal rebellion."

This proposed plank simply says in effect:

"Unless we are attacked or invaded, or unless some other country in the Western Hemisphere is attacked or invaded, the people shall have a right to decide whether our boys shall be sent overseas to die in foreign slaughter pens. In dealing with this most tragic of all questions the principal, and not the agent, should have the right of decision and in this case the principal is the 130,000,000 people who comprise the American Nation."

That is all there is to it. What could be more elementally just than that? Under this plank women would have an equal right to vote with men on proposals to participate in foreign wars. And why should not women have that right? Women go down into the valley of the shadow of death to bring our boys into the world. Why should they not have something to say as to whether their flesh and blood shall be hurled into the hell of a foreign conflict? In the Congress of the United States, where the power to declare war now rests, only 7 of the 531 Members are women, so you see how pathetically impotent is the opportunity now given to express women's viewpoint on any particular war proposal. Women are virtually shut out of consideration on this most vital of all issues.

The referendum on war proposed in this plank would not in any way, shape, or form interfere with our national defense for in the case of attack or invasion the referendum would not apply. It only goes to the point of providing that when it comes to sending our boys overseas to participate in foreign wars over boundary disputes, blood feuds and the like, the people who have to suffer and if need be to die and to bear the awful burdens and costs and griefs of war shall have something to say about it.

I will be frank in explaining that the verbiage of my proposed peace plank was chosen because it is substantially the language of

a resolution unanimously and enthusiastically adopted by the Young Democrats of America in their national convention at Indianapolis in 1937, with James Roosevelt presiding. With the flower of our young Democrats, 5,000,000 strong, back of it, this resolution ought to be powerfully appealing to the youth of the land, and, since there is no politics in war, this plank, or the substance of it, should be just as appealing to Republicans as to Democrats.

During the 47 days that have elapsed since I proposed this plank in the House of Representatives I have received letters from all over the country approving it. These have come from Democrats and Republicans, young and old, with an exceptionally large number from youths, who are the Nation's potential cannon fodder. Many want to know what they can do to help along the movement. Many college students have written to say that they favor such a plank. Labor leaders are well represented in the ranks of endorsers.

In a brief radio address like this it is impossible to scratch the surface of this large volume of approving correspondence. A great archbishop of the Catholic church sends his warm endorsement. Eminent ministers and rabbis are in hearty accord. Senators and Representatives in the Congress pledge support. Maj. Gen. William C. Rivers, retired, United States Army, writes:

"Your suggestion is, I am sure, an excellent one which the people at large will approve. I should think that both the great political parties would have such a plank in their platforms."

Ex-Congressman Herbert S. Bigelow, Cincinnati, writes:

"It is a 'clarion call.' I am for your plan 1,000 percent."

Jerome Davis, president of the American Federation of Teachers, writes:

"Taxation without representation was tyranny. For Americans to fight and die in Europe without being given a chance to vote on whether they want war or peace is also tyranny. Let us make our country truly democratic, both in peace and in war."

Ona Barroda, president of the National League of American Pen Women, writing from Los Angeles, says:

"How else can women use their vote but through a measure like you present in your bill?"

Dorothy Detzer, writing for the Women's International League for Peace and Freedom, says:

"Any American who does not rally to the support of this plank must be discouraged in himself or in the ideals of his country. Youth, responsible for the future of civilization and democracy, must see to it that to preserve it is to strengthen it against the forces of economic insecurity and war. The same appeal made to youth should be made to women for, as you point out, they have a special stake in peace."

Rabbi Edward L. Israel, of Baltimore, writes:

"I have always thought that our people should have an opportunity to vote in the matter of a declaration of foreign, overseas war. It seems to me that the exception you make in your suggestion, namely, whereby in case of invasion or internal rebellion Congress should have the right to declare war without a popular referendum, takes care of every possible objection."

Rev. John Hayes Holmes, paster of the Community Church of New York City, says:

"I have long been a supporter of the so-called Ludlow amendment and welcome this opportunity of expressing my gratitude to you for your brave and devoted leadership in this great work for peace. If there is anything elementary in this war business it is that the common people, the fathers and mothers of our boys, should be consulted before the Nation goes to war. Once fix it so that every father and mother going into the voting booth knows that he is voting life or death for his own son and the war business is going to become immensely difficult all of a sudden."

I might quote for hours similar expressions from key Americans that have come to me in the mails since I proposed my peace plank.

What would be accomplished by a peace plank in our national platforms such as I propose? Two things, as I see it:

1. With that plank in the national platforms any administration that may come into power next January will be very slow to get our country into war.

2. That plank would hasten the restoration of world peace because it would serve notice on powers which may think of prolonging the war until the United States becomes involved, that the people of the United States may have the last word in framing our foreign war policy.

The immediate effect of the proposed plank, therefore, would be that of a great stabilizing influence toward establishing and guaranteeing the peace of America and the peace of the world. Its ultimate effect, I think, would be that the Congress and the States would react favorably to the platforms and there would be written into the permanent Constitution of our country a very just and humane democratic provision that would save America from entanglement in foreign wars in the years to come. I firmly believe that if the mad world is to be saved America must save it, and we can perform that monumental service to humanity by keeping out of embroilment and spreading the leaven of peace.

I hope that all of my radio listeners who approve this suggestion for a peace plank in our national political platforms will get busy at once. I ask you to discuss the matter in your neighborhood circles and clubs, for in a multitude of counsel there is wisdom. Write to your local newspapers and your Congressmen and to the leaders of the political party to which you belong and tell them what you think about it, and finally send me your views with permission to insert your letter in the CONGRESSIONAL RECORD if I should find it possible to do so.

The Presidency of the United States

EXTENSION OF REMARKS

OF

HON. ESTES KEFAUVER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. KEFAUVER. Mr. Speaker, today I have introduced a bill designating a person who shall act as President if a President shall not have been chosen before the time fixed for the beginning of his term, or when neither a President-elect nor a Vice-President-elect shall have qualified.

Feeling that this legislation should be given immediate attention, and for the purpose of calling it to the attention of the Members of Congress, I ask unanimous consent that the bill and a brief explanation of same be printed in the RECORD.

The bill is as follows:

Be it enacted, etc., That if a President shall not have been chosen before the time fixed for the beginning of his term, or neither a President-elect nor a Vice-President-elect shall have qualified, the Speaker of the House of Representatives shall act as President until a President or a Vice President shall have qualified: *Provided*, That if the House of Representatives shall not have elected a Speaker, the President of the Senate pro tempore shall then act as President until a President or a Vice President shall have qualified: *Provided further*, That no vacancy shall ensue in the office of the Speaker of the House of Representatives nor in the office of the President of the Senate pro tempore by reason of this act.

SEC. 2. The person who shall act as President shall take the oath of office prescribed in the Constitution before entering upon the discharge of his duties, and he shall receive compensation at the rate prescribed for the President and none other during his incumbency as acting President, and he shall exercise the powers, functions, and prerogatives of the Chief Executive while so acting; and when a President or a Vice President shall have qualified such person shall thereupon relinquish the office as acting President, and automatically resume the duties of the office of Speaker of the House of Representatives or President of the Senate pro tempore, as the case may be.

EXPLANATION OF BILL

This bill is intended to meet the contingency, remote, but nevertheless possible under certain circumstances, namely: First, if a President has not been chosen before the time fixed for the beginning of his term; and, second, if a President-elect or a Vice-President-elect shall not have qualified.

The first contingency may arise through failure (1) of the electoral college to elect a President, and (2) through failure of the House of Representatives to choose a President before the beginning of his term. The second contingency would arise by reason of the death or disqualification of both the President-elect and the Vice-President-elect, or through failure of the Senate to elect a Vice President when the right to choose one when that duty shall devolve upon them. Should the election of a President devolve upon the House and the election of a Vice President devolve upon the Senate, and a person for neither office be chosen before the beginning of the term, this bill designates the Speaker of the House of Representatives as acting President until a President shall have qualified. If the House of Representatives has not chosen a Speaker, then, and then only, the bill designates the President of the Senate pro tempore to act as President.

It is more likely when the election is thrown into Congress that the Senate would elect a Vice President than that the House would elect a President before the beginning of his term, in which event the Vice President would become acting President until the House should elect a President. The Senate is a continuing body, and a majority of Senators would elect a Vice President from the two highest on the list of those

voted for in the electoral college. But the method of choosing a President by the House is more involved.

It would be a new House, one elected at the previous election. It would meet on January 3. It would have to organize. It could not organize until it elected a Speaker. This may not be possible for days or weeks, or even months. Deadlocks have occurred in the past over the election of a Speaker, one lasting several months. And it is reasonable to suppose that the strength of a third party candidate which should cause a stalemate in the electoral college would be reflected in the composition of the House where the vote for President from among the three highest on the list would be by States and not by individual Members as in the Senate. The vote of each State would be determined by a majority of its delegation, and in case a State delegation is equally divided that State would lose its vote. The electoral vote is required by law to be counted on January 6, only 3 days after the first meeting of a new Congress. Obviously, if a deadlock over the speakership should ensue and not be broken by January 6, the two Houses of Congress could not even meet in joint session on that date to count the electoral vote, much less proceed to the election of a President or Vice President. Assuming, however, that a Speaker of the House were to be elected promptly, and the count of the electoral vote disclosed a stalemate, the House would proceed to ballot for President. No other business would be in order from day to day. The date for the inauguration of a President is January 20, as fixed by the Constitution, allowing but 12 weekdays in which to make a choice, and if no one is chosen by that time the Vice President, if the Senate meanwhile has elected one, would become acting President, otherwise, under this bill, the Speaker of the House would become acting President, and the House and Senate would continue to ballot for President and Vice President, respectively. In the election of a Vice President by the Senate two-thirds of the Senators shall constitute a quorum, and a majority of the whole number is necessary to elect. It might be an easy matter to prevent an election by the absence of a constitutional quorum. In the extremely remote possibility of the death of both the President-elect and the Vice-President-elect or of some disqualification of each, then the Speaker of the House would become acting President until a President should qualify.

The bill designates the Speaker as acting President for the twofold reason that he is first elected by the people as a Representative and second, he is elected by a majority of the House of Representatives as its Speaker. In other words, it might be said that he derives his power direct from the people as the result of a recent election. In lesser degree the same could be said of the President of the Senate pro tempore.

This bill is in pursuance of the provisions of section 3 of the twentieth amendment to the Constitution and is made necessary by that amendment, section 3 of which is as follows:

> SEC. 3. If, at the time fixed for the beginning of the term of the President, the President-elect shall have died, the Vice President-elect shall become President. If a President shall not have been chosen before the time fixed for the beginning of his term, or if the President-elect shall have failed to qualify, then the Vice President-elect shall act as President until a President shall have qualified; and the Congress may by law provide for the case wherein neither a President-elect nor a Vice President-elect shall have qualified, declaring who shall then act as President, or the manner in which one who is to act shall be selected, and such person shall act accordingly until a President or Vice President shall have qualified.

Under this provision it will be seen that Congress derives authority to designate any person whomsoever it desires to act as President under the circumstances indicated. Hence, by designating the Speaker of the House of Representatives, the Congress, by the enactment of this bill, would be designating a compatible officer just as it did recently when an Assistant Secretary of the Navy was designated as Acting Secretary. Also, an analogy is furnished in the temporary function exercised by the Chief Justice of the United States when presiding over the Senate in a trial of an impeached President. His authority so to act is in the Constitution. Likewise, the authority of Congress to designate a person, any person, to act as President is derived from the same source, the Constitution.

Upon the election of a President or of a Vice President, the Speaker of the House would automatically resume the duties of that office in which, as the bill provides, no vacancy would have ensued, and he would receive the emoluments of the President only so long as he should act as such.

The necessity for legislation to take care of the contingencies heretofore described was forcibly pointed out by the Honorable William Tyler Page, minority clerk of the House of Representatives, in an address broadcast from Washington in October 1924. The text of this address may be found in the report of the hearings before the Committee on Election of President, Vice President, and Representatives in Congress in 1925. Attention to the necessity of this legislation has also been presented in a series of articles by George Rothwell Brown, a well-known and able columnist.

The Good-Neighbor Policy for the Americas

EXTENSION OF REMARKS

OF

HON. CLARA G. McMILLAN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ADDRESS BY THE HONORABLE HENRY F. GRADY, ASSISTANT SECRETARY OF STATE

Mrs. CLARA G. McMILLAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address by the Honorable Henry F. Grady, Assistant Secretary of State, before the Forty-ninth Continental Congress of the National Society of the Daughters of the American Revolution on the occasion of Pan American Evening, April 18, 1940, in Constitution Hall, Washington, D. C.:

The foreign policy of the United States is based on friendliness and fair dealing. We want to be good neighbors. We are led to this policy not by blind altruism or unthinking idealism. We have come to realize that the world consists of an interdependent community of nations and that in order to protect and promote our own interests we must have regard and consideration for the interests of other countries. We have come to realize that prosperity, as well as peace, is dependent on international cooperation and that such cooperation can be obtained only by according to other countries the kind of treatment which we desire from them.

This realization was brought to us clearly and forcefully by the world-wide depression of 1930–32 and has resulted in a significant change in our attitude toward foreign relations. Before that time we had often failed to consider the effects of our actions on other countries. We had, for instance, traditionally regarded our tariffs as a purely domestic matter. Certainly we did not establish the excessively high Hawley-Smoot Tariff of 1930 with a view to accord to other countries the kind of treatment we desired from them. Nevertheless, we got what we gave. We barricaded our markets against foreign products, and in return foreign countries barricaded their markets against our products. The export markets of all countries thus became drastically curtailed. The decrease of activity and employment in our own export industries resulted in a falling off of purchasing power at home and contributed greatly to the deflation of the domestic market for American products. The result was that the depression of 1930–32 was intensified and prolonged.

In adjusting our foreign policy to the broadened prospective of international relations which the shock of the depression gave us, it was recognized that the practice of the Golden Rule, as well as charity, begins at home. We resolved to be good neighbors first of all in the community of the American republics. The good-neighbor policy of this administration has achieved notable results in the development of the concept of cooperation and good will in the Western Hemisphere. Through the medium of the trade-agreements program similarly notable results have also been achieved in international commercial relations on a broad world front. In the Western Hemisphere, however, efforts in this direction have extended considerably beyond the field of commerce and involve other aspects of international relations.

The celebration last week of the fiftieth anniversary of the founding of the Pan American Union is indicative of the fact that

there is a sound and tried basis for the establishment of a good-neighbor policy in this sector of the world. The extent to which this vast area of the world has been able to live almost completely at peace for generations is in striking contrast to the situation in Europe where wars seem almost to have been chronic. The lesson of the relations of the countries in the Americas is one for the world to study and to follow.

There are virtually no boundary defenses in the Americas. This is notably true between such great industrial countries as the United States and Canada, where the fear of invasion or armed conflict is entirely absent. In contrast to the present situation in Europe, as exemplified by the Maginot and Siegfried lines, there are thousands of miles of unfortified boundaries in the Americas which, except for the customs and immigration services, are not even patrolled.

Armament in the Americas, compared to that in Europe prior to the outbreak of the present hostilities, has also been strikingly less. For example, the per capita national defense expenditures in 1938 in North, South, and Central America amounted to $4.64, while those for Europe were about four times greater, amounting to $16.98. For the Americas the percentage of population accounted for in 1938 by active land forces was 0.21 percent, as compared with Europe's 0.98 percent, whereas the percentage of population accounted for in active and reserve land and air forces was 0.75 percent for the Americas and 8.76 percent for Europe, nearly 12 times greater.

As a matter of fact, the need for large armaments and fortified boundaries in the Western Hemisphere has been in part removed by the remarkable development of machinery for the peaceful adjustment of boundary disputes, one of the major sources of international strife. Particularly is this important because the change from the status of colonies to that of sovereign States left virtually all the American republics with undefined boundaries. Most of the boundary questions have been settled by peaceful negotiation or by submission to arbitration. At the end of the last century boundary difficulties nearly resulted in armed conflict between Argentina and Chile, but the matter was finally settled by arbitration.

A statue of Christ, high in the Andes, now marks the boundary between the two countries in commemoration of this peaceful solution. The Tacna-Arica controversy between Chile and Peru, dating back nearly a half century, was settled in 1929 through the good offices of the United States. The boundary dispute between Guatemala and Honduras was settled by arbitration in 1933. The dispute between Colombia and Peru over Leticia was settled peacefully in 1934. The long-standing dispute between the Dominican Republic and Haiti was brought to a close in 1935 by direct negotiation between the presidents of the two republics. Although the Chaco controversy between Bolivia and Paraguay resulted unfortunately in open hostilities between the two countries, it was ultimately settled in 1938 by mediation. There are a number of boundary questions still pending in the Americas, and it may be expected that these also will be settled in accordance with the well-established principle of peaceful solution.

In view of the long tradition of friendly relations existing between the nations of the Western Hemisphere and the establishment of machinery in this area for the orderly settlement of international questions, it has been possible for the American republics to make marked headway in the development of inter-American cooperation and understanding not only in respect of economic matters including trade, but also in respect of cultural and political relations.

It is extremely important to the success of the good-neighbor policy that it find expression in our economic relations with the other American countries. Economic questions are of growing concern in our foreign relations. Rapid improvements in transportation and communication have in a sense reduced the size of the world and have knitted together more closely the economic interests of all countries. Moreover, there has been a growing interest on the part of governments in the economic and social problems of their peoples. Certainly no country can for long maintain a liberal and neighborly attitude in its political relations with the rest of the world without maintaining a helpful and cooperative attitude in its international economic relations, especially those involving trade.

It is as important to get trade barriers between the Americas reduced as it is to keep the territorial boundaries clear of menacing and provocative military fortifications. Excessive barriers to trade may be defensive in their inception, but inevitably they tend to become provocative, as do excessive armaments. The idea persists that we can sell and not buy. We envisage increased markets for our products in the American countries; in fact, there are those who confidently expect full compensation there for trade losses in Europe; but when the administration seeks to increase our trade with the countries to the south of us in the only practical way that it can be done, through reciprocity, and announces that it proposes to negotiate trade agreements for this purpose, a clamor of protest arises from this special-interest lobby or that, all protesting vehemently that this or that article must not be touched by any concessions to facilitate imports, even when only remotely and indirectly competitive products are concerned and irrespective of the care with which concessions are formulated for safeguarding our own producers. It is futile to talk about cooperation and the common interests of nations unless we are willing to buy as well as sell in foreign markets. Neighborliness demands that reasonable opportunities be provided for the international exchange of goods and that all traders be treated equally well. It means reciprocity in providing opportunities for trade and nondiscrimination in the treatment of the traders. These are the principles on which the trade-agreements program is based.

This program has made marked progress in gaining support in inter-American commercial relations for the principles of reciprocity and equality of opportunity. Trade agreements have been entered into by this Government with 11 American republics. Such contracts are essential to any sound method of promoting inter-American trade.

There has been considerable discussion since the outbreak of war in Europe of the possibility of increasing our export markets in the Americas. As a matter of fact, there has been since last September a substantial increase in our exports to the American republics. Trade gains resulting from economic dislocations growing out of the war may not, however, be of an enduring character. The possibility of preserving some of these gains after the war and of further expanding our commerce with the American republics in the post-war period depend in a large measure on the direction in which our present commercial policy and activities are being guided. If our present efforts to bring about closer trade relations with the American republics are to produce lasting benefits, they must be directed toward placing such relations on a solid and permanent basis, such as is provided by the trade-agreements program.

The good-neighbor policy of this Government has found expression in inter-American economic relations not only in the exchange of reciprocal opportunities for increased trade but also in various types of economic and technical assistance. Substantial financial assistance has, within the past few years, been extended by this Government through its Export-Import Bank to a number of American republics with a view to enabling them to strengthen their foreign-exchange positions and to undertake various programs of economic development. Our Department of Agriculture has sent experts to a number of these countries to study the possibilities of their developing new agricultural industries and of improving their agricultural economy. An act of Congress approved May 3, 1939, provides for the loan of experts and specialists of this Government to other American republics. Technical assistance has been extended under the provisions of this act in such fields as highway engineering, taxation, patrol-boat operation, customs tariffs, statistics, and monetary matters.

Economic cooperation among the nations of the Western Hemisphere is of a continuing and growing nature. In accordance with the resolution on economic cooperation adopted at the meeting of the foreign ministers of the American republics held in Panama last September, there was established at Washington on November 15, 1939, the Inter-American Financial and Economic Advisory Committee. This committee has for consideration questions involving the establishment of closer cooperation between the American republics in order that they may protect their economic and financial structure, maintain their fiscal equilibrium, safeguard the stability of their currency, promote and expand their industries, intensify their production, and develop their commerce. With reference to financial problems, it has recently worked out and submitted to the 21 American governments for approval a project for an inter-American bank. The setting up of such a bank between American nations for facilitating inter-American trade and the rendering of financial assistance to each other will represent outstanding progress toward greater solidarity in international relationships.

The full realization of the objectives of our good-neighbor policy requires not only cooperation between the American republics in respect of their economic problems but also mutual appreciation and understanding of the cultural values and aspirations of one another. A greater knowledge on the part of the two continents of this hemisphere of how the peoples of the other continent live, of what they think, and what they like is fundamental to a closer drawing together of the Americas. A knowledge of the culture of a people leads to an understanding of their social, economic, and political life, and an interchange of ideas and of intellectual and spiritual values between the peoples of different countries leads to a mutual development and enrichment of their cultural heritage and a natural growth of international tolerance.

With a view to encouraging and facilitating the dissemination of such knowledge and such interchange of ideas and values, there was established in the Department of State in July 1938 the Division of Cultural Relations. This Division has—to quote from the departmental order establishing it—"general charge of official international activities of this Department with respect to cultural relations, embracing the exchange of professors, teachers, and students; cooperation in the field of music, art, literature, and other intellectual and cultural attainments; the formulation and distribution of libraries of representative works of the United States and suitable translations thereof; the preparations for and management of the participation by this Government in international expositions in this field; supervision of participation by this Government in international radio broadcasts; encouragement of a closer relationship between unofficial organizations of this and of foreign governments engaged in cultural and intellectual activities; and, generally, the dissemination abroad of the representative intellectual and cultural works of the United States and the improvement and broadening of the scope of our cultural relations with other countries."

In a democracy such as ours, international cultural relations constitute basically a people's movement, and the initiative for cultural exchange properly resides with private agencies and institutions. The major function of the Division of Cultural Relations is to make the good offices of the Government available to private enterprise. It does not in any way supplant the significant activities toward international understanding now carried on by colleges, universities, foundations, institutes, and other private agencies, but instead renders those activities more effective by the provision of an official agency serving as a clearing house for exchange of information and as a center of coordination and cooperation.

The development of greater trade opportunities, the rendering of assistance in various economic and technical fields, and the promotion of a mutual appreciation of cultural values in the relations between the American republics preclude in a large measure the rise of international frictions and provide a firm basis of peace and understanding in inter-American relations. I know of no large sector of the world where the peaceful processes of diplomacy can be and have been relied upon more confidently in the conduct of international affairs than in the Americas. It has become the normal procedure for the 21 American republics to consult through diplomatic channels on matters of common interest.

At the Montevideo conference in 1933, Secretary Hull announced general agreement of the United States to the contractual obligation undertaken by all the other American nations which declared "inadmissible the intervention of any one of them, directly or indirectly, and for whatever reason, in the internal or external affairs of any other." In 1936 the American republics held another conference at Buenos Aires to devise measures for their protection in the event of war between American states or any other part of the world. It was agreed there "that every act susceptible of disturbing the peace of America affects each and every American republic" and it was provided that "in the event that the peace of the American republics is menaced, and in order to coordinate efforts to prevent war," the American republics "shall consult together for the purpose of finding and adopting methods of peaceful cooperation." Having established the principles of and the machinery for peaceful cooperation in this hemisphere, the American states took steps at the Lima conference in 1938 to strengthen the machinery for consultation in respect of problems of hemispheric defense. Provision was made at this conference for consultation whenever it appeared that the American peace might be disturbed. Accordingly, consultation was held at Panama for this purpose following the outbreak last September of war in Europe.

The good-neighbor policy, implemented by economic cooperation and cultural understanding, represents an outstanding contribution which the United States has made to the building up of a basis of peace for the conduct of international relations. This contribution has arisen from the fact that American foreign policy appreciates and comprehends the growing importance of economic forces underlying international tensions and the benefits of closer cultural relations in the conduct of international affairs. The good-neighbor policy has demonstrated the feasibility and effectiveness of an understanding and cooperative approach to international problems. It is a beacon light shining through the gloom of war, indicating the way toward the reconstruction of a sound and lasting world peace.

Federal Crop Insurance Act

EXTENSION OF REMARKS

OF

HON. SAM C. MASSINGALE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. MASSINGALE. Mr. Speaker, I am gratified at the opportunity afforded to voice my sentiments in support of the pending legislation to extend the present crop-insurance program to the cotton crop.

The membership of this body is familiar with my interest in all efforts that have been made during my service as a Member to further the best interests of American agriculture. That fact is equally well known to the people of my district, whom it is my happy privilege to represent. I know, as does every thoughtful student of the problem involved, that to reestablish our agriculture upon a sound and permanent basis we must raise the farming industry to a position of equality with every other major industry of the Nation. To do that we must materially increase farm income. Then, too, we must strive to make farming more secure. Crop insurance will help to do that. It is because I believe that crop insurance will add greater security and will likewise provide increased income for the farmers of our country that I now favor, as I have from the beginning, legislation in its support.

Title V of the agricultural conservation bill of 1938 carried a provision for the establishment of an all-risk crop-insurance program for wheat to be made available for wheat producers for the 1939 wheat crop. This was a decided departure from any of the past farm programs and was a venture into an insurance field in which commercial concerns had met with failure. These failures were probably due to one or two basic factors which were felt to have been corrected in the program worked out by the Crop Insurance Corporation on the basis of the recommendations of the President's committee. The initial program was limited to the wheat crop for several reasons, which have been discussed at length by this body and need not be reviewed.

It is now proposed that the program of all-risk crop insurance be extended to include the cotton crop. However, since such insurance on growing crops is a new venture, any prediction as to the outcome of a cotton-crop-insurance program must be predicated on the success of the wheat-crop-insurance program.

Because of my close personal observation of the wheat-crop-insurance program in my district, I have one or two points which I want to discuss very briefly.

First, does the program meet with the approval of the farmers affected? This can best be answered by the record of participation in the present wheat-crop-insurance program. During the first year of operation 166,000 insurance contracts were in effect. This year over 378,000 contracts have been entered into between the participating farmers and the Federal Crop Insurance Corporation. In my own district there were 3,170 contracts in 1939 and this number has been increased to 6,474 in 1940. Any program which is presented to the farmer on a voluntary basis which doubles in participation in the second year of operation most certainly must be satisfactory to the farmers affected.

Second, does the program accomplish the purpose for which it is designed? The crop-insurance program has for its chief purpose the stabilization of farm income, to provide for the participating farmer either 50 or 75 percent of his normal wheat crop for sale each year, and to absorb the shock of 1 or more years of partial or total crop failure. Out of the 3,170 contracts in effect in my district in 1939, losses were experienced on nearly half of them, in that 1,403 indemnities were paid in wheat or its cash equivalent. Thus, 242,017 bushels of wheat were added to the income of these 1,403 farms. This is an average of 172 bushels per farm. On the basis of total farm income, this represents a fairly large proportion. While to us an income of 172 bushels of wheat may appear rather small, it still represents the difference between profit and loss in many of the farming operations on the farms in my district. Many instances have been reported where the indemnity from a crop-insurance policy has been sufficient to prevent the loss of farms due to foreclosure, liquidation of current indebtedness, and payment of sundry farm bills which affects not only the farmer in question but all of the lines of industry and business in the average small-town farming community.

Now, again, and with particular reference to the proposal for crop insurance on cotton, it has been my observation that there is probably as great need for crop insurance on cotton as there is on wheat. This observation is fully substantiated by the records of the Department of Agriculture with regard to the losses sustained by the cotton farmers because of uncontrollable hazards.

Many of the 2,000,000 or more American farmers who depend on cotton as the major source of their income have at one time or another faced financial difficulties because of crop failures from causes beyond their control. The need for an agricultural program which will provide the individual cotton grower protection against these unavoidable production hazards has long been recognized. In fact, this need is emphasized by an old saying in the South that "Cotton can promise more and do less, and can promise less and do more, than any other plant."

It is true that widespread failures of the cotton crop are infrequent. It is also true that severe cotton-crop losses have never occurred over the entire Cotton Belt during any 1 year. But crop failures come every year in one part or another of the belt. For instance, widespread droughts brought disaster in 1918, 1925, 1930, 1934, and 1936. Excessive rains for 5 or 6 weeks reduced the crop over 50 percent in parts of Alabama, Mississippi, and adjoining States only last year, 1939.

In Oklahoma the most important cause of crop failures is drought. Severe crop losses occurred during 1934 and 1936, as shown in table 1. In this table is shown the annual yields of a representative sample of farms in four typical counties of my district during the years 1933–38, inclusive, together with the percentage of farms in the sample on which crop losses would have been sustained each year had the cotton crop been insured under a plan similar to the wheat-crop-insurance plan. The total number of farms in each county on which losses would have been sustained was estimated by applying to all farms in the county the percentage of the sample farms on which losses occurred. While the years 1933–38 do not represent a period of sufficient length on which a crop-insurance program should be based, a study of individual farm yields during this period gives some idea of how yields fluctuate from farm to farm and county to county.

It will be noted from table 1 that crop losses occurred each year in all of the four counties studied—Beckham, Harmon, Jackson, and Washita—except in 1933. Exceptionally good crops were produced in 1933; but in 1934, and again in 1936, the yields on 88 percent of the farms in these four counties were below 75 percent of the 1933–38 average. This means that 9,900 of the 11,300 farms in four of the most important cotton-growing counties in Oklahoma had less than three-fourths of an average yield.

TABLE 1.—*Annual cotton yields of a representative sample of farms, by counties, showing the estimated number and percentage of all farms in each county that would have had losses under the 75-percent insurance plan during each of the years 1933–38, inclusive*

State and county	Year	Annual yield, all sample farms		Farms having losses	
		Pounds	Percent of the 6-year average	Estimated number of farms in county	Percent of farms in sample
Oklahoma:					
Beckham	1933	238	188.9	35	1.2
	1934	61	48.4	2,256	78.0
	1935	138	109.5	211	7.3
	1936	61	48.4	2,293	79.3
	1937	129	102.4	986	34.1
	1938	126	100.0	917	31.7
Harmon	1933	232	179.8	0	0
	1934	55	42.6	1,440	89.4
	1935	144	111.6	39	2.4
	1936	44	34.1	1,592	98.8
	1937	200	155.0	39	2.4
	1938	101	78.3	777	48.2
Jackson	1933	230	198.3	0	0
	1934	28	24.1	2,645	95.1
	1935	144	124.1	373	13.4
	1936	23	19.8	2,748	98.8
	1937	160	137.9	136	4.9
	1938	112	96.6	815	29.3
Washita	1933	205	189.8	52	1.3
	1934	44	40.7	3,514	88.6
	1935	107	99.1	1,206	30.4
	1936	47	43.5	3,212	81.0
	1937	121	112.0	551	13.9
	1938	125	115.7	603	15.2

The number and percentage of all farms in the four selected counties on which yields were below three-fourths of the 1933–38 average during 1 or more of the years 1933–38 is shown in table 2. The advantages of having protection against crop losses through crop insurance are demonstrated by the fact that 100 percent of the farms studied in these counties had yields below three-fourths of their average in at least 1 year of the 6; 55 percent suffered such losses during 2 years of the 6; 38 percent lost in 3 or more years. The fact that so many farms had less than 75 percent of their average yield in 3 or more years is probably due to extremely high yields in 1 or 2 years and low yields in the other years. Individual farms are not identified in this table, and, as a consequence, a given farm having losses in 3 years may or may not be included in those having losses in 2 years or 1 year.

TABLE 2.—*Percentage of farms in a sample group in selected counties having yields during 1 or more of the 6 years, 1933–38, which were below 75 percent of their 6-year average, and the estimated total number of farms in the counties having such losses in yields*

State and county	Farms having yields below 75 percent of their average					
	1 year or more		2 years or more		3 years or more	
	Percent of farms in sample	Estimated number of farms in county	Percent of farms in sample	Estimated number of farms in county	Percent of farms in sample	Estimated number of farms in county
Oklahoma:						
Beckham	100.0	2,892	92.7	2,681	32.9	951
Harmon	100.0	1,611	92.9	1,497	44.7	720
Jackson	100.0	2,781	97.6	2,714	39.0	1,085
Washita	100.0	3,966	88.6	3,514	36.7	1,456
Average	100.0		92.5		37.4	

The fact that losses occurred during each year, and the fact that crop failures were common in 1934 and 1936, does not mean that premium rates for insurance would be prohibitive. However, rates will no doubt be higher in this area than in some parts of the Cotton Belt, because they will be based on previous losses. Indications are that the premium rate per acre for insurance of 75 percent of the average yield in the area represented by these counties will be around 25 pounds of lint or the cash equivalent thereof. This premium, which would be about 20 percent of the average lint yield, would include not only protection against losses in yields of lint but also losses in cottonseed yields, which always occur simultaneously with lint cotton losses.

The proportion of farms in the sample and the estimated number of farms in each county on which crop losses occurred each year from 1933 to 1938 is shown in table 3. In 1934 and 1936, when over 87 percent of the farms had less than three-fourths of an average yield, many farms had complete failures. Losses that occurred in the other years were less severe, so that premiums would no doubt have exceeded losses in 4 of the 6 years.

TABLE 3.—*Percentage of farms in the sample group in selected counties having yields below 75 percent of their average, by years, and the estimated number of farms in each county having such losses* [1]

State and county	Farms having yields below 75 percent of their average					
	1933		1934		1935	
	Percent of farms in sample	Estimated farms in county	Percent of farms in sample	Estimated farms in county	Percent of farms in sample	Estimated farms in county
Oklahoma:	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*
Beckham	1.2	35	78.0	2,256	7.3	211
Harmon	0	0	89.4	1,449	2.4	39
Jackson	0	0	95.1	2,645	13.4	373
Washita	1.3	52	88.6	3,514	30.4	1,206
Average	.8		87.6		16.3	

	1936		1937		1938	
Oklahoma:	*Percent*	*Number*	*Percent*	*Number*	*Percent*	*Number*
Beckham	79.3	2,293	34.1	986	31.7	917
Harmon	98.8	1,592	2.4	39	48.2	777
Jackson	98.8	2,748	4.9	136	29.3	815
Washita	81.0	3,212	13.9	551	15.2	603
Average	87.5		15.2		27.7	

[1] A farm would have a "loss" when the yield in any year fell below 75 percent of the 6-year (1933–38) average yield for the farm.

The data included in these tables were developed from actuarial studies conducted by the Bureau of Agricultural Economics for over 900 counties and more than 70,000 farm yield histories. However, the estimates made could not be expected to prove accurate in any given year, because they are based on average conditions during the 6 years 1933–38. These estimates assume for the county as a whole the same relationship between average yields and average losses per "insured" acre as for the sample farms, and they assume that insurance would be written on farms similar to the sample farms. However, the yield figures do show how cotton yields vary from farm to farm and from year to year.

It is my feeling that my district has a distinct advantage in that we produce both cotton and wheat. The farmers in my district have had an opportunity the past year to study the wheat-insurance program at first hand, and their participation in it certainly indicates that they are well satisfied. They have determined that the program meets a very definite need on the average farm and that the yields and premium rates set up for the individual farms are fair and adequately represent the relationship between farms so far as their productive capacity and risk of loss are concerned.

In the present insurance program we have one which has met a crucial test and has proven its feasibility and practicability. It is filling a need in American agriculture which cannot be handled by commercial concerns. To repeat what I have already stated, it is my belief that it should be extended to include the cotton crop for the year 1941, and I am in favor of extending it to other agricultural commodities as rapidly as the necessary actuarial data can be acquired by the Federal Crop Insurance Corporation and as rapidly as funds are made available with which to carry out the program as it may relate to other commodities. That is not only my view but I am confident that it is representative of the attitude of the people of my district.

First-Day Sale of Charles W. Eliot Commemorative Stamp

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ADDRESS BY HON. JAMES A. FARLEY, POSTMASTER GENERAL OF THE UNITED STATES, AND REMARKS BY DR. SAMUEL A. ELIOT AND JEROME D. GREENE

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, Postmaster General of the United States, at the luncheon of the Harvard Stamp Club and the postal supervisors, Thursday, March 28, 1940, at the Hotel Commander, Cambridge, Mass., held in connection with the first-day sale of the Charles W. Eliot commemorative stamp:

Outside of that part of the United States which is bounded on one side by the Atlantic Ocean and on the other by the Atlantic Monthly there used to circulate a saying that you could always tell a Harvard man, but you couldn't tell him much.

That, of course, was before Charles William Eliot was inaugurated as president of Harvard in 1869. For in the next 40 years of his tenure of that office the college became the university and plain students blossomed into earnest scholars. And from the fireplaces of Nahant to the verandas of Singapore the tenor notes of Fair Harvard and the resounding cheers to "Prexy" Eliot were heard around a magically changing world.

The addition today of the Charles Eliot stamp, as well as the similar honor being paid at Williamstown to Mark Hopkins, for many years president of Williams College, enriches notably the list of famous Americans so commemorated.

It is very difficult to realize that one man—even though he lived past 90—was witness to so prolonged a cavalcade of human events. Only six Presidents of the United States had completed their terms of office when Charles William Eliot was born, on March 20, 1834. This was 3 years before Queen Victoria began her reign. The California gold rush was a stampede before young Eliot entered college. His youth knew no telegraph, or electricity, or competent surgery; none of the most accepted comforts of our daily existence.

And yet this same man lived to see and enjoy the wonders of flying machines and electric trains, of telephone and wireless telegraph. At his ninetieth birthday celebration, in 1924, he appeared to receive the homage of the thirtieth President of the United States, of countless public servants, and of the majority of American citizens, upon whom he had wielded greater power and influence than any other unofficial citizen. Before the time of newspaper and radio commentators, he was America's public commentator, telling, explaining, interpreting the issues and events of the day. The Nation listened to his every utterance. As ancient Greece had its oracle at Delphi, so America had for half a century its oracle at Cambridge. Another citizen of the State of Massachusetts had made himself indispensable to the Nation.

I like to think back some 50 years before that day of honor and celebration. In the autumn days of October, in the modest First Parish Church in Cambridge, Charles William Eliot stood before another distinguished audience. His tall figure, imposingly erect, his young voice vibrant and clear, his eyes steady, "A university must be free," he told Emerson and Longfellow and James Russell Lowell. In the commonwealth of the university "we need grass and meadows as well as barracks. To observe keenly, to reason swiftly, and to imagine vividly is to be an educated man," he continued while the eminent Dr. Oliver Wendell Holmes listened. And with the whole academic world cocking its ears to these brazen heresies, he added: "The intelligence of public opinion is the one indispensable of social progress." Such was the stuff out of which were fashioned the Harvard years of its new president, Charles Eliot.

As Dr. Holmes described the process, Eliot went on to turn the college over like a flapjack. A new era had come to end the feudal system of college education. Students and faculty members alike were to be free. Students to master self-discovery and self-reliance and the background of an integrated general education, and professors to search for and pass on the truth; that alone could make men free.

Higher education at Harvard was no longer to be hog-tied and narrow. Instead, the sacredness of every path, of every man's enjoying his own work and seeking his own goal was to be paramount. The now general acceptance of the elective system and the quality of college graduates it has produced is a tribute to Eliot's understanding and perspective. Today, when truth is silenced in so many lands and when the individual will is more and more restricted, the hope of democracy itself, perhaps, is to be found in that challenge. A university must be free. May this stamp ever call to mind those five words.

Eliot's path was never an easy one. The established, the deeply ingrained "ways of doing," resisted bitterly. Eliot had to fight. Often he had to fight alone. Here his great characteristics of tenacity and patience often won out against great odds. "Can you fight?" he once asked a young instructor who came to him with a serious problem. "Why, yes; I can." "Can you fight when you are in the minority?" said Eliot. "I have had to occasionally," came the answer. "Can you fight when everybody is against you—when not one man is ready to lend you support?" "I am ready to try if necessary." "Then," counseled Eliot, "you need have no fear. But if you have convictions, it will sometimes be necessary to do no less."

For Eliot, it was often necessary to do no less. His broad understanding of educational problems was not always recognized. Each of his many reforms had to weather the storms of opposition. Older heads resented his youth. They rebelled against his personal determination to change the pattern. Modern subjects, higher entrance and graduation requirements, written examinations, emphasis on alert, productive scholarship, pioneering in graduate training and research were his ideas hammered through, often by only sheer persistence.

And the results? Today they are taken for granted. Harvard leadership was established among American universities; Harvard renown was spread to European institutions, some of whose ideas and methods Eliot had himself copied and enlarged upon. From 1,000 students and 60 teachers in 1869, Harvard in 1909 had 4,000 students and 600 teachers, a multiplied endowment, increased plant, and eminent professional schools of law, medicine, business, and engineering. Annually they contributed to the needs of our expanding Nation for capable, intelligent leaders.

Harvard was a crimson trail blazer balancing the old culture with the new freedom of President Eliot. The whole profession of teaching took on a new meaning. The role of student could be taken literally. And the office of college president became so well known and respected that 3 years after Eliot's retirement a college president was elected to the highest office of this Nation.

But retirement was far from ending Eliot's years of service. Throughout his academic career, his writings and speeches, as well as the revolution he had wrought in education, established him as a leader in social thought. He was officer and trustee of numerous boards, associations, and foundations. Challenged upon his statement that any intelligent man, through 15 minutes daily reading, could acquire a liberal education, Eliot compiled the famous Harvard Classics. His range of information, his keen ob-

servation, and his public spirit also made him a counselor on all questions of the time—political, social, and industrial. Especially in his 17 years as president emeritus, he held the position of America's first citizen.

The fullness and diversity of Eliot's knowledge is as amazing as the breadth of his lifetime experiences. He led in the movement to introduce business methods into government administration. He promoted the cause of civil-service reform, and he urged the commission system of municipal government. He believed in vocational education, and in higher education for women. As president of the American Association for the Advancement of Science, he was a force in scientific experiment and research.

On all public questions, Charles W. Eliot had his say—the conflict between labor and capital, war and peace, government and law, football, and the conduct of life. After he was 80, he published 200 articles. People asked his opinions on Presidential candidates, on the right books to read, and practically every other conceivable subject.

But unifying and making his thinking effective was an important factor in his eternal interest in the public welfare. He was a Yankee fired with trust in the institutions and destiny of the democratic heritage. From the slavery controversy to the World Court question, he spent his life preaching greater respect for the individual.

"He is the only man in the world I envy," Theodore Roosevelt once said. Certainly there is much to be respected—even envied—in the range and balance of Eliot's personal faculties. Puritan by background, he was restrained yet frank in holding to his faith in the dignity of human character. Tolerance was preeminent in his creed, a wholehearted tolerance, with a love of truth. He has been accused of coldness. Yet no one ever loved more his family and the sight of Nature. No Harvard student ever spent a warmer Christmas than those who, living too far away from home, spent the holiday with "Prexy" Eliot at his home. The man was humorless, it has been said. Yet those who really knew him sensed his inner geniality and good humor. Many are the times he paid streetcar fare for absent-minded freshmen.

There is the yarn of his crossing the campus one November afternoon, a familiar figure chatting with Edward Everett Hale, the author. They were on their way to a Harvard-Yale football game. A colleague, meeting the two gentlemen, asked the president where he was going. Eliot answered crisply and seriously, "To yell with Hale."

Yes, Charles William Eliot loved life in its permanent and fuller satisfactions. Physical and mental vitality was for him an essence of living. He went bicycling with his wife till after the age of 70. At the same age he joined a club devoted to good fellowship. The happy life—about which he wrote so abundantly—lay simply in health, the company of Nature, books, and friends, and in the fullest exercise of one's abilities for service to one's fellow beings.

In this stamp series of great Americans, Eliot is listed as an educator. His achievements make that term possess a scope a thousand times more forceful. This man, who stands as Harvard's embodiment, is also the embodiment of democracy. Never giving up the spirit of his youth, he never hesitated, honestly, to change his mind. This Nation can point with pride to the example of vital and enduring leadership provided by this teacher of democracy, Charles William Eliot. As his voice rang out, "a university must be free," so also was his life a fervent challenge that a nation, too, must be free.

It gives me a great deal of pleasure to be here at Cambridge today and to dedicate this stamp, one of the five issued for famous educators in our prominent American series. May this stamp serve its part as a lasting memorial to this great character.

REMARKS OF DR. SAMUEL A. ELIOT

I had opportunity at one informal gathering this morning at Eliot House of expressing to the Postmaster General our deep appreciation of the honor he has done us in coming hither today and personally taking part in these exercises. I also had opportunity of acclaiming the enterprise of the Post Office Department in issuing the stamps which commemorate men who have rendered good service to the Nation in the fields of education, literature, and the arts and sciences. In behalf of the descendants of President Eliot and in the name of the beloved community in which he lived for three-quarters of a century I made grateful acknowledgment of this recognition of the character and achievements of a citizen who made a real and, we trust, a reasonably lasting contribution to the stability, the intelligent progress, and the happiness of the land we love.

May I now add my thanks for the gracious hospitality extended to us by the postmaster of Boston and the supervisors of the Boston postal district at this luncheon and renew my gratitude to Mr. Farley for his admirable, clear, concise, and accurate interpretation of my father's honorable and serviceable career. The address to which we have listened presents an admirable analysis and description of my father's character and accomplishment.

If I can recall them, I should like to apply to President Eliot certain verses written by a Cambridge poet, whose likeness appears on another of these commemorative stamps, about another great American:

"The longer on this earth we live
And weigh the various qualities of men,
Seeing how most are fugitive—
The more we feel the high, stern-featured beauty
Of plain devotedness to duty,
Steadfast and still, nor paid with mortal praise,
But finding amplest recompense,
For life's ungarlanded expense,
In work done squarely and unwasted days.

Rigid, they said he was at first, severe,
But owned, as all men own, the steady hand
Upon the bridle, patient to command;
Prized, as all prize, the justice pure from fear,
And learned to honor first, then love him, then revere."

REMARKS BY JEROME D. GREENE, SECRETARY TO THE CORPORATION, REPRESENTING HARVARD UNIVERSITY

Mr. Chairman and Mr. Postmaster General, I am very happy to have the honor of speaking for Harvard University on an occasion which represents the interest both of this community and of the university in paying tribute to the memory of a great man whose character and achievements are a part of our common heritage. President Eliot's conception of a university was not one of isolation but rather of constant service to the community. The changes which he wrought in the structure of Harvard were in response to demands which, as he said in his inaugural address in 1869, were made by the developments of our American civilization. If he was a great educator, he was first of all a great citizen.

We are grateful to the Postmaster General for choosing as the appropriate scene of this day's ceremonies the university which President Eliot did so much to build and the city of Cambridge, whose citizens, with those of the Greater Boston community, unite in homage to the man in whose services to the Commonwealth and the Nation we may all take peculiar pride.

Constitutional Money

EXTENSION OF REMARKS

OF

HON. J. HARDIN PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

LETTER FROM THE CONSTITUTIONAL MONEY LEAGUE OF AMERICA

Mr. PETERSON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter which I have received from the Constitutional Money League of America with the request that same be filed in the RECORD:

CONSTITUTIONAL MONEY LEAGUE OF AMERICA,
St. Petersburg, Fla., March 18, 1940.

Subject: Constitutional money.

Hon. J. HARDIN PETERSON,
Congressman, First Congressional District of Florida, Congressional Office Building, Washington, D. C.

DEAR CONGRESSMAN: This body, after careful investigation and research over a period of 2 years, actuated not by any partisan considerations but for purely patriotic reasons in an endeavor to assist in a solution of the problems confronting our great democracy, has reached some definite conclusions.

In consideration of the various factors involved, our conclusions are based not only upon past history and experience but upon ample statistics of record in the Government archives, private statistical institutions, consultation of recognized authorities, and volumes of reference on monetary science.

This body has no illusions. The factor of psychology has been given full consideration. As a result of the failure of our present monetary policies to bring about general prosperity to all the people, America faces a crisis. The restrictions placed upon the banking business as a safeguard to depositors, while having some merit as a safety factor, has had about the same effect as furnishing a man at sea a life preserver; it does him no good if it keeps him afloat long enough for him to starve to death.

The Government-spending program might have succeeded in its intent, had pay checks been paid in good Treasury notes instead of phantom checks that short-circuited straight back to the Federal Reserve banks and canceled out of circulation.

As the investigation proceeded, the evidence became glaringly obvious: The Federal Reserve System had not only failed in functioning as enactment of law intended, but, due to its deflationary policies, was directly responsible for the losses of billions of dollars

in money, farms, and homes by the citizens of this country during the period of depressions—1920, 1929, and 1937. Our citizens, with faith in their Congress, are still dazed from these disastrous blows to prosperity.

Darkness is fading as the people become educated to the evils of our present monetary policy. Millions are now satisfied as to the need for an honest, adequate, and stable money system. Three-fourths of our present economic ills are due to the failure of Congress to exercise the mandate of our United States Constitution—Article I, section 8, paragraph 5: "Congress shall have the power to coin money and regulate the value thereof."

The people of this Nation have been patient and lenient with those who wish to perpetuate the special-privilege money system, and those in control have repeatedly failed them. Jefferson, Jackson, and Lincoln foresaw the consequence of relinquishing the control and issue of money to private interests and predicted with remarkable accuracy the consequences from which this Nation is now suffering.

The people of this country knew and showed by their reaction in 1932 that something was radically wrong; their reaction is still strongly implanted in the minds of many.

Propaganda and camouflaging the issue by unimportant legistion cannot much longer becloud the true situation. To balance production with sufficient medium of exchange to facilitate the distribution and consumption of goods and wealth is as logical as night follows day.

Money used for the purpose for which it was invented is a simple subject—a medium of exchange or the wages of man. As the wages of money, it becomes slightly more complicated. Human nature being what it is, money becomes dangerous to the general welfare when its control is in the hands of private interests.

We sincerely believe that to perpetuate our democracy, insure prosperity, and promote the general welfare our Congress must return to the Government the power to control and issue our currency.

As a means to this end, we, your constituents, request that you use your influence to bring the Voorhis bill (H. R. 8209) out of the committee for vote and/or discussion on the floor of Congress.

We further believe that action by Congress this session will prevent one of the worst depressions within the next 2 years that our Nation has ever been called upon to endure.

Awaiting your reply, we are,

Yours very truly,

M. YOWELL, *President.*
L. E. SAUPE, *Secretary.*

Army Needs Versus Economy

EXTENSION OF REMARKS
OF
HON. J. JOSEPH SMITH
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Friday, April 19, 1940

ARTICLE BY MARK S. WATSON

Mr. SMITH of Connecticut. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mark S. Watson from the Baltimore Sun of April 19, 1940:

[From the Baltimore Sun of April 19, 1940]

ARMY NEEDS VERSUS ECONOMY—EXPERTS GIRD THEMSELVES FOR COMING DISCUSSIONS WITH SENATE COMMITTEE, HOPING TO RESTORE SOME VITAL ITEMS STRUCK FROM 1941 APPROPRIATIONS

(By Mark S. Watson)

WASHINGTON.—While the extent of further Navy expansion is being warmly debated in the Senate's Naval Affairs Committee room, the Army's experts are girding themselves for discussions within the next few days before the Senate's Appropriations Committee. They have strong hope of restoring numerous items which the House Committee on Appropriations lately struck from the Military Establishment's 1941 budget bill, the House itself later approving by passing the bill as thus revised. Altogether, the House committee reduced the War Department's estimates of $853,000,000 (roughly, $2,000,000 over 1940 appropriations) to $786,000,000, and among the $67,000,000 items eliminated were several which the Department regards as of extreme importance.

To the largest single item in the reductions it is unlikely any protest whatever will be raised. This was a $19,400,000 reduction in Air Corps appropriations, effected by eliminating from schedule 440 airplanes intended for replacement, this elimination meeting no objection from the Army, which apparently is willing to let the planes go to Europe.

The official belief is that Allied plane orders are building up American factory production so fast that American preparedness will be immeasurably benefited—just as Allied purchases in 1915–16 built up our war industries at other nations' expense, to serve our own ultimate purposes in 1917–18. It seems to be agreed that by postponing our airplane purchases (save for certain essentials whose delivery is not affected) we will actually be in better position by 1942 than we had expected to be—for we then will be possessed of newer designs at less cost.

SOME ECONOMIES ACCEPTED

Other large reductions made by the House committee which the Army is expected to accept without serious protest include the cutting of $8,700,000 of National Guard outlay through elimination of 6 of the proposed 27 days of field training and 12 of the 60 armory drills. Few of the items in the $1,100,000 total of reductions in pay requirements will be resisted, with the exception, oddly, of one of the smallest, $97,000, by which the committee proposed to halve the flight pay for 136 nonflying officers. These are ordnance and chemical warfare officers, among others, who are assigned to observe the exact performance of their bombs in order to be guided in the techniques of their own corps; this service is regarded as extremely important. The $350,000 reduction in outlay for field exercises in Hawaii and Puerto Rico is unlikely to be protested.

But there are other forced economies which the Army is not thought likely to accept so placidly. The Ordnance Department, whose budget was trimmed $6,500,000, and the Chemical Warfare Service, which stands to lose $2,500,000 from its budget, are not easily convinced that they should sustain such losses. And it is certain that there will be new evidence to support the Army project for a great air base at Anchorage, Alaska, for the economy shears in the House nipped that $12,700,000 Air Corps enterprise entirely off, the committee report holding that more evidence of its need should be gathered before there is so large a commitment.

It may be remembered that there is now a considerable naval air base on Kodiak Island, far out at sea, 200 miles southwest of Anchorage, but this is definitely for reconnaissance planes, not the stouter defense which the Army has been planning for Anchorage. There is, too, as the committee points out, an Air Corps base at Fairbanks, 260 miles northeast. This, however, is designed only as an experimental station for solving problems of cold-weather flying which future air defenses must expect to encounter. Without flatly opposing Anchorage in principle, the House economizers effectively opposed it in practice by cutting its cost out of the Budget, and suggested that more information should be supplied. There is no doubt the Army is going to supply it.

THE EDUCATIONAL ORDER ITEM

There is a hint, too, that because of the troubled world situation White House support will be given the Army's hope for funds needed to complete immediately the equipment of our present initial protective force (227,000 Regulars and 235,000 National Guard), but no official word of that is yet in circulation. These items might total $39,000,000. Their importance is suggested by the Chief of Staff's assurance that he wishes them even before he wishes certain increases in personnel calculated to round out the present Regular Army. This added personnel of 15,000 is designed to round out 1 more of the new divisions (there are now 5), to supply a few corps troops, and to expand the existing mechanized brigade into a division. It is significant that General Marshall desires the "critical items" of equipment even before these important supplements in manpower.

But, in particular, and apart from all other current requirements, there is sure to be a spirited effort to put back in the bill one large item of $14,250,000. This was shorn bodily from the Army budget's $16,500,000 "educational orders," which constitute the sinew of the ambitious industrial mobilization program for national defense.

This program, for all its importance, is still not generally understood, even though it was called for by Congress so long ago as 1920, when memory of World War blunders was vivid; it was implemented 3 years ago, when $42,500,000 was authorized to be expended in 1939, 1940, and 1941. In 1938 and 1939 the Congress translated $26,000,000 of that authorization into actual appropriations, leaving $16,500,000 of the 3 years' total to be appropriated this year. This amount the Army sought, but the House committee has wiped out all but $2,000,000, explaining that the $14,250,000 thus saved was simply transferred from "educational orders" to actual "production orders" for Ordnance, Engineers, and Signal Corps equipment. In the mind of congressional critics there was apparently an air of reality about "production" orders, whereas "educational" items could be deferred.

FOR INDUSTRIAL PREPAREDNESS

The trouble is that this treatment of an admittedly genuine present need is not meeting at all the real and very important purpose of the industrial mobilization plan. This plan is only slightly related to current peacetime requirements. It is related rather to the enormous needs of a grand-scale war, and the fact that war is not at hand is hardly an answer, for current European experiences show that war can come suddenly to a peaceably inclined nation. The purpose of the industrial mobilization plan is to equip the country, not with a few actual weapons but with factory equipment and technical skills by which, when war's alarm is finally sounded, such weapons can be produced in great volume and without disastrous cost in time and money.

How serious is that need, in the view of War Department procurement officers, is suggested by the admission that if we should be faced with war tomorrow it would be impossible to get our prime-

need factories into production in less than 15 months. Save for aviation factories, and a very few others, the country is reported as very much worse off in productive capacity than it was in 1917, when many of our plants had been built up to high efficiency by the allied war orders of 2 previous years.

So far there have been, in 1939 and 1940, no important allied purchases of guns or shells, and hence no justification for a building up of American war industries (other than aircraft) such as were ready at hand in 1917. Even powder factories now standing have little more than peacetime capacity; the great plants of 1918 were long ago demolished to save upkeep and taxes. Britain and France have been making their own shells in their own plants, so far.

Hence, the procurement officials point out, when we place orders for the $14,250,000 needed goods referred to, we get them indeed—from a few plants which are already prepared to fill them. But by that means we do not develop any new production facilities whatever, whereas if the $14,250,000 were spent on educational orders, it would be divided among a great many plants which are not now in production for that sort of goods. In the first year we would no doubt get somewhat less in the way of goods, but we would enormously increase the Nation's potential output, and presumably shorten, by many months, the period which would be required for grand-scale production, when that grave need arises.

WHAT THE PROGRAM INVOLVES

The 1939 educational orders were for six items—(1) forging, and (2) machining of shells; (3) the first lots of the Garand semiautomatic rifle; (4) searchlights; (5) gas masks; and (6) recoil mechanism for antiaircraft rifles. Each order was to develop factory resources which had been nonexistent. It may be worth noting that, in the case of the Garand rifle (the factory asserts) the educational order saved the Government 1 year in time and $1,000,000 in outlay; the whole educational order had cost only $1,386,000. The financial savings in other cases are not so striking, but in time, which could be of gravest importance, comparable figures are cited.

As an example, the 1939 educational order for machining of shells went to just one plant. That educational work completed, the 1940 orders for machining of shells went to 14 plants, illustrating how effectively the system is widening the Nation's potential output of war industries. It is worth noting, too, that despite recognition of the inadequate air defense of both Army and Navy at the time, none of the 1939 educational orders (nor any since) went to aircraft factories. The procurement officers saw that civil aviation was already developing plants on a grand scale and the industrial mobilization plan could better spend its money elsewhere, in development for future possibilities.

In 1940, instead of 6 items, 116 items were listed in the program of educational orders (chiefly for essentials in ordnance, with lesser items of engineering and defensive chemical warfare). Not all these orders were actually placed, but the planning work on them is done. It had been planned, too, to add 115 more prime-need items for 1941, but at the moment the House committee action seems to be a body blow to that design.

Of all the things the Army and Navy need for war, there are approximately 1,200 which cannot be acquired readily from existing industries. Of this total the 1939–41 educational orders were designed to affect 237 items, thereby appreciably reducing the country's industrial defense problems. The Army says the desired goal will still be far in the future, and more, rather than less, will be required. There have been no official statements on the subject, but the procurement officers are assembling their facts and figures for a vigorous argument before the Senate's committee within the week.

One Hundredth Anniversary of Establishment of Supreme Court of Texas

EXTENSION OF REMARKS

OF

HON. FRITZ G. LANHAM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ADDRESS BY SIDNEY L. SAMUELS

Mr. LANHAM. Mr. Speaker, in the recent commemoration at Austin, Tex., of the one hundredth anniversary of the establishment of the Supreme Court of Texas, the principal address was delivered by the Honorable Sidney L. Samuels, of Fort Worth, Tex. It is so replete with historical information and a discussion of the principles of government pronounced and practiced by the pioneers of the judicial system that its preservation and availability for perusal seem quite worth while. In accordance with the leave granted to extend these remarks, the address of Mr. Samuels follows:

The architect of St. Paul's in London chose no monument or sculpture to mark his fame or to commemorate the sign of his triumph. On a slab in one of the panels is inscribed this simple legend: "If you seek his monument, look about you."

To entitle the worker to remembrance, if he would survive the fleeting breath of a day in a world of mortals, he must create something which adds to the stock of the world's capital, whether it be moral, intellectual, spiritual, or material, or he must save out of the wear and tear of civilization something which mankind craves to retain.

The charm of the spoken voice perishes with the speaker; the word he utters that stirs our emotions, that moves our sentiments to rhapsody or to wrath, haunts us like a familiar strain of music and then is forgotten. That is why the mere orators of the past become pictures in a mist and fade from the pages of history.

Of the actors that entertained and delighted the crowded audiences of the past with their dramatic passion and their mimicry. How few are remembered? Of the men who legislated for the Nation and who sat in the Halls of Congress, who were cheered by the galleries and acclaimed by their local constituencies, how many of their names are familiar to the people of this generation? Of the books that have poured in a flood from the printing press and hailed as the best sellers, how many will be sought by the readers of another day?

Who, then, are to be remembered? It is the builder, one who constructs an edifice, whether it be one of thought or a visible structure of brick and mortar to house the external symbols of thought, a ship that sails the sea, or, better still, an ideal which, like truth, shall set men free.

When stories of battlefield are dust-covered, when the shout of the charlatan in the market place is silent, when the tongue of legislative clamor is mute, the decisions of the great judges will survive the ruin of states and empires, and their shibboleths of liberty will resound and repeat themselves once again in the lives and deeds of our descendants.

This is a festival of a hundred years, and yet how solemn and how pensive—100 years—a century, which rated by the law of average is but the span of three generations. It is brief enough when measured against the marathon of time. It is but a swirling second in the aeon of the geologist, but reckoned as part of the story of the human family it includes so much of change and revolution that it may be fairly called an epoch.

Looking back on the path of the receding years, it is no flight of fancy to say that the year 1940 had not yet broken with the events of the eighteenth century. The current of life was still setting from that earlier period when in 1840 the curtain was lifted for the first time upon the Supreme Court of Texas. There were men living, not yet old, who in their youth had known George Washington and recalled the majesty of his living features. The guns of Waterloo, which marked a new birth of freedom to the world, fought in June 1815, almost 600 years to a day since Runnymede—the guns of Waterloo were still reverberating in the ears of living men. Then, as now, the British race was striving to save the precious heart of civilization from the dagger thrust of a giant assassin. In 1840, Louis Philippe was King of France, seeking to preserve monarchy for the mercurial French people, by surrounding it with the trappings of republican institutions. Victoria, of England, was still in the flush of young womanhood; Martin Van Buren was President of the United States, soon to be succeeded by an ignorant soldier whose campaign methods supplied the standard model of all time for the hillbilly demonstrations of even this day. There were men who had been watchers at the bedside of John Adams and Thomas Jefferson, who had seen the two great figures close their eyes in death—at almost the same moment of time—as if by the same cosmic event, on July 4, 1826, when the Republic of the United States was celebrating its half century of independence from the mother country. Thackeray has just begun to frame his deathless portraits of character and impale men on the lance of their own follies—characters of flesh and blood who breathed and sinned and pulsed and performed noble deeds and died with heaven in their eyes, just as men have done before and since, because they themselves were the everlasting patterns of mankind. Dickens had just created his Christmas Carol—the story in prose, half legendary, half real, of the spirit of redemption brought into the world by the infant cradled in a manger in the dim corner of a stable yard, in the ancient town of Bethlehem. John C. Calhoun, with lightning in his frown, and with a voice of thunder, like one of the ancient prophets of the Old Testament, was warning the North against its deliberate disregard of the guaranties of the Constitution.

With this stage setting of world events, the curtain was lifted upon the Supreme Court of Texas for the first time in its existence in a frontier village, seated amid an amphitheater of hills in the teething Republic of Texas.

How solitary was this first court. How lonely in its grandeur. Like a planet in space, it was in a sense limitless, without boundaries, drawing from the immensity of time, prescribing its own orbit, rationalizing its own mode of thought. It hewed its decisions out of the scant materials quarried from the ancient law and sought to fit its decrees to a virgin frontier. It was as if it had been appointed to shape destiny itself and transcend the scope of the present.

The data included in these tables were developed from actuarial studies conducted by the Bureau of Agricultural Economics for over 900 counties and more than 70,000 farm yield histories. However, the estimates made could not be expected to prove accurate in any given year, because they are based on average conditions during the 6 years 1933–38. These estimates assume for the county as a whole the same relationship between average yields and average losses per "insured" acre as for the sample farms, and they assume that insurance would be written on farms similar to the sample farms. However, the yield figures do show how cotton yields vary from farm to farm and from year to year.

It is my feeling that my district has a distinct advantage in that we produce both cotton and wheat. The farmers in my district have had an opportunity the past year to study the wheat-insurance program at first hand, and their participation in it certainly indicates that they are well satisfied. They have determined that the program meets a very definite need on the average farm and that the yields and premium rates set up for the individual farms are fair and adequately represent the relationship between farms so far as their productive capacity and risk of loss are concerned.

In the present insurance program we have one which has met a crucial test and has proven its feasibility and practicability. It is filling a need in American agriculture which cannot be handled by commercial concerns. To repeat what I have already stated, it is my belief that it should be extended to include the cotton crop for the year 1941, and I am in favor of extending it to other agricultural commodities as rapidly as the necessary actuarial data can be acquired by the Federal Crop Insurance Corporation and as rapidly as funds are made available with which to carry out the program as it may relate to other commodities. That is not only my view but I am confident that it is representative of the attitude of the people of my district.

First-Day Sale of Charles W. Eliot Commemorative Stamp

EXTENSION OF REMARKS

OF

HON. ARTHUR D. HEALEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ADDRESS BY HON. JAMES A. FARLEY, POSTMASTER GENERAL OF THE UNITED STATES, AND REMARKS BY DR. SAMUEL A. ELIOT AND JEROME D. GREENE

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of the Honorable James A. Farley, Postmaster General of the United States, at the luncheon of the Harvard Stamp Club and the postal supervisors, Thursday, March 28, 1940, at the Hotel Commander, Cambridge, Mass., held in connection with the first-day sale of the Charles W. Eliot commemorative stamp:

Outside of that part of the United States which is bounded on one side by the Atlantic Ocean and on the other by the Atlantic Monthly there used to circulate a saying that you could always tell a Harvard man, but you couldn't tell him much.

That, of course, was before Charles William Eliot was inaugurated as president of Harvard in 1869. For in the next 40 years of his tenure of that office the college became the university and plain students blossomed into earnest scholars. And from the fireplaces of Nahant to the verandas of Singapore the tenor notes of Fair Harvard and the resounding cheers to "Prexy" Eliot were heard around a magically changing world.

The addition today of the Charles Eliot stamp, as well as the similar honor being paid at Williamstown to Mark Hopkins, for many years president of Williams College, enriches notably the list of famous Americans so commemorated.

It is very difficult to realize that one man—even though he lived past 90—was witness to so prolonged a cavalcade of human events. Only six Presidents of the United States had completed their terms of office when Charles William Eliot was born, on March 20, 1834. This was 3 years before Queen Victoria began her reign. The California gold rush was a stampede before young Eliot entered college. His youth knew no telegraph, or electricity, or competent surgery; none of the most accepted comforts of our daily existence.

And yet this same man lived to see and enjoy the wonders of flying machines and electric trains, of telephone and wireless telegraph. At his ninetieth birthday celebration, in 1924, he appeared to receive the homage of the thirtieth President of the United States, of countless public servants, and of the majority of American citizens, upon whom he had wielded greater power and influence than any other unofficial citizen. Before the time of newspaper and radio commentators, he was America's public commentator, telling, explaining, interpreting the issues and events of the day. The Nation listened to his every utterance. As ancient Greece had its oracle at Delphi, so America had for half a century its oracle at Cambridge. Another citizen of the State of Massachusetts had made himself indispensable to the Nation.

I like to think back some 50 years before that day of honor and celebration. In the autumn days of October, in the modest First Parish Church in Cambridge, Charles William Eliot stood before another distinguished audience. His tall figure, imposingly erect, his young voice vibrant and clear, his eyes steady, "A university must be free," he told Emerson and Longfellow and James Russell Lowell. In the commonwealth of the university "we need grass and meadows as well as barracks. To observe keenly, to reason swiftly, and to imagine vividly is to be an educated man," he continued while the eminent Dr. Oliver Wendell Holmes listened. And with the whole academic world cocking its ears to these brazen heresies, he added: "The intelligence of public opinion is the one indispensable of social progress." Such was the stuff out of which were fashioned the Harvard years of its new president, Charles Eliot.

As Dr. Holmes described the process, Eliot went on to turn the college over like a flapjack. A new era had come to end the feudal system of college education. Students and faculty members alike were to be free. Students to master self-discovery and self-reliance and the background of an integrated general education, and professors to search for and pass on the truth; that alone could make men free.

Higher education at Harvard was no longer to be hog-tied and narrow. Instead, the sacredness of every path, of every man's enjoying his own work and seeking his own goal was to be paramount. The now general acceptance of the elective system and the quality of college graduates it has produced is a tribute to Eliot's understanding and perspective. Today, when truth is silenced in so many lands and when the individual will is more and more restricted, the hope of democracy itself, perhaps, is to be found in that challenge. A university must be free. May this stamp ever call to mind those five words.

Eliot's path was never an easy one. The established, the deeply ingrained "ways of doing," resisted bitterly. Eliot had to fight. Often he had to fight alone. Here his great characteristics of tenacity and patience often won out against great odds. "Can you fight?" he once asked a young instructor who came to him with a serious problem. "Why, yes; I can." "Can you fight when you are in the minority?" said Eliot. "I have had to occasionally," came the answer. "Can you fight when everybody is against you—when not one man is ready to lend you support?" "I am ready to try if necessary." "Then," counseled Eliot, "you need have no fear. But if you have convictions, it will sometimes be necessary to do no less."

For Eliot, it was often necessary to do no less. His broad understanding of educational problems was not always recognized. Each of his many reforms had to weather the storms of opposition. Older heads resented his youth. They rebelled against his personal determination to change the pattern. Modern subjects, higher entrance and graduation requirements, written examinations, emphasis on alert, productive scholarship, pioneering in graduate training and research were his ideas hammered through, often by only sheer persistence.

And the results? Today they are taken for granted. Harvard leadership was established among American universities; Harvard renown was spread to European institutions, some of whose ideas and methods Eliot had himself copied and enlarged upon. From 1,000 students and 60 teachers in 1869, Harvard in 1909 had 4,000 students and 600 teachers, a multiplied endowment, increased plant, and eminent professional schools of law, medicine, business, and engineering. Annually they contributed to the needs of our expanding Nation for capable, intelligent leaders.

Harvard was a crimson trail blazer balancing the old culture with the new freedom of President Eliot. The whole profession of teaching took on a new meaning. The role of student could be taken literally. And the office of college president became so well known and respected that 3 years after Eliot's retirement a college president was elected to the highest office of this Nation.

But retirement was far from ending Eliot's years of service. Throughout his academic career, his writings and speeches, as well as the revolution he had wrought in education, established him as a leader in social thought. He was officer and trustee of numerous boards, associations, and foundations. Challenged upon his statement that any intelligent man, through 15 minutes daily reading, could acquire a liberal education, Eliot compiled the famous Harvard Classics. His range of information, his keen ob-

servation, and his public spirit also made him a counselor on all questions of the time—political, social, and industrial. Especially in his 17 years as president emeritus, he held the position of America's first citizen.

The fullness and diversity of Eliot's knowledge is as amazing as the breadth of his lifetime experiences. He led in the movement to introduce business methods into government administration. He promoted the cause of civil-service reform, and he urged the commission system of municipal government. He believed in vocational education, and in higher education for women. As president of the American Association for the Advancement of Science, he was a force in scientific experiment and research.

On all public questions, Charles W. Eliot had his say—the conflict between labor and capital, war and peace, government and law, football, and the conduct of life. After he was 80, he published 200 articles. People asked his opinions on Presidential candidates, on the right books to read, and practically every other conceivable subject.

But unifying and making his thinking effective was an important factor in his eternal interest in the public welfare. He was a Yankee fired with trust in the institutions and destiny of the democratic heritage. From the slavery controversy to the World Court question, he spent his life preaching greater respect for the individual.

"He is the only man in the world I envy," Theodore Roosevelt once said. Certainly there is much to be respected—even envied—in the range and balance of Eliot's personal faculties. Puritan by background, he was restrained yet frank in holding to his faith in the dignity of human character. Tolerance was preeminent in his creed, a wholehearted tolerance, with a love of truth. He has been accused of coldness. Yet no one ever loved more his family and the sight of Nature. No Harvard student ever spent a warmer Christmas than those who, living too far away from home, spent the holiday with "Prexy" Eliot at his home. The man was humorless, it has been said. Yet those who really knew him sensed his inner geniality and good humor. Many are the times he paid streetcar fare for absent-minded freshmen.

There is the yarn of his crossing the campus one November afternoon, a familiar figure chatting with Edward Everett Hale, the author. They were on their way to a Harvard-Yale football game. A colleague, meeting the two gentlemen, asked the president where he was going. Eliot answered crisply and seriously, "To yell with Hale."

Yes, Charles William Eliot loved life in its permanent and fuller satisfactions. Physical and mental vitality was for him an essence of living. He went bicycling with his wife till after the age of 70. At the same age he joined a club devoted to good fellowship. The happy life—about which he wrote so abundantly—lay simply in health, the company of Nature, books, and friends, and in the fullest exercise of one's abilities for service to one's fellow beings.

In this stamp series of great Americans, Eliot is listed as an educator. His achievements make that term possess a scope a thousand times more forceful. This man, who stands as Harvard's embodiment, is also the embodiment of democracy. Never giving up the spirit of his youth, he never hesitated, honestly, to change his mind. This Nation can point with pride to the example of vital and enduring leadership provided by this teacher of democracy, Charles William Eliot. As his voice rang out, "a university must be free," so also was his life a fervent challenge that a nation, too, must be free.

It gives me a great deal of pleasure to be here at Cambridge today and to dedicate this stamp, one of the five issued for famous educators in our prominent American series. May this stamp serve its part as a lasting memorial to this great character.

REMARKS OF DR. SAMUEL A. ELIOT

I had opportunity at one informal gathering this morning at Eliot House of expressing to the Postmaster General our deep appreciation of the honor he has done us in coming hither today and personally taking part in these exercises. I also had opportunity of acclaiming the enterprise of the Post Office Department in issuing the stamps which commemorate men who have rendered good service to the Nation in the fields of education, literature, and the arts and sciences. In behalf of the descendants of President Eliot and in the name of the beloved community in which he lived for three-quarters of a century I made grateful acknowledgment of this recognition of the character and achievements of a citizen who made a real and, we trust, a reasonably lasting contribution to the stability, the intelligent progress, and the happiness of the land we love.

May I now add my thanks for the gracious hospitality extended to us by the postmaster of Boston and the supervisors of the Boston postal district at this luncheon and renew my gratitude to Mr. Farley for his admirable, clear, concise, and accurate interpretation of my father's honorable and serviceable career. The address to which we have listened presents an admirable analysis and description of my father's character and accomplishment.

If I can recall them, I should like to apply to President Eliot certain verses written by a Cambridge poet, whose likeness appears on another of these commemorative stamps, about another great American:

"The longer on this earth we live
And weigh the various qualities of men,
Seeing how most are fugitive—
The more we feel the high, stern-featured beauty
Of plain devotedness to duty,
Steadfast and still, nor paid with mortal praise,
But finding amplest recompense,
For life's ungarlanded expense,
In work done squarely and unwasted days.

Rigid, they said he was at first, severe,
But owned, as all men own, the steady hand
Upon the bridle, patient to command;
Prized, as all prize, the justice pure from fear,
And learned to honor first, then love him, then revere."

REMARKS BY JEROME D. GREENE, SECRETARY TO THE CORPORATION, REPRESENTING HARVARD UNIVERSITY

Mr. Chairman and Mr. Postmaster General, I am very happy to have the honor of speaking for Harvard University on an occasion which represents the interest both of this community and of the university in paying tribute to the memory of a great man whose character and achievements are a part of our common heritage. President Eliot's conception of a university was not one of isolation but rather of constant service to the community. The changes which he wrought in the structure of Harvard were in response to demands which, as he said in his inaugural address in 1869, were made by the developments of our American civilization. If he was a great educator, he was first of all a great citizen.

We are grateful to the Postmaster General for choosing as the appropriate scene of this day's ceremonies the university which President Eliot did so much to build and the city of Cambridge, whose citizens, with those of the Greater Boston community, unite in homage to the man in whose services to the Commonwealth and the Nation we may all take peculiar pride.

Constitutional Money

EXTENSION OF REMARKS

OF

HON. J. HARDIN PETERSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

LETTER FROM THE CONSTITUTIONAL MONEY LEAGUE OF AMERICA

Mr. PETERSON of Florida. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter which I have received from the Constitutional Money League of America with the request that same be filed in the RECORD:

CONSTITUTIONAL MONEY LEAGUE OF AMERICA,
St. Petersburg, Fla., March 18, 1940.

Subject: Constitutional money.

Hon. J. HARDIN PETERSON,
Congressman, First Congressional District of Florida, Congressional Office Building, Washington, D. C.

DEAR CONGRESSMAN: This body, after careful investigation and research over a period of 2 years, actuated not by any partisan considerations but for purely patriotic reasons in an endeavor to assist in a solution of the problems confronting our great democracy, has reached some definite conclusions.

In consideration of the various factors involved, our conclusions are based not only upon past history and experience but upon ample statistics of record in the Government archives, private statistical institutions, consultation of recognized authorities, and volumes of reference on monetary science.

This body has no illusions. The factor of psychology has been given full consideration. As a result of the failure of our present monetary policies to bring about general prosperity to all the people, America faces a crisis. The restrictions placed upon the banking business as a safeguard to depositors, while having some merit as a safety factor, has had about the same effect as furnishing a man at sea a life preserver; it does him no good if it keeps him afloat long enough for him to starve to death.

The Government-spending program might have succeeded in its intent, had pay checks been paid in good Treasury notes instead of phantom checks that short-circuited straight back to the Federal Reserve banks and canceled out of circulation.

As the investigation proceeded, the evidence became glaringly obvious: The Federal Reserve System had not only failed in functioning as enactment of law intended, but, due to its deflationary policies, was directly responsible for the losses of billions of dollars

in money, farms, and homes by the citizens of this country during the period of depressions—1920, 1929, and 1937. Our citizens, with faith in their Congress, are still dazed from these disastrous blows to prosperity.

Darkness is fading as the people become educated to the evils of our present monetary policy. Millions are now satisfied as to the need for an honest, adequate, and stable money system. Three-fourths of our present economic ills are due to the failure of Congress to exercise the mandate of our United States Constitution—Article I, section 8, paragraph 5: "Congress shall have the power to coin money and regulate the value thereof."

The people of this Nation have been patient and lenient with those who wish to perpetuate the special-privilege money system, and those in control have repeatedly failed them. Jefferson, Jackson, and Lincoln foresaw the consequence of relinquishing the control and issue of money to private interests and predicted with remarkable accuracy the consequences from which this Nation is now suffering.

The people of this country knew and showed by their reaction in 1932 that something was radically wrong; their reaction is still strongly implanted in the minds of many.

Propaganda and camouflaging the issue by unimportant legistion cannot much longer becloud the true situation. To balance production with sufficient medium of exchange to facilitate the distribution and consumption of goods and wealth is as logical as night follows day.

Money used for the purpose for which it was invented is a simple subject—a medium of exchange or the wages of man. As the wages of money, it becomes slightly more complicated. Human nature being what it is, money becomes dangerous to the general welfare when its control is in the hands of private interests.

We sincerely believe that to perpetuate our democracy, insure prosperity, and promote the general welfare our Congress must return to the Government the power to control and issue our currency.

As a means to this end, we, your constituents, request that you use your influence to bring the Voorhis bill (H. R. 8209) out of the committee for vote and/or discussion on the floor of Congress.

We further believe that action by Congress this session will prevent one of the worst depressions within the next 2 years that our Nation has ever been called upon to endure.

Awaiting your reply, we are,

Yours very truly,

M. YOWELL, *President.*
L. E. SAUPE, *Secretary.*

Army Needs Versus Economy

EXTENSION OF REMARKS

OF

HON. J. JOSEPH SMITH

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ARTICLE BY MARK S. WATSON

Mr. SMITH of Connecticut. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Mark S. Watson from the Baltimore Sun of April 19, 1940:

[From the Baltimore Sun of April 19, 1940]

ARMY NEEDS VERSUS ECONOMY—EXPERTS GIRD THEMSELVES FOR COMING DISCUSSIONS WITH SENATE COMMITTEE, HOPING TO RESTORE SOME VITAL ITEMS STRUCK FROM 1941 APPROPRIATIONS

(By Mark S. Watson)

WASHINGTON.—While the extent of further Navy expansion is being warmly debated in the Senate's Naval Affairs Committee room, the Army's experts are girding themselves for discussions within the next few days before the Senate's Appropriations Committee. They have strong hope of restoring numerous items which the House Committee on Appropriations lately struck from the Military Establishment's 1941 budget bill, the House itself later approving by passing the bill as thus revised. Altogether, the House committee reduced the War Department's estimates of $853,000,000 (roughly, $2,000,000 over 1940 appropriations) to $786,000,000, and among the $67,000,000 items eliminated were several which the Department regards as of extreme importance.

To the largest single item in the reductions it is unlikely any protest whatever will be raised. This was a $19,400,000 reduction in Air Corps appropriations, effected by eliminating from schedule 440 airplanes intended for replacement, this elimination meeting no objection from the Army, which apparently is willing to let the planes go to Europe.

The official belief is that Allied plane orders are building up American factory production so fast that American preparedness will be immeasurably benefited—just as Allied purchases in 1915–16 built up our war industries at other nations' expense, to serve our own ultimate purposes in 1917–18. It seems to be agreed that by postponing our airplane purchases (save for certain essentials whose delivery is not affected) we will actually be in better position by 1942 than we had expected to be—for we then will be possessed of newer designs at less cost.

SOME ECONOMIES ACCEPTED

Other large reductions made by the House committee which the Army is expected to accept without serious protest include the cutting of $8,700,000 of National Guard outlay through elimination of 6 of the proposed 27 days of field training and 12 of the 60 armory drills. Few of the items in the $1,100,000 total of reductions in pay requirements will be resisted, with the exception, oddly, of one of the smallest, $97,000, by which the committee proposed to halve the flight pay for 136 nonflying officers. These are ordnance and chemical warfare officers, among others, who are assigned to observe the exact performance of their bombs in order to be guided in the techniques of their own corps; this service is regarded as extremely important. The $350,000 reduction in outlay for field exercises in Hawaii and Puerto Rico is unlikely to be protested.

But there are other forced economies which the Army is not thought likely to accept so placidly. The Ordnance Department, whose budget was trimmed $6,500,000, and the Chemical Warfare Service, which stands to lose $2,500,000 from its budget, are not easily convinced that they should sustain such losses. And it is certain that there will be new evidence to support the Army project for a great air base at Anchorage, Alaska, for the economy shears in the House nipped that $12,700,000 Air Corps enterprise entirely off, the committee report holding that more evidence of its need should be gathered before there is so large a commitment.

It may be remembered that there is now a considerable naval air base on Kodiak Island, far out at sea, 200 miles southwest of Anchorage, but this is definitely for reconnaissance planes, not the stouter defense which the Army has been planning for Anchorage. There is, too, as the committee points out, an Air Corps base at Fairbanks, 260 miles northeast. This, however, is designed only as an experimental station for solving problems of cold-weather flying which future air defenses must expect to encounter. Without flatly opposing Anchorage in principle, the House economizers effectively opposed it in practice by cutting its cost out of the Budget, and suggested that more information should be supplied. There is no doubt the Army is going to supply it.

THE EDUCATIONAL ORDER ITEM

There is a hint, too, that because of the troubled world situation White House support will be given the Army's hope for funds needed to complete immediately the equipment of our present initial protective force (227,000 Regulars and 235,000 National Guard), but no official word of that is yet in circulation. These items might total $39,000,000. Their importance is suggested by the Chief of Staff's assurance that he wishes them even before he wishes certain increases in personnel calculated to round out the present Regular Army. This added personnel of 15,000 is designed to round out 1 more of the new divisions (there are now 5), to supply a few corps troops, and to expand the existing mechanized brigade into a division. It is significant that General Marshall desires the "critical items" of equipment even before these important supplements in manpower.

But, in particular, and apart from all other current requirements, there is sure to be a spirited effort to put back in the bill one large item of $14,250,000. This was shorn bodily from the Army budget's $16,500,000 "educational orders," which constitute the sinew of the ambitious industrial mobilization program for national defense.

This program, for all its importance, is still not generally understood, even though it was called for by Congress so long ago as 1920, when memory of World War blunders was vivid; it was implemented 3 years ago, when $42,500,000 was authorized to be expended in 1939, 1940, and 1941. In 1938 and 1939 the Congress translated $26,000,000 of that authorization into actual appropriations, leaving $16,500,000 of the 3 years' total to be appropriated this year. This amount the Army sought, but the House committee has wiped out all but $2,000,000, explaining that the $14,250,000 thus saved was simply transferred from "educational orders" to actual "production orders" for Ordnance, Engineers, and Signal Corps equipment. In the mind of congressional critics there was apparently an air of reality about "production" orders, whereas "educational" items could be deferred.

FOR INDUSTRIAL PREPAREDNESS

The trouble is that this treatment of an admittedly genuine present need is not meeting at all the real and very important purpose of the industrial mobilization plan. This plan is only slightly related to current peacetime requirements. It is related rather to the enormous needs of a grand-scale war, and the fact that war is not at hand is hardly an answer, for current European experiences show that war can come suddenly to a peaceably inclined nation. The purpose of the industrial mobilization plan is to equip the country, not with a few actual weapons but with factory equipment and technical skills by which, when war's alarm is finally sounded, such weapons can be produced in great volume and without disastrous cost in time and money.

How serious is that need, in the view of War Department procurement officers, is suggested by the admission that if we should be faced with war tomorrow it would be impossible to get our prime-

need factories into production in less than 15 months. Save for aviation factories, and a very few others, the country is reported as very much worse off in productive capacity than it was in 1917, when many of our plants had been built up to high efficiency by the allied war orders of 2 previous years.

So far there have been, in 1939 and 1940, no important allied purchases of guns or shells, and hence no justification for a building up of American war industries (other than aircraft) such as were ready at hand in 1917. Even powder factories now standing have little more than peacetime capacity; the great plants of 1918 were long ago demolished to save upkeep and taxes. Britain and France have been making their own shells in their own plants, so far.

Hence, the procurement officials point out, when we place orders for the $14,250,000 needed goods referred to, we get them indeed—from a few plants which are already prepared to fill them. But by that means we do not develop any new production facilities whatever, whereas if the $14,250,000 were spent on educational orders, it would be divided among a great many plants which are not now in production for that sort of goods. In the first year we would no doubt get somewhat less in the way of goods, but we would enormously increase the Nation's potential output, and presumably shorten, by many months, the period which would be required for grand-scale production, when that grave need arises.

WHAT THE PROGRAM INVOLVES

The 1939 educational orders were for six items—(1) forging, and (2) machining of shells; (3) the first lots of the Garand semiautomatic rifle; (4) searchlights; (5) gas masks; and (6) recoil mechanism for antiaircraft rifles. Each order was to develop factory resources which had been nonexistent. It may be worth noting that, in the case of the Garand rifle (the factory asserts) the educational order saved the Government 1 year in time and $1,000,000 in outlay; the whole educational order had cost only $1,386,000. The financial savings in other cases are not so striking, but in time, which could be of gravest importance, comparable figures are cited.

As an example, the 1939 educational order for machining of shells went to just one plant. That educational work completed, the 1940 orders for machining of shells went to 14 plants, illustrating how effectively the system is widening the Nation's potential output of war industries. It is worth noting, too, that despite recognition of the inadequate air defense of both Army and Navy at the time, none of the 1939 educational orders (nor any since) went to aircraft factories. The procurement officers saw that civil aviation was already developing plants on a grand scale and the industrial mobilization plan could better spend its money elsewhere, in development for future possibilities.

In 1940, instead of 6 items, 116 items were listed in the program of educational orders (chiefly for essentials in ordnance, with lesser items of engineering and defensive chemical warfare). Not all these orders were actually placed, but the planning work on them is done. It had been planned, too, to add 115 more prime-need items for 1941, but at the moment the House committee action seems to be a body blow to that design.

Of all the things the Army and Navy need for war, there are approximately 1,200 which cannot be acquired readily from existing industries. Of this total the 1939–41 educational orders were designed to affect 237 items, thereby appreciably reducing the country's industrial defense problems. The Army says the desired goal will still be far in the future, and more, rather than less, will be required. There have been no official statements on the subject, but the procurement officers are assembling their facts and figures for a vigorous argument before the Senate's committee within the week.

One Hundredth Anniversary of Establishment of Supreme Court of Texas

EXTENSION OF REMARKS

OF

HON. FRITZ G. LANHAM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ADDRESS BY SIDNEY L. SAMUELS

Mr. LANHAM. Mr. Speaker, in the recent commemoration at Austin, Tex., of the one hundredth anniversary of the establishment of the Supreme Court of Texas, the principal address was delivered by the Honorable Sidney L. Samuels, of Fort Worth, Tex. It is so replete with historical information and a discussion of the principles of government pronounced and practiced by the pioneers of the judicial system that its preservation and availability for perusal seem quite worth while. In accordance with the leave granted to extend these remarks, the address of Mr. Samuels follows:

The architect of St. Paul's in London chose no monument or sculpture to mark his fame or to commemorate the sign of his triumph. On a slab in one of the panels is inscribed this simple legend: "If you seek his monument, look about you."

To entitle the worker to remembrance, if he would survive the fleeting breath of a day in a world of mortals, he must create something which adds to the stock of the world's capital, whether it be moral, intellectual, spiritual, or material, or he must save out of the wear and tear of civilization something which mankind craves to retain.

The charm of the spoken voice perishes with the speaker; the word he utters that stirs our emotions, that moves our sentiments to rhapsody or to wrath, haunts us like a familiar strain of music and then is forgotten. That is why the mere orators of the past become pictures in a mist and fade from the pages of history.

Of the actors that entertained and delighted the crowded audiences of the past with their dramatic passion and their mimicry. How few are remembered? Of the men who legislated for the Nation and who sat in the Halls of Congress, who were cheered by the galleries and acclaimed by their local constituencies, how many of their names are familiar to the people of this generation? Of the books that have poured in a flood from the printing press and hailed as the best sellers, how many will be sought by the readers of another day?

Who, then, are to be remembered? It is the builder, one who constructs an edifice, whether it be one of thought or a visible structure of brick and mortar to house the external symbols of thought, a ship that sails the sea, or, better still, an ideal which, like truth, shall set men free.

When stories of battlefield are dust-covered, when the shout of the charlatan in the market place is silent, when the tongue of legislative clamor is mute, the decisions of the great judges will survive the ruin of states and empires, and their shibboleths of liberty will resound and repeat themselves once again in the lives and deeds of our descendants.

This is a festival of a hundred years, and yet how solemn and how pensive—100 years—a century, which rated by the law of average is but the span of three generations. It is brief enough when measured against the marathon of time. It is but a swirling second in the aeon of the geologist, but reckoned as part of the story of the human family it includes so much of change and revolution that it may be fairly called an epoch.

Looking back on the path of the receding years, it is no flight of fancy to say that the year 1840 had not yet broken with the events of the eighteenth century. The current of life was still setting from that earlier period when in 1840 the curtain was lifted for the first time upon the Supreme Court of Texas. There were men living, not yet old, who in their youth had known George Washington and recalled the majesty of his living features. The guns of Waterloo, which marked a new birth of freedom to the world, fought in June 1815, almost 600 years to a day since Runnymede—the guns of Waterloo were still reverberating in the ears of living men. Then, as now, the British race was striving to save the precious heart of civilization from the dagger thrust of a giant assassin. In 1840, Louis Philippe was King of France, seeking to preserve monarchy for the mercurial French people, by surrounding it with the trappings of republican institutions. Victoria, of England, was still in the flush of young womanhood; Martin Van Buren was President of the United States, soon to be succeeded by an ignorant soldier whose campaign methods supplied the standard model of all time for the hillbilly demonstrations of even this day. There were men who had been watchers at the bedside of John Adams and Thomas Jefferson, who had seen the two great figures close their eyes in death—at almost the same moment of time—as if by the same cosmic event, on July 4, 1826, when the Republic of the United States was celebrating its half century of independence from the mother country. Thackeray has just begun to frame his deathless portraits of character and impale men on the lance of their own follies—characters of flesh and blood who breathed and sinned and pulsed and performed noble deeds and died with heaven in their eyes, just as men have done before and since, because they themselves were the everlasting patterns of mankind. Dickens had just created his Christmas Carol—the story in prose, half legendary, half real, of the spirit of redemption brought into the world by the infant cradled in a manger in the dim corner of a stable yard, in the ancient town of Bethlehem. John C. Calhoun, with lightning in his frown, and with a voice of thunder, like one of the ancient prophets of the Old Testament, was warning the North against its deliberate disregard of the guaranties of the Constitution.

With this stage setting of world events, the curtain was lifted upon the Supreme Court of Texas for the first time in its existence in a frontier village, seated amid an amphitheater of hills in the teething Republic of Texas.

How solitary was this first court. How lonely in its grandeur. Like a planet in space, it was in a sense limitless, without boundaries, drawing from the immensity of time, prescribing its own orbit, rationalizing its own mode of thought. It hewed its decisions out of the scant materials quarried from the ancient law and sought to fit its decrees to a virgin frontier. It was as if it had been appointed to shape destiny itself and transcend the scope of the present.

Never before in the history of organized society was a more stupendous task set before the judicial mind—a task to awe and stagger the curiosity of intellect. Without precedent in their own law, the inheritors of the Spanish civil system, on the one hand, and with no lamp in their hand to guide them through the twists and mazes of the Spanish civil law, with the crazy quilt of decrees, grants, and pronunciamentos of Mexican bureaucrats, with claims set up by the adventurers cast upon our shores by Spain and France, and the uncertain and wavering lines of the Louisiana Purchase, it would seem as if the very Fiend of Chaos had laid his spell upon all the institutions of the new government. Worthless scrip had been issued, the pen of the forger had circulated counterfeit land certificates, and the Indian tribes warring on the isolated settlers asserted claims of their own.

What was the literature of the court and from what hidden sources did it draw the wealth of knowledge and learning that shines and glitters in its early decisions? Bacon's Abridgement, Coke on Littleton, Kent's Commentaries, Hale's Pleas to the Crown, and Storey's matchless work on equity jurisprudence.

And the names of these men who first actively functioned on the court: Rusk, scholar and statesman, who mellowed the tone of a frontier society; Shelby; Jones; Mills; Robinson; Branch; Anglo-Saxons all. No alien blood to interrupt the course of English liberty that ran like a tide through their veins. They were of the same racial stock that gave to the world Sir Philip Sidney, scholar and soldier of Elizabeth's reign; John Hampden, who resisted the pretensions of the Stuarts; Raleigh, who laid his head on the block; Marlborough and Wellington, who put down the tyranny of the French kings; and Nelson, who, dying at Trafalgar, gave inspiration of duty to all the world. They spoke the same tongue as Shakespeare, the dramatist of all ages; John Milton, whose stately prose rolls like the voice of Deity; Shelley, the minstrel of English verse; Browning, the poet of our sober years when life's pulses have cooled; and Gray, whose Elegy intones the dirge of all humanity.

Their most notable trait, which excels all others, as character excels reputation, as true religion excels mere dogma, was superlative intellectual honesty—the integrity that has no guile, that reaches a sincere conclusion and then dares to declare it.

Their next most distinguishing trait was their love of liberty, for which their decisions became an abiding sanctuary. They knew how to value liberty because they had paid the price. They and their fellows had staked their lives to win it, and they resolved to preserve it and shield it even against government itself. Would that their spirits today could be incarnated in the men who set up the Federal tribunal of last resort so that the guaranties of the Constitution should never become the pliant tools of political opportunists.

Then again, came their attitude of mind in contemplating the relation of man to the social scheme—the dignity of independent man, an independence and dignity which government should never undertake to repress or cripple—that it was man who created the State, and that government should not essay to standardize intellect or regiment the mind or allow the dust kicked up by the hoofs and heels of mediocrity to blind the eyes of genius.

In sketching the constructive era of the court, we should not ignore the three great judges—Hemphill, Wheeler, and Lipscomb—the trinity to whom Judge Greenwood, who preceded me, has just paid due homage, nor should we forget the deep obligation to those judges who, when the Confederacy, crushed by inexhaustible members recruited from the borders of the Mediterranean and the fringes of southern Europe, had collapsed, sought to salvage Caucasian civilization from military rule, and the plundering clutch of the carpetbagger and the scalawag. Their task was to piece together the shattered framework of our social structure and to restore the sovereignty of the law to the throne of reason.

Foremost of all was Roberts, gifted above his fellows in knowledge of the common law, who, when he faced the confusion of antagonistic forces uttered the famous dogma, homely but historic, that "if the State has to go to hell, let it go to hell by law"; and if, Mr. Chief Justice, we seem at times in these troublous days to be hovering over the abyss, it is not because of the law but in spite of it.

No country, by means of its courts, has ever engrafted the attributes of slaves upon freemen. Legislators may transcend the scope of discretion and exact taxes to the last margin of constitutional limitation; executives, rulers, and kings may overturn laws and liberties, but the courts, in the long run have seldom denied justice when it was implored, even when it had been denied and crucified by a misguided popular sentiment.

Our children throughout the land should be told in the classroom how civil liberty has been cradled and cherished through the courts, and how the gospel of individual freedom has been the theme of holy texts in hundreds of decisions that guard the people from harm and protect them even as against themselves.

Children may quote glibly from the glittering roster of soldiers and politicians—I do not grudge soldier or politician his due—but how few can name the undaunted judges, State and Federal, who have withstood the ordeal of passion and temper and preserved rights within the law, when political bodies have quailed before the hurricane.

Oh, it has been said, gentlemen of the court, that these early men were adventurers. Granted. Life itself is a supreme adventure upon this planet, which existed before the advent of man and will revolve about the sun when man has disappeared altogether from the scene. They were adventurers as Columbus was an adventurer; as La Salle was; as De Soto was; as the Lees were that came from England in the reign of Charles I, and established a line that flowered and fruited in one great soul worthy to be ranked with Sir Galahad in quest of the Holy Grail, and to drink immortality from its crystal depths. But for these great adventurers, who carved a new Republic, Texas would be a wilderness today, stretching in wide unpeopled expanse to the western horizon, as when Coronado's band, in search of fabled gold, marched through its northern regions.

It is said that each age creates its own peculiar type, and that all men are creatures of time and circumstances. All this is but another way of stating the wholesome truth that all countries usually have the men that they deserve. Texas is still—and may we not hope that it will continue so to be—a civilization of hardy virtues, outlasting the refinements which sometimes enervate and soften a sturdy race.

These early men were the links of communication in the leagues of distance between man and man. They were neighbors in a period of time when travel was charted by instinct, with not even a wagon rut for guidance. Through all climates and seasons they rode these untraveled spaces and made their laws the escutcheon of a rough and ready knighthood. Seldom in the far-off days did they fail to heed the cry of distress or the appeal for help when for the most part each man was a law unto himself. Modern commerce had not then made the written word the measure and boundary of a promise, and so with them a promise was a solemn covenant, and in their untutored way they loved little children, guarded the honor of woman, and when necessary could shoot from the hip when the outlaw strove for mastery.

We should strive to preserve those legendary figures—men astride the horse under the noonday sun and under the pitiless gleam of the stars in wintry nights, who braved hardships and danger, who thirsted and parched in drought, who were their own physicians and their own priests, with no other healing agent but Nature, no canopy but the skies, and no other shield but their own stout hearts.

The judges who formed this first court were men of that fiber. They wrote imperishably with fingers numbed and gnarled, and graved on our lives a bill of rights of outlasting parchment, with ink compounded in the blood of sacrifice; and what they did and what they said will, if remembered, hasten the coming of that perfect day when in the evolution of the ages we shall render unto Caesar the things which are Caesar's and unto God the things which are God's.

Wheeler-Lea Bill (S. 2009)

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. VAN ZANDT. Mr. Speaker; the Congressman from Texas, my good friend and colleague, the Honorable JOSEPH J. MANSFIELD, extended his remarks in the Appendix of the RECORD, pages 2021 and 2184, in reference to my comments on previous dates to inland waterways. In his extension of remarks, on page 2021, the gentleman from Texas, Congressman MANSFIELD, indicates that happenings in Europe today demonstrate the value of inland waterways. An example is cited of Germany taking possession of the kingdom of Norway to insure better transportation of ore to Germany and to the use of the Danube River for carrying supplies into that country.

Surely the gentleman from Texas does not expect one to believe that the improvements of the inland rivers in this country are similar to the shipment of Swedish ore from Narvik on the open sea to the German port. No such comparison can reasonably be made.

It is indeed true that the newspapers have carried items with respect to the Danube River. The import of these items, however, is that such rivers are rendered useless and canals are rendered useless because winter stretched its frigid hand over these inland waterways and made traffic impossible. No longer were they of the slightest use for transportation purposes, and yet during an unprecedented winter in Europe railroad car wheels continued to roll. This marks the relative importance in national defense of a railroad system and an inland-waterway system.

It became an item of international importance that one small, insignificant shipment found its way by water from Yugoslavia to Trieste. Is this to be the reliance upon inland waterways for national defense?

Often my good friend from Texas [Mr. MANSFIELD] has called attention to the use of inland waterways in this country during the last World War. The record does not show any substantial contribution to the transportation facilities in this country during that war, and certainly nothing that could in any way be called a recompense for the tremendous cost to the Federal Government of approximately a billion dollars, with an average maintenance cost of $2,778 per mile, all expended in an effort to make these waters navigable.

What was the concern of the people in this country last September and October when a new war burst upon the world? There was no talk about waterway transportation or concern about its availability. Anxiety was expressed solely as to whether or not the railroads of the country could bear the possible burden that would rest upon them. In magnificent fashion they met the test adequately and successfully.

There has been before the people of Massachusetts the problem of discontinuing freight and passenger service on the Old Colony Railroad. At a hearing recently in Boston on this subject there appeared as witness Capt. Louis P. Davis, United States Navy, commanding officer of the naval ammunition dump at Hingham, representing Rear Admiral William T. Tarrant, commandant of the Boston Navy Yard, who testified:

> The abandonment of rail service will seriously affect the national program. The naval ammunition depot at Hingham is the only ammunition depot on the New England coast. It has water facilities so restricted as to only handle tugs and barges.
>
> The shallow water and narrow channel in the vicinity are inadequate for peacetime. In a time of war I cannot see how this depot could be maintained. To send ammunition by highways would be a real danger to the public.
>
> In regard to shipbuilding, there is the Fore River shipbuilding plant, on which the Government depends for its naval force and merchantmen. Any slowing up or stoppage of work there would be of grave concern to the Nation's defense program. With the outbreak of the war abroad, the building at this plant will substantially increase during the next 2 or 3 years.

In a letter to the Federal Coordinator of Transportation a few years ago, quoted in the recent report on Government aids to transportation, volume III, page 26, the Acting Secretary of War, Douglas MacArthur, wrote:

> It is, therefore, the desire of the War Department to reemphasize the suggestion made by Colonel Taylor that in the solution of the problem of coordinating rail and water transportation, the preservation of the Nation's trunk-line railway system, and continued development of bus and truck transportation as the principal collecting and distributing agency, with the protection of the capital investment represented in each, be considered as basic.

It may be that the gentleman from Texas, Congressman MANSFIELD, has wholly misread the dissenting opinion of Commissioner Eastman in the decision of the I. C. C., F. S. A. 17413, October 30, 1939. This is a case involving railroad relief from the fourth section provision. The point made by the Commissioner in his dissenting opinion is that the granting of relief to the railroads for handling gasoline from the Gulf to Chattanooga would prevent the movement of this commodity up the Mississippi, Ohio, and Tennessee Rivers. The improvements on these rivers, therefore, could not be justified on the basis of traffic not handled, by the cost to the Government for improving these projects remains to be paid and maintenance must be continued year by year. The Commissioner said, therefore, that it would be better to take the money wastefully spent in these river projects, which were not used to carry traffic, and subsidize the railroads in exchange for lower rates.

There is no basis in this statement for drawing the conclusion that the Interstate Commerce Commission is railroad-minded. The fact is the Commissioner made a sound business remark.

The gentleman from Texas, Congressman MANSFIELD, in his extension of remarks, Appendix of the RECORD, page 2184, called to the attention of the House that my statement, "Secretary of War Woodring is revealed by the records to have disbursed for rivers and harbors $723,006,637," reveals that the above figures are more than $600,000,000 over the correct figures of the Chief of Engineers, War Department.

I cheerfully acknowledge my failure to state that the $723,006,637 represents a 5-year period since 1935 and in breaking down this sum we find approximately $573,000,000 was spent by the Government for new work on rivers, harbors, and channels. The remainder of the approximate three-quarters of a billion dollars was spent over the 5-year period as maintenance cost.

Since the gentleman from Texas, Congressman MANSFIELD, shows by his remarks that he is a close analyst I join with him as a seeker after truth and in accordance with such principles respectfully call attention that in his remarks on pages 1900 and 1901 of the Appendix of the CONGRESSIONAL RECORD he apparently failed to recognize the fact in the table of rates inserted by him contrasting the rate on cotton charged by the railroads in comparison with the rail-and-water rates, that these rates are now subject to the jurisdiction of the Interstate Commerce Commission.

I call to the attention of my colleague that under the present law the Interstate Commerce Commission has jurisdiction over transportation that is partly by rail and partly by water.

Section 6, paragraph 13, of the Interstate Commerce Act clearly provides that very thing. Among other things, section 6, paragraph 13, further provides:

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Other provisions of the same section make it perfectly clear that these rates are subject to Commission jurisdiction. As a matter of fact, they are filed with the Commission. It is obvious, therefore, that the Commission cannot be hostile to water transport, since it has approved these low rail-and-water rates.

Treason in Norway Argues for Investigating the Nazis, Not Hounding the Communists

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ARTICLE BY JAY FRANKLIN

Mr. SABATH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Jay Franklin, which was published in the Washington Evening Star of yesterday:

[From the Washington Evening Star of April 18, 1940]

WE, THE PEOPLE—TREASON IN NORWAY ARGUES FOR INVESTIGATING THE NAZIS, NOT HOUNDING THE COMMUNISTS

(By Jay Franklin)

Leland Stowe, of the Chicago Daily News, did more than score a world scoop in his Stockholm dispatch describing the treason and sabotage by which certain prominent Norwegians admitted the Nazis to their country. He also made it abundantly clear that MARTIN DIES, the D. A. R.'s, and our de luxe red baiters are barking up the wrong tree in their current attacks on communism.

In Norway, for example, it was not the Communists who admitted the German Army. It was a number of highly placed Army and Navy officers, and ambitious conservative politicians who spiked the guns of the Norwegian Navy, surrendered forts and ports, sabotaged defense plans and equipment, and generally greased the rollers of Hitler's wooden horse.

It is as though—to use a farfetched comparison—some of our prominent conservatives, the Chief of Naval Operations, the commandant of the New York corps area, and a number of well-placed

Never before in the history of organized society was a more stupendous task set before the judicial mind—a task to awe and stagger the curiosity of intellect. Without precedent in their own law, the inheritors of the Spanish civil system, on the one hand, and with no lamp in their hand to guide them through the twists and mazes of the Spanish civil law, with the crazy quilt of decrees, grants, and pronunciamentos of Mexican bureaucrats, with claims set up by the adventurers cast upon our shores by Spain and France, and the uncertain and wavering lines of the Louisiana Purchase, it would seem as if the very Fiend of Chaos had laid his spell upon all the institutions of the new government. Worthless scrip had been issued, the pen of the forger had circulated counterfeit land certificates, and the Indian tribes warring on the isolated settlers asserted claims of their own.

What was the literature of the court and from what hidden sources did it draw the wealth of knowledge and learning that shines and glitters in its early decisions? Bacon's Abridgement, Coke on Littleton, Kent's Commentaries, Hale's Pleas to the Crown, and Storey's matchless work on equity jurisprudence.

And the names of these men who first actively functioned on the court: Rusk, scholar and statesman, who mellowed the tone of a frontier society; Shelby; Jones; Mills; Robinson; Branch; Anglo-Saxons all. No alien blood to interrupt the course of English liberty that ran like a tide through their veins. They were of the same racial stock that gave to the world Sir Philip Sidney, scholar and soldier of Elizabeth's reign; John Hampden, who resisted the pretensions of the Stuarts; Raleigh, who laid his head on the block; Marlborough and Wellington, who put down the tyranny of the French kings; and Nelson, who, dying at Trafalgar, gave inspiration of duty to all the world. They spoke the same tongue as Shakespeare, the dramatist of all ages; John Milton, whose stately prose rolls like the voice of Deity; Shelley, the minstrel of English verse; Browning, the poet of our sober years when life's pulses have cooled; and Gray, whose Elegy intones the dirge of all humanity.

Their most notable trait, which excels all others, as character excels reputation, as true religion excels mere dogma, was superlative intellectual honesty—the integrity that has no guile, that reaches a sincere conclusion and then dares to declare it.

Their next most distinguishing trait was their love of liberty, for which their decisions became an abiding sanctuary. They knew how to value liberty because they had paid the price. They and their fellows had staked their lives to win it, and they resolved to preserve it and shield it even against government itself. Would that their spirits today could be incarnated in the men who set up the Federal tribunal of last resort so that the guaranties of the Constitution should never become the pliant tools of political opportunists.

Then again, came their attitude of mind in contemplating the relation of man to the social scheme—the dignity of independent man, an independence and dignity which government should never undertake to repress or cripple—that it was man who created the State, and that government should not essay to standardize intellect or regiment the mind or allow the dust kicked up by the hoofs and heels of mediocrity to blind the eyes of genius.

In sketching the constructive era of the court, we should not ignore the three great judges—Hemphill, Wheeler, and Lipscomb—the trinity to whom Judge Greenwood, who preceded me, has just paid due homage, nor should we forget the deep obligation to those judges who, when the Confederacy, crushed by inexhaustible members recruited from the borders of the Mediterranean and the fringes of southern Europe, had collapsed, sought to salvage Caucasian civilization from military rule, and the plundering clutch of the carpetbagger and the scalawag. Their task was to piece together the shattered framework of our social structure and to restore the sovereignty of the law to the throne of reason.

Foremost of all was Roberts, gifted above his fellows in knowledge of the common law, who, when he faced the confusion of antagonistic forces uttered the famous dogma, homely but historic, that "if the State has to go to hell, let it go to hell by law"; and if, Mr. Chief Justice, we seem at times in these troublous days to be hovering over the abyss, it is not because of the law but in spite of it.

No country, by means of its courts, has ever engrafted the attributes of slaves upon freemen. Legislators may transcend the scope of discretion and exact taxes to the last margin of constitutional limitation; executives, rulers, and kings may overturn laws and liberties, but the courts, in the long run have seldom denied justice when it was implored, even when it had been denied and crucified by a misguided popular sentiment.

Our children throughout the land should be told in the classroom how civil liberty has been cradled and cherished through the courts, and how the gospel of individual freedom has been the theme of holy texts in hundreds of decisions that guard the people from harm and protect them even as against themselves.

Children may quote glibly from the glittering roster of soldiers and politicians—I do not grudge soldier or politician his due—but how few can name the undaunted judges, State and Federal, who have withstood the ordeal of passion and temper and preserved rights within the law, when political bodies have quailed before the hurricane.

Oh, it has been said, gentlemen of the court, that these early men were adventurers. Granted. Life itself is a supreme adventure upon this planet, which existed before the advent of man and will revolve about the sun when man has disappeared altogether from the scene. They were adventurers as Columbus was an adventurer; as La Salle was; as De Soto was; as the Lees were that came from England in the reign of Charles I, and established a line that flowered and fruited in one great soul worthy to be ranked with Sir Galahad in quest of the Holy Grail, and to drink immortality from its crystal depths. But for these great adventurers, who carved a new Republic, Texas would be a wilderness today, stretching in wide unpeopled expanse to the western horizon, as when Coronado's band, in search of fabled gold, marched through its northern regions.

It is said that each age creates its own peculiar type, and that all men are creatures of time and circumstances. All this is but another way of stating the wholesome truth that all countries usually have the men that they deserve. Texas is still—and may we not hope that it will continue so to be—a civilization of hardy virtues, outlasting the refinements which sometimes enervate and soften a sturdy race.

These early men were the links of communication in the leagues of distance between man and man. They were neighbors in a period of time when travel was charted by instinct, with not even a wagon rut for guidance. Through all climates and seasons they rode these untraveled spaces and made their laws the escutcheon of a rough and ready knighthood. Seldom in the far-off days did they fail to heed the cry of distress or the appeal for help when for the most part each man was a law unto himself. Modern commerce had not then made the written word the measure and boundary of a promise, and so with them a promise was a solemn covenant, and in their untutored way they loved little children, guarded the honor of woman, and when necessary could shoot from the hip when the outlaw strove for mastery.

We should strive to preserve those legendary figures—men astride the horse under the noonday sun and under the pitiless gleam of the stars in wintry nights, who braved hardships and danger, who thirsted and parched in drought, who were their own physicians and their own priests, with no other healing agent but Nature, no canopy but the skies, and no other shield but their own stout hearts.

The judges who formed this first court were men of that fiber. They wrote imperishably with fingers numbed and gnarled, and graved on our lives a bill of rights of outlasting parchment, with ink compounded in the blood of sacrifice; and what they did and what they said will, if remembered, hasten the coming of that perfect day when in the evolution of the ages we shall render unto Caesar the things which are Caesar's and unto God the things which are God's.

Wheeler-Lea Bill (S. 2009)

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. VAN ZANDT. Mr. Speaker; the Congressman from Texas, my good friend and colleague, the Honorable JOSEPH J. MANSFIELD, extended his remarks in the Appendix of the RECORD, pages 2021 and 2184, in reference to my comments on previous dates to inland waterways. In his extension of remarks, on page 2021, the gentleman from Texas, Congressman MANSFIELD, indicates that happenings in Europe today demonstrate the value of inland waterways. An example is cited of Germany taking possession of the kingdom of Norway to insure better transportation of ore to Germany and to the use of the Danube River for carrying supplies into that country.

Surely the gentleman from Texas does not expect one to believe that the improvements of the inland rivers in this country are similar to the shipment of Swedish ore from Narvik on the open sea to the German port. No such comparison can reasonably be made.

It is indeed true that the newspapers have carried items with respect to the Danube River. The import of these items, however, is that such rivers are rendered useless and canals are rendered useless because winter stretched its frigid hand over these inland waterways and made traffic impossible. No longer were they of the slightest use for transportation purposes, and yet during an unprecedented winter in Europe railroad car wheels continued to roll. This marks the relative importance in national defense of a railroad system and an inland-waterway system.

It became an item of international importance that one small, insignificant shipment found its way by water from Yugoslavia to Trieste. Is this to be the reliance upon inland waterways for national defense?

Often my good friend from Texas [Mr. MANSFIELD] has called attention to the use of inland waterways in this country during the last World War. The record does not show any substantial contribution to the transportation facilities in this country during that war, and certainly nothing that could in any way be called a recompense for the tremendous cost to the Federal Government of approximately a billion dollars, with an average maintenance cost of $2,778 per mile, all expended in an effort to make these waters navigable.

What was the concern of the people in this country last September and October when a new war burst upon the world? There was no talk about waterway transportation or concern about its availability. Anxiety was expressed solely as to whether or not the railroads of the country could bear the possible burden that would rest upon them. In magnificent fashion they met the test adequately and successfully.

There has been before the people of Massachusetts the problem of discontinuing freight and passenger service on the Old Colony Railroad. At a hearing recently in Boston on this subject there appeared as witness Capt. Louis P. Davis, United States Navy, commanding officer of the naval ammunition dump at Hingham, representing Rear Admiral William T. Tarrant, commandant of the Boston Navy Yard, who testified:

> The abandonment of rail service will seriously affect the national program. The naval ammunition depot at Hingham is the only ammunition depot on the New England coast. It has water facilities so restricted as to only handle tugs and barges.
>
> The shallow water and narrow channel in the vicinity are inadequate for peacetime. In a time of war I cannot see how this depot could be maintained. To send ammunition by highways would be a real danger to the public.
>
> In regard to shipbuilding, there is the Fore River shipbuilding plant, on which the Government depends for its naval force and merchantmen. Any slowing up or stoppage of work there would be of grave concern to the Nation's defense program. With the outbreak of the war abroad, the building at this plant will substantially increase during the next 2 or 3 years.

In a letter to the Federal Coordinator of Transportation a few years ago, quoted in the recent report on Government aids to transportation, volume III, page 26, the Acting Secretary of War, Douglas MacArthur, wrote:

> It is, therefore, the desire of the War Department to reemphasize the suggestion made by Colonel Taylor that in the solution of the problem of coordinating rail and water transportation, the preservation of the Nation's trunk-line railway system, and continued development of bus and truck transportation as the principal collecting and distributing agency, with the protection of the capital investment represented in each, be considered as basic.

It may be that the gentleman from Texas, Congressman MANSFIELD, has wholly misread the dissenting opinion of Commissioner Eastman in the decision of the I. C. C., F. S. A. 17413, October 30, 1939. This is a case involving railroad relief from the fourth section provision. The point made by the Commissioner in his dissenting opinion is that the granting of relief to the railroads for handling gasoline from the Gulf to Chattanooga would prevent the movement of this commodity up the Mississippi, Ohio, and Tennessee Rivers. The improvements on these rivers, therefore, could not be justified on the basis of traffic not handled, by the cost to the Government for improving these projects remains to be paid and maintenance must be continued year by year. The Commissioner said, therefore, that it would be better to take the money wastefully spent in these river projects, which were not used to carry traffic, and subsidize the railroads in exchange for lower rates.

There is no basis in this statement for drawing the conclusion that the Interstate Commerce Commission is railroad-minded. The fact is the Commissioner made a sound business remark.

The gentleman from Texas, Congressman MANSFIELD, in his extension of remarks, Appendix of the RECORD, page 2184, called to the attention of the House that my statement, "Secretary of War Woodring is revealed by the records to have disbursed for rivers and harbors $723,006,637," reveals that the above figures are more than $600,000,000 over the correct figures of the Chief of Engineers, War Department.

I cheerfully acknowledge my failure to state that the $723,006,637 represents a 5-year period since 1935 and in breaking down this sum we find approximately $573,000,000 was spent by the Government for new work on rivers, harbors, and channels. The remainder of the approximate three-quarters of a billion dollars was spent over the 5-year period as maintenance cost.

Since the gentleman from Texas, Congressman MANSFIELD, shows by his remarks that he is a close analyst I join with him as a seeker after truth and in accordance with such principles respectfully call attention that in his remarks on pages 1900 and 1901 of the Appendix of the CONGRESSIONAL RECORD he apparently failed to recognize the fact in the table of rates inserted by him contrasting the rate on cotton charged by the railroads in comparison with the rail-and-water rates, that these rates are now subject to the jurisdiction of the Interstate Commerce Commission.

I call to the attention of my colleague that under the present law the Interstate Commerce Commission has jurisdiction over transportation that is partly by rail and partly by water.

Section 6, paragraph 13, of the Interstate Commerce Act clearly provides that very thing. Among other things, section 6, paragraph 13, further provides:

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Treason in Norway Argues for Investigating the Nazis, Not Hounding the Communists

EXTENSION OF REMARKS

OF

HON. ADOLPH J. SABATH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ARTICLE BY JAY FRANKLIN

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In Norway, for example, it was not the Communists who admitted the German Army. It was a number of highly placed Army and Navy officers, and ambitious conservative politicians who spiked the guns of the Norwegian Navy, surrendered forts and ports, sabotaged defense plans and equipment, and generally greased the rollers of Hitler's wooden horse.

It is as though—to use a farfetched comparison—some of our prominent conservatives, the Chief of Naval Operations, the commandant of the New York corps area, and a number of well-placed

officials in the Government had arranged to allow the British Navy to take possession of Portland, Boston, New York City, Philadelphia, and Washington—on the promise that the appointment of governor general of a new British protectorate over the United States would go to one of them.

NOT ONE COMMUNIST COUP

This Norway affair cuts the ground from under the American superpatriots. For the voice of history reveals the following facts:

In the last 20 years not one single country has been captured by a Communist revolution. The advocates of the class struggle have not one success to their credit since the Russian revolution of 1917.

In Spain it was not the Communists, but generals and grandees, who invited the Moslem Moors, the German Junkers, and the Italian Army into their own country in 1936.

In Germany it was not the Communists, but the Nazi, the industrialists, and the Reichswehr, that seized revolutionary powers over state in 1933.

In Italy it was not the Communists, but the Fascists, the industrialists, and the large landowners, who organized the march on Rome in 1922.

In Austria it was not the Communists, but the conservatives, the Heimwehr, and the clericals, who paved the way for annexation enforced.

In France and England, before Munich, it was not the Communists who counseled appeasement of the German ambitions, but the conservatives, the Tories, the Cent familles.

In almost every case communism served as the excuse for tolerating foreign invasion and social revolution. In almost every case, including our own, class hatred, social subversion, Jew baiting, etc., started from the top and spread downward through the press to the good-tempered and eternally patient masses of farmers and industrial employees.

The treason of the prominent Norwegians who opened their own country to the Nazis and thus made it a battlefield between Germany and the Allies ought to cause our Government to concentrate on its real enemies rather than the legendary "reds."

TIME TO CHECK ON TREASON

The time to act is now. The F. B. I. should immediately set to work in checking over the Army, Navy, and National Guard officers and men with a view to checking treason masquerading as anti-radicalism. The Labor Department should begin to check over the immigrants from Germany and Italy over the last 10 years, with a view to locating some of the pegs in Hitler's potential Trojan horse (American model). The Dies committee should go into action to get the facts and affiliations of the revived Ku Klux Klan, the Associated Farmers, and other thousand-percent "patriots." It would be a joke if MARTIN DIES felt obliged to issue a subpena to himself in the course of this investigation.

For history at least is not a liar, and history says that in 20 years Communist revolution has not captured a single country, while Norway is only the latest of a dozen nations to yield to foreign invasion and domestic treason for the benefit of the Fascists. Finland alone supplies the proof of the social pudding, for in Finland there was no Communist "wooden horse" to ease the entry of the "red" army, and the Russian-Finnish dispute was decided on the battlefield, not in the treachery and sabotage of the borders from within.

Widows' and Orphans' Pension Bill

EXTENSION OF REMARKS

OF

HON. LINDLEY BECKWORTH

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. BECKWORTH. Mr. Speaker, I wish to state I am strongly in favor of the passage of H. R. 9000, which will soon come before this House for consideration.

The veterans' organizations of my State are wholeheartedly behind this legislation, as is attested by a telegram I received today from the department chaplain of the American Legion of Texas, Brother Willis G. Jernigan, of Mineola, Tex., one of the most active, alert, and best-informed men concerning veterans and matters pertaining to their interests I know. The telegram reads:

MINEOLA, TEX., *April 18, 1940.*

Hon. LINDLEY BECKWORTH,
Congressman, Washington, D. C.:

As department chaplain representative 30,000 Legionnaires in Texas, I urge you support H. R. 9000, known as widows' and orphans' bill. Also omnibus bill liberalize certain pension benefits. The Legion in every locality in Texas is militantly fighting for this legislation.

WILLIS G. JERNIGAN,
Department Chaplain, American Legion.

Although, because of my age, I am not a veteran, I have always sought to be a real and genuine friend to veterans and their dependents. My record shows I have never opposed any legislation of any type designed to inure to the benefit of veterans and their dependents; on the other hand, I have enthusiastically and actively supported all legislation designed to aid these groups. On a number of occasions I have personally represented veterans and their dependents before the Board of Veterans' Appeals here in Washington. As a member of families, the blood of whose members has been shed in the last three wars in which this country has been engaged, I yield to no man in my allegiance to those who have made outstanding sacrifices for our country.

Corporations' Earnings Sharply Rise in 1939

EXTENSION OF REMARKS

OF

HON. RAYMOND S. McKEOUGH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ARTICLE BY ROBERT P. VANDERPOEL

Mr. McKEOUGH. Mr. Speaker, manufacturing earnings show sharp increase as reported in article appearing in the Chicago American, April 14, 1940, written by Robert P. Vanderpoel, financial editor. It is evident from the information contained in this article that many, if not all, of the complaints registered by business of interference with the earning power by the present national administration are without justification.

The article follows:

[From the Chicago American of April 14, 1940]

MANUFACTURING EARNINGS ROSE SHARPLY IN 1939—BUT BIG COMPANIES SEEM CONTENT MERELY TO HOLD STATUS

(By Robert P. Vanderpoel, financial editor)

A more complete report on 1939 earnings of leading American corporations is contained in the April letter of the National City Bank of New York.

This reveals that 1,440 manufacturing concerns having a net worth just under $23,000,000,000 earned a trifle less than $2,000,000,000, or a net return of 8.5 percent.

This compares with 8.4 percent reported a month ago for 960 corporations. It compares with 4.6 percent earned by the same corporations in 1938 and with 10.5 in 1937 and 10.1 in 1936.

Thus over the last 4 years these corporations, representing approximately one-half of the industrial earning power of the Nation, have earned an average net return on their invested capital of more than 8⅓ percent.

SOFT DRINKS LEAD

The most remarkable showing was made by 20 concerns in the soft-drink business, with a return of 37.5 percent of net worth in 1939 and 35.2 percent in the previous year.

Aside from the manufacturing corporations, mining and quarrying companies earned an average return of 6.3 percent, despite losses reported by the coal producers.

The worst showing was made by the transportation companies, with a net return of 0.8 percent, compared with a loss in 1938. Other utilities earned 6.9. Concerns engaged in trade had an average return of 11.3; amusement and service companies earned 6.3, despite a deficit reported in the restaurant and hotel business; and finance companies reported an average profit of 7.9.

It should be emphasized that these profits are after all charges, including depreciation and taxes.

SHARPLY ABOVE 1938

The net of the manufacturing companies, as a whole, was 81 percent greater than in 1938.

The average profit in relation to sales in the manufacturing group was 6.5 percent—ranging from 1.2 percent in the meat packing to 11.3 in aircraft and parts. The mail-order houses earned 5.6 cents for every dollar of sales; department stores, 3 cents; food chains, 1.7; other chains, 5.7.

Each time we present these National City Bank figures on earnings we receive communications from readers regarding them. The most frequent complaint is that they are not complete and consequently are unfair. We have always emphasized that they are not complete, but if it is understood exactly what they are there can certainly be no reason to charge that they are unfair.

For our part we believe they are much more significant than are the figures for industry as a whole.

PROFIT RATE LOWER

The smaller corporations, representing slightly more than one-half of the industrial wealth of the Nation and somewhat less than one-half of the industrial earning power of the Nation, have earned during this period a much lower rate of return than the 8½ percent indicated in the figures here presented.

No one knows what the actual rate of return is because this does not become available until years later, when Government figures are compiled.

We believe it is a fair guess that the smaller corporations on the average have operated at a profit during these last 4 years, but at a rate of profit probably too low to attract new capital in sufficiently substantial amounts to absorb idle funds or create jobs for idle workers.

IN HANDS OF FEW

There results the conclusion that earning power in industry has been concentrated in relatively few corporations, which are content to maintain their positions and earn exceedingly high returns on invested capital rather than expand their operations, absorb new savings in the manner contemplated by the competitive system of capitalistic economics.

If this conclusion is correct, we have here a cancerous growth eating at the very heart of the American system of democracy and private enterprise.

Not more than a small handful of men in the United States have thus far shown even an appreciation of this situation, leave alone giving it intensive study.

The Twelfth Annual Tulip-Time Festival at Holland, Mich.

EXTENSION OF REMARKS

OF

HON. BARTEL J. JONKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. JONKMAN. Mr. Speaker, under leave to extend my remarks in the RECORD, I take occasion to call the attention of the membership of the House of Representatives, and especially the Members whose congressional districts are near the locality, to the twelfth annual tulip-time festival to be held at Holland, Mich., in the district I represent. The occasion has been arranged for a program covering 8 days, beginning May 18 and ending May 25.

Visitors to Holland at the time will be charmed by the sight of one and one-half million tulips in bloom, with a wonderfully arranged variety of color, planted along a circuit of clearly marked streets. An equal number of tulips in 500 varieties are arranged in massed beds at the floodlighted tulip farms located within a short distance from the city of Holland. Of added interest and pleasure will be seen the amazingly clever replica in miniature of the quaint and colorful sections of the Netherlands, comprising 75 human figures, 100 animals, canal boats, water-front scenes, windmills, bridges, waterfalls, locks, and so forth. An exhibit comprising a priceless collection of antiques, historical records, rare books, and objects of art featuring exhibits from the Netherland pavilions at the New York and San Francisco World's Fairs, will also be included in the festival. The daily program during the festival is diversified and includes wooden-shoe street dances with 300 dancers in Dutch costumes, a street-scrubbing ceremony including hundreds of costumed Dutchmen, band reviews, and many other events of pleasurable interest.

I extend to the membership of the House of Representatives and their constituents a very cordial invitation on behalf of the citizens of Holland, Mich., the officials in charge, and myself to attend the Twelfth Annual Tulip Time Festival. I assure you of the warm and hospitable reception by the citizens of the city of Holland and guarantee that your visit during all or any part of the festival will be highly pleasurable and entertaining and establish a memory of a truly beautiful and inspiring occasion.

Resolution by World War Combat Veterans on H. R. 6450

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

RESOLUTIONS BY COUNCIL OF WAR COMBAT VETERANS' ASSOCIATIONS

Mr. VOORHIS of California. Mr. Speaker, as further evidence of the importance of H. R. 6450, a bill introduced by myself, I am glad to include with my remarks the following resolution:

Subject: House Resolution No. 6450.
Submitted by: Southern California District No. 1.
Introduced by: The Society of the Third Division, Southern California Branch No. 22.

To the Department of California, Council of World War Combat Veterans' Associations, Inc., in regular convention assembled in Los Angeles, Calif., August 27, 1939:

Whereas of all United States World War Army veterans compensated by the United States Veterans' Administration for disability traceable to Army service, but 20.5 percent of those compensated are receiving it for injury or disease occurred in front-line duty, although 34.3 percent of the total United States World War Army enlistment performed combat duty, suffering 228,000 casualties of record from the effects of the enemy fire; and

Whereas 9.20 percent of the noncombatant United States World War Army enlistment, totaling 2,667,101, is now compensated by the United States Veterans' Administration, while only 4.55 percent of the 1,390,000 men who served in active combat duty are compensated for disease or injury traceable to the front-line trench duty, a ratio of 2 to 1 in compensation paid by the United States Veterans' Administration to those that served at home or in the rear areas of the front; and

Whereas the average yearly payment of compensation to the noncombatant veteran by the United States Veterans' Administration is 10 percent greater than the average yearly payment of compensation to the combat veteran; and

Whereas this injustice to the combat veteran is caused mainly by the combat veteran's lack of adequate service and medical record because of the type of his service, and because of no fault of his front-line treatment of injury or disease was not recorded to any extent by any combat unit, thereby not having an official record of such treatment, his just claim for compensation is rejected by the United States Veterans' Administration; and

Whereas service letters from the Administrator of the United States Veterans' Administration to the field stations of the United States Veterans' Administration have some value as to the declaration of principle but do not give any authority whatever to field officials to take action in alleviating this injustice to the combat veterans; and

Whereas the fair adjudication of the combat veteran's claim for compensation will never be fairly settled except by the passage of adequate veteran legislation: Now, therefore, be it

Resolved, To petition, urge, and recommend a favorable report by the Committee on World War Veterans' Legislation, Seventy-sixth Congress, second session, House of Representatives, upon House Resolution 6450; and further petition, urge, and recommend the immediate passage by the Seventy-sixth Congress, second session, of House Resolution 6450, thereby alleviating this injustice to the combat veteran, caused by the present interpretation of veterans' legislation by the United States Veterans' Administration.

Passed by and submitted to southern California district No. 1, Council of World War Combat Veterans' Associations, Inc., August 2, 1939.

Approved:

A. P. KRALICK, *President.*
BEN F. GURNETT, *Secretary.*

Passed by and submitted to the department of California, Council of World War Combat Veterans' Associations, Inc., August 8, 1939.

Approved:

SOUTHERN CALIFORNIA DISTRICT NO. 1, COUNCIL OF WORLD WAR COMBAT VETERANS' ASSOCIATIONS, INC.,
A. R. MONTGOMERY, *President.*
EDW. J. MAIRE, *Secretary.*

Passed by the department of California, Council of World War Combat Veterans' Associations, Inc., in convention held August 27, 1939.

Approved:

H. F. BERGAN, *President.*
R. G. SMITH, *Secretary.*

President Roosevelt and Sugar Legislation

EXTENSION OF REMARKS

OF

HON. FRANK O. HORTON

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. HORTON. Mr. Speaker, since the letter referred to below has already been made a part of the RECORD, it seems advisable to take that letter apart and determine just what President Roosevelt's policy really is toward the American farmer in competition with the foreign farmer.

Under date of April 11, 1940, President Roosevelt wrote the gentleman from Texas, MARVIN JONES, chairman of the House Agricultural Committee, opposing any sugar legislation at this session of Congress, except a joint resolution extending the Sugar Act of 1937. The President's letter, in holding no legislation is needed at this time, is notable in several respects. Among these are:

First. It ignores the needs for additional sugar-beet acreage in the irrigated areas of the West, particularly the Federal reclamation projects, where the present law bars American farmers from supplying the American market with a nonsurplus crop.

Second. No consideration is given the needs for a cash crop by thousands of farmers who are victims of dislocated agricultural prices and whose purchasing power would be far more remunerative to other American agriculture and industry than the uncertain returns from foreign trade with Cuba.

The President's proposal for continuation of the present law without amendment would freeze the discrimination against new sugar-beet producers in all of the Western States and against all areas that have been denied sugar-beet acreage because of lack of factory facilities or from the operations of the existing law. Because of the surplus sugar now in the United States, largely as a result of dumping by Cuba, it is probable the present sugar-beet acreage in 1941 may be reduced 20 to 25 percent if remedial legislation is not enacted at the present session of Congress. Thus the purchasing power of American farmers is likely to be curtailed with consequent loss in employment and to industry.

While there may have been some improvement in the sugar industry under the program adopted in 1934, the Cuban sugar industry has been a major beneficiary. It is owned principally by Wall Street and other non-Cuban capital. It is assured of nearly a third of the American market at a reduced tariff—a larger share than is given the American sugar-beet farmer.

Sugar-beet farmers dispute the President's assertion their incomes are at approximately parity level. The most they ask for in legislation this year (H. R. 8746) is that they be assured of 76 to 80 percent of parity.

Retail sugar prices are less today than they were 40 years ago when sugar beets broke the monopoly Cuba and the cane refineries had on the country's sugar supply. All other food prices are higher.

It may be true that some established sugar-beet growers and the corporation-owned plantations in the South, Cuba, Puerto Rico, Hawaii, and the Philippines enjoy a large production as the President says. However, many hard-pressed farmers on family-size units in the West with land adapted to sugar beets are denied a share in the sugar program and the benefits the President claims exists.

The recovery of our export market as a result of the sugar program, reported by the President, is of dubious value. Over a long period of years, Cuba's purchases of American products have averaged only $75 for every $125 in Cuban products the United States has purchased. Further, only 60 percent of the island's foreign trade is with the United States. American money paid for Cuban sugar is spent by Cubans in other countries.

Imports of Cuban sugar in 1938 displaced 2,100,000 acres of American farm land. In 1939, 1,900,000 acres were displaced. The crop value of 2,000,000 acres of sugar beets is more than twice the average annual value of Cuban purchases from the United States. Returns from the American crops are spent wholly in the United States.

Sugar beets are, as stated, a nonsurplus crop. The Mountain and Pacific States, in which 80 percent of the country's sugar beets are grown, buy more of the surplus corn-hog products from the Middle West than the total of all Cuban purchases of American agricultural and industrial products.

There is no desire on the part of advocates of the American market for the American producer to impair the country's good-neighbor policy, which must mean Cuba, since 99 percent of the foreign sugar comes from that island. However, since Cubans buy nearly half of their imports in other countries, should not a preference be given to American producers who make all their purchases in the American market?

There is no proposal before the Congress to reduce the quotas of sugar assigned the insular possessions, which are under the American flag. The Philippine Islands would be limited to the volume of sugar fixed in the Independence Act.

A proposal made by the Western Beet Growers' Association, representing areas that desire to grow sugar beets, offers a solution of the problem. An amendment to H. R. 8746 provides for a graduated scale of increases in the sugar quotas for all domestic areas with a gradual reduction in the Cuban allotments until the requirements of American consumers are filled by domestic production. This suggestion would permit Cuba to readjust its internal economy and at the same time American farmers would be allowed to produce a nonsurplus crop in increasing quantities.

So far as we are concerned our sweetheart is an American sweetheart, and our one and only love is America. We never did much believe in the sailor-boy tradition of "a sweetheart in every port."

Racine and Kenosha, Wis., Solve Their Labor Problems

EXTENSION OF REMARKS

OF

HON. STEPHEN BOLLES

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

EDITORIAL FROM THE MILWAUKEE JOURNAL

Mr. BOLLES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial which appeared in the Milwaukee Journal, Monday, April 15, 1940:

[From the Milwaukee Journal of April 15, 1940]

RACINE AND KENOSHA ON THE WAY

Racine and Kenosha, which not so long ago were plagued with jurisdictional labor strife, or else with strife between labor and management, seem on the way to solving their problems.

Kenosha made a big advance some years ago when the A. F. of L. and the C. I. O. agreed to harmonize their differences and work together for the general good of labor. The method used is united action by the governing bodies of the unions, which number 7,000 workers. Jurisdictional disputes are unknown there.

Racine is working out a similar plan through an interunion committee. It will handle jurisdictional matters to prevent those avoidable breaks that slow up industry, deprive men of wages, and in general come like a blight over an industrial community.

And now Racine goes a step farther. Under the sponsorship of the American Legion the labor leaders, the business leaders, and the civic leaders meet to discuss the problems they all face. The aim is to produce goods under favorable conditions and to sell goods under favorable conditions. It is simply an application of the rule that a community must be united (certainly not divided) if it is to prosper.

Here is wishing these communities well. They are off on the right road. We do not wish to look back to the time when they were in such grave difficulties because of agitation, strife, or division—we do not wish to look back except to point out how much better and more hopeful is their outlook ahead.

Proposal to Abolish Civil Aeronautics Authority and Air Safety Board

EXTENSION OF REMARKS

OF

HON. CHARLES A. EATON

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

LETTER FROM AIR LINE PILOTS ASSOCIATION

Mr. EATON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Air Line Pilots Association:

AIR LINE PILOTS ASSOCIATION,
Chicago, April 16, 1940.

Hon. CHARLES A. EATON,
House of Representatives, Washington, D. C.

DEAR MR. EATON: Several days ago the pilots that fly America's air liners received news that was so abrupt, so far reaching, and so shocking that it left them stunned. President Roosevelt had announced his fourth reorganization plan to Congress, containing a proposal to abolish the new Civil Aeronautics Authority and the Air Safety Board and place the entire air regulatory and independent air-accident investigation duties that they have been performing so commendably back under the Department of Commerce, which made such an amazingly deplorable and costly failure of the same duties prior to the time that the new act was passed. The why of this is indefinable. The history of civil air regulation and air-accident investigation is a matter of record.

From the late twenties to the time that the Civil Aeronautics Act of 1938 was passed were black pages in the history of the country's air-transportation development. It is not a matter of suppositions, assumptions, or the preponderance of vaguely defined ideas, but what this amounts to is cold, hard, indisputable facts—facts established by stark realities, facts established by the loss of score upon score of human lives and the loss of millions upon millions of dollars.

On May 6, 1935, Senator Bronson Cutting lost his life in an air-liner crash. In sheer desperation the pilots, with the backing of a friendly, public-spirited press, started to lead the fight to free America's air transportation from the entwining tentacles of death in the air, which were strangling it to ruin.

During the period that the Department of Commerce regulated the country's air-transportation network 473 persons lost their lives in air crashes, of whom over 146 were air-line pilots. The ranks of the air-line pilots were being thinned at the startling rate averaging one every 28 days; their passengers were meeting death averaging one every 15 days. The crash-scared public was afraid to ride, which resulted in inestimably large losses of revenue to the industry, and progress was stymied.

Air-minded Congressmen and Senators became interested. A senatorial air-safety-investigating committee was appointed, namely, Senators Clark (Missouri), White (Maine), Donahey (Ohio), and the late Royal S. Copeland (New York). They did a good job. They listened patiently to everything that anyone had to suggest that might be the solution. The congressional record built up by this committee is truly a bible on air safety. The politically involved and obviously faulty regulatory and air-accident investigating procedure of the Department of Commerce is all written in the record of this senatorial air-safety-investigating committee.

Congress, the line pilots, and everyone else that was really interested in doing something about increasing air safety worked tirelessly and relentlessly, until in 1938 the new Civil Aeronautics Act was passed. The pilots had repeatedly pointed out through these dark years that the solution to the problem was to remove the control of civil aeronautics from the Department of Commerce, and, not only that, but to separate the functions of regulating civil aeronautics from the functions of investigating accidents and making recommendations as to what should be done to prevent recurrences. The pilots pointed out simply that no one agency could reasonably be expected to handle both functions efficiently and effectively because no one agency can be expected to decide against itself when something happens.

The line pilots recommended the creation of an Air Safety Board which was to be completely independent of the regulation-making divisions of the Authority; the sole duty of this Board being, without influence of any kind, to investigate accidents with the view of preventing recurrences and to make recommendations to the Authority which would, in the opinion of this Board, tend to prevent accidents.

Congress listened, and the Air Safety Board and the new Air Authority were created.

Now, let's look at the record since the Air Safety Board took over. Accidents have been cut to a minimum and there has not been a pilot death on our country's air lines in the past 16 months, nor a passenger fatality in more than 12 months. A world air-safety record. During this 12-month period the pilots that are making this appeal to you now not to permit the abolishment of the Air Safety Board flew 87,325,145 miles and carried 2,028,817 passengers without a fatality. Contrast this to 1 pilot being killed every 28 days and 1 passenger every 15 days for the entire period that the Department of Commerce regulated civil aeronautics and investigated accidents, numbering a total of 473 pilots and passengers killed.

Certainly no one wishes to go back to that. The pilots are not quarreling with anybody. All they are trying to do is a good job so that American air transportation may continue to be No. 1 in world flying.

When Congress created the Civil Aeronautics Act bringing into being the Air Safety Board, it won with one stroke the confidence of the American people and they took to the air. Real air safety has been established by the Air Safety Board with the cooperation of the new Authority. This combination is paying dividends in lives saved and thousands upon thousands of dollars saved because of not having to pay the cost of crashes, and millions earned due to increased patronage resulting from the no-fatality safety record that has just been established, and we have only just started. It is only plain, common sense to want to leave well enough alone. Your support to set aside the President's proposal to abolish the Air Safety Board and to strip the new Air Authority of its identity and independence is earnestly and respectfully solicited by the country's air-line pilots who fly our air liners on the most extensive civil air network in the world.

Respectfully yours,

AIR LINE PILOTS ASSOCIATION,
DAVID L. BEHNCKE, *President.*

The Problem of Unemployment

EXTENSION OF REMARKS

OF

HON. JOHN W. BOEHNE, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

ADDRESS OF HON. PAUL V. MCNUTT, FEDERAL SECURITY ADMINISTRATOR

Mr. BOEHNE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address of Hon. Paul V. McNutt, Federal Security Administrator, over the Columbia Broadcasting System, April 14, 1940:

I have been asked to discuss some of our national problems.

The number one problem of the Nation is unemployment, and I shall confine my remarks to it. In pondering this problem, I cannot help believing that our best chance of solving it is to hasten our return to the competitive profit system upon which the American capitalistic economy is founded.

For many years, particularly prior to 1932, we did not have this system in America. When we did have it, it seemed to work very well. We adhered fairly closely to the theory of the profit system in the years when it was impossible to produce enough consumers' goods to supply the market. But when, by scientific advances, we constructed an industrial plant which could provide a fair standard of living for all the people, we failed to readjust our practice to meet the new situation. The result has been that we have drifted away from the principles of private enterprise and competition which made it possible to build a great civilization.

The basic trouble lies in the thing which should be our greatest asset—technology.

Industry grows more efficient. It produces more goods for less money and with fewer men. This is called progress.

It is unquestionably progress in the world of science. New inventions and labor-saving devices reduce the human toil necessary for the production of goods to feed, clothe, and house mankind. Whether it is progress in the field of human relations depends upon other factors.

Increased efficiency can be a blessing or a curse to a civilization. It can make fewer jobs and create unemployment, or it can be the means of increasing consumption without displacement of labor and, in the long run, create new employment.

It is an economic fact, demonstrable from the experience of all industrial nations, that, as production increases, wage shares tend to expand, and when production is declining, wage shares tend to decline. This means that the total share of the benefits of industry which accrue to labor becomes less, and its purchasing power thus diminished, unless production is maintained. Economic history also demonstrates beyond question that the aggregate returns of capital vary with the volume of production. As production increases, aggregate profits also increase.

We also know, as a fact, that when prices are reduced, demand increases, and this makes for full employment of both capital and labor.

One of the striking incidents of the past 25 years is that periods marked by extensive technological advances have been characterized by great improvement in potential productivity without a corresponding increase in actual production. These periods have also disclosed, on the average, a proportional decline in employment of manpower and an actual decline in man-hours, a proportional decrease in wages, and a decrease in earnings on investment.

The trouble seems clear. The benefits from increased efficiency in industry have not been made available to the consumer, with the result that no one profited thereby.

I say "no one." This is not literally accurate. The employed profited somewhat, in a shorter working day, but not in total wages. But this advantage was gained at the expense of those workers who lost their jobs. A few producers profited temporarily by the increased profit on the articles produced, but this profit was offset in the long run by the decreased output resulting from reduced purchasing power of the consuming public. Labor, as a whole, did not gain. Industry, as a whole, did not gain. This means, in terms of the national welfare, that the country became poorer at the same time that it increased its efficiency in industrial production—a paradox in a democratic society.

I believe that the way to make the capitalist system work smoothly is to pass on the benefits of efficiency in production to the consumer in the form of reduced prices. Since labor and those who invest capital in one way or another constitute by far the majority of consumers, this is the one comprehensive way of dividing equitably the profits of technological advance. What is more important, it is a method of distributing these profits which will enable our industrial plant to operate at maximum capacity. America is now equipped to supply goods and services to produce a ninety-billion-dollar-a-year income, measured by the present purchasing power of the dollar. As that dollar is increased in purchasing power by lower prices we come closer to the ninety-billion goal.

Operating at capacity, our present industrial plant would supply a modest increase in the standard of living of the people in the lower 50 percent of our population. Every factor which increases the ability of this class to consume more goods tends to bring about an increased demand upon our industrial plant, including the use of capital and labor. It follows that, as technology increases efficiency, a corresponding reduction of prices prevents labor displacement, raises the level of living, and in the long run tends to generate still further production and increased prosperity.

A cross section of American industry shows that those industries which have given the consumers a large share of the savings from technological improvement have actually increased their production and added men to their pay rolls. Let me cite a few startling examples, selecting the boom year 1929 and the recovery year 1937 for comparison.

There were almost twice as many wage earners engaged in the manufacture of farm tractors and other agricultural implements in 1937 as there were in 1929. The same thing is true of refrigerators and ice-making apparatus. An increase in employment of 50 percent has taken place in the photographic-apparatus industry since 1929; 50 percent in the typewriter industry; 60 percent in the cash-register and business-machine line. Substantial increases in the number of men employed are to be found also in radio, rayon, rubber, sheet steel, aircraft, and a number of others where consumer benefits have greatly increased.

The buying public invariably responds to the stimulus of better but cheaper products. During the past 10 years the public has learned that each year it can buy a better refrigerator for less money. Do you recall what you had to pay for a refrigerator in 1928 or 1929? Compare it with the price and quality today. This is largely the result of technological progress, and as the consumer gets the benefit, he responds by extended consumption. The result is that 50,000 men are employed today in this line as compared to 26,000 in 1929.

We have recently had the testimony of one of the Nation's leading industrialists. Edsel Ford told the monopoly committee on Thursday that the advancement of technological science had, in the automobile industry, increased production, employment, and wages. His own company, he said, has pioneered in the use of labor-saving devices. It has consistently tried to pass on to the public the advantages and savings of this increased efficiency. The result has been, Ford testified—and I quote his exact words—"not only to lower costs and make more desirable products, but it has helped to increase employment."

This is not only true of the Ford plant but of the entire automobile industry. This industry was told by the Federal Trade Commission, after an exhaustive study, that it had made available consumer benefits to an extent unsurpassed in the history of American industry. It has been rewarded by a constant and steady expansion of production and by a profit return which is the envy of the entire industrial world.

The American people can use all the goods that American industry can produce with its entire labor resources fully employed. That means prosperity. But we can never obtain that result with industry, labor, agriculture all striving to obtain a larger and larger share of a smaller and smaller total.

The capitalistic system is based upon the principle of private enterprise and competition. Competition means the lowest possible price consistent with a reasonable return on invested capital. If we believe in the capitalistic system—and I do believe in it—we will devise means, by law, where necessary, to insure competition on equitable terms, for it is only by vigorous and genuine competition that the constantly diminishing costs of production can be transmitted into consumer benefits and the ensuing expansion of labor and capital.

To insure competition, monopoly must be crushed and small business given a fair chance to fight for its life.

As a matter of fact, a large part of the business of the Nation is done by small concerns and, of course, small business is the best customer of big business. Moreover, little business is ordinarily less conservative and more venturesome than big business with its huge investments in existing plant equipment and procedures. Unless pushed by small enterprises, it tends to become static and immobile. Big business is capable of conferring upon us many advantages, but unless it is subjected to the vigorous competition of many small rivals it is unlikely to do so.

We must learn how to utilize the power of taxation and control over combinations and trade practices to insure such competition. Thereafter, we may let business and industry run its own show. The normal rules of the capitalist game will insure prosperity if we give them a chance to operate.

A Challenging Plan To Reduce Unemployment and Aid Business

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. MURDOCK of Arizona. Mr. Speaker, on January 30, 1940, I introduced H. R. 8206 at the request of the officials of small-mine operators of Arizona, it being a bill to facilitate class C mining loans through the Reconstruction Finance Corporation. Besides the purposes of the measure indicated in the title, it is a bill to aid small-business men engaged in mining—that most neglected and yet the most productive of all our extractive industries. And at the same time, while intended to revive mining throughout the country, it is especially designed to reduce unemployment without additional burden on the taxpayers. The following analysis of the bill has been furnished by W. J. Graham, president of the Arizona Small Mine Operators' Association:

SECTION 1

The outstanding branch of our government upon which the welfare of our people depends is Congress; its membership is comprised of the average type of the educated American citizen who, when placed in a position of trust, responds to that trust to the best of his ability. Many Members of Congress become exceedingly well versed on particular subjects, and some become authorities in legislative circles on important matters vital to the present and future economic life of our Nation.

However, this fact does not preclude the placing before them for their observance briefs relative to pending legislation in order that they may be informed on many factors embodied in a legislative act that ordinarily do not present themselves in the wordage of a bill.

An act now pending of this type is H. R. 8206.

H. R. 8206 is deserving of close analysis as it constitutes a definite piece of productive legislation, and productive legislation is what our country is in dire need of. In order to present this brief in a manner that will permit an intelligent analysis of the statements contained, first the background on which H. R. 8206, the Small Mining Loan Act, is predicated should be presented.

The amended Gold Reserve Act of 1934, as amended, is:

"Each United States coinage mint shall receive for coinage into standard silver dollars any silver which such mint, subject to regulations prescribed by the Secretary of the Treasury, is satisfied has been mined subsequently to July 1, 1939, from natural deposits in the United States, or any place subject to the jurisdiction thereof.

"The director of such mint with the consent of the owner shall deduct and retain of such silver so received 45 percent as seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars. The balance of such silver so received—that is, 55 percent—shall be coined into standard silver dollars and the same or any equal number of other standard silver dollars shall be delivered to the owner or depositor of such silver. The 45 percent of such silver so deducted shall be retained as bullion by the Treasury or coined into standard silver

dollars and held or disposed of in the same manner as other bullion or silver dollars held in or belonging to the Treasury. The Secretary of the Treasury is authorized to prescribe regulations to carry out the purposes of this act. Such regulations shall contain provisions substantially similar to the provisions contained in the regulations issued pursuant to the act of Congress approved April 23, 1918 (40 Stat. L., p. 535), known as the Pittman Act, with such changes as he shall determine prescribing how silver tendered to such mints shall be identified as having been produced from natural deposits in the United States or any place subject to its jurisdiction subsequently to July 1, 1939."

How does this act furnish background for the Class "C" Mining Loan Act? The domestic-produced silver subsequent to July 1, 1939, upon compliance with the single proviso that the owner consents to the Government retaining 45 percent of the volume tendered, the full volume tendered is monetized, and in the distribution the silver producer receives $0.7095 and the Government $0.5805 of each ounce tendered.

The retention of 45 percent of the silver is based upon "seigniorage for services performed by the Government of the United States relative to the coinage and delivery of silver dollars." The wordage of the amended Gold Reserve Act, as amended, discloses the fact that under its provisions the Government does not purchase the domestic silver produced subsequently to July 1, 1939. It provides direct authorization to place it in our monetary system based upon the sole proviso that the owner gives his assent to retention of 45 percent of the bullion or standard silver dollars. This presents unique legislation; it is doubtful if ever before in the history of this country was there 45 percent of a product directly absorbed from the producer by the Government.

The fund created by this 45-percent seigniorage could properly be allocated for purposes sought in H. R. 8206. Fair-minded citizens will agree the funds created by this 45-percent seigniorage should be visioned from the standpoint of being made accessible to a productive movement fostered by the industry that furnished the fund. H. R. 8206 seeks use of this fund for a limited period of time and without the remotest doubt its use will demonstrate in a manner easy to discern proven benefits to the Government and the citizens of the Nation.

No Member of Congress, or citizen of our country, would deliberately close off an avenue leading to a reduction of the tax burden or to the employment of our unemployed when such avenue can be opened without, now or in the future, levying even a penny of taxes—that is what H. R. 8206 does. It is difficult to understand why, if the purposes are understood, there should be any opposition to the enactment of this small-mine loan measure for the reason that the objector would be in the inconsistent position of seeking means for meeting the distressing relief of the country—and every Member of Congress is doing that—and at the same time rejecting a very definite and practical plan of providing employment for the unemployed.

H. R. 8206 presents an avenue to afford employment to hundreds of thousands of our unemployed, thousands of whom will secure permanent employment as the result of the enactment of this measure, that would result in making successful producers whose operations will continue long after their $5,000 loan has been repaid. Tens of thousands of men and their families will be taken off relief rolls.

What legitimate objection can be offered to enactment of a measure that Members of Congress should deem it a privilege and honor to support, particularly so during this trying period confronting the American people when they are anxiously awaiting productive legislation?

SECTION 2

The act providing for small-mining loans of not to exceed $5,000. H. R. 8206, is a measure deserving of a thorough analysis of its purpose and what it will accomplish, as it definitely provides for an avenue directly bearing upon the employment of hundreds of thousands of our unemployed, an avenue through which by fact of this employment will lead to reduction of tax levies for relief purposes of millions upon millions of dollars. This is not a surmise; it is fact. Legislation providing for employment of our unemployed in normal industrial channels very properly should receive prompt and favorable consideration by Congress, as the Members of Congress to a man are anxiously seeking solutions of the serious problems, unemployment, and relief.

The small-mining operators pioneer the mining industry, an industry that is largely responsible for the background which enabled our Nation to assume its position as the one nation on the face of the globe wherein its citizens were blessed with the high standard of living that maintains in the United States.

The passage of H. R. 8206 will result in disclosing by the small-mine operators the productive mines of the future, and without these productive mines the economic life of this country would be hard-pressed. The production of indestructible wealth such as emanates from the mining industry must continue and not be permitted to cease. This fact should be accepted by those who guide the destiny and welfare of this Nation. Class "C" small-mining loans are the answer to preventing the destruction of the future of the mining industry in the United States. Passage of H. R. 8206 will result in providing for taxable valuations that will not exist without its passage. The loss of these taxable valuations have an extremely important bearing on the future economic life of many of the sovereign States of the Union and place their welfare in a perilous position. Furthermore, destruction of the future of the mining industry will be sorely felt by the Nation when it becomes incumbent upon our people to retire the national obligations of our Government, when all sections of our country must be in position to assume their portion of the burden. The industry of this Nation must continue in its past valuable contribution to our national monetary wealth, a contribution shared in by all.

There appeared in a 1939 issue of the Mining Journal, published at Phoenix, Ariz., under the caption Arizona Mines Produce $90,855,462, a disclosure of the importance of mining to the industrial life of this Nation. Of the value of Arizona mineral production of 1938, $5,000,000 was paid for transporting unrefined products to eastern refineries; $5,500,000 was paid for refining of these products by eastern refineries; $29,000,000 went for employment of labor; $21,900,000 went for the purchase of lumber, fuel, electrical equipment, iron, steel, pipe and fittings, cars, cables, mine and mill machinery, etc.; and $11,000,000 was paid in taxes. The distribution of the value of the mineral production as cited in the Mining Journal was the contribution in the industrial life of this Nation of a single State. However, it serves to indicate the importance of the mining industry, which in 1938 produced and distributed $891,800,000 values of metallic minerals and $657,500,000 of nonmetallic minerals—the nonmetallic production cited above excludes all fuel nonmetallics, such as coal and oil. There is scarcely a State in the Union but what will benefit to some extent in a direct manner by passage of H. R. 8206, as practically every State produces nonmetallic mineral of some type.

The Small Mine Loan Act, H. R. 8206, is not a request for a gift or grant for money that a levy on taxpayers had been made to establish the fund—this fund is created exclusively from production of domestic silver.

The security for the small-mine loans consists of a lien upon the ore contained within the property—it matters not if the ore has been developed or not, the lien maintains until the loan is paid by a 15-percent royalty, and it must be paid even though the extraction of the ore takes place years after the loan has been expended, even though possession of the property may pass on after expenditure of the loan. These provisions serve to make the security for a loan reasonably fair. Any unpaid loans will be counterbalanced time and time over by the savings that will ensue to the taxpayer as H. R. 8206 will result in employing unemployed, many now on relief, to the extent that our relief taxes will be reduced millions upon millions of dollars.

The Small Mine Loan Act, predicated on the sources of the fund to carry out its provisions, when reviewed from the standpoint of the meritorious achievements to be accomplished by its enactment, stands out clearly as a constructive piece of legislation that deserves the unanimous approval of Congress.

SECTION 3

In what manner will the enactment of the Small Mine Loan Act, H. R. 8206, result in a reduction of the tax burdens resulting from our relief assistance to our unemployed? The reduction will take place owing to the fact that approximately 187,500 men now unemployed and receiving relief assistance of an average amount of $20 per month per man would receive employment directly due to the passage of this act. It is evident a definite reduction of tax burden for relief assistance will result.

This statement is made on sound premises and partially based upon the fact that the seigniorage emanating from our domestic silver produced subsequent to July 1, 1939, is acquired by the Government without even the levy of a penny tax. This fact does not maintain with the silver acquired by the Government prior to July 1, 1939. When by authorization of Congress there is placed with our monetary system certain volumes of silver coins or silver certificates, the seigniorage emanating is compromised by the fact the Government used taxpayers' money to purchase the silver and retired it for an indeterminable length of time before being authorized into our monetary system. Under the amended Gold Reserve Act, as amended, the source of the funds being sought under provisions of H. R. 8206, the seigniorage created by our domestic silver represents entirely newly created money placed into our currency system without the factor of the silver having been purchased, and a purchase price thereby entering into the seigniorage clearance. It will be readily observed that there is a distinction and difference to the taxpayer between funds created from the seigniorage of purchased silver and the funds created by seigniorage of silver in which there was not a penny invested in its acquisition into our currency system. Reference is here made to newly created money in which the Government has no investment in its metallic foundation.

The enactment of the Small Mining Loan Act, H. R. 8206, would result in employing 187,500 men who are now unemployed and on relief, as seen from a chart based upon an average loan of $3,000, with each loan employing 3 men, and assuming that one-fourth of the 30,000 men directly employed would receive employment for a 1-year additional period owing to the successful results emanating from an annual expenditure of $35,000,000 in the mines, the chart not basing figures on two-,three-, four-, or five-year employment nor permanent employment. The result will be a reduction of the relief-assistance tax burden in the amount of $45,000,000 for the 5-year period.

The small-mine operators of the Nation, whose pioneering efforts have resulted in practically the entire mineral production of the

Nation, are responsible through their initial efforts for the creation of the new monetary wealth of the country which emanated from the mining industry of the Nation.

The security backing class C small-mining loans as a whole will prove satisfactory, as the lien is upon the entire mineral wealth contained within the confines of the area of the mining property upon which a loan is made, the lien is a continuing one that maintains until the loan is liquidated in full, the liquidation under provisions of the act may be made entirely upon the basis of a 15-percent royalty upon the production of any and all minerals extracted from the property or they may be liquidated in any manner desired. The important factor to be considered in connection with these loans—a definitely certain intangible factor—is the employment of unemployed that will result from the expenditure of the $35,000,000 funds annually during the 5-year period of the newly created wealth in form of Government seigniorage that is expended by the mining industry, metallics and nonmetallics. This and other favorable intangible factors, together with the millions of interest at 4 percent on the loans, will result in offset factors to compensate for unpaid loans without seriously affecting the $45,000,000 reduction of tax burden for relief assistance.

The benefits to be derived through the enactment of H. R. 8206 will prove Nation-wide for not only the metallic-mining industry of the West but small-mine operators of the North, South, and East, wherein the major production of nonmetallics occur, will all equally benefit. Enactment of H. R. 8206 during the prosperous conditions that existed in the United States up until some 12 years ago would not and could not possibly have accomplished the beneficial results that will ensue, for it would have created a heavy cost to the taxpayer when our relief burdens were minor affairs. Enactment of this type of legislation is almost imperative under present conditions. H. R. 8206 is a definite avenue to employment of unemployed on relief, a definite avenue to reduction of the tax burden for relief assistance.

Paul V. McNutt

EXTENSION OF REMARKS
OF
HON. WESLEY E. DISNEY
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Friday, April 19, 1940

ARTICLE FROM THE CHRISTIAN SCIENCE MONITOR

Mr. DISNEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following discussion of the "slow motion political assassination" of Governor McNutt, as contained in an article in the Christian Science Monitor:

[From the Christian Science Monitor of April 18, 1940]

OKLAHOMA CITY, OKLA., *April 17.*

This preconvention campaign is producing some curious phenomena.

We have just crossed Indiana, and before our Hoosier impressions slip too far into the background, there is a brief interim report to be put into the record on one of the more curious incidents of this political year. It is a report not on Republican Presidential Candidate Thomas E. Dewey, with whom we are now traveling, but on Democratic Candidate Paul V. McNutt, about whom every Indianian is interested.

Mr. McNutt, the Federal Security Administrator, former Governor of Indiana, former law-school dean, former head of the American Legion, former United States Governor of the Philippines, is Indiana's "favorite son" and favored politician, and, when I left Washington last week, he was being forced to stand up against what was generally described as "slow-motion political assassination" from the New Deal.

For some 7 months now internal-revenue agents have been scouring the State of Indiana, peering and prying, questioning and cross-questioning, checking and rechecking the income-tax returns of Mr. McNutt and his Hoosier political associates. They have gone back 10, 15, sometimes 20 years and have interviewed hundreds of persons to find out whether Mr. McNutt as citizen, politician, or professor, or any of the subordinates in his State machine, have violated the Federal income-tax regulations.

Now, Mr. McNutt has very likely been a beneficiary of and a participant in that quaint but productive fund-raising device which Indiana Democrats seem to have thought up all by themselves, known as the Two Percent Club.

MORE OF SYSTEM THAN CLUB

The Two Percent Club is more of a system than it is a club, and if there were such a thing as a Hatch pure-politics law applying to the States, the Two Percent Club would be considered more of a racket than a system. Anyway, it operates to lift 2 percent of the salaries of public employees and drop it into the party coffers for election and other political purposes, and to a perhaps naive outsider it does look like a method of using the public pay roll to provide a sort of perpetual motion for a political machine.

The Two Percent Club practice has plenty of Indiana critics, including many Democrats, with whom I talked in Indianapolis, and its ethical propriety is not raised by the 7-month income-tax inquiry of Mr. McNutt and friends. What is strange and unusual about this "secret" investigation is the way it has been "publicly" carried on for more than half a year, all the time harassing Mr. McNutt by permitting suspicions to mount and yet withholding definite charges or a definite report clearing him of indefinite suspicions.

Mr. McNutt, it is known, has cooperated with the revenue agents, and in order to expedite the examination has gone so far as to offer them the key to his safety-deposit box in Indianapolis.

The information in Indiana is that the investigation agents have completed their work on the ground and have packed up and returned to Washington. But Mr. McNutt is still left figuratively suspended in the air, neither charged with an offense nor cleared by an authoritative report.

EVEN FOES DEPRECATE SMEARING

The fact is that many persons, in Washington and in the country, who might not care to see Mr. McNutt the next occupant of the White House, consider him the unfair victim of a harsh and powerful smearing campaign designed to pick off yet another Democratic aspirant for the Presidential nomination.

More than once in recent years the income tax has been used for, shall we say, unusual purposes. It was to force Huey Long and the Louisiana machine to terms, but prosecution was quietly withdrawn when the successors to the Kingfish decided to go along with the New Deal.

It was used to hold up to public ridicule private citizens who were prominent opponents of New Deal policies and who were singled out as "tax avoiders" and criticized as morally delinquent, although the Government agreed there had been no violation of the law.

Paul McNutt is exceedingly popular in Indiana—unquestionably a Presidential favorite in his State. Republicans and Democrats alike told me they were convinced that if the Federal Government ever gets around to report its Indiana investigation it will completely vindicate Mr. McNutt from any income-tax irregularities. Whether other Indiana Democratic politicians who have worked closely with Mr. McNutt at different times will fare as well is uncertain.

Mr. McNutt may be having his troubles, but in Indiana he certainly has his friends, who believe in his honesty, admire his ability, and wish him well.

J. ROSCOE DRUMMOND.

Keep the Civil Aeronautics Authority Independent

EXTENSION OF REMARKS
OF
HON. PAUL J. KILDAY
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Friday, April 19, 1940

EDITORIAL FROM THE SAN ANTONIO EXPRESS

Mr. KILDAY. Mr. Speaker, we have heard, with a great deal of regret, that the President's reorganization plan calls for the transfer of the C. A. A. to the Department of Commerce. I sincerely hope that this decision will be reconsidered and that this agency will be continued in its independent status. I wish to include an editorial from the San Antonio Express, leading newspaper of southwest Texas, on this subject:

[From the San Antonio Express of April 17, 1940]

KEEP THE CIVIL AERONAUTICS AUTHORITY INDEPENDENT

Aviation progress is threatened with a sharp setback by President Roosevelt's fourth reorganization plan, which would deprive the Civil Aeronautics Authority of independent-office status and abolish the Air Safety Board. Unless Congress shall reject the scheme within 60 days, the C. A. A. will become a subordinate bureau within the Department of Commerce.

The President's move is ill-advised and entirely uncalled for; it came as a surprise to Commerce Department officials, the C. A. A., and congressional leaders interested in aviation—none of whom was consulted, reputedly. Certainly the Air Safety Board—which shares the credit for commercial air lines' excellent accident-prevention record in 1939–40 and the continuing improvement in private planes—has more than justified its existence.

David Lawrence warrantably asserts that, among the governmental boards created in a decade or more, the C. A. A. is "admittedly the best functioning and the Air Safety Board the most valuable."

The Civil Aeronautics Authority has a job broadly comparable with that of the Interstate Commerce Commission—which is exempt from any reorganization order—and deserves like official status. Its task is the more difficult and exacting because it has to do with regulating a relatively new transport industry that is expanding rapidly. The Civil Aeronautics Authority must pioneer an unfamiliar element and solve problems that are unprecedented in other transportation systems. Thus far it has operated efficiently and has been unhampered by excessive political interference. As Mr. Lawrence points out:

"Few examples are afforded of better cooperation anywhere between Government and business, than that between the aviation industry and the Civil Aeronautics Authority. Few examples are afforded, also, of keener admiration on the part of students of government, even inside the New Deal, than that for the fairness of procedure and efficiency of administration of the Civil Aeronautics Authority."

Then why meddle with a satisfactory governmental agency? No question of economy is involved; nothing would be saved except the well-earned salaries paid the Air Safety Board members.

America's civil aviation needs an independent regulatory agency, and the Civil Aeronautics Authority has guided it to undisputed world leadership. Senator PAT MCCARRAN of Nevada—perhaps aviation's best friend in Congress—has undertaken to line up opposition to the reorganization plan. Representative WOODRUM of Virginia has taken a stand against the order in the House. Protests pouring in from all over the country assure them of public support.

Prosecution and Persecution

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

EDITORIAL FROM THE SANDUSKY (OHIO) DAILY NEWS

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an editorial from the Sandusky Daily News, of Ohio, commenting on the recent speech of the Attorney General of the United States, Hon. Robert H. Jackson, delivered recently before the Federal district attorneys of the Nation, in Washington, D. C. Mr. Speaker, some of us lawyers and laymen remember the intolerance and arrogant conduct of certain Federal judges and district attorneys during the 12-year period of our national prohibition law. Some of us recall that horse whipping is still a mode of punishment for misdemeanors in the great State of Delaware, and that civil liberties are abridged daily by superpatriots who are temporarily invested with power over their fellow men. I salute the courageous Attorney General of the United States. The liberties of the humblest of our citizens are safe when such men are entrusted with public office. This speech, which is an insight into the character of Robert H. Jackson, impels me to predict that some day—and I pray soon—another Jackson by name and reputation may occupy the White House.

[From the Sandusky (Ohio) Daily News of April 9, 1940]

PROSECUTION AND PERSECUTION

Robert H. Jackson, Attorney General of the United States, very recently delivered an address in Washington before his Federal district attorneys from throughout the Nation, some 90 in number.

It teemed with common sense, simple justice, and made keen distinction between prosecution and persecution.

It emphasizes the fact that Mr. Jackson is what may be termed a progressive-conservative, with the qualities of both mind and heart, which in these distressful times befits him to a higher place, if not the highest in the administration of our national affairs.

Mr. Jackson opened his address with a review of the fact that in the gathering of Federal prosecutors before him was the most powerful peacetime force known to our country.

That the Federal prosecutor had more control over life, liberty, and reputation than any other person in America.

That his discretion is tremendous.

He can have citizens investigated, and, if he is that kind of a person, he can have this done in tune with public sentiment and as veiled or unveiled intimidation.

Or a prosecutor can adopt a more subtle course of having his friends interviewed.

The prosecutor can order arrests, present cases to a grand jury in secret session, and, on the basis of one-sided presentation of evidence, can cause a citizen to be indicted and held for trial.

He can dismiss the case before trial, without the defendant ever having a chance to be heard.

Or, if the defendant is publicly tried and convicted, the prosecutor can still recommend sentence (probation or suspension); and if he is imprisoned, he can say as to whether he is a fit subject for parole.

Mr. Jackson concludes this section of his address by saying that the prosecutor, at his best, is one of the most beneficent forces in society, but that when he acts from malice or base motives he is one of the worst.

It is indicated by Mr. Jackson's address that he has a very clear understanding of the distinction between law and morals.

Both in the lines and between the lines of his address is the philosophy, and as the French express it, "Morals are a matter of time, geography, and climate."

These United States cover a vast area of varying climates and are peopled by many races and those of different national origin—and differing morals based upon ancestral tradition.

What is regarded as moral in one part of our country may be immoral in another.

What is not permitted by law in one State is protected by law in another.

This variation in tradition, as reflected in public opinion, is provided for in the Constitution of the United States and is known as State rights.

Mr. Jackson's injunction to his district attorneys at this meeting in Washington the other day was that they should select their cases for investigation and prosecution, that they should confine themselves to breaches of the Federal law in the most flagrant violation against the rights of the individual and the public, that violations of State and local statute should be left to State and local authority.

He goes on to say in effect that there are now a profusion of statutes under which any citizen could be investigated and prosecuted, but that if all cases upon which complaint is made were merely investigated, it would require a force twice that which the Government now has at hand, including the Army and Navy.

We think that Mr. Jackson's point has a conspicuous illustration in the fact that where the prohibition laws were confined to definite areas, where the sentiment was definitely against drink, that enforcement to a high degree was possible, but that when these same prohibition laws were made general throughout the Nation, all fell in failure.

It is also our view that a Federal prosecutor, or any prosecutor should not concern himself with a breach of natural law on the part of an individual—say as in the case of negative personal habits.

That a prosecutor should concern himself only with those breaches that affect the rights of other individuals and society in general.

Personal breaches against the law of conduct have their own consequences and do not affect others.

They serve in themselves the natural law of consequences and as a deterrent, by example, to others.

In other words, we are punished by our sins rather than for them.

Robert H. Jackson is to be congratulated upon the splendid spirit he is instilling into his organization of Federal prosecutors.

And the public is to be congratulated on the fact that so wise a man in the law and the general philosophy of life is at the head of so important a branch of government.

He is worthy of higher responsibilities of administration and higher honors.

Good Fences Make Good Neighbors

EXTENSION OF REMARKS

OF

HON. GEORGE W. GILLIE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

EDITORIAL FROM THE FORT WAYNE (IND.) NEWS-SENTINEL

Mr. GILLIE. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include a short editorial from the Fort Wayne (Ind.) News-Sentinel, commenting on a recent statement made by my able colleague from South Dakota, the Honorable KARL E. MUNDT:

[From the Fort Wayne (Ind.) News-Sentinel]

GOOD FENCES MAKE GOOD NEIGHBORS

On the subject of foreign trade and tariffs Representative KARL MUNDT, Republican, of South Dakota, recently made the sound, if

homely, point that "good fences have made good neighbors of Americans for 150 years. Good fences have kept out coolie and peon products, and Americans have developed their country, with no hatred in their souls for any people." Now, however, with the Roosevelt-Hull "reciprocity" program in effect, we find ourselves being generous with some nations, selfish with others, while over all forms of prejudicial trade policies and unneutral trade agreements the people's representatives in House and Senate have not a single word to say. Inquires Representative MUNDT: "Can it make for peace to delegate the power to create warlike disputes and hatreds to the executive branch of the Government? Did one-man control keep Russia or Germany at peace? Did it save Ethiopia from Italy?" And he adds: "In fact, the whole record of history belies the assertion that executive trade treaties make for peace—especially does it belie the theory that low tariffs or free trade makes for peace. * * * It takes a crafty political orator to show how peace can be promoted by stimulating an aggressive trade war through an attempt to drive foreign products out of foreign markets by sacrificing our own farmers and laborers through the acceptance of increased imports in order to force sales abroad of the products of a few pampered American monopolies." It would be impossible to improve upon that statement.

Fourth Reorganization Plan

EXTENSION OF REMARKS

OF

HON. EDWIN A. HALL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

EDITORIAL FROM THE BINGHAMTON PRESS

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Binghamton Press of April 13, 1940:

[From the Binghamton (N. Y.) Press of April 13, 1940]

THE FOURTH REORGANIZATION MEMO

When the basic legislation on the executive reorganization idea was put through Congress, outright promises were made by White House spokesmen that the Forest Service would be let alone. And it was on the first three reorganization memoranda sent to Congress. Under the reorganization law, Congress has 60 days in which it may veto Presidential reshuffiement plans. For at least the past 30 days Capitol Hill has been hearing rumors that, after all, Harold Ickes was going to have his say in the fourth reorganization memorandum, and that at least a part of the Forest Service and Rural Electrification was to be turned over to the Interior Department.

So a number of leaders from both Houses went privately to Mr. Roosevelt and told him just what would happen to his fourth reorganization plan if anything of the sort were done. They told him that the Congress simply wouldn't stand for it, and that, in view of the assurances previously given, he would have something on his hands if he were to attempt transfer of the two agencies.

So, when the fourth memorandum on executive reorganization went over to Congress, those agencies were let alone. But the President had done something else which started an immediate uproar on Capitol Hill. He proposed to move Civil Aeronautics Authority, now an independent agency, into the Commerce Department, merged with the Air Safety Board.

Casting back into the history of aviation in the United States, it will be remembered that the Department of Commerce formerly did exercise entire control over the development of civil aeronautics; that all sorts of politics were played; that the aviation companies were in continual hot water; and that Mr. Roosevelt himself was responsible for setting up C. A. A. by itself and away from the political pressures of the Commerce Department.

The aviation companies (and they are the ones who probably know most about the practical side of it) have been entirely satisfied with C. A. A. as an independent agency. Further, there is some proof of the pudding, since just about a month ago American aviation completed an entire year without a single passenger fatality. That at least suggests the wisdom of the present set-up; and just why Mr. Roosevelt wants to change it isn't at all clear to Congress.

Immediate opposition by Senator PATRICK MCCARRAN and others to the President's plan may easily develop into a row which would junk the entire fourth memorandum. That opposition is likely to be spurred by Mr. Roosevelt's suggestion that the 21 independent offices and quasi-judicial agencies, specifically exempted from reorganization measures by the original legislation, be now thrown into the general bag and that he be permitted to reshuffle them as he sees fit. Here is his exact language on that point:

"I strongly recommend the reenactment of the Reorganization Act without exemptions. The structure and the management of our Government, like the activities and services it performs, must be kept abreast of social and economic change."

The question which immediately occurs to the layman is whether Mr. Roosevelt is talking about the social and economic changes stimulated by government or resulting from the ordinary processes and developments of American life. There's a big difference there, and it needs careful attention.

An agreement is an agreement. Mr. Roosevelt got his reorganization plan through Congress originally on the theory that those 21 agencies would not be bothered. Congress has kept to its end of the arrangement; Mr. Roosevelt should stick to his. Meantime, Civil Aeronautics Authority should be left where it is, and there's a vast question as to whether the Weather Bureau and Soil Conservation Service should be taken away from the Department of Agriculture. Both of them fall naturally within the agricultural realm.

The Agricultural Adjustment Act

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. COOLEY. Mr. Speaker, during the week I introduced six bills for the purpose of amending certain sections of the Agricultural Adjustment Act of 1938. I have today introduced a bill which incorporates all of the provisions of the six bills introduced earlier in the week, and in addition thereto an amendment to the penalty section of the tobacco quota law, and as an explanation of the bill which I have today introduced I desire to state that the bill represents the considered judgment of many Members of Congress from districts in which tobacco is grown, and each provision of the bill is approved by officials of the Tobacco Section of the Department of Agriculture.

These amendments have been carefully considered by farmers and farm leaders in all of the States in which tobacco affected by the law is grown. They have been widely discussed and almost unanimously approved by farmers, warehousemen, bankers, and businessmen in communities where tobacco is grown, and practically every Member of Congress representing districts in which tobacco is grown has participated in drafting the amendments and in the discussions of the provisions of the bill which I have today introduced.

The bill would amend the Agricultural Adjustment Act of 1938, as amended, so as to facilitate and make more effective administration of the tobacco-marketing-quota provisions of the act.

Section 1 of the bill amends paragraph (3) (C) of section 301 (b) and would make it possible, in fixing the amount of the marketing quota, to make allowance for any temporary increase in the carry-over of tobacco in this country arising from the storing of tobacco of the 1939 and 1940 crops in this country which, except for the effect of the European war, would have been exported to and stored in foreign countries.

Section 2 of the bill amends subsection (a) of section 312 of the act and would give authority for adjusting upward the marketing quota for any marketing year so that the adjustment of marketings needed to eliminate the quantity of tobacco in excess of the reserve-supply level may be spread over a period longer than 1 year. This should result in less change of farm allotments and quotas from year to year and in less variation in the size of the crops placed on the market.

Section 3 of the bill amends subsection (c) of section 312 of the act and would provide for conducting a referendum on the question of whether producers favor the establishment of tobacco marketing quotas for a 3-year period. The establishment of marketing quotas for a period of 3 years would make it possible to provide in advance for adjustments over a period of years to eliminate excess supplies of tobacco. Such a procedure would be particularly desirable when the full adjustment required is so large that drastic reductions in allotments would be required if all the adjustments were made in 1 year.

Section 4 of the bill amends subsection (a) of section 313 of the act and would remove the present provision in the act that the marketing quota for any State in the case of flue-cured tobacco shall not be less than 75 percent of the 1937 production of flue-cured tobacco in the State. Also, it would provide that the national marketing quota for the next 3 years shall not be reduced more than 10 percent below the 1940–41 marketing quota and that the farm acreage allotments for the same years be adjusted uniformly in relation to the farm allotments for the preceding year, with the exception that any farm allotment of 1 acre or less in the case of burley tobacco and 2 acres or less in the case of flue-cured tobacco would not be reduced below the 1940 allotment, and with the further exception that an acreage equal to 2 percent of the allotments established in 1940 for farms in each State would be allotted by the local committees so as to make any needed adjustment of the individual farm allotments. This proposal is intended to simplify the determination of allotments, protect small farmers, and reduce administrative cost. The proposal recognizes that the burley and flue-cured tobacco allotments for the next 3 years will need to be about the same size as the 1940 allotments in order to eliminate the present surplus and that any changes in the allotments are likely to be small. This being the case, any changes can be made with less misunderstanding and irritation on the part of farmers and for much smaller administrative costs if they are made on a uniform basis. Also, if farmers know that the changes will be uniform they can better plan their operations in view of the needed adjustments of marketings of tobacco.

Section 5 of the bill amends section 314 of the act and would aid in preventing evasion of the marketing quotas and facilitate the handling, under the quota provisions, of tobacco carried over from one year to another. Under this amendment any producer who falsely identifies or fails to account for disposition of any tobacco would be deemed to have marketed the tobacco in excess of the farm marketing quota and would be required to pay the penalty. Any tobacco marketed just prior to the beginning of the marketing year, rather than during the normal marketing season which comes in the marketing year, would be subject to the quotas, thus tending to prevent the marketing of tobacco out of the normal channels for the purpose of evading the penalty. The amendment also permits the carrying over by producers of tobacco from one marketing year to another without paying the penalty on the tobacco if it was "within quota" in the year from which carried over or if a smaller amount of tobacco is produced on the farm in the year to which the tobacco is carried over so as to make possible marketing of tobacco within the farm marketing quota.

Section 6 of the bill amends subsection (a) of section 373 of the act and would strengthen enforcement of the marketing quotas by increasing the fine upon any tobacco warehouseman or dealer who fails or refuses, after notice of 15 days, to make a true report or keep true records as required by the regulations with respect to the tobacco marketing quotas. The regulations with respect to records and reports would be prepared after consultation with warehousemen and dealers. Increasing the maximum penalty would tend to insure compliance with these regulations in the case of any warehousemen or dealers who might otherwise attempt to violate the law.

Rural Electrification

REMARKS

OF

HON. JOHN E. RANKIN

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. RANKIN. Mr. Speaker, I have requested that there be included in the new spending bill an item of $100,000,000 for rural electrification, to be loaned through the Reconstruction Finance Corporation. It will not increase the debt limit, and every dollar of it will be repaid.

I did the same thing 2 years ago, and secured $100,000,000 for that purpose. But that fund has now been exhausted. In my opinion, it did more for the farmers of this country than any other similar amount that has yet been provided. It will all come back with interest, to say nothing of the compound interest it will pay in the way of the improved conveniences and comforts it will provide for the farmers of this country, as well as the increase in the national wealth. We are making rural America a better and a brighter place in which to live.

I sincerely trust that everyone in the House will join me in this effort to secure this additional allotment of $100,000,000 for rural electrification for the next fiscal year. [Applause.]

[Here the gavel fell.]

Crop Insurance Another Step in Social and Economic Welfare

EXTENSION OF REMARKS

OF

HON. JOHN R. MURDOCK

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. MURDOCK of Arizona. Mr. Speaker, some years ago as a college instructor in Arizona, I commented on a new system of State insurance for industrial laborers as follows:

> At the time compulsory industrial insurance was first advocated, many businessmen opposed it as a socialistic idea. In late years the feeling has grown that the laborer and his family should not be forced to bear all the personal risks in industry, neither should the employer be required to carry the full load. This has necessitated some scheme whereby the inevitable risks to life and limb should be distributed over the whole industry through a system of insurance.

Such being my thought and feeling toward compulsory industrial insurance for laborers 15 years ago and for a system in which the insured had no part of the expense to bear, it may readily be assumed that I would today favor a system of crop insurance for farmers, especially one in which the insured may enter voluntarily and must pay all of the cost of the insurance excepting a limited overhead. Looking upon all kinds of insurance as I do—that is, as a great, beneficial, social function by which each member of society may ease his losses through a proper distribution of those losses among all other members—I do most heartily favor this bill with its crop insurance for farmers.

Having grown up on the farm, I have ever since childhood regarded farming as the most financially hazardous occupation known to man. It may be that some of the risk—at least the property risks—can never be entirely eliminated. But I do feel that we cannot call ourselves a civilized or an intelligent Nation if we do not take some such step as is proposed in the measure before us to reduce the farmer's risks involved in crop failures. Since private companies cannot adequately insure certain crops, and since such crop insurance is a function of statistical treatment and clerical management to which the Government is so well adapted, as well as its being a requisite of the Government's duty in carrying out the general welfare, the Government ought to insure the cotton crop as well as the wheat crop. I would extend this insurance system to the corn crop and other basic crops just as soon as it can be conveniently and safely done. This service is not a gift to the farmers but a service that he has just as much right to expect from his Government as he had a right to expect another great "socialistic" piece of work inaugurated three decades ago—rural free delivery mail service.

Amendments of the Wage-Hour Law

EXTENSION OF REMARKS
OF
HON. MARY T. NORTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Monday, April 22, 1940

LETTERS FROM COL. PHILIP B. FLEMING AND COMPARATIVE TABLES

Mrs. NORTON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters addressed by me to Colonel Fleming, Administrator of the Wage and Hour Division, his replies, and a comparison of the Labor Committee amendments to the wage and hour bill, the Barden and the Ramspeck amendments, also an analysis of how these various bills affect industry in our respective States.

UNITED STATES DEPARTMENT OF LABOR,
WAGE AND HOUR DIVISION,
Washington, April 18, 1940.

Hon. MARY T. NORTON,
Chairman, Committee on Labor, House of Representatives, Washington, D. C.

MY DEAR MRS. NORTON: In accordance with your oral request of several days ago, I am transmitting herewith a comparative sectional analysis of the Norton bill (H. R. 5435, as reported on April 27, 1939), the Ramspeck bill (H. R. 7349), and the Barden bill (H. R. 7133), together with an analysis showing the number of employees who are exempt under the present act, under the Norton bill, the Ramspeck bill, and the Barden bill.

Sincerely yours,

PHILIP B. FLEMING,
Colonel, Corps of Engineers, Administrator.

COMPARATIVE ANALYSIS OF NORTON, RAMSPECK, AND BARDEN BILLS

NORTON BILL (H. R. 5435)	RAMSPECK BILL (H. R. 7349)	BARDEN BILL (H. R. 7133)
Sections 1 and 2: These provisions provide for the appointment of special industry committees for Puerto Rico and the Virgin Islands for the fixing of minimum wages for the industries of such islands. The industry committee or committees are to be composed of residents of Puerto Rico, the Virgin Islands, and continental United States, and to include representatives of the public, employers, and employees. The object of the amendment is to fix wage rates for the islands (which may be below the rigid minima prescribed in section 6 of the act) which are high enough to discourage migration of business from continental United States, but which are low enough to encourage industrial development and to provide employment opportunities in the islands.	Sections 1 and 2: These sections are substantially identically the same as those contained in H. R. 5435.	Sections 1 and 2: These sections purport to embody the principles of H. R. 5435, but in section 1, on lines 9 and 10 of page 1 of the bill, there is included a parenthetical expression "(except section 7 (c) and section 13)", the effect of which is not clear but which may result in rendering less effective the administrative machinery set-up for the islands by making relief impossible for the employees listed in section 7 (c) of the act as amended.
Section 3: This section constitutes a complete redraft of section 7 (c) of the act and sets forth in detail the operations in connection with the movement of agricultural and horticultural commodities from the farm, including their preparation for market, which are to be exempt from the hour provisions of the act. This exemption is limited to 60 hours a workweek unless overtime compensation is paid thereafter, except that for a period of 14 workweeks such hours exemption is complete, and the 60-hour workweek limitation is inapplicable. This revision of section 7 (c) treats all operations therein enumerated uniformly. It contains no area-of-production limitation. But for a few exceptions it would exempt only employees engaged in establishments receiving perishable or seasonal agricultural products from farms and preparing and processing them in order to preserve their quality and make them suitable for sale. For the most part, employees engaged in the operations enumerated in section 3 of this bill fall within some hours exemption under the present act. The exemptions, listed commodity by commodity, follow: 1. Dairy products: Manufacture (including cooling, pasteurizing, printing or packing) of all dairy products except ice-cream mix, ice cream, malted milk, and processed cheese. 2. Cotton: Compressing and storing. 3. Sugar beets, sugar-beet molasses, sugarcane and maple sap: Processing into sugar, molasses, and sirup, but not the refining of sugar. 4. Domestic fruits, vegetables, nuts, and seeds: Extraction of oils, juices, and sirups, but not fermenting or refining. 5. Fresh and dried fruits and vegetables: Preparing, cleaning, grading, packing, drying, refrigerating, freezing, preserving, peeling, shelling, storing, or canning. 6. Shelled and unshelled nuts: Preparing, cleaning, grading, packing, roasting, crushing, shelling, and storing. 7. Raw grease wool, mohair, and rabbit fur: Preparing, curing, grading, and bagging. 8. Livestock: Handling, grading, loading, slaughtering, and dressing.	Section 3: No agricultural exemptions are contained in the Ramspeck bill. This section provides an exemption, not contained in either the Norton bill or the Barden bill, from the overtime requirements of the act for employees employed in mining or milling of nonferrous metallic ores or operations incidental thereto, if such employee receives overtime compensation for employment in excess of 56 hours in any workweek.	Section 3: This section would amend section 7 (c) of the present act and would include therein only exemption from the maximum hour provisions for certain operations, to which wage and hour exemption is not accorded by section 5 (b) of the bill. For the following commodities the exemption under this section would be complete for 14 weeks in a calendar year and up to 56 hours a week during the rest of the year. 1. Grain: Grading or storage at terminal markets. 2. Perishable or seasonal fresh fruits and vegetables: Wholesale distribution. 3. Any seasonal or perishable agricultural or horticultural commodity: Storage at terminal markets. 4. Trees: Felling, logging, or operations incidental to felling or logging performed prior to delivery and the delivery of logs to a mill for sawing, making pulp, or other processing. With respect to the operations pertaining to the first three of the commodities enumerated, exemption is also granted to any employee employed in handling or transportation in connection with or incidental to the specified operations. This section also grants a complete exemption from the hours provisions for 16 work weeks in a calendar year to the following: 1. Livestock: Grading, loading, slaughtering, or preparing products therefrom at the packing plant or in handling or transportation in connection with or incidental to such operations. 2. Perishable or seasonal fruits or vegetables, including dried fruits: Canning, processing, or preserving or in handling or transportation in connection with or incidental to such operations, if the employer is not exempt under the wage and hour exemption granted by section 5 (b) of the bill. The term "terminal market" is defined in this section to mean any urban center of more than 150,000 population where the commodity is customarily stored before processing, or where such commodity is

NORTON BILL (H. R. 5435)—continued	RAMSPECK BILL (H. R. 7349)—continued	BARDEN BILL (H. R. 7133)—continued
9. Poultry: Handling, storing, grading, slaughtering, refrigerating, picking, dressing, and packing. 10. Eggs: Handling, storing, grading, candling, freezing, drying, and packing. 11. Chicks, poults, etc.: Hatching, handling, and boxing. 12. Whole seeds, beans, peas, or grains: Handling, grading, cleaning, polishing, handpicking, hulling, delinting, fumigrating, drying, packing, and storing. 13. Hops, fiber crops, and forage crops: Handling, drying, baling, grinding, decorticating, and packing. 14. Honey: Preparing. 15. Nursery and horticultural stock: Handling, grading, and packing. 16. Trees and logs: Felling, logging, or operations incidental to felling or logging performed prior to and including delivery of logs to a mill for sawing, making pulp, or other processing. Thus it will be observed that the principal hours exemptions, in addition to those provided in the present act, are for employees engaged in the operations enumerated above with respect to (1) trees and logs, (2) dried fruits and vegetables, and (3) eggs. It is also to be noted that the hours exemptions are not applicable to the enumerated operations performed on fresh or dried fruits or vegetables, nuts, poultry, eggs, or grains, when performed at a "terminal establishment." Such an establishment is defined as an establishment which (1) is located either in the urban area where the products are to be consumed or at transportation centers for the purpose of servicing consumer markets, (2) receives the major portion of its goods from other establishments at which such goods have been previously concentrated or prepared, and (3) distributes its goods to wholesalers, retailers, consumers, or manufacturers. No exemptions from the minimum-wage provisions of the act are contained in this section.		customarily stored and the greater part thereof distributed to consumers within or adjacent to such urban centers.
Section 4: This section authorizes the Administrator to make regulations necessary or appropriate to carry out the provisions of the act. Such regulations may define terms used in the act, make special provision with respect to industrial homework, and make special provision for constant wage plans consistent with the purposes of section 7, relating to maximum hours of work. Employees would be protected from any civil or criminal liability where they were complying with the regulations of the Administrator, even though such regulations should be amended, rescinded, or declared invalid.	Section 4: Same provisions as in the Norton bill.	Section 4: Same provisions as in the Norton bill, but the power to issue regulations is nullified by sections 8 and 9 of bill which propose to remove all penalties for violations of any regulations issued under this section.
Section 5 (a): This section exempts in addition to those now exempt high-salaried employees employed at a guaranteed monthly salary of $200 or more.	Section 5 (a): Same as Norton bill.	Section 5 (a): The salary criterion of the "white collar" exemption is reduced to $150 a month, with the provision that the exemption applies only if the employee "is not required by his employer to work any specified minimum number of hours in any workday, workweek, or other period and has been notified by his employer in writing to that effect." The quoted requirement would be fulfilled by the posting of a simple notice to that effect.
Section 5 (b): This section repeals section 13 (a) (10) and in lieu thereof grants wage and hour exemption to employees engaged in certain specified and limited operations upon agricultural commodities. These operations, commodity by commodity, are as follows: 1. Cotton: Ginning. 2. Fresh fruits and fresh vegetables in their raw or natural state: Cleaning, packing, grading, or preparing when such operations are performed immediately off the farm. 3. Leaf tobacco: Handling, tying, drying, stripping, grading, redrying, fermenting, stemming, or packing, when those operations are performed prior to storage and storing. Employees engaged in these operations are exempt whether or not they are employed within the area of production. This section of the Norton bill also exempts switchboard operators in telephone exchanges having less than 500 stations.	Section 5 (b): Small telephone exchange exemption.	Section 5 (b): With certain exceptions, as will appear below, section 5 (b) of the Barden bill takes the exemptions contained in section 3 of the Norton bill, which are limited to hours exemptions only, and changes them to exemptions from both the wage and hour provisions. The following is a list of the operations, commodity by commodity, for which wage and hour exemptions are granted by the Barden bill: 1. Dairy products: The manufacture of all dairy products, including ice cream, ice-cream mix, and processed cheese, but not including evaporated or condensed milk. For evaporated or condensed milk only an hour's exemption is granted. 2. Cotton: Ginning, compressing, and storing. 3. Sugar beets, sugar-beet molasses, sugarcane, and maple sap: Processing into sugar and sirup but not refining raw sugar. 4. Domestic vegetables, fruits, nuts, and seeds: Extracting oils, juices, sirups, and

NORTON BILL (H. R. 5435)—continued

(Such a provision was enacted into the act on August 9, 1939, and is therefore unnecessary.)

Section 6: This section exempts from the hours provisions employees of employers subject to the provisions of part I of the Railway Labor Act. This extends present exemption in act to include employees of refrigerator-car companies.

Section 7: This section gives the Administrator authority to provide for the employment of telegraph messengers at wages lower than the statutory minimum (but not lower than 25 cents) to prevent curtailment of opportunities for employment with a public telegraph carrier.

This section also authorizes the Administrator to permit the employment of homeworkers in rural areas at wages lower than the statutory minimum rate, insofar as it is required to prevent curtailment of opportunities for employment and will not adversely affect factory or industrial workers or give any employers a competitive advantage.

Section 8: This section protects an innocent purchaser of "hot goods"—goods produced in violation of the minimum-wage or

RAMSPECK BILL (H. R. 7349)—continued

Section 6: Same exemptions as Norton bill.

Section 7: Same provisions.

Section 8: Same provisions.

BARDEN BILL (H. R. 7133)—continued

other derivatives but not fermenting or refining.

5 (a). Seasonal or perishable fruits or vegetables: Preparing, cleaning, grading, packing, drying, peeling, shelling, precooling, refrigerating, freezing, and local storing.

(b) Perishable or seasonal fruits or vegetables: Canning, processing, and preserving, if the employer does not engage during the same calendar year in canning, processing, or preserving any agricultural commodities other than perishable or seasonal fruits or vegetables, and engages in no recanning during the same calendar year.

6. Nuts: Cleaning, grading, drying, shelling, preparing, packing, and local storing.

7. Grease wool, mohair, and rabbit fur: Shearing, grading, bagging, and local storing.

8. Livestock: Feeding, loading, grading, inspecting, and marketing when performed prior to marketing for slaughter, and marketing for slaughter.

9. Poultry: Fattening, slaughtering, refrigerating, dressing, picking, and local storing.

10. Eggs: Grading, shell treating, candling, freezing, local storing, drying, and packing.

11. Chicks, poults, etc.: Hatching or marketing.

12. Grains, dry edible beans or peas, and seeds: Grading, hand picking, cleaning, and local storing.

13. Hops, forage, fiber, and other agricultural or horticultural commodities not otherwise mentioned in these paragraphs: Cleaning, drying, packing, local storing, grading, grinding, baling, and preparing.

14. Honey: Extracting, preparing, packaging, and local storing.

15. Nursery and other horticultural and floral stock: Local storing, grading, packing, and packaging.

16. Timber: Cutting for manufacture into lumber, or the manufacture, preparing for market, or marketing of lumber during any calendar year in which at no time employer employed more than 15 employees in connection with or incidental to all such operations.

17. Leaf tobacco: Tying, drying, stripping, grading, redrying, fermenting, stemming, and packing, prior to storage.

The term "local storing" is used in many of the foregoing paragraphs. This is defined in such a manner as to include storing in any city or town up to and including a population of 150,000, and in many instances storing in cities or towns of even greater population.

It is to be noted that this section grants a wage and hour exemption to any employee employed in handling or transportation in connection with or incidental to any of the operations mentioned in the foregoing paragraphs.

It is also to be noted that the forepart of this section grants an exemption from both wages and hours to any switchboard operator of a telephone exchange having less than 500 stations.

Section 6: Same provisions as Norton bill.

Section 7: Same provisions.

Section 8: Same provisions as to protection of innocent purchaser of "hot goods," but this section does not provide penalties

NORTON BILL (H. R. 5435)—continued	RAMSPECK BILL (H. R. 7349)—continued	BARDEN BILL (H. R. 7133)—continued
maximum-hour provisions—when such innocent purchaser can show that at the time he purchased the goods he had no knowledge or reason to believe that they had been purchased in violation of the wage and hour provisions. Penalties are provided for violation of regulations or orders issued under authority granted in section 4.		for violations of regulations issued by the Administrator under section 4.
Section 9: This section provides a penalty for violation of regulations issued under section 4 of the bill and in addition provides a penalty for violations of the provisions of any wage order issued by the Administrator under section 8 of the act. These are technical amendments.	Section 9: Same provisions.	Section 9: Same provisions, excepting that a violation of regulations issued by the Administrator under section 4 of the bill is not made a violation of section 15 (a) (2) of the act. The effect is that the issuance of regulations would protect the employers but would not provide penalties for their violation by employers.
Section 10: This is a technical amendment which permits learners, apprentices, handicapped workers, messengers, and homeworkers the same right to sue for unpaid minimum wages and unpaid overtime compensation which the act now accords to all other employees covered by the act.	Section 10: Same provisions.	Section 10: Same provisions with an additional subsection establishing a statute of limitations for employee suits of 6 months from the date when the cause of action accrued.
Section 11: This is a technical amendment to the act which adds a venue provision to provide that civil actions may be brought in any district where the defendant is found or is inhabited or transacts business.	Section 11: Same provisions.	Section 11: Same provision with two exceptions: (1) before the Administrator may institute injunction proceedings for violation of regulations under section 4 of the bill, the defendant must be notified at least 5 days prior to the filing of the complaint that the regulation or order was in force. Such regulations and orders must be published in the Federal Register, and the further requirement of personal notice is an unnecessary hindrance upon the enforcement of the act. (2) Actions for violations of the "hot goods" provisions must be brought in the district court in which the prohibited employment is alleged to have occurred. This requirement would be applicable to a holder of "hot goods" who would have to transport his witnesses perhaps to another State in order to defend the action.
Section 12: This section implements the Ashurst-Sumners Act which prohibits transportation of convict-made goods into States where their sale or use is prohibited by prohibiting the transportation of convict-made goods in interstate commerce without reference to the laws of the State into which shipment is made.	Section 12: Same provisions.	Section 12: Same provisions.

ANALYSIS OF NUMBER OF EMPLOYEES EXEMPT FROM THE WAGE AND HOUR PROVISIONS OF THE FAIR LABOR STANDARDS ACT UNDER THE PRESENT ACT, THE RAMSPECK BILL, H. R. 7349; THE NORTON BILL, H. R. 5435; AND THE BARDEN BILL, H. R. 7133 [1]

I. WAGE EXEMPTIONS

It is estimated that the Barden bill, H. R. 7133, would exempt from the wage provisions of the act approximately 1,184,000 employees, or 928,000 more employees than are exempt by the act at the present time (256,000). The Ramspeck bill, H. R. 7349, provides for no new wage exemptions; therefore the number exempt by this bill is the same as the number exempt under the present act, or 256,000. The Norton bill, H. R. 5435 (draft of April 27, 1939), would exempt an estimated 273,000 or 17,000 more than are now exempt.

The number of workers in each industry estimated to be exempt from the wage provisions of the act at present and under each of these bills is tabulated below: [2]

Industry or product (with reference to provisions of bills)	Number of employees exempt from wage provisions under—			
	Present act	Ramspeck bill (H. R. 7349) [a]	Norton bill (H. R. 5435 Apr. 27, 1939, printing)	Barden bill (H. R. 7133)
Dairy products (Barden, p. 7, lines 12 to 24; p. 8, lines 1 to 2)	22,000	[a] 22,000	0	254,000
Cotton (Norton, p. 15, lines 17 and 18; Barden, p. 8, lines 3 to 5)	62,000	[a] 62,000	60,000	100,000
Sugar (beet and cane) (Barden, p. 8, lines 6 to 10)	0	0	0	67,000
Fruit, vegetable, and nut oils and juices (Barden, p. 8, lines 11 to 15)	5,000	[a] 5,000	0	58,000

[a] Exemption under act unchanged by proposed amendment.

[1] Estimates are based mainly on Census of Manufactures, 1937, Census of Business 1935, estimates made by the National Recovery Administration and the Agricultural Adjustment Administration, testimony at hearings of the Wage and Hour Division, etc. In some industries data are adequate only for rough estimates.

[2] These employees are also exempt from the hours provisions.

Industry or product (with reference to provisions of bills)	Number of employees exempt from wage provisions under—			
	Present act	Ramspeck bill (H. R. 7349)	Norton bill (H. R. 5435 Apr. 27, 1939, printing)	Barden bill (H. R. 7133)
Fruits and vegetables (Norton, p. 15, lines 21 to 24; p. 16, line 1; Barden, p. 8, lines 16 to 24; p. 9, lines 1 to 5)	68,000	[a] 68,000	[b] 131,000	321,000
Nuts (Barden, p. 9, lines 6 to 9)	1,000	[a] 1,000	0	15,000
Grease wool, mohair, rabbit fur (Barden, p. 9, lines 15 to 18)	200	[a] 200	0	7,000
Livestock (Barden, p. 9, lines 10 to 14)	14,000	[a] 14,000	0	29,000
Poultry (Barden, p. 9, lines 19 to 22)	10,000	[a] 10,000	0	36,000
Eggs (Barden, p. 9, lines 23 and 24, p. 10, lines 1 and 2)	3,900	[a] 3,900	0	16,000
Chicks, poults, ducklings, etc. (Barden, p. 10, lines 3 to 6)	[c] 10,000	[a] 10,000	0	10,000
Grains, dry edible beans or peas and seeds (Barden, p. 10, lines 7 to 11)	39,000	[a] 39,000	0	52,000
Hops, forage, fiber crops, and other (Barden, p. 10, lines 23 to 25, p. 11, lines 1 to 3)	1,500	[a] 1,500	0	8,000
Honey (Barden, p. 10, lines 12–14)	[d]	[d]	0	[d]
Nursery and other horticultural or floral stock (Barden, p. 10, lines 19 to 22)	1,400	[a] 1,400	0	2,900
Leaf tobacco (Norton, p. 16, lines 1 to 4; Barden, p. 10, lines 15 to 18)	18,000	[a] 18,000	82,000	68,000
Timber and lumber (Barden, p. 11, lines 4 to 11)	0	0	0	110,000
Handling and transportation (Barden, p. 7, lines 12 to 14, pp. 8–10, p. 11, lines 1 to 11)	0	0	0	30,000
Storage at terminal markets	0	0	0	0
Total number exempt from wage provisions [e]	256,000	256,000	273,000	1,183,900
Increase above present act		0	17,000	927,900

[a] Exemption under act unchanged by proposed amendment.
[b] Assumes that "immediately off the farm" would be interpreted to exempt all employees of packers of fresh fruits and vegetables.
[c] Exempt under definition of agriculture.
[d] No data available.
[e] These employees are also exempt from the hours provisions.

II. HOURS EXEMPTIONS [3]

It is estimated that the Barden bill would exempt from the hours provisions of the act approximately 1,957,000 employees. Under the act at the present time 969,000 workers are estimated to be exempt. The Barden bill thus provides exemption for 988,000 more employees than are exempt under the act at the present time. The Ramspeck bill, H. R. 7349, would exempt an estimated 1,182,000 workers from the hours provisions, or 213,000 more than the present act. The Norton bill, H. R. 5435, would exempt from the hours standards approximately 1,434,000 workers, or about 465,000 more than are now exempt.

The number of workers in each industry estimated to be exempt from the hours provisions of the act at present and under each of these bills is tabulated below. These estimates include the employees (listed above) who are also exempt from the wage provisions.

Industry or product (with reference to provisions of bills)	Number of employees exempt from hours provisions under [7]—			
	Present act	Ramspeck bill (H. R. 7349)	Norton bill (H. R. 5435, Apr. 27, 1939, printing)	Barden bill (H. R. 7133)
Mining or milling of nonferrous metallic ores or operations incidental thereto (Ramspeck, p. 3, lines 18–25, p. 4, lines 1 and 2)	[a] 3,000	[b] 88,000	[c] 3,000	[c] 3,000
Refrigerator-car employees (exempt by proposed addition to sec. 13 (b) of "any employee of an employer subject to the provisions of pt. I of the Railway Labor Act" (Ramspeck, p. 5, lines 17 to 21; Norton, p. 6, lines 5 to 9; Barden, p. 11, lines 15 to 19)	0	2,500	2,500	2,500
Dairy products (Norton, p. 11, lines 13 to 16; Barden, p. 7, lines 12 to 24, p. 8, lines 1 and 2)	136,000	[c] 136,000	208,000	266,000
Cotton (Norton, p. 11, line 17, p. 15, lines 17 and 18; Barden, p. 8, lines 3 to 5)	88,000	[c] 88,000	100,000	1000,00
Sugar (beet and cane) (Norton, p. 11, lines 18 to 20; Barden, p. 8, lines 6 to 10)	67,000	[c] 67,000	67,000	67,000
Fruit, vegetable, and nut oils and juices (Norton, p. 11, lines 21 and 23; Barden, p. 8, lines 11 to 15)	32,000	[c] 32,000	58,000	58,000
Fruits and vegetables (Norton, p. 11, line 24, p. 12, lines 1 to 4, p. 15, lines 21 to 24, p. 16, line 1; Barden, p. 3, lines 24 and 25, p. 4, lines 1, 2, 25, p. 5, lines 1 to 5, p. 8, lines 16 to 24, p. 9, lines 1 to 5)	390,000	[c] 390,000	446,000	488,000
Nuts (Norton, p. 12, lines 5 to 8; Barden, lines 6 to 9)	1,200	[c] 1,200	15,000	15,000
Grease wool, mohair, rabbit fur (Norton, p. 12, lines 9 to 10; Barden, p. 9, lines 15 to 18)	200	[c] 200	5,500	7,000
Livestock (Norton, p. 12, lines 11 and 12; Barden p. 4, lines 21 to 25, p. 9, lines 10 to 14)	56,000	[c] 56,000	56,000	181,000
Poultry (Norton, p. 12, lines 13 to 16; Barden, p. 9, lines 19 to 22)	36,000	[c] 36,000	27,000	36,000
Eggs (Norton, p. 12, lines 17 to 19; Barden, p. 9, lines 23 and 24, p. 10, lines 1 and 2)	3,900	[c] 3,900	16,000	16,000
Chicks, poults, ducklings, etc. (Norton, p. 12, lines 20 and 21; Barden, p. 10, lines 3 to 6)	[d] 10,000	[c] 10,000	10,000	10,000
Grains, dry edible beans, or peas and seeds (Norton, p. 12, lines 22 to 24, p. 13, lines 1 and 2; Barden, p. 3, lines 21 to 23, p. 10, lines 7 to 11)	39,000	[c] 39,000	52,000	52,000
Hops, forage, fiber crops and other (Norton, p. 13, lines 3 and 4; Barden, p. 10, lines 23 to 25, p. 11, lines 1 to 3)	1,500	[c] 1,500	8,000	8,000
Honey (Norton, p. 13, line 5; Barden, p. 10, lines 12 to 14)	(e)	(e)	(e)	(e)
Nursery and other horticultural or floral stock (Norton, p. 13, lines 6 and 7; Barden, p. 10, lines 19 to 22)	1,400	[c] 1,400	2,900	2,900
Leaf tobacco (Norton, p. 16, lines 1 to 4; Barden, p. 10, lines 15 to 18)	[f] 82,000	[c] 82,000	82,000	68,000

[a] Exemption for 14 weeks under section 7 (b) (3) of Fair Labor Standards Act, up to 12 hours a day or 56 hours a week.

[b] Does not include 5,000 office workers who might be claimed exempt under this provision since it covers persons "employed in mining or milling or operations incidental thereto."

[c] Exemption under act unchanged by proposed amendment.

[d] Exempt under definition of agriculture.

[e] No data available.

[f] Includes 64,000 exempt for 14 weeks under section 7 (b) (3).

[3] These hours exemptions are not uniform; in some cases the exemption is an unlimited year-round one; in others, a 14-week unlimited exemption with 56 or 60 hours allowed during the rest of the year; in still others, a 16-week exemption; and in some cases the exemption is dependent upon the "area of production" definition.

Industry or product (with reference to provisions of bills)	Number of employees exempt from hours provisions under—			
	Present act	Ramspeck bill (H. R. 7349)	Norton bill (H. R. 5435, Apr. 27, 1939, printing)	Barden bill (H. R. 7133)
Timber and lumber (Norton, p. 13, lines 8 to 11; Barden, p. 4, lines 7 to 10, p. 11, lines 4 to 11)	[a] 22,000	[a] 22,000	150,000	200,000
Handling and transportation of agricultural commodities (BARDEN, p. 7, lines 12 to 24, pp. 8–10, p. 11, lines 1 to 11)	0	0	0	30,000
Storage at terminal market (Barden, p. 4, lines 3 to 6)	0	0	0	22,000
Workers earning a guaranteed salary of $200 or more a month (Norton, p. 15, lines 8–14; Ramspeck, p. 5, lines 4–10); or $150 or more a month (Barden, p. 6, lines 19–25, p. 7, lines 1–4)	0	[g] 125,000	[g] 125,000	[g] 325,000
Total number exempt from hours provisions	969,200	1,181,700	1,433,900	1,957,400
Increase above present act	----------	212,500	464,700	988,200

[a] Exemption for 14 weeks under section 7 (b) (3) of Fair Labor Standards Act, up to 12 hours a day or 56 hours a week.

[c] Exemption under act unchanged by proposed amendment.

[g] These represent rough estimates of the number of workers now subject to the act who would be exempt in addition to those already exempt under the definitions of executive, administrative, and professional employees and of outside salesmen and in addition to those in industries excluded under other provisions of the bills under consideration here. Such estimates are made difficult by the fact that there are no data on number of workers earning $150 or $200 who are exempt under these definitions or under other provisions of these bills. However, the estimates given in the table appear conservative in view of the fact that there are about 800,000 manual and nonmanual workers earning $200 or more a month and 1,800,000 who earn $150 or more a month in industries subject to the act. It appears likely that these bills would exempt both manual and nonmanual workers since it would be possible to meet the requirements of the Ramspeck and Norton bills by putting manual workers on a guaranteed monthly salary basis and to meet the requirements of the Barden bill by putting manual workers on a guaranteed monthly salary basis and by posting a notice to the effect that employees are not required to work any specified minimum number of hours.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON LABOR,
Washington, D. C., April 15, 1940.

Col. PHILIP B. FLEMING,
Administrator, Wage and Hour Division, Department of Labor, Washington, D. C.

MY DEAR COLONEL: I shall greatly appreciate your having prepared for me a statement showing the effect the wage exemptions proposed by the Barden bill would have on competition in the various States.

I should particularly like information on the prevailing wages in the canning industry and other industries affected by the bill, all State minimum-wage laws, the States in which the industries the Barden bill would exempt are located, and any other relevant data.

If it is convenient, will you prepare the data in tabular form, showing the information for each State separately?

Thanking you for your fine cooperation in the past, I am,

Sincerely yours,

MARY T. NORTON.

UNITED STATES DEPARTMENT OF LABOR,
WAGE AND HOUR DIVISION,
Washington, D. C., April 19, 1940.

Hon. MARY T. NORTON,
Chairman, House Labor Committee, House Office Building, Washington, D. C.

DEAR MRS. NORTON: Attached hereto is a tabulation of the information requested in your letter of April 15.

Adequate data on prevailing wages and employment in the industries affected by the Barden bill wage exemptions are available for the canning industry only. We have therefore shown the available information listing other industries of some importance in the several States, employees of which would be exempt from the wage provisions of the Fair Labor Standards Act under the Barden bill. Also enclosed are tables showing the effect of this bill on various industries.

If we can be of any further assistance in this matter, please call on us.

Very truly yours,

PHILIP B. FLEMING,
Colonel, Corps of Engineers, Administrator, Wage and Hour Division.

Data on the fruit and vegetable canning industry and a list of some other industries granted exemptions by the Barden bill, H. R. 7133, by States

State	Minimum-wage laws applicable to women and minors in canning industry (cents per hour)	Average hourly earnings, canning industry, 1938 (cents) [1]	Percentage of employees in canning industry in 1938 earning less than—		Number of employees in canning industry during peak month in 1937 (Census of Manufactures) [2]	Industries (other than fruit and vegetable) of some importance in specified States for which a wage exemption is provided by the Barden bill [3]
			25 cents per hour	30 cents per hour		
Alabama	None				226	Cotton warehouses, compresses and cottonseed-oil mills, logging, sawmills.
Arizona						Cottonseed oil mills.
Arkansas	13.9	[4] 23.6	[4] 17.1	[4] 98.2	5,733	Logging, sawmills, cotton warehouses, compresses and cottonseed-oil mills.
California	33.3	47.0	1.8	3.9	81,029	Logging, sawmills, beet-sugar mills, poultry-product handling, farm-product warehouses.
Colorado	None				3,105	Beet-sugar mills, logging, sawmills, livestock handling.
Connecticut	None				127	Tobacco handling.
Delaware	None				6,450	
Florida	None	[4] 28.9	[4] 15.7	[4] 63.5	9,529	Logging, sawmills, cane-sugar mills.
Georgia	None				2,496	Cotton warehouses, compresses and cottonseed-oil mills, tobacco warehouses, logging, sawmills.
Idaho	None				653	Logging, sawmills, beet-sugar mills.
Illinois	None	32.9	10.7	22.9	17,488	Dairy products manufacturing, livestock handling, poultry products handling and dressing.
Indiana	None	30.4	11.4	42.4	30,514	Poultry and livestock handling.
Iowa	None	31.1	3.7	45.3	9,009	Grain cleaning and storing, poultry-products handling, poultry dressing, livestock handling.
Kansas	None				243	Grain cleaning and storing, poultry-products handling, poultry dressing.
Kentucky	None				3,058	Tobacco warehouses, sawmills.
Louisiana	None				1,072	Logging, sawmills, cotton compresses, warehouses and cottonseed-oil mills, rice cleaning, cane-sugar manufacturing.
Maine	None				7,657	Logging, sawmills.
Maryland	None	24.1	47.3	88.5	25,646	Livestock handling.
Massachusetts	32.4				951	Wool combing and scouring.
Michigan	None				9,214	Beet-sugar mills, bean elevators, logging, sawmills.
Minnesota	[5] 22.9-31.3	34.1	.9	20.3	11,022	Dairy-products manufacturing, livestock, handling, poultry handling and dressing.
Mississippi	None				1,053	Logging, sawmills, cotton warehouses, compresses, and cottonseed oil mills.
Missouri	None				5,400	Poultry-products handling, poultry dressing.
Montana	None				571	Beet-sugar mills.
Nebraska	None				670	Livestock and poultry handling.
New Hampshire						Logging, sawmills.
New Jersey	None	35.9	.2	10.9	10,600	Poultry-product handling.
New Mexico	None					Logging, sawmills.
New York	None	30.5	16.6	49.4	20,631	Dairy-products manufacturing, poultry-products handling.
North Carolina	None				980	Tobacco warehouses and stemming plants, cotton warehouses, logging, sawmills.
North Dakota						Grain cleaning and storing.
Ohio	None	40.6	.9	5.3	10,032	Dairy-products manufacturing, beet-sugar manufacturing.
Oklahoma	None				597	Poultry-products handling, livestock handling, cotton warehouses.
Oregon:						
Male	45.0				14,397	Logging, sawmills.
Female	35.0					
Pennsylvania	None	45.7	0.	0.	8,925	Logging, sawmills, dairy-products manufacturing.
Rhode Island	None				39	
South Carolina	None				1,061	Tobacco warehouses, cotton warehouses, compresses, and cottonseed-oil mills.
South Dakota						Grain cleaning and storing.
Tennessee	None				3,903	Tobacco warehouses, cotton warehouses, compresses and cottonseed-oil mills.
Texas	None	[4] 22.3	[4] 4.8	[4] 95.1	5,412	Pecan shelling, cotton compresses, warehouses and cottonseed-oil mills, livestock handling, poultry handling and processing.
Utah	None				5,377	Beet-sugar mills.
Vermont	None				329	Logging, sawmills.
Virginia	None	[4] 23.1	[4] 51.5	[4] 72.2	9,320	Tobacco warehouses, logging, sawmills.
Washington	37.5	43.2	.9	3.0	11,158	Logging, sawmills, poultry-products handling.
West Virginia	None				1,169	Logging, sawmills.
Wisconsin	[5] 20.0-22.5	30.4	25.3	40.4	23,664	Dairy-products manufacturing.
Wyoming	None					

[1] Based on data obtained in a survey by the Women's Bureau, U. S. Department of Labor. In the case of some of the States listed the data shown cover only plants canning a limited number of products. The figures on earnings for 1938 are for a period before the Fair Labor Standards Act went into effect. Women's Bureau survey limited to 16 States. No survey has yet been made where no information has been given.

[2] The Barden bill wage exemptions apply to the canning of perishable or seasonal fruits and vegetables only. The Census of Manufactures figures in this column include some employees of plants canning nonseasonal fruits and vegetables and their products.

[3] Wage exemptions for the lumber industry (logging, sawmills, etc.) apply to plants employing 15 persons or less.

[4] No 1938 data available; data shown are for 1939, when the act's 25-cent hourly minimum wage was in effect.

[5] Wage rate varies with population of community.

Canning industry: Percentage of employees according to hourly earnings in identical fresh vegetable canneries in 1 active week of the 1938 and 1939 seasons, by States [1]

State and year	Number of plants	Number of employees with hourly earnings reported	Hourly earnings (cents), percent of employees earning—							
			Under 15	20 and under	Under 25	25 and under	Under 30	30 and under	40 and under	50 and under
Total, 8 States:										
1938	318	53,679	0.5	10.5	18.6	36.6	45.3	58.6	93.6	99.0
1939	318	56,082	.8	4.1	5.4	34.3	45.0	58.3	94.0	98.2
Illinois:										
1938	26	4,964	0	6.9	7.3	12.9	18.9	42.6	93.2	98.1
1939	26	5,065	0	.8	.9	11.4	19.0	43.7	93.2	98.1
Indiana:										
1938	61	9,398	.2	10.2	13.8	32.2	43.2	65.8	94.3	98.6
1939	61	12,020	.3	3.4	4.9	27.2	41.9	58.7	91.7	97.2
Iowa:										
1938	16	1,942	0	2.8	3.5	20.8	42.1	51.9	97.1	99.5
1939	16	2,219	0	2.4	2.4	25.1	36.0	52.7	95.2	98.9
Maryland:										
1938	67	7,766	.9	31.4	45.4	63.3	87.3	95.6	99.5	99.9
1939	67	8,225	1.0	12.6	16.4	61.8	84.5	93.6	98.9	99.6
Minnesota:										
1938	22	9,247	0	[2]	1.1	9.5	16.7	27.6	92.8	99.2
1939	22	9,319	0	0	.1	10.4	22.3	33.4	92.5	98.6

[1] Data for each of the 2 years cover the same 318 plants in the 8 States. The number of plants canning each of the various fresh vegetables includes: Corn, 66; peas, 94; tomatoes, 103; lima beans, 3; spinach, 2; asparagus, 2; green and wax beans, 43.

[2] Less than 0.05 percent.

Source: Women's Bureau, U. S. Department of Labor.

Canning industry: Percentage of employees according to hourly earnings in identical fresh vegetable canneries in 1 active week of the 1938 and 1939 seasons, by States—Continued

State and year	Number of plants	Number of employees with hourly earnings reported	Hourly earnings (cents), percent of employees earning—							
			Under 15	20 and under	Under 25	25 and under	Under 30	30 and under	40 and under	50 and under
New York:										
1938	52	10,134	0.2	8.4	16.2	51.1	54.3	62.8	95.8	97.7
1939	52	10,153	0	2.2	2.3	46.3	49.3	60.0	92.2	96.6
Virginia:										
1938	14	557	23.5	87.9	96.0	98.2	99.3	99.8	99.8	100.0
1939	14	592	7.3	79.9	86.8	94.4	97.1	98.6	99.1	99.8
Wisconsin:										
1938	60	9,671	0	4.9	24.4	40.9	42.6	54.0	96.8	99.4
1939	60	8,489	.1	.5	2.6	41.6	45.4	56.3	95.6	98.9

Canning industry: Number of employees covered by survey and average hourly earnings in 1 active week of 1938 season, by States and products canned [1]

State	Tomatoes		Corn		Peas		String beans		Spinach		Asparagus		Large fruits		Small fruits	
	Number of employees in survey	Average hourly earnings	Number of employees in survey	Average hourly earnings	Number of employees in survey	Average hourly earnings	Number of employees in survey	Average hourly earnings	Number of employees in survey	Average hourly earnings	Number of employees in survey	Average hourly earnings	Number of employees in survey	Average hourly earnings	Number of employees in survey	Average hourly earnings
		Cents		*Cents*		*Cents*		*Cents*		*Cents*		*Cents*		*Cents*		*Cents*
California	4,544	46.5			276	49.4	551	43.4	5,370	46.8	4,868	49.4	26,509	47.8	2,003	51.9
Illinois	488	31.8	3,826	32.6	1,276	35.8					507	21.0				
Indiana	8,728	29.5	2,414	29.2	680	32.5	501	30.9								
Iowa	603	33.6	1,860	29.9	432	33.6	212	29.8								
Maryland	1,988	22.8	2,180	25.3	2,335	25.6	2,624	23.8	238	25.5						
Minnesota			6,239	33.1	4,229	35.4										
New Jersey	481	35.9									36	32.8				
New York	4,119	34.7	1,634	29.5	3,642	30.1	2,572	25.8							381	25.0
Ohio	1,392	41.3														
Washington			163	44.2	441	45.8	592	44.8					2,628	44.6	1,186	43.5
Wisconsin			594	25.8	7,579	31.7	3,716	25.6								

[1] These data are for a period before the Fair Labor Standards Act went into effect. Blank spaces indicate that no plants were covered in the survey.

Source: Women's Bureau, U. S. Department of Labor.

Canning industry: Number of employees covered by survey, and percentage earning less than 30 cents an hour in 1 active week of 1938 season, by States and products canned [1]

State	Tomatoes		Corn		Peas		String beans		Spinach		Asparagus		Large fruits		Small fruits	
	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents
California	4,544	5.0			276	0.4	551	14.3	5,370	4.2	4,868	4.1	26,509	4.3	2,003	0.4
Illinois	488	50.9	3,826	15.0	1,276	11.5					507	93.7				
Indiana	8,728	45.1	2,414	48.4	680	40.3	501	38.3								
Iowa	603	29.5	1,860	53.6	432	25.7	212	59.0								
Maryland	1,988	92.5	2,180	87.6	2,335	86.0	2,624	89.8	238	71.9						
Minnesota			6,239	25.2	4,229	13.4										
New Jersey	481	14.1									36	0				
New York	4,119	43.2	1,634	55.2	3,642	42.7	2,572	72.8							381	77.7
Ohio	1,392	0														
Washington			163	.6	441	0	592	0					2,628	1.1	1,186	0
Wisconsin			594	55.9	7,579	29.3	3,716	70.3								

[1] These data are for a period before the Fair Labor Standards Act went into effect. Blank spaces indicate that no plants were covered in survey.

Source: Women's Bureau, U. S. Department of Labor.

Canning industry: Number of employees covered by survey and average hourly earnings in 1 active week of 1939 season, by States and product canned [1]

State	Tomatoes		Corn		Peas		String beans		Spinach		Asparagus	
	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)
Arkansas	443	16.9					978	23.9	1,457	25.3		
California	8,046	47.3					235	50.4	4,781	46.8	6,092	50.2
Florida	170	22.4										
Illinois	984	41.0	3,773	32.9	1,347	35.0	72	25.2			1,278	29.9
Indiana	10,710	30.7	2,860	29.4	1,138	36.6						
Iowa	1,593	31.3	1,753	30.4			475	29.5				
Maryland	2,550	25.4	2,129	26.0	1,983	26.8	2,245	26.1	613	26.0		
Minnesota			5,773	32.6	3,719	35.4						
New York	4,822	31.5	2,268	29.5	3,419	31.4	2,607	28.2	160	28.0		
Texas	1,161	20.1					239	21.4	87	20.9		
Washington					1,891	44.8	534	45.9				
Wisconsin	1,116	27.4	2,844	29.1	6,121	31.7	2,977	28.0				
Virginia	656	17.3			182	21.9						

[1] These data are for a service where the 25 cents per hour minimum wage under the Fair Labor Standards Act was in effect. Blank spaces indicate that no plants were covered in the survey. Averages below 25 cents do not necessarily indicate violations of the act since some of these plants are exempt under "area of production" regulations.

[2] 2 firms only.

Source: Women's Bureau, U. S. Department of Labor.

Canning industry: Number of employees covered by survey and aver age hourly earnings in 1 active week of 1939 season, by States and product canned—Continued

State	Lima beans		Large fruit		Small fruit		Citrus juice		Citrus fruits		Citrus fruits and juices	
	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)
Arkansas												
California			32,683	47.1	2,003	48.1	374	45.7				
Florida							712	29.0	1,823	30.9	1,929	27.6
Illinois	77	30.3										
Indiana	1,067	31.1										
Iowa												
Maryland	765	24.5										
Minnesota												
New York					381	26.4						
Texas							720	25.2	292	25.2		
Washington			3,478	46.0	1,186	42.9						
Wisconsin												
Virginia	340	19.5										

Fresh fruit and vegetable packing industry: Number of employees covered by survey and average hourly earning in 1 active week of 1939 season, by States and product packed [1]

State or area	Apples		Celery		Citrus		Lettuce		Tomatoes		Mixed vegetables	
	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)	Number of employees in survey	Average hourly earnings (cents)
Arkansas									86	25.0		
California			335	34.2	6,869	42.9	2,053	63.7	362	49.8	784	61.6
Florida			847	19.6	2,621	33.5			723	38.6		
Michigan			81	29.2								
New York	556	31.1	178	26.3			172	28.1			62	37.5
Texas					1,442	23.9			2,702	22.1	1,243	19.6
Washington											118	43.8
Pacific coast area [2]	4,396	36.3										
Cumberland-Shenandoah area [3]	1,172	21.6										
Illinois-Michigan area	1,043	25.9										

[1] These data are for a period when the 25-cent hourly minimum wage required by the Fair Labor Standards Act was in effect. Blank spaces indicate that no plants were covered by the survey.
[2] Washington, Oregon, and California.
[3] South-central Pennsylvania, western Maryland, northeast West Virginia, and the Shenandoah Valley of Virginia.
Source: Women's Bureau, U. S. Department of Labor.

Fresh fruit and vegetable packing industry: Number of employees covered by survey and percentage earning less than 30 cents an hour in 1 active week of 1939 season, by States and product packed [1]

State or area	Apples		Celery		Citrus		Lettuce		Tomatoes		Mixed vegetables	
	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents	Number of employees in survey	Percent earning less than 30 cents
Arkansas									86	98.8		
California			335	23.9	6,869	3.8	2,053	(2)	362	0	784	0
Florida			847	95.1	2,621	33.1	73	97.2	723	18.6		
Michigan			81	59.3								
New York	556	31.5	178	70.3			172	73.3			62	0
Texas					1,442	86.7			2,702	94.7	1,243	96.8
Washington							65	1.5			118	27.1
Pacific coast area [3]	4,396	23.0										
Cumberland-Shenandoah area [4]	1,172	86.9										
Illinois-Michigan area	1,043	74.3										

[1] These date are for a period when the 25-cent hourly minimum wage required by the Fair Labor Standards Act was in effect. Blank spaces indicate that no plants were covered by the survey.
[2] Less than 0.05 percent.
[3] Washington, Oregon, and California.
[4] South central Pennsylvania, western Maryland, northeast West Virginia, and the Shenandoa Valley of Virginia.
Source: Women's Bureau, U. S. Department of Labor.

LUMBER AND LUMBER PRODUCTS INDUSTRY

Relative importance of mills employing less than 15 men, and mills employing more than 15 men, by regions, and selected States within regions, 1936 [1]

State and region	Total mills	Mills employing average of less than 15 men			Mills employing more than 15 men		
		Number of mills	Percent	Percent of total production	Number of mills	Percent	Percent of total production
Northeast	1,611	1,386	86.0	50.0	225	14.0	50.0
New Hampshire	211	145	68.7	30.9	66	31.3	69.1
Maine	345	276	80.0	35.9	69	20.0	64.1
Pennsylvania	400	382	95.5	70.4	18	4.5	29.6
South Atlantic	2,099	1,614	76.9	30.0	485	23.1	70.0
North Carolina	840	618	73.6	28.3	222	26.4	71.7
South Carolina	435	303	69.7	19.7	132	30.3	80.3
Virginia	824	693	84.1	24.2	131	15.9	75.8
East Gulf	2,123	1,391	65.5	18.0	732	34.5	82.0
Alabama	876	568	64.8	17.7	308	35.2	82.3
Florida	296	157	53.0	5.9	139	47.0	94.1
Georgia	951	666	70.0	30.4	285	30.0	69.6
Lower Mississippi	2,005	1,372	68.4	9.0	633	31.6	91.0
Arkansas	705	531	75.3	13.6	174	24.7	86.4
Mississippi	802	589	73.4	15.2	213	26.6	84.8
Louisiana	216	78	36.1	2.2	138	63.9	97.8
Lake	623	521	83.6	14.0	102	16.4	86.0
Michigan	179	134	74.9	8.8	45	25.1	91.2
Minnesota	183	167	91.3	36.6	16	8.7	63.4
Wisconsin	261	220	84.3	13.7	41	15.7	88.3
Central	2,213	1,991	90.0	44.0	222	10.0	56.0
Kentucky	442	410	92.8	54.6	32	7.2	45.4
Tennessee	623	542	87.0	35.4	81	13.0	64.6
West Virginia	298	248	83.2	25.0	50	16.8	75.0
Ohio	307	299	97.4	87.7	8	2.6	12.3
North Rocky Mountain	317	252	79.5	6.0	65	20.5	94.0
Idaho	191	148	77.5	5.2	43	22.5	94.8
Montana	126	104	82.5	7.7	22	17.5	92.3
South Rocky Mountain	483	442	91.5	30.0	41	8.5	70.0
Colorado	174	163	93.7	61.1	11	6.3	38.9
New Mexico	87	66	75.9	11.1	21	24.1	88.9
North Pacific	1,026	489	47.7	2.0	537	52.3	98.0
Oregon	586	277	47.3	2.1	309	52.7	97.9
Washington	440	212	48.2	1.6	228	51.8	98.4
California and Nevada	203	113	55.7	2.0	90	44.3	98.0
Total United States	12,703	9,571	75.3	12.0	3,132	24.7	88.0

[1] Source: U. S. Bureau of Census, Census of Manufactures, 1937, Forest Products: 1936. Mills employing less than 15 men are those mills in census classifications I and II, namely, mills producing less than 1,000,000 board-feet annually. The percentages and number of small mills is an understatement of their actual proportion inasmuch as the census does not include mills that cut less than 50,000 feet.

Address by the President to Young Democratic Clubs

EXTENSION OF REMARKS

OF

HON. ALBEN W. BARKLEY

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

TEXT OF PRESIDENT ROOSEVELT'S RADIO TALK

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the President of the United States on last Saturday to various Young Democratic Clubs throughout the country.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I understand that these meetings of young Democrats in many parts of the country are customarily held close to the birthday anniversary of Thomas Jefferson. While there have been certain debatable exceptions in the past 150 years, I can properly say that when our party system began the party of Thomas Jefferson was without question the liberal party, and his opponents, the Federalists, represented conservative thought. In more recent times since the Civil War it is equally true that when the Democratic Party has been victorious it has represented a more liberal position on public affairs than the Republican Party.

Grover Cleveland, while not perhaps what we would call today a fighting liberal, was certainly more of a liberal than James G. Blaine or Benjamin Harrison. Woodrow Wilson's 8 years in office represented a progressive meeting of difficult problems of his day, and it is not boasting for all of us to suggest that our country has perhaps been fortunate in having met modern problems of extreme seriousness in the liberal spirit—the do-something-about-it spirit—during the past 7 years.

May I quote to you a few sentences that prove the consistency of the Democratic position during recent years.

On August 24, 1935, speaking to the Young Democratic Clubs of America, I said:

PUTS TRUST IN YOUTH

"I, for one, am willing to place my trust in the youth of America. If they demand action as well as preachments, I should be ashamed to chill their enthusiasm with the dire prophecy that to change is to destroy. I am unwilling to sneer at the vision of youth. * * * But vision does not belong only to the young. There are millions of older people who have vision, just as there are some younger men and women who are ready to put a weary, selfish, or greedy hand upon the clock of progress and turn it back. * * * The spirit of America is the spirit of inquiry, of readjustment, of improvement; above all, a spirit in which youth can find the fulfillment of its ideals."

On January 8, 1936, I said:

"Whatever may be the platform, whoever may be the nominee of the Democratic Party * * * the basic issue will be the retention of popular government—an issue fraught once more with the difficult problem of disseminating facts and yet more facts, in the face of an opposition bent on hiding and distorting facts."

That, I might add, was before the Presidential election of 1936.

During the whole of the spring and early summer of that year, you were told that the result of the election was in the lap of the gods; that the Republicans had a chance to win—that people were tired of liberal government. You remember the Literary Digest and other polls—and most greatly you remember that only two States out of forty-eight voted to return to "do-nothing conservatism."

ATTACKS UTILITY CONTROL

In 1938, in speaking against the misuse of concentrated power by relatively small minority groups in our country, I said that this administration was "striving to uphold the integrity of the morals of our democracy, and that attacks (by government) on the misuse of concentrated power have been distorted into attacks on * * * our whole system of private profit and private enterprise."

And to illustrate I pointed out that at that time $600,000,000 worth of ownership of electric utilities securities held substantial control over $13,000,000,000 worth of all electric utilities securities—and I said, by way of illustration, "Here is a 96-inch dog being wagged by a 4-inch tail."

This year the Nation faces very much the same kind of electoral campaign as it did in 1932 and 1936. It seems to me very obvious that if the Democratic Party is to defeat the Republican Party next November we must nominate a liberal pair of candidates, running on a liberal and forward-looking platform.

I am not speaking tonight of world affairs. Your Government is keeping a cool head and a steady hand. We are keeping out of the wars that are going on in Europe and in Asia, but I do not subscribe to the preachment of a Republican aspirant for the Presidency who tells you, in effect, that the United States and the people of the United States should do nothing to try to bring about a better order, a more secure order of world peace when the time comes.

STRESSES CAMPAIGN ISSUE

It is the domestic scene which I stress tonight. During the next 4 years there will be new problems to face. We need a National Government with enough imagination and enough courage to meet those new problems with concrete, specific remedies—just as we have met many problems that were new during the past 7 years with imagination and courage and practical idealism. I do not say that the machinery that we have used or are using is perfect or that it cannot be improved—but you need practical idealism to make the present machinery function better.

On the other side, the preconvention campaign, up to date, has resolved itself, roughly, into three parts, none of which appeals greatly to my intelligence.

First, our opponents are seeking to frighten the country—by telling people that the present administration is deliberately trying to put this Nation into war or that it is inevitably drifting into war. You know better than that.

Second, they are telling you that many of the measures of the past 7 years are good, but that they would carry them out with greater efficiency if they were in power. I do not think that we can swallow that assertion because, quite aside from millions of fine citizens who normally vote the Republican ticket year in and year out, we and they must acknowledge that practically every serious Government scandal since the Civil War has occurred under a Republican administration, and that the underlying Republican leadership—the groups and cliques which have always owned the Republican Party—are still just as much in the saddle of ownership as they were in the old days.

SAYS FOES WANT 1929 BACK

Finally, they tell you that they will perform an amazing miracle—that they will give everybody jobs, that they will maintain relief, that they will give work to the unemployed, that they will meet the needs of the national defense, that they will reduce your taxes, and that, withal, the total of the expenditures of the Federal Government will go down so much that they will have a surplus in the Treasury. And you and I know, from long experience, when we ask them how are you going to do it, that their only answer is the vague assertion that they will repeal all of the sordid and nerve-racking restrictions on private business and let private business do the rest.

In other words, all that the country is being promised to date is a return of the old days of 1929 when America went speculation mad, when half the families of the land were sucked into an orgy of overproduction of stock gambling, while at the very moment of it unemployment was increasing, farm prices were decreasing, and we were riding for the worst social and economic fall the country had ever known.

ATTACKS REPUBLICANS

Speaking as an American, I am sorry that a campaign, which should be pitched on a level of intelligent argument, has fallen into such low estate as early as this. Speaking as a partisan, I rejoice because I am confident that the average voter in the United States is already somewhat tired of the "view with alarm" outcries of the Republican candidates.

I do not think that the campaign of Democrats should be hitched on the old level of just pointing with pride. During these 7 years I think that we have accomplished much, but that a great deal remains to be done by way of accomplishments in relation to existing problems, and that the next administration will have to devise ways and means, in a liberal and progressive spirit, to meet difficulties which we are only just beginning to appreciate and to analyze.

I say to you, therefore, that the young people of the United States—young Democrats and all the others—have another magnificent opportunity to support a government of proven liberal action rather than to switch over and take a long chance with a party historically founded on conservatism, no matter what the glitter of their studied generalities trumpeted forth in an election year.

Young people, and all of us for that matter, know what sticky flypaper looks like. We will be most careful to keep our feet and our heads away from the flypaper all this coming summer and fall, because we are possessed of good old-fashioned average American common sense.

Legal Justice

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

ADDRESS BY HON. DAVID I. WALSH, OF MASSACHUSETTS

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an address I made yesterday, Sunday, April 21, at the dedication of the new courthouse at Waltham, Mass. The address is entitled "Legal Justice."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LEGAL JUSTICE

We have assembled here today to dedicate a building for the establishment of legal justice in distinction from the administration of economic and social justice by the legislative branch of our Government. There is no greater or more serious governmental responsibility than to establish justice through legal process. Without legal justice freedom is a misnomer and justice a pretense—the very worst form of injustice. It is through legal justice that law and order is maintained and man's personal rights, his relation with his fellow men and society, preserved and protected.

We may fail in establishing economic and social justice, but to fail in the administration of legal justice is indefensible. The courthouse is next to the house of God in importance to the preservation of civilization. To debauch and scandalize the house of God is sacrilegious. To permit and sanction injustice in the civic temples of justice, the courthouse, is one of the most serious sins against society.

To assure the proper administration of justice the law requires an oath. To assure justice it is necessary that an oath shall be just and honest. An oath imposes a serious obligation. It embraces the virtues of religion and justice. To perjure one's self, by swearing what is false to be true, is an act which dishonors the name of God. A distinguished churchman has said, "A lie confirmed with an oath is to accuse God with ignorance."

Society cannot exist when perjury prevails in the courts of justice. For law and order to prevail, for exact justice to be done, it is necessary that man should be able to trust his fellow man, to believe his word under oath. Take away the oath from society and let perjury be no longer a crime is to give the sting of death to personal freedom.

The people of this community have wisely and fittingly erected this temple of justice. May it establish and preserve justice, and may the men who administer the law be endowed with the wisdom to do justice.

I have noticed in my travels through the country that the first building erected by the joint efforts of the colonists in New England was the church. They place above everything else knowledge of, reverence for, and dependency upon the Creator. He was their guide, their intermediary, and their protector.

In other parts of the country the principal landmark in the early settlements was often the courthouse. Localities were named and settlements made around the courthouse. I choose the New England concept—church first, the courthouse next in importance, in usefulness, and in helpfulness to mankind.

If ever an inscription is written on or within this building, I suggest you repeat the inscription over the entrance to the courthouse at Worcester which meets the eye of judge and juror, litigant and witness as they enter its portals, "Here speaketh the conscience of the state restraining the individual will." This beautiful building is more than an ornament to this city, more than a well-equipped and convenient place for the transaction of legal business—it is the conscience of the state speaking truth and extending justice to all.

Democratic State Convention at St. Louis

EXTENSION OF REMARKS

OF

HON. BENNETT CHAMP CLARK

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

ADDRESS BY HON. C. ARTHUR ANDERSON, OF MISSOURI

Mr. CLARK of Missouri. Mr. President, I ask unanimous consent to insert in the Appendix of the RECORD an address delivered by Representative C. ARTHUR ANDERSON as permanent chairman of the Democratic State Convention at St. Louis, Mo., on April 15, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Fellow Democrats, the Democratic Party stands at the bar of public opinion about to hear judgment pronounced upon it. This is the most important and crucial year in the entire history of our great and beloved party, for we have been at the helm through 8 long years of perilous journey through a sea that has not been calm for a moment. The people of this Nation are about to pass judgment upon our navigation and take account of our stewardship.

A victory in November will be a vindication of all our efforts and a token of approval from the American people. A defeat may well mean the very end of the Democratic Party. Let's not even think of defeat but only of the means by which to achieve a glorious victory. But let the specter of defeat lie in the background and may it stare us straight in the eye if we become lax and lazy in this great campaign. Naturally, none of us believes that we will run second next fall, and I feel confident in predicting an overwhelming democratic victory in the State and all over the Nation. Nevertheless, now as never before our party must present a united front and the "command staff" of our forces must act as one with but a single purpose in mind—victory in November.

The enemy will be strong, make no mistake about that, and our chances of success lie solely and completely in our ability to unite under the glorious banner of our great party and show conclusively to every voter that his Nation, himself and his family, and his posterity can look forward with security and confidence only if we have a democratic victory. Our party alone is capable—our party alone is willing—to carry on the great social and economic reforms that have been inaugurated during the 8 years we have held the reins.

No party has ever besought the approbation of the American people with such a magnificent record of accomplishment as we do today. No party has ever achieved so much in such a short time. I know the American people will reflect their knowledge of this fact and their appreciation of our efforts at the ballot box next November.

It is the task of our party and all its candidates and all of its devoted followers to see that the accomplishments of our administration are kept constantly before the public eye. Let no one forget that the Democratic Party alone and single-handed brought order out of utter chaos in American banking; it has given the farmer of the Nation his first real chance of parity with the other classes; it has given security to the aged; it has instilled hope in the youth; it has recognized and fortified the rights of organized labor; and it has put the Nation back on the road to recovery. And greatest of all—the Democratic Party has insured peace for all our people.

To you, my friends, in whose hands lies the fate of our party, I say, first educate yourselves in the accomplishments of our party during the past 7½ years. Get a firm grasp of what we have done so that you can present a strong case to all of the people with whom you come in contact. When you are able to point out and reiterate the multitude of achievements made by our party you will then be presenting the strongest and most convincing argument possible for all our candidates from the lowest to the highest.

No political party ever won such overwhelming victories as we have during the past 8 years and yet we have demonstrated time and again that our party puts the national welfare far above and beyond partisan considerations. Perhaps this fact is nowhere better demonstrated than right here in Missouri where our party has made tremendous strides in the interest of better and cleaner government. In the Federal Government we have broadened and extended the civil service and have placed a strong prohibition against political manipulation in public office by the adoption of the Hatch laws. No clearer evidence can be adduced than these instances which show conclusively that the Democratic Party looks upon the Nation's welfare as its primary consideration. Our record is untarnished by any cloud however small and we can be proud that the Democratic Party has succeeded in bringing about momentous political reforms where our predecessors of the Republican Party failed so miserably.

At a party gathering of this kind it is always well to check back over the record to acquaint ourselves with the facts. Just because we have been "in" for two terms, let's not assume we are "in for keeps." I have already mentioned in broad outline the generally acknowledged achievements of two Democratic administrations. Let us be a little more specific. Let's get the facts in mind so that we can let everybody know about them. If we are able to present the case based on our record, no voter who is conscious of his own and his Nation's welfare will ignore us.

I don't think anybody takes particular pleasure in talking about the condition of our banks prior to the present Democratic administrations. The situation was so bad that we don't like to even mention it. But lest we forget, lest the people forget, what our party did to improve this situation, let's take time to remind them. Today our banks are safe, and our deposits are insured against loss. Bank failures have been reduced from more than 6,000 a year to less than 50. This alone is sufficient to enshrine the Democratic Party in the hearts of Americans for generations to come. But we didn't stop there. Among the first major accomplishments of the Democratic administration was repeal of the eighteenth amendment and the Volstead Act which had saddled the Nation for 12 years under Republican rule giving rise to a powerful criminal element that grew rich out of the illicit trade in liquor.

Today, after repeal by the Democrats a great brewing and distilling industry has been revived, giving employment to thousands of people, helping the farmers and all forms of transportation. In addition, the Government—Federal, State, and city—reaps immense returns from legitimate taxes upon these industries. It will long be remembered that the Republicans promised repeal but never delivered. The Democrats promised repeal and made their word good within a few weeks of inauguration.

Tremendous strides have been made to save the American farmer from the certain destruction to which Republican misrule and neglect foredoomed him. Production has been wisely planned in conjunction with a great program of conservation. After more than a century and a half of national existence, we have at last seen an administration that recognizes the soil as one of the greatest of all our natural resources, and its conservation as one of the greatest needs of our civilization. The accomplishments of the Democratic Party in solving the complex farm problem and in helping the farmer to get back on his feet will live forever in the annals of democracy in action. No greater calamity could befall the farmer of this Nation than a Republican victory at this time. Only our party can—only our party is willing—to go forward with the magnificent program now well under way. The Republicans threaten and even promise to destroy that program if elected. The welfare of our farmers is of the greatest concern to us all, and if they are neglected now I hesitate to predict the future or its consequences.

The Democratic Party has extended a helping and saving hand to the unemployed and the aged through its vast system of social security and unemployment insurance. History does not record even a simple recognition of the needs of these people by the Republican Party.

We have sought with success to aid the laboring classes by providing a floor below which wages may not fall and a ceiling above which hours of work may not extend. We have recognized and fortified the rights of workers to organize for the purpose of collective bargaining. The only recognizable contribution of the Republican Party in this field was to close its eyes while unscrupulous and avaricious employers defeated every effort of the working classes to help themselves. They closed their eyes while employers perfected elaborate systems of industrial spies and other devices which are wholly inconsistent with democracy. The Republicans would make much of their sympathy for labor, but let the people remember and recognize the fact that the Republican Party has selected as its man to raise its campaign chest and handle its funds one of the most bitter enemies of organized labor in America; a man who steadfastly refuses to recognize labor organizations and who employed every possible means to undermine public confidence in the progressive legislation of the Democratic administrations. The people of America can judge for themselves.

Perhaps there have been a few mistakes along the line in providing for the millions who now depend upon the Federal Government for even the barest necessities of life. But corrections have been made all along the line. Let us remember that the Republican inauguration gift to the Democrats back in 1932 was 10,000,000 unemployed and starving people. Never before had such a problem confronted any administration and in spite of the tremendous task involved we have achieved remarkable success. The great public-works program including the C. C. C. is proving to be of immeasurable benefit in preserving the faith of our people in our form of government, which was seriously threatened by years of Republican misrule.

It is impossible to consider the welfare of our beloved country today without some mention of the means whereby we hope to remain at peace in a troubled and war-torn world. The Democratic administration has demonstrated its sincere desire to keep us out of all foreign entanglements. We realize, of course, that war in Europe and Asia is a serious blow to American commerce and trade; but in the interest of peace, in the interest of preserving democracy here in America, we have been willing to make appropriate sacrifices in the certain knowledge that we will survive the tempest only by remaining free of all entanglements.

While resolutely determined to remain free of all wars that do not concern us, the Democratic Party has not neglected the obvious necessity of augmenting our defense system in this world, gone mad. This administration has done everything humanly possible to strengthen the national defense consistent with the efficient carrying out of so vast a program. During the years of Republican rule from 1920 to 1932 our national-defense system was neglected woefully. You cannot hope to defend this vast Nation in this day and age with a conscript army and navy built up in a few weeks or months. Modern machines of defense require skilled and scientific handling. Therefore, under Democratic leadership, we have given new life and impetus to a well-trained Army and Navy backed up by an excellent system of Reserves and National Guard.

Under Democratic leadership we have been careful to retain for our own protection and defense many scientific devices and weapons which are not known or possessed by other countries.

The leadership of the Democratic Party in these critical days of civilization has been demonstrated, tested, and proven. Wisdom dictates that we stay on the course. The Democratic Party offers the people concrete example and proof. The Republicans offer hollow promises and platitudes.

As Americans, as Democrats, we are sincerely and justly proud of our service to the Nation during the past 7½ years. But we all realize that we have only done what was expected of us. The people of America are entitled to a government that recognizes their needs and problems and does something to help them achieve the full growth of life that this Nation holds out to them. If the Republican Party recognized these things, history does not record the fact. All we know is that they pursued the "do-nothing policy" unto its bitter end.

So, my friends and fellow Democrats, we can gird ourselves for battle in the spirit of good deeds well done and fortify our beloved party with the record of the glorious victories we have wrought during the years of our stewardship.

Chinese Silver Sought To Strengthen Japan's Hold on North China

EXTENSION OF REMARKS

OF

HON. JOHN G. TOWNSEND, JR.

OF DELAWARE

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

STATEMENT BY HON. JOHN G. TOWNSEND, JR., OF DELAWARE

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the Appendix a statement prepared by me entitled "Chinese Silver Sought To Strengthen Japan's Hold on North China."

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

How Japanese forces in China profit from the American Silver Purchase Act is indicated by Japanese newspaper reports in April dealing with the Japanese-British negotiations at Tientsin. The negotiations involve Chinese National Government silver located in vaults in the British and French concessions at Tientsin. The Japanese evidently intend to use this silver to buy supplies abroad for the purpose of strengthening their position in North China.

How this will be done is developed in a Nichi Nichi (Japanese newspaper) report published in the Trans-Pacific of March 21, 1940. States the Nichi Nichi:

"Settlement of the silver issue between Japan and Britain deserves great attention on the eve of the establishment of a new central regime in China.

"According to the substance of the agreement, the 14,000,000 yuan of silver held in the British concession in Tientsin hereafter will be under the joint custody of the Japanese and British consulates-general or of the Tientsin branches of the Yokohama Specie Bank and the Hongkong and Shanghai Banking Corporation.

"Of this amount, £100,000, or about 4,800,000 yuan, will be contributed to the poor-relief funds. Technical details will be handled by an Anglo-Japanese commission, in which a representative of the American Government will be invited to participate."

On this subject another Japanese newspaper, the Yomiuri, reports:

"Japan will purchase wheat from Canada and Australia with the £100,000 to be released under terms of the agreement. Japanese mills then will convert the wheat into flour, for distribution among needy citizens in North China. It is expected that the foreign exchange necessary for the wheat purchase will be acquired from the Tientsin branch of the National City Bank of New York with the silver as security."

The Hatch Law

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

RADIO NEWS INTERVIEW WITH REPRESENTATIVE DEMPSEY, OF NEW MEXICO

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a recent radio news interview with the Representative from New Mexico [Mr. DEMPSEY] concerning legislation now pending in the House of Representatives.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Question. Congressman DEMPSEY, will you tell us the purpose of the Hatch law and the proposed amendments?

Answer. This legislation has for its purpose the protection of workers and the prevention of those practices on the part of persons in power, whether political or in our economic life, which in the past have resulted in depriving millions of our citizens of freedom of action in the exercise of their elective franchise. It is intended to put an end to political bossism and the ability of such bosses to assess contributions from Federal employees in order to perpetuate political machines of a type that have been a threat to honesty and decency in American politics and elections.

Question. Just how does this legislation accomplish that purpose?

Answer. Primarily by making it a criminal offense, punishable by a fine or prison sentence or both, for any person to intimidate, threaten, or coerce another for the purpose of interfering with the right of that person to vote as he or she may choose in any election of Federal Government officials.

Question. Are there any exceptions made to this provision?

Answer. None whatever. This provision is all-inclusive and applies equally to leaders of industry, labor, and heads of Government departments or bureaus.

Question. There are provisions in this law, however, which apply particularly to Federal officials and employees, as we understand it?

Answer. Yes. The original law as approved by the President on August 2, 1939, prohibits any official or employee in the executive branch of the Government to use his official authority to in any way influence the nomination or election of Federal officials. In their individual capacities as to political activity an exception is made of the President, the Vice President, the heads of various administrative branches and their assistants, and such other appointive officials as determine foreign and Nation-wide administrative policies.

Question. What penalty is provided for violation of the law by those Federal officials or employees who come within its provisions?

Answer. Penalties for such violations consist of removal of the offending official or employee from the position held and a ban against his future employment in public service.

Question. It has been, we understand, the contention of those opposed to this law, that it is an infringement on the liberties of those employees and officials whose political activity is restricted. What is your opinion in that regard?

Answer. It is not an infringement—it is a protection. The law in no way deprives any person of full rights as a citizen. It does not restrict any person from full freedom of individual action. Under its provisions all persons, of course, may vote as they choose and freely express their opinions. Federal employees, however, are prevented from using their official authority to influence the votes of others or from making political speeches or participating in or managing political campaigns. As a protection for the workers it prevents political bosses and machine politicians from dictating to the workers the way in which they must vote, and it prevents what has been a common practice in some sections of the country—assessment on the earnings of workers to perpetuate these vicious groups.

Question. Then this law would prohibit all political contributions by Federal employees?

Answer. No. Any Federal employee, except those paid from funds appropriated by Congress for relief purposes, may make voluntary contribution to a campaign fund of a party or an individual. The law does prohibit, however, any person from soliciting or receiving any contribution from one who is paid from relief funds.

Question. You feel then, Congressman, there is no basis for the contention of some of those who oppose this legislation in the Congress, that the civil rights of employees and officials are restricted?

Answer. Absolutely none. That point was raised, I am convinced, largely to camouflage the real reason of some for opposing the legislation. Many of those who opposed it publicly on the grounds that they were seeking to protect employees were frank to confess privately that their real basis for opposition was that the law would deprive political machines of one rich source of funds to carry on their work, funds which in many cases were used by those machines to defeat the will of the majority at the polls. Singularly enough, it is from those States which have been revealed as the worst offenders in this regard that the loudest protests have come that employees would be denied proper protection of their rights by this legislation.

Question. Another question that has been raised, Congressman DEMPSEY, is whether this law can be properly enforced. What have you to say concerning that?

Answer. Frankly, I feel that there will be no difficulty encountered in that respect. My reason for this belief is that each of the major political parties, as a matter of self-protection, will become a vital factor in exposing infractions of the law. The real value

of the legislation, however, lies in its psychological effect. I am certain that it will prove a deterrent to those activities which it prohibits and will result in cleaner elections and political campaigns. It certainly will put an end to enforced political assessments in the incomes of Federal employees. In brief, I feel that the law, coupled with the proposed amendments now before the House, constitutes a new Bill of Rights for many thousands of American citizens who have heretofore been subjected to political intimidation and abuse.

Question. We understood you to say, Congressman DEMPSEY, that you believe the amendments now pending, which will extend the provisions of the law to State and other political subdivision employees paid in full or in part from Federal funds, will be passed?

Answer. Yes. I feel confident those amendments will be passed by the House of Representatives with perhaps minor changes from the form in which they passed the Senate. I believe the vote in the House on these amendments will show even a greater majority than was given the original law.

Question. What about the attitude of the public toward this legislation?

Answer. Recent polls taken on the subject indicate a vast majority in favor of the law, as well as the amendments. After all it is public opinion which determines in the final analysis what the laws of the land should be. There is no question about public opinion in regard to this legislation. The American people are noted for their desire for fair play in politics as in everything else, and this legislation has that for its end.

The Struggle for Freedom

EXTENSION OF REMARKS

OF

HON. EDWARD R. BURKE

OF NEBRASKA

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

ADDRESS BY WENDELL L. WILLKIE BEFORE TOLEDO CIVIC FORUM AND ROTARY CLUB

Mr. BURKE. Mr. President, I ask unanimous consent that there may be inserted in the Appendix of the RECORD a thought-provoking address recently delivered by Wendell L. Willkie before the Toledo, Ohio, Civic Forum and Rotary Club.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

If I had the time, I should like to write a history of mankind's long struggle for freedom. It would begin back in the shadowy reaches of the cave when men first banded in groups to achieve a certain measure of freedom from the perils of the jungle. It would tell of the wars of subject races to escape from a foreign yoke; or the revolt of a people to overthrow the despots which they had themselves created. It would discuss the methods whereby, in time of peace, men have sought to protect themselves against the exercise of arbitrary power, whether in the hands of the government, the army, business, or the church. It would be a brave story of men who prized their freedom above wealth or power or security. And it would never be finished; for freedom is like the breath of life itself—it cannot be had and held forever; it must be continually recaptured and renewed.

When I was a young man in college this Nation was engaged in a great liberal crusade. Its leaders were three great Americans—all three very different in personality and background—Theodore Roosevelt, Robert La Follette, and Woodrow Wilson. Its objective was to free the American people from the excessive power of big business. "Let us ask ourselves very frankly what it is that needs to be corrected," said Woodrow Wilson. "To sum it all up in one sentence: 'It is the control of politics and of our life by great combinations of wealth.' "

American business corporations did not really get started until after the Civil War. The corporate form had, of course, existed for centuries before that date, but it was used chiefly for colleges, municipalities, and other nonprofit purposes, and later for trade and banking. It was not until the latter part of the nineteenth century that the manufacturing corporation began to flourish. This country was growing fast. Its basic industries, led by the railroads, were rapidly being organized into gigantic industrial combines, which sought to suppress all new competitors. The Sherman Antitrust Act, in 1890, was not able to stem this mounting tide of economic power. The corporate monopolies began to extend their influence to the State legislatures and even to Federal authorities. By the first years of this century they threatened to overshadow the people's government itself.

Then the liberals rose in alarm and began their long and colorful campaign to restrain this corporate power. Many of you will remember it, and many of you, like myself, undoubtedly fought under that banner. The Oil Trust, the Tobacco Trust, the Beef Trust, and other monopolies were dissolved. The railroads discontinued the issuance of political passes. What Wilson called the Money Trust was destroyed by the Federal Reserve Act of 1913. So successful was the campaign that, in his message to Congress in 1914, Woodrow Wilson felt able to state:

"Our program of legislation with respect to business is now virtually complete. * * * The road at last lies clear and firm before business."

Perhaps the restraints thus imposed upon corporate power would have been effective—perhaps the road would indeed have been clear for both business and the people—if it had not been for the World War. But wars are not good for freedom. They destroy the essential balance of society. They begin by giving dictatorial power to the government, and in the chaos that ensues after the war, this power will be passed from one hand to another, from one group to another, until once again, out of its agony, the spirit of a free people asserts itself.

In the inflation and false prosperity following the World War, businessmen, drunk with power and a public drunk with money, broke down the safeguards protecting individual liberties. When Sir James Bryce, the great critic of our civilization, wrote his concluding chapter of the American Commonwealth, in 1920, he pointed out that "the growth of vast fortunes has helped to create a political problem" and warned us against "the irresponsible nature of a power which three or four men, or perhaps one man, can exercise through a great corporation." Rightly be prophesied that this would be an outstanding problem in those next few years.

In the money-mad period of the twenties the heads of some of our corporations forgot their primary function, that of running a business enterprise in a way that would be sound for the worker, the consumer, and the investor. Instead of attending to the duties of management, they began playing with corporate structures as with a child's building blocks, becoming promoters rather than businessmen. And some financiers in Wall Street and elsewhere, instead of serving as a link between the savings of the people and the enormous capital needs of industry, became jugglers of finance, concerned primarily neither with the investor nor the investment, but with making money and securing power for themselves. There is no point now in naming names, because this power and positions are gone, and the men who wielded it are without influence. But you and I know that that was true. You have sat in board rooms, as I have done, and heard businessmen talk about putting pressure on this man or this newspaper, or this or that group, so that opposition would be eliminated:

In the normal course of events we should have corrected that condition. Although the leaders of Woodrow Wilson's new freedom were no longer active, there were other men ready to take up that cause. But the depression overturned this corporate tyranny almost overnight.

For a while I hoped that the New Deal would replace it with a truly liberal faith. Certainly no liberal movement ever had a greater opportunity or was ever given more wholehearted support by the people. But the leaders seemed to be motivated not by love but by hate; they preferred to punish rather than to reform; they wanted to destroy the evildoers, even if the doers of good should also succumb. For a time this lack of discrimination puzzled many of us, but it is puzzling no longer. Its explanation is found in the fact that the purpose of this new government was not to eliminate monopolistic control, but merely to change its ownership. Today it is not big business that we have to fear. It is big government. The abuses that corrupted the 1920's have been transferred from Wall Street to Washington.

Recall to your mind for a moment the abuses charged against business in the twenties. The first was the concentration of excessive power in the hands of a few men; second, the use of this power and the money that went with it to influence political decisions; third, the manipulation of financial markets to the detriment of the investor and the enrichment of the manipulator; fourth, the ruthless determination to destroy opposition and create a monopoly.

Every one of those abuses exists today. We can repeat each one of those accusations. But the responsible party today is not the Nation's business but the Nation's Government.

For example, on the first point, never before has this country experienced so extraordinary a concentration of power in the hands of a few men as in the Government today. All of the safeguards erected by the American people against too autocratic a government have been invaded. The powers once reserved to the States have been largely transferred to the Federal Government. And the Federal courts, which have the responsibility for protecting the rights of these States or the rights of individuals against Federal legislation, have been largely staffed by appointees of the new system.

For a time the Supreme Court stood in the way of this political usurpation of power—so much so that the President undertook his notorious and unsuccessful campaign to force a change in its membership. But deaths and retirements gave to the President,

by chance, what the people had denied to him by choice. And in the past 3 years, during which the President has been able to appoint five Supreme Court judges, the American people have had a series of decisions from the Court that have substantially changed our form of government. On almost every decision the Court has supported the administration. On almost every decision it has wiped out State and local lines and has extended Federal authority to every farm, every hamlet, every business firm and manufacturing plant in the country.

The judiciary, therefore, has offered little check upon the network of laws which the Federal Government has imposed upon the enterprises of the people.

I am not primarily concerned here with this change in the Supreme Court, nor with the extent of the regulatory laws, many of which are sound in principle and most of which will never be removed from our statute books. I am primarily concerned with the method by which these laws are administered. In the old days, laws were passed defining in black and white exactly what those who were subject to them were supposed to do. But today, laws regulating national activities or national industries must cover so many different and complicated conditions that Congress cannot do anything more than prescribe the basic principles; it must turn over to a commission the duty of formulating the rules.

It would be obviously impossible, for example, for Congress to write a law governing labor conditions which would be applicable, without further interpretation, to every business or occupation, large or small, anywhere in the country. Such a law can only be written in general terms; it must set up a commission to make it effective and to adjust it to different situations. So the commission, in effect, writes the law. The commission also prosecutes those who violate it. Then, having acted as both legislator and prosecutor, the commission undergoes another lightning change and becomes a judge sitting in judgment on its own case.

In the main, these commissioners are not appointed by Congress. They are not elected by the people. They are appointed by the Executive and responsible to him alone. Thus the people have no control over these individuals who write, enforce, and judge the rules for the 10,000,000 business enterprises of America. Every businessman in this room knows what this means. Whenever any one of you faces a commission regulation, or investigation, your first instinctive action is to classify the commissioners on the basis of those who are favorable to business and those who are hostile.

This is what is known as personal government. It is the oldest form of government known to mankind. Perhaps you will remember the old Bibical story of Esther who served under King Ahasuerus. When Haman had obtained from the King the authority to destroy Esther's people, Esther knew that her only chance for saving her people depended on winning the King's favor. So she dressed in her most beautiful clothes and prepared a fine dinner for the King with much wine, and then she said: "If it please the King, and if I have found favor in his sight, and the thing seem right before the King, and I be pleasing in his eyes, let it be written to reverse the letters devised by Haman."

Too many businessmen have had to adopt that attitude with Federal commissions in similar circumstances.

This is perhaps as complete a statement of personal government as one could find. For thousands of years mankind has suffered under government of that kind. And, in principle, there isn't much difference between that type of situation and the situation where the fate of an individual or an enterprise may depend upon the good will and favor of half a dozen Federal commissioners—or perhaps only one of them, if he is important enough to be the chairman.

Sometimes such a government has been honestly administered, sometimes dishonestly. But it is not the kind of government to be tolerated by an upright and independent people.

We have grown so hardened to the concentration of power in the hands of the executive department that we read, day after day, without a quiver, newspaper paragraphs discussing whether or not the President has decided to encourage private enterprise or whether he will continue the Government's vast spend-lend program to add to the deficit and further delay investment confidence. It is no longer news that the decision of one man should determine the direction in which this country will move. In former days in your city of Toledo you elected the officials who decided how the city's funds should be handled. Now, however, those decisions are largely made by someone in Washington over whom you have no control.

This concentration of political power in the hands of a few men not controlled by the people is just as bad as the concentration of economic power in the twenties; and it leads just as readily to the second abuse of which business was accused a decade ago, namely, the use of this power to influence political decisions.

I confess very frankly that this is a particularly sore point with me because I have personally been a victim of it so often. As most of you know, for several years the Commonwealth & Southern System, of which I am the head, was engaged in a fight to protect its operating companies in the Tennessee Valley from destruction by the Government. We lost that fight, just as every business will lose a fight against the Government, because we could not compete against a competitor with political control over unlimited funds. To destroy our business enterprises in the Tennessee Valley and to persuade municipalities to set up distribution systems of their own, the Government had two methods: First, the Tennessee Valley Authority offered its power at a less-than-cost rate with the loss subsidized out of the Federal Treasury; second, the P. W. A. would approach the municipal authorities and offer to give them free 45 percent of the cost of a new distribution system and to lend them the rest at a very low interest rate.

Now, there is no legal corruption involved in this, and obviously a municipal authority would find it difficult to refuse so tempting a proposal. But it represents one of the many ways whereby an all-powerful Government can use its funds to influence political decisions.

Today there are 31 Government agencies which can lend money and there are dozens of Government commissions regulating industry. Cooperation between the two offers frightening possibilities. A couple of weeks ago the Chairman of the National Labor Relations Board testified that the Board had an arrangement with the Reconstruction Finance Corporation whereby that Corporation would withhold any loans to companies which the Labor Relations Board had on its blacklist.

Personally, I think that various Government officials have made considerable effort to prevent the use of relief funds to influence the voters in political campaigns. Yet, we know that relief funds have been used in that way, just as they always will be where there is too much irresponsible political power. The influence of the purse is a great and grave influence, and a Government which distributes billions of dollars on spend-lend programs holds a terrifying weapon over the heads of those who displease it.

No corporate body has ever exercised or will ever be able to exercise one-tenth of the influence upon a legislature as that which political money can impose.

And this brings us to the third abuse once lodged against business and now lodged against Government: namely, the manipulation of the financial markets.

Not even a totalitarian state has more financial powers than those exercised by the present administration. Such "rigging" of the markets as the bankers were able to achieve in their heyday in this country was as nothing compared with the financial puppet show put on by the Government, in which, by pulling this string and that, the Government can lower or raise interest rates, security prices, purchasing power, and the value of various commodities.

For example, in 1934, in order to raise prices, the Government decided to lessen the value of the dollar and increase the price of gold; so, since that time the Government has been buying all the gold offered to it and paying a price of $35 an ounce. No other country and no other individual will pay such a price. If the United States should withdraw its offer, the price would immediately fall. As it is, the United States is slowly accumulating all the gold in the world. In these days gold is dug up in South Africa only to be promptly buried in Kentucky.

The Government has also set an artificial price for silver. In the 5 years 1934–39 we spent about $1,160,000,000 buying 2,100,000,000 ounces of silver at a price far above its market value. We did not need this silver, but the idea at first pleased the silver miners in two or three States. It was not wholly pleasing, however, because it made the United States the only silver market in the world, so that our exports of silver, once a leading item in our foreign trade, were reduced to a negligible amount.

The Government also maintains a stabilization fund of $2,000,000,000. The operations of this fund are kept secret by the Treasury. All that is known is that the Treasury uses these funds from day to day to buy and sell foreign exchange in order to keep the ratio at the level which it deems to be satisfactory.

The Government also influences interest rates and security markets through the activities of the Federal Reserve Board. There was a time when this Board was independent of the Government. Today, however, it is dominated by the United States Treasury. By open-market activities through the Federal Reserve banks interest rates, credit conditions and security prices generally are subject to the influences of the Government.

Manipulation is defined as the deliberate interference with the free play of supply and demand in the security markets. Some of the Government's manipulation has been desirable; some of its powers have been wisely used. But they represent a political domination of our finances beyond the wildest dream of the money-changers and economic royalists which the President used to talk about. And there is little difference in method between the pools organized by individuals to force a security price up or down and the controls practiced by various agencies of the Government to accomplish the same thing.

But these are only isolated items in this political domination of finance. Today the Government, of course, has practically complete control of the banking system. Through the Securities and Exchange Commission it has control of the security markets where securities are bought and sold, and also control over the issuance of new securities. If the Securities and Exchange Commission does not like a bond issue, it can prevent it. I know this from personal experience.

These specific powers over money, over credit, over securities, over prices, etc., are perhaps of less importance than the Government's general spending policy. When the Government first

started on its enormous expenditures for relief and public works, there was no question about their necessity. As emergency measures—and that was how they were regarded—they were sound and desirable. Unfortunately, because Government rarely relinquishes a power which it has once obtained, the emergency character of these measures was shortly disregarded; the Government embarked upon vast continuing spend-lend programs designed not to promote private enterprise but to promote direct financial and economic activity by the Government.

But even the "spend-lend" phrase was found somewhat unsatisfactory. It was too tentative and temporary. Shortly the Government began to talk about permanent Government investment.

Today the popular phrase is "compensatory Budget policy." In its complete form this policy calls for the Government to increase its expenditures (and its deficit) when business is declining and to decrease them when business begins to recover. Government never likes to curtail a spending program, and the past 7 years have demonstrated that Government spending on so huge a scale does not stimulate business, but frightens it, and also frightens the investor who supplies our enterprises with their necessary capital. The Government answers this by saying that ordinary investment methods are inadequate; the Government should take over this function also. Mr. Adolph Berle very frankly defined this attitude in his memorandum before the National Economic Committee, which stated:

"Briefly, the private financial system as at present constituted does not work. * * *

"If, therefore, wealth is to be created by creation of Government debt, the scope of Government enterprise must be largely increased. Briefly, the Government will have to enter into the direct financing of activities now supposed to be private, and a continuance of that direct financing must mean inevitably that the Government ultimately will control and own those activities. * * *"

Manipulation of the markets in the old days was child's play compared with manipulation by the Government. Also, manipulation by businessmen or financiers at least was subject to Government check. But there is no check upon the Government except the people themselves.

The fourth charge which the liberals hurled against the corporation presidents and bankers in the twenties was that they created monopolies designed to eliminate all opposition. As businessmen, we have long been familiar with the fact that the present administration is intolerant of any opposition, however moderate, to its reform measures. Laws are passed in an atmosphere hot with hatred and splattered with epithets. Those who counsel moderation, or who propose amendments, are classed with the die-hards and the Tories. As a result, many of the recent major laws have caused a suffering that would be totally unnecessary if the administration had accepted reasonable modifications. Far too often, a perfectly sound regulatory principle which might actually have been helpful to the Nation's welfare has been so distorted by the Government's desire for power or its determination to punish as to be harmful to the interest of the people.

It is a curious feature of human nature that as a man's power increases, so does his sensitivity to opposition. We are familiar with the phenomenon of the dictator who rages at the slightest reflection upon his motives or his methods. Messrs. Stalin, Hitler, and Mussolini are notorious for their dislike for anyone of a skeptical nature; even the minor voices of opposition disturb them. The same weakness can be detected in many members of the present Government. Public rebukes from the highest sources have been given to newspaper reporters who have become critical of administration policies. A chairman of one of the most important Federal commissions has long followed the practice of writing to, or calling upon, those newspaper correspondents or editors who have seen fit to criticize the chairman's actions. Pressure upon the press is a favorite weapon by which the administration seeks to silence the opposition—and to the credit of the press, it is generally a futile one.

Incredible as it may seem, members of the present administration have seriously tried to label any form of opposition as a sin. I sat as chairman of a meeting at which the Secretary of the Interior, Mr. Ickes, made a statement which would have astonished me even more if I had not heard similar statements from similar sources. Maintaining that opposition to the President was wicked, Mr. Ickes said:

"Anything you do at this time to shake the confidence of the great mass of the American people in either the President or the National Government is a sin against free enterprise, individual liberty, political democracy, and your own self-interest. No matter on what you may disagree with him, he is now a symbol of confidence whose loss of symbolic value would now make all agreements and disagreements utterly unimportant."

There have been religious fanatics in the past who have gone out to slay all those who disagreed with what they were pleased to call the one true faith. Today different religions exist peacefully, side by side, and each recognizes the existence of differing creeds within it. It is the politicians who have become fanatic. The basic principle of a democracy is the perpetual existence of an opposition. Beware the government, however virtuous, that demands 100 percent acquiescence. The difference between a good tyrant and a bad one is only a difference in time.

You will remember that business fiercely resented the efforts made by the liberals to restrain the excessive powers of business. Big business did not want to be checked in its control over the lives of the people. Now that the pendulum has swung the other way, we find that government has the same attitude. It does not want to be checked either. Just as business fought against regulation, so government today resists every effort to curb its authority.

For example, no trend in Government has been more alarming than the growth of Federal commissions with what amounts to legislative, executive, and judicial powers over industry, all combined in a few individuals appointed by the President. Last year the Senate Judiciary Committee reported to the Senate the Walter-Logan bill requiring that the rules prescribed by these commissions should be issued only after public hearings and could not be put into effect until 10 days after their publication; and requiring further that an orderly court procedure should be established for handling appeals from commission decisions. The executive department has opposed this bill, just as industry in the old days resisted proposals for industrial regulation.

Too much power in the hands of a few men; use of money to influence political decisions; manipulation of the markets; destruction of all opposition—these were the charges hurled against the economic monopolies of the first quarter of this century. They are the charges which we make today against the present form of government. The banners used by the true liberals today are the same banners used by the liberals in that other time. They bear the same inscription; they make the same appeal; but the citadel of corporate power against which they once were led has fallen. It is a new citadel of entrenched political power toward which they must be directed.

You may remember that one of the problems faced by the heroes in the old Greek legends was the fact that their enemies so often changed their shape. Hercules, for example, once had to wrestle with a foe who, finding he was being defeated in the form of a man, instantly took the form of a serpent. As Hercules again began to master him, he assumed the form of a bull. The shape of the enemy continually changed, but the enemy remained.

The enemies of liberalism continually change their shape, but their hostility remains. The liberal fights an endless battle, sometimes against one form of repression, sometimes against another. But he knows that monopoly in any form is intolerable. For many years he fought it in the form of business: And lo! today it has changed its shape—it now wears the guise of government.

The people of the United States will begin their real recovery from the depression when they demand that a curb should be placed upon a Government grown too great. In the past 10 years there was only one major activity in this country which has shown any real expansion: That is the United States Government. Government employment has increased nearly 100 percent; Government expenditures have increased nearly 200 percent, now amounting to over $9,000,000,000; Government borrowing has increased over 150 percent. The Government has created dozens of commissions and spent millions on buildings to house them. It has enormously added to its powers over our lives, and it has largely delegated those powers to Federal commissioners who are not responsible to the people nor to the Congress, but are appointed by the Executive.

Here is a real political boom! Here is one activity in which the enterpriser has become both rich and powerful. But all this has been accomplished at the expense of the people who have paid for it, not only in taxes, but in the losses which their enterprises have suffered as a result of this Government activity. The purpose of government is not to increase its own powers, but the powers of the people. The purpose of government is to make men free. In his book "The New Freedom" Woodrow Wilson made this memorable statement:

"The only thing that can ever make a free country is to keep a free and hopeful heart under every jacket in it. Honest American industry has always thriven when it has thriven at all, on freedom; it has never thriven on monopoly. It is a great deal better to shift for ourselves than to be taken care of by a great combination of capital. I, for my part, do not want to be taken care of. I would rather starve a free man than be fed a mere thing at the caprice of those who are organizing American industry as they please to organize it. I know, and every man in his heart knows, that the only way to enrich America is to make it possible for any man who has the brains to get into the game."

Woodrow Wilson was talking about economic monopoly, but his statement is just as true when it is applied to political monopoly. If the Government of the United States will sincerely dedicate itself to the purpose of making men free to carry on their economic enterprises and of making it possible for "the man with brains to get into the game," then this country, with its great trade area, its natural resources, and its business genius, will resume an economic progress which will be even greater in the future than it has been in the past.

Air Safety Board

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

LETTER FROM PAUL M. NORMAN AND EDITORIALS FROM VARIOUS PUBLICATIONS

Mr. AUSTIN. Mr. President, on behalf of the Senator from Nevada [Mr. McCARRAN], who is necessarily absent, I ask unanimous consent to have inserted in the Appendix of the RECORD various communications and editorials relating to the fourth plan for reorganization as it bears on the Civil Aeronautics Authority and the Air Safety Board.

One of the communications is a letter from Paul M. Norman to the Senator from Nevada. Mr. Norman is an air-line pilot from Denver to Chicago. Another is a telegram from the Air Line Pilots of Denver, Colo., signed by J. W. Belding, chairman, to the Senator from Nevada. The editorials are from the Wyoming State Tribune of Cheyenne, the New York Times, the San Diego Union, the Los Angeles Times, and the New York Sun, respectively.

There being no objection, the communications and editorials were ordered to be printed in the RECORD, as follows:

DENVER, COLO., *April 20, 1940.*

Re: President's Reorganization Plan No. IV.
Hon. PAT MCCARRAN,
Senate Office Building, Washington, D. C.

DEAR SIR: The wisdom and vision incorporated in the Civil Aeronautics Act of 1938 are too apparent to the informed to necessitate discussion. Today air-line travel is the safest form of transportation in the world.

The gratitude of air-line personnel for the security of their lives and livelihood due to the impartiality of the independent Air Safety Board is naturally focused on those who devoted their energies to the creation of this agency.

The stabilization of the industry under the Civil Aeronautics Act has resulted in long-postponed rewards for those whose lives are devoted to the development of this industry. No one other than those selfishly interested in immediate economic advantage at the expense of continued good health of the business can favor abolishment of the Air Safety Board and subjugation of the Civil Aeronautics Authority to a bureau of the Department of Commerce.

Despair at the disastrous prospect of the President's Reorganization Plan IV is lightened for those most vitally interested by the heartening news of your sympathy and determination to prevent this disaster.

You have the unanimous support of all flying personnel, I am sure, and the assurance that the recommendations of David L. Behncke, president of the Air Line Pilots Association are the studied results of the collective experience and reason of the air-line pilots of America.

Respectfully yours,

PAUL M. NORMAN,
Air-Line Pilot, Denver to Chicago.

DENVER, COLO., *April 17, 1940.*

Senator PAT MCCARRAN,
Senate Office Building, Washington, D. C.:

Thanks again for your continued help and unfailing efforts to help us make air transportation the safest method of modern transportation. The Civil Aeronautics Act of 1938, and especially the Air Safety Board, are directly responsible for our new safety record. We air-line pilots are fighting not only for the continued healthy growth of air transportation but the continued safeguarding of our lives and the lives of our passengers. Let's not again revert to the black era of the past decade by allowing anything to interfere with the C. A. A. and Air Safety Board. Air transportation cannot be again made a political football to be tossed around without seriously impairing what we have so long fought for—safe air transportation and its relative national-defense value.

THE AIR LINE PILOTS, DENVER, COLO.,
J. W. BELDING, *Chairman.*

[From the Cheyenne (Wyo.) State Tribune of April 10, 1940]

AVIATION IS IN POLITICS

The Presidential order stripping the Civil Aeronautics Authority of police power over commercial aviation has provoked a furore among the industry's "topnotchers" and experts who have taken the trouble to read between the lines for its real meaning. Although described by F. D. R. as merely a routine shift, it may eventually subject all nonmilitary flying to the direction of politicians.

The framing of safety regulations and their enforcement now rests with the authority by will of Congress. A similarly independent safety board recommends changes whenever its investigation of an accident reveals the need. These two agencies have made such a fine record that there has not been a fatal accident for a year. But in the new order the President turns this power over to the Administrator, who is a political appointee removable at the pleasure of the President. He cannot oust the Authority, which has the same status as the Interstate Commerce Commission.

The shift also vests in the Administrator—long an administration favorite in the present instance—all control of the rapidly expanding program for training of civilian pilots. Insiders fear the move may prove as detrimental to civilian aviation as it would be if the railroads were handed over to the politicians. There are indications that Congress may block it if sufficiently aroused over the underlying issue.

[From the San Diego Union of April 4, 1940]

A REORGANIZATION BLUNDER

President Roosevelt's plan to place the Civil Aeronautics Authority under control of the Department of Commerce and abolish the Air Safety Board, is regarded by aviation experts and a great many Members of Congress as a serious blunder, one that if put into effect would retard aviation and rob it of many of its recent advances.

The commercial air lines of the country last month celebrated the completion of a full year of flying without a single fatality to passengers or members of crews. It was a record unparalleled by any transportation method as young as is commercial aviation. It indicated that some effective cooperation exists between the airlines, the C. A. A. and the Air Safety Board.

The Government had a tragic experience as a result of meddling in commercial aviation a few years ago when it canceled all mail contracts and assigned the task to Army fliers. Unprepared and untrained for the job, the brief period in which this experiment was tried resulted in the death of about a dozen Army pilots, disrupted service, and a series of crashes. Military and commercial flying are two different types of aviation, each requiring specialization of a high degree.

[From the New York Times of April 13, 1940]

SHIFTING C. A. A.

It is difficult to see any good reason for the provision in the fourth government reorganization plan which makes the Civil Aeronautics Authority an appanage of the Department of Commerce. This independent authority and the Air Safety Board, which would be abolished—its important functions having been transferred to a board within the Department—were created after long and earnest consideration on the part of both Government and the air carriers. The C. A. A. has functioned exceedingly well. It has been criticized for taking a middle-of-the-road position and endeavoring, when confronted with controversial problems, to carry water on both shoulders. In nearly all cases, however, events have proved its wisdom. It has shown initiative, notably in the pilot-training program, and has earned the respect and the thorough cooperation of the airlines.

The Air Safety Board has put force in what used to be the all too perfunctory function of accident investigation. It has not hesitated to censure where blame was due. While there has been some lag in the translation of its recommendations into action, healthful punitive measures have been taken. There has been rather widespread and to some degree justified complaint among private fliers over the red tape and complexities of the restrictions on their activities under the Air Regulation Section of the C. A. A. But on the whole these restrictions have made for safer flying of unscheduled as well as of scheduled character. The splendid record of the airlines, which has now extended well over a year without fatality or serious injury to passenger or crew member, stems in great part from their own efforts, but unquestionably a contributing factor has been the level-headed cooperation of the C. A. A. To make this independent agency a mere bureau of the Commerce Department seems to be a course of doubtful wisdom.

[From the Los Angeles Times of April 13, 1940.]

AVIATION AND POLITICS

Transfer of the Civil Aeronautics Authority to the Department of Commerce and abolition of the Air Safety Board are two very dubious provisions of the President's latest reorganization plan and Senator MCCARRAN will have substantial support in his effort to have the plan rejected by Congress. It took a long, hard fight less than 2 years ago to get aviation out of the clutches of the Commerce Department and into the hands of an independent board.

The President says the C. A. A. will still be independent and get only its budgeting through the Department of Commerce. But the present Secretary of Commerce, Harry Hopkins, is very political-minded, even though his incursions into politics have

been bungling and unsuccessful, and if there is any way in which he can turn his new powers to political ends he can be depended on to do it. Control of the Authority's budget certainly gives him a powerful leverage over it.

Whether the C. A. A., with a good many other things to do, can take over the functions of the Air Safety Board with full satisfaction is also a question. The President says this will do away with some top salaries. But presumably the men getting the top salaries are the best experts, and doing away with the best experts where human life is involved is questionable economy.

Some of the other changes are probably good ones. This is particularly to be said of transfer of the Food and Drug Administration into the same department with the Public Health Service. The Department of Agriculture has been very tender with farmers in its tolerance of lead and arsenic residues on food products. Recent development of insect sprays relatively nontoxic to humans may eliminate the lead-arsenic problem in time, but the Public Health Service will be disposed to tackle it more directly.

[From the New York Sun of April 17, 1940]

WHY REPEAT A MISTAKE?

President Roosevelt applies the dignified term of spinach to the protests of Senator McCARRAN, of Nevada, and other members of Congress against the contemplated transfer of the Civil Aeronautics Authority to the Department of Commerce, called for by Reorganization Plan No. IV, sent to Congress on April 11. There would seem to be even more of the redoubtable vegetable about the proposal to turn the C. A. A. over to the political mercies of the Department of Commerce, under the leadership of that hitherto unrecognized aeronautical authority, Harry Hopkins. The C. A. A. is less than 2 years old, having been created under a law approved by President Roosevelt on June 23, 1938. The fight for such an agency, however, began much earlier and was rooted in the congressional conviction that regulation of aeronautics by a bureau in the Department of Commerce resulted in the mixture of politics and aviation.

In the light of the offhand proposal to undo the reform accomplished in 1938, the legislative history of the law creating the C. A. A. is of interest. The Senate passed a bill to set up this new agency on May 16, 1938, without a record vote, which indicates how much opposition there was to the proposal. Two days later the House passed a bill of its own, differing in some details, also without a record vote. The conference committee ironed out the differences and produced the set-up that now exists, under which the administrative duties are separated from the quasi-judicial and quasi-legislative functions of the authority and under which the Air Safety Board operates as an entity.

The C. A. A. took over the powers exercised by the Bureau of Air Commerce in the Department of Commerce and it also took over some of the authority of the Post Office Department and the Interstate Commerce Commission. Responsibilities of the C. A. A., which already included regulation of pilot licenses, supervision of safety regulations, regulation of air mail and passenger rates and routes, and the study of accidents were added to when the C. A. A. was ordered by Congress to supervise a large-scale training program for civilian pilots. Has the C. A. A. made a good record? In the 8 months ended on August 22, 1938, before the C. A. A. took over, there were 31 fatal accidents on the commercial air lines. In the next 8 months, marking the beginning of C. A. A. regulation, there were 16 fatalities. In the year ended on March 26 last there were none. Pilots say that the C. A. A. has been more successful in safety work than the Bureau of Air Commerce was because it has been preoccupied with safety and has sought to discover the causes of accidents and eliminate the causes. The marvelous record of the commercial air lines may be a coincidence, as far as the C. A. A. and its Air Safety Board are concerned. But the record stands as a strong argument against returning to the regulatory procedure that less than 2 years ago was found highly objectionable and redolent of politics. Why turn back the regulation of air commerce to the Department of Commerce, when that Department was tried and found wanting?

Federal Loans and Grants

EXTENSION OF REMARKS

OF

HON. W. STERLING COLE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

TABULAR COMPARISON OF FEDERAL LOANS AND ASSESSED VALUATION

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks in the RECORD, I am inserting a table showing the relationship between the aggregate amount of Federal loans and grants received by the several States and Territories for the 5-year period ending in 1939 and the assessed valuation of the taxable property in the same States. It is to be noted that in one instance a State received 25 percent more than the total assessed worth of its taxable property and at the other extreme another State received only 11 percent.

The table follows:

Total Federal loans and grants received by States for the years ended 1934–39 in relation to assessed value of taxable property

State or territory	Total Federal loans and grants [1]	Assessed value of taxable property [2]	Percent assessed value is of Federal loans and grants
			Percent
Montana	$512,724,000	$411,000,000	124.8
Arkansas	679,287,000	555,000,000	122.4
South Carolina	494,277,000	[3] 408,000,000	121.1
Florida	527,288,000	520,000,000	101.4
Mississippi	677,373,000	[3] 692,000,000	97.9
New Mexico	278,959,000	334,000,000	83.5
Idaho	316,130,000	[3] 428,000,000	73.9
Iowa	1,067,754,000	1,464,000,000	72.9
Washington	785,611,000	1,250,000,000	62.8
Nevada	127,331,000	[3] 207,000,000	61.5
Georgia	757,214,000	[3] 1,268,000,000	59.7
Alabama	687,037,000	1,211,000,000	56.8
North Dakota	466,629,000	880,000,000	53.0
Puerto Rico	162,274,000	[4] 324,309,000	50.0
Arizona	329,691,000	675,000,000	48.8
Texas	2,009,792,000	[3] 4,241,000,000	47.4
Wyoming	192,581,000	[3] 419,000,000	46.0
Minnesota	1,047,253,000	2,308,000,000	45.4
Oklahoma	791,906,000	1,754,000,000	45.1
Oregon	484,364,000	1,093,000,000	44.3
Utah	267,688,000	618,000,000	43.3
Tennessee	694,059,000	1,664,000,000	41.7
Louisiana	649,363,000	[3] 1,666,000,000	39.0
Illinois	2,555,355,000	7,269,000,000	35.2
California	2,782,343,000	[3] 7,951,000,000	35.0
Colorado	500,634,000	1,447,000,000	34.6
Maine	242,942,000	[3] 757,000,000	32.1
South Dakota	468,761,000	1,509,000,000	31.1
Vermont	128,250,000	441,000,000	29.1
Nebraska	715,275,000	2,676,000,000	26.7
Virginia	582,340,000	[3] 2,353,000,000	24.7
Delaware	69,642,000	[3] 292,000,000	23.9
Missouri	1,142,437,000	4,789,000,000	23.9
North Carolina	647,790,009	[3] 2,831,009,000	22.9
West Virginia	419,567,000	1,878,000,000	22.3
Kansas	787,386,000	3,666,000,000	21.5
Wisconsin	1,072,905,000	5,074,000,000	21.1
Michigan	1,669,649,000	8,263,000,000	20.2
Indiana	1,013,902,000	[3] 5,073,000,000	20.0
Kentucky	599,158,000	[3] 3,060,000,000	19.6
Pennsylvania	2,314,365,000	12,762,000,000	18.1
Maryland	492,201,000	2,762,000,000	17.8
New Jersey	1,230,003,000	[3] 6,819,000,000	17.6
Ohio	2,285,936,000	13,453,000,000	17.0
New Hampshire	108,091,000	[3] 679,000,000	15.9
Massachusetts	1,144,374,000	7,443,000,000	15.4
New York	3,982,444,000	29,560,000,000	13.5
Rhode Island	161,672,000	[3] 1,447,000,000	11.2
Connecticut	353,247,000	3,151,000,000	11.2

[1] Compiled from statistics of the Office of Government Reports. Figures apply to years ended June 30, 1934–39.

[2] Compiled from Statistical Abstract of the United States, 1938. Figures, except as noted, apply to 1932, latest year available.

[3] Data are for 1931.

[4] Figure for 1938 is $302,681,000.

Supreme Court Holds Sale of Hetch-Hetchy Power Illegal

EXTENSION OF REMARKS

OF

HON. FRANCK R. HAVENNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

DECISION OF THE SUPREME COURT OF THE UNITED STATES

Mr. HAVENNER. Mr. Speaker, under leave to extend my remarks in the Appendix of the RECORD, I include a decision of the Supreme Court of the United States rendered today in the

suit of the Federal Government against the city and county of San Francisco to enjoin the sale of Hetch-Hetchy power to a private corporation.

[Supreme Court of the United States. No. 587. October term, 1939. *United States of America, petitioner,* v. *City and County of San Francisco, a municipal corporation.* On writ of certiorari to the United States Circuit Court of Appeals for the Ninth Circuit. April 22, 1940]

Mr. Justice Black delivered the opinion of the Court.

By the Raker Act of December 19, 1913, Congress granted the city and county of San Francisco, subject to express conditions, certain lands and rights-of-way in the public domain in Yosemite and Stanilaus National Parks. The act in terms declared that this, known as the Hetch-Hetchy grant, was intended for use by the city both in constructing and maintaining a means of supplying water for the domestic purposes of the city and other public bodies, and in establishing a system "for generation and sale and distribution of electric energy."

Upon application of the Secretary of the Interior, the United States brought this suit in equity charging the city with disposing of power through the Pacific Gas & Electric Co., a private utility, in violation of section 6 of the granting act. Section 6 provides "That the grantee (the city) is prohibited from ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district, the right to sell or sublet the water or the electric energy sold or given to it or him by the grantee: *Provided,* That the rights hereby granted shall not be sold, assigned, or transferred to any private person, corporation, or association, and in case of any attempt to so sell, assign, transfer, or convey, this grant shall revert to the Government of the United States."

The district court concluded that the city was violating section 6 by the sale and distribution of Hetch-Hetchy power through the Pacific Gas & Electric Co., a private utility. Accordingly, the city was required by injunction alternatively to discontinue such disposal of the power or cease further use of the lands and rights granted it under the act for generation and transmission of electric energy. The circuit court of appeals reversed, finding that the private utility was merely acting as the city's agent in the sale and distribution of Hetch-Hetchy power and holding that section 6 does not prohibit such sale and distribution of that power by a private utility.

Here, as in the courts below, the city has defended the sale and distribution by Pacific Gas & Electric Co. of power originating at Hetch-Hetchy upon the grounds that such disposition does not violate the prohibitions of section 6, that imposition of these prohibitions was not within the constitutional authority of Congress; and that if section 6 is valid, and has been violated, the United States is not entitled to injunctive relief in equity.

1. Prohibitions of section 6: In the city's view, section 6 does not preclude private utilities from all participation in the ultimate sale and distribution of Hetch-Hetchy power. The city insists that the section, so construed, does no more than prohibit the city from selling Hetch-Hetchy power to a private utility for resale to consumers, and therefore permits consignment of the power to the company, as agent of the city, for sale and distribution. On the contrary, the Government's position rests upon the claim that Pacific Gas & Electric Co. is not in reality selling and distributing Hetch-Hetchy power as consignee and agent, but as purchaser for resale; that the grant to the city was made upon the mandatory condition that this power be sold solely and exclusively by the city directly to consumers and without private profit, in order to bring it into direct competition with adjacent privately owned utilities; and that section 6 not only withholds the right of selling for resale but also prohibits the city "from ever selling or letting" to any private corporation "the right to sell or sublet the * * * electric energy sold or given to it * * * by the city." The language of the act, its background, and its history require the construction given section 6 by the Government.

From its provisions it is apparent that the act conditions the grant upon and contemplates the development, sale, and distribution of electrical power by the city itself "for municipal and commercial use" on a scale to be gradually stepped up over a period of years. "The * * * grantee shall develop and use hydroelectric power for the use of its people, and shall * * * sell or supply such power for irrigation, pumping, or other beneficial use." The "right to sell or sublet the * * * electric energy" so generated by the city cannot, as a consequence of section 6, be sold or let. And in case of any attempt to "sell, assign, transfer, or convey [the rights granted], this grant shall revert to the Government of the United States."

From the statement of the Congressman responsible for the application of the prohibitions of section 6 specifically to electric energy, it is clear that as enacted section 6 was understood to prohibit the city from transferring to a private utility the right to sell Hetch-Hetchy power (the Government's contention) and not merely to forbid sale of power as a commodity for resale, as the city would have us hold:

"Mr. TAYLOR of Colorado. We have got to let the municipality sell to individuals or consumers.

"Mr. THOMSON of Illinois. Yes; but not the right to sell someone else the power.

"Mr. TAYLOR of Colorado. Supposing that San Francisco sells a certain block, you may say, of its power to Alameda. Has not Alameda got the right to resell that to its inhabitants?

"Mr. THOMPSON of Illinois. Mr. Chairman, in answering the question of the gentleman from Colorado, I would like to call his attention to the fact that the subject of sale as printed in this section is not the power or the water but the right to sell the power or the water.

* * * * * * *

"Mr. RAKER. That [the word "individual"] really is intended to cover any person who might attempt to buy this electric power or right. I think it would cover everybody outside of a corporation, the intention being to prevent anybody getting in and getting a right and subletting it."

In its report on the bill, the House Committee on Public Lands stated that the provision of section 6 "acquiesced in by the grantee, was designed to prevent any monopoly or private corporation from hereafter obtaining control of the water supply of San Francisco."

From the congressional debates on the passage of the Raker Act can be read a common understanding both on the part of sponsors of the bill and its opponents that the grant was to be so conditioned as to require municipal performance of the function of supplying Hetch-Hetchy water and electric power directly to the ultimate consumers, and to prohibit sale or distribution of that power and water by any private corporation or individual. On the floor of the House, the following took place between the bill's author and other Representatives:

"Mr. SUMNERS. Does San Francisco own its own lighting plant now?

"Mr. KAHN. No; it does not.

"Mr. RAKER. I understand it does not.

"Mr. KAHN. It does not own its own water supply. Its present water supply is furnished by a private company.

"Mr. RAKER. The Spring Valley Water System.

"Mr. SUMNERS. Is it the purpose of this bill to have San Francisco supply electric power and water to its own people?

"Mr. RAKER. Yes.

"Mr. SUMNERS. Or to supply these corporations, which will in turn supply the people?

"Mr. RAKER. Under this bill it is to supply its own inhabitants first. * * *"

These views were in accord with the recommendation of the then Secretary of the Interior, as set out in the Report of the Public Lands Committee of the House:

"I think that it is very proper that the Federal Government should use whatever power it has over the public lands, over the parks, and over the forests, to compel the fullest use of these waters, and indirectly to require, through its power to make conditions, the lowest possible rate for consumers."

The theme—of an intent to require public utilization of Hetch-Hetchy power independently of private utilities—recurred at a later stage of the debate in the House:

"Mr. GRAY. * * *

"As I understand the bill, it provides for the furnishing of water, and also for power for commercial use. * * *

"* * * if these works here are to be constructed to serve the baseness of commercialism, it is the vilest of all vandalism. My suggestion here to you is to strike out of this bill all the commercial profit. * * *

"Mr. KENT (a member of the California delegation and a supporter of the measure). Mr. Chairman, I should like to suggest to the gentleman from Indiana [Mr. Gray] that this bill is strictly drawn in the public interest, that there is no possibility of selfish gain, and that no corporation or individual can obtain any benefit whatsoever from this bill. It is for the benefit of the people of California."

In the Senate, Senator THOMAS, a member of the committee reporting the bill, said:

"* * * San Francisco needs electric power, and California needs development in electric power just as much as she needs ownership in water. * * *

"* * * She is anxious to extend her spheres of municipal usefulness, but she is in the grip of a power monopoly as well as that of the Spring Valley Co.

"* * * This scheme appeals to me, Mr. President, so far as the power is concerned, because the city of San Francisco as a municipality will be the owner of it, the manufacturer, the distributor of it."

And the words of Senator NORRIS, also a member of the reporting committee and a leading sponsor of the bill, on the day of its final passage through the Senate, illuminate just what the Raker Act was intended to accomplish:

"* * * I said that I was in favor of this bill to a great extent for the reason that it developed this power. This power will come into competition with the various water-power companies of California, and there are lots of them there.

"* * * this proposition is to harness that power and to put it to public use—not to give it to a private corporation. * * *

"Here is an instance where we are going to give it directly to the people if we pass this bill. It is going to come into competition with power companies and corporations that have, or will have, if this bill is defeated, almost a monopoly not only in San Francisco but throughout the greater portion of California.

"* * * These make in all, as I have counted them, 18 corporations controlling the power in the vicinity of San Francisco that are under the control of this one corporation. (Pacific Gas & Electric Co.)

"* * * When you sum them all up you will find that they own practically all of the hydroelectric power of the State of California, and this bill if passed will bring into competition with them one of the greatest units for the development of power that has ever been developed in the history of the world. It means competition.

"* * * Conservation does not mean dealing out these resources to private capital for gain. It is not necessary to accuse those corporations of doing any wrong, but here will be an instance where the cheapest power on earth will be developed and where it will be sold at cost."

Opponents of the bill themselves recognized that its regulatory conditions were designed to insure distribution of power from Hetch-Hetchy through a municipal system in San Francisco. Before final passage in the Senate, opposition had practically narrowed down to the power provisions of the measure, and these provisions contemplated a publicly owned and operated power system. Immediately before the vote in the Senate, Senator McCumber, opposed to the power provisions of section 6, offered a sweeping amendment which would have omitted that section and all other provisions relating to the generation, sale, and distribution of Hetch-Hetchy power. But this amendment was defeated. And despite this articulate opposition to the policy embodied in its power features, the act was passed.

To limit the prohibitions of section 6 of the act narrowly to sales of power for resale without more, as the city asks, would permit evasion and frustration of the purpose of the lawmakers. Congress clearly intended to require—as a condition of its grant—sale and distribution of Hetch-Hetchy power exclusively by San Francisco and municipal agencies directly to consumers in the belief that consumers would thus be afforded power at cheap rates in competition with private power companies, particularly Pacific Gas & Electric Co. It is not the office of the courts to pass upon the justification for that belief or the efficacy of the measures chosen for putting it into effect. Selection of the emphatically expressed purpose embodied in this act was the appropriate business of the legislative body.

The admitted facts shown by this record required the district court to find—as it did—that the city was violating section 6 in permitting sale and distribution of Hetch-Hetchy power by the Pacific Gas & Electric Co. Now, as it has been doing since contracting with the city in 1925, the company sells and distributes that power as follows:

Power generated in the city's plant is transmitted to the company at Newark, about 35 miles from San Francisco. There the power is delivered to the company's substation and thereafter is under the company's complete control. The company distributes and sells this power to its customers in San Francisco and elsewhere exactly as it handles other power which it generates, buys, or owns. Consumers of the power are billed by and pay the company. The city buys Hetch-Hetchy power from the company exactly as do other consumers. The city receives monthly payments from the company on a fixed basis set out in the contract. The price received by the city has remained constant from 1925 to date although rates to the consumers have varied in the interim. In the event of the refusal, failure, or inability of the company to take the available output of the city's plant in accordance with the agreement, the amount of energy which the city could have delivered is the basis of making the monthly payment, and the company must pay for power delivered to it whether actually disposed of by resale or not. The rate paid by consumers for the Hetch-Hetchy power is not fixed by the city, as it could be under the constitution of California, but is fixed by the State railroad commission just as the price of all other power sold by the Pacific Gas & Electric Co. in California is fixed.

Thus, in brief, the city does not itself distribute and sell the power directly to consumers; it has not provided competition with the private power company; and it has transferred the right to sell and distribute the power to a private power company in violation of the express prohibition of section 6 of the act.

Terminology of consignment of power, rather than of transfer by sale, and verbal description of the power company as the city's agent or consignee, are not sufficient to take the actions of the parties under the contract out of section 6. Congress, in effect trustee of public lands for all the people, has by this act sought to protect and control the disposition of a section of the public domain. The city has in fact followed a course of conduct which Congress, by section 6, has forbidden. Mere words and ingenuity of contractual expression, whatever their effect between the parties, cannot by description make permissible a course of conduct forbidden by law. When we look behind the word description of the arrangement between the city and the power company to what was actually done, we see that the city has—contrary to the terms of section 6—abdicated its control over the sale and ultimate distribution of Hetch-Hetchy power. There remains only the determinations whether the prohibitions of section 6 are constitutional and can be enforced in equity.

Second. The prohibitions of section 6 are challenged by the city as an unconstitutional invasion of the rights of the State of California on the ground that they attempt to regulate the manner in which electricity shall be disposed of in San Francisco. And the city, therefore, insists that these prohibitions must be considered only as covenants in a contract between the city and the United States. Upon this premise, the city has argued here, as it did in the court of appeals, that alleged equitable defenses render the covenants unenforceable.

When the Raker bill was before Congress, the city filed with the Public Lands Committee of the House a brief and argument in support of the bill. Citing authorities, including this Court's opinions, and legislative precedents, the city submitted to Congress that as grantee it would be bound by and as grantor Congress was empowered to impose "the conditions set forth in the Hetch-Hetchy bill." After passage of the bill the city accepted the grant by formal ordinance, assented to all the conditions contained in the grant, constructed the required power and water facilities, and up to date has utilized the rights, privileges, and benefits granted by Congress. Now, the city seeks to retain the benefits of the act while attacking the constitutionality of one of its important conditions.

Article 4, section 3, clause 2 of the Constitution provides that "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory and other property belonging to the United States." The power over the public land thus entrusted to Congress is without limitations. "And it is not for the courts to say how that trust shall be administered. That is for Congress to determine." Thus, Congress may constitutionally limit the disposition of the public domain to a manner consistent with its views of public policy. And the policy to govern disposal of rights to develop hydroelectric power in such public lands may, if Congress chooses, be one designed to avoid monopoly and to bring about a widespread distribution of benefits. The statutory requirement that Hetch-Hetchy power be publicly distributed does not represent an exercise of a general control over public policy in a State but instead only an exercise of the complete power which Congress has over particular public property entrusted to it.

Third. Finally, on the basis of numerous objections to the district court's judgment, assigned as errors in the court below and pressed here, the city denies the Government's right—upon a balancing of equities—to relief by injunction even if the present disposition of Hetch-Hetchy power be in violation of the act.

However, after consideration of all these objections, we are satisfied that this case does not call for a balancing of equities or for the invocation of the generalities of judicial maxims in order to determine whether an injunction should have issued. The city is availing itself of valuable rights and privileges granted by the Government and yet persists in violating the very conditions upon which those benefits were granted. Congress provided "That the grantee [city] shall at all times comply with and observe on its part all the conditions specified in this act and in the event that the same are not reasonably complied with and carried out by the grantee, upon written request of the Secretary of the Interior it is made the duty of the Attorney General in the name of the United States to commence all necessary suits or proceedings in the proper court having jurisdiction thereof, for the purpose of enforcing and carrying out the provisions of this act." Pursuant to this legislative mandate, the present suit was instituted to enforce covenants exacted from a grantee of rights in the public domain by a Congress sympathetic with the local needs of San Francisco but also jealous of its own responsibility to dispose of such rights in a manner deemed by it most likely to render their benefits widespread. The equitable doctrines relied on do not militate against the capacity of a court of equity as a proper forum in which to make a declared policy of Congress effective. Injunction to prohibit continued use—in violation of that policy—of property granted by the United States, and to enforce the grantee's covenants, is both appropriate and necessary.

A substantial part of the city's argument rests upon its claim that the Department of the Interior in the period from 1913 to 1937 construed section 6 to forbid no more than sale of power for resale. We are asked to accept these administrative interpretations. And in addition the city suggests that conduct of the Department, of which these interpretations were a part, is sufficient to create an estoppel against the Government. Whether the Department at any time ever did more than merely to tolerate sale and distribution of Hetch-Hetchy power by the company as a temporary expedient is doubtful. Certain it is, however, that in 1935 the Secretary of the Interior declared the city's disposition of the power through the company to be a violation of section 6, demanded discontinuance of this violation without success, and thereafter instigated this proceeding We cannot accept the contention that administrative rulings—such as those here relied on—can thwart the plain purpose of a valid law. As to estoppel, it is enough to repeat that "* * * the United States is neither bound nor estopped by acts of its officers or agents in entering into an arrangement or agreement to do or cause to be done what the law does not sanction or permit."

The judgment of the circuit court is reversed. The judgment of the district court is affirmed and we remand the case to it.

It is so ordered.

Mr. Justice McReynolds is of the opinion that the judgment of the circuit court of appeals should be affirmed.

The United States and the Philippines

EXTENSION OF REMARKS

OF

HON. ERNEST W. GIBSON

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

ADDRESS BY SALVADOR ARANETA

Mr. GIBSON. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered recently by Mr. Salvador Araneta on the Town Meeting of the Air, sponsored by the D. M. H. M. newspapers, in the Philippine Islands.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

The two recent reexamination speeches of President Quezon unquestionably embody his most important pronouncements in the last years as the leader of our people. Although I cannot agree with His Excellency in his major conclusion nor in some of his minor considerations, I am happy to say that as to his major premises we find ourselves on common ground. They are the following:

First. In the next 25 years we shall not be in a position to defend our country against a major invasion;

Second. Conquest is a potential danger, which may or may not come;

Third. There is no danger that any foreign power will try to attack or conquer the Philippines as long as the American flag stays here;

Fourth. There is one thing in the fight of the Filipino people for freedom which we may never renounce, and that is the substance of freedom;

Fifth. There is a solution to the Philippine question better than complete and absolute independence in 1946; and

Sixth. We can find no greater nation with which to live than the United States.

Now then, what is the substance of freedom, which we should never renounce and that if granted to us would offer a solution to the Philippine question better than complete and absolute independence in 1946?

This question was categorically answered by the President in an interview to the press, in 1938, when former High Commissioner McNutt proposed a realistic reexamination. His Excellency clearly stated that he would accept a dominion form of government for the Philippines, like that of Canada, even without the autonomy on foreign affairs enjoyed by Canada. This is precisely the solution which has been advocated by the Philippine Civic League.

But it is contended that, if we remain under the American flag, the "substance of freedom" would never be granted to us. It may be asked, in what respect is the substance of freedom being denied to us under our present status? The President in his last two speeches has emphasized our lack of autonomy on trade matters. As you know our tariff and currency acts have to be approved by the President of the United States. He has also asserted that Congress will never pass a law establishing the economic relations between America and the Philippines on a basis of mutuality, because he believes that Congress will never grant us full right to export to the United States without limitation.

We must not forget that foreign countries are allowed to export their products to the United States without limitation, but their trade with the United States is not on a free trade nor on a preferential basis. Cuba is the only foreign country that enjoys a preferential trade with the United States and is the only foreign country whose sugar exports to the United States are subject to limitation. Whether we remain under the American flag or not, if allowed to choose between a preferential trade with certain limitations as that enjoyed by Cuba, or a nonpreferential trade but without limitations as that enjoyed, say, by Brazil, I am quite sure we would prefer the former.

The President has stated that our present economic relations with America "are unfair, untenable, and, in the end, very injurious to the interests of the Filipino people." This might be a correct statement had these relations been intended to continue indefinitely. We seem to forget that the export taxes and the limitations of our exports to the United States were devised principally to gradually diminish our dependence on the American market, and that the excise and the export taxes are funds that accrue to our Government. The oil tax alone, according to the latest estimate, will bring to the Islands more than 400,000,000 pesos.

We have been invited to say good-bye to a generous father, simply for fear that he may later become unjust to us. Aren't we being unfair to him in forgetting that if of late he has not been as generous as before, it is only because he is trying to prepare us for the battle of life that we will have to face once we obtain the emancipation that we have been asking for?

In the past the United States has preferred to give us free trade rather than complete autonomy on tariff and currency matters. I do realize that the United States might insist that we cannot have trade autonomy and preferential treatment at the same time. I am afraid that we might have to choose between these two alternatives.

Irrespective of our political ties with the United States after 1946 we can make it known that we insist on having trade autonomy, and that as between free trade or preferential trade on the one hand, and autonomy on trade matters on the other, we choose the latter. If we take this attitude I am sure the United States will grant us the substance of freedom in our economic life.

With reference to the political ties, I suggest that we make it known that we shall be glad to have the United States retain suitable naval bases in the Philippines, as authorized in the Tydings-McDuffie Act. Since the United States may not consider retaining naval bases in the Philippines unless they have some control over our foreign political affairs, we should also make it known that we are willing to leave in the hands of the United States the control of our foreign political affairs. Thus, the American flag would continue in the Philippines.

American naval bases in the Philippines with all their implications would not justify the control on the part of the United States of our economic life, but they might justify a control of our foreign political affairs. But it has been argued that the United States would not consider prolonging independence simply to give us more time to be fully prepared to defend our country. It is true that the United States in deciding to stay in the Philippines will not be motivated entirely by a mere desire to accommodate us. She will stay in the Philippines only if she has to stay in the Orient. But she may not decide to stay in the Orient if we make it impossible for her to stay in the Philippines.

Dr. Frederick Merrill, in an article entitled, "The Outlook for Philippine Independence," published in the September 1939 issue of the Foreign Policy Reports, states the following:

"If the United States is to safeguard its own interest, aid in the restoration of international law and order in China, and uphold the status quo in the Far East as a whole, the economic well-being of the Islands becomes a corrollary requisite to the program. Only by allowing the Philippines a special trade position after independence can their economic stability be assured. Such concessions, however, might require control over their external affairs or the establishment of dominion status."

And Professor Kirk in a recent study makes the following statements:

"The United States should not withdraw politically (from the Philippines) if it is to maintain any prestige in, or to exert any influence over, the general course of development in the Orient. * * * Indeed it seems quite probable that the Philippine decision will determine the course and nature of American policy toward eastern Asia."

Evidently if we insist on independence in 1946 we might finally force America to leave the Orient lock, stock, and barrel. Such an eventuality, my friends, I would hate to see. As sure as the sun will rise tomorrow, once the influence of the United States is gone from the Orient we may nominally and, on paper, have absolute and complete independence; but, in fact, a foreign power will actually be dictating to our government, and we shall be enjoying in the Philippines in a lesser measure and degree what the President refers to as "the substance of liberty." Nay, we shall have less liberty and less exercise of sovereignty than what we are now enjoying under the Commonwealth government.

It is true that "no people can consider our interest in the same light as we will and must consider our own interest." I agree that "it would be asking too much of human nature to expect the people of the United States to think of Filipino well-being first before America's well-being." It is for this reason that, following the suggestion of President Quezon, absolute autonomy in our economic life should be considered as an integral portion of what he calls the substance of freedom. But, viewing the problem from another angle, and if we wish to be realistic, we should ponder that independence in 1946 will only mean emancipating ourselves from a rich father who can afford to be generous, only to find ourselves involved in illegal relations with a poor cousin or becoming one of the four wives of an oriental, who considers a wife as a mere chattel.

A "foreign conquest of the Philippines by another power may not be the end of our future," as stated by the President. I pray that he is right in his hope that even if we are conquered we shall not be conquered forever. It thrills my heart to hear that the basis of the greatness of a people is ethics; that we should fear not a foreign conqueror but the weakness of our own people. But in these very days foreign conquerors, realizing the value of moral force, destroy not only all armed force that they encounter but moral forces as well, using even opium to achieve their end. Furthermore, I would hate to see the history of Korea repeated in the Philippines and the labors of our patriots from Rizal to Quezon all gone with the wind. President Quezon himself, in his message to the assembly on the subject of national defense, has stated the following:

"What, I ask, would be the use of seeing our country free one day, with its own flag standing alone and flying against the sky, only to see ourselves the subjects of another power the following day, with its flag the sovereign in and of our country? * * * If that be our preordained fate, why seek a new master when the stars and stripes has given us not only justice and fair treatment, welfare and prosperity, but also ever-increasing political liberties, including independence?"

I submit that the President, just by simply stating that a dominion form of government, or even a modified dominion form of government, without the autonomy on foreign political matters would be acceptable to us, and that it is a better solution than independence in 1946, has gone a long way in the present reexamination movement. His speech in the present early stages of the reexamination process should be considered as a noble and dignified redefinition of the stand of our people on the Philippine problem. Considering that Manuel Quezon is the president of our government, the leader of our people, and, above all, the father of our nation, he could not very well ask something unless he first receives reasonable assurance from Washington that the same would be acceptable. Not having received any such assurance from Washington, he has been very careful not to make it appear that he is asking for a dominion status. This consideration should be given proper weight by our friends on the other side of the Pacific. With his stand, which has the unanimous support of the people of the Philippines, reexamination, at least theoretically, has been won in the Philippines.

My friends, reexamination simply means a desire to restudy the Philippine problem and not to consider complete independence in 1946 as the best and only possible solution to our problems. Reexamination is to consider that the door is still open for future negotiations.

Reexamination, my friends, is on the march. No less a personality than Carlos P. Romulo, our country's brilliant publisher and unquestionably the Filipino Gayda, in his editorial of yesterday, has stated:

"Not once but several times in the past several months, President Quezon, in his capacity as leader of the Filipino people, has made what might be described as a counterproposal apparently inspired by the realization that the door to new negotiations has been kept slightly ajar by the American people. * * * The Filipino people have spoken and spoken in words so clear as to admit of no misunderstanding. The next move is America's."

President Quezon has definitely stated that in theory he is in favor of reexamination; that, as a matter of fact, he is against it.

If reexamination is good in theory, as stated by the President, we may abandon reexamination as a matter of fact only if the chances are nil to obtain the solution which we would accept in case the question is reexamined, and, furthermore, if by giving some of our time to reexamination we are jeopardizing our preparations for independence.

As to the latter, I trust we all agree that our preparations for independence are not incompatible with reexamination. For reexamination does not call for the building of a national structure different from that which we should build to prepare ourselves for independence in 1946. Whether or not we remain under the American flag, we have to strengthen as much as we can our national defenses; and free-trade relations with the United States should be considered a thing of the past, since it is desirable that the Philippines should become economically less dependent upon the United States.

On the other hand, the chances to obtain from the United States full autonomy on trade matters are indeed fair, if we prefer trade autonomy to trade preferences, and such a solution is so priceless to us that we should be most careful in not closing the door to future negotiations.

I am convinced that, if properly presented, reexamination will receive a sympathetic hearing in the United States, because there exists a mutuality of interests between the United States and the Philippines in the Orient because it is to the best interests of the United States to help in the building of a strong and happy Philippines that will serve as a stabilizing influence in the Far East. This can only be assured by granting us the dominion form of government enunciated by the President. Such a government, even without autonomy on foreign political affairs, is a step forward in our march to freedom and self-determination. It is not a new experiment in the world. It is an association of two nations that have common ideals, mutual faith, and an identical destiny in foreign affairs.

The lessons of Manchukuo and Munich are too recent and too grim to be forgotten. Since then peoples and statesmen of the world have become more farsighted. I am sure democratic and progressive America will realize that our countries have common interests in the Orient.

For high ideals and for our own salvation, I do believe that we should continue united with America as partners and friends in the noble enterprise of maintaining democracy, justice, the defense of Christianity, and the reign of law and order in the Far East.

National Youth Administration—How It Works and What It Does

EXTENSION OF REMARKS

OF

HON. JERRY VOORHIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

RADIO DISCUSSION BY BEN O'BRIEN AND J. K. BRADLEY

Mr. VOORHIS of California. Mr. Speaker, under leave to extend my remarks I am pleased to include the following broadcast on the work of the National Youth Administration participated in by Katherine Jamieson, district manager for the N. Y. A. at Modesto, Calif.; Mr. J. H. Bradley, city superintendent of schools in Modesto; and Mr. Ben O'Brien, assistant to Mr. Robert Burns, State administrator of N. Y. A. for California:

Miss JAMIESON. Good afternoon, friends. Today we have as our guests Mr. Ben O'Brien, assistant to the State administrator for the National Youth Administration, and Mr. J. H. Bradley, city superintendent of schools in Modesto. Just a few minutes ago I overheard these men talking about the N. Y. A. program and I'm going to ask them to step up to the microphone so that the rest of us can hear their conversation.

Mr. BRADLEY. I am familiar with the local N. Y. A. activities but I would like to have you give us the aims of the N. Y. A. program for our listeners, Mr. O'Brien.

Mr. O'BRIEN. The National Youth Administration, through part-time employment for youths in need, makes it possible for thousands of high-school, junior-college, and university students all over the United States as well as in California to continue their education rather than drop out of school. In helping these students to complete their education it is the aim of the program and its directors to see that these youths not only complete their courses but obtain, where possible, practical experience in their N. Y. A. work which will help them in their academic life. For example: In several instances students studying to become biology teachers have performed directed research work and made drawings of mammalian and other early forms of life. This work has given them additional background in preparing for their chosen vocation as well as being the N. Y. A. assignment by which the youth is earning enough money to remain in school.

In some countries the answer to the problem of unemployed youth would be forced labor camps or forced military training. The United States, through the National Youth Administration, offers youth the chance to earn enough money to establish themselves as independent adults and at the same time gain experience for life work—constantly building an affirmative answer to that inevitable question of the employer, "Have you had any experience?"

"Learning While Earning" might be a good slogan for youth employed by the National Youth Administration. Youths who apply for work on the out-of-school program have oftentimes left school because of lack of interest or economic conditions at home. Those who left school from lack of interest upon being assigned to N. Y. A. work are usually placed at work in the field in which they are most interested and in which there is a chance for them to adapt themselves. If the youth does not get along well there, the supervisor may transfer him from one project to another until he finds the right one. Those who left school because of economic conditions find a method through N. Y. A. to earn enough to help out at home and yet have a chance to go back to school if they so desire. Many youths on the out-of-school N. Y. A. program have, through experience on the job, fitted themselves for such widely separated positions as an orchestra leader or an airplane mechanic.

Mr. BRADLEY. Mr. O'Brien, how does a young man find out whether or not he is eligible for N. Y. A. assistance if he is in school?

Mr. O'BRIEN. Each school participating in the N. Y. A. program administers the funds allotted to that school. This is usually done through the principal. He is sometimes assisted by a welfare committee. A youth 16 years of age or older, an American citizen, and enrolled in a high school or an advanced institution of learning must apply to the principal or person designated by him to take N. Y. A. applications. The youth applying, in order to be eligible, must come from a family with an income insuffi-

cient to maintain a reasonable standard of living and really need the work in order to remain in school. It is the duty of the principal or welfare committee, with the assistance of standardized N. Y. A. application forms, to select the students for N. Y. A. activities who need work most.

Mr. BRADLEY. Is the National Youth Administration interested in teaching young people a definite line of work?

Mr. O'BRIEN. We certainly are. All over the United States N. Y. A. projects are set up with the idea of the work experience it will provide for the youths. We try to establish projects with a minimum of menial labor attached unless that labor is directly a part of the training on that project.

Mr. BRADLEY. From the background of your experience what means or techniques have you found most successful in preventing N. Y. A. workers from graduating onto relief agencies?

Mr. O'BRIEN. The N. Y. A. program by helping each youth through an economic emergency is definitely a training program. The best insurance against having our young people graduate onto any relief program is to train each one of them until he is well equipped to do a job and has developed sound work habits.

Each youth on the N. Y. A. program must maintain an active registration in the State employment office. Last year approximately 3,850 young people, employed by the National Youth Administration, left the program for private employment.

Mr. BRADLEY. In what other fields do you have good instructional projects in California?

Mr. O'BRIEN. At Susanville under the United States Forestry Service and with the cooperation of the junior college a resident project is operated for those interested in forestry as their life work.

All youths going to this project must be high-school graduates, and definitely interested in forestry. These fellows live together dormitory style in a large building supervised by a resident N. Y. A. supervisor.

Each youth enrolls for academic instruction at the junior college and after school does practical work for the United States Forestry Service. Many youths have left Susanville to accept civil-service positions in the Forestry Service or to attend the University of California to obtain their degree.

At Visalia in cooperation with the Farm Security Administration a resident agricultural project is operated. This project is run along lines similar to Susanville except that youths are taking related training in agriculture instead of forestry.

At Bakersfield a resident project is operated for boys interested in becoming airplane mechanics.

All youths on resident projects are self-supporting. They earn in the neighborhood of $30 per month on N. Y. A. After a deduction is made for room and board the youth has from $8 to $10 per month for clothes and his own personal expenses.

Mr. BRADLEY. Can any youth apply to the local N. Y. A. office and go to one of these resident projects?

Mr. O'BRIEN. Yes. Any youth may apply at the N. Y. A. office providing he is between 18 and 25 years of age, an American citizen, and a member of a family where the income is insufficient to maintain a reasonable standard of living. If the interviewing official determines that the youth is eligible the youth may be assigned to a local work project. If the worker progresses properly on the local job, he may be recommended to one of the resident projects.

As space permits, the youth will then be assigned to one of these resident centers.

Mr. BRADLEY. You have been telling me mostly about projects for boys. What activities do you have for girls?

Mr. O'BRIEN. The main activities for girls include household demonstration, nursing, cafeteria, nursery school, library, and clerical work. There are resident projects for girls where they may study dietetics, the preparation and serving of meals, nursing, child care, and library and clerical work.

Mr. BRADLEY. What agencies may N. Y. A. cooperate with in establishing projects?

Mr. O'BRIEN. The N. Y. A. may cooperate with any tax-exempt agency in establishing projects. Any Federal, State, or municipal division of Government or organizations such as the Red Cross, Boy Scouts, and Girl Scouts are justifiable cosponsors.

Mr. BRADLEY. How much does an N. Y. A. employee earn?

Mr. O'BRIEN. In high school the maximum amount earned is $6. In junior college the minimum is $10 and the maximum $20. On the out-of-school N. Y. A. program, youths work 60 hours a month at the rate of 30 cents an hour. This means that each worker may earn $18. The ambitious ones stand a chance of promotion to 35 cents an hour, which makes a maximum of $21 per month per individual on the out-of-school N. Y. A. program.

Mr. BRADLEY. From your experience, what have you found to be the most important thing a secondary school system, particularly a junior college, can do in addition to cooperating with the National Youth Administration? My idea in cooperating is to render vital, fundamental, employment-learning service to all young men and young women coming from the N. Y. A. group.

Mr. O'BRIEN. I think you have answered your own question, Mr. Bradley. I believe one of our best hopes for the future is to prepare our youth through school and through practical experience to be well trained mentally as well as technically for any future position in which they may find themselves.

Mr. BRADLEY. Is the N. Y. A. a long-time period service or an emergency service?

Mr. O'BRIEN. The money used to operate the N. Y. A. program since its origin in 1935 has come through emergency-relief appropriations; however, I do not feel that this is an emergency program. The public school was the first step toward a literate public in the United States. However, there are still those among us who have a very difficult time remaining in school due to economic conditions. In a day when an education, either academic or industrial, is becoming more and more essential, I feel that the National Youth Administration is another step toward insuring an education for those who cannot afford one but are really willing to work for what they get.

The Test of Citizenship

EXTENSION OF REMARKS

OF

HON. JOSEPH J. O'BRIEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

ADDRESS BY J. EDGAR HOOVER, DIRECTOR, FEDERAL BUREAU OF INVESTIGATION

Mr. O'BRIEN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include the following address delivered by J. Edgar Hoover, Director, Federal Bureau of Investigation, United States Department of Justice, before the Forty-ninth Continental Congress of the Daughters of the American Revolution, Constitution Hall, Washington, D. C., April 18, 1940:

It is with pride that I meet with you this morning upon the occasion of the Forty-ninth Continental Congress of the Daughters of the American Revolution. Yet the pleasure of our meeting must be tempered with the necessity for bringing certain facts into the open where we may face them with the courage demanded for their remedy. These are not bright days for the America which your forefathers fought so valiantly to preserve.

Your organization has witnessed in the past a succession of remarkable instances of patriotic cooperation designed to aid our Nation toward a better plane of existence. Therefore, because you are one of the truly great influences which have molded this Nation, I want to discuss with you a most important problem concerning our country's welfare. It may be stated in simple language. Foreign "isms" are seeking to engulf Americanism; this must not be allowed to happen. It need not happen, for we have had ample warning.

No finer job has ever been done in the history of the American press than that which now is being performed by the rank and file of our truly American publications. Heroic efforts are being made by them to separate the facts from propaganda, the true from the false, the pure from the impure. Hard-working journalists and editors have given of their best efforts and thought that we might be correctly informed, and this without hysteria.

Meanwhile, the editorial staffs of magazines which have a real national conscience have striven as never before to place before us a correct and sincere evaluation of the world's problems, seeking not to influence, but to educate. The same, of course, may be said for the responsible men and women of the radio and screen.

But while all this has been taking place, there has been a contrary effort in the underworld of literacy. By oral and printed attack, numerous thinly camouflaged organizations of questionable background and endeavor have sought to wash away our national foundation in an ink-stream of vilification. It seems inconceivable that in a land dedicated to freedom, and existing under a Constitution ordained for the well-being and protection of its every citizen, there should be so many despicable ingrates.

Many of them come from countries where political murderers have stained their hands with the blood of thousands where every decent thing in life has been ravaged, where every man is expected to spy upon his neighbor and betray his best friend, and where the underlying fundamental principle of government seems that of harassing humanity and defying God.

Cloaking themselves with the guarantees of our Constitution and the things for which it stands, they have the inconceivable effrontery to tell us that they are seeking to bestow upon us the blessings of utopia—instead of degrading us to the level of the blood-smeared countries for whose principles they are the bought-and-paid-for traveling salesmen. And I say that there is no place in America for such purveyors of hate and horror.

One may rightfully ask why I, as Director of the Federal Bureau of Investigation, should direct your attention toward revolutionary efforts in America. A main reason, of course, is the fact that by Presidential order, the F. B. I. has been designated as the central agency of the Federal Government to receive and give attention to

complaints of espionage, sabotage, and matters pertaining to our national defense. In addition there is a distinct connection between the professional destructionist and the professional criminal. Both are in a state of revolt against the American way. Both are racketeers.

However, what I have to say to you today should be construed as an appeal to common sense, and a desire for a calm, common sense appraisal of existing circumstances. While there is yet time, we must lock our national stable before the horse is stolen. If we use our heads today, we will not be forced to use our rifles, our airplanes, and our battleships tomorrow. And one thing is certain. We in the United States want peace.

I must remind you that in times like these, there is great danger of misguided efforts on the part of over-zealous groups of individuals who are often the victims of those motivated by a desire to further their own selfish ends. Let me warn you against the patriotic racketeer; the only things lower are the vipers of alien "isms" whose poisonous fangs are fatal.

Our national apathy toward the subject of crime represents a condition which in fact is an incubator for the things which are anti-American. Our antisocial groups grow rapidly; it is a fact that today one out of every 26 persons in America has been arrested for an offense more serious than a traffic violation. Every 21 seconds witnesses the commission of a murder, aggravated assault, burglary, car theft, robbery, or larceny.

If we do not accomplish more toward the wiping out of this crime front, the enemy within our shores will steadily make wider use of its possibilities for the destruction of American institutions. You have seen recently in the constantly changing story of Europe, the vast inroads which have been made in neutral nations by the employment of spies, traitors, and saboteurs.

Before this year comes to a close, unfortunately, we may expect that one out of every 17 homes will be a victim of crime—either some member will be charged with an offense, or will have suffered a loss, ranging from petty larceny to life itself. Our army of criminals numbers into the millions.

The representative of gangster governments finds a fertile field for his recruits in the underworld. He sings his hymn of hate in our prisons and penitentiaries, he skulks in the dives of desperate men, there to paint his picture of the glories to come when, to quote a manifesto of the Communist Party, there will be established "a stern dictatorship * * *. It will confiscate the banks, the factories, the railroads, the mines and the farms of the big corporations."

Perhaps you have labored under the mistaken impression that the radical who dreams of overthrowing our Government classes as his future victims only persons of enormous wealth. Regardless how meager your possessions—someone will want them. If you lose them it makes little difference whether they are taken by an ordinary murderer or an international pirate masquerading as a self-appointed savior of a country whose language he can barely speak. Again I ask, why don't these perverted busybodies go back and save the countries which espouse their views? Can it be possible that there would be no money in such a venture?

The average American has understandably been so confused by the muddled charges and denials made regarding various revolutionary organizations that, with typical American apathy, he is more than eager to shrug it all away with the belief that it is a great deal of smoke and very little fire. We haven't the time, we say, to understand what the proponents of foreign "isms" are working toward and why they want it. That is exactly what these destructionists desire. Their tactics are to becloud the issue, to let others connected with ostensibly reputable organizations "front" for them, to cover their tracks with confusing statements, to confound the average brain so that they may be able to proceed toward their goal with the slightest resistance.

These "ism" advocates and their fellow-masqueraders point to our forefathers as their historical sponsors. The preamble to the constitution of the Young Communist League states that its organization "* * * cherishes the ideals of Americanism embodied in the democratic traditions of our Nation and its great patriots * * *," such as Thomas Jefferson, Andrew Jackson, and Abraham Lincoln. This organization then desecrates the memory of these great Americans by stating that it "* * * derives inspiration from those great teachers and guides of all mankind: Karl Marx, Frederick Engels, V. I. Lenin, and Josef Stalin." Others exploit the workingman, the colored races, the farmer, the renter, and the "white collar" class by any and all hokum by which they can create a smoke screen for their real endeavors. On the surface, their claims, to the unthinking person, look enticing.

However, if the claims of such organizations are so meritorious, why have they not proven of worth in the countries which sponsor the ideals of these disturbers? Is there any such thing as peace or happiness or liberty in places where the populace is ruled by the fear of secret police, where one must live or die by decree, where children are reared to the godless lullabies of rattling machine guns, the horrible burst of airplane bombs, and the juggernaut progress of clattering tanks, belching flame and death upon those who flee before them?

It is amazing what credulity such proponents of brutality attribute to us, and it makes little difference from what foreign "ism" they emanate; recent unions of allegedly opposing factions have ended much necessity to differentiate. They are of the same stripe—they use the same approach, both openly and brazenly they flaunt democracy. What the worshipers of one bloody creed desire is also the desire of others.

These newly allied destructionists stand for the complete overthrow of all American institutions. They plan for the destruction of all religion. They would strangle patriotism, or to quote the words of a youth publication of the Communist Party: "You must fight against teachings which tell you to be a patriot in your country." That is why, incidentally, as the result of propaganda, there have recently been many examples of a growing disrespect for the American flag and a cynicism toward the freedom for which it stands.

To these scoundrels the sanctity of the American home is meaningless. They dream of the day when every American school shall become their own training ground. They are under instructions to permeate our Army and Navy with proponents of revolution. Agitators have worked among farmers, particularly sharecroppers, painting rosy pictures of the day when skies shall be red with the flames of destruction, and that which has belonged to others shall change hands—simply for the taking.

The cry among these defamers of American traditions is always for more youth to be fed into the maws of deceit. In manifestoes and training manuals, plan upon plan is urged for the infiltration of agitators and destructionists into youth-serving organizations.

It should be a matter of greatest national concern that while exponents of hatred, vice, and atheism seek youth with the rapacity of a starving wolf, we should be so apathetic to the needs of our civilization that of all our crime, nearly 20 percent is committed by boys and girls of less than voting age. To whom will these boys and girls listen while in jail, reformatory, or prison—to the chaplain with his earnest hope that they will proceed upon a better life, or to the skillful agitator and his fawning promises of a place at the table of luxury if only help be forthcoming on the day when freedom shall fall, outraged and bleeding before the assault of international terrorists?

You should remember that since the Federal Bureau of Investigation is in the first line of national defense against the saboteur, the espionage agent, and the revolutionist, it also is among the first to bear the brunt of attack. And I might add that no method is too foul, no lie too rotten for these people, who dedicate themselves to the teachings of the leader of all communism, Lenin, who wrote: "We must know how to apply at need knavery, deceit, illegal methods, hiding truth by silence * * *."

Therefore, since we know in advance that every trick of falsehood will be employed to lead us astray, let us look at the truth so that we may know the lies when we hear them.

It is ever the cry of the "isms" advocate that his constitutional rights and civil liberties are constantly in danger. These destructionists care nothing about violating the civil rights of others, and they would revile our Constitution except for the smoke screen of defense it gives them while they dig deep at our foundations of decency and liberty.

Therefore, let us have an understanding in this matter here and now. I charge that accusations indicating a purpose on the part of the Federal Bureau of Investigation to become an Ogpu, a Gestapo, a national police, or anything resembling such bodies, emanate directly or indirectly from certain anti-American bodies who hope to discredit the F. B. I. as a step in a general plan to disrupt the entire United States or from well-meaning but misinformed persons who have fallen to the lies and utterly false information of those who would tear asunder America's machinery of law enforcement.

Such monstrosities as the Ogpu or the Gestapo are foreign-born. They are inhuman, uncivilized, and un-American. Any person who charges that such methods have been condoned or even considered within the Federal Bureau of Investigation deliberately purveys a malignant falsehood.

Let us proceed a bit further and really look at the record of the F. B. I. During the past 12 years, the F. B. I. has investigated more than 52,000 cases in which convictions have been obtained. Not in a single instance has a conviction been reversed in a court of appeal for the alleged violation of civil liberties during the course of the investigation. In not one single instance has a conviction been reversed on a charge of brutality, third-degree tactics, cruel or inhuman treatment.

Recently, in Washington, the Federal district attorneys from the entire Nation unanimously adopted a resolution commending the F. B. I. for its preservation of the constitutional rights and civil liberties of persons arrested by its representatives. These prosecuting officials of the Federal Government are in daily contact with our special agents in their work and are intimately acquainted with all of the policies, regulations, and practices of the F. B. I.

And I might remark that those who now seek to traduce the F. B. I. as a first line of espionage defense are most eager to have you forget those dark days when fear stalked through every nursery, when the gruff voice of gangsterism made its demands for family fortunes, threatening meanwhile the death or disappearance of American boys and girls.

Those were the days when thousands of mothers placed their faith in the Federal Bureau of Investigation, where brave men stood ready, day and night, as they do now, to battle gangsterism on its own grounds. More than one of those men now lie in their graves, sacrificed to the underworld in your defense, their memories immortal to us who were their comrades.

The Federal Bureau of Investigation of today is exactly the same organization which battled the underworld in the black hours of the kidnaping menace and which has successfully solved 177 of 179 kidnapings since June 1932. It is the same organization which has successfully met the extortion and bank-robbery menace. There have been no changes in motive, in policy, in fundamental methods or in the fidelity, bravery, and integrity by which we have sought to protect you. However, certain individuals have hoped that the

lapse of time may have lured you into disregard for the events of the past.

All I can say is that if the F. B. I. was a good organization when fiends like Bruno Richard Hauptmann, John Dillinger, Alvin Karpis, and hundreds of other blood-crazed gangsters roamed America, then it is still good today when personalities like Earl Browder, Fritz Kuhn, and other representatives of un-American organizations, no matter under what name they masquerade, seek to lead you by lies, smoke screens, and innuendoes into treacherous trails.

The extent of these efforts sometimes reaches almost unbelievable depths. Only last week, for instance, orders emanating from the Communist Party of America, demanded national and concerted action against the F. B. I. With fantastic belief in American credulity, these plotters announced that every effort must be made by members of their organization to involve F. B. I. special agents in situations where they might be accused of crimes or improper activities. Then, said these Communist leaders, with its reputation stained by the smearing and discrediting of some of its men, destruction of the Federal Bureau of Investigation could proceed unmolested.

Anyone in public life must, of course, expect criticism—it is wholesome and beneficial when constructive. This applies particularly to law enforcement. It is your duty to criticize freely when there is need; it also is the American duty to stand by the brave, honest, efficient officers who give of their best for the communities they serve. A law-enforcing agency is only as good as its popular support, regardless of whether it is a constable's office, a county sheriff, a metropolitan police department, or a Federal agency.

Despite the tremendous obstacles that have had to be overcome, the character of law enforcement is today on a higher plane than ever before. Members of the law-enforcement profession, in many instances, have faced almost insurmountable odds in overcoming the barriers of apathy and venality, to say nothing of propagandist efforts everywhere, designed to picture the officer as a brute and the civilian as an object of oppression. Remember that all propaganda is not of the direct sort. The most dangerous type is that designed to make you doubt and distrust American methods, American habits, American institutions.

You have noticed that I have not designated all of our ism enemies by name. There is a good reason; it is a part of present-day strategy among these different assailants of liberty to claim all good things for themselves and all bad things for the organization down the street, thus creating confusion while they attack our institutions. Therefore, the test of American citizenship lies in the ability to have nothing to do with any of them. The real test of citizenship is our devotion to the preservation of the American democracy for which our forefathers fought and died, and which we are permitted to enjoy as a blessed heritage.

Let us consider the miserable type of destructionist who seeks to be our self-appointed savior. Look into his background; study his so-called panaceas. Read the recent history of the countries which he so proudly points to, or by which he has been duped. What do you find? Ruthlessness, the destruction of civil rights, destruction of happiness, destruction of freedom, and the destruction of life, often in such great numbers that they beggar statistics. From a land of starvation, hatred, envy, greed, brutality, and mass murder, they come fawning to us with their lethal drugs. Let us have none of them.

Our job is to keep to the path which has led us to happiness in the past and to regard with suspicion any winding trail or alleged short cut, no matter how alluring it may be portrayed These praters against the American way of life are in reality a gang of international confidence men, seeking to steal our wallets by promising us the pot of gold at the end of the rainbow which no one will ever reach. Apply to every self-appointed savior the acid test of Americanism and if he cannot pass that, suggest that he go to the lands of stinking death which incubate his ideas.

And I hope that today you will pledge yourselves with me to a solemn rededication of citizenship. That you will give more of your efforts, more of your being and of your hearts to the task of teaching and emulating Americanism. That you will strive ceaselessly to focus the spotlight of truth upon the ism scum which seeks to undermine the foundations of our Nation. By doing so, you will illuminate the world with the brilliance of American democracy, and demonstrate the sacred character of honest, decent, human elements which, God willing, our Stars and Stripes may forever symbolize.

Can We Avoid War?

EXTENSION OF REMARKS

OF

HON. FOREST A. HARNESS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

Mr. HARNESS. Mr. Speaker, step by step the critical events of the present European war are outlining an alarming parallel with the American course leading to our entrance into the World War. We have now, as then, a public sentiment preponderantly opposed to American entanglement, but, at the same time, preponderantly in sympathy with the western powers. We like to think that the bitter memories of that war will help us to keep a tight rein on our sympathies. But we ought also to remember that American opinion can form quickly and swing rapidly. In fact, it should be remembered that the deciding factor in Wilson's reelection in 1916 was that tremendously effective appeal, "he kept us out of war." Yet that sentiment which elected Wilson in November of 1916 changed so completely that we willingly followed him into war just 5 months later.

Main hopeful factor for our continued peace in this present period, of course, is the memory of our bitter and futile experience in the World War. Best argument for minding our own business and sticking solely to our own immediate interests is to cite the record. The internationalist course looks pretty foolish when it is pointed out how completely we failed 23 years ago to "save the world for democracy," when we fought "the war to end wars." Against these strong restraining influences, however, we have a much more serious domestic condition causing unrest and dissatisfaction than we had 23 years ago. Then the country was sound, solvent, and prosperous. In fact, there was not a single serious immediate weak spot in the internal economy.

Nothing comparable appears in our present situation. We have just finished the first decade in American history in which we have failed to make definite economic advancements. After 10 years of depression, we still have failed to make any appreciable headway toward sound recovery. Worse still, we have gone through 7 years of Federal spending which has brought us nothing but an all-time high national debt and the heaviest peacetime taxes in our history.

One of the gravest dangers, therefore, is very largely political. The New Deal has lost favor so completely that, on domestic issues alone, it would face almost certain defeat in the forthcoming election. Here again is a striking parallel between 1916 and 1940. Wilson and the Democrats in 1916 were also slipping toward certain defeat. In the shadow of war, however, clever campaign strategy capitalized the peaceful desires of the country to reelect Wilson by the narrowest margin. It made no difference at the time that while the campaign was waged on the slogan, "He kept us out of war," Wilson's personal envoys were actually touring Europe lending encouragement and implying assurances of American help to the Allies.

If the strategy was successful in 1916, there is no reason to believe that New Deal politicians do not expect to use it successfully in 1940. In fact, it has been, and is being, used assiduously every day. The trend definitely away from the New Deal, growing out of its demonstrated failures to solve the domestic problems, makes it imperative that new dealers distract popular attention by stressing the international situation. The risks involved when an extremely dangerous international situation becomes the tool of New Deal politicians in an election year are too obvious to require discussion.

We may be overly complacent because we have tried by neutrality legislation to nullify two important factors which thrust us into the World War. Whereas we tried to defend our international rights against violations in the World War, we have voluntarily forfeited those rights at the outset of this war by banning the movement of American citizens, goods, and ships in danger zones. We have also tried by law to minimize our financial stake in this war by demanding cash from belligerents for any American purchases.

Still, we are undertaking large-scale expansions to produce implements and munitions of war for the Allies, even though we realize that their resources will be quickly exhausted. When that point is reached the next step is obvious. Either our war boom collapses and throws thousands of persons out of work, or we alter the restrictions to extend credit to the purchasers. Our "cash and carry" policy is popular now, but we may look at it very differently in a few months when it threatens us with another severe recession. Under this

threat it will be much easier to take the less painful step and become large-scale investors in another European war. As our stake in an Allied victory grows, so grows the likelihood that we will ultimately enter to protect it.

There is definitely too much American meddling in this war already. Certainly no immediate purpose is gained by our personal envoys among the combatants. In fact, the mere presence of these agents, of an outspokenly sympathetic government, carries an unpleasant implication. The President also has been overzealous in obtruding American influence in the situation, as he has repeatedly since hostilities began. Even our neutrality patrol has raised grave doubts among qualified observers, who believe it is an active devise primarily of value to the Allies.

Peaceful sentiments and wishful thinking on the part of the American people will hardly preserve peace in the face of these events as they are shaping themselves. The best peace remedy is to apply cold realism to our problems at home. If we will, we can so busy ourselves setting our own house in order that we will not have time to become involved in another war.

Stop Selling War Material to Japan

EXTENSION OF REMARKS

OF

HON. ROBERT T. SECREST

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

ARTICLE BY SAMUEL GRAFTON

Mr. SECREST. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by Samuel Grafton, which was published in the New York Evening Post of April 17, 1940:

[From the New York Evening Post of April 17, 1940]

I'D RATHER BE RIGHT

(By Samuel Grafton)

If Japan's Navy is really a menace to us now, however, we have an easy way of pulling its teeth. It is reliably reported that modern battleships are built of steel. I have it on good authority, too, that they are fueled with oil. There is no question but that Japan gets its steel and oil from "us."

I put "us" in quotation marks because I don't mean "us"; I mean a few Americans in the scrap steel business and the other war materials trades who are building and powering Japan's Navy.

So with one hand "we" send supplies across the Pacific which enable Japan to build a navy to menace us, and with the other hand "we" build a two-ocean navy with which to meet the menace. There are two different kinds of "we" involved, and perhaps the time has come to make the interests of one kind subordinate to the other. This crazy thing cannot go on. It is the most ingenious device ever invented to permit a nation to hit itself squarely in its own eye.

If the process marches to its logical conclusion, some day a Japanese fleet built of American steel and powered with American oil will lock in battle with an American fleet built of steel from the same mills and powered with oil from the same wells, and somebody looking down on the bodies of American boys floating in the ocean will scratch his chin and wonder if we didn't make a mistake somewhere.

It is a question of which "we" is going to run the show, the "we" that makes a little profit on selling Japan $30,000,000 of scrapped and junked metal each year, or the "we" that will now have to spend $75,000,000 on each of four or more new capital ships to meet the menace which is the end product of this trade. In the second "we" are also the sailors mentioned somewhat grimly in the paragraph above.

We now ship 90 percent of Japan's imported war materials. Without these goods she would utter one final squawk in China and perish. With them she is taking China, and menacing us, and conquering the great iron-ore mines at Lungyen and Tayeh and Wuhu. The gun she points at China was made in America, and out of China's resources she will build a larger gun and point it at us with a bland oriental snicker.

There is no war danger in embargoing essential materials to Japan; the war danger clearly lies in not embargoing Japan. But this kind of talk is too realistic for Washington at this time of year. Remarks about the war-materials trade are considered catty and unsporting. The thing is to face our destiny with a smile; build the big ships which the American boys will man and in which they will sail off to a rendezvous of heroes. They died for the sake of the American junk business; this may be their epitaph.

Life Passes in Review in a Day With a Busy Congressman

EXTENSION OF REMARKS

OF

HON. MARTIN L. SWEENEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

ARTICLE FROM SOUTH END NEWS, CLEVELAND, OHIO

Mr. SWEENEY. Mr. Speaker, under leave to extend my remarks in the RECORD I include an article which appeared in the South End News, a paper of general circulation in Cleveland, Ohio. This excerpt is entitled "A Day With a Busy Congressman." I append this article because it reflects the activities of many of my colleagues from the metropolitan centers, and which are not published in the newspapers of their communities because of political antipathy and because in many instances the Representatives are not subservient to the publishers and editors of these publications.

[From the South End News (Cleveland, Ohio) of April 19, 1940]

LIFE PASSES IN REVIEW IN A DAY WITH A BUSY CONGRESSMAN

(By Fred L. Patton)

It was about 8:30 one morning a few days ago when I paid a visit to the office of Congressman MARTIN L. SWEENEY in the Federal Building, Cleveland, Ohio. The Congressman had just arrived to perform what he called a normal day's work. The Representative's office was crowded with people, overflowing into the corridors. I was privileged to sit at the desk with this busy public official, and observe the cross section of humanity he interviewed for over 6 hours without interruption, save only the intermittent ringing of telephones, which calls were really interviews in themselves.

Tragedy, tears, smiles, hopes, and despair registered in the faces of these constituents. Veterans of the World War pleaded for an opportunity to enter hospitals for treatment, or to have their compensation claims reviewed. Aged men and women solicited the Congressman to make inquiry why their old-age pensions were not forthcoming. W. P. A. workers, men and women, complaining of mistreatment, discrimination lay-offs, need for reemployment; others protested being assigned to projects in some cases 20 miles from their homes, causing them to pay from 40 to 70 cents transportation fare each day out of their meager pay of $57 per month.

A delegation of labor leaders discussed pending legislation in the Congress. One or two businessmen discussed the opportunity to obtain loans through the Reconstruction Finance Corporation; others inquired the procedure necessary to secure a Federal Housing loan.

An aged couple asking for aid in visas being issued to their relatives in the stricken areas of Europe. There were others asking the Congressman to contact the State Department to determine if their relatives and members of family were alive in Poland, Czechoslovakia, Finland, Germany, and elsewhere. Some had difficulty in obtaining citizenship. Would the Congressman advise and would he contact the Bureau of Naturalization. A delegation of students were going to visit in Washington, and wanted the Congressman to arrange hotel accommodations and sightseeing tours. A clergyman sought to have some poor boys in his parish admitted to a C. C. C. camp. Would the Congressman speak at a women's club luncheon; would he install the officers of a war veterans' post; and would he become a patron for a hospital benefit dance.

A committee of post-office employees recited a score of grievances concerning working conditions in the post office. Would the Congressman discuss the matter with the postmaster. An individual called about his railroad retirement pension. Two widows without dependents complained they could not secure W. P. A. employment and were given no consideration for relief.

A couple pleaded assistance in getting their boy released from the United States Navy, because his help was needed at home; another woman wanted her boy accepted for the Navy. A man was going to work a small farm, and he wanted information from the Department of Agriculture. There were those who wanted to know

if plumbers, carpenters, and tradesmen were being employed by the War Department in the Panama Canal Zone, and if they could find such employment there. Would the Congressman help save a home from foreclosure by contacting the Washington office of the Home Owners' Loan Corporation. Would the Congressman speak at a Townsend club meeting.

Many recalled their struggle for existence; some said they were without food; others they were to be evicted from their homes, and some said the gas was to be shut off in the face of severe cold weather.

I witnessed on this occasion a variety of scenes. Mr. SWEENEY informed me such were his days for the past 8 years in the Cleveland office. Patiently he listened. Sympathizing I knew he understood. I saw tears wiped away and smiles substituted when this public official encouraged all these victims of a man-made depression to keep up hope. Then came a period of dictating letters and answering telegrams on all conceivable subjects. When the last person had departed I made bold to ask the question, "How do you stand it?" The reply summed up the character of a man who, because of his courage in public life, has made some political enemies, but whose friends are legion, for his reply was, "But for the grace of God there goes me," referring to the last W. P. A. worker who had departed.

I ventured another question before I left, asking the Congressman if he is as busy in his Washington, D. C., office. The answer: "Practically so. There are committee meetings, congressional sessions, visiting various agencies of the Government in the interest of constituents, replying to a tremendous amount of correspondence, and receiving visitors at the office consumes all one's time." Continuing, Congressman SWEENEY said, "There is not a Member of Congress who does not go through the same experience daily in a limited degree." The legislative branch of the Government work is harder than any other department, despite the slurs cast upon it by a hostile or partisan press. The interview was over. I shook hands with Congressman SWEENEY, saying "You can keep your congressional job. I will stick to my newspaper work."

Unwise Policy of New York Stock Exchange

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

LETTER FROM JOHN E. YERXA TO JEROME N. FRANK AND REPLY THERETO

Mr. McCORMACK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letters:

BOSTON STOCK EXCHANGE,
March 25, 1940.

Hon. JEROME N. FRANK,
Chairman, Securities and Exchange Commission,
Washington, D. C.

MY DEAR MR. FRANK: On March 15, I discussed with you briefly the recent action of the New York Stock Exchange designed to stop any member who is also a member of another exchange from acting as a dealer on the other exchange in any security traded on both exchanges. To accomplish this result, the New York Stock Exchange invokes an old provision of its constitution which has never heretofore been treated as applicable to dealer activities outside of New York City.

Local exchange markets in securities also dealt in on the New York Stock Exchange are not new. For many years securities have been listed and traded on both the Boston Stock Exchange and the New York Stock Exchange. Similar situations are also true of other regional exchanges such as Philadelphia, Chicago, and San Francisco. American Telephone & Telegraph Co. capital stock and other well-known securities were listed on this exchange before they were listed in New York.

As early as 1868 local interest in New England in certain securities trade on the New York and Philadelphia Stock Exchanges prompted the Boston Stock Exchange to permit trading in those securities. This practice has been continued, and at the present time a number of members of the Boston Stock Exchange who are dealers in such stocks on that exchange are members or allied members of the New York Stock Exchange. Furthermore, Boston members have purchased New York seats in reliance upon the fact that the New York Exchange did not question the right of firms having seats on both exchanges to conduct business on both exchanges.

Now, by the adaptation of a rule never before treated as or deemed applicable, the New York Stock Exchange proposes to force local firms holding memberships in both the New York Stock Exchange and local exchanges to give up all dealer activities on the local exchanges in securities traded both on the New York Exchange and local exchanges.

From the viewpoint of public interest, it appears impossible to justify this new interpretation. In 1936, by act of Congress, exchanges were permitted to continue then existing trading privileges. In addition, exchanges were given the right to extend trading privileges to any security listed on another exchange, whenever, by reason of local distribution, local trading activity, and otherwise, the Commission was of the opinion that a local exchange market was appropriate in the public interest.

This action, to quote the House Committee on Interstate and Foreign Commerce, represented "an endeavor to create a fair field of competition among exchanges and between exchanges as a group and the over-the-counter markets and to allow each type of market to develop in accordance with its natural genius and consistently with the public interest."

The Commission, in subsequent decisions sanctioning local exchange markets, has given effect to the congressional purpose of encouraging free competition among exchanges. In no instance, we believe, has the New York Stock Exchange opposed applications by local exchanges for permission to maintain local secondary markets in securities listed on the New York Stock Exchange.

We are equally at a loss to understand how this action can be justified from the viewpoint of the New York Stock Exchange's own interest. During the past 5 years the proportion of the share volume on the New York Stock Exchange to the total share volume on all registered exchanges (20 in 1939) in the United States has been as follows:

Percent of New York Stock Exchange to total

1935	75.4
1936	73.2
1937	72.7
1938	78.8
1939	78.7

From these figures, released by your Commission, it appears that the New York Stock Exchange has not suffered from the activities of the other exchanges. A summary of the volume figures compiled by the 19 principle exchanges shows that New York's percentage back in 1928 was only 65.4 percent and in 1929 only 60.5 percent.

It is our opinion that the present action of the New York Stock Exchange is discriminatory and oppressive in its effect upon those who are members of both the New York and Boston Stock Exchanges, and that it is inconsistent with the declared purpose of Congress.

Very truly yours,

JOHN E. YERXA, *President.*

APRIL 15, 1940.

Hon. JEROME N. FRANK,
Chairman, Securities and Exchange Commission,
Washington, D. C.

MY DEAR MR. FRANK: Under date of March 25, John E. Yerxa, president of the Boston Stock Exchange, wrote you in relation to a certain policy of the New York Stock Exchange that would be discriminatory of the Boston and other exchanges of the country. I refer to the recent action, as Mr. Yerxa stated in his letter, "of the New York Stock Exchange designed to stop any member who is also a member of another exchange from acting as a dealer on the other exchange in any security traded on both exchanges." This action is not only discriminatory, but vicious. It is a deliberate action based upon a desire and intention to obtain as much a monopoly as is possible of the purchase and sale of stocks listed on more than one exchange, of which New York is a listed exchange. It is directly contrary to the congressional intent, based upon decency in such dealings, and common sense, of encouraging free competition among exchanges.

It is rather significant that the New York Stock Exchange should undertake to actively endorse such a policy at this time. I remember well when the legislation that created the Securities and Exchange Commission was pending in the Congress that the New York Stock Exchange vigorously opposed this legislation. The Boston Stock Exchange supported the objective sought by that legislation. As hearings on the bill progressed and it was apparent that the vigorous opposition of the New York Stock Exchange and others could not succeed, the New York Stock Exchange then attempted to "step into the picture" and, under the guise of supporting the objective sought, wrote the provisions of the bill relating to stock exchanges for its own benefit and to the disadvantage of the smaller stock exchanges. The smaller stock exchanges of the country had to then defend themselves against this effort of the New York Stock Exchange.

We now find this exchange engaging in the discriminatory and high-handed manner as evidenced by the action which President Yerxa of the Boston Stock Exchange property opposes. I join with Mr. Yerxa in his opposition.

If the Commission has jurisdiction over this matter, I urge, in the public interest, that the New York Stock Exchange be enjoined or ordered to stop the carrying into effect of its proposed action. If the Commission, under existing law, has no jurisdiction over this matter, I hope that a proper recommendation of legislation will be submitted to the Congress.

I will appreciate it if you will keep me advised of the action taken.

Sincerely yours,

JOHN W. McCORMACK.

APRIL 17, 1940.

Hon. JOHN W. MCCORMACK,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN MCCORMACK: This will acknowledge your letter of April 15, 1940, regarding the action of the New York Stock Exchange in adopting a policy of enforcement of the provisions of its constitution in such a manner as to foreclose its members from dealing for their own account on other exchanges in New York Stock Exchange listed securities.

As you mentioned in your letter, this matter was made the subject of protest to the Commission in a letter of March 25, 1940, from Mr. John E. Yerxa, president of the Boston Stock Exchange. Upon receipt of that letter, and additional protests from other sources, the Commission gave full consideration to its powers in the matter and called upon the members of its staff for a report on the progress of certain studies already in process of basic subjects bearing a relation to this important question.

Upon examination of our powers under the Securities and Exchange Act of 1934, we are satisfied that our authority to proceed to take formal action with regard to this new policy of the New York Stock Exchange is not free from substantial doubt. As a consequence, we are hesitant to take formal action in this field—no matter how important it may be—any more than we would do so in any other field where our statutory authority is not clear. A memorandum of law with respect to this question is presently under preparation by the staff of the Commission, and I would be glad to see that a copy is made available to you if you would like to have it.

We are, however, keenly aware of the possibility that the New York Stock Exchange's action may have consequences inimical to the public interest. Because of this, the Commission has instructed its Trading and Exchange Division to complete as rapidly as possible the studies which it has been making, giving special attention to the questions of interexchange competition which have been raised by the New York Exchange's action. We are hopeful that these studies may be concluded in the near future and that they will be productive of results sufficiently clear to make them a basis for a report to the Congress.

The Commission appreciates your interest in this matter, and on its behalf I want to thank you for communicating your views. I shall endeavor to see that you are kept currently advised of any significant developments.

Sincerely yours,

JEROME N. FRANK, *Chairman.*

Lincoln's Last Hours

EXTENSION OF REMARKS

OF

HON. BERTRAND W. GEARHART

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

THE STORY OF THE ASSASSINATION AS TOLD BY EMANUEL HERTZ

Mr. GEARHART. Mr. Speaker, during the intervening years, now numbering 75, much has been written concerning the facts and circumstances surrounding the foul and cowardly murder of the lamented Lincoln, the greatest crime, the most tragic event in the history of the American people.

In an effort to bring about a better understanding of this historic event, the New York Times Magazine of April 14 printed an article from the informed pen of Emanuel Hertz, an article which, because of its documentation and careful regard for truth, is of unusual importance.

In his masterful presentation, Mr. Hertz treats of the last day that was Lincoln's—of the hour and minute when he was shot by an actor in the theater—of how he was carried to an actor's boarding house owned by a rabid secessionist who would have denied hospitality to the dying abolitionist President, if the opportunity so to do had been his—of the placing of the broken body of the stricken President in a bed formerly occupied by his murderer whose performances Lincoln had often witnessed and whose acting he admired—of how the slayer was tracked to the Garrett barn where he was shot or shot himself—of how the remains of the dead slayer was returned to Washington and identified beyond the possibility of a doubt—and of how the body was again identified when released to his family for burial in Baltimore.

Never before have all of these subjects been so expertly treated of in any one single story, certainly, never before by one who writes with greater authority or with greater regard for the cause of truth, to the defense of which the author has devoted his life.

Because this highly informative and tremendously interesting article comes from the pen of one of the greatest living authorities on the life and character of the martyred Lincoln, authenticated and documented, as it is, by tireless research inspired alone by a love for Lincoln which defies measurement, I ask that Mr. Hertz's article he spread upon the pages of the CONGRESSIONAL RECORD in order that the facts which the writer so accurately records may remain forever accessible to those who may hereafter be inspired to seek a better understanding of the life and works of this sublime character.

The unanimous consent and approval of the membership of the House of Representatives having been indicated, Mr. Emanuel Hertz's article follows:

[From the New York Times magazine of April 14, 1940]

AT FORD'S THEATER 75 YEARS AGO TONIGHT

(By Emanuel Hertz)

The assassination of Abraham Lincoln, 75 years ago today, was the greatest individual tragedy in American history. Even now, after all the years that have gone by, it is still a bitter thought that some little change in circumstances could have saved him—a guard outside the box, a chance discovery of a conspiracy which involved a number of people, a decision on the tired President's part not to go to the theater that evening to see again a play he had already seen once.

But the tragedy went on to its appointed end, as though it had been written by some all-powerful playwright, and not a line could be altered. Every detail was theatrical, down to the final fact, impressive to everyone who makes a study of what happened, that Lincoln, who all his life loved the theater and befriended actors, was shot by an actor in a playhouse, and breathed his last in an actor's rooming house in a room and on a bed which had recently been occupied for a little while by the assassin, John Wilkes Booth.

Aeschylus himself could not have imagined a more perfect illustration of the workings of an inexorable fate. It may almost be said that when Lincoln listened eagerly to the recitations of Jack Kelso in the old days in New Salem he was taking the first step toward that last scene in Ford's Theater more than a generation later. His whole life was a drama in which, as in Shakespeare's tragedies, the tears and laughter were mingled.

As he settled himself into the box at Ford's Theater for what promised to be an evening's light entertainment, with the beloved Laura Keene playing Florence Trenchard in The American Cousin, he may well have been running over in his mind the actors he had known, and perhaps planning more diversions of this kind, now that the frightful thunderheads of war were drifting off.

Lincoln may even have thought of John Wilkes Booth. He had seen Edwin Booth's Hamlet and John Wilkes Booth himself in The Marble Heart. He had wanted to meet John Wilkes, so Frank Mordaunt testified, but "the actor had on one pretext or another always avoided any invitations to visit the White House." He had known so many warm-hearted actors. He could not know that John Wilkes would play Macbeth off the stage far better than he could ever have played it on the boards.

Yes; actors were pleasant folks, as Lincoln had known them. Once an acting company in Springfield found itself in difficulties because a straight-laced city government, under the influence of a revival meeting, had imposed a prohibitively heavy license tax. A young lawyer offered to appear in the case without fee. He did it with so much humor that the city fathers dissolved in roars of laughter and repealed the license tax. The lawyer was, of course, Abraham Lincoln, and it was Joe Jefferson, then a struggling youngster on the stage, who later told the story.

The actors didn't forget, and Lincoln didn't. He saw plays whenever he could—in Springfield when the road companies came there, in New York on his way to his first inauguration, in Washington when the terrible burden of the War Presidency permitted it. People connected with the stage visited the White House often. James E. Murdock, an elocutionist, stayed there 3 weeks at the time of the Bull Run campaign. One night, lying sleepless before dawn, Murdock heard a voice from a room near the President's. He got up to investigate and saw, through an open door, Lincoln kneeling in prayer. Murdock had played with Junius Brutus Booth, the elder.

There were others: James K. Hackett, who was willing to give up the stage for an English consulate, much to Lincoln's disgust; Lester Wallack and Edward Loomis Davenport, known for their performances in Macbeth; Edwin Forrest and John McCullough; Adah Isaacs Menken, actress and poet, and her husband; "General" Tom Thumb and his wife. John McDonough was brought

to the White House by Congressman Kelley of Pennsylvania and that evening discussed Shakespeare with Lincoln for 2 or 3 hours. Sometimes Lincoln would recite some favorite passage from Shakespeare. Mordaunt remembered some such occasion and wished afterward, but vainly, that he could imitate its melancholy cadences.

Lincoln may have been thinking of these things. He may have recalled the tense moment when Edwin Forrest, playing in Bulwer's Richelieu, looked significantly at the Presidential box as he spoke the lines:

"Beneath the rule of men entirely great
The pen is mightier than the sword.
Take away the sword.
States can be saved without it."

There was no mistaking the meaning. It was Forrest, not Bulwer, pleading for peace. Lincoln whispered to one of his companions, shook his head, smiled.

And now was he thinking, they that take the sword shall perish by the sword?

Or did his mind turn to the verse that Dr. Storrs had read that day at noon, as the Stars and Stripes were again raised over Fort Sumter—"The Lord hath done great things for us, whereof we are glad"?

We do know that he was in a happy mood as the curtain rose on the second act of The American Cousin. It had been a good day.

The night before, as he had told his Cabinet at that Good Friday meeting, he had had his ship dream—a dream which had repeated itself before four of the war's great battles. He had seemed again to be at sea in a vessel that was swept along by an irresistible current toward a maelstrom from which it seemed no power could save her. Faster and faster the whirling waters swept the doomed craft toward the vortex, until with the deafening roar of the waves and the sensation of sinking down an unfathomable depth the sleeper woke. It was a terrifying nightmare, but always it had come on the eve of victory.

Grant had attended the Cabinet meeting. There had been no recent news from Sherman, who was marching north on the trail of the Confederate General Johnston—the last important Southern commander to hold the field. Lincoln thought his dream might mean that Sherman had won—as, indeed, he had. This was not all mysticism on Lincoln's part. He knew the military situation thoroughly. He was himself the real commander of the Union armies. He was certain that Johnston could not hold out. Lee had surrendered 6 days earlier. The end was at hand.

Lincoln talked of reconstruction. He was hoping to get it over with before Congress returned in December. He had no bile, no thirst for the blood of Jefferson Davis or anyone else. Enough blood had been shed, he told the Cabinet. He wanted no more of it. He planned to give the battered South a chance to recuperate. He proposed to get business and trade going again, to care for the wounded, to provide for the widow of the dead soldier, to bind up the Nation's wounds—the whole Nation, North and South. He was studying how to solve the problems of the former slave. Two or three pardon cases came up for action. Was there any doubt what Lincoln's action would be? He saw Schuyler Colfax, who was leaving for the far West, and gave him a message to the miners—the mineral wealth that lay in "practically inexhaustible" quantities "from the Rocky Mountains to the Pacific" would, he thought, give employment to disbanded soldiers and help pay off the national debt.

Senator Stewart, of Nevada, asked to bring a friend over to the White House. Lincoln scrawled a note:

"I am engaged to go to the theater with Mrs. Lincoln. It is the kind of an engagement I never break. Come with your friend tomorrow at 10 and I shall be glad to see you."

At 10 tomorrow! How could Lincoln foresee what the wires would be carrying when that hour tolled?

In the afternoon he went for a drive with Mrs. Lincoln. She remembered every word and detail of it afterward. At his wish they went alone. She had never seen him "so supremely cheerful." Some superstitious foreboding came over her. "You almost startle me," she said. A tender look, almost as in the old Springfield days, must have come over his face as he answered: "And well I may feel so, Mary, for I consider this day the war has come to a close. We must both be more cheerful in the future. Between the war and the loss of our darling Willie we have both been very miserable."

There had been changes at the last in the make-up of the theater party. Robert Lincoln, who had just returned from service on Grant's staff, was to have gone, but he had been riding with John Hay, was tired, and wanted to feel what it would be like to sleep in a real bed again. It had been announced that General and Mrs. Grant would be present, but Grant was shy and dreaded the prospect of facing a demonstration in the theater. Add to that what Mrs. Grant had experienced when Mrs. Lincoln had asked whether she expected to succeed her in the White House, and it was but natural that Mrs. Grant should also dread the effect on the jealous woman of a roar of cheers for the victor of Appomattox. Lincoln would not have minded playing second fiddle to the man who had ended the war, but his wife was not so generous.

Postmaster General Dennison, who had been invited, declined because it was Good Friday. Colfax would have been present if it had not been for his early departure westward. Noah Brooks, the new Presidential secretary, wanted to come, but was told that Mrs. Lincoln had made other arrangements. Finally Mrs. Lincoln invited Miss Clara Harris and Maj. Henry R. Rathbone, an engaged couple radiant with the joy of life.

The theater was full of officers and soldiers of the Union Army, any one of whom would have died to save the President's life, but the criminal neglect of the guard, John F. Parker, had left the door unwatched. Parker should have remained outside the box. Dr. Otto Eisenschiml, in Why Was Lincoln Murdered? establishes the fact that he left his post and went out front to see the show.

At the last minute Lincoln tried to get out of going. He was tired. But Mrs. Lincoln insisted. She was proud of him and these public appearances meant a great deal to her. He gave in, as he usually did, in small matters.

"All right," he said, according to the account of W. J. Lampton. "All right, Mary, I'll go, but if I don't go down in history as the martyr President I miss my guess."

Soon the bantering words were to take on a meaning that would shake the Republic to its foundations. John Wilkes Booth was preparing for his last appearance on any stage.

Booth, the neurotic, the mediocre scion of a distinguished acting family, unworthy brother of the great Edwin Booth, was an embittered southerner who had never forsworn his Union allegiance, had never served in the Confederate Army, and had never in fact, put himself to any inconvenience for the Southern cause. He had assembled a pitiful band of conspirators—a demobilized Confederate soldier named Lewis Payne; a former spy and smuggler, George Atzerodt; a simple-minded druggist's clerk named David Herold, and some others. They met at the house of Mrs. Mary E. Surratt, a widow who took in boarders.

The fleeing Confederate government had no part in the conspiracy. The even more grotesque supposition that Secretary of War Stanton wanted to get rid of Lincoln, took no precautions to protect him and was dilatory in pursuing the conspirators is not worth an argument. The crime was Booth's—the final insane act of a man whose 26 years of life had been weak and futile, who was a second-rater in his own profession, and who wanted to win the glaring floodlight of notoriety.

The conspirators met and whispered at the Surratt house. Payne was to kill Seward. Atzerodt was to assassinate Vice President Johnson. Young Herold was to go with Booth and aid him in his escape.

Booth was known at Ford's Theater, and had access as a matter of course to all parts of the building. He knew actors, doormen, staff. No one thought anything of his comings and goings. He was young, handsome. People liked him well enough.

A few days before Good Friday, Booth dropped in to see his friend Charles Warwick, who had a room in Peterson's actors' lodging house across the street from the theater. As Warwick told the story:

"He told me he felt extremely tired. I invited him to take off his boots and dry his feet by the fire. He accepted my invitation, threw himself on the bed, and smoked himself into a profound sleep, which lasted till evening."

It was not until about noon on the day of the assassination that Booth knew for certain that Lincoln would be at the theater. Quickly he made his arrangements. In the afternoon, according to the account of William Withers, who was then the orchestra leader at Ford's, Booth came into Taltavul's saloon near the theater. He saw Withers and called to him to come and have a drink.

"We drank together," said Withers, "and during the conversation about the different members of the theatrical profession, I laughingly remarked that Booth would never be as great as his father. An inscrutable smile flitted across the actor's face as he replied: 'When I leave the stage I will be the most-talked-about man in America.' At that time the statement had no significance for me, but afterward I remembered it with a shock."

At a little before 10 o'clock Booth went to the theater. He smiled at the doorkeeper, Joseph Buckingham. "You will not want a ticket from me?" he asked—and went in. He slipped backstage, by routes he well knew, and went from the passageway through a door into the little room behind the President's box. He closed the door and secured it with a bar. Another door opened on the box, and in that door Booth had already bored a small hole so that he could study the position of the occupants.

At 10:15 he thrust the door open, placed a small derringer pistol behind Lincoln's ear, and fired. For Lincoln this earth vanished instantly. The maelstrom of his dream had swallowed him. He never spoke again or had a conscious moment.

Major Rathbone grappled with the murderer in the smoke-filled box. Booth flung him off, slashing him viciously with a dagger. Then he sprang to the stage—just such a leap as he had often made in his entrance as Macbeth. But he was spurred, and a banner was draped over the box. The spur caught in it, and Booth landed clumsily, with a broken leg, the vengeance of the flag Lincoln had saved! The break was square. He could walk, but from that moment he suffered agony. With a cry of "Sic semper tyrannis!"—his last stage lines—he rushed off.

Billy Withers, not knowing what had happened, came on him in the passageway. Booth had a dagger in his left hand, his eyes seemed starting from their sockets. Then he rushed at Withers, waving the dagger. "Let me pass!" he shouted. "Let me pass!"

He slashed Withers' sleeve, whirled by, and was gone. He had asked a boy outside, "Peanut John," to hold his horse. Booth kicked him viciously in the stomach, sprang to his saddle, and rocketed off.

The story of the pursuit and capture of the murderers has been often told. Booth and Herold were overtaken on the night of April 25 in a Virginia barn. Herold came out and surrendered. Booth either shot himself or was shot by Sgt. Boston Corbett, one of Lt. E. P. Doherty's troopers, dying in agony a little after dawn. Corbett later went insane, and his assertion that he killed Booth has been disputed. Herold, Mrs. Surratt, Atzerodt, and Payne, who had wounded but not killed Secretary Seward, were tried by a military court, convicted, and hanged.

A young Army doctor, Charles A. Leale, was the first to reach the mortally wounded President after the shot was fired. Other doctors were hurriedly summoned, but until Lincoln breathed his last Leale remained with him and kept charge of the case.

Four soldiers of the Independent Pennsylvania Light Artillery carried the dying man to a stairway. Two others came up to help and the six took him to the Peterson house across the street. He was carried into the room that Warwick had occupied and laid on the bed where Booth had lain a few days earlier. There at 22 minutes after 7 the next morning he died. Stanton spoke the solemn, unforgettable words, "Now he belongs to the ages," and the Reverend Dr. Gurley dropped to his knees and began to pray. Corporal Tanner started to write down the words of the prayer—his pencil broke and they were lost.

The tragedy was ended. Envy, hatred, and falsehood could do no more. No more would Lincoln hear the dreadful news of battle, no more pray in vain for release from intolerable anguish, no more be tormented by the harassments of office. The kindly eyes were forever closed; the sad, humorous mouth that could move to laughter or to tears was fixed in death.

A nation mourned. But its greatest and best loved hero was safe forever from all detractors. Laura Keene had held the dying man's head in her lap during the first wild confusion after the shooting. As she rose, looking at the blood on her gay dress, the curtain in a mightier theater than Ford's of a drama more poignant than Macbeth, was rung down.

Chief Justice Hughes Asked for Governmental Regulation Free From Hamstringing Appeals to the Courts

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EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

EXCEPTS FROM AN ADDRESS BY CHIEF JUSTICE CHARLES EVANS HUGHES AND AN EDITORIAL FROM THE ST. LOUIS POST DISPATCH

Mr. COCHRAN. Mr. Speaker, the Logan-Walter bill has passed the House and been sent to the Senate. In my remarks at the time the bill was under consideration I stated in my opinion it never would become a law at this session of Congress. I have not changed my opinion. I find in looking over the great metropolitan papers numerous editorials criticizing the House action.

In the St. Louis Post Dispatch of Saturday, April 20, I find a reprint of a speech delivered in 1907 by Chief Justice Hughes of the Supreme Court. Even at that date Justice Hughes could see the danger in judicial review of administrative decisions.

Under permission to extend my remarks I include the article referred to:

[From the St. Louis Post-Dispatch of April 20, 1940]

MR. HUGHES' 1907 WARNING STILL TIMELY

House passage of the Logan-Walter bill providing for judicial review of questions of fact in administrative rulings recalls notable statement by Governor of New York 33 years ago; asked for governmental regulation free from hamstringing appeals to the courts.

[From an address at Elmira, N. Y., May 3, 1907; reprinted from Addresses and Papers of Charles Evans Hughes, G. P. Putnam's Sons, New York]

"There has been a determined effort through the State to make it appear that the chambers of commerce of New York and the businessmen composing those chambers of commerce are opposed to an effective scheme of State regulation of public-service corporations.

"I do not believe that the resolutions that have been passed reflect the sentiment of the businessmen of the State of New York. It would be most unfortunate were it so. There are undoubtedly many whose interests are directly affected, and who desire to maintain existing conditions and to enjoy unrestricted freedom in order that they may give rein to their own selfish purposes.

"I am amused at times at the phantoms that are conjured up by practical men whose experience should have taught them better. It is said that a commission with such broad powers would take active management of railroad corporations and practically oust their boards of directors. Imagine the situation of any such commission taking into consideration that variety of questions relating to the management of any railroad.

"Think of the great number of problems and complaints necessarily committed to any such commission, and then tell an intelligent audience that any such commission could, if it wanted to, manage any railroad.

"But what is important and vital to any scheme of regulation is this: That wherever there is an abuse the Commission can put its finger on it and hear the evidence and determine whether or not the abuse exists, and if it does exist stop it, no matter in what department of management it may be. Why, you cannot do that unless you give power which in an emergency will reach any department of management, so that wherever an evil exists which the State ought to control and correct, the power delegated by the State to such a body can be exercised for its correction.

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"That does not mean that any commission should displace the operating management of any particular property. It does mean that it should have the power to exercise control sufficient to correct abuses that might exist. Now, when we consider these matters in detail, you will find, and I have found, the railroad men sitting quietly down with you and talking it over. You take up one thing after another and they will say: 'Yes; they ought to have power to do so.' Suppose so-and-so? Yes; they ought to have power to do it, assuming that they start with the premise that a public-service corporation is a public business.

"The other night, I was talking to such a gentleman, and when we got through the practical result of it all was this: I said to him: 'What you really want is a chance to go to the courts?' And he said: 'Yes; that is all there is about it.' That seemed to be the main point. A chance to go from the commission to the courts.

"I have the highest regard for the courts. My whole life has been spent in work conditioned upon respect for the courts. I reckon him one of the worst enemies of the community who will talk lightly of the dignity of the bench. We are under a Constitution, but the Constitution is what the judges say it is, and the judiciary is the safeguard of our liberty and of our property under the Constitution.

"I do not want to see any indirect assault upon the courts. And I tell you, ladies and gentlemen, no more insidious assault could be made upon the independence and esteem of the judiciary than to burden it with these questions of administration—questions which lie close to the public impatience, and in regard to which the people are going to insist on having administration by officers directly accountable to them.

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"Let us keep the courts for the questions they were intended to consider. When questions of property rights are involved—the constitutional right to hold property and not to be deprived of it without due process of law is involved; when, under the guise of regulation or authority to supervise railroad management, there is an assumption of arbitrary power not related to public convenience; when there is a real judicial question—let the courts have it, and every good citizen will stand aside and hope to see it decided fairly with even-handed justice.

"But to say that all these matters of detail which will be brought before the Commission—matters requiring men to give their entire attention to the subject, to get their information in a variety of ways, to have hearings of those interested and to deal with questions from a practical standpoint—should, at the option of the corporations, be taken into courts, is to make a mockery of your regulation.

"And, on the other hand, if that policy should succeed, it would swamp your courts with administrative burdens and expose them to the fire of public criticism in connection with matters of this description, from which I hope they will be safeguarded.

"You must have administration, and you must have administration by administrative officers. You cannot afford to have it otherwise. Under the proper maintenance of your system of government and in view of the wide extension of regulating schemes which the future is destined to see, you cannot afford to have that administration by your courts.

"With the courts giving a series of decisions in these administrative matters hostile to what the public believes, and free from that direct accounting to which administrative officers are subject, you will soon find a propaganda advocating a short-term judiciary, and you will turn upon our courts—the final safeguard of our liberties—that hostile and perhaps violent criticism from which they should be shielded and will be shielded if left with the jurisdictions which it was intended they should exercise."

Mr. Speaker, I also include the editorial in the St. Louis Post-Dispatch of Friday, April 19, commenting on the passage of the bill. The editorial follows:

[From the St. Louis Post-Dispatch of April 19, 1940]

A LONG BACKWARD STEP

The House of Representatives took one of the most backward steps—many competent students of the Federal Government doubtless would say the most backward step—in its history yesterday in passing the so-called Logan-Walter bill.

This bill is not the kind of legislation which attracts public attention. It deals with a generally technical subject, namely, procedure for the expert administrative agencies which Congress has established over a half-century to regulate the complex problems arising from transportation, communication, commerce, selling of securities, relations between employer and employee, and scores of other aspects of modern economic life.

But unexciting as the subject of the bill is, its importance could hardly be overstated. One census question has raised a thousand times as much public discussion as the Logan-Walter bill, and yet we had far better skip the census altogether than allow this dangerous and destructive measure to become law.

Those are the words—dangerous and destructive.

Proponents of the bill have put up arguments which sound plausible on the surface: Uniform procedure for all administrative agencies. The right of appeal of findings of fact to the courts. The first appears in the trend of the times to simplify legal rules and forms; the second seems at first blush in keeping with the American principle of giving every litigant his day in court.

Both arguments are specious. The procedure of the administrative agencies must vary as the activities with which they deal vary. To enforce a uniform set of rules on such diverse bodies as the Federal Trade Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, the Communications Commission, and a hundred other agencies, would be to clamp a strait jacket on the Federal Government.

The argument that the bill provides needed opportunity for court review is even more hollow. Questions of law involved in administrative rulings can now be appealed to the courts. Questions of fact, as determined by administrative bodies, cannot be appealed. This is precisely as it should be.

Courts are equipped to deal with issues of law. They do not have and cannot hope to have the expert information to decide complicated problems of our highly specialized society. Neither can legislative bodies. It was in recognition of this very fact that Congress turned to the administrative agency more than 50 years ago as the device for bringing expert judgment to bear on the issues which an industrial age was handing up to government for solution.

Charles Evans Hughes fought this battle and won it in New York State a generation ago. New York had turned to a State commission to regulate its railroads, and the issue arose as to whether questions of fact should be reviewable in the courts. In the address which contained the often-quoted words, "We are under a Constitution, but the Constitution is what the judges say it is," the present Chief Justice appealed to the people of New York not to bog down their courts with appeals which would tie up regulation to no good end.

The truth is that this bill, while it may have some well-meaning backers, is another in the series of periodic attempts to hamstring the social gains of the New Deal. Two years ago the forces of reaction rallied against reorganization of the executive departments. Reorganization had been urged or endorsed by every President since McKinley, Republican and Democrat alike, and yet its partisan opponents flayed it as the means for bringing a "dictator" to the United States.

Does the Senate, where this bill has now gone, want to bring Federal administration to a standstill?

Does it want to give the economic plunderers a strong hand against regulation in the public interest?

Does it want to set up a happy hunting ground for lawyers who have no interest in the merits of issues but are bent on increased litigation and fees for themselves?

If the answer is "yes," the Senate will copy the sorry mistake of the House. If it is the ringing "no" it should be, the House will be promptly and overwhelmingly repudiated.

Forty-Hour, Five-Day Work Week for Federal Employees

EXTENSION OF REMARKS

OF

HON. C. ARTHUR ANDERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

Mr. ANDERSON of Missouri. Mr. Speaker, if one were to collect together all of the addresses, remarks, or observations made in Congress during each session on the subject of maximum hours of work in industry, I venture to say that such a collection would comprise several sizable volumes.

The fact is that popular demand for Federal legislation regulating wages and hours of work in industry engaged in interstate commerce was so great that the President of the United States called the Congress into extraordinary session a few years ago for the sole and specific purpose of passing an act prescribing maximum hours and minimum wages. Congress responded with the passage of the Fair Labor Standards Act, or as it is sometimes known, the wage and hour law.

During the deliberations of this legislation high officials of the Government, labor leaders, Members of Congress who favored such legislation, one and all, indicted, tried, and convicted the unscrupulous employer or industrialist who required long and unreasonable hours of toil from his employees; and yet this same Government which accused, indicted, and tried industry has long been one of the most flagrant violators of the cause which it espoused in demanding the passage of the Fair Labor Standards Act.

With few exceptions, no maximum is set up for the hours of toil required of Government workers. Little, if any, consideration is shown these people in the long hours of toil required of them, and little, if any, provision is made to compensate them for the time they are required to put in above and beyond the regular or reasonable hours of work.

Many years ago it was written in Holy Scripture, "Let him who is without guilt cast the first stone." Yet this Government, which accused industry of unscrupulous conduct, this Government which passed the Federal wage and hour law, this Government which today employs thousands of people to ferret out violators of this law for prosecution is itself guilty of the very offenses which it decries and punishes in others. This Government which makes it contrary to law for an employer to require more than a maximum of about 40 hours of work from his employees is the same Government which makes no such provision for its own workers.

By all the rules of the game the United States Government should be the best example of the fairest employer. To that end Congress should act without further delay to set up a 40-hour 5-day maximum workweek for all Government employees. In the hope of adding impetus to this worthy cause, I have introduced a bill providing for a 40-hour 5-day workweek for all Federal employees. I trust that it will merit the serious consideration of the Congress.

Erroneous Conclusions

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

LETTER FROM ELLIS E. FAULKNER

Mr. HOFFMAN. Mr. Speaker, under permission to extend my remarks in the RECORD and include therein a copy of a letter written to Hon. PRENTISS M. BROWN by Hon. Ellis E. Faulkner, a member of the House of Representatives of the State of Michigan, the following letter is offered:

HOUSE OF REPRESENTATIVES,
Lansing, Mich., April 5, 1940.

Hon. PRENTISS M. BROWN,
United States Senator, Washington, D. C.

MY DEAR SENATOR: Some of the State papers have been carrying a report of your talk before the United States Senate, during debate on the Hatch bill, in which you are alleged to have charged that Republican leaders in Michigan had "sabotaged" civil service and had "penalized" the University of Michigan $1,000,000,

because faculty members worked for the so-called State civil-service law.

If this is true, there is something wrong with your research department. It would have been very easy for you to have found out the truth in this matter before making any such statement, but perhaps the truth would not have served your purpose.

Is it common practice for Democratic Senators to base their statements on mere rumor?

Here are the facts, Mr. Senator, which you could easily have obtained, in regard to the appropriations made for the University of Michigan by the last legislature.

The University of Michigan requested	$4,782,643.43
Amount appropriated	4,475,000.00
A cut of	307,643.43

Or about 6⅔ percent.

This amount falls far short of your falsely claimed $1,000,000 and is insignificant when compared with the cuts given other departments and institutions.

In all fairness at a time when the State of Michigan was so hard up, the University of Michigan and its friends in the legislature should have been willing to take a bigger cut.

Every extra dollar that they insisted on having was necessarily subtracted from appropriations for crippled children, old-age pensions, and welfare.

You and your Democratic brethren can continue for political purposes to yell your heads off about the last legislature sabotaging the so-called civil-service law.

The people of this State know that what sabotaging was done occurred in the Democratic State affairs committee of the house when it placed 86 amendments on the senate bill.

The people of the State also know that, far from being a true civil-service law, its sole purpose was to blanket into office as many Democrats as possible and, further, that this fake civil service was costing the State $1,350,000 a year.

Will you hereafter kindly verify the statements you make for public consumption?

Yours truly,

ELLIS E. FAULKNER.

The State of Michigan, like many other States, finds that it is without funds to meet the demands of all classes, of all pressure groups, of all people and necessarily a choice must be made as to the manner in which it is to expend the funds which are available.

No doubt the people of Michigan will be interested in Mr. BROWN'S reply to Mr. Faulkner, if a reply is made. Doubtless, Mr. BROWN, as not infrequently happens to many public officials, was incorrectly advised as to the exact situation in Michigan.

Many of us know that the so-called civil service is too often a plan to perpetuate in office New Deal officeholders who have been tightly wedged in jobs formerly earned and held by Republicans.

The Mission of Our Generation

EXTENSION OF REMARKS

OF

HON. ALBERT GORE

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

ADDRESS BY HON. ALBERT GORE, OF TENNESSEE

Mr. GORE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address, which I delivered to the State convention of the junior chamber of commerce at Murfreesboro, Tenn., on April 16, 1940:

Mr. President, ladies, and gentlemen, to address this State convention of young business and professional men, who now and in coming decades increasingly will mold and influence the industrial, commercial, and cultural life and development of Tennessee, is a signal privilege and honor which I acknowledge with gratitude. From the four corners of the State you have come, and on behalf of the Fourth Congressional District and the fair city of Murfreesboro, permit me to say that you are both welcome and appreciated.

From the State of Franklin Tennessee emerged and developed, and for the three decades succeeding Jackson's inauguration became economically and politically the foremost State of the mid-south.

Impoverished by the Civil War, Tennessee, along with the South, has suffered tremendously. Moreover, the resultant bitter sectional hate and prejudice practically ostracized the region politically for many years, and fostered economic injustices which we have by no means yet fully thrown off. We are throwing them off, however, and a new day is dawning for Tennessee.

Our two most important economic endowments are our people and our physical resources. The 1930 census showed that our people were 99½ percent native born. Anglo-Saxon by descent and culture, and a pioneer American stock, they personify hard intelligence, loyalty, self-reliance and courage; and they are particularly adapted to the science of Democratic government.

Tennessee is now, as in the past, producing national leaders in disproportion to its size. I find myself unwilling to forego the temptation to cite as an example that greatest living Tennessean, who from a raftsman of logs from Tennessee's hills has climbed so high into the affections and admiration of this Nation's far-flung millions that the next President may well be Cordell Hull.

Not only does Tennessee have the purest and best American stock, but few States, if any, have a higher birth rate and, consequently, a higher proportion of children.

At a time when the population of the country as a whole is becoming stationary, our population and that of the South is growing more rapidly by natural process than any other region. Our people remain virile. Our excess of births over deaths is well above the national average. Recently the birth rate in many cities has dropped so low that the population level can be maintained only by migration.

The rural districts are especially fertile fields for replenishing the population with new and vigorous blood. We hope this will offset the unfortunate infiltration of inferior foreign blood in other regions. I recently told a Massachusetts audience that they saved the Union by preventing us from secession, but that the South would save the Americanism and democracy of the Union.

Tennessee has been richly endowed with natural resources which are now being swiftly developed. These advantages, combined with its climate, its transportation facilities, and its people, constantly encourage enterprise, court development, and beckon to the investor. The signs unmistakably point toward a brighter day for Tennessee.

While not in any way disparaging the present economic and cultural leadership of our State, but, quite on the contrary, sincerely paying honor and tribute to their ability, vision, and success, nevertheless, we young business and professional men gladly and hopefully accept the challenge of what we hope and believe to be a new and progressive era in Tennessee. In accepting this responsibility, social obligations will inevitably devolve upon us from which we must not shrink. To say that our problems cannot be solved would be defeatism; and far be it from young Tennesseans to be defeatists. To refuse to accept social obligations for the welfare of the people as a whole, along with the assumption of industrial and commercial leadership, would be a dishonoring of the trust and opportunity offered us.

As I look upon this audience of handsome, ambitious, and prosperous appearing young men who are clearly destined to occupy positions of economic leadership tomorrow, I gladly embrace the opportunity of discussing a few of our major problems and obligations.

When our forefathers ordained the free- and public-school system their leadership was immortalized and to another generation renowned the credit of adding high schools to the system. I hope it will be the destiny of our generation to make a college education available to every desirous youth in Tennessee. Great strides have been made in this direction, but we must not be satisfied with strides. We must make college training just as available as is high-school training today. In this advocacy I do not necessarily propose to place all of America's ambitious youth on the Government student pay roll. Much good and notable accomplishment has resulted from the National Youth Administration, yet we need to proceed upon a broader and a more fundamental basis.

The problem of unemployment has defied all of us—young and old. We will refuse to admit, however, that Tennessee and the Nation has reached the peak—the saturation point—of enterprise and economic development. Many countries not nearly so richly endowed as Tennessee maintain a balanced and reasonably prosperous economy with a much more dense population than ours.

A social order suffers a serious indictment when thousands and millions of its people have no opportunity to contribute their energy and talent and earn a livelihood in return. Deprivation, poverty and want, and political unrest are companions of such a condition.

The people rightly look to their Government for leadership, but let us remember that it is a government of the people. Employment by the Government for the sake of employment is necessary to relieve certain extreme and distressing situations, but, again let us not forget that if we are to maintain a system of private enterprise, there are very definite limitations to the scope of such a program. Socialization of education, roads, and certain other endeavors has been necessary and good. In the progress of democracy and human beings toward a fuller stature it is possible that certain further socialization, properly prescribed and bounded, may be desirable, but basically and fundamentally and theoretically representative democracy depends upon private enterprise and on enlightened citizenship individually responsible—each individually responsible for his own livelihood and destiny.

Strange and paradoxical though it may seem, many factory workers are idle because the farmers cannot buy the manufactured product, while the farmers curtail production because the factory workers are unemployed and cannot buy his agricultural product. Of course, it is not quite so simple as that, but, like Mark Twain's weather, no one has found the solution.

It is as baffling as the answer of the witness who was embarrassed when asked if he could read and write. He answered by saying, "I can do pretty good with figures." This point being important in the case, the lawyer repeated the question and again the witness said "I can do pretty good with figures." Finally the lawyer said, "If that is the only answer you will give, then give me an example of what you mean." The witness said, "Well, take for example, when I go somewhere and get away off down yonder and come to a fork of the road and don't know which way to go, I get out and look at these here road signs. I can read how fur, but not whur to."

Our economy is out of balance, particularly as between industry groups. One industry group, automobile workers, for example, will receive $10 to $15 per day, thus making high the price of the automobile which the farmer is expected to buy, while the farmer works hard and must have good luck to earn an average of $1 per day. How can there be an equitable flow of commerce when the channels are choked and clogged with such disparity?

This example shows that farmers and other producers of raw materials usually sell in a city market controlled by the buyer and buy in a city market controlled by the seller. The farmer gets the worst end of both bargains. This accumulating drain of money from the farm to the city and to the manufacturer has an adverse effect upon the farming prospects of Tennessee's youth. Innumerable other examples could be cited to show the inequity existing between industry groups, and the same is true, though perhaps to a less marked degree, as between the major regions of America.

Our generation must not be discouraged by the prospects. The prospects are good. Perhaps I can illustrate my optimism by a radio skit I recently heard: Nell had been on the anxious seat for a considerable time. A friend said to her, "By the way, Nell, how are you getting along in your race for matrimony?" "Oh," she said optimistically, "I think I am on the last lap now."

Though, instead of being on the last lap, our generation is just taking up the burden of responsibility, let us be both optimistic and determined—determined to solve our problems and determined to solve them within the framework of our democratic institutions and form of government.

I have never been much of an apostle of Shakespeare's doctrine, "Sweet are the uses of adversity," and yet adversity may teach us certain lessons not less profitable than those of prosperity. There are at least two lessons, conspicuous lessons, that we ought to learn from this depression. One is as to interdependence of the various economic groups here in the United States, how all classes, legitimate classes, are interdependent one upon the other in an economic sense—the farmer, the apple grower, the laborer, the businessman, the professional man—we are all embarked in the same boat, making for the same port, and subject to the same storms at sea. We are not antagonistic; our prosperity must be common and must be shared in order to be permanent as well as general. The other lesson is this: The economic interdependence of the different countries of the earth. Politically, different nations are independent, and I think ought to be, but in an economic sense the different nations cannot be wholly independent. This world is an economic unit. Various countries, however, far apart in this day are dependent one upon the other in an economic sense; the prosperity of one contributes to the prosperity of all; the adversity of one must be shared in some measure by all.

When we look back through the centuries, if we may take a leaf or learn a lesson from history, we see that the great trading nations, as a rule, have led in point of wealth, progress, prosperity, and civilization. That is true of the Phoenicians, the Carthaginians, and the Athenians, who, may I say, shine like a particular bright star in the dusk of antiquity. The end of the Dark Ages was marked by the rise of the Hanseatic League of the north and the trading republics in southern Europe.

The two great trading Nations of modern times have been the United States and the United Kingdom.

The time and occasion will not permit a full discussion of trade, though I do want to impress upon you that trade is a two-way traffic. We cannot close the door of imports without having the doors closed to our exports. As a nation, we cannot long sell without buying to a reasonable extent. We cannot afford to be consumed, or consume ourselves, by our own narrow sectionalism or nationalism. Axiomatic as this is when applied to international trade, it applies with even more force to some of the pernicious types of growing State trade barriers.

The outstanding battle of this congressional session ended in the extension of the reciprocal trade agreements program, and I believe its operation and extension will ultimately bring greatly increased opportunity to the Nation's youth.

As our society becomes increasingly more complex, young men must be increasingly alert to recognize and interpret maladjustments and take the lead in establishing a balance between industry groups, population groups, and sectional interest. When a proper balance shall have been established, then perhaps we will have found the solution of our unemployment problem.

In addition to paying a proper regard for our youth, our generation cannot disclaim an obligation to those who have contributed their fruitful years and face the evening of their life. They have performed their mission well and we must not let storm clouds of want and despair mar the setting of their sun.

Youth is more vitally affected by war and world crisis than any segment of our population, and it is of first and paramount importance to the welfare of youth, as well as the Nation as a whole, that every honorable and appropriate means be utilized to make safe our peace and security.

World events make it imperative that the United States stand unshaken in the storm as a citadel of democracy and freedom toward which the people of the world may look, like the star of Bethlehem, to guide and light their way. By maintaining peace, America and other nations of this hemisphere may for a time become the only repository of a sound and efficient government of freemen throughout the world. By holding high the torch of civilization and liberty, this Nation can be of inestimable value when the present unfortunate struggle ends. In order to meet this responsibility our Nation must exemplify, by precept and principle, both the right and the ability of freemen to govern themselves.

The ultimate safeguard of democracy is an enlightened and a consciously moral citizenship. If the citizenship lacks the intelligence or the moral courage necessary for self-government, then democracy will cease to exist.

For morality we must depend upon the consciousness of the people that they are accountable to the divine power which created them. "Love thy neighbor as thyself"; "Do unto others as you would have them do unto you," fade into nothingness unless based upon a belief and faith in the fatherhood of God; and without this faith, brotherhood of man becomes an idle dream.

Is it not more than significant that every attack upon the rights of a people to self-government by a present-day collectivistic dictatorial power has been fostered and accompanied by a contemptuous assault upon the fundamentals of religion. They see human beings only as creatures of the State to be subordinated and subjugated to its totalitarian will, possessed only of those rights and privileges which the totalitarian government in its benevolence or tyranny may grant. They begin their approach to this inglorious type of subservient citizenship by a destruction of all contact, relation, and accountability to the Creator.

The survival and progress of democracy must depend upon the youth who will steer its course tomorrow. They must be convinced that democracy offers the best opportunity for happy, hopeful human existence. No matter how dearly this generation may cherish the principles of democracy, and how inviolate we may hold the rights of self-government, unless some of that ardor, some of that belief can be imparted to the coming generations, then who is to carry the torch. Yes; this youth of Tennessee and of America must have confidence in our institutions and in our form of government if it is to long survive, and I believe it will.

You can correctly accuse me of being an optimist. By nature youth is optimistic no matter how dark the night; no matter how distant the dawn, I doubt not that tomorrow will come and that the splendors of the future will eclipse all the splendors of the past.

When we have fully accepted and courageously discharged our burdens and obligations; when we have removed narrow injustices and inequities, when we make the door of opportunity available to all our people; when we provide for properly brightening the evening shadows of life for our old; when proper provision is made to enlighten the mind of our youth upon the truth and sacredness of the principles of liberty, equality, justice, and the ability and the right of people to self-government; when we can be assured, as we are, by the godliness of American mothers as they look into the fathomless blue of their babies' eyes, that the everlasting truth of God and His creation and salvation has found lodgement in the heart, in the mind, and in the immortal soul of our youth, then we will have fulfilled our mission, and we may proudly say to the world, "Behold our democracy."

David Saposs

EXTENSION OF REMARKS

OF

HON. THEODORE FRANCIS GREEN

OF RHODE ISLAND

IN THE SENATE OF THE UNITED STATES

Monday, April 22, 1940

LETTER FROM MARY BARTLETT, CHIEF OF THE RHODE ISLAND DIVISION OF WOMEN AND CHILDREN

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mary Bartlett, Chief, Division of Women and Children, State of Rhode Island, addressed to the Senator from Tennessee [Mr. MCKELLAR], repudiating the charge of communism against David Saposs, Director of the Division of Economic Research for the National Labor Relations Board.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 17, 1940.

Senator MCKELLAR,
Appropriations Committee,
United States Senate, Washington, D. C.

DEAR SENATOR MCKELLAR: Any student of the labor movement in this country knows that the attacks against David Saposs as a Communist are unfair; anyone really interested in the labor movement fears the tendency to label everyone who believes in the Bill of Rights a Communist.

Mr. Saposs has been a capable director of the Division of Economic Research for the National Labor Relations Board. Under his competent guidance the division has released many studies that have been an important part of the work of the Board. His published writings prove him to be a scholar; his work with the Labor Board shows him to be an effective research administrator. He is a liberal who holds no brief for the authority and duplicity of the Communist Party.

Certainly the appropriation of the National Labor Relations Board should not be cut so as to strangle the Division of Economic Research nor should the Director of this Division be singled out for epithet when the value of his work has already been proved.

I should appreciate the inclusion of this letter in the CONGRESSIONAL RECORD.

Very sincerely yours,

MARY BARTLETT,
Chief, Division of Women and Children.

Federal Spending

EXTENSION OF REMARKS
OF
HON. W. STERLING COLE
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, April 22, 1940

EDITORIAL FROM THE ADDISON ADVERTISER

Mr. COLE of New York. Mr. Speaker, under leave to extend my remarks, I am inserting in the RECORD a timely editorial from the Addison Advertiser, a weekly newspaper published in Steuben County, N. Y.

[From the Addison (N. Y.) Advertiser]

MASKS ARE OFF

The current session of Congress, which opened in January with a fanfare of economy gestures, has settled back into its customary role of throwing money to the seven winds, irrespective of how such action affects the country. Irresponsible though the course of appropriations has become, it does weave a definite pattern, the pattern of handing out money to groups likely to swing their votes toward the party with the longest Santa Claus whiskers.

Spend, spend, spend has been the theory of the Democratic administration which occupied Washington in 1933, and spend, spend, spend will be the refrain until the last new dealer has been driven out of the seat of government. Congressional protestations of economy sounded well in January and February, when election was still 9 months away, but as the days grow longer the sentiment grows stronger for trying to buy another term at the expense of the long-suffering taxpayer. For several years there has been an election formula which has worked like a charm—the formula of soaking the middle-class fellow who is hit the hardest by taxes and handing the cash to the classes who vote as a group. Mr. Roosevelt taught the lesson well to his followers and they will continue the plan until enough Americans come to their senses and get rid of the spenders.

There is only one possible way to save this country from bankruptcy as well as the loss of our American system of free enterprise. That is to rid Washington of the crackpots and theorists who have gobbled our national life like a cloud of locusts. The Corcorans, the Cohens, the Hopkinses, the Franks, and scores of other of their ilk must be rooted out body and breeches. It has come to be a case either of their defeat or the loss of true American democracy. No compromise or half measure will suffice.

The efforts expended in trying to sell a third term are born of the necessity of despair. Trying to elect a Corcoran, a Hopkins, or any one of those pink theorists would be as impossible as electing Al Capone a Methodist bishop. Their only hope of continuing to inflict themselves and their ideas on the country is to hide behind the much-exploited Roosevelt charm.

Congress is like a drunken man seated on the railway track with his back toward the engine. That is an old simile borrowed from the Bryan campaign of 1896, yet it is true today. A few Democratic Representatives and Senators appeared to sense the danger last winter, but with the approach of spring the idea grew that they were tied inseparably with the New Deal crowd with whom they have been associated for 7 years. The voters of the country would be satisfied with no half-way measures. Promises of economy had been broken too many times to be believed again—judgment in this election would be passed on the history of 7 years, not on any eleventh-hour reform such as a demonstration of real economy in 1940.

So Congress has again gone on a spending spree. The people know it, which is well. The issue in this election will clearly be the failure of the new dealers to lead us out of depression and unemployment. Mr. Roosevelt has been trying desperately for more than a year to make people forget his domestic failures by headlining foreign dangers, but the immediate concern of a majority of Americans is that of restoring jobs for the millions on relief who are willing to work.

Congress having abandoned its deathbed repentance for the sins of profligacy now will come face to face with an electorate determined on a change. Doubtless Congress will succeed in dodging the issue of raising the debt limit—dodging it by appropriating just enough money to carry through until after election. Perhaps a tax boost will be avoided in the same way, but the people will be acquainted with the fact this is only a dodge. The money received on the old national homestead has been spent, even though the mortgage has not been foreclosed. Masks are off and the voters can point to the villains in November.

Award of Medal of Honor to Robert Preston Thompson

EXTENSION OF REMARKS
OF
HON. JOSEPH W. BYRNS, JR.
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, April 22, 1940

LETTER FROM HON. JOSEPH W. BYRNS, JR., OF TENNESSEE

Mr. BYRNS of Tennessee. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter which I wrote recently to HON. CARL VINSON, chairman of the House Committee on Naval Affairs:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 20, 1940.

Hon. CARL VINSON,
Chairman, Committee on Naval Affairs,
House of Representatives, Washington, D. C.

MY DEAR MR. CHAIRMAN: I am in receipt of the report of the Navy Department, signed by J. H. Towers, Acting Secretary of the Navy, with reference to my bill, H. R. 8315, to award posthumously the Medal of Honor to Robert Preston Thompson, an enlisted man of the United States Navy, who lost his life on the submarine *Squalus* on May 23, 1939, and from which his body was never recovered.

I am surprised at the attitude taken by the Navy Department in this respect, particularly since they admit that the only cost to the United States Government would be $3.50 for the actual medal itself. This parsimonious attitude is all the more difficult to understand when at the first session of this Congress alone $773,000,000 was appropriated for the Navy; in the Seventy-fifth Congress $1,063,000,000; in the Seventy-fourth Congress $985,000,000; and in the Seventy-third Congress $284,000,000.

Attention is called in the adverse report to the fact that other persons lost their lives in the submarine, and, since this seems to be one of the grounds of objection of the Navy Department, I wish to advise that I am preparing a bill to give all those who lost their lives in this disaster the Medal of Honor, thus meeting one of the objections of the Department. While Mr. Thompson made no greater sacrifice than the others who lost their lives, still his case is particularly deserving when you consider the fact that his was the only body not recovered, and that his widowed mother was denied that small comfort of having her son's remains sent to her.

On the day that our country fails to show respect to those splendid young men, who gave their all for it, on that day we are showing ourselves to be unworthy of their sacrifice, and I am amazed that any Department of this Government can be so callous, so hard-hearted, as to let a matter of $3.50 stand in the way of a recognition of this young man's heroic sacrifice. Of course, it is all very well for a man safe behind a desk in the Navy Department to take such a calm view of the sacrifice made by this young man. I will be very happy to pay for the medal myself, thus meeting another objection of the Navy Department.

If medals are not created for such cases as this, I fail to know for what purpose they are created. If we fail to honor the heroic dead, we fail to do our full duty.

I respectfully ask for an opportunity to appear before the committee and argue this bill, notwithstanding the objection of Admiral Towers.

With kindest personal regards, I am

Cordially yours,

JOESPH W. BYRNS, Jr.,
Member of Congress, Fifth District, Tennessee.

America's Participation in Another Foreign War

EXTENSION OF REMARKS
OF
HON. HAMILTON FISH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 11, 1940

RESOLUTION OF THE SOCIALIST PARTY OF THE UNITED STATES

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include a resolution adopted by the Socialist Party of the United States at its national convention held in Washington, April 6 to 8, 1940, against America's participation in another European war. The preservation of American neutrality and keeping America out of foreign entanglements and wars is the most important issue before the American people. No party or Presidential candidate can afford to dodge or pussyfoot on this vital issue. I am glad that the Socialist Party and its able candidate, Norman Thomas, have espoused the cause of neutrality, nonintervention, and peace, and hope that all other national parties will do the same. I shall do everything in my power to include an antiwar or peace plank into the Republican national platform for 1940.

The European war presents to the American workers and the population generally the greatest challenge of our generation. Our task is not to isolate ourselves from the problem of the workers of the world. As firm believers in internationalism, our purpose is to follow that course of action by which the workers of the United States can best be of service to world labor.

A majority of the peoples of the old world are now pitted against each other in a war that stems from the critical condition of world capitalism. Its causes lie equally in the domestic crisis of all the powers accompanied by the building of military economics with their consequent nationalism and the incessant demands of capitalism for expansion beyond a home market of low-paid consumers to new fields for investments, for markets, for raw materials. The allied powers already held empires; domestic crisis was therefore less acute and their degree of political democracy greater. Germany, on the other hand, deprived of colonies, prestige, and internal stability by the last war, was pushed on the road to fascism and into a policy of aggression with the very connivance of the allied powers.

The cause for which Hitler has thrown the German masses into war is damnably unholy. But the war of Chamberlain and Reynaud is not thereby rendered holy. The fact that Hitler is the opponent does not make the Allied war a fight for democracy. The brutal Hitler regime—with its drowning of trade-unionism in the blood of the workers, with its bitter persecution of racial minorities, with its crushing of all human liberties—is in great part the result of the imperialist peace which followed the last war. In England and France the military and economic pressure of the war has begun to undermine the political structure of democracy, and if the war passes from its present static condition to large-scale hostilities, consuming vast quantities of men and material, the drift to military dictatorship and fascism will grow at a rapid pace. Already the French Government is invoking the death penalty to suppress dissenting opinion.

Like war, fascism has its origin in capitalism. Both war and fascism spring from the failure of the capitalist economy to solve the domestic problem and provide a secure and decent livelihood for the masses of the people. Fascism has its origin in the breakdown of the national economy, the desperate turning of the frustrated people to a messiah who promises all, and the competition among nations for the control of sectors of the world market dictated by capitalism's need for expansion.

Inherent in capitalism is the resort to conquest of small or unindustrialized nations, to war with rival imperialisms, or, when this expanson is thwarted, to a military, state-controlled economy which can intensify domestic exploitation. The struggle for bread, opposed to that for profits, is likewise international. The clash of workers against capitalism, therefore, takes many international forms: for freedom of colonies, for the overthrow of fascism, for the end of imperialist war.

The struggle against war is inseparable from the struggle for freedom, for justice for all peoples, for a world of socialist democracy. We must oppose wars and the system that makes them.

In warring nations, the very struggle for existence of workers involves a conflict with the conduct of war. Protests against high prices, long working hours, government control of trade-unions, suppression of civil rights, cannot be separated from opposition to the war itself, for the state turns on such protests to suppress them. The cleavage which develops between workers and the warring state is natural, and the class struggle becomes identical with the struggle against war.

For colonial peoples, war by their robber empires intensifies the exploitation of their resources. War loans drain the wealth and cripple the economy of the country. Conscription takes natives for the armies of the war. Demands for independence are met with further curtailments of liberty. Imperialist war is for their possession; for colonials, the struggle for freedom and the struggle against war are the same.

In Germany, the immediate effect of the war has been to make the work of the underground movement much more difficult. The separation of workers through their conscription in the army and factories, the unity of the people under threat of a new Allied blockade, and a new Versailles treaty, increase the difficulty of work against the regime, although the pressures of the war will, over a period of time, strengthen antagonisms against it. Defeat of Hitler will be welcomed by all antifacists. But defeat of Hitler will mean the defeat of Hitlerism and victory for the German working class only if French and British workers are sufficiently organized to stop Allied troops from overthrowing another German revolution. Already, the Allies covertly discuss restoration of the monarchy, or removal of Hitler with maintenance of domestic fascism in the Reich. The possibility of successful working-class revolution in Germany is proportionate to the strength and independence of antiwar working-class forces in France and England who are opposing all efforts to rouse hatred against the German people.

In this situation, the American working class has its responsibility. It must aid the working class in the warring powers and particularly the heroic underground movements that have carried on for years despite the terror. It can render that aid only if it remains free from dictatorship itself—by keeping America out of war and out of the conditions that create dictatorship.

Already the United States is alined economically on the Allied side of the war. The Allied Governments have no idealism in the conflict, no war aims worthy of the sacrifice of the democracy and life of their peoples, no purpose of overthrowing fascism except to replace it by a more desperate and brutal government, if need be, that would crush the economic demands of the German workers, and leave England and France free to pursue their star of profit. The American people have no stake in such a victory. We have a measure of democracy which war would take away—a democracy which must be extended if we are to solve the grave problems of poverty, unemployment, and racial oppression for which war would not even be a temporary though terrible antidote, but only a new irritant. We have the responsibility of material and moral support to antiwar forces throughout the world, which entrance into war would prevent us from fulfilling.

The United States must be kept out of this conflict. The hope of the American people for peace is not the hope of victory for either imperialism, but for victory of the masses who everywhere suffer by war. The entry of the United States did not guarantee a democratic end for the last war; indeed, American armies helped to crush the revolutions of central Europe and to keep the French workers in check. To keep America out of war is to aid the antiwar and anti-Fascist forces of Europe as well as ourselves.

Since the driving force for participation in the wars of capitalism has always been economic, the workers must oppose all economic pressures for war. We must not permit ourselves under slogans of "steps short of war" to become involved in the Allied economy and thus in the military struggle. Participation in modern war cannot be partial. If the American people once approve entering the economic war now raging more vigorously than the physical struggle, they will find that that decision has determined their participation in the military conflict. Keeping America out of war means keeping America out of the economic war as well.

American workers want to keep out of war precisely because war would cripple their organized struggle for a better world. Already the militarism of the Government is made an excuse for cutting expenditures for social welfare. Our military budget now exceeds by far the billion-dollar annual Budget concerning which the Democratic Party platform of 1932 taunted the Republicans. M-day plans which would bring dictatorship to the United States have been prepared in detail. The first duties of the American people are to oppose the militarism and war plans of their own Government; to demand security through the prosperity of consumer-goods production and work for all—and to defend civil liberties and workers' rights.

Nor is the United States at present a symbol of justice in foreign relations. Under the slogan of the "good neighbor" policy, the administration aided Cuban fascism in suppressing all working class and democratic forces under the iron heel of reaction. It has played

the game of imperialistic give and take with dictatorial regimes throughout Latin America. In Brazil it gave aid to the regime of the reactionary Vargas by official praise, by military and naval missions, and by aid in the creation of a fighting navy. With the help of a reactionary majority in Congress it went out of its way to deny aid to the legitimate Spanish Government, which was legally entitled to purchase materials, under circumstances that could not have involved us in war, while permitting the free shipment of munitions to Mussolini and Hitler and through them to Franco. In the Far East it has displayed none of the altriusm which it now professes with reference to Europe. It deliberately chose to ignore the then-existing neutrality law and with a view to profits became a virtual partner of Japan in the assault on China, while at the same time it gave every evidence of a willingness to make war in Pacific waters to protect foreign investments.

Since economic neutrality is essential if we are to preserve military neutrality, we oppose any policy that paves the way to economic aid to warring powers by the United States. We condemn America's economic participation on the side of the Allies just as we condemn Russia's economic participation on the side of Nazi Germany. At the same time, we proposed affirmative action by the workers for the achievement of the following immediate tasks:

1. Enactment of a constitutional amendment which would give the American people the right to vote on participation in war.
2. Defeat of the huge Army and Navy bills, altogether out of proportion to any defense needs.
3. Elimination of all existing M day plans and schemes for universal conscription, thus warning those who would plunge America into war that America will not tolerate involvement in another war and war dictatorship at home.
4. The abolition of military training in the public schools and colleges, and the removal of military supervision from the C. C. C. and from all other civilian institutions.
5. Abandonment by the United States of all imperialist ventures, whether of an economic, financial, or military nature, particularly in Latin America.
6. The granting by the United States of independence to its colonial possessions.
7. The defense of civil liberties and the extension of a domestic policy aimed at unemployment and insecurity; the strengthening of organized labor and farmers on the economic and political fields, especially in bringing about labor unity; and the development among those organizations of a genuine program for international peace.
8. The continuance of independent working-class action through the medium of the workers' boycott of German and Japanese goods.
9. The effecting of international cooperation for the reduction of economic friction between the nations of the world resulting from the struggle for trade, investment areas, raw materials, and the achievement of freedom of the colonies and not their redivision among the imperialist powers. America must be kept free of any alliances that will prevent the establishment of international economic cooperation, which is the only basis for peace and the elimination of fascism in Europe and the world.

Above all things, the American workers must indicate now that they will not participate in any declaration of war by our Government. The working class must now present an unqualified demand: Keep America out of war!

Texas Already Has a Hatch Law

EXTENSION OF REMARKS

OF

HON. JOHN J. DEMPSEY

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

EDITORIAL FROM THE EL PASO HERALD-POST

Mr. DEMPSEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the El Paso Herald-Post for April 18, 1940:

[From the El Paso Herald-Post of April 18, 1940]

TEXAS ALREADY HAS A HATCH LAW

Some time ago we suggested editorially that El Paso County officials observe the spirit of the Hatch law by allowing county employees to stay on their jobs instead of "pushing cards" during the coming election. Some of the officials agreed that such would be a fine thing to do, but others maintained silence.

Now there is another angle to the Hatch law—campaign contributions from public employees.

Believe it or not, that happens to be already against the law in Texas.

We refer the officials—particularly judges, attorneys, sheriffs, constables, and any other law-enforcement officers—to article 197 of the Texas Penal Code. It says:

"Any head of any of the departments of State or other public officer who shall demand or receive any money or thing of value from any clerk or other person in his office for his election expenses, or to reimburse him for money already expended, or who shall remove from office any competent clerk who declines to make such contribution, shall be fined not to exceed $500."

May we suggest that the grand jury keep its eye on this election and see that the law, which has been on the books 35 years, is obeyed. If they deem it necessary the jurors might appoint a few special investigators to keep watch.

In Fort Worth the taxation and public expenditures committee of the chamber of commerce has asked the county officials to observe the spirit of the Hatch law and obey section 197.

There county employees are said to be expected to give a month's pay toward their boss's campaign fund. We do not know what the "take" is here but it is bound to be something, and there seems little justice in making the $1,500 boys contribute anything to the $5,500 boys.

At any rate the law says it should not be done.

Smear From the Left

EXTENSION OF REMARKS

OF

HON. FRED L. CRAWFORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

EDITORIAL FROM THE SAGINAW DAILY NEWS

Mr. CRAWFORD. Mr. Speaker, out in the great open spaces where people can think clearly without contamination of propaganda, we get a lot of good philosophy. These people are doing clear thinking today about the war, national policy, and other important issues.

In their clear thinking they have decided they have no use for those subversive forces which are dissatisfied with our form of government and they have still less use for the repeated "smear" campaigns launched by un-American interests.

How they are thinking is voiced in a splendid editorial in my home-town paper, the Saginaw Daily News, which reminds us that havoc has been wrought in Europe behind the wild cries of "democracy" and "civil liberties." The editorial is so to the point that I present it here for the perusal of the House. It pertains to the recent smear against the Federal Bureau of Investigation.

[From the Saginaw Daily News]

SMEAR FROM THE LEFT

The campaign to smear Chief G-Man J. Edgar Hoover and perhaps force him to relinquish his post seems to be gathering strength. It was mentioned earlier in this column that the so-called liberal press had been heaping criticism on the F. B. I. head for weeks, and that Attorney General Jackson apparently had lent his name to the campaign by dismissing neutrality-law indictments against several leftists in Detroit.

Now it appears that the move to oust Hoover has gained support in both branches of Congress. Condemnatory speeches have been delivered by Senator NORRIS, of Nebraska, and Congressman VITO MARCANTONIO, of New York. NORRIS is a former Republican turned new dealer, and MARCANTONIO is an American Labor Party member.

Thus far the attacks against Hoover have been largely couched in generalities, chief among these being that he is an "enemy of civil liberties."

It is interesting to note the wide uses this phrase, "interference with civil liberties," has been put to lately. In Hoover's case it is made to cover the awful offense of investigations made without fanfare, nocturnal arrests of suspected criminals (some of which happened to be leftists), and refusal to place his office on a pro-new dealish partisan basis.

If the truth were known, it wouldn't be far wide of the mark to say that Hoover is in disfavor chiefly because he has insisted on enforcing the law honestly, capably and impartially. Some of the administration's friends do not like that kind of law enforcement. They aren't concerned with what happens to bundists, Fascists, and such. But the area left of center is sacred to them, and anything that originates there is good, no matter how badly it smells.

These pretended liberals are making much capital out of "democracy" and "civil liberties" these days, but they ought not forget the travesties that have been wrought in Europe under these same general headings.

Westminster College

EXTENSION OF REMARKS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Monday, April 22, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. CANNON of Missouri. Mr. Speaker, Westminster College is one of the oldest institutions of learning west of the Mississippi River. It is one of the few, if not the only remaining school, exclusively for men, in the Central West. Its institute of public affairs, annually, attracts to its forum many of the most distinguished men of the Nation, and I wish to include as a part of my remarks the address of Hon. James A. Farley before the institute on April 2. In no State in the Union is Postmaster General Farley in higher favor than in Missouri. His address is most timely, and is of national interest, and followed similar addresses by Hon. John D. M. Hamilton, chairman of the Republican National Committee, and Hon. Paul V. McNutt, Administrator of the Federal Security Agency, who addressed the student body of the college on current subjects at recent sessions of the institute.

Mr. Farley's address is as follows:

There is something refreshing for a man of my experience to come face to face with you young Americans of Westminster College. From where I stand I can observe in your earnest faces not only an honesty of purpose that reflects credit upon the homes from which you came, but also a sense of appreciation of the opportunity you have here to qualify yourselves to make your way in the world.

My attention was called recently to a remark of George Bernard Shaw, a noted playwriter, upward of 80 years of age. He was quoted as saying: "Youth is a wonderful thing. What a crime to waste it upon children." The young people that Shaw had in mind were not, of course, our alert American youth of today, and were not made of the stuff that you have inherited from your people.

Every Missourian has the right to be proud of the history and heritage of this great State. The dauntless explorers of France, England, and Spain came here in the early days to make their homes. Here came also the courageous and high-spirited Germans and Irish seeking political freedom; the valiant Virginians and the strong-hearted Kentuckians, the intelligent and thrifty New Englanders, and the chivalrous and gentle sons and daughters of the South to found a truly great American Commonwealth.

Missouri was for a number of years the outpost and frontier of our national civilization. From the time of its inclusion in the United States in 1803, under the direction and foresight of Thomas Jefferson, her citizens have ever been foremost on the field and in the forum as the defenders of the liberties of the people.

Her strategic location as a frontier State in the early days, her border-line position in the days before and during the War between the States, and the solid American character of her people have always caused the citizens of Missouri to be keenly alive to every question that affected the welfare of the country.

With this background it is not difficult to understand your interest in the forthcoming election of a President of the United States. With civilization hanging in the balance, with serious social and economic problems still in the process of solution, it is obvious, if our Republic is to remain the last high hope of mankind, that every American citizen must do his part at this time in shaping the destiny of the Nation.

I congratulate my good friend, President McClure, and his associates on their foresight and success in placing before the Institute of Public Affairs of Westminster College a number of the eminent Republican and Democratic aspirants for the Presidential nomination. There is evidence that other cities in the State are imitating your good example. I saw a squib in the paper a few nights ago that Tom Dewey was in St. Louis and that other candidates have been around here and there.

I think this is a good thing. I think the people of this country should have the chance to size up all the Presidential candidates at close range. If this could be brought about, I am convinced that you could depend upon the American public to pick out the right man for the place. It has been my experience over a period of years that sooner or later our people get the true measure of every man in public life. They have a way of finding out for themselves whether a man is a human being or a jack-in-the-box, and whether he really has something under his hat or is just talking through it. For this reason I not only endorse the idea of the Westminster Institute of Public Affairs, I am heartily in favor of it.

The Presidential candidate of the Democratic Party in 1940 must base his claim for success upon the record of the Democratic administration for the past 7 years, and he must convince the public of his desire and ability to see that record through to a complete and successful conclusion.

When the Democratic Party came into power on March 4, 1933, it inherited from the Republican Party a defeated, discouraged United States, tangled in the bog of financial and economic chaos.

We inherited a prostrate banking system, 15,000,000 unemployed workers, farmers in or at the edge of bankruptcy, trade and commerce at a standstill, and a Federal Budget badly out of balance. We started—not from stratch—but from way behind it.

Under 7 years of our administration business has been revived, agriculture has been improved, the national income has been almost doubled, foreign trade has been substantially increased, and the total of unemployed reduced by millions. The spirit of the Nation has been transformed from despair to courage and hope. In a world shaken by war and conquest, the United States has become the last great bulwark of freedom and peace.

This is the Democratic record and we are proud to stand upon it. The inheritance of wreckage taken over from the Republican Party has been converted into a legacy of hope and vigor for the present and future generations.

The goal of the Democratic administration has been security—security for the Nation and security for the mass of common citizens who must find happiness and a means of livelihood in a harsh and complex industrial age. The old policy of drift and shift, of doing nothing and letting things take their course, produced only bitter fruits and tragic failure.

The constructive achievements of the Democratic administration stand unmatched in recent history. While other nations have wasted their substance on war and destruction, the United States has been conserving its natural resources and human manpower. The soil has been protected against the ravages of the wind, water power has been developed, and the benefits of time- and labor-saving electricity carried to rural homes and rural firesides. Idle hands have been given employment in the building of roads, school houses, bridges, dams, airports, landing fields, and other useful public projects. As a result of this program, undertaken in a time of economic emergency, the Nation's physical plant is in better shape today than it ever was before.

These splendid benefits are here and now; benefits that will accrue to future generations as well as to our own. A social-security law has been enacted to provide a measure of financial security for men and women workers who arrive at old age without independent means. Payments under the act are beginning this year. The law was designed to correct one of the gravest abuses in the industrial system, and, before many years have passed, it will take its place as one of the most humane pieces of legislation ever enacted by a far-seeing government.

Bank deposits are now insured, guaranteeing against a repetition of the misery and disaster caused by the wholesale collapse of the banking structure under the last Republican regime. A brake has been placed on the issuance of wildcat securities and phony stock certificates. Wholesome regulations have been adopted to curb the type of reckless speculation in security markets which did so much to bring on the last tragic depression.

Labor has had the right of collective bargaining given the sanction of the law. An excellent start has been made on the difficult task of putting a floor under wages and a ceiling over hours of toil.

A program of agricultural aid has been placed in effect, under which the prices received by farmers have risen far above the ruinous rates received in 1932.

The national defense has been strengthened and relations with Latin-American countries vastly improved by the good-neighbor policy.

The list of worth while, workable measures written into law by the Democratic administration could be extended indefinitely. It is significant that the Republican program committee, headed by Dr. Glenn Frank, found it expedient to put a reluctant stamp of approval on many of the major measures sponsored by a Democratic President and a Democratic Congress. A political party, facing a national election, could hardly do otherwise.

The critics, of course, are dissatisfied. Under the grand old American way, they have a right to fill their lungs with air and then scream until the heavens echo their plaintive cries. They still have that right because the Democratic administration has been zealous in its protection of civil liberties.

What disturbs our critics? First of all they complain about the size of the public debt, neglecting, of course, to remind the electorate that the debt rose more than five and a half billions during Mr. Hoover's regime when nothing was done to turn the tide. The Democratic administration had a choice to make in the face of a dreadful calamity—it could balance the budget or it could use the public credit to meet human needs. The latter course called for greater courage. But it was right and it was chosen.

The debt has gone up, but spending has advanced the national income and saved millions of worthy citizens from privation and want. There was no other way to do the job. The public credit has been strengthened, not weakened, and United States bonds are selling above the levels that prevailed when this administration came into power.

"Look at the unemployed." This is another favorite cry of the critics. What did the Hoover administration do to solve unemployment? Has any Republican candidate offered a single concrete suggestion for meeting the problem? I mean apart from

the usual bunkum about business improving if the Republicans are returned to power. In other words, "prosperity is just around the corner" provided the Grand Old Party gets back in the saddle—the same old medicine in a different bottle.

Senator BARKLEY, majority leader, stated the case in a recent speech summarizing the work of the Democratic administration.

"It must be remembered," he said, "that we have had only 7 years to climb the hill from the depths of the depression as it existed in 1933. If it took 12 years of political and economic folly to throw 13 million men out of work, we claim to have attained a miraculous success if we have been able to put three-fourths of them back to work in 7 years in addition to the absorption of those who have newly come upon the scene and those who have been displaced by mechanical improvements."

The Roosevelt administration, in the face of tremendous odds, has done a remarkable job of reconstruction. It has revitalized the Nation's life and it has preserved peace. It will take its place in history as one of our great constructive administrations.

The American method of procedure in providing every citizen of the Republic with a share of responsibility in the management of our national affairs is to be found, generally speaking, in our two-party system of government. In this way the party out of power, the Republican, can avail itself of the regular national and congressional elections to point out to the people what it considers to be the mistakes and the weaknesses of the administration of the party in power. But the minority party must do more, and here is where the rub comes for the Republicans in this election. It must offer a constructive program and it must offer sound sensible candidates.

To put the present situation more clearly before this assembly of college people, let me say that the picture is about the same as the one you may have seen at the annual home-coming football game, when some carping critic stands up in the crowd and yells at the top of his voice that he can run the team better and carry the ball farther than any man on the field.

In this campaign I am proud to be the spokesman of the Democratic Party for one of the world's largest business organizations, the United States Post Office. I am proud of the postal surpluses in every year of my administration save one; not because those annual surpluses are a credit to my record as a businessman but because I firmly believe that it is the duty of a Postmaster General "to serve the public more and more and tax them less and less."

If I ran a deficit as Postmaster General, it would have to come out of your pockets in taxes. That is why I have tried to live within our income in the Post Office Department and do my part toward balancing the National Budget.

I am proud to be at the head of this magnificent and universal system of communication. I am proud to be associated with the fine men and women who make up its field forces, and I am pleased to express publicly here and now my appreciation to them. I make claim to no special amount of personal credit for the present high efficiency of the Postal System. I do assert, however, that under the Democratic administration we have made decided progress.

When we came into office on March 4, 1933, we adopted policies calculated to safeguard this great public business, to improve its efficiency, to assume our full responsibility to the workers, and to save money for the taxpayers. As we have gone along with the work we have stood by those fixed policies. And the record shows that we have been successful. Let me illustrate:

The net deficit for the fiscal year 1932, which was the last full year of operation under the previous Republican administration, was a staggering deficit of more than $152,000,000.

There was a net deficit in the fiscal year 1933 of more than $50,000,000, notwithstanding that in the beginning of that year the postage rate on all first-class matter was raised from 2 to 3 cents.

The fiscal year 1934 was the first full year of the Democratic administration. As the result of my recommendations at the beginning of that year, the local rate on first-class matter was reduced from 3 to 2 cents. In spite of the loss in revenue from that reduction in the rate of postage, a net surplus was shown from our operations in 1934.

In 1935 another net surplus was shown.

In the fiscal year 1936, due to the adoption of the shorter workweek, which cost millions of dollars and put thousands of men to work, and due also to the fact that in 1936 the post office took over for the first time the custody of post-office buildings from the Treasury, we suffered a net deficit of less than $17,000,000.

Increased efficiency on the part of the postmasters and employees, coupled with increased revenues, enabled us to again show a net operating surplus in the fiscal year 1937.

The same is true of the fiscal years 1938 and 1939.

Therefore, by adopting the same methods of bookkeeping as my predecessors and by taking credit for nonpostal items, in the same manner as previous Republican administrations claimed this same credit, in 5 of the 6 full years of operation under my administration we have shown a net surplus from that part of our services which we have rendered to the public for hire.

It has been a privilege to address you this evening, and I wish to express my sincere thanks and appreciation for your attention and your very cordial hospitality.

Helping the Farmer

EXTENSION OF REMARKS

OF

HON. RICHARD J. WELCH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

EDITORIAL FROM THE WASHINGTON DAILY NEWS

Mr. WELCH. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Washington News of April 20, 1940:

[From the Washington Daily News of April 20, 1940]

"HELPING THE FARMER"

The Barden amendments to the Wage-Hour Act, now expected to be brought up in the House next week, have been represented frequently as a boon to the farmers.

That may be true—in the case of corporate farmers who operate their own canneries and packing plants.

It is certainly not true in the case of a bona fide dirt farmer. The reverse is nearer the fact.

If the Barden amendments are enacted, and the protections of the Wage-Hour Act are removed from more than a million low-paid workers, their ability to buy farm products will be diminished. That certainly will do farm prices no good.

The proposed exemptions have nothing to do with farm labor, which of course has never been covered by the Wage-Hour Act.

The pretenses of some of the cannery lobbyists, sawmill lobbyists, cheese lobbyists, tobacco lobbyists, etc., who profess to be crusading in the interests of the hard-pressed American farmer, are a little sickening.

Senator MURRAY, of Montana, said the other day, in attacking the Barden amendments:

"I come from a great agricultural State and have supported every proper farm bill of the administration, but I submit to your common sense that we cannot help the farmer by decreasing the wages of those who buy his products. Every economist knows this."

We hope most Congressmen know it.

Federal Bureau of Investigation

EXTENSION OF REMARKS

OF

HON. ALBERT L. VREELAND

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

LETTER FROM THE PATROLMEN'S BENEVOLENT ASSOCIATION, OF NEWARK, N. J.

Mr. VREELAND. Mr. Speaker, with the many critical elements in our country finding fault with the exceptionally fine work the Federal Bureau of Investigation is accomplishing, it is most gratifying to receive the following commendation from the Patrolmen's Benevolent Association of Newark, N. J.:

PATROLMEN'S BENEVOLENT ASSOCIATION,
NEWARK, N. J., LOCAL NO. 3,
Newark, N. J., April 10, 1940.

Hon. ALBERT L. VREELAND,
Representative, Eleventh District,
House of Representatives, Washington, D. C

HONORABLE SIR: The Patrolmen's Benevolent Association of the Newark Police Department, at a regular meeting held at the Labor Lyceum on April 9, 1940, unanimously adopted the following resolution, and ordered the same entered on the minutes, with instructions that a copy be forwarded to the United States Senators for the State of New Jersey and to the three Members of the House of Representatives with constituencies in the city of Newark:

"Whereas the press of the United States has recently published statements made in the Congress which attack the law-enforcement methods of the Federal Bureau of Investigation of the

United States Department of Justice and the Director of said Bureau, John Edgar Hoover, and

"Whereas, it has been the experience of our organization to receive from the Federal Bureau of Investigation the fullest of cooperation in all matters affecting the enforcement of law and the apprehension of criminals: Therefore, be it

"*Resolved*, That the Patrolmen's Benevolent Association of the police department of the city of Newark endorse unanimously the policies and practices of the Federal Bureau of Investigation, and its director, and urge upon the Congress that the Bureau be encouraged and commended in its excellent work in the field of law enforcement."

Copies to Hon. W. WARREN BARBOUR, United States Senator for New Jersey; Hon. WILLIAM H. SMATHERS, United States Senator for New Jersey; Hon. FREDERICK A. HARTLEY, Jr. Representative, Tenth District; Hon. ROBERT W. KEAN, Representative, Twelfth District.

Respectfully yours,

THOMAS E. DURKIN,
President, Patrolmen's Benevolent Association, City of Newark, N. J.

Attest:

EDWARD J. SCANLON,
Secretary.

Developing Our Inland Waterways for National Defense. Tennessee-Tombigbee; Lake Erie-Ohio; and St. Lawrence Inland Waterways. Senator McKellar's Fears Unfounded

REMARKS
OF
HON. JOHN E. RANKIN
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Friday, April 19, 1940

Mr. RANKIN. Mr. Speaker, we are spending billions of dollars on national defense. Defense of whom? Are we preparing to defend somebody abroad, or do we propose to defend our own people and our own country? Are we preparing for national defense or international defense?

If we intend to make our own country so safe and strong that she can stand against the world, we should take a portion of this money and use it for the development of our inland waterways, in order to be able to protect America in times of stress and assure ourselves that this country will never suffer the fate of Norway.

Every civilized nation under the sun that can be classed as a world power, except the United States, has developed its inland waterways to connect every section of the country; while here we are yielding to the pressure of certain selfish interests and sadly neglecting that vital phase of our national defense.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I am sorry; I have not the time to yield.

Shall we continue to ignore the sad lessons of history? Shall we continue to ignore what is taking place in Europe today? Shall we shut our eyes to the painful truth that no country is prepared to cope with a world power, or a group of world powers, that has not properly developed its home defenses, especially its inland waterways?

No matter how large an army or navy a country may have, it does not have an adequate system of national defense until it has developed its inland waterways to serve every section of the country to which they can be extended.

If the time should ever come when it is necessary to defend our country against a foreign power, or a group of foreign powers, we are going to have to depend to a large extent on these inland waterways, just as Europe is doing today.

As has been pointed out by the Army engineers, since the latter part of the eighteenth century canal and river improvements in Europe have been located and designed for national-defense purposes as well as for peacetime benefits.

Today, while seagoing commerce is being blasted from the face of the ocean, these inland waterways are probably deciding the fate of Europe.

In Germany a system of inland waterways with a total length of over 8,000 miles connects the river system of the Rhine, Elbe, Oder, Vistula, Danube, and other streams. Berlin is connected with the Baltic Sea through central Germany to Berlin, and to the heart of the Ruhr mining and industrial area. Future plans for German waterways contemplate modernization by 1945 of the old Ludwig Canal connecting the Rhine and Main Rivers with the Danube. While we quibble over the small amount necessary to start work on the Tennessee-Tombigbee inland waterway that would give a new water connection with our nitrate plant at Muscle Shoals, on which we must depend for our explosives in case of war, and shorten its distance from the Atlantic Ocean by a thousand miles.

In France, waterborne commerce through canals and improved river systems is an established part of plans for national defense as well as an important asset to the peacetime economic life of the country. The French inland waterways have a total length of about 6,200 miles—3,200 miles of canals and 3,000 miles of rivers. Included in this system are the Seine, Rhone, Loire, and Garonne Rivers.

Extensive waterway improvements that have been executed and planned in Soviet Russia, for national defense and commercial traffic, include the recently completed Moscow-Volga Canal, which will connect Moscow with the Caspian Sea, and a completed waterway between the Baltic and White Seas in northern Russia. The contemplated waterway between the Volga and Don Rivers will provide inland navigation between Moscow and the Black Sea. Yet we permit these selfish interests to delay the construction of a project to connect the Ohio with the Great Lakes, which, together with the Tombigbee route, would give us a new through connection that could not be attacked from the sea.

In this country waterway improvements, exceeding those in Europe, have been designed primarily for the peacetime developments of a new country, but the time has arrived now when our programs for inland-waterway improvements should be expanded in the interests of national defense.

There are three great inland-waterway developments that ought to be provided for at once, and that can be constructed with a very small amount of the funds now being appropriated for national defense. They are:

First. The Tennessee-Tombigbee inland waterway connecting the Tennessee River with the Gulf of Mexico and the Atlantic Ocean down the Tombigbee River.

Second. The Ohio-Lake Erie waterway, connecting the Ohio River with the Great Lakes.

Third. The St. Lawrence inland waterway, giving us an outlet to the Atlantic Ocean down the St. Lawrence River of sufficient size and depth to carry oceangoing vessels.

Give us these and other similar developments throughout the country, and America can stand against the world. These three projects have already been approved by the Army engineers.

Who is standing in the way? Who is opposing these necessary developments? Those selfish interests that are owned and controlled by the great financial influences, that in turn are controlled by or interlocked with those international financial interests that do not want us to spend any money on the development of an internal-waterway system.

They want us to prepare, not for national defense, but for international defense, that we may defend their interests and operations abroad—even though it costs the lives of millions of our young men, bankrupts the Nation, and wrecks this Republic.

As the Army engineers have pointed out, the proposed canals from the Great Lakes to the Ohio River, and from the Tennessee River to the Gulf, are located in the interior of the country behind the natural defense line formed by the Appalachian Mountain range. In this region the Tennessee River is being improved to provide hydroelectric power, which can be used to manufacture war materials from the mineral resources of the Birmingham and the Great Lakes areas. Certainly no inland-waterway improvements that have been proposed can be so advantageous for National Defense as the Tennessee-Tombigbee and the Ohio River-Lake Erie canals.

Since the work would be spread over a period of anywhere from 7 to 10 years, the annual expense of constructing the Tennessee-Tombigbee inland waterway would be comparatively small. Besides, it would employ between 6,000 and 10,000 men, virtually absorbing the unemployment load in that area, and to a large extent diminishing the relief rolls and the expenditures through the W. P. A.

Then, too, we have the machinery necessary to do this work, now standing idle, and there is enough surplus electricity at Muscle Shoals and Pickwick Dam to supply the necessary energy. It can be constructed now at the very minimum of cost, and, as I have said, it would relieve the Government of enough burden in the reduction of relief rolls and W. P. A. employment in that area to make the cost almost negligible.

It would shorten the water distance from Paducah, Ky., and all points on the Ohio River above the mouth of the Tennessee—up to Pittsburgh, Pa.—to the Gulf of Mexico, by more than 200 miles; and to the Atlantic Ocean by about 500 miles. It would shorten the water distance from all points on the Mississippi River above Cairo to the Gulf by more than 100 miles, and to the Atlantic Ocean by more than 400 miles, and from our nitrate plant at Muscle Shoals to the Atlantic Ocean by about 1,000 miles.

It will also furnish a slack-water route for ascending traffic, practically all the way from Mobile to the Tennessee River, and then a downstream route from there to the mouth of the Ohio; which would be of inestimable benefit to the users of river traffic on all these streams, including the Mississippi, the Ohio, and the Tennessee, as well as the Tombigbee.

As I said, this whole program is being opposed by a few selfish interests. They seem to forget that our transportation system virtually broke down during the World War. They are willing to use their influence to block these great contributions to our national defense, for fear that they might give them a little competition in freight rates in the years to come.

Everyone admits that this Tennessee-Tombigbee project will be constructed sooner or later, and the sooner the better. It has already been surveyed and mapped and approved, and the Army engineers are ready to go to work on it. We have the machinery to do the work now standing idle, and we have the electricity right on the spot, you might say, to supply the necessary energy. As I have pointed out, it can be constructed now at the very minimum of cost and will relieve the Government of enough burden in the reduction of relief rolls and W. P. A. employment in that area to make the cost almost negligible.

It is one of the most important projects of internal development now before Congress and should be aprpoved at this session by all means.

SENATOR M'KELLAR'S FEARS UNFOUNDED

Senator McKELLAR, of Tennessee, has expressed the fears that this project would take enough water out of the Tennessee River to affect adversely the water level on the lower Tennessee. Those fears are entirely unfounded. The only water that would be taken from the Tennessee River at all would be just enough to operate the first lock which would not lower the water level on Pickwick Lake by one one-hundredth of an inch at any one time. Below the first lock, the Tombigbee has ample water to supply the channel and to operate all the locks.

But the benefits of this canal to the State of Tennessee would be tremendous. It will give a new outlet to her water traffic, which is now virtually bottled up, and would shorten the water distance to the Atlantic Ocean by about 1,000 miles. It would be the greatest thing that could happen at this time, so far as the State of Tennessee is concerned.

OHIO RIVER-LAKE ERIE WATERWAY AND ITS CONNECTION WITH A TENNESSEE RIVER-GULF OF MEXICO WATERWAY

The Army engineers have also pointed out that great as the estimated benefits are for a waterway connecting the Tennessee River with the Gulf, they are still greater when considered together with a waterway connecting the Ohio River with Lake Erie. The latter connection has been under consideration for many years and widespread interest in the proposal has led to investigations by the Corps of Engineers in 1881, 1896, 1898, 1911, 1921, 1923, 1925, 1934, 1936, and 1937. The Lake Erie-Ohio River waterway is an improvement of national importance which was partially and provisionally authorized by the River and Harbor Act of 1935, subject to final approval of the whole project by the Board of Engineers for Rivers and Harbors. The plans have been perfected, but due to major changes that have developed with respect to the economics of the project the Board of Engineers will probably again submit the matter to Congress. The plan contemplates a modern waterway extending from the Ohio River, about 25 miles below Pittsburgh, to Lake Erie near Ashtabula, Ohio. The 1930 population of the five counties adjacent to the route is given as about 670,000. There are 10 cities located on the planned route that have populations exceeding 10,000, of which Youngstown, Ohio, with nearly 200,000 inhabitants, New Castle, Pa., with 49,000, Warren, Ohio, with over 40,000, and Ashtabula, Ohio, with 23,000, are important manufacturing centers. The improvement would provide a direct waterway connection between ore producing and consuming areas, as well as a waterway distribution system for heavy manufactured goods between the Pittsburgh area on the Ohio River and the Detroit area on the Great Lakes. The Ohio-Lake Erie waterway and the Tennessee-Tombigbee-Gulf waterway are like bread and butter to each other. Each is highly desirable by itself, but together their individual benefits are enhanced and extended to a wider territory. Together they provide a second valuable all-water route from the Great Lakes region to the Gulf of Mexico, to supplement the existing waterway from Lake Michigan to the Gulf, from Chicago via the Illinois River and down the Mississippi by New Orleans.

In this country waterway improvements, exceeding those in Europe, have been designed primarily for the peacetime development of a new country, but the time has arrived now when our programs for inland waterway improvements should be expanded in the interests of national defense. The proposed canals from the Great Lakes to the Ohio River and from the Tennessee River to the Gulf are located in the interior of the country behind the natural defense line formed by the Appalachian Mountain range. In this region the Tennessee River is being improved to provide hydroelectric power, which can be used to manufacture war materials from the mineral resources of the Birmingham and the Great Lakes area. Certainly no inland-waterway improvements that have been proposed can be so advantageous for national defense as the Tennessee-Tombigbee and the Ohio River-Lake Erie canals—especially when developed in connection with the St. Lawrence inland waterway.

The Tennessee-Tombigbee inland waterway, which is now before the Senate, is of supreme importance from a standpoint of national defense for the reason that it would give us an additional outlet to the sea from Muscle Shoals, the source of our nitrate supply on which we must depend for our explosives in case of war. This route would not only be fully protected from attacks from the sea, or by planes released from airplane carriers, but it would facilitate the transportation of those explosives in case of emergency by shortening the water distance between Muscle Shoals and the Atlantic Ocean by approximately 1,000 miles.

We should begin construction on this project at once and not delay action as Norway did, until it can be of no avail.

Then, too, with this great inland waterway, this great addition to our transportation system, this great contribution to our national defense completed, our vast, menacing flood-control problem on the Tombigbee would be forever solved.

Reciprocal Trade Agreements Program

EXTENSION OF REMARKS
OF
HON. ALBERT GORE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

QUESTIONS AND ANSWERS

Mr. GORE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include certain current questions propounded to the State Department regarding American farm prosperity and the trade-agreements program, and the answers of the Department thereto:

CURRENT QUESTIONS AND ANSWERS ABOUT AMERICAN FARM PROSPERITY AND THE TRADE-AGREEMENTS PROGRAM

Question 1. Are American farmers better off or worse off under the trade-agreements program than they were under the Hawley-Smoot tariff of 1930?

Answer. American farmers are better off under the trade-agreements program. Their cash income from marketing their products, the level of prices they receive for their total output, and the prices of the most important farm products were all higher in 1938 and 1939 under the trade-agreements program than under the Hawley-Smoot tariff in 1933, the last year before the Trade Agreements Act was passed. These increases are shown in the following table:

	1933	1938	1939
Farm cash income from marketings (millions of dollars)	5,278	7,599	7,711
Average farm price for all commodities, index (1909–14=100)	70	95	93
Average prices received by farmers for—			
Wheat (cents per bushel)	58.10	66.10	63.60
Corn (cents per bushel)	36.50	49.00	47.60
Beef cattle (dollars per 100 pounds)	3.75	6.56	7.03
Hogs (dollars per 100 pounds)	3.53	7.72	6.23
Butterfat (cents per pound)	18.80	26.30	23.90
Wool (cents per pound)	20.60	19.10	22.30
Cotton (cents per pound)	8.11	8.27	8.66
Tobacco (cents per pound)	11.60	17.20	13.60

Question 2. Why are export markets for his crops important to the American farmer?

Answer. American farmers can and do produce more of the principal crops grown in this country than can be absorbed by the American market at anything like profitable prices, and they must export these surpluses, which amount to substantial proportions of important crops—normally one-half or more of United States cotton, two-fifths of United States tobacco, one-sixth of United States wheat, one-third of United States hog products, etc. Unless these surpluses are exported they pile up on the domestic market, force down farm prices, and reduce farm income.

Question 3. How do trade agreements help to support and restore export markets for American farm products?

Answer. Trade agreements help to maintain and restore foreign markets for American farm products because, through these agreements, the United States obtains reductions and removals of foreign tariffs and other trade barriers which impede the export sales of our farm products. It is only common sense to recognize that trade tends to flow in larger volume when such barriers are reduced or removed.

Through the trade agreements this country has obtained foreign concessions on products which in 1937 (the last year for which detailed statistics are available) made up 47 percent of our total farm exports. These concessions directly improve the opportunities for foreign sales of American farm products.

Question 4. How do trade agreements affect the domestic market for American farm products?

Answer. Trade agreements help to give the American farmer a bigger and better domestic market for his products. Through these agreements the United States has obtained foreign concessions on industrial products which, in 1937, made up 25 percent of our total nonagricultural exports. Such concessions help to increase business activity and create employment among industrial workers in this country, thus increasing their power to buy American farm products in greater quantity and at prices more remunerative to American farmers. This is an indirect but important benefit to American farmers.

In the same way the concessions that the United States obtains on agricultural exports by increasing the incomes and the buying power of American farmers benefit, indirectly, American industries and the workers employed in them.

Question 5. Have farm exports actually increased under the trade-agreements program?

Answer. Yes. Trade agreements with 16 foreign countries were in effect throughout all, or practically all, of the fiscal year ended June 30, 1939. Only three agreements were in effect throughout the fiscal year ended June 30, 1936. The following table compares United States exports of farm products and of all products to the 16 agreement countries and to all other countries in the fiscal years specified:

	Years ended June 30—		Increase or decrease, fiscal year 1939 compared with fiscal year 1936	
	1936	1939		
	Millions of dollars	*Millions of dollars*	*Millions of dollars*	*Percent*
Exports of farm products:				
To 16 agreement countries	186	214	+28	+15
To all other countries	580	469	−111	−19
Exports of all products:				
To 16 agreement countries	805	1,099	+294	+37
To all other countries	1,570	1,786	+216	+14

The table shows that, in the period it covers, United States exports of all commodities to trade-agreement countries increased by more than twice the percentage of the increase that occurred in exports of all commodities to nonagreement countries. It shows that United States exports of farm products alone to trade-agreement countries increased 15 percent, while exports of farm products to all other countries declined 19 percent.

Question 6. Has the United States made wholesale reductions in its tariffs on farm products?

Answer. No. In the trade agreements in effect on January 1, 1940, the United States had granted reductions from existing tariff rates on products that comprised less than 15 percent of our total agricultural imports in 1937, and on articles that comprised 23 percent of our total nonagricultural imports in 1937. Existing tariff rates or duty-free entry had been "bound," that is, guaranteed against adverse change, on products and articles comprising 40 percent of our total agricultural, and 42 percent of our total nonagricultural, imports in 1937. Where necessary, tariff reductions on agricultural and other imports have been limited seasonally or by specified quotas too small to have any significant effect upon prices received by United States producers. The Trade Agreement Act prohibits reduction of existing tariff rates by more than 50 percent.

Question 7. Have imports of agricultural products "flooded the country" under the trade-agreements program?

Answer. No. In 1939, total United States imports of products listed as "agricultural" were valued at $1,118,000,000. Of these imports, $592,000,000 worth, or nearly 53 percent, consisted of agricultural raw materials mostly of types not grown at all in the United States—coffee, tea, crude rubber, raw silk, cacao and cacao beans, bananas, etc. The remainder consisted principally of commodities which are not ordinarily produced in this country in sufficient quantity to meet domestic requirements in spite of comparatively high rates of duty on most of them. A few specialties of foreign countries, and other goods imported because of special conditions, complete the list. Comparing 1933 with 1939, imports of products not grown at all in the United States, but consumed in large quantities by American farmers, increased by $225,000,000 or 61 percent, whereas imports to supplement domestic production increased only $161,000,000 or 44 percent.

Imposing Petition Submitted by Wellise K. Hui Urging Embargo Against Japan

EXTENSION OF REMARKS
OF
HON. LOUIS LUDLOW
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

Mr. LUDLOW. Mr. Speaker, I hope and pray that I may never yield to the temptation to engage in captious criticism, but I cannot refrain from expressing the opinion that we Americans are doing a perfectly atrocious thing when we furnish Japan lethal instruments of death and destruction and other war supplies that enable her to perform horrifying feats of strafing the civilian population, including innocent women and babies, in China. I read an interview not long ago with a responsible Chinese, printed in the Indianapolis Star, in which he said that if it were not for the supplies

which America sends to Japan in a steady flow, that barbarous power could not carry on its unconscionable atrocities in China.

This is not a political question. It is a great human question, touching the very heart of the humanities. Have we so far forgotten our Christian teachings that we are willing to make America the arsenal and storehouse to supply the instruments of mass murder of innocent women and children who have committed no offense and whose misfortune it is that they have been doomed by a cruel fate to be the pitiable victims of a ruthless invader?

Mr. Speaker, I have received a formidable petition from my home State, which indicates that the sentiment of sympathy and fairness toward the beleaguered and oppressed Chinese is not entirely dead and that many citizens share the feelings I have just expressed. Mr. Wellise K. Hui, of Indianapolis, an outstanding leader of the Chinese in our city and State, circulated the petition, to which 3,253 signatures are attached. The signers include many of the best people of Indiana and our adjoining State, Kentucky. I have introduced this petition in the House, and, because of the importance of the subject, I have asked for, and have secured, permission to print the text of the petition in the CONGRESSIONAL RECORD. It is as follows:

Whereas the United States of America and many other nations have indicted Japan as the violator of the Nine-Power Treaty and the Kellogg Pact in the present Sino-Japanese conflict, fomented by the Military Party of Japan, and have repeatedly protested against the bombings of undefended Chinese cities and the unnecessary slaughter of Chinese noncombatants; and

Whereas we feel put to shame that American raw materials are being used to manufacture weapons of war for Japan, American planes are being used to carry American-made bombs for the destruction of Chinese civilian population, American shells are loading Japanese guns, and America is supplying to Japan huge quantities of scrap iron, oil, trucks, and other materials used in the furtherance of the war, over and above the amounts of our normal trade of recent years; and

Whereas we sympathize with the Chinese people in their desire to build up an independent, democratic state, which is gravely threatened by the present aggression of Japan, and deplore the traffic which involves all of us, wittingly or unwittingly, in the wanton destruction of the innocent victims of Japanese aggression:

Therefore we, the undersigned, respectfully petition the President and the Congress of the United States to take every practicable means to bring to an end this traffic in war materials, whether direct or indirect, which is making our country a partner in the military conquest of the Chinese people.

Mr. Speaker, my sympathy with the viewpoint expressed in this petition is deep and sincere. Everybody knows that Japan has been engaged in a cruel warfare in China for a long time. Yet, because there has been no formal declaration of war, we do not choose to treat her as the wanton and savage belligerent that she really is. We should have levied an embargo on shipments to Japan long, long ago.

Governor Moore's Observations on Work Projects Administration

EXTENSION OF REMARKS

OF

HON. EDWARD J. HART

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

LETTER OF GOVERNOR OF NEW JERSEY TO CHAIRMAN OF THE HOUSE APPROPRIATIONS COMMITTEE

Mr. HART. Mr. Speaker, under leave to extend my remarks, I submit herewith the following letter from the Honorable A. Harry Moore, Governor of New Jersey, to the gentleman from Colorado, the Honorable EDWARD T. TAYLOR, chairman of the House Committee on Appropriations, relative to the pending appropriation bill for the Work Projects Administration. Governor Moore is a former United States Senator. As I have observed before in the RECORD, he is now serving his third term as Governor of the Garden State. He is the only man in all of its history to have been thus honored. He is recognized as one of the leading experts on State government and has had an unusual opportunity to appraise the needs, as well as the benefits, of the Work Projects Administration. The letter follows:

JERSEY CITY OFFICE, *April 17, 1940.*

Hon. EDWARD T. TAYLOR,
Chairman, House Committee on Appropriations,
House Office Building, Washington, D. C.

DEAR CHAIRMAN: Last year I was called upon by the House Appropriations Committee to offer my suggestions regarding the Work Projects Administration. I stressed then the need for continuing this agency for the fiscal year, 1939–40. Now we draw near the time when provisions must be made for the next fiscal year, and I feel it my duty as Governor of the State of New Jersey to submit the result of my personal observations.

This is not so much an appeal as an array of facts, in support of an argument in favor of continuing the Federal appropriation to maintain the Work Projects Administration at its present level.

The facts here submitted are drawn from first-hand, inside knowledge of the workings of the W. P. A. from its beginnings in August 1935. From this first-hand knowledge I can testify that from the very outset the W. P. A. in my State has been not so much a charity as a work of necessity in keeping honest American citizens alive and in mental balance, by the simple act of giving them something to do in earning a living. From the same facts I can testify that if the Government does not maintain its contribution toward keeping these citizens sufficiently employed to give them a living, nothing can result but suffering to thousands of individuals and the whole social organization will be shot through with serious discontent.

I can testify out of my own knowledge of the people now employed by this agency that they are not on W. P. A. of their own choice, but because they have no choice between it and the hard and fast fact of starvation, or else reliance on State or local relief.

I can further testify that the vast majority of those employed on the W. P. A. have steadfastly done their utmost to obtain employment at their former occupations in private industry. A few of them succeed as times slowly improve and private enterprise finds places for them. But the great majority of W. P. A. workers have been disappointed in this endeavor. They continue to hope and to strive for their old occupations. But they have to wait for our great but retarded economic machine to get in motion again and reopen opportunities. Until this happens, nothing lies before them but W. P. A. or else physical starvation and mental despair. In the case of a single individual citizen, this is serious enough. When it happens to hundreds, to thousands, and tens of thousands, it becomes a matter of grave concern to the whole body politic. And this, please remember, is not a mere opinion; it is a statement of fact, based on observation, on personal acquaintance with hundreds of honest and able individuals once useful and respected, some of them even eminent, but now reduced to acceptance of an aid which they take, not because they want it but because it is a stride toward ultimate rehabilitation.

Let me cite a few instances of what will result if the appropriation is cut. The State of New Jersey finds seasonal employment for thousands of men and women, young and old, as pickers of fruit, cultivators of vegetables or other farm and garden crops, or in the restaurants and hotels of New Jersey's shore resorts. Many, if not most, of these people have been on the rolls of the W. P. A. They cheerfully relieve the W. P. A. of the burden of finding them employment the minute they see a chance for themselves in private enterprise, in the hope that such seasonal employment will lead to something permanent. I am sorry to have to testify that only too often the hope is in vain. A few do find the desired permanent employment, but the great majority have to come back for relief work as soon as their seasonal employment is finished.

Then, even with the Work Projects Administration financed as it is, they have a hard time and a long wait to get their old places back again. Their former assignments have been given to others among the needy. If the W. P. A. funds should be reduced, they wait and suffer that much longer. Thus, what they receive for having courage and enterprise is not a reward but a penalty. And these are but a single class among the thousands who depend on the W. P. A. to keep them alive.

May I also call your attention to another serious hardship resulting from a provision of the present act governing the W. P. A.? This is the enforced 30-day layoff for all who have been employed on it 18 months or more. From personal observation and positive acquaintance with many of the persons thus affected, I know that most of these use their mandatory furlough in seeking jobs in private enterprise. Again, a few people succeed but the rest have had their lives subjected to havoc. In many instances, not 30 but 60 and even 90 days elapse before they can be recertified and reassigned to W. P. A. jobs. Even when they are reinstated they face a period of hardship and anxiety in paying off loans incurred for food and the common necessities of life.

On one other material matter I offer practical suggestions for a change. The suggestion is that the contribution of sponsors to projects be reduced from the present rate of 25 percent, as now imposed by law, to 20 percent. The reason is that communities sponsoring work-relief projects are subject to a double burden. Besides the contributions toward projects for the material betterment of their localities, these contributions are piled on top of the burden of direct relief. Most of this direct relief is a

continuing burden, because it goes to the outright unemployables. These are to be found in every locality, in every Government enterprise. They are a fixed charge. Private enterprise has no use for them. The W. P. A. can provide them no places. This is said with no reproach to such people. Many of them are entitled to respect as well as sympathy. A widow with a number of children has no time to be seeking employment or to accept it if it comes. The community must care for her kind; but it cannot do this and be fairly taxed for so large a ratio as 25 percent on its contribution to general work relief.

The arguments here presented, practical as they are, would still be no more than an appeal for continued charity, if there was not evidence to offer which determines that the taxpayer's money expended in work relief has been returned to the taxpayer in the form of material benefits that he might never have had but for this agency. Again an instance or two must suffice to give evidence of an impressive array of practical accomplishments. One such instance is the fact that the W. P. A. in my State of New Jersey has built enough new roadway to cross the country, both east and west, and has constructed buildings enough for a fair-sized city.

And, more important than all construction accomplishments, New Jersey's W. P. A. health program is responsible for the immunization of thousands of children against such dangerous diseases as diphtheria and whooping cough. It has provided dental care and diet improvement for like numbers of undernourished children and invalids, while another project has prepared and served hundreds of hot school lunches daily—in many instances the only decent meal the children had during the particular day.

The record of accomplishment in the public interest might be long extended, but, however extended the catalog of W. P. A. achievements, the argument would remain the same: The good resulting to the country from the W. P. A. is well worth what it costs today; the money the country spends on its needy is really spent for its own salvation; and the good given and received might be greater still with a slightly greater outlay. It is one budget that is always in balance, no matter how large the figures.

Sincerely yours,

A. HARRY MOORE, *Governor.*

Dedication of Air Base at Westover Field, Chicopee, Mass.

EXTENSION OF REMARKS

OF

HON. CHARLES R. CLASON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

ADDRESS BY COL. JAMES VAN HORN

Mr. CLASON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following address delivered by Col. James Van Horn at Westover Field, Chicopee, Mass., on April 6, 1940:

General Yount, distinguished guests, ladies, and gentlemen, I wish you to know that the inability of Major General Woodruff to participate in these important ceremonies is to him a matter of sincere regret. His duties as commanding general of the First Corps Area, along with the many other demands on his time, will not permit of his attending some of the many functions where his presence is desired.

This 6th of April being Army Day, General Woodruff is particularly busy representing the Army at various formations given in its honor in and near the city of Boston. However, he has asked me to extend to you his greetings and to say that the progress made to date at Westover Field by Major McFadden and his assistants is most gratifying to him.

It is not difficult to realize at this time the importance of a northeast air base to the air defensive organization of the United States, and to its early completion. With this in mind, General Woodruff wishes me also to say that he is anxious to lend his support to that project in any way that the facilities at his command may be useful to those responsible for its accomplishment.

Although Westover Field is to form an important element in the air defense of the United States, its location here in western Massachusetts has special significance to all of New England.

As we know, an air base is designed and organized to control aircraft tactical operations over a prescribed area. Exactly what that organization is to be, here in New England, is, of course, a matter for the War Department to determine. However, we do know that Westover Field, located as it is, has some relation to New England's geographical center at Waterboro, Maine; its industrial center at Webster, Mass.; and its center of population near Natick, Mass.

But what we are mostly concerned with at this time is the construction of the field itself and the installation of the local communication facilities that will serve it.

Major McFadden, who is well acquainted to most of you, I am sure, is known to the Army as a constructing quartermaster, with an enviable record of outstanding accomplishments. He, with his able corps of assistants, already has the building construction project started, and well in hand.

Major Eliott, of the Signal Corps, will report here on May 1 to assume the duties of signal officer. He will take over the installation and operation of a strictly modern automatic telephone plant, radio range beacons, and fixed transmitting and receiving radio stations. He, too, has been especially selected for this work on account of his technical qualifications and experience. So Westover Field may be said to be well on its way.

It is with these latter activities that my office in Boston is primarily interested, and I cannot resist sketching them for you, at least in outline.

Not only must the field itself be provided with the most modern communication equipment, it must also be connected by the best of high-grade electrical devices to the higher-command echelons, as well as to the numerous local air fields, on which will be based the tactical units of the air force operating in this air-base area. These will be selected from the 106 public and private air fields already available in New England. Also, Westover Field will be in communication with numerous warning stations—some of them miles at sea, others along the land and coastal frontiers, and many, many more throughout all of New England. Then, too, there must be communications to the cities or communities most likely to need protection in order that they, too, may be warned of any impending attack from the air.

All of these lines of communication will be designed to provide almost instantaneous transmission of orders and information. Their transmission efficiency will be measured in seconds. Why? Because hostile bombardment aviation can now cover such a distance as that between Boston Harbor and Hartford in less than 20 minutes. Speed in meeting such a force before it reaches its objective is imperative.

From these facts alone it can be easily seen that an extensive network of communications is called for. To a large extent this is to be provided through the splendid commercial telephone and telegraph facilities normally serving the area.

This and related problems are intensely interesting from a technical standpoint. For material and practical reasons they are extremely important. When finally solved, the results should give us what we want, viz, protection.

Now, in a few words, let me answer the question, What is there in New England that calls for protection against a possible enemy attack from the air?

New England, with 2 percent of the land area of the United States, has a population which amounts to 7 percent of the one hundred and thirty some millions of people living in this country. In this comparatively small area it produces 9 percent in value of all goods manufactured in the United States.

There are some 20 manufactured items, of which New England's output is 20 percent or more of the total output for the entire United States. For example, 69 percent of the firearms, 62 percent of the wool and hair products, 62 percent of the cotton narrow goods, 56 percent of the boot and shoe findings, and 52 percent of the textile machinery are produced in New England.

New England employs 11.9 percent of the industrial workers of the United States. The density of its population per square mile is three and two-tenths times greater than in the rest of this country.

So it is that an adequate air defense for New England is fully justified.

The commanding general of this corps area welcomes Westover Field as a military installation of great value, affording, as it does, protection not alone to New England but to much of the Atlantic seaboard and many of our Eastern States.

To the citizens of New England, Westover Field will afford a feeling of protection that they, too, will welcome and fully deserve.

Peace and War Propaganda

EXTENSION OF REMARKS

OF

HON. HAMILTON FISH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

RADIO ADDRESS BY HON. HAMILTON FISH, OF NEW YORK, APRIL 18, 1940

Mr. FISH. Mr. Speaker, under leave granted me to extend my remarks in the RECORD, I include the following radio address delivered by me over the Mutual Broadcasting System on Thursday evening, April 18, 1940:

The invasion of Norway and Denmark by Nazi troops has given the green light to the war mongers and interventionists in America to

increase the tempo of their propaganda to involve us in the European war. The foreign propagandists have let loose a campaign of sound, fury, and atrocities that is preparing the way for another European blood bath for the youth of America as they did in 1917.

Will the mothers of America remain silent, permit our involvement in another foreign war, and let their sons be sacrificed to satisfy the vengeance and hatred of Hitler and Nazi Germany by the internationalists who insist that the Rhine is our first line of defense? Are dollars, commerce, and trade more valuable than human lives?

The American people should resolve to be steadfast and unmovable for the preservation of American neutrality and keeping America out of foreign entanglements and wars, no matter where their sentiments and sympathies may be. The sympathies of the American people are with England and France, just as they were in 1917, but they have determined not to have their sons plowed under on foreign battlefields in the eternal wars of Europe or Asia.

The boundaries of America are not on the Rhine, as the interventionists would have us believe, and our people do not want another rendezvous with death in the bloody shambles of war-torn Europe.

The old slogan of making the world safe for democracy, and the new one that our entrance into the war is inevitable in self-interest or self-defense, is resounding throughout the Nation, over the radio, impregnating the eastern press, and making a Roman holiday for the columnists, many of whom are outspoken internationalists and interventionists.

Americans in public life who dare to speak out for maintaining American neutrality and keeping out of war are viciously and maliciously attacked. No matter how sincere their motives are or how consistent their record, they are maligned and deliberately smeared, and their views distorted and misrepresented by warmongering columnists and cartoonists and denounced as being pro-Nazis or stooges for Hitler, Von Ribbentrop, or Goebbels.

Just how far these war-mongering propagandists will go is illustrated by a recent cartoon in the New York Post, to which I sent the following protest to the editor:

"My attention has just been called to a cartoon published in the Post a few days ago by Roland Kirby, entitled 'Sublime Faith,' in which he quotes an utterly misleading half sentence from a statement of mine: 'I cannot conceive that the German foreign office should fabricate or forge documents.' He omitted the balance of the sentence—'as it is certainly in the interest of the German Government to maintain peaceful relations with us.'

"This is typical of the half-truths and distortions of the facts that are being used in these days of war hysteria to inflame the passions and hatreds of the American people, and to get us into war.

"I would appreciate it if you would publish this letter in full, as I consider the cartoon to be a gross distortion of my statement and libelous."

Up to the present time I have not had the courtesy of an answer, an apology or a correction of its distortion of facts by this interventionist propaganda newspaper.

This is a deadly parallel with the foreign propaganda successfully used in 1917 to drag us into the World War. The Belgium atrocity stories, which we all believed in during the World War and passed on with their shocking details about the cutting off of young boys' wrists and women's breasts, all of which have been investigated and proven false, have their counterparts in Polish atrocity stories. Yesterday a Washington newspaper printed an article detailing the burying alive of a Polish Catholic priest, which is indicative of what is to follow.

My own Americanism has been impunged by a half dozen radio and press commentators, because I met Von Ribbentrop last summer and flew in his plane. Germany was not at war last summer, and is not at war with us today in spite of wishful thinking of the interventionists in America. Chamberlain, Daladier, and Sumner Welles all met Von Ribbentrop and either flew in his plane or rode in his private car.

It is true that I spoke with Von Ribbentrop, as I had previously with Lord Halifax, the British Foreign Minister, and with Mr. Bonnet, the French Foreign Minister. I had an hour's interview with Von Ribbentrop at his home near Salzburg the middle of last August, but could not get him to even discuss the peace issue or to suggest any peaceful solution of the onrushing European war. He never mentioned, nor did I ever discuss with him the 30-day moratorium proposal and the substitution of the principles of arbitration, mediation, and peaceful settlement of international disputes which I offered as a delegate to the Interparliamentary Union Conference held at Oslo, Norway, from August 15 to 20.

It is tragic now, looking back, to realize that the only effective voice raised against my proposal was by Mr. Hambro, the Speaker of the Norwegian Parliament, who has been driven out of Norway into Sweden by the German invasion.

If my resolution had been adopted, as it should have been, Norway and Denmark would not have been invaded and Poland and Finland would not have been crucified. The smaller nations are often the worst afflicted, like Belgium in 1914, when the big nations fall out and go to war.

I anticipate an active campaign from now on to undermine and destroy the Johnson Act, so that we may have the privilege of financing Europe's new war as we did the last. The only thanks we received for our huge loans to our former allies was to be called Uncle Shylock and to have all the nations repudiate these war loans except little honest Finland.

I predict increasing propaganda to repeal or circumvent the Johnson Act in order to make new loans to the Allies, which will destroy American neutrality and eventually involve us in war.

Instead of weakening the Johnson Act, the Congress should stop the loopholes whereby loans and credits may be extended to foreign nations by our governmental agencies.

The Congress will adjourn within 60 days. President Roosevelt will then be in the saddle and in complete control of our foreign relations and policies until the convening of the new Congress next January. It is the duty of the Congress before adjourning to take every proper precaution to prevent our involvement in war in accordance with the will of the American people.

Congress alone may declare war under the provisions of the Constitution. Unfortunately it has already surrendered vast emergency powers to the President and should take back such powers and restore representative government in the United States before adjournment.

I propose to offer at the first opportunity an amendment or resolution providing that all powers not conferred upon the Chief Executive by the Constitution of the United States are hereby repealed.

Knowing that President Roosevelt has always been an internationalist and an advocate of the League of Nations and of quarantining foreign nations, I confess I have no faith in his interventionist policies or his sincerity for American neutrality.

I am fearful that unless Congress regains these emergency powers we will be secretly committed to a war policy before Congress reconvenes.

I urge the radio listeners to write their Representatives in Congress to restore these dangerous emergency powers to the Congress and to sign petition No. 24 to bring up House Joint Resolution 408, providing for a national referendum before conscription of American citizens for service in foreign wars outside of the American continent and our possessions.

In order to try to prevent the involvement of America in the European war over Greenland, I have today filed the following bill in the House of Representatives (H. R. 9443):

"Be it enacted, etc., That the President of the United States is authorized and requested to enter into negotiations, in such manner as he may deem appropriate, with the Government of his Majesty, the King of Denmark and Iceland, for the purchase and acquisition of Greenland by the United States."

The invasion of Denmark by the German armed forces has raised a question over the sovereignty of Greenland, that huge island almost one-third the size of the United States and only 900 miles from our northern border in Maine. Greenland is 6 hours' flying time from New York, and would be a valuable base for airplanes, submarines, and for naval operations. In addition, it may have enormous mineral resources if adequately developed.

For over a hundred years little Denmark has done practically nothing with her vast colony. It is still undeveloped and its population is less than 20,000.

I do not believe in any policy of imperialism or territorial expansion by threats or force. In the case of Greenland we might well offer to pay Denmark a substantial sum of money to acquire it, as we did the Virgin Islands.

Iceland, another Danish possession, presents a different problem for us, as it is much nearer to Europe than to the United States. I am not in favor of extending American influence into European areas or establishing naval bases in those waters any more than I want European nations to encroach on American spheres of influence.

It should be the definite policy of the United States to acquire by purchase or as offsets to foreign debts owed to us all islands or other possessions of European nations, excepting Canada, within 1,000 miles of our coast. It should also be the policy of the United States to oppose the transfer or further acquisition of any islands or possessions within the American sphere of influence by any European or Asiatic power.

We could probably purchase Greenland for the price of half a modern battleship, or for $40,000,000 or less. I am no imperialist and do not favor extending our possessions either into the Far East, Europe, or Africa, but only in our own hemisphere.

I voted for the independence of the Philippines and want to get out of there at the earliest possible moment. The Philippines are 6,000 miles from our coast and are the Achilles' heel of the United States; the sooner we relinquish these possessions the better it will be for us.

I am likewise in favor of giving up voluntarily our extraterritorial rights in China and withdrawing our troops and river gunboats from a nation with which we are at peace.

Most of the American people, irrespective of party affiliations, do not want Germany to acquire Greenland, nor would they like to have Great Britain add to her already vast possessions within the American continent. We would prefer to enter into some equitable agreement to take over Bermuda and the West Indies and her other possessions in the Western Hemisphere.

The message of our distinguished Secretary of State warning the Japanese Government to keep its hands off the Dutch East Indies raises a serious issue of foreign policy. Does this mean that we are extending the American Monroe Doctrine 10,000 miles to cover the Dutch East Indies and the status quo in the Far East?

God forbid that Holland will be invaded by Germany or the Dutch East Indies by Japan. But assuming the worst, are we to back up Secretary Hull's extension of the Monroe Doctrine to the Far East with American blood and treasure?

If this new policy, a complete departure from American traditions, is to be made effective in quarantining foreign nations, why apply it only to the Dutch East Indies and not to Holland itself? This would be the logical procedure.

I have not had time to analyze Secretary Hull's note, but granting its idealistic motives, it will involve us in maintaining the status quo in the Far East and may force us into both European and Asiatic wars.

It is beginning to be more and more apparent that our huge naval appropriations are not for purposes of defense but for offense in order to carry out President Roosevelt's policy of policing and quarantining the entire world at the expense of our taxpayers and the lives of American citizens. I am in favor of the biggest navy necessary for the defense of the United States and the Monroe Doctrine, but not a dollar for aggression.

The American people and the Congress ought to have a voice in the extension of the Monroe Doctrine to Asia. I shall never vote in Congress to dig the grave of a single American soldier or sailor in Europe or Asia unless American rights have been violated or unless we are attacked by some foreign foe.

W. P. A. Employment

EXTENSION OF REMARKS
OF
HON. FRANK E. HOOK
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

LETTER FROM JAMES A. MYERS, OF CALUMET, MICH.

Mr. HOOK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from Mr. James A. Myers, of Calumet, Mich.:

CALUMET, MICH., *April 16, 1940.*

Hon. FRANK E. HOOK,
Twelfth District of Michigan, Washington, D. C.

MY DEAR CONGRESSMAN: I see by the papers where they are laying off men on the W. P. A. In my opinion, instead of laying off men they should add a million more men to take care of this acute situation in the unemployment crisis in our country. They are laying men off here in Houghton County every day that are on the W. P. A., and men who have been certified to go on W. P. A. are not able to get on because of there being no place for them.

Now, FRANK, I was on the W. P. A. and relief for 6½ years before the people elected me to this job of mine inspector; I know that even with a W. P. A. job it is just one door from starvation, and with relief it is slow starvation. I have been over to see some of these families who were former W. P. A. workers and now on relief and know that they are very hard up. They are going hungry and are without sufficient clothing to keep them warm, and to go into these homes and see babies and children starving is a pity. Now, nobody could go into these homes and see these children without feeling sorry for them and wanting to help them, unless they had a heart of stone. I want to do everything in my power to try to help you to make your fellow Congressmen see the light.

Is there a feeling among any important group in Congress that those people should be left to starve? Or are Congressmen and Senators ignorant of the fact that when those men are turned off the W. P. A. they actually face starvation? I myself would call this mass murder by starvation.

While I was on relief I lost a little 19-month-old girl because she did not get sufficient food because I was unable to give it to her. There was no work in private employment for me, and private employment would not hire a man of my age.

We have the richest country in the world and can raise all the food and clothing that our people could use and then have a surplus over to sell to the foreign nations.

We talk about the cruelties of the foreign nations that are practically starving their people, but, now, FRANK, if we were to come to let this pass and not take care of the unemployed men and women in this country we have no excuse outside of the greed of some people here in America.

I think that all the God that these people have is the sign on the dollar, "In God we trust," and how many dollars they can pile up in the banks, which is of no more use to them than the sand on our lake shores, and of no use to our American people unless it is put to work.

FRANK, my father answered the call of the great emancipator, Abraham Lincoln, at the age of 17. This will show you that I came from an American family and was raised as an American boy, believing in American principles, believing in our Government, believing that we are still the greatest nation on earth, and that some of the people have to wake up and make our people understand that this is the greatest nation and that we all have the same right whether we have a ragged shirt on our back or a big bank account.

I take great pleasure in listening to Kate Smith when she sings God Bless America.

We have a Statue of Liberty in our New York Harbor that one time beckoned to the foreign people of the blessings of America. Why not have our Government make it mean to the unemployed that they still have a great Government and that this Government is going to see that they are fed and clothed in a decent American standard, and that nobody is going to be left to starve and go hungry.

Don't you think that the poor workingman should feel that he should be as secure in this great Nation of ours as a man with a pack of money is? Some business is trying to help this crisis out by putting men to work and other business that maybe could hire and put men to work refuses to do so. The only thing that can be done is for the Government to take care of the slack on this unemployment which the big business cannot or will not do.

The very scarcity of employment in Houghton County makes the relief situation in Houghton County very acute. Michigan State wishes to throw the relief on tc the counties, and most of these counties are poor and unable to handle it. The State of Michigan claims that they are not able to handle it either, so the only hope for the people here is that the Government of the United States take care of this.

No decent American citizen would want to be on W. P. A. if it was possible to get private employment, and no workingman or businessman wants this W. P. A. to continue any longer than is absolutely necessary. That it wants to continue unless the business in this country will furnish employment in this country. Frank, the Congress must see that the American people have work of some kind.

Yours respectfully,

JAMES A. MYERS,
Mine Inspector of Houghton County.

Russia From the American Embassy

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

EXCERPTS FROM BOOK BY DAVID R. FRANCIS

Mr. THORKELSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following excerpts from a book written by a United States Ambassador to Russia under the Czar, David R. Francis:

RUSSIA FROM THE AMERICAN EMBASSY

(By David R. Francis, United States Ambassador to Russia under the Czar, the provisional government, and the Bolshevists. Commission as Ambassador to Russia March 9, 1916; no salary since April 26, 1919; resignation March 3, 1921; died in 1927)

Bolshevism began to show itself 18 months before my departure from Russia. I saw its spasmodic manifestations through the summer of 1917, its usurpation of power in the autumn of that year. I was in the midst of Lenin's experiment in government for more than a year. I have seen this monstrosity run its course, to become the world-wide danger which my observation at close hand had convinced me it would become. (Introduction vi.)

These (my) conclusions are that bolshevism, if it dominates the world, will lead us back to barbarism. (Introduction ix.)

(March 19, 1917, cable to Secretary of State.) "I request respectfully that you promptly give me authority to recognize the provisional government, as the first recognition is desirable from every viewpoint. This revolution is the practical realization of that principle of government which we have championed and advocated—I mean government by consent of the governed" (91).

(April 17, 1917, dispatch to Secretary of State.) "It has been my effort, and in such effort there has been no cessation, to impress upon all the importance of a vigorous prosecution of the war and to subordinate thereto all questions as to the rights of races or the recognition of classes.

"The Jews have undoubtedly been subjected to many injustices and unjust restrictions in Russia, and all fair-minded people are pleased that most, if not all, of such restrictions have been removed. The prejudice against the race, however, has by no means been eradicated; it pervades the peasants to a wonderful extent, and that prejudice will be fanned into flame by opponents of the present regime if any reason therefore is given or can be charged with any appearance of truth" (99).

I asked Kerensky if Lenin and Trotzky were not both Jews. Trotzky I knew was, and I had heard that Lenin's mother was of Jewish descent. Kerensky promptly replied that he went to school with Lenin and that Lenin was of pure Russian blood. He said his first recollection of political life was of being in Lenin's father's house at the age of 6 when the house was searched for Lenin's elder brother, who had made an attempt upon the life of Alexander III. The brother was afterward arrested and shot (104).

Letter of May 1, 1917, to son Perry: "An ultra-Socialist named Lenin has been doing a great deal of foolish talking and has advised his hearers to kill all people who have property and refuse

to divide. We are living somewhat in suspense. Lenin's followers are an unknown quantity" (106).

In a letter to my son David (May 4, 1917), written the same day, I said in commenting on the same events that when the ministry asserted itself it found, to their gratification if not surprise, that the overwhelming sentiment of the people of Petrograd was in favor of the new government and against the anarchistic doctrines which had been preached from every street corner by an extreme Socialist named Lenin and his followers. I am inclined to the opinion that Lenin is in the pay of the German Government, and this government thinks so, too.

This opinion formed in the early spring of 1917, when Lenin was a mere agitator who had come to Russia from Switzerland, traveling through Germany, I have held ever since, and hold today (112–113).

I then suspected, and now feel confident, that all this disastrous disintegration of Russian society was largely accomplished by Lenin and Trotzky and a host of similar agitators, liberally provided with German money. They worked, insofar as they could, through that potential but irresponsible branch of the government, the Council of Workmen's and Soldiers' Deputies, over which body they finally secured control (114).

Both (Lenin and Trotzky) believed in "direct action"; that is, they scrupled at no means by which their ends could be accomplished. In other words, they believed in force rather than argument. Plekahnov, at whose feet Lenin had imbibed the principles of socialism, also returned to Russia after the first revolution; he had championed socialism and internationalism but believed in putting them into practical operation by peaceful means, contending that if the people were educated in the principles of socialism, they would all become its supporters. Lenin claimed that the education of the masses in Russia was too slow a process (134).

Lenin was living in Switzerland when I arrived in Petrograd, but when the provisional government, soon after its installation, issued a decree pardoning all political offenders, whether in prison or in exile, he returned through Germany in a special car and immediately set to work to demoralize the Russian Army (135).

Trotzky, who had been banished from France, was eking out an impecunious existence on the East Side in New York by contributing articles to radical socialistic publications. When he attempted to return to Russia the steamer upon which he sailed touched Halifax, and Trotzky was taken ashore by force after refusing to obey the commands of the inspection officer and detained in Halifax for several weeks. He was later, at the request of the provisional government, permitted by the British Government to proceed on his way to Russia (135).

Tuesday evening (July 17, 1917), about 7:30, I received a telephone call from Frederick Holbrook, of Holbrook, Cabot & Rollins, of Boston, saying that there was going to be trouble in the city and that he was coming to the Embassy. About the time he arrived the trouble began all over the city. The fighting nearest the Embassy took place about 300 yards away on the Liteiny Prospect, when a cavalcade of Cossacks riding toward Liteiny Bridge across the Neva River, four blocks from the Embassy, with the intention of controlling the bridge and preventing communication between the different organized bands of provocateurs and agitators met with resistance. When they rushed the crowd with their horses, however, the mob broke and ran in all directions. But a new and unlooked-for factor now showed itself. An automobile truck loaded with Kronstadt sailors appeared on the scene with a machine gun on the rear, which they turned upon the Cossacks and opened fire. They poured a deadly and disastrous fire into the ranks of the Cossacks. They were mowed down without any chance to defend themselves (137).

While the July revolution showed the Bolsheviks that their time had not quite come, it showed the Government that while they were not helpless yet they still were being surely undermined; and it showed the Allied diplomats that unless conditions changed and changed radically Russia would soon be out of the war, with all of the uncertainties and dangers which that would mean, not alone for Russia but for the world.

Lenin is believed to have fled to Kronstadt disguised as a sailor. Trotzky was arrested the following day, but was soon freed upon demand of the Soviet. Soon after this temporary inconvenience he was allowed to proceed with his work of undermining the democratic government without hindrance of any kind (138).

Had the provisional government at this time arraigned Lenin and Trotzky and the other Bolshevik leaders, tried them for treason, and executed them, Russia probably would not have been compelled to go through another revolution, would have been spared the reign of terror and the loss from famine and murder of millions of her sons and daughters (141).

I am convinced in the light of subsequent events that whatever the immediate result, the consequences of executing Lenin and Trotzky would have been of benefit to Russia in the long run, and would have produced less unrest than now prevails throughout the world (141).

Furthermore, I doubt whether two more as strong characters as Lenin and Trotzky could have been found among the Bolsheviks of the entire world (142).

The Bolsheviks are now (August 17, 1917) in great disfavor, and their leaders are being arrested—one, Trotzky, who was arrested yesterday; he was an exiled Russian Jew, who returned from America 2 or 3 months ago and immediately set his mouth going, since which it has never ceased to operate. If we could keep such men in America, they could be handled much better than they can be in Russia at the present time (144).

Had Lvoff been a wise and strong man, instead of a meddlesome rattlebrain that he was, and had Kerensky been big enough to place his country's welfare above his own pride and seek some middle ground upon which he and Korniloff might have worked against the Bolsheviks—their common enemies—they might between them have rescued Russia and the world from the curse of bolshevism, and have given the constituent assembly, the time for convening of which had already been fixed, a chance to establish a government based upon the consent of the governed, instead of upon force, as was the Czar's government, and as is that of Lenin and Trotzky (157).

(Referring to John Reed's activity with the Bolsheviks in Russia.) Thus at this time (October 1, 1917) were the American Bolsheviks coming to the aid of Russian Bolsheviks in their efforts to overthrow the democratic government of Russia just as now the Russian Bolsheviks are coming to the aid of American Bolsheviks in their efforts to overthrow our democratic Government (169).

At 2:10 a. m., November 8, the palace was surrendered. The ministers were captured and compelled to walk, under guard and subject to many indignities, to the fortress 2 miles distant, where they were imprisoned. The four Socialist ministers were subsequently released, but kept under surveillance. The other ministers were said to be well treated, but their friends and relatives were in constant fear that they would be killed, which seemed to me not improbable. According to one report the ministers were stood up in line to be shot when the commander of the prison intervened (181).

Mme. Terestchenko, the mother of the young Foreign Minister, called upon me at the Embassy a few days after her son's arrest. She was obviously in deep distress of mind and told me that her son's guards, as indeed those of all the former ministers, were being changed from soldier cyclists to Kronstadt sailors by order of young Rothschild, the President of the so-called Kronstadt Republic. These Kronstadt sailors had threatened to kill all the former ministers (182).

Immediately after the Czar's abdication on March 15, 1917, the provisional government had issued its address to the "citizens" of Russia. It declared the policy to be based on principles, one of which was as follows:

"To proceed forthwith to the preparation and convocation of a constituent assembly based on universal suffrage, which will establish a stable governmental regime" (196).

When the provisional government was reorganized in May, 2 months after the first organization, six Socialists were given places in the cabinet, Price Lvoff remaining as Prime Minister. Again the provisional government issued an address promising an early assemblage of the constituent assembly:

"Leaving it to the constituent assembly to decide the question of transfer of land to the toilers and making the requisite preparation for this, the provisional government will take all necessary measures to secure the greatest production of grain, in order to satisfy the needs of the country and to regulate utilization of land in the interests of the country's economic welfare and the needs of the toiling masses. The work of introducing and strengthening the democratic organizations of self-government will be continued with all possible assistance and speed. The provisional government will in like manner make every effort to convoke the constituent assembly in Petrograd as soon as possible."

These expressions of the purposes of the provisional government and of the Soviet in the spring of 1917 seemed to justify a general feeling of hopefulness that Russia was about to create an established government of the people, but it was not until November 25 that the elections to the constituent assembly were held, and it was not until January 18 that the constituent assembly convened. In that long delay to fulfill the early promises and expectations, Russia's opportunity for a stable government by consent of the governed was lost (199–200).

The constituent assembly had been called to meet on the 12th of December (1917). Pending the plans of the Bolsheviks to overcome the majority, the meeting of the assembly was postponed until January 18, 1918. The scheme of new elections failing, the Bolshevik leaders, through their newspaper organ demanded that the Constitutional Democrats who had been elected to the assembly be arrested and brought to trial before the revolutionary tribunals. The Council of People's Commissars by a decree announced that this would be done (202).

There were stationed in and about the hall during the session sailors and Lettish soldiers armed with rifles and grenades and machine guns. Very soon after the opening of the session the Bolshevist delegates presented an ultimatum to the constituent assembly. Among other things they demanded the adoption of this decree:

"Supporting the Soviet rule and accepting the orders of the Council of People's Commissars the constituent assembly acknowledges its duty to outline a form for the reorganization of society."

The constituent assembly refused to adopt this, whereupon the Bolshevik delegates withdrew. The meeting of the assembly was attended by many disorders and much street fighting. There was violent but scattered opposition to the Bolshevik program (203).

At 1:30 a. m., January 19, 1918, following the first day's session of the constituent assembly, the Central Executive Committee of the Council of Workmen's, Soldiers', and Peasants' Deputies issued the decree referred to by Lenin disbanding the constituent assembly.

"Therefore, the Central Executive Committee resolved the constituent assembly is disbanded" (205).

On the morning of the 19th of January guards were stationed at the entrance of the palace to prevent the entrance of the deputies or delegates, and that was the end. The constituent assembly, forecasted with such promise and hope just 10 months previously, never met again. Bolshevism, although in the minority and representing only one-fourth of the votes cast for deputies, was in power by force (206).

"I have just (January 1918) been called to the phone and heard that Smolny Institute, Bolshevik headquarters, has formally announced that a revolution similar to that in Russia has begun in Germany. The Bolshevik leaders here, most of whom are Jews and 90 percent of whom are returned exiles, care little for Russia or any other country but are internationalists and they are trying to start a world-wide social revolution. If such a revolution can get a foothold in Germany, where the people are obsequious to those above them, and domineering and tyrannical to those beneath them and where organization and system has obtained such a foothold as it never had in history before, I begin to fear for the institutions not only of England but of the Republic of France, and the thought arises in my mind whether our own institutions are safe" (214).

Had it not been for the demoralization of the Russian Army by the Bolsheviks, hundreds of thousands of lives of French and British and American soldiers would have been spared. Lenin and Trotzky demoralized the Russian Army and thereby caused the war to be prolonged (225).

While I have no doubt that Lenin was a German agent from the beginning and disbursed German money, I believe, and so wired the Department, that his real purpose was promotion of world-wide social revolution. He would have taken British money, American money, and French money and used it to promote his purpose (226).

From Brest-Litovsk, on the 5th of February 1918, Karl Radek sent a long statement of the purposes of the Bolshevik delegation in the negotiations for peace with Germany, concluding, "We want to transform the war of nations into a civil war" (227).

In December 1917 the Bolsheviks in a series of decrees began to develop their strange financial policies. These decrees declared the banking business to be a "monopoly of the government," instructed all proprietors of safes in safe-deposit institutions to present themselves immediately with their keys "in order to be present at the revision of the safes," otherwise all property contained therein would be confiscated and become the property of the nation (297).

There were nine other decrees: Nationalization of land, of factories and works, of banks (including the opening of all safe-deposit boxes), the suspension of payment of all coupon bonds, taxation amounting to confiscation of buildings, whether or not belonging to foreigners, annulment of all loans, confiscation of shares of stock in former private banks, and nationalization or confiscation of every ship belonging to private individuals or corporations (297).

On the 2d of May 1918, I cabled the State Department that the time had come for the Allies to intervene in Russia, and gave my reasons in detail (298):

"Lenin is the ablest intellect in the Bolshevik Party and tyrannizes the situation. In every speech he calls the Brest-Litovsk peace only a breathing spell and predicts success of world-wide social revolution, exulting over the exhaustion of what he calls capitalistic-imperialistic governments by their bloody struggle" (301).

(December 23, 1918.) King George, who was escorting Mrs. Wilson out of the reception room, when he met me, said: "Mr. Ambassador, what do you think we ought to do about Russia?" I replied I thought the Allies should overturn the Bolshevik government. The King rejoined by telling me he thought so, too, but President Wilson differed from us (307).

(February 1919) (radio from George Washington to Secretary Lansing, General Bliss, Colonel House, and Henry White.)

"* * * Furthermore, bolshevism prevailing in Russia would extend its baneful influence to other countries and become a more potential menace than it is now, not only to organized governments but to society itself. Bolshevik doctrines destroy family relations; and if they predominate, they will mean return to barbarism" (311–312).

In accordance with Acting Secretary Polk's request, on January 22 I sent to the American Peace Commission at Paris this statement:

"Neither we nor any of the Allied governments nor any neutral have recognized (with possible exception of Persia) the Tchecherin message from Soviet Government, which message is absolutely false in its claim that it represented Russian people. In spite of the importunities of Robins and some other Americans, I refused to recommend recognition. I always maintained, as shown by the records, that world-wide social revolution was the object of the Soviet Government, and also, as subsequent developments proved, their efforts were entirely directed to that end" (314–315).

* * * * * * *

"I recommended weeks before leaving Archangel armed intervention for restoration of order, knowing that the same would involve extinction of bolshevism, which I considered not only irreparably injurious to Russia but a disgrace to civilization and a reflection on Allies. I consider bolshevism as practiced in Russia means a return of the race to barbarism if it should prevail throughout society" (318).

Mr. DeWitt C. Poole, Jr., who had been left in charge of the American Embassy at Archangel, wrote me:

"The problem is gravely complicated by the utter bad faith of the Bolsheviks. Even were it possible to disregard the virtual alliance which existed between the Imperial German Government and the Government at Moscow after conclusion of the treaties supplementary to that of Brest-Litovsk (which differed from the latter in that they were actively sought after rather than accepted under constraint) or the nauseous and destructive butchery of the terrorism and other evils—even if it were possible to overlook all these—it would still be impracticable to renew de facto relations with the Moscow Government because of the impediment of complete and proven bad faith on their part. The President found this an insuperable obstacle to peace negotiations with the German Government. The futility of Bolshevik engagements is due, not only to the dishonesty of their leaders, but to the natural disorderliness of a loose-knit government, many of whose most active members are anarchists by temperament. At the caprice of Trotzky and the Commissariat of War or the extraordinary commission against counter-revolution or of any other strong personality of the moment, the most democratic decision or engagement of the Commissariat of Foreign Affairs may be altered.

"The Czechoslovak matter has given Department evidence of Bolshevik bad faith. Unfortunately my files on this were burned.

"It is of interest to note following representative statements regarding Tchicherin's proposal. These are taken at random from The Fall Is Near of Lloyd George and Wilson, a piece of Bolshevik propaganda prepared for distribution among our troops here:

" 'Pitiless conditions which are more cruel than those of Brest-Litovsk and which are more threatening to the world's peace have been imposed by the Allies on the enemy which they have vanquished.'

" 'The League of Nations which Wilson proposes is a fake' " (319–320).

Little did the general staff of the Imperial Government (Germany) think when the fatal dose was handed to Russia that the poisoned chalice would be commended to her own lips within 12 months (332).

The Bolshevik theory strikes at the home as Americans understand it. The decrees of bolshevism made marriage and divorce so easy that they were to be had for the asking. Simply a verbal announcement to an irresponsible citizen legalized both marriage and divorce under the Lenin and Trotzky regime (333–334).

After I returned to the United States, still being Ambassador to Russia but on the inactive list, I was asked repeatedly as to the reports of the Bolshevik theories on personal or domestic relations. I replied it was true that in some part or parts of Russia local authorities had issued decrees nationalizing women. I saw nothing of the application from my own observation. I only know of such decree or decrees from having seen them in official publications of the Bolshevik Government (334).

I would call attention to the effect of bolshevism already seen on the uneducated of every European country. All of the unrest throughout Europe and in this country and in every country on the Western Hemisphere can be traced back to this Bolshevik experiment in Russia (334).

From the first I contended that bolshevism did not have followers in Russia exceeding 20 percent of the Russian people, and that following has been diminishing until it is now less than 5 percent (338).

I think it would be a grievous mistake for any government and a stultifying crime for our Government to enter into trade relations with the Bolshevik Government of Russia (340).

We owe it to ourselves, if we would preserve our institutions, to eradicate this foul monster—bolshevism—branch, trunk, and root. We owe it to society. We owe it to humanity. If we would save society from barbarism and humanity from slaughter (349).

Ambassador Francis favored the League of Nations, but that is no more than could be expected, for he evidently was not familiar with the background of this organization. Had he known that the League of Nations was purely an international scheme of world domination, I am sure that he would not have given this international government the slightest consideration.

I have asked to insert these remarks because they are pertinent at this time, coming from one of our own Ambassadors, David R. Francis.

One Word More

EXTENSION OF REMARKS

OF

HON. ROBERT RAMSPECK

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

ARTICLE BY RALPH McGILL

Mr. RAMSPECK. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article by

Ralph McGill which appeared in the Atlanta Constitution for April 18, 1940:

[From the Atlanta Constitution of April 18, 1940]

ONE WORD MORE

(By Ralph McGill)

CHIP OFF MY SHOULDER

Tom Stokes, who is one of the Nation's great reporters, is to spend 2 days in Atlanta, his old home town, tomorrow and Saturday.

He comes to speak Friday evening at Emory University, the public being invited to the meeting at a nominal cost; and he comes also to autograph copies of his book at specified book shops.

The book is Chip Off My Shoulder. It is the accounting of the coming of age of Tom Stokes. It is not a book about the South, and yet it is a book about a southerner. In the last chapter of the book he came back to look at the South, which he loves. He did not like many things which he saw. He says so.

When he went to Washington to become a reporter for the United Press he went with a chip on his shoulder. He resented any criticism of the South. Also he found himself possessed of an attitude. He had a perpetual chip on his shoulder.

The chip came off. It was not knocked off. It came off slowly, as if done by extremely slow-motion movies. But it did come off. And stayed off.

He had lived in Atlanta's West End. He had played with Uncle Remus' grandchildren. He knew about fried chicken, grits, the personalities, and all the pride and prejudice of his section.

There isn't much of that. He goes off to become a reporter in Washington. He sees all the panorama of Harding, Coolidge, Hoover, and the revolt of the people which swept, for a time, big business and little business and all the people to the side of the one man in whom they then believed, Franklin D. Roosevelt. He not only saw it. He was a part of it.

He tells the story. He tells it with such honesty that at times the painstaking care is obvious.

Those of us who still have a chip on our shoulder will not like a part of the book. But, on reading, the chip may be felt to stir.

FROM MYTHOLOGY TO REALITY

It seemed to me, on reading his book and on rereading parts of it, that what he has done is to give to the South a great picture of the need for new bone and sinew.

There is a great need to come from mythology to reality.

I would not want to forget the old South and its traditions. But I think we ought to keep it and them in memory only. The swords and the roses may be seen in Miss Margaret Mitchell's most excellent book and the movie made from it. They truly are "gone with the wind." The old mansions were beautiful. Today garden clubs keep open many that survive. They, too, had their day.

The old South is dead. Let's treasure and keep it in our memories. But keep it there.

The South is a fabulous section. Henry Grady pictured that fabulous land as has no one else. He tried to give bone and sinew to the picture. Perhaps he might have done so had he lived.

Today the South is on the threshold of its greatest opportunity. Yet there are so many with chips on their shoulders who refuse to admit the sad truth that in the South the per capita income is the lowest; that millions are landless; that two-thirds of all southerners do not vote; that mobs, while diminishing, still find their haven in the South; that education and public health are not enough to meet the requirements of the southern people; that freight-rate differentials still serve to keep us in the state of a colony for the East.

Such statements of sad truth always arouse some who wish to disprove it by having the band play Dixie.

This is a fabulous land. We do present the greatest economic opportunity. But it cannot be done with roses and with political promises. Nor with old legends.

THE MAN WHO KNEW COOLIDGE

Mr. Stokes' story of Harding, Coolidge, and Roosevelt is worth the reading. He liked the objectives of the New Deal.

Like many others who liked those objectives, he did not like some of the misuse of power by the New Deal. Nor did he care for some of its measures.

But having seen Harding and Coolidge and Hoover, he wanted something else. Hoover does not suffer so much in this truthfully etched story as do Harding and Coolidge. I do wish that all those who admire "Careful Cal" would read Mr. Stokes' book. He was careful. So careful, indeed, he just sat on the front piazza at the White House to see the streetcars go by, and let the structure of finance, economy, and government slide downhill. "Careful Cal"!

The picture of the Roosevelt tour, viewed by a reporter; the revealing pictures of the Republicans trying to manage Alf Landon's campaign—they all are good.

Mr. Stokes' talk Friday evening ought to be interesting. It is before the Georgia Academy of Social Sciences, with the public invited. There is to be a nominal charge.

Come with the chip on your shoulder. Maybe Mr. Stokes can shake it a bit.

H. R. 9174

EXTENSION OF REMARKS

OF

HON. FRANK W. BOYKIN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

Mr. BOYKIN. Mr. Speaker, in order that the Members of the House may become more fully acquainted with the purposes of H. R. 7194, introduced by my colleague the gentleman from South Carolina, HAMPTON P. FULMER, I am going to ask the indulgence of the House in order to speak on a matter of concern to the American fats and oils industry, in general, and one of vital interest to every cotton and peanut planted in the southland.

The first and primary reason for the introduction of H. R. 9174 was to benefit the American hog raiser, the cotton, the peanut, and the soy-bean planter, as well as our national livestock and dairy industries.

The second great need for its enactment is to ameliorate, if not correct, some of the injustice now being suffered by a class of agricultural producers in our country who find themselves pitted against the foreign producers of vegetable, animal oils and fats, in the matter of governmental reports. H. R. 9174 is intended particularly to protect our domestic agricultural producers in America against some of the results of the unfair competition from which they now suffer, both by virtue of the low price which they receive for their production, as well as the restrictions placed upon their markets by the huge combinations which process their raw materials.

Mr. Speaker, in the chaos which obtains in the world of today, where nations lose their liberty, their freedom, and their sovereignty overnight, it is well that we, in Congress, stop and ponder intimately on every question which might affect the safety of our own United States of America.

Our national defense, Mr. Speaker, is wrapped up in our supplies of vegetable-animal oils and fats. Let war with Japan ensue and our supply of the Philippine Islands coconut oils and the rest of the oriental oils upon which we are now dependent would immediately cease.

How much we are dependent upon that supply from month to month no man in this body knows, nor are we permitted to know. Neither is there any way provided whereby we can ascertain our dependence upon that foreign supply.

Our cottonseed-products producers are mandated by law to report the amount of their stocks each month, and they report in every detail as to the stocks on hand, and they do it under a penalty imposed by this Congress, but, Mr. Speaker, the importers, the processors, and the purchasers of the foreign oils and fats which are destroying not alone the prices of hog lard and domestically produced cottonseed oil products, do not have to report. The Fulmer bill (H. R. 9174) is designed to correct that evil, and I want to recommend to the consideration of every Member of the House the perusal of a letter which I wrote to the southern commissioners of agriculture and now ask unanimous consent to have this letter printed in the RECORD for the benefit of the Members who might not now be present.

Col. C. C. HANSON,
Secretary, Southern Commissioners of Agriculture,
Raleigh Hotel, Washington, D. C.

DEAR COLONEL HANSON: I was indeed glad to hear from the association, Southern Commissioners of Agriculture, and your own good self with reference to H. R. 9174, a bill introduced by my good friend and colleague, HAMPTON P. FULMER, Second District, South Carolina.

I was particularly glad to receive your communication because of a recent request which I received from home urging, not alone my support of the measure in behalf of the cotton producers of our South, but asking that I introduce an amendment to the same.

The amendment proposed is designed to remove some of the injustices now being suffered by our southern cotton planters,

not alone in the matter of the price which they receive for their products but from the unfair competition under which they labor by virtue of the enormous imports of foreign-produced jungle-nut oil seed and vegetable oils—oils which are now flooding our country.

Agreeable to that request, I have instituted the researches requested. These researches are now being made to the end of perfecting what will in truth be an amendment equally fair to the producers, processors, and the consumers of both foreign and domestic oils and fats, their byproducts and the derivatives therefrom.

As you know, H. R. 9174 is a bill entitled "A bill to amend an act entitled 'An act authorizing the Director of the Census to collect and publish statistics of cottonseed and cottonseed products, and for other purposes,' approved August 7, 1916."

Insofar as the bill H. R. 9174 pertains to the "oils and fats" industry in its relation to the cotton producers of our Southland, it is not greatly unlike H. R. 9659, introduced by Mr. FULMER in the Seventy-fifth Congress, third session, which opened January 3, 1938, and upon which House hearings were held by the Committee on the Census under date of March 15, 1938. Subsequently, hearings were held before the Subcommittee on Commerce of the Senate under date of May 9, 1938.

H. R. 9174 is a short and simple bill. In substance it provides that the Director of the Census be authorized and the bill makes mandatory upon the Director to do in behalf of the oils-and-fats industry with respect to certain other oils and fats what amounts to the same thing that is now imposed upon the cottonseed-oil industry under the Cottonseed Act with reference to furnishing the Federal Government with statistical data as to the amount of cottonseed crushed and on hand, the amount of cottonseed products manufactured, shipped out, and in stock.

The bill provides, in brief, to extend the authority of the Bureau of the Census with respect to the collection and dissemination of statistics concerning items such as soybeans, peanuts, flaxseed, copra, sesame seeds, kapox, rapeseed, and other oil seeds and nuts, as well as that of the oil, the oilcake, meals, and all other products of processing and byproducts of the nuts and seeds.

Now, Colonel, in my opinion H. R. 9174 (76th Cong., 3d sess.) is a highly meritorious bill which should continue to receive the active support of the association, Southern Commissioners of Agriculture. The association's endorsement to Mr. FULMER's original bill, H. R. 9659, was expressed in the following communication addressed to Mr. FULMER by the president of your association:

STATE OF LOUISIANA,
DEPARTMENT OF AGRICULTURE AND IMMIGRATION,
Baton Rouge, March 18, 1940.

Hon. H. P. FULMER,
Member of Congress, Washington, D. C.

DEAR JUDGE: Copy of your letter to B. F. Taylor, Columbia, S. C., and copy of H. R. 9659, received.

I am glad to get this information, and certainly approve of this bill.

With best wishes, I am

Sincerely yours,

HARRY D. WILSON, *Commissioner.*

This writer would now point out that among other endorsers to the "original Fulmer bill" was Mr. J. C. Holton, Commissioner of Agriculture of the State of Mississippi, the National Dairy Union, the Association of American Producers of Domestic Inedible Fats, as well as the National Cottonseed Products Association, which reads as follows:

NATIONAL COTTONSEED PRODUCTS ASSOCIATION,
Memphis, Tenn., April 15, 1937.

Hon. H. P. FULMER,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN FULMER: I have yours of the 9th, with copy of your bill, No. 5813.

We, who are deeply interested in Southern vegetable oils, have needed for a long time the information called for in this bill, and I will immediately mail copy of same to various people in every cotton-producing State, and ask that they request their Representatives at Washington to support and work for its passage.

Yours very truly,

T. H. GREGORY,
Executive Vice President.

In this writer's opinion no well-founded opposition to this bill should obtain or could possibly exist. It provides for the more current publication of statistics that would render them more valuable and of real service and assistance to the producers, processors, and handlers of all vegetable, animal, fish, and other aquatic oils and fats, whether of domestic or of foreign origin or production.

There would be no duplication of activities involved in this bill. There would be a completed compilation of related data and information. Regardless of what its opponents might contend, it would not be a costly procedure and would prove of inestimable value to our national welfare.

It is this writer's opinion and in this opinion he is sustained by his economic adviser, that from the standpoint of the American oils-and-fats industry and especially the producers, the bill is neither overburdensome but rather that it is not comprehensive enough.

The factual history of the legislation in brief is as follows:

In 1916 the cottonseed-oil industry made request of Congress that monthly statistics be published by the Federal Government disclosing all factual information as to production, stocks on hand, and other pertinent items having to do with cottonseed. The Congress of the United States responded to that request.

An act entitled "An act authorizing the Director of the Census to collect and publish the statistics of cottonseed and cottonseed products, and for other purposes," was passed by Congress and approved by the President August 7, 1916.

The Cottonseed Act is a compulsory act and carries a penalty for noncompliance. You might be interested to know that in no one single instance has it been necessary to apply the penalty provision for noncompliance since its enactment.

With reference to oils other than cottonseed, all of which more or less compete with cottonseed oil, there is no Federal statute making report mandatory. It is true that a voluntary report is now being made and in fact is being published by the Bureau of the Census on a quarterly basis. I would have you note well that this is a voluntary report and that there is no penalty attached for noncompliance.

It is unnecessary for me to point out to you and to the southern commissioners of agriculture the tremendous advantage which is now enjoyed by all oil and fat producers, particularly those in foreign countries, in the use of data conveyed by the "special monthly cottonseed report."

Likewise, Colonel Hanson, it is unnecessary to point out to you and your associates the limited value and the interests to the cottonseed producers of the present quarterly report on the production, consumption, and stocks of fats and oils with respect to some 65 or 70 various vegetable, animal, fish, and other aquatic animal fats and oils.

The injustice lies in this one fact. National welfare derives vast benefit from the cottonseed reports as published on a monthly basis. The competitors of the cottonseed producers are thus able to avail themselves monthly of all the statistical trade data which it discloses, while, on the other hand, the cottonseed producers have no knowledge whatever of their competing products until 3 months have passed and even then have very meager statistics as to some competing products.

The Fulmer bill, H. R. 9174, introduced into this Congress, merely provides for "the monthly collection and release of data on certain other oil seeds and their products." These data to be such as are now published monthly by the Department of Commerce on cottonseed and which makes provision for a penalty of noncompliance similar to that provided in the Cottonseed Act for the producers, processors, and handlers of cottonseed and cottonseed products.

The public hearings on the Fulmer bill have been completed by House Committee of the Census. The only expression of opposition to the bill was that the proposal to change the present quarterly "voluntary report" to a monthly mandatory basis would cause some additional expense and inconvenience to those who appeared in opposition to its enactment. Its opponents also contended that the additional information published monthly would be of questionable benefit to the industry. That is a debatable question and a statement in which I do not concur.

The Census Bureau officials, who are purely a fact-finding and not a policy-making body, stated that the work of tabulating and releasing the statistics on a monthly instead of a quarterly basis would involve "very little additional expense," so far as the Government was concerned.

The transcript of the testimony taken at the Census Committee hearings is now in the hands of the Government Printer. Consequently it has been impossible for me to completely review the same. Inquiry, however, of various members of the committee and of the committee clerk makes this testimony of great interest by virtue of the fact that those appearing in opposition to the bill were the representatives of highly financed legislation pressure groups, including the following:

Mr. John B. Gordon, bureau of raw materials, American Oils and Vegetable Fats Industry.

Judge Ralph Lozier, general counsel, Institute of Oil Seed Products.

John F. Craig, assistant to the president, the Spencer Kellogg Co., Buffalo, N. Y.; representative of the National Linseed Oil Manufacturers Association, National Soy Bean Producers Association.

Roscoe C. Edlund, representative of the American Soap and Glycerine Producers Association.

A. W. Gilliam, Institute of American Meat Packers.

The above constitute the "Big Berthas" of the Chicago meat packers and the Soap Trust. They are representatives of the interests which oppose practically every measure brought before Congress designed to remove the overburden on domestic producers of our oils and fats, and are always on hand to oppose every suggestion of assistance which Congress might be considering to aid our domestic producers in efforts to insure a reasonable price for their products.

In discussing this clique's activities to repeal the excise tax on foreign-produced coconut oil, Senator TOM CONNALLY once said:

"They have made a regular groove in the marble floors of the Senate Office Building by walking back and forth to the Finance Committee. * * * Who is on the other side of this fight? The soap manufacturers. * * * How much was it Procter and Gamble paid their President last year? There was some testimony before the Committee on Finance as to what they paid the president of the company. I cannot recall the figure now, but I shall check on it and insert it on the record. I am sure that Procter and Gamble's representative, who is in the gallery, will be glad to tell me about it when the session is over." [Laughter.] (CONGRESSIONAL RECORD, May 31, 1939.)

To any well-informed mind, nothing could be more indicative than the statements of these "fat cats" of the Soap Trust in opposing the Fulmer bill. It is evident now that they are determined to beat down every proposal, no matter how innocuous, which might be helpful to either price or production with respect to domestically produced oils and fats, and particularly southern cottonseed and peanut oils.

Their activities at this hearing, when viewed in the light of the onslaught which they made last year to do away with the excise tax on coconut oil, greatly discloses the fact that they are determined to impede the enactment of any helpful legislation.

I am myself convinced of their desire to obtain destructive changes, if not the repeal of statutes, which at present afford some limited measure of protection to the American producers of our oils and fats.

It was in the light of the foregoing that the services of a local economist well versed in the oils and fats industry has been engaged. He is now making researches and determinations as to the factual merits and economic soundness of the bill introduced by Congressman FULMER. These studies will include analysis and research into:

1. The original bills as introduced both in the House and in the Senate.
2. The hearings held on these bills in the House and the Senate.
3. The present Fulmer bill, H. R. 9174.
4. The committee hearings on that bill as to the evidence offered and the statements made at the hearing.

One thing is now certain. The association, Southern Commissioners of Agriculture, should make request in behalf of southern agriculture and ask that the Committee on the Census reopen the hearings on H. R. 9174. I have already discussed the matter of the reopening of these hearings, as well as the question of filing a brief in support of that bill with both Congressman FULMER and the committee itself.

I am myself disposed to feel that it is about high time the insidious activities of the "soapers" were disclosed to the American people. Furthermore, I am personally disposed to press the Members of the House, not alone for the passage of a bill designed to accompany the purposes outlined by Congressman FULMER and endorsed by the Southern Commissioners of Agriculture and other interested producer groups, but I might possibly move for an investigation of the activities in the control of the market of both the raw materials as well as the finished production of the entire soap industry.

Let me now point out to you, Colonel Hanson, that the entire American cottonseed industry is laboring under a terrific disadvantage at the present time in the matter of statistical data as to competing products. They are suffering this disadvantage while the importers and processors of the vast quantity of foreign oils which flood our domestic markets are each month placed in possession of every fact pertinent to the cottonseed-oil industry.

The cottonseed-oil industry, on the other hand, can obtain practically no knowledge whatever as to the production, the consumption, and the stocks on hand of competing products, except such as is contributed voluntarily to the Government every 3 months.

The records of every line of industry allied to cottonseed oil will support the fact that the publication and dissemination of statistics as to the cottonseed received, crushed, and on hand, as well as the cottonseed products moved, shipped out, and in stock each month constitutes data valuable and necessary to the proper conduction of their business and the general public, while they have no knowledge whatever as to the doings of their competitors.

They should take note that the opponents of the Fulmer bill, rather than disclose equivalent and similar data on other oil-bearing nuts and seeds as well as on oils and fats competitive with cottonseed, have actually had the boldness to suggest that the cottonseed facts should be suppressed and made available to the public only on a quarterly basis rather than that they, like the cottonseed-oil industry, should be compelled likewise to report on a monthly basis.

The southern cottonseed industry should resent that suggestion with every force at hand. They should at the same time present to their respective Members of Congress information as to the benefits that would accrue to the American people if our citizenship were only permitted to know monthly and currently all facts pertinent to oils and fats, the production of the tenth greatest industry of the United States of America.

This is not alone important from the standpoint of commerce but it is economically important from the standpoint of national defense. Almost daily we read in the press of the importance of the oils and fats industry to the national-defense program. Daily the press records the apparent lack of fats and oils in the German Reich. News commentators and military observers both at home and abroad have gone so far as to suggest that Germany will lose the present World War, if for no reason than because of her ability to acquire a sufficient supply of fats and oils to support her civil population and military operations.

A mere child would realize that if those things are true, that if fats and oils are so necessary to the operation of German military system and machines, that they are equally needful and necessary to the defense of our country at the present time, despite our ability to become economically self-sufficient in the production of its oils and fats.

Vegetable, animal, and aquatic oils and fats are daily imported by the boat load from almost every quarter of the globe into the United States of America in order to make up our national deficiency. At the same time we have cut down the production of our cottonseed oil; we have restricted our southern planters from the production of peanuts and of castor beans. We have reduced our supply of corn oil.

It is entirely unthinkable that this country should remain dependent upon coconut oil imported from the Philippine Islands, and upon babassu, palm kernel, palm oil, peanut, corn, rape seed, perilla, sesame, fish, whale, and a host of other fats and oils, all of which could and would probably be shut off by the cutting of our lines of water transportation with the other side of the world in the event of war.

Still more unthinkable is the fact that the American Soap Trust and its paid lobbyists in Washington should stand like "dogs in the manger" and refuse to permit the American people currently to know the truth as to the supply on hand of essential and strategic materials necessary both to a peacetime as well as a wartime economy.

Colonel Hanson, I find it almost impossible to reconcile the fact that with hog lard selling, as it is, at the lowest price in decades and that with hundreds of our cottonseed oil mills shut down, the president of one "shortening company" using raw materials gathered in the jungles of the Far East should enjoy an income of nearly $500,000 a year, while our own cotton planters and producers of our seed are compelled to live on the very borderline of poverty.

As for myself, I am resolved either to introduce a new bill altogether or to propose an amendment to the present Fulmer bill. This will ask that the present quarterly report on the production, consumption, and stocks of oils and fats, in the future, inclusive of data on all soap products, shall be published monthly by the United States Department of Commerce. Furthermore, I am seriously considering a proposal to introduce a resolution calling for congressional investigation of the entire Soap Trust, in respect to its purchasing as well as marketing and lobbying activities.

My action in that matter will be wholly dependent upon the studies now being made, although I have ample evidence on hand to warrant such an investigation at the present time.

It is high time that we in this United States should ascertain exactly to what extent this industry is exploiting both the producers and consumers of American vegetable oils and fats. Not alone do they control domestic prices through the imports of foreign oils, but their present system of pricing and of marketing both their foodstuffs and soap and the combinations which they have effected are apparently mulcting the American people of hundreds of millions of dollars annually in their purchase of lard shortenings, soaps, and other fatty products.

You will find enclosed several documents which may be of interest to you:

1. Copy of H. R. 9174, the bill introduced by Congressman FULMER.
2. Copy of preliminary report issued by Director of the Census, announcing the preliminary statistics as to the factory production and consumption, imports, exports, and stocks of animal vegetable fats and oils for the 3-month period ending December 31, 1939.
3. Copy of preliminary monthly report issued by the Bureau of the Census, 10 a. m., April 12, 1940, on the cottonseed received, crushed, and on hand, and the cottonseed products manufactured, shipped out, and on hand for 8 months ending March 31, 1940 and 1939.

Thanking you for your help in this matter, believe me,

Very sincerely yours,

FRANK W. BOYKIN.

What of Unemployment and One Over-All Tax?

EXTENSION OF REMARKS

OF

HON. J. FRANCIS HARTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

COMMUNICATION FROM A CONSTITUENT

Mr. HARTER of New York. Mr. Speaker, to prove that our shamefully unsolved domestic problems are the subject of much individual, as well as collective, thought throughout the country, under leave to extend my remarks in the RECORD, I include the considered suggestion of one of my constituents.

His suggestion is set up in petition form and to my knowledge now has hundreds of signatures representing labor, business, property owners, and ordinary "run of the mine" citizens attached to it. The author of the thought behind the petition is Mr. Otto E. Grupp, 942 Humboldt Parkway, Buffalo, N. Y. He is for elimination of real-estate and all other hidden and open taxes. He is for substituting an open, unconcealed transaction tax. I repeat, much individual, as well as collective, thought is required to make some progress. Mr. Grupp requested me to bring his consolidated

ideas to the attention of Congress. They are embodied in the following petition:

We, the undersigned American citizens, exercising our constitutional right, petition your honorable bodies to pass legislation necessary to repeal present system of taxing real estate on an assessed valuation confiscate basis and also all forms of open and concealed taxes and substitute one open, unconcealed transaction tax (rate of tax adjusted to pay as we go) to be collected by each State with the Federal Government cooperating and to be refunded to local government on wealth valuation basis, the Federal Government costs, the States governments costs, and an old-age pension for all citizens to be included in this one open, unconcealed tax.

We present the following reasons why such legislation is necessary:

First. To eliminate duplication in Federal, State, and local government costs. To remove the hidden cost of government now pyramiding in the production, distribution, and servicing of wealth.

Second. To save the dollar values deposited in business and savings banks, these values being principally represented by the dollar, of real estate and real estate securities which should not be subject to confiscation by a system of yearly pyramiding tax liens.

Third. This revision of the present tax structure would revive the national purchasing power, create the incentive to invest idle capital in the production of new industries, new projects, and the rebuilding of obsolete buildings and homes, thus employment would be stimulated and the unnecessary Government employees would find more desirable positions in private industry.

Amendment of National Labor Relations Act

EXTENSION OF REMARKS
OF
HON. ARTHUR D. HEALEY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

EDITORIAL FROM THE BOSTON EVENING TRANSCRIPT OF MARCH 15, 1940

Mr. HEALEY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Boston Evening Transcript of March 15, 1940:

[From the Boston Evening Transcript of March 15, 1940]

SMITH REPORT—AN APPRAISAL

Senator WAGNER's charge that the Smith committee has proposed "ripper" legislation is unfortunately justified. After a careful study of recommendations of the Smith body which investigated the National Labor Relations Board, we are tempted to go even further than Senator WAGNER has gone and to suggest that from labor's point of view it would be better that the workers be thrown back upon the protection their own unions can give them than that these proposed amendments be enacted. That, presumably, is what Senator WAGNER meant when he said that the Smith amendments were worse than repeal.

It requires only a few changes to convert a law from a protective to a suppressive device. The Wagner law, which was drafted to protect labor in its right to organize and to bargain collectively free from any interference, could become a statute restrictive of labor's rights with only a few shrewd amendments. Even hostile administration could achieve this end, as has been demonstrated in Wisconsin and Pennsylvania where so-called baby Wagner Acts have been in the hands of men out of step with the purpose of the legislation.

An examination of the Smith recommendations reveals dangerous traps.

The proposal to delete the wording which calls the denial of collective bargaining a cause of strikes and a threat to interstate commerce could easily destroy the legal basis of the entire act, leaving the Federal Government without any constitutional authorization for intervention in the labor picture.

The proposal to split the judicial and administrative function between a new Labor Board and a single administrator would, as we have previously said, destroy the unity of the administrative process as it is applied to labor. Labor is entitled to the same prompt and efficient attention to its needs as are petitioners before the Interstate Commerce Commission, the Federal Trade Commission, or the Communications Commission. If the Labor Board abuses its powers as a prosecuting, fact-finding, and enforcement agency, the courts can overrule and reprimand it as it does with the administrative bodies.

The proposal to free employers from any necessity for arriving at an agreement could reduce collective bargaining to a mere gesture. Industry should not, of course, be obliged to reach an accord each time it sits down to bargain, but if the Wagner Act is to have any meaning, all parties should be required to bargain in "good faith" in an honest effort to reach an agreement.

The proposal to deny the protection of the Wagner Law to a striker willfully violating any law could readily be used to break a picket line or to put labor leaders out of the way. It would be a simple matter to incite a picketing striker or a labor organizer to violence and thus deprive him of all rights under the act. As Senator WAGNER said, this provision would be the same as depriving an employer of his corporate franchise for all time if he were convicted of willful infraction of any law.

The proposal to require the same "rules of evidence" that obtain in the courts might work out but it could conceivably bog the operation of the labor act in time-consuming minutiae of legal hairsplitting. Certainly if these rules of evidence are to be applied to the Labor Board, they should be applied to all the other agencies.

The proposal to permit the courts to review clearly "erroneous findings of fact" as well as of evidence could open the door to full court review, not only delaying the administration of the act but swamping the courts, unless it is proposed to make labor the sole object of this special safeguard.

These proposals and many others convince us that the Smith committee is recommending not fair improvement but emasculation of the Labor Act. We therefore urge that the Smith report yield to a more constructive approach to this vital problem.

Of course, the Wagner Act can be improved. The Smith committee proposal to limit appeals to 30 days could accelerate procedure; the proposal that no fewer than 20 percent of employees could evoke the act would eliminate many useless hearings and the proposal to make a Labor Board decision binding for a year would save industry much wrangling and disruption.

The recommendation that employers be permitted to discuss labor problems with their employees represents a desirable remedy, provided an employer is required to demonstrate that his discussions are not designed or have not operated to intimidate labor in the exercise of its legitimate union activities.

It would have been better if the Smith committee had devised a remedy for the chief abuse it uncovered—the incompetence and antiemployer bias of some of the trial examiners. A worth-while amendment would be one that assured a better grade of examiner. His selection, for instance, might be made by the Department of Justice.

Another really helpful amendment would be the establishment of an intermediary clearing house between the examiner and the Board to eliminate many run-of-the-mill cases and relieve the overworked Board.

We believe the whole provocative question of industrial peace will be greatly appeased when collective bargaining is accepted in spirit and in fact. When that time comes, the need of the Wagner Act will have disappeared. But while that act is on the books, it should remain what it was intended to be, a protection for trade-unions and a support of collective bargaining in the United States.

Let us amend the law to make it just and more workable but not to emasculate it.

The Trade-Agreements Program

EXTENSION OF REMARKS
OF
HON. HOMER D. ANGELL
OF OREGON
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

EDITORIAL FROM THE PORTLAND OREGONIAN OF APRIL 16, 1940

Mr. ANGELL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following editorial from the Portland Oregonian of April 16, 1940:

[From the Portland Oregonian of April 16, 1940]

NOBODY HURT?

The cheeriness of the President's statement on the bill extending the trade-treaty policy will not bring responsive smiles to the faces of western lumbermen or wool growers and some others of our producers. The agreements program, said the President, has brought demonstrable benefits to our Nation as a whole, and has not inflicted injury on any group of producers.

Yet the fact remains that in the face of Empire trade agreements which virtually excluded northwest lumber from British markets, the Canadian mills that had run our mill lumber out of the United Kingdom, were given more favorable entrance to our home market.

There has been printed in this space the text of a letter from New York quoting a prospective buyer of 2,000,000 feet of lumber as insisting he could buy Canadian lumber for at least $2.50 a thousand less than he would have to pay for United States stock. Whether the Canadian price was met in this instance was not disclosed, but it is a demonstrable fact that the ability of the foreigner to deliver at lower prices than the domestic producer depresses the price of the domestic product whether the foreigner

actually enters the market or not. But Canadian lumber has entered the United States market to the serious injury of labor that would have been employed had domestic stock been sold instead.

Imports of wool products from Great Britain increased from 168 to 1,000 percent in the first 8 months of 1939. The imported manufactured yardage represented an annual employment of 4,000 to 5,000 persons, and the American consumer did not obtain either cheaper or better garments.

Moreover, whatever advantage we might have gained from the trade agreements has been impaired, if not upset, by war conditions. Depreciated currencies have made our products more expensive in terms of the money with which some foreigners buy, and war restrictions have further obstructed the sales of our products that had been given tariff concessions by the warring countries.

It is true that the war, which has upset prior calculations, brings further trade negotiations to a halt, and there is probability that when the war is over the purchasing power of our principal customers will have almost vanished. Trade is not reciprocal unless both parties to the agreement both buy and sell. There is a good deal of "face saving" in the administration's insistence on continuance of the policy and not much of substantial prospect, even if it be conceded that the agreements program was once a good thing. And the injury done to the lumber industry by the concessions granted to a contiguous competitor still exists.

Capital Parade

EXTENSION OF REMARKS
OF
HON. CLIFTON A. WOODRUM
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

ARTICLE BY JOSEPH ALSOP AND ROBERT KINTNER

Mr. WOODRUM of Virginia. Mr. Speaker, under leave granted I herewith insert for the RECORD an article, Capital Parade, by Joseph Alsop and Robert Kintner, appearing in the Washington Evening Star of April 22, 1940:

[From the Washington Evening Star of April 22, 1940]

CAPITAL PARADE

(By Joseph Alsop and Robert Kintner)

TYPICAL ECONOMIZER

WASHINGTON.—In the present congressional session, two striking facts have been successfully demonstrated—that governmental economy is still feasible, but that it is not feasible without the cooperation of the White House. The demonstration has been chiefly made by a small group of Democratic moderates and conservatives, among whom the House leader is Representative CLIFTON A. WOODRUM of Virginia.

At the moment, WOODRUM is grimly fighting the President's demand to be allowed to spend all the $975,000,000 relief appropriation in 8 months. The battle, to judge by present appearances, is no more than a rear-guard action, yet WOODRUM is a decidedly significant figure. He is of the type of those conservative chieftains whose rebellion in the ranks of his own party has given the President so much more trouble than the frontal attacks of the Republicans.

THE OFFICE OF EDUCATION

Like most of the Democratic conservatives, WOODRUM is a southerner and a political veteran. He was born in Roanoke, Va., 53 years ago. His formal education was brief, for when he was 13 family financial troubles forced him to leave school and go to work, first as an errand boy and then as a "soda jerker." While dispensing sundaes, he studied pharmacy, and became a licensed pharmacist. Then, while compounding prescriptions he studied law (his father was a lawyer) and got himself admitted to the bar.

His break came before he was 30, when a judge assigned him to defend a Syrian immigrant guilty of fratricide. Syrian brother killers have small appeal for Virginia juries, but young WOODRUM got his client off with a jail sentence by finding a character witness who described the Syrian rescuing young children in a flood. He was thereupon elected Roanoke's public prosecutor. In the prosecutor's office he made a good reputation, and in 1922 he was elected to Congress. He has been there ever since.

Tall and pleasant looking, with a sonorous voice and a rather solemn manner, he was a good companion. He was also an able man, industrious in the study of legislation, impressive on the floor, and shrewd in committee. Before long he was accepted as a Member in good standing by the small inner circle of Representatives who really run the House. Back in the days of the "office of education," he was always one of those who got the nod when Nicholas Longworth or JOHN N. GARNER came on the floor about 5 p. m. to summon the afternoon's company to their little retreat.

Indeed, his first emergence as an economy leader was traceable to his membership in the Longworth-Garner group. John McDuffie also belonged to it, and when McDuffie ran for the Speakership against Henry Rainey, WOODRUM was his chief supporter. Consequently, when the President sent his economy message to Congress in the wild spring of 1933, Rainey sought to punish McDuffie and WOODRUM by giving them the politically dangerous task of leading the economy fight. The President changed his tack long ago, but WOODRUM, who seems to have taken his punishment lightly, is still fighting it out along the same line.

CURIOUS PHENOMENON

Although WOODRUM is only the third senior Democrat on the House Appropriations Committee, he is the most influential member, and the undoubted economy leader. It was to him and to LINDSAY WARREN, of North Carolina, that Senators PAT HARRISON and JAMES F. BYRNES turned for help, when they decided that it would be better to cut the President's Budget than to raise taxes or increase the debt limit. Owing to the President's nonsupport, and the Senate's break on the farm bill, the economy effort has failed. Next year the debt limit will certainly have to be increased. Yet the fight has shown that economy is certainly possible.

WOODRUM really feels deeply about economy, and harangues doubters about it interminably. Once he asked a doubter, "How in hell do you expect to go on back to an intelligent constituency and explain this situation?"

"That don't bother me," replied the doubter, "because my constituency isn't intelligent."

The doubter's implied agreement with WOODRUM's argument suggests one of the two reasons why the economizer's fight has been so surprisingly effective. The majority of Members of Congress, however they vote, are with the economizers at heart. The other reason is that the economizers are far more experienced and more respected leaders than the CLAUDE PEPPERS and JERRY VOORHISES who captain the other side. Indeed, it is one of the really curious and inexplicable phenomena of our times that the great and powerful New Deal movement, after 7 continuous years of power, has produced no congressional chieftains of comparable stature with the hard-shelled conservatives like WOODRUM and the moderates like BYRNES.

Importation of Refined Sugar

EXTENSION OF REMARKS
OF
HON. CHARLES A. EATON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

LETTER FROM A CONSTITUENT

Mr. EATON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter from a Democratic constituent, together with the resolution referred to therein:

FEDERATION OF POLISH-AMERICAN
DEMOCRATIC CLUBS OF NEW JERSEY,
Perth Amboy, N. J., April 19, 1940.

Hon. CHARLES A. EATON,
Washington, D. C.

DEAR CONGRESSMAN EATON: At a meeting held on Sunday, April 14, 1940, the State organization passed a resolution asking your support in safeguarding the cane sugar refining industry in New Jersey. You will note the contents of the resolution asking for protective Federal legislation on the subject. I believe the enclosed resolution is self-explanatory and should receive your attention and sincere cooperation.

Sincerely,

WALTER A. ULIASE,
Recording Secretary.

Inasmuch as a large number of Americans now have jobs in the cane sugar refining industry in New Jersey; and

Inasmuch as that industry's pay roll of $2,000,000 goes to support more than 1,200 families, with more than 4,500 men, women, and children, a great many of whom are of Polish-American blood; and

Inasmuch as the jobs of cane sugar refining workmen in New Jersey and other States have been lost and pay rolls slashed because of the importation, since 1925, of refined sugar produced in Cuba, Mexico, Java, the Philippines, Puerto Rico, and other areas; and

Inasmuch as these sugar-producing localities employ labor of an extremely low-wage basis, against which American organized labor cannot attempt to compete; and

Inasmuch as there will be a further loss of jobs and pay rolls and further distress to American families after 1940, unless there is proper Federal legislation to limit both this importation of refined sugar from the Tropics and the marketings of beet sugar: Therefore be it

Resolved, That we go on record as opposing the importation of refined sugar made by cheap, tropical, unorganized labor, and recommend that when Congress considers sugar legislation in 1940 there be written into such legislation provisions which will place an effective limitation upon the amount of refined sugar which can be brought into the United States and the amount of beet sugar to be marketed in the United States; and be it further

Resolved, That we send copies of this resolution to our Senators and Representatives in Washington.

FEDERATION OF POLISH-AMERICAN DEMOCRATIC CLUBS OF NEW JERSEY,
ANTHONY S. GADEK,
State President.
WALTER A. ULIASE,
Recording Secretary.

The Alien Problem in the United States

EXTENSION OF REMARKS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

STATEMENT BY THE SENTINELS OF NEW AMERICA

Mr. DONDERO. Mr. Speaker, under leave to extend my remarks, I insert herein the statement issued by the Sentinels of New America in its open letter and supplement thereto:

When just 1 short year ago the Sentinels of New America issued the Open Letter, a copy of which is attached, many were inclined to scoff at the statements contained therein and to conclude them to have emanated from a fear-filled mind. Since then the daily revelations have more than vindicated the author and have shown the need for immediate measures to cope with the situation.

In the October 22, 1938, issue of the magazine Liberty the publisher in his editorial boldly charges, among other things, that:

"The immigration statistics, for example, show that fully 200,000 aliens have come to this country yearly by bribery and fraud since Mme. Perkins assumed her duties.

"Last year 4,000 criminal aliens were ordered deported by the courts, and they have not been deported. Some of them, it is claimed, have been out on bail since 1933. Last year more than 1,000,000 aliens were on relief; and, according to the cost per unit estimated by Harry Hopkins, the expense of supporting these aliens totals nearly a billion dollars.

"There has apparently been a decrease of approximately 50 percent in deportation of alien criminals and undesirables since 1933. In 1933, 9,000 aliens were deported for entering the country without valid permits. In 1937 only 3,294 aliens were deported for this reason.

"In 1933, 3,000 aliens were deported for overstaying their permits. Last year only 702 such cases were deported."

If these things be true, then America is in a dangerous position, not alone because these aliens, many of them criminally inclined, are here illegally, but more so because it is an indication that public officials are ignoring their most sacred oath of office and that the principles of the Constitution of the United States are no longer upheld, and the court's decrees not always enforced by some of the officials sworn to do so.

When such a state exists, then if the Government of the United States is to continue in harmony with the principles upon which it was founded, it becomes necessary for the voters of these United States to demand of the members of the various legislative bodies the application of more or less drastic remedial measures.

THE CLEAR-CUT REMEDY

This remedy is not difficult once the issue is clear, inertia cast off, and proper responsibility assumed.

1. The further reduction of immigration and the absolute exclusion of all aliens whose entry would be undesirable in America.
2. The tightening of exclusion restrictions without delay.
3. To provide for the preferred employment of American citizens in all Government jobs, and to prohibit the employment of other than American citizens in any department of the Army and Navy.
4. To provide a means for the immediate registration of every alien now in America, and to further provide that all aliens entering America so register on landing on American soil; all aliens so registered compelled to report periodically their whereabouts and means of livelihood.
5. To provide that all aliens now in America, or who shall hereafter enter America, signify their willingness to assume the responsibilities of citizenship and uphold American institutions by applying for their first citizenship papers within 6 months after their arrival. Those failing to do so within a period of 11 months and 20 days to be deported without the formality and expense of a trial.
6. To provide that any alien in America being found guilty of a major offense committed before he has applied for his first papers shall be refused such papers and deported as undesirable.
7. To provide that all aliens now in America or entering America after such provisions are made shall be taxed equally with citizens and assume all responsibilities of citizenship, but without right of vote, until after they become citizens.
8. To provide that all aliens in America shall be refused equal rights with citizens, nor shall they be entitled to all the privileges citizens enjoy under American law, including all relief, until such time as they become American citizens.
9. To provide that aliens shall not be permitted to hold office of any nature whatsoever, nor be allowed by labor unions or corporations to become executive members, directors, or executives thereof, and be refused all vote of whatever nature in the affairs thereof.
10. To provide for the banning of all secret organizations which advocate the use of force or violence in any form whatsoever.
11. To provide, with heavy penalties and the immediate deportation of all aliens connected therewith, for the proscription and disbanding of all schools, movements, societies, publications, camps, and congregations of men where is inculcated the disruption of the Union and the American form of government by violence or other than the orderly means of voting for such change, as guaranteed to all citizens by the Constitution.
12. To provide for the thorough investigation, by every lawful means, of nihilism, nazi-ism, fascism, and communism and every other subversive movement.
13. To provide for all necessary increase of the border patrols to prevent the smuggling in of aliens and contraband of whatever nature.
14. To provide for adequate national defense and mandatory neutrality.
15. To immediately provide for adequate tribunals for the prompt trial of aliens who are offenders against law and order, and for the immediate enforcement, without interference from any source, of the decrees issued by such tribunals.
16. To provide for the apprehension and swift trial of public officials who fail to live up to their oath of office and thus set an example for citizens not in office.

Our sympathies are with our fellow man of whatever color, creed, or country, but we hold it as a self-evident fact that there is not even a semblance of injustice in requiring those of foreign birth within our borders to comply with the same laws and assume the responsibilities which are thrust upon us because of our birth under the banner of a free country and a protecting Constitution, and I (we) whose name(s) is (are) appended hereto, as a voter (or voters) demand that you as a representative of the people take action as herein outlined, thereby to correct the evils so rampant at the present time and which threaten to disrupt our form of government.

Sincerely yours,

CLYDE L. BARR,
Secretary, North Kansas City, Mo.

The Sales Tax

EXTENSION OF REMARKS
OF
HON. JOSEPH W. BYRNS, JR.
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

EXCERPTS FROM ADDRESS BY THE LATE JOSEPH W. BYRNS

Mr. BYRNS of Tennessee. Mr. Speaker, under leave heretofore given to extend my remarks, I include certain excerpts from a speech made by my late father, the Speaker of the House of Representatives of the Seventy-fourth Congress, on March 24, 1932, as found in volume 75, part 6, page 6810, with reference to a proposed sales tax pending at that time before the House, in explanation of my vote against this or any other sales tax.

In the excerpts from my late father's speech which I will insert at the close of my remarks I feel that he summed up in unanswerable terms the undesirable features of a sales tax in that, as he said, "it promotes extravagance in appropriations."

To my mind, the sales tax puts an extra burden upon the poor man, and for that reason, and because I agree with my late father's reasoning heartily, I voted against the passage of this bill.

[From the CONGRESSIONAL RECORD for March 24, 1932]

HON. JOSEPH W. BYRNS' SPEECH (IN PART) AGAINST THE SALES TAX

Mr. BYRNS. Mr. Chairman, I did not expect to have anything to say on this subject. I regret very much that I am unable to agree with the distinguished gentlemen upon the Ways and Means Committee who have reported this bill, but I cannot surrender the convictions of a lifetime [applause], nor can I forget that the Democratic Party has consistently throughout its career, except in a wartime emergency, opposed anything like a sales tax. [Applause.] It so declared in 1924, and the party to which I belong has always stood for taxation upon those who are best able to bear it.

I am opposed to the sales tax on principle. I am opposed to it, because it promotes extravagance in appropriations. [Applause.] It is too easily imposed; it is too easily collected; it is too easily and cheaply collected not to promote extravagance in our legislative bodies, and for that reason I am against it.

* * * * * * *

I want to tell you, gentlemen, if you impose this sales tax, you will be confronted with the proposal to repeal the income tax and the Federal corporation tax in a very few years. [Applause.] Put the nose of this camel under the tent, even for a small period of time, and the same arguments will be used here a year from now or 2 years from now in order to retain it upon our statute books.

Let me read to you a paragraph from a letter which I received from the Philadelphia Board of Trade, in which an officer of that board frankly expresses his position and the position of the board with reference to the income tax. He says:

"On the question of a final sales tax, so specified to avoid duplication or pyramiding of taxes, it is conceded, as we understand it, that in the event Congress does—and we sincerely hope it will—enact the sales-tax legislation, that automatically Congress will repeal the Federal income and the Federal corporation taxes."

Let me say to you gentlemen who have stood on Democratic platforms, if you please, you gentlemen who have advocated an income tax upon every stump in your districts and in your States and throughout the country, that in undertaking to impose a sales tax as a policy of this Nation you are lending yourselves, unintentionally, of course, to the schemes of those who have it in their minds to repeal the income tax, the most equitable and just tax ever imposed. [Applause.]

* * * * * * * *

Someone has said that the action of the committee has brought us nearer to communism than any other nation except Russia. Let me say that communism will never result from the taxing of wealth even though it is made higher than it should be. If communism gains a serious hold in this country, it will be because of the continual piling up of burdens upon the backs of those so little able to bear them. But lest I be misunderstood, let me say that I do not fear communism at any time in this country. Our people are too loyal and too much imbued with the spirit of liberty to ever yield to any such pernicious doctrine.

Edwin Markham

EXTENSION OF REMARKS

OF

HON. WILLIAM A. PITTENGER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

Mr. PITTENGER. Mr. Speaker, today marks the birthday of Edwin Markham. He was born on April 23, 1852. All recognize him as one of the greatest poets of our day and generation. His outstanding contribution to literature is The Man With the Hoe. This poem can be read and reread by all of us with benefit. It sets forth the problems of humanity in the language that commands and deserves attention.

Throughout the centuries civilization has had to contend with greed and oppression. This poem points out these facts, and challenges the intelligence of the world to find a way for the economic betterment of mankind. The poem demands action based upon the experience of the ages and is a plea for justice, probably the most powerful ever made. It is as much needed today as ever in the world's history.

There is a constant battle of mankind to prevent enslavement and tyranny, and this poem points out the fate of civilization when such events take place. The poem is as follows:

THE MAN WITH THE HOE

(Written after seeing Millet's world-famous painting of a brutalized toiler)

"God made man in His own image in the image of God made He him."—Genesis.

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.
Who made him dead to rapture and despair,
A thing that grieves not and that never hopes,
Stolid and stunned, a brother to the ox?
Who loosened and let down this brutal jaw?
Whose was the hand that slanted back this brow?
Whose breath blew out the light within this brain?

Is this the Thing the Lord God made and gave
To have dominion over sea and land;
To trace the stars and search the heavens for power;
To feel the passion of Eternity?
Is this the dream He dreamed who shaped the suns
And markt their ways upon the ancient deep?
Down all the caverns of Hell to their last gulf
There is no shape more terrible than this—
More tongued with censure of the world's blind greed—
More filled with signs and portents for the soul—
More packt with danger to the universe.

What gulfs between him and the seraphim!
Slave of the wheel of labor, what to him
Are Plato and the swing of Pleiades?
What the long reaches of the peaks of song,
The rift of dawn, the reddening of the rose?
Through this dread shape the suffering ages look;
Time's tragedy is in that aching stoop;
Through this dread shape humanity betrayed,
Plundered, profaned, and disinherited,
Cries protest to the Powers that made the world,
A protest that is also prophecy.

O masters, lords, and rulers in all lands,
Is this the handiwork you give to God,
This monstrous thing distorted and soul-quencht?
How will you ever straighten up this shape;
Touch it again with immortality;
Give back the upward looking and the light;
Rebuild in it the music and the dream;
Make right the immemorial infamies,
Perfidious wrongs, immedicable woes?

O masters, lords, and rulers in all lands,
How will the future reckon with this man?
How answer his brute question in that hour
When whirlwinds of rebellion shake all shores?
How will it be with kingdoms and with kings—
With those who shaped him to the thing he is—
When this dumb Terror shall rise to judge the world,
After the silence of the centuries?

We Have Reason To Be Frightened

EXTENSION OF REMARKS

OF

HON. CLARE E. HOFFMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

Mr. HOFFMAN. Mr. Speaker, sometimes Mr. Roosevelt seeks to perpetuate himself in power by frightening us.

In times past, he has told us the country was threatened with a revolution, which could not be averted unless we gave him a blank check and unlimited authority to spend it. On other occasions, he has seen, so he said, submarines off the coast, leaving the impression that some foreign power was about to bomb our harbors at New York or some other Atlantic port.

On other occasions, he has indulged in blustering, arrogant, provocative talk toward other nations and their rulers and intimated that he was the only man in the United States who was capable of keeping us out of war, while much of the time he was doing the very things which would involve us in controversies with foreign nations.

And whenever it was pointed out that his conduct was ruinous to us as a nation, destructive to business, was in-

creasing unemployment, destroying our civil rights, he usually replied with the statement that someone, for ulterior purposes, was trying to frighten the American people.

Not long ago he stated, in substance, that his political opponents were engaged in such a course and that all was well here in America and that no one need worry about the future.

Being mentally competent, he cannot be wholly unaware of the untruthfulness of his statements. He just chooses to ignore the facts and still thinks that the people believe his absurdities, as they once did his campaign promises, or that a sufficiently large number of voters have received Government subsidies and, in the hope of future benefits, will still vote for him, so that he may continue in power.

It is regrettable that he will not read and profit by the editorial from the Chicago Tribune of April 22, 1940, which is as follows:

MR. ROOSEVELT AND THE FACTS

Mr. Roosevelt's address from Warm Springs to the Young Democratic clubs established something of a record, even for him. Over the last 7 or 8 years, the public has learned to discount heavily not only his promises but his statements of fact. On Saturday, his habit of misstatement was running at its strongest.

The Republicans, he said, are seeking to frighten the country by telling people the present administration is trying to get the United States into the war. His answer to the charge was the statement that "you know better than that," some generalities about a better world, and some references to sticky flypaper.

Naturally Mr. Roosevelt did not review the record of his warlike speeches and acts. They establish the charges against him. What other meaning than involvement in the war is to be read in his acts and utterances beginning with the speech he made here at the dedication of the Outer Bridge, the speech in which he announced his intention to "quarantine" certain nations?

In Mr. Roosevelt's formative years as a politician he served as Assistant Secretary of the Navy under President Wilson who "kept us out of war." Mr. Wilson sent Colonel House to Europe and permitted him to commit this country to war in a secret conversation with the British Foreign Secretary. A memorandum was made of the conversation; Mr. Wilson accepted it with the single—and, as events proved, unimportant—addition of the word "probably." Mr. Roosevelt sent Mr. Welles on a similar tour of the capitals. Why?

Mr. Wilson in 1914 cautioned the Nation to preserve neutrality in thought and deed. Mr. Roosevelt started in 1939 by declaring he could not be neutral in thought. Neither could he be neutral in deed, as he soon showed. He demanded the repeal of the arms embargo so that he might make this country an arsenal for the side he favored. What will he do if this help proves insufficient? Is it likely that he will or can stop there, having announced that the world's hopes rest with the side he favors?

He delayed the sailing of the *Bremen* for no reason which anyone has been able to discover except a desire that it be captured at sea. He ordered the Army to change its rules to permit the sale of new-model airplanes to the French and British, and only a fatal accident brought this unneutral act to public attention. He countenanced reports that German submarines were operating off the Florida coast for no better purpose, so far as anyone knows, than to frighten the American people. His military preparations foreshadow another expeditionary force.

Undoubtedly with Mr. Roosevelt's sanction, the Navy Department has been encouraged to demand the fortification of the island of Guam off the Japanese coast, a highly provocative act. Only the other day his State Department declared the intention of this country to safeguard the Dutch East Indies if Holland should be attacked and unable to protect them, a declaration which the Netherlands Government has denounced as meddlesome, embarrassing, and unsolicited; but it gives Mr. Roosevelt another opportunity to get into war.

The documents from the Polish archives have been denounced as forgeries, but the record of Mr. Bullitt's speeches as Ambassador to France, of Mr. Kennedy's action in London, of the withdrawal of our Ambassador from Germany, of the hasty departure of Mr. Bullitt from this country when an investigation was imminent, of Mr. "Doris Duke" Cromwell's speech as our diplomatic representative in Canada prove that the attitude disclosed in the documents, whether they are forgeries or not, is a fair representation of Mr. Roosevelt's policy. The documents show Mr. Roosevelt determined to repeal the arms embargo, and he did it. They show him determined to bring victory to the side he favors, and all that has happened subsequently is confirmatory of the purpose.

All of this evidence, and much more, of a design to involve this country in war, Mr. Roosevelt sought to bury with a phrase. In somewhat the same way he sought to divert attention from the scandals of his administration. "Virtually every serious Government scandal since the Civil War has occurred under Republican leadership," he said. Somebody ought to introduce Mr. Roosevelt to his son, Jimmy. Somebody ought to let the White House know that Mr. Roosevelt's political lieutenant in New York, a Mr. Hines, is in the penitentiary for grafting. The President ought to be told how Senator BARKLEY, his hand-picked leader in the upper House, won his last election; about Senator SLATTERY's strong box; about the second Louisiana purchase; about Secretary Wallace's interest in the hybrid-corn business; about T. V. A., Grand Coulee, and Passamaquoddy just as a starter.

Just as under Republican administrations there never were expenditures and deficits on the present scale, so there never have been scandalous abuse of power and misappropriation of money on the present scale. To complete the record, Mr. Roosevelt should have added that since the Civil War no depression has lasted as long as the Roosevelt depression. And in addition, he should have observed that since the Civil War only one President—so far—has involved us in a European war and he, too, was a Democrat.

If Mr. Roosevelt was an ordinary man, one who knew that always certain causes gave certain results; and if his perceptions were not beclouded by his own confidence in his infallibility, he would realize that the only thing that his countrymen have to fear is Roosevelt, his policies and those advisers who surround him and who long ago based their activities on the theory that America needed remaking.

Fifty Years of Banking

REMARKS
OF
HON. FRANCIS H. CASE
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, April 23, 1940

Mr. CASE of South Dakota. Mr. Speaker, few subjects are more important to the Congress than that of money and banking. The other day, April 17, 1940, in my home town of Custer, S. Dak., a bank rounded 50 years of service to our community. Fifty-year-old banks are not many, but there are others. This particular institution, however, has completed 50 years under the leadership of one man, T. W. Delicate. I doubt if that record can be matched in the United States today.

It is hard to realize that the life span of that institution, the Custer County Bank, under the leadership of one man, reaches back half a century into an utterly different world. When Tom Delicate came to Custer City, mother city of the Black Hills, the white settlement was only 15 years old. Indeed, 14 years earlier, the hills were a part of the great Sioux Reservation, and white men were outlaws in the region. The last of the frontier battles was yet to be fought, and volunteers from Custer City were to spend the next winter at the mouth of Spring Creek, only a day's ride below town. The Wounded Knee massacre was yet to take place, not many miles beyond, in the closing days of 1890.

Tom Delicate started his bank in Custer in "horse and buggy" days—yes, earlier than that, for Custer's main street was made 120 feet wide to accommodate the turns of the bull trains that brought in the freight from Sidney and Cheyenne.

Today, Custer Ave., still 120 feet wide, is a part of the Nation's main street, United States Highway 16, hard-surfaced from coast to coast. But when Tom Delicate started in, there were no automobiles on the road, and no hard roads for them to travel on.

The bank's first books were started with pen and ink. There were no adding machines, no modern bookkeeping equipment, no typewriters. Legal instruments were written in longhand. Books were balanced at night by the light from a kerosene lamp. The phonograph and the dictaphone had not been perfected. The radio was undreamed of, and the movies and talkies were unknown.

This bank has seen 14 depressions come and go. It has seen the population of Custer fluctuate with the fortunes of frontier mining towns and coast with the currents of changing times. The bank has not been a part of the past 50 years and escaped its times of testing and trial, but each crisis has been taken in stride and the Custer County Bank has carried on, giving to the community a steadying influence of immeasurable value. It has served fathers, sons, and grandsons. It

has witnessed a complete transformation in the economic, social, and business life of the Nation—in manners, customs, clothes, foods, even in ways of thinking.

To be sure, during those 50 years, Tom Delicate has had chances to go elsewhere, and many a larger community would have welcomed his institution. He and his bank, however, have remained in the community where their lot was cast. I saw him at his desk last month. His office is not in the back of the bank but out near the front, where he continues to give a nod to customers as they come in and personal attention to such items as they care to take up individually with him.

Fifty years of continuous service under the leadership of one man in a western community is an inspiring thing. I am sure that it will be reassuring to those who believe that character and courage are important attributes in American life, and therefore I have called attention to this unusual record in this way.

Wage and Hour Act—Farm Incomes and Industrial Incomes Rise Together

EXTENSION OF REMARKS

OF

HON. JOHN J. COCHRAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

RADIO DIALOG BY SECRETARY OF AGRICULTURE WALLACE AND WAGE AND HOUR ADMINISTRATOR FLEMING

Mr. COCHRAN. Mr. Speaker, a most interesting radio dialog on agriculture and the wage and hour law was delivered last night by Secretary of Agriculture Wallace and Administrator Fleming.

The point made by Secretary Wallace—and I hope a great many of the Members in this body heard him—was that farm incomes and incomes of industrial workers rise together.

In 1939, for instance, when the wage and hour law was in effect, farmers received approximately 10 percent more for their fruit and vegetables than in the crop season of 1938 before the law became effective.

The Secretary added:

Farmers and wage earners are among the low-income groups of our population. Both have benefited from the progressive legislation of the last few years. Recent legislation for the protection of farmers could not have been enacted had not congressional representatives of the city workers joined in supporting it. For example, 63 percent of the city representatives voted for the original A. A. A. legislation in 1933. Sixty-three percent of them voted for the revised A. A. A. program of 1938. I regret to say that the Congressmen from the rural areas seem less disposed to support measures for industrial workers. While 84 percent of the urban Congressmen approved the wage and hour law in 1938, only 39 percent of the rural Congressmen voted for it. I hope that farmers come to realize the necessity for increased cooperation with labor, so that labor will continue to cooperate with farmers. I do not like to think of the consequences if farmers and city workers were to pursue an independent course, determined to get all they could for themselves without regard to the effect on the other fellow.

Certainly no one can quarrel with the reasonableness of Administrator Fleming's attitude. He said:

We are certain, Mr. Secretary, that the operation of the wage and hour law to date has not resulted in any general increase of farm marketing costs. We realize that most farmers and wage earners receive only small incomes, and that to help labor by taking money away from the farmer certainly is no gain in our economic situation as a whole. Labor costs in the canning industry are so small that 30 cents an hour would add only an imperceptible amount to the price of the product. However, right now we are reinvestigating to see whether any employees of canning factories and the like are receiving the 30-cents-an-hour minimum wage to the disadvantage of farmers.

And he added:

Neither the wage and hour law, nor any of the amendments to it so far proposed, contemplates including farm labor in the act. At no time has farm labor been included. I should like to emphasize that. Neither the farmer's hired man, nor his harvest hands, nor his berry pickers, nor anybody employed by the farmer to work on the farm, is in anyway affected by the wage and hour law.

The full text of the radio exchange follows:

ANNOUNCER. Your Government attempts on many fronts to assist the people of the country in finding a solution to their problems. The Department of Agriculture, for example, is concerned with the advancement of agriculture and the promotion of the economic welfare of the millions of farmers in the United States, and with the welfare of consumers. The Wage and Hour Division of the Department of Labor is equally concerned in advancing the welfare of America's millions of industrial workers. Today we are fortunate in having here together the heads of these two great agencies. Their presence here this evening symbolizes the important unity of interest between the Nation's farmers and the Nation's industrial workers. It is my great privilege to introduce to you two native sons of Iowa and farmer neighbors in that State, the Honorable Henry A. Wallace, Secretary of Agriculture, and Col. Philip B. Fleming, Administrator of the Wage and Hour Division. Colonel Fleming.

Colonel FLEMING. There is a community of interest between the farmer and the industrial worker. In our highly integrated society, the welfare of each of us is dependent in some degree upon the welfare of everyone else. Thus, the merchant is dependent upon the welfare of his customers, and the manufacturer upon the prosperity of the merchant. I know, Mr. Wallace, you've been preaching this for a long time.

Secretary WALLACE. We are dependent upon each other more than is generally realized. When the dry skies and hot winds of 1934 seared the Corn Belt, few city people thought that of any concern to them. But without enough corn to feed, many farmers had to sacrifice their livestock. A year or two later city people paid higher prices for beef and pork—and, as a result, learned that the size of the corn crop did mean a lot to them. Since then we've developed our ever-normal granary, which has resulted in the storage of lots of corn on farms, against other possible bad years. This corn is just as much a protection to the city people as to the farmers who produce it.

Colonel FLEMING. Just as consumers are affected by farm happenings, farmers are affected by what happens to city labor. A young woman—let us say her name is Mary Smith—works in a New York garment factory. If she loses her job, she must be taken care of by friends or relatives or go on relief. She is no longer a good customer for farm products.

Secretary WALLACE. If only one person lost a job, it would make little difference, but when one Mary Smith is multiplied by millions of jobless workers, the effect of the reduced buying power upon everybody is very great. City workers are consumers of farm products. Farmers raise wheat and vegetables and fruit to feed them, and cotton and wool to clothe them. The price the farmer receives for his products and the quantity he sells, is directly affected by the ability of city workers to buy. How much farmers would gain if city labor were more fully employed at better wages was shown recently by Milo Perkins, head of our Federal Surplus Commodities Corporation, in a speech on the challenge of underconsumption. He showed that two-fifths of our families live on less than $100 a month. They spend, on the average, not much more than 5 cents a person a meal on food. If incomes were increased so these families had $100 a month to spend, they could spend 10 cents a person a meal. This 5-cents-per-meal increase would add up to nearly a billion dollars more for farmers each year.

Colonel FLEMING. That level of $100 a month is far above the minimum the wage and hour law sets. The present minimum—30 cents an hour for a 42-hour week—means only $12.60 a week at full time, or $650 a year—even if the worker is able to get employment clear through the year, which is not always the case.

Secretary WALLACE. The economic bond between farmers and city workers is shown also by the relationship between total incomes for all farmers and all city workers. Back in 1929, when pay rolls were $12,000,000,000 a year, farmers' incomes also were about $12,000,000,000. Then, during the depression, they went down together, until in 1932 both farmers' incomes and factory pay rolls were down to about five billions a year. Now they have both climbed up again to where they're around eight to nine billion dollars. The farmer's welfare is dependent upon the ability of city people to buy his products, just as the welfare of city people is dependent upon the ability of the farmers to buy their products.

Colonel FLEMING. It is evident, then, that the poorer the city worker, the poorer the farmer. As you know, the Fair Labor Standards Act of 1938—usually called the wage and hour law—is an effort to prevent people being employed at sweatshop wages. If Mary Smith had been paid $6 a week, for example, her pay, under the act, has been raised to $12.60, if she works the full 42 hours a week. Do you think that would benefit farmers?

Secretary WALLACE. Certainly I do; I think the Wage and Hour Act is a decided benefit to farmers. Not all farmers, unfortunately, understand how the law works. Certain groups have been able, apparently, to convince some farmers that the wage and hour law will injure them. For instance, reports came to me recently that some Corn Belt producers had been told they were going to have to pay more for plows, harrows, and other farm machinery because of higher labor costs under the wage and hour law. There are only three things wrong with those reports. First, there were practically no workers at all getting less than 30 cents an hour—the current minimum—in the farm-machinery industry or in the steel industry, even before the law went into effect. Second, there were no signifi-

cant changes in average pay per hour in either the steel industry or the farm-machinery industry during the past 12 months, a period in which the wage and hour law was in effect. Third, the prices of farm machinery have not been increased in this period; in fact, the prices of some machines have come down slightly.

Colonel FLEMING. You are quite right, Mr. Secretary. In most industries the payment of better wages to those poorly paid workers at the bottom has had no appreciable effect on the level of labor costs or on selling prices. But the attack of some farm organizations against the act has been on the grounds that it might increase marketing or processing costs. Are those objections justified?

Secretary WALLACE. No; but I can see why farmers might be concerned. Some farmers object to higher wages or shorter hours for workers in creameries, canning plants, packing plants, and sometimes even in flour mills, bakeries, groceries, or other concerns engaged in processing or marketing farm products. They argue that higher wages will mean a larger merchandising spread between producer and consumer, and thus lower prices to farmers or result in smaller demand at retail. This argument fails to recognize that the farmers' income from sales is affected not only by marketing and processing costs but also by consumer demand. And they also fail to realize that changes in the ability of consumers to buy have much greater effects on farm prices than do marketing costs. For example, processing and marketing costs on the food bought by an average city workingman's family increased 12 percent during the recovery from the depression, from $172 in 1933 to $193 in 1937. But over the same period the income of the average city family increased by 40 percent, and its expenditures for food at retail went up from $264 to $353. This increase in city buying power, from 1933 to 1937, much more than offset the increase in marketing costs, and the farmer's income from the food products bought by this average family almost doubled, going up from $92 in 1933 to $160 in 1937.

Colonel FLEMING. How then do you account for the alarm of some farmers over the wage and hour law, which, of course, is designed to raise wages for the low-paid workers, thereby increasing consumer demand?

Secretary WALLACE. Many of these objectors, I think, are quite sincere, but they have simply been misled. Some of those who want cheap labor want to make their profits out of the hide of labor. If profits are increased at the expense of pay rolls, farmers suffer along with labor. A very large share of the pay received by those with low incomes goes to buy food and clothing. Workers receiving 30 cents an hour or less spend almost half their income for food and clothing. If their pay is cut, half of that cut must come out of their expenditures for farm products. The well to do spend much less for food and clothing—only about one-eighth of their incomes. Every transfer of $10 from wage payments to excessive profits reduces retail expenditures for food and clothing by $4.

Colonel FLEMING. Some business interests have gone pretty far in attacking the Wage and Hour Act. For example, some of them have recommended that all city workers engaged in marketing, transporting, or processing materials derived from farm products should be excluded from the act. That means that not only people who handle foodstuffs, but all those who are handling fibers or any other farm products, would be excluded.

Secretary WALLACE. That would exclude workers in the packing plants of Chicago and Omaha, workers in the great flour mills of Minneapolis and Buffalo, workers handling cotton in tire factories or automobile plants and cotton mills, and workers manufacturing shoes. If every factory using farm products in any way were exempted. nearly half of all factory workers would be taken out from under the Wage and Hour Act.

Colonel FLEMING. Some persons argue that only "a few thousand" workers would be affected if all those engaged in processing farm products were eliminated. That is absurd. Our computations show that there are at least a million and a half men and women engaged at some stage in the processing or marketing of farm products.

Secretary WALLACE. And farmers would lose, rather than gain, if wages were cut in those industries. It seems to me the Wage and Hour Act is just an attempt to put a floor under wages in order to prevent exploitation of labor by paying such low wages that workers can hardly exist.

Colonel FLEMING. That's right. The wage and hour law is not concerned with the minimum wage of persons who are already getting high wages. Just as you, Mr. Secretary, through the farm programs, are attempting to put a floor under farmers' incomes, the wage and hour law is attempting to put a floor under the income of the poorest paid industrial workers.

You remember after N. R. A., some industries began to cut wage rates very sharply. In some industries, such as cotton clothing, the wage cutters began to get most of the business. Other manufacturers had to cut wages in turn. This went on until wages in some areas were forced down to where mill hands were getting only $5 a week. The wage floor established by the wage and hour law forces manufacturers to stop this kind of thing.

Secretary WALLACE. One fact you have just brought out is of particular interest to farmers; that is, the wage and hour law does not affect the minimum wages of workers already getting high pay, but aims at raising the pay for workers at the very bottom of the income scale. Unorganized workers, almost all of them. These city workers have had to pay city rents and city food and clothing costs from a few nickels a day. These are the workers who would buy more farm products if they could only get a little more money to buy with. That is one reason why many farmers should be interested in the success of the Wage and Hour Act.

Colonel FLEMING. Some of the recent agitation against the Wage and Hour Act originated either with the canning industry or with those large corporations who run packing plants and food-distribution lines and call themselves farmers because they grow farm products which they pack or merchandise. The Department of Labor made a recent careful study of vegetable canning in seven important States. It showed that almost half of the employees were paid less than 30 cents an hour last season; 15 percent were paid less than 25 cents an hour. But the study also showed that if all these workers were brought up to the 30-cent minimum, the total labor costs would be increased only 6½ percent. Labor is a relatively small item in running a cannery—under 12 percent of the total cost—much less than the cost of the tin cans in which the fruit or vegetables are packed. So this 6½-percent increase in labor cost would mean only three-fourths of 1 percent increase in the canners' total cost—certainly not enough to injure, generally speaking, either farmers or consumers. And to the extent that inability to exploit cheap labor forced the managers to adopt more efficient methods of operation, as it always has done heretofore, the effect on costs would be even smaller.

Secretary WALLACE. Your facts there check pretty closely with our figures on farm income, especially of those farmers who produce fruits and vegetables—the very products where most of the wage and hour argument seems to center. Returns from fruits and vegetables were hardly affected by the Wage and Hour Act in 1938, as it was not until October 1938 that even the 25-cent minimum wage went into effect. In 1939, on the contrary, that minimum was in effect most of the year, and in October 1939 the 30-cent minimum became effective. Yet in 1938 farmers received $909,000,000 from the sale of fruits and vegetables, while in 1939 they received $995,000,000—almost exactly 10 percent more. With a rising level of employment and business activity, farmers gained much more from higher demand than they paid in higher marketing costs.

Colonel FLEMING. We are certain, Mr. Secretary, that the operation of the wage and hour law to date has not resulted in any general increase of farm marketing costs. We realize that most farmers and wage earners receive only small incomes, and that to help labor by taking money away from the farmer certainly is no gain in our economic situation as a whole. Labor costs in the canning industry are so small that 30 cents an hour would add only an imperceptible amount to the price of the product. However, right now we are reinvestigating to see whether any employees of canning factories and the like are receiving the 30-cents-an-hour minimum wage to the disadvantage of the farmers.

Secretary WALLACE. I am sure that will be reassuring to farmers. But a good many of the complaints directed at the law seem to be concerned with the overtime provisions of the act. The necessity of paying time-and-a-half for hours worked over 42 a week, they say, inflicts a real hardship, especially at harvest time, when processing and packing are at the seasonal peaks.

Colonel FLEMING. That argument is based on a misunderstanding of the way the act works. It permits overtime work during seasonal operations without paying the extra time-and-a-half rate, and there is ample flexibility to make that apply in any case where farmers might be hurt by limiting the hours. As it now stands the act provides that operations in cheese factories (except process cheese), cotton gins and compresses, milk plants, and many similar industries, are completely exempt from the hours limitations. In addition, packing and canning of perishable or seasonal fruits and vegetables, and slaughtering and handling of livestock and poultry, are exempted from the maximum hours for 14 weeks, during which time only the minimum wage per hour applies. The act also provides that any other industry can have its maximum hours raised up to 56 a week for a period of 14 weeks, if it shows that it is of a seasonal character. As a result of these provisions, either throughout the year for some industries, or in other industries during the 14-week period, which is long enough to take care of the harvest period, the hours provisions of the act do not apply at all, or else permit the 56-hour work-week maximum. I suspect that a good many people who are complaining that the act makes it impossible for them to get enough labor, would find if they inquired that they are already allowed to have their people work a longer week than the 42-hour maximum without overtime pay, at least for the period of rush work at the peak of the harvest.

Secretary WALLACE. One other thing that worries some farmers, I believe, is the fear that wage and hour legislation either applies now, or will soon apply, to their own hired man. You know that farm income is so low that most farmers would find it impossible to pay city wages under anything like present economic conditions. Do you feel this fear is justified?

Colonel FLEMING. Neither the wage and hour law, nor any of the amendments to it so far proposed, contemplate including farm labor in the act. At no time has farm labor been included. I should like to emphasize that. Neither the farmer's hired man, nor his harvest hands, nor his berry pickers, nor anybody employed by the farmer to work on the farm, is in any way affected by the wage and hour law.

Secretary WALLACE. This fact, together with your earlier statement of your present policy, indicates that the wage and hour law will not increase farmers' costs. But there are other reasons why farmers should support the law.

Farmers and wage earners are among the low-income groups of our population. Both have benefited from the progressive legislation of the last few years. Recent legislation for the protection of farmers could not have been enacted had not congressional representatives of the city workers joined in supporting it. For example, 63 percent of the city representatives voted for the original A. A. A.

legislation in 1933. Sixty-three percent of them voted for the revised A. A. A. program of 1938. I regret to say that the Congressmen from farm areas seem less disposed to support measures for industrial workers. While 84 percent of the urban Congressmen approved the wage and hour law in 1938, only 39 percent of the rural Congressmen voted for it. I hope that farmers come to realize the necessity for increased cooperation with labor, so that labor will continue to cooperate with farmers. I do not like to think of the consequences if farmers and city workers were to pursue an independent course, determined to get all they could for themselves without regard to the effect on the other fellow. Perhaps you would say this is a purely political consideration. Yet mere selfishness, if nothing more, urges that the farmer should support measures for the protection of labor, and cooperate with labor in social steps to the advantage of both.

Colonel FLEMING. I was interested in what you had to say about the efforts of those who are trying to bias farmers against the wage and hour law. Would you consider that attitude typical or representative of the Nation's businessmen in general?

Secretary WALLACE. No; I would not. I believe that most businessmen, as well as most farmers and most industrial laborers, recognize that real prosperity for all can come only from a steadily increasing and balanced production of goods of the kinds people want both in cities and on farms. I believe also that we can continue such a steady rise in production and employment only if buying power of consumers will rise fast enough for sales to keep pace with the expanding output. While farm and labor programs try to put a floor under farm prices and city wages, they must not make us lose sight of the fact that in the end it is increased and balanced production that we must work for. There is always the danger that farmers will get so concerned with high prices per bushel, or labor with high wages per hour, or business with high profit per unit that they will lose sight of the fact that what counts in income is not only how much you get per unit, but also how many units you sell. It is not prices or wage rates that are the real things but men at work and useful goods and services produced and consumed.

Both farm groups and labor groups have urged repeatedly that an effort be made to get all economic groups together on a program of increased employment and increased production. When industrialists can see their way clear to work with farmers and labor for increased and balanced output, that will prove the biggest single thing that can be done to increase the welfare of all.

Colonel FLEMING. I am sure that we in the Department of Labor are grateful to you, Mr. Secretary, for what you have contributed to this discussion. Amendments to the wage and hour law are being proposed that would deprive about a million and a half workers of the protection which Congress obviously intended to extend to them. Regardless of what political spokesmen for certain interests may say, I cannot believe that the pitiless exploitation of any group of our people can work out to the advantage of another group. We are still, all of us, citizens of America. We are all pretty much in the same boat. I am glad you feel that farmers and workers profit together and should stand together. And I hope the time will soon come when labor, agriculture, and business will all work together for more employment and more production as you have described.

Dr. Joseph F. Thorning on "Attorney General Jackson and the Recruits for Leftist Spain"

EXTENSION OF REMARKS

OF

HON. ALBERT J. ENGEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

ARTICLE FROM THE CATHOLIC REVIEW OF APRIL 19, 1940

Mr. ENGEL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following article published in the Catholic Review April 19, 1940, reporting an address by Dr. Joseph F. Thorning, professor of sociology, on the dismissal of indictments against 16 men charged with recruiting men for leftist army in Spain:

[From the Catholic Review of April 19, 1940]

DR. THORNING PUTS FORTH SOME QUERIES—HE ASKS WHY ATTORNEY GENERAL JACKSON DISMISSED DETROIT INDICTMENTS—CHARGES HAD TO DO WITH LEFT RECRUITING—MOUNT ST. MARY'S PROFESSOR SPEAKS AT WESTERN MARYLAND COLLEGE

Addressing the International Relations Club of Western Maryland College, Dr. Joseph F. Thorning, professor of sociology and social history at Mount St. Mary's College, Emmittsburg, Md., declared that in his judgment the reasons alleged by Attorney General Robert H. Jackson in dismissing the indictments against 16 persons in Detroit, charged with conspiring to recruit men for the Leftist army during the Spanish civil war, were flimsy and illogical.

DENIES PARTISAN TREATMENT

Disclaiming any desire to discuss the case from a partisan or personal viewpoint, Dr. Thorning analyzed every phase of Attorney General Jackson's reasoning in the premises. To this end, the Mount St. Mary's professor first stated the language of Mr. Jackson in dismissing the indictments and then stated his own observations.

"(1) Attorney General Jackson said: 'No public injury seems to have been suffered from the fact that individual Spanish sympathizers, who had become so heated over that foreign conflict as to want to fight, left this country to do so.'

"This allegation misrepresents the character of the recruiting carried on in the United States by the Third International, a recognized branch of the Government of the Union of Soviet Socialist Republics.

"The Comintern is lodged in sumptuous, Government-built offices on the outskirts of Moscow. It reports to Josef Stalin, the dictator and war-lord. Everybody knows that the agents of the Third International in the United States are subsidized for their work against our Constitution and laws.

SAYS "REDS" RECRUITED AMERICANS

"It is one thing for individual, perfervid citizens to volunteer for service in foreign wars. It is an altogether different proposition for an acknowledged arm of an alien power systematically to recruit American boys to carry out the ruthless, selfish policy of the despot of the Kremlin.

"It is the organized, allegedly conspiratorial character of this Nation-wide movement which ought to be investigated to the bottom. This is especially needful when the father of one of the recruited American boys testifies to the tragic fate of his son in leftist Spain.

"Suppose that Generalissimo Francisco Franco had undertaken a recruiting job in the United States! Does anyone imagine that the laws against recruiting would have been allowed to stand in abeyance? Or that indictments once lodged against Franco agents would have been dismissed by the Attorney General of the United States?

"Chairman MARTIN DIES, of the House committee investigating subversive activities, believes that five or six thousand young men were recruited for the leftist cause in Spain. Every detail of their enlistment, transportation, and entrance into Spain was elaborated by agents of the Third International.

MARXIST AGENTS, AMERICAN PASSPORTS

"Numerous members of these international brigades have testified that on the border their American passports were seized and tossed into a basket under the eyes of Moscow commissars. Ex-comrade W. G. Krivitsky has charged that the majority of these passports, 'valuable documents,' as they are described by the United States Department of State, found their way to the headquarters of the secret police in Soviet Russia. * * *

"One of our most respected prelates, returning from South America, reported that many Marxist agents below the equator traveled with impunity upon American passports. The whole smelly mess should be the subject of investigation. Obviously, there was wholesale, flagrant violation of this country's passport laws. Why does not the first law officer of the country make a serious effort to discover the key men in this organization, capable of inducing 5,000 citizens to break the laws of this country?

"There are a good many unsavory items in this situation which ought to be brought into the open.

SHOWS CONSIDERABLE DIFFERENCE

"(2) Attorney General Jackson claims that since the statute was not invoked against those who engaged in similar activity during the Sino-Japanese and Italo-Ethiopian conflicts, neither reason nor justice requires that it be invoked against the 16 persons in Detroit.

"A simple question may clarify this comparison: Did organized brigades of five or six thousand men leave this country under the aegis of the Third International in the two above-mentioned wars? The fact is that the recruiting for the Spanish leftist cause was a systematic effort on a large scale. Nor was there the wholesale fraud with respect to passports in the Sino-Japanese and Italo-Ethiopian conflicts.

"(3) Attorney General Jackson cites the nonprosecution of alleged violators of the same law in cities other than Detroit as another reason why the indictments were dismissed against persons in the latter city.

"Does this mean that, if violation of a statute can be shown to be multiple, a specific prosecution may be dismissed? Both reason and justice suggest that, if the charges can be thoroughly probed in one locality, they will inevitably in the case of a Nation-wide movement disclose evidence that can be utilized to vindicate the law in every section of the United States. The prosecution in Detroit was the spearhead of a legal effort to secure the truth and to uphold the statute throughout the country.

SEES ATTEMPT TO OBSCURE ISSUES

"Millions of dollars were expended to obscure the Spanish issue in America; those millions were not spent by Franco supporters. Finally, thanks to the treachery of the Soviet Union both to the Allies and to its friends in America, the faint traces of light are beginning to appear on the horizon. The law in Detroit promised to initiate a long series of prosecutions, all of which would have traced the roots of the propaganda campaign that bore bitter fruit in the death and murder of American boys in Leftist Spain. American Leftists don't relish the prospect of being revealed as the dupes and puppets of Dictator Stalin.

"(4) Attorney General Jackson contends that since 'these acts were not prosecuted when they were new or current, it seems inappropriate to begin prosecution for activities so long known to the Government.'

"The Detroit indictments were drawn up, it should be noted, after August 23, 1939. This is a fateful day in modern history. It is the date on which Herod made friends with Pilate, when Hitler shook hands with Stalin.

WHY THE SILENCE, MR. ICKES?

"The whole public opinion in America, if not in the world, has undergone a vast transformation since the revelation of the Nazi-Soviet pact. It has persuaded the French people to chase the Communist traitors out of the Chamber of Deputies; it has made the British wonder why they sent a military and naval mission to Moscow; it has induced high United States Government officials, with the possible exception of the Honorable Harold Ickes, to launch repeated denunciations of the aggressions of the Soviet Union.

"The Stalinist attack on Finland completed the revulsion of public sentiment. When Soviet Russia invaded Finland in December 1939 every open-minded man and woman in America knew that Utopia had exploded. The indictments in Detroit were returned shortly after these tragic events. Needless to say, it would have been preferable to have lodged the indictments at the time of the alleged violations of the law."

The Postal Service

EXTENSION OF REMARKS

OF

HON. LOUIS LUDLOW

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

ADDRESS BY HON. JAMES A. FARLEY

Mr. LUDLOW. Mr. Speaker, Postmaster General James A. Farley delivered a very interesting and informative address at the convention of the Indiana chapter, National Association of Postmasters, held at the Claypool Hotel, Indianapolis, on Saturday, March 30, and by unanimous consent of the House I submit this address for publication in the CONGRESSIONAL RECORD, as follows:

It is a pleasure to be here today with the Indiana chapter of the National Association of Postmasters. Indiana is a great State. In business, industry, and agriculture it keeps its place well up among the progressive States of the Union, and I congratulate you most heartily on the progress you have made in recent years.

I am happy, too, to be in the home district of LOUIS LUDLOW. LOUIS LUDLOW is an extremely efficient and capable Congressman, and as a member of the Appropriations Committee and chairman of its subcommittee in charge of appropriations for the Post Office and Treasury Departments he has been of great assistance to me and to those who are associated with me in the Department in making possible the passage of legislation helpful to the Postal Service.

We go to him frequently and lay our problems on his doorstep, and there has never been a time he has not responded very generously in rendering substantial assistance.

I am sure you will be interested to know that the Postal Service is continuing to show marked increases in business. Each month shows more revenue and more mail volume than the corresponding month in the previous year, and I feel that the revenues of the Postal Establishment this year will set another all-time high, amounting to at least $755,000,000. You know, and I know, that when business is good in the post office, business is good everywhere. It is an accepted fact that the postal revenues are an accurate barometer of the Nation's business.

The post office is the outstanding example of a business organization in Government. It is the No. 1 agency of the Federal establishment affecting directly the life of every individual in the Nation. Its representatives are found performing their daily tasks in every city, town, and hamlet. Their daily rounds carry them over all of the city streets, all of the important highways, and many of the unimportant highways in the rural areas. Its benefits and facilities are made available to rich and poor alike. Its officials and employees are trained to function efficiently under all conditions at all times. It is a public utility so large that the average citizen finds it difficult to visualize its far-flung organization and operation, and has simply come to accept the well-known fact that if he writes a letter or prepares a parcel and places the necessary postage on it, and deposits it in the nearest mail box, he can do so with full confidence that it will reach the addressee quickly and in good order.

Obviously there is no reason for the public to be concerned about the operation of the Postal Service. It is and should always be carried on with such certainty and efficiency that public concern and discussion are unnecessary. But to you and to me who are directly connected with the management of its affairs it becomes a duty to give careful thought every hour of the day to its successful operation and to service improvements. That is the principal reason why you maintain this splendid organization of postmasters, and that is why I am always happy to attend meetings of this kind.

The organization of the Post Office Department in its headquarters at Washington is well set up. In each of the bureaus there are men and women who have devoted their lives to the service, who are intensely interested in their work, and who have followed this business as a career, and who can be counted upon to safeguard its reputation. During my service as Postmaster General I have taken advantage of every opportunity to improve this organization. I have surrounded myself with men in the policy-determining positions who are well known to you and in whom you have every confidence. I have backed up these men by selecting administrative officials with long experience in the field services, and I am happy to say that at this time we have the finest headquarters staff in the Post Office Department that it is possible to bring together for the effective operation of this vitally important business. We have gone further than that.

We have given more attention and more careful consideration to the selection of postmasters, with the result that we have men and women in those positions who are devoting their best efforts to adequately serving the people in their communities. We have fostered legislation which does away with the short term for postmasters, granting them appointments for indefinite periods during good behavior, which unquestionably will result in better service and better morale of postal employees.

We have approved and have urged Congress to pass legislation liberalizing the hours of labor and the working conditions of the employees generally. I am quite sure that we are the largest business organization in the world that guarantees life tenure to such a great majority of its employees with a guaranteed income, and with the assurance to the employees that their hours of service will be regulated on a reasonable basis that leaves them ample time for recreation and rest. We shall continue to give first consideration to the matter of service to the public, and second only to that we shall be alert and take advantage of every opportunity to provide better working conditions for the employees.

Of course, we must always keep in mind our obligation to the taxpayers, for I know it must be obvious to you that whatever money we spend over and above the actual revenues of the Service must be taken from the general funds of the Treasury, which means the pockets of the taxpayers of the Nation.

I am definitely of the opinion that the post office renders the character of service that should enable it, under wise and careful management, to pay its own way; and, as you know, in all of but 1 year of full operation under my administration as Postmaster General the Department has more than paid its way from that part of its operations which it renders to the public for hire. This is a fine record, and I am, indeed, grateful to each and every one of you who are connected with the Postal Service for this fine spirit of cooperation which has made this possible. With the continued increase in mail volume, it is, of course, necessary to increase our expenditures, but I am quite sure that the efficiency of the organization is improving with this increase in business to the extent that we can confidently expect even better results in the future. I have no doubt of this.

Since I have been Postmaster General I have had an opportunity to associate with and observe postmasters and postal employees. I am pleased to say that the personnel of this Department for loyalty, industry, and efficiency is not excelled by any other group in America. I know that the people of this Nation appreciate the fine work you are doing, and that is another reason why I take advantage of these opportunities to attend your meetings, so that I can tell you about these things and thank you for your wholehearted cooperation. Postmasters are doing good work, and postal employees are doing a fine job because they are good people, carefully selected, and happy in their jobs.

We have somewhat rigid disciplinary policies in the post office. If it were otherwise, such a large organization could not be so well timed and so serviceable to the people. We avoid, however, any harsh or unfriendly attitude toward our own people or to the public. We have a friendly organization that is eager to serve. I am sure that the postmasters of the State of Indiana understand and appreciate the importance of their positions and that they will do their part in maintaining the high standards set for them by the Department. If this is to be accomplished, however, no one can assume a self-satisfied air and take it for granted that everything is all right. On the contrary, eternal vigilance is required if we are to maintain efficiency and service which is so important. We dare not relax in the matter of supervision even for a day.

In the headquarters at Washington we formulate policies, make regulations, and from the executive standpoint manage the affairs of the entire Postal Establishment, but you folks in the field who are facing the everyday problems are the ones who actually make and maintain the Department's record for service. Some of you may at times feel that possibly your part is not of great importance; but let me assure you that the postmaster or employee in the smallest post office, or the person in the most exalted position in the service, is important in his place, and without his sincere cooperation and vigilance, the efficiency of the whole organization would be impaired.

You know that while millions of pieces of mail matter are deposited in the post offices in the principal cities of the Nation every

day much of it so deposited is intended for delivery in the smaller communities and on the rural routes. The large post offices would not be so large if they handled only local business. Likewise, the small post offices would not be so successful if their activities were limited to local communities. You must keep before you always the fact that the Postal Service of the United States is an efficient organization because it is made up of thousands of small organizations and units maintained within the system itself. You should be proud of the part you play in this great business, and you may be assured that I personally appreciate everything you do to make it function so smoothly.

It is most encouraging to find so many postmasters in attendance at this meeting. By coming here you show that you have more than a passing interest in your job; that you are anxious and willing to join with others associated in the same business for the exchange of ideas that will help you in the solution of your local problems. This establishment has been in existence for a long, long time, and I doubt that any condition could or would develop in any section of Indiana that has not existed before in some other section of the State.

Therefore, when you come to these annual meetings you are almost sure to find help in the solution of your local difficulties either by general discussion in the meeting itself or by private discussion with fellow postmasters, post-office inspectors, or the officials of the Department. Aside from that, it gives you an opportunity to know your fellow workers, to cultivate friendships which are lasting, and to have a better understanding of the people with whom you interchange mails and contact in the transaction of other postal business. Where there is a general understanding among men and women there is good will, success, and happiness.

These meetings also give me and the staff of the Department an opportunity of meeting you and securing from you first-hand your viewpoint on the things we are doing in Washington. I greatly appreciate this opportunity and look forward to these meetings each spring with genuine pleasure. May I again congratulate you on this fine State chapter of the National Association of Postmasters and wish you continued success.

Elect a Strong Congress

EXTENSION OF REMARKS

OF

HON. FRANK B. KEEFE

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

RADIO ADDRESS BY HON. SAMUEL B. PETTENGILL

Mr. KEEFE. Mr. Speaker, I listened with a great deal of interest on Saturday to an address by a former colleague, Hon. Samuel B. Pettengill, delivered under the auspices of the National Grange through the facilities of the National Broadcasting Co.

The address is entitled, "Elect a Strong Congress." Under leave granted I am pleased to incorporate it in the RECORD:

The National Committee To Uphold Constitutional Government is calling the attention of the citizens of this country to the great need for a strong Congress. By a "strong Congress" is meant Senators and Representatives of character, courage, and loyalty to free institutions—men and women who will fight to preserve our constitutional form of government and our system of free enterprise.

This effort will be wholly nonpartisan. The real division today is not between the Democratic and Republican Parties, as history knows them. It is between the men and women of both the great parties, on the one hand, who believe in the free institutions which have made this the greatest Nation in the world; and, on the other hand, those who are willing to confess that our great effort to be free has failed, and we must now submit our fate to a government which, whatever its name, will be a species of national socialism.

It is an issue upon which Democrats and Republicans can stand together, and must stand together, if what Lincoln called "this last best hope of earth" is to be the legacy of our children.

We hope that this effort can be made a continuing one, not with reference to the primary and general elections in 1940 alone but the elections in the years ahead.

The election of strong men to House and Senate this year is, of course, of extraordinary importance, but 2 years from now and 4 years from now, and thereafter, the importance will not be less.

In the face of the totalitarian tide that is now sweeping over the world, the necessity, as was said at Gettysburg, "that this Nation under God shall have a new birth of freedom" is greater today than it was then. That need is probably greater today than it was even when Washington lived.

If we are to have this new birth of freedom it seems beyond question that we must strengthen and support the Congress of the United States. We should retain in Congress Senators and Representatives, Republican and Democrat, who have demonstrated under fire their loyalty to fundamental principles and the courage to defend them. We have an especial obligation to the men in Congress of both parties who have made a brave fight for the independence of Congress and the independence of the courts.

While retaining these men we should give earnest thought to replacing those Senators and Representatives who have not demonstrated this loyalty nor this courage.

We cannot disregard the human factor in government. All government is necessarily administered by men. The strength of free institutions depends upon the strength of the men who administer free institutions.

The necessity for a strong Congress is greater today than it has ever been, for two reasons at least:

First. Because the Supreme Court of the United States is no longer a predictable body. A majority of the Court has agreed to the transfer of power to the executive branch of the Federal Government which has always heretofore been reserved to Congress and to the States and to you the people.

Second. What has occurred in the past few years has been in effect the equivalent of an amendment of the Constitution of the United States by judicial interpretation of the most far-reaching consequences.

For example, only the other day one of these newly constituted courts held that the practice of medicine is trade and commerce within the meaning of the Sherman Antitrust Act, written more than 50 years ago. Under any such interpretation as this, it is hard to conceive what activities of business, trade, or the professions that have not now fallen under the jurisdiction of Congress. Agriculture, mining, transportation, labor relations, wages and hours, and other matters of vast importance—these have now been turned over to Congress to deal with according to its courage, wisdom, and character.

I shall not now discuss whether this transfer of power was good or bad. On that opinions differ. It is enough today to say that the transfer has taken place and from that fact to call your attention to the importance of a strong Congress composed of strong men. The greater the power the greater the necessity that it be exercised wisely and courageously, in the same way that the selection of a general to command an army is more important than that of a sergeant to command a platoon.

At the present time the attention of the Nation is largely centered upon the question of who will be nominated and elected President of the United States during the next 4 years. You have your candidate and I have mine, but the nomination and election of your candidate or mine is not going to pay the national debt. It is not automatically going to cure unemployment either of idle dollars or idle men. It is not going to balance the Budget. It is not going to stop deficits. It will not reduce taxes. It will not of itself keep us out of war. It will not prevent the threat some day in the future of inflation, repudiation, or national bankruptcy.

Any man who is President of the United States, by virtue of his commanding position, may greatly aid in these matters, but he cannot accomplish them. If legislation is wise, there is a good chance it will be wisely administered; but if the legislation is bad, even the best administration cannot cure the evil.

With a strong Congress an ambitious President can do little harm, and with a weak Congress a strong President can do little good.

The courts can interpret only such laws as Congress enacts, and the Executive can administer only such laws as Congress enacts. Congress is the originating body both in legislation, taxation, and the appropriation of public funds.

It is an old custom among Americans to poke fun at Congress. It does no harm to poke fun at an individual Congressman; it keeps him human. But Congress itself is no joke. It is the seat of your representative democracy. It is the chief place where you have a direct opportunity to help determine the public policies under which you wish to live. If you are opposed to converting our Government into a Nazi or Fascist America, you can make that opposition count in your selection of candidates for Congress, both in the primary and general elections. And that is the chief place where you can make your opposition felt. You can make it felt if you will. And you will if you see the necessity of it.

The fact is that your beliefs can be translated into political action far more effectively by your vote for Congressman and Senator than for President of the United States. In the average congressional district about 100,000 votes are cast in the fall election, and 50,000 in the primary election. But for President of the United States about 45,000,000 votes are cast. Your vote, therefore, for Congressman in the fall election is about 450 times as important as your vote for President; and your vote in a primary election for Congressman is about 900 times as important as your vote for President.

There is another point I wish to call to your attention. Many people seem to think that in a body as large as Congress, 435 Members of the House, 96 in the Senate, 531 in all, that their vote is lost and that the vote of the individual Congressman or Senator is submerged by the number. What people do not generally realize is that the work of Congress is chiefly done by its committees. For example, the House of Representatives is divided into 44 committees to which all legislation is referred. These committees consist of from 7 or 9 up to 25 members. Legislation is first considered in committee. It is there rewritten. It is the committee that determines whether bills should be reported favorably or not. In the smaller group of the congressional committee the importance of a strong Congressman increases greatly.

In short, all legislation goes through the bottle necks of congressional committees. The personnel of these committees is therefore of vital importance. What the committees do, Congress generally does. Although bills are modified on the floor of the House and Senate, nevertheless it is a fair statement to say that what happens on the floor of the House or Senate is in effect a ratification or rejection of what the committee has done.

This can be illustrated by the struggle over the bill to pack the Supreme Court of the United States. That was referred to the Senate Committee of the Judiciary of 18 members. That bill met its death blow by the adverse report of that committee of 10 to 8; in other words, a change of 2 votes would have changed the result. It was fortunate for the Republic that there were enough strong men on that particular committee.

This case which I have used as an illustration could be repeated over and over with respect to one important bill after another. I could point out from historical facts how the presence or absence of one or two strong men on a congressional committee has changed the whole course of legislation.

But not only in the committees, but in the whole body of Congress, men—not rubber stamps—are important. On the floor it is often the case that the result is determined by a very few men giving not only votes but leadership to one side or the other. For example, in 1938 the executive reorganization bill was defeated in the House by a margin of only 11 votes, where a change of 6 votes in over 400 would change the result.

Without making a false hero of anyone, the fact remains that the legislative branch is the heart of free institutions. Freedom has always risen or declined with the strength of weakness of the legislative body. It can be safely stated that no legislature ever destroyed the liberty of its constituents so long as it retained the powers given it by them. As Thomas Jefferson said, "The authority of Congress can never be weakened without injury to the Union." We have seen this proved in the last few years.

Lincoln saw our danger and voiced it when he said, "If destruction be our lot, we must ourselves be the authors and finishers. As a nation of free men, we must live free men all the time or die by suicide."

Dutch East Indies

EXTENSION OF REMARKS

OF

HON. J. THORKELSON

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

Mr. THORKELSON. Mr. Speaker, I regret to note that Rear Admiral Joseph K. Taussig committed himself by a statement: "That War With Japan Is Certain." The admiral should at least give Congress an opportunity to aid him in declaring this imaginary war with Japan, and he should, after having declared such war, give a more definite reason for it than he did in the article I now quote:

PLAN TO SEIZE PHILIPPINES

Admiral Taussig, now commandant of the fifth naval district at Norfolk, Va., said he believed Japan intends to try to conquer the Philippines, French Indo-China, the Dutch East Indies, and other sections of the Far East.

The Japanese program of world conquest, he said, was detailed in a memorial from Premier Tanako to the Emperor of Japan on July 25, 1927. Admiral Taussig testified he believed it without reservations, despite Japanese insistence that the purported program is fictitious.

"I cannot see," he said, "how we can ultimately prevent being drawn into war on account of the far eastern situation."

If the admiral believes that war is inevitable he should at least keep it to himself, so that it will not be headlined in the press throughout the United States. It is indeed discouraging to have high officials in our armed forces join the British war chorus, when the majority of Members in Congress and the people of the United States are opposed to such participation. The Dutch East Indies is surely no concern of ours, and we should learn to mind our own business.

It is the administration's blundering in Europe and aid to Great Britain that are now responsible for the Polish war and the invasion of Denmark and Norway. Germany would never have gone into any one of those countries had Great Britain attended to her own business. For Great Britain to make a battlefield of Norway at this time can only end in complete destruction of that little country, and I may say an unnecessary destruction at that. I am somewhat familiar with Europe, and I cannot ever recall hearing that one of the smaller European states is particularly friendly toward England. She has always been looked upon as a meddler, and for this the English people are not to be blamed, but instead the same internationalists who are meddling in the United States.

The admiral should read the release from the Washington Post, April 22, 1940, which I now quote:

DUTCH BLAME INDIES ISSUE ON BRITISH—AGITATION OVER JAPAN IS CALLED ATTEMPT TO GET UNITED STATES INTO WAR

(By Frazier Hunt)

AMSTERDAM, April 21.—A high government official tonight completely punctured for me the bubble of possible Japanese intervention in the Dutch East Indies.

"We are victims of our own busybody friends," he told me. "England would like nothing better than to drag America into war through the back door.

"If the Allies are able to involve America in the Far East against Japan, it would remove from the Allies the responsibility for checking Japan in China and fighting her in the event she should decide to join up with Germany.

"Feeding America the idea that Japan is planning an invasion of the Dutch East Indies fans bitterness which might break out into flames."

With astonishing candor this important official also restated the Netherlands' determination to run her own affairs.

"Even if we are invaded by Germany," he said, "and Britain and France were to become our allies, we would not permit them to have anything to do with our islands.

"We would help them fight Germany, but we always make our own decisions on where and how. We would not permit the British to inject themselves into the East Indies."

The article then goes on to state that Holland has 70,000 soldiers in the East Indies, with modern coast defenses at all important harbors; that she has 3 cruisers, 24 submarines, a large number of destroyers, several excellent squadrons of Martin bombers, and more than 200 seaplanes. The article then ends in the following manner:

"I insist that Holland isn't going to be bullied or thrown off balance. Everybody looks the same to us. We are determined to look after our own destiny."

Then he slyly added:

"Of course, if the situation regarding Japan should be dangerous—which we do not look for at present—then America, by a total two-way embargo, alone could bring tremendous pressure against Japan.

"But we are not telling America her business. She is quite able to take care of herself, but she must understand how much the Allies would like to involve her in a Japanese war and thus into the European war by way of the back door."

It should be clear from this that Holland wants us to mind our own business as she is well able to care of her own, and this is the viewpoint of the majority of neutral European states.

I, of course, sympathize with the admiral and the administration because of the attitude taken by Holland. But after all, when she requests to be left alone by both England and the United States, she is asking for nothing but her just rights.

As a Member of the House, I have expressed myself in favor of fortifying the Philippine Islands, and I still maintain that is the proper thing to do. If these islands were fortified with facilities for naval and air bases, protection to our west coast and to our interests in the Orient would be assured. With the islands properly fortified, neither Japan's nor any other Oriental fleet would dare to attack the west coast of the United States. This is particularly true of Japan because of her proximity to these islands.

The Philippine Islands would also provide a most valuable trading post in the Orient from which we could supply the markets of China, Siam, and India. However, this is not to be, for Congress, in spite of the admiral and high water, has decided to set the Philippine Islands free in 1946. In view of this foolish attitude of Congress, I can see no good reason why we should not shove off from the Philippine Islands in 1940.

Colonies have been profitable to all nations except the United States, and I may say will never be profitable to us so long as they are used as political footballs. The administrators of the Philippine Islands appear to have been quite incompetent to run anything larger than a peanut stand, and the result is self-evident.

This, therefore, explodes the second reason why we should go to war with Japan. Now what about China?

I may say that no nation except England has done more harm to China than Russia, for she now owns and controls about one-third of that country. Yet nothing has been said about that by anyone in the United States. I am, of course, bitterly opposed to the partition of China; yet I realize that nothing can be done until China decides to help herself. The greatest enemy of China is the many factions of Chinese that are fighting among themselves. They are, in such procedure, aiding both Japan and Russia to conquer China.

My attitude toward Japan is hands off, for I favor her fight against communism, but I oppose her destructive war of aggression in China. With this viewpoint in mind, I shall remain neutral toward Japan, for I will be wrong no matter what position I take.

We have nothing at stake in China, and we were of little aid to that country when we had an opportunity to help her. Recalling this, I cannot for the life of me understand why we should now go into fits over her plight when war has been raging there for nearly 3 years. I therefore disagree with Admiral Taussig, for I can see no reason why we should ever become involved in war in the Orient except as an ally of England. The fact is, this Japanese question is agitated by British propaganda to pull the United States into her war, a situation which arises from the fact that both Governments are overloaded with internationalists.

This situation does not only exist in Federal departments but is entirely too prevalent in the Army and Navy. It is my opinion that both military branches should be purely American and not pro-European, no matter what country is at war. This attitude is, I believe, clearly expressed by the Scandinavians at this time, for they are not clamoring for war in spite of the fact that Denmark and Norway have been invaded. They are, instead, advising hands off by England and the United States.

Who is agitating for war as a result of the invasion of the Scandinavian countries? The same people—the internationalists—who are not interested in Scandinavia but are simply interested in their own plan of world domination. It is these people that agitate war in Japan, in Europe, and even in countries where they have no particular interests. It is simply impossible for them to be neutral; and when a person cannot be neutral he cannot be loyal to the flag he serves.

In order to show how far-reaching this attitude is, I shall quote from the American Hebrew of January 26, 1940:

INVENTOR

The radio and signal officer on duty that historic afternoon when the U. S. S. *Tuscaloosa*, 400 miles off the Virginia Capes, came upon the German luxury liner *Columbus* about a mile away, was also Jewish. And he is an inventor.

Young Ensign Norman Bennett, who, like his commanding officer, Capt. Harry A. Badt, lives in Washington, in fact, was born here, is loath to talk about his thrilling experience when the *Tuscaloosa* rescued the 577 passengers and crew of the *Columbus* after it had been scuttled at sea to escape capture by the British. Naval regulations and that sort of thing, you know.

What are the facts in this case? The facts are that the *Tuscaloosa* committed a very unneutral act 100 miles outside the silly 300-mile neutral zone, or 400 miles offshore. This act was to report in plain English the position of the *Columbus*, which I grant was to inform Washington, but a message which, of course, was picked up by the British destroyer, enabling it to arrive very promptly upon the scene.

What difference does it make whether the captain and the radio and signal officer were Jewish, as this paper states? The fact is they are officers in the United States Navy, and as such they should be American and not Jewish.

No one regrets such an incident more than myself, for it casts a pall of suspicion upon a service that the American people have always looked upon as 100-percent American. The fact is our neutrality patrol is not neutral, and was never intended to be when it was placed in service. This patrol is costing the taxpayers of the United States millions and millions of dollars that could be spent in the care of our own unemployed and our neglected farm industry. No one would even contend that the patrol is necessary for ourselves. We have nothing to watch 300 miles offshore. What is the purpose of the patrol? It is to report German merchant ships and their positions in plain English to our own departments in Washington, which appears to be within the law. The underlying purpose, however, lies in the fact that such messages can be picked up by the British patrol as easily as they can be picked up in Washington. This simply means that our patroling fleet is a scouting fleet for the British Navy, and should be recalled in justice to ourselves and in fairness to every neutral power in the world.

There is another good reason why the patrol should be recalled, and that is the wear and tear on the machinery in these ships. No one can deny that a patrol in constant service, as this fleet has been, will be of little use should necessity demand that it be placed in active service. Broken-down machinery and burnt-out boilers are of little value to a fleet at war. If for no other reason than that, the fleet should be withdrawn from this silly, stupid patrol about which no one is fooled except those who ordered it in service.

There are no German ships in the Atlantic. As a matter of fact, Germany has never had a navy in the last 20 years sufficiently large to be watched, and submarines cannot operate successfully 3,000 miles from their bases. So the patrol is not for that. And the patrol is not for the British, because they come and go in and out of every port from Cape Horn to Cape Barrow. British merchantmen also leave our ports armed or unarmed as they please, and this, if nothing else, should be sufficient evidence that the Atlantic patrol is the most unneutral patrol any nation could place in operation.

The agents of propaganda are becoming very active, for they are now striking to bring about our entrance into the war. We should be equally firm in our resolve to remain at peace. Let us not forget it was the international financiers and bankers in New York that promoted and financed communism in Russia in conjunction with their brethren across the water, and it is the same crowd which is now intent upon involving the United States in war. I quote one of them from the Washington Times-Herald, April 23, 1940:

"UNITED STATES MUST FIGHT" CANADIANS TOLD—HUNT, EX-N. L. R. B. AIDE, SPEAKS AT OTTAWA

TORONTO, ONT., April 22.—Before 500 Toronto Canadian Club members—the same forum at which J. R. H. Cromwell, United States Minister to Canada, made a pro-Ally speech—Lawrence Hunt, New York city lawyer and former senior litigation attorney for the United States National Labor Relations Board, today declared that if the Allies cannot put down Hitler and Stalin in short order, "then, for our own peace and safety, we (Americans) must lend a hand."

Speaking as "a plain American citizen, a neighbor, and a friend," Hunt lashed out at "our muddy thinking, isolationist politicians, and pseudo-intellectuals, who, quite unconsciously are frantically fighting the battles of Hitler and Stalin inside America."

He reasoned that America's moral sense, her Christian ideals, and her common sense as dictated by business interests all pointed the way to United States participation in the war.

"Despite the scribblings of our literary scoffers," he said, "we Americans are a religious people and by and large a Christian Nation. Many of our religious leaders have already awakened to the Nazi-Communist peril to Christianity and to our need to gird up our loins for righteousness sake.

"Canada," he said, "kept faith." He added, "My final word to you today—and no matter what happens, don't forget it—my final word is simply this: In our own time and in our own way, we, the people of the United States of America—your neighbors and your friends—we will also keep the faith."

This article needs no comment. I can only say, if war is to be fought, let us put all these mouthpieces of the internationalists in the front-line trenches or on the first ships to cross the Atlantic.

I shall now quote an article from the New Yorker of April 20, 1940, which is also self-explanatory:

It's nice now and then to hear a man speak his mind, and we are, therefore, grateful to Mr. Jules Bache, the banker and director of the Bache collection. According to a United Press dispatch, Mr. Bache, who is 78 and sonless, in a recent address at the annual meeting of a Canadian mining company of which he is president, denounced "professional isolationists" in this country for being "simply after the votes of parents who do not want their sons to go to war," and stated that we should back the Allies "if for no other reason than that of good business." This is a forthright remark and should be widely broadcast. Mothers reluctant to

take a chance on having their sons killed or maimed for some remote ideological or spiritual reason will surely change their tune when they realize that the boys are really fighting for the Ann Arbor Railroad Co., the American Indemnity Co., the Cuba Distilling Co., the Empire Trust Co., the New Amsterdam Casualty Co., the New River Collieries Co., the United States Industrial Alcohol Co., the Tennessee Corporation, the Manhattan Elevated Railroad Co., the Chrysler Corporation, the Dome Mines Co., the Motor Products Corporation, Julius Kayser & Co., the Tennessee Copper & Chemical Corporation, and the Interborough Rapid Transit Co., of all of which Mr. Bache is a director or trustee. If this doesn't bring the obstructionist parents of America to their senses, and their boys to attention, they might bear in mind that in the absense of "good business" it may prove difficult for Mr. Bache to keep up his dues in the New York, Lotos, Bankers, Sentry, Country, Pilgrims, Economic, City Midday, Hudson River Country, Oakland Golf, Sands Point, Bath and Tennis, and Seminole Golf Clubs in this State and Florida. It will be an ugly day for the peacemongers when Mr. Bache gets posted at Sands Point.

To this article I can only add that we should conscript for war the officials in the companies enumerated and send them, with other warmongers, to the battlefields of Europe, so they can aid in the protection of their own industries. Personally, I am willing to give them the opportunity to fight in their own defense, and to protect their own millions.

I shall now quote from Propaganda for the Next War, a book published under the auspices of the British Government, written by Sidney Rogerson and edited by Capt. Liddell Hart, an English war expert:

It will need a definite threat to America, a threat, moreover, which will have to be brought home by propaganda to every citizen, before the Republic will again take arms in an external quarrel. The position will naturally be considerably eased if Japan were involved, and this might and probably would bring America in without further ado. At any rate, it would be a natural and obvious object of our propagandists to achieve this, just as during the Great War they succeeded in embroiling the United States with Germany (p. 148).

I have inserted these articles in the RECORD in order to inform the people of the real facts behind the scenes. We should not be interested in this war, and there is no reason in the world why we should give the present European war the slightest consideration.

Let us not be confused about this Hitler antagonism. Nobody likes Hitler, but no one man is entitled to the notoriety that he is receiving today. The point for us to bear in mind is that neither Hitler nor anyone else can successfully attack the United States now or at any future time, and let no one tell you anything to the contrary.

Eugenio María de Hostos: His International Significance as Educator

EXTENSION OF REMARKS

OF

HON. BOLÍVAR PAGÁN

RESIDENT COMMISSIONER FROM PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

ADDRESS BY MUNA LEE, UNIVERSITY OF PUERTO RICO

Mr. PAGÁN. Mr. Speaker, under leave granted to extend my remarks in the RECORD, I include an address delivered August 23, 1939, at the statue of Eugenio María de Hostos on the campus of the University of Puerto Rico in Rio Piedras, before the delegates to the biennial congress of the World Federation of Education Associations by Muna Lee, University of Puerto Rico, upon the occasion of the unveiling of the bronze plaque commemorating the centenary of Eugenio María de Hostos, in accordance with a resolution, by unanimous vote, of the Eighth Pan American Conference in its convention at Lima, as follows:

The eighth conference of the Pan American States which met in Lima in January of this year, paid tribute to the memory of the Puerto Rican patriot and educator, Eugenio María de Hostos, and authorized the casting in bronze of a tablet commemorating the centenary of his birth.

It is by a series of most appropriate circumstances that we have come to unveil that tablet today, here on this campus, and in the presence of these distinguished representatives of the educational associations of the world.

It is appropriate that the Pan American Conference should recognize thus officially the greatness of de Hostos, whose life was dedicated to enriching and extending educational opportunities among so many of the peoples of America; the more appropriate still, in that our presiding officer this afternoon, the Honorable Emilio del Toro, Chief Justice of the Supreme Court of Puerto Rico, was a member of the United States delegation to the eighth conference, and has been chairman of the Hostos committee of Puerto Rico since its inception, as well as founder and for a number of years director in the University of Puerto Rico of a course based on de Hostos' Moral Social. It is further appropriate that the tablet should be affixed to this statue of de Hostos, work of the Spanish sculptor Victorio Macho and tribute of the people of Puerto Rico to the memory of the patriot educator. It is appropriate that statue and tablet should stand upon the campus of the University of Puerto Rico, a constant inspiration to its students, where the College of Education bears Hostos' name. There are indeed many bonds great and small uniting the University of Puerto Rico to Eugenio María de Hostos, although he never saw the university whose establishment he had longed for, but died in 1903, the year in which it was founded. It is not out of place to name a few of those bonds: Dr. Antonio S. Pedreira, author of the definitive biography, Hostos: Ciudadano de America, is head of the university's department of Spanish studies, and he and other members of the faculty have long been active on the Hostos committee to which reference has been made, and which was founded in Puerto Rico 6 years ago at the instance of the university's then visiting professor of Spanish, the Chilean poet Gabriela Mistral. Dr. Concha Melendez, also of the department of studies, was awarded this year by the Eugenio María de Hostos round table, the medal awarded to the Puerto Rican woman of most distinguished achievement and the one who has most contributed to Puerto Rican prestige abroad. The distinguished sons of Eugenio María de Hostos have more than once delivered addresses in these halls; and the young grandson who inherits his name was graduated from the University of Puerto Rico 2 years ago. A still younger grandson has just unveiled this memorial tablet. The university's new auditorium was inaugurated officially on January 11 of the present year, by exercises in celebration of the centenary of Hostos' birth, with participation of the insular government and of official representatives of other countries. Finally, and above all, it is appropriate that this commemorative tablet to a great educator, the seed of whose sowing still springs green and fertile in many countries, should be received solemnly and gratefully in the presence of these other educators from the four corners of the earth, who, in this world of our epoch, shaken with present violence and threats of violence to come, find, as Eugenio María de Hostos found in the troubled world of his time, that only through education can inward peace and outward security be attained.

For indeed, 100 years ago, in 1839, although the world in external seeming was much more stable than our present world of 1939, subterranean murmurs and occasional surface fissures hinted at the volcanoes boiling up underneath.

In 1839 in the United States, Van Buren was in the last year of his unpopular Presidency and the turbulent political campaign of 1840 was brewing; so that it is highly improbable that it occurred to anyone that the really significant event of that year in the States was the first application of the screw propeller to an ocean steamer. In 1839 in England, the 20-year-old Queen Victoria announced her engagement to Prince Albert and seemed not overly concerned with the proletarian riots and violence all over the country, greater that year than ever before or since. In 1839 in Prussia, Frederick William the Third, a sick old man, was ending the forty-third and ultimate year of his reign and nearing the close of his life. In Spain in 1839, General Espartero quelled the Carlists, and through the Treaty of Vergara, became the most powerful figure of the peninsula, in opposition to the Queen Mother, Maria Cristina. In 1839 in France, Molé, puppet Prime Minister of Louis Philippe, went down to defeat in the elections. In 1839 Brazil, restless and dissatisfied, was being governed by a regency for the 14-year-old Prince Pedro. Juan Manuel Rosas was still absolute dictator of Argentina in 1839; General Páez ruled Venezuela with a firm hand; and Joaquín Priet was the strong conservative President of Chile. Santa Anna continued to dominate Mexico; but the dictatorship of General Santa Cruz over Peru was ended in 1839 when he tried to unite that country and Bolivia under his control. In Colombia—or New Granada—uprisings which began in 1839 soon acquired the proportions of civil war. Boyer was the military dictator of Haiti and Santo Domingo in 1839; although the spirit of revolution and liberty which ultimately would make Santo Domingo a republic, already was stirring. In 1839 the ill-starred Federation of Central American States finally disintegrated after a troubled existence of some two decades, and the five States assumed complete independence. In Cuba in 1839, the notorious O'Donnell had just been installed as captain general. In Russia in 1839, Nicholas I, who had limited and censored education, was beginning to feel the effects of university reaction toward the very freedom of thought and extension of learning which he pretended to control. The first war of China with Great Britain broke out in 1839; and in Japan, where there was a famine, feeling ran high against the food monopolies of the merchants' guilds. In Italy in 1839, Mazzini entered into relations with the revolutionary committees in Malta and Paris, in his aim to liberate the Italian people from foreign and domestic tyranny.

And in 1839 in Puerto Rico Eugenio María de Hostos was born in the little city of Mayaguez on the western coast.

At the time nothing could have seemed more unlikely than that 100 years later the republics of the Western Hemisphere should unite in honoring that birth date in recognition of the multiple service of Eugenio María de Hostos in many countries to the universal cause of freedom and the development of the human spirit.

If the year of birth seemed unpropitious, the place was apparently even more so. In Puerto Rico, during the preceding year, the conspiracy of 1838 to proclaim the constitution of Cádiz had been put down with an iron hand, and martial law was to remain in effect on the island for the succeeding 30 years. The Spanish poet Salas Quiroga, who held a Government post here, summed up his impressions of Puerto Rico for that very year, 1839, in one devastating line:

"Puerto Rico es el cadáver de una sociedad que no ha nacido."

(Puerto Rico is the corpse of a society which has not been born.)

There was little contact of the island with the outer world, not even direct communication with the mother country, Spain; shipping and mails went irregularly to Habana and thence to Cádiz. Indeed, the Puerto Rican poet and dramatist, Alejandro Tapia, a contemporary of De Hostos, goes so far as to say that Puerto Rico in 1839 was still in the sixteenth century.

Padraic Colum, president of the Poetry Society of America, an Irishman and therefore himself island born, asks in one of the most caustic of his poems:

"Can it be that never more
Men will grow on islands?
Ithaka and Eriskey,
Iceland and Tahiti!
Must the engines he has forged
Raven so for spaces
That the islands dwindle down,
Dwindle down—
Pots that shelve the tap root's growth?
Must it be that never more
Men will flower on islands?
Crete and Corsica, Mitylene,
Aran and Iona!

The life of Eugenio María de Hostos, born on this isolated tropical peak in the Caribbean a century ago amid every disheartening outward circumstance, answers Colum with shattering completeness.

Hostos' first schooling was in Puerto Rico. He received his secondary instruction in Spain, in Bilbao; and at the age of 18 entered the law school of the Central University of Madrid. In the capital, Hostos was friend and companion of that brilliant group which included Giner de los Ríos, Salmerón, Azcárate, Castelar, Pí y Margall, Ruiz Zorrilla, Velera, and Leopoldo Alas. Pérez Galdós has perpetuated in one of his most vivid Episodios Nacionales an early and characteristic appearance of de Hostos as the champion of academic liberty and free speech. Galdós, a youth of 20 at the time, himself witnessed the incident which he later recorded in his novel, Prim, and which took place on St. Daniel's night in 1865. There was bloodshed that night in the streets of Madrid. The university students were up in arms against the government's attempt to suppress the free speech of university professors. "Long after midnight," says Galdós, "in the main hallway of the Athenaeum, two flocks of nighthawks still hovered. The largest and noisiest was in a huddle in the corner next to the Senate door. There an Antillean named Hostos, a brilliant and forceful young man of very radical opinions, analyzed the earsplitting racket."

The young man of radical opinions was to expend his brilliance and his force during the remaining years of his life in threefold dedication to the ideals of humanitarianism, education, and liberty. Hostos had long since been a prophet honored in his own country and abroad when in 1908, 5 years after his death, upon publication in Paris of the second edition of his Lessons in Constitutional Law, that same Athenaeum in Madrid hung his portrait upon its walls; the Scientific Society of Chile held a memorial session in his memory; and the legislature of his native Puerto Rico authorized the publication of his complete works at Government expense; a project held up then by executive veto but since again passed unanimously and put into effect by the present legislature, and the 11 volumes of the complete works now in press. Meanwhile, the League of Nations has published the Selected Essays of de Hostas in French translation as one of the volumes in the Ibero American collection sponsored by its Committee on Intellectual Cooperation; a collection designed for distribution among the great libraries of the world in order to make known the vigorous new literature of Ibero America. In further tribute, the expenses of printing the Hostos' volume were defrayed by the Governments of Chile, Venezuela, and the Dominican Republic, and by the admirers of de Hostos in Puerto Rico.

And what had Eugenio María de Hostos done, between that first dramatic appearance as a young man of 25 on the streets of Madrid during a night of turmoil and his death 38 years later, on August 11, 1903, in Santo Domingo, in order to merit such remarkable international recognition? The record of his achievements during those years is so packed that it can be given only briefly, and in outline; but it is so fruitful that even the briefest outline indicates its importance.

Primarily, Hostos had a deep sense of the responsibilities of citizenship. Because of this he not only devoted his energies and his talent to bettering the condition of his own country but to improving that of every other country where he resided, however briefly. His nature being what it was, he could not have done otherwise. His initial public appearance on behalf of academic freedom is doubly significant, for his ardent belief in the dual necessity of liberty and education ruled his life.

Throughout his life, indeed, Hostos advocated the establishment of a Federated Antillean Republic to be composed of Cuba, Haiti, Santo Domingo, and Puerto Rico. Never an enemy of Spain, though detesting the Spanish colonial policy, Hostos "traced a vast plan of Hispanic union within which should be included the islands, the peninsula, and the Hispanic portions of the continent." In preparation for this federated republic he wished to secure the judicial and economic autonomy of the three Antilles, to be succeeded duly by a democratic confederation representative in form.

Believing that a free Cuba would be followed inevitably by a free Puerto Rico, and that, in turn, by federation, Hostos began, in 1863, the work for Cuban independence which was to continue without pause until 1898. When, in 1870, a law was passed by the Congress of the Republic of Colombia giving the bases of a working alliance between the Spanish-American republics for furthering the independence of Cuba and Puerto Rico, Hostos undertook his great trip to the southern republics on behalf of independence—a trip which, encircling South America, was to take half a lifetime and leave its record permanently inscribed in the laws and the educational systems of the countries wherein he labored.

In Santo Domingo, Hostos founded and directed the first normal school, wrote textbooks, and drew up school legislation. The Dominican historian Américo Lugo declares that what deserves to be called a national literature did not begin in Santo Domingo until after the fructifying presence there of Eugenio María de Hostos.

In Peru he founded a newspaper which as its primary purpose advocated Cuban independence. Its scope was not limited to a single theme, however, and through its columns de Hostos wages for Peruvian workers, and also roused public opinion against the exploitation of Chinese laborers in the mines. When the Peruvian Government had the project for the Oroya railroad under consideration, editorials by de Hostos pointed out clauses contrary to the public interest; and he had the satisfaction of refusing $200,000 offered him by the would-be incorporators ostensibly "for the Cubans," as well as of seeing the offending clauses deleted.

In Chile, through another newspaper campaign incidental to his major theme of independence but none the less forceful for that, de Hostos won for Chilean women full recognition of their right to enter the university and to obtain professional training in law and medicine.

In Argentina, de Hostos defended energetically in the press the idea of the Transandine Railway, an idea which he had been first to propose. And when the railway did come into existence, the first locomotive that crossed the Andes bore the name of Eugenio María de Hostos.

In Venezuela, in Chile, in his native Puerto Rico, he contributed to raising the standards and developing the systems of public education.

Brazil, Colombia, Peru, Argentina, and Chile knew him also as a brilliant journalist, never swerving from his campaign for Cuban and Puerto Rican independence, and always conscious of the responsibility, as of the power of the press.

In view of this tremendously productive and inspiring life, it is not too much to say of Eugenio María de Hostos, as he himself said of Hamlet in his famous essay on the play, that he was "a moment of the human spirit"; not a moment of gloom and doubt and indecision, but a moment of resolution and high-hearted courage and faith not to be extinguished even by the hazard of birth in an impoverished sea-girt Caribbean colony, in that harassed and threatening period which was the year 1839.

Shipment of Raw Materials to Japan

EXTENSION OF REMARKS

OF

HON. JAMES M. BARNES

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 23, 1940

LETTER FROM THE CENTRAL CHRISTIAN CHURCH, JACKSONVILLE, ILL.

Mr. BARNES. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following letter:

CENTRAL CHRISTIAN CHURCH,
Jacksonville, Ill., April 16, 1940.

The President and Congress of the United States:

We, the members and friends of Central Christian Church, Jacksonville, Ill., assembled for public worship on Sunday, April 14, 1940, after careful consideration of facts, urgently request you to use all your power in procuring legislation which will pre-

vent shipment of raw materials to Japan by the United States of America. We refer to raw materials from which munitions may be manufactured to continue the war in China.

Very sincerely yours,

V. V. GLASSNER,
Chairman of the Joint Board, Central Christian Church.

Gold and Its Power, Part 9

EXTENSION OF REMARKS
OF
HON. J. THORKELSON
OF MONTANA
IN THE HOUSE OF REPRESENTATIVES

Friday, April 19, 1940

Mr. THORKELSON. Mr. Speaker, in this, my ninth article on Gold and Its Power, it is my desire to call attention to the preceding discussions and ask those who are interested in this international gold conspiracy to read all of them. Gold, of course, is the power which has been and which will be used to establish world domination, for it alone is the international standard medium representing all values. We hear much expression of fear, or let me say speculation, as to whether or not gold may be abandoned as a world standard for currency, and to that I can only reply by stating that there is not the slightest possibility of such departure. This is particularly true if you can only realize that the gold mines in South Africa, the largest gold-producing field in the world, are owned or controlled by the internationalists, and that the same Shylocks through the power of gold maintain a position in the English Government which dominates the British Empire.

Recorded profits in 38 of these South African mines are huge, and many of them are listed close to 100 percent, 1 of them reaching as high as 170 percent. In 1935, 1 of these mines produced gold valued at £6,117,316, and in 1936 the same mine paid a dividend of 110 percent.

In 1936 the Crown Mines, Ltd., paid a dividend of 100 percent and produced 1,022,626 ounces of gold. The standard value of this production amounts to $21,137,679.42 at $20.67 per ounce, the price we paid for the gold prior to the adoption of the Gold Reserve Act. Since President Roosevelt took office in 1933, the Gold Reserve Act has been passed, and the price of gold raised from $20.67 to $35 per ounce. The 1,022,626 ounces of gold, therefore, represents $35,791,910, and is in actual dollars $14,654,230.58 more than it would have cost us in 1932.

These $14,654,230.58 are, therefore, a Roosevelt gift to the British Empire, taken from the taxpayers of the United States. I have already called attention to the fact that this loss to date amounts to over five and one-half billion dollars, and accumulates at the rate of $14.33 for every ounce of gold recorded on the Treasury's daily balance sheet. This $14.33 represents a loss to us of 69 percent, which the Government borrows from the Federal Reserve banks on the credit of the United States.

Our international banking houses pay $35 for every listed ounce of gold and this credit pays for merchandise bought by foreign governments in the United States. The gold is shipped to the Treasury, and for this the Secretary of the Treasury issues a disclaimer in the form of gold certificates, which are issued to the governors of the Federal Reserve banks and to the international bankers.

From this we may understand that the Treasury Department, the Federal Reserve Board, and the Federal Reserve banks work hand in glove with the international money changers, whom this administration set up in business in 1934. The Federal Reserve and its associate banks is in conjunction with the international banks the largest monopoly in the world. The next largest monopoly is our own Government and its many departments and bureaus. These monopolies are very much alike, for they are parasitical and destructive to their host. Let us not forget that the international Federal Reserve banks are using gold money and credit as they please and that this money and currency in the larger central banks is used to build up their own power. Deposit money in the larger banking institutions is now used to destroy the value of property by strikes, boycotts, and other subversive activities, so that this property may be bought for even less than the now devaluated international dollar.

This in a sense is the same thing that happened in Germany, differing only in that gold is not withdrawn from the United States as it was in Germany. It is similar in that gold has been withdrawn from public use and set aside as the property of the international bankers. It is also comparable with the German inflation in that property and business values have been reduced 69 percent as a result of the reduced value of the dollar, without increase in the prices of real estate, merchandise, or balanced reduction in dollar credit. In other words, real estate, industry, and business are taken over by the international money changers, in a sort of painless procedure. But do not be fooled; the result will be exactly the same as it was in Germany when the people found they had lost all to the internationalists. We will awaken and find ourselves in the same position.

As a matter of fact, nearly all large industries except the Ford Motor Co. are now owned or controlled by the international bankers. Do not forget that the money changers own or control the national press, movies, radio, news service, bookstands, and news-distribution agencies. Do not overlook the fact that ownership and control of these properties has been accomplished by using bank-deposit money, placed in the banks for safekeeping or check accounts. The most important part of this extraordinary transaction is: This steal of gold, our own property, industries and business by the internationalists has been accomplished by illegal use of money that belongs to the people of the United States. In other words, we, the people, have been robbed and sold out with our own money. I shall now quote the Daily Balance Sheet, so that you may understand that we do not own the gold in the Treasury:

[Office of the Secretary of the Treasury]

DAILY STATEMENT OF THE UNITED STATES TREASURY, APRIL 16, 1940

(Compiled from latest proved reports from Treasury offices and depositaries)

CURRENT ASSETS AND LIABILITIES

Gold

ASSETS

Gold (oz. 531,745,447.5)		$18,611,090,663.94
Total		18,611,090,663.94

LIABILITIES

Gold certificates:		
Outstanding (outside of Treasury)		2,883,125,559.00
Gold certificate fund—Board of Governors Federal Reserve System		13,450,532,390.77
Redemption fund—Federal Reserve notes		8,670,751.14
Gold reserve		156,039,430.93
NOTE.—Reserve against $346,681,016 of United States notes and $1,163,222 of Treasury notes of 1890 outstanding. Treasury notes of 1890 are also secured by silver dollars in the Treasury.		
Exchange stabilization fund		1,800,000,000.00
Total		18,298,368,131.84
Gold in general fund:		
Balance of increment resulting from reduction in the weight of the gold dollar	$142,702,970.72	
In working balance	170,019,561.38	
		312,722,532.10
Total		18,611,090,663.94

I have inserted the Daily Balance Sheet so that there will be no dispute as to my statement. The gold certificates outstanding, outside of Treasury, and in the gold-certificate fund amounts to $16,333,657,949.77 and is as the statement shows, a liability against the gold held in the United States Treasury. This gold is therefore the property of the international money changers.

The remaining items on the Daily Balance Sheet are self-explanatory, except that which is called increment, and that represents the administration's imaginary profit.

The item to which I wish to call your attention is one I have inserted in the RECORD before, which I shall now repeat, so that you will know that the gold now in the Treasury is not owned by the people or by the Government. I refer to a statement by the Department of Commerce in which it reveals that foreign nations, probably England and France, are credited with $7,883,000,000 at 25.8 grains nine-tenths fine. These industrial securities represent an issue that existed before 1933 and are, therefore, in the old gold-standard dollar. When this dollar is converted into the same dollar as is listed on the Daily Balance Sheet, the investment amounts to $13,348,088,985, and will reduce the gold assets by this amount. It should now be clear that when this amount is added to the outstanding gold certificates, the liabilities against the gold in the Treasury vaults exceed $29,000,000,000. We are, therefore, as I have said before, a debtor Nation, in spite of the fact that most people believe we are buried in tons of gold.

The exchange stabilization fund was originally $2,000,000,000 in gold, which the President and the Secretary of the Treasury obtained in a highly questionable manner from a new crop of liberal Congressmen. These public servants were indeed liberal with the property of the people who elected them to office, and they were also liberal in other legislation that has been enacted in the last 8 years. The Gold Reserve Act and other legislation have robbed the people of property, rights, and liberties.

The $2,000,000,000 gold-stabilization fund is a sop which the internationalists handed to the President and to the Secretary of the Treasury to distract the Executive's attention while the international bankers by an act of Congress secured possession of the gold.

The truth is that there never has been the slightest need for a stabilization fund, because the international dollar contains 13.7142+ grains of fine gold. The 200,000,000 gold dollars missing from the $2,000,000,000 stabilization fund, which is listed on the daily balance sheet as $1,800,000,000, is used by the Secretary of the Treasury as he directs. This $200,000,000, is not used to stabilize our money or bonds, for currency is secured upon the gold in the international dollar. This money is instead employed in gambling or speculation to sustain or support English and French bonds, for they are not secured by gold. This act in itself is unneutral and may be considered as direct military aid to England and France.

In view of all this, it is foolish for business to mark time, for nothing but bankruptcy lies ahead of all industries which are not secured by gold or gold certificates.

That we cannot go on should be evident, as we realize that the national debt will be $45,000,000,000 at the end of next June and that only $3,000,000,000 may be collected of the $13,000,000,000 contingent foolish Federal transactions. The end of this fiscal year may therefore leave us with an actual indebtedness of over $55,000,000,000, a sum that I am sure even the most optimistic financial expert will admit cannot be paid off under the present administration's mismanagement. This should be evident, for we have now reached the point where increase in taxes will reduce earnings of private business and therefore Federal income. Catastrophe cannot be averted unless an administration is elected which will restore our Government to its original form as given to us by the founders of this Republic.

It should be clear from this, even to the deluded American millionaires who are afraid to call their souls their own, that the legal-tender money we are now using will leave them dead broke when our currency is repudiated. No one is protected except those who are holding gold certificates, and even they are not fully protected when we bear in mind what may happen to our gold reserve should foreign governments begin to cash in American industrial securities. I can only say what a sad awakening it will be to some of our wishy-washy millionaires who are short on nationalism but long on internationalism.

It is also a misfortune that both major political parties are financed, directed, and controlled by the same money changers, and a calamity that both parties when in power are advised by the same unseen rulers of the invisible government.

Our greatest need today is a political party free from internationalistic control or domination by those who now control gold, money, and credit. If this cannot be accomplished, safety of the Republic may be found by sending only such men to Congress as will bind themselves to support the Constitution of the United States as it is written, and to repeal all laws which are now in conflict with that document.

The powers of the international bankers must be destroyed and this can only be accomplished by placing an embargo on the gold, by repudiation of gold certificates, and by suspension of all foreign payments in gold. Gold should then be set aside as security for our own people, with export prohibited until all nations are back on the gold standard. The United States Government should own gold and all other money, and bankers should be placed on exactly the same basis as an individual who goes to the bank to borrow money. The Federal Reserve and all other banks should be permitted to operate under private ownership, but they should, like individuals, be compelled to leave sufficient securities for money or credit obtained from the Treasury of the United States.

The Nation's wealth was never intended to be owned and monopolized by a select few, but was instead to be left in various depositories throughout the United States as an aid to the people to develop their own communities. It was in such manner this Nation prospered.

Congress should, for the welfare of the United States, dissolve all bank corporations and banking chains, for they are not only harmful but will, if not curbed, eventually acquire ownership and control of all our Nation's industries and business. When you realize that this is accomplished not by skill, not by intelligence, but by the very fact that we allow to this crew of international wreckers the unrestricted use of gold, money, and credit that rightfully belongs to the people of the United States, you also realize the need to look after your own Government.

Administrative Procedure

EXTENSION OF REMARKS

OF

HON. CARL A. HATCH

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

ARTICLES FROM THE WASHINGTON DAILY NEWS AND THE WASHINGTON POST

Mr. HATCH. Mr. President, pursuant to the permission granted me, I present for printing in the Appendix of the RECORD an editorial from the Washington Daily News of April 22, 1940, entitled "Bureaucracy and the Courts"; from the same issue an article by Hugh S. Johnson entitled "One Man's Opinion", and an article from the Washington Post, by Ernest K. Lindley, discussing the Walter-Logan bill, under the headline "Less Than Perfect."

The editorial and articles are as follows:

[From the Washington Daily News of April 22, 1940]

BUREAUCRACY AND THE COURTS

Just before the Logan-Walter bill was passed overwhelmingly by the House last week, the veteran Representative HATTON W. SUMNERS, of Texas, spoke in support of it.

A speech by Mr. SUMNERS always commands attention in Congress. This one commanded unusual attention. For he is chairman of the Judiciary Committee, which had approved the bill. He is an authority on constitutional law. And for many years, under Republican administrations as well as since his own party came to power, he has warned against the menace of an uncontrolled bureaucracy. Discussing the Logan-Walter bill, Mr. SUMNERS said, in part:

"In the executive branch of the Government now there are nearly a million people. The President of the United States cannot

know who those million people are. He cannot know what they are doing with the governmental powers trusted to them.

"Contrary to all our philosophy of government, we have placed in one appointed personnel all three powers of government. They make the rules, which have the force of law; they construe the rules; they enforce the rules.

"You are elected by the people, but you know that as Members of Congress you cannot supervise the bureaus, and you do not know what they are doing. You know the President cannot supervise them. That means that those in whom we have placed all three powers of government, an appointed personnel, are operating without supervision in America today. That is all there is to it. There is nobody who can supervise them.

"Now, where can we put the power to supervise? Gentlemen get up here and talk about how many judges we must have (if the Logan-Walter bill becomes law). There is no use creating a condition that makes it necessary to have judges and then complaining because you have the judges. If anybody is to sit in judgment between these employees and the people, you must have judges to do it. If you do not want the judges, you ought not to have created the condition.

"This bill is subject to all sorts of criticism. It is pioneer legislation. But we have only this choice—either to turn the American people loose, subject to the power of an appointed personnel who have all three powers of government under their control, or we have got to make it possible for the citizen to resort to the only place under the Anglo-Saxon system of government that an aggrieved person can go to, and that is the courts of the country.

"That is what this bill attempts to do."

There was the best possible answer to those who have argued that the Logan-Walter bill would burden the Federal courts with new work. If more work for judges is necessary to control bureaucracy, well and good. But the fact is, we believe, that the bill would put bureaucracy on notice to use its powers so carefully, with such regard for the rights of citizens and such determination to avoid abuses that could be appealed to the courts, that eventually there would be much less work for judges.

[From the Washington Daily News, April 22, 1940]

ONE MAN'S OPINION

(By Hugh S. Johnson)

The vote—almost 3 to 1—in the House in favor of the Walter-Logan bill to check our rush in the direction of Nazi bureaucracy certainly reflects a public opinion both that the rush exists and that the people want it stopped.

Naturally the bureaucrats don't like that. Naturally they have called in their pet columnists and fed them their documented arguments against it. That happens frequently, on both sides, in Washington as issues arise. For the columnist it saves a lot of leg work. But it's just as easy to get the other side's documented case, too.

If any kibitzer omits to do that and gets his neck far enough out, it is perfectly civilized warfare for adversary advocates to crack it. But is it so kosher to admit incapacity to grasp the problem yourself and then, on the basis of testimonials for one side alone of a legislative case, to accuse advocates of the other of being so derelict in their duty to the public as to preach without even knowing what the bill is about?

This is the janissariat line of New Deal columnar attack on this bill. It starts: "There are problems too intricate readily to be grasped by newspaper columnists." In this admitted self-emasculation the commentator wheels into line a battery of "experts" to substitute their dicta for the alleged columnar and editorial incapacity.

Most of these self-serving "experts" are the bureaucrats themselves or their lawyers—exponents of centralized, personalized, and self-perpetuating Presidential power. Another "expert" is the Lawyers Guild. That is the radical rump of secessionists from the American Bar Association. It is mainly made up of pinkish New Deal lawyers. It got so stinking with communism that even such "progressive" members as Ferdinand Pecora and Morris Ernst threatened to lead mass resignations because the guild refused to condemn Communist as well as other dictatorships. No wonder it fights this bill to curb our trend toward pinkish dictatorship. Finally, there is a small interlocking group of Wall Street lawyers whose attitude and opinion I don't yet pretend to understand.

But the blatant unfairness of this approach is that no mention whatever is made of the fact that contrary to these, who are mostly exponents of a radical political formula rather than a legal opinion, stands the overwhelming weight of American professional judgment—the American Bar Association, the Judiciary Committees of both House and Senate, almost a 3-to-1 majority in the House and a great potential Senate majority most of whom are lawyers, 22 State and city bar associations, and such leading scholars of the law as Roscoe Pound, and such governmental experts as Frank Lowden and James R. Garfield, not to mention some of the greatest labor, trade, and agricultural organizations in the country.

Maybe this radical minority array convinces a commentator who finds this subject "too intricate to be grasped." The array isn't important to me—on either side. I have lived with administrative law, organization, and practice almost to the extent of Billy Baxter's dachshund, which got that way—so low and long—because it was "brought up under a bureau." I have studied and read and written about the Walter-Logan bill for more than a year. There isn't anything about it "too intricate to grasp," even by a columnist. A thing that is easier to grasp is that it is human nature for men who have grabbed personal power never to want to give up any of it or to have its use regulated, supervised, or even scrutinized.

This bill has had plenty of debate and study. It goes to the Senate, which once favored it unanimously. The tactics of the opposition is not to enter debate or voting on it but just to stall and strangle it by the dilatory tactics of a small minority legislative bloc which may have power to frustrate majority rule by a parliamentary trick. That is not democracy. It is legislative Hitlerism. It is the very kind of things in Congress which this bill is designed to check in the executive department. Yet it is the kind of thing in respect to which these strong-arm goose-steppers and their columnist claquers call themselves "liberals." They are the worst reactionaries in the country.

[From the Washington Post of April 24, 1940]

LESS THAN PERFECT

(By Ernest K. Lindley)

A REPLY TO CRITICS

This column's recent comments on the Walter-Logan bill have been jumped upon by Col. O. R. McGuire, chairman of the special committee on administrative law of the American Bar Association, and Gen. Hugh S. Johnson.

Let's take first the reply of the colonel, who has made it his job to lobby this bill through Congress. He begins by listing organizations which have approved the bill. They include the National Grange, the A. F. of L., the National Retail Druggists' Association, the Master Plumbers' Association, and the National Electrical Contractors' Association. Do the members of these organizations, or their executive bodies, claim to be experts on the machinery of government? In the whole lot of them there are probably not a dozen men, including their general counsels, who have more than the foggiest notion how the Walter-Logan bill would work in practice.

The colonel also lists numerous endorsements from bar associations. Judging from the few samples I have examined, the bar associations haven't a clear idea about the actual effect of the bill. They are really for it "in principle."

Colonel McGuire goes on to boast about the backing of the American Coalition of Patriotic Societies, and to do a bit of "red" baiting of his own at the expense of the National Lawyers' Guild, which has disapproved the bill. He finally gets around to a few experts. But whether they all are for the bill in detail is open to doubt. The colonel himself admits that the bill may not be "perfect."

The general is more fervid than the colonel in his "red" baiting. He also scorns my remark that "there are problems too intricate readily to be grasped even by newspaper columnists." He assures us that he is fully acquainted with the administrative law, organization, and practice. He ought to be. But when I read what he writes about the Walter-Logan bill, I can find no reason for excluding him from commentators who are over their heads. The main difference between us is that I know I am not equipped to write on this subject without consulting experts.

Neither the colonel nor the general is more heartily in favor than I am of the avowed purpose of this bill to protect the citizen from administrative absolutism. In fact, it was what General Johnson put over as N. R. A. Administrator which made me really anxious about the dangers of a power-grabbing bureaucracy. The N. R. A. was the nearest thing to a Nazi-Fascist set-up we have had in this country. However, unlike some observers, I never thought that the general, despite his cavalry training, had the inclination or the capacity to develop into "the man on horseback."

It is fair, I think, to regard the impressive backing for the Walter-Logan bill cited by Colonel McGuire as backing for the principle or purpose of the bill. The vote for the bill in the House, and earlier for its companion in the Senate, can only be regarded as a vote for its objectives. The confusion of the Members of the House as to its practical effects can be seen readily by anybody who will take the time to read the CONGRESSIONAL RECORD.

The Walter-Logan bill is condemned not only by experts throughout the Federal Government but by distinguished private practitioners who have taken the time to study it. In the January issue of the Louisiana Law Review it was ripped to pieces by Alfred Jaretzki, Jr. Mr. Jaretzki is not a member of the "janissariat" but a member of the highly conservative Wall Street firm of Sullivan & Cromwell. After examining the bill, Mr. Jaretzki expresses the opinion that it cannot have been carefully studied by the American Bar Association committee on administrative law, headed by Colonel McGuire, or by numerous other distinguished lawyers who have lent their support.

There isn't room here even to detail Mr. Jaretzki's criticisms of the bill. But he concludes that the bill is "vitally defective" and that a thorough study of the operations of many Federal administrative agencies is needed before a suitable bill can be drawn.

The bill has been condemned by highly conservative leaders of the New York City bar, headed by John Foster Dulles, one of Thomas E. Dewey's official advisers. The basic flaws found by Mr. Dulles and his colleagues have not been effectively answered in any columns, committee reports, or speeches I have seen.

On April 18 Representative WALTER, coauthor of the bill, cited Louis Caldwell, formerly General Counsel for the Radio Commission, now a private practitioner in Chicago and Washington, as one of the distinguished gentlemen who contributed to the drafting of the

original bill. This is on page 4733. In the Appendix of the RECORD, page 2122, begins a long memorandum by Mr. Caldwell tearing the bill into ribbons.

One of the main faults in the bill is that it tries to force a single formula on almost all the administrative agencies of the Government. The unanimous verdict of the experts is that there must be variations according to the type of power exercised by the agency.

There has been plenty of half-baked legislation in Congress during the last several years. A decent administrative agency, with a little help from the courts, often can make sense out of an ambiguous or half-baked law. But this bill deals with the machinery of administration itself. It is a case where good intentions will have a ruinous effect unless they are implemented by intelligence and detailed expert knowledge.

Antialien Legislation

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

RADIO ADDRESS BY HON. JAMES E. MURRAY, OF MONTANA

Mr. SCHWELLENBACH. Mr. President, on last Monday night the junior Senator from Montana [Mr. MURRAY] delivered a very interesting address over the Mutual Broadcasting System on the subject of antialien legislation. I ask consent that the address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

First, I wish to thank the Mutual network for this opportunity to discuss a problem of paramount importance to all Americans.

My subject relates to the danger threatening our country through the flood of antialien legislation now being presented in the Congress of the United States. These proposed laws, ostensibly directed against the foreign-born in our country, are in reality leveled against all American civil liberties. They present a problem of vital concern to every American citizen, whether born in this great democratic Nation or on foreign soil. They present a question affecting the welfare, the liberties, and the living and working standards of every person under the American flag.

It is particularly fitting that this question should be considered while we are celebrating the anniversary of Thomas Jefferson, one of the fathers of our American democratic system. Therefore, at the outset, I will take just a little time to remind you of the things that Jefferson and his fellow patriots fought to establish in this country more than 150 years ago.

First among the things that Jefferson and his compatriots struggled to establish in this Republic was the ideal of equal rights for all, the ideal of fair and equal treatment of all people who live in this country of ours. Nothing was said in the Declaration of Independence, in the Articles of Confederation, or in the Constitution of the United States about special privileges for any group, no matter how large; nothing about special disabilities or penalties on any group, no matter how small. All were to have the same rights and privileges, all the same restraints and duties, none to be singled out for special treatment of any kind. This was a great and compelling ideal. Jefferson was able to gather thousands of men—workers and farmers of his time and scores of devoted leaders—around him in the struggle to establish this ideal as a real and living thing. He was able to lead the people through years of suffering and privation and finally establish in America the proposition that all men have equal rights and duties under the law—none greater, none less.

Today there is a well-organized, shrewdly directed, powerfully backed plan afoot in the Congress of the United States to rob not only minority groups of their rights and duties under the Constitution but to actually invade the rights and privileges—and the duties—of all people who live in this Republic. If this program is allowed to proceed, they may seek to set up a regime of concentration camps, of universal registration, or search and seizure without warrant, such as has not been paralleled in this country since the time of George the Third.

It is always well to go back into American history and review the lessons which that early period taught us. In Jefferson's time the young Republic was affected by this same antialien menace, a revival of which has developed recently. In 1798 there was enacted in the Congress a set of four measures, which have been referred to ever since as the alien and sedition laws, creating a most dangerous period of unrest and reaction and seriously threatening our democratic institutions. That movement in our early history almost wrecked the Nation, but through the wisdom, the courage, and the integrity of the leaders of our country during that grave period we survived the menace.

But history again is repeating itself. Scores of bills have been introduced in Congress at this session precipitating the same problems that threatened the foundations of our Government in its early life. These bills are known as antialien bills, and they are uniformly based on principles and ideas which are thoroughly alien and un-American. Some of these bills are designed to deport, without cause, all aliens; to fingerprint all the foreign-born; to hold without trial all aliens who cannot be sent back to their own countries; to discharge summarily, without cause, all foreign-born workers in industry. Some of these bills propose to exclude all noncitizens from receiving any of the benefits of our social-security legislation, enacted by Congress under the Constitution without any intention or purpose of discriminating along lines of racial or national origin. This antialien program is taking direct form today in these bills presented in Congress, to the tune of 60 or 70, and are intended to accomplish the harsh results I have just mentioned. I cannot, of course, take the time to analyze in detail these proposed measures, but I do wish to call the attention of my listeners tonight to the dangers they present to our liberties and our rights, and to urge most solemnly careful study and opposition to the enactment of such un-American legislation.

The men like Jefferson and Washington, who made our country a democracy, did not do so simply in order to create something that would look good on paper. They struggled and sacrificed to create a democracy because they knew that only under such a system of government could men hope to preserve their liberties and establish a better way of life. When our Revolutionary ancestors wrote the Declaration of Independence, the Articles of Confederation, and the Constitution of the United States they saw to it that those documents contained no discrimination against any people, against any race, or against any creed. They saw to it that all people in the United States were guaranteed equal rights and equal duties under the basic laws of the nation they were founding.

The United States was settled by immigrants. We are indeed a Nation of immigrants. Many came to this country to improve their economic condition, but a larger number came to escape the religious and political persecutions visited upon them by despotic rulers in their native lands. Following the earliest American explorers from Europe came refugees from the various countries across the ocean. These immigrants sacrificed their worldly possessions and risked their lives in flimsy craft on a dangerous and uncharted ocean to reach a land of freedom. These early immigrants soon became the advanced thinkers and citizens of this country. They expressed their appreciation of their new-found freedom by adopting this new land as their own and by spending their strength and lives in fostering its growth and preservation. As a result, we find today in America traces of the influence of nearly every civilized race and every nation of the Old World.

These immigrants hewed our forests, erected their primitive homes here, cleared and cultivated our fields, and year by year pushed the frontier westward. They cut roads through the wilderness, dug the first canals, built our railroads, and constructed and developed our early industrial life. They developed our vast mineral deposits and wrested from the ground great natural wealth which has made the United States the richest nation on earth. In the past century and a quarter 38,000,000 aliens have landed on American shores and have contributed to the building of one of the greatest and most unique nations on earth.

Every citizen welcomes appropriate laws to protect our country from subversive activities carried on by any group, whether alien or otherwise. People who engage in criminal acts or conspiracies against our Government should be effectively dealt with. But now, in a period of industrial distress and unrest, there are certain people who would have us believe that the alien constitutes some sort of a special menace and that we should take immediate steps to punish him or remove him from our midst. They want to make him the scapegoat for all the ills that infest the Nation. There are three and a half million persons in the United States today who are not citizens, according to the estimates of the Department of Labor. Statistics show that they average up with any other group in the country. Records establish that they have, in fact, a lower crime ratio than any other group. These aliens are becoming citizens as rapidly as their conditions permit.

A short time ago there was introduced in Congress a bill which would make possible the naturalization of a quarter of a million aliens who served in the armed forces of the United States during the World War—aliens who were willing to offer their lives for the preservation and defense of our country. But, in contradistinction to that sort of legislation, we now have a whole flood of bills based on an entirely different ideology. Today a group of men in Congress would tell us that America is in danger of destruction unless we pounce on the foreign-born, the noncitizen, and deport him, imprison him, fingerprint him, and deprive him of rights and duties that all people living in America have heretofore enjoyed.

There is not the slightest justification for this violent un-American crusade against the so-called aliens in this country. For one thing, there are not enough noncitizens in this country to constitute the slightest menace to anything. The Federal Government, through the Department of Labor, tells us in official figures that the number of noncitizens in the United States is decreasing by scores of thousands each year. Immigration has been practically at a standstill since the beginning of the depression. My information from the Department of Labor is to the effect that there is no truth to the propaganda that aliens are flooding into this country at the present time. In truth, less than half the permissible quota are being admitted. From 1931 to 1938, as shown by the United States Government figures, 227,000 more people left the United States than came into it. Our population now is practically stationary. As a matter of fact, the cutting off of immigration plus the fall in the

birth rate of this country will soon bring about an actual decline in our population if present conditions continue.

In no sense is America in danger through the presence of a small minority of foreign-born or noncitizens in our midst. The real danger to America comes today from those who would seek to create dissension and develop racial bitterness and animosity among our people. The actual danger which confronts us is the danger that these threatened attacks on aliens and noncitizens may lead to a general assault on American democracy. Attacks on the rights of foreign-born people in this country will surely lead to a break-down of all American civil liberties.

I am opposed to this antialien legislation because I think it is altogether un-American and will lead to the dangerous results described if not stopped. This proposed legislation is certainly not in accordance with American tradition or with the spirit of the early emigrants to America, who were the real founders of the Nation. This legislation generally is sponsored by reactionary political groups and will, without the slightest doubt, lay the foundation for further reactionary legislation designed to discriminate against minority groups generally. There is no benefit to come to this country in attempting to make scapegoats of our foreign-born people who have committed no wrongs and are abiding peacefully by the laws of the land. No good can come from such an unjust and inhuman program.

We are living in difficult times. Devastating wars and racial conflicts have spread a fearful menace over the entire world. It behooves the American people not to permit these racial and national upheavals and animosities of Europe to be transplanted on this side of the Atlantic. Let us on this hemisphere hope that the light of liberty, which inspired millions of our people to cross the seas, may not be extinguished; that through the action of the Congress it may be maintained strong and effulgent for all the children of men throughout the world, guiding their footsteps to freedom and to justice.

Opinion of Circuit Court of Appeals in Opp Cotton Mills Against Administrator of Wage and Hour Division

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

OPINION BY JUDGE McCORD

Mr. MEAD. Mr. President, I ask to have printed in the RECORD the opinion of the Fifth Federal Circuit Court of Appeals, at New Orleans, upholding the validity of the 32½-cent-an-hour textile wage order.

I think the Members of this body may well take into account how far we have come since the days when legislation barring the products of children from interstate commerce was repeatedly held unconstitutional by the courts.

The case is called Opp Cotton Mills, Inc., against the Administrator of the Wage and Hour Division of the Department of Labor. The opinion, written by an Alabama member of the court and concurred in by the two Mississippi members sitting with him, is one of the last rites in the burial of Hammer against Dagenhart, the 1918 decision of the Supreme Court which set aside the first Child Labor Act. It is also one of the final steps in giving the imprimatur of the guardians of the law to the dissenting opinion of Mr. Justice Holmes in that case. This is the opinion, one of his most famous, in which he said:

> Instead of being encountered by a prohibitive tariff at her boundaries, the State encounters the public policy of the United States, which it is for Congress to express.

One of the paradoxes which make American public life so interesting and so difficult occurred to the Administrator of the Wage and Hour Division in the first week of April. A high court gave him the constitutional green light to carry out the direction of Congress that—

> The Administrator shall, as soon as practicable, appoint an industry committee for each industry engaged in commerce or in the production of goods for commerce.

And Congress cut the wage-and-hour appropriation recommended by the Budget Bureau $1,355,000.

I ask permission to have this opinion inserted in the RECORD.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[In the United States Circuit Court of Appeals for the Fifth Circuit. *Opp Cotton Mills, Inc., petitioner,* v. *Administrator of the Wage and Hour Division of the Department of Labor, respondent.* No. 9313. April 2, 1940. On petition to review a wage order of the Administrator of the Wage and Hour Division, United States Department of Labor]

Before Holmes and McCord, circuit judges, and Mize, district judge.

McCord, circuit judge: The Administrator of the Wage and Hour Division of the Department of Labor issued a wage order on September 29, 1939, providing that effective October 24, 1939, wages at a rate of not less than 32½ cents an hour be paid to all employees in the textile industry. The wage order was issued pursuant to the provisions of the Fair Labor Standards Act of 1938 (52 Stat., p. 1060).

Opp Cotton Mills, Inc., operator of a small cotton mill at Opp, Ala., petitioned this court to review and set aside the uniform minimum wage order. Southern Cotton Manufacturers' Association, an unincorporated group representing small cotton mills in Texas and other southern States, and 15 concerns operating cotton mills in Georgia, Alabama, Mississippi, and Louisiana filed intervention petitions. This proceeding is before us under the provisions of section 10 (a) of the act.

The petitioners contend that the act is unconstitutional; that the Administrator did not give consideration to the factors required by the statute; and that his order fixing a uniform minimum wage of 32½ cents an hour for the textile industry is illegal and void.

It is provided by section 6 of the act that every employer engaged in interstate commerce or in the production of goods for interstate commerce shall pay wages of (1) not less than 25 cents an hour during the first year after the effective date of the section; (2) not less than 30 cents an hour during the next 6 years; and (3) after 7 years "not less than 40 cents an hour, or the rate (not less than 30 cents an hour) prescribed in the applicable order of the Administrator." Sections 5 and 8 provide administrative machinery for establishing hourly wage rates in excess of the statutory minimum of 30 cents, but not in excess of 40 cents an hour. The 25-cent minimum hourly wage provided for by section 6 (a) (1) was in effect for 1 year, and on the day the 30-cent hourly minimum provided for by section 6 (a) (2) was to take effect the wage order here attacked raised the minimum to 32½ cents.

A further provision made it the duty of the Administrator to appoint industry committees, and on September 13, 1938, acting pursuant to section 5, the Administrator appointed Industry Committee No. 1 for the textile industry. This committee consisted of 21 members, 7 representing the public, 7 representing employers, and 7 representing employees. Section 5 (b) provides that those representing each group of the industry committees be appointed with "due regard to the geographical regions in which the industry is carried on." The Administrator appointed three members of the public group, four members of the employers group, and two members of the employees group from Southern States, but the petitioners contend that the South was not given full and proper representation. The provisions of the act requiring the Administrator to give "due regard" to geographical regions in the appointment of committee members did not require him to apportion membership on the committee with mathematical precision. It was the duty of the Administrator to exercise sound discretion in this regard and we do not find that he abused that discretion. Cf. *Balston Steel Car Co.* v. *Commissioner,* 53 F. (2d) 948, 950; *United States* v. *Interstate Commerce Commission,* 88 F. (2d) 780, 783.

The duty of Industry Committee No. 1 was to investigate conditions in the textile industry and "recommend to the Administrator the highest minimum wage rates which it determines, having due regard to economic and competitive conditions, will not substantially curtail employment in the industry." Section 8 (c) further provides that the industry committee recommend such reasonable classifications within an industry as it determines to be necessary, and that in determining such classifications "the industry committee and the Administrator shall consider among other relevant factors the following: (1) competitive conditions as affected by transportation, living, and production costs; (2) the wages established * * * by collective labor agreements; and (3) the wages paid for work of like or comparable character by employers who voluntarily maintain minimum-wage standards in the industry." The committee functions in an investigatory and advisory capacity and the act makes no provision for a court review of the proceedings before it. The record shows, however, that for several months Industry Committee No. 1 made a detailed and exhaustive study of the problems confronting the textile industry, and heard many witnesses, and considered many briefs, exhibits, letters, and statistical and economic studies. Petitioners' complaint that the committee did not proceed in accordance with the provisions of the act is not well founded. Cf. *United States* v. *Los Angeles R. R.,* 273 U. S. 299, 310; *United States* v. *Atlanta B. & C. R. Co.,* 282 U. S. 522, 527–528.

On May 22, 1939, Industry Committee No. 1, by a vote of 13 to 6, adopted a resolution recommending a uniform minimum wage of 32½ cents an hour for the textile industry. On the coming in of the committee's report and recommendations the Administrator published notice of a public hearing in the Federal Register, trade journals, and newspapers, as provided by the act. The notice advised that any interested person might appear at the hearing to

offer evidence "either on his own behalf or on behalf of any other persons * * *." The Administrator's hearing was opened in Washington on June 19, 1939, adjourned to Atlanta on June 26, reconvened in Washington on July 10, and on July 11 the hearing was concluded. At the hearing the Administrator heard over 100 witnesses, including employers, employer representatives, labor representatives, freight experts, Government economists, and economic experts. The testimony taken at the hearing measured to more than 3,000 pages, and many volumes of exhibits were received and made a part of the record. Thereafter the Administrator prepared extensive findings based upon the evidence taken at the hearing. After reviewing all the evidence he found that the recommendations of Industry Committee No. 1 were made in accordance with law and supported by the evidence. On the basis of these findings he issued the order fixing a uniform minimum wage for the industry.

The record before us consists of more than 10,000 pages of testimony and exhibits. Much acrimony and bitterness is exhibited in the testimony of several of the witnesses. No good purpose could be served by setting out the evidence at length, and we only attempt to point out the trend and weight of the evidence as reflected by a careful reading of the voluminous record. From the testimony of the long line of witnesses favorable to petitioners we quote only a few excerpts:

Clarence Miller, of Dallas, Tex., connected with several cotton mills, testified: "If the Fair Labor Standards Act is enforced according to the recommendations of the majority of the committee, without a differential, and the freight discriminations are not removed, there will not be a cotton mill operating in Texas at the end of 5 years." M. M. Bryan, president and general manager of the Jefferson, Ga., mills, testified: "Regardless of what effect the increase in minimum wages may have upon the company I represent, I believe any minimum-wage law will ultimately prove to be unwise and a serious detriment to the industrial progress of our country." J. F. Ames, Selma, Ala., with over 50 years' experience in the cotton mill manufacturing business, testified: "Great disaster will overtake the small mills in the event the proposed rate of 32½ cents an hour goes through." Gov. Hugh White, of Mississippi, and Gov. Frank Dixon, of Alabama, offered strong evidence favorable to petitioners. Dr. Gus W. Dyer, of Vanderbilt University, testified: "Now, if you believe in this principle of making the strong stronger and the weak weaker, and that the function of government is to look after the strong and let the weak go to hell, then I can see some reason for it; but otherwise, I can't." Donald Comer, of Birmingham, Ala., connected with the Avondale Cotton Mills, with clarity and without prejudice, offered quite the strongest evidence for the petitioners that is to be found in the record. On the question of transportation and freight rates L. O. Kimberly, Jr., of Atlanta, who had 18 years' experience in freight traffic work and who had spent much time studying textile freight rates, testified that he had made "a study of the rate levels in the North and in the South and between the territories. * * * I believe I am fairly well familiar with the rate structure on these products. * * * The combination of these in-bound rates on cotton and the out-bound rates on manufactured cotton products gives the eastern mills a substantial advantage." Using Boston and Atlanta as focal points from which to base his estimate, he placed the southern base group mill points as having a rate disadvantage of 17.5 per cent. P. H. Johansen, Washington, D. C., who had 13 years' experience in freight rates, 6 years of which were with textile rates, testified: "The average rate from New England to all points, however, is 100.90 cents, and the average rate from the South is 114.06 cents, or an average of 13.04 percent against the southern mills. * * * I would like to remark here that is a simple mathematical average. Later I believe I can show the disadvantage is much greater than that * * *."

In opposition to the testimony of the witnesses favorable to petitioners was the testimony of experts of the National Association of Cotton Manufacturers, the American Cotton Manufacturers Association, and several State trade associations. Also many exhibits and statistical studies were introduced to show living and production costs and freight rates on raw materials, mill supplies, and textile products from more than 300 representative destinations and shipping points throughout the country.

Much of the evidence before the Administrator is in sharp conflict. We are constrained to believe, however, that a preponderance of the evidence discloses that there is a decided rate disadvantage as against the southern and southwestern mills. However, this may be, a majority of industry committee No. 1, after an exhaustive investigation lasting several months, recommended to the Administrator a uniform minimum wage of 32½ cents an hour for the textile industry. The Administrator gave notice and held a public hearing as provided by the act. After taking much testimony and considering it along with the committee report and various statistical studies, including a comprehensive wage study known as bulletin 663, prepared by the Bureau of Labor Statistics, he confirmed the report of the committee, holding: "I conclude, therefore, that the South is at least in a position of equality with the North as far as production costs are concerned and that with respect to production, transportation, and living costs considered together there is also substantial equality between the regions. I find, too, that competitive conditions as affected by transportation, living, and production costs do not justify a differential in minimum wage rates." He also found that "the proposed minimum will not substantially curtail employment in the cotton-textile industry or in any definable group of plants or regions of the industry."

Under section 10 (a) of the act, the review of this court is limited to questions of law, and the findings of fact by the Administrator are conclusive if supported by substantial evidence. Whatever discrimination may be pointed out in the conflicting evidence, labor should not be called upon to equalize the discrimination by bearing all the load. The minimum wage fixed by the order of the Administrator provides a weekly earning of approximately $13. When one takes into consideration living expenses scaled down to the necessities of life it can readily be seen that the minimum fixed by the Administrator's wage order provides at most a meager living. Substantial evidence can be found in the record to support the findings of the Administrator and we are not willing, therefore, to overturn his order (*Consolidated Edison Co.* v. *Labor Board*, 305 U. S. 197; *Labor Board* v. *Brown Paper Mill Co.*, 5th circuit, Jan. 17, 1940, — F. (2d) —; *Florida* v. *United States*, 292 U. S. 1; *Labor Board* v. *Waterman Steamship Corp.*, Feb. 12, 1940, — U. S. —).

In passing upon the constitutionality of the act it is not necessary to determine whether all provisions are within the power of Congress. Section 19 provides for separability of provisions, and only those provisions affecting this proceeding are passed upon. If other provisions in the act exceed the power of Congress they are clearly separable and do not vitiate the act (*Electric Bond & Share Co.* v. *Securities and Exchange Commission*, 303 U. S. 419, 433).

The power of Congress to regulate commerce "is complete in itself, may be exercised to its utmost extent, and acknowledges no limitations, other than are prescribed in the Constitution" (*Gibbons* v. *Ogden*, 9 Wheat. 1, 196, 6 L. Ed. 23).

In enacting the Fair Labor Standards Act of 1938 Congress sought to conserve interstate commerce and protect it from the burdens and obstructions incident to the transportation of goods produced under substandard working conditions. Any doubts that may have existed heretofore as to the constitutionality of such legislation have been dispelled by recent decisions of the Supreme Court. We are of opinion and so hold that the enactment of the Fair Labor Standards Act was a valid exercise of the power given to Congress by the commerce clause of the Federal Constitution, article I, section 8, clause 1 (*Mulford* v. *Smith*, 307 U. S. 38; *Kentucky Whip & Collar Co.* v. *Illinois Central Railroad Co.*, 299 U. S. 334; *Labor Board* v. *Jones & Laughlin Steel Corp.*, 301 U. S. 1; *Currin* v. *Wallace*, 306 U. S. 1; *Santa Cruz Co.* v. *Labor Board*, 303 U. S. 453; *Brooks* v. *United States*, 267 U. S. 432; *Champion* v. *Ames*, 188 U. S. 321; see *Hammer* v. *Dagenhart*, 247 U. S. 251).

The policy of Congress is precisely defined in the act. It prescribes definite standards for the guidance of administrative action and indicates in detail the considerations which are to be held in view in promulgating wage orders. To protect against arbitrary action Congress "has afforded both administrative and judicial review to correct errors. This is not to confer unrestrained arbitrary power on an executive officer." We are of opinion that the delegation of power to the Administrator was not unconstitutional (*Currin* v. *Wallace*, 306 U. S. 1; *Mulford* v. *Smith*, 307 U. S. 38; *United States* v. *Rock Royal Cooperative, Inc.*, 307 U. S. 533; *Panama Refining Co.* v. *Ryan*, 293 U. S. 388, 421; *Hampton & Co.* v. *United States*, 276 U. S. 394).

The procedure followed by the Administrator in adopting the recommendations of the industry committee was in accord with the due-process requirements of the Constitution. Proper notice was given of the public hearing before the Administrator and the petitioners were given full opportunity to be heard. The administrative proceedings met the "rudimentary requirements of fair play" held to be essential to due process (*Morgan* v. *United States*, 298 U. S. 468; *Morgan* v. *United States*, 304 U. S. 1). The Fair Labor Standards Act of 1938 as applied to these petitioners is constitutional.

The wage order of the Administrator measures to the requirements of the act.

The wage order is affirmed.

Air Safety Board

EXTENSION OF REMARKS

OF

HON. WARREN R. AUSTIN

OF VERMONT

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

ARTICLES FROM THE NEW YORK HERALD TRIBUNE AND THE WASHINGTON STAR

Mr. AUSTIN. Mr. President, former Representative LaGuardia, of New York, who is now mayor of the city of New York, at the laying of the cornerstone of the new air terminal in New York City delivered an address, a portion of which is reported in the New York Herald Tribune, of Tuesday, April 23, 1940, under the heading: "Mayor Assails Roosevelt Plan To Shift C. A. A.—Laying Air Terminal Stone, He Declares It Would Be Calamity to Drop Agency."

I ask unanimous consent to have a portion of this article printed in the RECORD at this place; and I join with that another request, to print Washington Observations, by Frederic William Wile, the well-known and respected columnist, published in the Washington Star of April 22, 1940, entitled: "Reorganization Plan, Hitting C. A. A. and Air Safety Board, Arouses Bitterness."

There being no objection, the matters referred to were ordered to be printed in the RECORD as follows:

[From the New York Herald Tribune of April 23, 1940]

MAYOR ASSAILS ROOSEVELT PLAN TO SHIFT C. A. A.—LAYING AIR TERMINAL STONE, HE DECLARES IT WOULD BE CALAMITY TO DROP AGENCY

Mayor F. H. LaGuardia laid the cornerstone of the new Air Lines Terminal Building on the southwest corner of Forty-second Street and Park Avenue yesterday after delivering a speech in which he said it would be a "calamity" to abolish the Civil Aeronautics Authority. The mayor was referring to President Roosevelt's proposal to place the C. A. A. under the control of the Department of Commerce.

"It would be a calamity to abolish the C. A. A. at this time," Mayor LaGuardia said. "Someone may say this statement is out of place here today. Well, of course it is out of place, but I am making it here because I am interested in air progress and am appreciative of the contribution the C. A. A. is making to aviation and the people of the country.

"It has been the best agency we have known for coordinating the work in aviation. It has done so much for aviation, for progress, convenience, and safety. I know of no Federal board in Washington that has been more successful or has rendered so much service."

[From the Washington Evening Star of April 22, 1940]

WASHINGTON OBSERVATIONS--REORGANIZATION PLAN, HITTING C. A. A. AND AIR SAFETY BOARD, AROUSES BITTERNESS

(By Frederic William Wile)

Reorganization Plan No. IV, with proposed emasculation of the Civil Aeronautics Authority and abolition of the Air Safety Board, has flared into one of the bitterest controversies of the tempestuous New Deal. As on the occasion of other "reforms" advocated by the President, his project to sabotage C. A. A. has aroused strong bipartisan opposition. It threatens as fierce a feud with Congress as the original reorganization program, which House and Senate finally tore to pieces. Plan No. IV will go into effect June 11 by Executive order, unless meantime defeated by concurrent congressional action.

Leaders in the effort to preserve C. A. A. and the Air Safety Board in their present efficient state are confident of killing the plan before Mr. Roosevelt is empowered to enforce it. Senator AUSTIN, of Vermont, ranking minority member of the Senate Military Affairs Committee and a member of the Interstate Commerce Committee, heads vigorous Republican opposition. Equally determined Democratic hostility is led by Senator PAT MCCARRAN, of Nevada, sponsor of the law which created the independent agency which the administration would reconvert now into a puppet subdivision of the Department of Commerce.

F. D. R.'S MOTIVE A MYSTERY

Exactly what inspired the President suddenly to pronounce the death sentence of C. A. A. is a deep-dyed mystery. To spring it, he chose about as inauspicious a moment as could be imagined. It had just been announced that the United States air lines had completed 1 year of perfect flying security—2,028,817 passengers flown for a total of 87,325,145 miles without a single fatality among pilots, crews, or passengers. This stainless world record, compared to the casualty lists recorded in pre-C. A. A. days, beginning with the killing of 11 air-mail pilots in 1934, is little short of miraculous. Why the White House, on the heels of such a showing, chose to undermine the organization which made that achievement possible baffles all concerned, including the country at large.

To get to the bottom of it all is the determination of both Democrats and Republicans in Congress. Senator MCCARRAN declares resentment is growing, in consequence of "waves of protest," arriving from all parts of the Union. Senator AUSTIN assails the scheme as an "attack on public safety and a challenge to the constructive forces of democracy." The Vermonter "will oppose the project with every ounce of strength I possess." AUSTIN says the plan is evidence of an attempt "again to subject aviation to the destructive forces of political domination." Another powerful Senate opponent of it is BURT WHEELER, Democrat, of Montana, chairman of the Senate Interstate Commerce Commitee.

HOUSE SPONSOR ALSO OPPOSED

Objections are no less manifest in the House of Representatives. Representative LEA, Democrat, of California, coauthor of the 1938 C. A. A. and Air Safety Board law, refused at first to commit himself on the President's inexplicable recommendations, but at the end of last week Mr. LEA, strong supporter of many New Deal measures and one of the best-informed men in Congress on flying affairs, told Ansel E. Talbert, aviation editor of the New York Herald Tribune, who spent 5 days in Washington exploring the administration's motives, that the Californian has finally concluded it "would be unfortunate at this time to transfer C. A. A. to the Department of Commerce, because it would be against the best interests of aviation."

Representative WOODRUM of Virginia, leader of the House economy bloc, joined Representative JENNINGS RANDOLPH, Democrat, of West Virginia, in voicing opposition to the proposed move, as did Representative BRADLEY, Republican, of Michigan, a former pilot, Representative HALLECK, Republican, of Indiana, another opponent, links the thrust at C. A. A. with the administration's fight against proposals to remodel the National Labor Relations Board. HALLECK suggests the unexplained drive against air safety is just another cockeyed brain wave of Harry Hopkins' New Deal satellites. Three late senatorial opposition recruits are VANDENBERG, Republican, of Michigan; and Democrats CLARK of Idaho, and TRUMAN, of Missouri. So far JIMMY BYRNES, of South Carolina, is the only notable Senator publicly to espouse plan No. IV's uppercut at the aviation regulation. Some of his colleagues think it is the potent Jimmy who sold the idea to F. D. R. Civil Aeronautics Chairman Hinckley is said to be ready to resign if the authority is reduced to a spineless Department of Commerce bureau.

POSSIBLE EXPLANATION

While confessing themselves in the dark as to what inspired Mr. Roosevelt's proposal to hamstring C. A. A., opposition leaders think it may have been the result of certain grapevine reports of alleged differences within the body over control of funds. The Air Safety Board, contrary to popular belief, is virtually independent of C. A. A. Its sole function is to investigate accidents and recommend means to prevent recurrence. Though there is no evidence of lack of harmony among Chairman Hinckley and his four colleagues, elements at both ends of Pennsylvania Avenue may feel there is an absence of leadership, or what Secretary Ickes might call "iron in the blood," in C. A. A., and that faith in the Authority may be shaken in consequence, despite its fine regulatory record.

Other guesses ventured on Capitol Hill are that the aviation lines are not as enthusiastic as they profess to be over rigid control of their operations and seek more freedom. Some politicians, too, are suspected of panting to refasten their grip on an industry which has become an important factor in the Nation's life, and of not shrinking from wrecking the supervision which plan No. IV would vitally weaken. A vehement opponent of the program is David Behncke, president of the Air Line Pilots Association. He considers it dangerous and undesirable to upset aviation at the very moment things are running so smoothly.

The Walter-Logan Bill

EXTENSION OF REMARKS

OF

HON. SHERMAN MINTON

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

EDITORIAL FROM THE WASHINGTON TIMES-HERALD

Mr. MINTON. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD an editorial appearing in this morning's Washington Times-Herald entitled "The Walter-Logan Bill."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Times-Herald]

The Walter-Logan bill does not look so good to us.

This is the bill which passed the House of Representatives last week by the heavy majority of 282 to 97, and on which a showdown in the Senate is expected within the next few days.

"RIPPER" BILL

The bill has had considerable publicity, but it should have a lot more before the Senate votes on it, and if the Senate passes it we hope the President will veto it.

The Walter-Logan bill, backed by a combination of Republicans and conservative southern Democrats, is a bill to hamstring a large part of the New Deal.

The background of the story is this:

Ever since there was a Federal Government, Congress has been setting up administrative boards, bureaus, and agencies to handle various branches of the Government's business.

ONE HUNDRED AND THIRTY BOARDS AND BUREAUS

There are, to mention a few of the best known of these boards, the Interstate Commerce Commission, the Federal Reserve Board, the Federal Trade Commission, the Securities and Exchange Commission (S. E. C.), and the National Labor Relations Board.

The number of these agencies has now passed 130. Some of them are useless and outworn. Some others are tyrannical and Pecksniffish—the Federal Communications Commissions (radio) being an example. Most of them perform necessary Government work.

The Walter-Logan bill seeks to bring these agencies under the control of the courts.

It would do so by permitting appeals from these boards' decisions to any United States Circuit Court of Appeals.

DUTY OF CONGRESS

It would also make the rules and procedure used by these boards subject to review and approval of the District of Columbia Court of Appeals.

A few long-established Government boards and bureaus are exempted; among them the Interstate Commerce and Federal Trade Commissions. Practically all the New Deal's new administrative agencies are covered by the bill.

The bill looks bad to us because we believe this is the wrong way to cure what bureaucratic evils there may be in our Government. They should not be remedied by the judicial branch; that is a job for the legislative branch. The courts should not be empowered to supervise these agencies; Congress should perform its plain duty in proper cases by abolishing the board or by firing or disciplining the bureaucrats who run it.

To repeat, we think the Walter-Logan bill is a bad one, and we hope it loses out somewhere along the line from the House to the President's desk.

Far Eastern Problems

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

ARTICLE BY SAMUEL GRAFTON

Mr. SCHWELLENBACH. Mr. President, I ask consent to have inserted in the RECORD an article by Samuel Grafton, published in the New York Post of April 17, 1940. It very clearly presents the problems confronting our Nation in the Far East.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Post of April 17, 1940]

I'D RATHER BE RIGHT

(By Samuel Grafton)

By one of those brisk coincidences which challenge admiration, the word is spread in Washington, on the eve of hearings on the Navy bill, that Japan has secretly been building a superfleet. The timing could not be better for letting the word slip that Japan has built 3 (or is it 300?) secret superdreadnaughts of 45,000 tons each.

This will frighten the Senators into passing any Navy bill that is placed before them; they will sign on the dotted line with shaking hands. We are menaced, no doubt. Our American Navy fears nothing afloat 11 months in the year. In the month before a new Navy bill it shrinks; from the chatter in the Capital one might suppose it consisted of four rowboats and an outboard motor. Anybody could beat us a month before a new Navy bill; we are then humble, poor, and weak on the seas.

If Japan's Navy is really a menace to us now, however, we have an easy way of pulling its teeth. It is reliably reported that modern battleships are built of steel. I have it on good authority, too, that they are fueled with oil. There is no question but that Japan gets its steel and oil from "us."

I put "us" in quotation marks because I don't mean "us"; I mean a few Americans in the scrap steel business and the other war materials trades who are building and powering Japan's Navy.

So with one hand "we" send supplies across the Pacific which enable Japan to build a navy to menace us, and with the other hand "we" build a two-ocean navy with which to meet the menace. There are two different kinds of "we" involved, and perhaps the time has come to make the interests of one kind subordinate to the other. This crazy thing cannot go on. It is the most ingenious device ever invented to permit a nation to hit itself squarely in its own eye.

If the process marches to its logical conclusion, some day a Japanese fleet built of American steel and powered with American oil will lock in battle with an American fleet built of steel from the same mills and powered with oil from the same wells, and somebody looking down on the bodies of American boys floating in the ocean will scratch his chin and wonder if we didn't make a mistake somewhere.

It is a question of which "we" is going to run the show, the "we" that makes a little profit on selling Japan $30,000,000 of scrapped and junked metal each year, or the "we" that will now have to spend $75,000,000 on each of four or more new capital ships to meet the menace which is the end product of this trade. In the second "we" are also the sailors mentioned somewhat grimly in the paragraph above.

We now ship 90 percent of Japan's imported war materials. Without these goods she would utter one final squawk in China and perish. With them she is taking China, and menacing us, and conquering the great iron-ore mines at Lungyen and Tayeh and Wuhu. The gun she points at China was made in America, and out of China's resources she will build a larger gun and point it at us, with a bland oriental snicker.

There is no war danger in embargoing essential materials to Japan; the war danger clearly lies in not embargoing Japan. But this kind of talk is too realistic for Washington at this time of year. Remarks about the war-materials trade are considered catty and unsporting. The thing is to face our destiny with a smile; build the big ships which the American boys will man and in which they will sail off to a rendezvous of heroes. They died for the sake of the American junk business; this may be their epitaph.

Subsidies to Certain Forms of Transportation

EXTENSION OF REMARKS

OF

HON. HARRY S. TRUMAN

OF MISSOURI

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

ARTICLE FROM THE NEW YORK TIMES OF APRIL 15, 1940

Mr. TRUMAN. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York Times of April 15, 1940, by John H. Crider, condensing certain parts of Commissioner Eastman's elaborate report on subsidies to certain forms of transportation. This article refers particularly to highway subsidies.

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From the New York Times of April 15, 1940]

HIGHWAY USERS PAY THEIR WAY—RAILS' RIVALS FAIR, EASTMAN ASSERTS—FORMER COORDINATOR, IN REPORT ON PUBLIC AID TO ALL TRANSPORT, HITS ROADS' CONTENTIONS—SURVEY FIRST OF ITS KIND—SIX-YEAR ANALYSIS OF INTERSTATE COMMERCE COMMISSION CHAIRMAN FILLS FOUR VOLUMES

(By John H. Crider)

WASHINGTON, April 14.—The results of a 6-year study of the extent to which the Federal and local governments subsidize various forms of transportation in the United States, the first comprehensive and scientific analysis of the question ever made, were published today by Joseph B. Eastman, Chairman of the Interstate Commerce Commission, in his former capacity as Federal Coordinator of Transportation.

Contradicting the contention of the railroads that their competitors on the highways have an undue advantage by virtue of the aids which the public freely provides, the report concludes that highway users, as a class, have paid their way in taxes, at least since 1927.

While Mr. Eastman ceased being Federal Coordinator in 1936, the project of "an impartial and authoritative investigation" of the subsidy question which he started while serving in that capacity was carried on in the intervening years by Dr. Charles S. Morgan, now assistant director of the Interstate Commerce Commision's Bureau of Motor Carriers, who started the technical study of the subsidy problem as Director of the Coordinator's Research Department in 1933.

STUDY FILLS FOUR VOLUMES

The four-volume study, entitled "Public Aids to Transportation," goes far beyond the mere question of how much net aid each branch of transportation has received from the various tiers of government and goes into the question of the basic surplus of transportation facilities existing in the country and what to do about them.

Since it estimated about $6,000,000,000 of further transportation investments by 1950, the summary stressed the need for deliberate national transportation planning.

The report, undoubtedly, will provide basic material for the work of Owen D. Young, retired chairman of the board of the General Electric Co., when he undertakes a coordinated study of the Nation's transportation problems as head of a committee to be named by President Roosevelt. The acceptance by Mr. Young of the committee leadership was announced at the White House last week.

Mr. Eastman recommends in his report the setting up of a three-man board by the President for research activities and investigation of the whole problem of inequities in public contributions to the various transportation agencies revealed by the newly published data.

TRIBUNAL SURVEY SUGGESTED

Because of the highly controversial nature of the subjects treated in the report, Mr. Eastman suggested that the proposed board might sit as a sort of tribunal and hear rebuttal of various of the study's findings from experts who disagree with its conclusions.

Mr. Eastman declared he "makes no claim of 100-percent validity for all of the conclusions" but "it seems to me that they are well

supported in the reports and that I have as yet seen no criticisms which convince me that they are wrong."

One of the reasons for many delays in publication of the report was Mr. Eastman's insistence that its conclusions and methods of analysis be checked by parties of interest in each of the several branches of transportation and in the regulatory agencies.

In an effort to measure on a comparative basis the net extent to which the different modes of transportation benefited from public aids, it was necessary to take the most recent year for which cumulative data was available and prorate the value of the total benefits from the beginning on an annual basis.

MATHEMATICAL MEANS USED

Thus it was determined by mathematical methods that the value to the railroads in 1936 of the land grants given to the railroads in the construction era was $6,785,000. And again, the aggregate of loans by the Reconstruction Finance Corporation and the Public Works Administration to the railroads over recent years were of benefit to the railroads in the amount of $28,850,000 in 1936.

Omitting further reference to method and qualifications, the report concluded that in 1936 the subsidy to all forms of transportation had a value of $193,173,000, of which 66.6 percent went to water transportation, 18.5 percent to steam railroads, 10.8 percent to air transportation, and 4.1 percent to motor-vehicle transportation.

These subsidies, called public aids in the report, are any funds or facilities given by the Federal or local governments to the transportation mediums "for ends deemed productive of public benefit, without direct recompense therefor." In other words, these public aids were the public's gifts to the carriers.

FORMS OF AID CATEGORIZED

With this terminology in mind, the following chart giving detailed conclusions of the values of the gifts in 1936 can be better understood:

Agency and form of aid	Amount	Percent
Steam railroads, 1936:		
Reconstruction Finance Corporation and Public Works Agency loans	$26,000,000	13.5
Use of waterway improvements	2,850,000	1.5
Use of public domain	6,785,000	3.5
Total	35,635,000	18.5
Water transportation:		
General waterway improvements, less $2,850,000 assigned to railroads, 1935	126,150,000	65.3
Loss of operations of Inland Waterways Corporation, 1935	400,000	.2
Loss on operations of Panama Canal, 1936	665,000	.3
Loans to and mail contracts of domestic shipping lines, 1936	500,000	.2
Less duplication between first and second items	187,000	
Total	128,528,000	66.6
Air transportation:		
Scheduled air transportation, 1936	14,433,000	7.2
Domestic civil air transportation other than scheduled air transportation, 1936	7,020,000	3.6
Total	21,453,000	10.8
Motor-vehicle transportation, operators of certain groups of vehicles, 1937	8,000,000	4.1
Grand total	193,616,000	100.8

While generally agreeing with the report's conclusions, Mr. Eastman said he had "a lingering doubt" regarding its statement that "it appears entirely reasonable to conclude that the net benefit now derived by the railroads as a whole from the construction aids is small and probably negligible."

To June 30, 1933, the report indicated the railroads had received from the Federal and State Governments a total of 183,187,040 acres or 286,230 square miles, "which is equivalent to forty-six one-hundredths percent of the area of the continental United States." Of the total acreage, 4,000,000 acres were still scheduled to be received as of the 1933 date, but had not actually changed title.

AID ALMOST BILLION AND A HALF

The value of all Government aids to railroads to 1936 was given as $1,443,000,000, of which 89 percent was aids for the most part during the construction period and 11 percent aids received from the R. F. C. and the P. W. A.

Total waterway aids on an annual-cost basis was found to be $145,000,000, of which $129,000,000 was for domestic transportation.

The report found that from 1921 through 1937 total State, Federal, and local highway expenditures were $31,000,000,000. The report then went into the controversial question whether highway users pay their way through payments of taxes on gasoline, oil, motor vehicles, and other State and Federal taxes allocatable to the highway user.

"After making all necessary adjustments, payments are found to have exceeded assigned costs by $108,000,000 in 1921–32 and by $22,000,000 in 1933–37, or by $385,000,000 in the entire period 1921–37. Payments first exceeded assigned costs in 1927. In terms of costs assigned to motor-vehicle users the excesses were 0.6 percent in 1921–33 and 3.1 percent in 1933–37. These percentages are negligible and are well within the limits of error present in the basic data used and the assumptions employed. For all practical purposes it may be said that motor-vehicle users as a class have paid their way since 1927."

PER VEHICLE FIGURES GIVEN

Then follows a table, in which the report shows for 1932 the public aids per vehicle on an annual-cost basis, the payments made through taxes by each vehicle, and the excess or deficits of payments against costs:

Class of motor vehicle and rated capacity	Cost per vehicle	Payments per vehicle	Payments minus assignable costs
Passenger cars	$26	$26	
Taxicabs and other for-hire cars	61	81	$20
School busses	82	77	−5
Contract busses (seats):			
7 and less	41	56	15
8 to 20	46	113	67
Over 20	59	178	119
Common-carrier busses (seats):			
7 and less	126	143	17
8 to 20	142	19	148
Over 20	188	437	249
Trucks (capacities in tons):			
Private: farm	20	25	5
Other private:			
1½ and less	53	48	−5
Over 1½ and less than 3, single	67	92	25
Over 1½ and less than 3, combination	104	133	29
3 and less than 5, single	151	185	34
3 and less than 5, combination	129	206	77
5, single	287	256	−31
5, combination	311	277	−34
Over 5, single	316	358	42
Over 5, combination	372	457	85
For hire:			
1½ and less	102	105	3
Over 1½ and less than 3, single	152	178	26
Over 1½ and less than 3, combination	157	226	69
3 and less than 5, single	251	282	31
3 and less than 5, combination	193	349	156
5, single	457	403	−57
5, combination	457	465	8
Over 5, single	499	594	95
Over5, combination	545	832	287

The minus signs that appear denote excess cost over payments. The table shows that in 1932 only five types of vehicles received more Government aid by way of public expenditures for highways than they paid in taxes.

The railroads have maintained, persistently, that highway users, particularly heavy trucks, do not pay their proportionate share of highway costs.

Mr. Eastman called the railroad theory that heavy trucks should bear a greater part of the highway burden "patently unsound" from his viewpoint "as a mere lay observer who has had some opportunity to note the demands which private automobiles make upon the highways and the standards which have been followed in the construction of some which are devoted to their use exclusively."

HINTS EXCESS IN COMPLAINTS

"I may add," he wrote at another point, "that the railroads have had the opportunity to express to me, both orally and in writing, their views on the highway carriers. Their contentions impress me as being carried to extreme limits."

Dr. Morgan wrote in the report that "the terms of carrier competition, the processes of regulation and, as the end result, the economic sphere of each agency of transportation, cannot be properly defined, or the rate-cutting, hostility, and recriminations which characterize transportation today abated in any substantial degree, until there has been a clarification of the facts respecting the 'subsidy' question."

Senator REED, of Kansas, speaking tonight on the Columbia network from this city, urged early congressional action on the Wheeler-Lea omnibus transportation bill which is now in conference, stating that it represents a beginning of "a sound national transportation policy." Like the Eastman report, he pointed out that the country suffers from "a surplus of commercial transportation facilities."

The Late Walter J. Kohler

EXTENSION OF REMARKS

OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

EDITORIAL FROM THE MILWAUKEE JOURNAL

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from a recent issue of

the Milwaukee Journal relative to the late Walter J. Kohler, former Governor of Wisconsin.

Governor Kohler was Wisconsin's foremost citizen. He was a builder—a builder not only of jobs and material wealth but a builder in statecraft; a man who always squared performance with his promise; a man whose word was as good as his bond.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Milwaukee Journal]

WALTER J. KOHLER

Wisconsin feels deeply, keenly, in a way that words are inadequate to express, the death of Walter J. Kohler, former Governor. The State has lost a leader in whom it had confidence, of whom citizens knew that his heart was in the right place, that he was intensely devoted to Wisconsin and that he wanted very much to be of service.

Wisconsin also has lost a citizen who in private life played a great part in developing the State and making it a better place in which to live. Walter J. Kohler's record of public and semipublic service reaches far back of the governorship to the struggle he went through to build a successful business on this soil, through his accomplishment in creating the model village of Kohler, through his efforts on behalf of education and sound social work, through a thousand and one unnamed acts that had the stamp of citizenship.

There is the loss to a family whose relationships were very close. We do not wish to cross the threshold in this hour, except to assure the family that Wisconsin feels sincere sympathy. For the State, knowing of this relationship, respects its sanctity as the priceless thing it was.

The life of Governor Kohler in its larger aspects was an example of what can be accomplished in America. It was an example of a life that was used rightly, for the benefit of itself and others. Governor Kohler did not come up the political road. He came up as a builder and a citizen. That is the way consistent with the spirit of democracy.

When Governor Kohler went to Madison they said he was a "novice in politics." He was, but that did not worry him. He had, so far as we can read in any of his utterances, no idea of playing politics. If he had known more of the inside game of politics he might have obtained the enactment of more measures in which he was interested when he was Governor. But between political astuteness and an ideal of service it is not difficult to choose.

It will be written indelibly on the pages of Wisconsin's history that it was during his regime that the children's code was enacted, thus giving the unfortunates among our children a fairer chance in life.

Wisconsin bows its head with those who loved Walter Kohler as father, brother, friend, and neighbor.

Financial Reports of Certain Railroad and Other Corporations

EXTENSION OF REMARKS

OF

HON. LEWIS B. SCHWELLENBACH

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

ARTICLE FROM THE WASHINGTON POST

Mr. SCHWELLENBACH. Mr. President, in the light of the series of complaints which prominent Republicans are making to the effect that the New Deal is strangling business by depriving them of profits, the article in this morning's edition of the Washington Post is of particular interest. I ask that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

JONES-LAUGHLIN EARNINGS RISE OVER QUARTER—NORFOLK & WESTERN REPORTS $5.31 A SHARE AS AGAINST $3.67

PITTSBURGH, April 23.—Jones & Laughlin Steel Corporation and subsidiaries today reported a consolidated net profit of $1,134,611 for the quarter ended March 31, 1940, as compared with a loss of $376,525 in the corresponding quarter last year.

NORFOLK & WESTERN

Norfolk & Western Railway reported today for the March quarter net income of $7,705,057, equal after preferred dividend requirements to $5.31 a share on the common stock. This compared with $5,396,826, or $3.67 a share, in the 1939 March quarter.

T. W. A. LOSS INCREASES

Transcontinental & Western Air, Inc., reported March quarter net loss of $391,458 against net loss of $364,841 in the same period last year.

HERCULES POWDER

Hercules Powder Co. March quarter net profit amounted to $1,742,573, equal to $1.22 a share on common stock, compared with $1,087,322, or 73 cents a share, in the 1939 March quarter.

BRIDGEPORT BRASS

Bridgeport Brass Co., excluding unconsolidated subsidiaries, reported net profit for the March quarter of $361,374, equal to 38 cents a share, compared with $7,159 in the 1939 quarter.

AMERICAN BRAKE SHOE

New business for American Brake Shoe & Foundry Co. is coming in this month at about the same rate as in the first 3 months of this year, William B. Given, Jr., president, reported to stockholders at the annual meeting today.

MAYTAG WASHERS

Maytag Co., maker of washing machines, reported net profit for the March quarter of $356,384, or 6 cents a common share, compared with $390,928, or 7 cents a share, in the like 1939 period.

C. I. T. INCREASES

P. W. Haberman, vice president of Commercial Investment Trust Corporation, said at the annual meeting that the unaudited net profit, including subsidiaries, for the March quarter was $3,783,407, or $1.04 a common share, compared with $3,545,964, or 98 cents a share.

INTERNATIONAL SILVER

International Silver Co. and wholly owned Canadian subsidiary reported March quarter estimated net profit of $92,975, equal to $1.72 a share on the 7-percent preferred stock.

REVERE COPPER & BRASS

Revere Copper & Brass, Inc., reported net profit of $720,196 for the March quarter, equal after dividend requirements on the preferred and class A stocks to 61 cents a share on common stock. In the March quarter last year profit was $156,210, equal to $1.64 a share.

PITTSBURGH STEEL

Pittsburgh Steel Co. March quarter net profit was $203,008, equal after dividend requirements on the 5½-percent prior preferred and 5-percent A preferred to $1.34 a share, on the 7-percent B preferred stock. In 1939 the company had a net loss of $377,159.

TEXAS CORPORATION

Texas Corporation earned a net profit of about $12,800,000 in the first 3 months this year, equal to $1.18 a share on capital stock, T. Reiber, chairman, reported. This compared with per share earnings of 12 cents in the first quarter of 1939.

BOSTON EDISON

The Boston Edison Co. announced an income balance for the year ended March 31 of $5,631,172, equal to $9.12 on each of 617,164 shares outstanding. This compares with an income balance of $5,453,363, or $8.84 a share, for the previous year.

AMERICAN SMELTING

American Smelting & Refining Co. earned $1.27 a share on common stock after all charges in the March quarter, F. H. Brownell, chairman, reported. This compared with 94 cents in 1939.

INGERSOLL RAND

Ingersoll Rand Co. business thus far in the year has been a little better than the corresponding period of 1939, D. C. Keefe, president, told stockholders. Total sales for 1939 were 8 to 9 percent ahead of 1938.

NATIONAL BISCUIT

National Biscuit Co. reported for the March quarter net profit of $2,803,101, equal to 38 cents a share on the common stock, compared with $2,969,333, or 40 cents a share, in the March quarter last year.

M'KESSON & ROBBINS

McKesson & Robbins, Inc., drug makers, and consolidated subsidiaries, earned net profit of $963,186 in the March quarter, compared with $638,565 in the corresponding 1939 period.

TEXAS GULF SULPHUR

Texas Gulf Sulphur Co. reported today for the March quarter net earnings of $2,043,007, equal to 53 cents a capital share, compared with $1,434,466, or 37 cents a share in the first 1939 quarter.

Decision of Supreme Court on Picketing Cases

EXTENSION OF REMARKS

OF

HON. ROBERT F. WAGNER

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

OPINION BY MR. JUSTICE MURPHY

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD the very important and learned opinion delivered by Mr. Justice Murphy in the Supreme Court of the United States on Monday last in the so-called picketing cases.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

[Supreme Court of the United States. *Thornhill* v. *State of Alabama*, No. 514, Apr. 22, 1940. On writ of certiorari to the Court of Appeals of the State of Alabama. Reversed]

James J. Mayfield and Joseph A. Padway for petitioner; William H. Loeb, Assistant Attorney General of Alabama (Thomas S. Lawson, Attorney General of Alabama, with him on the brief) for the respondent.

Mr. Justice Murphy delivered the opinion of the Court.

Petitioner, Byron Thornhill, was convicted in the Circuit Court of Tuscaloosa County, Ala., of the violation of section 3448 of the State Code of 1923.[1] The code section reads as follows:

"SEC. 3448. Loitering or picketing forbidden: Any person or persons who, without a just cause or legal excuse therefor, go near to or loiter about the premises or place of business of any other person, firm, corporation, or association of people engaged in a lawful business for the purpose or with the intent of influencing or inducing other persons not to trade with, buy from, sell to, have business dealings with, or be employed by such persons, firm, corporation, or association, or who picket the works or place of business of such other persons, firms, corporations, or associations of persons for the purpose of hindering, delaying, or interfering with or injuring any lawful business or enterprise of another, shall be guilty of a misdemeanor; but nothing herein shall prevent any person from soliciting trade or business for a competitive business."

The complaint against petitioner, which is set out in the margin,[2] is phrased substantially in the very words of the statute. The first and second counts charge that petitioner, without just cause or legal excuse, did "go near to or loiter about the premises" of the Brown Wood Preserving Co. with the intent or purpose of influencing others to adopt one of enumerated courses of conduct. In the third count, the charge is that petitioner "did picket" the works of the company "for the purpose of hindering, delaying, or interfering with or injuring [its] lawful business." Petitioner demurred to the complaint on the grounds, among others, that section 3448 was repugnant to the Constitution of the United States in that it deprived him of "the right of peaceful assemblage," "the right of freedom of speech," and "the right to petition for redress." The demurrer, so far as the record shows, was not ruled upon, and petitioner pleaded not guilty. The circuit court then proceeded to try the case without a jury, one not being asked for or demanded. At the close of the case for the State, petitioner moved to exclude all the testimony taken at the trial on the grounds that section 3448 was violative of the Constitution of the United States.[3] The circuit court overruled the motion, found petitioner "guilty of loitering and picketing as charged in the complaint," and entered judgment accordingly. The judgment was affirmed by the court of appeals, which considered the constitutional question and sustained the section on the authority of two previous decisions in the Alabama courts[4] (*O'Rourke* v. *City of Birmingham*, 27 Ala. App. 133, 168 So. 206, certiorari denied, 232 Ala. 355, 168 So. 209; *Hardie-Tynes Manufacturing Co.* v. *Cruise*, 189 Ala. 66, 66 So. 657). A petition for certiorari was denied by the supreme court of the State. The case is here on certiorari granted because of the importance of the questions presented. December 11, 1939.

The proofs consist of the testimony of two witnesses for the prosecution.[5] It appears that petitioner on the morning of his arrest was seen "in company with 6 or 8 other men" "on the picket line" at the plant of the Brown Wood Preserving Co. Some weeks previously a strike order had been issued by a union, apparently affiliated with the American Federation of Labor, which had as members all but 4 of the approximately 100 employees of the plant. Since that time a picket line with 2 picket posts of 6 to 8 men each had been maintained around the plant 24 hours a day. The picket posts appear to have been on company property, "on a private entrance for employees, and not on any public road." One witness explained that practically all of the employees live on company property and get their mail from a post office on company property and that the union holds its meetings on company property. No demand was ever made upon the men not to come on the property. There is no testimony indicating the nature of the dispute between the union and the preserving company, or the course of events which led to the issuance of the strike order, or the nature of the efforts for conciliation.

The company scheduled a day for the plant to resume operations. One of the witnesses, Clarence Simpson, who was not a member of the union, on reporting to the plant on the day indicated, was approached by petitioner who told him that "they were on strike and did not want anybody to go up there to work." None of the other employees said anything to Simpson, who testified: "Neither Mr. Thornhill nor any other employee threatened me on the occasion testified to. Mr. Thornhill approached me in a peaceful manner, and did not put me in fear; he did not appear to be mad." "I then turned and went back to the house, and did not go to work." The other witness, J. M. Walden, testified: "At the time Mr. Thornhill and Clarence Simpson were talking to each other, there was no one else present, and I heard no harsh words and saw nothing threatening in the manner of either man."[6] For engaging in some or all of these activities, petitioner was arrested, charged, and convicted as described.

First. The freedom of speech and of the press, which are secured by the first amendment against abridgment by the United States, are among the fundamental personal rights and liberties which are secured to all persons by the fourteenth amendment against abridgment by a State.[7]

The safeguarding of these rights to the ends that men may speak as they think on matters vital to them and that falsehoods may be exposed through the processes of education and discussion is essential to free government. Those who won our independence had

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[1] Petitioner was first charged and convicted in the inferior court of Tuscaloosa County and sentenced to imprisonment for 59 days in default of payment of a fine of $100 and costs. Upon appeal to the circuit court, another complaint was filed and a trial de novo was had pursuant to the local practice. The circuit court sentenced petitioner, upon his conviction, to imprisonment for 73 days in default of payment of a fine of $100 and costs.

[2] "1. The State of Alabama, by its solicitor, complains of Byron Thornhill, that within 12 months before the commencement of this prosecution he did, without just cause or legal excuse therefor, go near to or loiter about the premises or place of business of another person, firm, corporation, or association of people, to wit, the Brown Wood Preserving Co., Inc., a corporation, engaged in a lawful business, for the purpose or with the intent of influencing or inducing other persons not to trade with, buy from, sell to, have business dealings with, or be employed by the said Brown Wood Preserving Co., Inc., a corporation, for the purpose of hindering, delaying, or interfering with or injuring the lawful business or enterprise of the said Brown Wood Preserving Co., Inc., a corporation.

"2. [The second count is identical with the first, except that the last clause, charging a purpose to hinder, delay, or interfere, etc., with the lawful business of the preserving company, is omitted].

"3. The State of Alabama, by its solicitor, complains of Byron Thornhill, that within 12 months before the commencement of this prosecution he did picket the works or place of business of another person, firm, corporation, or association of people, to wit, the Brown Wood Preserving Co., Inc., a corporation, for the purpose of hindering, delaying, or interfering with or injuring the lawful business or enterprise of the said Brown Wood Preserving Co., Inc., a corporation."

[3] The petitioner also moved to exclude the testimony on the ground that it was insufficient to sustain a conviction. Upon being asked by the court whether he insisted on this ground, however, counsel for petitioner stated that the only question he wanted to raise was the constitutionality of the statute.

[4] The court of appeals stated: "It seems clear enough that the evidence adduced upon the trial was sufficient to bring appellant's actions, for which he was being prosecuted, within the purview of the prohibition implied in said statute.

"So, as conceded by able counsel here representing appellant, 'the only question involved in this appeal is the constitutionality vel non of section 3448 of the Code of Alabama of 1923.'"

[5] No evidence was offered on behalf of petitioner.

[6] Simpson and Walden are not in entire accord with respect to the number of persons present during the conversation between Simpson and petitioner. A possible inference from Simpson's testimony, considered by itself, is that petitioner was in the company of six or eight others when the conversation took place. This difference is not material in our view of the case.

[7] *Schneider* v. *State*, 308 U. S. 147, 160 (5 L. R. R. 332); *Lovell* v. *Griffin*, 303 U. S. 444, 450; *De Jonge* v. *Oregon*, 299 U. S. 353; *Grosjean* v. *American Press Co.*, 297 U. S. 233, 244; *Near* v. *Minnesota*, 283 U. S. 697, 707; *Stromberg* v. *California*, 283 U. S. 359, 368; *Gitlow* v. *New York*, 268 U. S. 652, 666. See *Palko* v. *Connecticut*, 302 U. S. 319, 326–327.

confidence in the power of free and fearless reasoning and communication of ideas to discover and spread political and economic truth. Noxious doctrines in those fields may be refuted and their evil averted by the courageous exercise of the right of free discussion. Abridgement of freedom of speech and of the press, however, impairs those opportunities for public education that are essential to effective exercise of the power of correcting error through the processes of popular government. Compare *United States* v. *Carolene Products* (304 U. S. 144, 152–153n). Mere legislative preference for one rather than another means for combatting substantive evils, therefore, may well prove an inadequate foundation on which to rest regulations which are aimed at or in their operation diminish the effective exercise of rights so necessary to the maintenance of democratic institutions. It is imperative that, when the effective exercise of these rights is claimed to be abridged, the courts should "weigh the circumstances" and "appraise the substantiality of the reasons advanced" in support of the challenged regulations. *Schneider* v. *State* (308 U. S. 147, 161, 162 (5 L. R. R. 332)).

Second. The section in question must be judged upon its face.

The finding against petitioner was a general one. It did not specify the testimony upon which it rested.[8] The charges were framed in the words of the statute and so must be given a like construction. The courts below expressed no intention of narrowing the construction put upon the statute by prior State decisions.[9] In these circumstances there is no occasion to go behind the face of the statute or of the complaint for the purpose of determining whether the evidence, together with the permissible inferences to be drawn from it, could ever support a conviction founded upon different and more precise charges. "Conviction upon a charge not made would be a sheer denial of due process" (*De Jonge* v. *Oregon*, 299 U. S. 353, 362; *Stromberg* v. *California*, 283 U. S. 359, 367–368). The State urges that petitioner may not complain of the deprivation of any rights but his own. It would not follow that on this record petitioner could not complain of the sweeping regulations here challenged.

There is a further reason for testing the section on its face. Proof of an abuse of power in the particular case has never been deemed a requisite for attack on the constitutionality of a statute purporting to license the dissemination of ideas (*Schneider* v. *State*, 308 U. S. 147, 162–165 (5 L. R. R. 332); *Hague* v. *C. I. O.*, 307 U. S. 496, 516 (4 L. R. R. Man. 501); *Lovell* v. *Griffin*, 303 U. S. 444, 451). The cases when interpreted in the light of their facts indicate that the rule is not based upon any assumption that application for the license would be refused or would result in the imposition of other unlawful regulations.[10] Rather it derives from an appreciation of the character of the evil inherent in a licensing system. The power of the licensor against which John Milton directed his assault by his Appeal for the Liberty of Unlicensed Printing is pernicious not merely by reason of the censure of particular comments but by reason of the threat to censure comments on matters of public concern. It is not the sporadic abuse of power by the censor but the pervasive threat inherent in its very existence that constitutes the danger to freedom of discussion. See *Near* v. *Minnesota* (283 U. S. 697, 713.) One who might have had a license merely for the asking may therefore call into question the whole scheme of licensing when he is prosecuted for failure to procure it (*Lovell* v. *Griffin*, 303 U. S. 444; *Hague* v. *C. I. O.*, 307 U. S. 496 (4 L. R. R. Man. 501)).

A like threat is inherent in a penal statute, like that in question here, which does not aim specifically at evils within the allowable area of State control but, on the contrary, sweeps within its ambit other activities that in ordinary circumstances constitute an exercise of freedom of speech or of the press. The existence of such a statute, which readily lends itself to harsh and discriminatory enforcement by local prosecuting officials, against particular groups deemed to merit their displeasure, results in a continuous and pervasive restraint on all freedom of discussion that might reasonably be regarded as within its purview.[11] It is not any less effective or, if the restraint is not permissible, less pernicious than the restraint on freedom of discussion imposed by the threat of censorship.[12] An accused, after arrest and conviction under such a statute, does not have to sustain the burden of demonstrating that the State could not constitutionally have written a different and specific statute covering his activities as disclosed by the evidence introduced against him (*Schneider* v. *State*, 308 U. S. 147, 155, 162–163 (5 L. R. R. 332)). Where regulations of the liberty of free discussion are concerned, there are special reasons for observing the rule that it is the statute, and not the accusation or the evidence under it, which prescribes the limits of permissible conduct and warns against transgression (*Stromberg* v. *California*, 283 U. S. 359, 368; *Schneider* v. *State*, 308 U. S. 147, 155, 162–163 (5 L. R. R. 332)). Compare *Lanzetta* v. *New Jersey* (306 U. S. 451).

Third. Section 3448 has been applied by the State courts so as to prohibit a single individual from walking slowly and peacefully back and forth on the public sidewalk in front of the premises of an employer, without speaking to anyone, carrying a sign or placard on a staff above his head stating only the fact that the employer did not employ union men affiliated with the American Federation of Labor;[13] the purpose of the described activity was concededly to advise customers and prospective customers of the relationship existing between the employer and its employees and thereby to induce such customers not to patronize the employer (*O'Rourke* v. *City of Birmingham*, 27 Ala. App. 133, 168 So. 206, cert. denied, 232 Ala. 355, 168 So. 209).[14] The statute as thus authoritatively construed and applied leaves room for no exceptions based upon either the number of persons engaged in the proscribed activity, the peaceful character of their demeanor, the nature of their dispute with an employer, or the restrained character, and the accurateness of the terminology used in notifying the public of the facts of the dispute.

The numerous forms of conduct proscribed by section 3448 are subsumed under two offenses: the first embraces the activities of all who "without just cause or legal excuse" "go near to or loiter about the premises" of any person engaged in a lawful business for the purpose of influencing or inducing others to adopt any of certain enumerated courses of action; the second, all who picket the place of business of any such person "for the purpose of hindering, delaying, or interfering with or injuring any lawful business or enterprise of another."[15] It is apparent that one or the other of the offenses comprehends every practicable method whereby the facts of a labor dispute may be publicized in the vicinity of the place of business of an employer. The phrase "without just cause or legal excuse" does not in any effective manner restrict the breadth of the regulation; the words themselves have no ascertainable meaning either inherent or historical. Compare *Lanzetta* v. *New Jersey*, 306 U. S. 451, 453–455.[16] The courses of action, listed under the first offense, which an accused—including an employee—may not urge others to take, comprehends those which in many instances would normally result from merely publicizing, without annoyance or threat of any kind, the facts of a labor dispute. An intention to hinder, delay, or interfere with a lawful business, which is an element of the second offense, likewise can be proved merely by showing that others reacted in a way normally expectable of some upon learning the facts of a dispute.[17] The vague contours of the term "picket" are nowhere delineated.[18] Employees or others, accord-

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[8] The trial court merely found petitioner "guilty of loitering and picketing as charged in the complaint."

[9] The court of appeals determined merely that the evidence was sufficient to support the conviction under sec. 3448. See note 4, supra, p. 2. It then sustained the judgment in reliance upon *O'Rourke* v. *City of Birmingham*, 27 Ala. App. 133, 168 So. 206, cert. denied, 232 Ala. 355, 168 So. 209; and *Hardie-Tynes Mfg. Co.* v. *Cruise*, 189 Ala. 66, 66 So. 657.

[10] Compare *Electric Bond Co.* v. *Comm'n*, 303 U. S. 419; *Smith* v. *Cahoon*, 283 U. S. 553, 562; *Gundling* v. *Chicago*, 177 U. S. 183, 186; *Lehon* v. *Atlanta*, 242 U. S. 53, 55, 56; *Hall* v. *Geiger-Jones Co.*, 242 U. S. 539, 553, 554.

[11] The record in the case at bar permits the inference that while picketing had been carried on for several weeks, with six to eight men at each of two picket posts, sec. 3448 was not enforced against anyone other than petitioner, the union president, and then only after his conversation with Simpson, who thereupon returned home rather than report for work.

[12] A distinguished commentator has observed that "the liberty of the press might be rendered a mockery and a delusion and the phrase itself a byword if, while every man was at liberty to publish what he pleased, the public authorities might nevertheless punish him for harmless publications," 2 Cooley, Const. Lim. 8th ed., p. 885. See Madison's Report on the Virginia Resolutions, 4 Ell. Deb., 2d ed., 1876, p. 569; Address on the Conduct of the Maryland Convention of 1788, 2 id., p. 552.

[13] The employer in fact had locked out its union stage hands and was working others not regularly employed as stage hands in admitted violation of the National Industrial Recovery Act.

[14] Accused there asserted that the application of section 3448 to the particular facts of his case deprived him of rights guaranteed to him by the fourteenth amendment. The court of appeals passed upon this constitutional question and decided it adversely to the contentions of accused.

[15] There is a proviso that "nothing herein shall prevent any person from soliciting trade or business for a competitive business."

[16] So far as the phrase may have been given meaning by the State courts it apparently grants authority to the court and the jury to consider defensive matter brought forward by the accused, depending for its sufficiency not upon rules of general application but upon the peculiar facts of each case. See *Owens* v. *State*, 74 Ala. 401; *Bailey* v. *State*, 161 Ala. 75, 49 So. 886; *Folmar* v. *State*, 19 Ala. App. 435, 97 So. 768. Compare *O'Rourke* v. *City of Birmingham*, 27 Ala. App. 133, 168 So. 206, cert. denied, 232 Ala. 355, 168 So. 209.

[17] The only direct evidence in the case at bar to show that the activity of petitioner was accompanied by the necessary intent or purpose is the fact that one other employee, after talking with petitioner, refrained from reporting for work as planned. There is evidence here that the other employee was acquainted with the facts prior to his conversation with petitioner. The State concedes, however, that under section 3448 everyone must be deemed to intend the natural and probable consequences of his acts. See *Jacobs* v. *State*, 17 Ala. App. 396, 85 So. 837; *Reid* v. *State*, 18 Ala. App. 371, 92 So. 513; *Weeks* v. *State*, 24 Ala. App. 198, 132 So. 870, cert. denied, 222 Ala. 442, 132 So. 871; *Worrell* v. *State*, 24 Ala. App. 313, 136 So. 737, cert. denied, 223 Ala. 425, 136 So. 738.

[18] See Hellerstein, Picketing Legislation and the Courts (1931), 10 No. Car. L. Rev. 158, 186n: "A picketer may (1) Merely observe workers or customers. (2) Communicate information, e. g., that a strike is in progress, making either true, untrue, or libelous statements. (3) Persuade employees or customers not to engage in relations with the employer (a) through the use of banners, without speaking, carrying true, untrue, or libelous legends; (b) by speaking (i) in a calm, dispassionate manner, (ii) in a heated, hostile man-

ingly, may be found to be within the purview of the term and convicted for engaging in activities identical with those proscribed by the first offense. In sum, whatever the means used to publicize the facts of a labor dispute, whether by printed sign, by pamphlet, by word of mouth or otherwise, all such activity without exception is within the inclusive prohibition of the statute so long as it occurs in the vicinity of the scene of the dispute.

Fourth. We think that section 3448 is invalid on its face.

The freedom of speech and of the press guaranteed by the Constitution embraces at the least the liberty to discuss publicly and truthfully all matters of public concern without previous restraint or fear of subsequent punishment.[19] The exigencies of the colonial period and the efforts to secure freedom from oppressive administration developed a broadened conception of these liberties as adequate to supply the public need for information and education with respect to the significant issues of the times.[20] The Continental Congress in its letter sent to the inhabitants of Quebec (October 26, 1774) referred to the "five great rights," and said, "The last right we shall mention regards the freedom of the press. The importance of this consists, besides the advancement of truth, science, morality, and arts in general, in its diffusion of liberal sentiments on the administration of government, its ready communication of thoughts between subjects and its consequential promotion of union among them, whereby oppressive officers are shamed or intimidated, into more honourable and just modes of conducting affairs" (Journal of the Continental Congress, 1904 ed., vol. 1, pp. 104, 108). Freedom of discussion, if it would fulfill its historic function in this Nation, must embrace all issues about which information is needed or appropriate to enable the members of society to cope with the exigencies of their period.

In the circumstances of our times the dissemination of information concerning the facts of a labor-union dispute must be regarded as within that area of free discussion that is guaranteed by the Constitution (*Hague* v. *C. I. O.*, 307 U. S. 496 (4 L. R. R. Man. 501); *Schneider* v. *State*, 308 U. S. 147, 155, 162–63) (5 L. R. R. 332); see *Senn* v. *Tile Layers Union*, 301 U. S. 468, 478). It is recognized now that satisfactory hours and wages and working conditions in industry and a bargaining position which makes these possible have an importance which is not less than the interests of those in the business or industry directly concerned. The health of the present generation and of those as yet unborn may depend on these matters, and the practices in a single factory may have economic repercussions upon a whole region and affect widespread systems of marketing. The merest glance at State and Federal legislation on the subject demonstrates the force of the argument that labor relations are not matters of mere local or private concern. Free discussion concerning the conditions in industry and the causes of labor disputes appear to us indispensable to the effective and intelligent use of the processes of popular government to shape the destiny of modern industrial society. The issues raised by regulations, such as are challenged here, infringing upon the right of employees effectively to inform the public of the facts of a labor dispute are part of this larger problem. We concur in the observation of Mr. Justice Brandeis, speaking for the Court in *Senn's case* (301 U. S. at 478): "Members of a union might, without special statutory authorization by a State, make known the facts of a labor dispute, for freedom of speech is guaranteed by the Federal Constitution."

It is true that the rights of employers and employees to conduct their economic affairs and to compete with others for a share in the products of industry are subject to modification or qualification in the interests of the society in which they exist.[21] This is but an instance of the power of the State to set the limits of permissible contest open to industrial combatants. See Mr. Justice Brandeis in 254 U. S. at 488. It does not follow that the State in dealing with the evils arising from industrial disputes may impair the effective exercise of the right to discuss freely industrial relations which are matters of public concern. A contrary conclusion could be used to support abridgment of freedom of speech and of the press concerning almost every matter of importance to society.

The range of activities proscribed by section 3448, whether characterized as picketing or loitering or otherwise, embraces nearly every practicable, effective means whereby those interested—including the employees directly affected—may enlighten the public on the nature and causes of a labor dispute. The safeguarding of these means is essential to the securing of an informed and educated public opinion with respect to a matter which is of public concern. It may be that effective exercise of the means of advancing public knowledge may persuade some of those reached to refrain from entering into advantageous relations with the business establishment which is the scene of the dispute. Every expression of opinion on matters that are important has the potentiality of inducing action in the interests of one rather than another group in society. But the group in power at any moment may not impose penal sanctions on peaceful and truthful discussion of matters of public interest merely on a showing that others may thereby be persuaded to take action inconsistent with its interests. Abridgment of the liberty of such discussion can be justified only where the clear danger of substantive evils arises under circumstances affording no opportunity to test the merits of ideas by competition for acceptance in the market of public opinion.[22] We hold that the danger of injury to an industrial concern is neither so serious nor so imminent as to justify the sweeping proscription of freedom of discussion embodied in section 3448.

The State urges that the purpose of the challenged statute is the protection of the community from the violence and breaches of the peace, which, it asserts, are the concomitants of picketing. The power and the duty of the State to take adequate steps to preserve the peace and to protect the privacy, the lives, and the property of its residents cannot be doubted. But no clear and present danger of destruction of life or property, or invasion of the right of privacy, or breach of the peace can be thought to be inherent in the activities of every person who approaches the premises of an employer and publicizes the facts of a labor dispute involving the latter. We are not now concerned with picketing en masse or otherwise conducted which might occasion such imminent and aggravated danger to these interests as to justify a statute narrowly drawn to cover the precise situation giving rise to the danger. Compare *American Foundries* v. *Tri-City Council* (257 U. S. 184, 205). Section 3448 in question here does not aim specifically at serious encroachments on these interests and does not evidence any such care in balancing these interests against the interest of the community and that of the individual in freedom of discussion on matters of public concern.

It is not enough to say that section 3448 is limited or restricted in its application to such activity as takes place at the scene of the labor dispute. "[The] streets are natural and proper places for the dissemination of information and opinion; and one is not to have the exercise of his liberty of expression in appropriate places abridged on the plea that it may be exercised in some other place." *Schneider* v. *State* (308 U. S. 147, 161; 5 L. R. R. 332); *Hague* v. *C. I. O.* (307 U. S. 496, 515–516; 4 L. R. R. Man. 501.)[23] The danger of breach of the peace or serious invasion of rights of property or privacy at the scene of a labor dispute is not sufficiently imminent in all cases to warrant the legislature in determining that such place is not appropriate for the range of activities outlawed by section 3448.

Reversed.

Mr. Justice McReynolds is of opinion that the judgment below should be affirmed.

[Supreme Court of the United States, *Carlson* v. *People of the State of California*, No. 667, April 22, 1940. Appeal from the Superior Court of the State of California. Reversed]

Lee Pressman (Joseph Kovner, Anthony Wayne Smith, Richard Gladstein, Aubrey Grossman, and Benjamin Margolis with him on the brief) for appellant; Lawrence W. Carr for appellee; Osmond K. Fraenkel filed brief of American Civil Liberties Union as amicus curiae. Myer N. Rosengard and Samuel A. Rinella filed brief of Ross W. Swing as amicus curiae.

Mr. Justice Murphy delivered the opinion of the court.

This case presents the question whether regulations embodied in a municipal ordinance abridge the freedom of speech or of the press secured against State invasion by the Fourteenth Amendment.[24]

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ner, (iii) using abusive epithets and profanity, (iv) yelling loudly, (v) by persisting in making arguments when employees or customers refuse to listen; (c) by offering money or similar inducements to strikebreakers. (4) Threaten employees or customers (a) by the mere presence of the picketer; the presence may be a threat of (i) physical violence, (ii) social ostracism, being branded in the community as a 'scab,' (iii) a trade or employees' boycott, i. e., preventing workers from securing employment and refusing to trade with customers, (iv) threatening injury to property; (b) by verbal threats. (5) Assaults and use of violence. (6) Destruction of property. (7) Blocking of entrances and interference with traffic.

"The picketer may engage in a combination of any of the types of conduct enumerated above. The picketing may be carried on singly or in groups; it may be directed to employees alone or to customers alone or to both. It may involve persons who have contracts with the employer or those who have not or both."

[19] *Stromberg* v. *California*, 283 U. S. 359; *Near* v. *Minnesota*, 283 U. S. 697; *Lovell* v. *Griffin*, 303 U. S. 444; *Hague* v. *C. I. O.*, 307 U. S. 496 (4 L. R. R. Man. 501); *Schneider* v. *State*, 308 U. S. 147 (5 L. R. R. 332).

[20] See Duniway, the Development of Freedom of the Press in Massachusetts, p. 123 et seq., Tyler, Literary History of the American Revolution, passim; 2 Bancroft, History of the United States, p. 261; Schofield, Freedom of the Press in the United States (1914), 9 Proc. Am. Sociol. Soc. 67, 76, 80.

[21] See, e. g., *Senn* v. *Tile Layers Union*, 301 U. S. 468; *Ethyl Gasoline Corporation* v. *United States*, No. 536, this term; *National Labor Relations Board* v. *Newport News Co.*, No. 20, this term (5 L. R. R. 404); *West Coast Hotel Co.* v. *Parrish*, 300 U. S. 379 (1 W. H. R. Man. 151); *Nebbia* v. *New York*, 291 U. S. 502; *Dorchy* v. *Kansas*, 272 U. S. 306; *Eastern States Retail Lumber Dealers Association* v. *United States*, 234 U. S. 600; *Aikens* v. *Wisconsin*, 195 U. S. 194; *Holden* v. *Hardy*, 169 U. S. 366.

[22] See Mr. Justice Holmes in 249 U. S. at 52, 250 U. S. 630.

[23] The fact that the activities for which petitioner was arrested and convicted took place on the private property of the preserving company is without significance. Petitioner and the other employees were never treated as trespassers, assuming that they could be where the company owns such a substantial part of the town. See p. 3, supra. And section 3448, in any event, must be tested upon its face.

[24] "It is well settled that municipal ordinances adopted under State authority constitute State action and are within the prohibition of the amendment." (*Lovell* v. *Griffin*, 303 U. S. 444, 450; *Schneider* v. *State*, 308 U. S. 147 (5 L. R. R. 332).)

Section 2 of an ordinance of Shasta County, Calif., provides:

"It shall be unlawful for any person, in or upon any public street, highway, sidewalk, alley, or other public place in the County of Shasta, State of California, to loiter in front of, or in the vicinity of, or to picket in front of, or in the vicinity of, or to carry, show, or display any banner, transparency, badge, or sign in front of or in the vicinity of, any works, or factory, or any place of business, or employment for the purpose of inducing or influencing, or attempting to induce or influence, any person to refrain from entering any such works, or factory, or place of business, or employment, or for the purpose of inducing or influencing, or attempting to induce or influence, any person to refrain from purchasing or using any goods, wares, merchandise, or other articles, manufactured, made, or kept for sale therein, or for the purpose of inducing or influencing, or attempting to induce or influence, any person to refrain from doing or performing any service or labor in any works, factory, place of business, or employment, or for the purpose of intimidating, threatening, or coercing, or attempting to intimidate, threaten, or coerce any person who is performing, seeking, or obtaining service or labor in any such works, factory, place of business, or employment." [25]

Appellant was one of a group of 29 men engaged in picketing on United States Highway 99 in front of the Delta Tunnel project in Shasta County. "The picketing consisted of walking [on the edge of the highway nearest the project] a distance of 50 to 100 feet in a general northerly direction, then turning around and retracing steps and continuing as before * * * all of the walking in connection with the picketing * * * was done off the paved portion of the highway and on the graveled portion of the right-of-way; that is, on public property." Some of the pickets carried signs, similar to those described in the margin,[26] in such a manner that workers on the project and persons going along the highway in either direction could read them. The sign carried by appellant bore the legend: "This job is unfair to C. I. O." These activities occurred between the hours of 7:30 and 9 a. m. During this period vehicles and persons passed freely without any molestation or interference through the picket line from the highway to the project and from the project to the highway, and the traffic of persons and automobiles along the highway was not obstructed. Appellant did not threaten or intimidate or coerce anyone; did not make any loud noises at any time, and was peaceful and orderly in his demeanor. The pickets committed no acts of violence, and there was no breach of the peace.

The county officers arrested appellant and charged that he did "loiter, picket, and display signs and banners in a public place and in and upon a public highway in front of, and in the vicinity of, the Delta Tunnel project * * * for the purpose of inducing and influencing persons to refrain from doing and performing services and labor" at the project in violation of the ordinance. The justice's court of Township No. 9 found him "guilty of violating the Shasta County antipicketing law," rendered judgment accordingly, and imposed sentence. The superior court of Shasta County affirmed the judgment. That court upheld the ordinance over appellant's claim of unconstitutionality, on the authority of a prior decision.[27] The case comes here on appeal.[28]

Our decision in *Thornhill* v. *Alabama*, No. 514, decided this day, goes far toward settling the issues presented here. Under that decision, section 2 of the ordinance in question is to be judged upon its face.[29]

Section 2 on its face declares it unlawful for any person to carry or display any sign or banner or badge in the vicinity of any place of business for the purpose of inducing or attempting to induce any person to refrain from purchasing merchandise or performing services or labor. It likewise makes it unlawful for any person to loiter or picket in the vicinity of any place of business for a similar purpose. The terms "loiter" and "picket" are not defined either in the ordinance or in authoritative State decisions. Therefore, they must be judged as covering all the activities embraced by the prohibition against the carrying of signs in the vicinity of a labor dispute for the purpose mentioned.[30] The ordinance does not prescribe the carrying of signs in other places or for the purpose of inducing or attempting to induce others to adopt courses of action not related to labor disputes. It contains no exceptions with respect to the truthfulness and restraint of the information conveyed or the number of persons engaged in the activity. It is true that the ordinance requires proof of a purpose to persuade others not to buy merchandise or perform services. Such a purpose could be found in the case of nearly every person engaged in publicizing the facts of a labor dispute; every employee or member of a union who engaged in such activity in the vicinity of a place of business could be found desirous of accomplishing such objectives; disinterested persons (who might be hired to carry signs) appear to be a possible, but unlikely, exception.[31] In brief, the ordinance does not regulate all carrying of signs, but, on the contrary, prescribes the carrying of signs only if by persons directly interested who approach the vicinity of a labor dispute to convey information about the dispute.

The sweeping and inexact terms of the ordinance disclose the threat to freedom of speech inherent in its existence. It cannot be thought to differ in any material respect from the statute held void in Thornhill's case. The carrying of signs and banners, no less than the raising of a flag, is a natural and appropriate means of conveying information on matters of public concern. *Stromberg* v. *California* (283 U. S. 359). For the reasons set forth in our opinion in *Thornhill* v. *Alabama*, supra, publicizing the facts of a labor dispute in a peaceful way through appropriate means, whether by pamphlet, by word of mouth, or by banner, must now be regarded as within that liberty of communication which is secured to every person by the fourteenth amendment against abridgment by a State.

The power and duty of the State to take adequate steps to preserve the peace and protect the privacy, the lives, and the property of its residents cannot be doubted. But the ordinance in question here abridges liberty of discussion under circumstances presenting no clear and present danger of substantive evils within the allowable area of State control.

Reversed.

Mr. Justice McReynolds is of opinion that the judgment below should be affirmed.

[25] Section 1 declares that it shall be unlawful for any person "to make any loud or unusual noise, or to speak in a loud or unusual tone, or to cry out or proclaim, for the purposes of inducing or influencing, or attempting to induce or influence, any person" to refrain from enteriang, or purchasing merchandise from, or performing any service in any place of business. The State did not charge that this section was violated.

[26] Four signs were admitted in evidence as typical. They were of white cardboard, approximately 14 by 22 inches in size, and were tacked upon a stick some 34 inches long, 1½ inches wide, and ¼ inch thick. Black painted letters, ranging in size from 1½ inches to 5 inches in height, spelled out one of the following legends on each sign: "Don't be a scab," "Shasta Tunnel and Construction Workers Local No. 260," "C. I. O. Picket Line," "This job unfair to C. I. O."

[27] Appellant, prior to trial, moved to dismiss the complaint upon a number of grounds, among which was the contention that section 2 of the ordinance violated the fourteenth amendment in abridging his "freedom of speech, freedom of press, and freedom of assembly." The same objections were raised by demurrer, by further motions to dismiss the complaint, and by motion in arrest of judgment.

[28] There is no further appeal allowed in the State courts.

[29] We do not decide whether, in view of the separability provision (sec. 3), the State courts might cull out from section 2 particular clauses which, standing alone, could be sustained.

[30] See *Thornhill* v. *Alabama* (No. 514, p. 2, n. 18).

[31] Even they would be covered under a construction making purpose synonymous with intent. See *Thornhill* v. *Alabama* (No. 514, p. 2, n. 17).

Tax Exemption and Social Security

EXTENSION OF REMARKS

OF

HON. DAVID I. WALSH

OF MASSACHUSETTS

IN THE SENATE OF THE UNITED STATES

Wednesday, April 24, 1940

ARTICLE BY WILLIAM F. MONTAVON

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the Appendix of the CONGRESSIONAL RECORD an article by William F. Montavon, K. S. G., director of the legal department of the National Catholic Welfare Conference, entitled "Tax Exemption and Social Security," being a brief discussion of proposed amendments extending the coverage of the old-age benefits system as contemplated in the provisions of a bill I introduced known as Senate bill 3579.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Catholic Action for April 1940]

TAX EXEMPTION AND SOCIAL SECURITY—A BRIEF DISCUSSION OF PROPOSED AMENDMENTS EXTENDING THE COVERAGE OF THE OLD-AGE-BENEFITS SYSTEM

(By William F. Montavon, K. S. G., director, N. C. W. C. legal department)

The Social Security Act of 1935 excluded from the coverage of the old-age-benefits system persons employed in the tax-exempt, nonprofit educational, religious, and charitable agencies. By amendment the value of coverage in the old-age-benefits system was substantially enhanced in 1939. The benefits to the taxpayer were increased by these amendments, and the aged wife of the taxpayer was made a participant, as were also the surviving widow and other surviving dependents of the taxpayer.

To exclude from a system of benefits provided by legislation a large group of wage earners for no other reason than their being employed in the service of an educational, religious, or charitable

agency customarily exempt from the payment of taxes was manifestly an injustice in 1935. That injustice was substantially aggravated by the amendment of the Social Security Act by Congress in 1939 when the benefits of the act were made to extend to the wife and surviving dependents of the wage earner.

The old-age-benefits system as provided for in the Social Security Act of 1935, as amended, is financed through revenue derived from a tax on pay roll, which may be as high as 3 percent of the pay roll paid by the employer and 3 percent paid by the wage earner. At present the rate is 1 percent of the pay roll paid by the employer and 1 percent of wages received paid by the wage earner.

The advisory council which assisted in the drafting of the original economic security bill, out of which the Social Security Act grew, believed that no method within the framework of the Constitution existed whereby these employees of tax-exempt agencies could be included within the coverage of the old-age-benefits system without impinging on the tax-exempt status of the employing agency. The religious, charitable, and educational groups, therefore, to defend the tax-exempt status upon which stands in great measure their freedom of action, were forced into a position where they seemed to protest against and oppose the extension of the coverage of old-age benefits to their employees. This was not the true position of these groups. Their true position was probably best stated by a joint committee representing the three national hospital associations of the United States which in 1935 appeared before the Committee on Ways and Means and pleaded with that committee to find a way to extend to the employees of the hospitals the coverage of old-age benefits and at the same time to recognize and respect the customary tax-exempt status of the charitable hospitals. The committee seemed unable to find a solution for the problem, and the employees of the charitable hospitals and other tax-exempt agencies were excluded from the benefits of the act.

Since 1935, after much discussion and frequent conferences, the interested nonprofit, charitable, educational, and religious agencies have convinced legislative and administrative authorities of the Federal Government that it is possible within the framework of the Constitution to extend the coverage of the old-age-benefits system to the employees of these agencies and at the same time to recognize and respect their customary tax-exempt status. What is required to do this is that the revenue derived from the tax for the support of the old-age-benefits system be earmarked from the time of its collection and made payable directly into the Federal old-age and survivors' insurance trust fund. In this way revenue derived from this tax cannot become available for appropriation for any purpose other than that for which it is earmarked, and the tax itself is inseparably associated with and legally connected with the benefit. It is a payment for a quid pro quo, and thus truly a contribution. It does not, however, cease to be a tax because it remains compulsory and there is a penalty for nonpayment. It is analogous to a special assessment.

S. 3579, introduced by Senator WALSH on March 14, 1940, and referred to the Senate Committee on Finance, proposes to amend the Social Security Act along the lines indicated in this discussion and thus to extend the coverage of the old-age benefits system to the employees of religious, educational, and charitable agencies without impinging upon their customary tax-exempt status.

This proposed bill would amend section 201 of the Social Security Act. This section of the Social Security Act creates on the books of the Treasury of the United States a trust fund known as the Federal old-age and survivors' insurance trust fund and provides that for each fiscal year "out of any moneys in the Treasury not otherwise appropriated amounts equivalent to 100 percent of the taxes received under the Federal Insurance Contributions Act and covered into the Treasury" are appropriated to the above trust fund. S. 3579 would add to section 201 of the Social Security Act the following language: "The trust fund shall also consist of the taxes referred to in section 1420 (e) of the Internal Revenue Code," and would then add a new section, 1420 (e), to the Internal Revenue Code.

Section 1420 of the Internal Revenue Code refers to the collection and payment of taxes and provides that taxes imposed in connection with the old-age benefits system "shall be collected by the Bureau of Internal Revenue under the direction of the Secretary and shall be paid into the Treasury of the United States as internal-revenue collections." Thus the taxes for the support of the old-age-benefits system under the Social Security Act at present are general taxes subject to appropriation by Congress.

The new section 1420 (e), which S. 3579 would add, would safeguard the tax-exempt status of the religious and charitable agency paying the tax by requiring that all revenues collected from such tax-exempt agencies "shall be paid directly into the Federal old-age and survivors' insurance trust fund." In this way the proposed amendment would in reality convert what otherwise would be a general tax into a true contribution to a trust fund available only for the payment of old-age benefits and not subject to appropriation by Congress for any other purpose.

The proposed bill, S. 3579, would also amend section 209 (b) (8) of the Social Security Act. This section of the Social Security Act excludes from the old-age and survivors' benefits system persons who receive remuneration for service performed "in the employ of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, and no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation." S. 3579 would omit this language from the Social Security Act, section 209 (b) (8), and would substitute for it the following: "Service performed by a duly ordained or duly commissioned or licensed minister of any church in the regular exercise of his ministry and service performed by regular members of religious orders in the exercise of duties required by such orders." This S. 3579 would extend the coverage of the old-age and survivors' insurance benefits to all the lay employees of the tax-exempt charitable, religious, and educational agencies now excluded by the Social Security Act and would exclude from these benefits only duly ordained or duly commissioned or licensed ministers of any church and members of religious orders.

The great diversity of agencies in the fields of education, benevolence, and religion that have indicated their desire to have this bill enacted is evidence that the project is receiving the wide-spread popular support which it merits.

Ways, Means, and Money to Put Over Wheeler-Lea Bill, and What Happens

EXTENSION OF REMARKS

OF

HON. WADE H. KITCHENS

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 22, 1940

Mr. KITCHENS. Mr. Speaker, in this morning's mail I received from El Dorado, Ark., a copy of a Postal telegram sent out by a man of the name of Smith, a representative of National Conference of Railroad Investors, lobbyist of railroads, to chairman of Texas unit, urging railroad security holders to bring pressure on their Congressmen to vote for "satisfactory" bill S. 2009, the Wheeler-Lea transportation bill. That telegram was sent from Washington, now and heretofore honeycombed with lobbyists for that bill. That telegram was sent to Josh R. Morriss, of Texarkana, Ark. In pursuance of that telegram, Morriss seems to have sent out letters to all railroad investors in Texas and surrounding territory, a copy of which I received this morning. I ask that the telegram and letter be inserted in the RECORD.

Mr. Morriss advises that several Texas Congressmen are in the doubtful column, and, of course, they should be looked after, and that all holders of railroad securities in the State of Texas should be contacted. He also requests contributions of 5 cents or more for each $1,000 railroad bond in their portfolio, and he says this is a customary contribution. He also encloses a form letter indicating how to transmit funds. A little mathematics will show that such contributions from railroad investors would bring in a total lobbying fund of over $100,000,000, and this clearly justifies the recent statement of Congressman CULKIN, of New York, as to such a slush fund.

Mr. Speaker, we are being lobbied, railroaded, and legislated to set back this country for 50 years. No sooner than we begin to avoid discriminations in freight rates and to obtain cheaper transportation an effort immediately is made to destroy it. Our automobiles, inland and coastal waterways, and airplanes will help bring about equality of treatment and cheaper transportation. Our coffee comes from South America; our tea comes from India, China, or Japan; our tin and rubber from Malay states; our cocoa from the Tropics; our breadstuff, dairy products, and meat from the West, Australia, or Argentina; our fish come from the rivers, lakes, and oceans; our fruit from Florida, California, and the Tropics; our cotton is barged along our rivers, coasts, and across the ocean. Where food is difficult to obtain, it is necessarily expensive regardless of wages. Our breadstuff is raised mostly in the West, 1,500 or 2,000 miles from the cities on the Atlantic coast, and our farmers and consumers cannot afford to pay the price the railroad management, by their desired monopoly and attitude of "all the traffic will bear" and "the public be damned," will insist upon asking and taking. All of us are consumers of farm products, and the Wheeler-Lea bill will increase the cost, reduce consumption, curtail and lessen the wages of labor, and increase our surpluses.

The railroads use the harbors of this country free of charge, harbors upon which $720,000,000 have been expended. The Wheeler-Lea bill will destroy the waterway expenditure for our rivers and harbors. If we want to encourage our farmers, we must give them water-transportation rates for their crops in comparison with prices paid by others for ocean transportation. Farmers are engaged in a strictly competitive business. Grains they grow are produced all over the world and reach European markets by oceangoing vessels. From Australia they go to the channel ports of England, a distance of 15,000 miles, at a cost of 16 cents per bushel. From Yankton, S. Dak., to Duluth, Minn., a distance of 424 miles, the railroads charge 15.9 cents per bushel. This is 30 times the waterway charge per mile. What possible chance have American farmers to compete for the markets of Europe?

As a member of the Flood Control Committee of the House, I find this Government has spent millions upon millions of dollars in construction of walls, levees, and other protective works for railroads against floods. The record shows that the railroads have some 2,200 steamboats, tugs, barges, car floats, canal boats, and other kinds of floating equipment representing an investment of many millions of dollars. Have they paid any part of the $720,000,000 spent by the Government on the coast and channels, or of the large sums spent on the Great Lakes to permit their car ferries to operate?

It is well known that several canals have been built in the United States by the people in order to obtain reasonable transportation rates, but those canals have been put out of existence. Take the Delaware and Raritan Canal, which the Pennsylvania Railroad leased in the State of New Jersey for 99 years. Take the Delaware and Hudson and Morris and Essex. All of those canals were put out of business, with a result that the freight rate for hauling coal from mines to tidewater increased from 75 cents per ton to $2.49 now charged per ton. The record shows the Erie Canal is still in use and has been constantly improved during the past 100 years. That canal enables the transportation of—and railroads do transport—grain at 4 cents per bushel across the State of New York—a distance of 436 miles. Elsewhere in this country where there is no waterway competition the railroads charge farmers and shippers 15.9 cents per bushel, on an average, for the same distance.

I am opposed to the placing of our waterways under the jurisdiction of the Interstate Commerce Commission because that Commission is archaic, fossilized, one-track, sidetrack, and railroad-minded. It has not had two new ideas in a generation. I lack confidence in that Commission. It does not function in the interest of the whole people. I know that Commission desires this extra authority. It wants the power to justify its existence for the railroads. We know for years and years it has permitted glaring discriminations against various sections of our country. They grade us by zones and penalize us by classes and sections.

Today we have most serious problems confronting us, and one of the most important is lack of distribution of our products. A few moments ago we passed a resolution creating a committee of this House to investigate migratory problems now imminently confronting us. Over 20,000 families are in migration. We have thousands upon thousands of our people leaving certain sections of the country, roaming about, and we do not stop to think of the cause.

I will tell you one of the main causes. It is discrimination and favoritism in freight rates. It is making the laboring man of the South, consumers of the South, and employers of the South, and particularly in the States of Texas, Oklahoma, and Arkansas—the so-called southwestern zone—pay a third more for transportation of their freight than other sections of the country. It is no wonder we have a migratory problem. Industry is prevented from coming to that section of the country and at the same time its natural resources are being exhausted. Some of you try to deceive the laboring man of that section of the country, when you well know neither he nor his employer can compete, exist, or live decently if required to pay a higher freight rate than his competitor. He will naturally seek a place alongside his neighbor, and to do so will migrate with his family, congest your cities, and increase your problems.

After all, Mr. Speaker, what can we do when we see the railroads and their owners contributing millions upon millions in support of a bill such as the Wheeler-Lea bill now in conference, and find their shrewd lobbyists here all about us? I warn the people of this country, of the North and East, that so long as we have these discriminations, these feudal zones, these unfair and discriminatory freight rates, and prospective and imminent destruction of our waterways for the transportation and distribution of the products of this country, we will continue to have not only migratory problems but more serious ones.

The railroads of any section cannot be more prosperous than the people they serve in that section. Their rates materially affect all wages, prices, employment, and educational opportunities.

Is there need or demand by the people for regulation of inland waterways? Only railroad investors, railroad management, and those who speculate in the securities of railroads are demanding regulation and destruction of our water transportation. I am tired of so much regulation and favor regulating the regulators. Speculators by manipulation of securities on the exchanges have bankrupted our railroads for about every 20 years. They are in their present plight while for 50 years under the eye and regulatory control of Interstate Commerce Commission. Why now jeopardize, bankrupt, and destroy our other means of transportation? Why not profit by experience and use common sense?

Mr. Speaker, the Interstate Commerce Commission has permitted to be built up in this country a system of freight rates so complex, technical, voluminous, and confusing that "it is lost in a jungle of rates." I ask in all sincerity for any sound reason to justify the destruction of our inland water transportation by strangulation at the hands of the Interstate Commerce Commission. Why give up our only weapon of defense and of protection for future reasonable rates? Imagine the intricacies, the maze, the confusion worse confounded, in placing all rates under that agency, the port-to-port rates, regulation of services, schedules, distribution, and exchange of equipment; control over establishment of new services; extension or abandonment of existing services and control over accounting and financing of water carriers.

What guide will the Commission use for its work? Only railroad rates as a guide will be used, because it has no other experience. Will the Commission lower the waterway rate? Not at all. Will the Commission lower the railroad rate to conform to water rates? Certainly not. What will happen? The waterway rate will be raised to the railroad rate, or to such a level as to destroy competition. Then the railroad will get the business because of a faster service, and the inland waterways will dry up; the inland sections and cities of the country will retrograde; the coasts and their cities will build up and prosper for a while; and California, the home of the able Representative and House sponsor of this bill, and other coast sections will double and treble in population, and a much greater migrant problem will exist than now. But, Mr. Speaker, what can the people do? How can we defeat a lobby of $100,000,000? That is a question that the people can and will solve in time, but it may be too late for our generation.

THE TEXAS STATE UNIT OF THE
NATIONAL CONFERENCE OF INVESTORS,
Texarkana, Tex., March 30, 1940.

DEAR MR. ———: You will be interested in the enclosed copy of telegram which reports status of our most important railroad bill, S. 2009, the Wheeler-Truman-Lea bill. I am sure it is needless for me to suggest that you again write your Congressman regarding this matter.

Several Texas Congressmen are in the doubtful column, and therefore we should contact all holders of railroad securities residing in our State. However, the extent of our circularization will depend upon available funds.

I trust you will make a contribution for this specific purpose. Although 5 cents for each $1,000 railroad bond in your portfolio is customary, any contribution you may make will be extremely helpful and appreciated.

Every dollar so received will be expended exclusively for mailing costs directly connected with the passage of this bill. I hope you will cooperate and enclose an appropriate blank.

Sincerely yours,

JOSH R. MORRISS.

The chairman of the Texas unit of the National Conference of Investors seeks a lobby fund of the "customary" 5 cents per $1,000 bond from railroad security holders to cover costs "directly connected with the passage of this bill" (S. 2009, Wheeler-Lea transportation bill).

[Telegram from Washington representative of National Conference of Investors to chairman of Texas unit urging railroad security holders to bring pressure on their Congressmen to vote for satisfactory bill—S. 2009, Wheeler-Lea transportation bill]

MARCH 28, 1940.

JOSH R. MORRISS,
F. W. Offenhauser & Co., Texarkana, Tex.:

Conference committee S. 2009 will report shortly. Some provisions of Senate and House drafts may be dropped but its main provision for regulation all forms transportation will undoubtedly be retained in satisfactory form. Water carriers, particularly barge-line operators and users, conducting vigorous campaign. In addition to powerful lobby here they have organized intensive letter-writing campaign. Feel reasonably sure we can pass bill in Senate but certain hard fight in House. In addition to urging your members to wire or write their Congressmen, believe it vital you contact all railroad investors in your State and urge them use their personal influence with their Congressman.

SMITH.

THE COLLECTION CARD WHICH ACCOMPANIED MR. MORRISS' URGENT APPEAL FOR FUNDS TO USE IN OBTAINING ENACTMENT OF S. 2009

————, TEX., ————, *1940.*

JOSH R. MORRIS,
Chairman, F. W. Offenhauser & Co., Texarkana, Tex.

Herewith check for $————.

This contribution is made with the specific understanding that it shall be used exclusively for mailing costs directly connected with advising railroad investors of the provisions and status of Senate bill 2009 and urging them to use their personal influence in its behalf.

(Name) ———— ————.
(Address ————.

———— ————

Please print your name here.

A Real American

MEMORIAL ADDRESS
OF
HON. CLARENCE CANNON
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL E. MAPES, late a Representative from the State of Michigan

Mr. CANNON of Missouri. Mr. Speaker, one of the privileges of membership in the House is the opportunity afforded for association with men from so many sections of the country, and of such varied talent and interests. And one of the tragic experiences of our service here is the last farewell to a colleague whom we have learned through many hard-fought battles on the floor to love and cherish as a comrade on this side of the aisle or to respect and admire as a generous antagonist on the other side of the aisle. In the last few sessions there has been a long list of both—most of them fallen before their time—dropping beneath the growing load which has steadily increased in the last strenuous years through which the country and the world have been passing.

Since I have been on this floor—from the Sixty-second to the Seventy-sixth Congresses—1,888 Members have been elected to the House. Of these I have seen the flag drop to half mast for more than 200, among them some of the greatest men of the Nation. With few of them have I been so closely associated or enjoyed such intimate friendship as with CARL MAPES, of Michigan. For many years his office adjoined mine in the old office building. And when we moved across the street together we again found offices on the same floor. Daily I had the opportunity for a social word or for conference on some of the more serious problems with which the Congress has had to deal. Our last trip together on the pioneer flight of the *Yankee Clipper*, when through the night, suspended between sea and stars, we crossed the Atlantic, further cemented our friendship and strengthened my warm regard for him. And while we were not of the same political faith, we frequently found common ground and mutual interests, and always a better understanding of our problems through frank discussion of points of variance.

More and more I came to value his calm, dispassionate appraisal of conflicting issues, his deep and unerring insight into the motives underlying legislative strategy, his keen power of analysis of economic problems, and especially his unswerving integrity in his dealings with his colleagues, his constituency, and his country. He was by nature a conservative. He was never swept from his moorings; never hurried; never stampeded; never vindictive. It was inevitable that he should become one of the pillars around which the members of his party gathered in times of stress. His exhaustive study of procedure and his wide knowledge of parliamentary law made him particularly valuable, and his decisions as Speaker pro tempore and as Chairman of the Committee of the Whole, over which he frequently presided, are among the most scholarly and authoritative in the precedents of the House. At the same time, when conditions warranted, he was one of the most progressive leaders of the House.

He held his place—
Held the long purpose like a growing tree—
Held on through blame and faltered not at praise.
And when he fell, he went down
As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.

His service to his district and his constituents cannot be measured in words. No task was too great; no request too small; no obstacle too discouraging when the interest of his district or a constituent was to be served. When a request came he did not wait to learn the affiliations of the applicant. It mattered not whether they had been friend or foe, whether they had supported or opposed him; high or low, influential or unknown—he served them all without fear or favor. It is not to be wondered that he had the devoted affection and support of all who really knew him, regardless of party affiliation or condition in life. And in the fateful election of 1932, when every State save two overwhelmed his party in a landslide unprecedented in the political history of the Nation—when his own State was swept by a political storm of such proportions as to leave only a solitary landmark here and there, he was returned to the House by voters who singled him out on opposing tickets—one of the political miracles of that memorable election.

I viewed their last tribute to him. As his cortege passed slowly through the streets of his beloved city, the vast and silent concourse of people—his people—who lined the streets and filled to overflowing every point of vantage along the route of the procession, evidenced an affection and appreciation more eloquent than any eulogy of press or pulpit. And as I watched them in that solemn hour of exalted abnegation, I thought with them:

He was a man, take him for all in all,
We shall not look upon his like again.

Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I desire to include the following editorial from the Grand Rapids Press of December 13, 1939:

A REAL AMERICAN

Death has ended the quiet, able, and courageous influence of Representative CARL E. MAPES in the conduct of the Nation's affairs and in the service of his district—a service which has extended without break, either in its continuity or its usefulness, since his first election to Congress in November 1912.

No praise for the people of Kent and Ottawa Counties can exceed the accolade they have conferred upon themselves in holding quiet worth above more sensational qualities, and standing by CARL MAPES through 27 years. With a sound intuition the district came to appreciate that if CARL MAPES spoke seldom, he spoke always from conviction and intelligence; that if he did not move easily with popular whim, it was because his mind and character rebelled against mere expediency, and insisted upon plumbing down to truth. Something only the best men in politics acquire was his—the innate and deep respect of his constituents, a respect stronger than any differences of the day.

Politics to CARL MAPES was the science of good government, never a means to any selfish or unpatriotic end. If there is hope in representative government, it is in the existence of a leaven of such straight men as this at Washington, who answer in the best sense to the definition of patriots.

Beginning as assistant prosecutor and State legislator from this county, Mr. MAPES devoted almost his entire adult life to the public service. His colleagues at Washington took his measure soon after he had begun his congressional career. They turned his earnestness and his excellent mind to good account in the all-important committee work behind the scenes. As chairman of the District Committee he was the "uncrowned mayor of Washington," and served ably in the reorganizing of the Capital's administration and its laws. As a parliamentarian of first rank he came to be indispensable in the floor leadership of successive administrations. By 1932 he shared with his good friend, the late Bert Snell, the party's favor for the Speakership; and it was well known last year that if he had cared to abandon his place as ranking Republican on the powerful Rules and Interstate and Foreign Commerce Committees he could have taken the Republican House leadership. The faith of voters at home gave him seniority; but the quality of the man turned seniority into a far greater power than time alone could have made it.

Mr. MAPES was a strong believer in party government but never was in any sense subservient to the machine or the boss. He stood by his party in the broad major outlines of its policy but never hesitated to break with it when conscience or a sense of the public welfare dictated rebellion. He campaigned vigorously at every election, but no fear of personal fortunes controlled him. Those who recall the 1934 and 1936 elections, and the part his vigorous opposition to the liquor traffic played in his near-defeats in primaries or finals, know that when Mr. MAPES voted in Congress on the liquor referendum he was fully aware that he probably was signing his own political death warrant. But somehow a majority looked at the man and his courage instead of the immediate issue and stood with him while most of the district disagreed with his action.

Among his true friends were men of the Democratic Party who loved him for his human worth and did not hesitate to call upon his great ability. Major credit went to him from Congressman SAM RAYBURN for the drafting of the new securities and exchange law, which Mr. MAPES insisted in regarding as so important that it transcended all party lines.

But his best friends were humble people in every corner of his district, who knew how genuine was his interest in them and their work and their families. The greatness of simplicity was his; the simplicity of a man who was real to the core, and needed no pomp nor fine words to make others aware of his quality.

It will be a long search before Kent and Ottawa Counties find such another. In CARL MAPES they had as their spokesman one of the recognized 10 ablest men in Congress. The one great hope is that both parties, in seeking his successor, will apply as their rules of choice the qualities of CARL MAPES himself, and will attempt as well as they can to procure these high merits of patriotism, industriousness, and integrity in the individual who is to fill his place. That is a real challenge. The people have known CARL MAPES too long to be satisfied with a self-serving or small man as their servant at Washington. They have known a man to whom they could direct their sons for an example of fine Americanism; a man who honored politics and government by his association with them.

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. KARL M. LECOMPTE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. LECOMPTE. Mr. Speaker, I wish to add a word of tribute to our lamented colleague and my friend the late Honorable CASSIUS C. DOWELL, of Iowa.

Representative DOWELL was a plain man of the plain people. If he could have his way, any tributes paid him by his colleagues would be simple tributes, in keeping with the character of the man.

His passing ended a work covering 12 years in the Iowa Legislature and 23 years in the Congress of the United States. In those 35 years of public service I am sure that no act was performed, no position was taken, no cause was advocated by CASSIUS C. DOWELL that did not square with his profound sense of patriotism, integrity, and good government.

He was a quiet man who went his way and performed his service without any dramatic show or publicity, but he always sought to perform those duties fully and faithfully. The people of Iowa—those who knew him best—knew his worth, and they retained him in the United States Congress for 23 years, after having kept him in the State legislature for 12 years.

Like most quiet individuals, CASSIUS DOWELL was a careful and consistent student of legislation. He had a much broader grasp of public affairs than even his colleagues realized, because he was not much given to words, and because he was a great believer in the truth that he who would conquer a city or rule a country must first conquer and rule himself. CASSIUS DOWELL therefore went about his work of ruling himself and of legislating for his Nation with that quiet confidence, that modest earnestness, which mark the truly great.

The work of which he was proudest, I think, was the work he did while chairman of the House Committee on Roads, when he secured the enactment of legislation providing Federal aid for the building of our modern highway system. To him, I think, as an individual legislator, more than to any other, is due the credit for inspiring the progressive program which he sponsored for the present marvelous system of highways throughout the country.

The Nation and the State, as well as his friends and family, lost an able legislator, a sincere patriot, an intelligent student of affairs, an affectionate relative, and a sincere friend when CASSIUS C. DOWELL laid down his earthly tasks.

It is comforting to feel that his work is not forgotten, that his spirit marches on. He was typical of the great statesmen of a generation ago, and we will not soon see his like again.

William Edgar Borah

MEMORIAL ADDRESS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM EDGAR BORAH, late a Senator from the State of Idaho

Mr. BULWINKLE. Mr. Speaker, as chairman of the Committee on Memorials, I wish to extend my remarks upon the life, character, and public services of the Honorable WILLIAM E. BORAH, senior Senator from the State of Idaho, by inserting in the RECORD the address of the Honorable JOSH LEE, Senator from the State of Oklahoma, and a letter addressed to me as chairman of the committee.

UNITED STATES SENATE,
COMMITTEE ON MILITARY AFFAIRS,
April 15, 1940.

Hon. ALFRED L. BULWINKLE,
Chairman, Committee on Memorials,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN BULWINKLE: In response to your letter of March 29, I am enclosing a copy of my address made in tribute to the late Senator Borah.

I would appreciate very much having this included among those extended in the RECORD in connection with the memorial service April 24.

Many thanks for this courtesy.

Sincerely yours,

JOSH LEE,
United States Senator.

TRIBUTE TO THE LATE SENATOR BORAH

[Remarks of Hon. JOSH LEE, of Oklahoma, in the Senate of the United States, January 23, 1940]

Mr. LEE. Mr. President, today for the first time in one-third of a century the clerk who called the roll omitted the name of Senator BORAH. It is difficult to think of the United States Senate without him. How often have the Senate pages rushed into the anterooms and whispered to us, "Senator BORAH is speaking"? And always we hurried in to hear him. We listened to him; and I am glad that we did, for he was a great man.

But now his eloquent tongue is stilled forever. His clear voice will never again fill this Chamber, but his clear thinking will, down through the years, I am sure, continue to influence this body.

Today his seat is vacant. Later it will be occupied, but it may never be filled, for Senator BORAH was a great man. He lived for

America as nobly as others have died for her. He fought valiantly for the causes in which he believed. He walked with kings all right, but he never lost the common touch.

He was courageous but not foolhardy. He was liberal but not radical. He was conservative but not reactionary. He was progressive and yet he was cautious—suspicious of the untried and slow to relinquish the proven.

He debated, but he never quibbled. He was determined but never contentious. He was always courteous. The fairness of his manner often disarmed his opponent. He differed without offending. He disagreed without antagonizing. I never heard him use ridicule or abuse. He never resorted to sarcasm, but relied solely upon the soundness of his arguments. There was little escape from the compelling logic of his conclusions, and the very simplicity of his language was its eloquence.

I well remember the last great speech he made in this Chamber. He spoke on the neutrality bill. You remember it, too. The Senate and the galleries were breathless. His eyes blazed with the light of battle as he denounced war profiteering, and his whole frame shook with emotion as he urged that we not take one step toward war.

No one ever questioned his sincerity and few have ever matched his patriotism.

And now he is gone. He has been a part of the United States Senate so long that we will find ourselves expecting him to come in—but he will not come. We will unconsciously glance toward the desk which he has occupied so long, expecting there to see his benign countenance, only to be reminded of our great loss. We shall miss him; we shall miss him so much that it will be exceedingly difficult to reconcile ourselves to his absence.

We who knew him are fortunate because in the years to come when we read his precepts, they will have a richer meaning because we knew Senator BORAH, the man.

He was kindly and personable. He loved children, and they loved him. Last year during the special sesson, he was accustomed to sit on a bench in a little park which is just in front of the apartment house where we live. Our little girl, Mary Louise, used to play in that park. They became fast friends. The last time I talked to Senator BORAH he asked to be remembered to his little playmate.

Mr. President, I admired Senator BORAH at long range even before I met him. I admired him more at closer range as merely an acquaintance, but as that acquaintance became more intimate, my admiration warmed into friendship.

Although he had been here over 30 years, he never forgot to encourage a newcomer. His was the first friendly hand laid upon my shoulder when I first became a Member of this body. My seat was the one just next behind his. Many times during those first months I whispered to him for advice. He always gave it so kindly and so encouragingly that I was drawn to him by the sheer warmth of his great heart.

And now he is gone. He has been called to sit in that celestial gallery to which many of his colleagues before him have already been summoned. But he leaves to us the thrilling inspiration that comes from the great life of a great American.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. JENKINS of Ohio. Mr. Speaker, under leave to extend my remarks, I include the following address of Hon. ROBERT A. TAFT, Senator from Ohio, on the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio:

REMARKS BY HON. ROBERT A. TAFT, OF OHIO

Those who knew CHESTER C. BOLTON have suffered an irreparable personal loss in his death. The community in which he lived, the State of Ohio, and the Nation can ill afford to lose a man so vigorous in thought and action, so experienced in governmental affairs, and so unselfish in public service. With every right to look forward to many years of useful work, he literally sacrificed his life for his country, for his illness resulted directly from the intensity with which he labored in Congress and in the campaign of 1936.

CHESTER C. BOLTON was born in Ohio, and lived in Cleveland throughout his life. He was educated in the Cleveland public schools and at Harvard University, and had a long career in private business and in local and State government. He early demonstrated his ability and capacity by a steady rise in the business in which he was employed. He served with distinction in the United States Army during the World War. After the war he started his public career as a member of the senate from Cuyahoga County in 1922, serving there for 6 years. I was in the House of Representatives when he was the leader of the senate, and I know how competent and fair and honest was his leadership. He became an authority on State taxation and many other matters related to the State and local governments of Ohio. It was eminently fitting that he should go on from this service to the Seventy-first Congress, where he served continuously, except for one term, until his death on October 29, 1939. In 1936 he served as chairman of the Republican congressional campaign committee. He threw himself into the campaign with all his energy and enthusiasm, and it was the terrific political work, combined with that in Congress, which brought about his illness.

With a wide and unselfish interest in community and national affairs, Mr. BOLTON did more than give mere lip service to the maintenance and improvement of the American way of life. He gave freely to charity of his own resources. During his congressional service, he constantly supported welfare and relief measures; he advocated the extension of the merit system; he actively supported the conservation of natural resources, and he was especially concerned with unemployment problems.

In community affairs he displayed unusual leadership. He was instrumental in the original organization of the Cleveland Community Fund Council, and he has been active in numerous charitable and health organizations throughout Ohio.

On September 14, 1907, CHESTER BOLTON married Frances Bingham, and they have three children, Charles B., Kenyon C., and Oliver P. Bolton.

Mr. and Mrs. Bolton were both known widely for their kindly generosity, which brought health and hope to many. It is indeed fitting that in public affairs, as in private charity, their work should be taken over by Mr. BOLTON'S widow, who sympathized so deeply with all his ideals.

In the Congress, where he represented one of the largest congressional districts in the country, he was the warm friend of many of his colleagues, and they considered him to be one of its most capable, best informed, and painstaking members, upon whose judgment and integrity they could always rely. Not only from his public record, but from my own personal association with him for many years in the Ohio General Assembly and since that time, I can testify that he exemplified the best traditions of the statesman, that he was a man of good judgment, honesty of purpose, marked ability, strict and unswerving integrity, and, above all, simplicity of character.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. CLARENCE J. BROWN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. BROWN of Ohio. Mr. Speaker, I rise to pay tribute to the memory of one of the finest gentlemen ever to serve in the Congress of the United States. I refer to Hon. CARL E. MAPES, late Representative from Michigan.

CARL E. MAPES was a quiet, unassuming man. He did not use the clash of cymbals or the blare of brass to herald his coming or to call attention to his deeds. Yet perhaps no man in recent years has had a greater influence in the Congress of the United States than CARL E. MAPES. Those who served with him knew when the legislative storms came the gentleman from Michigan, calm and collected, always facing the future with a serene courage, was one to whom all could turn for inspiration and leadership in the hour of need.

He will be missed by all of his colleagues, regardless of partisanship; but to the younger Members of Congress—those serving their apprenticeship in the House—the passing of CARL MAPES was a real tragedy. Out of the bigness of his soul and the kindliness of his heart CARL MAPES took a special interest in the welfare of the men coming into the House of Representatives for their first service. He extended to these neophytes his warm friendship, his helpful advice, and his encouragement. They in turn gave to him their respect and deep appreciation.

CARL E. MAPES was a Christian gentleman. He was a true patriot. His passing came, as I believe he would have wanted it, while in the active service of his country. CARL MAPES has gone from these legislative halls, but he lives on in the memories of his colleagues, who loved and honored him, and in the great contributions he has made to his beloved America as a Member of Congress.

Marvel Mills Logan

MEMORIAL ADDRESS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of the Honorable MARVEL MILLS LOGAN, late a Senator from the State of Kentucky

Mr. BULWINKLE. Mr. Speaker, as chairman of the Committee on Memorials, I wish to extend my remarks upon the life, character, and public services of the Honorable MARVEL MILLS LOGAN, Senator from the State of Kentucky, by inserting in the RECORD the address of the Honorable JAMES J. DAVIS, senior Senator from the State of Pennsylvania.

ADDRESS BY HON. JAMES J. DAVIS, SENIOR SENATOR FROM THE STATE OF PENNSYLVANIA

I speak with deep feeling when I say Senator MARVEL MILLS LOGAN was a Christian statesman, a wonderful friend, and a jurist of rare abilities. During our days together in the Senate I had more than the usual opportunity to know him because we had a general pair which provided for such times as we were compelled to be absent from our places. And this gave me frequent occasion to consult with him. Thus I learned the fine qualities of his mind and spirit.

Senator LOGAN began to show an interest in politics from the time he began practicing law in his home town in Brownsville, Ky., at the age of 22. He held his first political office at the age of 28, when he became county attorney, and by 1912 he had become first assistant attorney general of Kentucky. Four years later he was attorney general of the State.

In 1931 Judge LOGAN, a massive man, 6 feet, 4 inches in height, with heavy graying hair, was elected to the United States Senate. After only a few months in the Senate he said that he had never held an office that did not compel him to resign and go back to work to make a living and try to pay back debts. Nevertheless, he remained on in the Senate and stood successfully for reelection in 1936.

Senator LOGAN showed an early interest in Odd Fellowship and was a member of all the branches of that great fraternal order. In his capacity as grand sire of the order throughout the world in 1930, he proved to be one of the most conscientious, hard working, and loyal men to ever grace that office. It came to him in recognition of his outstanding devotion to all of the fine ideals which the great fraternity over which he presided has proclaimed to the world. He practiced in his daily life the doctrines of friendship and love and truth.

Senator LOGAN'S private and official life was characterized by deep sincerity and high purpose. He was a sound thinker, a prodigious worker, and he lived true to the courage of his convictions. He dedicated his efforts to tireless and unflinching championing of representative government. He was ever loyal to his State of Kentucky and to the people of this Nation. We who knew him well mourn his passing. He was judicial in his approach to contemporary problems and thoroughly independent in his points of view. I appreciated especially his fine Christian spirit of toleration and his genial good will. Senator LOGAN was one of the most conscientious, industrious, loyal men who ever graced the Senate of the United States. We have not lost our friend for he continues to abide in spirit with us. As Francis Thompson has said:

"There is nothing lives but something dies,
And there is nothing dies but something lives.
Till skies be fugitives,
Till time, the hidden root of change, updrives,
Are birth and death inseparable on earth,
For they are twain, yet one, and death is birth."

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. CULKIN. Mr. Speaker, the untimely death of CHESTER C. BOLTON was in large part due to his heroic efforts to preserve the American system of government. If he willed he could have stood idly by and watched the destruction of constitutional government in these United States. This was not his way and despite ill health he bent his every energy and gave unsparingly of his strength to preserve free institutions.

I served with him on the Rivers and Harbors Committee and ever noted his keen knowledge of transportation problems. He brought for consideration of those problems a well-stored mind and a thorough knowledge of the particular subject matter under discussion. In every phase of his service he was modest, tolerant, and brave. His passing is a grave loss to his district and to the whole country.

Samuel Davis McReynolds

MEMORIAL ADDRESS
OF
HON. JAMES P. RICHARDS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. SAMUEL DAVIS MCREYNOLDS, late a Representative from the State of Tennessee

Mr. RICHARDS. Mr. Speaker, when God in His wisdom called from among us SAMUEL D. MCREYNOLDS, one of His own noblemen, I felt a deep sense of personal loss. He was able, straightforward, and clean and will be sadly missed by his Nation, his district, and his colleagues here who in service with him had found him to be one of the outstanding Members of the House. As chairman of the Foreign Affairs Committee of the House he endeared himself to both Republican and Democratic members of that committee. He came to the chairmanship of that important committee to find a world around him girding for war, with grave danger of his own beloved country becoming involved; and he steered through this House legislation of momentous importance, legislation which did much to prevent our involvement in foreign disputes. His wholehearted loyalty to his country, his President, and to his party taught us all a lesson in constancy and fidelity. Though walking with kings, he never lost the common touch and never ceased to remember his obligations to the humblest man or woman in his district.

Born on a farm near Pikesville, Tenn., he attended the rural schools of Tennessee and was educated at Cumberland University. He was a successful lawyer and served with distinction for many years as judge of the sixth circuit of Tennessee. When he came to Congress it was expected even then that he would make a valuable Member here, and he fulfilled the fond expectations of his friends. The State of Tennessee, which has given so many rugged, outstanding men to our country, has added another name to the scroll in its hall of fame.

Judge, as we knew him, was always willing and ready to help a new Member of Congress. I shall never forget his kindness to me when I first came here, and then when I became a member of his committee in 1934, I began more and more to lean on his sound advice and wisdom. Almost daily contact with him only increased my admiration for the sterling qualities of mind and heart that made him such an outstanding man. He was a fighter first and always, once he enlisted in any cause, but he never enlisted until he was satisfied of the justice of that cause. Withal, he had the heart and tenderness of a child, and on more than one occasion I have seen him touched by little things that the ordinary man would have passed by unnoticed. His love for his wife, his daughter, and grandchildren was of the mold that makes true family life America's greatest institution; and this devotion was returned by his loved ones. I never saw him happier, I think, than during his last illness when he watched the ministrations of his devoted and unselfish wife.

It was my sad privilege last year to follow his remains to Chattanooga, Tenn., and to look upon the saddened faces of the thousands gathered there to mourn. I saw his remains laid to rest in the shadows of the eternal hills he loved so well, and there came to my mind words of the poet—

A prince once said of a king struck down:
"Taller he seems in death."
And the word holds good for now, as then,
It is after death that we measure men.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. PAUL W. SHAFER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. SHAFER of Michigan. Mr. Speaker, I want to thank you and the Members of the House for the privilege of extending my remarks, through the courteous assistance of Hon. ROY O. WOODRUFF, in order that I might pay a tribute to my late friend and colleague, the Honorable CARL E. MAPES, on the occasion of this memorial service.

To those who knew the able and distinguished Member who passed out of this life on December 12, 1939, no word of mine is needed to add to their esteem for him, or to his stature in the history of the House of Representatives in which he so long and so ably served.

Perhaps in these tributes to our departed colleagues we serve the cause of our own hearts more than we do their memory. It is too difficult to let pass this occasion on which I may voice a deep and sincere tribute to the ability, the integrity, the worth of a man who was my friend; one who gave me much valuable assistance when I first became a Member of this House; a coworker from my home State of Michigan; and a man whose sincerity, whose sterling character, whose rugged integrity, whose courage, endeared him to those who knew him and worked with him, while at the same time, commanding the respect, not only of his colleagues but of all those who had occasion to know anything about his work as a representative of his people in the House.

Nothing his friends can say about him could create a monument to the memory of CARL MAPES equal to that which he created for himself by his work in the National Legislature. He came to Congress back in 1913, and during his years here he saw a vast amount of world history made. He saw changes take place not alone in other countries, but in his own country. In all those years I think it is accurate to say that CARL MAPES never compromised his own conscience. He was absolutely steadfast in his course as he saw his duty. He never temporized with injustice or political expediency. His sense of right and wrong, his concept of his duty as a Representative, his convictions as to the requirements of good citizenship, were his guiding lights both in his private life and in his public career. The result was that whether or not one agreed with CARL MAPES' viewpoint, or his votes, there was never any question about his earnest and sincere honesty in the stand he took and the vote he cast.

He was a quiet, cautious legislator who never permitted his emotions to sweep him off his feet or to move him from a position of sound and honest judgment.

As someone well said of him:

In the tumult of strange ideas and extreme passions, in the face of threatening rumblings of sinister things, CARL MAPES, with enviable wisdom and poise, could not be perplexed or frightened, but went on, in fortune and misfortune, at his own pace.

Mr. Speaker, always an occasion of this sort brings to the thought of all of us the great question of what may be the real meaning of this vast enigma which we call human existence; of what change really takes place when we pass from the earthly scene. But always when those thoughts come, there must come, too, a deep sense that an all-wise, all-powerful, ever-present, all-loving, infinite Creator could not and would not bring into being one with such fidelity to principle, to truth as he saw it, one who so earnestly endeavored over the years to serve his people well and faithfully, only to snuff out all of that character and effort in an instant by that which we call death.

No, Mr. Speaker; it must be that the CARL MAPES we knew goes on. It must be that in another state of consciousness he pursues his work and his way, and it must be that sometime, somewhere, we will meet our beloved colleague face to face again.

William Irving Sirovich

MEMORIAL ADDRESS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM IRVING SIROVICH, late a Representative from the State of New York

Mr. CULKIN. Mr. Speaker, the passing of Congressman WILLIAM I. SIROVICH, of the Fourteenth District of New York was a great shock to the Congress. During my service here in Congress I had come to know him intimately. I had served with him on the Merchant Marine Committee of the House and had come to know and respect and admire his splendid qualities of mind and heart.

Dr. SIROVICH was a true humanitarian. His outstanding trait was an unfailing devotion to the cause of the underprivileged. He knew and understood the economic handicaps of the man in the street. His service in the House was marked by a devotion to the underprivileged. Economic injustice always roused his ire, and he fought a continuing battle for those whose lives are not cast along happy lines. This was his outstanding characteristic. May his soul rest in peace.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. FRED BRADLEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL E. MAPES, late a Representative from the State of Michigan

Mr. BRADLEY of Michigan. Mr. Speaker, it has been my observation that our greatest leaders have been extremely modest in claiming for themselves the accomplishments recognized by their contemporaries, and recorded in our histories. CARL E. MAPES was that character of a man. He made no pretense of greatness, yet we who knew him recognized in him qualities possessed by only too few of us.

In the Congressional Directory my Michigan colleague permitted only this brief biography:

CARL E. MAPES, Republican, of Grand Rapids; born December 26, 1874; lawyer; married; has three children; elected to Sixty-third and succeeding Congresses.

Modest and humble, he never boasted.

Yet here was a leader who identified himself with every constructive piece of legislation proposed or enacted into law during more than a quarter of a century. CARL MAPES was courageous, a hard worker, a clear thinker, a man of principles who placed the welfare of our Nation above personal

and partisan considerations. He asked not, "How will this affect me?" but rather, "How will it benefit my fellow men?"

He worked and voted in accordance with his high principles, never wavering, and the people of his Fifth District in Michigan admired and respected him and reelected him to 13 succeeding Congresses.

The death of CARL MAPES was a loss to me. To him I went as a freshman Congressman, seeking counsel and advice, and this he gave generously according to his sincere convictions, without thought of self but again in the interests of our State and Nation.

CARL MAPES died as he had lived, serving his people. His service record stands as an inspiration and a challenge to all of us.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. ROY O. WOODRUFF
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. WOODRUFF of Michigan. Mr. Speaker, the Nation, our own State of Michigan, and the Congress have all suffered a loss in the passing of the Honorable CARL E. MAPES, a loss which in some respects is irreplaceable.

The highest tribute to his rugged and steadfast integrity is best attested by the fact that those of his colleagues who had known and served with him longest loved him best, had for him the highest respect, and will feel in the years to come a sense of loss that to them cannot be alleviated.

Just as his own immediate family can find solace in the kind of a man he was, the kind of life he lived, and the fine, unselfish service he rendered his country, so the Michigan delegation in the Congress will always remember with pride the character of service he gave and the example he set for younger and less experienced legislators.

CARL MAPES was a man of deep, quiet, and undemonstrative temperament, but just as his nature was deep and quiet, it moved toward what he conceived to be right as a great, deep river moves resistlessly to the sea. One of the most beautiful things that can truly be said of our colleague was that when he was convinced he was right nothing could move him from this position. As a legislator, he was cautious without being slow. He was firm without being obstinate, and when he gave his friendship its roots went to the depths of his soul.

CARL MAPES was among the truly great men who have been in the United States Congress, because he was so unassuming, plain, sincere, and unpretentious. He was a tower of strength through the troubled years of the depression when he refused to be swept from his ideals of government by either political expediency or emotionalism. He meditated long upon his course, he pondered well his decisions, and when convinced that he was right no amount of organized opposition or persuasion could cause him for a moment to abandon or to compromise with a position which he felt was dictated by stern integrity and duty.

In his quiet way he had a great influence upon his country and his time, particularly in the latter years of his service. In those years when emotionalism and, at times, hysteria, seemed to sway lawmakers as well as the citizens generally, in those times when faith in the future grew dim and faith in constitutional government seemed worn to a slender thread, CARL MAPES made his imprint and exerted his influence on the side of coolness and sanity. The people will never know and history will not record for posterity the great amount of good he accomplished and the great service he rendered the Nation, but his colleagues always will remember, because they know, and so long as they live his friendship, association, and memory will be cherished by them.

I express the heartfelt sentiment of every member of the Michigan delegation in saying that his life and service have entitled our colleague to all that we would have awaiting him in that realm of mystery through which he has passed and from which no word comes back. His colleagues, the Congress, his State, and his country can ill afford to lose him.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. JOHN W. GWYNNE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. GWYNNE. Mr. Speaker, the Honorable WALLACE E. PIERCE came to the House of Representatives at the beginning of the Seventy-sixth Congress. Shortly thereafter he was made a member of the Judiciary Committee. Both in this committee and in the House he displayed an understanding of his duties which soon made him a valuable member. He was a lawyer of ability and considered legislation from the practical standpoint of a man who had actually made law function. The strength of his own views in no way, however, hampered his careful consideration of the viewpoints of others. He was extremely friendly and courteous and in his short career in Congress made many friends who mourn his untimely death.

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. FRED C. GILCHRIST
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. GILCHRIST. Mr. Speaker, CASSIUS C. DOWELL was born on February 29, 1864, in a log cabin on a farm near Somerset, Iowa, in Warren County, where his Quaker parents had settled in their covered-wagon trek across the country. He attended the country school there and after completing the work through the grammar grades, entered Simpson College at Indianola, Iowa. He was determined to further his education and from early boyhood earned his own way. Mathematical problems which give most boys much trouble were enjoyable mental gymnastics to him. "CASH" DOWELL, in his youth, was a great lover of outdoor sports, and baseball furnished many a thrill to the young country lad who was always a member of the community "nine." Later on when he attended college at Indianola, he was interested in debating and forensic activities and was usually a member of the debating teams. He later graduated from the liberal arts college and the law college of Drake University at Des Moines, Iowa, where he was admitted to the bar in 1888 and practiced law until March 4, 1915, when he was seated in the House of Representatives in Washington.

In 1894 Mr. DOWELL was elected to the Iowa House of Representatives and served until 1898. In 1902 he was elected to and served in the Iowa State Senate until 1912. In 1914 he was elected to Congress and served his district, comprising Dallas, Madison, Marion, Polk, Story, and Warren Counties,

for 20 years, when in 1934 the Democratic tide swept him aside for one term only; and in 1936 CASSIUS DOWELL came back to his old seat in Washington where he served his constituency until the day he died on Sunday, February 4, 1940.

He was appointed chairman of the House Elections Committee No. 3, of which he became a member after the Republicans took control of the House in 1918. A number of particularly heated election contests resulted from the Harding landslide in 1920, and Mr. DOWELL was enlisted to handle them.

A pioneer in the good-roads movement, Mr. DOWELL was appointed chairman of the House Committee on Roads on December 17, 1923, during the first session of the Sixty-eighth Congress and was responsible for much of the early aid for the Federal highways system. He was a moving factor for farm-to-market roads appropriations and also favored the development of a national defense highway. He served as a delegate to the International Roads Congress in 1930 and in that same year started a movement to increase Federal aid for highways by $50,000,000 per year. At that time he declared that "highway building is one of the most effective means of providing additional employment under present circumstances."

His efforts helped to increase Iowa's primary road fund by $1,332,000 a year for the years 1931, 1932, and 1933, when President Hoover signed the Dowell bill increasing Federal highway aid from seventy-five million to one hundred and twenty-five million. His prime thought when running for reelection in 1936 was a renewal of his campaign for more good roads.

I am for good roads always,

He said:

I think we have the finest system anywhere. • • • My going back [to Congress] is just taking up the work where I left off.

Best known on the House floor as a parliamentarian, Mr. DOWELL did not relinquish this distinction even during the days of the Democratic ascendancy, when Republican points of order did not always carry the most weight. He was known as a Congressman who was able to satisfy his own district and represent its interests in the hurly-burly of capital political life.

He was ever diligent in his duties, and at a time when attendance at House sessions was often sporadic, Mr. DOWELL never failed to occupy his seat.

He was a supporter, on the whole, of agricultural legislation, and as a parliamentarian he helped to steer the original McNary-Haugen bill through its tortuous course, which resulted in congressional adoption but a Presidential veto. During the last regular session he actively supported the $225,000,000 appropriation for farm parity payments and an increased appropriation to permit Federal Surplus Commodities Corporation to buy more farm products.

Mr. DOWELL was successful in his efforts to obtain appropriations for his district. He was instrumental in having Camp Dodge chosen as a site for the great military cantonment during the World War. He successfully sponsored the $1,300,000 veterans' hospital built in Des Moines in 1933, as well as the $125,000 addition now being started.

The veterans' hospital at Knoxville, Iowa, was the result of his labors for his district. He secured the appropriation for the new $800,000 Federal building on the Dest Moines river front and introduced and obtained passage of a bill providing for the retention of the old Federal building at Fifth and Court Avenues, in Des Moines, for the Government. The $345,000 addition to the post office in Des Moines, completed in 1935, also was a result of Mr. DOWELL's efforts.

Mr. DOWELL voted for the soldiers' bonus in 1924, the 50-percent bonus loan in 1931, restrictive immigration law in 1924, Boulder Dam in 1928, the Tariff Act of 1930, and the Reconstruction Finance Corporation in 1932.

He voted April 17, 1918, for the resolution declaring that a state of war existed between the United States and Germany. Later he went to France with other Congressmen "to see what kind of treatment our soldiers were getting." A few days after the battle of Chateau-Thierry the group came upon the One Hundred and Sixty-eighth Infantry, which included then the old Fifty-fifth Iowa National Guard regiment. Mr. DOWELL was in Paris during its bombardment by Big Bertha, Germany's super-long-range artillery piece.

A bachelor until 1928, Mr. DOWELL then married his secretary, Miss Belle I. Riddle, the ceremony being performed by the late Rev. Charles Medbury, of Des Moines, pastor of University Church of Christ. Miss Riddle had served as the Iowan's secretary during the time he was in the Iowa State Senate, in his law office in Des Moines, and during the time he had been in Washington. The only other immediate survivor is a sister, Sidna Dowell, of Des Moines.

In 1931 Mr. and Mrs. Dowell sailed on a Pacific cruise, stopping at Hawaii, the Philippines, Guam, China, and Japan. During this trip Mr. DOWELL had two objects in mind—the road systems of these countries, and the value of these colonies to the United States. The material he gathered in this regard was valuable for the use of the Roads Committee and of the Territories Committee, of which he was a member. Mr. and Mrs. Dowell brought back vivid pictures and stories of war-torn China and the constant struggle of a vast population for the necessities of life.

In 1935, the Dowells toured 14 countries in Europe, Asia Minor, and Africa, including the Holy Land, Arabia, and Egypt. On his return, Mr. DOWELL predicted a European war of cataclysmic proportions. Always when returning from a foreign country he would say, "America for me," and above all he loved his native State of Iowa.

Congressman DOWELL was not born to title or coronet, but he was one of God's noblemen. He was quiet and unassuming in all his activities and relationships. He was of the people. The people trusted him, and so called him to service in high places for the greater part of his life. Lincoln said that God must have loved the common man because he made so many of them. And in this spirit we leave the memory of CASSIUS DOWELL as one who loved his fellow men.

The burial service was attended by the congressional and senatorial delegations from Washington and by an escort of honorary pallbearers who represented the most prominent men of the State of Iowa. The church was crowded with lifelong friends. At this time his pastor, Rev. Clarence N. Bigelow, at the University Church of Christ, eloquently told of his life, and taking the text from Timothy ii, 4:7, "I have fought a good fight, I have finished my course, I have kept the faith," said:

There have gathered in this church people from all walks and various interests in life. The imaginary lines of social, economic, and political life have been forgotten. Men have come because of the memory of a personality which endeared itself to them in other than material ways.

It would be a feeble effort on the part of any man to recite the historic points of a life and feel that he had measured that life's influence. It is always interesting to recall dates and activities, but more helpful to think of ideals which have brought about certain events.

CASSIUS DOWELL, to the people of Iowa, the United States, and the world, was more than just a man whose material existence extended over a 76-year period. Not perfect, none of us are, but I believe we can truthfully say of him that in the words of the writer of our text "he fought a good fight." One in public life certainly does not have it too easy—often criticized, misunderstood, and falsely accused. Those of us who knew this man knew him to be modest, cautious, and honest. His caution was often interpreted as fear, but I think of him as courageously cautious. It took fortitude and strength of character, plus an undaunted honesty, to withhold a statement of opinion upon a controversial subject until after he was satisfied that he had at least recognized in his thinking all the facts in the case. Some said that this trait was a weakness, but to me it was a sign of honesty and sincere desire to serve in the American way all interests of the American public.

His activity in Congress and public life was just the result of conscientious effort, persistent fighting, and constant growth. The path of life of his human existence led from a little community in Warren County, Iowa, to the National Capitol of our United States of America. Upon every hand evidence of service is to be found, a service that recognized all individuals, and it can be said that he finished the course. At no place did he rest upon the oars but always manifested even in that brief period when not in office a keen interest in National and State affairs.

In this service one characteristic stands out so clearly in the minds of those who knew him, namely, his faith in his fellow men. A genuine friendship for laborer and employer, for farmer and man of

the city, in fact for every individual, has found expression from many different angles. For a man to remain so active in world affairs, to maintain a personal interest in an individual only shows too clearly that his is a strong faith in a divine power.

So long as we have the memory, the great struggle to bring Iowa from the mud roads to our modern paved highways, to recognize the problem of agriculture, and how there was needed someone in authority to recognize rehabilitation of the veterans of our wars, we will see again CASSIUS DOWELL stepping into that place of leadership, and he will live in our memories. And living in the memories of those whom he befriended he lives in the world. A great, good, and kind man never dies. Again I say men are not perfect, but a nation was built not upon worshipping with personal satisfaction the mistakes of great statesmen but by forgetting their weaknesses and flaming the fires of memory recalling the best of their thought, the highest motives of their lives, and their unselfish ideals of service. May Iowa pay her tribute to the unselfish and honest service of CASSIUS C. DOWELL by ever recalling the modesty, the humility, and the courageous cautiousness of this man's life.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. CULKIN. Mr. Speaker, the untimely taking away of the Honorable WALLACE E. PIERCE, of the Thirty-first Congressional District of New York, caused universal grief, not only in Congress but throughout the whole State of New York.

Measured by time, his service in Congress was all too brief, but during the period of his service he made his way into the hearts of his colleagues. Blessed by a charming personality, a thorough knowledge of public affairs, and an intense loyalty to his constituents, he was rapidly making a place for himself in the councils of his party and the whole Congress.

Congressman PIERCE's district abuts on the district that I have the honor to represent, and problems of the two districts are more or less similar. From the beginning of his service we collaborated together continually as to the problems of our districts. I was impressed from the beginning with the clarity of his viewpoint and his effective grasp of all public questions. He was a trained and able lawyer, and his service on the Judiciary Committee was marked with outstanding contributions to sound legislation and adherence to constitutional forms.

I had the honor to attend his funeral at his home city of Plattsburg, N. Y. Never have I seen such overwhelming demonstration of universal grief. People in every walk of life, the rich and poor, paid tribute to WALLY PIERCE's memory and to his splendid qualities of mind and heart.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. BULWINKLE. Mr. Speaker, as chairman of the Committee on Memorials, I wish to extend my remarks upon the life, character, and public services of the Honorable THOMAS S. MCMILLAN, Congressman from the State of South Carolina, by inserting in the RECORD the address of the Honorable JAMES F. BYRNES, Senator from the State of South Carolina, and a letter addressed to me as chairman of the committee.

UNITED STATES SENATE,
COMMITTEE ON APPROPRIATIONS,
April 23, 1940.

Hon. A. L. BULWINKLE,
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN: I am enclosing to you a statement with reference to the late THOMAS S. MCMILLAN to be included in the CONGRESSIONAL RECORD under House Resolution No. 437.

Sincerely yours,

JAMES F. BYRNES.

THOMAS SANDERS MCMILLAN's long service in the House of Representatives was characterized by exceptional fidelity to duty and an earnestness of effort that earned for him the plaudits of his fellow men. Yet it was not his chief purpose to receive the approbation of those whom he served. Rather it was the conscientious discharge of his duties as he saw them that endeared him to his constituents and those with whom he served in the National Capitol.

Beginning his legislative service with the Sixty-ninth Congress, Mr. MCMILLAN labored with such distinction that the First District of South Carolina conferred upon him the same honors for each succeeding session of Congress. His death during the second session of the Seventy-sixth Congress came suddenly, in the prime of a career that had brought deserved honors to himself, his family, and his State.

Mr. MCMILLAN's legislative experience, coupled with his ever-evident desire to serve the interests of his State and Nation, enabled him to perform many arduous tasks with skill which was deeply impressive. He was energetic, tireless, and judicious. He regarded his legislative post as a sacred trust, and he laid aside no task until he knew it had been finished.

He dedicated himself and his talents to a high purpose, and he could have left no more treasured heritage to his family and to his friends.

TOM MCMILLAN was a man of convictions. He was a man of courage. Those of us whose privilege it was to work beside him knew and appreciated his worth. His innate modesty could not conceal from his fellow workers his marked ability, and those best qualified to appraise his long years of faithful service to his country know that he richly merited the epitaph every man cherishes, "Well done, thou good and faithful servant."

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. WILLIAM E. HESS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. HESS. Mr. Speaker, for a number of years, before I became a Member of the House of Representatives, I had heard of CHESTER C. BOLTON as a most active member of our State legislative bodies. I therefore looked forward with pleasure to meeting and serving with him in the Congress. Until the untimely moment of his death I served a concurrent term with him beginning in the Seventy-first Congress, when each of us was first honored to sit in the House of Representatives. As we proceeded throughout those subsequent sessions, I found CHESTER C. BOLTON to be an earnest legislator of high ability and purpose and a steadfast Republican of undiminished loyalty.

My heart is heavy, for I have lost a very dear and loyal friend, and his State and Nation has lost an outstanding citizen and statesman. Ohio, which has had many illustrious sons, can well be proud of him. His life touched on many fields of endeavor, and in each he made his mark.

CHESTER C. BOLTON has relinquished his public trust only at the hand of death itself. He served his district and his Nation well and was rewarded with the genuine esteem of all of us who saw his good works. He has set an example in his persistent efforts for what he deemed to be the best interests of those whom he represented.

My fullest sympathy goes out to his courageous widow and devoted sons.

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. ROBERT K. GOODWIN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. GOODWIN. Mr. Speaker, it is in the most humble spirit that I take part in this memorial for the late CASSIUS CLAY DOWELL, who was my distinguished predecessor in this body from the Sixth Congressional District of Iowa.

Mr. DOWELL was a commanding figure in the Nation and in Iowa when, as a high-school student, I first began to take an interest in public affairs.

In college as well as in high school it was justly and properly impressed upon us that in Mr. DOWELL were to be found the fine qualities of American statesmanship—character, courage, ability, and, finally, the willingness to work and work hard for the good of the country.

Mr. DOWELL came to this body well prepared to take his place as the representative of the people of the great agricultural, business, and industrial section of central Iowa.

Mr. DOWELL's parents were Quakers who came to Iowa in a covered wagon and settled on a farm in Warren County near the village of Summerset. It was here in a log cabin that Mr. DOWELL was born on February 29, 1864.

After attending the public schools Mr. DOWELL was graduated in 1886 from the liberal arts department at Drake University in Des Moines, and from the law college of the same institution in 1887. In the meantime he had taken some college work at the Baptist College in Des Moines and at Simpson College in Indianola.

At Drake University, Mr. DOWELL was active in debating, and it was at this time that he laid the groundwork for his later acknowledged leadership as a parliamentarian. Here Mr. DOWELL was a member of Phi Beta Kappa and Delta Theta Pi.

Mr. DOWELL was admitted to the bar in 1888 and built up a highly successful law practice which he relinquished in 1915 upon his election to the House of Representatives.

His service in Washington was preceded by a distinguished record in the legislative halls of Iowa. He was a member of the Iowa House of Representatives from 1894 until 1898 and was elected speaker pro tempore of the house. He served in the Iowa State Senate from 1902 until 1912. This successful service was a deciding factor in his election for the congressional post which he held so long and so ably.

Following his election to the Sixty-fourth Congress, Mr. DOWELL was reelected to each succeeding Congress, including the Seventy-third; and he was again elected to the Seventy-fifth Congress and Seventy-sixth Congress.

Iowa has had many devoted sons who have espoused the cause of agriculture in Washington, but none has excelled Mr. DOWELL. He knew that the prosperity, the well-being, and the high standards of living which have been so much in evidence in America were dependent upon the prosperity of the farm. Year in and year out Mr. DOWELL could be depended upon by the farmers of his district, his State, and his Nation. That Mr. DOWELL performed great service in behalf of agriculture is well attested by the faith which his agricultural constituents expressed in him year after year.

Mr. DOWELL was, too, a true and good friend of labor and of business. He was one man who excelled in the ability to work out the problems of labor and of business upon the basis of mutual understanding with consequent profit to all concerned. In this Mr. DOWELL set a fine example for those who now and in the future may engage in public service.

As the friend of the war veterans and as the friend of good roads, Mr. DOWELL left a record of service and accomplishment of which we of his district are justly proud.

Mr. DOWELL was one of the pioneers in good-roads work. He early saw the great advantages of good roads. The very conditions which make Iowa the garden spot of the world contribute to our problem of roads. Mr. DOWELL took the lead with the result that Iowa today has one of the outstanding road systems of the country. This is due in no small part to the foresight and the work of Mr. DOWELL.

While the Great War was on Mr. DOWELL visioned the price, the increasing price, which those who took up arms for their country would be called upon to pay, particularly in health. We of the Sixth Iowa District have long been confident that in Mr. DOWELL we had a champion for the veterans who was without a peer. Mr. DOWELL took the keenest interest in the veteran problems, whether they were the problems of an individual or of a group. The results of Mr. DOWELL's work are of greater testimonial than any words which I might utter.

During the present period of economic uncertainty he went the extra mile with our needy aged; he was a good Samaritan.

CASSIUS C. DOWELL loved his God and his fellow men. He was a devoted member of the University Church of Christ in Des Moines and a loyal son of Drake University. His lifetime of service is a beacon light to those who follow him, and especially to those who, like myself, are called upon to take up the work which he performed with such outstanding ability.

As I close these remarks upon the life of this son of Scotch-American parentage, there come to mind the words of Robert Burns, that—

> From scenes like these, Old Scotia's grandeur springs,
> That makes her loved at home, revered abroad:
> Princes and lords are but the breath of kings,
> "An honest man's the noblest work of God."

John Andrew Martin

MEMORIAL ADDRESS
OF
HON. ALFRED L. BULWINKLE
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JOHN ANDREW MARTIN, late a Representative from the State of Colorado

Mr. BULWINKLE. Mr. Speaker, as chairman of the Committee on Memorials, I wish to extend my remarks upon the life, character, and public services of the Honorable JOHN A. MARTIN, Congressman from the State of Colorado, by inserting in the RECORD the address of the Honorable ALVA B. ADAMS, Senator from the State of Colorado, and a letter addressed to me as chairman of the committee.

UNITED STATES SENATE,
COMMITTEE ON PUBLIC LANDS AND SURVEYS,
April 23, 1940.

The Honorable A. L. BULWINKLE,
Chairman, Committee on Memorials,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: With further reference to the memorial services to be held in the House of Representatives on Wednesday morning, April 24, I herewith send you for filing, my remarks on the life, character, and public service of the late JOHN A. MARTIN, Congressman from the Third Congressional District, Colorado.

Yours very truly,

ALVA B. ADAMS.

REMARKS BY HON. ALVA B. ADAMS, OF COLORADO

The record of the life of JOHN A. MARTIN is one of service to mankind in many fields of earnest struggle to improve the lot of others, especially those upon whom the hand of fate rested heavily.

As a young man he joined with fellow workmen in a great battle to improve the wage and working conditions of workers in the great

railroad industry. His efforts cost him his job. Undaunted, he turned to other fields. With struggle and sacrifice he qualified himself for admission to the bar. He was a good lawyer, but his talents were most happily and most generally engaged as the advocate and defender of the oppressed and the unfortunate.

Called into political service by his fellow citizens, JOHN A. MARTIN distinguished himself in the State legislature by consistent and usually successful fighting against economic wrong and oppression and against abuses of the elective franchise which in some communities denied to many their just and constitutional rights.

When the World War came, inspired by devotion to his country and to the principles of liberty and democracy for which it was fighting, though over the age for enforced military service, JOHN MARTIN abandoned his profitable legal business and not only enlisted as a private in the Army but recruited a regiment for war service. He was commissioned a major. To his great regret, he was denied an opportunity to see active service with the American forces in Europe. He was ever in both private and public life a friend and supporter of every measure for the welfare of his comrades in arms.

JOHN MARTIN served in Congress from 1909 to 1913, declining to be a candidate for reelection. His constituents again drafted him for their Representative in the House of Representatives in 1932, where he continued until called to higher service on December 23, 1939.

In Congress, as in all his life, JOHN MARTIN continued to battle for the less fortunate and for the cause of the weak and oppressed. He was an orator of power and persuasiveness. Whether on the floor of Congress, in conference, or on the platform, his earnestness, his frank integrity, his well-stored and logical mind always held the interest of and secured consideration from all who heard him.

He never rested in the pursuit of the welfare of his constituents. There were no vacations for him from his efforts on behalf of those who had entrusted their interests to his care.

His constituents are constructing in his home city a memorial in his honor. Most appropriately this memorial to a man who ever battled for the unfortunate will provide needed care and medical attention for children who are victims of sickness and misfortune.

However, JOHN MARTIN did not restrict his interests or his efforts to his congressional district. He was a loyal, devoted citizen of the entire country.

He was my Congressman. For 40 years he had been my neighbor and dear friend.

JOHN A. MARTIN was a true patriot, and I join with you, his colleagues, in sorrow and regret at his passing.

Carl E. Mapes

MEMORIAL ADDRESS
OF
HON. WILLIAM W. BLACKNEY
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL E. MAPES, late a Representative from the State of Michigan

Mr. BLACKNEY. Mr. Speaker, the 30th of May, by custom and by legislation, has been designated as Memorial Day, at which time we pay tribute to our departed dead, whose services to their country have endeared their memories to State and Nation. It is a fine tribute for a nation to pause in the midst of its business strife and worries to pay tribute to these heroes, because it shows that the heart of the Nation is fundamentally sound and appreciative.

Likewise, Congress, by long custom, has established a Memorial Day, on which occasion tribute is paid to those departed members, who have endeared themselves, not only to the Members of the House and Senate, but to their constituents at home.

Since the last memorial roll call, 2 Senators and 17 Representatives have departed this life, leaving their memories embedded in the hearts of their surviving colleagues.

On this memorial-service day, I wish to pay tribute to the memory of my former colleague and long-time friend, CARL EDGAR MAPES, who, for 27 years, represented the Fifth Congressional District of Michigan faithfully and well. Since the first day that I met my departed colleague I have felt the impress of his splendid character and outstanding virtues.

CARL MAPES was fundamentally a real American, a great constitutionalist, a fine parliamentarian, an earnest, devoted worker in the public service, and a friend in time of need. On December 12, 1939, when his death was announced, a wave of sorrow swept over the State of Michigan, and over the Nation at the loss of this fine public servant. America, in these days, particularly, needs men of the type of CARL MAPES—

> Men whom the lust of office does not kill,
> Men whom the spoils of office cannot buy,
> Men who possess a conscience and a will,
> Men who have honor, men who will not lie—
> Tall men, sun-crowned, who live above the fog.

In the hectic days of Congress, CARL MAPES remained calm and thoughtful. When others were excited, he was well poised and deliberative. He remained, like the Rock of Gibraltar, untouched and unscathed.

Francis Thompson, in one of his beautiful poems, said:

> For there is nothing lives but something dies,
> And there is nothing dies but something lives.
> Till skies be fugitives,
> Till time, the hidden root of change, updrives,
> Are birth and death inseparable on earth,
> For they are twain yet one, and death is birth.

CARL MAPES was modest in demeanor, earnest in action, faithful to his trust, and when the shades of eternal night descended upon him it could be said of him, as of the Apostle Paul, "He has fought a good fight, he has finished his course, he has kept the faith."

CARL MAPES, as an outstanding Congressman for 27 years, as a defender of the Constitution, as a preserver of those great institutions which have made America great, as a hope and inspiration for the youth of the land, did fight a good fight, and to his last days preserved his faith in our great country, which is without prototype in the history of nations.

Tennyson, in that beautiful poem of his, says:

> And the stately ships sail on
> To the haven under the hill,
> But, oh! for the touch of a vanished hand,
> And the sound of a voice that is still.

And while we will no longer hear the voice of our departed colleague, no longer grasp his friendly hand, yet his memory will linger with us through the years to come, like the aroma of beautiful flowers.

Emmett Marshall Owen

MEMORIAL ADDRESS
OF
HON. PAUL BROWN
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EMMETT MARSHALL OWEN, late a Representative from the State of Georgia

Mr. BROWN of Georgia. Mr. Speaker, on June 21, 1939, EMMETT MARSHALL OWEN departed this life after 37 years of distinguished public service.

He was born at Hollonville, Pike County, Ga., October 19, 1877. He was a graduate of Gordon Institute, Barnesville, Ga., and of the University of Georgia Law School. In 1904 he married Miss Alma Jones, of Greenville, Ga., who died in 1928. Two children were born of this union—Mrs. H. B. Floyd, of Covington, Ga., and Emmett Marshall Owen, Jr., of Jacksonville, Fla.

He was a kind and devoted husband and an affectionate father. He was always loyal to his church.

He served two terms in the Georgia Legislature, was solicitor of the city court of Zebulon for some time, solicitor general of the Flint and Griffin judicial circuits for 20 years, and a Member of the House of Representatives for nearly 7 years.

As a lawyer he was zealous and absolutely fearless. His understanding of human nature, ready wit, keen sense of humor, combined with his great natural legal ability, made him one of the oustanding prosecuting attorneys of his State.

EMMETT OWEN was a man of brilliant intellect and retentive memory. He was the only man I ever knew who never forgot anything. He was a strong character, always tactful, and had the knack of never giving offense, and in his 37 years of public service, as a general practitioner, as prosecuting attorney, as a member of the Georgia Legislature, and as a Member of the Congress of the United States, he had as many friends and fewer enemies than probably any man in the history of his State. In all these years he had opposition only one time, and he was one of the few men who ever came to Congress without opposition.

As a citizen he was deeply interested in all matters pertaining to the advancement of his community, his State, and his country. He rendered useful service in Congress as an outstanding member of the Committee on Agriculture.

His charming personality, pleasant manner, cheerfulness, charitableness, and loyalty endeared him not only to every Member of Congress who knew him but to a host of friends throughout the State of Georgia and the Nation. He was one of the most generous and unselfish men I have ever known.

The thousands of people who attended his funeral as a last tribute were from all walks of life, and they recognize the great loss to the State and the Nation in the passing of this distinguished and useful citizen.

It was my great privilege to know him intimately and to love him dearly, and I submit these brief remarks as my humble tribute to him.

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. JENSEN. Mr. Speaker, I desire to take this occasion to pay tribute to our late colleague from Iowa, Hon. C. C. DOWELL.

Before joining this august body, I felt that I knew Mr. DOWELL, because the fine reputation he had made in Congress was well known throughout the State. He belonged not alone to his district but to the State of Iowa and to the Nation.

Upon becoming personally acquainted with him while here in Congress, my affection and respect for him increased each succeeding day. To me he embodied the finest there is in man. He was a Christian gentleman and an able and conscientious legislator, devoted to the interests and preservation of our Government.

Because of the warm-hearted affection and untiring efforts he gave to the veterans of all wars and their interests, I should like to read in part a tribute paid to him by Frank Miles, editor of the Iowa Legionnaire:

World War veterans and thousands of other Americans had no better friend than Sixth District Congressman CASSIUS C. DOWELL, who died in Washington, D. C., February 4.

The kindly Iowan spent most of his 76 years in public service—the Iowa House and Senate and the National House. He made a splendid record from beginning to end, but he will be best remembered for his goodness to and affection for his fellow men.

Mr. DOWELL visited Iowa Rainbow veterans in France in 1918. He shook hands with and hugged all who reached him, and when he departed all of his pockets were full of letters to mothers and sweethearts at home.

After the war, Past State Commander Robert W. Colflesh, then an obscure orphan boy who had left a leg in France, won his heart. DOWELL made "BOB" a clerk to a House committee, thus enabling the brilliant and now nationally known Legionnaire to acquire a higher education at George Washington University.

"The next election will send another Representative to Washington," said Rev. C. N. Bigelow, preaching the funeral sermon amid the banks of flowers around the brown casket in the University Church of Christ in Des Moines, to which Mr. DOWELL belonged; "we have other statesmen and world citizens, but our good friend CASSIUS DOWELL cannot be restored to us.

"Some called him 'Cautious CASSIUS.' I should say he was courageously cautious, because he did always what he was impelled to do by his honest convictions."

Mr. DOWELL was born in Warren County. From a log cabin he went to the National Capitol. He traveled in Europe and the Orient. He knew people all over the United States. He loved humanity, he loved America, he loved Iowans, his home folks. He was as nearly good as a human could be.

No memorial in stone needs to be erected to commemorate his memory; that will be preserved in the hearts and minds of the thousands who knew and cherished his friendship.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. J. HARRY McGREGOR
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. McGREGOR. Mr. Speaker, I approach the task of paying tribute to the late CHESTER C. BOLTON with humility, for here truly was a great man.

Quiet, earnest, always a gentleman in the true sense, Hon. CHESTER C. BOLTON won his way to esteem and high honor, not through spectacular gestures and vain display of his powers but through tireless effort and perseverance.

A personality of eminence, who always had the interest of the oppressed in his heart, CHESTER C. BOLTON will be remembered and mourned for his understanding, great sympathy, and human feeling for those in distress—a servant of the people and for the people who always placed human rights above property rights.

In his death the people of the State of Ohio, and his district in particular, have lost a faithful public servant, a wise counselor, and a scholar whose simplicity of life and high ideals may serve as a model for us all.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. HARRY N. ROUTZOHN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. ROUTZOHN. Mr. Speaker, I first met CHESTER C. BOLTON a number of years ago when he as a young man was a member of the Ohio Senate. Upon invitation from the Lawyers' Club of Dayton, Ohio, he had come to my home city to address the members.

His subject dealt with a fiscal policy of the State government, and he was advocating its adoption. I recall very distinctly his masterly presentation and development of the subject, as well as the favorable comments and compliments of his hearers.

It was then generally predicted, and I marked it well, that CHESTER BOLTON had the ability and presence to go far in the attainment of political prominence.

It was my privilege to note his progress and, eventually, to meet him here as a fellow Member of the House. At the time of his passing I took occasion to speak of his kindness, his gentility, and emphasized them, although he had all the

other qualities of a fine Christian gentleman. I sought his counsel and advice, knowing that I could unqualifiedly depend upon his superior experience and sound judgment.

I cherished the opportunity of sitting beside him here in this Chamber because those contacts, however brief, uplifted my thought and inspired conscientious devotion to duty.

For some time before he passed on I was conscious of the struggle he was having with dread disease and of his courageous endeavors to remain at his post of duty.

His was the spirit of life that never capitulates to the mortal belief in death.

He is not dead.
The stars go down
To shine upon some fairer shore,
And bright in heaven's jeweled crown
They shine and shine for ever more.

William Irving Sirovich

MEMORIAL ADDRESS
OF
HON. CHARLES KRAMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM IRVING SIROVICH, late a Representative from the State of New York

Mr. KRAMER. Mr. Speaker, when the messenger of death knocked at the door of the House and summoned to everlasting life our dearly beloved colleague, Congressman WILLIAM I. SIROVICH, he took one of our most beloved Members.

My acquaintance and friendship with the "Doctor," as he was familiarly known, began when I was elected to Congress in 1932, and during the 7 years I served with him on the Patents Committee I became very fond of him and admired his brilliant statesmanship. The value of his friendship is inestimable, and to evaluate his achievements is wellnigh impossible. The scope of his labors was almost all-embracing, and he was a dominent influence in whatever field of endeavor he was occupied. He was a most forceful and eloquent speaker, and his silver-tongued oratory will long be remembered.

Mere words are inadequate to pay tribute to the noble, self-sacrificing, energetic personality that was Dr. SIROVICH. His loss will be keenly felt for a long time to come. We salute and cherish his memory—we believe that in the breast of all who knew him there is enshrined an unwritten memorial of his deeds—we pray his departed soul may rest in peace.

William I. Sirovich

MEMORIAL ADDRESS
OF
HON. MATTHEW J. MERRITT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM I. SIROVICH, late a Representative from the State of New York

Mr. MERRITT. Mr. Speaker, our late colleague, "Doc" SIROVICH, as he was affectionately known among the Members of the House, whose sudden departure we deplore and whose passing we mourn, was a scholarly gentleman and an able legislator.

His sincerity at all times was admirable, and at no time was the constituency of this Representative ever neglected or their rights jeopardized by his actions.

He was the exemplar of humanitarianism, his every act was kindness toward his fellow man.

In his death we have lost a real friend and wise counselor.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. ALLEN T. TREADWAY
OF MASSACHUSETTS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. TREADWAY. Mr. Speaker, in the death of my long-time friend and colleague, CARL E. MAPES, I feel a sense of deep personal loss.

CARL and I began our service in this body together, as Members of the Sixty-third Congress. We had been close companions for over a quarter of a century, and his passing leaves a distinct void in my own life.

The poet comforts us with the thought that—

To live in hearts we leave behind
Is not to die.

CARL MAPES will live in hearts he has left behind. During our long association, my love for him as a friend, and my respect for him as a man, continued to grow.

Quiet and unassuming, he nevertheless forged to the front as one of the outstanding Members of this body by reason of his profound knowledge of parliamentary procedure and his grasp of legislative problems. At the time of his death he was the ranking Republican member of two major committees of the House of Representatives. He stood as high in the esteem of the Members, regardless of party affiliation, as anyone possibly could, and his opinion on a matter was always respected for its sincerity and depth of understanding.

While a loyal Republican, CARL was never a bitter partisan, nor was his viewpoint either biased or provincial. Rather, he was a statesman of the highest order, whose sole purpose in life was to serve his country and his district to the best of his ability.

His untimely death came while he was on a mission as an agent of the House of Representatives, and it was this characteristic devotion to duty, even when at the risk of his health, which undoubtedly hastened his end.

We extend our sincere sympathy to his family and join in their bereavement.

George Henry Heinke

MEMORIAL ADDRESS
OF
HON. JOHN W. GWYNNE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. GEORGE HENRY HEINKE, late a Representative from the State of Nebraska

Mr. GWYNNE. Mr. Speaker, the news of the tragic death of the Honorable GEORGE HEINKE came as a shock to all of us. During his year in Congress I had the opportunity of knowing him both at his work and in his home. As a Member of Congress he was in constant attendance upon his duties. He made a careful study of all legislation coming before the House. He was quick to grasp the principles involved in the most complicated bill, and decided upon it after he had reduced it to its simplest terms. However, his outstanding characteristic was his courage. His vote was dictated by his own conscience and by no other consideration. His philosophy of life and his views of government were those of the pioneers who made his State and his Nation great.

The passing of such a man from public life is a distinct loss to the Nation in this critical period. Those of us who had the privilege of knowing GEORGE HEINKE and his family, most sincerely sympathize with them in their bereavement.

John Andrew Martin

MEMORIAL ADDRESS
OF
HON. USHER L. BURDICK
OF NORTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JOHN ANDREW MARTIN, late a Representative from the State of Colorado

Mr. BURDICK. Mr. Speaker, in the death of Congressman JOHN A. MARTIN, of Colorado, the people of the United States have sustained what I believe to be an irreparable loss. No man ever sat in the House of Representatives who was his peer in patriotism and devotion to our democracy. At the same time he worked overtime to make this Government better. He was not afraid to speak out and condemn the evils that have developed in our system of government. His knowledge of government, his logic, and power of argument were always trained on the mistakes of our Government. Yet those great powers of his were at the same time trained against all enemies of this Government who advocated its destruction. Men of the type of JOHN A. MARTIN can easily be misunderstood for the reason that the number of men in this country who have his most excellent viewpoint is relatively small.

Those who heard him demand the correction of the evils of government; those who heard him insist upon making our Government serve the interest of the men, women, and children of the lower strata of our population, who not only need but deserve protection, would brand him as a "troublesome progressive," who was not content to acquiesce in things as they are in government. Those who heard him condemn that radical element in this country who openly assert that this Government must be dispensed with and a new one set up would brand him as a servile instrument of the capitalistic class. Few men in the United States, and a rare few in the Congress of the United States, desire to take or ever have taken that stand which JOHN A. MARTIN defended to his last breath.

Others who shall pay tribute to the memory of JOHN A. MARTIN will tell of his official record and his background, but I desire to speak of him as I saw him here in Congress. A short synopsis of his record will serve the purpose I have in view. He was a farmer, a railroad man, lawyer, newspaper editor, soldier, and statesman. He was born in Cincinnati, Ohio, April 10, 1868, and died in the city of Washington, D. C., December 23, 1939.

He never appeared to be a man past 70, and when in action in the Well of the House, with his snow-white hair and ruddy face, he seemed to possess the power of youth. He was a natural orator as I interpret the meaning of the word. He created immediate attention in the first paragraph of his speech and held it to the end; when he had finished, those who heard him remembered what he said. Is there anything else an oration can do?

His philosophy was to help and assist those who were unfortunate; he was a friend of the poor and the needy. He abhorred charity and many times said that our economic mistakes could not be cured by charity. He insisted that every citizen of the United States should have an equal opportunity in our economic system. He was outspoken against special privilege; and on this issue he never erred, as his votes in the House will disclose.

JOHN MARTIN was endowed with a delightful personality, and from his struggles in reading law while a fireman on the Santa Fe Railroad he knew what work was. From that experience his whole nature was in sympathy with those who toil. He was honest with himself and, accordingly, with everyone else. He was liked by every Member of Congress; and from his repeated elections in Colorado, he must have been at least one Member of Congress who was admired by the home folks.

His struggle here in Congress to assist the people in Colorado and the Nation who were in distress wore him out. He intended to retire from Congress at the close of the Seventy-sixth Congress and rest. But that was not to be; he died in the harness, working for the plain people of this great country. No one ever represented them more faithfully and more efficiently in the Congress of the United States; and while his body is dead, his works remain in a permanent record of the affairs and history of this great Republic. His spirit still lives, and his labors here on earth will be an inspiration to the youth of today and to the unborn generations who will come after us.

THERE IS NO DEATH

There is no death! We find it so.
We sought and searched and now we know.
There is no death! Across the way
We find new life, a better day.
Our newer home where love is king,
Where every soul with praise doth sing.

There is no death! What seemed a pall
Was but a shadow over all,
Above there floats in heavenly space
God's angel, with a glowing face;
His wings of peace so calmly spread
To cover those that we call dead!
They, in the morning, fresh and bright,
Shall rise to clearer, better sight;
They'll breathe with love's eternal breath
And sing, Thank God, there is no death!

O, men arise, shake off thy fear,
Look up and smile, nor shed a tear;
Prepare to live so well on earth
That thou shalt know the larger birth.
O, live so closely to God's love
That when His angels from above
Shall whisper in thy listening ear,
Each word thou shalt most plainly hear.
Press forward! Live as they have said;
Thou, too, shalt prove, There are no dead!

—*Harrie Vernette Rhodes.*

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. ALBERT J. ENGEL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. ENGEL. Mr. Speaker, I was on the good ship *Cristobal* on my way back from Panama when I read the radio news that CARL MAPES was dead. I had left him a few days before in apparently good health, smilingly saying "good-by," and now he was gone. Somehow, it was hard to believe that a man with his influence in Congress and at the height of his mental powers was dead. I was not only shocked—I was stunned when I read the news. I looked across the ocean to the island of San Domingo where Columbus had landed nearly 450 years ago when he discovered America. Four hundred and fifty years is a long time as time is measured by ones own life, and yet but a grain of sand in the mountain of eternity.

It has been 150 years or one-third of that period since we adopted our Constitution—a comparatively short time as time is measured by human lives. I thought of the service CARL had rendered to his State and Nation. For 27 years, or more than one-sixth of that period, CARL MAPES sat in Congress. For 27 years he helped to guide the destinies of our Nation and to protect our liberties and our freedom. For 27 years he helped to pilot the Ship of State. He helped to guide her through the greatest war the world has ever seen. He was here when the Nation heard the news of Chateau-Thierry, the Meuse Argonne, and many other battles where men

fought, bled, and died for a cause in which they believed. He was here during that great period of American history when men marched and flags waved, when every American heart throbbed with patriotism, and when it was considered treason to say anything disloyal of our Government or to cast any reflection on our flag or Constitution.

He was here during the greatest depression the world has ever seen, when hungry men and women went radical, socialistic, and some even communistic; through times when men doubted the wisdom of the founders of our Government; when they would have destroyed the Constitution; through times when men in their despair or through their desire for political power would have delegated all the power of the legislative branch to the executive branch of the Government; when they would have made the judicial branch subservient to the executive branch; when they would have, in effect, destroyed the greatest protector of American liberty—the Supreme Court itself.

He was here during the days when Communists sat in the Members' family galleries of the House of Representatives, and claimed to have, and undoubtedly did have, influence in forming the legislative policies of our Government.

For 27 years he sat in the House of Representatives and helped to guide the destinies of our country, always calm and collected, refusing to become excited, never permitting his prejudices to sway him on the one hand, or temporary pressure groups to influence him on the other. An ardent believer in prohibition, he stood stanch for the principles in which he believed during the period when few men were able to withstand the tide against prohibition. To Carl it was a moral question, and to do other than that which he did was to do a moral wrong. Moral questions, according to his code, must be decided according to the dictates of his conscience and according to the right as God gave him to see the right.

And so he kept coming back term after term. Fourteen times his constituents elected and reelected him. Many who differed with him admired his quiet, unassuming courage, devotion to duty, and his sincere honesty. They forgot their differences of opinion and helped to send him back again and again.

Some of his political opponents called him a conservative and some even a reactionary, but he voted for the social-security bill and much other progressive legislation. They sometimes accused him of favoring big business as against the little fellow, but he voted for the largest relief appropriation bill in the history of Congress.

To be permitted to serve one's country in the House of Representatives; to help to guide her destinies and to write her history for more than one-sixth of the constitutional life of our Nation is a privilege accorded to few men. Still fewer in number are those who served their Nation for that period of time as conscientiously, loyally, and devotedly as did CARL MAPES. It is men like CARL MAPES whom the poet had in mind when he wrote:

> God give us men—
> Strong minds, great hearts, true faith, and willing hands;
> Men whom the lust of office does not kill;
> Men whom the spoils of office cannot buy;
> Men who possess opinions and a will;
> Men who have honor; men who will not lie;
> Men who can stand before a demagogue
> And damn his treacherous flatteries without winking;
> Tall men, sun-crowned, who live above the fog,
> In public duty and in private thinking.

We will always remember him as being strong mentally, for he died at the height of his mental powers. It is because of men like CARL MAPES that our Constitution and our Nation have been preserved thus far. Whether our Government continues to survive as we know it, and as our fathers handed it down to us, will depend upon the unselfish, devoted, and self-sacrificing service of men like him.

Carl is dead. He has gone to his eternal reward. His tired and weary soul is at rest. We mourn for him and thank God He gave our country a man like him. We sympathize with his good wife and companion of his lifetime, who stood so loyally by his side these many years; who helped and encouraged him; who bore and helped rear his children; who cared for and helped to make his a happy home, where he at the end of each day could find peace and rest and contentment. To her who must now carry on lonely and alone, we extend our heartfelt sympathies. We join her in mourning not only her, but our loss. The tender memories of the past will make it easier to bear the burden. God bless her!

Thomas Marion Eaton

MEMORIAL ADDRESS
OF
HON. CHARLES KRAMER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS MARION EATON, late a Representative from the State of California

Mr. KRAMER. Mr. Speaker, once more the Angel of Death has summoned to his eternal reward one of our beloved colleagues, Congressman THOMAS M. EATON.

Although Mr. EATON's service in Congress was short, it was memorable, and his sudden and untimely passing was a distinct loss to his many friends. While I did not have the pleasure of close association with Mr. EATON until he was elected to Congress in 1938, I soon learned to love and respect him, and had the highest regard and esteem for him and for his untiring efforts in Congress. He was always willing to cooperate with his colleagues in matters of interest to the public and was a tireless worker in his efforts to serve the State of California to the best of his ability as a Representative from the Eighteenth Congressional District. During his short service in Congress I have had the opportunity to observe at close range his achievements and to note the respect that was accorded him by his colleagues, regardless of political affiliations.

The State of California has lost an able citizen. Many of us will miss him sorely. His place will be hard, indeed, to fill. As one of his friends and associates, I mourn his passing; and to his sorrowing family let us extend the sympathy which their hour of grief and sorrow entitles them.

Edward W. Curley

MEMORIAL ADDRESS
OF
HON. MATTHEW J. MERRITT
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EDWARD W. CURLEY, late a Representative from the State of New York

Mr. MERRITT. Mr. Speaker, with the passing of our colleague, ED CURLEY, no words can be uttered or printed which will diminish the distinguished public record or the excellent character of this outstanding legislator. Likewise, little can be said that will add to the esteem and affection with which he is still held in the hearts and mind of the people of his congressional district.

In the House he was very active in the cause of labor and helped draft many important laws on that subject. His knowledge and sincerity were recognized by his colleagues, and at the time of his death he was one of the outstanding leaders for this cause.

In his death labor has lost a real friend, and his constituency a distinguished legislator and neighbor.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. B. J. MONKIEWICZ
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. MONKIEWICZ. Mr. Speaker, the death of WALLACE E. PIERCE affected me deeply. He and I were elected to the Seventy-sixth Congress as new Members, and we were both assigned to the Judiciary Committee where we sat next to each other during the first session. During this period I became very much attached to him.

There are certain events which remain in one's memory forever because of the effect they have and the part they play in one's life. I knew WALLACE E. PIERCE for a short time only. In fact, it was so brief that it seems as if his presence in my life were like the coming and going of the pleasant glow of sunshine between rainy periods. It was like a drink of fresh, cool water to one spending days in a desert. I had known him for only 1 year, but within that brief period the benefits derived from my association with him were immeasurable. He was inspiring to his associates, loyal to his friends, learned in his profession, and honorable in both his public and private life. He was retiring by nature and unassuming in manner, yet one need not have known him very long to discover the strong character and sound judgment behind that pleasant smile.

WALLACE PIERCE never wasted words. His remarks, whether in committee or on the floor of the House, were brief but to the point. Sound thought, profound wisdom and intellect were found in his discussions of legislation.

His life was as beautiful as it was wholesome. He was devoted to his family. I shall ever remember how happy he was on Friday mornings in Judiciary Committee when, at the end of the day's session, he was expecting to leave for Chicago for a week-end visit with his daughter and granddaughter. While always busy and occupied, he seemed to be looking forward to those cherished moments.

His career as a statesman was cut short by his ultimely demise. We, who remain, can only console ourselves with the beautiful memories that he leaves with us.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. MALCOLM C. TARVER
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. TARVER. Mr. Speaker, it is impossible to describe the feeling of grief and personal loss which swept over me when I heard over radio on a September night in 1939 the news of the death of TOMMIE MCMILLAN.

Closely associated with him for 13 years, serving during part of that time on the subcommittee of which he was chairman which formulated appropriations for the Departments of State, Justice, Commerce, and Labor, I knew him more intimately than many Members were privileged to know him, and that intimate knowledge confirmed in me participation in the universal esteem and admiration of which he was the recipient throughout his public life.

I shall not attempt a flowery tribute to his memory. He would not have it so. There was nothing bombastic nor ornate about TOM MCMILLAN. Content to work long hours, weeks, and years in the seclusion of a committee room, where few of the public realized the importance and efficiency of his labors, he contributed during the last several years more than any other one man to the efficiency and economy of the administration of the finances in the four departments over which his subcommittee had jurisdiction. The elimination of waste, the provision at the same time of adequate funds for necessary activities, the prevention of discriminations against the lower-paid and more humble employees whose interests are too frequently neglected—these were his especial objectives.

His loyalty to the interests of his district and State were outstanding qualities and yet above and beyond them he was devoted to the welfare of the American people. No selfish motive ever led him to support legislation or appropriations which were not justified upon the basis of national interest. Firm in his convictions as to what principles are essential to good government, he was frequently found in the last few years voting on the unpopular sides of pending issues, regarding as his obligation, transcending consideration for his own political welfare, to give the best his brain and heart could afford to the interests of his people.

It was an inspiration to have known and served with him. The State of South Carolina has lost in him an invaluable public servant; and I, in common with many thousands of others, have lost a friend.

William Edgar Borah

MEMORIAL ADDRESS
OF
HON. HENRY C. DWORSHAK
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM EDGAR BORAH, late a Senator from the State of Idaho

Mr. DWORSHAK. Mr. Speaker, almost 50 years ago a young lawyer arrived in Boise, to become intimately associated with the development of Idaho, which had entered statehood in 1890. The Gem State, recognizing outstanding ability, sent WILLIAM E. BORAH to the United States Senate in 1907. Thus began a political career without parallel in the current annals of American history, culminating on January 19, 1940, when this illustrious statesman's demise caused profound sorrow throughout the civilized world.

History will record the valor, integrity, and vision which characterized the services of WILLIAM E. BORAH in more than three decades throughout which he championed many proposals vitally affecting our Government, the security of our Nation, and the welfare of our people. As chairman of the Foreign Relations Committee, he became an authority on international affairs, thus materially shaping the destinies of this Republic. His intense nationalism inspired his opposition to the League of Nations, and contributed materially to preserving American traditions of nonintervention in the internal affairs of Europe. His devotion to peace and his championship of human rights motivated his antipathy to the Versailles Treaty, about which he made this prophetic statement on September 26, 1921:

> We know the Versailles Treaty has in it the seeds of many wars. It hangs like a storm cloud upon the horizon. It is the incarnation of force. It recognizes neither mercy nor repentance and discriminates not at all between the guilty and the innocent, friend or foe. Its one-time defenders are now frank to admit it. It will bring sorrow to the world again. Its basic principle is cruel, unconscionable and remorseless imperialism. Its terms will awaken the reckoning power of retribution.
>
> We know that Europe cannot recover so long as this treaty exists—that economic break-down in Europe, if not the world, awaits its

execution, and that millions of men, women, and children, those now living, and those yet unborn, are to be shackled, enslaved, and hungered if it remains the law of Europe.

Senator BORAH's lofty statesmanship did not minimize the human qualities which endeared him to all who were fortunate enough to be acquainted with him. Like Lincoln, he loved the common people, and understood their philosophy of life. His friendliness and solicitude won for him the devotion and love of his fellow men. This was manifested at the funeral services held at Boise, when thousands lined the streets in silent tribute as the cortege passed.

At this critical time when war stalks throughout many lands, and threatens to engulf our own country, the loss of this brilliant American is poignant. It is difficult for anyone to take his place in the Senate and expose the internationalism which endangers our peace and security today. He sensed the menace of imperialism abroad, and constantly stood as a bulwark against the destruction of American ideals. His departure is indeed an irreparable loss, but his indomitable spirit will serve as an inspiration in the trials and battles of the days to come.

With the passing of the years, greater luster will be added to the unselfish career of this distinguished Senator. Like Clay, Webster, and Calhoun, he has won his niche in American history, and his fame will endure throughout the ages.

The State of Idaho is honored and proud to have given WILLIAM E. BORAH the opportunity to serve his country. His earthly remains are entombed in Morris Hill Cemetery in the capital of his adopted State, but his memory is enshrined in the hearts of those whom he represented for 33 years. With reverence and devotion, we join in these memorial services, with this parting tribute to our departed friend and immortal statesman:

O noble soul, O gentle heart,
Hail, and farewell!

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. HOPE. Mr. Speaker, I was inexpressibly shocked last December to learn of the sudden death of my dear friend, CARL E. MAPES. During the time I have been in Congress, there has been no Member for whom I have felt a higher regard or have more greatly admired than Mr. MAPES.

When I came to Washington, in the Seventieth Congress, Mr. MAPES was already a veteran and seasoned Member. He was one of the leaders of the House, an excellent parliamentarian, and a man of wide influence. Yet, notwithstanding the fact that he was one of the busiest men in Congress, CARL MAPES found time to counsel and advise new Members like myself. I formed the habit, which I continued until his death, of consulting him about many matters of legislation and party policy. Always he was the same—dependable, conscientious, and level-headed.

Of all men whom I have known, in this and other legislative bodies, CARL MAPES came the nearest to being an ideal legislator. Some Members of Congress acquire fame and reputation through their sponsorship of special causes. Others make their reputation by specializing in some particular phase of legislative activity. Others become known because of their oratorical or persuasive ability. Still others wield influence because of their ability in working out the details of legislation and in bringing about the compromises and agreements that are a necessary, if little recognized, part of legislative procedure.

The fame of CARL MAPES did not arise out of his ability along any of these particular lines. He was not an orator. He was not a pleader for special causes, or for the ideas of organized minorities of one type or another. He was not what I would call a practical politician, and I use that term in the best sense of the word. CARL MAPES was a leader and an eminent legislator because he was intellectually honest, because he was thorough, because he was dependable, and because he took a broad national view of his responsibilities as a Member of Congress.

While he believed in party organization, party platforms, and party responsibilities, yet he was no narrow partisan in any sense of the word. He was honored and respected equally on both sides of the aisle and by both those who were for and those who were against him on any particular legislative matter.

During my time in Congress, I know of no man who as an individual had more influence among the membership than CARL MAPES. His kind are all too few, and in his passing, this country and this Congress have lost a leader who could ill be spared, especially in times like these.

Emmett Owen—The Man

MEMORIAL ADDRESS
OF
HON. MALCOLM C. TARVER
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EMMETT MARSHALL OWEN, late a Representative from the State of Georgia

Mr. TARVER. Mr. Speaker, in the Congressional Directory for last year's first session there appears in the biographical section, where Members customarily record outstanding facts concerning themselves and their careers, oftentimes at great length, a statement of seven words, indicative of the modesty and simplicity of the man who wrote it:

EMMETT MARSHALL OWEN, Democrat, of Griffin, Ga.

Others have spoken, and will speak again, of the oratorical brilliance of our deceased colleague, of the honors paid him by his people during many years of public service, of the unswerving fidelity with which he met fully and capably every requirement of public trust; but EMMETT OWEN made official record only of his name, that he was a Democrat, and that he resided in Griffin, Ga. The same innate reticence about himself and his accomplishments is evidenced by his labor of 7 years on the Committee on Agriculture, striving, struggling, thinking, and talking in the interest of a better deal for the farmers of the country, who have been and are now passing through a period of terrible trial, with never an effort on his part to make the headlines or even to let his constituents know the important, faithful, and useful part he was playing in the formulation of farm legislation.

There are Members of the Congress whose oratory on every conceivable subject scintillates in the CONGRESSIONAL RECORD who never accomplish anything except to advertise themselves. All of us know that legislation in the main is accomplished here in the committee rooms, and that the advices of Members in whom their colleagues have confidence when they talk as man-to-man around the committee table have far more weight than impassioned orations on the floor, which few hear or even read. EMMETT OWEN knew this; and, knowing it, he used his abilities, his fine personality, the friendships that he made, where those assets would accomplish the most

for his people. The stamp of his influence is indelibly impressed upon much of the important farm legislation enacted during the last 7 years.

His constituents elected him to Congress because he possessed those qualities which appeal to men everywhere and in all walks of life. He was loyal not only to his public trust but to his friends. He had one of the most gentle natures I have ever known. Everybody who knew him loved him. Members of the House who knew him well would take pleasure in helping him in his undertakings. No death in recent years has caused more general sorrow among the membership of the House of Representatives.

The Georgia delegation in the House will sorely miss him. His friendly cooperation in every effort for the advancement of Georgia's interests, his pleasant comradeship with every Member of the delegation, these are memories which shall forever hold their place in our hearts and minds. Georgia laments the passing of a distinguished citizen, the Fourth Congressional District sorrows over the loss of a faithful and capable Representative, but the Georgia delegation, while not unmindful of these losses, mourns most of all the departure from our circle of EMMETT OWEN—the man.

Clyde Harold Smith

MEMORIAL ADDRESS
OF
HON. JAMES C. OLIVER
OF MAINE
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CLYDE HAROLD SMITH, late a Representative from the State of Maine

Mr. OLIVER. Mr. Speaker, among all the States of this great Nation which we, with reason, delight to regard as the greatest and best in all the world, few have such a number of deservedly famous native and adopted sons as the State of Maine.

The roll is a long one and embraces names famous in varied walks of life and known the world over. Such men as Longfellow, Elijah Kellogg, Francis Clark, Melville Fuller, Cardinal O'Connell, Maj. Gen. Joshua L. Chamberlain, and many others of equal note.

Among these native sons of Maine is one of our late-lamented colleagues, CLYDE H. SMITH, of Maine, who represented the State and constituency formerly represented in this body by Hannibal Hamlin, who was Vice President with the beloved Lincoln; James G. Blaine, 10 years a Member and Speaker of this House, United States Senator, Secretary of State, and creator of our incomparable Pan American Union; Nelson Dingley, Jr.; and William P. Frye, many years President of the United States Senate.

CLYDE H. SMITH was known to all of us as a quiet and friendly soul, whose worth was best known by those who knew him best. Long years of service in public positions of responsibility in his native State endeared him to his own people. His work in Maine was noteworthy and extensive before election to Congress. He served as superintendent of schools, 1903–6 and member of the board of selectmen of his home town of Hartland, 1904–7, and Somerset County sheriff for 4 years; member of the Maine House of Representatives, 1899–1903, and moved to Skowhegan, Maine, in 1905, and there served as member of its board of selectmen, 1914–27 and 1928–32; again member of the Maine House of Representatives, 1919–23 and the State senate 1923–29; chairman of the State highway commission, 1928–32; member of the Governor's council, 1933–37, and elected to the Seventy-fifth Congress on September 14, 1936; reelected to the Seventy-sixth Congress, September 12, 1938. The faith and confidence which the people of Maine reposed in CLYDE H. SMITH is evidenced by the record of his long public career during which he was never once defeated for election to the public offices which he sought and secured.

His constituents sent him here as their Representative, knowing that he would always conscientiously, energetically, and courageously serve them and the Nation. His public record recalls to memory these words:

> Men whom the lust of office does not kill;
> Men whom the spoils of office cannot buy;
> Men who possess opinions and will;
> Men who have honor, men who will not lie.

But for his untimely death our friend would, without doubt, have been continued a Member of Congress as long as he was willing or able to serve.

With Francis Thompson let us say that—

> The fairest things in life are death and birth,
> And of these two the fairer thing is death.
> * * * *
> It is the falling star that trails the light,
> It is the breaking wave that trails the might,
> The passing shower that rainbows maniple.
> * * * *
> Thus hath He unto death his beauty given;
> And so all which form inheriteth,
> The fall doth pass the rise in worth;
> For birth hath in itself the germ of death,
> But death hath in itself the germ of birth;
> It is the falling acorn buds the tree,
> The falling rain that bears the greenery.
> * * * *
> For there is nothing lives but something dies,
> And there is nothing dies but something lives.
> Till skies be fugitives,
> Till time, the hidden root of change, updrives,
> Are birth and death inseparable on earth
> For they are twain yet one, and death is birth.
>
> We who remain can only
> Dimly guess what time in mists confounds;
> Yet ever and anon a trumpet sounds
> From the hid battlements of eternity.

At this point, Mr. Speaker, I wish to incorporate my remarks as made here in the House of Representatives on Monday, April 8, the day when our friend left us.

It is with the deepest regret that I rise this morning to announce the passing into the Great Beyond of our colleague, CLYDE H. SMITH, of Maine. His passing was gentle and merciful and for that we are and shall be thankful but, because of its suddenness, it is a great shock to all, especially those of us who knew him intimately and well.

Clyde was a fine soldier in the interests of the rank and file of the people. During his many years of public service which have extended over nearly half a century he has constantly and consistently stood firmly for the principles in which he so ardently believed. Always a valiant fighter for those who labor, he sought an appointment to the House Committee on Labor and for the past 4 years has been in the midst and the thick of all the many legislative controversies which have been under the consideration of that congressional group during that period. Having been a pioneer in the principle of old-age pensions, he has made his name more than familiar to the people of our State and the Nation who are particularly interested in this phase of our economic life. He has always shown in his legislative career a fine sense of balance and proportion which has enabled him to do good service for all in the light of the many extreme demands which are often made by those most ardent on both sides of any issue.

Clyde has always been an humble man, unassuming and unpretentious; he has been extremely conscientious and devoted to duty; at his desk almost until the very moment of his untimely passing, he has epitomized his determined consecration to the best welfare of his constituents.

I have learned through personal contact with him during the past several years to lean heavily upon his judgment and I feel that in his passing away I have suffered the loss of a true friend. I know that literally thousands in our State of Maine have suffered a similar loss.

The following few words taken from the pen of a great son of Maine, Henry Wadsworth Longfellow, characterizes with peculiar appropriateness the real personality of our deceased colleague in always thinking in terms of the best for others:

A man of such a genial mood
The heart of all things he embraced
And yet of such fastidious taste,
He never found the best too good.

During the several days since the sudden passing of our colleague, many Members of this body, Mr. Speaker, have expressed to me their profound sorrow and deep regret, occasioned by his loss. He had the faculty of making friends easily, and what is far more important, he had the invaluable capacity of keeping the friendships once made. Soft spoken and moderate at all times, his personality was exceptionally pleasing. Devotion to duty and to the responsibility of office was the cardinal principle of his whole life. Conscientious, capable, and with an exceedingly cheerful optimism, he faced each day and in the execution of his daily duty he spread good cheer among all with whom he came in contact. Such a man is missed and will continue to be missed. Maine has lost a faithful servant. Again, I state, I have lost a friend.

But in the words of Cardinal Newman, we must learn to depend upon the Divine Father:

May He support us all the day long, till the shades lengthen and the evening comes, and the busy world is hushed, and the fever of life is over, and our work is done; then in His mercy may He give us a safe lodging and a holy rest, and peace at the last.

O death, where is thy sting?
O grave, where is thy victory?

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. JOHN D. DINGELL
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. DINGELL. Mr. Speaker, I arise upon this solemn occasion to pay my humble tribute to the late CARL E. MAPES, who for 26 years represented the Fifth Congressional District of Michigan in the Congress of the United States.

CARL MAPES was my friend. In fact, he was a friend of every Member of this House who knew him, and poor indeed was he who failed to make his acquaintance. CARL MAPES was as modest and honest as he was helpful and productive. He enjoyed the regard and the esteem generally of his fellow Members, and particularly those who were privileged to be included in Michigan's delegation. He towered above us because of his great public service and a record unattained, I dare say, by any other man from Michigan who ever served in Congress. Intellectually his greatness cannot be overstated; he was a student and, too, he was a master. His character and disposition were matchless, and he was fearless, outspoken, and uncompromising in his attitude toward error.

He was not of my political faith, yet he was not partisan in the narrow sense of the word. He could not be compelled to suport or oppose a measure unless he was convinced that it was right to do so. The origin of a bill or proposal was not what concerned CARL E. MAPES, its purpose, effect and objective were deciding factors which governed his attitude and course. Matters that were of great concern and the expression of his own great party, Congressman MAPES would support only when he was convinced that they were fundamentally sound, correct, and, therefore, honorable. He frequently threw the weight of his superior knowledge and experience into the parliamentary fray and ever so often swayed his colleagues who drank deep of his sound philosophy and argument. Thus, he was a great help to the minority in recent years. With equal fervor and sincerity, he would aid the majority in the passage of a given bill or measure when he was convinced that the proposal was for the best interest of the people of this Nation.

We are privileged to record our sentiments regarding one of Michigan's noblest sons, and certainly we all agree that he was without peer among her Representatives in Congress.

I bow my head, Mr. Speaker, and I pray God our Father will grant eternal rest to the noble soul of CARL E. MAPES, and that He will strengthen and sustain the family and loved ones until once again all are reunited in Heaven.

John Andrew Martin

MEMORIAL ADDRESS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JOHN ANDREW MARTIN, late a Representative from the State of Colorado

Mr. HOPE. Mr. Speaker, I esteem it a privilege to have this opportunity to pay a tribute to my friend, JOHN A. MARTIN. I became acquainted with Mr. MARTIN soon after the opening of the Seventy-fourth Congress, and we remained firm friends until his death. JOHN MARTIN was an able man, a man of strong convictions which he was always ready to defend with courage and ability. He had the distinction of having served two terms in Congress many years ago, after which he voluntarily retired. He was a successful lawyer for many years; and notwithstanding the fact that he was far beyond the age for military service, he volunteered for service during the World War, attaining the rank of major.

JOHN MARTIN was a self-made man. He understood the problems of the average man, because he had been in contact with those problems himself. He was generous in his sympathies and had a splendid capacity for friendship.

We represented adjoining districts which had many problems in common. Consequently, we were associated in many matters of interest to our districts. Particularly through these contacts, I learned to appreciate JOHN MARTIN as an associate and a friend. His place will be hard to fill.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. CLARE E. HOFFMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. HOFFMAN. Mr. Speaker, words are inadequate to express the sense of loss which we feel as we go about our daily tasks and realize that the helpful and sustaining presence of our friend and colleague, CARL E. MAPES, is no longer with us.

Kindly and considerate in his attitude toward all of us; helpful and instructive as a colleague; ever loyal and patriotic, not only to his district and his State, but to the Nation, he left behind memories which renew our faith in the thought that consideration for those one meets, faithful, quiet, but energetic service to our country and its needs, are well worth while and win for one who so devotes his life a high and lasting place in the memory of his friends and in the history of his Government.

William Albert Ashbrook

MEMORIAL ADDRESS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM ALBERT ASHBROOK, late a Representative from the State of Ohio

Mr. JENKINS of Ohio. Mr. Speaker, Hon. WILLIAM A. ASHBROOK was a very unusual man. His strong character and his keen insight into human nature made him a very useful citizen. There are some people who are distinctive because of their natural gifts, and there are others who win distinction because of what they do. While WILLIAM A. ASHBROOK was blessed with a bright mind and with a genius for making friends, his desire to be of service to those who needed help was, in my mind, his outstanding characteristic. In other words, he was a useful man. While Mr. ASHBROOK achieved great distinction in public office and in the financial circles of his community and was highly respected, still I am sure it will always be remembered that he was a man who did things. It is only natural that one hears fine encomiums about a person when that person has passed away, but I was very strongly impressed with the fact that so many people spoke to me at Mr. ASHBROOK'S funeral with reference to the kindly deeds that he had done for them. Through his numerous and extensive business and financial connections he had many opportunities to do acts of kindness for many deserving people. The fact that he accepted all these opportunities and rendered innumerable acts of kindness and assistance to many people was proved by the testimony of his neighbors to that effect and by the presence at his funeral of an exceptionally large concourse of people.

Mr. ASHBROOK stayed close to his people. He lived all his life on the site where his grandfather first settled nearly 120 years ago. Licking County, Ohio, is a fine agricultural county. Early in life he began his career of helping the people. Before he was 18 years of age he was publishing a newspaper in his home town and continued the publishing of his paper all his life. Being industrious as well as public spirited he early found himself in the midst of the business activities of his community. Although his newspaper was always a success, still it was not big enough to command all his attention. When yet a young man he started in the banking business and continued in that business during the remainder of his life. He was also connected with agriculture in a large way and was the owner of many large and prosperous farms. By reason of his having assisted many of the young farmers in his community in a financial way, he not only had a friendly, neighborly interest in them but he was naturally interested in their financial success.

In addition to the numerous and varying business, financial and agricultural activities in which he was engaged, his flair for politics manifested itself early. When a young man he was made postmaster of his home city and soon thereafter was elected to the legislature of his State, where he served with credit and distinction. He was elected to Congress in 1906 and served for 14 successive years. He was defeated in the election of 1920 but was reelected again in 1934 and continued in office until his death in this year, 1940.

His services in Congress were marked by a determination to give to his constituents his best efforts. Although in national matters he was a consistent Democrat, yet in local matters and matters of economic and financial importance, he voted according to his own best judgment and without regard to party affiliations. Although he had gathered about him what would be considered a very substantial fortune, his wealth and high position had had absolutely no effect on his disposition toward people who were less fortunate than he. The BILL ASHBROOK of years ago was the BILL ASHBROOK of this year, 1940. Frequently he took occasion to say to his friends that he was now "just plain old BILL ASHBROOK." This implied that he had always been plain BILL ASHBROOK but that now he was getting to the place where he was willing to be called "plain old BILL ASHBROOK."

Mr. ASHBROOK was one of my warmest and stanchest personal friends. Although we were not of the same political faith, yet we found ourselves on very frequent occasions voting together on matters in which the interests of the great common people were involved. I was very much saddened at the news of his passing, because I had a high regard for him, and somehow I felt that he was my friend. When the Speaker of the House of Representatives indicated that it was his wish and the wish of the family that I should be designated as the one member of my political party to attend his funeral I felt highly honored. As one of Mr. ASHBROOK'S friends I attended his funeral, and on the high hill in the cemetery on that cold, zero day, when we laid him in the ground covered with a thick blanket of snow, I thought of what the poet said of the burial of Sir John Moore:

> We carved not a line, and raised not a stone,
> But we left him alone with his glory.

The children of Mr. ASHBROOK have every reason to be proud of the life, character, and accomplishments of their father. The widow of Mr. ASHBROOK has every reason to feel that her husband and the father of her children had her interest and the interests of their children in his mind at all times. She has lost a devoted husband, and the children have lost a noble father. The community has lost one of its most useful citizens. I dare say that the fame and good name of Mr. ASHBROOK will be kept alive long by those who have been the recipients of his kindnesses.

William Irving Sirovich

MEMORIAL ADDRESS
OF
HON. JAMES H. FAY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM IRVING SIROVICH, late a Representative from the State of New York

Mr. FAY. Mr. Speaker, this memorial service in the House of Representatives in commemoration of our departed colleagues brings to mind a former Member of Congress whose kindly spirit, unselfish devotion, and integrity endeared him to the hearts of all who knew him.

I speak of Dr. WILLIAM IRVING SIROVICH, who represented the Fourteenth District of New York City and served through the Seventieth, Seventy-first, Seventy-second, Seventy-third, Seventy-fourth, and Seventy-fifth Congresses, was reelected to the Seventy-sixth Congress, and died during his tenure of office.

While serving as a junior Member of the House, it was my good fortune to count on Dr. SIROVICH as a wise and friendly counselor, who was never too burdened with his own problems to lend a helpful hand to a colleague.

Dr. SIROVICH was known for his simplicity, his purposeful directness, his humanitarian sympathies which served the people of the Fourteenth District of New York City for so many years.

He was born in York, Pa., in 1882, devoted himself as he grew into manhood to the study of medicine. Perseverance to high principles in his professional practice and private life enabled him to grasp a keen insight, not only into sick and injured bodies, but also into the very souls of those to whom his healing hands administered. He developed an intuition into the unexpressed hopes and fears of mankind and began to realize that man might well serve his brothers by becoming an instrument through which the democratic principles of Americanism could be demonstrated; he knew that security, a

good standard of living, improved housing conditions, and assurances of a true representation of the people through our form of government were also vital to the well-being of the Nation.

And so WILLIAM IRVING SIROVICH became a public servant of the United States of America and served well and faithfully for many long years, gaining the love and respect of all those with whom he came in contact.

Brave, courageous, and farsighted, he had the courage of his convictions and stood steadfast on those principles he believed right and just.

It is a sad loss to us and to the country at large that our friend passed on before his life span had normally completed itself. I feel that Dr. SIROVICH himself would have said, "As long as I must leave you now, I am proud to depart while still in the service of our wonderful country which I love so much."

Therefore, this should be no occasion for sadness, but rather one of thankfulness that it was our privilege to work side by side with such a great exponent of Americanism.

In assuring his family of our great sympathy, I wish also to pledge to them that the citizenship, love of country, and conscientious adherence to humanitarian principles exhibited by WILLIAM IRVING SIROVICH will always linger over this body, as a perpetual example of a great American.

William Albert Ashbrook

MEMORIAL ADDRESS

OF

HON. J. HARRY McGREGOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM ALBERT ASHBROOK, late a Representative from the State of Ohio

Mr. McGREGOR. Mr. Speaker, as the Representative of the Seventeenth Congressional District of Ohio I come here today to pay my humble tribute to the memory of the late WILLIAM A. ASHBROOK. Through long and close association in these halls, doubtless many of you knew Congressman ASHBROOK far better than he was known to me. But without discounting the indelible impression which BILL ASHBROOK left upon the National Capital, I can assure you that back in his home district in Ohio he was a human institution, trusted and respected universally by his fellow men.

It does not fall to the lot of many of us to serve in any public capacity as long as did WILLIAM A. ASHBROOK. He resigned from the Ohio legislature in 1906, in order to take up his duties in the Sixtieth Congress. For seven full terms he served his district.

Defeated for reelection to an eighth term in 1920 by the small margin of 125 votes, he devoted himself for the next 14 years to his many personal and business interests in Licking County, Ohio.

Again, in 1934 Mr. ASHBROOK offered himself as the congressional candidate of his party, and was elected. He served in the Seventy-fourth and Seventy-fifth Congresses, and had filled half of his term in the present Congress when death ended his career on last New Year's Day, at the age of 72½ years to the day.

WILLIAM A. ASHBROOK was born in Johnstown, Ohio, July 1, 1867, and always maintained his residence on the site which his grandfather, the Reverend Eli Ashbrook, selected in 1821. He was the youngest of six children of William and Lucy Ashbrook.

When only 19 years of age, BILL ASHBROOK began the practice of keeping a diary, and from this record have been taken many interesting facts which reveal not only his many activities but also his wholesome philosophy of life. He continued this diary until the day of his death, marking 53 consecutive years of recounting his daily impressions of the passing scene.

Among the earlier recordings in the Ashbrook diary are comments on a diligent but happy childhood. His notations indicate that he was much impressed with the familiar and too rarely practiced motto, "Waste not; want not."

Perhaps his first public job was the grading of the public square in his home village of Johnstown. His diary explains that by careful planning and long hours he was able to finish the task "on the right side of the ledger."

Before attaining his majority, BILL ASHBROOK had affiliated himself with the Democratic Party, with which he remained actively identified throughout his 72½ years. At 21 he was elected secretary of his county central committee. Thus began a political career which was to lead him into the legislative halls of his State and his Nation.

He discovered that the editorship of the Johnstown Independent, a position which he assumed when only 18 years of age, fitted practically into his political career. Through his weekly newspaper he made hosts of friends, and never did he lose interest in this phase of his exceptional life. In 1935, when he celebrated a half century of consecutive service as editor of the Independent, he commented that the job "was the first thing that really interested me and doubtless was the deciding factor in molding my future."

In 1903 Mr. ASHBROOK was elected secretary of the National Editorial Association. In this capacity he traveled extensively. He also found time for a trip abroad, which he often referred to as giving him a breadth of vision which became a valuable asset in later life.

Other local interests crowded the schedule of the young editor. He became identified with banking institutions in his town and county, took an active part in several fraternal orders, entered the insurance field, was active in the promotion of good roads and other public improvements, devoted himself to the interests of church and school.

Among the earliest honors that fell to his lot was an appointment as postmaster by President Grover Cleveland.

His hobbies were varied, including geneology, the collection of rare coins, and farming. In reality, his farming became much more than a hobby, for before his death he had accumulated 2,200 acres of the finest of Ohio's farm land.

At the age of 22 Mr. ASHBROOK was married to Miss Jennie Belle Willison, a teacher in the Johnstown schools. She died 20 years later.

A second marriage, to Miss Marie Swank, of nearby Bellville, brought into the Ashbrook home five children—three sons and two daughters—whose ages range from 8 to 17 years. The only other immediate surviving relative was a sister who passed away shortly after the death of her distinguished brother.

As the New Year came into life, WILLIAM A. ASHBROOK, affectionately known as "Pension Bill," passed from the familiar scene with which he had been identified for 72 years.

Final services were conducted at the Ashbrook home in Johnstown, with Dr. Avery A. Shaw, past president of nearby Denison University, officiating. The occasion was one on which an enviable career of long public service was honored in all sincerity by neighbors and friends, by leaders of the State and the Nation.

In closing this humble tribute, which falls far short of doing justice to the memory of my predecessor in this Congress, I can think of no better way to give an insight into his true character than by calling attention to this sympathetic interest for the people of the Seventeenth District.

He was the idol of his family, the beloved friend and adviser of his associates, the respected leader of thought and action in the various enterprises and philanthropies with which he was identified.

It is my ambition to merit so far as possible the confidence and high regard in which "PENSION BILL" ASHBROOK was held during his more than 50 years of public service.

William Irving Sirovich

MEMORIAL ADDRESS
OF
HON. JAMES M. FITZPATRICK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM IRVING SIROVICH, late a Representative from the State of New York

Mr. FITZPATRICK. Mr. Speaker, my first meeting with Hon. WILLIAM I. SIROVICH was in the Seventieth Congress, when we were serving our first term in the House of Representatives.

He was a sympathetic, kind, and understanding person, and always worked untiringly in behalf of the struggling masses in this country.

As a doctor of medicine, he was always ready and willing to serve the poor people of his district in a professional capacity. As a Member of Congress he advocated the enactment of humanitarian legislation that would be beneficial to the people throughout the United States.

His passing is not only a loss to the people of his congressional district but to the Nation as a whole.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. BARTEL J. JONKMAN
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. JONKMAN. Mr. Speaker, when God in his inscrutable wisdom took away CARL E. MAPES his district, his State, and Nation lost a genuine, faithful, and valuable public servant.

His fine character, marked ability, and untiring energy in public affairs were quickly recognized and drew him from his law practice into the legislature of his native State. There he served with distinction, but not for long.

Soon these qualities, together with his unerring and unswerving devotion to the fundamentals and ideals of republican government, called him to a higher and greater stewardship as a Member of Congress. Here he served his district and his country with eminence and distinction for over a quarter of a century.

It was not my privilege to be personally familiar with his work in Congress. It has, however, been my inspirational experience in the last few weeks to privately hear scores of my colleagues from both sides of the House eulogize in glowing terms his sincere patriotism, his outstanding ability, his able counsel, his sympathetic and helpful nature, as well as his fine Christian character.

It was this same transcendent personality which endeared him to the people of his district. I cannot recall any death that caused greater shock or more profound and universal grief in the community than the passing of Carl as high and low addressed him.

The services in his home city were conducted by the Reverend Dr. Edward Archibald Thompson, minister of the Park Congregational Church at Grand Rapids, of which Congressman MAPES was a member. He preached a most appropriate and beautiful sermon, which I quote, as follows:

There is nothing more admirable in human nature than the impulse to honor the memory of noble men. We are assembled today to pay tribute to one to whom tribute is due. However, in keeping with his fine taste, his modest, unassuming nature, his antipathy to ostentation, and in conformity to his wish, often expressed after funeral services held for some of his friends, this service must be one of sincere simplicity.

It is not our purpose here to eulogize the life of one who was so well and so favorably known and one who was so much beloved by the thousands who knew him best. High tribute has already been justly paid by political associates and by friends in every walk of life. Yet we would be unfair to ourselves if we did not pause for a moment on this solemn occasion to at least mention a few of the vital and magnificent qualities of character that undergirded his unusual life and which have made him an outstanding and trusted leader, not only in his own city but throughout the State and Nation, then to here pledge ourselves to carry on those high principles by which he lived and through which he gave to his fellow men and to his country such humble yet such distinguished service.

CITES TRIBUTES OF OTHERS

In printed and in uttered tributes to the memory of this real American, this truly great servant of his country, we find an unusual list of words and some striking sentences, all of which are markedly true.

He was dependable yet modest, able yet quiet, tolerant yet conscientious, loyal yet sincere. He was scrupulously honest. He was winsome, clean, wholesome. He was a charitable friend and helpful neighbor.

Congressman MAPES was a man of real courage, yet he was always fair to those who disagreed with him. He had the welfare of his people at heart. He felt a deep sense of responsibility to them. To an unusual degree he was able to sit where other people sat and see life from their point of view. His masterful strength, sometimes concealed by his rare modesty and always combined with his deep sympathy, gave him an insight into human problems and marked ability in helping to solve them. In the words of an outstanding associate of his: "He demonstrated as few other men have done what sheer force of character can do in human contacts and in public relationships. * * * He was a Christian gentleman in every sense of the word."

FAIR AND UNSELFISH

Congressman MAPES was always alert to the needs of his time. He clung to the best in our American tradition but was always forward-looking and open-minded. His judgment was unusually accurate and his opinions commanded the respect of both his associates and his opponents. He had a mind which quickly discerned the true from the false and a nature which instantly threw the whole fiber of his being back of that which was true. This was because his conclusions were based on a fair and unselfish consideration of the facts at hand, for unselfishness was the key to his useful life. Selfishness dims the vision and warps judgment of men. It is therefore refreshing and inspiring to find in public life men as unselfish, as fair-minded, as noble of purpose, and as keen in judgment as was the Honorable CARL MAPES. He saw the best in his fellow men. He believed in the dignity of the individual and the possibilities of every human being. He carried the idea of brotherhood into all the relationships of life and he made no exceptions. His presence dignified any occasion and his approval put the stamp of value on any project.

A life and a character such as his must be built on a strong foundation. Little has been said in a public way about two great cornerstones in the foundation of his life. His home and his church formed the steel framework and the reinforced concrete for this stalwart life. Upon these was built his life of noble service to his country. Seldom was there a Sabbath when he was in his home city that he could not be found in his pew at church.

LOYALTY A FINE EXAMPLE

There are some people who sit in the congregation from Sunday to Sunday who are quiet and unobstrusive, but who bring to the minister and to those who worship with them an inspiration that heightens the service and strengthens the spirit of worship. Mr. MAPES had this quality to a marked degree. He was thoughtful, cooperative, buoyant, idealistic, and a man of deep faith. His loyalty to his church was a silent but powerful example to the thousands of young men and women who wished to be like him. It is an opportunity by way of example that is too often omitted by many busy men in public and business life.

His cooperation with his church and his expressions of appreciation were not perfunctory; they were discerning and helpful. On retiring from the service a week ago last Sunday (his last Sabbath in Grand Rapids) he made one of his most appreciative, discerning, and helpful comments.

In his home he was, indeed, a loving husband and a wise father. He loved his family and his home. Loving comradeship existed there. He never forgot the kind, helpful, little courtesies that make life sweet and happy. His home was the beginning source of his inspiration and the place where his plans for larger service were made.

We measure life not by years alone but by how much one has lived. He has lived much and well.

It would be tragic if a life like this could be cut off with the passing of the physical body. However, I am thoroughly convinced that whatever may become of the physical body, you cannot take away the real self—the spirit. The disciples felt this way about Jesus. Whatever had become of His body they knew that He still lived in them. And CARL MAPES still lives in the lives of men and women who have been made nobler and given a truer conception of life because they knew him.

Death is not the end, but just a turn in the road of life. It frees us from the shackles of the physical body that we might grow and be that which we yearn to be at our best. While Mr. MAPES had a stalwart body, it was not strong enough to express his full spirit at its best, and somehow now we feel that he is free to attain unto his highest ideals without the limitations of the physical. So while we are sad and lonely today because of the passing of our friend into that larger life, we do not grieve as those without hope. It is a time of triumph and victory. He lived an unusually full and useful life. He died in harness, serving his country.

The greatest tribute that we can pay to him and the finest expression of sympathy that we can give to his loved ones is to rededicate our lives to the ideals, the love of country, and the noble principles for which he lived.

"He has fought a good fight. He has finished his course. He has kept the faith."

Sudden and shocking as was the death of CARL E. MAPES, it came nevertheless as a fitting mantle for his life of strenuous service. He died far from the home and family he loved so much in the midst of actual service to his country.

He was prepared to approach his grave—

> Like one that wraps the drapery of his couch
> About him, and lies down to pleasant dreams.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. THOMAS A. JENKINS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. JENKINS of Ohio. Mr. Speaker, there is something about service in the Congress of the United States that tends to make warm friendships among the Members. These friendships do not always come from favorable and attractive social contacts, neither do they always come from a kinship of spirits. In many cases they come from the feeling of respect one has for a worthy adversary who has crossed swords in hot debate on the floor of the House. Sometimes we form a warm friendship with a person because he has been agreeable and kind and helpful to us; and, again, we may form a friendship with one because we have seen him do his duty where it was not pleasant for him to do it. And sometimes we feel a friendship for people because of their ability and their character and their moral courage, even though we may not know them intimately.

It was my good fortune to have known CHESTER C. BOLTON for many years. In 1922 we were both elected to membership in the Ohio Senate. Our service and association there was cordial and agreeable. It was there that we formed a friendship that became more complete and sincere as time went on. When he came to Congress I had already been here a number of years, and I was glad to welcome him. His former service as a legislator in the Ohio Senate equipped him for the work in Congress, and he fitted into that work with great readiness.

There are not many precise and mandatory requirements on one's service in Congress. A Member may follow his own natural inclinations in most cases and permit them to guide him and dictate to him if he chooses. He may shirk the work and responsibility, if he so desires, or he may find an abundant opportunity to put his energy and ability and his desire to serve honestly to a complete test. The duties of a Member of Congress give full opportunity for the most capable to exert his capabilities to the limit and they will give the most brilliant Member ample opportunity to flash his brilliance. Yet the mediocre need not falter for by industry and honest effort he, too, has a chance to serve honorably and acceptably.

CHESTER C. BOLTON was naturally industrious. He was practical and sensible. He was a capable executive and a man of large affairs and a man with wide and varying experiences. He was especially well informed on financial questions. Not all of his associates were as well equipped as was he by temperament and training to cope with the problems of national finance. His colleagues always gave great weight to his opinion on such questions.

His cordial personality plus his industry and good common sense made him a valuable and popular Member of Congress. His colleagues trusted him and his constituents recognized in him all the elements of a faithful and competent public servant.

His untimely passing was a shock to his many friends in Congress and all over the country. He was a national figure and his death was a matter of national concern.

He was well equipped to render useful and efficient public service. Fortified with a forceful personality and with the best possible preparation by way of education and experience, he was especially well equipped to render public service. Although he represented a very large district, both in population and in business activities, he had been able, because of his superior qualifications, to render very conspicuous service for his district. His constituents rewarded him with reelection on many occasions and he died in the midst of his many efforts to give to his constituents faithful service and to give to his country his loyalty and devotion. It was of men such as CHESTER C. BOLTON that the poet spoke when he said:

> Men whom the lust of office does not kill;
> Men whom the spoils of office cannot buy;
> Men who possess opinions and a will;
> Men who have honor; men who will not lie.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. GEORGE A. DONDERO
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. DONDERO. Mr. Speaker, on December 12, 1939, the Great Architect of the Universe removed from our midst a wise man, a noble and lovable friend, and a revered colleague, Hon. CARL E. MAPES, of Grand Rapids, Mich.

When I was first elected to Congress in 1932, prominent men and women in my congressional district, as a parting word of advice, counseled me to lend an attentive ear and hold a receptive mind to the sound judgment, wise leadership, and acknowledged statesmanship of CARL E. MAPES. He was one of Michigan's great and best-known men. To him I went often as a son to an exalted father to drink from his cup of caution and moderation. He always found time to bestow upon others the wisdom of his experienced mind.

He was a national figure, and the Nation, as well as his State of Michigan, lost a loyal and stanch defender of the American system of government. When he went down, like a lordly pine against the sky, he left a vacant place in the councils of the Nation that will not soon be filled.

Endowed with great ability, he was faithful to his trust and always at his post of duty. He was a man of whom no one could say evil. Possessed of sterling character, exemplary habits, and a quiet, unassuming genial nature, he stood like a giant among men, young and old, as an influence for the higher and nobler things of life.

He was a conscientious student, a hard worker, and was careful and painstaking in the consideration of legislation. The welfare of his country came first and his political welfare last in the discharge of his duties as a legislator and a man. He searched for the truth and merit of each proposal. His patience with everyone was a virtue. His love of good humor made him beloved and respected by all.

He left this world as he had lived—sustained by an unfaltering trust. He was a devout Christian gentleman. He left behind the heritage of a spotless name. No greater legacy can be bequeathed to anyone.

His district lost a faithful servant when he crossed the great divide, his State a stalwart son, his country a sublime patriot.

His splendid example and his untarnished manhood will live with the years. The memory of CARL E. MAPES will remain with me while life lasts, for to me he was an example and an inspiration.

He has answered the last roll call. All who breath will share his destiny. His State and Nation were made better by his life and deeds.

My colleagues, if we follow the example set for us by our noble friend who has gone, he will not have lived in vain.

Edward Walter Curley

MEMORIAL ADDRESS
OF
HON. JAMES M. FITZPATRICK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EDWARD WALTER CURLEY, late a Representative from the State of New York

Mr. FITZPATRICK. Mr. Speaker, my friend and colleague, Hon. EDWARD W. CURLEY, has answered his last roll call on this earth. However, to his friends and aquaintances his memory still remains.

I served with EDDIE CURLEY on the Board of Aldermen in New York City for many years before coming to Congress. It was a pleasure to be associated with him again when he was elected to the Seventy-fourth Congress. His primary ambition was to serve well the people. Long hours of toil meant nothing to him in his desire to render aid not only to the constituents of his congressional district but to all the people throughout the country.

To his friends and colleagues he was known as "EDDIE" CURLEY.

Bert Lord

MEMORIAL ADDRESS
OF
HON. EDWIN A. HALL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. BERT LORD, late a Representative from the State of New York

Mr. EDWIN A. HALL. Mr. Speaker, today, among others, we are honoring the memory of the late Hon. BERT LORD. As his successor, it was not my privilege to have served in this House with him. Therefore I am not enriched as are many of you, by his fellowship, his friendly way, his genuine and kindly nature.

Though I never knew BERT LORD as a colleague, I knew him as thousands of his constituents knew him, as a friend. In traversing the length and breadth of the Thirty-fourth Congressional District, it was my experience to hear his name on every lip. Although comment was frequent, it is with honesty that I say I never heard BERT LORD's name disparaged or maligned.

BERT LORD lived all his life in the district he represented. He started life with hard work and was engaged in the lumbering and mercantile business, to which he applied the qualities best known in him, forthright honesty and integrity. As time went on, a love for public service spurred him on to enter politics, and his friends elected him to the board of supervisors of Chenango County, N. Y., in 1905. Then long years he served that body well, and he received the natural reward of merit by being elevated to the New York State Assembly in 1915. Until 1922 BERT LORD represented his beloved Chenango County as its assemblyman, and from 1924 to 1929. During the 2-year interim he was motor vehicle commissioner of the State of New York, a capacity which he filled with great efficiency.

BERT LORD touched every rung in the ladder to success. His public life consisted of a series of elevations which must surely come to those who serve their fellow men with distinction.

The crowning achievement in this distinguished man's life came in 1935, when he was elected to the Congress of the United States. Surely the people could have chosen no Representative more fitted and more adapted to the task of giving the folks back home the type of representation which they deserved.

Beloved by the farmers of his State, BERT LORD has been called the father of the farm-to-market road program. As a member of the House Roads Committee, I have been privileged to sit with men who had the highest regard for his good sense and careful policies when he served there.

My poor power of expression can add little to the fine remarks to be found in connection with BERT LORD, nor can any words describe the vacancy in this House created by his death. The honor of being his successor is great, and since taking office I have felt that the most effective way I can administer it is to hold aloft the memory of BERT LORD as a shining example to pattern after and to emulate.

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. HENRY O. TALLE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. TALLE. Mr. Speaker, someone has said:

Life is a short space between two eternities.

Out of the one and into the other runs the relentless race of man.

My friend and colleague CASSIUS C. DOWELL has run his race. To him was given a long span of years, something more than the allotted threescore years and ten. In return he gave to his State and to the Nation the type of service that stamped him a statesman.

Gentle, kindly, cheerful, able, honest, attentive to duty—the virtues of noble manhood characterized his life. Always mindful that "a public office is a public trust," his sterling character never permitted him to waver in the performance of conscientious duty.

I recall his last day in the House. So responsive was he to duty's call that he left a sickbed to cast his final vote. Already his body was racked with the pain of the illness which snuffed out his life. His shoulders drooped a bit that day as he walked from the Chamber. Time and toil had left their mark on a once robust and vigorous body. But he was determined, as Kipling says of a real man—

> To fill the unforgiving minute
> With sixty seconds' worth of distance run.

Not many days thereafter he returned to the rolling prairies of Iowa where he was born and grew to manhood, where his long and distinguished public service began, and where loving friends and neighbors gathered to do him honor as his mortal remains were laid away in their final resting place.

And so we pause today to pay tribute to a gentleman who served his country well. The fruits of his labors are not interred with his bones. They live on. Peace be to his ashes!

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. JOHN W. GWYNNE
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. GWYNNE. Mr. Speaker, in the death of the Honorable CASSIUS C. DOWELL, Iowa and the Nation lost a Representative in Congress of wide experience and great understanding. Mr. DOWELL's many years both in the State legislature and in the House of Representatives gave him a great knowledge of the practical side of lawmaking. He was regarded by his colleagues as an outstanding authority on the rules of procedure. He was chairman of the important Committee on Roads and helped to draft much of the present law under which highways are built throughout the Nation.

During his years of service Mr. DOWELL made a host of friends both in and out of Congress. He regarded their problems as his. Many a citizen in his district can testify to acts of kindness by him. A conspicuous feature of Mr. DOWELL's service was his regular attendance at the sessions. It was indeed a rare occasion that did not find him in his accustomed place. Even in his last illness he insisted on remaining at his post to the detriment of his health.

It was indeed a privilege to have known and for a brief time to have worked with him.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. WILLIAM M. COLMER
OF MISSISSIPPI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. COLMER. Mr. Speaker, we pause today in the turbulency of this modern day of congressional procedure to pay our meed of tribute to the memory of those of our colleagues who have gone from our midst into the Great Beyond. It is my purpose to briefly attempt a tribute to that outstanding friend of yours and mine, lately a Member of this House, the Honorable THOMAS SANDERS MCMILLAN.

Mr. Speaker, one of the compensations that we enjoy as Members of this great body is the opportunity for association with some of the Nation's most splendid characters. I believe that the character of a congressional district is indicated by the type of Representatives the district sends to this body. That assumption is indicative of the fact that the First District of South Carolina is composed of a most intelligent and splendid citizenship. Certainly this is borne out by the fact that TOM MCMILLAN represented that district for 14 years in the Congress. Certainly it is safe to assume that had he not been stricken to an untimely death in the very pride and prime of his manhood he could have continued to represent this splendid constituency in the American Congress for many more years to come.

But if our late friend Tommy enjoyed the confidence and respect of his constituency in his beloved State of South Carolina, the situation was not different in this body. I sincerely believe that if a secret poll had been held in the nature of a popularity contest among the 435 Members of this House that the name of TOMMY MCMILLAN, like that of Abou Ben Adam, would have led all of the rest. Kind, gentle, unselfishly thoughtful of all of his colleagues, he enjoyed the confidence and respect of the membership of this body to the highest degree.

While no Representative in the Congress was more zealous of the welfare of his own constituency, and while few, if any, Members of this House succeeded in doing more for their constituency, TOMMY MCMILLAN was nevertheless a statesman in the truest sense. A man of strong convictions and splendid patriotism, he recognized no partisan lines when the fundamental questions involving the welfare of his country arose. Possessed of the rare combination of the virtues of sincerity, industry, zeal, a friendly nature, and abounding faith in our republican form of government, he came as near to qualifying as the ideal Representative as any man whom it has been my pleasure to know in the time I have had the pleasure of serving in this body of outstanding men.

As one who prides himself as having enjoyed the wealth of his warm friendship and close personal confidence, I would that words were adequate to express my infinite appreciation of this noble son whom the great State of South Carolina contributed to the Nation's welfare. As one who enjoyed this relation, who had the opportunity as a result thereof to sound the depths of his innermost thoughts, to observe him in his public and private life, who recognized his unbounded devotion to his splendid family whom he loved better than his own life, I am happy, Mr. Speaker, to add this my humble tribute to a friend whose life has so vastly enriched my own.

TOMMY MCMILLAN's untimely passing is a profound loss to his stalwart sons, his splendid wife, to this House, and to everyone who knew him. Yet we find solace in the memory of his useful life and his contribution to the welfare of the Nation, all of which will remain as a fine source of inspiration.

Were a star quenched on high,
For ages would its light,
Still traveling downward from the sky
Shine on our mortal sight.
So when a good man dies;
For years beyond our ken,
The light he leaves behind him lies
Along the paths of men.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. RAYMOND S. SPRINGER
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. SPRINGER. Mr. Speaker, it is with a keen sense of a great personal loss that I rise to add my humble tribute to the life and character of my devoted friend, the late WALLACE E. PIERCE, of New York. I am happy to have extended to me the very high privilege of bearing witness to the very high esteem and the deep and abiding affection with which our colleague of former days was held by the Members of the House of Representatives, and with that treasured memory I speak these few words of my colleague who was a good citizen, a great patriot, a constant humanitarian, an outstanding statesman, and a fine and loyal friend.

Representative WALLACE E. PIERCE was a native of the great State of New York. He loved the entire area of that Commonwealth. The people were his friends, and he was the friend of the people. There he enjoyed the pleasantries of youth, the institutions of learning, and as a young and progressive lawyer he met the privations and hardships incident to his early practice; thus he became deep-rooted in

his great affection for those about him. The people of his State quickly learned that he was a stanch and loyal friend in whom was reposed the choicest ideals of life.

Our acquaintance began when we were assigned to the Judiciary Committee in the House of Representatives in January 1939. In our very close association thereafter I came to recognize in him those rare qualities which directly appeal to men. I knew him in the intimacies of those close contacts which are forever reserved by each one of us for but a few. I knew him in the stress of great turmoil when the multitudinous worries incident to the deliberation on weighty questions of state were at hand; I knew him, too, in the solemn meditations of sadness—when the heart bleeds and the somber voice pleads for rest and solace; I knew him when he voiced his meditations and sound logic respecting the future of his country—the land he loved and the form of government he professed with unerring devotion. He was as kindly as he was brave. Thus I knew WALLACE E. PIERCE, my friend in the days gone by.

My fine friend, whose memory I will long cherish, lived as he died—and he died as he lived—with the weight of livid problems of the people before him. He was at his post of duty when the silent summons came; he was unafraid; he silently stole away from his colleagues and his labors, in the Chamber of the House of Representatives, and calmly wrapped the draperies of his couch about him, in the Nation's Capitol, and laid down as if to peaceful, happy dreams.

Thus his life work was ended. The brilliant career of a brilliant man was thus terminated.

WALLACE E. PIERCE needs no encomium. His life and his living of it stand before us in beauty and in splendor. My tribute to him I give in the words which were spoken of a great hero—in the days gone by—"This was a man."

John Andrew Martin

MEMORIAL ADDRESS

OF

HON. EDWARD T. TAYLOR

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. JOHN ANDREW MARTIN, late a Representative from the State of Colorado

Mr. TAYLOR. Mr. Speaker, JOHN ANDREW MARTIN, lawyer, soldier, faithful public servant, loyal son of Colorado, comrade, and friend, has drifted from the lofty mountains of his beloved centennial State to an infinite horizon of eternity beyond our view. The simple, yet inspiring, story of his life is his highest eulogy. In reflecting over it we are able to glimpse into a human heart and perceive the character of a man whose memory will be cherished forever by his legion of friends. Our departed friend would be proud to know that his name is engraved upon the annals of Colorado's history as a typically great pioneer of the West. Yet, prouder by far would he be to know that his memory is indelibly carved in the hearts of all his friends. Thus, "To live in hearts we leave behind is not to die."

JOHN MARTIN was not born to a life of ease. Rather, he was an outstanding example of one who was not subjugated to or daunted by obstacles—he surmounted them with determination. Born in Cincinnati, Ohio, April 10, 1868, he spent his boyhood days in the Middle West and received a primary education in the public schools of Mexico and Fulton, Mo. At the age of 12 he was obliged to leave school to work in a tobacco factory. After several years of farming in Kansas, he moved to Colorado, where he commenced working on a railroad. There he learned of the struggles and hardships confronting the laboring class, and, inspired by an earnest desire to improve their lot, he dedicated his life to this purpose. He was always proud of his close affiliation with the railroad industry. Beginning as a track layer, he worked up to locomotive fireman, his warm, human heart thrilling with joy and teeming with pride as he fired the engine for the first time as it rolled into the capital city of Denver.

Mr. MARTIN was married in 1892 to Miss Rosa May Chitwood, and of this union was born one daughter, Mrs. Gordon Spencer. From that day until his untimely death his wife was not only an admirable helpmate—she was a wonderful balance wheel and inspiration, and as constant and devoted a guardian angel as any man ever had. She saved and prolonged his life many years, and, like countless millions of other wives, she deserves a very large share of the appreciation and distinction her husband received. In 1908 he wrote The Jayhawker, a novel depicting the "dawn life of the prairie West and its people," based on the life of his wife's parents who were pioneer settlers in Kansas.

In 1895 to 1896, Mr. MARTIN published a weekly newspaper in La Junta, Colo., and during that same period served as a member of the city council of that city. He studied law diligently and was admitted to the bar in 1896. A year later he began practicing in Pueblo. He was elected State representative in 1901 and served as city attorney for Pueblo in 1905 and 1906.

During the World War, Mr. MARTIN recruited a volunteer battalion, in which he enlisted as a private, and later was commissioned a major, serving as commanding officer of the One Hundred and Fifteenth Supply Train, Fortieth Division. He has always been proud of his war record, and in Congress has faithfully represented the wishes of his veteran constituency. He served as post commander of the Pueblo Post, No. 2, American Legion, and was also a member of the San Isabel Chapter, No. 2, Disabled American Veterans of the World War.

Step by step, this self-made, self-educated man, rising from humble beginnings, attained honor upon honor until he reached the distinction of becoming a Member of the House of Representatives. It was a long and hard climb for a poor boy to work from a section hand on a railroad in the barren Dust Bowl of the West to 11 years of distinguished service in Congress. He and I were intimate friends for 40 years. We served together in the State legislature. We were both nominated for Congress the first time at the Pueblo convention in the fall of 1908. He was nominated for the Second Congressional District, which at that time included about three-fourths of the State, and I was nominated as Congressman-at-Large. We were together during most of the campaign. We were both elected and entered Congress on March 4, 1909, the day President Theodore Roosevelt retired and President Taft was inaugurated. He served during the Sixty-first and Sixty-second Congresses, from 1909 to 1913, and then retired voluntarily. He was again elected to the Seventy-third Congress, after a lapse of 20 years from his previous service, and served through each succeeding Congress until his death. It has been my rare and great privilege and pleasure to work by his side during his entire service in the House of Representatives.

Colorado never had a more loyal son. He was always an earnest, conscientious, hard-working Representative who had ever uppermost in his mind the welfare of his district, his State, and his Nation. Above all, he toiled incessantly for the common laborer, the underprivileged. His deep, inherent understanding of the needs of the working class qualified him to very effectively present to Congress his first-hand knowledge of these conditions in working out labor legislation. Always a champion of the laborer, he was an extremely useful member of the subcommittee that worked out the Railroad Retirement Act of 1935 and subsequently the Railroad Unemployment Insurance Act. As a member of the House Interstate and Foreign Commerce Committee he helped frame the administration's holding-company legislation and the Civil Aeronautics Authority Act. He was also a member of the subcommittee which drafted the Rural Electrification Act.

JOHN MARTIN has said that if there was one thing he would like people to say of his service in Congress, it was "He

worked." All who knew him must attest to his unceasing efforts actually night and day, in or out of session, all the time. In fact, the immediate cause of his fatal illness was the call of duty which impelled him to make an arduous, man-killing tour of his entire district to learn its conditions and needs from long and heartbreaking unemployment and drought.

He worked on unemployment from the day he took his seat in Congress to the very day he was taken ill. This did not mean simply participating in a legislative way in the support of work relief and public-works programs. It meant going to bat with emergency agencies in Washington week after week in order to answer desperate telegrams from depression-stricken counties which were seeking larger quotas of W. P. A. workers or approval of new and needed projects.

He worked on the drought situation from that blazing hot summer of 1934 on, personally going into every county and making first-hand inspections, doing so under the blistering heat of the sun and wearing out those who attempted to keep up the pace with him. He succeeded in getting those counties designated under the emergency drought program in order that they could qualify for emergency help given by the Federal Government.

He very earnestly and constantly worked with all the various departments, bureaus, and agencies of the Government in behalf of the welfare of his constituents. Today, the Third Congressional District has scores of splendid reminders which stand as monuments to his efforts—C. C. C. improvement and conservation projects, many large P. W. A. and W. P. A. projects, too numerous to enumerate individually.

The longer on this earth we live
And weigh the various qualities of men,
Seeing how most are fugitive—
The more we feel the high, stern-featured beauty
Of plain devotedness to duty,
Steadfast and still, nor paid with mortal praise,
But finding amplest recompense,
For life's ungarlanded expense,
In work done squarely and unwasted days.

The customary limitations of this occasion prevent my humble tribute to a grand soul and a very dear friend from giving any extended résumé of JOHN MARTIN'S infinite variety of services to his constituents in particular and to Colorado and the West in general. I hope someone will compile a suitable review of his life work. It would be a marvelously fine and just tribute to his memory. I think his greatest single work, for which he will be longest remembered and which is now to be realized only after 6 years of persistent and never-ceasing effort on his part is the Caddoa Dam, which will impound and control the gigantic floods and stabilize the flow of the Arkansas River below the dam, thereby enabling the people up the stream in the entire valley in Colorado to use a vast additional amount of vitally needed water for irrigation throughout the dry season. That project will be one of the outstanding great developments in the history of our State, by which tens of thousands of people will be benefited for generations to come. I will not go into the lengthy details concerning the enormous amount of work that he did to bring about that construction. While many others deserve due appreciation, yet I say with all the earnestness and emphasis I have—and I am confident I know whereof I speak—that without the efforts of JOHN MARTIN that project would not be in existence today. As a truly just recognition of his unceasing service, extending over 6 years, that entire project should be officially named the Martin Dam. It does seem to me that by all the instincts of common justice and fair treatment, JOHN MARTIN'S long years of constant, persistent, never-tiring work and successful accomplishment of that gigantic undertaking most richly and rightfully deserve that public and permanent expression of appreciation and gratitude. The history of our Nation and of every State is greatly enriched by such preservation of the names of men who have honored their positions and achieved great accomplishments for the public welfare. Such actions are a perpetual inspiration to the youth of our country.

JOHN MARTIN was intensely American in ideals and point of view. He visited every State in the Union and also visited many of our insular and territorial possessions, including Puerto Rico, Alaska, Hawaii, and Panama. He loved this land of ours with every pulse and fiber within him. His Americanism fired him to make most forceful and eloquent speeches upholding the doctrines and principles upon which our democratic Government was founded. Speaking of subversive influences within this country, he said, in a stirring and patriotic speech on March 3, 1939:

Apparently the time is at hand when Congress must take cognizance of the growing menace of these subversive activities and pass suitable legislation to deal with them. * * * We want no secret armies in this country, no foreign military uniforms, no alien flag floating above the stars and stripes, no racial group fomenting strife against any other racial group.

Always he was a courageous foe of anti-American doctrines. He was a valiant fighter for whatever he believed to be right, and his was an unswerving idea of right. Of him can truthfully be said:

Statesman, yet a friend of truth. Of soul sincere,
In action faithful, and in honor clear;
Who broke no promise, served no private ends.

JOHN MARTIN sang always of the marvels of Colorado—its grandeur, its beauty, its breath-taking immensity, and its colorful history. In a recent toast to Colorado, he said:

I propose a toast to Colorado. Its people: How can they fail to measure up to its immensity, its scenery, its history, and its resources? They are of the pioneer type, the people who settled, conquered, and developed this great domain, unearthing its mineral riches, and with infinite pains building the water systems which produce its agricultural wealth and maintain its towns and cities. They have subdued a stern and rugged nature. They have built a Colorado worthy of the eminence given it by its location in the heart of the Nation and at the top of the world.

Truly the sublimity of the mountains and the glories of a great and beautiful State mingled and entered into the character of this great soul. JOHN MARTIN has fully measured up to everything that Colorado typifies.

It is impossible to fill the place left vacant by friends who have entered the dawn of death. Content are we compelled to be with the wealth of elevated thought and human deeds they accomplished. From the earliest days of JOHN MARTIN'S life he stood for a purpose—that of bettering the life of underprivileged humanity. He played the game of life frankly and on the level. He had the priceless heritage of all the ages—a good name. He knew that he was going this way only once. Because he was true to himself, he was faithful to every trust. His sound philosophy is appropriately expressed in the following creed by Edgar A. Guest. This was JOHN MARTIN'S favorite creed—one which he believed firmly and followed unwaveringly.

MYSELF

I have to live with myself, and so
I want to be fit for myself to know,
I want to be able, as days go by,
Always to look myself straight in the eye;
I don't want to stand, with the setting sun,
And hate myself for things I have done.

I don't want to keep on a closet shelf
A lot of secrets about myself,
And fool myself, as I come and go,
Into thinking that nobody else will know
The kind of a man I really am;
I don't want to dress up myself in sham.
I want to go out with my head erect,
I want to deserve all men's respect;
But here in the struggle for fame and pelf
I want to be able to like myself.
I don't want to look at myself and know
That I'm bluster and bluff and empty show.

I can never hide myself from me;
I see what others may never see;
I know what others may never know,
I never can fool myself, and so,
Whatever happens, I want to be
Self-respecting and conscience-free.

In eulogizing the memory of Joseph W. Byrns, the great unforgettable, and lovable Speaker of the House of Representatives, JOHN MARTIN said:

At the end of his famous lecture, Elbert Hubbard used to close with the words, "And be kind; and be kind." Joe Byrns was kind.

JOHN MARTIN, too, was kind. He was a friend of all who knew him. He was never too busy to be courteous and was a favorite with the people in all walks of life. He was just naturally big-hearted. His honesty, simplicity, ruggedness, and stainless character are priceless heirlooms.

During the last few months of his life JOHN MARTIN had reached a decision to retire from Congress at the end of his present term. His cherished dream was to return to his beloved State "to live by the side of the road and be a friend to man." It is mysteriously strange how a beautiful dream can be realized—the magnificent preparation to live becoming the magnificent preparation to die. JOHN MARTIN has returned to his beloved State to rest forever beneath its rugged, vigilant peaks, and its peaceful, cloudless sky. No amount of hardships, no obstacles ever daunted his courage. He faced the frontiers of the next world confidently and with the same serene and courageous spirit. He fought a good fight. He kept the faith.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. CLARENCE J. McLEOD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. McLEOD. Mr. Speaker, in the untimely death of CARL E. MAPES the Congress, the State of Michigan, the entire country lost a most valuable and beloved statesman. A man who was honest in thought and deed; an able representative of the people; and one who was as industrious as he was able.

We who knew CARL MAPES during his 27 years as a Member of this House loved him for his rugged, steadfast integrity, his deep, quiet temperament, and his unfaltering patriotism.

The legacy which Mr. MAPES left us is a precious one—the more precious because the privilege was ours to know in the intimacy of good fellowship a man whose fineness of character and social sympathy enriched his State and his Nation.

In him we saw no narrow passion of sectionalism, but rather a lifelong determination to interpret the historic forces animating American life, and the will to direct those forces to the real fulfillment of the ideals of a democratic society.

One grand tendency of his life and character was to elevate the public mind. He did this not merely by example. He did it by dealing as he thought—truly and in manly fashion with the public mind. He gained the love of the people, not so much by honeyed phrases as by good counsel, fearless decisions, and service, vera pro gratis. He revealed his true appreciation of the people by submitting sound arguments to their understandings and right motives to their free will.

He came before the people, not with flattery but with wisdom; not with just a vocabulary larded with mere words of humanity, philanthropy, and brotherhood, but with an educational and progressive system of government which would make them prosperous and happy.

What the Greek historians said of Pericles I feel might be said of CARL MAPES:

> He did not so much follow as lead the people, because he framed not his words to please them, like one who is gaining power by unworthy means, but was able and dared, on the strength of his high character, even to brave their anger by contradicting their will.

I cannot attempt at this time to grasp and sum up the aggregate of the service of his public life. It is needless. This House well remembers his service to his State and to his country. Mr. MAPES devoted almost his entire life to public service. Politics to him was the science of good government; never the means to a selfish or unpatriotic end.

Coming to Washington with the convening of the Sixty-third Congress, CARL MAPES, through his earnestness and excellent mind, soon drew the attention of House leaders. As chairman of the District Committee, he served ably in reorganizing the Capital city's administration and its laws.

As a parliamentarian of the highest rank, he became indispensable in the floor leadership of successive administrations.

Mr. MAPES was a strong believer in party government, but never allowed party lines to make him subservient to his own ideals of good government. He campaigned vigorously at every election, but no fear of personal fortune ever warped his words.

We who shared his last days under the dome of this great Capitol witnessed time after time the manifestations of his faith, which was his treasured heritage as an American; faith in the logic and enduring quality of democracy; faith in his fellow men, and in the supremacy of the spiritual force; faith in the essentially democratic ideal of the right of men everywhere to determine the conduct of their own affairs.

Congressman MAPES loved his country with all the ardor of a real American. He was unsparing of himself in the performance of his duties. At the time of his death, the dean of the Michigan delegation was on duty in the city of New Orleans as a member of a subcommittee of the House Committee on Interstate and Foreign Commerce. It was there, on the 12th day of December, that he passed into the realm of eternal mystery. The author of Proverbs says:

> Seest thou a man diligent in his work? He shall stand before kings.

CARL E. MAPES stood before kings and paupers, the mighty and the weak, and in turn received their respect and admiration.

The life and achievements of this man to whom we pay solemn tribute today may well serve as an object lesson to the whole world as to the possibilities of development and accomplishment in a free, democratic country.

No greater portrayal of tribute so catches this man's greatness as the drawing by Frank Williams, which appeared in the Grand Rapids Press of December 14, 1939, titled "There, son, was a real American."

In the passing of CARL E. MAPES, I lost a great friend whose memory will linger long. For me his association was an example and an inspiration. No longer can I meet him in the performance of my daily work, but I can and do remember his handclasp, his sincere manner, his quiet assurance. From these fond memories I receive the sweet, undefinable warmth of fellowship that may only pass between true friends.

Truly it may be said of CARL E. MAPES:

> He is not dead but sleeps;
> Such souls forever live.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. EARL C. MICHENER
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. MICHENER. Mr. Speaker, I rise to pay my tribute of honor and respect to our late colleague, CARL E. MAPES. No, that is not exactly what I want to say. CARL MAPES was more than a colleague to me. He was my friend in all

that that term implies. Therefore, I must add to the formal statement of honor and respect the terms love and affection, and I mean just that.

When I came to Congress in 1919, Mr. MAPES had served three terms. He was then chairman of the Committee on the District of Columbia and an outstanding Member of the House. As one of the younger Members in service of the Michigan delegation, it was natural that I should gravitate toward him. I sought his advice and counsel on many occasions and soon learned the value of such contact. CARL MAPES never misled. He never camouflaged. He never told one a half-truth. He was candid, frank, sincere, and dependable at all times and on all occasions. Indeed, here was a man.

Mr. MAPES served in the Congress for 27 consecutive years, an honor coming to but comparatively few in the history of the Republic. When one is returned continuously by his constituents for that length of time, it is always interesting to discover the reason. The answer is not difficult to us who knew CARL MAPES down through the years. He had no political organization as such. The Fifth Congressional District of Michigan trusted him, and that is the answer. It trusted him because he had been tested and not found wanting. The period of his service—from 1913 to 1939—was momentous in the history of our country. He was called upon to vote on the question as to whether or not this country should enter the World War. He considered this the most difficult vote of his career. He did not waver. He did that which he believed at the time to be for the best interest of his country. Then, as a Member of the Congress, he passed through the trying days of the World War and the reconstruction period of the twenties. As a legislator, he know what war meant. He helped establish our wonderful veterans' facilities. He helped to provide care for those who bore the scars of battle, and for their dependents. He was an indefatigable worker and was of much assistance in bringing the country back to normal. All this took its toll, yet CARL MAPES never complained. He saw his country reach the height of its prosperity and then, as in the twinkling of an eye, he saw this same country, and the world in general, plunged into the depths of the greatest depression ever known. He labored conscientiously and long, and cooperated in every way, in an effort to bring back the prosperity that seems to have left us.

These were trying days, and the courage, the fearlessness, and the sound judgment of our departed friend were of inestimable value to the people of his country. He was a stabilizing influence in his home city, in his home State, in the Congress, and throughout the country. He was always dependable. There was no artificiality about him. His people soon learned this, and even though some of them did not always agree with his votes in the Congress, yet they recognized the fact that every vote CARL MAPES cast was the honest, conscientious vote of a sincere man.

Possibly no Member of the House was less amenable to pressure groups. CARL MAPES was a stranger to the thought of personal aggrandizement. He demonstrated clearly that a Member of Congress can vote his judgment, become a leader in political life, and yet never yield to what is commonly known as political expediency. His friends and neighbors knew him for what he was—a man who lived a clean and honorable life. one whose home and family came first in his affection, one who was always genial, always kind, one who never made enemies and who kept his friends. In short, he was genuine.

CARL MAPES was not spectacular. He maintained no publicity bureau. He hired no build-up writers. His record was built on service. The most trivial request from a constituent received meticulous attention. Among his constituents he maintained a reputation for careful efficiency. Not a detail was overlooked. He ofttimes remarked that it was not the speeches a Member made on the floor of the House nor the number of times his name appeared in the newspaper that kept a Representative in Congress, but rather it was the record on the roll call. It was the manner in which the job was done. He considered himself the hired man of his constituency, and believed in traditional representative government. His office was always open to receive counsel and advice; yet it was CARL MAPES who reached the conclusion after the evidence was all in, and no one could divert him from the conclusion which in his own mind he thought was right and just.

His position in this body was unique. There was no better parliamentarian among us, and no Member was better known. Although he was slow to reach a conclusion, and immovable when he had reached it, yet with it all he was tolerant and never gave offense. As dean of the Michigan delegation, as Michigan's Representative on the Committee on Committees, as the ranking member on the Committee on Interstate and Foreign Commerce, and the ranking member on the Rules Committee, in addition to acting as assistant minority leader, his sphere of influence in the Congress was greater than that of most Members. His place will not only be difficult to fill—it will not be filled. When the news of his sudden passing reached the Congress all were genuinely shocked and grieved. CARL MAPES is gone, but the memory of this splendid public servant will linger with us long.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. CLARENCE J. BROWN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. BROWN of Ohio. Mr. Speaker, it is an honor and a privilege to take part in this memorial service and to pay tribute to the memory of one of our departed colleagues, CHESTER C. BOLTON.

Ohio has mothered many illustrious sons. None have been more able or more conscientious servants of the people than was CHESTER BOLTON.

I knew him for 25 years. Watching his career develop, I saw him as a young man, actively interested in the welfare of his city and his county. His ability, his honesty of purpose, his high sense of duty, and his exceptional intelligence brought quick recognition from his neighbors, and he was chosen to represent his district in the Senate of Ohio. There his great talents for service and leadership were quickly recognized and his party selected him as majority floor leader. He served with distinction and honor to himself, and to the great benefit of all the people of Ohio. His splendid record in State service shall endure as long as the government of Ohio lives.

Again the office sought the man. CHESTER BOLTON was elected to the Congress of the United States to represent one of the largest districts in the entire country—the Twenty-second of Ohio—with more than 600,000 population. CHESTER BOLTON'S great contribution to his country as a Member of Congress needs no comment from any man. It speaks for itself. Throughout his years of congressional service the common good was always uppermost in his mind. Quietly, efficiently, loyally, he gave of himself that his beloved country might be bettered. During the last months of his life, those of us who worked with him, knowing that he was not well, urged him not to give so much of his energy and his strength to the national problems that confronted the Congress. Loyal to his trust, he carried on until his bodily strength was gone and death was upon him. Surely no patriot could give more.

CHESTER BOLTON was truly a man. Gentle and gentlemanly always, he had the courage of his convictions and bravely maintained the ideals in which he believed and for which he fought and died. Ohio gave him to the Nation. He gave his all to his country. America is better for his having lived.

Bert Lord

MEMORIAL ADDRESS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. BERT LORD, late a Representative from the State of New York

Mr. CULKIN. Mr. Speaker, the death of BERT LORD, Congressman from the Thirty-fourth District of New York on May 24, 1939, was a distinct loss to the public service, both State and National. Congressman LORD was a trained public servant, having been a member of the New York State Assembly and New York State Senate for more than 18 years. His record in the State service was outstanding and distinguished. He came to Washington as a Member of the House in the Seventy-fourth Congress and served in that capacity to the day of his death. No man in the House of Representatives knew the desires and ideals of the American people better than Congressman LORD, and his public service was a lifetime devotion to basic American principles.

The Congress has lost a distinguished, conscientious, and hard-working Member and the Members of the New York State delegation deprived of his counsel and advice, have suffered a great loss. Peace be to his ashes.

William Albert Ashbrook

MEMORIAL ADDRESS
OF
HON. ROBERT CROSSER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM ALBERT ASHBROOK, late a Representative from the State of Ohio

Mr. CROSSER. Mr. Speaker, our late distinguished colleague, WILLIAM A. ASHBROOK, was a Member of the House of Representatives when I first came to the House on March 4, 1913. He had already served two terms and was beginning his third when I began my service in the House. He had been a member of the General Assembly of Ohio before coming to the United States House of Representatives, and had made his mark during the time he had served in the State assembly.

Mr. ASHBROOK was exceedingly active, energetic, and industrious. I hardly remember him when he did not seem to be on the alert, and exceedingly attentive to the duties that commanded his attention at any moment.

Mr. ASHBROOK was unusually successful in a business way and succeeded in every line of work which he chose to undertake. He was a successful publisher. He was a banker who always commanded the confidence of his community to the highest degree. He was extensively engaged in farming, and was very successful and progressive in that field of human endeavor.

Mr. ASHBROOK was a man of sound judgment, was never an extremist, but neither was he static in his attitude. He was astute but scorned to take an unfair advantage of rivals or those opposed to him. In other words, he was eminently fair in his conduct with his fellow man.

Mr. ASHBROOK was elected 10 times to the House of Representatives, being first a Member of the Sixtieth Congress. He served 7 terms in succession after his first election. He was defeated in 1920 and was out of Congress until the Seventy-fourth Congress, when he was reelected, and elected to the Seventy-fifth and Seventy-sixth Congresses.

From the beginning of his service until his death, therefore, he covered a period of 33 years, although during 8 years of that time he was not a Member of the House.

As with his own private affairs, so with public affairs, Mr. ASHBROOK devoted himself intensely to his tasks and never seemed to think to spare himself. Night after night, he could be found at his office in Washington, pouring over his work. In his exchange of views with his fellow men he was direct but never offensive and abrupt. He was independent in his action when he thought such course necessary or to the public interest. He was intense in his opposition to what he believed was unsound public policy and necessarily harmful to the public interest. Frequently his friends would urge him to be more tactful in stating his opposition under such circumstances, but Mr. ASHBROOK felt that his duty required him to be outspoken and unequivocal in making known his attitude.

His district, the State of Ohio, and his country have reason to be glad that WILLIAM A. ASHBROOK served, and served so long as a Member of the House of Representatives.

Emmett Marshall Owen

MEMORIAL ADDRESS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EMMETT MARSHALL OWEN, late a Representative from the State of Georgia

Mr. HOPE. Mr. Speaker, I count it a privilege to have had the opportunity in serving in the House and on the Committee of Agriculture with EMMETT MARSHALL OWEN.

In my life I have met few men who were more kindly, unassuming, and modest than he. Coming to Congress after many years of public service in his own State, Mr. OWEN impressed all with whom he became acquainted with his sincerity, his high character, and genial disposition.

Keenly interested in the problems of agriculture, Mr. OWEN served on that committee with ability and distinction. He understood thoroughly and sympathetically the great problems confronting agriculture. Yet, though sympathetic, he never let that quality overcome his good judgment and sound common sense. He was a most valuable member of the committee in every way.

In his passing this Congress lost an able Member and I a friend.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. JAMES P. RICHARDS
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. RICHARDS. Mr. Speaker, the All Wise Ruler of the Universe has removed from among us one of the finest characters I ever knew. THOMAS SANDERS MCMILLAN was a man truly without guile. As a citizen, legislator, father, husband, and friend, none could be found to criticize him even when he walked among us. Now, in death we gather here to commend in unison these virtues of our departed friend.

Tommie, as we knew him, was born near Ulmers, Allendale County, S. C. Realizing the value of an education, he battled his way through the Orangeburg Collegiate Institute,

taught school at Perry, Aiken County, S. C., won a competitive scholarship from Barnwell County to the University of South Carolina, was graduated from that institution in 1912 with a bachelor of arts degree and in 1913 with bachelor of laws degree. After being admitted to the bar, he began the practice of law in Charleston, S. C.; he served in the State house of representatives from 1915 until 1924, as speaker pro tempore in 1921 and 1922, and as speaker in 1923 and 1924. He was elected to the Sixty-ninth Congress in 1924 and served continuously until the fall of last year when he passed away. He died wrapped up in service to the people of his district, his State, and his Nation, with his boots on. As a subcommittee chairman and leader on the powerful House Appropriations Committee he worked unceasingly for the people of his district and there today may be found many monuments to his influence, ability, and industry. As a legislator he was one of the ablest and best-informed men in the House, and his services here day by day are most sadly missed. His friends were legion, both on the Republican and Democratic side of the House, because partisanship never sank to low levels with him.

While his name in history will mainly rest upon his record here, those of us who were close to him, most of all, like to remember him for his great, kindly, smiling, human qualities. As a friend, Tommie was always ready to hold out the helping hand. His word, once given, was never broken. He never understood deceit and treachery, and therefore was always hesitant to charge anyone with or to believe that anyone could be guilty of these despicable traits. Those who have seen his family life know that, as a father and husband, he fulfilled every duty. The laughter of a child touched him more readily than the voice of a king. His love for his wife and children was a beautiful thing.

He had a deep sense of obligation to his people and his country, not only as a Representative, but also as a private citizen. He believed, with all his heart, in the free institutions of our country and fought with all his might against every open or subversive effort to undermine them. In the discharge of his duties as a citizen and public official, no power could corrupt him and no hand could deter him from what he believed to be his duty. He carried near to his heart "that little spark of celestial fire called conscience."

Tommie, early in life, learned the value of good sportsmanship. As a star baseball player, he reveled in the contest and constantly sought to improve himself, but never through taking unfair advantage. Herein we find the key to his life—a contest to attain better and higher things.

> Build thee more stately mansions, O my soul,
> As the swift seasons roll!
> Leave thy low vaulted past!
> And let each new temple,
> Nobler than the last,
> Shut thee from heaven
> With a dome more vast;
> Until thou at length art free,
> Leaving thine outgrown shell
> By life's unresting sea!

May the hand of a merciful providence rest gently upon his dear ones left behind and brush away their tears.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. FRANCIS D. CULKIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. CULKIN. Mr. Speaker, the Congress and indeed the entire country was deeply shocked and grieved at the death of the Honorable CARL E. MAPES of the Fifth Congressional District of Michigan. During his long service in Congress he had come to be one of the outstanding leaders on the Republican side of the House. His service was not showy, but was based on a thorough knowledge of the subject matter under discussion. It was probably more effective for that reason.

CARL MAPES, better than any man I have known in Congress, had a thorough knowledge of democratic processes. Better than any man I have known, he could separate the wheat from the chaff and no public clamor could deviate him from the course that he had decided upon. He was little concerned about his own political fortunes, but was ever desirous of doing sound service, not only to his constituency but to all of America.

I wish to stress his great modesty which sometimes caused him to be underrated. Those in the House who served with him know that back of CARL MAPES' modesty was high ability, unceasing industry, and an unyielding devotion to what he believed was for the best interests of the country. The Congress and the country have suffered a great loss in the passing of this fine American.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. MILTON A. ROMJUE
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. ROMJUE. Mr. Speaker and Members of the House, when I first became a Member of Congress one of the Members who had preceded me here was Hon. CARL E. MAPES, Representative from the State of Michigan. I very early formed an acquaintance with and a warm friendship for him. For a time we were members of the same committee, and during the time I served with him, as a member of the same committee and forever afterward until the hour of his death, I found him to be a perfect gentleman in every respect and a man in whom one could fully place his trust. He was a gentleman of most excellent character and a most faithful Representative of the people of the district which he represented, as well as a trustworthy and most honorable Representative of his Nation's best interest.

It was indeed a pleasure to know intimately and to enjoy the respect and friendship of CARL E. MAPES. He always gave most earnest study and consideration to the legislative matters pending during his time in Congress. While he and I were members of different political parties there was no time at which I ever found him unfair and unreasonable or unwilling to confer and counsel together in regard to that which was deemed to be for the best interest of our country. He always took an active interest in the fundamental principles of his party and was loyal to his beliefs and convictions. He was one of the most kind and considerate men I have ever had the opportunity of serving with in this body and my belief and conviction in regard to him was such that I am sure he was always open-minded and ready to give fair and due consideration concerning any problem or legislative matter with which he was dealing. He was kind, sincere, generous, and honest; and he commanded, I am sure, the respect of all who formed his acquaintance while a Member of this body. He is much missed—his State and the Nation have lost a most faithful Representative. The life he lived and the service he rendered while a Member of this body has made a valuable and lasting impression. It was my privilege to enjoy his very sincere and warm friendship

from my first acquaintance with him, as a Member of this body, to the end of his long and useful service.

His character, service, and life were such as to need no eulogy. Those of us who knew him best and enjoyed a close friendship with him could not add anything in the way of admiration or affection that his life and character did not merit. In his passing I have lost a warm personal friend—one whom I always enjoyed meeting and conferring with. The great State which he represented and the Nation as well, in his passing, has sustained a great loss as he was truly a Representative worthy of the honor which his constituents bestowed upon him. He loved his country and was intensely patriotic, and he came to the end of his earthly life full of honor and much beloved.

I cannot say—I will not say—
That he is dead. He is only away.
With a cheery smile and a wave of the hand
He has wandered into an unknown land
And left us dreaming. How very fair
It needs must be, since he lingers there.
And you—oh! you who wildest yearn
For the oldtime step and glad return—
Think of him faring on, as dear
In the love there, as the love here.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. ROBERT CROSSER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. CROSSER. Mr. Speaker, when the news of CARL MAPES' passing was brought to me I was stunned for I had an affection for him which it would be hard to overestimate.

CARL MAPES and I first became Members of Congress on the same day, March 4, 1913. We served on the District of Columbia Committee during my first three terms in Congress. We were associates on the Committee on Interstate and Foreign Commerce of the House of Representatives from December 1923 until the day of Carl's death. It was a joy to work with him, whether in committee or on the floor of the House.

I regarded him as a man of high honor and ability, but more important than that he was conscientious in the extreme, and never in the slightest degree tried to take an unfair advantage of a colleague, nor indeed of anyone else. In order to get his viewpoint or counsel one could unfold to him perplexing problems and puzzles, and in so doing never have the slightest fear that any advantage would be taken by him of such guilelessness. I was always impressed with the fact that earnest devotion to his highest conception of right was the governing force in the life of CARL MAPES. He spurned the course and tactics that would give him reputation for mere cleverness and craft. He had the spiritual insight which enabled him to differentiate between substance and mere sheen. CARL MAPES, therefore, sought satisfaction in doing what he felt would result in good for his fellow man rather than engaging in an acrobatic display of so-called intellectual talent. No man on any of the committees on which I have served had sounder judgment or broader understanding than did Carl. He had great moral courage as well as exceptional mental attainments, and it is therefore not surprising that with such qualities he commanded the true respect of everyone who really knew him.

His services were of incalculable value to the American people, and his passing has been a distinct loss. I miss his kindly presence, and his invariably genial greeting, and no doubt I shall continue to do so. He was often the source of encouragement to me when I felt distressed. I appreciate the opportunity of having known him for so many years, and will always remember his lovable character.

Emmett Marshall Owen

MEMORIAL ADDRESS
OF
HON. ALBERT SIDNEY CAMP
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EMMETT MARSHALL OWEN, late a Representative from the State of Georgia

Mr. CAMP. Mr. Speaker, the empire State of the South has produced few men who have continued through so long and distinguished a career and maintained a more genuine modesty and simplicity while rendering such yeoman service to his people as did the late EMMETT MARSHALL OWEN, Representative for more than 6 years from the Fourth District of Georgia. No one performed his duties more conscientiously, nor was more devoted to the interest of the citizenship of this Republic than he. His concern over injustice wherever found was not superficial. It was a part of his creed and a part of his soul. The problems of all his constituency, great or small, high or low, were his problems.

His public career is probably unique in the annals of our State. First elected to a public office at the age of 25, he remained a public servant of the people continuously for more than 36 years, never meeting defeat at the polls, and having opposition only a few times. His people trusted him implicitly. No shadow or doubt ever existed as to his ability or sincerity, and his great loving heart, his fine personality, his affable and understanding character made him the ideal public official, and the friend of all classes.

For 24 years he was a prosecuting attorney in the district that sent him to Congress, and his record for the fearless performance of his duty is probably unequaled in his State, yet he made no enemies. Criminals feared him, but they knew him to be as fair as he was relentless in his zeal for the preservation of law and order. He was quiet and retiring by nature, yet he was a master of oratory, and his eloquence was appreciated by the whole State. He did not seek the limelight nor the public eye, and these lines best describe his belief:

I wrote my name upon the sand
And trusted it would stand for aye,
But soon the refluent sea
Had washed my feeble words away.

I carved my name upon the wood,
And after years returned again.
I missed the shadow of the tree
That stretched of old upon the plain.

The solid marble next my name
I gave as a perpetual trust.
An earthquake rent it to its base,
Now it lies o'er laid with dust.

All these had failed; I was perplexed.
I turned and asked myself, What then?
If I would have my name endure,
I'll write it on the hearts of men.

A scion of the best family stock of the Old South, he typified by his lofty character and public service the best ideals of the New South.

EMMETT MARSHALL OWEN was born at Hollonville, in Pike County, Ga., October 19, 1877. He was graduated from Gordon Institute, Barnesville, Ga., in June 1897 and from the University of Georgia in 1900, receiving the A.B. and B.L. degrees. After teaching school 2 years, he entered the practice of law at Zebulon, in Pike County, Ga., in 1902. That same year he was elected to the lower house of the General Assembly of Georgia, and he held public office continuously from that time until his death, as follows:

Member, Georgia House of Representatives, from Pike County, 1902–6; mayor of Zebulon, 1905–7; solicitor, Pike County court, 1906–9; solicitor, city court of Zebulon, 1909–12; solicitor general, Flint judicial circuit, 1913–23; solicitor general, Griffin judicial circuit, 1923–33; Representative in the

Congress of the United States from the Fourth District of Georgia from 1933 to the date of his death, June 21, 1939.

He was a member of the Barnesville Blues, military company of Barnesville, 1896–97, and was a member of the board of trustees of the Sixth District Agricultural and Mechanical School, 1906–8, resigning because of other official duties. He was a lifelong and loyal Democrat and a member of the Baptist Church.

On July 27, 1904, he was married in Greenville, Meriwether County, Ga., to Miss Alma Jones, who was born December 25, 1880, at Carmel, in Meriwether County, Ga., and died January 19, 1928. She was a daughter of John O. Jones (March 1840–November 1903) and Sarah Elizabeth Jones (1844–1925). To this union were born two children, Mary Elizabeth (born June 21, 1905; married Henley Floyd of Atlanta) and Emmett Marshall Owen, Jr. (born July 10, 1907), both of whom survive him.

EMMETT OWEN never faltered in his belief in the triumph of democratic principles, nor in his faith in the character and patriotism of the common people. He loved people for their true character, regardless of their station in life, thinking always, as the poet has expressed:

Howe'er it be it seems to me
'Tis only noble to be good;
Kind hearts are more than coronets
And simple faith than Norman blood.

Truly it may be said of EMMETT MARSHALL OWEN:

He is not dead but sleeps;
Such souls forever live.

George H. Heinke and Wallace E. Pierce

MEMORIAL ADDRESS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. GEORGE H. HEINKE, late a Representative from the State of Nebraska, and Hon. WALLACE E. PIERCE, late a Representative from the State of New York

Mr. BENDER. Mr. Speaker, the United States House of Representatives has lost two of its most promising first termers in the deaths of GEORGE H. HEINKE, of Nebraska, and WALLACE E. PIERCE, of New York.

Representative HEINKE was born on a farm near Dunbar, Nebr., on July 22, 1888, the son of a pioneer family. He was trained in the Nebraska schools and was graduated from the University of Nebraska in 1907, where he studied law, after working his way through the undergraduate school. For 10 years he practiced law with Judge D. W. Livingston, and in 1919 became prosecuting attorney for Otoe County.

The opportunity for distinction was not slow in coming. He led the battle to rid his county of undesirable elements at every turn, and earned reelection for 12 consecutive years. In 1935, he felt that the time had come for him to retire from public life, and he resumed the private practice of law. But he was not permitted to remain long in retirement.

In the spring of 1938 GEORGE HEINKE attended a Republican meeting at Beatrice, Nebr. Here he was asked to say a few words, and in 5 minutes of speaking he demonstrated the ability which it was his great good fortune to possess. Within a week, the demand that he run for Congress was heard throughout his district. He was nominated and elected in November 1938, but he was not destined to serve out his term. Returning to Washington at the opening of the second session of the Seventy-sixth Congress, he lost his life in an automobile accident.

Equally sudden and shocking was the death of Representative WALLACE E. PIERCE of the Thirty-first District of New York. Congressman PIERCE died a few hours after the conclusion of President Roosevelt's opening remarks at the reconvening of Congress in January 1940.

WALLACE PIERCE was born in Clinton County, N. Y., on December 9, 1881, and lived in the county of his birth all his life. He served in the New York State Legislature from 1917 to 1919, and was a leading member of the bar throughout his career. Always an active Republican, he served as chairman of the Clinton County Republican committee and as a member of the executive committee of the New York State Republican organization. Like Congressman HEINKE, Representative PIERCE was elected to the House of Representatives on November 8, 1938.

The death of these two members of the Republican Party in the United States Congress will leave a deep void in the lives of many of their fellows. Their work was just beginning. Their abilities were already evident. In a day when the Nation has need of strong personalities, the loss of Representatives GEORGE HEINKE and WALLACE PIERCE will not be easily repaired.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. FRED L. CRAWFORD
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. CRAWFORD. Mr. Speaker, skilled hand of craftsman can never carve in stone a monument to statesmanship capable of representing the ideals portrayed in the life of our late colleague and friend, the Honorable CARL E. MAPES.

His kind of statesmanship was that type to which many aspire but few attain. To this type of statesmanship may we point our sons and daughters with pride and truly say "There was a real American." Statesmanship is not weighed in the miserable vehicle of party labels—fortunately for the Nation. So when CARL MAPES passed away the party label under which he labored vanished and all partisans joined in praise of so noble a character.

But the voice of praise for the service of CARL MAPES in his 27 years as a Member of the United States House of Representatives was not held back until the visitation of death. For years he had been recognized by friend and foe as truly a great man; truly a man who acted according to his conscience, and whose conscience was always clear for action.

CARL MAPES took the hard road to success in the House of Representatives. He took the road paved with hard stones of arduous labor, tiring details, and studious research. Along that road he left real friendships, mutual confidence, and great respect.

Years before I was privileged to join Michigan's delegation in Congress I admired the courageous yet quiet manner in which Representative MAPES went about his duties as a national legislator. It was truly an honor to have him as my dean when I came to Congress, a little more than 5 years ago, and I shall never forget the sound advice frequently tendered me by this great servant of the Nation.

The honor accorded him a year ago when he was listed as one of the most valuable men in the House of Representatives was truly his. He was valuable to his delegation, to his State, to Congress, and to the Nation.

Death's great gavel fell, closing this life's physical work for CARL MAPES at a typical moment in his career—a moment when he was deep in the legislative affairs of the Nation he loved so dearly. Yet even though his voice is stilled, we feel his presence, and that presence will long be felt in this great Hall of Congress.

This House misses his amiable fellowship and inspiration and the Nation misses a distinguished statesman.

Bert Lord

MEMORIAL ADDRESS
OF
HON. EDWIN A. HALL
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. BERT LORD, late a Representative from the State of New York

Mr. EDWIN A. HALL. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following remarks by the Honorable JAMES M. MEAD, United States Senator from New York, in memory of the late Honorable BERT LORD, a distinguished Member of the House of Representatives:

The Nation lost a distinguished legislator in the passing of the Honorable BERT LORD. Those of us who were privileged to know him well will long carry warm memories of his pleasant and lovable personality. His State, his community, and his family will suffer by his absence, for he was a pillar of strength in matters of civic interest, and an affectionate and reliable ally as a friend.

I knew BERT LORD particularly well. I served with him in the New York State Legislature, long before we again became colleagues in the House of Representatives. I learned to respect his wisdom, to admire his courage, and to trust his judgment in many matters.

Born at Afton, N. Y., in Chenango County, he was reared in the peaceful and neighborly environment of New York's southern tier. In his earlier life, he engaged in business and, in 1915, entered the New York State Legislature, where we became acquainted and became fast friends. He served as motor vehicle commissioner for the State of New York, later as member of the Senate of the State of New York and, in 1934, was elevated to the Congress of the United States, where he served until his untimely death.

BERT LORD possessed all of the kindlier human traits. He was the type of man who won friends and kept them. His partisanship was lacking of bitterness and rancor.

Friendly, affable, and neighborly, he built a monument of friends. I grieve the loss of this great man whose exemplary life brought so much cheer and happiness to those associated with him.

Bert Lord

MEMORIAL ADDRESS
OF
HON. CLIFFORD R. HOPE
OF KANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. BERT LORD, late a Representative from the State of New York

Mr. HOPE. Mr. Speaker, it is a privilege on this occasion to have an opportunity to pay a tribute to our late beloved colleague, BERT LORD. Mr. LORD came to Congress after many years of legislative and other public service in the State of New York. No doubt partly because of this experience, BERT LORD early made his mark in Congress as a man who was able and dependable as well as thorough in his study of legislative matters.

He quickly made friends among his colleagues by his genial, courteous manner, and his pleasant personality. It was my pleasure to have this opportunity to become well acquainted with him because of our work together in the Committee on Agriculture. Representing as he did a large rural constituency and being inherently a lover of the land, BERT LORD impressed everyone on the committee with his great interest not only in the economic but the human side of agriculture. He quickly became one of the most valuable members of the committee, regular in his attendance at committee meetings and deeply interested in all legislation pending before the committee. Few men in Congress knew the problems of the dairy farmer better than he. Few Members were more conscientious in representing their constituency and in wholehearted devotion to duty than BERT LORD.

His passing was a great loss to Congress and to the Nation.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. LOUIS C. RABAUT
OF MICHIGAN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. RABAUT. Mr. Speaker, it is with the mixed emotions of joy and sorrow that on this day we pay tribute to our companions who have departed from this life during the past year. Joy, because once we had the pleasure and honor of knowing them; sorrow, because they are no longer with us.

My memories are particularly poignant when I recall to mind my friend, THOMAS S. MCMILLAN. My sorrow now is measured only by the joy which once was mine in his company. He was my friend in the truest meaning of that word. But to me he was more than a friend, he was my mentor. His kindly and experienced advice guided me in our work together. It was he who taught me the intricacies, admonished me of the dangers, and tutored me in legislative matters. I can attest to the truth of the statement that the counsel of a friend is the best counsel, because it is true advice. And in death, as in life, he continues to be my counselor, for I shall never forget his wise judgment.

But the competent influence of THOMAS MCMILLAN was not for me alone. God, in His wisdom, has called from our midst many men whom we have called great. The fool says, "What a pity that their prestige is cut short." But the wise man says, "Let us rejoice that the effect of their character will live on." Like the ever-widening circle of ripples felt on distant shores when a pebble is thrown into the sea, his influence is still felt in the committee rooms and the halls of Congress and consequently throughout the Nation. "His life is now grafted upon the infinite and will be fruitful as no earthly life can be."

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. ROBERT CROSSER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. CROSSER. Mr. Speaker, for many years it was my privilege to know CHESTER C. BOLTON intimately. Although we did not always see eye to eye on public questions, on the great majority of questions we found ourselves in complete harmony. Whether we were always in absolute agreement or not, however, I knew always that the motives which actuated him could not be questioned, and that indicates the possession of a most important element of real character.

Mr. BOLTON was elected three times to the Senate of the State of Ohio, and was elected five times as a Member of the House of Representatives. During his entire service in the State senate and the House of Representatives he was noted for his close attention to his duties and for his conscientious efforts to serve the public need.

Mr. BOLTON approached decisions on public questions with as much concern and as conscientiously as if he were making decisions on the most important matters of a private nature. He had a genuine desire to serve the Nation's best interests, and his efforts in that direction were never half-hearted.

As in his public career, so in his private business, he applied himself to his duties earnestly and vigorously.

He was successful to a high degree in the conduct of his own affairs.

CHESTER BOLTON was honorable, courteous, and trustworthy, and so, of course, it was a real pleasure to have served with him.

I shall miss his genial countenance and his cheery greeting.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. CLARENCE E. HANCOCK
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. HANCOCK. Mr. Speaker, when the third session of the Seventy-sixth Congress met at noon on January 3 to transact routine business and to listen to the President's address on the state of the Union, WALLACE PIERCE was present, cordially greeting his many friends in the House. He was cheerful and courteous, as always, and if he felt any physical distress he concealed it. And yet, before we left our offices that evening we learned that WALLY PIERCE was dead. To those of us who had seen him that afternoon it was almost unbelievable, though a sad fact.

He had just passed his fifty-eighth birthday. There was every reason to believe that many years of his useful life lay before him, but he was struck down as if by lightning. We who survive him cannot but meditate and wonder about the inscrutable ways of providence, which takes away so many fine and valuable men and women in the prime of life and permits the miserable and infirm to linger on in an unhappy, burdensome, and useless existence.

WALLY PIERCE had served but 1 year in the House of Representatives, but that was long enough to impress upon his colleagues the strength of his character, his ability as a lawyer and a legislator, and the depth and purity of his Americanism.

For many years before he was elected to Congress I had known WALLY PIERCE as a leading lawyer in northern New York and a strong political leader in that section. In the 1 year I was privileged to serve with him in the House and on the Judiciary Committee, I came to know him as a delightful and cultured companion, a man with the highest conception of legal and personal ethics, and as a man with a deep desire to serve his country and his fellow man.

He was modest and unselfish. He never sought the limelight, but he shirked no responsibility. He was the kind of American we need in public office, and can ill afford to lose.

Thomas Marion Eaton

MEMORIAL ADDRESS
OF
HON. CARL HINSHAW
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS MARION EATON, late a Representative from the State of California

Mr. HINSHAW. Mr. Speaker, today we mourn the loss of our distinguished colleague, the Honorable THOMAS M. EATON, who so ably represented the Eighteenth District of California in the Seventy-sixth Congress until his untimely death, which occurred September 16, 1939. THOMAS M. EATON was born on a farm near Edwardsville, Ill., August 3, 1896, attended the country school and Edwardsville High School, graduated from the State Normal University, Normal, Ill., and was principal of the Lincoln School, Clinton, Ill. During the World War he served in the United States Navy as an ensign in the Supply Corps. He was elected to the Congress of the United States on November 7, 1938, and came to Washington with his beloved wife, Ivah B. Eaton, at the opening of the Seventy-sixth Congress, January 3, 1939. Shortly thereafter his abilities were recognized by his appointment to membership on the House Committee on Naval Affairs. As a member of that great committee he distinguished himself through his intimate knowledge of naval affairs on the Pacific coast of the United States, and particularly in reference to the needs of the Navy, which his home city of Long Beach, Calif., so well serves.

"TOM," as he was known to his colleagues, was beloved by all who knew him, and even by those who knew him only casually. He was quiet and unassuming, and yet, withal, a pillar of strength wherever called upon. Illness crept upon him by slow degrees, and, while he worked, he suffered long without complaint, until after several months it became necessary for him to go under observation to determine the source of his trouble. After a long period in the Naval Hospital in Washington, D. C., he was transported by airplane to the Naval Hospital in San Diego, Calif., where he died.

Mr. Speaker, the death of TOM EATON is more than a loss to his colleagues and to the United States. It was a tragedy to his beloved family, well nigh without parallel, as a son was born to his devoted wife 2 weeks after he passed away. He, therefore, left fatherless his three children, Elizabeth, aged 16, Thomas, Jr., aged 13, and his posthumous son, Robert Burdick.

Mr. Speaker, I present for the RECORD an announcement contained in the Long Beach Sun on September 18, 1939, concerning the death of our colleague, and an editorial from the same paper written by Mr. Charles W. Paddock, which express the love and respect in which TOM EATON was held by his people at home.

[From the Long Beach (Calif.) Sun of September 18, 1939]

FINE CITIZEN, OFFICIAL MOURNED

Announcement of Representative THOMAS M. EATON'S death Saturday night brought shock and grief to many thousands of citizens of Long Beach and other communities of the Eighteenth Congressional District of California, which elected him to the United States Congress last November.

It was generally known that Mr. EATON had been ill for months with a malady which seemed to defy efforts of eminent physicians and surgeons at the National Capital to effect a cure or even to make a complete and satisfying diagnosis. It probably had not become known generally that when he was brought home he had to be moved and attended with utmost care. Few aside from relatives and intimate friends of the family had the distressing knowledge of how pitifully weak he was growing, last week, and how threateningly critical his condition had become.

"TOM" EATON, as he had been known for years to hosts of friends in Long Beach and vicinity, made a long and gallant fight to live. At times there seemed reason to believe he was besting the ailment which had cut deploringly short his active work as this district's congressional representative, a service in which he was deeply interested, and which he was performing most conscientiously and in a manner which already had won for him the admiration and friendship of many prominent figures on Capitol Hill. He was known to be very eager to carry on in the service of his constituency and his country, to work for the welfare of his district and, at the same time and always, for the highest and best interests of the Nation in whose Navy he had served during World War days.

But now, at the age of 43, his active career is ended, a career which was so promising of continued successful achievement. Yet, as his passing is mourned, and sympathy is proffered on every hand to the loved ones who are bereaved, it is gratifying that they and his many friends, here and elsewhere, will remember him as a man who, for one of his age, had accomplished so much and had served so well.

In Long Beach he was esteemed as a man whose fidelity to high ideals was reflected happily in his influence upon the lives of others; as a man whose home life was exemplary—a devoted husband and father; as a man honorable in his business affairs; a man whose intelligent and forward-looking interest in his community's welfare was evinced both in his private life and through-

out his incumbency as a member of the city council and mayor of Long Beach.

He served his city in that official capacity during a period marked by exigencies, problems, and developments which particularly called for clear thinking and calm reasoning. Mr. EATON's election to Congress constituted a community expression of approval of his municipal service and his devotion to the city's interests. In Washington he successfully continued the defense of the interests of his community and State, and otherwise represented his district efficaciously and honorably until incapacitated by the illness which proved fatal.

This newspaper joins in extending deepest sympathy to members of the bereaved family. Long Beach will miss "TOM" EATON greatly and will long remember his fine citizenship and his beneficent influences in, and many valuable services to, the community in which for 18 years he made his home.

[From the Long Beach (Calif.) Sun of September 19, 1939]

YOUTH SPEAKS

(By Charles W. Paddock)

TOM EATON

The death of Congressman THOMAS E. EATON comes as a shattering blow not only to his close friends and those who knew him casually but also to the Congress of the United States and especially to the city of Long Beach and that area which composes his congressional district.

Winning a sensational victory as the Republican nominee, the former mayor of Long Beach distinguished himself in his first session and was regarded by Republicans and Democrats alike as a man whose judgment, soundness, and closeness to his constituents as one likely to play a most important role in the special session which convenes this week.

One never thought in life of the Honorable Mr. EATON as anything but "TOM." He was that well loved, that close to all who knew him. He was a plain, simple man, without affectation, without airs, without any of the bombast which so often typifies the politician. Although he held a political office, I never heard TOM EATON referred to as a politician. He spoke straight from the shoulder with a sincerity which couldn't be doubted. He may not have been a great orator, but he never failed to put across his message. When he spoke people listened.

He realized, as he once told me, the great danger under our democratic system of government which faces the vast majority of us. Our political system is like a gigantic fish net, with holes small enough for the little to creep through, and with lines weak enough for the big to crash through, and yet in all a net where the middle size, which means the most of us, are entangled and held. Had TOM EATON, stricken in the prime of life, lived to fulfill his purpose he would have done much to make that net equal to the task of holding all in check that the greatest good could come to the largest number.

In this special session TOM EATON could have been counted upon to cast his vote where it would have done the most good to keep our country out of war. He would have had no traffic with special selfish interests that would like war, even at the sacrifice of American youth so long as it meant more money in their pockets.

In public life TOM EATON was motivated by a keen desire to do good and in private life he proved himself a fine husband and a splendid father. Would that every seat in our Congress was filled by such a citizen as TOM EATON, who died with his boots on, in the service of his country.

Carl Edgar Mapes

MEMORIAL ADDRESS

OF

HON. LOUIS C. RABAUT

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. RABAUT. Mr. Speaker, on this day the sword of partisan conflict is sheathed and we gather as comrades to pay tribute to our colleagues whom we have "loved and lost awhile."

These men were our companions of yesterday and our silent counselors of today. Among them perhaps none is more worthy of honor than CARL E. MAPES, late a Representative from Michigan.

CARL MAPES epitomized that scholarly deliberateness which is so needed in a statesman. His was the quiet way, but it was the effective way, for his influence was great. Often in the stormy, frenzied, feverish, boisterous turmoil about him his calm judgment became manifest, and deliberation took the place of chaos.

He was one of the most outstanding Members of this House, and through the charm of his personality and the serenity of his character he endeared himself to each one of us. I know that the personal grief which his death brought to me was felt by thousands of persons proud to call him "friend."

His name and fame will survive in the annals of the Government which he so loved and served.

Chester Castle Bolton

MEMORIAL ADDRESS

OF

HON. FREDERICK C. SMITH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. SMITH of Ohio. Mr. Speaker, no doubt all of us in Congress who knew CHESTER C. BOLTON held him in highest esteem. I believe we can truthfully say he was regarded by all of his colleagues as a man of most sound judgment and highest character.

Open, frank, as was his nature, he could be trusted without reservation.

Naturally modest and unassuming, he won and held the affection and friendship of his acquaintances and associates.

Obedient to public duty in the last days of his life, he perhaps sacrificed his own physical requirements in order that he might serve in full measure the cause of his country.

We have lost a good public servant and trusted friend in the passing away of Mr. BOLTON. May our memory of his spirit remain bright always.

Chester Castle Bolton

MEMORIAL ADDRESS

OF

HON. CLIFFORD R. HOPE

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. HOPE. Mr. Speaker, it was with profound sorrow and a sense of personal loss that I learned of the death of CHESTER C. BOLTON last October.

I came to like CHESTER BOLTON early in his service in the House because of his genial and engaging personality, which endeared him to all with whom he came in contact. I came to like him because of his devotion to duty and the ability and thoroughness with which he carried on his work as a Representative. CHESTER BOLTON was a man of wealth. He had a distinguished career before ever coming to Congress. He did not come here to attain distinction. For him membership in this body meant only an opportunity for service.

I have often remarked what a splendid thing it was that men like CHESTER BOLTON were willing to serve their country by undertaking the hard work, and even the drudgery, which fall to the lot of a conscientious Member of Congress when they could, if they chose, live a life of ease.

CHESTER BOLTON, I am sure, regarded his work in Congress as a patriotic service. He could have selected easy committee assignments, but instead he chose the Committee on

Appropriations, where there is no limit to the hard work a member may do. Certainly, no member of that great committee was more thorough and conscientious in his study of governmental problems and expenditures. His entire service was distinguished by a high order of ability.

In his passing this Congress and the Nation lost an able leader and a devoted patriot.

Bert Lord

MEMORIAL ADDRESS

OF

HON. CLARENCE E. HANCOCK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. BERT LORD, late a Representative from the State of New York

Mr. HANCOCK. Mr. Speaker, BERT LORD will long be remembered by his colleagues and his multitude of friends for his kindness and generosity in thought and deed. If he ever thought evil of anyone he never gave it expression. By nature he was a friendly man. He liked people and people liked him. That kind of a man makes friends easily and holds them for life.

It was inevitable that he should enter politics and that he should be elected to office time after time. Except for a year or two, when he was New York State Commissioner of Motor Vehicles, he loyally served his friends and neighbors in legislative bodies from 1915 until the day of his death less than a year ago, as a member, successively, of the New York State Assembly, the State senate, and the United States House of Representatives.

He was unassuming and unostentatious but quietly persistent and effective in the service of his constituents. It gave him pleasure to do things for others. His whole life was spent on the farm and in rural communities, when he was not engaged in public affairs, and he was devoted to the interests of the farmer and the plain citizen.

BERT LORD served his country and district faithfully and well. His days on earth were crowded with good deeds and useful accomplishments. His honorable career is ended, but he is held in fond memory by thousands of his fellow countrymen whom he loved and who loved him.

Samuel Davis McReynolds

MEMORIAL ADDRESS

OF

HON. JOSHUA L. JOHNS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. SAMUEL DAVIS MCREYNOLDS, late a Representative from the State of Tennessee

Mr. JOHNS. Mr. Speaker, my remarks today will be directed to SAM D. MCREYNOLDS as a judge, and not as a Congressman, because it was as a judge on the bench that I knew him best.

My renewal of friendship in this House was limited, because of his almost continued illness after my arrival here. However, from close friends I have learned that no man ever occupied a seat in this body who left behind him sweeter or more fragrant memories.

Fortunate are those who knew him during his 17 years of service in this House. Judge MCREYNOLDS lived in an advanced age. Historians now do not accord the laurel to those who have built up their reputations on violence, ambition, and injustice. The measure of man's greatness today is given to those who have founded their careers on kindliness, generosity, and justice. Such a man was Judge MCREYNOLDS. He came to the bench of Tennessee at the young age of 31 years. He served the State of Tennessee on the bench for 20 years before he was elected to this body. He had only been on the bench 4 years when I was admitted to the State bar of Tennessee, and practiced law before him as a young lawyer. No young lawyer ever had a more loyal and sympathetic friend than Judge MCREYNOLDS. His love for, and sense of, justice made him an outstanding jurist.

We are not surprised that he was honored, as few men have been honored in this life by his fellow men.

It is such men as was Judge MCREYNOLDS, who put most into life, and real success should ever be determined by what we put into life rather than by what we take out of it.

May his example of friendship, loyalty, and fidelity to service remain in our memories so long as this Republic shall exist.

Wallace Edgar Pierce

MEMORIAL ADDRESS

OF

HON. CLARENCE E. KILBURN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Honorable WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. KILBURN. Mr. Speaker, words of mine are inadequate to express the loss which northern New York has sustained in the passing of my predecessor, the Honorable WALLACE E. PIERCE. The love which his people gave to him, the confidence which they reposed in his judgment and character are tributes which come to few men.

Born in the town of Black Brook in Clinton County, N. Y., in the year 1882, WALLACE E. PIERCE lived all of his life in the mountain and lake country, which he loved. The neighbors of his youth were his lifelong friends and to them his service was dedicated. Near the close of his career his people gave him, in his election to the Congress of the United States, the highest office within their power and now that he has gone, they will not forget his integrity, his faith in them, and his friendship for the least of them.

Early in his career Mr. PIERCE completed his preparation for teaching in the State Normal School in Plattsburg. He retained a permanent affection and interest in his alma mater and for years was president of its board of visitors and active in its support. After his graduation he taught in the rural schools of Clinton and St. Lawrence Counties, an almost traditional preparation for so many of America's statesmen. His early political training was obtained not in the school of political theory but rather in his duties as secretary to two of his predecessors, Congressmen George R. Malby and Edwin A. Merritt. In 1914 he was admitted to the bar and practiced his profession in the city of Plattsburg until his death. His legal career early placed him as an outstanding member of his profession in northern New York. In 1917–18–19 he was elected as member of assembly from Clinton County and he served as chairman of the Clinton County Republican Committee for 15 years. Since 1935 he was a member of the State executive committee of the Republican State Committee, and in 1938 he was elected to Congress from the Thirty-first Congressional District. These are the bare outlines, the visible evidence of his distinguished career, but WALLACE E. PIERCE will be remembered by his people for the deeper, intangible characteristics which made the man. His belief in the American way of life, his balanced judgment, his lovable personality, and above all his gift of true and lasting friendship found a heartfelt response from his people. It was their unerring

instinct which discovered in him the qualities of leadership and they were steadfast in their devotion.

As yet his loss is too recent, and the grief of his people too immediate, to fully understand the heritage which WALLACE E. PIERCE has left to northern New York. His civic leadership, the enduring quality of his achievements, the complete selflessness of his service will increasingly be understood as his work, which lives after him, comes to its fruition.

The greatness of a community, a State, or a nation cannot be more than the character of the men who compose it. It is the tradition and the significance of America that it can produce such men and that our people can give them recognition. WALLACE E. PIERCE was a statesman in the true sense of the term. We as a people are better because he lived among us.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. JAMES SECCOMBE
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. SECCOMBE. Mr. Speaker, God in His infinite wisdom has seen fit to take from us one of the most lovable characters it has ever been my pleasure to know. Quiet, unassuming, caring little for the spotlight, yet tireless in his efforts in behalf of his district and his country, CHESTER C. BOLTON was of the mold that is at once great and humble. One had but to meet Congressman BOLTON to know that behind his serenity of spirit lay a driving persistence of attainment of lofty ideals. Simplicity was the very core of his being. His attainments lay not in a belligerent aggressiveness, but in an effective appeal to unemotional logic. Indeed, his contributions to the promotion of the welfare of his constituency appeared on the surface to be so effortless that one was apt to lose sight of the active part he played in their attainment. Yet in his passing, Mr. Speaker, all of us know that Ohio and the Nation have lost one of their most illustrious sons.

One who served his country in time of war as well as in time of peace, a loving husband and a devoted father to his family, he always found time to take an active part in all civic activities and the promotion of such affairs that were a credit to his community.

It was my privilege in coming to Congress as a new Member to have my office adjoining that of his where I had the benefit of his friendly advice and the privilege to counsel with him from time to time on very important legislative matters, and I soon learned to love and admire him for his sincerity and his fearlessness in standing for what he thought best for his country. I therefore feel that I am wiser and better for having had the privilege of knowing him—

> Statesman, yet a friend of truth. Of soul sincere,
> In action faithful, and in honor clear;
> Who broke no promise, served no private ends.

Besides his many years of service in Congress, he served as a member of the Ohio Senate from 1923 to 1928. He was a delegate to the Republican National Convention in 1928 and was elected to Congress from the Twenty-second District of Ohio to the Seventy-first, Seventy-second, Seventy-third, Seventy-fourth, and Seventy-sixth Congresses, when he died and was later succeeded by his good wife, FRANCES P. BOLTON, who is the first woman to serve in Congress from Ohio.

CHESTER BOLTON'S record in Congress is one of many accomplishments and he was always found to be faithful to every trust, conscientious in the performance of every duty, and at all times acted according to what his best judgment told him was beneficial to those whom he sought to serve. He was of the quiet type that made no effort to promote selfish ambition or desires, but seemed to enjoy seeing his friends and associates achieve the successes that came their way without envy or jealousy. The great State of Ohio will always feel proud of his services to our State and Nation and we will always love and preserve his memory, and in his memory I like to think of the words of Alfred Tennyson:

> Sunset and evening star,
> And one clear call for me!
> And may there be no moaning of the bar
> When I put out to sea.
>
> But such a tide as moving seems asleep,
> Too full for sound and foam,
> When that which drew from out the boundless deep,
> Turns again home.
>
> Twilight and evening bell,
> And after that the dark;
> And may there be no sadness of farewell
> When I embark.
>
> For tho' from out our bourne of time and place,
> The flood may bear me far,
> I hope to see my Pilot face to face,
> When I have crost the bar.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. CHARLES H. ELSTON
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. ELSTON. Mr. Speaker, in the passing of CHESTER C. BOLTON Congress has lost an able, sincere, and industrious Member.

He had the qualities of mind and heart which endeared him to all who had the privilege of sharing his friendship. His public service marks him as a true statesman. No responsibility was ever too great for him to undertake, no task was ever so trivial that it was not worthy of his personal attention. Our beloved colleague was quite willing to sacrifice even his health in the service of his district and his country. He was kind, courteous, and considerate, and was faithful to every trust imposed in him. His character will ever be an inspiration to us.

Harry Wilbur Griswold

MEMORIAL ADDRESS
OF
HON. JOSHUA L. JOHNS
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. HARRY WILBUR GRISWOLD, late a Representative from the State of Wisconsin

Mr. JOHNS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following tribute to the memory of our late colleague, HARRY W. GRISWOLD, by Hon. ALEXANDER WILEY, Senator from Wisconsin:

TRIBUTE BY SENATOR WILEY

HARRY W. GRISWOLD, of Wisconsin, was serving his first term in Congress as a Representative when death called him. He was in the prime of life, having been born on May 19, 1886, on a farm near West Salem, Wis. He was a man of large experience—a businessman, farmer, and stock breeder. From 1932 to 1936 he was a member of the Wisconsin State Senate. For years he had been one of Wisconsin's most outstanding and loyal Republicans.

Besides his wife, Esther Griswold, he leaves four daughters, Mary, Jennie, Alice, and Beulah, and a son, Donald. HARRY GRISWOLD was a man who had a host of friends. He possessed those rare qualities of dependability and common sense.

HARRY GRISWOLD was honest in thought and deed, a clear and straight thinker. He was a student of government, believing in our system of government. There was nothing demagogic in HARRY GRISWOLD. He was not afraid of being with the minority.

Though he was a newcomer to Washington, Mr. GRISWOLD'S ability had already singled him out as a legislator of outstanding caliber. His activities on the Rivers and Harbors Committee had already met with favorable comment.

His opinion on farm matters was highly regarded in Congress because of his wide experience in farm activities as a member of several stock breeders' associations and as president of the Guernsey Breeders' Association and the La Crosse County Breeders.

His qualifications as a Representative were exceptional. His counsel and his friendship were both valued and both will be missed by his many friends in Washington and in Wisconsin.

Edward Walter Curley

MEMORIAL ADDRESS
OF
HON. THOMAS H. CULLEN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EDWARD WALTER CURLEY, late a Representative from the State of New York

Mr. CULLEN. Mr. Speaker, I desire to pay tribute to the life and memory of my friend and colleague, the late Honorable EDWARD W. CURLEY.

It was my great privilege to have known ED CURLEY intimately. I always found him to be a very unassuming gentleman. His interesting and very active career included membership in the board of aldermen, New York City, for a period of 20 years, and during the course of that time he served as chairman of practically every important committee. He was elected Representative in Congress on November 5, 1935, and served until the time of his death in January 1940.

As a Member of the House of Representatives he served on the important Labor and Civil Service Committees, and he leaves to his memory an outstanding record of accomplishments and achievements in behalf of the people of his district, the State of New York, and our country. He was generally recognized as a prodigious worker and was always ready to give of his time, his counsel, and his guidance.

I have lost a real friend in ED CURLEY and I shall always remember and cherish my happy association with him.

George Henry Heinke

MEMORIAL ADDRESS
OF
HON. KARL STEFAN
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. GEORGE HENRY HEINKE, late a Representative from the State of Nebraska

Mr. STEFAN. Mr. Speaker and friends, as we gather today to pay our respects to the memory of former colleagues who have passed on during the past year, those of us who represent the State of Nebraska in this House of Representatives find our hearts particularly heavy because we miss our former friend and colleague, the late GEORGE H. HEINKE, who was Representative in Congress from the First District of Nebraska.

We who knew Mr. HEINKE became richer in our love of our fellow man because of that acquaintanceship. We feel that not only have we lost a true friend, but that our State and the Nation have lost a valuable servant.

GEORGE HEINKE loved his friends. He loved his State and he loved his country. He transmitted that love in his service in the House of Representatives. He displayed it in his many acts of friendship and in his many acts of service to his district, State, and Nation. Although the time of his service here was short, his quiet presence was felt by scores of Members on both the minority and majority sides, who developed an admiration of his many high qualities.

To me, Mr. Speaker, our late colleague typified the real American—a contemporary of the school that produced our sturdiest forefathers. He typified, to me, that sort of American which the lust of office does not kill; whom the spoils of office cannot buy; who possesses real opinions and a will; a man of honor; a man who will not lie.

Mr. HEINKE was a member of the Republican Party, and he sincerely believed in the principles of republicanism. He demonstrated this belief on many occasions so skillfully that he earned the respect of his political adversaries and the leaders of the opposition party.

I utilize this occasion, Mr. Speaker, to quote an editorial written by a leader and prophet of the current majority party in Nebraska, Mr. James E. Lawrence, editor of the Lincoln Star. The editorial, as follows, illustrates the high respect and esteem in which Mr. HEINKE was held in his own district and in his State even by those who differed with him politically:

Death has the power to subordinate political differences, and so among Republicans and Democrats alike in the First Nebraska District it was sad news which set forth that injuries received in an automobile accident by Representative GEORGE HEINKE, of Nebraska City, had terminated fatally.

Those who differed fundamentally with Congressman HEINKE in politics recognized his honesty. He was a sincere and uncompromising opponent of the policies of the Roosevelt administration. That opposition was consistent and was not dictated by political expediency.

It represented Mr. HEINKE'S political philosophy. It hardly does him justice to say that he belonged to the conservative school of Republicans. He gave it more than lip service. He was energetic, aggressive, and militant in advocating it; a tireless worker, believing fully in his party and in the principles which he believed the party should represent. Mr. HEINKE was not a great scholar but he was in the personal sense a kindly, neighborly, and comradely man, a good student of human nature, imbued with the highest motives in public service. One outstanding trait of GEORGE HEINKE was his capacity to accept criticism good-naturedly, gracefully, and without resentment. He never permitted the conflicting views of his friends to disturb a regard or personal affection which he had for them. That was, perhaps, his greatest source of strength, for it revealed the depth of his own political philosophy, the tolerance that he displayed toward those who thought differently, and his faith in the good old American way through which democracy progresses.

Mr. HEINKE'S life was filled with hard work. As a boy he came to the university, without resources other than a pair of willing hands and a determination to secure a degree. He performed menial tasks to provide the funds necessary for his schooling. In his chosen profession, the law, he won the respect and the confidence of his fellow townsmen and built a thriving practice. He never lost his love of the soil or his interest in farm life, and it gave him a great deal of pleasure and happiness to look over the farm which he owned. His habits were simple and modest; he was thrifty and industrious; he was typical of a large part of the citizenry of the State.

His death was a distressing development and produced regret among the people of the district he represented.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow Member, WALLACE E. PIERCE, from the State of New York. Through-

out his career of public service he gave himself unstintingly in the performance of his many and arduous duties. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. It has been my privilege and pleasure to know and work with WALLACE PIERCE. His death came as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements and his name will long be remembered as that of one who wrought much and well for the district in which he lived and the State and Nation to whom he devoted his life.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. FRANK O. HORTON
OF WYOMING
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. HORTON. Mr. Speaker, other Members of this body may be better qualified to give an account of CHESTER BOLTON'S legislative accomplishments, but no one realizes better than I just how profound an influence and fine an example he was to us all.

It was characteristic of CHESTER BOLTON that, when I came here as a new man, he should seek me out and try in so many, though unostentatious, ways to smooth the way for me and to give so generously of his time and advice whenever I called upon him.

Service and generosity were the keynotes of his character in public and in private life. His country and his friends benefited alike from these rare and outstanding qualities. In spite of the fact that his circumstances were such as to permit him a life of leisure and ease, he dedicated himself to the service of his country and died in the service of that country just as surely as a soldier on the field of battle. The country can ill afford to lose men like him and we can ill afford to lose such a friend.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. EWING THOMASON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. THOMASON. Mr. Speaker, during the days which have passed since I learned of the passing of my sincere friend and colleague, CARL E. MAPES, I have increasingly realized the great loss which has come to this body and to me personally through his death. His office for the past few years was near mine and each day now as I pass his door, I feel that my life was enriched by my friendship with him. Although our party affiliations differed, I never felt it the slightest barrier between us, and I believe all his associates shared the same feeling.

Few Members of Congress have given more freely of themselves toward fair and just legislation, and he ever upheld the dignity of the House of Representatives. His opinion was valued by all who sought wise counsel and I never knew him to give hasty or slight consideration when asked for advice. As the years go by his influence will continue to be felt and he will be missed by all of those who knew him.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. TABER. Mr. Speaker, CARL E. MAPES was first elected in Grand Rapids to represent his home district from the State of Michigan in 1912 and for 27 years was an honored Member of this House.

In my early days here I came to know him on the floor as one of the best presiding officers, as one of the best parliamentarians, and one of the finest characters in the House. The last 10 years I came to know him more personally and his family, and had a great deal to do with him. He was one of the ablest men who have served in the House of Representatives in my day. I believe that he was the most popular man on both sides of the aisle and that he had a very marked influence upon legislation. He did not hesitate to stand up and vote his convictions, regardless of whether he was in the majority or in the minority, and I am sure that no one took his responsibilities more seriously.

He passed away suddenly while in New Orleans on a special oil investigating committee in connection with his regular duties. For many years he had been a prominent member of the Interstate Commerce Committee, and for the past 7 years had been, in addition, a member of the Rules Committee. At the time of his death he was minority leader of the Rules Committee and assistant minority leader.

In these troublesome times we need most his jovial spirit and his guiding hand. It will be a long time before we can fill his place.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. COCHRAN. Mr. Speaker, in the death of THOMAS S. MCMILLAN I not only lost a close personal friend but the country a most useful public servant and the Congress one of its influential Members. Tommy, as I knew him, came to Washington in the Sixty-ninth Congress. I met him on the opening day of the session and from that day until he passed away a beautiful friendship developed between us which I will always cherish. I watched his career as he quickly rose to a position of power in this great legislative body. At the time of his death he occupied an outstanding place in the organization of the House, chairman of the Subcommittee on Appropriations that considered the Commerce, Justice, Labor, and State Departments appropriation bill. Few chairmen had the success that he achieved in handling his bill on the floor. This was due to the thorough manner in which he conducted the hearings and above all his kindly attitude while the bill was under consideration in the House. His personality was his success. I never heard a Member of Congress question his sincerity. True, some felt at times he had not been liberal enough with some activity in which they were interested, but his sincerity, and his ability to present a detailed explanation of the subject in question invariably caused a majority of his colleagues to support him.

A Member of Congress who can convince his fellow Members of his sincerity will succeed as time passes on. Not only did we all believe Tommy's sincerity but we likewise recognized his outstanding ability. Regardless of our views we hesitate to question the wisdom of one who has studied a subject, when his sincerity is so pronounced. There were times when powerful influences sought to defeat recommendations of his committee. He always favored free and full debate, relying upon facts to win support. His speeches, free from personalities, coupled with his courage to oppose what we call popular appropriations, would bring him success in the end. Tommy is no longer with us, but the examples he set will always remain and will be beneficial to those who adopt his methods.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow Member, CARL E. MAPES, of Michigan. He was a fine lawyer and one of the hardest working and most valuable Members of Congress with whom I have had the privilege to serve. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. Throughout his career of public service CARL MAPES gave himself unstintingly in the performance of his many duties, and his death came as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements, and his name will long be remembered as that of one who wrought much and well for the district in which he lived and the State and Nation to whom he devoted his life.

William Irving Sirovich

MEMORIAL ADDRESS
OF
HON. THOMAS H. CULLEN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM IRVING SIROVICH, late a Representative from the State of New York

Mr. CULLEN. Mr. Speaker, in the death of the Honorable WILLIAM I. SIROVICH, late Representative in Congress from the Fourteenth Congressional District of New York, the House has lost one of its most distinguished Members.

It was my pleasure to have known Congressman SIROVICH most intimately for many years in the practice of medicine in the city of New York, where he was one of the city's most outstanding and celebrated physicians. As a physician, and as a citizen, he stood for the best interests of his community and his country. The finest words that can be spoken of him tell of his devotion to his constituency. They were always uppermost in his thoughts. He not only gave them loyal and faithful service as a legislator, but gave freely of his medical advice and skill to many who were unable to remunerate him because of their financial insecurity. It can be truthfully said that Dr. SIROVICH was a great humanitarian and his one objective in life was to serve his fellow man.

He was elected to Congress on March 4, 1927, and served continuously until the time of his death on December 17, 1939. At the time of his untimely death he was chairman of the important Patents Committee and also ranking majority member of the important Civil Service Committee. He was an indefatigable worker and his counsel and advice was frequently sought in connection with national problems.

Dr. SIROVICH was in all probability one of the most intellectual and cultured men who ever served in the House of Representatives. He was generally recognized as an authority on historical subjects and frequently held the House spellbound with his orations on history and the various political changes which have taken place throughout the centuries.

Death has deprived America of a devoted and distinguished public servant. It has deprived those of us who were close to him of a friend who cannot be replaced.

John Andrew Martin

MEMORIAL ADDRESS
OF
HON. EWING THOMASON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JOHN ANDREW MARTIN, late a Representative from the State of Colorado

Mr. THOMASON. Mr. Speaker, this hour is consecrated to the memory of friends who have lain down too weary ever again to rise in mortal form but who will live in our hearts so long as we have breath.

I respected JOHN A. MARTIN as one who stood for all that is finest and best in American traditions. He knew the hardships and privations of the pioneer, as he went to Colorado from Missouri in a covered wagon.

He was a true liberal, a self-made man, who from his tender years was compelled to make his own living. He had a World War record of which any man might well be proud, and long years of faithful and devoted public service.

He had faith in democracy, veneration for the great founders of this Government, an understanding of men and measures. He believed and exemplified in his life that "though a man walk with kings, he should never lose the common touch."

I had the pleasure of a long sea journey with him and during the intimacy of those quiet days learned to know and love him as a man who placed duty to his country above personal comfort and desire, whose high ideals, high principles and noteworthy achievements placed him in the first rank of public men.

There is little I can add to the tributes paid him here today, but I shall never forget him and my life is richer for having known him.

Samuel Davis McReynolds

MEMORIAL ADDRESS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. SAMUEL DAVIS MCREYNOLDS, late a Representative from the State of Tennessee

Mr. COCHRAN. Mr. Speaker, we who knew him and loved him realized the stearling qualities of SAMUEL D. MCREYNOLDS. His passing came at a time this country could ill afford to lose the services of such an outstanding legis-

lator. Chairman of the great Committee on Foreign Affairs, he was stricken when his services and experience were most needed. I cannot help but feel his end was hastened because of his inability to discharge the great responsibilities of the office he held, especially the duty that would have been his had he been able to pilot the amendments to the Neutrality Act through the House.

After serving his State for nearly 20 years on the bench, he came to the Congress practically a young man. He not only had the temperament but the ability that warranted his appointment to the Committee on Foreign Affairs, of which he later became chairman.

Many years ago I served as secretary of the Foreign Relations Committee of the Senate. It was during the World War. As a result of that service I know the great questions that come before a chairman of a committee that handles legislation affecting our foreign relations. The manner in which Judge McREYNOLDS carried out his assignment not only reflected credit upon him but also upon those who selected him for the position. It was a privilege for me to have been able to call Judge McREYNOLDS my friend.

James Willis Taylor

MEMORIAL ADDRESS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JAMES WILLIS TAYLOR, late a Representative from the State of Tennessee

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow Member, J. WILL TAYLOR, from the State of Tennessee. Throughout his career of public service he gave himself unstintingly in the performance of his many and arduous duties. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. It has been my privilege and pleasure to know and work with WILL TAYLOR. His death came as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements and his name will long be remembered as that of one who wrought much and well for the district in which he lived and the State and Nation to whom he devoted his life.

James Willis Taylor

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JAMES WILLIS TAYLOR, late a Representative from the State of Tennessee

Mr. TABER. Mr. Speaker, during all my service here, J. WILL TAYLOR, of Tennessee, was a Member of the House. He held an important place in Republican councils, both by reason of his long service and his great ability. He was a ready debater and gave of his very best to the interests of the country. He was honored by his own State for many years, not only in the Congress, but in the political life of the State where he had been the Republican leader for a long time. People came to rely and depend upon J. WILL TAYLOR.

James Willis Taylor

MEMORIAL ADDRESS
OF
HON. JOHN JENNINGS, JR.
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JAMES WILLIS TAYLOR, late a Representative from the State of Tennessee

Mr. JENNINGS. Mr. Speaker, on November 14, 1939, in Congressman J. WILL TAYLOR, for 21 years a Member of this House from the Second District of Tennessee, death chose a shining mark. When "death, the black camel that kneels at every man's door," came for our friend he was full of years and full of honors. He had "bought golden opinions" from thousands. He was at the height of his popularity, in the fullness of his power, secure in the hold he had on his people, happy in the discharge of his duties.

What was the secret of his success? What was it that gave him "open sesame" into human hearts, that for more than two decades kept him a Member of this body? The position that was his in this party, the services he rendered in this House, were not the accomplishments of a weakling. His engaging personality, charming manner, resourceful intellect, indomitable will, tireless energy, fidelity to his friends, and devotion to his country were the dominant traits which contributed to his rarely equaled career as a leader of his party and as one of the most influential Members of this House.

The secret of his greatness is found in his background, his parentage, the difficulties he overcame, and the training ground that was a part of his heritage. He came from that plane whence have come the immortals—from the common people.

> Nursed in the commoner's lowly shed,
> To hardy independence bravely bred,
> By early poverty to hardship steeled,
> And trained to arms in stern misfortune's field.

J. WILL TAYLOR is a magnificent tribute the common people paid to our free institutions.

His paternal grandfather was a Confederate sympathizer, a rarity in east Tennessee. His father served with distinction in the Union Army. Congressman TAYLOR was a Tennessean to the manor born. To properly appraise him you must know the history of the people of east Tennessee, a section that sent more soldiers into the Union Army, in proportion to its population, than any other section of the Nation. There were no slackers—every man made his choice early in the struggle.

His father, James W. Taylor; his mother, whose maiden name was Sarah Elizabeth Rogers, were typical east Tennesseans—people of strong religious convictions, whose home was the home of the Methodist ministers who regularly visited the community in preaching that faith. They were rugged, devout, frugal, industrious, hospitable people, the latchstring of whose home always hung on the outside. Among Congressman TAYLOR's most devoted lifelong friends were these consecrated ministers of the Gospel, who had enjoyed the hospitality of his father's home.

His father, a country merchant and farmer, died 20 days after J. Will was first elected to Congress. In his devotion to his parents he gave a living example of obedience to that great command: "Honor thy father and thy mother that thy days may be long in the land which the Lord thy God giveth thee."

After the death of his father, his mother made her home with her son at La Follette, where she was the object of his tenderest devotion. As a mark of the veneration in which he held his father, he erected a magnificent monument to his memory in the quiet countryside where he spent his life.

As a boy he walked miles over muddy roads to a country school, worked on his father's farm, clerked in his store, taught a district 1-room school at the age of 14. With money thus obtained he paid his way as a student in the American Temperance University at Harriman, Tenn., where, as boys of 18 years of age, we first met. There he gave promise of the man he was to be. He was a wide reader, a ready debater, a hale-fellow-well-met, who made friends easily and held them.

In 1901 and 1902 he attended Cumberland Law School at Lebanon, Tenn., from which have come many of the South's leading lawyers. Upon his graduation he opened a law office in the town of La Follette, in Campbell County, which adjoins Union, the county of his birth.

He took part in the 1902 and 1904 congressional campaigns, in the first of which N. W. Hale made an unsuccessful race for Congress against the then Member from that district, Judge Henry R. Gibson. In 1904 Hale defeated R. W. Austin for Congress, where he served until 1908, when he was defeated by Austin.

In 1918 TAYLOR, in a spectacular race, defeated Austin by a large majority. In this campaign he won his spurs as a campaigner. He was without a superior in rough-and-tumble, catch-as-catch-can political debate. He was forceful, energetic, resourceful, a master of ridicule and invective, and possessed of what, in an east Tennessee stump speaker, is indispensable—a fund of apt anecdotes and an ever-ready sense of humor. These qualities enabled him to carry a crowd with him and keep it in an uproar. The people of east Tennessee take their politics seriously, and they demand that their leader be able to give an account of himself on the stump. This TAYLOR always did.

Before his election to Congress he served as mayor of LaFollette, resigning to take his seat in this body. He had previously served as chairman of the Republican State executive committee as postmaster of LaFollette, and as State insurance commissioner.

As a Member of this House he was in his element, as is attested by the high esteem in which he was held by his colleagues on both sides of the Chamber. His greatest service was performed as a member of the Committee on Immigration. The legislation he helped to pass was especially pleasing to his constituents. He was an unfailing friend of the ex-service men. Letters received by him were promptly answered, and no demand on his time and energy was too exacting to receive his prompt and effective attention.

From 1916 through 1936 he attended every Republican National Convention, but never as a delegate; he always gave that honor to his friends. He served as national committeeman during the administrations of Harding, Coolidge, and Hoover, during which period many of his friends were elevated to high positions: Judge Edward T. Sanford to the Supreme Bench; the Honorable James A. Fowler to the position of assistant to the Attorney General of the United States; ex-Governor Ben W. Hooper to the United States Labor Board; Hu M. Tate to the Interstate Commerce Commission; Judge Xen Hicks to the United States Circuit Court of Appeals for the Sixth Circuit; Judge George C. Taylor to the United States district bench in Knoxville; and Judge John J. Gore to the United States district bench in Nashville. Hundreds of others were the beneficiaries and the recipients of unnumbered favors at his hands.

If I were called upon to sum up his life, it would be in the one word "others"; he did more for others than for himself. Endowed by nature with a pleasing, magnetic personality, he grappled his friends to his heart with hooks of steel. He made friends by being steadfast. He kept them by being honest. His word was his bond. He was endowed with that touch of a common humanity which makes the whole world kin. He was gifted with the golden key that unlocks human hearts. He was tactful, industrious, untiring, forceful. With unflagging zeal, increasing ability, and ever-widening service to his constituents, he pressed on to the end. His was the career of a strong man. No other east Tennessean ever had the hold on his people that was TAYLOR'S. He knew people. He trusted them. They knew and trusted him. As a campaigner, in his personal contacts with his people, he was without a peer. The services he rendered them were not confined to any class. The rich, the poor, the strong, the weak, the white man, the colored man, the businessman, the farmer, the laboring man, the ex-service man, his widow and dependents, all benefited from his helpful, ever-ready desire to serve them.

Just prior to his vote on the question of lifting the embargo on the sale of munitions to belligerents he was in his district, hale, hearty, in fine spirits, apparently in the best of health. Within 10 days the word was flashed over the district, over the State, and throughout the Nation "WILL TAYLOR is dead." His passing was a profound shock and a grievous loss, not only to his family but to his thousands of friends. For more than 20 years in this Chamber, on committee, in the discharge of his official duties, he had woven into the fabric of this body's accomplishments, into the lives and interests of his people, the very fiber of his thought and being.

His passing came at his home in La Follette, under his own rooftree, with his family about him. He fell asleep—glided gently out at ebb of tide. He passed as he would have had it.

Sunset and evening star,
And one clear call for me!
And may there be no moaning of the bar,
When I put out to sea;

But such a tide as moving seems asleep,
Too full for sound and foam,
When that which drew from out the boundless deep
Turns again home.

Twilight and evening bell,
And after that the dark!
And may there be no sadness of farewell,
When I embark;

For tho' from out our bourne of Time and Place
The flood may bear me far,
I hope to see my Pilot face to face
When I have crost the bar.

From the little town of La Follette, from which he had traveled to the Capital of earth's greatest Nation, from the family who adored him, from the friends who loved him, from the eternal hills whence came his strength, he took his journey. Passing from the scenes of his earthly triumphs, he went down—

As when a lordly cedar, green with boughs,
Goes down with a great shout upon the hills,
And leaves a lonesome place against the sky.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. JOHN J. COCHRAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. COCHRAN. Mr. Speaker, courage coupled with intelligence made CHESTER C. BOLTON an outstanding Member of this body. Although occupying a position of great responsibility with the political party of which he was a member, no one can ever say there was ever any evidence of partisanship during the years he served in this body.

Shortly before illness required him to suspend his activities in Washington I appeared before a subcommittee of the Committee on Appropriations, of which he was a member. He had no personal or political interest in the question under discussion, but he assisted me in drawing an admission from a public official that he had failed to strictly follow the law.

While I did not achieve my objective, still that admission confirmed the argument I advanced.

It is such men as CHESTER BOLTON that have made this a great legislative body, and we could ill afford to lose a man of his qualifications during the critical times that confront us.

His passing was a source of great regret to those on both sides of the aisle. The Nation and his State lost a valuable public servant when he passed away.

Chester Castle Bolton

MEMORIAL ADDRESS

OF

HON. JOHN TABER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. TABER. Mr. Speaker, CHESTER C. BOLTON died in the latter part of October. He came to Congress about 14 years ago and served with distinction for a long time. He spent many years prior to coming to Congress in active business. He was familiar with all sorts of business and manufacturing practices and, in addition, had served in the Army during the war and was especially familiar with the Army needs and practices. I do not know of anyone who ever came to Congress better equipped than he was.

In the trying days of the depression he was on the Appropriations Committee and served with me on the deficiency committee. Many times he and I alone for weeks at a stretch represented the minority upon the deficiency appropriations subcommittee. He was always there when we needed him, and in those trying days, as a result of his faithful application to his work, we were able to salvage a great deal of order out of the terribly chaotic financial condition of the country which followed the advent of the Roosevelt administration.

He took every responsibility most seriously and was always trying to be of more service to his party and to his country. In the campaign of 1936 he was chairman of the Republican Congressional Campaign Committee and gave so much of his time and energy to the campaign that he neglected his own personal campaign and was defeated. But in 1938 his district again showed its confidence in him, and he came back to us with a large majority. We all were glad to see him back. Our regret was that his too strenuous activities for the party and for the country broke his health, and he passed away.

He was one of the finest men I have ever known. He was one we could ill afford to lose.

Samuel Davis McReynolds

MEMORIAL ADDRESS

OF

HON. EWING THOMASON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. SAMUEL DAVIS MCREYNOLDS, late a Representative from the State of Tennessee

Mr. THOMASON. Mr. Speaker, in paying lowly tribute to the memory of SAM D. MCREYNOLDS I do so in sorrow for the loss of an intimate and valued friend, as well as in the realization that there has gone forever from this Hall one of the noblest characters that ever graced it, one of the ablest Members of this body and one of the most sincerely beloved.

It was my good fortune to know him from the day I came to Congress until his death, in the prime of life and the fullness of his career. Our families became close friends, and I was associated with him in his hours of relaxation and in his day's work. In all relationships I found him to be a man of uncompromising integrity, ample vision, sympathetic understanding, and profound judgment.

As chairman of the Committee on Foreign Affairs he occupied one of the most important posts in the House of Representatives, and to his sound wisdom and conscientious devotion to the highest interests of his country is largely due the neutrality legislation that is one of the great legislative achievements of this generation.

The example he has left of adherence to the highest principles of living will serve as inspiration to us he has left behind to lead lives of more noble purpose.

May I close with a few lines of Swinburne:

Content thee, howsoe'er, whose days are done;
There lies not any troublous thing before,
Nor sight, nor sound, to war against thee more,
For whom all winds are quiet as the sun,
All waters as the shore.

Chester Castle Bolton

MEMORIAL ADDRESS

OF

HON. ROBERT F. RICH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow Member CHESTER C. BOLTON from the State of Ohio. Throughout his career of public service he gave himself unstintingly in the performance of his many and arduous duties, and he served the State of Ohio for many years. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. It has been my privilege and pleasure to know and work with CHESTER BOLTON. His death came as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements, and his name will long be remembered as that of one who wrought much and well for the district in which he lived and the State and Nation to whom he devoted his life.

Chester Castle Bolton

MEMORIAL ADDRESS

OF

HON. JOHN M. VORYS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. VORYS of Ohio. Mr. Speaker, I want to add my word of appreciation of CHESTER BOLTON as a statesman and as a friend. He literally gave his life to the public service. He had business and other interests which might have completely absorbed his time and interest. Instead, he threw himself without hesitation and without reservation into the solution of the public problems of his day. We often hear it said, "Why do not our men of means, education, and background go into politics?" CHESTER BOLTON was just such a man.

I first knew him when he was serving in the Ohio Senate. He was then chairman of the taxation committee, on which

I served, and spent himself on the tedious and undramatic problems of the Ohio taxation system of that era, because he knew those problems were of vital importance.

When he came to Congress he served on the Military Affairs Committee, because he knew that in that peaceful era the undramatic problems of our Military Establishment were of vital importance to our country. Later, when the solution of fiscal and budgetary problems became so important that they involved our national defense, he transferred to the Appropriations Committee. It was in the intimate, exacting work of a committee that he showed his great talents, his broad background, his sane judgment, and common sense. He could say no and yet say it tactfully. He had the ability to aid in solving differences of opinion without sacrificing principle. His mark is on much of the legislation that governs the State of Ohio and the Nation.

He was a loyal and intelligent Republican. He sacrificed his health in his intense service as chairman of the Republican congressional committee. He had faith in his party, understood the proper functioning of parties in a democracy, and worked for good government under Republican leadership.

With all his great services to his State and his country, CHESTER BOLTON lives first in my memory as my friend. He first befriended me when I came as a newcomer to the Ohio Senate when he was an older member. He befriended me when I came into Congress as a newcomer, and he had already had years of service. In many little ways, and in many important ways, he gave suggestions and practical help to me. He was never patronizing and never domineering; he was friendly.

The memories of his last days of service will remain with me as an inspiration. He was sick and knew it, but he carried on his work as a Congressman, sacrificing his comfort and strength, risking his very life, and he did it cheerfully. His memory lives on with all who knew him. In years to come, whenever an example is needed of one who went into public service as a way of life instead of for a living, there will be many who will say, as I will, "Let me tell you about CHESTER BOLTON."

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. ROBERT L. DOUGHTON
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. DOUGHTON. Mr. Speaker, it is with a sense of profound respect that I endeavor to express my feelings over the loss of our esteemed colleague the Honorable THOMAS S. MCMILLAN, of South Carolina.

His passing is a distinct loss to the House of Representatives in which he served and gave of his energies and wise counsel for nearly 14 years, and to his State and district, which he so ably represented. To me, it was the loss of one of the most lovable characters I have ever been privileged to call my friend.

Mr. MCMILLAN was educated at the Orangeburg Collegiate Institute and the University of South Carolina, receiving the degrees of A. B., L. I., and LL. B. In 1916 he was elected to the House of Representatives of South Carolina and served for 8 years continuously. His service was such that he was first elected speaker pro tempore and later speaker of the house. Mr. MCMILLAN declined reelection to the State legislature, but the people of his congressional district in November 1924 chose him to represent them in the Congress of the United States.

His unselfish devotion and tireless work soon endeared him to his colleagues, and it was but a short while until he rose to membership on the important Committee on Appropriations, where he was serving at the time of his death as chairman of the Subcommittee on State, Justice, Commerce, and Labor.

No Member enjoyed the respect and confidence of his colleagues more than did TOM MCMILLAN. Intellectually honest, always candid, sincere, and straightforward in his handling of bills on the floor. Throughout his long, eventful, and distinguished public career, both in the legislature of his State and in the Congress of the United States, he followed the path of duty outlined clearly and unmistakably by a conscience that was responsive always to the noblest impulses of true manhood.

His life was characterized always by intense patriotism and devotion to duty. His love for his country was surpassed by no man.

His career has been notable. His life work has been worth while and full of works and deeds well done.

In his death those of us who were so closely associated with him experience a strong sense of personal loss. We all miss him, not only now, but will in the future. He was a man we all loved, because he had the qualities of mind and heart which endeared him to those who knew him. He has finished his work, he has gone to his reward, but we are happier because we knew him and the world is better for his example.

Bert Lord

MEMORIAL ADDRESS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. BERT LORD, late a Representative from the State of New York

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow Member, BERT LORD, from the State of New York. Throughout his career of public service he gave himself unstintingly in the performance of his many and arduous duties. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. It has been my privilege and pleasure to know and work with BERT LORD. His death came as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements and his name will long be remembered as that of one who wrought much and well for the district in which he lived and the State and Nation to whom he devoted his life.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. TABER. Mr. Speaker, THOMAS S. MCMILLAN served in Congress for 15 years. A large part of that time he was on the Committee on Appropriations and on subcommittees on which I served. I became very well acquainted with him

and learned to respect and admire him tremendously. He was courageous and had the very best interests of his country at heart. He overtaxed his strength because of the devotion which he gave to his work and that caused his untimely death.

Our sincerest and deepest sympathy should go to his widow and his sons.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. BENDER. Mr. Speaker, the bitterest test to which any man can be put is the test of public office. With pitiless antagonists, critical constituents, ever-alert newspapers, seeking the flaws in his armor, the elected public official must be a great man indeed who escapes adverse criticism. CHESTER BOLTON was such a man. In all his years of public life, from the day he began serving his community as a member of the Lyndhurst Council to the day of his death as a leading Member of the House of Representatives of the United States, no opponent, no American, raised his voice to challenge the integrity of Congressman BOLTON.

His integrity was above suspicion. His love of duty was above life itself. For if ever a man fell in line of battle, CHESTER BOLTON was one of them. Knowing full well that his health was jeopardized, knowing that his physicians had urged him to stop all unnecessary exertion, he insisted upon running for Congress in 1938. The effort taxed his strength unbearably. But Congressman BOLTON would have been first to say that his sacrifice was not in vain. His public career was an integral part of his personality. When he was elected to his first major political post, the State Senate of Ohio, he told his friends, "This is what I want more than anything else."

Unlike so many Americans of our generation, CHESTER BOLTON regarded public service as an opportunity which could not be ignored. He cherished the tradition of devoted and conscientious effort on behalf of his people. Like the men and women who founded this Nation, he looked upon the holding of public office as the highest goal of the State. Government, the direction of national policies, these were the most important matters in the life of Congressman BOLTON.

We would do well to inculcate into the youth of our day the spirit of CHESTER BOLTON. Far too many of them look upon public office as a plague to be avoided. They regard politics as corrupt, forgetting that the government of mankind must always be mankind's noblest task. CHESTER BOLTON never forgot this fundamental democratic truth. His experience in business convinced him that there was need in government for men of sound vision, gifted with a deep interest in facing the facts and the future. In 1923, he sought and gained election to the State Senate of Ohio. By 1927 his outstanding ability won him the post of Republican floor leader of the senate. His expert knowledge of the difficult problems confronting our State government had won the commendation of his friends and the respect of his opponents. By 1929, his community and his State recognized that he was ready for broader ressponsibilities. He was appointed to Congress when Theodore Burton was elected to the United States Senate; and in the House of Representatives he remained from 1929 to 1936. To the House he brought a businessman's perspective and a trained student's mind. His early experiences as a member of the first War Industries Board, his position as Assistant Secretary of War, stood him in good stead. On the vitally important Appropriations Committee of the House he was a leading influence. In the deliberations of the Rivers and Harbors Committee, he was the Middle West's foremost representative. To the city of Cleveland, which gave him birth, he brought a new vision of a great and growing port, receiving the ships of foreign nations, lining her shores with commerce from every part of the globe.

In the House, as in the State senate, his outstanding abilities brought him quick recognition. By 1933 he was chosen to head the Republican National Congressional Committee, directing the campaigns of the 435 Republican candidates for election to the House. He worked day and night, battling for the principles in which he believed. When others of his party timidly counseled "cautious diplomacy," CHESTER BOLTON refused to compromise with principles. The mischief he saw about him, unrestrained spending, the growth of dictatorial bureaucracy, he denounced.

The struggle was too much. It undermined his health, taxing a great and noble heart with a strain too severe for human body to bear. But CHESTER BOLTON would not have willed it otherwise. He had long determined to give himself to the people of America. In a better day, under circumstances more favorable to the Republican Party, he would have become the greatest figure in the entire Nation. Every qualification which the American public demands of its leadership he had in abundant measure. By training, by temperament, by belief in the great traditions which underlie the structure of our Nation, CHESTER BOLTON was eminently fitted for the highest office within the gift of an enlightened citizenry.

Few men of means find time to devote to the service of their people. Their lives become bound up with their own concerns. Their aloofness from public problems becomes a handicap when they seek office. Ordinary folks are suspicious of their motives. No man or woman, no matter how humble his origin, was suspicious of CHESTER BOLTON. He was the friend of all, rich, poor, white, or black. To everyone he rendered the respect which all men must feel for their fellows. His generous hand, strengthened and supported by the most gracious of wives, built great institutions for posterity. His generous heart, with unlimited kindliness, turned no one away unheeded.

His passing leaves us the poorer. A great man, standing strong against the sky, has fallen in action, a soldier bravely doing his duty to the last. The Twenty-second District of Ohio has lost a great spokesman. The people of America have lost a great public-spirited citizen. His memory will endure in the minds of all those who honor public life as a source of inspiration to guide them for years to come.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow Member, THOMAS S. MCMILLAN, from the State of South Carolina. Throughout his career of public service he gave himself unstintingly in the performance of his many and arduous duties. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. It has been my privilege and pleasure to know and work with THOMAS MCMILLAN. His death came

as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements, and his name will long be remembered as that of one who wrought much, and well, for the district in which he lived, and the State and Nation to whom he devoted his life.

William Albert Ashbrook

MEMORIAL ADDRESS
OF
HON. JOHN M. VORYS
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM ALBERT ASHBROOK, late a Representative from the State of Ohio

Mr. VORYS of Ohio. Mr. Speaker, I wish to be among those to pay a word of tribute to WILLIAM A. ASHBROOK at this time. He served in the district next to mine. For years I had heard of the fine service which Congressman ASHBROOK rendered to his constituents, but I had never met him. When I was elected there were many things I had to know immediately about the details of life and work in Washington as a Congressman. A friend of mine asked Congressman ASHBROOK if he would see me and talk to me. Although he was on a sickbed at the time, he sent me a cordial invitation to come and see him, and I went. From his sickbed in his home he gave me helpful, homely advice about my coming service and work which have stood me in good stead ever since. Although he and I were of opposite political parties he did not let this interfere with a friendship which lasted up to the time he left us in his last sickness. I am one among many who knew WILLIAM ASHBROOK as a friend and as a fine man, and I honor his memory.

Marvel Mills Logan

MEMORIAL ADDRESS
OF
HON. NOBLE J. GREGORY
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. MARVEL MILLS LOGAN, late a Senator from the State of Kentucky

Mr. GREGORY. Mr. Speaker, again the Grim Reaper has reached out and has taken this time from our midst the Honorable MARVEL MILLS LOGAN, a true Kentucky gentleman, bringing to a close an outstanding and lifelong record of service both to State and Nation.

Senator LOGAN came from humble surroundings in the hills of Edmonson County, made his record which will be everlasting, and now sleeps in peace in the soil of Kentucky which he loved so well. His career as a public servant was outstanding and unusual, having served in many capacities, having been honored with many positions, starting with service to his own county, then advancing to positions of trust and importance in the State government and later attaining a position of leadership in the National Government. As a lawyer, judge, and legislator he was devoted to duty, energetic, and conscientious in his labors, and loyal to his friends. In fraternal circles he was a leader, having served as grand sire of the Independent Order of Odd Fellows. He was gracious and affable at all times, well versed in the laws of his State and Nation, and a Christian gentleman, and at no time did he permit any personal duties to take his time from his work in the church of his choice. For many years he taught a Sunday-school class in his home city of Bowling Green, and after coming to Washington he assumed this same responsibility and at the time of his death was teaching a large men's class in Washington.

The cardinal principle of his life was one of service to those less fortunate, and today many useful citizens of this Nation owe to him a debt of gratitude for his unselfishness and his interest in aiding them to obtain education and attaining a position of usefulness in life. I think Leigh Hunt must have had in mind a man like Senator LOGAN when he wrote Abou Ben Adhem, describing one who loved his fellow men.

In the passing of this great man, a vacancy has been created which will never be filled. The Nation has lost a sincere and able statesman, his family an indulgent and loving husband and father, and I have sustained a deep personal loss in the passing of a true friend and counselor.

Regardless of the kind of monument which may be erected to his memory, the great and towering monument of public achievement, benefaction, and patriotic service which he left will continue to live in the hearts of a grateful people which is best expressed in the lines of the one who said:

> You may break, you may shatter the vase, if you will,
> But the scent of the roses will hang 'round it still.

Bert Lord

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. BERT LORD, late a Representative from the State of New York

Mr. TABER. Mr. Speaker, the Honorable BERT LORD gave 30 years of his life to public service. He was an able man and had the absolute confidence of the people of his district, as much perhaps as any man ever could have. In the House of Representatives he brought to every question a mature judgment based upon sound thinking, long experience, and careful study. He was ever ready to fight for the interests of his people and of his district, but most of all, he had the welfare of the entire country at heart. He had a profound influence upon many Members, and it was an influence that tended to lead them in constructive paths and to break down animosities. He enjoyed people, and enjoyed very much being in the company of others, and was a delightful companion.

My sympathy goes out the fullest to his widow.

William Irving Sirovich

MEMORIAL ADDRESS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM IRVING SIROVICH, late a Representative from the State of New York

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow Member WILLIAM SIROVICH, from the State of New York. Throughout his career of public service, he gave himself unstintingly in the performance of his many and arduous duties. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. It has been my privilege and pleasure to know and work with WILLIAM SIROVICH. His death came as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements and his name will long be remembered as that of one who wrought much and well for the district in which he lived and the State and Nation to whom he devoted his life.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. CHARLES A. WOLVERTON
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. WOLVERTON of New Jersey. Mr. Speaker, it was my privilege to serve in the House of Representatives with our late colleague, the Honorable CARL E. MAPES, of Michigan, for upward of 14 years. During most of that time I have been associated with him in the work of the Committee on Interstate and Foreign Commerce. The intimate and close contact that this service afforded gave ample opportunity to know CARL E. MAPES in a way that could not fail to create respect for him as a man, and confidence in his ability, integrity, and honesty of purpose as a legislator. I consider it a rare privilege to have had this close contact with a man of such outstanding character and virtue. I feel richer and better because of the influence of his life. In the highest sense of the word he thought only in terms of what was right from the standpoint of the principle involved. Decisions with respect to matters of legislation were made by him solely upon the basis of principle. He was strongly of the opinion that party advantage could only be gained by deciding issues upon this basis, and to do otherwise would not provide permanent but only temporary advantage.

Another quality that was very pronounced and made for him a host of friends was the kindly, friendly, and always considerate manner he showed toward all who approached him on any subject and at any time. He always seemed to have time to listen and be interested in the problems of all who sought his advice and counsel. His voice was never raised in anger either in debate on the floor of the House, nor in private conversation. Harsh and unfriendly words were not a part of his vocabulary. As a result there radiated from him a fine friendly influence that cast its beneficent effect over those with whom he came in contact. He lived each day as one who lived "in a house by the side of the road to be a friend to man." His memory will linger long and favorably with those who have known his high character and strict adherence to what was right and just.

Mr. Speaker, it was also my privilege to be one of those who was serving with him in the work of this House, in the distant city of New Orleans, when after a day filled with service to his immediate constituents as well as of the Nation at large he suddenly passed from our midst. He was faithful unto the end. The serenity of his face as we looked upon him was typical of the life he lived in public and in private. It was an exemplification of that noble and inspiring thought of the poet expressed in the choice words of Thanatopsis:

> So live, that when thy summons comes to join
> The innumerable caravan, which moves
> To that mysterious realm, where each shall take
> His chamber in the silent halls of death,
> Thou go not, like the quarry slave at night,
> Scourged to his dungeon, but, sustained and soothed
> By an unfaltering trust, approach thy grave,
> Like one who wraps the drapery of his couch
> About him, and lies down to pleasant dreams.

Mr. Speaker, it was also my sad privilege to accompany the body of our departed colleague from the city of New Orleans, where he had fallen while in the performance of public duty, to his last resting place in his home city of Grand Rapids, Mich. Never shall I forget the outpouring of citizens, of every race and creed, who mourned his loss. Words fail me to adequately and properly express the thoughts and feelings of those who had known him for the many years that he had served them in public office. But, at a meeting of the Grand Rapids Rotary Club, held on December 14, 1939, the thoughts and feelings of the people of the city found expression in the beautiful, forceful, and deserved eulogy delivered by Hon. Fred M. Raymond, judge of the Federal District Court of Western Michigan. Judge Raymond spoke not only as a leading citizen but also as an intimate friend of CARL E. MAPES, when he said:

> Mr. President, members of the Rotary Club, and guests: A community, a State, and many of his associates in a far wider sphere of usefulness stand today at the bier of a great man to pay a last tribute of respect. In the presence of this deep sorrow, I shall not attempt to review the life work of CARL E. MAPES. I can find words only to express in that simple way which would have been most pleasing to him my immeasurable grief at his untimely passing.
>
> His life requires no poor eulogy of mine to add to its luster. In a world of hates and fears, of tumult and confusion, of misunderstanding and conflict, he stood calm and true and strong. Loyalty and service were his guiding stars. I have never known a sweeter, purer life, honest in every thought and deed, generous in every impulse. He was as pure-minded as a child and gentle as a woman. His life was not only noble, manly, and pure, it was also in the highest degree, forceful. He despised intrigue and cunning and condemned any cause which could not triumph in the light of day.
>
> It is sometimes asked, Can a man in these days be absolutely honest? Can a man actually live a life of service devoted to his fellow men? Can a man champion always the rights of the downtrodden? Can a man in public life refuse to bow to the political boss? Can a man do all of these things and succeed? The affirmative answer is the life of CARL E. MAPES.
>
> I know of no man of whom it could be more truly said that he had so lived that he "approached his grave, sustained and soothed by an unfaltering trust, like one who wraps the drapery of his couch about him and lies down to pleasant dreams."
>
> Emerson has said:
>
> "It is easy in the world to live after the world's opinion: it is easy in solitude to live after our own: but the great man is he who, in the midst of the crowd, keeps, with perfect sweetness, the independence of solitude."
>
> Measured by these standards, or by any other, CARL MAPES was a great man. He knew not only the great but he knew the humble. He was one of whom it can be truly said that he "walked with kings and kept the common touch." The last few moments of his public life were spent championing the rights of the weak against the strong and the interests of his beloved State of Michigan. On late Monday afternoon of this very week he refused to concede that the rich and prosperous oil fields of other States should not be subjected to the same limitations and restrictions as the less-productive oil fields of his own State.
>
> Loyalty and service were his watchwords. Without induction into any service organization, without insignia of office, without form or ceremony, his was a life of service. As nearly as may ever be, he lived the life of the perfect Rotarian.
>
> Mr. President, may I suggest that we stand for a moment in silence in honor of his memory.

In conclusion, I wish to mention a tribute paid to our colleague by one of the newspapers of Grand Rapids. No finer tribute could ever be paid to anyone who, like CARL E. MAPES, had given himself to the service of the public. On the editorial page of the paper there was a picture showing a father and son standing before a picture of CARL MAPES that hung upon the wall. The father, looking intently at the picture, pointed his finger toward it and said to his son, "There, my boy, was a true American." This, in a few words, carries the thought we have sought to express. Our departed colleague was in every sense of the word "a true American."

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. TABER. Mr. Speaker, CASSIUS C. DOWELL, after a long period of service in the Iowa Legislature, came to Congress first in 1915 and, with the exception of the Seventy-fourth Congress, served continuously. He was an able parliamentarian, an able debater, and, I think, the best presiding officer in Committee of the Whole that I have seen

in the House. He was the father of the present Federal-aid highway system.

He was exceedingly active and loyal in his work on the floor and was a man of the finest type and of the best judgment.

The country can ill afford to lose a man like him.

John Andrew Martin

MEMORIAL ADDRESS
OF
HON. ROBERT F. RICH
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. JOHN ANDREW MARTIN, late a Representative from the State of Colorado

Mr. RICH. Mr. Speaker, I wish to join in paying tribute to the memory of my late colleague and fellow member, JOHN A. MARTIN, from the State of Colorado. Throughout his career of public service he gave himself unstintingly in the performance of his many and arduous duties. His sterling personal qualities and outstanding ability won for him the esteem and respect of all with whom he came in contact. It has been my privilege and pleasure to know and work with JOHN MARTIN. His death came as a great shock to his host of friends throughout the Nation. His life was marked by many worthy achievements and his name will long be remembered as that of one who wrought much and well for the district in which he lived and the State and Nation to whom he devoted his life.

George Henry Heinke

MEMORIAL ADDRESS
OF
HON. CARL T. CURTIS
OF NEBRASKA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. GEORGE HENRY HEINKE, late a Representative from the State of Nebraska

Mr. CURTIS. Mr. Speaker, I wish to say a few words concerning the life and work of Representative GEORGE HEINKE of the First Nebraska District. He was a distinguished lawyer, patriot, and statesman.

I have known Mr. HEINKE for a long time. I first became acquainted with him in the County Attorneys' Association of Nebraska. I was then county attorney of my home county, and Mr. HEINKE represented Otoe County. He was well liked and respected. He was an able lawyer and knew the law; in addition to that he possessed a courage that was admired by everyone. When we came to Congress at the beginning of the Seventy-sixth Session, I found Mr. HEINKE the same lovable, genial, fair, independent, and courageous individual. I have referred to him as a lawyer, patriot, and statesman. He was all three, but, in addition to that, he was my friend. I was grieved at his passing, and I cherish his memory.

I journeyed back to Nebraska with the funeral train to pay the respects of this House for our departed Member. The people of his home town, Nebraska City, were in sorrow. Men and women, young boys and girls of all walks of life, both rich and poor, high and low, came to pay their respects to the man they admired—GEORGE HEINKE. It was, indeed, fitting that the pastor of the church of which Mr. HEINKE was a member, in his funeral sermon likened the courage, honesty, and strong will of Mr. HEINKE to the qualities of the Apostle Paul.

GEORGE HEINKE was not one to boast of his piety, yet there was something in his make-up that convinced me beyond all doubt that there was a spark of the divine in his breast. It was that he loved little children and little children loved him. There was nothing that he would enjoy more than to take little tots on his knees and tell them stories and sing to them. They would look up into his face and know that there was a real friend. He is the father of three manly boys who would be a credit to any man.

Representative HEINKE made a distinct contribution to the Seventy-sixth Congress. Commenting on this, one of the leading daily papers in the State of Nebraska said upon his passing:

> Representative GEORGE H. HEINKE, of the First Nebraska Congressional District, who died Tuesday night of injuries received in an automobile accident, went to Congress imbued with some definite ideas about government. His philosophy was that the Government should not spend beyond its means, that bureaucracy should not be extended, that Congress should keep control over appropriations and not issue blank checks to the executive department, that individual initiative should be encouraged. His enemies called him a reactionary, but the policies he opposed have not yet proven that they can lead this country into the promised land.

When I ponder upon the memory of my friend, I think of the lines of the song, I Would Be True:

> I would be true, for there are those who trust me;
> I would be pure, for there are those who care;
> I would be strong, for there is much to suffer;
> I would be brave, for there is much to dare.

William Irving Sirovich

MEMORIAL ADDRESS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM IRVING SIROVICH, late a Representative from the State of New York

Mr. BLAND. Mr. Speaker, for many years I served with Hon. WILLIAM I. SIROVICH, a Member of this House from the Fourteenth Congressional District of New York. Not only did I serve with him in the House but he was next to me on the Committee on Merchant Marine and Fisheries of which I am chairman. He became expert in the work of that committee and faithfully attended its hearings and deliberations. In his enthusiasm to do what was best he solicited information from all sources where it might be found. He was keen to promote the best interests of the merchant marine and of the various subjects falling within the jurisdiction of the committee. Whatever the subject, whether pertaining to the merchant marine or fisheries, or any of the other subjects under the jurisdiction of the committee, he was ready and willing to give the best that was in him.

The jurisdiction of the Committee on Merchant Marine and Fisheries extends not only to the merchant marine and fisheries, but also to the Coast Guard, Coast and Geodetic Survey, Lighthouse Service, marine hospitals, and Panama Canal. In all of these subjects Dr. SIROVICH became an expert, and his opinion was sound. Many of his views are now law. Once convinced of the justice of his course, he devoted himself unsparingly to the task of translating his convictions into law.

Dr. SIROVICH was popular. His constant desire to help other Members with their problems made them his friends, and they were considerate of his appeals when matters pertaining to his committee required attention.

Dr. SIROVICH was genial, friendly, forceful, and a capable legislator. He held the best interest of his country as his first consideration. Even when his health should have precluded his participation in the deliberations of the House or

his committee he was present with a constant desire that those whose interests he championed might be fully represented.

Dr. SIROVICH was vigilant and active at all times to protect and promote the best interests of his constituents. He never spared himself where they were concerned. He set an example of service which all of us may emulate and will find it impossible to surpass.

I do not know any way in which I can more fully present my views of his service, and the views of my committee on which he served so efficiently, than by including here a copy of the resolution of the Committee on Merchant Marine and Fisheries unanimously adopted on January 4, 1940, in appreciation of the fine, faithful, and devoted service he rendered at all times.

This resolution tells the story of his service with the committee more eloquently than any words of mine. On motion of his colleague from New York, Congressman JAMES O'LEARY, a member of the committee, the following resolution was adopted and appears in the minutes of the committee and in the CONGRESSIONAL RECORD, Seventy-sixth Congress, third session, age 46:

Whereas during the recent recess of Congress this committee has suffered the loss of one of its members who has contributed materially to its work in the past and has rendered most valuable assistance in the success of the committee's legislative program: Now, therefore, be it

Resolved, first, that the Committee on Merchant Marine and Fisheries of the Seventy-sixth Congress records its appreciation of the splendid service on the committee of Hon. WILLIAM I. SIROVICH, former ranking Democratic member of the committee and late a Member of the Seventy-sixth Congress of the United States from the Fourteenth Congressional District of New York;

Second, that this committee realizes that in the death of Hon. WILLIAM I. SIROVICH the Nation has lost one of its most patriotic and loyal citizens, the House of Representatives of the United States has lost a wise, highly cultured, and industrious Member, and this committee has lost a zealous, courageous, and enthusiastic champion and supporter of legislation for the upbuilding and preservation of the American merchant marine, the improvement of working conditions on board ships, and the best interest of all the various subjects coming within the scope of the jurisdiction of this committee;

Third, that the committee will miss the assistance and guidance of Dr. SIROVICH in its deliberations.

Fourth, that the chairman of this committee is hereby authorized to request that a copy of this resolution be made a part of the CONGRESSIONAL RECORD; and

Fifth, that the clerk of the committee is hereby directed to make this resolution a part of the records of the committee and to transmit a copy of this resolution to the family of the deceased.

Thomas Marion Eaton

MEMORIAL ADDRESS
OF
HON. LELAND M. FORD
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS MARION EATON, late a Representative from the State of California

Mr. LELAND M. FORD. Mr. Speaker, on this day devoted to the memory of our departed colleagues, I desire to pay my tribute to THOMAS M. EATON, of the Eighteenth Congressional District, State of California. In the years I have known TOM EATON we worked together and I had an opportunity to observe him in private life and in public service, and those who had this opportunity grew to admire, respect, and love him. Prior to his election to serve as mayor of Long Beach, he had endeared himself to the residents of that beautiful city by his sterling qualities and civic pride. He was easily the outstanding citizen of Long Beach for many years. During the World War he served his country as an ensign in the United States Navy.

When TOM EATON came to Congress he was full of enthusiasm to serve his congressional district, his State, and country in that body, and his ideals were those of a true American citizen. It was a sad shock to us all when the illness came to him which resulted in his death within a few months. During this time and in spite of his suffering, he assiduously and faithfully carried on his duties from his hospital bed and was entirely absorbed in his work. Until the very last he had always before him his standard of faithfulness to a trust placed in him.

In the death of TOM EATON I lost a friend whose memory will always linger, and in closing I wish to pay my tribute to one whose friendship and example will always be cherished.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. JOHN TABER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. TABER. Mr. Speaker, WALLACE E. PIERCE came to Congress in mature years after a long and successful career as an active trial lawyer. He readily made his place in the House, where he was held in the highest esteem. He took a prominent part in the work of the Judiciary Committee. Although he was serving his first term, he was a very valuable legislator.

His personal friendships were as varied and as devoted as those of any man on the floor, and I know of no one who has created so fine an impression in the time that he served here.

Marvel Mills Logan

MEMORIAL ADDRESS
OF
HON. BEVERLY M. VINCENT
OF KENTUCKY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. MARVEL MILLS LOGAN, late a Senator from the State of Kentucky

Mr. VINCENT of Kentucky. Mr. Speaker, this is a sad occasion for me, and yet I can rejoice that the Congress of the United States in these days of stress has seen fit to set aside this day in order that we may pay due homage and tribute to the life and memory of a great man and a great statesman, the late Honorable M. M. LOGAN, of Kentucky. He was the greatest man I ever knew. He was the best man I ever knew. Seldom, if ever, do we find both of these attributes blessing one individual, but he was lavishly endowed with these qualities.

He was born in 1875 in Edmonson County, Ky. His father and three of his father's brothers fought through the Civil War, and their stories of travels, hardships, and battles thrilled him, and his alert mind was stirred by these exploits. He hungered for information, and at once became a great student of history and government. He was a natural student. It appeared that he learned about everything without laborious study. His mind was so keen that he did not have to be told anything but once.

He was admitted to the bar when he was 20 years of age and at once became a great lawyer. His reputation grew so fast that in 1915 he was nominated in a State-wide primary for the office of attorney general of the State of Kentucky

without opposition, a peculiar honor that no other person has ever been accorded in the State of Kentucky. After this he was called by the people to the office of judge of the court of appeals of his State, and he soon became chief justice of this court. In 1930, while serving as chief justice, he was called to serve Kentucky in the United States Senate.

He served with great distinction in the Senate, as you well know, until his death on October 3, 1939. He soon became a leader in the Senate and was responsible for much beneficial legislation. He was considered by his colleagues as a great statesman and patriot.

It is befitting his memory that we pause today and cease our pressing duties to pay tribute to the life and memory of this great man.

I will not go into detail in naming the many official acts of Senator LOGAN. They are too numerous to repeat here, and they are well known to you. Future generations will point to these achievements, for they will be an everlasting monument to the memory of this man. These achievements are written in bold type in the records of his State and the Nation, and I will leave them as they came from his hands.

I want to now turn to the man himself. He was the kindest man I ever knew. No matter how poor or how ignorant or how lowly in station, no one was ever turned away that came to him for help. He was wholly unselfish. He made a lot of money but he gave it all away to help others. I recall once when he had collected a very large fee in an important case that he had won, and one of his friends said: "What are you going to do with all of this money?" His friend added that he ought to invest it in real estate. LOGAN rebuked his friend when he replied and merely said: "I am going to invest this money in boys and girls." He went to an orphans home and selected several boys and sent them to college. Many young men now making their mark in the world were picked up by him in an orphanage and sent to college. He often stated that money was the cheapest thing in the world, and that manhood and character were the most priceless. He was the champion of the weak and oppressed. His philosophy of government was "the purpose of government is to protect the weak and restrain the strong."

From boyhood to his death he was an ardent follower of the "Lowly Nazarene." For 30 years he taught a Sunday School class, and it was his proud record that he never missed a single Sabbath day. He was a pillar of his church. He gave lavishly of his time and money for the support of every good cause that came his way. He lived a devoted Christian life.

He was a leader in the fraternal world. He rose to the highest office in the Odd Fellows Order, having been elected Grand Sire of the World.

He was a kind and affectionate father to his one daughter and three sons who survive him. He lent a helping hand to every person that he met who needed assistance. He contended that you could only serve God by serving humanity, and he went about everywhere doing good. He is about the only man I ever knew who loved his enemy. Often when he was attacked unfairly by someone he would merely say: "The poor fellow does not know any better, and I shall not take any advantage of him because he is unfriendly to me." Many times his would-be enemy would turn and admire him and become his friend. He really and truly loved his fellow men, and he will live on in the hearts of his many friends. His life and his memory will inspire thousands to imitate his unselfish Christian life. I fear we shall never see his like again.

In my judgment, he was not only the greatest man I ever knew, but he was the best man I ever knew. Words cannot properly portray this man's life and deeds.

Once when a king had fallen it was said:

A prince once said of a king struck down:
"Taller he seems in death."
And the word holds good, for now, as then,
It is after death that we measure men.

Now a king of men has fallen. I will not say he is dead, for his life and deeds will live forever.

No; I cannot and I will not say
That he is dead.
He is just away!
With a cheery smile and a wave of the hand,
He has entered into that unknown land,
And left us dreaming, how very fair it
Needs must be, since he lingers there.
And you, O you, who the wildest yearn
For the old-time step and the glad return;
Think of him, passing on as fair in the love
Of there, as the love of here.
Think of him still as the same, I say.
He is not dead. He's just away.

He is as great in death as he was in life. His death was calm and majestic. He merely fell asleep when the Lord called him home.

The night shall be filled with music
And the cares, that infest the day,
Shall fold their tents like the Arabs,
And as silently steal away.

Wallace Edgar Pierce

MEMORIAL ADDRESS
OF
HON. ALBERT L. VREELAND
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WALLACE EDGAR PIERCE, late a Representative from the State of New York

Mr. VREELAND. Mr. Speaker, it was my extreme privilege and honor to have known and associated with the Honorable WALLACE E. PIERCE, late of the Thirty-first District of New York.

In the short space of a year, through association not only on the floor but at the weekly meetings of the Wednesday Night Club, it was my pleasure to know and appreciate the fine character, ability, and knowledge of him whom we knew better as Wally. His thoughtfulness, graciousness, and desire to be of service to any of his friends were always foremost in his everyday task.

Last summer I had the privilege of spending 2 weeks in his congressional district on attending the Army maneuvers at Plattsburg and there found the high esteem that was had for him by all of his constituents and the high regard and respect for his ability that was evidenced by all who came in contact with him.

His passing was a great loss not only to his district but to the Congress and our country, and his will be a bright but difficult example for we who remain to live up to.

Cassius Clay Dowell

MEMORIAL ADDRESS
OF
HON. THOMAS E. MARTIN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CASSIUS CLAY DOWELL, late a Representative from the State of Iowa

Mr. MARTIN of Iowa. Mr. Speaker, I am truly proud that it was my privilege to serve in the Seventy-sixth Congress with Hon. CASSIUS C. DOWELL, who so ably represented the Sixth District of Iowa.

Mr. DOWELL served his district in Congress for nearly 24 years and he left a record for faithful, conscientious work

and for accomplishment that will be a mark to challenge the best that is in all of us. His character and reputation in his home community, in his State, and throughout the Nation are of the highest.

Mr. DOWELL's service was especially outstanding in three particular fields. His work as chairman of the Roads Committee at the time the Federal road policy was being formulated in the early twenties brought this Nation to the forefront among the Nations of the world in the matter of road development. Those of us who have reason to vividly recall the horrible road conditions in the Middle West and in Iowa in particular before this Federal road program helped to pull us out of the mud will forever be thankful to Mr. DOWELL for his leadership in the development of that program.

Another field in which Mr. DOWELL's name will go down in history as a real leader is that of relief to the World War veterans. Every war veteran living in or near Mr. DOWELL's district has had many, many occasions to observe his great interest in their behalf, and many, many of them have had occasion to be thankful for his undying interest in their affairs and his ever-ready and helpful and friendly assistance in securing just recognition of their rights and fair adjustment of any claims they may have had.

The third field in which Mr. DOWELL had no peer is that of friendly acquaintance with all his constituency. I believe I am the only Member of Congress at this time who has had the delightful experience of campaigning with Mr. DOWELL in his own district, and as a fellow candidate for office in that district. It was, indeed, my own good fortune that I enjoyed this privilege, because Mr. DOWELL had a wealth of experience and a radiant personality that turned that experience to most effective and pleasant service to his entire constituency. It was, indeed, an inspiration to all of us who campaigned with him to observe the manifestation of his devotion to their problems and their interests.

I can say also that I have seen few men in public life who could greet as many individuals and call them by their names. Certainly no man was ever more universally greeted as a close friend.

Truly it can be said that Mr. DOWELL has won outstanding recognition for his accomplishments in public life, and the State of Iowa and the Nation today mourn his passing with deepest regret that his good work here has ended; but we are all happy to know that the influence of his good work will carry on.

Samuel Davis McReynolds

MEMORIAL ADDRESS
OF
HON. ROBERT L. DOUGHTON
OF NORTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. SAMUEL DAVIS MCREYNOLDS, late a Representative from the State of Tennessee

Mr. DOUGHTON. Mr. Speaker, during my almost 30 years of service in this House, many of its Members have been taken by death, but no event has moved me to more profound grief and sorrow than the passing of Judge SAM MCREYNOLDS. Since his election to Congress as a Representative from Tennessee in 1923 it has been my great privilege to be associated with him intimately not only as a colleague but as a friend.

Richly endowed by nature with every quality which humanity admires, SAM MCREYNOLDS was particularly well fitted by ability, background, and training for the successful performance of the duties which fell to him. No man in this body, since I have been a Member of it, commanded greater respect, admiration, and affection of his colleagues. His wisdom, his honesty, his industry, his calm judgment, and his earnest love and devotion to the welfare of this Nation marked him as outstanding in any company.

It was a gracious act of Divine Providence that in one of the most trying periods of the world's history we could have the benefit of his calm counsel and able guidance as chairman of the Committee on Foreign Affairs. In the discharge of his duties on this important committee, as in every other undertaking, Judge MCREYNOLDS exerted zealously and conscientiously the great all-around qualifications of mind and heart which he so abundantly possessed.

We have lost an outstanding colleague, an able, faithful, and industrious representative of his people, a true American, and a patriot. We have also lost a warm and devoted friend.

We can best revere his memory and demonstrate our devotion by consecrating ourselves anew to the principles and ideals he so valiantly advocated. May we prove ourselves worthy of his friendship and of his illustrious example.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. WILLIAM P. COLE, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. COLE of Maryland. Mr. Speaker, on December 12, 1939, in the city of New Orleans, a real American, CARL E. MAPES, died, while at work on his Nation's business attending hearings before a committee to which the Congress had assigned him.

It was my privilege during the past 8 years in the work of the Interstate and Foreign Commerce Committee of the House, of which he was ranking minority member, to be intimately associated with Mr. MAPES. The value of that experience and association is immeasurable in words. In the early part of the troublesome days of the depression period, we were frequently together on much of the important legislation reported by the committee. More especially do I recall, however, working together as members of the subcommittee investigating the petroleum industry, which committee had its inception in 1934 and has remained continuously in charge of oil legislation referred to the main committee since that time. Evidence of his active participation in the proceedings of the committee is found throughout its lengthy session. Knowledge of the subject which he frequently displayed and the vision and common sense reflected in legislation on the subject were due to his influence in no small degree, and are well known to his fellow Congressmen.

No words of mine could adequately eulogize CARL MAPES. He had the simplicity of the truly great, the gentleness of a child, the courage of his convictions, and an indomitable strength to accomplish what he felt to be right at all times.

Mr. MAPES died as he would have wished, serving the country he loved so well. He was active in the work of our committee during the entire day before his death, and it would be impossible to describe the deep sense of loss which the members of the committee felt upon learning of his death. Many fine tributes were paid to him by the leaders of the oil industry from all over the country, who were gathered in New Orleans for the petroleum investigation hearings. The hearings were adjourned and the members of the committee took his body home to Grand Rapids. I think no greater tribute could be paid to any man than the devotion and admiration displayed by the people of his home town. From the moment the committee arrived in Grand Rapids and until we left him in his final resting place, few could hope to

equal that display of devotion and real affection and, I am sure, none could excell it.

Among his true friends were many members of the Democratic Party, who loved him for his human worth and who did not hesitate to call upon his great ability and experience, but probably his best friends were the humble people from all corners of his district, who knew how genuine was his interest in them, in their work, and their families.

William Edgar Borah

MEMORIAL ADDRESS
OF
HON. COMPTON I. WHITE
OF IDAHO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM EDGAR BORAH, late a Senator from the State of Idaho

Mr. WHITE of Idaho. Mr. Speaker, in commemorating the life and work of Idaho's illustrious statesman, the late Senator WILLIAM E. BORAH, there is presented for the RECORD a telegram to the members of the Wardner Industrial Union from President Stanly A. Easton, of the Bunker Hill & Sullivan Mining Co., in his tribute to the memory of Idaho's great Senator, always a stanch advocate of the rights of labor. President Easton said:

On this and many similar occasions proper and worthy tributes will be paid to Senator BORAH's memory because of his services to the Nation for over 30 years past in national and international affairs. This is as it should be. I now acknowledge and memorialize his devotion for over 40 years to the welfare of our community and all its citizens. It is unnecessary for me to remind you that he was the father of the Wardner Industrial Union. He wrote its articles of incorporation, its constitution and bylaws under which you now work. He has spoken at the miners' and smeltermen's picnic so many times in years past I cannot remember them all. On the numerous occasions when I have seen Senator BORAH at Washington and as a guest at my house and at other points he has never failed to express a genuine interest in the welfare of the Wardner Industrial Union and show a real pride in the part which he had in its development and well-being.

His career and the pattern of his political ideals have always been our inspiration and guide. I cannot recount all the services to us, but it is impossible for me to refrain from naming some. Senator BORAH was detained at Bonners Ferry a good many years ago until very late at night. Roads were then unimproved, but he rode all night long to keep a speaking engagement next day at the miners' and smeltermen's picnic. He arrived at my home about daybreak and had time only for 2 or 3 hours rest, breakfast, and a trip to the barber shop before appearing promptly to take his part in the morning's program.

Another typical instance. Right after the war one of our Kellogg youths was confined in a New England military prison because of a technical breach of discipline. His mother was feared to be on her deathbed and dearly wished to see the boy from whom she had been long separated. Senator BORAH was sent a telegram explaining the circumstances with assurance I would undertake personally to see that the young man did not break his parole if released for a home visit. The very same day I had a reply from Senator BORAH saying that the youth was released and that the balance of his sentence was remitted.

I could add numerous other occasions when this outstanding Member of the United States Senate and chairman of its most important committee gave time and attention to your and my welfare in far-off Idaho.

And so we say good-bye to our benefactor and good friend who has so suddenly left us at the height of his fame. "Well done, good and faithful servant, enter thou into the joy of Thy Lord."

In a brief summation of the great work and brilliant career of Senator BORAH, President R. L. Brainard, of the Kellogg, Idaho, Chamber of Commerce, stated in a glowing tribute:

"We are too close to current events to fully appraise Senator BORAH's great contribution to America's national life, that will be the work of future historians. Senator BORAH championed many lost causes. They were worth fighting for, and some day America will catch up with them. In his death every good cause lost a fearless champion. He passed away in the full flower of his usefulness, and yet his life was peculiarly complete. When the summons came he left us the blessed memory of a life of great and lasting usefulness and a character rich in all the manly virtues."

Samuel Davis McReynolds

MEMORIAL ADDRESS
OF
HON. LUTHER A. JOHNSON
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. SAMUEL DAVIS MCREYNOLDS, late a Representative from the State of Tennessee

Mr. LUTHER A. JOHNSON. Mr. Speaker, when the House convened on July 11, 1939, and it became known that in the early morning of that day the Honorable SAM D. MCREYNOLDS had passed away, our entire membership was touched with sorrow, and the transaction of all business for the day was immediately dispensed with.

Before the motion to adjourn out of respect to his memory was passed a score or more of his colleagues paid tribute to his memory. Their remarks were all extemporaneous, but they breathed the honor, esteem, and affection in which he was held, and no more deep and genuine sorrow was ever voiced in behalf of any departed Member.

There was a reason for this spontaneous outburst of sorrow. One of the most popular, one of the most useful, and one of the most beloved Members had left us. One who for more than 16 years had labored, given of himself, his time, his talent, and his very life in serving his country in this great lawmaking body; and during that time, by his courage, his character, his indefatigable energy, and his intense love of humanity had won the affection and esteem of the entire membership upon both sides of the aisle.

It was my privilege to know him intimately and well. We became Members of this House at the same time, and we had been closely associated during our continuous service here. No one in the House or elsewhere knew him better or loved him more than I. Most of us can count on the fingers of one hand our intimate and most devoted friends, and SAM D. MCREYNOLDS was among that small and select group of mine.

If I should be called upon to mention his one outstanding trait, I would say that it was his loyalty to his friends and his fidelity to duty, which was second only to his love and devotion to his faithful wife, his only daughter, and his two little grandchildren, all of whom he idolized.

I saw him grow and his influence widen from a rookie Congressman to one of the real leaders of this House. It did not come suddenly. He was content to toil, to start at the bottom, first serving on minor committees, but to do each task assigned him well. He was not a headline seeker. He cared not for publicity or the sensational, but the consciousness of duty well performed was the reward he most coveted and desired. He was genuine. He despised hypocrisy and sham, and could not countenance it in others.

He was a man of profound and deep conviction, intense in his thoughts and language, and when once his judgment was deliberately formed he fought unswervingly to the end for what he conceived to be right. He was courageous and fear was not a part of his physical or mental make-up. He was candid, and at times almost brutally frank, but he never deceived anyone, and when he made you a promise you knew it would be religiously kept. He was as ruggedly honest as the mountains of east Tennessee, which he loved and among which he lived during his entire life. He was fair. His 20 years' service as a judge on the bench developed his judicial qualities of mind and heart, and he had a very high sense of justice. He was endowed with an abundance of sound common sense, which is indispensable to one serving in public office, since it enables him to appraise conditions and more intelligently determine the solution of all problems.

There was something about him which drew men to him. His large and fine physique impressed you with his strength.

His was a most pleasing personality. He possessed a keen sense of humor, but, best of all, he had a great heart, which beat in sympathy for the poor and oppressed, and his desire to alleviate human suffering and give equal opportunity to all was the controlling motive of his entire public service.

For 12 years he served as a member of the Foreign Affairs Committee of the House, and at the time of his death was chairman of that important committee, and had been its chairman for 6 years.

He was vitally interested in maintaining peaceful relations between our country and the other countries of the world, and his hatred of war caused him to be exceedingly active in support of all legislation designed to prevent our involvement in foreign wars.

The various neutrality acts passed during recent years were sponsored by him, and while he was ill during the last session of Congress, when the present neutrality law was passed it was the outgrowth and development of legislation previously championed by him, and many provisions of the present neutrality law were largely reenactments of legislation which his leadership had made possible.

His legislative activities were not confined to international affairs, but he was active, not always in public debate, but in counsel and advice he wielded a tremendous influence in support of all legislation which he espoused.

During the more than 16 years that he labored here he has left his imprint upon the legislation of the Congress of the United States during that period, and contributed much toward the welfare of his country in serving it in one of the most critical and trying periods of its history.

SAM D. MCREYNOLDS is gone, but his spirit still lives, and a grateful people will long remember and revere him for his able and faithful service in their behalf, and his memory is forever enshrined in the hearts of his friends. I shall always think of him not as a judge, not as a legislator, not as one of the great leaders of the House, but as my friend, whom I loved and honored, and whose memory shall abide with me forever.

Samuel Davis McReynolds

MEMORIAL ADDRESS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. SAMUEL DAVIS MCREYNOLDS, late a Representative from the State of Tennessee

Mr. BLAND. Mr. Speaker, I realize how absolutely impossible it is in this hour and at this time for me to add anything to the tributes which have been paid to SAM MCREYNOLDS. I do not wish the time to pass, however, without my tribute for myself and for every Member of the Virginia delegation in Congress to the splendid ability, the loyal service, and the continued friendship of SAM MCREYNOLDS.

Personally, I suppose he was as close to me as any Member of any Congress has ever been or ever will be. He visited my home at various times. I shared with him his hospitality and he mine. I learned to love him as a brother. For me his going has left a void that cannot be filled. He will be always missed.

In the trying period preceding the present disturbed condition throughout the world, his sound judgment, his complete comprehension of world affairs and our relation to them, his fine patriotism, his practical common sense, and his Christian loyalty served always to guide us well. Where he led we were glad to follow for we knew that with him there had been no hasty conclusion, but that there was invariably the most careful consideration of every angle of every problem before him. He was most valuable to the administration, to the Nation, and to his State. Eulogies cannot tell in full measure the story of his public life. His work here constitutes his finest memorial. Tennessee has lost a great representative, the Nation a patriot of the finest order, and every Member of this House a devoted friend.

In 21 years of service in this House I have seen many men of outstanding ability, of deep convictions, of unswerving honesty, and of sincere devotion to duty on both sides of the aisle come and go. Each has contributed much to the life of the Nation and to the work of the men he has left behind. Since he came here no man has contributed more to the splendid achievements of this Chamber than SAM MCREYNOLDS, and in the days that are to come his fine example will be an inspiration. He has gone, but he still lives. Such as he can never die. We who knew him will ever feel the touch of a vanished hand. We will ever hear the sound of a voice that is still.

Carl Edgar Mapes

MEMORIAL ADDRESS
OF
HON. WILLIAM P. COLE, JR.
OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CARL EDGAR MAPES, late a Representative from the State of Michigan

Mr. COLE of Maryland. Mr. Speaker, while in Grand Rapids, Mich., for the purpose of attending the funeral of our late and distinguished colleague CARL E. MAPES it was my pleasure to attend a meeting of the Grand Rapids Rotary Club on December 14, 1939, before which a eulogy was delivered by the Honorable Fred M. Raymond, judge of the Federal district court of western Michigan. Judge Raymond was a close personal friend of Congressman MAPES, and the affectionate and sincere estimate of a life which was so close to us, as presented by Judge Raymond, is one I know will be read with interest. I insert it herewith:

REPRESENTATIVE CARL E. MAPES

(A eulogy delivered by Hon. Fred M. Raymond, judge of the Federal District Court of Western Michigan, before the Grand Rapids Rotary Club, December 14, 1939)

Mr. President, members of the Rotary Club, and guests, a community, a State, and many of his associates in a far wider sphere of usefulness stand today at the bier of a great man to pay a last tribute of respect. In the presence of this deep sorrow I shall not attempt to review the life work of CARL E. MAPES. I can find words only to express in that simple way which would have been most pleasing to him my immeasurable grief at his untimely passing.

His life requires no poor eulogy of mine to add to its luster. In a world of hates and fears, of tumult and confusion, of misunderstanding and conflict, he stood calm and true and strong. Loyalty and service were his guiding stars. I have never known a sweeter, purer life, honest in every thought and deed, generous in every impulse. He was as pure-minded as a child and gentle as a woman. His life was not only noble, manly, and pure, it was also, in the highest degree, forceful. He despised intrigue and cunning and condemned any cause which could not triumph in the light of day.

It is sometimes asked, Can a man in these days be absolutely honest? Can a man actually live a life of service devoted to his fellow men? Can a man champion always the rights of the downtrodden? Can a man in public life refuse to bow to the political boss? Can a man do all of these things and succeed? The affirmative answer is the life of CARL E. MAPES.

I know of no man of whom it could be more truly said that he had so lived that he approached his grave sustained and soothed by an unfaltering trust, like one who wraps the drapery of his couch about him and lies down to pleasant dreams.

Emerson has said:

"It is easy in the world to live after the world's opinion; it is easy in solitude to live after our own; but the great man is he who, in the midst of the crowd, keeps, with perfect sweetness, the independence of solitude."

Measured by these standards, or by any other, CARL MAPES was a great man. He knew not only the great but he knew the humble. He was one of whom it can be truly said that he walked with kings and kept the common touch. The last few moments of his public life were spent championing the rights of the weak against the strong, and the interests of his beloved State of Michigan. On late Monday afternoon of this very week he refused to concede that the

rich and prosperous oil fields of other States should not be subjected to the same limitations and restrictions as the less productive oil fields of his own State.

Loyalty and service were his watchwords. Without induction into any service organization, without insignia of office, without form or ceremony, his was a life of service. As nearly as may ever be, he lived the life of the perfect Rotarian.

Mr. President, may I suggest that we stand for a moment in silence in honor of his memory.

Chester Castle Bolton

MEMORIAL ADDRESS
OF
HON. CLIFF CLEVENGER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. CHESTER CASTLE BOLTON, late a Representative from the State of Ohio

Mr. CLEVENGER. Mr. Speaker, today the House pays its last tribute of respect to the memory of my late colleague, CHESTER C. BOLTON.

Words are not adequate to measure our affection for the one who has passed on or the loss his countrymen feel, for an eminent American citizen has passed away.

One had to know CHESTER BOLTON intimately to know the real, true man. He was warm-hearted, broad-minded, and tolerant. He was a man who stood high amongst the constructive statesmen of his time. What he said was based not on impulse but on sincere conviction. His deeds of kindness, of charity, and of generosity will ever keep alive his memory.

Notwithstanding that his career was cut short, he accomplished much that was useful. We may look to him for an example of devotion to public service, of honesty, of friendliness, and of good will to all.

In the death of CHESTER BOLTON this body and the Nation which he served so well will have sustained an irreparable loss.

William Edgar Borah

MEMORIAL ADDRESS
OF
HON. GEORGE H. BENDER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. WILLIAM EDGAR BORAH, late a Senator from the State of Idaho

Mr. BENDER. Mr. Speaker, WILLIAM EDGAR BORAH, spokesman of the United States Senate, worthy successor to Webster, Hayne, and Stephen Douglas, has spoken his last words in the Nation he loved so well. For more than 33 years, from 1907 until his death, Senator BORAH served the State of Idaho and the people of the United States in the upper House of Congress with the greatest distinction.

Few men in the history of our Nation have wielded the influence or commanded the respect which were granted to Senator BORAH. In every assemblage his word carried the weight of earnest conviction and careful consideration. Senators and Representatives throughout the Nation listened attentively to his views on any subject. The people back home came to regard him as one who spoke for them more eloquently and persuasively than any other Member of Congress. They gave him their support, as he gave them the breadth and wisdom of his mind.

Seventy-four years ago, on June 29, 1865, WILLIAM BORAH was born in a small town of Illinois. The moving spirit of the generation in which he grew to manhood called him west, and in his first days as a practicing attorney he settled in Boise, Idaho. The only public position he ever occupied in his long career of service was the post of United States Senator. He was first elected in 1907, and never left the Senate, despite the shifting tides of American politics throughout the years. In 1916 Idaho went Democratic, voting for Woodrow Wilson, but the senatorial contest of 1918 found Senator BORAH returned to his seat by a large margin. In 1936 President Roosevelt carried Idaho with 125,683 votes, the largest number ever gained by a Presidential candidate in Idaho. Yet despite the 2 to 1 victory margin of the President on the Democratic ticket, Senator BORAH, on the Republican ticket, rolled up the unprecedented total of 128,723 votes, to defeat his opponent, the former Governor of Idaho, by a margin almost identical with the President's.

This amazing popularity was due entirely to the personality and integrity of WILLIAM BORAH. For many years in the early days of his public career the activities and beliefs of the Mormon Church were a recurrent issue in Idaho politics. Senator BORAH eliminated the religious controversy as a matter of political concern. His complete belief in an acceptance of the Bill of Rights amounted to a passion with him. He once wrote a constituent, "I am a believer in the fundamental principles of religious liberty. If the time ever comes when I have to sacrifice my office for those principles, I shall unhesitatingly do so."

Senator BORAH was happy in the Senate. There he found the opportunity to reconcile his views of the growing Pacific Northwest with the development of the entire Nation. The development of cheap power, the reclamation of land, subsidies for farming, the curtailment of monopolistic practices were part and parcel of the vast new empire he saw rising about his State.

Yet his greatest fame came to him because of his stand on matters of international concern. Curiously, this distinguished Senator, representing a State landlocked on all sides, hemmed in by vast mountains, became the Nation's greatest authority on international problems. His strong isolationist views were part of his patriotism. The United States belongs to a group apart, he told us. Our ideology, our hopes, our position in the world do not depend for their success on anything which takes its origin in Europe. Stand clear of foreign entanglements was Senator BORAH's solemn warning.

He did not speak for himself alone. Millions of people throughout the Nation shared—and still share—the views he advanced. At the special session of Congress which met last October, six of the eight Senators from the Pacific Northwest region voted against the repeal of the arms embargo, following Senator BORAH's lead. From 1924 to 1933 Senator BORAH was chairman of the Senate Foreign Relations Committee, and led innumerable battles on the floor of the upper House for his viewpoints. His last great fight was in the condemnation of the Supreme Court packing plan, a plan which he branded as a violation of the "sacred traditions of American democracy."

Here was the keynote of his entire life. In his last Senate address he told the Nation:

> Before any progress can be made by totalitarian ideologies in breaking down American institutions a way must be found to discredit the American Bill of Rights. I have said it is a sacred document. If human liberty is sacred, this document is sacred.

A great man has left the people of our Nation. He was more than the "lion of Idaho." He was a sturdy, human "rock of Gibraltar," standing steadfast against every force which he regarded as hostile to the American way of life.

His State will not speedily forget him. In his honor there will remain forever the name of Idaho's highest mountain, Borah Peak. Nor will the State of Idaho or the Nation at large soon find his equal.

Edward Walter Curley

MEMORIAL ADDRESS
OF
HON. WALTER A. LYNCH
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. EDWARD WALTER CURLEY, late a Representative from the State of New York

Mr. LYNCH. Mr. Speaker, it is well that amidst our multitudinous duties, involving matters of deep concern to the country, we pause in reverent memory to those men who were elected to and served in this Seventy-sixth Congress, but whose tenure in the service of their country was terminated during the past year, by a Divine Providence.

Perhaps it was always so, but to me it seems peculiarly fitting in these tumultuous days when our country is overwrought with its tremendous economic problems at home, and as it watches with anxious eyes, bated breath, and a heavy heart, the great nations of Europe that once typified the apogee of the world's culture and civilization, grappling at each other's throats in a barbaric war, bringing ruin and destruction to the people of defenseless and inoffensive nations, spreading the propaganda, even in peaceful America, of the totalitarian governments on the one hand, or, on the other, the hypocritical preachments of the so-called democratic nations, whose historic past gives no indication that they ever understood the fundamental principle of democracy, that a nation, no matter how weak or defenseless, has the inalienable right to govern itself, and to be free and independent, it is peculiarly fitting, I say, that not only should this Congress pause in its labors, but also that those who have elected us to be the Nation's guides, should give thought to those whom they chose to represent them in this Congress of the United States, who served them faithfully and who died in that service with their armor buckled and their shields untarnished.

So it is that on this occasion I arise to pay my tribute to the late Hon. EDWARD W. CURLEY, my distinguished predecessor in this House from the Twenty-second Congressional District of New York.

Pennsylvania was the State of his birth, but at an early age he was brought to New York, where he was educated in the public schools of our metropolis and later attended the College of the City of New York. He first entered public life in 1915, when he was elected a member of the Board of Aldermen of the City of New York, and for 20 years thereafter he continuously served in that capacity. Conscientious, tireless, energetic, he gave himself completely to his office and won the favor and high regard of all with whom he came in contact.

When the late Honorable Anthony J. Griffin, who so long and ably had represented the Twenty-second Congressional District, New York, died in 1935, it was most natural that the citizens of that district should elect as his successor in Congress Alderman CURLEY. He knew their needs, and he knew their troubles. The people of the district were largely wage earners, but unemployment was rife, families were destitute, the relief rolls were very heavy. The people wanted a man who would represent them as unselfishly and as self-sacrificingly as had their deceased Representative, Anthony J. Griffin, and in one of the greatest tributes to a public official that I have ever seen thousands of persons, willingly and voluntarily, signed petitions for the nomination of Mr. CURLEY, who was then designated by his party as its nominee for Congress, and on November 5, 1935, at a special election he was overwhelmingly elected a Member of the Seventy-fourth Congress. In 1936 he was elected to the Seventy-fifth Congress, and in 1938 he was elected to the Seventy-sixth Congress, where he served until his death on January 6, 1940.

Democratic in party affiliation, EDWARD W. CURLEY was likewise democratic in spirit. While in Congress he devoted himself, until death took its toll, to the cause of labor and civil service. Quiet, unassuming, and unobtrusive, his kindly persuasiveness won many a contest where oratorical effort would have failed. He preferred the work of the committee room to the Well of the House. He never scaled nor sought to scale the alpine heights of national prominence, but he did achieve the high tableland of respect in the heart of his community, and this he did the hard way, by conscientious effort, by unflagging zeal, and by unselfish devotion to the service of the people of his community.

Twenty-five years of association is too long a time to know a man, to be able, within the limitations necessarily imposed upon one on an occasion of this kind, to recount his fine qualities and the appealing incidents of a fruitful life; so I will conclude with the simple testimonial, that to his widow, the people of the Twenty-second Congressional District of New York and the Members of this Congress renew their expressions of sympathy and unite in the thought that the district which he represented, the city which he served, and this House, representative of the entire country, lost a lovable character and a distinguished Member in the death of the late Honorable EDWARD W. CURLEY.

Thomas Sanders McMillan

MEMORIAL ADDRESS
OF
HON. SCHUYLER OTIS BLAND
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 24, 1940

On the life, character, and public service of Hon. THOMAS SANDERS MCMILLAN, late a Representative from the State of South Carolina

Mr. BLAND. Mr. Speaker, when TOM MCMILLAN, of South Carolina, was called to his reward the House lost a faithful Representative and South Carolina one of its most loyal ones. Every Member of this House lost a friend.

I was here when he came. I have served since he left. Out of the service here there has gone something which time cannot replace. Genial, lovable, friendly, he had a personal charm and a compelling friendship which endeared him to his colleagues and made him easily one of the most beloved Members of the House.

In my period of service I have seen many men come and go, but none who made a more lasting impression than TOM MCMILLAN.

His masterly presentation of the measures coming from his subcommittee was evidenced by the ease with which he carried through the measures which his committee reported. At all times on the floor he was in complete mastery of his measures. This would be difficult to understand by anyone who had not appeared before him in the exhausting hearings of his subcommittee when with exacting detail he fathomed all of the minute intricacies of the problems before him. He took his work seriously and desired at all times to protect the people of the United States while doing absolute justice to the bureaus and departments with which his subcommittee was concerned. The best interest of his country was the polar star of all his labors.

I have never seen a Member with a finer sense of justice, and yet with a more earnest desire to do the right thing by the country whose Representative he was, by the colleagues with whom he served, by the State from which he hailed, and by the great constituency which honored him.

On the occasion of a trip to his city of Charleston I saw on every side evidences of the affection and esteem in which he was held.

Many men will come and go in the future, but none will surpass TOM MCMILLAN in a fine sense of loyalty or in a comprehensive grasp of public problems or in practical common sense. Peace to his ashes. He will live forever among those with whom he wrought his great work.

The Farm-Labor Problem

EXTENSION OF REMARKS

OF

HON. ROBERT M. LA FOLLETTE, JR.

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, April 25 (legislative day of Wednesday, April 24), 1940

STATEMENT BY HON. ROBERT M. LA FOLLETTE, JR.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to have inserted in the Appendix of the RECORD a copy of a statement which I authorized for yesterday's newspapers in connection with additional hearings to be held by the subcommittee of the Senate Committee on Education and Labor under Senate Resolution 266.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

National aspects of a developing "farm labor" problem will be explored by the subcommittee of the Senate Committee on Education and Labor in a final series of hearings to be opened in Washington beginning late next week.

This decision to hold additional hearings results from a consideration of certain facts obtained during the course of the recent investigation by the committee into the problem of civil liberties in California agriculture and the plight of the migratory farm laborers there. Additional study and consultation in Washington has convinced the committee that the California situation is not an isolated one but only a striking symbol of a much more far-reaching problem, national in scope, involving the present and future welfare of a large proportion of our rural population in many States other than California.

The committee will limit this final phase of its inquiry to testimony from expert witnesses. Included among the topics of discussion are the location and character of "farm-labor areas" other than California, conditions among migratory farm labor groups in those areas, the nature of industrialized agriculture, and the trend away from the "family farm." The committee will devote considerable attention to an analysis of the forces that are displacing farm families from the land, causing them to migrate to other States and regions seeking employment as migratory farm laborers. Most of the expert witnesses will be called from the various departments and agencies of the Federal Government who are familiar with various phases of the general problem.

The California investigation was another of the 4-year series of inquiries made by the committee into violations of civil liberties and the rights of labor. It is now apparent that the problem of civil liberties in California agriculture, which has suffered 180 strikes in the last 7 years, signalizes the existence of a tragic underlying condition which must be remedied if farm laborers are to attain a full enjoyment of their civil rights. That condition is the distressing economic, social, and political status of the hundreds of thousands who make up California's seasonal and migratory farm labor population. That problem of long standing in California, dating back in the public mind to the Wheatland riots of 1914, has been accentuated by the influx of a large number of farm families from other States in the last 5 years.

During the hearings in California the committee devoted considerable attention to some 45 statements by various economists, growers, rural sociologists, State and Federal officials, and spokesmen for various business and labor interests who were invited by the committee to discuss these broader phases of California's agricultural labor problem. Before submitting its final report and recommendations to the Congress, it seeks more complete information on the extent and character of similar conditions elsewhere in the Nation and the underlying causes.

Some general observations which throw light on this determination to carry forward the committee's inquiry beyond the borders of California are as follows:

1. California has no monopoly on farm laborers. Over one-third of the persons gainfully employed in American agriculture, according to the 1930 census, were either ordinary wage workers or sharecroppers, who work for "furnish" rather than cash. Only a small percent are in California. Apart from the traditional hired man, who is diminishing in relative importance, this group is largely dependent upon a seasonal, casual, and intermittent agricultural employment. Of them, the President's Committee on Farm Tenancy said in 1937:

"The great majority of farm laborers, as we have noted, are only intermittently employed; their incomes are extremely low and uncertain; their places of residence continually changing; and their contacts with schools, churches, and other elements of community life variable and uncertain. Relatively little economic and social data concerning them have been collected, and in the short time available the committee has not been able to secure the information necessary to an adequate consideration of farm-labor problems. A greater degree of national attention should be focused on them."

2. The peculiar problem raised by the so-called migratory farm family, which follows a nomadic way of life precluding any normal home or community advantages, is not confined to California. The irrigated areas of Idaho and Arizona; the Yakima Valley of Washington; the Willamette and Hood River Valleys of Oregon; the beet-sugar areas of Colorado; the Rio Grande and Winter Garden areas of southern Texas; the Mississippi Delta and Texas cotton area; the berry regions of Louisiana, Mississippi, Arkansas, and Michigan; the Florida vegetable and citrus area; and the truck and vegetable farms of eastern Virginia, Maryland, and New Jersey—all receive an annual influx of migratory farm workers. They form a rather similar pattern as they move from camp to camp, recruited by labor contractors or organizations of growers to work for brief periods in gangs on an hourly or piece-rate basis in the performance of laboring operations of a specialized character. Recent studies have indicated that California is not the only locale of indigent and disadvantaged groups of this type, who move about, failing to earn an annual living wage from casual, seasonal employment in agriculture.

3. Nor is California the only locale in which industrialized agriculture has developed to a degree worthy of observation. According to estimates by experts, in 1935 there were 36,000 farms in the United States on which 7 or more farm laborers were hired for some period of employment. On 100,000 farms at least 3 persons were hired. Although California leads all of the other States in the number of its large-scale farms, they have developed, or are beginning to appear, in substantial numbers in such widely scattered States as Arizona, Texas, Washington, Louisiana, Arkansas, Oregon, Missouri, Ohio, Pennsylvania, New York, Virginia, North Carolina, Florida, Georgia, and South Carolina. As yet this problem is not typical of the traditional American "family farm," and is restricted to less than 1 percent of the Nation's farms. It has been estimated that 75 percent of our farms do not employ any hired labor, and 24 percent hire only a small number of workers. But there is great significance in this 1 percent of the Nation's large-scale, or corporate, farms when one considers the large number of their employees, their increasing share of agricultural income, and their impact upon the future welfare of the "family farmer" in a competitive commercial agriculture. The availability of large supplies of migratory labor facilitates their development.

4. California's existing farm-labor problem has been complicated by the recent migration into the State of nearly a half-million persons, largely native white Americans, seeking manual employment as seasonal laborers in California agriculture. Many of those who are migrant farm families do not come exclusively from the Dust Bowl, as is commonly thought. At least 16 States have contributed substantial numbers in excess of 1 percent of this total. Included in this list are Oklahoma (which has contributed approximately 22 percent), Texas, Kansas, Colorado, New Mexico, Nebraska, Montana, South Dakota, Arizona, Idaho, Utah, Nevada, Arkansas, Missouri, Oregon, and Washington. There have been other distinguishable waves of migration of farm families from other States of origin in the great Mississippi Valley to other States of destination on the coastal fringes, such as Oregon, Washington, Texas, Florida, and the eastern seaboard. The reasons for unintelligent and misguided migration, the welfare of the families who are so uprooted from their local communities, and various aspects of their adjustment in areas of destination, are matters for further inquiry. Their impact and future in an already crowded labor market in agriculture is a matter of serious concern.

5. The causes of this movement of farm families off the land into crowded channels of employment in industrialized agriculture, are variously attributed to mechanization and amalgamation of farms, drought, foreclosures, and movements away from submarginal land. These agents do not seem to have spent their force. Every farmer standing in their way becomes a farm laborer. The recent marked development of the use of labor-saving machinery and large-scale operations threatens to displace from the land ever-increasing numbers of the two-million-odd farm tenants and 800,000 sharecroppers in our great Wheat, Corn, and Cotton Belts. Their status on the land is solely dependent upon the landowner's opinion of the continued economy of operation through manpower in a competitive agriculture. Thousands of farm owner-operators are burdened with indebtedness contracted for amounts so large and rates so high that they are likely to be forced to become tenants, croppers, or farm laborers. There are various expert opinions on the extent of additional annual migration to be expected from drought-ridden areas in the Great Plains, eroded or submarginal units in the Appalachian-Ozarks area, and the Great Lakes cut-over area, if land resources there are to achieve a proper balance with population. All agree that substantial population movements and shifts in tenure from owner or tenant to farm laborer are in the offing. Evidence on the full expectancy of these potential developments is necessary to any evaluation of the present scale and methods of coping with this problem.

6. The absence of urban opportunities for the natural increase in farm population annually confront hundreds of thousands of young farm people with the dismal prospect of moving into an already crowded farm-labor market without substantial opportunities to become individual landowners.

7. There are ominous signs that the Nation is confronted with a transition from the traditional family farm toward industrialized or corporative agriculture. Farming as a way of life is threatened. This transition challenges long-accepted national ideals of the farmer on his own land. If our national agriculture faces the same cycle that changed the form of industry from 1870 to 1930, the problem should be fully recognized if it is to be checked and revised. New patterns of security and opportunity that preserve the native values of our traditional system must be provided for those who are about to be displaced. For them there must be some alternative protection in harmony with democratic methods, from the harsh workings of competition in a crowded labor market. The Nation faces again, as at the time of the Homestead Act in 1862 and the inquiry of the Commission on Country Life in 1909, the periodical necessity of restating our national ideals of the place of agricultural workers in society.

Presentation of Brandeis Medal to Hon. Harold L. Ickes

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, April 25 (legislative day of Wednesday, April 24), 1940

ADDRESSES BY HON. CLAUDE PEPPER, OF FLORIDA, AND HON. HAROLD L. ICKES

Mr. MEAD. Mr. President, I ask unanimous consent that there be printed in the RECORD the eloquent and inspiring address delivered by the junior Senator from Florida [Mr. PEPPER] upon the occasion of the presentation of the Louis D. Brandeis Medal to Hon. Harold L. Ickes, Secretary of the Interior, through the Jewish Forum, at the Biltmore Hotel, New York City, on Sunday, April 14, 1940, together with the address of Secretary Ickes in accepting the medal.

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. CLAUDE PEPPER, OF FLORIDA

Under the shade of the trees on the other side of the river of life, I have always imagined a pleasant company of men and women of all times, coming together at frequent intervals to reminisce upon the world from which they came.

The picture my imagination has drawn of these scenes shows each of the group, if not speaking eagerly, awaiting his or her time to tell, in animated words, of the glories of his or her generation on earth—of the heroic story of that generation's great. It is easy to see visions of earnest but good-natured rivalry among the spokesmen as the virtues of each generation's heroes are extolled and the majestic figures of earth are called in review before admiring champions of their own time.

I know that one of those giants of this generation, who shall be a favorite of those of us who shall have the privilege to speak for our time, shall be Hon. Louis D. Brandeis, recently retired as Associate Justice of the Supreme Court of the United States, who gave the medal which is to be bestowed today.

The life of Louis D. Brandeis is an epic of America and Americanism. This man—the subtle force which makes up this man's mind and spirit—has been one of the stars by which the course of the world has been fixed. If one believes that men are pushed up like mountains by the irresistible urge of the inner forces of nature, then surely this man has been the spokesman of his time to deliver a prophetic message.

To him has been vouchsafed a vision of a complex world; to his ear the plaintive note of the world's oppressed has been audible; to him has been given an eye to see—to see down the long, dark corridors of time—to see through the fog and the haze of confusion—to see the light of coming day, even from the feeble streaks of first dawn.

His still voice, reaching through the clamor of the day, has penetrated the deep recesses of men's understanding. It has drawn the reins of reason tight upon the violent wills of men. It has warmed and melted out of men's hearts their prejudices.

This convincing voice, which has been the light and assurance of a generation, speaks in a characteristic sentiment again in the donation of the medal which is to be awarded to a great American today, through the Jewish Forum, for a distinguished service to humanity in the past year.

It is stimulating that again this medal is to be awarded for exemplary service to mankind. In the awards which have been made in the past, the high standards governing the award, and the broad scope which it covers, have been established.

One award went, with universal acclaim, to that sweet spirit who has beautified and dignified her generation with her own life, and given herself immortality of influence in the motherhood of the greatest man of his time, her son, Franklin—Mrs. Sarah Delano Roosevelt.

Another award justly was bestowed upon James McDonald, one of the noblemen of the Catholic Church, who distinguished himself by his magnificent service to the pathetic and oppressed people of another faith than his own.

Another award gave recognition to a sad figure, driven from his own land by a government which disdained the world's acclaim and affection for one of its great scholars—Thomas Mann, citizen of the civilized world—late a resident of a strange new land, Nazi Germany.

Now, true to its already great tradition, the award is again to be bestowed upon another Christian by the Jewish Forum. True to the spirit of its conception and its history, this award gives recognition to what a man thinketh in his heart, for by that criterion, as the Scriptures have told us, do we know so he is.

Some men are considered great for what they have done, and great deeds deserve great rewards; but the true standard of greatness is what men are, what they stand for, what do they think in their hearts, what causes have they lent their strength to, what forces have they thwarted. Whom and what have they championed and dared to die for, what hard-pressed warrior have they come to the side of when the battle was going to the enemy.

Harold L. Ickes is not just a great American, nor is he only a member of the Cabinet of the President of the United States; nor, indeed, is he merely a public official in whom is singularly personified the sentiment that a public office is a public trust. Harold L. Ickes has reached his present stature in the opinion of his generation—a stature which has brought him this eminent recognition today—because of what the man Harold L. Ickes thinketh in his heart.

A passion for liberty, for freedom—the larger liberty and the sure freedom which not only the bodies but the minds and souls of men thirst for—a hatred of tyranny, oppression, intolerance; that is what Harold L. Ickes thinketh in his heart. That is why he has been brought here today to be honored by the people of another faith and creed from his own, for this passion for liberty and freedom is universal, knowing no race, no particular faith, or creed.

How good that we have not lost in this mad world some sense of values, that moral heroes have their rewards and men pause to honor one of their generation for the great things he stands for.

It is fitting that the Jewish Forum has chosen to present this award to the honoree—a man who has attained distinction himself as artist, scholar, and citizen.

I have the pleasure to introduce Hon. M. Manischewitz, member of the advisory board of the Jewish Forum and chairman of the presentation committee.

ADDRESS OF SECRETARY OF THE INTERIOR HAROLD L. ICKES

It is indeed a great honor to accept this medal so generously tendered by the Jewish Forum in the name of Louis D. Brandeis who, in addition to being a very great American, is one of the justly famous men in the world today. It is universally recognized that Justice Brandeis is one of the three or four most distinguished jurists who have graced the United States Supreme Court in the century and a half of its existence. But even transcending this, he has always been a champion of the common man, a lover of justice, and an uncompromising doer of it. In these qualities, Louis D. Brandeis expresses what is finest in his country and noblest in the human race. In him have been wedded the undying aspirations of the Jewish religion and of American democracy, the offspring of which have brought great spiritual riches to our country.

In trying days like these it is the Jews in particular, both distinguished and humble, who have something precious to offer our country and our common civilization. I am thinking especially of the spiritual heritage of the Jews, their civic skills, and their passion for justice. Jewish history is an ancient well of human experience, which throughout the ages, has been infinitely varied. But be it said, to the Jews' everlasting honor, that it contains few examples of organized brutality or deliberate injustice.

This record is impressive and has few, if any, parallels. Throughout the centuries Jews have been active in virtually every human pursuit, whether of gain or of God's truth. Outstandingly the Jews are a people of peace. They love peace with all their souls because, from long experience, they have learned the bitter lesson that war and violence engender more horrible wars and greater violence. They early learned that life is sacred and that the supreme duty of man is to cherish it. They recognize, as did the great Benjamin Franklin, their friend, that "even successful wars at

length become misfortunes to those who commence them." Jews are historically too old and spiritually too wise to have any childlike illusions about the heroism of death and the glory of the bondage of man.

Herein, in my view, lies one of the reasons for the Jewish tragedy in Europe today. Devoted to the arts and eager in the pursuit of peace, the Jews, for these very reasons, are the objects of the cruel gangster who must, perforce, see an enemy in every man who longs for a life of peace, whether he be Jew or Gentile. It happens that the Jew, belonging, as he does, to a minority religious group, initially is more vulnerable than the peaceful Christian who may have transitory protection because he is a member of a group within the majority. But neither the peace-loving Jew nor the humanitarian gentile can be safe in his life or serene in his liberties, so long as stronger and ruthless groups of men are able to preach hatred and practice violence.

There is no safety under the sun for civilized man, except under conditions of genuine toleration and inalienable legal equality.

In the last analysis, the fate of both Jews and Christians is so closely linked that one cannot be injured without serious damage to the other. It is a fatal illusion to think, as some seem to be doing in countries like Germany, that you can throw a Jew into the arena and therewith satisfy the beast. The experience of mankind has shown that the more you throw to the beast, the more bloodthirsty he becomes, until in the end he devours the very one who has fed him.

It seems to me that the problem of anti-Semitism is more a non-Jewish than a Jewish one. Wherever the cancer of anti-Semitism is permitted to spread, there society as a whole is in danger of a deadly epidemic. Anti-Semitism is the kind of disaster that is unique in this respect: First it strikes down one set of victims, the while lulling in false security the remainder who will suffer a like fate in its turn. First the Jew is stricken, then other political, religious, and racial minorities are engulfed. Such has been the conventional course of this disease. In Germany half a million Jews felt the mailed fist at the beginning. Then 70,000,000 non-Jews found themselves exposed to privation and compelled to endure suffering. Today the whole German nation stands on the brink of an abyss.

This is why I insist that the past of anti-Semitism is largely the concern of us non-Jews. We, being in an overwhelming majority, stand, from a quantitative point of view, in proportionately greater danger than do the Jews.

There has been no time in history when there has been a greater need for Jewish-Christian understanding and Christian-Jewish cooperation than today. Both of these great religions have enriched our lives. The basic ethical teachings of both stem from the same principles. We should remember that the Golden Rule, which is the very essence of Christianity, sprang from the older Jewish religious philosophy. Today, both faiths must fight shoulder to shoulder in the defense of their ideal of civilized humanity, based upon democracy.

The Jews, who have suffered infinitely more than any other peace-loving people, must not be permitted to feel that they are alone in the struggle for the preservation of a humane and civilized way of life. All of us who are men of good will, Gentiles and Jews, must enlist in the same cause.

There is a pressing need to succor the already stricken victims of organized savagery abroad and to find a haven for them. In his first annual message to Congress, President Jefferson raised his eloquent voice in favor of a refuge here for victims of Napoleonic fascism. "And shall we," Jefferson asked, "refuse the unhappy fugitives from distress that hospitality which the savages of the wilderness extended to our fathers arriving in this land? Shall oppressed humanity find no asylum on this globe?"

The difficulties in the way of large-scale immigration are great today, as they were in Jefferson's time, although for different reasons. But something must be done. There is the possibility of the settlement of some refugees in Alaska, although such opportunities are necessarily limited by geographical, political, and financial considerations. I am bound to say that Alaska would be fortunate, as were our States, in their early history, if it could absorb the talent and idealism which other nations unwisely cast out.

Anyone who knows the true qualities of the Jews will agree with the estimate made of them by the learned John Adams, second President of the United States. He believed that no people, not excluding the English and the French, had contributed more to the progress of science and civilization than the Jews. I can do no better than to conclude this brief address of appreciation of the great honor that you have done me by quoting these little-known words of John Adams:

"The Hebrews have done more to civilize men than any other nation. If I were an atheist, and believed in blind eternal fate, I should still believe that fate had ordained the Jews to be the most essential instrument for civilizing the nations. If I were an atheist * * *, I should believe that chance had ordered the Jews to preserve and propagate to all mankind the doctrine of a supreme, intelligent, wise, almighty sovereign of the universe, which I believe to be the great essential principle of all morality, and consequently of all civilization."

Wheeler, Liberal Champion

EXTENSION OF REMARKS

OF

HON. EDWIN C. JOHNSON

OF COLORADO

IN THE SENATE OF THE UNITED STATES

Thursday, April 25 (legislative day of Wednesday, April 24), 1940

ARTICLE BY RAYMOND P. BRANDT

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the pen of Raymond P. Brandt, which appeared in the Washington Sunday Star of April 21. The subject of the article is Wheeler, Liberal Champion, and I am sure it will be of great interest to the readers of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Star of April 21, 1940]

WHEELER, LIBERAL CHAMPION, FIGHTS TO WIN IN CAREER CHECKERED BY DEFEATS

(By Raymond P. Brandt)

The original story for the motion picture Mr. Smith Goes to Washington was called The Man from Montana and was based in part on the tempestuous career of Senator WHEELER. Will Hays vetoed the title and many drastic changes were made in the story before it reached the screen. But the original idea was sound, for BURT WHEELER's career is studded with episodes more lurid than any in Frank Capra's film.

Furthermore, WHEELER at 58 looks like a screen Senator—or a President. He stands well over 6 feet. His head is large and well shaped. His small, expressive hands—gambler's hands, they have been called—constantly move from the wrist as he talks. He has "presence."

The salty New Englander who settled in Butte because card sharps got his money there and he couldn't travel any farther has been fighting ever since. He has taken a licking again and again. He has been viciously framed at home and in Washington. He has been vilified outrageously. But waste no sympathy on him, for he can dish it out as well as take it. When he fights, he fights to win, rough and tumble, and he isn't dainty about his weapons. Just now he is riding high; he can unquestionably stay in the Senate; he is an avowed candidate for the Presidency.

ANACONDA ANCIENT ENEMY

His first fight was with "the company." When WHEELER says "the company," he still means the Anaconda Copper Co. When he was a fledgling legislator in Helena, 30 years ago, Anaconda regarded Montana as its private domain and the legislature was expected to pay homage. WHEELER joined the forces trying to send Thomas J. Walsh to the United States Senate. Walsh was barely defeated then, but won his seat 2 years later, in 1912, and got President Wilson to appoint WHEELER United States attorney for Montana.

That district attorneyship, during the World War, continued WHEELER's political education. Superpatriots clamored for prosecution of enemy Irish and German workers, syndicalists, and labor leaders. Behind the agitation WHEELER sensed the hand of the mining interests maneuvering to crush unionism. Refusing to yield to the clamor, he was denounced and the spy hunters shrieked that Montana was a hotbed of sedition because of his attitude. WHEELER's answer was to go after war profiteers and grain speculators. But in 1918 he resigned because he was told that otherwise Senator Walsh would be defeated for reelection.

Thereafter WHEELER was offered appointment as Federal judge in Panama, but refused because he was convinced that it was a trick of the interests to get him out of the State. In 1920 he ran for Governor. Mobs broke up his meetings, once chased him out of town. He was the worst beaten Democratic candidate who had ever sought office in Montana. Two years later he won the Senatorship by the largest majority ever given a senatorial candidate. Popular approval had caught up with WHEELER's views.

WENT AFTER DAUGHERTY

He had not been long in Washington when the Teapot Dome scandals broke. "I came to the conclusion that if Daugherty was the Attorney General he should be, he must have known about the whole affair," WHEELER recalled the other day. "I prepared a resolution demanding his dismissal from the Cabinet. Imagine my surprise when Joe Robinson, of Arkansas, got ahead of me by calling for the ouster of Denby, Secretary of the Navy. Joe persuaded me to change my resolution to a demand for investigation

instead of dismissal. It passed 66 to 1. During the debate Senator Willis, of Ohio, coined a political classic. Harry Daugherty, he said, was 'clean as a hound's tooth.'"

WHEELER had only hearsay to go on. But just a few days before the hearings started he found in Ohio the bizarre Roxy Stinson, divorced wife of Daugherty's most intimate friend, Jesse Smith, who had killed himself the year before in Daugherty's apartment. Roxy broke the case wide open. WHEELER was severely criticized for using her as his principal witness, but this was rough-and-tumble fighting of the Montana kind. He was out to win.

In revenge, he was shamefully framed. Federal courts in Montana indicted him on the trumped-up charge of "unlawfully accepting money to influence issuance of oil and gas prospecting permits." There was a blast from the opposition press: WHEELER was a demagogue, a subversive influence, the "most dangerous radical in America," a friend of Moscow.

In the midst of all this, Ray Baker, a Democratic wheel horse, former Director of the Mint, told WHEELER he had heard the Republican administration would indict him in the District of Columbia as well if he joined Robert M. La Follette, who had just been nominated for President on a third-party ticket. WHEELER already had refused to run, but now he got La Follette on the telephone and told him he had reconsidered. That is the story, here told for the first time, of how WHEELER came to run for Vice President in 1924. And, sure enough, the following March he was indicted in Washington. He was acquitted in both courts and exonerated in the Senate by an overwhelming vote.

BEAT SUPREME COURT BILL

In some respects his greatest fight was with Roosevelt. WHEELER, more than any other man, beat the proposal to pack the Supreme Court. He had been a New Deal supporter from the start, had steered through the Senate some of its most important legislation—for instance, the holding companies' "death sentence" act. Most of his liberal friends—reluctantly or otherwise—were for the Supreme Court reorganization bill. In the opposition were elements he had scorned and who had scorned him.

But he did not hesitate; he was one of the first to announce his opposition. "A liberal cause," he said, "was never won by stacking a deck of cards, by stuffing a ballot box, or packing a court."

He had no hope of beating the bill when the fight began, but thought that he might be able to win modifications. Popular sentiment gradually swung his way; Senators slowly were won over, and eventually WHEELER administered the coup de grace.

Chief Justice Hughes had declined to testify before the Senate Judiciary Committee, although obviously the best person to present the views of the Court. WHEELER went to see Justice Brandeis, his close friend. Telephone to the Chief Justice, Brandeis urged; maybe he will write a letter. WHEELER demurred; he didn't know the Chief Justice.

"Well, the Chief Justice knows you, and what you're doing," said Brandeis. He led WHEELER to the telephone, stood with his arm across the Senator's shoulders as WHEELER made the call. Hughes was, possibly, just waiting to be asked. Next day WHEELER had an eight-page letter on which the Chief Justice and his law clerk had worked most of the night. The Supreme Court was not behind in its work, said the Chief Justice. The President's proposal to add six more Justices would impair, not increase, the Court's efficiency. That letter killed the bill.

NO LONGER CALLED A "RED"

Conservatives suddenly discovered this man WHEELER wasn't so bad after all. Has WHEELER himself changed? There is evidence that his views have broadened. The railroads shuddered when he became chairman of the powerful Interstate Commerce Committee of the Senate, in 1934, but they have found him notably fair and ready to hear both sides of any case. He made a speech last December to the National Association of Manufacturers which that organization still is circulating in pamphlet form. It pleads for Government cooperation with business. Nobody calls him a "red" any more. But it is probable that though he is less impatient, not so sure of quick panaceas, he is unchanged fundamentally. He still is the spokesman for the agrarian West, for silver, for labor.

To be for monetization of silver is good politics in Montana. A high price for silver means jobs for miners. And silver inflation would mean that farmers could pay off their debts with debased dollars. WHEELER has twice proposed coinage of silver at the Bryan ratio of 16 to 1. It is likewise good local politics to be against the Hull reciprocal-trade treaties, for Montana is a cattle-raising State and fears competition of imported beef.

This man from Montana, now 17 years in the Senate, is not a student in the sense that La Follette and Borah were; his liberalism grows out of personal experiences. He is essentially a scrapper, a courtroom lawyer. Born in Hudson, Mass., he talks the earthy western vernacular with a residual trace of Yankee accent. He puts the New England "r" on "hadn't orter." But he cusses in pure Montanese.

He was the youngest of 10 children on a farm. After going through high school and a business college he worked in a hardware store, an optical-goods factory, and a lawyer's office to scrape together $750, enough to enroll in the University of Michigan Law School. At Ann Arbor he waited on table and did clerical work in the dean's office. Summers he peddled Dr. Chase's cookbook, published in English, German, and Norwegian, price $1 to $3.50, depending on the binding; commission, 60 percent. He cleared about $300 each summer. It was while peddling cookbooks that he met Miss Lulu White at Albany, Ill.

When BURT WHEELER was graduated from law school, in 1905, he was sent West by a physician who mistook overwork for tuberculosis. He established a law practice in the tough mining town of Butte, after he had been cheated of his small bank roll there.

In 2 years he was doing well enough to go back to Illinois to claim his bride. There was a large crowd on the Mississippi River steamboat carrying him on the last stage of his journey.

"There's a wedding up at Albany," the captain explained. "John White's daughter's getting married."

"Who's the bridegroom?" WHEELER ventured.

"Some damn' book agent."

The WHEELERS live in a sprawling white frame house in Washington—big because they have six children. Mrs. WHEELER likes to play nine holes of golf with him before breakfast to be sure he gets his exercise.

HAS FEW INTIMATES

WHEELER is easy to meet, easy to talk to, but has few real intimates. He plays the game expertly with the Washington correspondents, with the result that he often gets the breaks in news columns even when editorial pages are lambasting him.

The Senator keeps up his law practice. Borah complained when liberal colleagues would not support his perennial bill to bar Senators from representing firms which do business with the Government. "The difference between Borah and me is that I've got six kids," said WHEELER. Summers the WHEELERS go to a log cabin in Glacier Park. Described by political opponents as "palatial," actually it cost $750. WHEELER and his three boys built some additions.

Montana is Far West. It is not populous—has only four electoral votes. Yet WHEELER has a chance to win the Democratic nomination. He has elements of strength, is acceptable to most new dealers and not unpalatable to conservative Democrats. If the 1940 election is to be decided by three minority groups—farmers, organized labor, and Negroes—WHEELER is in a powerful position. He is the sponsor of three farm-relief bills. John L. Lewis has singled him out for special political favor—indeed, he seems to be Lewis' first choice for the Presidency—and William Green has spoken highly of him. He is the darling of the railroad brotherhoods. He has demonstrated ability to get support from Republicans in the Senate.

It is an outside chance. He knows it and is hedging his bet by seeking reelection to the Senate. That's the shrewd Yankee in him.

It is a long shot—but long shots have won before.

Balkanizing the United States

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 25, 1940

RADIO ADDRESS BY HON. EMANUEL CELLER, OF NEW YORK

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address entitled "Balkanizing the United States," which I delivered over station WJZ, of the blue network of the National Broadcasting Co., Friday, April 19, 1940:

Ladies and gentlemen of the radio audience, the Constitution of the United States contemplated absolute free trade among all the States. It has been our pride for many years to think of the United States as the greatest free-trade area in the world. That, of course, is what it should be; that is what every American wants.

But we've had a rude awakening in the last year and a half.

An awakening that has not been pleasant.

Our ability, as a nation, to achieve greater happiness and prosperity for everyone; our ambition to maintain a free flow of trade from 1 State to the 47 sister States is threatened.

We have been planting a new jungle—planting it vigorously and thoughtlessly for the last 25 years—and we have been planting the new jungle not to maintain the United States but, unfortunately, to create a dis-United States.

The seeds of that jungle are statute laws, regulations, and orders of administrative agencies in each of the 48 States that restrict the movement of products of the factory and of the farm in interstate commerce. Lately we have been calling them trade-barrier laws. There are others, that have not been so classified, which also act to restrict the free flow of commerce among the States.

The Detroit Free Press, in reviewing the testimony on trade barriers before the Temporary National Economic Committee in Washington during the last week in March, wrote:

"Americans may awake some day, if this process of Balkanizing the United States continues, to the fact that they are no more secure than are the peoples of some of the smaller countries of Europe who have got into trouble by erecting trade barriers around themselves."

Business is keenly aware of the problem and sees it in its practical realism.

It is probably true that the bulk of these regulatory laws were put on the statute books as a result of the powerful pressure for local selfish protection or subsidy, but today business as a whole has finally realized that these barrier laws do not remain local affairs. On the contrary, they reach out from coast to coast and affect all business—affect the farmers of this land—and touch the pocketbooks of all of us as consumers.

The practical effect of State barrier laws is to:

First. Raise prices.

Second. Reduce consumption, decrease jobs, and lower the standard of living for the masses.

Third. Because of these two factors, lower income for farmers and office workers.

Fourth. Reduce employment. Lowering of consumption necessarily cuts production and this not only causes existing organizations to lay off workers but discourages the formation of new enterprises which, if formed, would take up much of the employment slack.

Assuredly President Roosevelt's goal of an annual national income of at least $90,000,000,000 can never be reached unless interstate business is allowed to operate freely.

Let me give you a few of the typical examples of some of the silly and ridiculous legislation that this administration found when it took office, and is still trying earnestly and diligently to remove.

Rhode Island dairymen want all Rhode Island markets for themselves. Hence, milk coming in from other States must be, and actually has been, colored pink. Imagine drinking pink milk!

An egg laid in Florida this very morning cannot be sold in adjoining Georgia and marked as a fresh egg. But, presumably, a Georgia egg laid by a Georgia hen in Georgia is still a fresh egg—no matter how old it is.

In certain New England States, eggs laid even this morning in adjoining States cannot be sold unless, as the laws ridiculously prescribe, "they have nontremulous air cells." That keeps out-of-State eggs out of those States most effectively. The consumer pays the price.

Milk, no matter how pure or cheap, cannot come into Washington, D. C., markets unless it has come from cows that have been wiped clean, teat by teat, with a hemstitched linen towel of certain dimensions used by a man sitting on a three-legged stool in a barn that has a smooth ceiling. This would seem to put the dairyman right into the laundry business.

In Michigan the tax on wine from home-grown grapes is 4 cents a gallon, but wine from California grapes is taxed 50 cents a gallon.

Alabama imposes a tax of $1,000 on each liquor-manufacturing plant, but the tax drops to $25 if the materials originate within the State.

Eleven States have established ports of entry where motortrucks are stopped, measured, inspected, weighed, registered, taxed as to gasoline, mileage, weight of pay load, etc. Inland Kansas has 66 of these customs-duties barriers or ports of entry. Nebraska has 31; New Mexico, 22; California, 14. Imagine ports of entry or customhouses between States. Isn't it just like Yugoslavia, Hungary, Bessarabia, and Rumania?

Tourist permits: The tourist season is getting under way and the highways will be crowded with vacationers on the way east, west, north, and south. Thousands of them will be surprised to run into border barriers erected by States.

There are four types of these barriers that affect private passenger-car owners and offer a threat to the free interstate movement of vehicles. These include the requirement that visitors obtain tourist permits, application of caravaning laws to privately owned vehicles, discrimination against motorists at agricultural inspections, and restrictions placed on commercial travelers using their own vehicles.

There are 13 States that require visitors to obtain tourist permits. Two of these States charge fees for the permits. These are not dissimilar to passports required between different countries. Caravaning laws, designed to halt the passage of cars under their own power or in tow for purposes of sale, are in effect in 14 States.

Florida keeps out California oranges for fear of a long-vanished brown rat, and California retaliates by banning Florida oranges and lemons because of a nonexistent citrus canker.

Oleomargarine, a butter substitute, a poor-man's food, pure food wherever butter cannot be afforded, is taxed practically out of use in 31 States. The cotton producer is thus deprived of the sale of millions of dollars of vegetable-oils sales regularly. And no one profits, not even the butter producer.

Motor-vehicle levies have worked a hardship on interstate truck lines. Taxes, size and load limitations, directional-light, tail-light, and side-light statutes are so diverse that trucks traveling over large areas resemble circus wagons when decorated with tags complying with various State laws.

Trucks loaded with market produce for the family table are held up in Ohio, Indiana, Illinois, the innocent drivers arrested, the market produce allowed to rot—causing loss to farmer and consumer—on the silly regulation that makes the truck 3 inches too long in one State or a pound over the weight permitted in another State. Existing regulations today require a motor-vehicle operator to pay $1,100 in fees to pass on a single trip from Alabama, through Georgia, to South Carolina.

Motor vehicles: Interstate truckers probably have been more vitally affected by trade barriers than any other group.

In one case an Iowa farmer started for St. Louis, Mo., with a load of melons. He was stopped by the Iowa State highway patrol because his truck was not equipped with three green lights required by law.

His delay in putting on the lights caused him to be overtaken by darkness in Missouri, where he was stopped and forced to remove the lights, because in Missouri they were illegal.

In yet another trucking case a Texas man wanted to ship his household belongings to West Virginia by moving van.

He found he could not make the trip by short southern route because in Kentucky the length of the truck and trailer was limited to 30 feet, 2 feet shorter than his truck and trailer.

If he wanted to go the northern route, he would have to spend at least $1,000 in attorney's fees, travel expenses, and taxes, and would have to use 6 weeks of his time in changing the appearance of his truck for one State, rechanging it for another State.

Lightning disabled the municipal power plant of Old Hickory, Tenn., and its 10,000 inhabitants were left temporarily without light, water, and fire protection. A truck was dispatched from Chicago with a transformer necessary to repair the plant. Knowing vaguely of the red tape ahead, the shipper gave his driver a letter:

"This truck is on an errand of mercy. A city of 10,000 people is dependent on light, water, and fire protection which the transformer carried hereon will provide. If this vehicle should happen not to be within State regulations, please consider its mission and let it go through."

At West Point, Ky., the truck was halted. By the inspector's tape measure it was 12 inches longer than the law allowed. The driver showed his letter. It was interesting, but the law was the law; the truck didn't move. The driver telephoned Chicago for help, and soon the wires to the Tennessee Governor's office in Nashville were buzzing. The Governor sent a telegram; that, too, was interesting. But only when $100 was telegraphed the driver to pay his fine was the truck released. While a city in danger waited, relief was held lawbound a full day.

After delivering the transformer the driver asked permisison to take the empty truck home through Kentucky. It was denied, after another 24-hour delay, and the driver finally got his truck back to Chicago via a wide detour of Kentucky through Missouri.

As A. H. Martin, Jr., national director of the United States Marketing Laws Survey, pointed out in his testimony before the T. N. E. C. in March, the survey, at this stage in its tremendously important work, has found upon the statute books of the 48 States a total of 1,489 of such trade-barrier provisions.

I would not have you think that is all that business has to contend with and the consumer has to pay for.

There are thousands of laws still to be examined and analyzed.

There are tens of thousands of administrative orders and regulations issued by administrative agencies in the 48 States yet to be examined. Director Martin, of the Marketing Laws Survey, told the T. N. E. C. committee that one box of Illinois regulations received in his office from only 10 of its administrative agencies weighed 282 pounds.

If we may assume that a like number of administrative orders, rules, and regulations exist in other States, multiply the 282 pounds by 48 and you get 13,436 pounds—six and a quarter tons of regulations that business enterprises would have to wade through to find out what must be done and what must not be done before one can sell a bill of goods.

There remain yet to be examined the municipal ordinances and regulations of the principal marketing centers of the country.

Through the work of the Council of State Government, and particularly the United States Marketing Laws Survey, we have just learned as a nation of these 1,400 instances I have just mentioned.

The work has just begun.

It must be continued.

Before the industrial ills of the Nation can be cured we must have expert diagnosis of the causes of our troubles and ills.

It is for the reasons that I have just sketched for you that I have introduced in the House of Representatives a resolution—House Joint Resolution 457—proposing that the temporary marketing laws survey (which pioneered in this work and, along with the Council of State Governments, the Department of Agriculture, and other agencies, is responsible for awakening America to the havoc that threatens us) be continued as a permanent agency of research into the laws and administrative rulings that affect the distribution of goods or services throughout the United States. That bill now being considered by the House Committee on Interstate and Foreign Commerce is known as House Joint Resolution 457.

Frank Bane, executive director of the Council of State Governments, proposed such an agency.

It is beyond the information and the powers of any business executive in planning the efficient distribution of products to keep abreast of the thousands of laws enacted by the 48 States that direct under what conditions and terms, under what complexity of taxation and regulation, how, when, and where business enterprise may gain access to the theoretically free markets of the United States.

The question of free markets is no longer a speculation within academic halls. It is today a problem on the desk of every sales manager who sells goods or services across State lines. It is a problem confronting every retailer. And to some as yet unmeasured extent, it is a question that further shrinks the freedom and purchasing power of the dollar in the housewife's purse when she enters her neighborhood store.

Trade barriers, discriminatory and retaliatory, have been written into statutes in each of the 48 States. Also, these trade barriers not easily identified because of many cunning disguises exist in hundreds of other statutes and in thousands of unprinted administrative orders and regulations in each of the 48 States.

There is a way to find out about these laws. And that is through such an agency as the Marketing Laws Survey. The cure is through entities like the Council of State Governments, which by negotiation and conference can induce the States mutually to remove these trade barriers; otherwise the Federal Government must step in and force removal.

The fight against trade barriers, led by the Council of State Governments, is a fight for a free commerce and business between States and for a united America. The public should recall that the United States Constitution was brought into being because of the trade wars that threatened in the first hours of our life as a nation by the the existence of the Federation of States.

You may recall the hostility between the Colonies of Maryland and Virginia. Maryland had jurisdiction over the whole width of the Potomac region and, jealous of Virginia's commercial prowess, prevented vessels destined to Virginia ports from entering the river.

Virginia controlled the ports of Cape Henry and Cape Charles, at the entrance of the Chesapeake. After Maryland showed her hand as outlined above, the fight was on. Virginia retaliated by excluding all Maryland ships from entering the great bay and thereby from gaining access to the Potomac itself. Virginia had long maintained lighthouses, buoys, and other aids to navigation in the Chesapeake and the Potomac. These were just as necessary to Maryland as to herself. Virginia demanded that Maryland pay part of the expenses. Maryland refused.

This colonial war occupied the serious attention of Jefferson and Madison. They caused the appointment of a commission to arrive at some peaceful settlement. The famous Mount Vernon Compact of 1784 between Maryland and Virginia resulted. This compact is one of our greatest historical documents.

Several years after, New York similarly attempted to close its rivers and sounds to the vessels and boats of New Jersey. New Jersey retaliated in kind along her shores. New York sought revenge by imposing duties, and the former asserted her sovereignty by placing imposts on New York goods. Only due to the intercession of the great statesmen of the day was the so-called war between these two States adjusted and both agreed to permit free access to the produce and services of the other.

The same kind of war is on again. Thousands of pieces of idiotic legislation in the various States, throwing up barriers at State borders against one product after another produced in neighboring or distant States, have put commerce and industry into 48 kinds of Balkan strait jackets, and divided this Nation, so far as trade is concerned, into 48 unneighborly small countries. The full extent of these trade barriers has been brought to light by the research of the Marketing Laws Survey.

The Survey's work has attracted the attention and won the endorsement of more than 680 trade associations, of chambers of commerce throughout the country, of the law schools of our great universities, and other professional bodies and organizations.

This resolution that I have introduced proposes that the work of the Marketing Laws Survey be made a permanent source of usefulness as a division of marketing laws research under the auspices of the United States Department of Commerce.

States must stop making faces at each other. They must stop shaking their fists at each other. This Balkanization of the Union must cease.

The Railway Mail Service

EXTENSION OF REMARKS

OF

HON. JAMES M. MEAD

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, April 25 (legislative day of Wednesday, April 24), 1940

ADDRESS BY POSTMASTER GENERAL FARLEY AT KANSAS CITY, MO.

Mr. MEAD. Mr. President, I ask unanimous consent that there may be inserted in the Appendix of the RECORD a very able address delivered by the Honorable James A. Farley, Postmaster General of the United States, at a luncheon of the Seventh Division, Railway Mail Service, Hotel President, Kansas City, Mo., on Wednesday, April 3, 1940.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a real pleasure to avail myself of this opportunity to meet with the clerks and officials of the Railway Mail Service. Kansas City is one of the most important railroad centers in the United States. It is the gateway to the vast agricultural and cattle regions of the South and Southwest. Naturally it must be a hub of Railway Mail Service activities. Trade and industry cannot prosper without efficient, dependable means of communication and that, of course, embraces the Postal Service and its very important unit, the Railway Mail Service.

I am therefore very happy to find here a very live Railway Mail Service personnel, in step with the dominant spirit of progress so characteristic of this wide-awake city. You may be sure I am really delighted to meet so many of the seventh division clerks and officials gathered here today. From the number present, I apprehend I may be laying myself open to the charge of being responsible for some of your runs going out by default. However, my time here is so limited that I am encouraged to believe some of you may yet relieve yourselves and me of possible embarrassment by piling into your cars just about leaving time.

Ever since I became a member of the Post Office Department I have been constantly impressed with the intelligence, loyalty, and alertness of its personnel. My definite respect for those very qualities would restrain any impulse that might plague me to attempt to ingratiate myself through the too common artifice of giving voice to any suggestion of flattery. I shall hold to my rule never to offend by taking up anyone's time with hollow and idle compliments just to reap a reflected but doubtful halo. This attitude, however, should cause no hesitation or restraint in giving credit where credit is due. So I find, in the limited research I have had the time to make, that the men of the seventh division, Railway Mail Service, have been alert and in the front rank of Railway Mail Service and R. M. A. progress. It has given to the Postal Service some of its finest officials.

May I digress here for just a moment to say that very naturally we take pride in the advancement and achievements of men who, through their progressive spirit, native ability, and industry, have graduated into places of higher responsibility in other fields. These fine men reflect credit upon the Postal Service and the personnel with which they have been associated. In this connection may I mention my good friend Harvey Couch, who graduated from the Railway Mail Service to become an outstanding leader in the industrial and civic life of this country. There is Lloyd Binford, who left the Railway Mail Service and has become an expert in insurance and the president of the Columbian Mutual Life Assurance Society of Memphis. And then there is United States Senator CLYDE M. REED, whom most of you know personally. CLYDE advanced through the various grades in the Railway Mail Service, became an official of the Post Office Department, and Superintendent of the Railway Mail Service. Later he became the Governor of the State of Kansas. He is now her United States Senator and a member of the important Committees on Post Offices and Post Roads and Interstate Commerce.

I might continue to call the roll of former Railway Mail Service men who became distinguished in business and the professions after leaving the Service. Many of the key men in the Post Office Department are graduates of the Railway Mail Service. In that group permit me to mention Smith Purdum, Fourth Assistant Postmaster General; Kildroy P. Aldrich, Chief Post Office Inspector; Jim Cole, Deputy Second Assistant Postmaster General; Roy North, Deputy Third Assistant; Aubrey Clayton, superintendent, Division of Cost Ascertainment; your own splendid inspector in charge, Emmett Hallock. I am convinced that in this representative gathering of postal people there are a number of fine men qualified and eligible to move onward and upward.

I find that in the Railway Mail Association the seventh division has been foremost in every movement for the betterment of the Service and for the improvement of the working conditions of the employees. Since the organization of the Railway Mail Association there have been 13 national presidents, including the present strong incumbent, my good friend, Frank Bennett. The seventh division has been honored with the presidency of the organization more times than any other division, having elected to that responsible office J. G. Fennessey, D. E. (Daddy) Barnes, and George H. Fair. After acquitting themselves with credit as presidents of the association, the latter two rendered efficient and faithful service to the Department as chief clerks of the Railway Mail Service until the date of their retirement. I have been looking forward to greeting "Daddy" Barnes and George Fair at this meeting. May I add also that my good friend, Henry Strickland, industrial secretary and editor of the Railway Post Office, is a member of the alumni of the seventh division.

It was here in Kansas City that the first postal convention of postmasters and postal employees of all branches of the Service was held. At that conference there was an attendance from six neighboring States to study the problems of the Postal Service and to make recommendations to the Department for Service improvements. The organization was launched in September 1909, as "the Southwest Postal Association" and George H. Fair was elected its first vice president. This association motivated Department officials, field officials, and the rank and file of the Service toward organization; endeavors not only for the advancement and improvement of the Postal Service but also to cement the relationship between all groups of postal units and to promote their common welfare.

Right here I wish to reiterate my attitude toward organizations. I have always been a firm believer in the happy results that must flow from friendly and constructive cooperation between management and employee organizations. Such cooperation is the surest way to secure the highest measure of mutual reward. I believe these views apply especially to Service organizations. I do not subscribe to the ideas advanced by some that membership in employee organizations necessarily implies antagonism to the management or the weakening of loyalty to the Service in which they are employed. It is through these organizations that a more enlightened understanding of the currents and problems of the Service is developed and a more tolerant viewpoint of the responsibility of administration and management is assimilated.

Service organizations that adhere to their real objectives, as defined in their organic laws, exert a very effective influence in the promotion of any movement for service betterment as well as for employee welfare. It is very gratifying to be able to say that the Department enjoys the most cordial relations with the regular Service organizations and I am sure you need have no apprehension about the friendly and cooperative spirit prevailing between Mr. O'Connell, Mr. Cole, and Mr. Hardy for the Post Office Department, and your president, Mr. Bennett, and the executive committee of the Railway Mail Association. This is as I wish it to be.

I trust that my record as Postmaster General is ample assurance to you that it is my firm purpose that all employees in the Service shall receive fair treatment at all times and that their working conditions shall be as favorable and their remuneration as liberal as may be justifiable under the prevailing credit and debit balances of the Post Office Department and the general economic conditions of the country.

Right here it may be proper to say that good leadership recognizes with clearness of vision that continuing aggressive drives by organized groups to advance their interests unduly and disproportionately at the expense of, or, in utter disregard of unorganized groups of taxpayers, may sooner or later bring on definite and unfavorable reactions. To find concrete proof of such reactions we need only to study public opinion as reflected in the daily press.

I have no fear that our Service organization leaders will make such a mistake and I am encouraged in this belief by my experience with these organizations. I shall always remember with deep appreciation the unselfish and cooperative spirit of the men and women of the Postal Service when under the stern necessities of the early period of the economic depression, which began in 1932, some of the more liberal conditions of employment as well as salaries had to be temporarily curtailed. The situation was accepted in such a truly patriotic and loyal spirit that I was especially gratified and delighted to recommend restoration of the predepression status just as soon as the fiscal conditions of the Post Office Department and the country would permit.

And now in closing, I wish to assure you of my keen interest in the continued success of the Railway Mail Service and my desire that with your loyal and constructive cooperation we shall continue to uphold and advance the reputation it has gained for unexcelled efficiency. It is gratifying to be associated with a service that has earned the high appraisement that has been so universally accorded you. I am especially pleased to have had this opportunity to meet so many of you and to briefly address you.